

**CORPORATION OF THE  
TOWNSHIP OF TAY**

**COUNTY OF SIMCOE**

**CONSOLIDATED FINANCIAL REPORT**

**DECEMBER 31, 2007**

# CORPORATION OF THE TOWNSHIP OF TAY

DECEMBER 31, 2007

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**GAVILLER & COMPANY LLP**  
**CHARTERED ACCOUNTANTS**

**AUDITORS' REPORT**

To the Members of Council, Inhabitants and Ratepayers of the  
**Corporation of the Township of Tay:**

We have audited the consolidated balance sheet of the **Corporation of the Township of Tay** as at December 31, 2007, and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

*Gaviller & Company LLP*

Licensed Public Accountants  
Collingwood, Ontario  
April 3, 2008

# CORPORATION OF THE TOWNSHIP OF TAY

## CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31

	2007	2006
	\$	\$
<b>Financial assets</b>		
Cash (Note 2)	10,391,490	4,068,161
Taxes receivable and grants-in-lieu	1,261,132	1,303,644
Trade and other receivables	1,245,614	662,048
Investment in Tay Hydro Inc. (Note 16)	1,414,385	2,190,279
Due from Tay Hydro Inc. (Note 14)	19,820	1,762,641
Due from Newmarket-Tay Power Distribution Ltd. (Note 15)	1,742,821	-
	16,075,262	9,986,773
<b>Liabilities</b>		
Accounts payable and accruals	1,958,542	2,067,345
Deferred revenue - obligatory reserve funds (Note 3)	1,998,756	1,691,531
Deferred revenue - other	2,906,725	2,771,223
Interest on long-term liabilities	27,842	32,062
Net long-term liabilities (Note 4)	8,218,936	3,508,316
Employee future benefits (Note 5)	528,142	-
	15,638,943	10,070,477
Net financial assets (deficiency)	436,319	(83,704)
<b>Municipal position</b>		
Current fund (Note 6)	727,789	11,549
Capital fund	-	(5,148,342)
Reserves and reserve funds	7,049,245	4,640,547
Equity in Tay Hydro Inc. (Note 16)	1,434,205	3,952,920
	9,211,239	3,456,674
Amounts to be recovered from future revenues (Note 7)	(8,774,920)	(3,540,378)
<b>Total municipal position</b>	436,319	(83,704)

Approved \_\_\_\_\_ Mayor

\_\_\_\_\_ Date

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWNSHIP OF TAY

## CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget	Actual	Actual
	2007	2007	2006
	\$	\$	\$
	(Note 10)		
<b>Revenues</b>			
Net municipal taxation (Note 11)	5,258,900	<b>5,293,192</b>	5,135,482
User charges	3,552,300	<b>3,745,274</b>	3,183,821
Government grants	1,935,300	<b>1,524,861</b>	1,702,705
Contributions from obligatory reserve funds	254,906	<b>229,660</b>	300,821
Revenue from other municipalities	50,000	<b>50,960</b>	45,920
Investment income	100,000	<b>111,434</b>	135,177
Other	893,200	<b>1,897,271</b>	1,535,306
Newmarket-Tay Power Distribution Ltd. (Note 15)	-	<b>1,742,821</b>	-
	12,044,606	<b>14,595,473</b>	12,039,232
<b>Expenditures</b>			
<b>Current</b>			
General government	1,106,700	<b>1,634,618</b>	1,105,394
Protection to persons and property	2,000,400	<b>1,974,093</b>	2,094,251
Transportation services	1,345,800	<b>1,286,306</b>	1,199,375
Environmental services	2,065,800	<b>2,222,889</b>	2,002,500
Health services	23,800	<b>23,800</b>	-
Recreation and cultural services	914,500	<b>906,496</b>	865,001
Planning and development	347,300	<b>382,943</b>	380,590
	7,804,300	<b>8,431,145</b>	7,647,111
<b>Capital</b>			
General government	93,000	<b>64,674</b>	268,997
Protection to persons and property	215,000	<b>232,513</b>	151,714
Transportation services	1,348,100	<b>1,326,710</b>	1,665,132
Environmental services	3,153,750	<b>1,227,545</b>	4,862,475
Recreation and cultural services	533,000	<b>248,835</b>	331,106
Planning and development	60,000	<b>25,311</b>	7,540
	5,402,850	<b>3,125,588</b>	7,286,964
	13,207,150	<b>11,556,733</b>	14,934,075
<b>Net revenues (expenditures)</b>	(1,162,544)	<b>3,038,740</b>	(2,894,843)
Decrease on an equity basis in Tay Hydro Inc. (Note 16)	-	<b>(775,894)</b>	(223,833)
Principal repayments of long-term liabilities	(562,500)	<b>(437,721)</b>	(412,494)
Accrual of employee future benefits (Note 5)	-	<b>528,142</b>	-
Accrual of interest on long-term liabilities	(3,700)	<b>(4,222)</b>	(4,127)
Assumption of long-term liabilities	1,005,900	<b>5,148,341</b>	-
<b>Change in fund balances</b>	(722,844)	<b>7,497,386</b>	(3,535,297)

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWNSHIP OF TAY

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2007	2006
	\$	\$
<b>Cash flows from (for):</b>		
<b>Operating activities</b>		
Net revenues (expenditures)	3,038,740	(2,894,843)
Non-cash items:		
Accrual of employee future benefits	528,142	-
Newmarket-Tay Power Distribution Ltd.	(1,742,821)	-
Changes in:		
Taxes receivable and grants-in-lieu	42,512	(157,998)
Trade and other receivables	(583,566)	(308,260)
Accounts payable and accruals	(108,803)	544,932
Interest on long-term liabilities	(4,222)	(4,127)
<b>Net change in cash from operations</b>	<b>1,169,982</b>	<b>(2,820,296)</b>
<b>Financing activities</b>		
Assumption of long-term liabilities	5,148,341	-
Principal repayments of long-term liabilities	(437,721)	(412,494)
Deferred revenue	442,727	75,705
<b>Net change in cash from financing</b>	<b>5,153,347</b>	<b>(336,789)</b>
<b>Net change in cash position</b>	<b>6,323,329</b>	<b>(3,157,085)</b>
Cash and cash equivalents, beginning of year	4,068,161	7,225,246
<b>Cash and cash equivalents, end of year</b>	<b>10,391,490</b>	<b>4,068,161</b>

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWNSHIP OF TAY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

### 1. Summary of significant accounting policies

#### (a) Management responsibility

The consolidated financial statements of the Corporation of the Township of Tay are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Since the precise preparation of many assets and liabilities is dependent upon future events the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The balance sheet includes all of the financial assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

#### (b) Basis of consolidation

The consolidated financial statements reflect the financial assets, liabilities, revenues, sources of financing and expenditures of the current fund, capital fund, reserves and reserve funds and include the activities of all committees of Council and the following organizations which are accountable to, and owned or controlled by the Municipality:

Tay Public Library Board

In addition, the consolidated financial statements include the consolidated operations of Tay Hydro Inc. as disclosed in Note 16. This government business enterprise is accounted for using the modified equity method. Under this method, the government business enterprise's accounting principles are not adjusted to conform with those of the municipality, and inter-organizational transactions are not eliminated.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

#### (c) Basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### (d) Capital assets

The historical cost and accumulated depreciation for capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the statement of operations in the period of acquisition. See Note 17.

#### (e) Deferred revenue

Revenue restricted by legislation, regulation, or agreement and not available for general municipal purposes is reported as deferred revenue on the balance sheet. The revenue is reported on the statement of operations in the year in which it is used for the specified purpose.

# CORPORATION OF THE TOWNSHIP OF TAY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

### 1. Summary of significant accounting policies (continued)

(f) Amounts to be recovered from future revenues

Amounts to be recovered are reported in the municipal position on the balance sheet. The balance represents the outstanding principal portion of unmatured long-term liabilities, liabilities not yet due, and other future expenditures not yet levied on the ratepayers.

(g) County and school boards

The municipality collects taxation revenue on behalf of the school boards and the County of Simcoe. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Simcoe are not reflected in these financial statements.

(h) Government grants

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

(i) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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. Actual results could differ from those estimates.

### 2. Cash

Cash consists of the following:

	2007	2006
	\$	\$
Unrestricted	5,618,189	(231,357)
Restricted	4,773,301	4,299,518
	<b>10,391,490</b>	4,068,161

# CORPORATION OF THE TOWNSHIP OF TAY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

### 3. Deferred revenue - obligatory reserve funds

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year is as follows:

	Development Charges Act	Recreational Land	Gas Tax Allocation	<b>2007</b>	2006
	\$	\$	\$	\$	\$
Deferred revenue, beginning of year	1,643,954	47,577	-	<b>1,691,531</b>	1,660,190
Restricted funds received during the year	317,574	16,505	119,089	<b>453,168</b>	266,907
Interest earned	80,490	3,227	-	<b>83,717</b>	65,257
Transfers to capital and current funds	(110,571)	-	(119,089)	<b>(229,660)</b>	(300,823)
Deferred revenue, end of year	1,931,447	67,309	-	<b>1,998,756</b>	1,691,531

# CORPORATION OF THE TOWNSHIP OF TAY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

### 4. Net long-term liabilities

(a) Net long-term liabilities consist of the following:

	2007	2006
	\$	\$
Total long-term liabilities incurred by the municipality including those incurred on behalf of benefiting landowners and municipal enterprises and outstanding at the end of the year amount to	<b>8,689,589</b>	4,196,433
Less long-term liabilities issued on behalf of Tay Hydro Inc.	-	(633,000)
Less long-term liabilities issued on behalf of Newmarket-Tay Power Distribution Ltd.	<b>(423,000)</b>	-
Less long-term liabilities issued on behalf of taxpayers for tile drainage loans	<b>(47,653)</b>	(55,117)
	<b>8,218,936</b>	3,508,316

(b) Principal payments for the next 5 years and thereafter are as follows:

	\$
2008	703,984
2009	536,948
2010	552,527
2011	585,131
2012	582,579
Thereafter	5,257,767

The above long-term liabilities issued on or before December 31, 1992 in the name of the municipality have received approval of the Ontario Municipal Board. Those approved 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 limited prescribed by the Ministry of Municipal Affairs and Housing.

(c) Interest is payable at rates ranging from 4.56% to 6.85% per annum.

# CORPORATION OF THE TOWNSHIP OF TAY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

### 5. Employee future benefits

The employees of the municipality participate in the Ontario Municipal Employees Retirement System ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the municipality cannot be identified. The municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant.

The amount contributed to OMERS for the current year was \$146,238 (2006 - \$141,845) for current service.

Starting in 2007, the Township of Tay pays certain post retirement benefits on behalf of its retired employees, including extended health and dental coverage. Effective December 31, 2007, the Township adopted the Canadian Institute of Chartered Accountants' public sector accounting standard for employee future benefits (PS 3250). The municipality recognizes these post retirement costs in the period in which the employees rendered the services. The accrued benefit obligation at December 31, 2007 of \$528,142 and the net periodic benefit cost were determined by an actuarial valuation dated March 24, 2008. Actuarial valuations will be prepared every third year or when there are significant changes to the workforce. The costs are included in General Government current fund expenditures.

Information about the Township of Tay's defined benefit plan is as follows:

	2007	2006
	\$	\$
Plan initiation cost	479,103	-
Current service cost	29,621	-
Interest cost	20,288	-
Benefits paid for the period	(870)	-
Projected accrued benefit obligation, end of year	528,142	-

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

- (a) General inflation  
Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 2.0% in 2007 and thereafter.
- (b) Interest (discount) rate  
The obligation as at December 31st, of the present value of future liabilities and the expense, was determined using an annual discount rate of 5.0%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 3.0%.
- (c) Salary levels  
Future general salary and wage levels were assumed to increase 3.0% per annum in 2007 and 3.3% thereafter.
- (d) Medical costs  
Medical costs were assumed to increase at the CPI rate plus a further increase of 10% in 2007, 9% in 2008, 8% in 2009, 7% in 2010, 6% in 2011 and 5% in 2012 and thereafter.
- (e) Dental costs  
Dental costs were assumed to increase at the CPI rate plus a further increase of 3.0% in 2007 and thereafter.

# CORPORATION OF THE TOWNSHIP OF TAY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

### 6. Current fund

The current fund consists of the following:

	2007	2006
	\$	\$
Available to offset future revenue requirements (required to be financed from future revenues):		
General area taxation	717,610	-
Recreation, community centres and arenas	8,881	10,973
Heritage committee	1,298	576
	<b>727,789</b>	<b>11,549</b>

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

Amounts to be recovered consist of the following:

	2007	2006
	\$	\$
Interest payable	27,842	32,062
Employee benefits payable	528,142	-
Capital outlay financed by long-term liabilities	8,218,936	3,508,316
	<b>8,774,920</b>	<b>3,540,378</b>

### 8. Other current fund revenues

Other current fund revenues consist of the following:

	2007 Actual	2006 Actual
	\$	\$
Penalties and interest on taxation	197,936	183,245
Licences and permits	208,414	238,434
Fines	863	260
Facility rentals	47,051	43,995
Sale of land	326,242	493,216
Revenues from Tay Hydro Inc.	1,084,863	447,354
Sundry	12,570	61,165
	<b>1,877,939</b>	<b>1,467,669</b>

# CORPORATION OF THE TOWNSHIP OF TAY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

### 9. Expenditures by object

Total expenditures for the year reported on the consolidated schedule of current fund operations are as follows:

	2007	2006
	\$	\$
Salaries, wages and employee benefits	3,939,191	3,310,174
Materials, contracted services, rents and financial expense	4,239,152	4,062,309
Interest on long-term liabilities	198,114	223,304
Contributions to other organizations	54,688	51,324
	8,431,145	7,647,111

### 10. Budget amounts

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the statement of operations for comparative purposes. The budget amounts for the Corporation of the Township of Tay are unaudited but approved by Council.

### 11. Net municipal taxation

Net municipal taxation consists of:

	2007	2006
	\$	\$
Taxation revenue	10,428,871	10,110,367
Amount levied and remitted to School Boards	(2,406,595)	(2,388,764)
Amount levied and remitted to the County of Simcoe	(2,729,084)	(2,586,121)
Net municipal taxation	5,293,192	5,135,482

# CORPORATION OF THE TOWNSHIP OF TAY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

### 12. Commitments

The Township has committed \$23,800 per year to the Midland Hospital for 2008 through 2010. \$23,800 was paid during the year to satisfy the 2007 commitment.

### 13. Contingencies

- (a) In the ordinary course of business, various claims and lawsuits are brought against the municipality. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by the municipality pursuant to claims, lawsuits or expropriations will be charged in the year of settlement.
- (b) Annually, the municipality is unable to estimate its Ontario Provincial Police adjustment. As a result, the expense adjustment is recorded in the year in which it is received. A credit of \$396,739 was received and recorded as a reduction of expenses in 2007 for services performed in 2006 (2006 - \$183,291).
- (c) The Town's landfill site was taken over by the County of Simcoe and, as compensation, the County will accept Town waste at a below market rate value of \$60 per tonne, that will be adjusted for inflation annually. Based on maximum tonnes to be accepted by the County this reduced rate is estimated to last until 2035.

### 14. Due from Tay Hydro Inc.

The amount receivable from Tay Hydro Inc. is comprised of the following:

	2007	2006
	\$	\$
Note receivable, 6.25% semi-annual interest, no due date, unsecured	-	1,742,821
Promissory notes receivable, no specific terms of repayment	19,820	19,820
	<b>19,820</b>	<b>1,762,641</b>

### 15. Due from Newmarket-Tay Power Distribution Ltd.

The amount receivable from Newmarket-Tay Power Distribution Ltd. is comprised of the following:

	2007	2006
	\$	\$
Note receivable, 6.25% semi-annual interest, no due date, unsecured	1,742,821	-

This note was previously due from Tay Hydro Inc., but as a result of the hydro amalgamation during the year (see Note 16) is now due from Newmarket-Tay Power Distribution Ltd., which is not an entity controlled by the Township of Tay. In accordance with generally accepted accounting principles, it is now appropriate to move this amount within Municipal Position from Equity in Tay Hydro Inc. to Reserves.

# CORPORATION OF THE TOWNSHIP OF TAY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

### 16. Investment in Tay Hydro Inc.

The following operations of Tay Hydro Inc. are included in the consolidated statement of operations, accounted for on a modified equity basis:

	2007	2006
	\$ Tay Hydro Inc.	\$ Tay Hydro Inc.
Total assets	<b>2,336,398</b>	5,723,200
Debt due to shareholder (Note 14)	<b>19,820</b>	1,762,641
Debt due to shareholder (Note 14) Debenture payable issued by Township of Tay on behalf of Tay Hydro Inc.	-	633,000
Other liabilities	<b>902,193</b>	1,137,280
Shareholder's equity	<b>1,414,385</b>	2,190,279
	<b>2,336,398</b>	5,723,200
Total revenues	<b>1,916,154</b>	4,738,924
Total expenditures	<b>(1,639,074)</b>	(4,760,435)
Net income (loss) for the year	<b>277,080</b>	(21,511)
Equity adjustment	<b>(77,037)</b>	118,678
Dividends	<b>(975,937)</b>	(321,000)
Change in fund balance	<b>(775,894)</b>	(223,833)

Tay Hydro Inc. is a corporation incorporated under the laws of the Province of Ontario and is the sole shareholder of a municipal electrical distribution company and a services company. The corporation of the Township of Tay owns 100% of the outstanding shares.

Effective May 1, 2007, Tay Hydro Inc. disposed of its investment in its wholly owned subsidiary, Tay Hydro Electric Distribution Inc. and acquired a 7% interest in Newmarket-Tay Power Distribution Ltd. Tay Hydro Inc. uses the equity method to account for this investment.

During 2007, the municipality received \$975,937 (2006 - \$321,000) in dividends and \$108,926 (2006 - \$126,355) in interest from Tay Hydro Inc., which is included with other revenues of the current fund.

Comparative figures have been restated due to changes in the consolidated financial statements of Tay Hydro Inc. Total assets decreased \$51,625, other liabilities decreased \$70,021, shareholder's equity increased \$18,396.

# CORPORATION OF THE TOWNSHIP OF TAY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2007

### **17. Tangible capital assets**

Effective for fiscal years beginning on or after January 1, 2009 all local governments must disclose tangible capital assets in accordance with Section 3150 of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants. These provisions require local governments to capitalize assets at historical cost and amortize these assets over their estimated useful life.

During 2007, the Corporation of the Township of Tay continued to work towards compliance with the new requirements.

# CORPORATION OF THE TOWNSHIP OF TAY

## SCHEDULE 1 CONSOLIDATED SCHEDULE OF CURRENT FUND OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2007	Actual 2007	Actual 2006
	\$ (Note 10)	\$	\$
<b>Revenues</b>			
Net municipal taxation (Note 11)	5,258,900	<b>5,293,192</b>	5,135,482
User charges	3,552,300	<b>3,745,274</b>	3,183,821
Government grants	1,149,300	<b>1,204,862</b>	1,351,661
Contributions from obligatory reserve funds	67,000	<b>65,109</b>	67,000
Revenue from other municipalities	50,000	<b>50,960</b>	45,920
Investment income	100,000	<b>111,434</b>	135,177
Other (Note 8)	888,200	<b>1,877,939</b>	1,467,669
	11,065,700	<b>12,348,770</b>	11,386,730
<b>Expenditures (Note 9)</b>			
General government	1,106,700	<b>1,634,618</b>	1,105,394
Protection to persons and property	2,000,400	<b>1,974,093</b>	2,094,251
Transportation services	1,345,800	<b>1,286,306</b>	1,199,375
Environmental services	2,065,800	<b>2,222,889</b>	2,002,500
Health services	23,800	<b>23,800</b>	-
Recreation and cultural services	914,500	<b>906,496</b>	865,001
Planning and development	347,300	<b>382,943</b>	380,590
	7,804,300	<b>8,431,145</b>	7,647,111
<b>Net revenues</b>	3,261,400	<b>3,917,625</b>	3,739,619
<b>Financing and transfers</b>			
Principal repayments of long-term liabilities	(562,500)	<b>(437,721)</b>	(412,494)
Accrual of employee future benefits (Note 5)	-	<b>528,142</b>	-
Accrual of interest on long-term liabilities	(3,700)	<b>(4,222)</b>	(4,127)
Capital fund transfers	(1,845,748)	<b>(2,054,576)</b>	(1,687,316)
Reserves and reserve fund transfers	(866,900)	<b>(1,233,008)</b>	(1,690,407)
<b>Net financing and transfers</b>	(3,278,848)	<b>(3,201,385)</b>	(3,794,344)
<b>Change in current fund balance</b>	(17,448)	<b>716,240</b>	(54,725)
Balance, beginning of the year	11,549	<b>11,549</b>	66,274
<b>Balance, end of the year</b>	(5,899)	<b>727,789</b>	11,549

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWNSHIP OF TAY

## SCHEDULE 2 CONSOLIDATED SCHEDULE OF CAPITAL FUND OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2007	Actual 2007	Actual 2006
	\$ (Note 10)	\$	\$
<b>Revenues</b>			
Government grants	786,000	<b>319,999</b>	351,044
Contributions from obligatory reserve funds	187,906	<b>164,551</b>	233,821
Other	5,000	<b>14,700</b>	53,828
	978,906	<b>499,250</b>	638,693
<b>Expenditures</b>			
General government	93,000	<b>64,674</b>	268,997
Protection to persons and property	215,000	<b>232,513</b>	151,714
Transportation services	1,348,100	<b>1,326,710</b>	1,665,132
Environmental services	3,153,750	<b>1,227,545</b>	4,862,475
Recreation and cultural services	533,000	<b>248,835</b>	331,106
Planning and development	60,000	<b>25,311</b>	7,540
	5,402,850	<b>3,125,588</b>	7,286,964
<b>Net expenditures</b>	(4,423,944)	<b>(2,626,338)</b>	(6,648,271)
<b>Financing and transfers</b>			
Assumption of long-term liabilities	1,005,900	<b>5,148,341</b>	-
Current fund transfers	1,845,748	<b>2,054,576</b>	1,687,316
Reserves and reserve fund transfers	1,572,296	<b>571,763</b>	1,136,141
	4,423,944	<b>7,774,680</b>	2,823,457
<b>Change in capital fund balance</b>	-	<b>5,148,342</b>	(3,824,814)
Balance, beginning of the year	(5,148,342)	<b>(5,148,342)</b>	(1,323,528)
<b>Balance, end of the year</b>	(5,148,342)	-	(5,148,342)

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWNSHIP OF TAY

## SCHEDULE 3 CONSOLIDATED SCHEDULE OF RESERVES AND RESERVE FUND OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2007	Actual 2007	Actual 2006
	\$ (Note 10)	\$	\$
Revenues			
Other	-	4,632	13,809
Newmarket-Tay Power Distribution Ltd. (Note 15)	-	1,742,821	-
<b>Net revenues</b>	-	<b>1,747,453</b>	13,809
Financing and transfers			
Current fund transfers	866,900	1,233,008	1,690,407
Capital fund transfers	(1,572,296)	(571,763)	(1,136,141)
Net financing and transfers	(705,396)	661,245	554,266
<b>Change in reserves and reserve funds</b>	(705,396)	<b>2,408,698</b>	568,075
Balance, beginning of the year	4,640,547	4,640,547	4,072,472
<b>Balance, end of the year</b>	3,935,151	<b>7,049,245</b>	4,640,547
<b>Analyzed as follows:</b>			
Reserves set aside for specific purposes by Council:			
Working capital		1,185,043	1,185,043
Contingencies		493,028	315,028
Replacement of equipment		558,836	570,592
Current purposes		152,577	152,577
Capital purposes		2,796,051	2,307,069
Hydro (Note 15)		1,742,821	-
		<b>6,928,356</b>	4,530,309
Reserve funds set aside for specific purposes by Council:			
Recreation and cultural services - current purposes		115,134	8,899
Protection services - capital purposes		5,755	5,511
Recreation and cultural services - capital purposes		-	95,828
		<b>120,889</b>	110,238
<b>Total reserves and reserve funds</b>		<b>7,049,245</b>	4,640,547

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