

# 10 | Town of Oakville Annual Report

◀ 2010  
highlights ▶

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

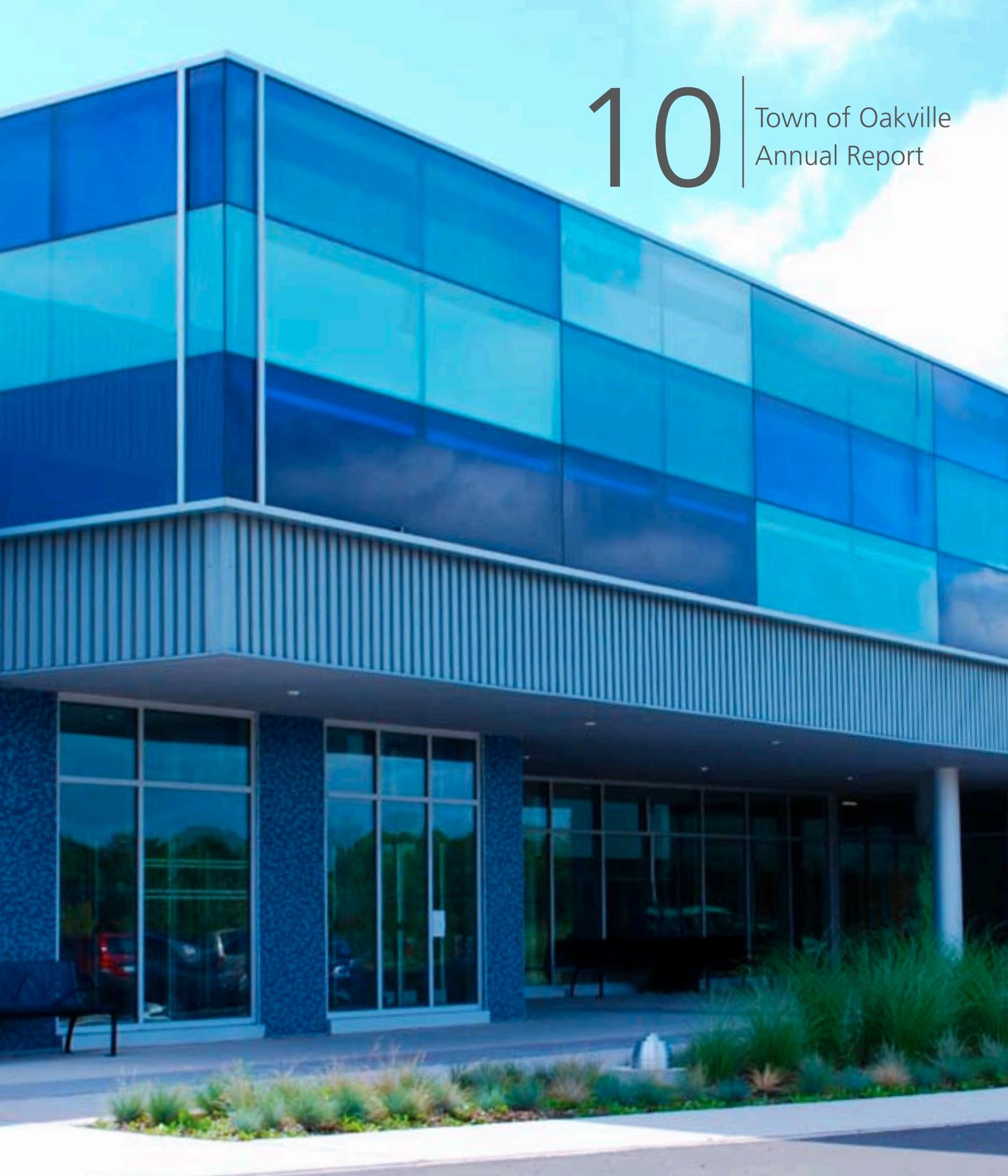
**Organizational  
chart**

**Report from  
Financial  
Operations**

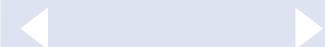
**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**



Sixteen Mile Sports Complex | Officially opened September 18, 2010



2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)

# 2010 Annual Report

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

2010 highlights.....	1
Message from the Mayor .....	2
Members of Town Council.....	3
Message from the CAO .....	4
Vision, mission and values .....	5
Key accomplishments 2010.....	6
Looking Ahead – Key Challenges and actions 2011.....	11
Organizational chart .....	14
Report from Financial Operations .....	15
Comprehensive financial management and planning policies .....	18
Consolidated Financial Statements .....	23
Five-year review (unaudited).....	44

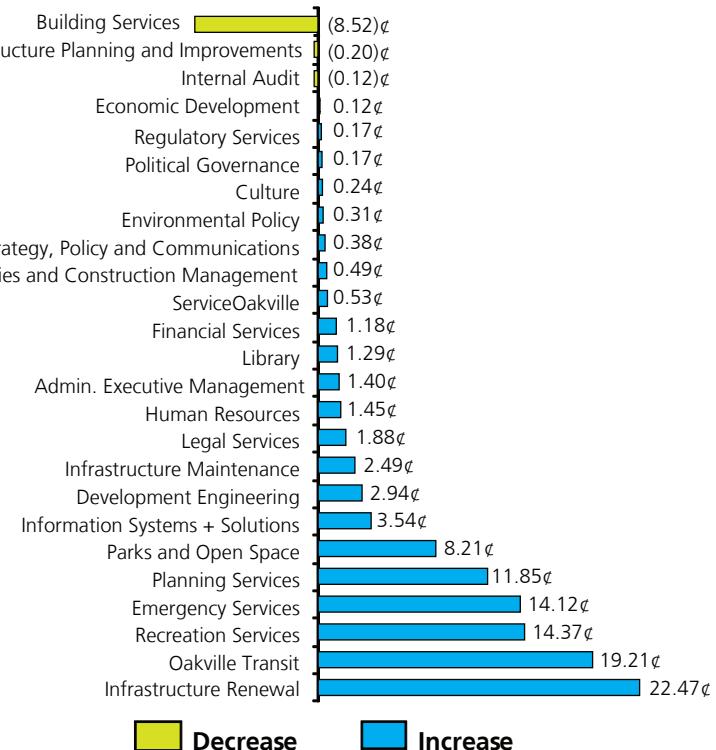
The 2010 Annual Report is available online at [www.oakville.ca/finance.htm](http://www.oakville.ca/finance.htm).  
If you require a hard copy, please contact Service Oakville at 905-845-6601.

# 2010 Highlights

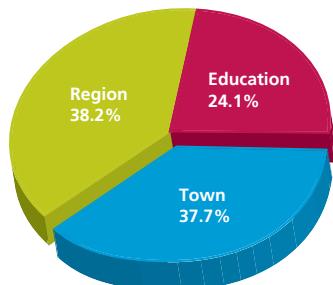
Town services span environmental stewardship and protection, parks, trails, cemeteries, forestry, harbours, creek channels and shorelines, recreation and community centres, libraries, building and heritage permits, by-laws and licensing, transit, land use planning, municipal engineering and construction, 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.

## Where the increase in town taxes is going (per \$1 tax increase)



## Who receives your tax dollars (residential)



2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)



◀ 2010 highlights ▶

**Message from the Mayor**

**Members of Town Council**

**Message from the CAO**

**Vision, mission and values**

**Key accomplishments 2010**

**Looking ahead – Key challenges and actions 2011**

**Organizational chart**

**Report from Financial Operations**

**Comprehensive financial management and planning policies**

**Consolidated Financial Statements**

**Five-year review (unaudited)**

## Message from the Mayor



2010 was a remarkable year for the Town of Oakville.

This annual report outlines many noteworthy accomplishments of Council and our dedicated staff over the past year.

In 2010, we won major victories in our work to *protect and enhance our natural environment*. We introduced Canada's first

municipal health protection air quality by-law to control harmful PM<sub>2.5</sub> emissions. We also established new planning "do no harm" policies and regulations for assessing applications for power generation facilities anywhere in town. In the face of these regulations and a widespread citizen campaign organized by Citizens for Clean Air (C4CA), the province canceled a proposed 950 megawatt power plant close to homes and schools.

We *enhanced our economic environment* with a focus on three areas: business retention, expansion and attraction. Our economic policy concentrated on the development and protection of employment land and put the focus squarely on job creation in areas poised for growth.

We met the challenge of *continually improving programs and services* offered by the town by investing in civic facilities and infrastructure. We successfully established the terms for Halton Healthcare Services' request for a donation toward their local share of the cost of Oakville's

new hospital. We opened the state of the art Sixteen Mile Creek Sports Complex. We introduced the PRESTO payment system and began construction on our new transit depot, which was completed on schedule and on budget in March 2011. We also began renovations to the Queen Elizabeth Park school site to create a new community, cultural and arts space that will open in 2012.

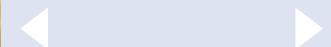
We delivered dividends from our focus on *fiscal sustainability* with Performance-Based Program Budgeting (PB2) fiscal management. PB2 maximizes productivity and efficiency, a very important goal for Council. The 2010 overall tax increase was 1.5 per cent.

We made significant advancement on our commitment to *environmental sustainability*. Despite a 50 per cent increase in building occupancy at Town Hall, energy use was down; Our Emerald Ash Borer Work Plan was designed to protect Oakville's tree canopy and through tree injection and other measures, it is expected to save many of our 200,000 ash trees. The town also hosted a Green Building Summit and developed Sustainable Design Guidelines for all new facilities, renovations and maintenance work.

Following the October 2010 Municipal Election, Council got to work right away and as a team we moved forward with renewed commitment to our goals. I am confident that Oakville can continue to make progress towards becoming the most livable town in Canada.

Sincerely,

Mayor Rob Burton



**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**

## 2010 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 and Town Councillors

Ward 1 – Alan Johnston	Ward 4 – Allan Elgar
Ward 2 – Cathy Duddeck	Ward 5 – Jeff Knoll
Ward 3 – Keith Bird	Ward 6 – Tom Adams

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, 2010, and will end November 30, 2014.

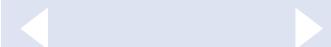
### Town Councillors

Ward 1 – Ralph Robinson	Ward 4 – Roger Lapworth
Ward 2 – Pam Damoff	Ward 5 – Marc Grant
Ward 3 – Dave Gittings	Ward 6 – Max Khan



Back row (*from left to right*) Jeff Knoll, Max Khan, Keith Bird, Alan Johnston, Dave Gittings, Pam Damoff, Marc Grant

Front row (*from left to right*) Roger Lapworth, Allan Elgar, Cathy Duddeck, Mayor Rob Burton, Tom Adams, Ralph Robinson



2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)



## Message from the **CAO**



Oakville is a community that is ever changing and adapting to emerging needs and opportunities. The annual report is an important time for us to step back and recognize the significant progress of the past year. As I look back, I am proud of all the work we've done for our residents and I am constantly impressed by our staff's ability to adapt to whatever faces the town each day.

2010 was another exciting year full of new starts and strong finishes. We opened the doors to our new Sixteen Mile Sports Complex; we successfully dealt with many issues including fighting the proposed power plant, developing Canada's first health protection air quality by-law to control harmful PM<sub>2.5</sub> emissions and responding to Halton Healthcare Services' request for a local share contribution to the proposed new hospital in Oakville. We also launched a new Downtown Oakville Strategic Plan, a PRESTO card, a web audit and an Emerald Ash Borer Management Plan. Our transit ridership hit an all-time high in November 2010 with over a quarter million rides in a single month while energy use at Town Hall reached its lowest level since 2001 despite an increase in occupancy.

And let's not forget the thousands of daily activities we provide our residents that help make Oakville the most livable town in Canada. Whether it's our early morning snow plowing crews, parks workers assembling our hanging baskets, firefighters responding to a crisis, or the

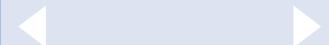
friendly front-line faces at our community centres, it takes a strong team of committed individuals to support our town. Undoubtedly, Oakville would not be nearly as remarkable without them.

Oakville's quality of life continues to be recognized nationally for the innovative ways we satisfy the needs of our residents. To name just a few, the town won the Prince of Wales Prize for municipal heritage leadership from the Heritage Canada Foundation, and the 2009 Lieutenant Governor's Ontario Heritage Award for Community Leadership. We also won two Excellence in Planning awards from the Ontario Professional Planners Institute and became the first municipality in Halton, and the largest in Ontario, to receive the provincially recognized HIGH FIVE accreditation for providing quality recreation and sport programs to children aged six to twelve.

In 2011, we will build on the momentum of the past year and continue to focus on how we can advance our organization to provide even better service delivery to our residents, while remaining fiscally responsible. The achievements in this booklet prove how our staff are great at maintaining high levels of service while adapting to whatever comes their way. I am incredibly proud of what we have achieved and look forward to working and achieving more in 2011.

Sincerely,

Ray Green, P. Eng.  
Chief Administrative Officer

[2010 highlights](#)[Message from the Mayor](#)[Members of Town Council](#)[Message from the CAO](#)[Vision, mission and values](#)[Key accomplishments 2010](#)[Looking ahead – Key challenges and actions 2011](#)[Organizational chart](#)[Report from Financial Operations](#)[Comprehensive financial management and planning policies](#)[Consolidated Financial Statements](#)[Five-year review \(unaudited\)](#)

# Strategic Plan

## 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.



# To enhance our **natural environment**

## **Key accomplishments**

- In October, the Town of Oakville received news that it had worked nearly two years to hear when the province announced the cancellation of the proposed TransCanada power plant in Oakville. Town Council, staff and residents worked tirelessly together to prove to the province that this power plant did not belong in the overtaxed Oakville-Clarkson airshed.
- In February 2010, Council passed the Health Protection Air Quality By-law 2010-035, the first municipal by-law in Canada that would help protect residents from the negative health effects of fine particulate matter.
- The town's efforts to improve air quality in the Oakville-Clarkson Airshed received a big boost in November when, as a result of the town's Environmental Bill of Rights application, the Ministry of the Environment announced it would be undertaking a review of how it manages emissions of fine particulate matter, specifically PM<sub>2.5</sub>. The province anticipates that a thorough review will take approximately 15 to 18 months.
- Council approved planning policies and regulations that set new standards for assessing the appropriate size, type, scale and location of proposed power generation facilities throughout the town.
- As part of the Emerald Ash Borer (EAB) 2010 Management Plan approved by Council in July, the town treated 1,600 municipal trees with TreeAzin to protect against the infestation of EAB. The town also ceased planting new ash trees, enhanced communication to the public and implemented canopy conservation by under planting new species of trees in areas dominated by ash trees.

- The town, in conjunction with the Canadian Forest Service, performed leading-edge EAB research to inventory Oakville's ash trees becoming the first municipality in Canada to comprehensively define distribution of EAB throughout a community.
- The town implemented Milestone 3 – the town's action plan to reduce greenhouse gas emissions for the Partners for Climate Protection program. The town reduced 1,247 tons of carbon dioxide equivalent and is on track to achieve its established corporate target of 20 per cent by 2014.
- The town is nearing completion on the environmental assessment and design work for 14 Mile Creek Channel. The results of the design will stabilize and rehabilitate the bed and banks while preventing future flooding and erosion.
- The town completed a draft Urban Forest Strategic Management Plan for North Oakville to ensure the natural landscape of North Oakville is maintained and enhanced.
- Upon being called to address a serious fuel leak into Bronte Creek, Roads and Works Operations staff coordinated the effort to initially control the spill area; ensure the pipeline repair and spill cleanup were managed; and that appropriate agency oversight by the Ministry of the Environment and Conservation Halton was provided.
- The town celebrated the 40th anniversary of Earth Day on April 22 at Town Hall. The event offered a workshop on cooking local food and hands-on demonstrations of energy-efficient technology and green gardening.

◀ 2010  
highlights ▶

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)



# To enhance our **economic environment**

## Did you know?

- There are 1,400 hectares of parkland and 220 km of park trails in the Town of Oakville.
- In the past four years, the town added 470,890 square feet to the existing 1.48 million square feet of town-owned facilities bringing the total to 1.95 million square feet.
- The town operates and maintains an inventory of 1,780 municipal parking spaces in the commercial districts of Downtown Oakville and Kerr Village.
- During the autumn of 2010, the town removed over 4,000 tonnes of leaves with our bulk loose leaf collection service and recycled to provide compost.
- To enhance customer service, the Building Services department developed a checklist to help residents complete their building permit applications. As a result, staff can now verify the completeness of the application within two business days.

## Key accomplishments

- In August, Council approved the Downtown Oakville Strategic Action Plan that guides the future of downtown Oakville over the next 20 years. The plan outlines opportunities to develop and further enhance Oakville's downtown as a sustainable, well-designed and accessible area while protecting its unique historic character.
- Council resolved to donate up to \$170 million with a further \$30 million if needed at completion to Halton Healthcare Services' local share plan to fund the development of the new Oakville hospital. The new hospital will be approximately 1.6 million square feet and include a number of environmentally sustainable features. The town has developed a concept, a strategic investment, and marketing plans for a Life Sciences and Technology Park located adjacent to the new hospital.
- Economic Development staff began working with Sheridan Institute and Halton Region to develop a concept plan for a digital media and animation hub in Oakville that would leverage the educational assets of Sheridan Institute.
- The town was awarded \$75,000 in federal funding through the Invest Canada Community Initiatives program and secured partnership contributions totaling \$60,000 for the above-noted sector development initiatives.
- In August, Council confirmed its support to proceed with servicing the Winston Park West employment lands. Based on a market assessment, over eight million square feet of industrial and office construction is estimated for this area.
- Economic Development created a Business Profile for Oakville detailing information on demographics, development charge rates, taxes, major employers, and future development. This profile is used for investment attraction and provides companies with key information they can use in their locational analysis and decision-making.

◀ 2010 highlights ▶

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)



# To continuously improve our programs and services

## Key accomplishments

- Construction of a new transit facility began with completion expected in early 2011. This new facility designed as a LEED Silver building, includes components such as geothermal heating and cooling, and previous pavement designs.
- On September 18 and 19, thousands of people attended the town's grand opening celebration of the Sixteen Mile Creek Sports Complex, a 196,000 square-foot state-of-the-art LEED Silver candidate quad pad area. This fully accessible facility features one Olympic-sized ice pad with seamless glass and seating for 1,500 spectators, three NHL-sized ice pads, 24 change rooms, two multi-purpose community rooms, two practice pads and a full-service restaurant. Located at Neyagawa Boulevard, it will also be the cornerstone of the New Communities of Oakville north of Dundas Street.
- Oakville Transit, the Government of Ontario, GO Transit, seven other municipal transit systems in the Greater Toronto and Hamilton area, and Ottawa, partnered to introduce PRESTO, a new electronic fare system. PRESTO allows customers to ride on any participating Greater Toronto Hamilton Area transit systems without having to worry about individual passes, tickets or exact cash fare. Oakville Transit took a lead role as an early adopter and for 2010 PRESTO was available on all 90 Oakville Transit buses.
- Transit continued to build upon the 2009 new service design making improvements on four different routes. The changes, along with the new marketing plan, increased ridership by more than six per cent this year. In November, for the first time ever, Oakville Transit logged over a quarter million rides in a single month.
- The existing Queen Elizabeth Park Community Centre building is undergoing major renovations to create a unique multipurpose recreation, arts and culture facility. Designed to be LEED Silver compliant, construction is expected to be completed in 2012.

- As part of a pilot project, the town officially opened Oakville's first indoor skateboard park at Kinoak Arena in July 2010, demonstrating an innovative use for empty ice pads during downtimes. Following the successful pilot, the town reopened Kinoak indoor skateboard park again in 2011. The success of this project allows the town to assess the need for similar amenities at other facilities during downtimes.
- The town opened and improved a number of parks and parkettes this year including phase one of Bronte Waterfront Heritage Park and phase one of Westwood Park.
- The new FAST pass, allows access to recreational services quickly and easily by rolling multiple recreational services into one convenient membership card.
- Organizational changes in the Planning and Development commission were made to improve consistency and timeliness with applications with a focus on achieving outcomes that enhance our livability.
- Council approved an expanded Occupational Health, Safety and Workplace Violence policy to ensure the town is compliant with Bill 168, which defines workplace violence and harassment and describes the employer's responsibilities. All town employees were trained on Bill 168.
- The town received a one-time transfer of \$1.4 million from the provincial government to be used toward the replacement of municipal transit buses. The town ordered six new, fully accessible, Environmental Protection Agency compliant, low-floor buses to replace older models. Delivery of the buses is scheduled to coincide with the opening of the new transit facility in 2011.
- The town continued coordination of municipal roadworks and construction associated with QEW expansion/improvements by the Ministry of Transportation.
- The autumn bulk loose leaf collection program was expanded to service additional parts of the community.

◀ 2010 highlights ▶

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)



# To have **programs and services** that are **fiscally sustainable**

## Did you know?

- The town's financial position remained strong; and the town reserves and reserve funds totalled \$164.3 million at the end of 2010.
- Rate of taxation and level of taxes and fees as percentage of total revenue was 61.1 per cent for 2010, and is 60.9 per cent in the 2011 budget.

## Key accomplishments

- Oakville Town Council approved combined operating and capital expenditures of \$311.1 million for 2010 to meet the needs of Oakville's growing community while finding savings and efficiencies where possible. The budget included money for the expansion of road resurfacing programs, Oakville Transit's new grid service design, and an expansion of the loose-leaf collection program.
- Construction began on Oakville's new transit facility this past February. The new facility, expected to be completed in March 2011, will meet the increased demands of the community. The governments of Canada and Ontario have each committed up to \$15 million toward the construction of this facility with the town contributing the balance of the total eligible costs of up to \$45 million. Federal financial support for this project is being provided through the Infrastructure Stimulus Fund.
- The town received funding from the RInC (Recreational Infrastructure Canada) program to upgrade Kinoak Arena, and complete Bronte Athletic Field and the North Park fields. The program focuses on improving recreational facilities and is part of Canada's Economic Action Plan.
- The town conducted an online survey to improve the town's website. Through the survey, the town will learn what services, features and information the community wants and how they prefer to search for this information. Results from the survey will be available in early 2011.
- The town continued its program-based, performance-based budgeting system (PB2) across all commissions for the 2011 budget cycle. PB2 focuses on the programs the town delivers and the performance measures to assess them. Performance reporting is now available in one convenient online location on the home page of oakville.ca.
- In August 2009, the Town of Oakville passed Development Charge (DC) Bylaws 2009-118 and 2009-119 which were subsequently appealed by a number of parties. To resolve the appeals, Council directed staff to negotiate a settlement. Oakville was successful in authorizing a settlement with the appellants and the Minutes of Settlement were presented and accepted by the Ontario Municipal Board (OMB) on December 15, 2010. This settlement avoided legal fees estimated at \$1,400,000 for the projected eight week hearing, expert witness and preparation fees, and administration. The settlement increased the DC for a single family dwelling by approximately 40 per cent over the previous 2004 by-law.
- The asset management program continues to assist departments in using the corporate asset register for short and long term asset replacement decisions and analysis of asset life cycle and resource utilization. This information is utilized for the preparation and prioritization of both the operating and capital budgets.

◀ 2010 highlights ▶

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)

# To have programs and services that are **environmentally sustainable**

## Did you know?

- The Town of Oakville now has a portable drinking water station providing chilled, free municipal drinking water for Oakville events.
- The town expanded the recycling program to include all major sports fields. The program will be phased in all parks over the next three years.
- The town resurfaced/reconstructed over 15 km of town roadways.
- Implementation of the Environmental Strategic Plan is almost 100 per cent completed.
- Oakville rainbarrel program distributed units to 1,300 residents to promote water conservation.  
*(Region of Halton led, town supported)*

## Key accomplishments

- In November, the town reported that energy use at Town Hall was at its lowest level since 2001 despite a 50 per cent increase in building occupancy. Town Hall reduced the use of electricity by 17.5 per cent, natural gas by 26 per cent and water by 15 per cent over previous years by improving the building automation system, controlling the maximum and minimum temperatures, replacing weather stripping and caulking, and installing lighting motion sensors. The improvements cost approximately \$365,000 and produced a savings of over \$78,700, allowing expenses to be paid for in approximately four years.
- In December, the town hosted the Green Building Summit to promote sustainable living. Attendees listened to speakers and vendors from the green building industry, including alternative energy professionals, green developers and green roof specialists.
- The town developed and implemented environmental policies and procedures helping reduce the environmental impact of the town. As part of the Towards Zero Waste program, employees collected nearly 4,500 kg of batteries at Town Hall. The town also offered a plastic pot and tray recycling pilot program to the community.
- The town developed Sustainable Design Guidelines for all new facilities, renovations and maintenance of all existing facilities. The guidelines, one of the first of its kind for a municipality, reinforce the town's commitment to sustainability and compliment the decision by Council to require all new construction over 500 square metres to be LEED Silver certified.
- The upgrades at Kinoak Arena include the replacement of portions of the flat roof with green roof technology that will improve energy efficiency, air quality and decrease storm water run-off.

◀ 2010 highlights ▶

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)

Looking ahead

# Key challenges and actions

Since 2007, Oakville has adopted a mission-driven approach to strategic planning that converts the town's vision, mission and values into strategic goals.

Council then establishes its work plan based on those strategic goals, which it believes require the greatest attention. The specific goals and actions are measured and tracked annually through departmental business plans and the town's performance-based, program-based budgeting system.

Integrating Council's strategic goals into annual departmental business plans not only ensure staff and Council's goals are aligned, but also provide the flexibility to respond to new and emerging issues.

This is not a work plan that will sit on a shelf for four years; it will constantly be fine tuned throughout the term of Council.

For 2011-2014, Council has identified the following eight areas of focus.

## To be the most livable town in Canada

*To develop and implement the community planning framework to achieve our vision to be the most livable town in Canada.*

### Key Actions 2011

- Defend the town's Livable Oakville Official Plan at the Ontario Municipal Board
- Begin development of the zoning by-law and urban design guidelines to support implementation of the Livable Oakville Official Plan
- Finalize implementation requirement for development of North Oakville
- Develop comprehensive community building framework
- Complete community visioning for the OTMH site
- Begin development of Transportation Master Plan

## To enhance our economic environment

*To create and support conditions that will ensure a thriving and sustainable local economy.*

### Key Actions 2011

- Continue implementation of economic development strategy
- Launch annual economic development forum to bring together local business leaders to assist in development of ongoing strategies to attract investment and retain businesses in Oakville
- Work with landowners and Halton Region to move forward with servicing of Winston Park West employment lands
- Complete review of Oakville tourism strategy and partnership
- Continue to develop strong working relationship with Chamber of Commerce and Business Improvement Areas

◀  
2010 highlights

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)



Looking ahead

# Key challenges and actions

## To enhance our social environment

*Take a leadership role in identifying opportunities to enhance the well-being of our community and work collaboratively with the community and the Region of Halton to promote community wellness.*

### Key Actions 2011

- Prepare draft Parks, Recreation and Library Master Plan and begin broad-based community consultation
- Complete renovations to QEP Community Centre
- Develop rowdiness and vandalism policy
- Complete site plan and building approvals to ensure timely development of new Oakville hospital
- Develop strategy for potential acquisition from HDSB which includes surplus school sites
- Begin development of town-wide event strategy

## To be accountable in everything we do

*To ensure public confidence by promoting open, effective and transparent governance.*

### Key 2011 Actions

- Undertake review of ward structure
- Identify opportunities for governance training for staff, appointees and Council
- Redevelop website to make information more accessible to the public and to promote open and transparent decision-making
- Complete development of tool kit for staff to support town's commitment to public engagement
- Complete new four year Council strategic work plan
- Complete agreement with TOWARF
- Work with BIA's to revise constitutions
- Ensure compliance with accessibility legislation
- Complete 2011 internal audit work program
- Council task force on advisory committees

## To be fiscally sustainable

*To ensure long-term financial sustainability of the town by developing financial plan that maximizes development charges to finance growth, establishes equitable rates and fees, identifies opportunities for savings, maintains highly-valued programs and services and considers the rights of taxpayers.*

### Key Actions 2011

- Deliver 2011 budget increase that identifies opportunities for savings, new user fees and ensures overall increase reflects the rate of inflation
- Continue to define and develop key performance indicators to support program-based, performance-based budgeting
- Undertake service delivery review to identify potential budget savings
- Finalize amount of local share donation to new Oakville hospital
- Begin new development charges by-law study
- Complete ten year capital forecast
- Ensure town-wide PCI compliance
- Complete Harbours financial plan



◀  
2010 highlights

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)



◀ 2010 highlights ▶

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)

## To be environmentally sustainable

*To develop and promote innovative and sustainable environmental practices that reduce town and community impact on the environment.*

### Key Actions 2011

- Complete corporate sustainability plan
- Update Environmental Strategic Plan
- Launch Integrated Community Sustainability Plan (ICSP) consultation
- Implement health protection air quality by-law
- Continue to review energy management at town hall and other town facilities to identify potential savings
- Work with Oakville Hydro to launch solar energy arrays on town facility roofs
- Develop north Oakville forestry plan to support 40 per cent tree canopy target
- Develop strategy to respond to threat of Emerald Ash Borer
- Continue implementation of corporate sustainability policies and practices
- Implement new bike lanes in Oakville to support active transportation

## To provide outstanding service to our residents and businesses

*To ensure excellence and accountability in providing effective and efficient customer service to our residents and businesses.*

### Key Actions 2011

- Develop integrated customer service strategy and begin for implementation of next phase of ServiceOakville in several key town departments
- Complete review of customer relations management software to determine appropriate system for implementation
- Redesign website to improve access to information and online services on website

- Implement QR codes in town advertising to reduce content and improve mobile access to information
- Establish efficient and effective development review processes to streamline service delivery
- Complete development of public engagement toolkit for staff to ensure effective public consultation
- Develop web and social media policies to support online community engagement

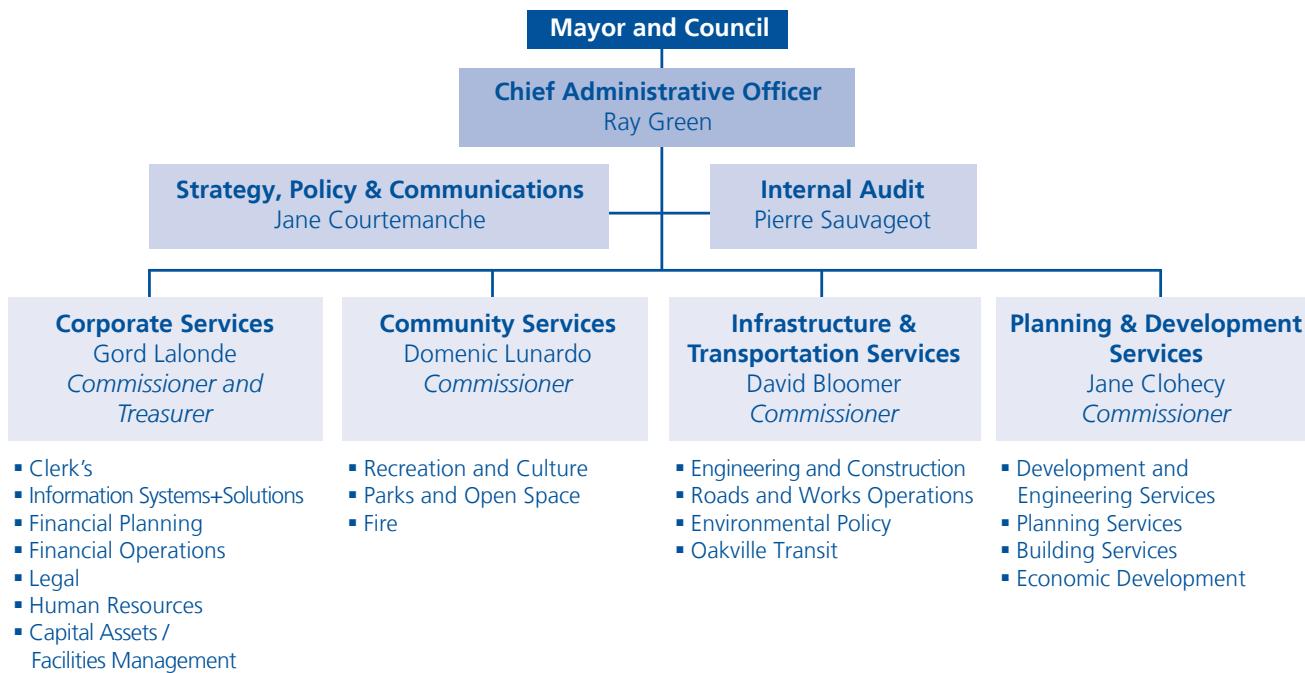
## To continuously improve our programs and services

*To establish a culture of innovation and renewal to ensure continuous improvement in the development and delivery of cost-effective and responsive town programs, services and infrastructure.*

### Key Actions 2011

- Undertake Citizen Survey to identify programs and services valued by the community, the town's effectiveness in meeting the needs of the community and identify areas for future improvement
- Review delivery of key town programs and services to maximize effectiveness and efficiency of service delivery model
- Maintain local infrastructure such as roads, trails, sewers and bridges in a state of good repair
- Complete 18 kilometers of hot mix paving to ensure meet 2021 target for completion set by Council
- Implement budgeted park maintenance and enhancement projects and new park development
- Implement online transit route mapping
- Review and respond to citizen requests for traffic calming measures
- Complete review of ice needs and identify options to rationalize service delivery

# Organizational chart



**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** is responsible for the coordination of services delivered by the Clerk's, Facilities and Construction Management, Information Systems + Solutions, Legal, Financial Operations, Financial Planning, and Human Resources departments and ensures the delivery of timely, accurate and complete information, as well as administering the legislative responsibilities of the corporation.

**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 Oakville Transit, environmental policy, and municipal parking operations and enforcement.

2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)

# Report from the Financial Operations



Lynn Horlor



Gord Lalonde

The Town of Oakville's Consolidated Financial Statements for 2010 confirm that our town is in a sound financial position and continues to be well positioned to face economic challenges.

The statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAB). Commencing in 2009, the financial statements now report the net book value of the town's tangible capital assets and reflect current year amortization expense in its operations. The town's external auditors, KPMG, have examined the statements in accordance with generally accepted auditing standards and have expressed the unqualified opinion that the consolidated statements are free from material misstatement and fairly present the financial position of the town as at December 31, 2010 in all material respects.

The financial statements include the consolidated statement of financial position, the related consolidated statements of operations, change in net financial assets (net debt) and cash flows. The statements indicate how the town financed its activities; confirm that resources obtained were used in accordance with the town's approved budgets; and adhere to the financial management and planning policies of the town.

The notes to the statements provide supporting information to the financial schedules as well details with respect to information no longer provided in financial

schedules such as transactions relating to reserves and reserve funds, a continuity schedule for tangible capital assets, along with detailed information relating to the town's investment in Oakville Hydro.

The consolidated financial statements combine the operations of the town, Oakville Public Library, Oakville Galleries and the town's three business improvement areas. The statements also include the town's investment in Oakville Hydro using the modified equity method of accounting which reports only the net assets and the town's equity in Oakville Hydro Corporation.

## Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position is the municipal equivalent of the private sector's balance sheet especially now since effective January 1, 2009, all municipalities are required to record their tangible capital assets in their financial statements. This statement includes two key components – net financial assets (assets minus liabilities), and accumulated surplus.

A key indicator of a municipality's financial condition is its net financial assets. Net financial assets represent the difference between the financial assets of the corporation (cash, receivables, investments) less its financial liabilities (accounts payable, deferred revenues, debentures and post employment liabilities). The town is in a net asset position, where its assets exceed liabilities by \$259.2 million, a significant increase of \$74.7 million from 2009. The contributing factors include increased cash and investments of \$51.6 million which can be attributed to the \$40 million dividend received from Oakville Hydro due to the sale of Blink. In addition, the net income reported by Oakville Hydro has increased the town's investment by \$42.4 million. These increases in assets were offset by an increase in liabilities of \$18.7 million. The liability increase is due to accounts payable and accrued liabilities, as well as an increase of \$10.9 million in long term debt.

The town's accumulated surplus, increased by \$117.3 million from \$1.475 billion in 2009 to \$1.592 billion in 2010. This increase relates to the increase in net financial assets of \$74.7 million as detailed above, plus an increase in the town's value of its tangible capital assets of \$42.1 million. It is important to note the accumulated surplus cannot be construed as "cash or funds" available for spending, as the majority of the value is for "non financial

**2010 highlights**

**Message from the Mayor**

**Members of Town Council**

**Message from the CAO**

**Vision, mission and values**

**Key accomplishments 2010**

**Looking ahead – Key challenges and actions 2011**

**Organizational chart**

**Report from Financial Operations**

**Comprehensive financial management and planning policies**

**Consolidated Financial Statements**

**Five-year review (unaudited)**



◀ 2010 highlights ▶

**Message from the Mayor**

**Members of Town Council**

**Message from the CAO**

**Vision, mission and values**

**Key accomplishments 2010**

**Looking ahead – Key challenges and actions 2011**

**Organizational chart**

**Report from Financial Operations**

**Comprehensive financial management and planning policies**

**Consolidated Financial Statements**

**Five-year review (unaudited)**

assets”, which are not available to discharge existing liabilities, but rather are held for use in the provision of services.

The Consolidated Statement of Operations is the municipal equivalent to the private sector’s income statement. This statement presents the source, allocation and use of the town’s financial resources throughout the reporting period and reflects the combined operations of the operating fund, non-asset related capital project spending, reserve and reserve funds for the town and its local boards.

This schedule no longer reports the costs associated with the acquisition of tangible capital assets (formerly reported as the capital fund), but rather the use of assets by reporting amortization expenses by function. As well, we no longer report on the change in fund balances but instead we report only on the annual surplus (revenues minus expenses) and accumulated surplus, which ties into Consolidated Statement of Financial Position. Therefore, the annual surplus does not include expenses relating to the acquisition of tangible capital assets, nor does it reflect the costs relating to the principal repayment of long term debt or the receipt of debt proceeds; but it does reflect the use of assets in service through an amortization expense. The 2010 annual surplus is \$67.0 million higher than 2009, which is due to the increase in the town’s investment in Oakville Hydro, and grant funding from the Provincial and Federal Governments for tangible assets. Expenditures increased by \$25.4 million.

This schedule also reports the 2010 operations against the 2010 approved budgets, but similar to the actuals, certain components are not included such as reserve and reserve fund transfers, capital expenses relating to the acquisitions of tangible capital assets and debt principal payments. With the inclusion of the non financial assets,

the financial statement becomes very difficult to compare to the annual and capital budget documents and approvals, as they are presented on a “cash” basis for purposes of calculating tax levy, and include a budgeted surplus of only \$500,000. The projected surplus on a cash basis does not include the \$37.1 million in amortization of assets, or any gain or loss on sale or disposal of assets. An annual resolution of Council is required under the Municipal Act, Section 284/09 to advise Council of the expenses such as amortization or post-employment liabilities, that the town is not required to include within the annual budget.

Financial Planning staff prepare monthly and quarterly variance reports which assist management and Council in tracking the budget vs. actual in order to monitor the actual surplus on a cash basis. In accordance with the town’s Financial Control Policy this report covers all financial matters including: operating and capital expenditures, asset additions and disposals, reserve, reserve fund and trust fund balances, investments, capital closures and purchasing activity greater than \$250,000. Non-budgeted transfers and funding must be requested and approved through these reports.

The Consolidated Statement of Change in Net Financial Assets is intended to provide the user of the financial statements with more detailed information concerning the non-financial assets of the Town of Oakville. It provides information on the acquisition costs of the tangible capital assets as well as the usage of the assets through amortization expenses.

The Consolidated Statement of Cash Flows shows the impact that all transactions have on the town’s cash position. It reconciles the annual surplus to the cash and cash equivalents balance reported on the Consolidated Statement of Financial Position. It highlights the use

of cash for operating, capital, investing and financing activities and provides information that cannot be found on any other statement particularly relating to long term debt. From this schedule you can readily see the reasons for the significant decrease in cash and cash equivalents.

## Conclusion

At the end of 2010, the Town of Oakville continues to report a strong and solid financial position. As with most municipalities in Ontario, the town is facing many financial challenges and recent economic conditions have compounded these challenges. The town is fully compliant with PSAB 3150 – Tangible Capital Asset regulations, with net capital assets with a book value of \$1,330.6 billion and estimated replacement costs of \$2.6 billion excluding land values. The funding for the renewal of these assets will place challenges on future budgets. Providing services to a growing community combined with demand for new and enhanced services, and recent economic issues will place pressure on the town's finances while we strive to maintain reasonable and competitive tax rates.

In conjunction with PSAB 3150 the town is implementing a comprehensive asset management program. In 2010, staff began utilizing the asset register as the base for the town's ten-year financial forecast, which allows the town to evaluate infrastructure investments in light of their impact on future budgets. This tool will provide the town with the information it needs to develop a sustainable financing plan for infrastructure renewal, as well as allowed the town to evaluate the impact of reduced development charge funding resulting from the current economic slowdown and to make necessary modifications to the timing of growth related capital projects. The Performance-Based Program-Based Budgeting (PB2) 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. These tools contribute the current sound financial position of the town as shown in these financial statements.

In April 2010, Town Council passed by resolution to contribute up to \$200 million to Halton Healthcare Services (HHS) to fund a new Oakville Hospital. This will require staff to prepare plans and options for the final financing of the town's local share commitment that minimizes property taxes and the impact on our own infrastructure replacement and capital forecast. Discussions with HHS will continue throughout 2011, but the final commitment will not be known until the tenders for the hospital are finalized.

Staff have enhanced the annual report five year review section in 2010, which will provide the readers with more detailed and relevant information, on many financial indicators.

There are many contributors to the town's success and achievements. Thank you to Town Council, commissioners, department heads and staff in all the town's departments for all their efforts in ensuring the town remains in a strong financial position. I especially would like to thank the staff in the town's Financial Operations and Financial Planning departments. This group of professionals is dedicated and committed to ensuring the town's financial affairs are handled responsibly, with integrity and consistently go the extra mile.

Lynn Horlor  
Deputy Treasurer and  
Director of  
Financial Operations  
The Corporation of the  
Town of Oakville

Gord Lalonde  
Commissioner of  
Corporate Services  
and Treasurer  
The Corporation of the  
Town of Oakville

Dated: June 21, 2011

**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**

# Comprehensive Financial Management and Planning Policies

## 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 Canadian Public Sector Accounting Standards 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 are 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 operating fund, capital fund, reserve funds and trust funds. These funds are used for budget purposes and for day-to-day financial management. The 2010 financial statements are fully compliant with PSAB 3150 Tangible Capital Assets and are not presented by fund, but on a consolidated fund basis.

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.

2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)



## 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. The compliance to PSAB 3150 Tangible Capital Assets, provides the town with the asset foundation and values to assist the town in managing their future infrastructure renewal needs.

### 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 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/deputy treasurer, the chief administrative officer and Council for their spending, revenue generation and service delivery performance against budget approvals.
- Revenues 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 may be implemented on both expenditures and revenues.
- 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/deputy 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/deputy treasurer and the CAO prior to seeking approval of Council.

## Capital budget controls

The following points highlight the capital budget control process:

2010 highlights

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)



◀ 2010 highlights ▶

[Message from the Mayor](#)

[Members of Town Council](#)

[Message from the CAO](#)

[Vision, mission and values](#)

[Key accomplishments 2010](#)

[Looking ahead – Key challenges and actions 2011](#)

[Organizational chart](#)

[Report from Financial Operations](#)

[Comprehensive financial management and planning policies](#)

[Consolidated Financial Statements](#)

[Five-year review \(unaudited\)](#)

- Council, in adopting the capital budget, shall determine the sums required for each capital project listed in the capital budget. The treasurer/deputy 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/deputy treasurer to ensure accuracy, financing sources and financial impact, and then reviewed by the CAO before being submitted to Council for approval.
- Similar to the operating budget, there are a hierarchy of controls detailing how project budgets may be amended.

### Tangible capital assets

- The town has developed asset management policies to determine asset classes, thresholds, useful lives which are being followed to support compliance to PSAB 3150 Tangible Capital Assets.
- Amortization is done on a monthly basis, and charged corporately. Departmental budgets are not affected by amortization, as they are prepared on a cash basis for the calculation of the tax levy. Reconciliation of annual transfers to reserves/reserve funds are compared to amortization and reported to Council on an annual basis, in compliance with *Municipal Act 284/09*.

- Through the monthly capital project review, there is a linkage between the project and the asset being constructed or purchased. Once the asset is in service, the asset is capitalized and the project closed.
- Assets which are contributed to the town through development agreements are not budgeted for, but are included within the tangible capital assets as well as showed as funded from contributed revenue.
- Asset inventories are maintained and signed off by department directors quarterly and annually.

### Debt management

Council has adopted a policy that ensures the annual debt repayment level is significantly below the allowable Provincial Government authorized level of 25 per cent of operating revenues. Council's current approved guideline stipulates that debt repayments for tax supported debt are not to exceed 6.25 per cent of operating revenues. In addition, total debt repayments including debt that will be recovered from non-tax sources are not to exceed 12 per cent of operating revenues. Finally, development supported debt repayments are not to exceed 25 per cent of the projected annual average development charge revenues. The town currently has a relatively low total debt burden in comparison to the provincial standard.

# Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Town of Oakville (the “town”) are the responsibility of the town’s management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The town’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Administrative Services Committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the town. The accompanying Independent Auditors’ Report outlines their responsibilities, the scope of their examination and their opinion on the town’s consolidated financial statements.



Ray Green  
Chief Administrative Officer

June 20, 2011



Gord Lalonde  
Commissioner of Corporate  
Services and Treasurer

◀ 2010  
highlights ▶

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)



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

Telephone (905) 523-8200  
Telefax (905) 523-2222  
[www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the Corporation of the Town of Oakville, which comprise the consolidated statement of financial position as at December 31, 2010, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Town of Oakville as at December 31, 2010, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

June 20, 2011  
Hamilton, Canada



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

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

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the Corporation of the Town of Oakville, which comprise the consolidated statement of financial position as at December 31, 2010, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Town of Oakville as at December 31, 2010, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

June 20, 2011  
Hamilton, Canada

◀ 2010  
highlights ▶

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

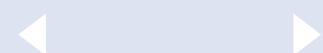
Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)



## Consolidated Statement of Financial Position

December 31, 2010, with comparative information for 2009  
(in thousands of dollars)

	2010	2009
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 22,129	\$ 12,224
Accounts receivable (note 2)		
Taxes receivable	20,919	23,039
Other	20,559	19,018
Investments (note 3)	173,722	132,001
Investment in Oakville Hydro Corporation (note 4)	192,528	150,037
	<hr/> 429,857	<hr/> 336,319
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	40,068	32,441
Other current liabilities	13,912	13,864
Deferred revenue – obligatory reserve funds (note 5)	33,421	33,651
Deferred revenue (note 6)	23,197	24,573
Long-term liabilities (note 7)	40,008	29,086
Post employment benefit liability (note 8(a))	17,553	16,013
WSIB liability (note 8(b))	2,464	2,211
	<hr/> 170,623	<hr/> 151,839
Net financial assets	259,234	184,480
<b>Non-financial assets:</b>		
Tangible capital assets (note 9)	1,330,642	1,288,469
Prepaid expenses and inventory	2,578	2,134
	<hr/> 1,333,220	<hr/> 1,290,603
Accumulated surplus (note 11)	<hr/> \$1,592,454	<hr/> \$1,475,083

The accompanying notes are an integral part of these consolidated financial statements.

2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)

## Consolidated Statement of Operations

Year ended December 31, 2010, with comparative information for 2009  
(in thousands of dollars)

	Budget	2010	2009
(Unaudited –note 17)			
<b>Revenues:</b>			
Taxation revenue	\$ 383,667	\$ 390,331	\$ 373,790
Less amounts received for Region and School Boards	254,078	258,615	250,280
	129,589	131,716	123,510
User fees and charges (note 11)	36,149	38,252	35,324
Government transfers			
Government of Canada (note 14)	11,328	7,402	775
Province of Ontario (note 14)	11,624	12,314	3,007
Gas tax revenue (note 14)	11,072	10,367	8,645
Other Municipalities	3,046	3,140	4,295
Investment income	3,843	7,231	7,131
Interest on promissory notes to Oakville			
Hydro Corporation (note 4(b))	7,817	4,713	4,713
Penalties and interest	2,430	3,516	3,062
Developer contributions and development charges earned	48,587	34,666	47,987
Other	1,189	1,096	4,191
Equity in income of Oakville Hydro Corporation (note 4)	-	85,434	4,725
Total revenue	266,674	339,847	247,365
<b>Expenses (note 15):</b>			
General government	23,620	42,231	28,631
Protection to persons and property	32,214	33,961	32,122
Transportation services	40,617	71,187	64,605
Environmental services	934	1,385	4,153
Health services	861	1,177	1,148
Recreation and cultural services	40,410	61,040	55,504
Planning and development	11,065	11,495	10,826
Total expenses	149,721	222,476	196,989
Annual surplus	116,953	117,371	50,376
Accumulated surplus, beginning of year	1,521,397	1,475,083	1,424,707
Accumulated surplus, end of year (note 10)	\$1,638,350	\$1,592,454	\$1,475,083

The accompanying notes are an integral part of these consolidated financial statements

◀  
2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)

## Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2010, with comparative information for 2009  
(in thousands of dollars)

	Budget	2010	2009
(Unaudited —note 17)			
Annual surplus	\$ 116,953	\$ 117,371	\$ 50,376
Acquisition of tangible capital assets	(118,039)	(88,526)	(82,668)
Amortization of tangible capital assets	-	37,082	36,327
Loss (gain) on sale of tangible capital assets	-	9,061	(107)
Proceeds on sale of tangible capital assets	-	210	362
	(1,086)	75,198	4,290
Acquisition of prepaid expenses and inventory	-	(2,578)	(2,134)
Use of prepaid expenses and consumption of inventory	-	2,134	1,318
	-	(444)	(816)
Change in accounting policy recognizing future taxes in Oakville Hydro Corporation	-	-	(16,146)
Change in net financial assets	(1,086)	74,754	(12,672)
Net financial assets, beginning of year	184,480	184,480	197,152
Net financial assets, end of year	\$183,394	\$259,234	\$184,480

The accompanying notes are an integral part of these consolidated financial statements

◀  
2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

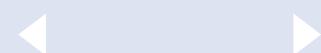
Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)



**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**

## Consolidated Statement of Cash Flows

December 31, 2010 with comparative information for 2009  
(in thousands of dollars)

	<b>2010</b>	<b>2009</b>
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$117,371	\$50,376
Items not involving cash:		
Amortization	37,082	36,327
Loss (gain) on sale of tangible capital assets	9,061	(107)
Developer contributions of tangible capital assets	(19,234)	(5,398)
Change in employee benefits	1,540	1,387
Change in WSIB liability	253	246
Equity in income of Oakville Hydro	(85,434)	(4,725)
Change in non-cash assets and liabilities:		
Taxes receivable	2,120	(6,514)
Accounts receivable	(1,541)	566
Accounts payable and accrued liabilities	7,623	(2,915)
Other current liabilities	48	2,106
Deferred revenue – obligatory reserve funds	(230)	(35,549)
Deferred revenue	(1,376)	(121)
Prepaid expenses and inventory	(444)	(816)
Net change in cash and cash equivalents from operating activities	66,839	34,863
<b>Capital activities:</b>		
Proceeds on sale of tangible capital assets	210	362
Cash used to acquire tangible capital assets	(69,292)	(77,270)
Net change in cash and cash equivalents from capital activities	(69,082)	(76,908)
<b>Investing activities:</b>		
Investments	(41,721)	15,755
Decrease in direct financing lease receivable from Oakville Hydro Corporation	347	567
Dividend from Oakville Hydro Corporation	42,600	3,688
Net change in cash and cash equivalents from investing activities	1,226	20,010
<b>Financing activities:</b>		
Debt issued	16,329	351
Debt principal repayment	(5,407)	(5,372)
Net change in cash and cash equivalents from financing activities	10,922	(5,021)
Net change in cash and cash equivalents	9,905	(27,056)
Cash and cash equivalents, beginning of year	12,224	39,280
Cash and cash equivalents, end of year	<b>\$22,129</b>	<b>\$12,224</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Notes to Consolidated Financial Statements

The Corporation of the Town of Oakville (the “town”) is a municipality that provides municipal services such as fire, public works, planning, parks and recreation, library and other general government operations.

## **1. Significant accounting policies:**

The consolidated financial statements of the town are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the town are as follows:

### **(A) Basis of consolidation:**

#### *(i) Consolidated entities*

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the town and which are owned or controlled by the town except for the town’s government business enterprise (Oakville Hydro Corporation), which is accounted for on the modified equity basis of accounting.

These entities and organizations include:

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

Interdepartmental and inter-organizational transactions and balances between these entities and organizations have been eliminated.

#### *(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 public sector accounting standards for investments. Under the modified equity basis, Oakville Hydro Corporation 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 operations 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, expenses, assets and liabilities with respect to the operations of the Region of Halton and the schools board are not reflected in these consolidated financial statements.

### *(iv) Trust funds*

Trust funds and their related operations administered by the town are not included in these consolidated financial statements.

### **(B) Basis of accounting:**

The town follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

### **(C) Government transfers:**

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

### **(D) 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.

### **(E) Deferred revenue:**

Deferred revenues represent licenses, permits, grants and other fees which have been collected, but for which the related services or inspections have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

### **(F) Investment income:**

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

◀  
**2010 highlights**

**Message from the Mayor**

**Members of Town Council**

**Message from the CAO**

**Vision, mission and values**

**Key accomplishments 2010**

**Looking ahead – Key challenges and actions 2011**

**Organizational chart**

**Report from Financial Operations**

**Comprehensive financial management and planning policies**

**Consolidated Financial Statements**

**Five-year review (unaudited)**

**Notes to Consolidated Financial Statements**

Year ended December 31, 2010

(tabular columns in thousands of dollars)

**(G) Cash equivalents:**

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

**(H) Investments:**

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

**(I) 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 investment. The investment in the leases is composed of net minimum remaining lease payments net of unearned investment income.

**(J) Employee future benefits:**

(i) The town provides certain employee benefits which will require funding in future periods. These benefits include long-term disability, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and extended health and dental benefits for early retirees.

The costs of long-term disability, benefits under the Workplace Safety and Insurance Board Act and extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, earned days accumulated for certain employees payable at retirement, health care cost trends, long term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as service payments, health and dental benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(ii) The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.

**(K) Non-financial assets:**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

*(i) Tangible capital assets*

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

<b>Asset</b>	<b>Years</b>
Land improvements	3 - 100
Buildings	10 - 75
Equipment	3 - 19
Vehicles	3 - 18
Roads network	10 - 100
Environmental network	10 - 100
Communications and technology network	3 - 8

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

*(ii) Contributions of tangible capital assets*

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

*(iii) Natural resources*

Natural resources that have not been purchased are not recognized as assets in the financial statements.

*(iv) Works of art and cultural and historic assets*

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

*(v) Interest capitalization*

The Town does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

◀  
**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**

**(vi) Leased tangible capital assets**

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

**(vii) Inventories of supplies**

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

**(L) Use of estimates:**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits. In addition, the town's implementation of Public Sector Accounting Standards – Section PS 3150 has required management to make estimates of historical cost and useful lives of tangible capital assets. Actual results could differ from these estimates.

**2. Accounts receivable**

Taxes receivable are reported net of a valuation allowance of \$2,042 (2009 - \$1,356). There is a valuation allowance for other accounts receivable of \$62 (2009 - \$52).

**3. Investments:**

Investments reported on the consolidated statement of financial position have market values of \$183,410 (2009 - \$138,501).

**4. 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 energy services, water heater rental, billing services, street lighting services, retro-fit multi-residential buildings to individually metered units and utility related construction.

◀  
**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**

**Notes to Consolidated Financial Statements**

Year ended December 31, 2010

(tabular columns in thousands of dollars)

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

	2010	2009
<b>Financial position:</b>		
<b>Assets:</b>		
Current	\$ 100,721	\$ 79,694
Capital	136,866	119,779
Other	22,202	22,276
Total assets	<u>259,789</u>	<u>221,749</u>
<b>Liabilities:</b>		
Current	42,291	35,016
Capital lease obligations to Town of Oakville	12,559	9,321
Promissory notes payable to Town of Oakville	77,029	77,029
Other	24,970	36,696
Total liabilities	<u>156,849</u>	<u>158,062</u>
<b>Equity:</b>		
Share capital	63,024	63,024
Retained earnings	39,916	663
Total equity	<u>102,940</u>	<u>63,687</u>
Total liabilities and equity	<u>\$ 259,789</u>	<u>\$ 221,749</u>
<b>Operations:</b>		
Revenue	\$ 248,841	\$ 157,282
Expenses (including income tax provision)	163,407	152,557
Income net of taxes	85,434	4,725
Dividends paid to Town of Oakville	(42,600)	(3,688)
Loss on renegotiation of capital lease	(3,581)	-
Change in accounting policy	-	(16,146)
Change in equity	39,253	(15,109)
Gain on renegotiation of capital lease	3,581	-
Direct financing lease receivable repayment	(343)	(567)
Change in investment in Oakville Hydro Corporation	<u>\$ 42,491</u>	<u>\$ (15,676)</u>
<b>Town of Oakville's investment represented by:</b>		
Direct financing leases receivable - note 4(a)	\$ 12,559	\$ 9,321
Promissory notes receivable - note 4(b)	77,029	77,029
Investment in shares of the Corporation	63,024	63,024
Accumulated net income, net of dividends received and change in accounting policy	39,916	663
Total investment in Oakville Hydro Corporation	<u>\$ 192,528</u>	<u>\$ 150,037</u>

◀ 2010 highlights

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)

**(A) Net investment in direct financing receivable:**

The town has provided direct financing leases to Oakville Hydro Corporation for the property known municipally as 861 Redwood Square. The initial term of the original lease expired on December 31, 2009 and a new agreement was renegotiated in early 2010 with an effective date of January 1, 2010. At the beginning of the year, the town derecognized the original lease and recognized the new lease obligation. The carrying value at January 1, 2010 was \$9,321. The corporation recognized a loss on derecognition of \$3,585.

Minimum payments under this lease agreement are as follows:

	\$ 1,345
2011	\$ 1,345
2012	1,345
2013	1,345
2014	1,345
2015	1,345
Thereafter	18,830
	25,555
Less amount representing interest, imputed at 8.6% (12,996)	\$ 12,559

**(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, 2010, the interest rate in effect on the promissory notes of \$67,946 was 6 per cent (2009 – 6 per cent) and the promissory note of \$9,083 has an interest rate in effect of 7 per cent (2009 – 7 per cent). Interest revenue earned from these notes totaled \$4,713 (2009 - \$4,713).

**(C) Related party transaction and balances:**

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

	2010	2009
<b>Transactions</b>		
<b>Revenue</b>		
Interest on capital leases	\$ 1,002	\$ 674
Cashier services	3	2
Tree trimming service	259	204
Garage services	474	491
Property taxes	314	314
Interest on promissory notes	4,713	4,713

**Expenses**

Energy purchases (at commercial rates)	\$ 4,186	\$ 3,125
Fibre optic rental	-	53
Streetlight maintenance	428	558

**Balances**

Amounts due from the Corporation		
Accounts receivable	\$ 1	\$ 93
Direct financing leases receivable	12,559	9,321
Promissory note receivable	77,029	77,029

**Amounts due to the Corporation**

Accounts payable and accrued liability	\$ 758	\$ 392
---	--------	--------

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

*(i) Legal proceedings*

Pursuant to its order dated July 22, 2010 (the "Order"), the Ontario Superior Court of Justice approved the settlement of a class action lawsuit, which was served on the former Toronto Hydro-Electric Commission, continuing as Toronto Hydro Corporation, on November 18, 1998. The original class action was for the amount of \$500,000 and 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 Corporation is a successor MEU, which have charged Late Payment charges on overdue utility bills at any time after April 1, 1981.

By order dated July 22, 2010, the Ontario Superior Court of Justice formalized a settlement pursuant to which the defendant MEUs will pay the amount of \$17,000 plus costs and taxes in settlement of all claims. The amount allocated for payment by each MEU is its proportionate share of the settlement amount based on its percentage of distribution service revenue over the period for which it has exposure for repayment of late payment penalties exceeding the interest rate limit in the Criminal Code. The corporation's share of the settlement amount is \$258, payable on June 30, 2011.

On October 29, 2010, the OEB issued a notice of proceeding involving all of the defendant MEUs including the corporation, to determine whether the costs and damages incurred by MEUs are recoverable from electricity ratepayers, and if so, the form and timing of such recovery. On February 22, 2011, the OEB issued its decision on this matter and approved the recovery of all costs and damages arising from the settlement

◀  
**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**

**Notes to Consolidated Financial Statements**

Year ended December 31, 2010

(tabular columns in thousands of dollars)

of the class action over a one year period commencing May 1, 2011, through a fixed rate rider. As a result the Corporation has accrued a liability in the amount of \$258, with a corresponding recovery through accounts receivable.

*(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, 2010 no amount was drawn on this facility. In addition, the corporation has a letter of credit facility available of \$16 million with a chartered bank, of which \$15 million has been assigned to secure a prudential support according to the Independent Electricity System Operator (IESO) Settlements Manual.

**5. Deferred revenue — obligatory reserve funds:**

The deferred revenues – obligatory reserve funds, reported on the consolidated statement of financial position, are made up of the following:

	2010			2009	
	Development charges	Parkland	Gas tax	Investing in Ontario	Total
Balance, beginning of year	\$ 758	\$ 15,226	\$ 11,085	\$ 6,582	\$ 33,651
Developer and other contributions	14,059	3,024	-	-	17,083
Interest	-	1,247	452	100	1,799
Provincial and federal funding	-	-	8,768	-	8,768
	14,059	4,271	9,220	100	27,650
					17,106
<b>Less</b>					
Contributions used in operating and capital funds	13,998	1,220	10,927	916	27,061
Interest	819	-	-	-	819
	\$ -	\$ 18,277	\$ 9,378	\$ 5,766	\$ 33,421
					\$ 33,651

**6. Deferred revenue:**

The deferred revenue, reported on the consolidated statement of financial position, is made up of the following:

	2010			2009	
	Deferred revenues operations	Deferred revenues capital	Pre-authorized tax payments	Deferred revenues Library & BIA	Total
Balance, beginning of year	\$ 8,870	\$ 5,775	\$ 9,914	\$ 14	\$ 24,573
Development fees	7,685	1,129	-	-	8,814
User fees	11,458	-	-	-	11,458
Provincial grants	3	-	-	-	3
Other	-	-	11,364	14	11,378
	19,146	1,129	11,364	14	31,653
					1,730
<b>Less</b>					
Contributions used in operating and capital funds	22,722	391	9,914	2	33,029
	\$ 5,294	\$ 6,513	\$ 11,364	\$ 26	\$ 23,197
					\$ 24,573

2010  
highlightsMessage from  
the MayorMembers of  
Town CouncilMessage from  
the CAOVision, mission  
and valuesKey  
accomplishments  
2010Looking ahead  
– Key challenges  
and actions 2011Organizational  
chartReport from  
Financial  
OperationsComprehensive  
financial  
management and  
planning policiesConsolidated  
Financial StatementsFive-year review  
(unaudited)

**7. Long-term liabilities:**

(A) The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2010	2009
The municipality has assumed responsibility for the payment of the principal interest charges on certain long-term serial debentures issued by Halton Region on behalf of the Town. Interest rates range from 1.60 per cent to 6.00 per cent	\$ 25,540	\$ 22,893
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 rates range from 2.37 per cent to 2.43 per cent	5,063	6,193
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 OSEIFA for Pine Glen. The amounts are recoverable from the Oakville Soccer Club. Interest rates range from 1.60 per cent to 6.03 per cent	9,405	-
	<hr/> \$ 40,008	<hr/> \$ 29,086

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

	2011	2012	2013	2014	2015	Thereafter
	\$ 5,935	4,714	4,445	4,611	3,740	16,563
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 40,008					

(C) 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 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.

(D) Total interest on long-term liabilities which are reported on the consolidated statement of operations amounted to \$1,550 (2009 - \$1,405). The long-term liabilities bear interest at rates ranging from 1.6 per cent. to 6.0 per cent.

(E) The balance of long-term liabilities reported on the consolidated statement of financial position is funded from the following sources:

	2010	2009
Tax levy supported	\$ 20,929	\$ 20,343
Development supported	6,040	6,758
Oakville Soccer Club	9,405	-
Harbours supported	3,634	1,985
	<hr/> \$ 40,008	<hr/> \$ 29,086

2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(tabular columns in thousands of dollars)

### 8. Post employment benefit liability:

#### (A) Retiree benefits:

The town pays extended health and dental benefits for early retirees to age 65 as well as for certain employees, a one day per year accrual of service payable at retirement. The town recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued benefit liability and the expense for the 12 months ended December 31, 2010, were determined by actuarial valuation. The last actuarial valuation was performed as at December 31, 2010.

The main actuarial assumptions employed for the valuations are as follows:

##### *(i) Interest (discount rate):*

The obligation as at December 31, 2010, of the present value of future liabilities and the expense for the 12 months ended December 31, 2010, were determined using a discount rate of 5.0 per cent.

##### *(ii) Medical costs:*

Medical costs were assumed to increase at the rate of 8.0 per cent per year reducing to 3.5 per cent per year by 2020 and 3.5 per cent per year thereafter.

##### *(iii) Dental costs:*

Dental costs were assumed to increase at the rate of 3.5 per cent per year.

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

	2010	2009
Accrued benefits obligation, beginning of year	\$ 17,676	\$ 15,648
Current service costs	1,058	916
Plan improvements and amendments	247	726
Interest on accrued benefits	940	851
Benefits paid during the period	(600)	(465)
	\$ 19,321	\$ 17,676
Unamortized actuarial loss	(1,768)	(1,663)
Accrued benefits liability, end of year	\$ 17,553	\$ 16,013

Included in current service costs is \$142 (2009 - \$85) for amortization of the actuarial loss. The unamortized actuarial loss is amortized over the expected average remaining service life which ranges between 11 to 12 years.



◀  
**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**

**Notes to Consolidated Financial Statements**

Year ended December 31, 2010

(tabular columns in thousands of dollars)

**(B) WSIB:**

With respect to responsibilities under provisions of the Workplace Safety and Insurance Board (“WSIB”) Act the Town has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these financial statements. The most recent actuarial valuation was performed as at December 31, 2010.

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

*(i) Interest (discount rate):*

The obligation as at December 31, 2010, of the present value of future liabilities and the expense for the 12 months ended December 31, 2010, were determined using a discount rate of 4.75 per cent.

*(ii) Administration costs:*

Administration costs were assumed to be 22.0 per cent of the compensation expense.

*(iii) Compensation expense:*

Compensation costs, which include loss of earnings benefits, health care costs and non-economic loss awards, were assumed to increase at rates ranging from 2.25 per cent to 4.75 per cent depending on the benefit type.

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

	2010	2009
Accrued WSIB liability, beginning of year	\$2,433	\$2,214
Current service costs	527	510
Interest on accrued benefits	124	113
Benefits paid during the period	(426)	(404)
Plan improvements and amendments	(985)	-
	1,673	2,433
Unamortized actuarial gain	791	(222)
Accrued WSIB liability, end of year	<u>\$2,464</u>	<u>\$2,211</u>

Included in current service costs is \$28 (2009 - \$27) for amortization of the actuarial loss. The unamortized actuarial gain on future payments required to WSIB is amortized over the expected period of the liability which is 10 years.

**(C) Other pension plans:**

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 1,214 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates to pay.

Contributions for employees with a normal retirement age of 65 were being made at a rate of 6.4% for earnings up to the yearly maximum pensionable earnings of \$47.2 and at a rate of 9.7% for earnings greater than the yearly maximum pensionable earnings.

The amount contributed to OMERS for 2010 was \$5,990 (2009 - \$5,812).

◀  
**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**

**Notes to Consolidated Financial Statements**

Year ended December 31, 2010

(tabular columns in thousands of dollars)

**9. Tangible capital assets:**

	Land	Land improve- ments	Buildings	Equipment	Vehicles	Roads network	Environ- mental network	Comp & tech services	Work in progress	Total
<b>Asset Cost 2010</b>										
Balance, beginning of year	\$480,207	\$216,254	\$170,629	\$24,353	\$57,216	\$515,053	\$241,975	\$14,527	\$70,204	\$1,790,418
Add: additions during the year	14,978	6,456	43,639	2,702	2,312	13,253	3,023	2,044	119	88,526
Less: disposals during the year	(4,184)	(704)	(9,008)	(1,512)	(209)	(2,236)	(2)	(633)	-	(18,488)
Balance, end of year	491,001	222,006	205,260	25,543	59,319	526,070	244,996	15,938	70,323	1,860,456
<b>Accumulated amortization</b>										
Balance, beginning of year	-	145,826	58,037	12,639	25,918	191,073	60,635	7,821	-	501,949
Add: additions during the year	-	8,324	3,808	2,272	4,602	12,725	3,509	1,842	-	37,082
Less: disposals during the year	-	(566)	(4,304)	(1,450)	(209)	(2,054)	(2)	(632)	-	(9,217)
Balance, end of year	-	153,584	57,541	13,461	30,311	201,744	64,142	9,031	-	529,814
Net book value, end of year	\$491,001	\$68,422	\$147,719	\$12,082	\$29,008	\$324,326	\$180,854	\$6,907	\$70,323	\$1,330,642
<b>Asset Cost 2009</b>										
Balance, beginning of year	\$475,075	\$205,435	\$170,123	\$23,918	\$52,802	\$511,122	\$240,930	\$12,469	\$25,685	\$1,717,559
Add: additions during the year	5,161	11,239	506	1,877	8,365	7,024	1,234	2,743	44,519	82,668
Less: disposals during the year	(29)	(420)	-	(1,442)	(3,951)	(3,093)	(189)	(685)	-	(9,809)
Balance, end of year	480,207	216,254	170,629	24,353	57,216	515,053	241,975	14,527	70,204	1,790,418
<b>Accumulated amortization</b>										
Balance, beginning of year	-	138,107	54,260	11,802	25,579	181,238	57,351	6,839	-	475,176
Add: additions during the year	-	8,019	3,777	2,240	4,290	12,862	3,472	1,667	-	36,327
Less: disposals during the year	-	(300)	-	(1,403)	(3,951)	(3,027)	(188)	(685)	-	(9,554)
Balance, end of year	-	145,826	58,037	12,639	25,918	191,073	60,635	7,821	-	501,949
Net book value, end of year	\$480,207	\$70,428	\$112,592	\$11,714	\$31,298	\$323,980	\$181,340	\$6,706	\$70,204	\$1,288,469

**(A) Assets under construction:**

Assets under construction having a value of \$70,323 (2009 - \$70,204) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**(B) Contributed tangible capital assets:**

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$19,234 (2009 - \$5,398) comprised of road networks in the amount of \$1,481 (2009 - \$281); environmental network - \$2,775 (2009 - \$114); and land - \$14,978 (2009 - \$5,003).

**(C) Tangible capital assets disclosed at nominal values:**

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land under roads, cemetery lands and buildings slated for demolition are the only assets where nominal values were assigned.

**(D) Works of art and historical treasures:**

The Town manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at Town sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

**(E) Write-down of tangible capital assets:**

The write-down of tangible capital assets during the year was \$ nil (2009 - \$ nil).

2010  
highlightsMessage from  
the MayorMembers of  
Town CouncilMessage from  
the CAOVision, mission  
and valuesKey  
accomplishments  
2010Looking ahead  
– Key challenges  
and actions 2011Organizational  
chartReport from  
Financial  
OperationsComprehensive  
financial  
management and  
planning policiesConsolidated  
Financial StatementsFive-year review  
(unaudited)

**(F) Correction of immaterial prior period error:**

During the year ended December 31, 2010, management became aware that certain environmental network assets had not been recorded at the time the town commenced accounting for Tangible Capital Assets. The impact of this correction has been recorded retrospectively and the cumulative effect up to December 31, 2009 has been recorded as a \$7,299 increase of environmental network assets and accumulated surplus as at that date, and a \$130 increase in amortization expense and a \$130 decrease in annual surplus for the year then ended. The impact of this correction as at January 1, 2009 was a \$7,429 increase of environmental network assets and accumulated surplus as of that date.

**10. Accumulated surplus:**

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2010	2009
<b>Surplus</b>		
Invested in tangible capital assets	\$ 1,330,642	\$ 1,288,469
Other	(1,593)	659
Equity in Oakville Hydro	192,528	154,573
Unfunded		
Post employee benefits	(20,017)	(18,224)
Long-term liabilities	(40,008)	(29,086)
	1,461,552	1,396,391

**Reserves set aside for specific purposes****by Council for:**

Tax rate stabilization	11,254	10,499
Capital financing	27,903	27,079
Acquisition of tangible capital assets	14,973	12,906
Recreation and culture	327	463
Working capital	8,870	4,456
Insurance	1,386	1,347
Total reserves	64,713	56,750

**Reserve funds set aside for specific purpose by Council:**

Post employment benefits and WSIB	8,992	8,317
Street trees	419	612
Conservation purposes	312	292
Harbours	1,363	572
Library development	224	197
Building, ground maintenance and replacement	9,991	7,925

Parking	4,485	4,027
Blink reserve fund	40,403	-
	\$ 66,189	\$ 21,942
	<b>\$ 1,592,454</b>	<b>\$ 1,475,083</b>

**11. User fees and charges:**

User fees and charges include the following:

	2010	2009
Development fees and miscellaneous	\$ 6,895	\$ 5,435
Transit revenues	6,040	5,953
Parking, Provincial Offences		
Act and other fines	3,802	3,596
Town facilities rental and usage fees	7,717	7,254
Recreation and cultural program revenues	6,097	6,128
Cemeteries	740	1,319
Licenses and permits	6,961	5,639
	<b>\$ 38,252</b>	<b>\$ 35,324</b>

**12. Trust funds:**

Trust funds administered by the municipality amounting to \$4,076 (2009 - \$3,816) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of financial activities.

**13. Contingent liabilities and guarantees:****(A) Loan guarantees:**

The Town of Oakville has one loan guarantee outstanding at the end of 2010, as follows:

	Original	December 31, 2010
Burloak Canoe Club	\$ 75	\$ 27

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.

◀ 2010 highlights ▶

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(tabular columns in thousands of dollars)

### (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 significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the financial statements with respect to these agreements.

### 14. 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:

	2010	2009
<b>Revenue</b>		
Federal grants		
Canada council	\$ 230	\$ 275
Canadian heritage grant	70	70
DCH grant	64	56
HRDC grant	62	52
Community Investment Support	-	22
Federal gas tax	4,917	5,940
Infrastructure Stimulus Funding	6,547	300
ICCI Funding	75	-
RinC Funding	354	-
	12,319	6,715
Ontario grants		
Ontario Municipal Partnership Fund	-	305
Elderly Person's Centres	116	116
Library – operating grant	182	182
Museum – operating grant	58	58
COMRIF	-	-
GTA farecard project, Metrolinx & Provincial Trans Expansion funding Initiative	134	182
Ontario Bus Replacement	560	-
Investing in Ontario – Recreational	916	1,305
RinC Funding	354	-
Roads & Bridge Funding	-	-
Infrastructure Ontario Mill	3,169	381
Communities in action and zero tolerance	37	41
Ontario arts council	122	105
Ontario gas tax	5,450	2,705
Miscellaneous	118	32
Infrastructure Stimulus Fund	6,548	300
	17,764	5,712
	\$ 30,083	\$ 12,427

◀  
2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)

## **15. 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:

### *(i) 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, Facility and Construction Management) 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.

### *(ii) 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.

### *(iii) 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.

### *(iv) 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. Parks and Open Spaces is also responsible for the operation of the Oakville Harbours, Forestry and Cemeteries Operations.

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. The Oakville Public Library and Oakville Galleries are also reported in this segment.

◀  
**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(tabular columns in thousands of dollars)

### *(v) 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, traffic and water resources system. This area is also responsible for winter control for the Town and Region of Halton.

The Engineering 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 cycle ways, storm drainage, storm water management, creek channels and shoreline projection. This department is also responsible for the provision of parking and parking enforcement.

### *(vi) Transit:*

The mandate of Oakville 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.

### *(vii) Planning, Development Services and Economic Development:*

The mandate of Planning Services department 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.

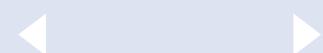
The mandate of Economic Development department is to create a balanced environment that fosters economic growth, job creation and live/work opportunities. This program has a number of functions that involve the local business community as well as other stakeholders within and outside of Oakville. Collectively, 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.

### *(viii) Other Services:*

Other services reflects the operations of the Downtown Oakville, Bronte Village and Kerr Village business improvement areas.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenditure. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.



## 2010 highlights

### Message from the Mayor

### Members of Town Council

### Message from the CAO

### Vision, mission and values

### Key accomplishments 2010

### Looking ahead – Key challenges and actions 2011

### Organizational chart

### Report from Financial Operations

### Comprehensive financial management and planning policies

### Consolidated Financial Statements

### Five-year review (unaudited)

	2010								
	Corporate Services	Fire	Building Services	Parks, Recreation & Culture	Roads and Works Engineering	Planning & Economic Development	Transit Development	Other Services	Total
<b>Revenue</b>									
Taxation	\$ 23,085	\$ 26,457	\$ 2,134	\$ 33,221	\$ 28,565	\$ 13,601	\$ 3,372	\$ 1,281	\$ 131,716
Ontario grants	10	-	-	1,887	3,169	7,242	-	6	12,314
Canada grants	-	-	-	770	-	6,549	75	8	7,402
Gas tax revenues	129	-	-	-	1,765	8,473	-	-	10,367
Oakville Hydro	4,713	-	-	-	-	-	-	-	4,713
User fees and service charges	2,554	178	6,095	14,955	4,050	6,040	4,076	304	38,252
Other municipalities	(9)	-	-	312	2,711	121	5	-	3,140
Investment income	6,948	-	-	283	-	-	-	-	7,231
Penalties and interest	3,516	-	-	-	-	-	-	-	3,516
Developer contributions and development charges earned	1,424	25	-	8,324	24,093	265	535	-	34,666
Equity in Income in Oakville Hydro	85,434	-	-	-	-	-	-	-	85,434
Other	708	-	-	130	300	(44)	2	-	1,096
	128,512	26,660	8,229	59,882	64,653	42,247	8,065	1,599	339,847
<b>Expenditures</b>									
Salaries, wages and benefits	20,400	22,736	4,657	29,219	13,177	12,896	4,992	330	108,407
Debt expense	13	5	-	774	726	67	-	-	1,585
Materials	(3,229)	447	1,880	6,207	2,920	3,689	1,565	218	13,697
Contracted services	12,018	3,228	933	14,603	15,457	1,566	788	999	49,592
Rents and financial expenses	162	-	-	431	61	56	-	-	710
External transfers	772	33	-	1,103	309	125	-	-	2,342
Loss on disposal of tangible capital assets	8,678	-	-	131	244	-	-	8	9,061
Amortization	2,206	1,213	-	12,273	18,231	3,090	9	60	37,082
	41,020	27,662	7,470	64,741	51,125	21,489	7,354	1,615	222,476
Surplus (deficit) of revenues over expenditures	\$ 87,492	\$ (1,002)	\$ 759	\$ (4,859)	\$ 13,528	\$ 20,758	\$ 711	\$ (16)	\$ 117,371

**Notes to Consolidated Financial Statements**

Year ended December 31, 2010

(tabular columns in thousands of dollars)

2009									
	Governance Corporate Services	Fire	Building Services	Parks, Recreation & Culture	Roads and Works Engineering	Planning Development & Economic Transit Development	Other Services	Total	
<b>Revenue</b>									
Taxation	\$ 23,063	23,913	123	32,974	26,732	12,281	3,202	1,222	123,510
Ontario grants	305	-	-	1,828	387	482	-	5	3,007
Canada grants	-	-	-	453	-	300	22	-	775
Gas tax revenues	597	-	-	-	4,378	3,670	-	-	8,645
Other municipalities	23	-	-	421	3,181	670	-	-	4,295
Oakville Hydro	4,713	-	-	-	-	-	-	-	4,713
User fees and service charges	1,957	42	4,980	14,797	4,302	5,953	3,053	240	35,324
Investment income	7,131	-	-	-	-	-	-	-	7,131
Penalties and interest	3,062	-	-	-	-	-	-	-	3,062
Developer contributions and development charges earned	(17,010)	725	-	33,105	26,904	2,851	1,412	-	47,987
Equity in Income in Oakville Hydro	4,725	-	-	-	-	-	-	-	4,725
Other	808	-	-	1,044	1,863	473	3	-	4,191
	29,374	24,680	5,103	84,622	67,747	26,680	7,692	1,467	247,365
<b>Expenditures</b>									
Salaries, wages and benefits	19,193	21,327	4,751	27,770	12,521	11,645	5,142	300	102,649
Debt expense	-	13	-	514	869	8	-	-	1,404
Materials	(2,558)	372	1,994	6,910	1,291	3,242	567	169	11,987
Contracted services	9,274	1,537	930	10,533	16,196	1,588	1,120	1,160	42,338
Rents and financial expenses	106	-	-	370	47	52	-	-	575
External transfers	208	-	-	1,083	287	94	37	-	1,709
Amortization	2,409	1,130	5	11,735	18,211	2,771	6	60	36,327
	28,632	24,379	7,680	58,915	49,422	19,400	6,872	1,689	196,989
Surplus (deficit) of revenues over expenditures	\$ 742	\$ 301	\$ (2,577)	\$ 25,707	\$ 18,325	\$ 7,280	\$ 820	\$ (222)	\$ 50,376

2010  
highlightsMessage from  
the MayorMembers of  
Town CouncilMessage from  
the CAOVision, mission  
and valuesKey  
accomplishments  
2010Looking ahead  
– Key challenges  
and actions 2011Organizational  
chartReport from  
Financial  
OperationsComprehensive  
financial  
management and  
planning policiesConsolidated  
Financial StatementsFive-year review  
(unaudited)

**16. Commitments:**

On April 20, 2010, the Town of Oakville committed by Council resolution, to Halton Healthcare Services (the “HHS”) up to \$200,000 towards the local share plan for the new Oakville Hospital. Funding to be structured as \$130,000 at substantial completion in 2015 as defined by Infrastructure Ontario’s Alternative Financing and Procurement process, \$40,000 as required over the 30 year concession period to fund life cycle costs and, at the discretion of the Council of the day, a further \$30,000 at substantial completion the need for which will be determined at the time of the financial close. Discussions with HHS continued throughout 2010, but the final commitment will not be known until tenders for the hospital are received and finalized in 2011.

The town committed to borrowing funds through regional debt financing in 2010 to assist in funding the 16 Mile Sports Complex. The \$33 million in debenture funding will be paid back from future development charges collections. Although the by-law and Council approval for the debt was approved in 2009, the debt issuance was not completed until March 15, 2011. Funds from the development charges reserve fund were used to fund the capital project, which has reduced the reserve fund at December 31, 2010.

**17. Budget data:**

The unaudited budget data presented in these consolidated financial statements is based upon the 2010 operating and capital budgets approved by Council on December 14, 2009. Amortization and post employment liabilities are not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

<b>Approved budget</b>	
<b>Revenues</b>	
Operating budget	\$ 188,852
Capital budget	118,039
<b>Less</b>	
Transfers from other funds	(34,817)
Proceeds on debt issue	(5,400)
<b>Total revenue</b>	266,674
<b>Expenses</b>	
Operating budget	188,830
Capital budget	118,039
<b>Less</b>	
Transfers to other funds	(32,413)
Proceeds on debt issue	(118,039)
Debt principal payments	(6,696)
<b>Total expenses</b>	149,721
<b>Annual surplus</b>	\$ 116,953

**18. Comparative information**

Certain of the comparative information has been revised to comply with the presentation adopted in the current year.

2010  
highlights

Message from  
the Mayor

Members of  
Town Council

Message from  
the CAO

Vision, mission  
and values

Key  
accomplishments  
2010

Looking ahead  
– Key challenges  
and actions 2011

Organizational  
chart

Report from  
Financial  
Operations

Comprehensive  
financial  
management and  
planning policies

Consolidated  
Financial Statements

Five-year review  
(unaudited)

# Five year review (unaudited)

10 | Town of Oakville  
Annual Report

	2010	2009	2008	2007	2006
<b>Demographics</b>					
Population at the end of the year*	180,500	177,200	173,600	169,800	165,600
Number of households*	62,398	60,868	59,398	57,953	56,528
* Best Planning Estimate as at December 31 for Financial Statement Purposes					
Staff Complement					
Approved continuous full-time	1,089	1,044	1,025	944	910
Approved part-time (FTE) (includes Library)	362	357	351	327	332
Building Permits — Issued					
New residential units	704	684	653	1,239	1,385
Total residential construction value	\$257 M	\$220 M	\$258 M	\$384 M	\$493 M
Total construction value — all types of permits	\$503 M	\$504 M	\$501 M	\$668 M	\$712 M
<b>Taxable weighted assessment (000's)</b>					
Residential, multi-residential and farm	27,207,803	24,999,716	23,098,780	22,578,267	21,935,908
Commercial — all classes	3,480,261	3,133,554	2,696,911	2,626,792	2,504,313
Industrial — all classes	866,673	814,418	854,292	891,443	909,739
Pipeline & managed forests	50,642	48,807	46,476	50,758	45,898
	31,605,379	28,996,495	26,696,459	26,147,260	25,395,858
Commercial and industrial as a percentage of taxable assessment	13.75%	13.62%	13.30%	13.46%	13.44%
Exempt assessment	1,757,423	1,517,861	1,419,657	1,379,597	1,331,242
<b>Taxes levied on behalf of (000's)</b>					
Town of Oakville	129,099	121,714	111,301	98,680	93,208
Region of Halton	136,678	134,537	128,536	123,483	117,745
School boards (Public & Separate)	123,642	120,848	117,780	114,866	112,354
	389,419	377,099	357,617	337,029	323,307
<b>Annual % budgeted tax change - residential only</b>					
Town of Oakville	4.29%	7.30%	9.90%	3.33%	3.40%
Region of Halton	0.00%	1.80%	1.30%	2.50%	3.10%
School Boards (Public & Separate)	0.00%	0.00%	0.00%	0.00%	0.00%
Overall % Budgeted Tax Increase	1.50%	3.30%	3.78%	2.10%	2.30%

2010 highlights

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)

**Revenue fund operations**

Restated

	2010 (000's)	2009 (000's)	2008 (000's)	2008 (000's)	2007 (000's)	2006 (000's)
<b>Expenditures by function</b>						
General government	42,615	28,631	23,739	17,939	17,068	21,446
Protection to persons & property	33,961	32,122	29,284	28,135	26,869	24,723
Transportation services	70,942	64,605	66,154	38,657	33,349	30,470
Environmental services	1,385	4,153	4,574	379	530	525
Health services	1,177	1,148	850	807	938	813
Recreation and Cultural services	60,909	55,504	59,734	38,603	35,581	31,658
Planning and development	11,487	10,826	11,587	10,505	10,286	8,539
Financing repayments & transfers	N/A	N/A	N/A	36,528	27,526	26,416
	222,476	196,989	195,922	171,553	152,147	144,590
<b>Expenditures by object</b>						
Salaries, wages & employee benefits	108,407	102,649	96,856	96,860	88,622	79,166
Materials, services & financial expenses	63,999	54,900	60,137	35,855	34,607	37,498
Transfers to others	2,342	1,709	2,310	2,310	1,392	1,510
Debt principal repayment &						
Own fund transfers	N/A	N/A	-	36,528	27,526	26,416
Interest on long term debt	1,585	1,404	1,627	-	-	-
Amortization Expense	37,082	36,327	34,992	N/A	N/A	N/A
Loss on disposal of tangible capital assets	9,061	-	-	-	-	-
	222,476	196,989	195,922	171,553	152,147	144,590
Reference: Consolidated Statement of Operations						
<b>Revenues by source</b>						
Taxation (includes supplementary & payments in lieu)	131,716	123,510	112,836	112,836	99,421	93,897
Province of Ontario - grants/subsidies	17,764	5,712	5,743	3,210	722	2,667
Other grants i.e. Canada	12,319	6,715	1,515	408	310	1,542
Oakville Hydro - interest on promissory notes	4,713	4,713	4,712	4,712	4,713	5,392
Notes & leases	38,252	35,324	34,956	38,974	36,231	33,367
Fees and service charges	3,140	4,295	5,130			
Other municipalities	46,509	62,371	85,865	11,523	10,670	7,728
Other revenue	85,434	4,725	6,706			
Equity in Oakville Hydro						
	339,847	247,365	257,463	171,663	152,067	144,593
Annual surplus	117,371	50,376	61,541			
Accumulated net revenue (surplus) at the end of the year				671	561	641

Note 1: The Town of Oakville has implemented Public Sector Accounting Board ("PSAB") section 3150 which requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction. 2008 has been restated for comparative purposes.

2010 highlights

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)

**Tangible capital assets by class**

	2010 (000's)	2009 (000's)	2008 (000's)
<b>Net book value</b>	Note 1	Note 1	Note 1
Land	491,001	480,207	475,075
Land Improvements	68,422	70,428	67,328
Buildings	147,719	112,592	115,863
Equipment	12,082	11,714	12,116
Vehicles	29,008	31,298	27,223
Roads Networks	324,326	323,980	329,884
Environmental Network	180,854	181,340	183,579
Communication & Technical Services	6,907	6,706	5,630
Capital works in progress	70,323	70,204	25,685
	1,330,642	1,288,469	1,242,383
<b>Additions and disposals</b>			
Assets - beginning of year	1,790,418	1,717,559	1,639,428
Additions	88,526	82,668	81,215
Disposals	(18,488)	(9,809)	(3,084)
Assets - end of year	1,860,456	1,790,418	1,717,559
<b>Accumulated amortization</b>			
Amortization - beginning of year	501,949	475,176	442,536
Current year expense	37,082	36,327	34,992
Accumulated amortization on disposals	(9,217)	(9,554)	(2,352)
Accumulated Amortization - end of year	529,814	501,949	475,176
<b>Net book value</b>	1,330,642	1,288,469	1,242,383

Note 1: The Town of Oakville has implemented Public Sector Accounting Board ("PSAB") section 3150 which requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction. 2008 has been restated for comparative purposes.

◀ 2010 highlights

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)

**Capital operations**

	2010 (000's)	2009 (000's)	2008 (000's)	2007 (000's)	2006 (000's)
<b>Expenditures by function</b>					
General Government	6,852	5,534	5,587	7,176	8,495
Protection to Persons & Property	2,637	1,633	711	1,911	1,553
Transportation Services	53,417	41,276	42,033	19,182	25,637
Environmental Services	513	221	964	127	613
Health Services	326	15	79	142	53
Recreation and Cultural Services	28,993	44,717	35,769	18,995	16,193
Planning and development	366	649	1,288	720	389
	93,104	94,045	86,431	48,253	52,933
<b>Financing by source</b>					
Transfers from Own Funds	31,072	23,988	25,925	24,174	21,271
Long-term Debt/Internal Borrowing	6,779	351	3,176	14,065	4,782
Grants/Subsidies - Federal/Provincial	28,511	5,499	3,377	1,441	4,000
Other	39,086	46,852	54,629	16,934	20,823
	105,448	76,690	87,107	56,614	50,876

Note 1: The Town of Oakville has implemented Public Sector Accounting Board ("PSAB") section 3150 which requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction. 2008 has been restated for comparative purposes.

**Discretionary reserves and reserve funds and obligatory reserve funds**

Discretionary reserves**	64,713	56,750	45,761	35,928	31,619
Discretionary reserve funds**	66,189	21,942	18,527	16,102	12,159
Obligatory reserve funds*					
Development charges	0	758	37,303	64,070	50,807
Parkland	18,278	15,226	12,502	11,499	11,725
Gas tax	6,709	9,177	10,306	8,205	4,625
Ontario bus replacement & farecard	2,668	1,908	1,655	667	
Investing in Ontario	5,766	6,582	7,434		
Parking - reclassified to discretionary					2,818
Total - Reserves & Reserve Funds	164,323	112,343	133,488	136,471	113,753

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

\*\* Reference - Note 10 in the 2010 Financial Statements for more details

**Net long term debt****Net long-term liabilities (Debt)**

Tax Levy Supported Debt	20,929	20,343	24,305	25,080	34,233
Self Supported Debt					
Development Charges Supported Debt	6,040	6,758	7,444	8,100	0
. Oakville Harbours Supported Debt	3,634	1,985	2,358	2,635	1,105
. Oakville Soccer Club Supported Debt	9,405	0	0	0	0
Total Long Term Liabilities	40,008	29,086	34,107	35,815	35,338

**Annual Repayment Charges for Long-Term Liabilities - Principal & Interest**

Tax Levy Supported Debt Annual Repayment	5,057	5,309	4,987	4,465	4,259
Self Supported Debt Annual Repayment	1,910	1,500	1,499	252	165
Total Annual Debt Repayment	6,967	6,809	6,486	4,717	4,424

◀ 2010 highlights

Message from the Mayor  
Members of Town Council

Message from the CAO  
Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)

## Capital operations

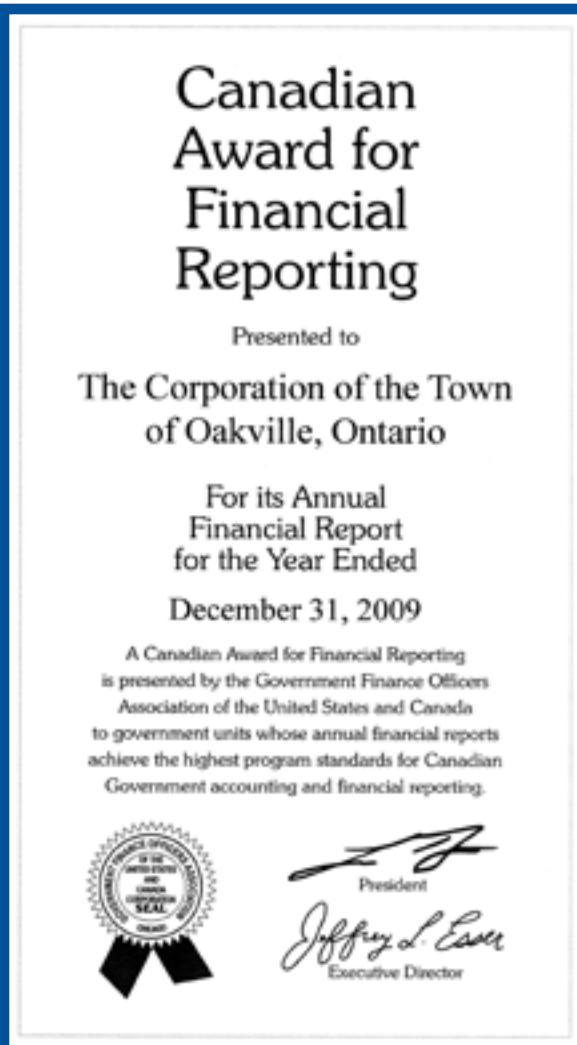
	2010 (000's)	2009 (000's)	2008 (000's)	2007 (000's)	2006 (000's)
Tax Levy Supported Debt - Per Capita	\$28.02	\$29.96	\$28.73	\$26.29	\$25.72
<b>Debt Repayment Policy % Limits - As a % of Revenue Fund Revenues*</b>					
Ministry of Municipal Affairs & Housing's Policy	25%	25%	25%	25%	25%
Town of Oakville's Policy % Limits					
Total Annual Debt Repayment	12%	12%	12%	12%	12%
Tax Levy Support Debt Repayment	6.25%	6.25%	6.25%	6.25%	6.25%
Actual %					
Total Annual Debt Repayment	4.20%	4.56%	4.70%	3.68%	3.62%
Tax Levy Supported Debt Repayment	3.05%	3.56%	3.61%	3.48%	3.49%

\* "Revenue Fund Revenues" - Ministry calculation requires that all grant funding and revenue from other municipalities be excluded

## 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
- Calloway Reit (Hopedale) Inc.
- Upper Oakville Shopping Centre Limited
- Great West Life and London Life

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



2010 highlights

Message from the Mayor

Members of Town Council

Message from the CAO

Vision, mission and values

Key accomplishments 2010

Looking ahead – Key challenges and actions 2011

Organizational chart

Report from Financial Operations

Comprehensive financial management and planning policies

Consolidated Financial Statements

Five-year review (unaudited)

**Town of Oakville**

P.O. Box 310, 1225 Trafalgar Road Oakville, Ontario L6H 0H3

Tel: 905-845-6601 TTY: 905-338-4200

[www.oakville.ca](http://www.oakville.ca)

# 2010 Awards

## **The 2009 Lieutenant Governor's Ontario Heritage Award for Community Leadership**

Town of Oakville won the 2009 Lieutenant Governor's Ontario Heritage Award for Community Leadership at an event in late February. The award recognizes communities for exemplary leadership in heritage conservation and promotion.

## **2010 Marketing Canada Award | Economic Developers Association of Canada**

Economic Development received a 2010 Marketing Canada Award from the Economic Developers Association of Canada for its submission of Town of Oakville — Industry Sector Profiles.

## **Best Web-GIS | Be Spatial Annual Conference**

The IS+S department received first prize for the NeoGIS/Explore Oakville solution at the Be Spatial Annual Conference.

## **Excellence in Planning Award | Ontario Professional Planners Institute**

The Ontario Professional Planners Institute awarded the Town of Oakville an Excellence in Planning award for the Kerr Village plan and a second Excellence in Planning award to the Town of Oakville, Macaulay Shiomi Howson Ltd. and Brook McIlroy Inc. for the North Oakville Secondary Plans Implementation Strategy.

## **HIGH FIVE® accreditation**

Oakville became the first municipality in Halton, and the largest in Ontario to receive the provincially recognized HIGH FIVE® accreditation for providing quality recreation and sport programs to children aged six to twelve. HIGH FIVE® accreditation is the highest recognized level of quality and safety in children's sport and recreation and Canada's only quality assurance standard for organizations that provide sport and recreation programs to children.

## **Honourary Life Membership Award | Sports Turf Association**

Jane Arnett, senior manager of operations, Parks and Open Space department, received an Honourary Life Membership Award from the Sports Turf Association for her long service and valued contribution to the organization.

## **Prince of Wales Prize | Heritage Canada Foundation**

The town won the 2010 Prince of Wales Prize for municipal heritage leadership from the Heritage Canada Foundation to the commitment to preserving Oakville's historical building and natural heritage.

## **Top Prize - Technology – Interactive Databases | Economic Developers Association of Ontario**

The Economic Development department won top prize in the category of "Technology – Interactive Databases" from the Economic Developers Council of Ontario for its online Available Sites Database.

## **Youth Friendly Community | PlayWorks**

The Town of Oakville was honoured at a reception at Queen's Park as one of the top youth-friendly communities in Ontario for the commitment to providing diverse opportunities for youth to play, participate and contribute to their community.

## **Recognition of Achievement | GTA Clean Air Council**

Recognition for efforts to implement over 80 per cent of the intergovernmental declaration on clean air and climate change targets.

## **2009 Canadian Award for Financial Reporting | Government Finance Officers Association**

The town won the Canadian Award for Financial Reporting for the thirteenth consecutive year for the town's financial report.

◀  
**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

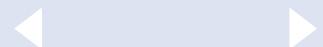
**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**



**2010  
highlights**

**Message from  
the Mayor**

**Members of  
Town Council**

**Message from  
the CAO**

**Vision, mission  
and values**

**Key  
accomplishments  
2010**

**Looking ahead  
– Key challenges  
and actions 2011**

**Organizational  
chart**

**Report from  
Financial  
Operations**

**Comprehensive  
financial  
management and  
planning policies**

**Consolidated  
Financial Statements**

**Five-year review  
(unaudited)**

**Town of Oakville**

P.O. Box 310, 1225 Trafalgar Road Oakville, Ontario L6H 0H3  
Tel: 905-845-6601 TTY: 905-338-4200  
[www.oakville.ca](http://www.oakville.ca)