

**THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE**  
**For the year ended December 31, 2006**

|  | 2006                    |             | 2006         | 2006         | 2006         | 2005         |
|--|-------------------------|-------------|--------------|--------------|--------------|--------------|
|  | CURRENT FUND ACTIVITIES |             | CAPITAL FUND | RESERVES AND | CONSOLIDATED | CONSOLIDATED |
|  | BUDGET                  | ACTUAL      | ACTUAL       | ACTUAL       | ACTUAL       | ACTUAL       |
|  | \$                      | \$          | \$           | \$           | \$           | \$           |
| <b>REVENUES</b>                                |                         |             |              |              |              |              |
| Taxation and user charges                      |                         |             |              |              |              |              |
| Property taxation                              | 29,222,031              | 29,353,860  | -            | -            | 29,353,860   | 27,517,511   |
| Taxation from other governments                | 2,787,860               | 2,888,965   | -            | -            | 2,888,965    | 5,192,877    |
| User charges                                   | 8,108,057               | 8,462,140   | -            | -            | 8,462,140    | 8,488,848    |
| Grants   |                         |             |              |              |              |              |
| Government of Canada                           | 20,851                  | 19,668      | 545,751      | -            | 565,419      | 43,808       |
| Province of Ontario                            | 118,069                 | 256,827     | 2,051,533    | -            | 2,308,360    | 439,128      |
| Other  |                         |             |              |              |              |              |
| Deferred revenue earned                        | 2,214,322               | 2,775,800   | 7,288,553    | -            | 10,064,353   | 6,507,146    |
| Investment income                              | 1,163,092               | 1,084,764   | 288,017      | 2,147,721    | 3,520,502    | 3,524,309    |
| Sale of land and equipment                     | -                       | -           | 279,311      | -            | 279,311      | 86,506       |
| Penalty and interest on taxes                  | 1,025,000               | 1,185,897   | -            | -            | 1,185,897    | 1,111,791    |
| Fines  | 190,500                 | 102,399     | -            | -            | 102,399      | 196,661      |
| Donations and contribution from others         | 41,360                  | 247,596     | 1,279,801    | 496,744      | 2,024,141    | 3,297,240    |
| Total revenues                                 | 44,891,142              | 46,377,916  | 11,732,966   | 2,644,465    | 60,755,347   | 56,405,825   |
| <b>EXPENDITURES</b>                            |                         |             |              |              |              |              |
| General government                             | 7,648,340               | 7,990,123   | 411,443      | -            | 8,401,566    | 9,904,883    |
| Protection to persons and property             | 7,798,609               | 8,454,762   | 728,106      | -            | 9,182,868    | 9,291,055    |
| Transportation services                        | 8,631,989               | 10,263,495  | 8,414,538    | -            | 18,678,033   | 16,834,882   |
| Environmental services                         | 115,000                 | 117,715     | -            | -            | 117,715      | 155,513      |
| Health services                                | 249,469                 | 201,286     | 32,230       | -            | 233,516      | 241,414      |
| Recreational and cultural services             | 12,469,341              | 12,807,056  | 9,531,454    | -            | 22,338,510   | 18,184,186   |
| Planning and development                       | 3,442,831               | 3,390,419   | 42,062       | -            | 3,432,481    | 3,688,098    |
| Total expenditures                             | 40,355,579              | 43,224,856  | 19,159,833   | -            | 62,384,689   | 58,300,031   |
| Share of net Income of Veridian Corporation    | -                       | -           | -            | 1,217,229    | 1,217,229    | 1,070,425    |
| Net (expenditures) revenue                     | 4,535,563               | 3,153,060   | (7,426,867)  | 3,861,694    | (412,113)    | (823,781)    |
| Net financing and transfers                    | (3,063,963)             | -1,570,648  | 7,539,113    | (5,968,465)  | -            | -            |
| Increase (decrease) in amounts to be recovered |                         |             |              |              |              |              |
| Debt principal repayments                      | (1,471,600)             | -1,471,600  | -            | -            | -1,471,600   | -1,399,700   |
| Unfunded employee future benefits liabilities  | -                       | 52,244      | -            | -            | 52,244       | 147,494      |
| Proceeds of Debenture Issue                    | -                       | -           | 1,111,640    | -            | 1,111,640    | -            |
| Increase (Decrease) in Amounts to be Recovered | (1,471,600)             | (1,419,356) | 1,111,640    | -            | (307,716)    | (1,252,206)  |
| Increase (decrease) in Non-financial Assets    | -                       | 445,017     | -            | -            | 445,017      | -73,242      |
| Change in Fund Balance                         | -                       | 608,073     | 1,223,886    | (2,106,771)  | (274,812)    | (2,149,229)  |
| Fund Balance, Beginning of year                | -                       | -374,485    | 6,424,633    | 53,466,911   | 59,517,059   | 61,666,288   |
| Fund Balance, End of year                      | -                       | 233,588     | 7,648,519    | 51,360,140   | 59,242,247   | 59,517,059   |

**THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2006**

|  | <u>2006</u>        | <u>2005</u>        |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>ASSETS</b>                                |                    |                    |
| Financial assets                             |                    |                    |
| Cash and cash equivalents                    | 20,044,797         | 17,903,038         |
| Investments                                  | 32,490,460         | 32,716,676         |
| Accounts receivable                          | 8,336,349          | 9,896,862          |
| Taxes receivable                             | 8,103,539          | 7,715,636          |
| Inventories for resale                       | 75,782             | 48,191             |
| Promissory notes receivable                  | 8,321,000          | 8,321,000          |
| Investment in Veridian Corporation           | 11,532,805         | 11,131,576         |
| Total financial assets                       | <u>88,904,732</u>  | <u>87,732,979</u>  |
| <b>LIABILITIES</b>                           |                    |                    |
| Accounts payable and accrued liabilities     | 9,707,038          | 5,880,876          |
| Employee future benefit liabilities          | 2,067,608          | 1,947,987          |
| Net long-term liabilities                    | 19,421,640         | 19,781,600         |
| Deferred revenue - general                   | 4,119,375          | 4,720,263          |
| Deferred revenue - obligatory reserve funds  | 15,644,701         | 17,045,770         |
| Total liabilities                            | <u>50,960,362</u>  | <u>49,376,496</u>  |
| Net financial assets                         | <u>37,944,370</u>  | <u>38,356,483</u>  |
| Non-financial assets                         |                    |                    |
| Prepaid expenses                             | 569,565            | 329,977            |
| Inventory supplies                           | 411,126            | 205,697            |
| Total non-financial assets                   | <u>980,691</u>     | <u>535,674</u>     |
| <b>Net assets</b>                            | <u>38,925,061</u>  | <u>38,892,157</u>  |
| <b>MUNICIPAL POSITION</b>                    |                    |                    |
| Fund balances                                |                    |                    |
| Current fund                                 | 233,588            | -374,485           |
| Capital fund                                 | 7,648,519          | 6,424,633          |
| Reserves                                     | 3,472,852          | 4,828,934          |
| Reserve funds-general                        | 26,650,697         | 28,050,054         |
| Reserve fund-Veridian Corporation net equity | 21,236,591         | 20,587,923         |
| Total fund balances                          | <u>59,242,247</u>  | <u>59,517,059</u>  |
| Amounts to be recovered from future revenues | <u>-20,317,186</u> | <u>-20,624,902</u> |
| <b>Municipal position</b>                    | <u>38,925,061</u>  | <u>38,892,157</u>  |

**THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON**

**CONDENSED CONSOLIDATED SCHEDULE OF RESERVES AND RESERVE FUND BALANCES  
AS AT DECEMBER 31, 2006**

|   | <u>2006</u>       | <u>2005</u>       |
|---|-------------------|-------------------|
|   | \$                | \$                |
| Reserves set aside for specific purpose by Council:       |                   |                   |
| Acquisition of capital assets                             | 2,414,655         | 3,473,726         |
| Capital improvements                                      | 83,325            | 95,751            |
| Working Funds, Contingencies and Other                    | <u>974,872</u>    | <u>1,259,457</u>  |
|   | <u>3,472,852</u>  | <u>4,828,934</u>  |
| <br>  |                   |                   |
| Reserve Funds set aside for specific purposes by Council: |                   |                   |
| Industrial Development and Bowmanville BIA                | 144,635           | 191,525           |
| Debt management and General municipal purposes            | 8,774,745         | 9,588,487         |
| Acquisition of capital assets                             | 6,292,222         | 7,095,347         |
| Capital improvements                                      | 10,975,304        | 10,776,038        |
| Recreation and Culture                                    | <u>463,791</u>    | <u>398,657</u>    |
|   | <u>26,650,697</u> | <u>28,050,054</u> |
| <br>  |                   |                   |
| Municipal government business partnership                 | <u>21,236,591</u> | <u>20,587,923</u> |
|   | <u>51,360,140</u> | <u>53,466,911</u> |

**CONDENSED SCHEDULE OF TRUST FUND BALANCES  
AS AT DECEMBER 31, 2006**

|                     | <u>2006</u>       | <u>2005</u>       |
|---------------------|-------------------|-------------------|
|                     | \$                | \$                |
| Cemeteries          | 927,427           | 840,685           |
| Vanderveer Legacy   | 1,000             | 1,000             |
| Montague Trust      | 18,553            | 17,885            |
| Host Community Fund | <u>10,000,000</u> | <u>10,000,000</u> |
| <br>                |                   |                   |
| Total Trust Funds   | <u>10,946,980</u> | <u>10,859,570</u> |

## **THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON**

### **GENERAL NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2006**

1. These condensed consolidated financial statements reflect the assets, liabilities, revenue, and expenditures of the current fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following local boards, which are under the control of Council:
  - Clarington Public Library Board
  - Clarington Museum and Archives
  - Board of Management for the Bowmanville Central Business District Improvement Area
  - Board of Management for the Newcastle Central Business District Improvement Area
  - Board of Management for the Orono Central Business District Improvement Area
  - Orono Arena and Community Centre Board
  - Newcastle Arena Board
  - Newcastle Community Hall Board
  - Solina Hall Board
  - Tyrone Community Hall Board
  - Clarington Older Adult Centre Board
  - Clarington Heritage Committee
  - Bowmanville Santa Clause Parade Committee
  - Orono Cemetery Board
  
2. The data presented here has been extracted from financial statements audited by Deloitte and Touche, LLP. Detailed financial statements and the Auditors' Reports thereon, for the Municipality, are available from the Finance Department.