

Consolidated Financial Statements of

**THE CORPORATION OF THE
TOWN OF RICHMOND HILL**

December 31, 2006

Auditors' Report

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

We have audited the consolidated statement of financial position of The Corporation of The Town of Richmond Hill as at December 31, 2006 and the consolidated statements of financial activities and of changes in financial position for the year then ended. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2006 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
April 27, 2007

THE CORPORATION OF THE TOWN OF RICHMOND HILL

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December 31, 2006

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THE CORPORATION OF THE TOWN OF RICHMOND HILL
Consolidated Statement of Financial Position

December 31, 2006

(\$000's)

	<u>2006</u>	<u>2005</u> (Note 2)
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 13,344	\$ 42,866
Investments (Note 3)	335,773	307,173
Taxes and payments-in-lieu receivable (Note 5)	20,346	19,000
Accounts receivable	39,240	34,377
	408,703	403,416
LIABILITIES		
Accounts payable and accrued liabilities	27,911	24,427
Other liabilities	6,700	8,099
Deferred revenue (Note 6)	93,059	89,350
Employee future benefits liability (Note 7)	4,966	4,533
	132,636	126,409
NET FINANCIAL ASSETS	276,067	277,007
NON-FINANCIAL ASSETS		
Prepaid expenses	369	332
Inventory	266	313
	635	645
NET ASSETS	\$ 276,702	\$ 277,652
COMMITMENTS (Note 14)		
CONTINGENCIES AND GUARANTEES (Notes 15 and 16)		
MUNICIPAL POSITION		
Operating Fund - (Note 8)	\$ 518	\$ 1,084
Capital Fund - (Note 8)	53,790	56,386
Reserves and Reserve Funds - (Note 8)	228,379	225,883
	282,687	283,353
Amounts to be recovered (Note 9)	(5,985)	(5,701)
	\$ 276,702	\$ 277,652

APPROVED BY

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

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Consolidated Statement of Financial Activities and Change in Fund Balances

Year ended December 31, 2006

(\$000's)

	2006		2005
	Budget (unaudited - Note 17)	Actual	Actual (Note 2)
REVENUES			
Taxation (Note 10)	\$ 242,807	\$ 264,630	\$ 249,772
Less amounts received for Region and School Boards	(189,266)	(205,445)	(195,349)
	53,541	59,185	54,423
User charges	36,929	43,096	39,903
Grants (Note 11)	253	466	516
Permits, penalties, rents and other	13,072	14,178	17,697
Investment income	6,035	18,832	17,775
Development contributions earned	8,563	13,056	21,065
	118,393	148,813	151,379
EXPENDITURES (Note 12)			
OPERATING			
General government	18,166	21,041	16,985
Protection to persons and property	17,671	20,114	18,575
Transportation services	15,342	11,924	15,183
Environmental services	31,696	33,316	29,639
Recreation and cultural services	25,638	29,991	28,109
Planning and development	2,926	2,601	2,369
Community capital grants	6,875	2,725	6,359
	118,314	121,712	117,219
CAPITAL			
General government	1,381	3,602	2,095
Protection to persons and property	454	1,795	827
Transportation services	7,348	6,161	4,604
Environmental services	4,158	2,172	3,577
Recreation and cultural services	16,729	14,264	13,840
Planning and development	22	47	39
	30,092	28,041	24,982
TOTAL EXPENDITURES	148,406	149,753	142,201
NET (EXPENDITURES) REVENUE	(30,013)	(940)	9,178
INCREASE IN AMOUNTS TO BE RECOVERED	-	284	300
(DECREASE) INCREASE IN NON-FINANCIAL ASSETS	-	(10)	257
CHANGE IN FUND BALANCES	\$ (30,013)	\$ (666)	\$ 9,735

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

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Consolidated Statement of Changes in Financial Position

Year ended December 31, 2006

(\$000's)

	2006	2005
NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATIONS		
Net (expenditures) revenue	\$ (940)	\$ 9,178
Uses		
Increase in taxes and payments-in-lieu receivable	(1,346)	-
Increase in accounts receivable	(4,863)	(4,390)
Decrease in accounts payable and accrued liabilities	-	(4,700)
Decrease in other liabilities	(1,399)	-
Decrease in deferred revenues	-	-
	(7,608)	(9,090)
Sources		
Decrease in taxes and payments-in-lieu receivable	-	1,789
Increase in accounts payable and accrued liabilities	3,484	-
Increase in other liabilities	-	4,739
Increase in deferred revenues	3,709	13,613
Increase in employee benefits liability	433	427
	7,626	20,568
Net (decrease) increase in cash from operations	(922)	20,656
INVESTING		
Decrease (increase) in investments	(28,600)	11,946
NET CHANGE IN CASH AND CASH EQUIVALENTS		
	(29,522)	32,602
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		
	42,866	10,264
CASH AND CASH EQUIVALENTS, END OF YEAR		
	\$ 13,344	\$ 42,866

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

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2006

(amounts in thousands of dollars)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Significant accounting policies adopted include:

(a) *i) Reporting entity*

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

Richmond Hill Public Library
Richmond Hill Arena Association

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

ii) Accounting for region and school board

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of The York Region District School Board, The York Region Roman Catholic District School Board, and The Region of York are not reflected in the municipal fund balances of these consolidated financial statements.

iii) Trust Funds

Trust funds and their related operations administered by the Town are not consolidated, but are reported separately on the Trust Funds Statement of Revenue, Expenditure and Fund Balance.

(b) *Basis of accounting*

i) Revenues and expenditures

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenditures are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Notes to the Consolidated Financial Statements
December 31, 2006
(amounts in thousands of dollars)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of accounting (continued)

ii) Tangible capital assets

The historical cost and accumulated depreciation of capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the consolidated statement of financial activities in the year of acquisition.

iii) Deferred revenue

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

iv) Employee future benefits

The present value of the cost of providing employees with future benefits programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.

Actuarial gains or losses are amortized on a straight line basis over the expected average remaining service life of all employees covered.

v) Investment income

Investment income earned on operating funds, capital funds, reserves and reserve funds (other than obligatory funds) is reported as revenue in the period earned. Investment income earned on development charges and other obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

vi) Government transfers

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

vii) 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenditures during the period. Actual results could differ from these amounts.

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Notes to the Consolidated Financial Statements
December 31, 2006
(amounts in thousands of dollars)

2. RESTATEMENT OF PRIOR PERIOD FIGURES

(a) Deferred revenue

Amounts received by The Richmond Hill Public Library Board designated for Special Purposes and from Donations and Bequests were previously recorded as increases to Deferred Revenues. As these funds do not have external restrictions, they should have been recorded as revenue in the Consolidated Statement of Financial Activities and Changes in Fund Balance in the year of receipt. The effect of the restatement on the prior year's figures is as follows:

	<u>2005</u>
Increase in permits, penalties, rents and other revenues	\$ 33
Increase in operating fund balance, beginning of year	490
<u>Operating fund balance, end of year</u>	<u>\$ 523</u>

(b) Employee future benefits liability

The employee future benefits liability in prior periods did not include the accumulated non-vested sick leave benefit for firefighters. The following changes are reflected in the restatement of prior period figures:

	<u>2005</u>
Increase in protection to persons and property expenditures	\$ 114
Increase in employee future benefits financing and transfers	(114)
Increase in employee future benefits liability, beginning of year	1,029
<u>Increase in amounts to be recovered</u>	<u>114</u>
<u>Increase in accrued employee future benefits liability, end of year</u>	<u>\$ 1,143</u>

3. INVESTMENTS

Investments have a market value of \$345,992 (2005 – \$327,981) at the end of the year.

4. TRUST FUNDS

Trust funds administered by the Town amount to \$31 (2005 - \$70). As the Town holds these funds in trust for the benefit of others, they are not presented as part of the Town's financial position or financial activities.

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2006

(amounts in thousands of dollars)

5. TAXES AND PAYMENTS-IN-LIEU RECEIVABLE

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

	<u>2006</u>	<u>2005</u>
Current year	\$ 12,501	\$ 11,426
Previous years	6,114	5,703
Penalties and interest	1,731	1,871
	<u>\$ 20,346</u>	<u>\$ 19,000</u>

6. DEFERRED REVENUE

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

	<u>2006</u>	<u>2005</u>
Obligatory Reserve Funds		(Note 2)
Development charges	\$ 70,423	\$ 67,836
Parkland	16,799	17,514
Other	4,557	3,050
Deferred revenue - general	1,280	950
Total	<u>\$ 93,059</u>	<u>\$ 89,350</u>

The continuity of deferred revenue is as follows:

	<u>2006</u>	<u>2005</u>
Balance, beginning of year	\$ 89,350	\$ 75,737
Developer and other contributions collected	10,647	25,293
General deferred revenues collected	4,503	919
Interest earned	3,264	2,208
	<u>18,414</u>	<u>28,420</u>
Less		
Developer and other contributions used in capital operations	10,419	13,920
Developer and other contributions used in current operations	113	20
General deferred revenues used	4,173	867
	<u>14,705</u>	<u>14,807</u>
Balance, end of year	<u>\$ 93,059</u>	<u>\$ 89,350</u>

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Notes to the Consolidated Financial Statements
December 31, 2006
(amounts in thousands of dollars)

7. EMPLOYEE FUTURE BENEFITS LIABILITY

(a) Employee future benefits liability

Health and dental benefits

Employee future benefits include health and dental benefits that the Town of Richmond Hill pays on behalf of its current and retired employees. The Town recognizes these post-retirement costs as they are earned during the employees' tenure of service.

Vested Sick leave benefit

Under the sick leave benefit plan available only to the Town's firefighters, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Town's employment, provided they have ten years of service.

The benefit liability at December 31, 2006 of \$ 4,966 (2005 - \$4,533) was determined by actuarial update. The accrued benefit liability and the expense for the year ended December 31, 2006 were based on assumptions used for the December 31, 2005 actuarial valuation.

An actuarial loss is being amortized on a straight-line basis over the expected average remaining service life, estimated to be 18 years.

The significant actuarial assumptions employed in the actuarial valuations are as follows:

i) General inflation

Future general inflation levels were assumed to be 2.0% in 2006 and thereafter.

ii) Interest (discount) rate

The present value as at December 31, 2006 of the future benefits was determined using a discount rate of 5%. This corresponds to the assumed inflation rate plus an assumed rate of return of 3%.

iii) Health costs

Health costs were assumed to increase at an 8% rate for 2006 and increase at a decreased rate for the next 15 years. The increase will start at 8% per year in 2006 and gradually reduce to a 4% increase in 2017, and remain at 4% thereafter.

iv) Dental costs

Dental costs were assumed to increase at 4% for 2006 and thereafter.

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Notes to the Consolidated Financial Statements
December 31, 2006
(amounts in thousands of dollars)

7. EMPLOYEE FUTURE BENEFITS LIABILITY (continued)

(b) Workplace safety and insurance board liability

Effective January 1, 1994, the Corporation of the Town of Richmond Hill became a Schedule II employer under the Workplace Safety and Insurance Act and follows a policy of self insurance for all its employees.

The Town maintained an insurance policy which protected the Corporation against single claims in excess of \$500. This policy expired December 31, 2006 and was not renewed.

The Workplace Safety and Insurance Board liability at December 31, 2006 of \$ 534 (2005 - \$444) was determined by a full actuarial valuation for the year ended December 31, 2006.

Information about the Town's employee future benefits liability is as follows:

	<u>Retirees</u>	<u>WSIB</u>	<u>2006</u>	<u>2005</u> (Note 2)
Employee future benefits liability, beginning of year	\$ 4,089	\$ 444	\$ 4,533	\$ 4,105
Expense for the period	350	140	490	398
Interest accrued	220	31	251	275
Benefits paid during the period	(240)	(87)	(327)	(251)
Amortization of actuarial loss	13	6	19	6
Employee future benefits liability, end of year	<u>\$ 4,432</u>	<u>\$ 534</u>	<u>\$ 4,966</u>	<u>\$ 4,533</u>
Accrued benefit obligation	\$ 4,644	\$ 579	\$ 5,223	\$ 4,809
Unamortized actuarial loss	(212)	(45)	(257)	(276)
Accrued future benefits liability	<u>\$ 4,432</u>	<u>\$ 534</u>	<u>\$ 4,966</u>	<u>\$ 4,533</u>

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Notes to the Consolidated Financial Statements
December 31, 2006
(amounts in thousands of dollars)

8. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

(a) *Operating Fund Balance*

	<u>2006</u>	<u>2005</u> (Note 2)
Town	\$ 518	\$ 1,084

(b) *Capital Fund Balance*

	<u>2006</u>	<u>2005</u>
Funds available for the acquisition of tangible capital assets	\$ 53,790	\$ 56,386

(c) *Reserves and Reserve Funds*

	<u>2006</u>	<u>2005</u>
Reserves set aside for special purposes by Council		
Working capital	\$ -	\$ 228
Contingencies	13,996	13,691
Acquisition of tangible capital assets	5,497	5,820
Operations and special purposes	13,977	14,780
	<u>33,470</u>	<u>34,519</u>
Reserve Funds set aside for special purposes by Council		
Parks and recreation	-	31
Acquisition of tangible capital assets	141,019	135,814
Insurance	1,541	1,902
W.S.I.B.	2,451	340
Fire fighters' sick leave	1,447	1,407
Operating and special purposes	48,451	51,870
	<u>194,909</u>	<u>191,364</u>
Total Reserves and Reserve Funds	\$ 228,379	\$ 225,883

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2006

(amounts in thousands of dollars)

9. AMOUNTS TO BE RECOVERED

	<u>2006</u>	<u>2005</u>
		(Note 2)
Employee future benefits	\$ 4,966	\$ 4,533
Vacation pay - Library	49	48
Internal loans from obligatory reserve funds	970	1,120
	<u>\$ 5,985</u>	<u>\$ 5,701</u>

10. TAXATION

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of Municipal Act, 2001. The Municipal Council establishes the tax rates annually, incorporating amounts to be raised for local services, the requisitions made by the Region of York in respect to Regional services and amounts the Town is required to collect on behalf of the School Board(s) in respect of education taxes. From time to time property assessment are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the Town upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose no collection risk.

11. GRANTS

	<u>2006</u>	<u>2005</u>
Government of Canada	\$ -	\$ 35
Province of Ontario	466	481
	<u>\$ 466</u>	<u>\$ 516</u>

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2006

(amounts in thousands of dollars)

12. CLASSIFICATION OF EXPENDITURES BY OBJECT

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

	<u>2006</u>	<u>2005</u>
Salaries, wages and employee benefits	\$ 61,989	\$ 58,205
Operating materials and supplies	20,413	18,743
Contracted services	34,205	31,791
Rents and financial expenses	2,375	1,597
External transfers to others	2,730	6,883
Tangible capital assets	28,041	24,982
Total expenditures by object	<u>\$ 149,753</u>	<u>\$ 142,201</u>

13. PENSION AGREEMENTS

The Town is required to participate in and make contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 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 of pay.

The contribution rate for 2006 was 6.50% (2005 – 6%). The amount contributed to OMERS for 2006 was \$3,024 (2005 - \$2,814) for current service and is included as an expenditure on the Consolidated Statement of Financial Activities.

14. COMMITMENTS

- (a) The Town of Richmond Hill Public Library leases office space under an agreement that expires March 31, 2008. The obligations over the remaining life of the lease are as follows:

2007	\$ 123
2008	31
	<u>\$ 154</u>

- (b) The Richmond Hill Arena Association leases land under an agreement that expires December 31, 2015. The obligations over the remaining life of the lease are as follows:

2007	\$ 32
2008	33
2009	34
2010 to 2015	218
	<u>\$ 317</u>

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2006

(amounts in thousands of dollars)

14. COMMITMENTS (continued)

- (c) The Town of Richmond Hill has entered into various contracts for vehicle and equipment leases. The obligations over the remaining life of the leases are as follows:

2007	\$ 225
2008	145
2009	37
	<hr/>
	\$ 407

- (d) The Town of Richmond Hill has entered into a ten-year contract for the handling of garbage and recycling materials expiring on March 31, 2009. The obligations over the remaining life of this contract are as follows:

2007	\$ 3,238
2008	3,368
2009	875
	<hr/>
	\$ 7,481

- (e) The Town of Richmond Hill has entered into contracts for the construction of major tangible capital assets. The unpaid portion of these contracts amounted to \$22,444 as at December 31, 2006.

15. CONTINGENCIES

The Town is the defendant in several legal actions claiming personal, property and other damages. The claims are being handled by the Town's insurers. Provision has been made in the consolidated financial statements for management's best estimate of the ultimate cost to the Town to settle these actions.

16. GUARANTEES

In the normal course of business, the Town enters into agreements that meet the definition of a guarantee. The Town's primary guarantees subject to disclosure 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 CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2006

(amounts in thousands of dollars)

16. GUARANTEES (continued)

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 the any significant payments under such or similar indemnification agreements and therefore no amount has been accrued with respect to these agreements.

17. BUDGET FIGURES

The Town completes separate budget reviews for its Operating and Capital Budgets each year. The approved budget for 2006 is reflected on the Consolidated Statement of Financial Activities, the Consolidated Schedule of Operating Activities and Fund Balance, and the Consolidated Schedule of Capital Fund Activities and Fund Balance.

Budgets established for the Capital Fund are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years and may not be comparable with the current year actual amounts. Funding for these capital projects is determined annually and made by transfers from reserve funds and by the application of applicable grants or other available funds.

As well, the Town does not budget for activity within the Reserve and Reserve Funds, with the exception being those transactions which affect either the operating or capital budgets.

18. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Consolidated Schedule of Operating Fund Activities and
Fund Balance

Year ended December 31, 2006

(\$000's)

Schedule 1

	2006		2005
	Budget	Actual	Actual
	(unaudited - Note 17)		(Note 2)
REVENUES			
Taxation	\$ 242,807	\$ 264,630	\$ 249,772
Less amounts received for Region and School Boards	(189,266)	(205,445)	(195,349)
	53,541	59,185	54,423
User charges	36,929	43,096	39,903
Grants	253	466	277
Permits, penalties, rents and other	12,514	13,224	14,300
Investment income	6,035	6,865	6,235
Developer contributions earned	-	113	20
	109,272	122,949	115,158
EXPENDITURES			
General government	18,166	21,041	16,985
Protection to persons and property	17,671	20,114	18,575
Transportation services	15,342	11,924	15,183
Environmental services	31,696	33,316	29,639
Recreation and cultural services	25,638	29,991	28,109
Planning and development	2,926	2,601	2,369
Community capital grants	6,875	2,725	6,359
	118,314	121,712	117,219
NET (EXPENDITURES) REVENUES	(9,042)	1,237	(2,061)
FINANCING AND TRANSFERS			
Internal loan repayments	-	(150)	(138)
Employee future benefits	-	433	427
Vacation pay - Library	-	1	11
Transfers from (to) Reserves and Reserve Funds	9,135	(2,139)	954
Transfers (to) from Capital Fund	(1,133)	62	104
	8,002	(1,793)	1,358
CHANGE IN OPERATING FUND	(1,040)	(556)	(703)
(DECREASE) INCREASE IN NON-FINANCIAL ASSETS	-	(10)	257
OPERATING FUND BALANCE, BEGINNING OF YEAR	1,040	1,084	1,530
OPERATING FUND BALANCE, END OF YEAR	\$ -	\$ 518	\$ 1,084

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

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Consolidated Schedule of Capital Fund Activities and
Fund Balance

Year ended December 31, 2006
(\$000's)

Schedule 2

	2006		2005
	Budget (unaudited - Note 17)	Actual	Actual
REVENUES			
Developer recoveries	\$ 558	\$ 954	\$ 3,397
Grants	-	-	239
Developers contributions earned	8,563	10,419	13,920
	9,121	11,373	17,556
EXPENDITURES			
General government	1,381	3,602	2,095
Protection to persons and property	454	1,795	827
Transportation services	7,348	6,161	4,604
Environmental services	4,158	2,172	3,577
Recreation and cultural services	16,729	14,264	13,840
Planning and development	22	47	39
	30,092	28,041	24,982
NET EXPENDITURES	(20,971)	(16,668)	(7,426)
FINANCING AND TRANSFERS			
Transfers from reserves and reserve funds	19,838	14,134	40,125
Transfers from (to) operating fund	1,133	(62)	(104)
	20,971	14,072	40,021
CHANGE IN CAPITAL FUND	-	(2,596)	32,595
CAPITAL FUND BALANCE, BEGINNING OF YEAR	56,386	56,386	23,791
CAPITAL FUND BALANCE, END OF YEAR	\$ 56,386	\$ 53,790	\$ 56,386

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

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Consolidated Schedule of Reserves and Reserve Funds Activities
and Fund Balance

Year ended December 31, 2006

(\$000's)

Schedule 3

	2006		2005
	Budget (unaudited - Note 17)	Actual	Actual
REVENUES			
Investment income	\$ -	\$ 11,967	\$ 11,540
Developer contributions	-	2,524	7,125
	-	14,491	18,665
FINANCING AND TRANSFERS			
Transfer (to) from Operating Fund	(9,135)	2,139	(954)
Transfer to Capital Fund	(19,838)	(14,134)	(40,125)
	(28,973)	(11,995)	(41,079)
CHANGE IN RESERVES AND RESERVE FUNDS	(28,973)	2,496	(22,414)
FUND BALANCE, BEGINNING OF YEAR	225,883	225,883	248,297
FUND BALANCE, END OF YEAR	\$ 196,910	\$ 228,379	\$ 225,883

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