

Consolidated financial statements of

**The Corporation of  
The Town of Whitby**

December 31, 2007

# The Corporation of The Town of Whitby

December 31, 2007

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## Auditors' Report

To the Members of Council, Inhabitants and  
Ratepayers of The Corporation of  
The Town of Whitby

We have audited the consolidated statement of financial position of The Corporation of The Town of Whitby as at December 31, 2007 and the consolidated statements of financial activities and of changes in financial position for the year then ended. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2007 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants  
Licensed Public Accountants  
April 11, 2008

# The Corporation of The Town of Whitby

## Consolidated statement of financial position

December 31, 2007

	2007	2006
	\$	\$
<b>Financial assets</b>		
Cash and investments	84,845,413	83,466,060
Taxes receivable (Note 4)	12,052,158	10,135,122
Accounts receivable	4,381,285	3,011,257
Other receivables (Note 5)	6,521,300	6,521,300
Investment in Whitby Hydro		
Energy Corporation (Note 13)	41,557,584	38,102,231
Long-term note receivable (Note 13)	21,816,642	21,816,642
	<b>171,174,382</b>	163,052,612
<b>Liabilities</b>		
Accounts payable and accrued liabilities	8,455,398	21,059,080
Other current liabilities	1,285,560	1,441,594
Deferred revenue (Note 6)	69,237,608	61,969,057
Employee future benefits liabilities (Note 7)	5,220,924	4,824,284
	<b>84,199,490</b>	89,294,015
Net financial assets	<b>86,974,892</b>	73,758,597
<b>Non-financial assets</b>		
Inventory	423,157	410,601
	<b>87,398,049</b>	74,169,198
<b>Fund balances</b>		
Operating Fund - Schedule 1	2,719,067	2,709,156
Capital Fund - Schedule 2	(1,938,306)	(2,915,671)
Reserves and Reserve Funds - Schedule 3	48,467,712	40,510,863
Equity in Whitby Hydro Energy Corporation (Note 13)	63,374,226	59,918,873
	<b>112,622,699</b>	100,223,221
<b>Amounts to be recovered (Note 8)</b>		
From future revenues	(25,224,650)	(26,054,023)
	<b>87,398,049</b>	74,169,198

# The Corporation of The Town of Whitby

## Consolidated statement of financial activities year ended December 31, 2007

	2007		2006
	Budget	Actual	Actual
	\$	\$	\$
<b>Revenues</b>			
Taxation - all classes	-	187,904,024	176,531,850
Less amounts received for Region and School Boards	-	(136,348,074)	(129,019,648)
	51,300,949	51,555,950	47,512,202
User charges	12,977,681	12,561,715	11,863,257
Grants	1,090,387	415,852	4,175,381
Developer revenues earned	5,108,583	5,711,501	5,625,415
Gas Tax revenue	946,960	926,361	1,312,516
Investment income	400,000	2,660,006	2,130,050
Fines, penalties and interest	1,475,000	1,871,935	1,729,853
Licenses and permits	1,327,800	1,773,553	1,816,982
Rents and other	4,159,805	4,787,144	7,350,330
<b>Total revenues</b>	<b>78,787,165</b>	<b>82,264,017</b>	<b>83,515,986</b>
<b>Expenditures (Note 10)</b>			
Operating			
General government	9,100,981	8,995,853	9,096,100
Protection to persons and property	15,365,687	15,369,279	14,672,531
Transportation services	12,514,026	12,415,051	11,331,859
Environmental services	2,616,988	2,388,502	2,434,647
Recreation and cultural services	18,800,709	18,338,543	17,785,659
Planning and development	2,437,796	2,318,119	1,957,052
Health services	197,580	192,548	239,990
Social and family services	941,140	997,674	915,134
<b>Subtotal</b>	<b>61,974,907</b>	<b>61,015,569</b>	<b>58,432,972</b>
Capital			
General government	3,066,839	957,975	1,169,256
Protection to persons and property	1,480,565	733,248	2,093,068
Transportation services	9,879,614	9,447,911	8,731,154
Environmental services	385,000	4,056	1,772,983
Recreation and cultural services	4,020,245	2,661,535	15,481,209
Planning and development	1,270,245	274,785	950,375
Health service	120,000	108,996	-
Social and family services	-	-	19,200
	20,222,508	14,188,506	30,217,245
<b>Total expenditures</b>	<b>82,197,415</b>	<b>75,204,075</b>	<b>88,650,217</b>
Operating income,			
Whitby Hydro Energy Corporation	-	6,156,353	4,900,745
<b>Net revenues (expenditures)</b>	<b>(3,410,250)</b>	<b>13,216,295</b>	<b>(233,486)</b>
Principal repayment of internal loan	(1,204,868)	(1,226,012)	(1,636,020)
Increase in internal loans	-	-	8,084,254
Add increase in employee future benefits	-	396,640	381,647
Decrease in amount so to be recovered	(1,204,868)	(829,372)	6,829,881
Increase in inventory	-	12,555	(17,287)
<b>Change in fund balance</b>	<b>(4,615,118)</b>	<b>12,399,478</b>	<b>6,579,108</b>

# The Corporation of The Town of Whitby

Consolidated statement of changes in financial position  
year ended December 31, 2007

	2007	2006
	\$	\$
<b>Operating</b>		
Net revenues	13,216,295	(233,486)
Less item not affecting cash		
Operating income of Whitby Hydro Energy Corporation	<b>(6,156,353)</b>	(4,900,745)
	<b>7,059,942</b>	(5,134,231)
<b>Uses</b>		
Increase in accounts receivable	<b>(1,370,028)</b>	(551,061)
Increase in taxes receivable	<b>(1,917,036)</b>	-
Decrease in accounts payable and accrued liabilities	<b>(12,603,682)</b>	-
Decrease in other current liabilities	<b>(156,034)</b>	(352,838)
	<b>(16,046,780)</b>	(903,899)
<b>Sources</b>		
Decrease in accounts receivable	-	1,677,003
Increase in accounts payable and accrued liabilities	-	10,038,168
Increase in deferred revenue	<b>7,268,551</b>	5,690,287
Increase in employee benefits liabilities	<b>396,640</b>	381,647
	<b>7,665,191</b>	17,787,105
Net (decrease) increase in cash from operations	<b>(1,321,647)</b>	11,748,975
<b>Investing</b>		
Dividends from Whitby Hydro Energy Corporation	<b>2,701,000</b>	1,676,000
<b>Financing</b>		
Repayment of long-term debt	-	(277,000)
Net change in cash and investments	<b>1,379,353</b>	13,147,975
Opening cash and investments	<b>83,466,060</b>	70,318,085
<b>Closing cash and investments</b>	<b>84,845,413</b>	83,466,060

# The Corporation of The Town of Whitby

## Notes to the consolidated financial statements

December 31, 2007

### 1. Significant accounting policies

The consolidated financial statements of The Corporation of the Town of Whitby are the representations of management prepared in accordance with local government accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

#### (a) (i) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the operating fund, capital fund, reserve funds, and reserves of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees which are controlled by the Town, including the following:

- Town of Whitby Public Library Board
- Groveside Cemetery Board

All material inter-entity transactions and balances are eliminated on consolidation.

#### (ii) Investment in Whitby Hydro Energy Corporation

Whitby Hydro Energy Corporation and its subsidiaries are accounted for on a modified equity basis, consistent with generally accepted accounting principles as recommended by PSAB for government business enterprises. Under the modified equity basis of accounting, the business enterprise's accounting principles are not adjusted to conform to those of the Town, and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of Whitby Hydro Energy Corporation in its statement of financial activities with a corresponding increase or decrease in its investment asset account. Any dividends that the Town receives from Whitby Hydro Energy Corporation are reflected as reductions in the investment asset account.

#### (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 Region of Durham are not reflected in the municipal fund balances of these financial statements.

#### (iv) Trust Funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Financial Activity and Change in Fund Balance" and the "Trust Funds Statement of Financial Position".

#### (b) Basis of accounting

##### (i) Revenues and expenditures

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues, as they are earned and measurable; expenditures are recognized, as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

##### (ii) Tangible capital assets

Tangible capital assets are recorded as capital expenditures in the Statement of Financial Activities in the period acquired.

##### (iii) Accounting for Bill 140 Capping and Clawback Provisions resulting from the Ontario Fair Assessment System

The net impact in property taxes as a result of the application capping provisions does not affect the consolidated statement of financial activities as the full amount of the property taxes is levied.

# The Corporation of The Town of Whitby

## Notes to the consolidated financial statements

December 31, 2007

### 1. Significant accounting policies (continued)

#### (b) Basis of accounting (continued)

##### (iv) Deferred revenue - obligatory reserve funds

Deferred revenue - obligatory reserve funds represents development charge contributions, payments in lieu of parkland, and gas tax, levied or received under the authority of federal and provincial legislation and Town by-laws. These amounts have been collected but the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

##### (v) Deferred revenue - general

Deferred revenue represents user charges and other fees, which have been collected, for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

##### (vi) Employee future benefits liabilities

The present value of the cost of providing employees with future benefits programs is recognized as employees earn these entitlements through service.

##### (vii) Government transfers

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

##### (viii) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of taxes receivable, accounts receivable, accounts payable and accrued liabilities and expenditures in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

### 2. Operations of school boards and the Region of Durham

Further to Note 1(a) (iii), requisitions were made by the Region of Durham and School Boards requiring the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized as follows:

			2007	2006
	School boards	Region of Durham	Total	Total
	\$	\$	\$	\$
Taxation	48,054,011	86,966,724	135,020,735	127,718,303
Payment in lieu of taxes	165,359	1,161,980	1,327,339	1,301,345
Amount requisitioned and received	48,219,370	88,128,704	136,348,074	129,019,648

# The Corporation of The Town of Whitby

## Notes to the consolidated financial statements

December 31, 2007

### 3. Trust Funds

Trust funds administered by the municipality amounting to \$763,674 (2006 - \$690,764) 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 have been reported separately on the "Trust Funds Statement of Financial Activity and Change in Fund Balance" and "Trust Funds Statement of Financial Position".

### 4. Taxes receivable

The balance in taxes receivable, including penalties and interest, is comprised of the following:

	2007	2006
	\$	\$
Current year	7,377,434	6,951,918
Arrears previous years	4,674,724	3,183,204
	<b>12,052,158</b>	<b>10,135,122</b>

### 5. Other receivables

	2007	2006
	\$	\$
7-1/4% promissory note issued to the Town of Whitby by Whitby Hydro Energy Corporation. The Town has the option of calling the principal amount in whole or in part, with notice of twelve months. The Town has agreed not to call this loan before January 1, 2009.	1,460,300	1,460,300
7-1/4% promissory note issued to the Town of Whitby by Whitby Hydro Energy Corporation. The Town has the option of calling the principal amount in whole or in part, with notice of sixty days. The Town has agreed not to call this note before January 1, 2009.	5,061,000	5,061,000
	<b>6,521,300</b>	<b>6,521,300</b>

Interest revenue earned on these notes totalled \$472,794 (2006 - \$472,794).

# The Corporation of The Town of Whitby

## Notes to the consolidated financial statements

December 31, 2007

### 6. Deferred revenue

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed. The following is the current status of the deferred revenues:

	<b>2007</b>	2006
	\$	\$
Obligatory Reserve Funds		
Development charges	<b>63,195,852</b>	56,995,735
Parkland	<b>1,602,721</b>	1,430,224
Federal gas tax	<b>713,444</b>	42,207
Building Code Act	<b>942,732</b>	924,878
Deferred revenue - general	<b>2,782,859</b>	2,576,013
	<b>69,237,608</b>	61,969,057

Continuity of deferred revenue is as follows:

	<b>2007</b>	2006
	\$	\$
Balance, beginning of year	<b>61,969,057</b>	56,278,770
Developer contributions collected	<b>8,922,629</b>	9,582,335
Federal gas tax	<b>1,562,330</b>	426,124
Net building code receipts	<b>17,854</b>	924,878
Other collections	<b>2,782,859</b>	2,576,013
Interest earned	<b>3,196,754</b>	2,416,177
	<b>16,482,426</b>	15,925,527
Less		
Developer contribution revenue recognized in current operations	<b>307,896</b>	601,769
Developer contribution revenue recognized in capital operations	<b>5,403,605</b>	5,023,646
Gas tax revenue recognized in capital operations	<b>926,361</b>	1,312,516
General deferred revenue recognized	<b>2,576,013</b>	3,297,309
	<b>9,213,875</b>	10,235,240
Balance, end of year	<b>69,237,608</b>	61,969,057

# The Corporation of The Town of Whitby

## Notes to the consolidated financial statements

December 31, 2007

### 7. Employee future benefits liabilities

The Town makes available to qualifying employees who retire before the age of 65, the opportunity to continue their coverage for such benefits as extended health and drugs, dental care and life insurance. Coverage ceases at the age of 65. The accrued benefit liability and the expense for the year ended December 31, 2007 are based on the results and assumptions of an actuarial valuation as at December 31, 2006 and updated to December 31, 2007. The significant actuarial assumptions used in estimating the Town's accrued benefit obligation are as follows:

Discount rate	6%
Inflation rate	3% per year
Dental benefit cost escalation	5% per year
Medical benefit cash escalation	10% per year reducing to 5% per year over 15 years

Information about the Town's post retirement benefit plan is as follows:

#### *Accrued benefit liability*

	2007	2006
	\$	\$
Accrued benefit liability	5,512,774	5,138,584
Unamortized actuarial loss	(291,850)	(314,300)
<b>Employee future benefit liability</b>	<b>5,220,924</b>	<b>4,824,284</b>

#### *Expense*

	2007	2006
	\$	\$
Current year benefit expense	230,346	213,478
Amortization of actuarial losses	2,450	22,450
Interest on accrued benefit obligation	308,760	287,342
<b>Expense</b>	<b>541,556</b>	<b>523,270</b>

### 8. Amounts to be recovered from future revenues

	2007	2006
	\$	\$
Employee future benefits	5,220,924	4,824,284
Internal loans from Obligatory Reserve Funds	20,003,726	21,229,739
<b>Amounts to be recovered</b>	<b>25,224,650</b>	<b>26,054,023</b>

As a means of funding various capital acquisitions, funds are borrowed by the Operating Fund from Development Charges received. These funds are secured by promissory notes and are repaid over a determined period of time. The financing arrangements and ultimate repayment are approved by Council through the current budget process. For the purpose of these financial statements, the loans are included in amounts to be recovered. The following is a summary of the individual loans.

# The Corporation of The Town of Whitby

## Notes to the consolidated financial statements

December 31, 2007

### 8. Amounts to be recovered from future revenues (continued)

	2007	2006
	\$	\$
Whitby Public Library	8,078,119	8,400,170
Cullen Central Park	8,347,882	8,624,131
Iroquois Park Sports Centre expansion	3,577,725	4,205,438
	<b>20,003,726</b>	<b>21,229,739</b>

### 9. Pension agreements

The Town makes contributions to the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The Plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Contributions to OMERS for the year were \$4,159,087 (2006 - \$3,704,557).

### 10. Classification of expenditures by object

The Consolidated Statement of Financial Activities presents the expenditures by function. The following classifies those same expenditures by object:

	2007	2006
	\$	\$
Salaries, wages and employee benefits	41,790,565	39,867,932
Operating materials and supplies	8,405,268	8,308,415
Contracted services	8,059,802	7,291,038
Rents and financial expenses	2,196,711	2,233,812
Other	563,223	731,775
Capital expenditures	14,188,506	30,217,245
Total expenditures by object	<b>75,204,075</b>	<b>88,650,217</b>

### 11. Budget figures

The approved operating and capital budgets for 2007 are reflected on the Consolidated Schedule of Operating Fund Activities and Fund Balance, Consolidated Schedule of Capital Fund Activities and Fund Balance, and the Consolidated Statement of Financial Activities. The budgets established for the Capital Fund operations are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, budget figures presented may not be comparable with the current year actual amounts. As well, the Town does not budget for activity within Reserves and Reserve Funds, with the exceptions being those transactions which affect either operating or capital funds. Budget figures are unaudited.

# The Corporation of The Town of Whitby

## Notes to the consolidated financial statements

December 31, 2007

### 12. Contingent liabilities

*Unsettled legal claims and potential other claims*

The Town has been named as the defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable at this time and, accordingly, no provision has been made in these financial statements for any liability that may result.

### 13. Investment in Whitby Hydro Energy Corporation

In accordance with the requirements in Bill 35 (The Energy Competition Act, 1998) the Town of Whitby (the "Town"), passed a transfer by-law, effective November 1, 2000, that transferred substantially all of the assets and liabilities of the Whitby Hydro-Electric Commission to Whitby Hydro Energy Corporation. Whitby Hydro Energy Corporation will carry on the former business of the Commission with all its rights, duties, obligations and responsibilities.

(a) *Equity in Whitby Hydro Energy Corporation*

	<b>2007</b>	2006
	\$	\$
Balance, beginning of year	<b>59,918,873</b>	56,694,128
Changes during the year:		
Net income for the year	<b>6,156,353</b>	4,900,745
Equity in income of Whitby Hydro Energy Corporation	<b>66,075,226</b>	61,594,873
Dividend received from Whitby Hydro Energy Corporation	<b>(2,701,000)</b>	(1,676,000)
Balance, end of year	<b>63,374,226</b>	59,918,873

Reported on the Consolidated Statement of Financial Position as follows:

	<b>2007</b>	2006
	\$	\$
Investment in Whitby Hydro Energy Corporation	<b>41,557,584</b>	38,102,231
Long-term note receivable	<b>21,816,642</b>	21,816,642
	<b>63,374,226</b>	59,918,873

The long-term note receivable by the Town is a demand note with a fixed interest rate of 7.0%. The Town has the option of calling the principal, in whole or in part, with twelve months notice. The Town does not anticipate calling this note before January 1, 2009.

Interest revenue earned on this note totaled \$1,527,206 (2006 - \$1,527,206).

The following table provides condensed financial information of Whitby Hydro Energy Corporation at and for the year ended December 31, 2007.

# The Corporation of The Town of Whitby

## Notes to the consolidated financial statements

December 31, 2007

### 13. Investment in Whitby Hydro Energy Corporation (continued)

(a) Equity in Whitby Hydro Energy Corporation (continued)

	2007	2006
	\$	\$
Financial position		
Current assets	30,361,132	30,636,580
Capital assets	55,601,626	53,602,188
Deferred charges and other assets	675,248	762,837
<b>Total assets</b>	<b>86,638,006</b>	<b>85,001,605</b>
Current liabilities	13,300,518	15,385,231
Other liabilities	31,779,904	31,514,143
<b>Total investment</b>	<b>45,080,422</b>	<b>46,899,374</b>
<b>Net assets</b>	<b>41,557,584</b>	<b>38,102,231</b>
Results of operations		
Revenues	24,878,487	21,968,944
Expenditures (including income taxes \$4,231,124; 2007 - \$3,379,735)	18,722,134	17,068,199
<b>Net earnings</b>	<b>6,156,353</b>	<b>4,900,745</b>

Included in revenues above is \$3,069,245 (2006 - \$2,277,028) earned from the Town for services provided. Expenditures above include \$2,434,334 (2006 - \$2,395,576) paid to the Town.

(b) Contingencies and commitments of Whitby Hydro Energy Corporation as disclosed in their financial statements are as follows:

(i) Contingency

#### **Class Action of Late Payment Charges-Griffith et al. v. Toronto Hydro-Electric Commission et al.**

This action has been brought under the *Class Proceedings Act, 1992*. The plaintiff class seeks \$500 million in restitution for amounts paid to Toronto Hydro and to other Ontario municipal electric utilities ("LDCs") who received late payment penalties which constitute interest at an effective rate in excess of 60% per year, contrary to section 347 of the *Criminal Code*. Pleadings have closed in this action. The action has not yet been certified as a class action and no discoveries have been held, as the parties were awaiting the outcome of similar proceedings brought against Enbridge Gas Distribution Inc. (formerly Consumers Gas).

On April 22, 2004, the Supreme Court of Canada released a decision in the Consumers Gas case rejecting all of the defences which had been raised by Enbridge, although the Court did not permit the Plaintiff class to recover damages for any period prior to the issuance of the Statement of Claim in 1994 challenging the validity of late payment penalties. The Supreme Court remitted the matter back to the Ontario Superior Court of Justice for determination of the damages. At the end of 2006, a mediation process resulted in the settlement of the damages payable by Enbridge.

In 2007, Enbridge filed an application to the Ontario Energy Board ("OEB"), to recover the Court-approved amount and related amounts from ratepayers. On February 4, 2008, the OEB approved recovery of the said amounts from ratepayers over a five year period.

# The Corporation of The Town of Whitby

## Notes to the consolidated financial statements

December 31, 2007

### 13. Investment in Whitby Hydro Energy Corporation (continued)

(c) *Contingencies and commitments of Whitby Hydro Energy Corporation as disclosed in their financial statements are as follows:*

(i) Contingency

**Class Action of Late Payment Charges-Griffith et al. v. Toronto Hydro-Electric Commission et al.**

After the release by the Supreme Court of Canada of its 2004 decision in the Consumers Gas case, the plaintiffs in the LDC late payment penalties class action indicated their intention to proceed with their litigation against the LDCs. To date, no formal steps have been taken to move the action forward. The electric utilities intend to respond to the action if and when it proceeds on the basis that the LDCs' situation may be distinguishable from that of Consumers Gas.

Whitby Hydro collected total late payment penalties of \$2,081,699 for the period from 1994 to 2001. No determination of the portion of these payments which may have constituted interest at an impermissible rate has been made.

(ii) Commitments

The Corporation has entered into an agreement with outside service providers and is committed to making the following payments:

	\$
2008	334,000
2009	322,000
	<hr/> 656,000 <hr/>

### 14. Tangible capital assets

For fiscal years commencing after January 1, 2009, the Town will be required to report tangible capital assets in its consolidated financial statements in accordance with The Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants section PS3150 – Tangible Capital Assets. The Town is currently working toward obtaining the necessary information in order to comply with PS 3150. For 2007, Public Sector Guideline 7 requires the disclosure of tangible capital asset information in the notes to the financial statements to the extent that reliable information is available. The Town is currently working on a plan to implement PS3150. For the year ended December 31, 2007 tangible capital expenditures incurred during the year are recorded as capital expenditures in the Consolidated Statement of Financial Activities.

# The Corporation of The Town of Whitby

Consolidated schedule of operating fund financial activities and fund balance  
year ended December 31, 2007

Schedule 1

	2007		2006
	Budget	Actual	Actual
	\$	\$	\$
<b>Revenues</b>			
Taxation – all classes		187,904,024	176,531,850
Less amounts received for Region and school boards (Note 3)		(136,348,074)	(129,019,648)
	<b>51,300,949</b>	<b>51,555,950</b>	47,512,202
User charges	12,977,681	12,561,715	11,863,257
Grants	241,263	276,057	304,615
Developers revenue earned	-	307,896	601,769
Investment income	400,000	673,727	593,032
Fines, penalties and interest	1,475,000	1,871,935	1,729,853
Licenses and permits	1,327,800	1,773,553	1,816,982
Rents and other	4,039,805	2,824,633	6,130,706
	<b>20,461,549</b>	<b>20,289,516</b>	23,040,214
Total revenue	<b>71,762,498</b>	<b>71,845,466</b>	70,552,416
<b>Expenditures</b>			
General government	9,100,981	8,995,853	9,096,101
Protection to persons and property	15,365,687	15,369,279	14,672,531
Transportation services	12,514,026	12,415,051	11,331,859
Environmental services	2,616,988	2,388,502	2,434,647
Recreation and cultural services	18,800,709	18,338,543	17,785,659
Planning and development	2,437,796	2,318,119	1,957,052
Health services	197,580	192,548	239,990
Social and family services	941,140	997,674	915,134
Total expenditures	<b>61,974,907</b>	<b>61,015,569</b>	58,432,973
Net revenues	<b>9,787,591</b>	<b>10,829,897</b>	12,119,443
<b>Financing and transfers</b>			
Decrease in internal loans	(1,204,868)	(1,226,012)	(1,636,020)
Transfer to Reserves and Reserve Funds	(8,507,723)	(9,849,591)	(10,294,706)
Transfer to Capital Funds	(75,000)	(153,578)	(491,756)
Increase in employee future benefits	-	396,640	381,648
Net financing and transfers	<b>(9,787,591)</b>	<b>(10,832,541)</b>	(12,040,834)
Change in operating fund	-	(2,644)	78,609
Increase (decrease) in inventory	-	12,555	(17,287)
Operating fund balance, beginning of year	2,709,156	2,709,156	2,647,834
<b>Operating fund balance, end of year</b>	<b>2,709,156</b>	<b>2,719,067</b>	2,709,156

# The Corporation of The Town of Whitby

Consolidated schedule of capital fund financial activities and fund balance  
year ended December 31, 2007

Schedule 2

	2007		2006
	Budget	Actual	Actual
	\$	\$	\$
<b>Revenues</b>			
Government of Canada Grants	-	74,663	391,283
Province of Ontario Grants	849,124	65,132	3,479,483
Developers revenue earned	5,108,583	5,403,605	5,023,646
Gas tax revenue	946,960	926,361	1,312,516
Other	120,000	1,462,840	428,738
<b>Total revenues</b>	<b>7,024,667</b>	<b>7,932,601</b>	<b>10,635,666</b>
<b>Expenditures</b>			
General government	3,066,839	957,975	1,169,256
Protection to persons and property	1,480,565	733,248	2,093,068
Transportation services	9,879,614	9,447,911	8,731,154
Environmental services	385,000	4,056	1,772,983
Recreation and cultural services	4,020,245	2,661,535	15,481,209
Planning and development	1,270,245	274,785	950,375
Health services	120,000	108,996	-
Social and family services	-	-	19,200
<b>Total expenditures</b>	<b>20,222,508</b>	<b>14,188,506</b>	<b>30,217,245</b>
<b>Net expenditures</b>	<b>(13,197,841)</b>	<b>(6,255,905)</b>	<b>(19,581,579)</b>
<b>Financing and transfers</b>			
Transfer from Reserves and Reserve Funds	13,122,841	7,079,692	8,285,833
Transfer from Operating Funds	75,000	153,578	491,756
Increase in Long Term Debt	-	-	8,084,254
<b>Net financing and transfers</b>	<b>13,197,841</b>	<b>7,233,270</b>	<b>16,861,843</b>
Change in capital fund	-	977,365	(2,719,736)
Capital fund balance, beginning of year	-	(2,915,671)	(195,935)
<b>Capital fund balance, end of year</b>	<b>-</b>	<b>(1,938,306)</b>	<b>(2,915,671)</b>

# The Corporation of The Town of Whitby

Consolidated schedule of reserves and reserve fund financial activities  
and fund balance  
year ended December 31, 2007

Schedule 3

	2007		2006
	Budget	Actual	Actual
	\$	\$	\$
<b>Revenues</b>			
Investment income	-	1,986,279	1,537,018
Other	-	499,671	790,886
<b>Total revenues</b>	-	<b>2,485,950</b>	2,327,904
<b>Net revenues</b>	-	<b>2,485,950</b>	2,327,904
Net transfers from (to)			
Other funds			
Transfer from Operating Funds	8,507,723	9,849,591	10,294,706
Transfer to Capital Funds	(13,122,841)	(7,079,692)	(8,285,833)
Transfer from Equity in Whitby Hydro Energy Corp.	-	2,701,000	1,676,000
<b>Total net transfers</b>	<b>(4,615,118)</b>	<b>5,470,899</b>	3,684,873
Change in reserve and reserve funds	(4,615,118)	7,956,849	6,012,777
Reserves and reserve funds balance, beginning of year	40,510,863	40,510,863	34,498,086
<b>Reserves and reserve funds Balance, end of year</b>	<b>35,895,745</b>	<b>48,467,712</b>	40,510,863

	2007	2006
	\$	\$
<b>Analyzed as follows:</b>		
Reserves set aside for specific purposes by Council for:		
Working fund, contingencies and other	6,968,558	4,571,140
Acquisition of capital assets	1,784,180	1,555,050
<b>Total Reserves</b>	<b>8,752,738</b>	6,126,190
Reserve funds set aside for specific purposes by Council for:		
Equipment replacement	6,728,594	5,768,535
Short-term disability	1,509,626	1,230,581
Capital purposes	27,589,561	24,238,708
Other	3,887,193	3,146,849
<b>Total reserve funds</b>	<b>39,714,974</b>	34,384,673
<b>Total reserves and reserve funds</b>	<b>48,467,712</b>	40,510,863