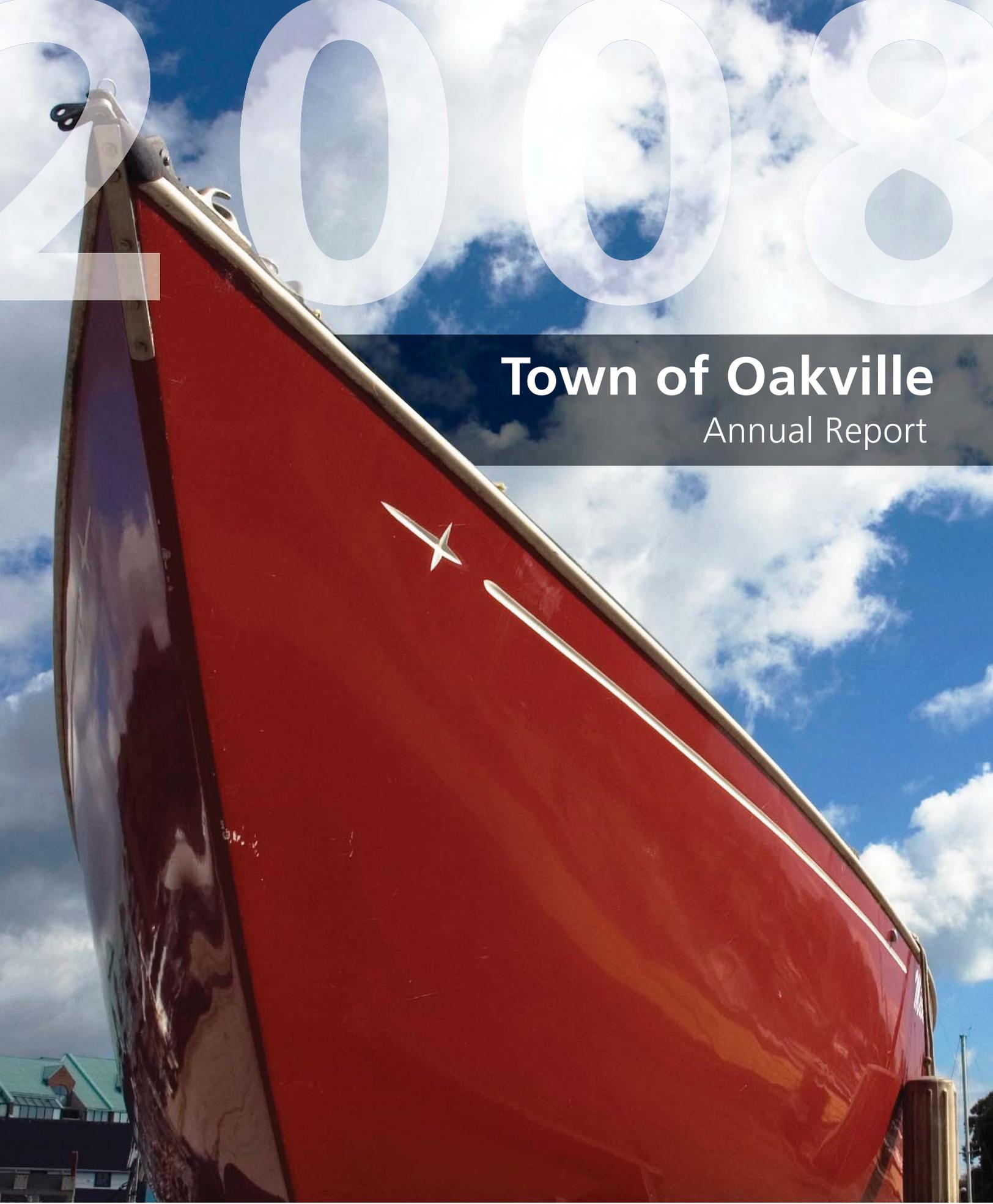


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Town of Oakville
Annual Report



2008 Annual Report online

The 2008 Annual Report is available online at www.oakville.ca/finance.htm.
If you require a hard copy, please contact ServiceOakville at 905-845-6601.

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Oakville is a dynamic community located on the shores of Lake Ontario. Home to over 173,000 people, Oakville radiates small-town charm, natural beauty and cultural vitality, while providing all the advantages of an economically diverse and well-serviced urban community.

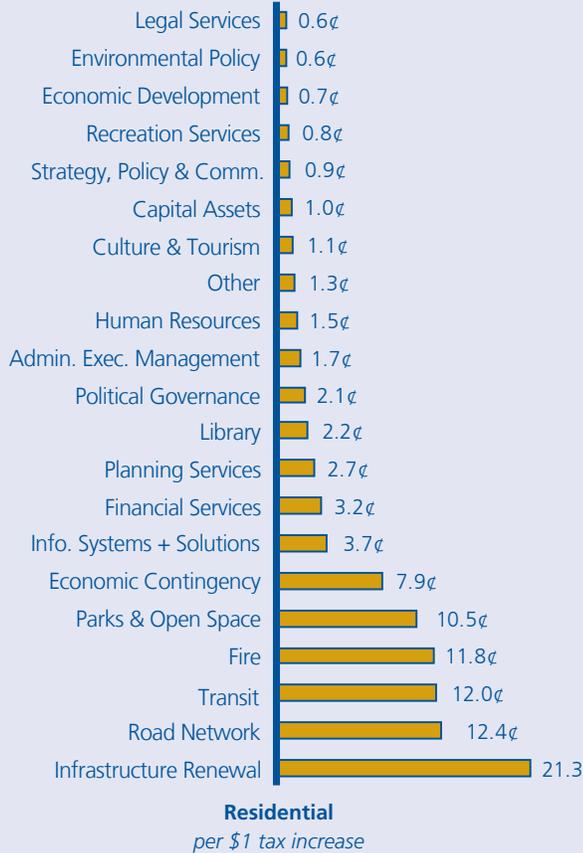


Town services span environmental stewardship and protection, parks, trails, forestry, harbours, creek channels and shorelines, recreation and community centres, building and heritage permits, by-laws and licensing, transit, land use planning, municipal engineering and construction, stormwater management and drainage, roads and works, and fire prevention and protection.

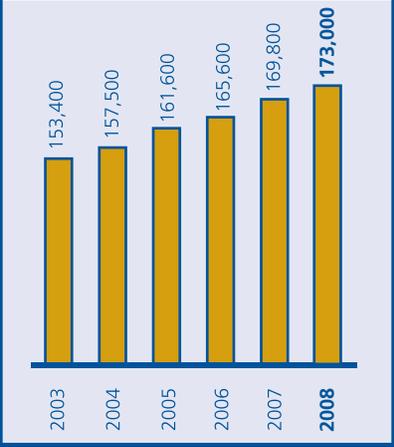
The town is committed to superior service delivery while it continues to develop the policies, programs and services to make Oakville the most livable town in Canada.

Oakville 2008 Highlights

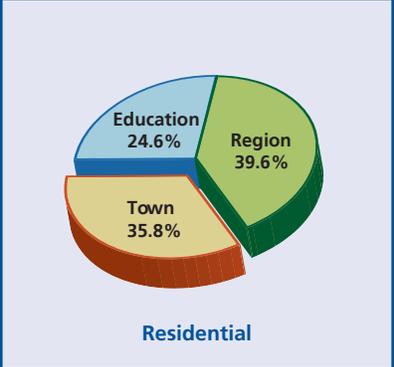
Where the increase in town taxes is going



Population growth in Oakville



Who receives your tax dollars



Mayor's Message



Council made significant progress on our four-year strategic work-plan in 2008, and took some big steps towards our goal of making Oakville the most livable town in Canada.

One of our strategic areas of focus was to continue to be accountable in everything we do. We completed many public consultation sessions on our new official plan, *Livable Oakville*, which will guide growth in our town for the next 30 years while preserving the character of

our existing neighbourhoods. *Livable Oakville* will be a strong, defensible, forward-thinking plan that reflects our commitments to you, and the feedback we obtained.

Every decision Council makes and every dollar we spend is governed by our commitment to ensure town programs and services are fiscally sustainable. Our program-based, performance-based budgeting and reporting system (PB2) makes sure our decisions and strategies take us closer to our goals, while improving efficiency and maximizing value. Everything comes back to our financial and philosophical bottom line: We are goal-driven, performance-based and results-oriented.

Another area of focus in 2008 was to continuously improve our programs and services. The town started construction on North Park, a state of the art sports facility that will include hockey rinks, sports fields, outdoor trails, a recreation centre and a library. We began community consultations on our Cultural Plan to improve the social and cultural life of our town, and renovations will begin in 2009 on the QE Park Community Centre, which will include dedicated space for arts and culture groups. We also began work in 2008 on our economic development strategy and comprehensive plan to attract businesses to Oakville, and we won awards for our economic development website.

In 2008 we continued to focus on enhancing our natural environment. The town released its first State of the Environment Report, which assessed the health of our

waterways and stormwater systems, our air quality, urban forest canopy, biodiversity and green spaces. We're excited to have appointed the first Municipal Energy Conservation Officer in Ontario, and to be the first municipality accepted as a member of the Conservation Council of Ontario. We also opened a new transit terminal in the uptown core, and acquired nine new buses.

We're excited to report that our 2009 Citizen Survey, conducted by Pollara Strategic Insights, found that 88 per cent of Oakville residents are happy with their municipal programs and services. Thank you for your support. We are grateful to have a dynamic, diverse and vibrant community with which to accomplish our goals as a town together.

The trust of our residents is Council's most valuable resource, and we will continue to earn it with a clear strategic direction, innovative policy, and a steadfast commitment to service.

I want to thank town employees for their intelligence, flexibility, hard work and support, which are essential in allowing us to realize our strategic goals. I'd also like to thank and commend members of Council for continuing to work as a team, building on each other's strengths and presenting a unified vision of where we want this town to go. I know that together, Council, town staff and our residents will continue to surpass expectations as we work to become the most livable town in Canada.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rob Burton'. The signature is stylized and fluid.

Mayor Rob Burton

Members of Town Council

Council is the legislative governing body for the Town of Oakville and consists of the Mayor, elected at large by voters in the town, and 12 councillors each elected by voters in their respective ward. Each ward is represented by two councillors – one representing the town and one representing the town and the Regional

Municipality of Halton. Regional Councillors sit on Regional Council along with representatives from the towns of Milton and Halton Hills, and the City of Burlington. Council's term of office is four years. The current term began on December 1, 2007, and will end November 30, 2011.

Ward 1

Regional & Town Councillor Alan Johnston
Town Councillor Ralph Robinson

Ward 2

Regional & Town Councillor Fred Oliver
Town Councillor Cathy Duddeck

Ward 3

Regional & Town Councillor Keith Bird
Town Councillor Mary Chapin

Ward 4

Regional & Town Councillor Allan Elgar
Town Councillor Roger Lapworth

Ward 5

Regional & Town Councillor Jeff Knoll
Town Councillor Marc Grant

Ward 6

Regional & Town Councillor Tom Adams
Town Councillor Max Khan

Back Row
(left to right)
Marc Grant
Allan Elgar
Jeff Knoll
Tom Adams
Alan Johnston
Roger Lapworth

Front Row
(left to right)
Fred Oliver
Mary Chapin
Mayor Rob Burton
Keith Bird
Ralph Robinson
Cathy Duddeck
Max Khan



Message from the CAO



Every year I find myself more impressed by the innovation, dedication and adaptability of the residents and employees of the Town of Oakville. Though the current economic conditions are more challenging than those we have faced in recent years, I'm proud to report that the town is in good fiscal and operational shape.

In 2008 we continued with the implementation of performance-based program-based (PB2) budgeting, which makes certain

that any money we put into services, infrastructure and projects is being used efficiently, and that programs are evaluated against clear, performance-based benchmarks. To ensure complete transparency, and meet the Public Sector Accounting Board standards, we have included the town's assets in the notes to the Financial Statements for 2008.

We are looking forward to the completion in 2009 of our new official plan, *Livable Oakville*. The plan will fulfill the provincial mandate that 40 per cent of new growth be accommodated in areas that are already developed, but without compromising the character of our established neighbourhoods.

All the decisions we make at the town are guided by the principles of environmental sustainability. In 2008 we put together our first State of the Environment Report, which gave us a clear picture of the health of our natural resources and systems, and provided guidance for improvements. We also completed our Urban Forest Strategic Management Plan for 2008-2027.

In 2009, in addition to continuing our commitment to be accountable in everything we do and to enhance our natural environment, we will focus on enhancing our economic, cultural and social environments. We will finalize our economic development strategy for attracting businesses to Oakville, develop a new Arts Policy, and implement our Youth Strategy. We will also focus on providing environmentally sustainable programs and services, including developing sustainable building and

energy strategies, and creating a new transit service design that will make it easier for residents to leave their cars at home.

As a member of the Federation of Canadian Municipalities Partners for Climate Protection Program, the town completed an inventory of corporate and community greenhouse gas emissions (GHGe) in 2008. We set GHGe reduction targets for 2014 to 20 per cent below 2004 levels for corporate emissions, and 6 per cent below 2004 levels for community emissions.

I've been impressed with the way our employees have led the community by example and adopted sustainable practices. Town staff participated in the Clean Air Commute in June, voluntarily leaving their cars at home to walk, bike or take transit to work. The town currently possesses seven hybrid vehicles and two Smart cars, and we are currently working towards making our entire parking patrol fleet fuel efficient.

Town of Oakville staff continue to impress our citizens. We can confirm this in the annual surveys we do that show that citizens continue to have high satisfaction levels for town services.

In 2008 we increased our ability to provide friendly, effective and informative service to our residents. *ServiceOakville*, our consolidated service strategy, will make it easier to accommodate the diverse needs of our residents when they call or walk into Town Hall. Accessibility will continue to be a focus as we work towards achieving the regulations set out in the Province's Accessibility for Ontarians with Disabilities Act by 2010. Our successes in 2008 were achieved because of the tireless work of Town Council and staff, who give their best everyday to make Oakville a wonderful place to live. Their positive attitude and depth of commitment to this community is a constant inspiration to me as we work together to create the most livable town in Canada.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ray Green'.

Ray Green, P. Eng.
Chief Administrative Officer



"To be the most **livable** town in Canada"

Vision, Mission and Values

Our Vision: *to be the most livable town in Canada*

Mission

- ▶ We create and preserve Canada’s most livable community that enhances our natural, cultural, social and economic environments. We achieve this by continuously improving programs and services that are both accessible and environmentally and fiscally sustainable.
- ▶ We are highly valued and widely celebrated due to the innovative and outstanding way we satisfy the needs of our residents, businesses and employees. As a result, the process is as fulfilling as the outcome.
- ▶ We ensure our staff receives the same level of respect, commitment and caring that they are expected to deliver to the community.

Values

Accountability

We deliver what we promised.
 We are accountable for our own actions and results.
 We are accountable for the efficient and effective use of public funds.

Dedication

We willingly take on responsibility.
 We are committed to serving our community. We take initiative and we take on our share of the work.

Honesty

Each of us demonstrates personal integrity, truthfulness and honesty in how we do our job. We inspire public confidence and trust in our government.

Innovation

We pursue innovation by being creative, showing initiative and taking risks. We encourage employees to exercise judgment in meeting customer needs.

Respect

We value an open, respectful and inclusive workplace. We value the cultural and social diversity of our community. We make it possible for every resident to participate in our community, and in our government.

Teamwork

We act as a team.
 We demonstrate high levels of trust and cooperation. We collaborate across departments to achieve our goals. We work in partnership with our community.



Did you know?

- The town acquired a new land parcel at 430 Wycroft Road as the future home of an expanded Oakville Transit Facility.
- The town repaired over 800 sections of damaged road pavement.



Town of Oakville Key Accomplishments

The town's 2007-2010 strategic plan outlines the goals, actions and measures that will help us to achieve Council's strategic direction. The following highlights the key accomplishments the town achieved in reaching Council's four areas of focus for 2008.

To be accountable in everything we do

In April, the town launched its [new official plan process - Livable Oakville](#). To be completed in 2009, the new official plan will define and map the future growth of Oakville for the next 30 years. It will appropriately direct growth as well as protect our natural environment, heritage properties and stable neighbourhoods.

Building on the success of TownTV, a live internet video-streaming of Council meetings, the town of Oakville [launched TownTV 2.0](#) to make connecting to local government more accessible than ever. The redesigned Town TV provides captioning, and allows online viewers to download a podcast of a Council meeting at a later date.

A [Citizenship Ceremony was held](#) at the Oakville Library Central Branch to celebrate the creation of "Welcome to Canada" centres in each branch. The well-used "Welcome to Canada" centres contain a range of government and library information in a variety of languages.

The town [launched ServiceOakville](#), a [proactive customer service delivery strategy](#) that will make it easier and faster for residents and visitors to do business with us. As part of this strategy, the town implemented communication and response standards for town staff to improve our services to fellow departments and to the community as a whole.

The town hosted a [public open house for Local Government Week](#). The event showcased the various programs and services provided by the town. Residents were also invited to attend the Council meeting following the open house to experience local government in action.

The town began implementation of its [Fire Master Plan](#), which optimizes protection and response capabilities for all of Oakville.

Oakville Public [Library's new website](#), [full of customer-friendly features](#), was [launched](#). Customers can now review, rate and tag any item in the library's collection. Other new features allow customers to keep better track of their account, including the ability to receive email reminders just before items are due. The new site has become extremely popular - hits have increased almost 300 per cent over 2007!

Council [completed a strategic plan review](#) that identified six areas of focus for 2009 - enhancing our natural, economic, cultural and social environment as well as having programs and services that are fiscally and environmentally sustainable.

Did you know?

- The town processed 39,655 recreation and culture program registrations (27,000 through IRIS alone), generating over \$3 million in revenue (\$2.25 million through IRIS alone)

To enhance our natural environment

The town's first State of Oakville's Environment Report and Environmental Indicators were completed to measure and report on the condition and sustainability of Oakville's environment.

An innovative software program was implemented in Parks and Open Space. With this new technology, forestry staff can view and manage the town's trees on 824,000 streets, in open spaces and woodlots through a Geographic Information System (GIS) database.

The Town of Oakville enacted its Private Tree Protection By-law on October 1, 2008 in an effort to support a greener community and a healthier environment. It exists to preserve significant trees on all private properties within the town and to sustain Oakville's urban forest.

The town's pesticide by-law came into effect in January 2008. Regulating the non-essential use of pesticides on private properties will help promote and protect the health of town residents. In support of this by-law, town staff developed a Guide to Natural Gardening, which outlines proper horticultural practices that will keep your lawn and garden healthy and free from common pests and problems.

The Urban Forest Strategic Management Plan 2008-2027 was completed, providing a more effective approach to the management and stewardship of the town's "green infrastructure", and ensuring long-term sustainability of the town's forest areas.

To minimize waste and emissions, the town continued to upgrade or retrofit its facilities with energy saving measures such as installing compact fluorescent lighting at the Glen Abbey Recreation Centre, and making water fixture upgrades at various facilities.

The town currently has seven hybrid vehicles and two Smart cars included in their fleet. All town vehicles are being right-sized, ensuring that the most efficient vehicle is being used for the job.

Project Porchlight distributed 14,000 energy-efficient light bulbs to Oakville residents. The town and Oakville Hydro are partners supporting the organizing group, One Change, to carry out this energy conservation initiative.

A comprehensive town-wide flood study review was completed this year. The report contains details on flood sensitive areas, options for improvement and prioritization of flood improvement work. The main purpose of the inventory study was to identify creek channels that require flood improvement work and monitoring in order to minimize risks to property and public safety.

The town completed Milestone 1, an inventory of corporate and community greenhouse gas emissions (GHGe) and Milestone 2, setting GHGe reduction targets for the ICLEI FCM Partners for Climate Protection (PCP) program.

The town was honoured as the first municipality to be accepted as a member of the Conservation Council of Ontario (CCO), a province-wide association dedicated to conservation and a healthy environment. The town has participated in campaigns such as Doors Closed and Lighten Up as components of the Oakville Conserves initiative to support energy conservation, air quality improvement and greenhouse emission reduction.

The first Municipal Energy Conservation Officer (MECO) in Ontario was appointed at the Town of Oakville. MECOs serve as local champions for energy conservation and advocate the benefits and cost-savings of energy conservation through community education and awareness.

Did you know?

- The town participated in over 100 environmental outreach and community education events.
- There are 1400 hectares of parkland and 145 kms of trails within parkland. This is a three per cent increase in parkland, and a four per cent increase in trails from 2007.



To continuously improve our programs and services

As part of the town's official plan - [Livable Oakville](#), six major studies—Midtown Oakville, Uptown Core, Kerr Village, Bronte Village, Residential Intensification, and Employment Lands—began in 2008. In addition, a review of the current general policies and official plan framework is also taking place.

The town is committed to providing the best possible support and services to all our residents, and we are currently working towards [meeting the regulations of the province's Accessibility of Ontarians with Disabilities Act \(AODA\) by 2010](#).

Oakville won an [Award of Merit for its economic development website](#) from the Economic Developer's Council of Ontario (EDCO) in Toronto. The town also won a [2009 Virtuoso Award of Merit for its 150th Anniversary brochure](#) from the International Association of Business Communicators (IABC) London Chapter.

New monitoring equipment was purchased to track the performance of the [town's stormwater management ponds](#). The new equipment will also aid in monitoring the quantity and quality of the water run-off and outfalls to Lake Ontario and our many creeks and channels.

The [Storm Sewer Use By-law](#), which regulates discharges to the public storm sewer system, was updated. The new by-law protects the storm sewer collection system from excessive deterioration, damage and obstruction. It will protect the public, workers and properties from hazardous materials and dangerous conditions, and will also work to protect the environment from harmful contaminants.

As part of [ServiceOakville](#), the town's customer service delivery strategy, the town launched a telephone partnership with 311 Halton (a single number for all government related questions); communication standards for town staff regarding telephone, email and written inquiries; and Language Line and Bell Relay interpreter services (an over-the-phone interpretation service to assist customers who are not fluent in English).

In an effort to improve customer service and accessibility, the town implemented a [Stop Announcement Program on its transit buses](#). Drivers announce the stops along their route to assist all customers, especially those challenged by visual impairment. Transit is working on implementing an automated stop announcement system.

[A new transit terminal opened in the uptown core](#), serving as a connection point for multiple bus routes. It will eventually become a hub for buses making connections from other municipalities.

[Construction of North Park, Oakville's new state-of-the-art sports park, began in 2008](#) with the construction of a quad-pad. Completed in three phases, the 79-hectare sports park will also include a recreation centre and library, active sports fields, trails and other park features. The third and final phase of the project is scheduled to begin in 2018.

Oakville's [brand new indoor soccer facility was completed in December](#). The Pine Glen Soccer Centre is operated by the Oakville Soccer Club (OSC). In partnership with the OSC, the town developed the indoor soccer building for Pine Glen Park to provide a long-term home for indoor soccer for the community.

After a renewed focus on history and heritage in the sesquicentennial year of 2007, Council committed to heritage conservation and [established a new Heritage Planning division](#). Projects underway are: the development of heritage policies for the new official plan, improvement of heritage approval processes, and the implementation of a proactive program of heritage designations to ensure that all of Oakville's most significant heritage features are protected by the Ontario Heritage Act.

The [town provided assistance with the inaugural Doors Open Oakville festival](#) as a means of encouraging interest and awareness of heritage conservation in Oakville.



"To be the most livable town in Canada"

As part of its youth graffiti strategy, the Town of Oakville, in partnership with Oakville Galleries, **launched Make Your Mark**: a series of artist workshops and events for youth aged 13 and up that raised awareness about graffiti as an art practice. Events included two live art displays where local graffiti artist created art pieces while the community watched.

The town began **community consultation on its cultural plan this year**. The plan will ensure culture's growth and sustainability in Oakville. It will help us find ways to support creativity of all kinds, itemize the infrastructure that Oakville's cultural community will need, and describe how we can build capacity with planning policies and partnerships.

The town **began community consultation about its youth strategy this year**. With such dynamic and growing number of youth in Oakville, the town is developing this strategy to deal with the growing needs of Oakville's youth aged 13 to 18.

Hours for the months of June and September were extended at all library branches, resulting in a 7 per cent increase in circulation for both months.

The town's **Five Year Transit Services Plan was approved** which sees a new fare structure and strategy and a re-design of Transit's service delivery model. The new route system would result in improved local transit services, better inter-regional connectivity, enhanced connectivity with GO Train service, as well as with neighbouring municipal transit service providers.

Service levels for winter control maintenance were enhanced in 2008 including: a permanent program to remove driveway windrows for senior's and the physically challenged; increased quality control inspections for residential plowing; more frequent snow removal operations in business improvement areas; and the implementation of an updated web site to allow residents the ability to track the status of snow plowing operation in their neighbourhood.

To have programs and services that are fiscally sustainable

Not only did the town complete the **Public Sector Accounting Board (PSAB) requirement** to inventory and value all its tangible capital assets, we also implemented a comprehensive asset management program that includes maintenance management and inventory systems.

To assure the town's compliance with PSAB requirements, the notes for the **2008 financial statements include the town's capital asset values**.

The town continued its **program-based, performance-based budgeting system, "PB2,"** for the 2009 budget cycle with the development of comprehensive performance measures for the corporate services commission. "PB2" focuses on the programs the town delivers with the outcomes of investments and the performance measures to assess them.

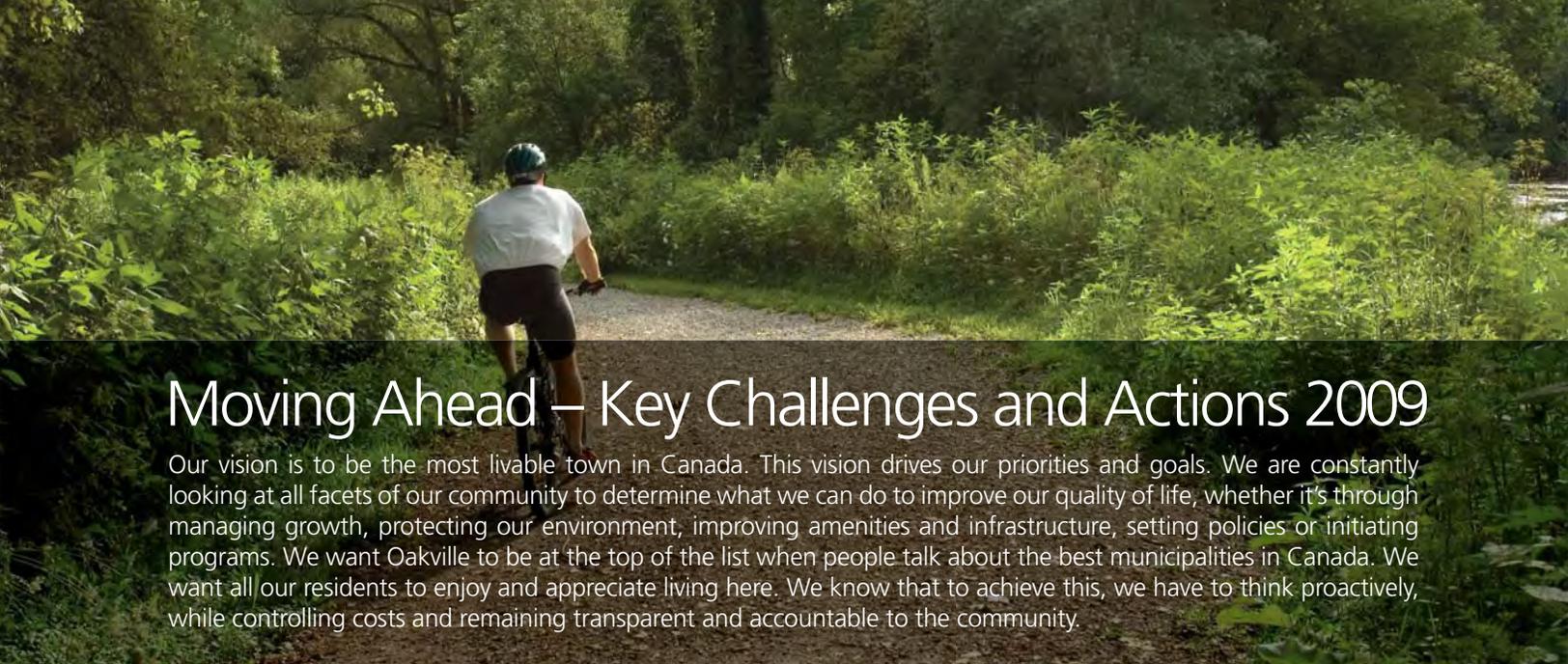
The town began **exploring options for the re-development of the former Queen Elizabeth High School as a community centre**, which will include room for various arts and cultural groups within the town.

To offset the costs of planting and maintaining the floral displays on town medians and boulevards, the **town launched the Oakville Blooms Sponsorship program** whereby businesses, groups, individuals and organizations could contribute funds by sponsoring specific locations throughout Oakville.

The **town approved a comprehensive ten-year capital forecast** identifying capital infrastructure requirements totaling \$770 million.

The town **delivered a 3.79 per cent total tax increase for 2008** that included both service enhancements and cost reductions. A forecast for 2009 and 2011 was also completed, as part of the town's three year budget process.

The **cemeteries financial plan was completed**. This study evaluated available options specific to future cemetery service operations. A service delivery model was chosen that minimized the financial impact on the taxpayer, while providing the legislated services under The Cemeteries Act (RSO 1990).



Moving Ahead – Key Challenges and Actions 2009

Our vision is to be the most livable town in Canada. This vision drives our priorities and goals. We are constantly looking at all facets of our community to determine what we can do to improve our quality of life, whether it's through managing growth, protecting our environment, improving amenities and infrastructure, setting policies or initiating programs. We want Oakville to be at the top of the list when people talk about the best municipalities in Canada. We want all our residents to enjoy and appreciate living here. We know that to achieve this, we have to think proactively, while controlling costs and remaining transparent and accountable to the community.

To enhance our natural environment

A fundamental priority for Oakville is our leadership role in nurturing the natural and built environment to reflect our need for a healthy ecosystem and sustainable infrastructure.

Actions 2009

- ❑ Initiate an inventory of town trees.
- ❑ Develop and implement an emerald ash borer management plan.
- ❑ Develop building, design and maintenance standards for all new and existing town facilities. This will help ensure Council's commitment to reducing our environmental footprint is achieved.
- ❑ Complete Milestone 3 for the Partners for Climate Protection program.
- ❑ Conduct a one year review of the town's private tree by-law.
- ❑ Establish sustainable and environmental policy directions for the town's official plan – Livable Oakville.
- ❑ Adopt an Active Transportation Master Plan (ATMP) with the goal of encouraging more people to walk and cycle in Oakville. This plan identifies links and extensions of existing bikeways, sidewalks and trails, as well as creates new walking and cycling connections throughout the town.
- ❑ Expand Smart Commute to outside organizations. This program encourages greater use of alternate modes of transportation including public transit, carpooling/ride-sharing, cycling and walking.



Did you know?

- We experienced the busiest winter maintenance season on record in 2008 — 250 cm (8 ft) of snow fell between January 1 and December 31. Staff plowed Oakville's entire road system on nine separate occasions.
- The town currently has seven hybrid vehicles and two Smart cars included in its fleet.

To enhance our economic environment

The Town of Oakville is actively involved in fostering its local economy. We support a competitive business infrastructure and the development of new businesses. Our economic development department works hard to attract business and tourism to a town known for its dynamic and prosperous economy.

ACTIONS 2009

- ❑ Complete an Economic Development Strategy, a 10-year master plan to help attract new businesses as well as foster growth of existing businesses in Oakville.
- ❑ Develop the employment policy directions for the town's official plan – Livable Oakville.
- ❑ Support the 2009 RBC Canadian Open Golf Tournament at Glen Abbey Golf and Country Club.
- ❑ Complete a tourism review of the town.
- ❑ Initiate the Downtown Oakville Strategic Review.

To enhance our cultural environment

Arts, culture and heritage play a vital role in the livability of any municipality. The Town of Oakville strives to promote creativity and diversity in the community; the existence of facilities that support the creation and presentation of arts in Oakville; and opportunities for residents and visitors from all walks of life to enjoy and participate in cultural activities.

In addition, our past is invaluable to us. Our heritage reminds us of where we've come from and how it has shaped the town we are today. We work hard at preserving our history so we can remember and learn from the pioneers who shaped the Oakville we know today.

ACTIONS 2009

- ❑ Present a cultural plan to Council that promotes all aspects of culture in the town to ensure culture's growth and sustainability.
- ❑ Develop a new arts policy.
- ❑ Identify priorities and actions for the Heritage Planning division.

- ❑ Finalize heritage districts and heritage policy directions in the town's official plan – Livable Oakville.
- ❑ Complete facilities audits for the Oakville Centre for the Performing Arts and Centennial pool to ensure they are meeting the needs of the community.
- ❑ Celebrate the town's 20th anniversary of its sister city partnership with Neyagawa City in Japan.

To enhance our social environment

To provide the best support and services possible for all our residents, town programs, initiatives and investments are focused through the lenses of inclusivity and accessibility. We recognize that our diverse population is one of our strengths. We accept and support our different communities, encourage feedback and engagement, and implement enhancements to assist people with disabilities in order to make the town more accessible.

ACTIONS 2009

- ❑ Conduct the 2009 Citizen Survey and report its findings to the public. Incorporate its recommendations in our action plans and procedures, wherever possible.
- ❑ Comply with provincial accessible customer service requirements.
- ❑ Finalize a public engagement and inclusiveness strategy.
- ❑ Following extensive public consultation on six major studies for Livable Oakville, finalize our new official plan to help the town manage growth and achieve our vision to be the most livable town in Canada.
- ❑ Begin development of a youth strategy that will coordinate the efforts of the town and the community in providing direction on what programs and services are needed for Oakville's youth.
- ❑ Open a youth centre in Bronte Village which will provide opportunities for teens to socialize in a designated and supervised "youth only" setting.

Did you know?

- The town received 37,756 facility bookings generating \$4.6 million in revenue.



To have programs and services that are fiscally sustainable

Responsible financial management is a critical component of a sound, livable and sustainable community. The town's future viability depends on our ability to responsibly manage growth, and balance the needs of new development against the cost of servicing it. Oakville's livability depends not only on the range of services we provide, but the quality as well. As an organization, we regularly assess how we're doing business and look for ways to better serve our citizens.

ACTIONS 2009

- Finalize our compliance with Public Sector Accounting Board (PSAB) 3150 regulations.
- Initiate a development charges study that will establish a viable capital funding source for growth related infrastructure.
- Revise the town's investment policy.
- Develop business continuity management plans for town departments to ensure that Oakville and its staff are able to provide service to the community in the event of a disaster, crisis or pandemic event.
- Complete our recreation rates and fees study.
- Present a business plan for Oakville Centre for the Performing Arts to Council.
- Present a harbours financial plan to Council.
- Continue development of performance measures within the town's budget to ensure programs are providing the desired outcomes.



To have environmentally sustainable programs and services

As we expand and change, the Town of Oakville is careful to consider the environmental footprint we are leaving on the world. Through our business practices, initiatives and day-to-day work, we seek out ways to make a cleaner, greener, healthier town.

ACTIONS 2009

- Continue to work on making our entire parking patrol fleet fuel efficient/low emission vehicles.
- Implement a new grid-based transit service design that will improve convenience and expand coverage across the town.
- Expand the town's central irrigation system to all turf areas.
- Acquire eight new transit buses.
- Continue annual stormwater monitoring and present a report to Council.
- Develop sustainable building and energy strategies.
- Finalize sustainable fleet and purchasing strategies that will encourage environmentally conscious purchasing decisions.
- Develop an integrated community sustainability plan.

Did you know?

- Almost 100 trees were nominated as part of the 2008 Oakville's Great Heritage Tree Hunt. That's 20 per cent more than 2007. Awards were presented honouring 10 heritage tree nominations, eight photo entries and one special Mayor's Pinnacle Award based on all of the submissions.
- Town staff participated in the June 23 to 27 Clean Air Commute to help reduce about 2 million grams of smog. More than 80 employees used alternative modes of transportation to travel to and from work during the week.

TOWN HALL

PUBLIC ENTRANCE

"To be the most **livable** town in Canada"



The CAO provides leadership and demonstrates a commitment to excellence in the administration and management of the Corporation of the Town of Oakville, and ensures that town services and programs are aligned with Council-approved policies and strategic directions.

The Community Services Commission is responsible for fire protection and prevention, emergency management, parks, forestry, harbours, cemeteries and the delivery of recreation and cultural services. The commission also provides a corporate link to the Oakville Library, Oakville Galleries and TOWARF (Town of Oakville Water and Air Rescue Force).

The Corporate Services Commission provides support services to ensure fiscal responsibility, records management, compliance with legislation and regulations, appropriate legal and real estate services and advice, council support, as well as human resources and information technology services, to support the town's operating departments. The commission is also responsible for the management of town-owned facilities.

The Planning and Development Commission is responsible for guiding private development proposals in order to achieve the town's Livable Oakville strategic goal. The Commission meets this goal through the development of official plan policies, promotion of economic development opportunities, and review of planning, building, development engineering and site alteration proposals.

The Infrastructure and Transportation Services Commission is responsible for the coordination and delivery of programs and services related to the management, engineering, construction, operation and maintenance of municipal public works infrastructure (roads, traffic, water resources and fleet). It is also responsible for the provision of public transit, environmental policy, and municipal parking operations and enforcement.

Treasurer's Report



The Town of Oakville's Consolidated Financial Statements for 2008 show the town is in a sound financial position, and is well equipped to face the current economic conditions.

The statements have been prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The town's external auditors, KPMG, have also examined the statements in accordance with generally accepted auditing standards, and have expressed an unqualified opinion that the consolidated statements are free from material misstatement, and fairly present the financial position of the town as of December 31, 2008, in all material respects.

The town's financial statements include the Consolidated Statement of Financial Position, the related Consolidated Statements of Financial Activities, and the Consolidated Statement of Changes in Financial Position. The notes to these financial statements provide supporting information and details related to reserves and reserve funds, and operating-fund and capital-fund balances for the 2008 fiscal year.

The consolidated financial statements combine the operations of the town's Capital, Operating and Reserve and Reserve Funds, as well as the operations of the Oakville Public Library, Oakville Galleries and the town's three business improvement areas. The statements also include the town's investment in Oakville Hydro Corporation using the modified equity method of accounting.

The statements indicate how the town financed its activities in 2008. They confirm that resources obtained were used in accordance with the town's approved operating and capital budgets, and adhered to the financial management and planning policies and processes of the town.

Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position is the municipal equivalent of the private sector's balance sheet, except that currently physical or "fixed" assets are not recorded. Effective January 1, 2009, all municipalities will be required to record their tangible capital assets on their financial statements. Until then, this statement presents only the town's financial assets and liabilities, displaying the balance of all town funds and indicating the town's financial position or equity. The transitional rules for PSAB 3150 – Tangible Capital Assets, required municipalities to disclose values as they become available. The town has disclosed all its fixed assets within Note 20 of the financial statements.

A key indicator of a municipality's financial health is its net financial position. The net financial position is the difference between the financial assets of the corporation (cash, receivables and investments) and its financial liabilities (accounts payable, deferred revenues, debentures and post employment liabilities).

The town is in a net financial asset position, with assets exceeding liabilities by \$197.1 million — an increase of \$16.1 million over the positive difference between assets and liabilities in 2007. While the town's liabilities grew by \$7.4 million due to increases in accounts payable and accrued liabilities including post-employment benefit liabilities, this was more than offset by reductions in deferred revenue and long-term liabilities of \$23.5 million.

The town's financial assets totaled \$388.9 million at December 31, 2008 — an increase of \$23.5 million over 2007. This is largely due to an increase of \$11.9 million in cash and investments, bringing the total from \$175.2 million in 2007 to \$187 million in 2008. Tax and Accounts Receivable have also increased by \$8.6 million; and the town's investment in Oakville Hydro increased by \$3 million in 2008 to \$165.7 million on December 31, 2008.

The Operating Fund reflects the consolidated surplus position of the town and its local boards. In accordance with corporate policy, this surplus is carried forward

to offset the 2009 tax levy requirement. The operating fund balance on December 31, 2008 was \$670,425.

The Capital Fund represents the net position of the town's capital projects. A positive capital fund indicates that sufficient financing has been put in place in accordance with the approved budget for capital projects. At the time of reporting, some budgeted expenses had not yet occurred, and the capital fund balance on December 31, 2008 was \$13.8 million.

The town's Reserves and Reserve Funds are savings accumulated from past contributions of revenue that have been set aside for future use. Most of these funds will be used for future capital financing, to stabilize operating activities from year to year, or to fund emergency situations. Reserves and Reserve Funds also enable the town to take advantage of any time-sensitive funding opportunities that other levels of government may be offering to improve infrastructure or services (such as economic stimulus funding), without significantly increasing taxes.

The Reserves and Reserve Funds balance on December 31, 2008 was \$64.3 million — an increase of \$12.3 million over the 2007 balance of \$52 million.

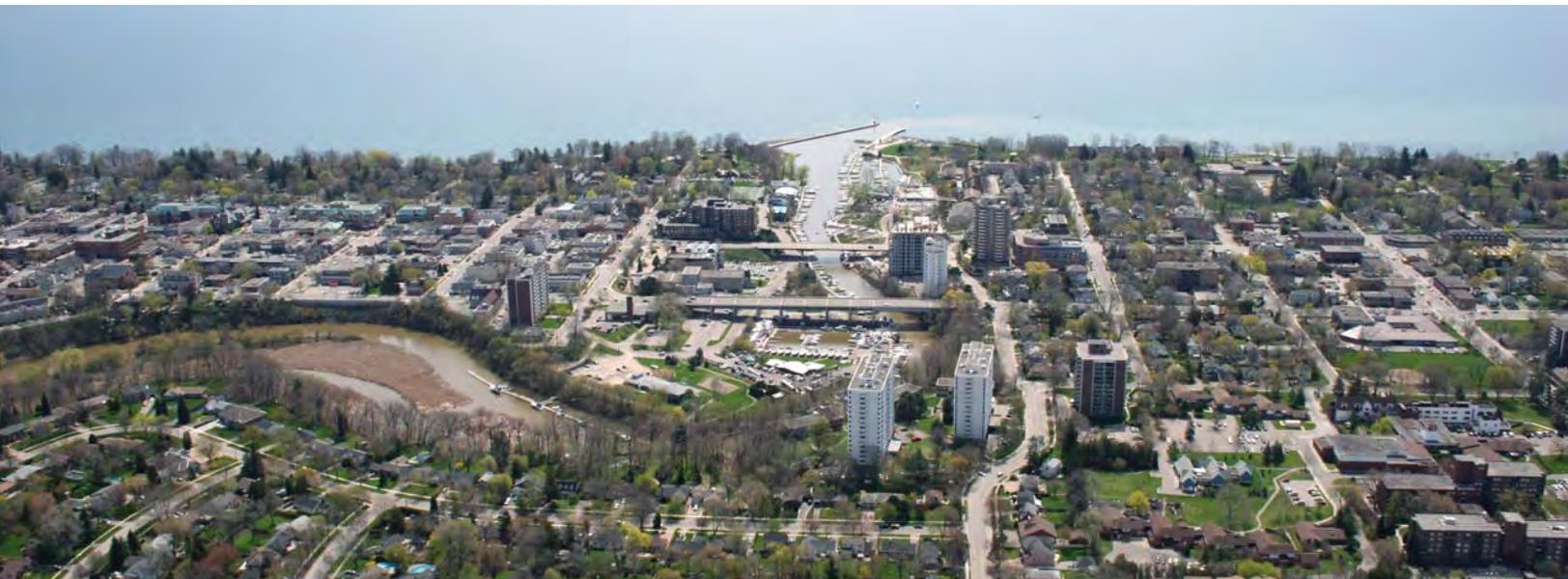
In all, the town's accumulated fund balance in 2008 (which includes the Operating Fund balance, Capital Fund balance, Reserve and Reserve Funds and equity

in Oakville Hydro) was \$248.5 million. Amounts to be recovered from future revenues, including long-term debt and post-employment benefits, increased by \$0.5 million to reach a total of \$50 million. This resulted in a net asset municipal position of \$198.5 million. In total, this represents an increase in the town's municipal position of \$16 million over 2007.

The Consolidated Statement of Financial Activities

The Consolidated Statement of Financial Activities is the municipal equivalent to the private sector's income statement. It presents the revenues raised by the town during the year and the activities these revenues funded. It also provides an overview of operating results compared to approved budgets for the fiscal year for the town and the local boards that it consolidates (the Oakville Public Library, Oakville Galleries, and the three business improvement areas).

Total revenues were \$230.8 million, exceeding the budget forecast due to income from user fees, investment income, and revenue from federal and provincial government grants. Including the equity in Oakville Hydro, the town's net revenues for 2008 were \$16 million.



Conclusion

At the end of 2008, the Town of Oakville is in a sound financial position. As with most municipalities in Ontario, the town faces financial challenges, and recent economic conditions have compounded these challenges. The town is now compliant with PSAB PSG-7 – Tangible Capital Asset regulations, with net capital assets with a net book value of \$1.2 billion, and estimated replacement costs of \$2.5 billion, excluding land values.

Finding the funding to renew these assets will be a challenge for future budgets. The demand for new and enhanced services for a growing community, combined with the recent economic downturn, will place pressure on the town's finances while we strive to maintain reasonable and competitive tax rates. However, our strong financial position and the following financial management tools will help the town deal with these challenges:

- In conjunction with PSAB 3150 the town is implementing a comprehensive asset management program and systems. This tool will provide the town with the information it needs to develop a sustainable financing plan for infrastructure renewal.
- The ten-year financial forecast allows the town to evaluate infrastructure investments in light of their impact on future budgets. This tool allowed the town to evaluate the impact of reduced development charge funding resulting from the current economic slowdown, and to make necessary changes to the timing of growth-related capital projects.
- The PB2 budgeting methodology provides for multi-year operating budgets, which assist in planning the implementation of new or enhanced programs and services, balanced against future tax increases. The development of performance measures is well underway, and will assist the town in finding efficiencies.

Many people and departments contribute to the town's success and achievements. Thank you to Town Council, commissioners, all department heads and staff for their efforts in ensuring the town remains in a strong financial position. I would especially like to thank the staff in the town's Finance Department, who never hesitate to go the extra mile. They are dedicated professionals who are committed to ensuring the town's financial affairs are handled with integrity.



Patricia Elliott-Spencer, MBA, CMA
Director, Finance & Treasurer
The Corporation of the Town of Oakville
Dated: July 4, 2009

Town Wins the Government Finance Officers Association Award

For the eleventh consecutive year, the Town of Oakville has received the Government Finance Officers Association of the United States and Canada (GFOA) award for financial reporting for the 2007.

The award is presented to municipalities with annual financial reports that achieve high program standards for Canadian government accounting and financial reporting. It recognizes the accountability, stewardship, and credibility of the municipality, as presented by the clarity, comparability and completeness of the town's annual report.



Overview

The management of the Corporation of the Town of Oakville is responsible for the integrity, objectivity and accuracy of the financial information presented in our Financial Statements.

In order to meet its responsibility for presenting accurate information, management maintains comprehensive financial and internal control systems. These systems are designed to ensure the safeguarding of assets and the integrity of the financial data. The control systems provide an organizational structure, which effectively segregates responsibility, employs highly qualified professional staff, and develops corporate policies and procedures, which are continuously reviewed.

Financial Management

The Town of Oakville prepares its financial information in accordance with the generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and prescribed policies issued by the Ministry of Municipal Affairs and Housing. The Town's sources of financing and expenditures are recorded using the accrual basis of accounting. This basis recognizes revenues as they earned and measurable and expenditures as they are incurred and measurable as the result of receipt of goods or services and the creation of a legal obligation to pay. This is also the basis for developing the Town's budget.

In municipal financial operations, monies raised or supplied for one purpose cannot be used for any other purpose. Legal restrictions and contractual agreements prevent it from being used or diverted to any other use. Fund accounting shows that the money has been used for its intended purpose. The funds used by the Town of Oakville are the General Fund, Capital Fund, Reserve Funds and Trust Funds.

Another element of financial management is to ensure the financial stability of the Corporation. By looking forward and preparing for future needs, the Town is able to deal with legislative changes, the impact of growth, and changes in the economic climate without significantly impacting the tax rate.

Financial Policies

The following financial policies establish the framework for the Town of Oakville's overall fiscal planning and management. The success of the Town's budget process rests on a solid foundation of budget principles. These principles may be summarized as follows:

1. Sustainability

The annual budget incorporates a long-term perspective and should be affordable today and in the future. The Town's budget shall be in compliance with the Municipal Act and thus must be balanced and shall not plan for a deficit. The use of one-time revenues shall not be incorporated into the Town's base budget and revenue diversification should be maximized.

2. Interdependency

The operating and capital budgets must be reviewed with a coordinated effort. It must be recognized that capital expenditures, financing decisions and strategies will impact on future operating budgets.

3. Affordability

The assumption of new assets and infrastructure and the replacement of existing assets will be well planned, and appropriate financing strategies and means will be utilized to minimize the financial impact and ensure that the tax rate is maintained at manageable levels. Growth related infrastructure is funded primarily through development charges in accordance with the Development Charges Act. Funding for non-growth infrastructure is funded through tax revenues. The Town prepares multi-year operating and 10 year capital forecasts to evaluate the Town's ability to afford new programs, service levels changes and new facilities.

4. Fee for Service

The Town will ensure that user fees will be utilized to cover costs of appropriate services and are subject to annual review.

5. Management Principles

The Town will maximize program efficiencies while maintaining program effectiveness. The annual budget will focus on results and outcomes. The safeguarding of the Town's assets and resources shall be a key management objective. Town management and staff review the numerous programs provided by all departments in order to ensure community needs are being met.

Operating Budget Controls

The Town has adopted various policies that allow departments to effectively manage programs and services for which they are accountable. These policies establish a hierarchy of authority for adjusting between budget appropriations. The general accountabilities and allowable adjustments are as follows:

- Departmental services approved by Council are carried out within the department's net expenditure approvals, and that deviations from this policy are reported to and reviewed by the CAO or Council, as set out herein.
- Department Heads/Commissioners are accountable to the Treasurer, the Chief Administrative Officer and Council for their spending, revenue generation and service delivery performance against budget approvals.
- Revenues that are received beyond the level provided for in the budget shall not be spent or committed without Council approval. At year-end, such remaining revenues become part of the Town surplus.
- Reallocations between object codes that do not affect the net operating budget of a specific program may be made by a Department Head and will be implemented on an expenditure basis only.
- The transfer of approved budgets of not more than \$50,000 in respect of each reallocation between programs within a department that do not affect the net operating budget for the Department shall require the approval of the Commissioner, if applicable, the Treasurer and the CAO. Any such reallocation shall be reported as part of the quarterly variance report. Reallocation of approved budgets in excess of \$50,000 requires Council approval.

- The transfer of approved budgets between programs and/or services affecting the net operating budget for a department shall require the approval of the Treasurer and the CAO prior to being and subsequent approval of Council.

Capital Budget Controls

The following points highlight the capital budget control process:

- Council, in adopting the Capital Budget, shall determine the sums required for each Capital Project listed in the Capital Budget. The Treasurer shall certify that funding for the Capital Projects in the Capital Budget is within the Town's updated financial obligation limit in relation to allowable Provincial levels.
- All Capital Budgets and departmental reports to Council seeking authority for the release of funds and commencement of the capital project or amendments to the capital program must first be approved by the Treasurer to ensure accuracy, financing sources and financial impact, and then reviewed by the CAO before being submitted to Council for approval.
- Any capital project approved in a previous year for which a cash flow forecast is not updated, as part of the current year's capital budget submission that project will be deemed to be completed. This review shall form part of the annual Capital Budget process, confirmation of the closure is subject to CAO approval.
- Similar to the operating budget, there is a hierarchy of controls detailing how project budgets may be amended.

Debt Management

Council has adopted a policy that ensures the debt level is significantly below the allowable Provincial Government authorized level. The Council approved guideline ensures debt payments do not exceed 6.25% of revenues, this compares very favourably to the allowable Provincial limit of 25%. The Town has a relatively low total debt burden in comparison to the provincial standard.



KPMG LLP
Chartered Accountants
Box 976
21 King Street West Suite 700
Hamilton ON L8N 3R1

Telephone (905) 523-8200
Fax (905) 523-2222
Internet www.kpmg.ca

AUDITORS' REPORT

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

We have audited the consolidated statement of financial position of The Corporation of the Town of Oakville as at December 31, 2008 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation'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 Corporation of the Town of Oakville as at December 31, 2008 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Accountants, Licensed Public Accountants

Hamilton, Canada

March 31, 2009

Consolidated Statement of Financial Position

(in thousands of dollars) December 31, 2008, with comparative figures for 2007

| | 2008 | 2007 |
|--|------------------|------------------|
| Assets | | |
| Financial assets: | | |
| Cash and cash equivalents | \$39,280 | \$21,605 |
| Temporary investments (note 3) | 147,756 | 153,569 |
| Taxes receivable (note 4) | 16,525 | 15,714 |
| Accounts receivable | 19,584 | 11,743 |
| Investment in Oakville Hydro Corporation (note 5) | 165,713 | 162,733 |
| | <u>388,858</u> | <u>365,364</u> |
| Liabilities | | |
| Financial liabilities: | | |
| Accounts payable and accrued liabilities | 35,356 | 19,739 |
| Other current liabilities | 11,758 | 11,398 |
| Post employment benefit liability (note 6(a)) | 14,626 | 12,580 |
| WSIB liability (note 6 (b)) | 1,965 | 1,724 |
| Deferred revenue - obligatory reserve funds (note 7) | 69,200 | 84,441 |
| Deferred revenue (note 8) | 24,694 | 18,585 |
| Long term liabilities (note 9) | 34,107 | 35,815 |
| | <u>191,706</u> | <u>184,282</u> |
| Net financial assets | 197,152 | 181,082 |
| Non financial assets: | | |
| Prepaid expenses and inventory | 1,318 | 1,338 |
| Net assets | <u>\$198,470</u> | <u>\$182,420</u> |
| Municipal Position: | | |
| Fund balances (note 10) | | |
| Operating Fund - schedule 1 | \$670 | \$561 |
| Capital Fund - schedule 2 | 13,828 | 13,151 |
| Reserves and Reserve Funds - schedule 3 | 64,288 | 52,029 |
| Equity in Oakville Hydro Corporation (note 5 (c)) | 169,682 | 166,098 |
| | <u>248,468</u> | <u>231,839</u> |
| Amounts to be recovered (note 11) | (49,998) | (49,419) |
| Municipal position | <u>\$198,470</u> | <u>\$182,420</u> |

Consolidated Statement of Financial Activities

(in thousands of dollars) Year ended December 31, 2008, with comparative figures for 2007

| | Budget | 2008 Actual | 2007 Actual |
|---|------------|----------------|----------------|
| | (note 18) | | |
| Revenues: | | | |
| Taxation revenue | \$348,749 | \$357,695 | \$333,899 |
| Less amounts received for Region and School Boards (note 2) | 238,575 | 244,859 | 234,478 |
| | 110,174 | 112,836 | 99,421 |
| Oakville Hydro - interest on promissory notes | 4,717 | 4,712 | 4,713 |
| User fees and charges (note 12) | 36,621 | 38,974 | 36,231 |
| Grants (note 16): | | | |
| Government of Canada | 281 | 437 | 334 |
| Province of Ontario | 4,578 | 5,030 | 1,223 |
| Gas tax revenue | 605 | 1,791 | 2,482 |
| Investment income | 3,693 | 6,511 | 5,993 |
| Penalties and interest | 2,430 | 2,804 | 2,675 |
| Developer contributions and development charges earned | 46,668 | 41,418 | 11,937 |
| Other | 12,229 | 16,306 | 7,882 |
| | 111,822 | 117,983 | 73,470 |
| Total revenues | 221,996 | 230,819 | 172,891 |
| Expenditures (note 17): | | | |
| Operating: | | | |
| General government | 21,477 | 17,939 | 17,068 |
| Protection to persons and property | 28,579 | 28,135 | 26,869 |
| Transportation services | 35,372 | 38,657 | 33,349 |
| Environmental services | 630 | 379 | 530 |
| Health services | 765 | 807 | 938 |
| Recreation and cultural services | 37,905 | 38,603 | 35,581 |
| Planning and development | 10,067 | 10,505 | 10,286 |
| | 134,795 | 135,025 | 124,621 |
| Capital: | | | |
| General government | 9,582 | 5,587 | 7,176 |
| Protection to persons and property | 1,975 | 711 | 1,911 |
| Transportation services | 39,603 | 42,032 | 19,182 |
| Environmental services | - | 964 | 127 |
| Health services | - | 79 | 142 |
| Recreation and cultural services | 45,957 | 35,769 | 18,995 |
| Planning and development | 1,696 | 1,288 | 720 |
| | 98,813 | 86,430 | 48,253 |
| Total expenditures | 233,608 | 221,455 | 172,874 |
| Equity in income of Oakville Hydro Corporation (note 5 (c)) | - | 6,706 | 4,312 |
| Net revenues (expenditures) | (11,612) | 16,070 | 4,329 |
| Proceeds from long term debt | 3,176 | 3,176 | 14,065 |
| Increase in post employment benefit and WSIB liabilities | - | 2,287 | 1,177 |
| Debt principal repayments | (4,903) | (4,884) | (3,588) |
| Repayment of internal loans | - | - | (71) |
| Change in amounts to be recovered | (1,727) | 579 | 11,583 |
| Increase (decrease) in non financial assets | - | (20) | 34 |
| Change in fund balances | \$(13,339) | \$16,629 | \$15,946 |

Consolidated Statement of Changes in Financial Position

(in thousands of dollars) Year ended December 31, 2008, with comparative figures for 2007

| | 2008 | 2007 |
|---|----------|----------|
| Cash provided by (used in): | | |
| Operations: | | |
| Net revenues | \$16,070 | \$4,329 |
| Equity in income of Oakville Hydro Corporation | (6,706) | (4,312) |
| | 9,364 | 17 |
| Sources and uses of cash: | | |
| Increase (decrease) in taxes receivable | (811) | 886 |
| Increase in accounts receivable | (7,841) | (4,754) |
| Increase (decrease) in accounts payable and accrued liabilities | 15,617 | (7,945) |
| Increase (decrease) in other current liabilities | 360 | (164) |
| Increase in post employment benefit liability | 2,046 | 958 |
| Increase in WSIB liability | 241 | 219 |
| Decrease (increase) in deferred revenue - obligatory reserve funds | (15,241) | 17,284 |
| Increase in deferred revenue | 6,109 | 1,757 |
| | 480 | 8,241 |
| Net change in cash and cash equivalents from operations | 9,844 | 8,258 |
| Financing: | | |
| Proceeds from long term debt | 3,176 | 14,065 |
| Debt principal repayment | (4,884) | (3,588) |
| | (1,708) | 10,477 |
| Investments: | | |
| Purchase of temporary investments, net | 5,813 | (31,847) |
| Decrease in direct financing lease receivable from Oakville Hydro Corporation | 604 | 569 |
| Dividend from Oakville Hydro Corporation | 3,122 | 2,080 |
| | 9,539 | (29,198) |
| Net change in cash and cash equivalents | 17,675 | (10,463) |
| Cash and cash equivalents, beginning of year | 21,605 | 32,068 |
| Cash and cash equivalents, end of year | \$39,280 | \$21,605 |

The consolidated financial statements of the Corporation of The Town of Oakville (the “Town”) are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (“PSAB”) of the Canadian Institute of Chartered Accountants.

1. Significant accounting policies:

(A) Reporting entity

(i) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees of Council which are controlled by the Town (except for the Oakville Hydro Corporation), including the following:

- The Oakville Public Library Board
- Downtown Oakville Business Improvement Area
- Bronte Business Improvement Area
- Kerr Village Business Improvement Area
- Oakville Galleries

All material inter-entity transactions and balances, except for those between the Town and the Oakville Hydro Corporations, are eliminated on consolidation.

(ii) Investment in Oakville Hydro Corporation

The Town’s investment in Oakville Hydro Corporation is accounted for on a modified equity basis, consistent with Canadian generally accounting principles as recommended by PSAB for investments in government business enterprises. Under the modified equity basis, Oakville Hydro Corporation’s accounting policies are not adjusted to conform with those of the municipality and inter organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of Oakville Hydro Corporation in its consolidated statement of financial activities with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from Oakville Hydro Corporation will be 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 Halton 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 in the Trust Funds Statement of Financial Position and Financial Activities.

(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) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and short term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(iii) Temporary and long term investments

Temporary and long term investments are reported at the lesser of cost or market value. Any premium or discount at purchase of an investment is amortized over the life of the investment.

(iv) Tangible capital assets

Tangible capital assets expenditures incurred during the year are recorded as capital expenditures in the statement of financial activities.

(v) 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.

(vi) 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.

(vii) Deferred revenue

Deferred revenue represents user charges, taxes, Provincial grants 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.

(viii) Net investment in direct financing leases receivable

Investment income related to the municipality's net investment in direct financing leases is recognized in a manner that produces a constant rate of return on the investment. The investment in the leases is composed of net minimum remaining lease payments net of unearned investment income.

(ix) Post employment benefits

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

(x) 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.

(xi) 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.

(C) Physical assets:

(i) Tangible capital assets

Effective January 1, 2007, the Town adopted Accounting Guideline 7 (PSG 7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG 7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect on January 1, 2009. Currently, the Town records tangible capital assets as capital expenditures in the statement of financial activities.

During 2007 and 2008, the Town worked towards compliance with the new recommendations for accounting for tangible capital assets. As of December 31, 2008, the Town had obtained a complete inventory listing and associated values for the land parcels and vehicle asset classes. In addition the

Town disclosure for December 31, 2007 includes sub classes of outdoor pools, parking lots, harbour equipment, bridges and culverts, traffic signals, transit shelters, and sea walls and piers. A complete inventory and valuation of all remaining assets was completed by December 31, 2008. Along with the compliance with PSAB 3150, the Town is currently implementing a full asset management program and JD Edwards system modules to ensure that assets are not only accounted for, but they that they are managed on an on going basis.

Under PSAB 3150, assets are valued at historical cost. Certain capital assets for which historical cost information is not available have been recorded at estimated historical cost using current fair market value discounted by a relevant inflation factor. The Town will be utilizing straight line amortization on all asset classes, as the means of calculating and expensing asset costs against the fiscal year over the life of the asset.

(ii) Tangible capital assets amortization:

As of January 1, 2008, accumulated amortization for the assets classes and sub classes identified in PSG-7 (note 19) is presented in the notes to the financial statements. Amortization has not been recorded as an expense within the Town's 2007 and 2008 statement of financial activities. Asset costs and accumulated amortization for all asset classes is presented in the notes to the 2008 financial statements and is calculated on a straight line basis over an asset's estimated useful lives as follows:

| Asset | Years |
|---------------------------------------|--------------|
| Land improvements | 3 - 100 |
| Buildings | 10 - 75 |
| Equipment | 3 - 19 |
| Vehicles | 3 - 18 |
| Road Network | 10 - 100 |
| Environmental Network | 10 - 100 |
| Communications and Technology Network | 3 - 8 |

2. Operations of School Boards and the Region of Halton:

Further to note 1(a)(iii), the taxation and other revenues of the school boards and the Region of Halton are comprised of the following:

| | School Boards | Region | 2008 Total | 2007 Total |
|---------------------------|------------------|-----------|---------------|---------------|
| | (\$000) | (\$000) | (\$000) | (\$000) |
| Taxation and user charges | \$115,661 | \$127,299 | \$242,960 | \$232,905 |
| Grants in lieu | 258 | 1,641 | 1,899 | 1,573 |
| | \$115,919 | \$128,940 | \$244,859 | \$234,478 |

3. Temporary investments:

Temporary investments, which are reported at the lesser of cost and market value, have a market value of \$150,553,530 (2007 \$156,632,672) at the end of the year.

4. Taxes receivable:

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

| | 2008 | 2007 |
|------------------------|----------|----------|
| | (\$000) | (\$000) |
| Current year | \$12,841 | \$11,540 |
| Arrears previous years | 5,575 | 5,244 |
| | 18,416 | 16,784 |
| Less allowance | 1,891 | 1,070 |
| | \$16,525 | \$15,714 |

The allowance of \$1,890,730 has been established to cover the Town's share of vacancy rebates for 2008 and potential adjustments from unresolved assessment appeals.

5. Investment in Oakville Hydro Corporation:

Oakville Hydro Corporation and its wholly owned subsidiaries (collectively, the "Corporation") is owned and controlled by the Town and as a government business enterprise is accounted for on the modified equity basis in these consolidated financial statements. The Corporation serves as the electrical distribution utility for Oakville's residents and businesses. Other activities of the Corporation, and its subsidiaries, are to provide data communications services, energy services, water heater rental, billing services, street lighting services, retro-fit multi-residential buildings to individually metered units and utility related construction.

In 2005, the Corporation's subsidiary, Oakville Hydro Energy Services Inc., obtained an Electricity Generation License from the OEB to allow it to generate electricity. Construction commenced in 2006 on a landfill gas generation project to produce green energy. Production commenced in early 2008.

The following table provides condensed supplementary consolidated financial information for the Corporation and its subsidiaries for the year ended December 31:

| | 2008 | 2007 |
|--|------------------|------------------|
| | (\$000) | (\$000) |
| Financial Position: | | |
| Assets: | | |
| Current | \$51,940 | \$47,673 |
| Capital | 146,898 | 134,794 |
| Other | 17,978 | 28,868 |
| Total assets | \$216,816 | \$211,335 |
| Liabilities: | | |
| Current | \$29,892 | \$32,039 |
| Capital lease obligations to Town of Oakville | 9,888 | 10,492 |
| Promissory notes payable to Town of Oakville | 77,029 | 77,029 |
| Other | 21,211 | 16,376 |
| Total liabilities | 138,020 | 135,936 |
| Equity: | | |
| Share capital | 63,024 | 63,024 |
| Accumulated other comprehensive income | - | 187 |
| Retained earnings | 15,772 | 12,188 |
| Total equity | 78,796 | 75,399 |
| Total liabilities and equity | \$216,816 | \$211,335 |
| Financial Activities: | | |
| Revenue | \$168,089 | \$167,179 |
| Expenses (including income tax provision) | 161,383 | 162,867 |
| Income net of taxes | 6,706 | 4,312 |
| Dividend paid to Town of Oakville | (3,122) | (2,080) |
| Change in equity | \$3,584 | \$2,232 |
| Town of Oakville's investment represented by: | | |
| Direct financing leases receivable note 5(a) | \$9,888 | \$10,492 |
| Promissory notes receivable note 5 (b) | 77,029 | 77,029 |
| Investment in shares of the Corporation | 63,024 | 63,024 |
| Accumulated net income, net of dividends received and adjustment for future income taxes | 15,772 | 12,188 |
| Total investment | \$165,713 | \$162,733 |

(a) Net investment in direct financing receivable:

The Town has provided direct financing leases to Oakville Hydro Corporation for the property known municipality as 861 Redwood Square, and the vehicle fleet.

Minimum payments under this lease agreement are as follows:

| | (\$000) |
|--|----------------|
| 2009 | \$1,240 |
| 2010 | 1,152 |
| 2011 | 1,187 |
| 2012 | 1,222 |
| 2013 | 1,259 |
| Thereafter | 8,388 |
| | <u>14,448</u> |
| Less amount representing interest, imputed at 7% | 4,560 |
| | <u>\$9,888</u> |

(b) Promissory notes:

The Corporation issued promissory notes to the Town, effective February 1, 2000, with principal repayment due on February 1, 2020. The Town has the option on one year's prior written notice to the Corporation to revise the maturity date and any of the terms of the promissory notes. At December 31, 2008, the interest rate in effect on the promissory notes of \$67,946,000 was 6% (2007 - 6%) and the promissory note of \$9,083,000 has an interest rate in effect of 7% (2007 - 7%). Interest revenue earned from these notes totaled \$4,712,598 (2007 - \$4,712,578).

(c) Equity in Oakville Hydro Corporation:

| | 2008 | 2007 |
|--|------------------|------------------|
| | (\$000) | (\$000) |
| Balance, beginning of year | \$166,098 | \$163,866 |
| Changes during the year: | | |
| Net income for the year | 6,706 | 4,312 |
| Equity in income of Oakville Hydro Corporation | 6,706 | 4,312 |
| Dividend received from Oakville Hydro | (3,122) | (2,080) |
| | <u>3,584</u> | <u>2,232</u> |
| Balance, end of year | <u>\$169,682</u> | <u>\$166,098</u> |

(d) Related party transactions and balances:

The following summarizes the Town's related party transactions and balances with the Corporation for the years ended December 31:

| | 2008 | 2007 |
|--|---------|---------|
| | (\$000) | (\$000) |
| Transactions: | | |
| Revenue: | | |
| Interest on capital leases | \$715 | \$756 |
| Cashier services | 3 | 3 |
| Tree trimming services | 232 | 221 |
| Garage services | 483 | 467 |
| Property taxes | 312 | 302 |
| Interest on promissory notes | 4,713 | 4,713 |
| Expenses: | | |
| Energy purchases (at commercial rates) | \$3,001 | \$2,891 |
| Fibre optic rental | 58 | 77 |
| Streetlight maintenance | 339 | 555 |
| Balances: | | |
| Amounts due from the Corporation: | | |
| Accounts receivable | \$80 | \$83 |
| Direct financing leases receivables | 9,888 | 10,492 |
| Promissory note receivable | 77,029 | 77,029 |
| Amounts due to the Corporation: | | |
| Accounts payable and accrued liability | \$196 | \$454 |

(e) Contingencies and guarantees of Oakville Hydro Corporation as disclosed in their financial statements are as follows:

(i) Legal proceedings

A class action claiming \$500 million in restitutionary payments, plus interest, was served on the former Toronto Hydro Electric Commission, continuing as Toronto Hydro Corporation on November 18, 1998. The action was initiated against the former Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities (“MEU”) in Ontario, of which the Oakville Hydro Corporation is a successor MEU, which have charged late payment charges on overdue utility bills at any time after April 1, 1981.

The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, contrary to Section 347(1) (b) of the Criminal Code. This action is at a preliminary stage. The Electricity Distributors Association is undertaking the defense of this class action of behalf of the Defendant Class. It is anticipated that the action will now proceed for determination in light of the reasons in the decision of the Supreme Court in the Enbridge class action.

On April 22, 2004, in a decision in a class action commenced against The Consumers’ Gas Company Limited (now Enbridge Gas Distribution Inc.), the Supreme Court of Canada ruled that Consumers’ Gas was required to repay that portion of certain late payment charges collected by it from its customers that were in excess of the interest limit stipulated in section 347 of the Criminal Code. The parties have reached a settlement of this class action and the settlement has been approved by the Ontario Superior Court of Justice.

On February 4, 2008, the OEB, ruled that all of Enbridge’s costs related to settlements of the class action lawsuits, including legal costs, settlement cost and interest, are recoverable from ratepayers. The OEB’s decision allows Enbridge to recover all amounts over a five year period commencing in 2008.

In May 2008, the representative plaintiff in the class action made a petition to the Lieutenant Governor in Council of Ontario (LGiC) in which he asked the LGiC to require the OEB to reconsider its decision of February 4, 2008 and potentially re-hear that matter.

At this time, given the preliminary status of this action, it is not possible to quantify the effect, if any, on the financial statements of the Corporation. Consequently, no provision has been made in these financial statements with respect to any possible losses that may arise as a result of this matter.

(ii) Short term credit facilities

The Corporation has an uncommitted line of credit facility available for \$20 million with a Canadian chartered bank. As at December 31, 2008 no amount was drawn on this facility. In addition, the Corporation has a letter of credit facility available of \$15 million with a chartered bank, of which \$13 million has been assigned to secure a prudential support according to the Independent Electricity System Operator (“IESO”) Settlements Manual.

6. Post employment benefit liability:

(a) Post employment benefit liability:

Employee future benefits are comprised of health and dental benefits. Certain employees receive an accrual for one day earned per year of service payable at retirement. Dependent on eligibility, health and dental coverage may be a shared financial responsibility between the Town and the retired employee. All coverage ceases at age 65. The Town recognizes these post retirement costs as they are earned during the employee’s tenure of service.

The post employment benefits obligation at December 31, 2008 and the changes in the accrued benefit obligation for the 2008 fiscal year was determined by an actuarial extrapolation based on the full valuation prepared as at December 31, 2007. The main actuarial assumptions employed in the valuation are as follows:

(i) Inflation

Inflation was assumed to be 2.5% per year.

(ii) Discount rate

The present value as at December 31, 2008 of the future benefits obligation was determined using a discount rate of 5.25%.

(iii) Health and dental trend costs

Health care trend costs of 8% in 2008, reducing linearly to 3.5% in 2018. Dental care trend costs of 3.5% annual increases are presumed.

Mortality is based on the 1994 Uninsured Pensioner Mortality Table.

Information about the Town's benefit liabilities are as follows:

| | 2008 | 2007 |
|--|-----------------|-----------------|
| | (\$000) | (\$000) |
| Accrued benefits liability, beginning of year | \$12,580 | \$11,622 |
| Current service costs | 822 | 615 |
| Plan improvements and amendments | 798 | - |
| Interest on accrued benefits | 744 | 644 |
| Amortization of actuarial gains (losses) | 93 | 68 |
| Benefits paid during the period | (411) | (369) |
| Accrued benefits liability, end of year | \$14,626 | \$12,580 |

| | 2008 | 2007 |
|---|-----------------|-----------------|
| | (\$000) | (\$000) |
| Post employment benefits obligation | \$15,648 | \$13,695 |
| Unamortized actuarial losses | (1,022) | (1,115) |
| Post employment benefits liability | \$14,626 | \$12,580 |

(b) Workplace Safety and Insurance (WSIB) Liability:

Effective January 1, 1994, the Corporation of the Town of Oakville became a Schedule II employer under the Workplace Safety & Insurance Act and follows a policy of self insurance for all its employees. A full actuarial valuation was completed in 2007 in order to determine the accrued liability at December 31, 2007. An actuarial update was performed for December 31, 2008.

The main actuarial assumptions employed in the valuation are as follows:

(i) *Inflation* - Inflation was assumed to be 2.5% per year.

(ii) *Discount rate* - The present value as at December 31, 2008 of the future benefits obligation was determined using a discount rate of 5.0%.

(iii) *Health care costs*- Health care costs of 6% in 2008.

Information about the Town's WSIB liability is as follows:

| | 2008 | 2007 |
|--|----------------|----------------|
| | (\$000) | (\$000) |
| Accrued WSIB liability, beginning of year | \$1,724 | \$1,505 |
| Current service costs | 494 | 446 |
| Interest on accrued benefits | 103 | 86 |
| Amortization of actuarial losses | 27 | 4 |
| Benefits paid during the year | (383) | (317) |
| Accrued WSIB liability, end of year | \$1,965 | \$1,724 |

| | 2008 | 2007 |
|------------------------------|----------------|----------------|
| | (\$000) | (\$000) |
| Accrued WSIB obligation | \$2,214 | \$1,999 |
| Unamortized actuarial losses | (249) | (275) |
| WSIB liability | \$1,965 | \$1,724 |

Management has provided the most current information available to the actuary for purposes of estimating the accrued WSIB liability.

7. Deferred revenue obligatory reserve funds

Continuity of deferred revenue obligatory reserve funds is as follows:

| | 2008 | | | | | 2007 |
|---|---------------------|----------|----------|----------------------|----------|----------|
| | Development Charges | Parkland | Gas Tax | Investing in Ontario | Total | Total |
| | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) |
| Balance, beginning of year | \$64,070 | \$11,498 | \$8,873 | \$- | \$84,441 | \$67,157 |
| Developer and other contributions | 13,632 | 552 | 6 | - | 14,190 | 25,348 |
| Interest earned | 1,809 | 627 | 501 | - | 2,937 | 2,435 |
| Provincial and Federal Funding | - | - | 5,619 | 7,434 | 13,053 | 6,401 |
| | 15,441 | 1,179 | 6,126 | 7,434 | 30,180 | 34,184 |
| Less: | | | | | | |
| Contributions used in operating and capital funds | 42,208 | 175 | 3,038 | - | 45,421 | 16,900 |
| | \$37,303 | \$12,502 | \$11,961 | \$7,434 | \$69,200 | \$84,441 |

8. Deferred revenue

| | 2008 | 2007 |
|---|----------|----------|
| | (\$000) | (\$000) |
| Deferred revenues - operations | \$8,754 | \$8,231 |
| Deferred revenues - capital | 6,457 | 2,593 |
| Pre authorized tax payments | 9,452 | 7,744 |
| Deferred revenues - Library and Business Improvement Area | 31 | 17 |
| | \$24,694 | \$18,585 |

Principal repayments due over the next five years and thereafter are as follows:

| | (\$000) |
|------------|----------|
| 2009 | \$5,372 |
| 2010 | 5,234 |
| 2011 | 5,010 |
| 2012 | 3,763 |
| 2013 | 3,464 |
| Thereafter | 11,264 |
| | \$34,107 |

9. Long term liabilities

(a) The balance of the long term liabilities reported on the consolidated statement of financial position is comprised of the following:

The municipality has assumed responsibility for the payment of the principal and interest charges on certain long term serial debentures issued by Halton Region on behalf of the Town. Interest rates range from 4.05% to 8.75%.

| | 2008 | 2007 |
|--|----------|----------|
| | (\$000) | (\$000) |
| | \$26,810 | \$27,440 |

The municipality has assumed responsibility for the payment of the principal and interest charges on certain long term liabilities issued by Halton Region on behalf of the Town, under the Ontario Strategic Infrastructure Financing Authority (OSEIFA). Interest is at 2.43%.

| | 2008 | 2007 |
|--|----------|----------|
| | (\$000) | (\$000) |
| | 7,297 | 8,375 |
| | \$34,107 | \$35,815 |

(b) The long term liabilities in (a) issued in the name of the municipality have received the approval of the Ontario Municipal Board (or approval by private legislation) for those approved on or before December 31, 1992. Those approved on or after January 1, 1993 have been approved 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.

(c) Interest expense on long term liabilities amounted to \$1,626,573 (2007 - \$1,145,536).

10. Municipal fund balances at the end of the year:

| | 2008 | 2007 |
|--|-----------------|-----------------|
| | (\$000) | (\$000) |
| (a) Operation fund balance: | | |
| Reduction in general area taxation: | | |
| Town | \$500 | \$500 |
| Library | 125 | 5 |
| Business improvement area | 45 | 56 |
| | <u>\$670</u> | <u>\$561</u> |
| (b) Capital fund balance: | | |
| Acquisition of tangible capital assets to be: | | |
| Recovered through reserves and reserve funds | \$(1,266) | \$(2,462) |
| Financed from the proceeds of long term liabilities | (422) | (95) |
| Financed from third party recoveries and savings in other projects | (15,661) | (12,216) |
| Financed from future tax levy | (8,602) | - |
| Funds available for the acquisition of tangible capital assets | 39,779 | 27,924 |
| | <u>\$13,828</u> | <u>\$13,151</u> |
| (c) Reserves and reserve funds: | | |
| Reserves set aside for specific purposes by Council for: | | |
| Tax rate stabilization | \$4,558 | \$2,715 |
| Capital financing | 23,149 | 16,978 |
| Acquisition of tangible capital assets | 12,830 | 9,899 |
| Recreation and culture | 423 | 391 |
| Working capital | 4,233 | 5,531 |
| Insurance | 568 | 414 |
| | <u>45,761</u> | <u>35,928</u> |
| Reserve funds set aside for specific purposes by Council for: | | |
| Post employment benefits and WSIB liability | 6,908 | 5,839 |
| Street trees | 729 | 1,186 |
| Conservation purposes | 262 | 250 |
| Harbours | 447 | 465 |
| Library development | 164 | 127 |
| Building, ground maintenance and replacement | 6,374 | 5,147 |
| Parking | 3,643 | 3,087 |
| | <u>18,527</u> | <u>16,101</u> |
| | <u>\$64,288</u> | <u>\$52,029</u> |

The Operating Fund surplus for the Town of Oakville for the fiscal year ended December 31, 2008, available to be used to offset taxation or user fees in 2008, has been reduced by an amount of \$2,144,130 (2007 - \$188,613) which was transferred to the Reserves and Reserve Funds as authorized by Corporate Policy. Had this transfer not been made, the balance "reduction in general area taxation": for the Town in note 10(a) would have shown a surplus of \$2,644,310 (2007 - \$688,613).

11. Amounts to be recovered

Amounts to be recovered will be funded as follows:

| | 2008 | 2007 |
|---|----------|----------|
| From future revenue: | (\$000) | (\$000) |
| Long term liabilities (note 9 (a)) | \$34,107 | \$35,815 |
| Post employment benefits and WSIB liability | 8,983 | 7,765 |
| From reserve funds: | | |
| Post employment benefits and WSIB liability | 6,908 | 5,839 |
| | \$49,998 | \$49,419 |

12. User fees and charges

User fees and charges include the following:

| | 2008 | 2007 |
|--|----------|----------|
| | (\$000) | (\$000) |
| Development fees and miscellaneous | \$5,382 | \$4,838 |
| Other municipalities | 4,018 | 3,639 |
| Transit revenues | 5,647 | 5,110 |
| Parking, Provincial Offences Act and other fines | 3,671 | 3,217 |
| Town facilities rental and usage fees | 7,793 | 7,144 |
| Recreation and cultural program revenues | 5,932 | 5,461 |
| Cemeteries | 722 | 841 |
| Licenses and permits | 5,809 | 5,981 |
| | \$38,974 | \$36,231 |

13. Trust Funds

Trust funds administered by the municipality amounting to \$3,436,581 (2007 - \$3,214,269) are not included in the consolidated statement of Financial Position nor have their operations been included in the consolidated statement of Financial Activities.

In addition, the Community Foundation of Oakville holds certain funds on behalf of the Town of Oakville.

14. Pension agreements

The Town makes contributions to Ontario Municipal Employees Retirement Fund (OMERS), a multi employer plan, which as of December 31, 2008 was on behalf of approximately 1,136 members of its staff. The amount contributed to OMERS for 2008 was \$5,152,601 (2007 - \$4,740,331). The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

15. Contingent liabilities and guarantees:

(a) Loan guarantees:

The Town of Oakville has one loan guarantee outstanding at the end of 2008, as follows:

| | Original | December 31, 2008 |
|--------------------|----------|-------------------|
| | (\$000) | (\$000) |
| Burloak Canoe Club | \$75 | \$33 |

Safeguards have been put in place to protect the Town should default occur on the part of the Club.

(b) Litigation:

The Town has been named as defendant in certain legal actions in which damages have been sought. The exact outcome of these actions is not determinable, as at the date of reporting, however, provisions have been made for those legal actions, which the Town may at some future date be held liable.

(c) Cemeteries Act:

The Cemeteries Act (Revised), R.S.O., 1990, requires the Town to assume ownership and responsibility for the continuing care of pioneer and abandoned cemeteries. However, the Cemeteries Act does not address the issue of funding for this obligation, other than provide that any assets, funds and trust accounts, if they exist, become the property of the municipality at the time the ownership is assumed. This potential liability cannot be quantified at this time and no provision has been included in these financial statements.

(d) Guarantees:

In the normal course of business, the Town enters into agreements that meet the definition of a guarantee.

(i) The Town, on occasion, has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the Town agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

(ii) The Town has purchased errors and omissions insurance to mitigate the costs of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as an officer, an employee, a volunteer or member of Council, Board, Commission or Committee of the Town. The maximum amount of any potential future payment cannot be reasonably estimated.

(iii) In the normal course of business, the Town, on occasion, has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Town to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or

statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Town from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Town has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the financial statements with respect to these agreements.

16. Government transfers:

The Town recognizes the transfer of government funding as expenditures or revenues in the period that the events giving rise to the transfer occurred. The Government transfers reported on the Consolidated Statement of Financial Activities are:

| | 2008 | 2007 |
|---|----------------|----------------|
| | (\$000) | (\$000) |
| Revenue: | | |
| Ontario grants: | | |
| Ontario Municipal Partnership Fund | \$305 | \$305 |
| Elderly Person's Centres | 74 | 53 |
| Library - operating grant | 182 | 182 |
| Museum - operating grant | 58 | 58 |
| COIP - Glen Abbey Recreation Centre | - | 60 |
| COMRIF | 30 | - |
| GTA farecard project, Metrolinx & Provincial Transit Expansion Funding Initiative | 197 | 307 |
| Ontario Economic Outlook & Fiscal Review | 1,266 | - |
| Roads & Bridge Funding | 2,448 | - |
| Infrastructure Ontario MIII | 327 | - |
| Communities in action and zero tolerance | 35 | 30 |
| Ontario arts council | 92 | 85 |
| Ontario gas tax | 713 | 459 |
| Miscellaneous | 16 | 143 |
| | <u>5,743</u> | <u>1,682</u> |
| Federal grants: | | |
| Canada council | 104 | 223 |
| Canadian heritage grant | 65 | 60 |
| DCH grant | 231 | 44 |
| HRDC grant | 17 | 7 |
| Community Investment Support | 20 | - |
| Federal gas tax | 1,078 | 2,023 |
| | <u>1,515</u> | <u>2,357</u> |
| Total revenues | <u>\$7,258</u> | <u>\$4,039</u> |

17. Classification of expenditures by object

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

| | 2008 | 2007 |
|---------------------------------------|------------------|------------------|
| | (\$000) | (\$000) |
| Salaries, wages and employee benefits | \$96,860 | \$88,622 |
| Operating materials and supplies | 8,631 | 9,951 |
| Contracted services | 25,091 | 23,100 |
| Rent and financial expenses | 506 | 410 |
| External transfers to others | 2,310 | 1,392 |
| Tangible capital assets | 86,430 | 48,253 |
| Debt service | 1,627 | 1,146 |
| | \$221,455 | \$172,874 |

19. Tangible capital assets

The Town of Oakville has completed its inventory and valuation of all assets as of December 31, 2007, with the exception of Art & Historical Artifact, and throughout 2008 has been PSAB 3150 compliant. The disclosure provided for in 2007 of Net Book Value \$634,715,000 was disclosed as a partial inventory. The 2007 values have been revised to reflect the completion of our inventory valuations.

| | Land | | Buildings | Equipment | Vehicles | Road | Enviro. | Comm/Tech | Total |
|---|------------------|-----------------|------------------|-----------------|-----------------|------------------|------------------|----------------|--------------------|
| | Land | Improvements | | | | Network | Network | Services | |
| | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) |
| Asset Cost | | | | | | | | | |
| Balance, beginning of year | \$455,527 | \$202,361 | \$159,844 | \$22,009 | \$44,862 | \$496,618 | \$225,984 | \$10,560 | \$1,617,765 |
| Add: Additions during the year | 19,862 | 2,875 | 10,279 | 3,068 | 9,617 | 14,921 | 5,844 | 1,909 | 68,375 |
| Less: Disposals during the year | (314) | (30) | - | (646) | (1,677) | (417) | - | - | (3,084) |
| Balance, end of year | 475,075 | 205,206 | 170,123 | 24,431 | 52,802 | 511,122 | 231,828 | 12,469 | 1,683,056 |
| Accumulated Amortization | | | | | | | | | |
| Balance, beginning of year | - | (129,575) | (50,712) | (10,267) | (23,161) | (169,412) | (52,378) | (5,344) | (440,849) |
| Add: Amortization | - | (8,530) | (3,548) | (2,205) | (3,738) | (12,184) | (3,300) | (1,495) | (35,000) |
| Less: Accumulated amortization on disposals | - | 30 | - | 644 | 1,320 | 358 | - | - | 2,352 |
| Balance, end of year | - | (138,075) | (54,260) | (11,828) | (25,579) | (181,238) | (55,678) | (6,839) | (473,497) |
| Net book value of tangible capital assets | \$475,075 | \$67,131 | \$115,863 | \$12,603 | \$27,223 | \$329,884 | \$176,150 | \$5,630 | \$1,209,559 |
| Work in progress, December 31, 2008 | - | 14,614 | 5,418 | 14 | 337 | 6,795 | 218 | 848 | 28,244 |
| | \$475,075 | \$81,745 | \$121,281 | \$12,617 | \$27,560 | \$336,679 | \$176,368 | \$6,478 | \$1,237,803 |

18. Budget figures

The approved operating and capital budgets for 2008 are reflected on the consolidate schedule of Operating Fund Financial Activities and Fund Balance, consolidated schedule of Capital Fund Financial 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, may not be comparable with the current year actual amounts. As well, the municipality does not have a budget for activity within Reserves and Reserve Funds, with the exception being those transactions, which flow through either the operating or capital budgets. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting principles.

20. Segmented information:

The Town of Oakville is a diversified lower tier municipal government that provides a wide range of services to its citizens, including fire, public transit, roads and works operations, parks, recreation, culture, planning, development and building services. Segmented information has been identified based on lines of service provided by the Town. These lines of service have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Governance and Corporate Services: Reported in the General Government functional area, it covers those departments responsible for political governance (Council, Clerks), administrative executive management (CAO, Internal Audit, Strategy, Policy and Communications), Corporate Services (Finance, Human Resources, Legal, Information Systems + Solutions, Capital Assets) and those expenses and revenues which are truly corporate in nature and cannot be easily apportioned to one department over another, such as investment income and penalties and interest on overdue taxes. Also, any tax revenue required to cover debt principal repayments, transfers to capital and reserves/reserve funds, has been allocated to this area.

Fire: The mandate of Fire is to provide emergency services through a range of services to protect the lives and property of the inhabitants of Oakville from the adverse effects of fires, sudden medical and non-medical emergencies including but not limited to exposure to dangerous conditions brought on by natural, technological or human-caused events. The main objectives are to prevent fires, educate the public with regards to fire related risks, to enforce fire safety standards, fight and suppress fires and to plan and respond to all emergencies throughout the Town.

Building Services: The mandate of Building Services is to inform and assist customers to ensure safe and orderly development and provide efficient delivery of building approvals, inspections and management systems. The Building Services department is for the most part, an enforcement agency, enforcing both Provincial and Municipal regulations. Provincially, the department enforces the Ontario Building Code to ensure that all construction within the municipality meets the minimum standard required ensuring life safety for all residents, businesses and workers that choose to live and/or work in Oakville. Municipally, the department enforces the local zoning regulations which are designed to ensure that development within the municipality conforms to the regulations designed to create the most livable Town in Canada.

Parks, Recreation and Culture: The mandate for Parks is a commitment to ensuring a diverse range of open space opportunities that preserves and enhances the quality of life for present and future generations. This will be accomplished by protecting and enhancing our heritage and environment, facilitating community partnerships and providing effective efficient services through a dedicated and professional staff. This service is responsible for the provision of the parks and open space program, which provides the residents with day-to-day maintenance for the Town's parks and open space system, as well as undertaking the planning and construction of new parkland and open space.

The mandate of Recreation and Culture is to provide a diverse range of recreational opportunities that preserve and enhance the quality of life for present and future generations which are innovative and accessible to all residents and meet the diverse needs of a changing community. They are responsible for the effective delivery of the recreation services program, including direct program delivery, the provision of facilities and internal departmental and corporate support as well as the support of groups and organizations throughout the Town in the delivery of services to their members. This program is provided through the provision of administration, recreation programs, support services and facilities. The Recreation and Cultural Department also provide management and programming of the Oakville Museum and the Oakville Centre for Performing Arts.

Roads and Works: The mandate of Roads and Works is to provide quality road, traffic and water resource systems maintenance and operations to the residents and businesses of Oakville. This program is responsible for the maintenance and operation of the Town's transportation and water resources system. This area is also responsible for winter control for the Town of Oakville and Region of Halton.

Engineering and Construction: The section manages the infrastructure planning and improvements program which provides for the detailed planning, design and construction of Oakville's transportation and water resources infrastructure programs. Through cost effective and responsible means, it involves environmental assessments, studies, public and agency consultations, engineering designs and approvals, tendering and administration for projects and services including roads and traffic, bridges and culverts, sidewalks and cycleways, storm drainage, stormwater management, creek channels and shoreline projection. This department is also responsible for the provision of parking and parking enforcement.

Transit: The mandate of Transit is to provide a safe, reliable, convenient and efficient public transit services within the urban area. This program is responsible for designing and delivering a range of transit services within the urban boundaries of the Town of Oakville.

Planning, Development Services and Economic

Development: The mandate of Planning Services area is to strive for excellence in creating a livable community for present and future generations. This program creates the policy framework and implementation tools required to shape the future of the community.

The mandate of Development Services is to ensure that new urban public infrastructure, built through the development processes, meets or exceeds the Town's standards and requirements. They are responsible for ensuring that the

Town's land development standards are achieved on all development applications.

The mandate of Economic Development area is to create a balanced environment that fosters economic growth, job creation and live/work opportunities. This program has a number of functions that involve the local business community as well as other stakeholders within and outside of Oakville. Collectively, these functions work to build a positive economic environment that result in business retention, expansion and attraction, which will drive assessment and job growth in the Town.

Notes to Consolidated Financial Statements – Segmented Information

(tabular columns in thousands of dollars) Year ended December 31, 2008

| 2008 | | | | | | | | | |
|--------------------|------------------------------------|--------------------------------|-------------------------------|--|----------------|-------|--|--|--|
| General Government | Protection to Persons and Property | Recreation & Cultural Services | Transportation Services | Planning and Development | | | | | |
| Governance | | | | Planning, Development & Economic Development | Other Services | Total | | | |
| Corporate Services | Fire | Building Services | Parks, Recreation and Culture | Roads and Works Engineering | Transit | | | | |

Revenue:

| | | | | | | | | | |
|--|----------|----------|---------|----------|----------|----------|---------|-----|-----------|
| Taxation | \$35,139 | \$21,373 | \$1,140 | \$28,147 | \$13,124 | \$10,758 | \$3,155 | \$- | \$112,836 |
| Ontario grants | 2,756 | - | - | 442 | 358 | 1,462 | - | 12 | 5,030 |
| Canada grants | - | - | - | 417 | - | - | 20 | - | 437 |
| Gas tax revenues | - | - | - | - | 714 | 1,077 | - | - | 1,791 |
| Oakville Hydro | 4,712 | - | - | - | - | - | - | - | 4,712 |
| User fees and service charges | 1,585 | 67 | 5,380 | 15,464 | 7,127 | 6,368 | 2,807 | 176 | 38,974 |
| Investment income | 6,291 | - | - | 80 | 140 | - | - | - | 6,511 |
| Penalties and interest | 2,804 | - | - | - | - | - | - | - | 2,804 |
| Developer contributions and development charges earned | (9) | 12 | - | 19,035 | 8,800 | 12,908 | 672 | - | 41,418 |
| Other | 2,592 | - | - | 10,100 | 2,362 | 1,248 | 4 | - | 16,306 |
| | 55,870 | 21,452 | 6,520 | 73,685 | 32,625 | 33,821 | 6,658 | 188 | 230,819 |

Expenditures:

| | | | | | | | | | |
|------------------------------|---------|--------|-------|--------|--------|--------|-------|-------|---------|
| Salaries, wages and benefits | 18,209 | 18,876 | 5,140 | 26,872 | 11,597 | 10,315 | 5,564 | 287 | 96,860 |
| Debt expense | - | 24 | - | 621 | 973 | 9 | - | - | 1,627 |
| Materials | (7,502) | 201 | 1,734 | 7,322 | 1,876 | 3,980 | 864 | 156 | 8,631 |
| Contracted services | 11,774 | 1,917 | 873 | 43,733 | 30,340 | 20,173 | 1,816 | 895 | 111,521 |
| Rents and financial expenses | 128 | - | - | 283 | 38 | 57 | - | - | 506 |
| External transfers | 917 | 33 | - | 980 | 287 | 93 | - | - | 2,310 |
| | 23,526 | 21,051 | 7,747 | 79,811 | 45,111 | 34,627 | 8,244 | 1,338 | 221,455 |

Equity in income of

| | | | | | | | | | |
|---|----------|-------|-----------|-----------|------------|---------|-----------|-----------|----------|
| Oakville Hydro Corporation | 6,706 | - | - | - | - | - | - | - | 6,706 |
| Surplus (deficit) of revenues over expenditures | \$39,050 | \$401 | \$(1,227) | \$(6,126) | \$(12,486) | \$(806) | \$(1,586) | \$(1,150) | \$16,070 |

Notes to Consolidated Financial Statements (continued)
(tabular columns in thousands of dollars) Year ended December 31, 2008

| 2007 | | | | | | | | | |
|--|------------------------------------|----------------------|-------------------------------------|-----------------------------------|--------------------------|---|-------------------|-------|----------|
| General Government | Protection to Persons and Property | | Recreation & Cultural Services | Transportation Services | Planning and Development | | | | |
| Governance Corporate Services | Fire | Building Services | Parks, Recreation and Culture | Roads and Works Engineering | Transit | Planning, Development & Economic Development | Other Services | Total | |
| Revenue: | | | | | | | | | |
| Taxation | \$24,896 | \$18,215 | \$- | \$25,880 | \$17,801 | \$9,580 | \$2,128 | \$921 | \$99,421 |
| Ontario grants | 365 | 1 | - | 529 | 21 | 307 | - | - | 1,223 |
| Canada grants | - | - | - | 327 | - | - | - | 7 | 334 |
| Gas tax revenues | - | - | - | - | - | 2,482 | - | - | 2,482 |
| Oakville Hydro | 4,713 | - | - | - | - | - | - | - | 4,713 |
| User fees and service charges | 2,467 | 48 | 5,544 | 13,231 | 5,186 | 6,190 | 3,011 | 554 | 36,231 |
| Investment income | 5,723 | - | - | 104 | 154 | - | - | 12 | 5,993 |
| Penalties and interest | 2,675 | - | - | - | - | - | - | - | 2,675 |
| Developer contributions and development charges earned | 12 | 102 | - | 7,263 | 2,662 | 1,563 | 335 | - | 11,937 |
| Other | 2,026 | 27 | - | 2,509 | 3,254 | 55 | 11 | - | 7,882 |
| | 42,877 | 18,393 | 5,544 | 49,843 | 29,078 | 20,177 | 5,485 | 1,494 | 172,891 |
| Expenditures: | | | | | | | | | |
| Salaries, wages and benefits | 15,891 | 17,813 | 5,002 | 24,400 | 10,679 | 9,429 | 5,158 | 250 | 88,622 |
| Debt expense | 1 | 34 | - | 102 | 996 | 13 | - | - | 1,146 |
| Materials | (4,703) | 302 | 1,545 | 7,469 | 987 | 3,117 | 1,026 | 208 | 9,951 |
| Contracted services | 12,747 | 3,094 | 815 | 25,986 | 20,056 | 6,500 | 1,507 | 648 | 71,353 |
| Rents and financial expenses | 207 | - | - | 114 | 47 | 41 | 1 | - | 410 |
| External transfers | 101 | 32 | 8 | 882 | 276 | 93 | - | - | 1,392 |
| | 24,244 | 21,275 | 7,370 | 58,953 | 33,041 | 19,193 | 7,692 | 1,106 | 172,874 |
| Equity in income of Oakville Hydro Corporation | 4,312 | - | - | - | - | - | - | - | 4,312 |
| Surplus (deficit) of revenues over expenditures | \$22,945 | \$(2,882) | \$(1,826) | \$(9,110) | \$(3,963) | \$984 | \$(2,207) | \$388 | \$4,329 |

Consolidated Schedule of Operating Fund Financial Activities and Fund Balance

(in thousands of dollars) Year ended December 31, 2008, with comparative figures for 2007

| Schedule 1 | Budget | 2008 | 2007 |
|--|-----------|-----------|-----------|
| Revenues: | | | |
| Taxation revenue | \$348,749 | \$357,695 | \$333,899 |
| Less amounts received for Region and School Boards | 238,575 | 244,859 | 234,478 |
| | 110,174 | 112,836 | 99,421 |
| Oakville Hydro - interest on promissory notes | 4,717 | 4,712 | 4,713 |
| User fees and charges | 36,621 | 38,974 | 36,231 |
| Grants: | | | |
| Government of Canada | 281 | 408 | 310 |
| Province of Ontario | 701 | 3,210 | 722 |
| Gas tax revenue | 266 | 263 | 287 |
| Transfer from trust funds | 127 | 171 | 204 |
| Sale of land, assets and publications | 86 | 2,572 | 2,109 |
| Investment income | 3,693 | 5,713 | 5,395 |
| Penalties and interest | 2,430 | 2,804 | 2,675 |
| | 48,922 | 8,827 | 52,646 |
| Total revenues | 159,096 | 171,663 | 152,067 |
| Expenditures: | | | |
| General government | 21,477 | 17,939 | 17,068 |
| Protection to persons and property | 28,579 | 28,135 | 26,869 |
| Transportation services | 35,372 | 38,657 | 33,349 |
| Environmental services | 630 | 379 | 530 |
| Health services | 765 | 807 | 938 |
| Recreation and cultural services | 37,905 | 38,603 | 35,581 |
| Planning and development | 10,067 | 10,505 | 10,286 |
| Total expenditures | 134,795 | 135,025 | 124,621 |
| Net revenues | 24,301 | 36,638 | 27,446 |
| Financing and transfers: | | | |
| Debt principal repayments | (4,903) | (4,884) | (3,588) |
| Repayment of internal loans | - | - | (71) |
| Increase (decrease) in non financial assets | - | (20) | 34 |
| Increase in post employment benefit and WSIB liabilities | - | 2,287 | 1,177 |
| Dividend from Oakville Hydro Corporation | 3,075 | 3,122 | 2,080 |
| Transfers to Reserves and Reserve Funds | (12,211) | (26,261) | (16,333) |
| Transfer to Capital Fund | (10,762) | 10,773) | (10,825) |
| | (24,801) | (36,529) | (27,526) |
| Change in operating fund balance | (500) | 109 | (80) |
| Fund balance, beginning of year | 500 | 561 | 641 |
| Fund balance, end of year | \$- | \$670 | \$561 |

Consolidated Schedule of Capital Fund Financial Activities and Fund Balance

(in thousands of dollars) Year ended December 31, 2008, with comparative figures for 2007

| Schedule 2 | Budget | 2008 | 2007 |
|--|---------------|-----------------|-----------------|
| Revenues: | | | |
| Federal grants | \$- | \$29 | \$24 |
| Provincial grants | 3,877 | 1,820 | 501 |
| Gas tax revenue | 339 | 1,528 | 916 |
| Developer charges earned | 46,668 | 41,178 | 14,419 |
| Upper tier recoveries | - | 1,112 | 131 |
| Other revenue and recoveries | 12,016 | 12,339 | 2,384 |
| Total revenues | 62,900 | 58,006 | 18,375 |
| Expenditures: | | | |
| General government | 9,582 | 5,587 | 7,176 |
| Protection to persons and property | 1,975 | 711 | 1,911 |
| Transportation services | 39,603 | 42,032 | 19,182 |
| Environmental services | - | 964 | 127 |
| Health services | - | 79 | 142 |
| Recreation and cultural services | 45,957 | 35,769 | 18,995 |
| Planning and development | 1,696 | 1,288 | 720 |
| Total expenditures | 98,813 | 86,430 | 48,253 |
| Net expenditures | (35,913) | (28,424) | (29,878) |
| Financing and transfers: | | | |
| Proceeds from long term debt | 3,176 | 3,176 | 14,065 |
| Transfer from Operating Fund | 10,427 | 10,773 | 10,825 |
| Transfer from Reserve and Reserve Funds | 22,310 | 15,152 | 13,349 |
| Net financing and transfers | 35,913 | 29,101 | 38,239 |
| Change in Capital Fund balance | - | 677 | 8,361 |
| Capital Fund Balance, beginning of year | - | 13,151 | 4,790 |
| Capital Fund balance, end of year | \$ - | \$13,828 | \$13,151 |

Consolidated Schedule of Reserves and Reserve Funds Financial Activities and Fund Balance

(in thousands of dollars) Year ended December 31, 2008, with comparative figures for 2007

| Schedule 3 | Budget | 2008 | 2007 |
|--|-------------------|-----------------|-----------------|
| Revenues: | | | |
| Developer contributions | \$- | \$240 | \$459 |
| Gas tax revenue | - | - | 1,279 |
| Donations | - | 112 | 113 |
| Investment income | - | 798 | 598 |
| Total revenues | - | 1,150 | 2,449 |
| Net transfers (to) from other funds: | | | |
| Capital Fund | (22,310) | (15,152) | (13,349) |
| Operating Fund | 12,211 | 26,261 | 16,333 |
| | (10,099) | 11,109 | 2,984 |
| Changes in reserves and reserve fund balances | (10,099) | 12,259 | 5,433 |
| Reserves and reserve funds, beginning of year | 52,029 | 52,029 | 46,596 |
| Reserves and reserve funds, end of year | \$(41,930) | \$64,288 | \$52,029 |

Five Year Review

| | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|------------|------------|------------|------------|------------|
| Demographics | | | | | |
| Population at the end of the year Est. | 173,600 | 169,800 | 165,600 | 161,600 | 157,500 |
| Number of Households | 59,398 | 57,953 | 56,528 | 55,107 | 53,685 |
| Staff Complement - Approved | | | | | |
| Continuous Full-time (includes Library) | 1,025 | 944 | 910 | 867 | 855 |
| Oakville's Area in km ² | 143 | 143 | 143 | 143 | 143 |
| Roads Network | | | | | |
| Kilometres | | 743 | 739 | 643 | 634 |
| Lane Kilometres | | 1,785 | 1,770 | 1,661 | 1,626 |
| Parkland in Acres | 3,504 | 3,455 | 3,334 | 3,315 | 3,297 |
| Building Permits - Issued | | | | | |
| New residential units | 653 | 1,239 | 1,385 | 1,638 | 1,713 |
| Total residential construction value | \$258 M | \$384 M | \$493 M | \$348 M | \$374 M |
| Total construction value - all types of permits | \$501 M | \$668 M | \$712 M | \$387 M | \$544 M |
| Taxable Assessment (000'S) | | | | | |
| Residential, multi-residential and farm | 23,098,780 | 22,578,267 | 21,935,908 | 18,253,515 | 17,475,233 |
| Commercial - all classes | 2,696,911 | 2,626,792 | 2,504,313 | 2,077,621 | 2,005,103 |
| Industrial - all classes | 854,292 | 891,443 | 909,739 | 860,526 | 817,717 |
| Pipeline & Managed Forests | 46,476 | 50,758 | 45,898 | 45,189 | 73,640 |
| | 26,696,459 | 26,147,260 | 25,395,858 | 21,236,851 | 20,371,693 |
| Commercial and industrial as a percentage of taxable assessment | 13.30% | 13.46% | 13.44% | 13.84% | 13.86% |
| Exempt Assessment | 1,419,657 | 1,379,597 | 1,331,242 | 1,285,908 | 1,241,368 |
| Tax Collections (000'S) | | | | | |
| Town of Oakville | 111,301 | 98,680 | 93,208 | 87,218 | 82,379 |
| Region of Halton | 128,536 | 123,483 | 117,745 | 109,394 | 103,569 |
| School Boards (Public & Separate) | 117,780 | 114,866 | 112,354 | 106,139 | 102,893 |
| | 357,617 | 337,029 | 323,307 | 302,751 | 288,841 |

Property Taxation

| | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|-----------|-----------|-----------|-----------|-----------|
| Residential | | | | | |
| Town of Oakville | 0.360280% | 0.327816% | 0.317037% | 0.351490% | 0.340556% |
| Region of Halton | 0.421431% | 0.415521% | 0.405525% | 0.445593% | 0.432787% |
| School Boards (Public and Separate) | 0.264000% | 0.264000% | 0.264000% | 0.296000% | 0.296000% |
| | 1.045711% | 1.007337% | 0.986562% | 1.093083% | 1.069343% |
| Multi-residential | | | | | |
| Town of Oakville | 0.814918% | 0.741486% | 0.717105% | 0.795035% | 0.770304% |
| Region of Halton | 0.953234% | 0.939867% | 0.917257% | 1.007886% | 0.978922% |
| School Boards (Public and Separate) | 0.264000% | 0.264000% | 0.264000% | 0.296000% | 0.296000% |
| | 2.032152% | 1.945353% | 1.898362% | 2.098921% | 2.045226% |
| Commercial - Full Rate | | | | | |
| Town of Oakville | 0.524748% | 0.477463% | 0.461764% | 0.511945% | 0.496020% |
| Region of Halton | 0.613815% | 0.605206% | 0.590647% | 0.649007% | 0.630354% |
| School Boards (Public and Separate) | 1.374657% | 1.374657% | 1.374657% | 1.528601% | 1.528601% |
| | 2.513220% | 2.457326% | 2.427068% | 2.689553% | 2.654975% |
| Commercial - Vacant units, excess land | | | | | |
| Percentage of Full Rate | 70% | 70% | 70% | 70% | 70% |
| Industrial - Full Rate | | | | | |
| Town of Oakville | 0.773612% | 0.773612% | 0.748175% | 0.829482% | 0.803678% |
| Region of Halton | 0.980588% | 0.980588% | 0.956999% | 1.051555% | 1.021334% |
| School Boards (Public and Separate) | 1.929620% | 1.929620% | 1.929620% | 2.118413% | 2.118413% |
| | 3.683820% | 3.683820% | 3.634794% | 3.999450% | 3.943425% |
| Industrial - Vacant units, excess land | | | | | |
| Percentage of Full Rate | 65% | 65% | 65% | 65% | 65% |
| Pipeline | | | | | |
| Town of Oakville | 0.382510% | 0.348042% | 0.336598% | 0.373177% | 0.361568% |
| Region of Halton | 0.447433% | 0.441159% | 0.430546% | 0.473086% | 0.459490% |
| School Boards (Public and Separate) | 1.402694% | 1.402694% | 1.402694% | 1.412687% | 1.412687% |
| | 2.232637% | 2.191895% | 2.169838% | 2.258950% | 2.233745% |
| Farmland or Managed Forest | | | | | |
| Town of Oakville | 0.072056% | 0.081954% | 0.079259% | 0.087873% | 0.085139% |
| Region of Halton | 0.084286% | 0.103880% | 0.101382% | 0.111398% | 0.108196% |
| School Boards (Public and Separate) | 0.066000% | 0.066000% | 0.066000% | 0.074000% | 0.074000% |
| | 0.222342% | 0.251834% | 0.246641% | 0.273271% | 0.267335% |

Revenue Fund Operations

| | 2008 (000's) | 2007 (000's) | 2006 (000's) | 2005 (000's) | 2004 (000's) |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Expenditures by Function | | | | | |
| General Government | 17,939 | 17,068 | 21,446 | 18,553 | 17,145 |
| Protection to Persons & Property | 28,135 | 26,869 | 24,723 | 23,973 | 21,969 |
| Transportation Services | 38,657 | 33,349 | 30,470 | 30,649 | 27,767 |
| Environmental Services | 379 | 530 | 525 | 588 | 466 |
| Health Services | 807 | 938 | 813 | 841 | 755 |
| Recreation and Cultural Services | 38,603 | 35,581 | 31,658 | 28,836 | 26,313 |
| Planning and Development | 10,505 | 10,286 | 8,539 | 6,846 | 5,389 |
| Financing Repayments & Transfers | 36,528 | 27,526 | 26,416 | 22,622 | 25,639 |
| | 171,553 | 152,147 | 144,590 | 132,908 | 125,443 |

Expenditures by Object

| | | | | | |
|---|---------|---------|---------|---------|---------|
| Salaries, wages & employee benefits | 96,860 | 88,622 | 79,166 | 73,098 | 66,978 |
| Materials, Services & Financial Expenses | 35,855 | 34,607 | 37,498 | 35,538 | 31,301 |
| Transfers to Others | 2,310 | 1,392 | 1,510 | 1,650 | 1,525 |
| Debt Principal Repayment & Own Fund Transfers | 36,528 | 27,526 | 26,416 | 22,622 | 25,639 |
| | 171,553 | 152,147 | 144,590 | 132,908 | 125,443 |

Reference: Consolidated Schedule of Operating Fund Financial Activities (Schedule 1) & Note 17 for 2008

Revenues by Source

| | | | | | |
|--|---------|---------|---------|---------|---------|
| Taxation (includes Supplementary & Payments in Lieu) | 112,836 | 99,421 | 93,897 | 88,724 | 83,756 |
| Province of Ontario - Grants/Subsidies | 3,210 | 722 | 2,667 | 1,039 | 778 |
| Other Grants i.e. Canada | 408 | 310 | 1,542 | 266 | 316 |
| Oakville Hydro - Interest on Promissory Notes & Leases | 4,712 | 4,713 | 5,392 | 5,392 | 6,091 |
| Fees and service charges | 38,974 | 36,231 | 33,367 | 31,361 | 29,380 |
| Other Revenue | 11,523 | 10,670 | 7,728 | 6,126 | 5,072 |
| | 171,663 | 152,067 | 144,593 | 132,908 | 125,393 |

Accumulated Net Revenue (Surplus)
at the end of the year

| | | | | | |
|--|-----|-----|-----|-----|-----|
| | 671 | 561 | 641 | 638 | 638 |
|--|-----|-----|-----|-----|-----|

Reference: Consolidated Schedule of Operating Fund Financial Activities (Schedule 1)

| | 2008 (000's) | 2007 (000's) | 2006 (000's) | 2005 (000's) | 2004 (000's) |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Capital Operations | | | | | |
| Expenditures by Function | | | | | |
| General Government | 5,587 | 7,176 | 8,495 | 4,435 | 4,148 |
| Protection to Persons & Property | 711 | 1,911 | 1,553 | 2,432 | 3,267 |
| Transportation Services | 42,033 | 19,182 | 25,637 | 18,049 | 22,463 |
| Environmental Services | 964 | 127 | 613 | 1,011 | 1,089 |
| Health Services | 79 | 142 | 53 | 130 | 61 |
| Recreation and Cultural Services | 35,769 | 18,995 | 16,193 | 17,629 | 9,716 |
| Planning and Development | 1,288 | 720 | 389 | 949 | 4,102 |
| | 86,431 | 48,253 | 52,933 | 44,635 | 44,846 |

Financing by Source

| | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|
| Transfers from Own Funds | 25,925 | 24,174 | 21,271 | 18,090 | 20,796 |
| Long-term Debt/Internal Borrowing | 3,176 | 14,065 | 4,782 | 3,584 | 7,725 |
| Grants/Subsidies - Federal/Provincial | 3,377 | 1,441 | 4,000 | 941 | 1,313 |
| Other | 54,629 | 16,934 | 20,823 | 19,828 | 18,924 |
| | 87,107 | 56,614 | 50,876 | 42,443 | 48,758 |

Reference: Consolidated Schedule of Capital Fund Financial Activities (Schedule 2)

Discretionary Reserves and Reserve Funds and Obligatory Reserve Funds

| | | | | | |
|---|----------------|----------------|----------------|---------------|---------------|
| Discretionary Reserves | 45,761 | 35,928 | 31,619 | 27,960 | 28,562 |
| Discretionary Reserve Funds | 18,527 | 16,102 | 12,159 | 11,051 | 7,594 |
| Obligatory Reserve Funds* | | | | | |
| Development Charges | 37,303 | 64,070 | 50,807 | 45,408 | 40,685 |
| Parkland | 12,502 | 11,499 | 11,725 | 8,737 | 6,917 |
| Gas Tax | 10,306 | 8,205 | 4,625 | 2,521 | 273 |
| Ontario Bus Replacement & Farecard | 1,655 | 667 | | | |
| Investing in Ontario | 7,434 | | | | |
| Parking - Reclassed to Discretionary | | | 2,818 | 2,466 | 2,124 |
| Total - Reserves & Reserve Funds | 133,488 | 136,471 | 113,753 | 98,143 | 86,155 |

* Reported on the Consolidated Statement of Financial Position as "Deferred Revenue" in compliance with PSAB reporting requirements

Net Long Term Debt

Net Long-term Liabilities

| | | | | | |
|----------------------------------|----------|----------|----------|----------|----------|
| Town of Oakville Purposes | 34,107 | 35,815 | 25,338 | 23,965 | 24,009 |
| Per Capita | \$196.47 | \$210.93 | \$153.01 | \$148.30 | \$152.44 |
| Percentage of taxable assessment | 0.13% | 0.14% | 0.10% | 0.11% | 0.12% |

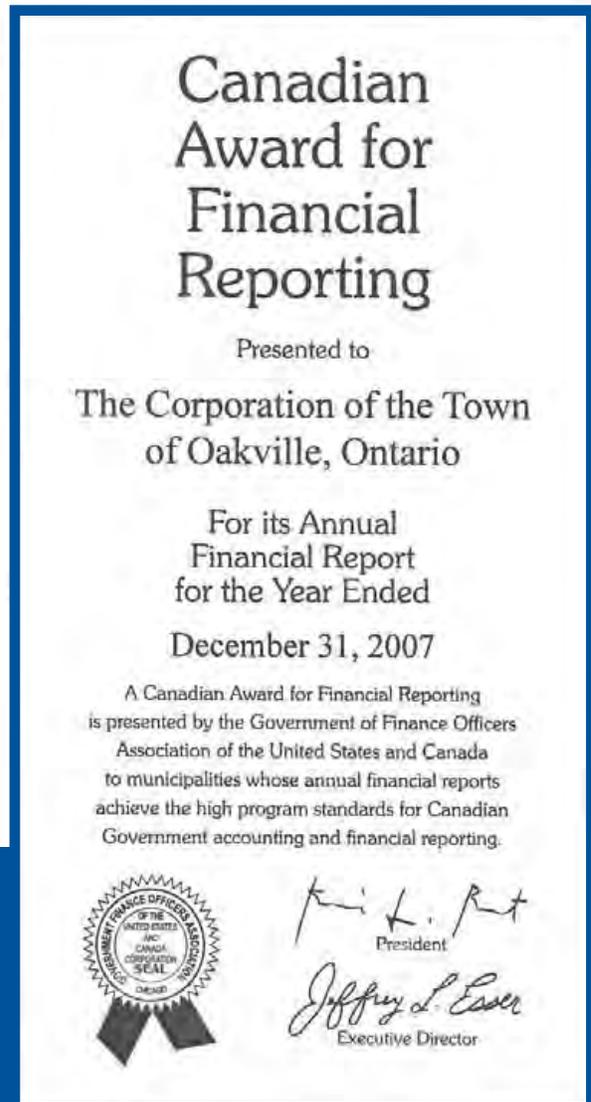
Annual charges for net long-term liabilities - Principal and Interest

| | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Town of Oakville Purposes | 6,511 | 4,805 | 4,602 | 4,962 | 3,704 |
| Annual Repayment Limit prescribed by Province | 29,894 | 29,894 | 26,635 | 23,820 | 22,014 |
| As a Percentage of Revenue Fund Expend. | 3.8% | 3.2% | 3.2% | 3.7% | 3.0% |
| Per Capita | \$37.51 | \$28.29 | \$27.79 | \$30.71 | \$23.52 |
| Percentage of taxable assessment | 0.024389% | 0.018374% | 0.018122% | 0.023366% | 0.018183% |

Principal Corporate Tax Payers

- Ford Motor Company
- Cambridge Leaseholds - Oakville Place Shopping Mall
- 2121049 Ontario Limited - Burloak Shopping Centre
- Silgold Developments Inc.
- Oakville Entertainment Holdings Inc.
- Petro-Canada
- 2725321 Canada Inc. - Town Centre I Shopping Plaza
- Sun Life Assurance Company of Canada - Town Centre II Shopping Plaza
- Great West Life and London Life
- Urban Core Road Builder
- Westbury International (1991) Corp.

Oakville was awarded the Government Finance Officers Association (GFOA) - Canadian Award for Financial Reporting (CanFR) for the **eleventh** consecutive year.





Town of Oakville

P.O. Box 310, 1225 Trafalgar Road
Oakville, Ontario L6J 5A6
Tel: 905-845-6601 TTY: 905-338-4200
www.oakville.ca