

**The Corporation of the  
City of Barrie**  
**Consolidated Financial Statements**  
For the year ended December 31, 2010

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the City of Barrie**  
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For the year ended December 31, 2010

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## Independent Auditor's Report

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**To the Mayor and Councillors of  
The Corporation of the City of Barrie**

We have audited the accompanying consolidated financial statements of The Corporation of the City of Barrie, which comprise the consolidated statement of financial position as at December 31, 2010, the consolidated statements of operations and accumulated surplus, change in net financial assets (debt) 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 public sector accounting standards, 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.

### **Auditor's 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Barrie as at December 31, 2010 and the results of its operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Barrie, Ontario

October 5, 2011

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## The Corporation of the City of Barrie

### Consolidated Statement of Financial Position

December 31

2010

2009

Restated  
(See Note 1)

#### Financial assets

Cash and cash equivalents (Note 2)	46,028,852	42,832,306
Taxes receivable	18,173,282	17,568,719
Accounts receivable	18,505,502	9,744,072
Inventories of land for resale	4,565,786	4,684,712
Long-term receivables (Note 4)	5,009,892	5,398,641
Investment in government business partnership (Note 6)	81,545,732	76,110,060
	<u>173,829,046</u>	<u>156,338,510</u>

#### Liabilities

Short-term construction advances (Note 3)	50,000,000	50,000,000
Accounts payable and accrued liabilities	77,906,421	71,619,467
Deferred revenue - general	8,114,506	7,421,929
Deferred revenue - obligatory reserve funds (Note 8)	54,115,445	55,160,028
Employee benefits plan liability (Note 9)	23,358,485	22,176,095
Landfill closure and post-closure liabilities (Note 10)	18,502,543	16,769,644
Net long-term liabilities and sinking fund debenture retirement (Note 11)	<u>114,021,576</u>	<u>47,912,018</u>

<u>346,018,976</u>	<u>271,059,181</u>
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#### Net debt

<u>(172,189,930)</u>	<u>(114,720,671)</u>
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#### Non-financial assets

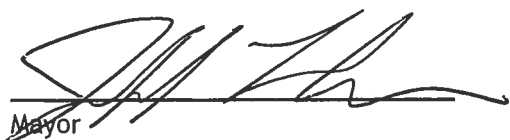
Tangible capital assets (Note 12)	1,277,076,095	1,190,595,228
Tangible capital assets under construction (Note 12)	315,137,761	275,299,035
Inventories of supplies	1,559,304	1,046,319
Prepaid expenses	140,865	121,426

<u>1,593,914,025</u>	<u>1,467,062,008</u>
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#### Accumulated surplus (Note 13)

<u>\$1,421,724,095</u>	<u>\$1,352,341,337</u>
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Commitments (Note 17) and Contingent liabilities (Note 18)

  
Mayor

  
Chief Administrative Officer

**The Corporation of the City of Barrie**  
**Consolidated Statement of Operations and Accumulated Surplus**

For the year ended December 31	Budget 2010	2010	2009
	(Note 21)		Restated (See Note 1)
<b>Revenue</b>			
Property taxation (Note 15)	\$ 161,446,393	\$ 160,200,707	\$ 152,637,959
User fees and service charges	52,922,708	52,477,830	48,431,877
Government transfers and grants	2,519,232	19,262,707	10,435,242
Provincial Offences Act (Note 20)	7,326,355	7,624,289	7,411,816
Licences, permit fees	3,410,156	4,455,672	3,370,665
Investment income	1,834,000	2,171,900	2,090,299
Other	7,570,932	15,429,665	10,420,433
Annexed assets (Note 5)	-	26,998,289	-
Equity earnings of government business partnership (Note 6)	-	5,435,677	4,424,723
Municipal contributions	497,316	577,809	645,911
Utilization of obligatory reserve funds (Note 8)	18,562,160	26,999,336	28,987,419
	<u>256,089,252</u>	<u>321,633,881</u>	<u>268,856,344</u>
<b>Expenses (Note 16)</b>			
General government	27,999,862	28,761,380	26,909,597
Protection services	72,559,007	72,772,910	66,082,824
Transportation services	44,534,783	44,597,228	42,514,559
Environmental services	49,237,030	47,828,739	44,455,292
Health services	16,613,275	3,650,399	13,323,579
Social and family services	15,165,343	14,343,262	15,354,496
Social housing	4,941,000	4,617,029	4,280,361
Recreation and cultural services	32,608,147	32,423,023	30,250,114
Planning and development	4,934,734	3,257,153	2,804,351
	<u>268,593,181</u>	<u>252,251,123</u>	<u>245,975,173</u>
<b>Annual surplus (deficit) (Note 23)</b>	<u>(12,503,929)</u>	<u>69,382,758</u>	<u>22,881,171</u>
<b>Accumulated surplus, beginning of year, as previously stated</b>	1,356,148,819	1,352,341,337	1,333,932,363
<b>Prior period adjustment (Note 1)</b>	-	-	(9,357,212)
<b>Accumulated surplus, beginning of year, as restated</b>	<u>1,356,148,819</u>	<u>1,352,341,337</u>	<u>1,324,575,151</u>
<b>Adjustment due to amalgamation (Note 7)</b>	-	-	4,885,015
<b>Accumulated surplus, end of year</b>	<u>\$1,343,644,890</u>	<u>\$1,421,724,095</u>	<u>\$ 1,352,341,337</u>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements

**The Corporation of the City of Barrie**  
**Consolidated Statement of Change in Net Financial Assets (Debt)**

For the year ended December 31	Budget 2010	2010	2009
	(Note 21)		Restated (See Note 1)
<b>Annual surplus (deficit)</b>	<b>\$ (12,503,929)</b>	<b>\$ 69,382,758</b>	<b>\$ 22,881,171</b>
Acquisition of tangible capital assets	(90,689,150)	(125,271,816)	(67,477,042)
Amortization of tangible capital assets	37,251,978	37,260,838	34,835,066
Loss on disposal of tangible capital assets	-	1,530,111	1,196,473
Acquisition of tangible capital assets under construction	-	(39,838,726)	(123,245,012)
Adjustment for prior period	-	-	(1,548,659)
	<u>(65,941,101)</u>	<u>(56,936,835)</u>	<u>(133,358,003)</u>
Increase in inventory of supplies	-	(512,985)	(9,940)
Increase in prepaid expenses	-	(19,439)	(74,898)
	<u>-</u>	<u>(532,424)</u>	<u>(84,838)</u>
<b>Net change in net financial debt</b>	<b>(65,941,101)</b>	<b>(57,469,259)</b>	<b>(133,442,841)</b>
<b>Net financial assets (debt), beginning of year</b>	<b>(114,720,671)</b>	<b>(114,720,671)</b>	<b>13,837,155</b>
<b>Adjustment due to amalgamation (Note 7)</b>	<b>-</b>	<b>-</b>	<b>4,885,015</b>
<b>Net debt, end of year</b>	<b><u>\$(180,661,772)</u></b>	<b><u>\$(172,189,930)</u></b>	<b><u>\$ (114,720,671)</u></b>

# The Corporation of the City of Barrie

## Consolidated Statement of Cash Flows

For the year ended December 31	2010	2009
		Restated (See Note 1)
<b>Operating transactions</b>		
Annual surplus	\$ 69,382,758	\$ 22,881,171
Items not involving cash		
Equity earnings of government business partnership	(5,435,677)	(4,424,723)
Amortization of tangible capital assets	37,260,838	34,835,066
Loss on disposal of tangible capital assets	1,530,111	1,196,473
Adjustment for prior period construction in progress	-	(1,548,659)
<b>Changes in non-cash operating balances</b>		
Increase in taxes receivable	(604,563)	(1,752,693)
(Increase) decrease in accounts receivable	(8,761,430)	1,023,978
Decrease (increase) in inventories of land for resale	118,926	(577,736)
Decrease in long-term receivables	388,749	381,001
Increase in accounts payable	6,286,954	10,811,974
Increase (decrease) in deferred revenue - general	692,577	(387,513)
Decrease in deferred revenue - obligatory reserve funds	(1,044,583)	(13,739,190)
Increase in employee benefits plan liability	1,182,390	2,945,791
Increase in landfill closure and post-closure liabilities	1,732,899	8,802,086
Increase in prepaid expenses	(19,439)	(74,897)
Increase in inventories of supplies	(512,985)	(9,940)
	<u>102,197,525</u>	<u>60,362,189</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(125,271,816)	(67,477,042)
Acquisition of tangible capital assets under construction	(39,838,726)	(123,245,012)
	<u>(165,110,542)</u>	<u>(190,722,054)</u>
<b>Investing transactions</b>		
Cash dividend received from government business partnership	-	15,387,469
<b>Financing transactions</b>		
Increase in short-term construction advances	-	50,000,000
Proceeds from issuance of long-term debt	75,000,000	34,633,018
Repayment of net long-term liabilities and sinking fund debenture retirement	(8,890,437)	(1,520,000)
	<u>66,109,563</u>	<u>83,113,018</u>
<b>Net change in cash and cash equivalents</b>	3,196,546	(31,859,378)
<b>Cash and cash equivalents, beginning of year</b>	<u>42,832,306</u>	<u>74,691,684</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 46,028,852</u>	<u>\$ 42,832,306</u>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements

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## The Corporation of the City of Barrie

### Summary of Significant Accounting Policies

December 31, 2010

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#### Management's Responsibility

The consolidated financial statements of the Corporation of the City of Barrie (the 'City') are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

#### Reporting Entity

i) Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenues and 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 owned or controlled by the City. These boards and entities include:

Allandale Community Development Corporation  
Barrie Police Services Board  
Barrie Public Library Board  
Downtown Barrie Business Improvement Area  
The Corporation of the City of Barrie - Sinking Fund

All inter-entity transactions and balances have been eliminated.

ii) Modified equity accounting:

Government business partnerships are accounted for by the modified equity method. Under this method the business partnerships' accounting principles are not adjusted to conform with those of the City and inter-entity transactions and balances are not eliminated. The government business partnership included during the year and summarized in Note 6 is:

Barrie Hydro Holdings Inc.

iii) Proportionately consolidated entities:

These consolidated financial statements reflect the proportional assets, liabilities, revenues and expenses of the following entity:

Lake Simcoe Regional Airport Commission 80%

All proportional inter-entity transactions and balances have been eliminated.

#### Cash and Cash Equivalents

Cash consists of balances held at financial institutions and all cash equivalents consist of highly liquid financial instruments with maturity of three months or less at acquisition.



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## The Corporation of the City of Barrie

### Summary of Significant Accounting Policies

December 31, 2010

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Inventories	<p>Inventories of land held for resale is valued at the lower of cost and net realizable value.</p> <p>Inventory of goods and supplies are priced at average cost on a first-in, first-out basis.</p>																
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including, but not limited to: transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue when fair value can be reasonably estimated. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year following that in which the asset is available for productive use as follows:</p> <table><tr><td>Buildings</td><td>15 to 60 years</td></tr><tr><td>Machinery and equipment</td><td>5 to 30 years</td></tr><tr><td>Fleet</td><td>3 to 18 years</td></tr><tr><td>Other</td><td>3 to 20 years</td></tr><tr><td>Plant and facilities</td><td>5 to 60 years</td></tr><tr><td>Underground and other networks</td><td>15 to 100 years</td></tr><tr><td>Bridges</td><td>15 to 100 years</td></tr><tr><td>Roads and sidewalks</td><td>15 to 100 years</td></tr></table>	Buildings	15 to 60 years	Machinery and equipment	5 to 30 years	Fleet	3 to 18 years	Other	3 to 20 years	Plant and facilities	5 to 60 years	Underground and other networks	15 to 100 years	Bridges	15 to 100 years	Roads and sidewalks	15 to 100 years
Buildings	15 to 60 years																
Machinery and equipment	5 to 30 years																
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Other	3 to 20 years																
Plant and facilities	5 to 60 years																
Underground and other networks	15 to 100 years																
Bridges	15 to 100 years																
Roads and sidewalks	15 to 100 years																
Tangible Capital Assets Under Construction	<p>Tangible capital assets under construction are recorded at cost. When construction is completed the tangible capital assets under construction will be transferred to tangible capital assets and amortized based on its classification.</p>																
Long-term Receivables	<p>Long-term receivables include the outstanding principal portion of expenses incurred to benefit land owners and other various organizations. These are reported on the statement of financial position. Interest earned in relation to the receivables are recorded as revenue when received.</p>																

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## The Corporation of the City of Barrie

### Summary of Significant Accounting Policies

December 31, 2010

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#### **Taxation & Related Revenues**

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established by City Council, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. The legislation limits assessment-related increases in property tax bills to a minimum of 5 per cent annually for commercial, industrial and multi-residential classes of property until the affected properties are taxed at a level equivalent to the tax otherwise calculated based on their current value assessment. A normal part of the assessment process is the issue of supplementary rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time the taxes are levied. Assessments and related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. The City is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are earned.

#### **User Fees & Other Revenues**

User fees and other revenues are reported on an accrual basis.

#### **Investment Income**

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory funds such as development charges and parkland allowances is added to the associated funds and forms part of respective deferred revenue balances.

#### **Development Charges**

Subdivider contributions and fees for services are recognized over the period of service or when required expenses occur if applicable.

#### **Government Grants**

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

#### **Transfer Payments**

Transfer payments, which include legislative grants, are recognized in the consolidated financial statements in the period in which the events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be determined.

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## The Corporation of the City of Barrie

### Summary of Significant Accounting Policies

December 31, 2010

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#### Pension Plan

The City is an employer member of the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The City uses defined contribution plan accounting principles for this Plan. The City records as pension expense the amount paid to OMERS during the year plus any amounts owing to OMERS for the year ended.

#### Non-pension Post Retirement Benefits, Compensated Absences & Termination Benefits

The City accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits. The City has adopted the following valuation methods and assumptions:

- a) Actuarial cost method:  
Accrued benefit obligations are computed using the projected benefit method prorated on service, as defined in PSAB 3250 and PSAB 3255. The objective under this method is to expense each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement. Under this method an equal portion of total estimated future benefit is attributed to each year of service.
- b) Funding policy:  
The non-pension post retirement and post employment benefits are funded on a pay-as-you-go basis. The City funds on a cash basis as benefits are paid. No assets have been formally segregated and restricted to provide the non-pension retirement and post employment benefits.
- c) Accounting policies:  
Actuarial gains and losses are amortized on a linear basis over the expected average remaining service life ('EARSLS') (expected remaining payment period in respect of the retiring allowance) of members expected to receive benefits under the plan, with amortization commencing in the period following the determination of the gain or loss. Obligations are attributed to the period beginning on the member's date of hire and ending on the expected date of termination, death or retirement, depending on the benefit value. The City's fiscal year-end is December 31 and the measurement date of the City's obligation is as such.

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## The Corporation of the City of Barrie

### Summary of Significant Accounting Policies

December 31, 2010

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#### Deferred Revenue

##### Obligatory Reserve Funds

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

##### General

Funds received from residents and contractors in security for the completion of specified development projects are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

#### Solid Waste Landfills

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.

#### Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these consolidated financial statements are solid waste landfill closure and post-closure liabilities, employee benefits liability, Provincial Offences Act receivables, allowances for doubtful accounts, the estimated useful lives of tangible capital assets and other accrued liabilities and/or obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

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**The Corporation of the City of Barrie**  
**Notes to Consolidated Financial Statements**

**December 31, 2010**

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**1. Restatement of Prior Period**

During the year, it was discovered that capital assets under construction was overstated as at December 31, 2008 and 2009.

Prior period adjustments have been recorded. The impact of the above noted prior period adjustments were as follows:

	<u>2009</u>
<b><u>Statement of Financial Position</u></b>	
Decrease in 2009 opening accumulated surplus	\$ <u>(9,357,212)</u>
<b><u>2009 Statement of Operations</u></b>	
Increase (decrease) in expenses	
General government	\$ 56,122
Transportation services	(461,265)
Environmental services	(1,131,316)
Recreational and cultural services	<u>(12,200)</u>
Total decrease in expenses	<u>(1,548,659)</u>
Increase in 2009 annual surplus	\$ <u>1,548,659</u>
Decrease in 2009 closing accumulated surplus	\$ <u>(7,808,553)</u>
Decrease in 2009 tangible capital assets under construction	\$ <u>(7,808,553)</u>

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## The Corporation of the City of Barrie

### Notes to Consolidated Financial Statements

December 31, 2010

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#### 2. Cash and Cash Equivalents

The City's bank accounts are held at a chartered bank. The bank accounts earn interest at a variable rate calculated on the daily balances.

The City has a credit facility agreement with the bank. Under this agreement the City has an operating line of credit, to be used to finance the day-to-day operations, in the amount of \$25,000,000 at an interest rate of the bank's stated prime rate. The carrying balance of this operating line of credit at year end was \$NIL, (2009 - \$NIL).

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#### 3. Short-term Advances

The City has a financing agreement in place with Ontario Infrastructure Projects Corporation ('OIPC') whereby OIPC made financing available up to a maximum of \$266,000,000 for the acquisition of tangible capital assets related to specific infrastructure projects.

Each advance shall be due and payable in full on the earlier of the facility termination date (defined as the earlier of June 9, 2014 and the date on which the obligations of OIPC have been terminated) or the debenture purchase date for the project(s) for which the advance was made. The advance will be repaid by a) using immediately available funds; b) converting the advance into long term financing by issuing to OIPC one or more debentures in a principal amount at least equal to the advance to be repaid; or c) any combination of (a) and (b).

Interest is calculated at a floating rate per annum based on OIPC's cost of funds plus their prevailing spread assigned to the borrower section for the program delivery costs and risks.

During the year, the City utilized \$125,000,000 (2009 - \$84,633,018) of construction advances with \$75,000,000 (2009 - \$34,633,018) converted to debentures during the year resulting in \$50,000,000 (2009 - \$50,000,000) left in short-term advances at year end.

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**The Corporation of the City of Barrie**  
**Notes to Consolidated Financial Statements**

**December 31, 2010**

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**4. Long-term Receivables**

Long-term receivables consist of:

	<u>2010</u>	<u>2009</u>
Loan receivable from MacLaren Art Centre, this loan is non-interest bearing and is the result of a Court approved re-organization plan based on the City's loan balance as at March 16, 2006. The re-organization plan runs until December 16, 2016. The loan is secured by a general security agreement.	\$ 3,941,141	\$ 3,941,141
Other notes receivable from various organizations. These have various maturity dates, from 2014 to 2029 and are non-interest bearing.	788,034	904,652
Long-term receivables from benefiting land owners, which have various maturity dates and interest rates ranging from 2009 to 2014 and 5.5% to 6.4% respectively.	<u>280,717</u>	<u>552,848</u>
	<u>\$ 5,009,892</u>	<u>\$ 5,398,641</u>

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**5. Annexed Assets**

On December 15, 2009, Bill 196, Barrie-Innisfil Boundary Adjustment Act, 2009 received Royal Assent. This act adjusted the geographical boundary between the City and the Town of Innisfil effective January 1, 2010. As a result of this annexation, tangible capital assets including land, roads and sidewalks with a fair market value of \$26,998,289 were assumed by the City.

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# The Corporation of the City of Barrie

## Notes to Consolidated Financial Statements

**December 31, 2010**

### 6. Investment in Government Business Partnership

The following summarizes the financial position and operations of the government business partnership which has been reported in these consolidated financial statements using the modified equity method:

#### a. Barrie Hydro Holdings Inc.

The City holds 100% of the shares of Barrie Hydro Holdings Inc. ('Holdings'). Holdings holds 100% of the shares in Barrie Hydro Energy Services Inc. ('Services'), which provides hot water tank rentals to residents, and 20.5% of the shares of PowerStream Inc. ('PowerStream'), which provides hydro electricity to residents. The following provides condensed combined financial information for Barrie Hydro Holdings Inc.

	2010	2009
Financial position		
Current assets	\$ 38,315,914	\$ 44,022,825
Capital assets	138,789,131	129,424,501
Other assets	21,419,975	22,991,665
Total assets	<u>198,525,020</u>	<u>196,438,991</u>
Current liabilities	35,897,273	35,997,666
Regulatory liabilities	14,004,370	18,683,700
Long-term liabilities	<u>87,077,645</u>	<u>85,647,565</u>
Total liabilities	<u>136,979,288</u>	<u>140,328,931</u>
Total net assets	<u>\$ 61,545,732</u>	<u>\$ 56,110,060</u>
Results of operations		
Revenues	\$ 175,967,657	\$ 159,894,561
Operating expenses	(168,342,681)	(153,717,043)
Taxes	<u>(2,189,299)</u>	<u>(1,752,795)</u>
Net income for the year	<u>\$ 5,435,677</u>	<u>\$ 4,424,723</u>

#### b. Promissory Note Receivable

An unsecured promissory note receivable from PowerStream Inc. as at December 31, 2010 amounted to \$20,000,000 (2009 - \$20,000,000) bearing interest at 5.58% (2009 - 6.5%) and payable on December 31 of each year. The promissory note receivable matures on May 31, 2024. Interest received in the year and included in other income is \$1,116,000 (2009 - \$1,300,000).



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**The Corporation of the City of Barrie**  
**Notes to Consolidated Financial Statements**

**December 31, 2010**

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**6. Investment in Government Business Partnership (continued)**

**c. Investment in Government Business Partnership**

**Barrie Hydro Holdings Inc.**

	<u>2010</u>	<u>2009</u>
Investment and dividend receivable	\$ 61,545,732	\$ 56,110,060
Promissory note receivable	<u>20,000,000</u>	<u>20,000,000</u>
	<u>\$ 81,545,732</u>	<u>\$ 76,110,060</u>

**d. Related Party Transactions**

	<u>2010</u>	<u>2009</u>
Net balance receivable from PowerStream Inc.	<u>\$ 1,721,000</u>	<u>\$ 1,575,000</u>

Realty taxes received from PowerStream Inc. was \$299,000 (2009 - \$303,000) for the year.

Energy and distribution services purchased from PowerStream Inc. was \$5,509,000 (2009 - \$3,726,000) for the year.

Shared services purchased from PowerStream Inc. was \$1,000,000 (2009 - \$1,620,000) for the year.

Dividend income from Barrie Hydro Holdings Inc. was \$NIL (2009 - \$15,387,469).

The amounts due from related parties are unsecured, non-interest bearing with no fixed terms of repayment.

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## The Corporation of the City of Barrie

### Notes to Consolidated Financial Statements

December 31, 2010

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#### 7. Amalgamation of Barrie Hydro Distribution Inc. and PowerStream Inc.

On January 1, 2009, The Corporation of the City of Barrie, through its wholly owned subsidiary Barrie Hydro Holdings Inc.; The City of Vaughan, through its wholly owned subsidiary Vaughan Holding Inc.; The Town of Markham, through its wholly owned subsidiary Markham Enterprises Corporation; agreed to amalgamate Barrie Hydro Distribution Inc. and PowerStream Inc. and continue as a corporation amalgamated under the laws of Ontario. The amalgamated corporation retains the PowerStream Inc. corporate name. The amalgamated corporation issued common shares to Vaughan Holdings Inc., Markham Enterprises Corporation and Barrie Hydro Holdings Inc. in exchange for each company's issued and outstanding shares.

The number of shares issued to each shareholder are as follows:

	<u>Number of Shares</u>
Vaughan Holdings Inc.	45,315
Markham Enterprises Corporation	34,185
Barrie Hydro Holdings Inc.	20,500

As part of the amalgamation, Barrie Hydro Holdings Inc. received a special payment of \$4,885,015 in 2009 as the final closing adjustment for the amalgamation of Barrie Hydro Distribution Inc. and PowerStream Inc.

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## The Corporation of the City of Barrie

### Notes to Consolidated Financial Statements

**December 31, 2010**

#### 8. Deferred Revenue - Obligatory Reserve Funds

The balances in the obligatory reserve funds of the City are summarized below:

	2010	2009
<b>Balance, beginning of year</b>	<b>\$ 55,160,028</b>	<b>\$ 68,899,218</b>
Federal gas tax contributions	7,900,800	6,739,726
Development contributions	15,217,141	6,073,615
Provincial gas tax contributions	2,524,147	1,997,729
Investment income	312,665	437,159
Utilization of funds	(26,999,336)	(28,987,419)
<b>Deferred Revenue - Obligatory Funds, end of year</b>	<b>\$ 54,115,445</b>	<b>\$ 55,160,028</b>
<b>Analysed as follows:</b>		
Development charges	\$ 42,349,090	\$ 43,197,001
Federal gas tax	4,115,524	5,977,291
Provincial gas tax	4,965,596	3,660,543
Cash in lieu of parkland	2,670,291	2,325,193
Federal transit tax	14,944	-
<b>Deferred Revenue - Obligatory Funds, end of year</b>	<b>\$ 54,115,445</b>	<b>\$ 55,160,028</b>

There is provincial and municipal legislation which restricts how these funds may be used. Cash needed to fund these reserves is \$54,115,445 (2009 - \$55,160,028) with respect to the above obligatory reserve funds. Actual cash and cash equivalents on hand was \$46,028,852 (2009 - \$42,832,306) at year end. The reserve funds will be replenished once the expenses associated with the significant tangible capital asset projects are debentured.

**The Corporation of the City of Barrie**  
Notes to Consolidated Financial Statements

**December 31, 2010**

**9. Employee Benefits Plan Liability**

	2010	2009
Accumulated post retirement benefits - accrued obligation	\$ 10,875,865	\$ 9,456,140
Unamortized net actuarial loss	(1,012,532)	(488,629)
Post retirement benefits - accrued benefit liability	<u>9,863,333</u>	<u>8,967,511</u>
Accumulated sick leave benefits - accrued obligation	3,994,774	3,492,519
Unamortized net actuarial loss	(149,961)	-
Sick Leave benefits - accrued benefit liability	<u>3,844,813</u>	<u>3,492,519</u>
Accumulated WSIB claims - accrued obligation	3,826,500	2,841,400
Unamortized net actuarial loss	(296,200)	-
WSIB claims - accrued benefit liability	<u>3,530,300</u>	<u>2,841,400</u>
Vacation and lieu time payable	<u>6,120,039</u>	<u>6,874,665</u>
	<u>\$ 23,358,485</u>	<u>\$ 22,176,095</u>

Information about post retirement benefits is as follows:

Current year benefit cost	\$ 546,000	\$ 518,765
Interest on accrued benefit obligation	519,798	476,734
Amortization of actuarial loss	32,484	32,484
Expense	<u>\$ 1,098,282</u>	<u>\$ 1,027,983</u>

Information about compensated absences is as follows:

Current year benefit cost	\$ 1,424,809	\$ 2,440,328
Interest on accrued benefit obligation	361,615	315,931
Expense	<u>\$ 1,786,424</u>	<u>\$ 2,756,259</u>

The amount of benefits paid during the year were \$202,460 (2009 - \$202,470) for post retirement benefits and \$1,499,857 (2009 - \$635,960) for compensated absence benefits.

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## The Corporation of the City of Barrie

### Notes to Consolidated Financial Statements

December 31, 2010

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#### 9. Employee Benefits Plan Liability (continued)

##### Retirement Benefits

###### Retirement Life Insurance and Health Care Benefits

The City provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The benefit costs and liabilities related to this plan are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2008.

##### Post-employment Benefits, Compensated Absences and Termination Benefits

###### Workplace Safety and Insurance Board

The City assumes responsibility for the payment of all claims to its injured workers under the the Workplace Safety Act. The benefit costs and liabilities recorded are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2008.

###### Sick Leave Benefits

The City provides paid sick leave that can be carried forward up to a maximum defined by the employee group. The benefit costs and liabilities recorded for this benefit in 2010 are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2008.

The accrued benefit obligations for the City's employee future benefit plans as at December 31, 2010 are based on actuarial valuations for accounting purposes as at December 31, 2010. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are management's best estimates of expected rates of:

	2010	2009
Expected future inflation rates	5.25%	5.25%
Expected wage and salary increases	3.5%	3.5%
Discount on accrued benefit obligations	4.75%	5.25%
Health care cost escalation	5% to 10%	5% to 10%
Dental costs escalation	3.5% to 4.5%	3.5% to 4.5%

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## The Corporation of the City of Barrie

### Notes to Consolidated Financial Statements

December 31, 2010

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#### 10. Landfill Closure and Post-Closure Liabilities

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the City's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$18,502,543 (2009 - \$16,769,644) and reflects a discount rate of 4.6% (2009 - 4.8%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The landfill is expected to reach its capacity in 13 years and the estimated remaining capacity is 236,700 (2009 - 310,000) cubic metres which is 6% (2009 - 8%) of the site's total capacity. The total estimated future expenses for closure and post-closure care are \$19,690,042 (2009 - \$18,205,922) leaving an amount to be recognized of \$1,187,499 (2009 - \$1,436,278) when the landfill reaches full capacity. The estimated length of time needed for post-closure care is 50 years.

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**The Corporation of the City of Barrie**  
**Notes to Consolidated Financial Statements**

**December 31, 2010**

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**11. Net Long-term Liabilities and Sinking Fund Debenture Retirement**

The balance of net long-term liabilities and sinking fund debenture retirement reported on the consolidated statement of financial position is made up of the following:

	<u>2010</u>	<u>2009</u>
Total long-term liabilities, bearing interest at rates ranging from 4.29% to 5.5%, incurred by the City	\$ 114,021,576	\$ 46,481,018
Total sinking fund debenture retirement	-	1,431,000
	<u>\$ 114,021,576</u>	<u>\$ 47,912,018</u>

The aggregate maturities of the net long term liabilities are as follows:

	<u>Principal Repayments</u>
2011	\$ 6,760,756
2012	7,086,817
2013	7,430,791
2014	7,793,197
2015	5,905,577
Thereafter	79,044,438
	<u>\$ 114,021,576</u>

The gross interest paid relating to the above long-term debt was \$4,471,880 (2009 - \$1,401,076).

The long-term liabilities reported above, issued in the name of the City, have been approved by municipal 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.

As of October 2010 all sinking fund debenture requirements have been retired and as such the sinking fund liability at the end of 2010 was \$NIL.

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**The Corporation of the City of Barrie**  
Notes to Consolidated Financial Statements

**December 31, 2010**

**12. Tangible Capital Assets**

	2010									
	Land	Buildings	Machinery and Equipment	Fleet	Other	Plant and Facilities	Underground and Other Networks	Bridges	Roads and Sidewalks	Total
Cost, beginning of year	\$ 217,100,475	\$ 143,566,136	\$ 28,053,755	\$ 40,805,883	\$ 94,928,699	\$ 223,450,793	\$ 513,446,505	\$ 8,817,876	\$ 303,381,635	\$ 1,573,551,757
Additions	17,193,674	897,080	968,457	3,207,430	7,418,955	25,326,045	49,070,983	62,087	21,127,105	125,271,816
Disposals	(306,890)	(641,083)	-	(1,624,988)	-	-	(1,077,434)	-	(916,249)	(4,566,644)
Cost, end of year	233,987,259	143,822,133	29,022,212	42,388,325	102,347,654	248,776,838	561,440,054	8,879,963	323,592,491	1,694,256,929
Accumulated amortization, beginning of year	-	43,602,482	11,260,014	21,212,242	41,533,657	95,707,621	72,426,285	1,030,591	96,183,636	382,956,528
Amortization	-	4,289,969	1,687,299	3,450,811	6,479,693	7,118,995	6,404,676	133,718	7,695,677	37,260,838
Disposals	-	(641,083)	-	(1,608,337)	-	-	(242,302)	-	(544,810)	(3,036,532)
Accumulated amortization, end of year	-	47,251,368	12,947,313	23,054,716	48,013,350	102,826,616	78,588,659	1,164,309	103,334,503	417,180,834
Net carrying amount, end of year	\$ 233,987,259	\$ 96,570,765	\$ 16,074,899	\$ 19,333,609	\$ 54,334,304	\$ 145,950,222	\$ 482,851,395	\$ 7,715,654	\$ 220,257,988	\$ 1,277,076,095



# The Corporation of the City of Barrie Notes to Consolidated Financial Statements

December 31, 2010

## 12. Tangible Capital Assets (continued)

12. Tangible Capital Assets (continued)											2009
	Land	Buildings	Machinery and Equipment	Fleet	Other	Plant and Facilities	Underground and Other Networks	Bridges	Roads and Sidewalks	Total	
Cost, beginning of year	\$ 215,449,882	\$ 141,790,026	\$ 25,937,399	\$ 37,873,623	\$ 89,529,703	\$ 215,783,799	\$ 481,460,161	\$ 8,817,876	\$ 291,275,107	\$ 1,507,917,576	
Additions	1,650,593	1,776,110	2,152,078	3,402,106	5,398,996	7,742,872	33,083,343	-	12,270,944	67,477,042	
Disposals	-	-	(35,722)	(469,846)	-	(75,879)	(1,096,999)	-	(164,416)	(1,842,862)	
Cost, end of year	217,100,475	143,566,136	28,053,755	40,805,883	94,928,699	223,450,792	513,446,505	8,817,876	303,381,635	1,573,551,756	
Accumulated amortization, beginning of year	-	39,353,895	9,748,399	18,371,960	35,844,426	89,263,751	66,440,249	896,336	88,848,835	348,767,851	
Amortization	-	4,248,587	1,547,337	3,277,374	5,689,231	6,469,163	6,024,236	134,255	7,444,883	34,835,066	
Disposals	-	-	(35,722)	(437,092)	-	(25,293)	(38,200)	-	(110,082)	(646,389)	
Accumulated amortization, end of year	-	43,602,482	11,260,014	21,212,242	41,533,657	95,707,621	72,426,285	1,030,591	96,183,636	382,956,528	
Net carrying amount, end of year	\$ 217,100,475	\$ 99,963,654	\$ 16,793,741	\$ 19,593,641	\$ 53,395,042	\$ 127,743,171	\$ 441,020,220	\$ 7,787,285	\$ 207,197,999	\$ 1,190,595,228	

The amount of tangible capital assets under construction is \$315,137,761 (2009 - \$275,299,035). These items will be transferred to their relevant tangible capital asset categories when construction is completed. Amortization will commence in the year following that in which the asset is available for productive use.

Interest was capitalized to tangible capital assets during the year in the amount of \$Nil (2009 - \$1,432,925).

## The Corporation of the City of Barrie

### Notes to Consolidated Financial Statements

December 31, 2010

#### 13. Accumulated Surplus

The City segregates its accumulated surplus in the following categories:

	2010	2009
		Restated (see Note 1)
Investment in tangible capital assets	\$ 1,592,213,856	\$ 1,465,894,263
Revenue fund	(243,043,205)	(225,565,550)
Reserve funds	146,890,316	120,061,273
Equity in government business partnership	81,545,732	76,110,060
Amounts to be recovered		
Post employment benefits and other liabilities	(23,358,485)	(21,460,895)
Landfill closure and post-closure liabilities	(18,502,543)	(16,769,644)
Municipal debt	(114,021,576)	(45,928,170)
	<u>\$ 1,421,724,095</u>	<u>\$ 1,352,341,337</u>

#### 14. Pension Agreement

OMERS provides pension services to more than 409,746 active and retired members and approximately 931 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2010. The results of this valuation disclosed total actuarial liabilities of \$60,035 million in respect of benefits accrued for service with actuarial assets at that date of \$55,568 million indicating an actuarial deficit of \$4,467 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the City does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the City to OMERS for 2010 were \$6,399,998 (2009 - \$5,800,843).

**The Corporation of the City of Barrie**  
Notes to Consolidated Financial Statements

**December 31, 2010**

**15. Property Taxation**

	2010	2009
Property taxes and payments-in-lieu	\$ 160,200,707	\$ 152,637,959
Collections for other governments		
Province of Ontario - school tax	59,628,568	58,629,105
	219,829,275	211,267,064
Transfers		
Province of Ontario - school tax	(59,628,568)	(58,629,105)
Available for general municipal purposes	<u>\$ 160,200,707</u>	<u>\$ 152,637,959</u>

**16. Expenses by Object**

	2010	2009
Salaries, wages and employee benefits	\$ 106,602,842	\$ 97,515,656
Materials	38,090,830	39,688,497
Contracted services	36,293,703	33,877,159
Rents and financial expenses	2,402,739	1,541,251
Transfer payments	25,238,180	35,919,995
Interest on long-term debt	4,471,880	1,401,076
Amortization	37,620,838	34,835,066
Loss on disposal of tangible capital assets	1,530,111	1,196,473
	<u>\$ 252,251,123</u>	<u>\$ 245,975,173</u>

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## The Corporation of the City of Barrie

### Notes to Consolidated Financial Statements

**December 31, 2010**

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#### **17. Commitments**

By Motion #05-A-431, the City of Barrie committed to contribute a total of \$52,500,000 in funding to the Royal Victoria Hospital (RVH) for the construction of a Cancer Care Centre. The construction of the Cancer Care Centre and Phase I commenced in 2008. The contributions are for a 5 year term commencing December 2009 and being paid no later than June 30 and December 31. Installments are not required to be paid until all conditions have been fulfilled to the City's satisfaction and if the cost of the expansion is less than \$415 million then the amount of the contribution will be reduced. Total payments made as of December 31, 2010 were \$4,528,253 (2009 - \$NIL).

By Motion #05-G-446 the City of Barrie provided a loan guarantee with the Toronto-Dominion Bank for Victoria Village Projects in the amount of \$19,300,000 for a term ending September 30, 2015, with an option to be released after four years. The guarantee and amount were required to provide long-term financing for the capital construction costs and financial payment requirements of Victoria Village Projects, a long-term care and supportive housing complex located at 76 Ross Street (site of the old RVH).

The City also has numerous contracts with a variety of suppliers for future capital projects that are budgeted in the next fiscal year.

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#### **18. Contingent Liabilities**

Legal actions and claims amounting to approximately \$29,781,457 plus other claims in which no amount has yet been determined, have been instituted against the City. However, after reviewing the merits of these actions and claims with counsel and the insurers, it is management's opinion that there will be no significant uninsured liability arising from these claims. Accordingly, no provision has been made in the accounts for any amount claimed.

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#### **19. Funds Held in Trust**

At the year end, the City held \$949 (2009 - \$949) in trust for the Ontario Home Renewal Program. These funds are not included in these consolidated financial statements.

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# The Corporation of the City of Barrie

## Notes to Consolidated Financial Statements

**December 31, 2010**

### 20. Provincial Offences Administration (POA)

The Ministry of the Attorney General requires all municipal partners administering Provincial Offences Administration to disclose in the year end audited consolidated financial statements a note on the gross and net provincial offences revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding (MOU) for its 2010 fiscal year with comparative figures for the year 2009:

	2010	2009
<b>Barrie POA Office:</b>		
Revenues (net of refunds)	\$ 6,015,234	\$ 5,915,942
Expenses		
Provincial charges	380,746	342,297
City operating expenses	2,696,272	2,069,549
Total Expenses	3,077,018	2,411,846
Net Revenue	2,938,216	3,504,096
Other		
Participating partners share	2,003,121	2,203,056
City of Barrie's share	\$ 935,095	\$ 1,301,040
<b>Orillia POA Office:</b>		
Revenues (net of refunds)	\$ 1,609,055	\$ 1,495,874
Expenses		
Provincial charges	113,719	112,471
City operating expenses	747,746	716,271
Total Expenses	861,465	828,742
Net Revenue	747,590	667,132
Other		
Participating partners share	747,590	667,132
City of Barrie's share	\$ -	\$ -

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## The Corporation of the City of Barrie

### Notes to Consolidated Financial Statements

December 31, 2010

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#### 22. Segmented Information

The City is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, police, fire and water. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

##### **General Government**

This item encompasses the revenues and expenses related to administrative departments and activities including Council, Chief Administrative Officer Division, Finance, Human Resources, Clerk's Office, Information & Communications Technology and Corporate facilities.

##### **Protection Services**

This section represents Policing activities, Fire and Emergency Services, Building Code administration and enforcement, Municipal By-law enforcement including animal control and Provincial Offences administration including Court services.

##### **Transportation Services**

This represents the activities for all roads maintenance and administration including winter control and response, transit services, sidewalks, traffic signals and systems, parking and street lighting. Additionally the consolidated results include the proportionate share of revenues and expenses related to a regional airport and the activities of a community development corporation that operates a rail line.

##### **Environmental Services**

Activities of this segment represent the property tax funded aspects of the environmental services, which are garbage collection, disposal and recycling and stormwater management and control. User rate funded activities for Water and Wastewater are mandated by the Province to be self funding and is also included in this segment.

##### **Health and Social Services**

The expenses grouped in this segment relate primarily to services provided by the County of Simcoe as the Consolidated Service Manager which includes Ontario Works, Land Ambulance, Social Housing, Homes for the Aged, ODSP and Childcare. District Health Unit costs and contributions to the Royal Victoria Hospital Cancer Care and expansion project are also included.

##### **Recreation and Cultural Services**

All recreation facilities, program costs, parks maintenance and related direct administration revenues and expenses are included in this section. Library services are also included as well as all costs related to cultural initiatives.

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**The Corporation of the City of Barrie**  
**Notes to Consolidated Financial Statements**

**December 31, 2010**

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**22. Segmented Information (continued)**

**Planning and Development**

The Planning Department and Economic Development Department activities are represented in this segment along with the revenues and expenses related to the Business Improvement Area in the downtown core.

**Other Funds and Corporations**

This captures the activities for reserve and reserve funds that are not attributable to a specific segment as well as the equity earnings (losses) from activities of the hydro business partnership in which the City holds shares. Activity within the Capital fund is also included in this segment.

# The Corporation of the City of Barrie

## Notes to Consolidated Financial Statements

**December 31, 2010**

### 22. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Other Funds and Corporations	2010 Total
<b>Revenue</b>									
Taxation	\$ 160,200,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,200,707
Fees and service charges	431,653	1,093,915	6,594,796	35,605,741	-	8,475,708	276,017	-	52,477,830
Government grants & transfers	386,188	3,506,999	10,571,750	3,610,386	-	1,035,327	152,057	-	19,262,707
POA	-	7,624,289	-	-	-	-	-	-	7,624,289
Contributions from obligatory reserves funds	-	572,589	13,362,275	11,847,663	-	1,221,609	-	-	27,004,136
Other	6,073,196	446,946	1,860,309	936,268	-	2,132,028	3,229,093	40,386,372	55,064,212
	<u>167,091,744</u>	<u>13,244,738</u>	<u>32,389,130</u>	<u>52,000,058</u>	<u>-</u>	<u>12,864,672</u>	<u>3,657,167</u>	<u>40,386,372</u>	<u>321,633,881</u>
<b>Expenses</b>									
Salaries and benefits	13,886,594	57,900,225	6,810,904	10,610,734	86,547	15,266,227	2,041,610	-	106,602,841
Goods and services	12,324,461	8,558,223	23,785,837	19,426,844	129,362	9,340,351	1,154,906	-	74,719,984
Interest	154,607	-	773,494	2,577,070	-	1,000,118	-	-	4,505,289
Transfer (External)	-	2,750,711	120,517	-	22,366,952	-	-	-	25,238,180
Amortization	2,010,398	2,736,110	12,535,031	14,278,005	27,829	5,664,605	-	-	37,251,978
Other	385,320	827,641	571,445	936,086	-	1,151,722	60,637	-	3,932,851
	<u>28,761,380</u>	<u>72,772,910</u>	<u>44,597,228</u>	<u>47,828,739</u>	<u>22,610,690</u>	<u>32,423,023</u>	<u>3,257,153</u>	<u>-</u>	<u>252,251,123</u>
<b>Net surplus (deficit)</b>	<u>\$ 138,330,364</u>	<u>\$ (59,528,172)</u>	<u>\$ (12,208,098)</u>	<u>\$ 4,171,319</u>	<u>\$ (22,610,690)</u>	<u>\$ (19,558,351)</u>	<u>\$ 400,014</u>	<u>\$ 40,386,372</u>	<u>\$ 69,382,758</u>



# The Corporation of the City of Barrie

## Notes to Consolidated Financial Statements

December 31, 2010

### 22. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Other Funds and Corporations	2009 Restated (see Note 1) Total
<b>Revenue</b>	<b>\$ 152,637,959</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 152,637,959</b>
Taxation									
Fees and service charges	343,873	919,262	6,725,955	31,861,506	-	8,420,711	160,570	-	48,431,877
Government grants & transfers	1,702	1,745,322	589,148	7,507,618	-	495,584	95,868	-	10,435,242
POA	-	7,411,816	-	-	-	-	-	-	7,411,816
Contribution from obligatory reserve funds	(58,405)	574,528	11,449,685	16,505,334	-	516,277	-	-	28,987,419
Other	6,297,534	5,833,775	1,785,324	1,036,717	11,990	1,380,691	109,433	4,496,567	20,952,031
	159,222,663	16,484,703	20,550,112	56,911,175	11,990	10,813,263	365,871	4,496,567	268,856,344
<b>Expenses</b>									
Salaries and benefits	13,481,959	53,643,047	6,516,332	8,754,085	68,170	14,266,734	1,734,638	-	98,464,965
Goods and Services	11,128,148	6,845,398	19,724,178	26,294,644	545,995	8,991,672	1,016,468	-	74,546,503
Interest	168,990	-	356,811	176,498	-	698,778	-	-	1,401,077
Transfer (External)	-	2,870,187	-	-	32,295,950	-	-	-	35,166,137
Amortization	2,009,425	2,319,751	15,687,553	9,125,236	48,321	5,644,780	-	-	34,835,066
Other	121,075	404,441	229,685	104,829	-	648,150	53,245	-	1,561,425
	26,909,597	66,082,824	42,514,559	44,455,292	32,958,436	30,250,114	2,804,351	-	245,975,173
<b>Net surplus (deficit)</b>	<b>\$ 132,313,066</b>	<b>\$ (49,598,121)</b>	<b>\$ (21,964,447)</b>	<b>\$ 12,455,883</b>	<b>\$ (32,946,446)</b>	<b>\$ (19,436,851)</b>	<b>\$ (2,438,480)</b>	<b>\$ 4,496,567</b>	<b>\$ 22,881,171</b>

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**The Corporation of the City of Barrie**  
**Notes to Consolidated Financial Statements**

**December 31, 2010**

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**23. Reconciliation of Consolidated Operating Surplus**

	<u>2010</u>
Surplus reported to Council:	
Tax rate supported surplus	\$ 5,189,621
Water rate surplus	4,564,457
Building code surplus	1,009,518
Waste water surplus	<u>853,066</u>
	11,616,662
Add:	
Revenue from annexed assets	26,998,289
Revenue from assumed assets	7,952,411
Revenue from other funds	27,004,136
Net transfers from funds	19,778,864
Equity income from Barrie Hydro Holdings Inc.	5,435,672
Other consolidated entities' surplus	3,412,520
Long-term debt principal payments	8,890,442
Less:	
Amortization of tangible capital assets	(37,260,838)
Increase in landfill closure and post-closure liabilities	(1,732,899)
Increase in employee benefits plan liability	(1,182,390)
Loss on disposal of tangible capital assets	<u>(1,530,111)</u>
Consolidated surplus per statement of operations	<u>\$ 69,382,758</u>

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