Town of Oakville
Annual Report
2017
For the fiscal year ended December 31, 2017
Oakville, Ontario, Canada

Accessibility was considered in the design of this document. If you require an alternate format, please email communications@oakville.ca.

The 2017 Annual Report was prepared by the Financial Operations and Strategy, Policy and Communications departments.
## Contents

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>05</td>
<td>Message from the Mayor</td>
</tr>
<tr>
<td>06</td>
<td>2017 Town Council</td>
</tr>
<tr>
<td>07</td>
<td>Organizational Chart</td>
</tr>
<tr>
<td>09</td>
<td>Message from the CAO</td>
</tr>
<tr>
<td>10</td>
<td>2015–2018 Strategic Plan</td>
</tr>
<tr>
<td>13</td>
<td>Welcome home</td>
</tr>
<tr>
<td>14</td>
<td>Uniquely Oakville</td>
</tr>
<tr>
<td>17</td>
<td>Embracing innovation</td>
</tr>
<tr>
<td>20</td>
<td>Developing responsibly</td>
</tr>
<tr>
<td>22</td>
<td>Maintaining fiscal sustainability</td>
</tr>
<tr>
<td>25</td>
<td>Protecting what matters</td>
</tr>
<tr>
<td>28</td>
<td>Creating opportunities</td>
</tr>
<tr>
<td>30</td>
<td>Making life better</td>
</tr>
<tr>
<td>33</td>
<td>Rising above</td>
</tr>
<tr>
<td>34</td>
<td>Financial section</td>
</tr>
<tr>
<td>37</td>
<td>Report from Financial Operations</td>
</tr>
<tr>
<td>40</td>
<td>Comprehensive Financial Management</td>
</tr>
<tr>
<td>43</td>
<td>Consolidated Financial Statements</td>
</tr>
<tr>
<td>74</td>
<td>Five Year Review</td>
</tr>
</tbody>
</table>
...Oakville residents are deeply committed to making our community a more livable place for everyone.”
Message from the Mayor

Oakville remains one of the best places to live and raise a family because our diverse community works together to achieve our goals.

From our community groups and businesses, to local schools, libraries and hockey rinks, Oakville residents are deeply committed to making our community a more livable place for everyone.

Town Council shares that passion and helps achieve a livable Oakville by focusing on controlling growth, protecting our community’s natural and cultural heritage, investing in high-quality facilities, infrastructure and services, all while keeping our finances strong, stable and healthy.

Each day, our vision to be the most livable town in Canada becomes more of a reality.

With the final design of the Lakeshore Road reconstruction approved, plans are underway to continue transforming and revitalizing Downtown Oakville into a social, cultural and economic hub. After last year’s successful reconstruction of the Lakeshore Road Bridge, the town will be working closely with the Downtown Oakville BIA and individual businesses to implement measures that encourage residents to continue visiting downtown throughout the reconstruction into 2020.

Council, staff and the community have been working hard over the past year in our continuous effort to protect the cultural heritage value and attributes of the Glen Abbey Golf Course. Oakville’s most famous heritage landmark was designated a cultural heritage landscape by Council on December 20, 2017. The town will continue to vigorously defend Council’s decision to refuse ClubLink’s application to turn the Glen Abbey Golf Course into a vast subdivision.

We have also expanded and improved Oakville’s community facilities. The Trafalgar Park Community Centre is scheduled to open its doors in September with an NHL-size ice rink, an indoor running track, a new seniors’ centre and more, while retaining the historic roof trusses of the old Oakville Arena. Plans for the former hospital lands are also moving forward with a new community centre and park scheduled to open in fall 2020.

All of this is happening while keeping overall tax increases at or below inflation, and while keeping Oakville’s finances strong – and the healthiest in Ontario.

I’m proud of our accomplishments and look forward to what we will continue achieving together.

Mayor Rob Burton, BA, MS
Head of Council and CEO
2017 Town Council

Council’s current term began on December 1, 2014, and will end November 30, 2018

Ward 1
Ralph Robinson
Town Councillor
Sean O’Meara
Regional and Town Councillor
Ray Chisholm
Town Councillor
Cathy Dudduck
Regional and Town Councillor

Ward 2
Ward 3
Ward 4
Ward 5
Ward 6
Nicholas Hutchins
Town Councillor
Dave Gittings
Regional and Town Councillor
Peter Longo
Town Councillor
Marc Grant
Town Councillor
Jeff Knoll
Regional and Town Councillor
Natalia Lishchyna
Town Councillor
Tom Adams
Regional and Town Councillor

*Appointed to seat on May 7, 2018, following the resignation of former councillor Roger Lapworth.
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 Development commission provides expertise and advice to help Council define the town’s vision for tomorrow. Responsible for developing innovative, integrated, timely and defensible policies, projects and regulations which guide new and existing development, corporate improvements and community infrastructure, this commission reviews planning, building, development engineering and site alteration proposals; oversees environmental stewardship and protection, municipal enforcement services, stormwater management, and the engineering and construction of municipal public works infrastructure.

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

The Community Services commission is responsible for fire protection and prevention, emergency management, parks, forestry, harbours, roads and works, cemeteries as well as the delivery of recreation and cultural services, and public transit. The commission also provides a corporate link to the Oakville Library, Oakville Galleries and TOWARF (Town of Oakville Water and Air Rescue Force).
For everyone who contributes to making Oakville a place of opportunity, inclusion and wellbeing, thank you for a job well done.”
I can describe our town’s performance in 2017 with three words: innovation, sustainability and excellence.

Oakville continues to be a municipal leader in digital innovation with enhanced online information and tools, and the unveiling of the new Creation Zone at the Iroquois Ridge Public Library. Technology-based improvements to Oakville Transit such as real-time bus tracking are changing the rider experience for the better. And last year, our high standards for data collection and research were rewarded with ISO 37120 Platinum certification from the World Council on City Data.

Sustainable growth combined with heritage conservation goals was front and centre last year, evident in our recommended amendments to the Official Plan and growth plans for Kerr Village, Bronte Village and Downtown Oakville. Redevelopment was also a major theme of our public consultation and helped us develop the master plan for the Former Hospital Site Project. If you haven’t done so already, walk or drive across the newly rebuilt Lakeshore Road Bridge over Sixteen Mile Creek – the first step in the revitalization plan for Downtown Oakville.

Of course, last year was not without its challenges. Severe storms and rising water in Lake Ontario led to the worst flood damage Oakville has experienced since 1918. Emerald Ash Borer and new invasive species continued to threaten our tree canopy, and budget pressures continue with the need for new infrastructure investments and for additional services to meet town growth.

It’s in the face of pressure that this town excels. Through fiscal responsibility and careful planning we are able to deliver high quality programs and services that meet the needs of residents and businesses, protect our people and assets, and manage growth in a way that preserves what’s most important to the future of our shared community. For me, a highlight of the 2017 Citizen’s Survey was learning that 95 per cent of respondents felt a sense of belonging and safety in Oakville. For everyone who contributes to making Oakville a place of opportunity, inclusion and wellbeing, thank you for a job well done.

Ray Green, P. Eng.
Chief Administrative Officer
2015–2018 Strategic Plan

Vision: to be the most livable town in Canada.
We create and preserve Canada’s most livable community that enhances the 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.

**Mission**

**Values**

**Accountability** – We deliver what we promised. We are accountable of 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 open, respectful and inclusive governance. 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.

For our mission, vision and values to have significant impact, they must be accompanied by a deliberate plan of action.

The town’s work plan for 2015–2018 details clear objectives and key measures of success within Council’s five areas of focus:

1. Good governance
2. Environmental leadership
3. Economic growth
4. Fiscal sustainability
5. Outstanding service to residents

To view the key initiatives for 2017–2018, visit oakville.ca.
Welcome home.

Whether you’ve just arrived or called Oakville home for generations, you know this town has a way of creating special connections between people and places. Here we encourage conversations, respect differences and embrace new ways of thinking and doing to enrich the community for all who live and work in Oakville. And along the way, we deepen our understanding of what makes this place our home.

This annual report shares our most recent achievements in innovation, sustainable growth, fiscal responsibility, and environmental and heritage protection. Most importantly, it showcases how these achievements are creating new opportunities and improving the quality of life for all residents and business owners.

Welcome home to Oakville. This is where you belong.
Uniquely Oakville

Oakville benefits from a unique blend of natural spaces, growing business and employment opportunities, modern housing and transportation options, and an increasingly diverse population.
194,000 *
total population of Oakville

138.89 square *
kilometres
total town land area

2.05 per cent
Oakville’s population increase

40 per cent
Oakville’s canopy coverage goal

35.9 per cent *
Oakville residents born outside of Canada

6,401
registered recreation programs offered

14.5 per cent *
Oakville residents who are age 65 or older

104 kilometres
bike lanes/paths per 100,000 residents

*Statistics Canada
Finding new and better ways to work, build and connect is at the heart of town planning. It’s a creative approach that combines the assets of people, technology and partnerships to generate 21st century solutions to municipal challenges.

Welcome to one of Canada’s most open cities! Oakville has joined municipalities around the world by proactively opening up our data to see what’s possible when government and the community collaborate. In their third annual Open Cities Index, Public Sector Digest and Canada’s Open Data Exchange rated Oakville as the top municipality for open data in 2017 in the 100,001–250,000 population range. Overall, the town ranked 17th among 61 Canadian municipalities that participated in the study that benchmarks municipal open data initiatives across the country.

Our commitment to transparency and innovation enabled us to achieve the prestigious ISO 37120 Platinum certification from the World Council on City Data. We are the fourth Ontario municipality to receive this designation, and is our first International Organization of Standardization (ISO) achievement. ISO 37120 Sustainable Development of Communities: Indicators for City Services and Quality of Life is comprised of 100 performance indicators that track a city’s progress in delivering services and ensuring quality of life for its community. Platinum certification acknowledges that Oakville has achieved the highest standard in data collection and research to drive the delivery of high quality programs and services to the community.
We’ve broadened our data initiatives to include the second year update to our Livable Oakville Performance Dashboard that shows you the progress we’re making towards achieving our vision to be the most livable town in Canada. And we’ve made improvements to our Report a Problem tool enhancing the ways you interact with us online and helping us capture more reliable data to measure how well we are meeting your service needs.

Want to access town information and services on the go? Oakville.ca is now mobile-friendly, with an updated format that automatically adjusts to the screen size of your device. Because more than 70 per cent of Oakville residents prefer to access town information and services through our website, we’ll continue to look for new ways to improve your online experience. Share your ideas for what we could add or do better at oakville.ca.

You can now park and pay with your smartphone at municipal parking lots and metres in Downtown Oakville and Kerr Village. In addition to the existing Pay by Plate machines, you can use the free Honk! app available for download from honkmobile.com, the App Store or Google Play. Next time you park, use your Honk! account to choose your parking zone and enter the time needed. That’s it. The app will notify you when your time is about to expire and lets you buy additional time right from your smartphone.

If you’ve ever ‘lost’ your car in a parking lot, you’ll appreciate the value of AVL technology. Automatic Vehicle Locators (AVL) are devices that work with GPS (Global Positioning System) and our wireless radio system to transmit information about the current location of a vehicle. We use AVL technology to track our buses, public works vehicles and fire trucks in real time. That means better efficiency for town operations and better service for you. AVL technology helps you track when the next Oakville Transit bus will arrive at your bus stop, allows you to check on snow plow progress, and helps Oakville Fire respond faster to your calls for assistance. Visit oakville.ca to find the interactive PlowOakville map and oakvilletransit.ca for the Bus Finder tracking tool.

Technology not only makes life easier, it also has the power to bring us together. The newly renovated Iroquois Ridge Public Library and Creation Zone is a library and a community hub for connection, creation, discovery and learning through technology. Check out the new Creation Zone, a new collection, and the latest technology including iPads and drones. There’s also an extended quiet zone, a comfortable reading lounge and modern collaboration pods. In addition to the exciting changes at Iroquois Ridge, all libraries now feature RFID (radiofrequency identification) technology. The equipment includes self-serve checkout kiosks, automatic book sorters, inventory wands and security gates. RFID technology provides libraries with important data to make evidence-based decisions to enhance service delivery to the public. To access the new resources at Iroquois Ridge, or at any Oakville Public Library, all you need is a library card.
#1 municipality for open data in 2017 (pop. 100,001–250,000)

ISO 37120 Platinum: highest standard in data collection and research

73 per cent of residents prefer to access town information through oakville.ca

29 number of Livable Oakville Performance Dashboard indicators

219,505 digital items borrowed from the Oakville Public Library
Developing responsibly

How Oakville develops as a community is as important as what is built. Council and staff carefully consider development options and engage with residents and businesses to ensure Oakville continues to be a place where everyone has an opportunity to thrive.

In 2017, based on staff recommendations and public input, Council approved Official Plan amendments that recognize the critical importance of natural and cultural heritage conservation, as well as growth management in the town’s land use planning. The results – an updated Urban Structure section in the Official Plan, as well as key updates to Cultural Heritage Policies that will support the implementation of the Ontario Heritage Act and the town’s Cultural Heritage Landscape Strategy.

As part of the Official Plan Review, we also assessed Oakville’s growth areas to identify locations that could accommodate additional residents and jobs. In 2017, the review focused on our “main street” areas — Kerr Village, Bronte Village and Downtown Oakville. Following extensive public consultation, Council adopted amendments to the town’s Official Plan that will guide how the town will accommodate growth and build upon the unique character of these areas. Updates include: new and revised urban design policies, updated land use designations to permit greater development opportunities at key locations, and adjusted growth area boundaries. Growth area studies for Midtown Oakville, Palermo Village and Uptown Core will take place throughout 2018.

The redevelopment plan for the Former Hospital Site Project entered the demolition stage in 2017 with site preparation to remove the former hospital and Helen Lawson buildings. Following extensive public consultation, Council endorsed a master plan and amendments to the Official Plan and zoning laws that will support a residential district in the north, a civic district with a community centre and park in the middle, and a seniors-oriented housing district in the south, including a civic space in front of the preserved former Oakville Trafalgar High School building.
Building the community centre and park are the first priorities in the development of the former hospital lands which are scheduled to open in fall 2020. Planned amenities at the new South East Community Centre include an indoor pool (to replace Centennial Pool), multi-purpose rooms for intergenerational programming, a double gym, therapeutic warm-water pool, fitness centre and an indoor walking track.

The revitalization of downtown Oakville took a big step forward with the reconstruction of the Lakeshore Road Bridge over Sixteen Mile Creek. Opening ahead of schedule in November 2017, the bridge now includes two travel lanes and bikes lanes, and a wider pedestrian sidewalk with a barrier wall to separate the sidewalk from vehicles. New pedestrian railings and lookouts are complete with LED lighting. The approaches to the bridge between Navy Street and Forsythe Street were also rebuilt. The new curbs and pavers included in the bridge project are a preview of what’s planned as part of the Lakeshore Road Reconstruction and Streetscape Project, a major two-year project slated to start in 2019. The project aims to enhance downtown roadways, beautify streets and improve pedestrian and cycle ways for residents and visitors alike.

In advance of this project, we’re developing a detailed plan, in consultation with the Downtown Business Improvement Association, to address construction, communications, marketing and economic impacts.

Work is continuing on the Brownfield Redevelopment Strategy and Community Improvement Plan for privately owned lands in Oakville that were previously used for industrial or commercial purposes. The redevelopment strategy was completed with funding from the Federation of Canadian Municipalities and assistance from a private consultant. Last fall, Council accepted the strategy and endorsed the staff recommendation that three incentive programs be used as the basis for the Community Improvement Plan. The final plan is expected to be complete in 2018.
Maintaining fiscal sustainability

Council’s strong stewardship of town resources continues to result in overall tax increases in line with inflation, high quality programs and services, and strong investment in infrastructure and facilities.

We’re committed to offering valued services and programs to residents and making strategic investments in community priorities. Each year the town’s budget is one of the most important tasks facing Council with the goal of keeping the overall tax increase in line with inflation. The approval of the 2018 Budget resulted in a 2.58 per cent increase to the town’s portion of the tax bill, creating an overall property tax increase of 1.78 per cent including regional and educational tax levies.

Key 2018 budget pressures included $1.1 million to meet the increased minimum wage requirement in Ontario, and $1.3 million in growth-related costs including increased transit costs, new parks and roads maintenance, as well as costs associated with operating the new Trafalgar Park Community Centre (the redeveloped Oakville Arena) and a new library. To meet these and future budget pressures related to the new South East Community Centre, a new fire station in Palermo, and other funding needs, Council directed staff to keep overall property tax increases in line with inflation in both 2019 and 2020.
More than $129 million has been earmarked for several capital projects to support infrastructure renewal, transportation, traffic safety measures, community improvements and growth-related facilities. These include: various road resurfacing and preservation projects, Trafalgar Park Revitalization Project, South East Community Centre construction and replacement buses for Oakville Transit. Oakville Public Library is also planning to add a temporary branch in north Oakville while a second Creation Zone is being added to the Glen Abbey branch.

A $323.7 million operating budget will support the delivery of a wide range of programs and services including the maintenance of roads and community facilities, fire services, transit, parks and trails, recreation and culture, senior services, and libraries, along with a variety of other services. Program enhancements recommended for 2018 include funding for the opening of the new Trafalgar Park Community Centre in fall 2018, expansion of enforcement hours for by-law services, and a $25,000 increase to support the town’s cultural grant program administered by the Oakville Arts Council.

Sharing the cost of infrastructure and service improvements helps maintain our fiscal sustainability. Thanks to a $5 million grant from the federal government’s Gas Tax Fund, Oakville Transit will be able to meet ridership demand, increase ridership accessibility and bus life expectancy, and install and replace bus shelters and monitoring equipment. The funding will also go toward eight new 30-foot growth buses, two accessibility-growth vehicles, the refurbishment of 15 buses and new bike lockers and racks.

A number of exciting infrastructure projects were made possible through the federal government’s Canada 150 Community Infrastructure Program. A total of $646,000 was received to support community projects including: the expansion of the Crosstown Heritage Trail, improved accessibility in the change rooms at River Oaks Community Centre, improvements to the picnic area at Coronation Park, and playground improvements at four sites – Munns Creek Park, Margot Drive Park, Riverbank Way Park and Golden Meadow Park.

And there’s one more. Thanks to a grant of $92,500 from the Ontario150 Community Capital Program, Queen Elizabeth Park Community and Cultural Centre will have a new community kitchen. In addition to providing space for culinary programs, the kitchen will be available for community rentals and events. The renovation, completed in April 2018, will cost a total of $257,000, with the difference coming from the capital reserve.
Protecting what matters

Understanding what matters to citizens is critical to effective government. Listening to your concerns about protecting Oakville’s heritage and iconic features and the impact of development on natural areas ensured that public input helped guide several major decisions made by Council.

Progress was made on the redevelopment of Oakville Arena as part of the Trafalgar Park Revitalization Project. The project plan preserves Oakville Arena’s historical and iconic wooden roof trusses, while expanding it into a 65,000 square-foot community centre. When open in the fall of 2018, the new building will feature an NHL-size ice rink, a seniors’ centre, public meeting space, fitness centre, full-size gym and indoor running track. The project also includes the construction of outdoor amenities such as a fully accessible playground, double tennis courts and exterior washroom facilities. A new fire hall will be built on the corner of Kerr and Rebecca streets, also scheduled to open in fall 2018.

A detailed heritage evaluation, prepared by a team of experts, concluded that the Glen Abbey Golf Course property met all provincial criteria for municipal heritage protection. Other expert opinions provided to the town-led Council to proceed with a Notice of Intention to Designate the Glen Abbey property, particularly the golf course, as a significant cultural heritage landscape in August 2017. An objection by Pacific Life, the mortgagee of the property, was to be reviewed at a Conservation Review Board hearing in 2018 but was cancelled following the withdrawal of their objection. On December 20, Council voted unanimously to pass a by-law that designates Glen Abbey Golf Course as a property of cultural heritage value or interest.

At the end of 2017, we presented a proposed Conservation Plan, as well as zoning by-law and Official Plan amendments, which would regulate the use of the Glen Abbey property in
a manner that supports its conservation as a cultural heritage landscape. Input gathered from Heritage Oakville and the public in early 2018 resulted in Council’s approval of additional planning and conservation measures designed to conserve the cultural heritage value and attributes of the Glen Abbey Golf Course. The town’s planning and conservation measures are still subject to multiple appeals and court challenges from ClubLink.

Efforts to preserve Oakville’s tree canopy received a significant boost with Council’s unanimous approval of an updated Private Tree Protection By-law aimed at reducing the unnecessary removal of healthy trees. Trees greater than 15 centimetres in diameter now require a permit and must first have an assessment done by a town tree inspector. Any healthy trees more than 15 centimetres in diameter that are approved for removal must be replaced with new trees. A new online form makes it easy for property owners and arborists to apply for a tree removal permit and pay the required fees. The private tree protection by-law is one of a number of programs we’re implementing to manage, protect and renew the town’s urban forest to reach a 40 per cent canopy coverage goal.

We continue to treat street and park ash trees against the damaging effects of Emerald Ash Borer, with the majority of trees in the treatment program still healthy and having survived the peak infestation period. Over 4,200 new trees were planted on streets and in parks this year and over 25,800 trees and shrubs have been planted in woodlands. Dead and dying ash trees have been removed from 77 woodlands, completing all priority woodlands that had more than 50 per cent ash composition.

In 2017, we started an update to our Environmental Strategic Plan that will help guide our environmental priorities for the next five years. The update includes a report on collaborative work with community partners and the advances made in our environmental action plans including: the Climate Change Strategy, Active Transportation Master Plan, Energy Conservation and Demand Management Plan, Partners for Climate Protection Greenhouse Gas Emission Reduction Plan, the ongoing Stormwater Master Plan, enhanced Private Tree Protection By-law and an upcoming Biodiversity Strategy.

Oakville staff came together to maintain safety on our shoreline, harbours and lakeside parks after record-setting high lake levels and a number of storm events resulted in the most significant flooding the town has seen since 1918. Wet conditions in Coronation Park, Bronte Heritage Park, Lions Valley Park and Gairloch Gardens affected a number of private events, but we were able to help all permit holders to reschedule or move to alternate locations. The annual Oakville Children’s Festival was relocated to the drier grounds of the Queen Elizabeth Park Community and Cultural Centre. Lakefront parks remained open to the public, although some areas were closed off to ensure public safety.

Oakville achieved two more badges from the Compact of Mayors, an international coalition of city officials who commit to fighting climate change by reducing greenhouse gas (GHG) emissions. There are 666 cities across the world that have committed to the Compact. Oakville is the sixth city in Canada to achieve three of the four badges by committing to establish a community-wide GHG inventory, and developing an action plan. The Compact establishes a common platform to capture the impact of our collective actions through standardized measures and consistent public reporting – hard evidence that local action can have a significant global impact.
2 badges achieved from the Compact of Mayors in 2017

99 years last significant lakefront flooding occurred in Oakville in 1918

65,000 square feet size of the new Trafalgar Park arena and community centre

30,000 new trees and shrubs planted

77 woodlands cleared of dead and dying ash trees
Creating opportunities

Opportunities for civic engagement, economic prosperity and lifelong participation in diverse and accessible recreation and cultural activities help to create a sense of belonging in Oakville. We’re making sure everyone has a chance to be included and heard on matters that affect our community.

As Oakville continues to grow and change, we want to ensure all residents can engage in meaningful and diverse recreation and culture opportunities. The #MyOakville initiative was part of a community assessment to better understand the barriers to recreation and culture programs and services that residents may face such as affordability, time constraints, availability of public transit, or general lack of awareness of what is offered. By sharing your experiences and suggestions through the #MyOakville online questionnaire and face-to-face interviews at community events, you’re helping us develop a Recreation and Culture plan for the future!

Oakville’s rich Indigenous heritage will be highlighted thanks to a $40,450 grant from Oakville Community Foundation’s Community Fund for Canada’s 150. Funding was used to add a First Nations information station on the Bronte Creek Heritage Trail and create two Moccasin Trails – one on the Bronte Creek Heritage Trail and the other on the Inner Valley Trail portion of the Sixteen Mile Creek Trail. The Moccasin Trails feature a series of plaques containing Indigenous stories, verses and information relating to the land, water and sky, giving visitors a deeper understanding of Indigenous heritage. Content for the information booth and plaques was developed in partnership with the Mississaugas of the New Credit First Nation and Indigenous community members.

Opportunities to stay active and engaged in the community are especially important for older adults and seniors. We assessed
A group of seniors and older adults walking on a trail

the town’s strengths and opportunities based on eight age-friendly categories identified by the World Health Organization: outdoor spaces and buildings, transportation, housing, respect and social inclusion, civic participation and employment, communication and information, community support and health services, and social participation. More than 500 residents provided input to the Age-friendly Baseline Study, reporting a positive sense of community, an overall feeling of safety in Oakville and good access to a broad range of services, programs, activities and events. The results will help us develop better policies, programs and services to support residents as they get older and create a more inclusive, safe and accessible place to live for everyone.

Oakville is also a great place to do business. According to the 2017-18 American Cities of the Future report published by FDi, a division of Financial Times Limited, Oakville earned the fifth spot for business friendliness in the small city category. The report ranked 421 locations across North and South America in five categories. Oakville was noted as one of the best places in Canada to start or grow a business thanks to our thriving knowledge economy; prime location with quick access to regional, national and international markets; competitive tax rates; and a highly skilled, educated workforce.

Being business friendly includes helping local companies find new partnerships beyond our community. The Economic Development department, in partnership with the Town of Halton Hills and Halton Region, hosted a Doing Business in China Forum for local businesses interested in entering the China market. Participants gained insights from others already doing business in China; heard from professional service experts providing intellectual property, financial and banking insight; and learned more about government agencies that assist companies looking to do business in China.
Making life better

Saving you time, providing great service, helping you stay active and safe are just a few of the ways we’re making life better in Oakville.

According to the 2017 Citizen Survey, conducted by telephone and online, 81 per cent of Oakville residents surveyed expressed overall satisfaction with the government of the Town of Oakville. Overall satisfaction with town services was 89 per cent with 10 out of 12 service areas receiving satisfaction levels of over 80 per cent. When asked about the town’s attributes, 85 per cent were satisfied overall, with 95 per cent expressing a sense of belonging and feeling safe in Oakville followed by high marks for the quality of buildings and overall appearance of the town, information provided to residents and protection of heritage. When asked to choose which priority they would like to see the town focus on most, controlling growth was selected most often, followed by Oakville’s natural environment; with ease of travelling, and governing and managing ranked as the third top priorities.

We listened and acted on your concerns. Last fall, Oakville Transit made two important changes to its service. Transit service returned to Burloak Drive on Route 14 and 14A with service on the western portion of the route split between Great Lakes Boulevard and Burloak Drive. In addition, Home to Hub service arrived in parts of southeast Oakville. Customers can book their rides in advance, get picked up at the end of their driveway and dropped off at the Oakville GO station or Downtown Oakville (Church and Dunn Streets) to make connections with conventional transit service.
Prefer to walk or ride your bike? The Active Transportation Master Plan, updated and approved in 2017, is a guide to our walking and cycling infrastructure plans for the next 20-plus years. It includes more than 700 kilometres of planned active transportation routes including sidewalks, paved shoulders, multi-use trails, signed bike routes, buffered cycle lanes, and major off-road trails and pathways for users of all ages and skill levels. The plan also calls for continued educational outreach to encourage cycling and walking year-round. Since the first plan was introduced in 2009, we’ve built 200 kilometres of bike lanes, pathways and signed bike routes and installed 200 bike racks across the town. In fact, our ratio of 104 kilometres of bike paths/lanes per 100,000 residents is among the highest of cities worldwide! In December 2017, the Provincial government announced $645,376 in funding to help us continue to increase and improve our bike lanes and cycling infrastructure.

To keep Oakville residents and visitors safe when walking in town, we developed a new Pedestrian Safety Program that identified over 170 locations that could benefit from a controlled pedestrian crossing. The first 10 locations will be completed in 2018. Another five were already identified and installed through a separate safety campaign. An annual communications campaign was also launched to raise awareness about pedestrian safety issues for all road users including drivers, bicyclists and pedestrians.

The town’s sign by-law review focused on how signs could better allow businesses and groups to communicate with residents, while supporting public safety and maintaining the character of Oakville streetscapes. The process has taken into consideration changes in sign technology since the current by-law was approved in 2006. Members of the public and other interested stakeholders were invited to share ideas and concerns through an online survey and attending open houses to speak with town staff. The review was guided by Council’s approved principles. A draft by-law will go out for public consultation and will be presented for Council approval in late 2018 or early 2019.

*World Council on City Data
Rising above
2017 awards and recognition

We’re proud of the town staff, projects and programs that were recognized for their excellence in innovation, leadership and dedication to the Oakville community.

• 2017 Canadian Network of Asset Management Tereo Award for JD Edwards and GIS Asset Repository Integration
• 2017 Urban and Regional Information Systems Association Ontario Gold Award for Innovation in GIS
• 2017 Dazzling Notice Awards
• ISO 37120 Platinum Certification - World Council on City Data
• 2017 Top Ten Cities and Towns for Culture Days
• Gold Excellence in Economic Development Award, General Purpose Website from the International Economic Development Council
• Innovation in Parking and Programs Award, Canadian Parking Association
• All-America Selections Display Garden Challenge, third place – Shell Park (Foodscaping display)
• Community Spirit Award, Older Adult Centres’ Association of Ontario Awards – Julie Pennal
• Award of Merit, Older Adult Centres’ Association of Ontario Awards – Nancy Beddoe
• 2016 Award for Financial Reporting from the Government Finance Officers Association
• YMCA Peace Medal 2017 – Marcus Logan
• MoneySense Magazine – ranked number one in Top 10 Places to Raise a Family category
• Open Cities Index – ranked number one for open data in the 100,001-250,000 population range category
Financial section
37 Report from Financial Operations
40 Comprehensive Financial Management
43 Management’s Responsibility for the Consolidated Financial Statements
44 Independent Auditors’ Report
45 Consolidated Statement of Financial Position
46 Consolidated Statement of Operations
47 Consolidated Statement of Change in Net Financial Assets
48 Consolidated Statement of Cash Flows
49 Notes to Consolidated Financial Statements
74 Five Year Review
Report from Financial Operations

The 2017 Consolidated Financial Statements attest to the Town of Oakville’s continued solid financial position which allows the town to be well positioned to face future economic and growth challenges.

The financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The town’s external auditors, KPMG, LLP, have examined the financial statements in accordance with generally accepted auditing standards and have expressed the unqualified, or “clean”, opinion that they present fairly the financial position and the financial results of the town as at and for the year ended December 31, 2017.

The financial statements include the statement of financial position, the statements of operations, change in net financial assets, and cash flows. Together, these statements indicate the town’s assets and liabilities, how revenues were generated, how activities were financed, how resources were used, and how this compared to the approved budgets. The notes to the financial statements provide supporting information relating to reserves and reserve funds, tangible capital assets, the town’s ownership interest in the local electricity company, and other relevant financial information.

The financial statements are consolidated as they reflect the combined operations of the town, Oakville Public Library, Oakville Galleries and the town’s three business improvement areas (Downtown Oakville, Kerr Village, and Bronte). The financial statements also include the town’s investment in Oakville Enterprises Corporation (OEC), formerly Oakville Hydro. This investment is included using the modified equity method of accounting, which means recognizing the town’s share of the annual income or loss of OEC in the statement of operations, with a corresponding increase or decrease in the investment balance on the statement of financial position.
Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position, which is the municipal equivalent of the balance sheet, includes two key metrics – net financial assets and accumulated surplus.

Net financial assets represent the difference between the financial assets of the corporation (cash, receivables, investments) less its liabilities (accounts payable, deferred revenues, debt, and other liabilities). The town continues to maintain a strong net asset position, with financial assets exceeding liabilities by $306 million. This represents a nearly $12 million increase over the prior year.

Consolidated Statement of Operations

The Consolidated Statement of Operations is the municipal equivalent of the income statement. This statement presents the sources of revenues and the uses and allocations of the town’s financial resources throughout the reporting period. It reflects the combined operations of the operating fund, non-asset related capital project spending, reserve and reserve funds for the town, as well as the relevant expenses from the local boards.

Revenues in 2017 rose by $33 million as compared to 2016. This increase was primarily due to increases in developer contributions, taxation revenue, and user fees. Expenses also rose in 2017, by almost $6 million, most of which is attributed to transportation services.

The town’s surplus for 2017 was $101 million. As a result, the town’s accumulated surplus is now $1.93 billion. It is important to note that accumulated surplus cannot be construed as “cash” or “funds” available for spending, as the majority of this surplus is for “non-financial assets”, which are not available to discharge existing liabilities, but rather are held for use in the provision of town services.

As these financial statements are presented in accordance with PSAB, the annual surplus does not include expenses relating to the acquisition of tangible capital assets, nor does it reflect the principal repayment of long term debt or the receipt of debt proceeds. It does, however, reflect the use of assets in service through an amortization expense.

The Statement of Operations also reports the current year operations against the current year budgets approved by Council. For PSAB purposes, components of the approved budgets are not included, such as reserve and reserve fund transfers, capital expenses relating to the acquisitions of tangible capital assets, and debt principal payments. In addition, certain expenses, such as amortization expense (2017 – $44 million), are un-budgeted as annual budgets are prepared predominantly on a “cash” basis for purposes of calculating the tax levy.

Consolidated Statement of Change in Net Financial Assets

The Consolidated Statement of Change in Net Financial Assets is intended to provide the user of the financial statements with an explanation of the difference between the surplus and the change in net financial assets. More specifically, it provides detailed information on the use or acquisition of non-financial assets and their impact on the net financial position.

Consolidated Statement of Cash Flows

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 balance reported on the Consolidated Statement of Financial Position. It highlights the use or provision of cash for operating, capital, investing and financing activities, allowing a user to readily see the reasons for the change in cash.
Trust Funds
The town also administers trust funds which are not consolidated with the financial statements but are detailed in Note 13 to the financial statements. These funds undergo a separate audit and their financial statements are also approved by Council. The most significant of these funds relate to perpetual care funds held under the Cemetery Act.

Conclusion
The Town of Oakville continues to maintain a strong financial position, due to sound financial management and forward thinking strategies. As with most municipalities in Ontario, providing services to a growing community, combined with demand for new and enhanced services and the need for asset replacements and renewals, continues to place pressure on the town’s finances while the town strives to maintain reasonable and competitive tax rates in line with inflation.

The town is continuing to implement a comprehensive asset management program. In 2010, staff began utilizing the asset register as the base for the town’s ten-year financial infrastructure renewal forecast, which allows the town to evaluate infrastructure investments in light of their impact on future budgets. This tool provides the town with the information it needs to develop a sustainable financing plan for infrastructure renewal, as well as allow the town to evaluate the impact of development charge funding and to make necessary modifications to the timing of growth related capital projects.

Part of the asset management program involves designing an Asset Management Plan (AMP). This is a comprehensive document to guide decision making in regards to the construction, operation, maintenance, replacement, expansion, and disposal of the town’s assets while minimizing risk and costs and maximizing service delivery. The base AMP for all asset classes is now complete and work is continuing for service levels and financing strategies.

The town uses Performance Based Program Based budgeting (PB2) methodology to prepare multi-year operating budgets which focus on programs and services, ensuring they are delivered in a fiscally sustainable manner. Funding is allocated based on the goals and objectives to be achieved by each program. Performance Measures are a key component of PB2 and have been developed for each program to show the five year trend for key outcomes based on the approved budget.

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. We would especially 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 and they do so by acting with integrity and consistently going the extra mile.

Jonathan van der Heiden
Interim Director,
Financial Operations

Gord Lalonde
Commissioner of Corporate Services and Treasurer

Dated: May 28, 2018
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 the 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 segregates responsibility, employs qualified professional staff, and develops and maintains corporate policies and procedures.

Financial management
The Town of Oakville prepares its financial information in accordance with the generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and prescribed policies issued by the Ministry of Municipal Affairs and Housing. The town’s revenues and expenses are recorded using the accrual basis of accounting. This basis recognizes revenues as they are earned and measurable and expenses as they are incurred and measurable as the result of receipt of goods or services and the creation of a legal obligation.

While the town’s budget is also prepared on an accrual basis, there are some differences from how the financial statements are prepared. In municipal financial operations, monies raised or supplied for a specific purpose cannot be used for any other purpose, either due to legal restrictions and/or contractual agreements. To track and show that the funds have been used for their intended purpose fund accounting is used. The funds used by the town 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 financial statements are fully compliant with PSAB and are therefore not presented by fund.

Financial stability of the town is an important element of financial management. To ensure the town’s finances remain stable, management looks forward and prepares for future needs by assessing legislative changes, the impact of growth, and changes in the economic climate with the goal of minimizing annual fluctuations to the tax rate.

Financial policies
The following financial policies establish the framework for the town’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:

Strategic Plans
Council’s Strategic Plan, the town’s Official Plan, management’s leadership plan, and various master plans serve as the guiding documents under which all town initiatives are aligned. The budget aligns with these plans and supports them.

Sustainability
The annual budget incorporates a long-term perspective and should be affordable today and in the future. The town’s budget must be in compliance with the Municipal Act and therefore needs to be balanced and may 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.

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

Affordability
The assumption of new assets and infrastructure and the replacement of existing assets must be well planned and appropriate financing strategies and resources are to be utilized to minimize the financial impact. The town prepares multi-year operating and 10-year capital forecasts to evaluate the town’s ability to maintain existing service levels, afford new programs, and incorporate service levels changes and/or new facilities. Innovative service delivery strategies and available financing tools are explored to ensure current and future tax levies are maintained at manageable levels.

Fee for service
The town works to ensure that user fees are utilized to cover costs of appropriate services and are subject to annual review.

Management principles
The town’s goal is to maximize program efficiencies while maintaining program effectiveness. The annual budget focuses 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 any budgetary adjustments. The general accountabilities and allowable adjustments are as follows:

- Departmental services approved by Council are carried out within the department’s net expenditure approvals. Deviations from this policy are reported to and reviewed by the CAO or Council.
- Department heads/commissioners are accountable to the treasurer/deputy treasurer, the CAO, and Council for their spending, revenue generation and service delivery performance against budget approvals.
- Revenues received beyond the budgeted levels shall not be spent or committed without Council approval. At year-end, such remaining revenues become part of the town surplus.
- Reallocations between accounts that do not affect the net operating budget of a specific program may be made by a department head and will be implemented on an expenditure basis only.
- The transfer of approved budgets, of the lesser of 10 per cent or $150,000 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, the treasurer/deputy treasurer, and the CAO. Any such reallocation shall be reported as part of finance’s quarterly variance report to Council. Reallocation of approved budgets in excess of 10 per cent or $150,000 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
Similar to the operating budget controls, the town has established general accountabilities and controls for the capital budget process:

- Council, in adopting the capital budget, shall determine the amounts required for each capital project listed in the capital budget.
• The treasurer/deputy treasurer shall certify that debenture 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 for amendments to the capital program must first be approved by the treasurer/deputy treasurer to ensure accuracy, financing sources, and financial impact, and then be reviewed by the CAO before being submitted to Council for approval.

• Similar to the operating budget, there is a hierarchy of controls detailing how project budgets may be amended.

Financial Operations Control
This policy sets out the basic principles to ensure compliance and accountability to financial by-laws and procedures and to provide guidelines for departments, staff and local boards with respect to financial operational control.

The finance department is responsible for developing, monitoring and ensuring adherence to financial controls. This ensures the integrity, accuracy and timeliness of data which affect all assets, liabilities, expenses and revenues of the town. This responsibility extends to the auditable transaction data which is available to departments and staff to make evidence based decisions and to support budget submissions.

Asset Management and Tangible Capital Assets
The town has developed asset management policies to assist in making the best possible decisions regarding the town’s assets. This is done in a way that provides targeted levels of service and manages risk in a cost-effective manner throughout the entire asset life cycle in order to create customer value through enhancing community asset management. Maintaining the town’s tangible capital asset is an important component of asset management.

Amortization is done on a monthly basis and is charged corporately. Departmental budgets are not affected by amortization as they are prepared on a cash basis for tax levy purposes. As part of the budget process, finance reports to Council how much the estimated amortization expense will be for the upcoming year, in compliance with the Municipal Act, Regulation 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 unbudgeted; however, they are included within tangible capital assets and contributed revenue, both of which are shown on the financial statements.

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 policy 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 is currently within these requirements.
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.

Gord Lalonde
Commissioner of Corporate Services and Treasurer

Jonathan van der Heiden
Interim Director, Financial Operations

May 28, 2018
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 (“the entity”), which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations, change 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 in our audit 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, 2017, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP
Chartered Professional Accountants, Licensed Public Accountants
May 28, 2018, Hamilton, Canada
# Consolidated Statement of Financial Position

December 31, 2017, with comparative information for 2016
(in thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$18,009</td>
<td>$23,798</td>
</tr>
<tr>
<td>Accounts receivable (note 2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes receivable</td>
<td>17,830</td>
<td>17,796</td>
</tr>
<tr>
<td>Other</td>
<td>31,937</td>
<td>27,833</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>-</td>
<td>3,746</td>
</tr>
<tr>
<td>Investments (note 3)</td>
<td>397,440</td>
<td>359,361</td>
</tr>
<tr>
<td>Investment in Oakville Enterprises Corporation (note 4)</td>
<td>215,651</td>
<td>210,722</td>
</tr>
<tr>
<td></td>
<td>680,867</td>
<td>643,256</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>43,508</td>
<td>42,744</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>25,274</td>
<td>24,089</td>
</tr>
<tr>
<td>Deferred revenue – obligatory reserve funds (note 5)</td>
<td>116,874</td>
<td>90,851</td>
</tr>
<tr>
<td>Deferred revenue (note 6)</td>
<td>35,650</td>
<td>36,957</td>
</tr>
<tr>
<td>Long-term liabilities (note 7)</td>
<td>119,549</td>
<td>121,616</td>
</tr>
<tr>
<td>Contaminated sites (note 8)</td>
<td>3,016</td>
<td>3,764</td>
</tr>
<tr>
<td>Post employment benefit liability (note 9(a))</td>
<td>27,687</td>
<td>25,745</td>
</tr>
<tr>
<td>WSIB liability (note 9(b))</td>
<td>2,554</td>
<td>2,451</td>
</tr>
<tr>
<td></td>
<td>374,112</td>
<td>348,217</td>
</tr>
<tr>
<td><strong>Net financial assets</strong></td>
<td>306,755</td>
<td>295,039</td>
</tr>
<tr>
<td><strong>Non-financial assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible capital assets (note 10)</td>
<td>1,624,343</td>
<td>1,535,485</td>
</tr>
<tr>
<td>Prepaid expenses and inventory</td>
<td>3,719</td>
<td>3,484</td>
</tr>
<tr>
<td></td>
<td>1,628,062</td>
<td>1,538,969</td>
</tr>
<tr>
<td><strong>Contingent liabilities and guarantees (note 14)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Accumulated surplus (note 11)</strong></td>
<td>$1,934,817</td>
<td>$1,834,008</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
## Consolidated Statement of Operations

Year ended December 31, 2017, with comparative information for 2016
(In thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation revenue</td>
<td>$186,499</td>
<td>$188,307</td>
<td>$178,952</td>
</tr>
<tr>
<td>User fees and charges</td>
<td>55,967</td>
<td>60,300</td>
<td>55,749</td>
</tr>
<tr>
<td>Government transfers:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government of Canada</td>
<td>8,300</td>
<td>2,565</td>
<td>501</td>
</tr>
<tr>
<td>Province of Ontario</td>
<td>863</td>
<td>873</td>
<td>655</td>
</tr>
<tr>
<td>Gas tax revenue</td>
<td>8,098</td>
<td>6,810</td>
<td>8,535</td>
</tr>
<tr>
<td>Other Municipalities</td>
<td>3,833</td>
<td>5,733</td>
<td>4,514</td>
</tr>
<tr>
<td>Investment income</td>
<td>11,812</td>
<td>11,023</td>
<td>10,241</td>
</tr>
<tr>
<td>Interest on promissory notes from Oakville Enterprises Corporation</td>
<td>4,622</td>
<td>4,624</td>
<td>4,624</td>
</tr>
<tr>
<td>Penalties and interest</td>
<td>3,000</td>
<td>3,234</td>
<td>3,337</td>
</tr>
<tr>
<td>Developer contributions and charges earned</td>
<td>20,555</td>
<td>95,919</td>
<td>76,591</td>
</tr>
<tr>
<td>Other</td>
<td>261</td>
<td>1,224</td>
<td>1,358</td>
</tr>
<tr>
<td>Equity in income of Oakville Enterprises Corporation</td>
<td>4,200</td>
<td>11,288</td>
<td>13,433</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>308,010</td>
<td>391,900</td>
<td>358,490</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>30,000</td>
<td>37,365</td>
<td>40,148</td>
</tr>
<tr>
<td>Protection to persons and property</td>
<td>43,843</td>
<td>46,952</td>
<td>44,468</td>
</tr>
<tr>
<td>Transportation services</td>
<td>55,912</td>
<td>100,420</td>
<td>93,966</td>
</tr>
<tr>
<td>Environmental services</td>
<td>1,346</td>
<td>6,086</td>
<td>8,952</td>
</tr>
<tr>
<td>Health services</td>
<td>3,814</td>
<td>4,127</td>
<td>4,032</td>
</tr>
<tr>
<td>Recreation and cultural services</td>
<td>56,444</td>
<td>74,289</td>
<td>72,213</td>
</tr>
<tr>
<td>Planning and development</td>
<td>16,839</td>
<td>21,852</td>
<td>21,322</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>208,198</td>
<td>291,091</td>
<td>285,101</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual surplus (deficit)</td>
<td>99,812</td>
<td>100,809</td>
<td>73,389</td>
</tr>
<tr>
<td>Accumulated surplus, beginning of year</td>
<td>1,834,008</td>
<td>1,834,008</td>
<td>1,760,619</td>
</tr>
<tr>
<td>Accumulated surplus, end of year (note 11)</td>
<td>$1,933,820</td>
<td>$1,934,817</td>
<td>$1,834,008</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2017, with comparative information for 2016
(In thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual surplus</td>
<td>$ 99,812</td>
<td>$ 100,809</td>
<td>$ 73,389</td>
</tr>
<tr>
<td>Acquisition of tangible capital assets</td>
<td>-</td>
<td>(133,847)</td>
<td>(95,186)</td>
</tr>
<tr>
<td>Amortization of tangible capital assets</td>
<td>-</td>
<td>44,074</td>
<td>42,799</td>
</tr>
<tr>
<td>Gain on disposal capital assets</td>
<td>-</td>
<td>(5,438)</td>
<td>(1,259)</td>
</tr>
<tr>
<td>Proceeds of disposition on tangible capital assets</td>
<td>-</td>
<td>10,099</td>
<td>4,535</td>
</tr>
<tr>
<td>Transfer to assets held for sale</td>
<td>-</td>
<td>(3,746)</td>
<td>3,746</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>11,951</td>
<td>28,024</td>
</tr>
<tr>
<td>Acquisition of prepaid expenses and inventory</td>
<td>-</td>
<td>(3,719)</td>
<td>(3,484)</td>
</tr>
<tr>
<td>Use of prepaid expenses and consumption of inventory</td>
<td>-</td>
<td>3,484</td>
<td>2,814</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>(235)</td>
<td>(670)</td>
</tr>
<tr>
<td>Change in net financial assets</td>
<td>99,812</td>
<td>11,716</td>
<td>27,354</td>
</tr>
<tr>
<td>Net financial assets, beginning of year</td>
<td>295,039</td>
<td>295,039</td>
<td>267,685</td>
</tr>
<tr>
<td>Net financial assets, end of year</td>
<td>$ 394,851</td>
<td>$ 306,755</td>
<td>$ 295,039</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
## Consolidated Statement of Cash Flows

December 31, 2017 with comparative information for 2016 (In thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash provided by (used in):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual surplus</td>
<td>$100,809</td>
<td>$73,389</td>
</tr>
<tr>
<td>Items not involving cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>44,074</td>
<td>42,799</td>
</tr>
<tr>
<td>Gain on disposal of assets</td>
<td>(5,438)</td>
<td>(1,259)</td>
</tr>
<tr>
<td>Developer contributions of tangible capital assets</td>
<td>(75,789)</td>
<td>(51,811)</td>
</tr>
<tr>
<td>Change in contaminated sites liability</td>
<td>(748)</td>
<td>2,818</td>
</tr>
<tr>
<td>Change in post-employment benefit liability</td>
<td>1,942</td>
<td>1,333</td>
</tr>
<tr>
<td>Change in WSIB liability</td>
<td>103</td>
<td>(55)</td>
</tr>
<tr>
<td>Equity in income of Oakville Enterprises Corporation</td>
<td>(11,288)</td>
<td>(13,433)</td>
</tr>
<tr>
<td><strong>Change in non-cash assets and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes receivable</td>
<td>(34)</td>
<td>(70)</td>
</tr>
<tr>
<td>Other accounts receivable</td>
<td>(4,104)</td>
<td>1,182</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>764</td>
<td>7,924</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>1,185</td>
<td>2,275</td>
</tr>
<tr>
<td>Deferred revenue – obligatory reserve funds</td>
<td>26,023</td>
<td>16,279</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(1,307)</td>
<td>3,315</td>
</tr>
<tr>
<td>Prepaid expenses and inventory</td>
<td>(235)</td>
<td>(670)</td>
</tr>
<tr>
<td><strong>Net change in cash from operating activities</strong></td>
<td>$75,957</td>
<td>$84,016</td>
</tr>
<tr>
<td><strong>Capital Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used to acquire tangible capital assets</td>
<td>(58,058)</td>
<td>(43,375)</td>
</tr>
<tr>
<td>Proceeds of disposition of assets</td>
<td>10,099</td>
<td>4,535</td>
</tr>
<tr>
<td><strong>Net change in cash from capital activities</strong></td>
<td>(47,959)</td>
<td>(38,840)</td>
</tr>
<tr>
<td><strong>Investing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in investments</td>
<td>(38,079)</td>
<td>(32,152)</td>
</tr>
<tr>
<td>Decrease in direct financing lease receivable from Oakville Enterprises Corporation</td>
<td>459</td>
<td>421</td>
</tr>
<tr>
<td>Dividends from Oakville Enterprises Corporation</td>
<td>5,900</td>
<td>4,250</td>
</tr>
<tr>
<td><strong>Net change in cash from investing activities</strong></td>
<td>(31,720)</td>
<td>(27,481)</td>
</tr>
<tr>
<td><strong>Financing Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt issued</td>
<td>6,693</td>
<td>-</td>
</tr>
<tr>
<td>Debt principal repayment</td>
<td>(8,760)</td>
<td>(9,046)</td>
</tr>
<tr>
<td><strong>Net change in cash from financing activities</strong></td>
<td>(2,067)</td>
<td>(9,046)</td>
</tr>
<tr>
<td><strong>Net change in cash</strong></td>
<td>(5,789)</td>
<td>8,649</td>
</tr>
<tr>
<td><strong>Cash, beginning of year</strong></td>
<td>23,798</td>
<td>15,149</td>
</tr>
<tr>
<td><strong>Cash, end of year</strong></td>
<td>$18,009</td>
<td>$23,798</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
Notes to Consolidated Financial Statements

Year ended December 31, 2017 (in thousands of dollars)

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 as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. 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 Enterprises 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 Enterprises Corporation

The town’s investment in Oakville Enterprises Corporation is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards as recommended by PSAB for government business enterprises. Under the modified equity basis, Oakville Enterprises Corporation accounting policies are not adjusted to conform with those of the town and inter organizational transactions and balances are not eliminated. The town recognizes its equity interest in the annual income or loss of Oakville Enterprises 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 Enterprises 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 Halton Region and the school boards are not reflected in these consolidated financial statements.
1. Significant accounting policies (continued):
   a. Basis of consolidation (continued):
      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 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 as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except when, and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.
   
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 revenue represents 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 revenue 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.
   
g. Taxation revenue:
      Taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred.
   
h. User fees:
      User fees are recognized as revenue when the service is performed.
1. Significant accounting policies (continued):

i. 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.

j. Net investment in direct financing leases receivable:
Investment income related to the town’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.

k. Post-employment 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 and 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 benefit 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. OMERS has been accounted for as a defined contribution plan since it is a multi-employer plan.
1. Significant accounting policies (continued):

I. 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, are amortized on a straight line basis over their estimated useful lives as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Useful Life (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land improvements</td>
<td>3–100</td>
</tr>
<tr>
<td>Buildings</td>
<td>10–75</td>
</tr>
<tr>
<td>Equipment</td>
<td>3–19</td>
</tr>
<tr>
<td>Vehicles</td>
<td>3–18</td>
</tr>
<tr>
<td>Roads Network</td>
<td>10–100</td>
</tr>
<tr>
<td>Environmental Network</td>
<td>10–100</td>
</tr>
<tr>
<td>Communications and Technology Services</td>
<td>3–8</td>
</tr>
</tbody>
</table>

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 consolidated 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 consolidated financial statements.

v. **Interest capitalization**

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

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.
1. Significant accounting policies (continued):

m. Sinking funds:

Sinking funds and their related operations are administered by Halton Region and, as such, are not included in these consolidated financial statements.

n. Contaminated sites:

Contamination is a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

i. an environmental standard exists
ii. contamination exceeds the environmental standard
iii. the town is directly responsible or accepts responsibility
iv. it is expected that future economic benefits will be given up; and
v. a reasonable estimate of the amount can be made.

o. 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 the contaminated sites liability and in performing actuarial valuations of post-employment benefits liability and WSIB liability.

In addition, the town’s implementation of the Public Sector Accounting Handbook PS3150 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 $2,815 (2016 – $2,815). There is also a valuation allowance for general accounts receivable of $53 (2016 – $52).

3. Investments:

Investments reported on the consolidated statement of financial position have market values of $404,923 (2016 – $372,376).

4. Investment in Oakville Enterprises Corporation:

Oakville Enterprises 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, generate electricity, energy efficient home comfort equipment and services, billing services, street lighting maintenance services, retro fit multi residential buildings to individually metered units and utility related construction and power generation.
4. **Investment in Oakville Enterprises Corporation (continued):**

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

**Financial Position:**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>$86,234</td>
<td>$90,387</td>
</tr>
<tr>
<td>Capital</td>
<td>312,997</td>
<td>305,708</td>
</tr>
<tr>
<td>Regulatory balances</td>
<td>13,103</td>
<td>14,895</td>
</tr>
<tr>
<td><strong>Total assets and regulatory balances</strong></td>
<td>$412,334</td>
<td>$410,990</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>$62,168</td>
<td>$65,112</td>
</tr>
<tr>
<td>Capital lease obligations</td>
<td>9,541</td>
<td>10,089</td>
</tr>
<tr>
<td>Promissory notes payable to Town of Oakville</td>
<td>77,029</td>
<td>77,029</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>66,623</td>
<td>71,793</td>
</tr>
<tr>
<td>Other</td>
<td>50,174</td>
<td>42,675</td>
</tr>
<tr>
<td>Regulatory balances</td>
<td>18,217</td>
<td>21,098</td>
</tr>
<tr>
<td><strong>Total liabilities and regulatory balances</strong></td>
<td>$283,752</td>
<td>$287,796</td>
</tr>
<tr>
<td><strong>Equity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>63,024</td>
<td>63,024</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>67,972</td>
<td>62,181</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>(2,414)</td>
<td>(2,011)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>128,582</td>
<td>123,194</td>
</tr>
<tr>
<td><strong>Total liabilities, regulatory balances and equity</strong></td>
<td>$412,334</td>
<td>$410,990</td>
</tr>
</tbody>
</table>

**Operations:**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$339,072</td>
<td>$344,054</td>
</tr>
<tr>
<td>Expenses (including income tax provision)</td>
<td>(327,586)</td>
<td>(336,958)</td>
</tr>
<tr>
<td>Net income from discontinued operations</td>
<td>(263)</td>
<td>6,234</td>
</tr>
<tr>
<td>Net movement in regulatory balances (net of tax)</td>
<td>468</td>
<td>1,165</td>
</tr>
<tr>
<td><strong>Net income and net movement in regulatory balances</strong></td>
<td>11,691</td>
<td>14,495</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>(403)</td>
<td>(1,062)</td>
</tr>
<tr>
<td><strong>Change in equity</strong></td>
<td>11,288</td>
<td>13,433</td>
</tr>
<tr>
<td>Dividend paid to Town of Oakville</td>
<td>(5,900)</td>
<td>(4,250)</td>
</tr>
<tr>
<td>Direct financing lease receivable repayment</td>
<td>(5,388)</td>
<td>(9,183)</td>
</tr>
<tr>
<td><strong>Change in investment in Oakville Enterprises Corporation</strong></td>
<td>$4,929</td>
<td>$8,762</td>
</tr>
</tbody>
</table>
4. Investment in Oakville Enterprises Corporation (continued):

Town of Oakville investment represented by:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct financing leases receivable (note 4 (a))</td>
<td>$ 10,040</td>
<td>$ 10,499</td>
</tr>
<tr>
<td>Promissory notes receivable (note 4 (b))</td>
<td>77,029</td>
<td>77,029</td>
</tr>
<tr>
<td>Investment in shares of the Corporation</td>
<td>63,024</td>
<td>63,024</td>
</tr>
<tr>
<td>Accumulated net income, net of dividends received</td>
<td>65,558</td>
<td>60,170</td>
</tr>
<tr>
<td><strong>Total investment in Oakville Enterprises Corporation</strong></td>
<td>$ 215,651</td>
<td>$ 210,722</td>
</tr>
</tbody>
</table>

a. Net investment in direct financing receivable:

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

Minimum payments under this lease agreement are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 1,345</td>
</tr>
<tr>
<td>2019</td>
<td>1,345</td>
</tr>
<tr>
<td>2020</td>
<td>1,345</td>
</tr>
<tr>
<td>2021</td>
<td>1,345</td>
</tr>
<tr>
<td>2022</td>
<td>1,345</td>
</tr>
<tr>
<td>Thereafter</td>
<td>9,414</td>
</tr>
</tbody>
</table>

| After 2022 | 16,139 |

Less amount representing interest, imputed at 8.6% (6,099)

| Total    | $ 10,040 |

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, 2017, the interest rate in effect on the promissory notes of $67,946 was 5.87% (2016 – 5.87%) and the promissory note of $9,083 has an interest rate in effect of 7% (2016 – 7%). Interest revenue earned from these notes totaled $4,624 (2016 – $4,624).
4. Investment in Oakville Enterprises Corporation (continued):

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:

<table>
<thead>
<tr>
<th>Transactions:</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on promissory notes</td>
<td>$4,624</td>
<td>$4,624</td>
</tr>
<tr>
<td>Interest on direct financing leases</td>
<td>946</td>
<td>1,005</td>
</tr>
<tr>
<td>Garage services</td>
<td>417</td>
<td>409</td>
</tr>
<tr>
<td>Property taxes</td>
<td>466</td>
<td>462</td>
</tr>
<tr>
<td>Tree trimming services</td>
<td>349</td>
<td>501</td>
</tr>
<tr>
<td>Other</td>
<td>76</td>
<td>79</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy purchases (at commercial rates)</td>
<td>6,183</td>
<td>6,249</td>
</tr>
<tr>
<td>Streetlight maintenance</td>
<td>5,982</td>
<td>6,865</td>
</tr>
<tr>
<td>Construction/locating</td>
<td>583</td>
<td>469</td>
</tr>
<tr>
<td>Rent</td>
<td>147</td>
<td>147</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>37</td>
</tr>
<tr>
<td><strong>Balances:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts due from the Corporation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promissory note receivable</td>
<td>77,029</td>
<td>77,029</td>
</tr>
<tr>
<td>Direct financing leases receivables</td>
<td>10,040</td>
<td>10,499</td>
</tr>
<tr>
<td>Interest on promissory note</td>
<td>4,624</td>
<td>4,624</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>353</td>
<td>38</td>
</tr>
<tr>
<td>Amounts due to the Corporation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>1,415</td>
<td>2,501</td>
</tr>
</tbody>
</table>

d. Contingencies and guarantees of Oakville Enterprises Corporation:

Short term credit facilities disclosed in their financial statements

The Corporation has an uncommitted line of credit facility available for $47,500 with a Canadian chartered bank. As at December 31, 2017 no amount was drawn on this facility. In addition, the Corporation has a letter of credit facility available of $16,000 with a Canadian chartered bank, of which $14,921 has been assigned to secure its primary source of electricity as required by the Independent Electricity System Operator (“IESO”) Settlements Manual.
5. Deferred revenue – obligatory reserve funds:

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

<table>
<thead>
<tr>
<th></th>
<th>Development Charges</th>
<th>Parkland</th>
<th>Gas Tax</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ 38,828</td>
<td>$ 39,647</td>
<td>$ 12,376</td>
<td>$ 90,851</td>
<td>$ 74,572</td>
</tr>
<tr>
<td>Developer and other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>contributions</td>
<td>39,239</td>
<td>2,544</td>
<td>-</td>
<td>41,783</td>
<td>39,299</td>
</tr>
<tr>
<td>Interest earned</td>
<td>1,558</td>
<td>1,012</td>
<td>303</td>
<td>2,873</td>
<td>2,216</td>
</tr>
<tr>
<td>Provincial and Federal</td>
<td>-</td>
<td>-</td>
<td>8,216</td>
<td>8,216</td>
<td>8,001</td>
</tr>
<tr>
<td>funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>40,797</td>
<td>3,556</td>
<td>8,519</td>
<td>52,872</td>
<td>49,516</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions used in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating and capital funds</td>
<td>16,400</td>
<td>3,639</td>
<td>6,810</td>
<td>26,849</td>
<td>33,237</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 63,225</td>
<td>$ 39,564</td>
<td>$ 14,085</td>
<td>$116,874</td>
<td>$ 90,851</td>
</tr>
</tbody>
</table>

6. Deferred revenue:

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

<table>
<thead>
<tr>
<th></th>
<th>Deferred revenues capital</th>
<th>Pre-authorized tax payments</th>
<th>Deferred revenues operations</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ 4,495</td>
<td>$ 16,034</td>
<td>$ 16,428</td>
<td>$ 36,957</td>
<td>$ 33,642</td>
</tr>
<tr>
<td>Development Fees</td>
<td>1,428</td>
<td>-</td>
<td>12,998</td>
<td>14,426</td>
<td>18,150</td>
</tr>
<tr>
<td>User fees</td>
<td>-</td>
<td>-</td>
<td>15,812</td>
<td>15,812</td>
<td>16,084</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>17,037</td>
<td>-</td>
<td>17,037</td>
<td>16,034</td>
</tr>
<tr>
<td></td>
<td>1,428</td>
<td>17,037</td>
<td>28,810</td>
<td>47,275</td>
<td>50,268</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions used in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating and capital funds</td>
<td>1,566</td>
<td>16,034</td>
<td>30,982</td>
<td>48,582</td>
<td>46,953</td>
</tr>
<tr>
<td></td>
<td>$ 4,357</td>
<td>$ 17,037</td>
<td>$ 14,256</td>
<td>$ 35,650</td>
<td>$ 36,957</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>The town 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. Maturity dates vary from 2018 to 2028 and interest rates range from 1.15% to 4.90%.</td>
<td>$ 26,210</td>
<td>$ 26,062</td>
</tr>
<tr>
<td>The town has assumed responsibility for the payment of the principal and interest charges on certain long-term liabilities issued by Halton Region under the Ontario Strategic Infrastructure Financing Authority (OSIFA) for Pine Glen. This debt is being recovered from Oakville Soccer Club. Maturity dates are between 2018 and 2030 and the interest rate is 4.80%.</td>
<td>6,971</td>
<td>7,370</td>
</tr>
<tr>
<td>The town has assumed responsibility for the payment of annual sinking fund deposits on long-term debentures issued by Halton Region on behalf of the town with a maturity date of April 6, 2045. Annual sinking fund deposit requirements are $1,816. The interest rate on the debentures is 3.15% and interest is payable in semi-annual installments of $1,418.</td>
<td>86,368</td>
<td>88,184</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 119,549</strong></td>
<td><strong>$ 121,616</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 7,860</td>
</tr>
<tr>
<td>2019</td>
<td>7,672</td>
</tr>
<tr>
<td>2020</td>
<td>7,825</td>
</tr>
<tr>
<td>2021</td>
<td>7,203</td>
</tr>
<tr>
<td>2022</td>
<td>3,248</td>
</tr>
<tr>
<td>Thereafter</td>
<td>85,741</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 119,549</strong></td>
</tr>
</tbody>
</table>

The principal repayments include the annual sinking fund deposit requirement of $1,816.

c. The long-term liabilities in (a) issued in the name of the town 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.
7. Long-term liabilities (continued):
d. Total interest on long-term liabilities which are reported on the consolidated statement of operations amounted to $4,194 (2016 – $4,355). The long-term liabilities bear interest at rates ranging from 1.15% to 4.90%.

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

<table>
<thead>
<tr>
<th>Source</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax levy supported</td>
<td>$ 9,098</td>
<td>$ 6,055</td>
</tr>
<tr>
<td>Development supported</td>
<td>14,595</td>
<td>18,919</td>
</tr>
<tr>
<td>Oakville Soccer Club</td>
<td>6,971</td>
<td>7,370</td>
</tr>
<tr>
<td>Harbours supported</td>
<td>2,517</td>
<td>1,088</td>
</tr>
<tr>
<td>Hospital debt</td>
<td>86,368</td>
<td>88,184</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 119,549</strong></td>
<td><strong>$ 121,616</strong></td>
</tr>
</tbody>
</table>

8. Contaminated sites:
a. The town has recognized a liability of $3,016 (2016 - $3,764) for remediation of various contaminated sites for which the town has assumed responsibility.

b. The future remediation costs and any post-remediation costs have an estimated undiscounted cost of $3,042 and have been present valued using a discount rate of 2.69%. Estimates for these costs are based upon quotes provided by experts, the town’s history with similar remediation efforts and/or management’s best estimates.

9. Employment benefits and other liabilities:
a. Post-employment benefit liability:

   The town pays extended health and dental benefits for early retirees to age 65 as well as for inactive employees. The town recognizes these post-employment 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, 2017 were determined by an actuarial valuation as at December 31, 2016 and extrapolated to December 31, 2017.

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

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

   The obligation as at December 31, 2017, of the present value of future liabilities, and the expense for the 12 months ended December 31, 2017, were determined using a discount rate of 3.25%.

   ii. **Medical costs:**

   Medical costs were assumed to increase at the rate of 8.0% in the first year after the valuation date, reducing linearly to 4.0% after 10 years.
9. Employment benefits and other liabilities (continued):

a. Post-employment benefit liability (continued):

iii. Dental costs:
Dental costs were assumed to increase at the rate of 4.0% per year.

Information about the town’s post employment benefit liability is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued benefit obligation, beginning of year</td>
<td>$29,997</td>
<td>$28,933</td>
</tr>
<tr>
<td>Current service costs</td>
<td>1,466</td>
<td>1,243</td>
</tr>
<tr>
<td>Plan improvements</td>
<td>59</td>
<td>-</td>
</tr>
<tr>
<td>Actuarial (gain)/loss</td>
<td>(1,179)</td>
<td>115</td>
</tr>
<tr>
<td>Interest on accrued benefit obligation</td>
<td>1,060</td>
<td>1,082</td>
</tr>
<tr>
<td>Benefits paid during the period</td>
<td>(969)</td>
<td>(1,376)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued benefit obligation, end of year</td>
<td>30,434</td>
<td>29,997</td>
</tr>
<tr>
<td>Unamortized actuarial loss</td>
<td>(2,747)</td>
<td>(4,252)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued benefit liability, end of year</td>
<td>$27,687</td>
<td>$25,745</td>
</tr>
</tbody>
</table>

Included in current year costs is $324 (2016 – $384) for amortization of the actuarial loss. The unamortized actuarial loss is amortized over the expected average remaining service life of the employee group which ranges between 12.3 to 13.1 years.

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, 2016, which includes an estimation of expected costs and payments for 2017, 2018 and 2019, as well as a calculation of the actuarial updates to December 31, 2017, 2018 and 2019.

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

i. Interest (discount rate):
The obligation as at December 31, 2017, of the present value of future liabilities, and the expense for the 12 months ended December 31, 2017, were determined using a discount rate of 3.75%.

ii. Administration costs:
Administration costs were assumed to be 38.0% of the compensation expense.
9. Employment benefits and other liabilities (continued):

b. WSIB (continued):

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 1.25% to 2.00% depending on the benefit type.

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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued WSIB obligation, beginning of year</td>
<td>$2,681</td>
<td>$1,552</td>
</tr>
<tr>
<td>Current service costs</td>
<td>375</td>
<td>206</td>
</tr>
<tr>
<td>Plan amendment change</td>
<td>-</td>
<td>23</td>
</tr>
<tr>
<td>Actuarial (gain)/loss</td>
<td>-</td>
<td>1,057</td>
</tr>
<tr>
<td>Interest on accrued benefit obligation</td>
<td>101</td>
<td>69</td>
</tr>
<tr>
<td>Benefits paid during the period</td>
<td>(338)</td>
<td>(226)</td>
</tr>
<tr>
<td>Accrued WSIB obligation, end of year</td>
<td>2,819</td>
<td>2,681</td>
</tr>
<tr>
<td>Unamortized actuarial gain (loss)</td>
<td>(265)</td>
<td>(230)</td>
</tr>
<tr>
<td>Accrued WSIB liability, end of year</td>
<td>$2,554</td>
<td>$2,451</td>
</tr>
</tbody>
</table>

Included in current service costs is $35 (2016 – $127) for amortization of the actuarial gain. The unamortized actuarial loss 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 1,305 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 of pay. OMERS is reporting a funding deficit of $5,400,000 (2016 - $5,700,000) in 2017.

Contributions for employees with a normal retirement age of 65 were being made at a rate of 9.0% for earnings up to the yearly maximum pensionable earnings of $55.9 and at a rate of 14.6% for earnings greater than the yearly maximum pensionable earnings.

The amount contributed to OMERS by the Town of Oakville for 2017 was $10,917 (2016 – $10,321). Employee contributions to OMERS for 2017 totaled $10,917 (2016 – $10,319).
## 10. Tangible capital assets

### 2017

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Land Improvements</th>
<th>Buildings</th>
<th>Equipment</th>
<th>Vehicles</th>
<th>Roads Network</th>
<th>Environmental Network</th>
<th>Comm &amp; Tech Services</th>
<th>Work in Progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>$684,016</td>
<td>$249,216</td>
<td>$301,670</td>
<td>$29,740</td>
<td>$76,410</td>
<td>$562,629</td>
<td>$292,724</td>
<td>$26,769</td>
<td>$22,973</td>
<td>$2,246,147</td>
</tr>
<tr>
<td><strong>Add:</strong> Additions during the year</td>
<td>52,691</td>
<td>7,857</td>
<td>73</td>
<td>5,459</td>
<td>5,208</td>
<td>30,185</td>
<td>13,272</td>
<td>5,920</td>
<td>58,396</td>
<td>179,061</td>
</tr>
<tr>
<td><strong>Less:</strong> Disposals during the year</td>
<td>(48)</td>
<td>(1,930)</td>
<td>(789)</td>
<td>(2,032)</td>
<td>(3,038)</td>
<td>(2,855)</td>
<td>(41)</td>
<td>(1,792)</td>
<td>(44,443)</td>
<td>(56,968)</td>
</tr>
<tr>
<td><strong>Balance, end of year</strong></td>
<td>736,659</td>
<td>255,143</td>
<td>300,954</td>
<td>33,167</td>
<td>309,555</td>
<td>589,959</td>
<td>305,955</td>
<td>30,897</td>
<td>36,926</td>
<td>2,368,240</td>
</tr>
</tbody>
</table>

| **Accumulated Amortization** |           |                   |           |           |          |               |                       |                     |                  |             |
| Balance, beginning of year | -        | 192,132            | 93,289    | 14,585   | 39,512   | 268,907       | 86,055                | 16,182              | -                | 710,662     |
| **Add:** Amortization | -        | 5,741              | 6,689     | 2,921    | 6,336    | 14,526        | 4,345                 | 3,516               | -                | 44,074      |
| **Less:** Accumulated amortization on disposals | -        | (1,486)            | (773)     | (1,838)  | (2,899)  | (2,029)       | (22)                  | (1,792)             | -                | (10,839)    |
| **Balance, end of year** | -        | 196,387            | 99,205    | 15,668   | 42,949   | 281,404       | 90,378                | 17,906              | -                | 743,897     |
| **Net book value, end of year** | $736,659 | $ 58,756           | $201,749  | $17,499  | $308,555 | $215,577      | $12,991               | $36,926             | $1,624,343      |

### 2016

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Land Improvements</th>
<th>Buildings</th>
<th>Equipment</th>
<th>Vehicles</th>
<th>Roads Network</th>
<th>Environmental Network</th>
<th>Comm &amp; Tech Services</th>
<th>Work in Progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>$648,176</td>
<td>$244,470</td>
<td>$300,779</td>
<td>$29,432</td>
<td>$72,485</td>
<td>$548,669</td>
<td>$283,750</td>
<td>$26,481</td>
<td>$13,935</td>
<td>$2,168,177</td>
</tr>
<tr>
<td><strong>Add:</strong> Additions during the year</td>
<td>42,348</td>
<td>6,231</td>
<td>932</td>
<td>2,942</td>
<td>7,857</td>
<td>14,251</td>
<td>8,773</td>
<td>2,814</td>
<td>43,764</td>
<td>129,912</td>
</tr>
<tr>
<td><strong>Less:</strong> Disposals during the year</td>
<td>(6,508)</td>
<td>(1,485)</td>
<td>(41)</td>
<td>(2,634)</td>
<td>(3,932)</td>
<td>(291)</td>
<td>(201)</td>
<td>(2,526)</td>
<td>(34,726)</td>
<td>(51,942)</td>
</tr>
<tr>
<td><strong>Balance, end of year</strong></td>
<td>684,016</td>
<td>249,216</td>
<td>301,670</td>
<td>29,740</td>
<td>76,410</td>
<td>562,629</td>
<td>292,724</td>
<td>26,769</td>
<td>22,973</td>
<td>2,246,147</td>
</tr>
</tbody>
</table>

| **Accumulated Amortization** |           |                   |           |           |          |               |                       |                     |                  |             |
| Balance, beginning of year | -        | 187,166            | 86,463    | 14,321   | 37,188   | 255,598       | 81,672                | 15,649              | -                | 678,057     |
| **Add:** Amortization | -        | 6,058              | 6,867     | 2,825    | 5,963    | 13,857        | 4,170                 | 3,059               | -                | 42,799      |
| **Less:** Accumulated amortization on disposals | -        | (1,092)            | (41)      | (2,561)  | (3,639)  | (548)         | (213)                 | (2,526)             | -                | (10,194)    |
| **Balance, end of year** | -        | 192,132            | 93,289    | 14,585   | 39,512   | 268,907       | 86,055                | 16,182              | -                | 710,662     |
| **Net book value, end of year** | $684,016 | $ 57,084           | $208,381  | $15,155  | $36,898  | $293,722      | $206,669              | $10,587             | $22,973         | $1,535,485 |


10. **Tangible capital assets (continued):**

a. **Assets under construction:**
   
   Assets under construction having a value of $36,926 (2016 – $22,973) 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 value at the date of contribution. The value of contributed assets received during the year is $75,789 (2016 – $51,811) comprised of road networks in the amount of $11,373 (2016 – $10,200); environmental network in the amount of $12,038 (2016 – $8,226); land improvements in the amount of $286 (2016 – $692), equipment in the amount of $173 (2016 – nil) and land in the amount of $51,919 (2016 – $32,693).

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:**
   
   No tangible capital assets were written down during the year.
11. Accumulated surplus:

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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Surplus:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in tangible capital assets</td>
<td>$1,624,343</td>
<td>$1,535,485</td>
</tr>
<tr>
<td>Other</td>
<td>51,426</td>
<td>40,619</td>
</tr>
<tr>
<td>Equity in Oakville Enterprises Corporation</td>
<td>215,651</td>
<td>210,722</td>
</tr>
<tr>
<td><strong>Unfunded:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contaminated sites</td>
<td>(3,016)</td>
<td>(3,764)</td>
</tr>
<tr>
<td>Post-employment benefits and WSIB</td>
<td>(30,241)</td>
<td>(28,196)</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>(119,549)</td>
<td>(121,616)</td>
</tr>
<tr>
<td><strong>Total Surplus:</strong></td>
<td>1,738,614</td>
<td>1,633,250</td>
</tr>
</tbody>
</table>

**Reserves set aside for specific purposes**

by Council for:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax rate stabilization</td>
<td>36,256</td>
<td>33,290</td>
</tr>
<tr>
<td>Capital financing</td>
<td>58,772</td>
<td>75,541</td>
</tr>
<tr>
<td>Acquisition of tangible capital assets</td>
<td>19,050</td>
<td>16,480</td>
</tr>
<tr>
<td>Working capital</td>
<td>41,027</td>
<td>35,698</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,183</td>
<td>1,723</td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
<td>156,288</td>
<td>162,732</td>
</tr>
</tbody>
</table>

**Reserve funds set aside for specific purposes**

by Council:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-employment benefits and WSIB</td>
<td>17,742</td>
<td>16,452</td>
</tr>
<tr>
<td>Street trees</td>
<td>293</td>
<td>286</td>
</tr>
<tr>
<td>Conservation purposes</td>
<td>241</td>
<td>313</td>
</tr>
<tr>
<td>Harbors</td>
<td>(643)</td>
<td>97</td>
</tr>
<tr>
<td>Library development</td>
<td>633</td>
<td>708</td>
</tr>
<tr>
<td>Building, ground maintenance and replacement</td>
<td>15,601</td>
<td>14,869</td>
</tr>
<tr>
<td>Parking</td>
<td>3,883</td>
<td>3,179</td>
</tr>
<tr>
<td>Bonus zoning</td>
<td>2,165</td>
<td>2,122</td>
</tr>
<tr>
<td><strong>Total Reserve Funds</strong></td>
<td>39,915</td>
<td>38,026</td>
</tr>
</tbody>
</table>

**Total:** $1,934,817 $1,834,008
12. User fees and charges:

User fees and charges include the following:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development fees and miscellaneous</td>
<td>$9,310</td>
<td>$8,128</td>
</tr>
<tr>
<td>Transit revenues</td>
<td>8,411</td>
<td>7,750</td>
</tr>
<tr>
<td>Parking, Provincial Offences Act and other fines</td>
<td>4,951</td>
<td>4,826</td>
</tr>
<tr>
<td>Town facilities rental and usage fees</td>
<td>9,981</td>
<td>9,815</td>
</tr>
<tr>
<td>Recreation and cultural program revenues</td>
<td>10,787</td>
<td>10,186</td>
</tr>
<tr>
<td>Cemeteries</td>
<td>950</td>
<td>902</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>15,910</td>
<td>14,142</td>
</tr>
<tr>
<td></td>
<td>$60,300</td>
<td>$55,749</td>
</tr>
</tbody>
</table>

13. Trust funds:

Trust funds administered by the town amounting to $5,770 (2016 – $5,662) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

14. Contingent liabilities and guarantees:

a. 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 where it is likely the town may at some future date be held liable.

b. 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 to 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.
14. Contingent liabilities and guarantees (continued):

**c. Guarantees:**

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

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

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

iii. In the normal course of business, the town, on occasion, has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the town to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

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

iv. The town has a credit facility for $500 for the purpose of issuing letters of credit mainly to support requirements of the Department of Fisheries and Oceans Canada, of which $nil has been drawn.
15. Government and external transfers:
The government transfers reported on the Consolidated Statement of Operations are:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Federal grants:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada council</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>Canadian heritage grant</td>
<td>157</td>
<td>180</td>
</tr>
<tr>
<td>HRDC grant, Young Canada Works, Summer Jobs</td>
<td>117</td>
<td>112</td>
</tr>
<tr>
<td>Canada 150 Community Infrastructure Program</td>
<td>152</td>
<td>-</td>
</tr>
<tr>
<td>Clean Water and Wastewater Fund</td>
<td>91</td>
<td>-</td>
</tr>
<tr>
<td>Public Transit Infrastructure Fund</td>
<td>1,848</td>
<td>-</td>
</tr>
<tr>
<td>Economic Development Grant</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Federal gas tax</td>
<td>4,007</td>
<td>4,727</td>
</tr>
<tr>
<td><strong>Ontario grants:</strong></td>
<td>6,572</td>
<td>5,228</td>
</tr>
<tr>
<td>Old Person’s Centers</td>
<td>116</td>
<td>135</td>
</tr>
<tr>
<td>Library – operating grant</td>
<td>182</td>
<td>209</td>
</tr>
<tr>
<td>Museum – operating grant</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Celebrate Ontario</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>Communities in action and zero tolerance</td>
<td>42</td>
<td>68</td>
</tr>
<tr>
<td>Ontario arts council</td>
<td>113</td>
<td>124</td>
</tr>
<tr>
<td>Ontario 150</td>
<td>134</td>
<td>-</td>
</tr>
<tr>
<td>Trillium grant</td>
<td>43</td>
<td>-</td>
</tr>
<tr>
<td>Clean Water and Wastewater Fund</td>
<td>45</td>
<td>-</td>
</tr>
<tr>
<td>Ontario gas tax</td>
<td>2,803</td>
<td>3,808</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>115</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$10,248</td>
<td>$9,691</td>
</tr>
</tbody>
</table>
15. Government and external transfers (continued):

The external transfers reported on the Consolidated Statement of Operations are:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreational &amp; cultural grants:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreational program subsidization</td>
<td>$255</td>
<td>$203</td>
</tr>
<tr>
<td>Sport development grant</td>
<td>35</td>
<td>29</td>
</tr>
<tr>
<td>Oakville Lawn Bowling</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Oakville Seniors</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Theatre groups subsidization</td>
<td>138</td>
<td>109</td>
</tr>
<tr>
<td>Oakville Arts Council</td>
<td>83</td>
<td>81</td>
</tr>
<tr>
<td>Historical Society</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>522</td>
<td>435</td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bronte BIA – Canada Day</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td>Kerr Village BIA – Fall Fest</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Oakville Tourism Partnership</td>
<td>100</td>
<td>74</td>
</tr>
<tr>
<td>Heritage grants</td>
<td>71</td>
<td>64</td>
</tr>
<tr>
<td>Kerr St. Façade Improvement Program</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td>Accessibility costs</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>T.O.W.A.R.F.</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Election rebates</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Haiti Relief Fund</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>295</td>
<td>238</td>
</tr>
<tr>
<td>Total external transfers</td>
<td>$817</td>
<td>$673</td>
</tr>
</tbody>
</table>

16. Segment information:

The town 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, engineering and construction, 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 (Financial Services, Human Resources, Legal Services, Information Systems, Facilities & 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.
16. Segment information (continued):

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 the town’s 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 & Open Spaces is also responsible for the operation of the Oakville Harbours, Forestry Operations and Cemeteries.

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 provides management and programming of the Oakville Museum and the Oakville Centre for Performing Arts.

Included in this area is also Oakville Public Library Board operations and Oakville Galleries.
16. Segment information (continued):

v. Roads and Works and Engineering:
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 the town. This program is responsible for the maintenance and operation of the town’s transportation and water resources system. This area is also responsible for winter control for the town and Halton Region.

The Engineering section manages the infrastructure planning and improvements program which provides for the detailed planning, design and construction of the town’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 protection. This department is also responsible for the provision of parking and parking enforcement.

vi. Transit:
The mandate of Transit is to provide 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.

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

The mandate of Development Services is to ensure that new urban public infrastructure, built through the development processes, meets or exceeds the town’s standards and requirements. They are responsible for ensuring that the town’s land development standards are achieved on all development applications.

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

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.
### 16. Segment information (continued):

<table>
<thead>
<tr>
<th>Segment Information</th>
<th>Governance Corporate Services</th>
<th>Fire</th>
<th>Building Services</th>
<th>Parks, Recreation &amp; Culture</th>
<th>Roads &amp; Works Engineering</th>
<th>Transit</th>
<th>Planning, Development &amp; Economic Development</th>
<th>Other Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>$ 33,622</td>
<td>$ 35,441</td>
<td>$ 1,390</td>
<td>$ 52,426</td>
<td>$ 37,104</td>
<td>$ 23,946</td>
<td>$ 2,597</td>
<td>$ 1,781</td>
<td>$ 188,307</td>
</tr>
<tr>
<td>Ontario grants</td>
<td>-</td>
<td>-</td>
<td>727</td>
<td>-</td>
<td>96</td>
<td>-</td>
<td>-</td>
<td>50</td>
<td>873</td>
</tr>
<tr>
<td>Canada grants</td>
<td>-</td>
<td>-</td>
<td>541</td>
<td>105</td>
<td>1,837</td>
<td>-</td>
<td>-</td>
<td>82</td>
<td>2,565</td>
</tr>
<tr>
<td>Gas tax revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,768</td>
<td>3,042</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,810</td>
</tr>
<tr>
<td>Other Municipalities</td>
<td>70</td>
<td>-</td>
<td>985</td>
<td>4,678</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,733</td>
</tr>
<tr>
<td>Oakville Enterprises</td>
<td>4,624</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,624</td>
<td></td>
</tr>
<tr>
<td>User fees and service charges</td>
<td>3,266</td>
<td>247</td>
<td>14,376</td>
<td>21,655</td>
<td>5,414</td>
<td>8,413</td>
<td>6,631</td>
<td>298</td>
<td>60,300</td>
</tr>
<tr>
<td>Investment income</td>
<td>10,642</td>
<td>-</td>
<td>380</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>11,023</td>
</tr>
<tr>
<td>Penalties and interest</td>
<td>3,234</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,234</td>
</tr>
<tr>
<td>Developer contributions and development charges earned</td>
<td>52,361</td>
<td>24</td>
<td>12,938</td>
<td>29,981</td>
<td>299</td>
<td>316</td>
<td>-</td>
<td>95,919</td>
<td></td>
</tr>
<tr>
<td>Equity in Income in Oakville Enterprises</td>
<td>11,288</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,288</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>97</td>
<td>19</td>
<td>-</td>
<td>394</td>
<td>714</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,224</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>119,204</td>
<td>35,731</td>
<td>15,766</td>
<td>90,046</td>
<td>81,860</td>
<td>37,537</td>
<td>9,544</td>
<td>2,212</td>
<td>391,900</td>
</tr>
</tbody>
</table>

| **Expenses:**       |                                |      |                   |                          |                          |         |                                               |               |        |
| Salaries, wages and benefits | 28,526 | 32,158 | 6,294 | 39,842 | 16,113 | 20,304 | 7,942 | 412 | 151,591 |
| Debt expense         | 12                             | -     | 3,951            | 147                      | 84                       | -       | -                                            | 4,194         |        |
| Materials            | (65)                           | 494   | 42               | 6,860                    | 5,403                    | 4,842   | 48                                           | -             | 17,624 |
| Contracted services  | 11,165                         | 2,687 | 3,595            | 23,279                   | 23,908                   | 6,415   | 3,254                                        | 1,692         | 75,995 |
| Rents and financial expenses | 320 | - | 454 | 71 | 9 | - | - | 854 |
| External transfers   | 138                            | 33    | 689              | 482                      | 673                      | 182     | 7                                            | 43            | 44,074 |
| Amortization         | 3,870                          | 1,657 | 1                | 11,200                   | 22,213                   | 5,083   | 7                                            | 43            | 44,074 |
| (Gain)/loss on disposal of assets | (6,601) | (9) | - | 424 | 613 | 146 | (11) | (5,438) |
| **Total**            | 37,365                         | 37,020| 9,932            | 86,699                   | 68,950                   | 37,556  | 11,422                                       | 2,147         | 291,091 |

| **Annual surplus (deficit)** | $ 81,839 | $ (1,289) | $ 5,834 | $ 3,347 | $ 12,910 | $ (19) | $ (1,878) | $ 65 | $ 100,809 |
16. Segment information (continued):

<table>
<thead>
<tr>
<th></th>
<th>Governance Services</th>
<th>Corporate Services</th>
<th>Fire</th>
<th>Building Services</th>
<th>Parks, Recreation &amp; Culture</th>
<th>Roads &amp; Works Engineering</th>
<th>Transit</th>
<th>Planning, Development &amp; Economic Development</th>
<th>Other Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>$32,317</td>
<td>$34,643</td>
<td>$937</td>
<td>$49,784</td>
<td>$35,315</td>
<td>$23,177</td>
<td>$2,779</td>
<td>$-</td>
<td>$-</td>
<td>$178,952</td>
</tr>
<tr>
<td>Ontario grants</td>
<td>-</td>
<td>19</td>
<td>-</td>
<td>616</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>655</td>
<td></td>
</tr>
<tr>
<td>Canada grants</td>
<td>-</td>
<td>-</td>
<td>455</td>
<td>1</td>
<td>-</td>
<td>9</td>
<td>-</td>
<td>36</td>
<td>501</td>
<td></td>
</tr>
<tr>
<td>Gas tax revenues</td>
<td>231</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,288</td>
<td>4,016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,535</td>
</tr>
<tr>
<td>Other Municipalities</td>
<td>841</td>
<td>-</td>
<td>525</td>
<td>3,133</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>4,514</td>
<td></td>
</tr>
<tr>
<td>Oakville Enterprises</td>
<td>4,624</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>279</td>
<td>4,624</td>
<td></td>
</tr>
<tr>
<td>User fees and service charges</td>
<td>3,198</td>
<td>144</td>
<td>12,644</td>
<td>20,803</td>
<td>4,909</td>
<td>7,752</td>
<td>6,020</td>
<td>279</td>
<td>55,749</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>9,676</td>
<td>-</td>
<td>429</td>
<td>80</td>
<td>-</td>
<td>55</td>
<td>1</td>
<td>10,241</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalties and interest</td>
<td>3,337</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,337</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developer contributions and development charges earned</td>
<td>41,477</td>
<td>52</td>
<td>-</td>
<td>10,153</td>
<td>24,272</td>
<td>181</td>
<td>456</td>
<td>-</td>
<td>76,591</td>
<td></td>
</tr>
<tr>
<td>Equity in Income in Oakville Enterprises</td>
<td>13,433</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,433</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>71</td>
<td>-</td>
<td>322</td>
<td>965</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,358</td>
<td></td>
</tr>
<tr>
<td></td>
<td>109,205</td>
<td>34,858</td>
<td>13,581</td>
<td>83,087</td>
<td>72,963</td>
<td>35,126</td>
<td>9,319</td>
<td>351</td>
<td>358,490</td>
<td></td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, wages and benefits</td>
<td>27,273</td>
<td>30,288</td>
<td>6,025</td>
<td>38,980</td>
<td>15,871</td>
<td>18,561</td>
<td>8,410</td>
<td>1,834</td>
<td>147,242</td>
<td></td>
</tr>
<tr>
<td>Debt expense</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>4,126</td>
<td>113</td>
<td>101</td>
<td>-</td>
<td>-</td>
<td>4,355</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>1,159</td>
<td>596</td>
<td>34</td>
<td>6,863</td>
<td>5,933</td>
<td>4,181</td>
<td>44</td>
<td>44</td>
<td>18,810</td>
<td></td>
</tr>
<tr>
<td>Contracted services</td>
<td>8,758</td>
<td>2,457</td>
<td>3,317</td>
<td>21,277</td>
<td>25,395</td>
<td>5,513</td>
<td>3,312</td>
<td>-</td>
<td>70,029</td>
<td></td>
</tr>
<tr>
<td>Rents and financial expenses</td>
<td>297</td>
<td>-</td>
<td>-</td>
<td>421</td>
<td>72</td>
<td>9</td>
<td>5</td>
<td>-</td>
<td>804</td>
<td></td>
</tr>
<tr>
<td>External transfers</td>
<td>152</td>
<td>33</td>
<td>-</td>
<td>762</td>
<td>555</td>
<td>664</td>
<td>155</td>
<td>-</td>
<td>2,321</td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>3,656</td>
<td>1,728</td>
<td>1</td>
<td>11,396</td>
<td>21,139</td>
<td>4,827</td>
<td>7</td>
<td>45</td>
<td>42,799</td>
<td></td>
</tr>
<tr>
<td>(Gain)/loss on disposal of assets</td>
<td>(1,162)</td>
<td>(11)</td>
<td>-</td>
<td>(70)</td>
<td>(270)</td>
<td>254</td>
<td>-</td>
<td>(1,259)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>40,148</td>
<td>35,091</td>
<td>9,377</td>
<td>83,755</td>
<td>68,808</td>
<td>34,110</td>
<td>11,933</td>
<td>1,879</td>
<td>285,101</td>
<td></td>
</tr>
<tr>
<td><strong>Annual surplus (deficit):</strong></td>
<td>$69,057</td>
<td>$ (233)</td>
<td>$ 4,204</td>
<td>$ (668)</td>
<td>$ 4,155</td>
<td>$ 1,016</td>
<td>$ (2,614)</td>
<td>$ (1,528)</td>
<td>$ 73,389</td>
<td></td>
</tr>
</tbody>
</table>
17. **Budget data:**

The audited budget data presented in these consolidated financial statements is based upon the 2017 operating and capital budgets approved by Council on December 12, 2016. Amortization and post-employment liabilities were not contemplated on development of the budget and, as such, have not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

<table>
<thead>
<tr>
<th>Budget Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
</tr>
<tr>
<td>Operating budget</td>
</tr>
<tr>
<td>Capital budget</td>
</tr>
<tr>
<td>BIA's</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
</tr>
<tr>
<td>Internal revenues</td>
</tr>
<tr>
<td>Transfers from other funds</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
</tr>
<tr>
<td>Operating budget</td>
</tr>
<tr>
<td>Capital budget</td>
</tr>
<tr>
<td>BIA's</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
</tr>
<tr>
<td>Internal expenses</td>
</tr>
<tr>
<td>Transfers to other funds</td>
</tr>
<tr>
<td>Capital expenses</td>
</tr>
<tr>
<td>Debt principal payments</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
</tr>
<tr>
<td><strong>Annual surplus</strong></td>
</tr>
</tbody>
</table>
# Five Year Review (unaudited)

<table>
<thead>
<tr>
<th>Demographics</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population at the end of the year</td>
<td>201,200***</td>
<td>194,000***</td>
<td>191,366***</td>
<td>187,300***</td>
<td>185,100***</td>
</tr>
<tr>
<td>Number of Households</td>
<td>70,701*</td>
<td>66,269***</td>
<td>66,489***</td>
<td>65,710***</td>
<td>64,605***</td>
</tr>
</tbody>
</table>

| Staff Complement (including Library) | | | | |
| Approved Continuous Full-time | 1,198 | 1,192 | 1,155 | 1,144 | 1,123 |
| Approved Part-time (FTE) | 401 | 403 | 401 | 397 | 398 |

| Building Permits — Issued | | | | |
| New residential units | 1,843 | 955 | 1,680 | 851 | 1,049 |
| Total residential construction value | $871 M | $545 M | $599 M | $464 M | $385 M |
| Total construction value — all types of permits | $1,234 M | $913 M | $825 M | $964 M | $813 M |

| Taxable weighted assessment (000's) | | | | |
| Residential, multi-residential and farm | 44,342,608 | 40,751,656 | 37,987,208 | 35,553,848 | 33,284,084 |
| Commercial — all classes | 5,709,774 | 5,432,645 | 5,146,354 | 4,774,944 | 4,478,248 |
| Industrial — all classes | 977,971 | 944,134 | 940,947 | 910,354 | 840,734 |
| Pipeline & Managed Forests | 63,983 | 61,113 | 59,482 | 58,210 | 56,339 |

| Commercial and industrial as a percentage of taxable assessment | | | | |
| 13.09% | 13.51% | 13.79% | 13.77% | 13.76% |

| Exempt Assessment | 2,508,859 | 2,544,989 | 2,266,876 | 2,052,541 | 1,888,650 |

| Taxes levied on behalf of (000's)* | | | | |
| Town of Oakville — includes Business Improvement Areas | 182,228 | 173,867 | 165,118 | 162,147 | 156,099 |
| Region of Halton | 164,509 | 158,843 | 152,712 | 149,756 | 147,106 |
| School Boards (Public & Separate) | 140,224 | 136,126 | 132,260 | 130,802 | 127,658 |

| Taxes collected | 492,157 | 473,210 | 454,852 | 440,662 | 427,825 |

| Annual % budgeted tax change — residential only | | | | |
| Town of Oakville | 3.63% | 2.36% | 2.74% | 2.07% | 2.97% |
| Region of Halton | 2.47% | 1.85% | 1.60% | 0.00% | 1.19% |
| School Boards (Public & Separate) | 0.20% | 0.00% | 0.00% | 0.00% | 0.00% |
| Overall % Budgeted Tax Increase | 2.42% | 1.60% | 1.60% | 0.70% | 1.60% |

---

## Operations Expenses & Revenues

### Expenses by Function

<table>
<thead>
<tr>
<th></th>
<th>2017 (000's)</th>
<th>2016 (000's)</th>
<th>2015 (000's)</th>
<th>2014 (000's)</th>
<th>2013 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>37,365</td>
<td>40,148</td>
<td>142,679</td>
<td>27,781</td>
<td>36,360</td>
</tr>
<tr>
<td>Protection to Persons &amp; Property</td>
<td>46,952</td>
<td>44,468</td>
<td>43,104</td>
<td>40,703</td>
<td>38,677</td>
</tr>
<tr>
<td>Transportation Services</td>
<td>100,420</td>
<td>93,966</td>
<td>86,028</td>
<td>79,081</td>
<td>74,182</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>6,086</td>
<td>8,952</td>
<td>6,425</td>
<td>5,024</td>
<td>6,401</td>
</tr>
<tr>
<td>Health Services</td>
<td>4,127</td>
<td>4,032</td>
<td>4,235</td>
<td>1,159</td>
<td>1,206</td>
</tr>
<tr>
<td>Recreation and Cultural Services</td>
<td>74,289</td>
<td>72,213</td>
<td>73,742</td>
<td>71,337</td>
<td>68,100</td>
</tr>
<tr>
<td>Planning and Development</td>
<td>21,852</td>
<td>21,322</td>
<td>19,495</td>
<td>23,251</td>
<td>17,041</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>291,091</td>
<td>285,101</td>
<td>375,708</td>
<td>248,336</td>
<td>241,967</td>
</tr>
</tbody>
</table>

### Expenses by Object

<table>
<thead>
<tr>
<th></th>
<th>2017 (000's)</th>
<th>2016 (000's)</th>
<th>2015 (000's)</th>
<th>2014 (000's)</th>
<th>2013 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages &amp; employee benefits</td>
<td>151,591</td>
<td>147,242</td>
<td>140,451</td>
<td>131,600</td>
<td>126,953</td>
</tr>
<tr>
<td>Interest on Long-Term Debt</td>
<td>4,194</td>
<td>4,355</td>
<td>3,871</td>
<td>2,047</td>
<td>2,269</td>
</tr>
<tr>
<td>Materials, Services &amp; Financial Expenses</td>
<td>94,473</td>
<td>89,643</td>
<td>186,876</td>
<td>73,990</td>
<td>65,974</td>
</tr>
<tr>
<td>Transfers to Others</td>
<td>2,197</td>
<td>2,321</td>
<td>2,059</td>
<td>2,232</td>
<td>2,519</td>
</tr>
<tr>
<td>Amortization Expense</td>
<td>44,074</td>
<td>42,799</td>
<td>42,846</td>
<td>42,128</td>
<td>41,998</td>
</tr>
<tr>
<td>(Gain)/Loss on disposal of tangible capital assets</td>
<td>(5,438)</td>
<td>(1,259)</td>
<td>(395)</td>
<td>(3,661)</td>
<td>2,254</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>291,091</td>
<td>285,101</td>
<td>375,708</td>
<td>248,336</td>
<td>241,967</td>
</tr>
</tbody>
</table>

### Revenues by Source

<table>
<thead>
<tr>
<th></th>
<th>2017 (000's)</th>
<th>2016 (000's)</th>
<th>2015 (000's)</th>
<th>2014 (000's)</th>
<th>2013 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation (includes Supplementary &amp; Payments in Lieu)</td>
<td>188,307</td>
<td>178,952</td>
<td>172,437</td>
<td>164,552</td>
<td>157,441</td>
</tr>
<tr>
<td>Fees and service charges</td>
<td>60,300</td>
<td>55,749</td>
<td>51,511</td>
<td>54,170</td>
<td>50,709</td>
</tr>
<tr>
<td>Province of Ontario - Grants/Subsidies</td>
<td>3,676</td>
<td>4,463</td>
<td>2,491</td>
<td>8,297</td>
<td>2,225</td>
</tr>
<tr>
<td>Other Grants i.e. Canada</td>
<td>6,572</td>
<td>5,228</td>
<td>7,649</td>
<td>6,465</td>
<td>3,471</td>
</tr>
<tr>
<td>Other Municipalities</td>
<td>5,733</td>
<td>4,514</td>
<td>4,230</td>
<td>3,669</td>
<td>3,333</td>
</tr>
<tr>
<td>Investment Income</td>
<td>11,023</td>
<td>10,241</td>
<td>10,977</td>
<td>10,931</td>
<td>10,491</td>
</tr>
<tr>
<td>Oakville Hydro - Interest on Promissory Notes</td>
<td>4,624</td>
<td>4,624</td>
<td>4,624</td>
<td>4,624</td>
<td>4,624</td>
</tr>
<tr>
<td>Penalty &amp; Interest on taxes</td>
<td>3,234</td>
<td>3,337</td>
<td>3,362</td>
<td>3,292</td>
<td>3,344</td>
</tr>
<tr>
<td>Developer contributions, development charges earned &amp; miscellaneous</td>
<td>97,143</td>
<td>77,949</td>
<td>99,384</td>
<td>44,359</td>
<td>52,319</td>
</tr>
<tr>
<td>Equity in Oakville Hydro</td>
<td>11,288</td>
<td>13,433</td>
<td>5,660</td>
<td>6,021</td>
<td>4,460</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>391,900</td>
<td>358,490</td>
<td>362,325</td>
<td>306,380</td>
<td>292,417</td>
</tr>
</tbody>
</table>

### Annual Surplus/(Deficit)

<table>
<thead>
<tr>
<th></th>
<th>2017 (000's)</th>
<th>2016 (000's)</th>
<th>2015 (000's)</th>
<th>2014 (000's)</th>
<th>2013 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Surplus/(Deficit)</td>
<td>100,809</td>
<td>73,389</td>
<td>(13,383)</td>
<td>58,044</td>
<td>50,450</td>
</tr>
</tbody>
</table>

### Accumulated Surplus, end of the year

<table>
<thead>
<tr>
<th></th>
<th>2017 (000's)</th>
<th>2016 (000's)</th>
<th>2015 (000's)</th>
<th>2014 (000's)</th>
<th>2013 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Surplus, end of the year</td>
<td>1,934,817</td>
<td>1,834,008</td>
<td>1,760,619</td>
<td>1,774,002</td>
<td>1,715,958</td>
</tr>
</tbody>
</table>

### Net Financial Assets

<table>
<thead>
<tr>
<th></th>
<th>2017 (000's)</th>
<th>2016 (000's)</th>
<th>2015 (000's)</th>
<th>2014 (000's)</th>
<th>2013 (000's)</th>
</tr>
</thead>
</table>
### Tangible Capital Assets By Class

<table>
<thead>
<tr>
<th></th>
<th>2017 (000's)</th>
<th>2016 (000's)</th>
<th>2015 (000's)</th>
<th>2014 (000's)</th>
<th>2013 (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Book Value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>736,659</td>
<td>684,016</td>
<td>648,176</td>
<td>574,552</td>
<td>562,580</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>58,756</td>
<td>57,084</td>
<td>57,304</td>
<td>55,523</td>
<td>58,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>201,749</td>
<td>208,381</td>
<td>214,316</td>
<td>220,834</td>
<td>209,467</td>
</tr>
<tr>
<td>Equipment</td>
<td>17,499</td>
<td>15,155</td>
<td>15,111</td>
<td>15,260</td>
<td>13,894</td>
</tr>
<tr>
<td>Vehicles</td>
<td>35,631</td>
<td>36,898</td>
<td>35,297</td>
<td>31,716</td>
<td>33,386</td>
</tr>
<tr>
<td>Roads Networks</td>
<td>308,555</td>
<td>293,722</td>
<td>293,071</td>
<td>278,463</td>
<td>289,535</td>
</tr>
<tr>
<td>Environmental Network</td>
<td>215,577</td>
<td>206,669</td>
<td>202,078</td>
<td>189,275</td>
<td>192,935</td>
</tr>
<tr>
<td>Communication &amp; Technical Services</td>
<td>12,991</td>
<td>10,587</td>
<td>10,832</td>
<td>8,259</td>
<td>8,955</td>
</tr>
<tr>
<td>Capital Works in Progress</td>
<td>36,926</td>
<td>22,973</td>
<td>13,935</td>
<td>24,115</td>
<td>29,409</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,624,343</td>
<td>1,535,485</td>
<td>1,490,120</td>
<td>1,397,997</td>
<td>1,398,161</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Additions and Disposals</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TCA Assets - beginning of year</td>
<td>2,246,147</td>
<td>2,168,177</td>
<td>2,042,839</td>
<td>2,012,013</td>
<td>1,959,209</td>
</tr>
<tr>
<td>Additions</td>
<td>179,061</td>
<td>129,912</td>
<td>206,864</td>
<td>52,401</td>
<td>65,010</td>
</tr>
<tr>
<td>Disposals</td>
<td>(56,968)</td>
<td>(51,942)</td>
<td>(81,526)</td>
<td>(21,575)</td>
<td>(12,206)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,368,240</td>
<td>2,246,147</td>
<td>2,168,177</td>
<td>2,042,839</td>
<td>2,012,013</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Accumulated Amortization</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Amortization - beginning of year</td>
<td>710,662</td>
<td>678,057</td>
<td>644,842</td>
<td>613,852</td>
<td>580,952</td>
</tr>
<tr>
<td>Current year expense</td>
<td>44,074</td>
<td>42,799</td>
<td>42,846</td>
<td>42,128</td>
<td>41,998</td>
</tr>
<tr>
<td>Accumulated amortization on disposals</td>
<td>(10,839)</td>
<td>(10,194)</td>
<td>(9,631)</td>
<td>(11,138)</td>
<td>(9,098)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>743,897</td>
<td>710,662</td>
<td>678,057</td>
<td>644,842</td>
<td>613,852</td>
</tr>
</tbody>
</table>

| **Net Book Value** | 1,624,343 | 1,535,485 | 1,490,120 | 1,397,997 | 1,398,161 |
**Capital Costs and Financing**

<table>
<thead>
<tr>
<th>Expenses by Function</th>
<th>2017 (000’s)</th>
<th>2016 (000’s)</th>
<th>2015 (000’s)</th>
<th>2014 (000’s)</th>
<th>2013 (000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>12,978</td>
<td>17,268</td>
<td>136,953</td>
<td>5,821</td>
<td>9,559</td>
</tr>
<tr>
<td>Protection to Persons &amp; Property</td>
<td>1,178</td>
<td>630</td>
<td>1,885</td>
<td>3,745</td>
<td>2,205</td>
</tr>
<tr>
<td>Transportation Services</td>
<td>43,422</td>
<td>38,434</td>
<td>37,886</td>
<td>27,676</td>
<td>26,383</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>1,258</td>
<td>659</td>
<td>958</td>
<td>795</td>
<td>2,123</td>
</tr>
<tr>
<td>Health Services</td>
<td>151</td>
<td>130</td>
<td>125</td>
<td>100</td>
<td>89</td>
</tr>
<tr>
<td>Recreation and Cultural Services</td>
<td>35,039</td>
<td>18,060</td>
<td>16,525</td>
<td>15,665</td>
<td>12,167</td>
</tr>
<tr>
<td>Planning and Development</td>
<td>6,023</td>
<td>5,410</td>
<td>4,807</td>
<td>3,563</td>
<td>3,371</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100,049</strong></td>
<td><strong>80,591</strong></td>
<td><strong>199,139</strong></td>
<td><strong>57,365</strong></td>
<td><strong>55,897</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing by Source</th>
<th>2017 (000’s)</th>
<th>2016 (000’s)</th>
<th>2015 (000’s)</th>
<th>2014 (000’s)</th>
<th>2013 (000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers from Own Funds</td>
<td>107,296</td>
<td>85,413</td>
<td>110,514</td>
<td>50,922</td>
<td>62,735</td>
</tr>
<tr>
<td>Long-term Debt/Internal Borrowing</td>
<td>6,693</td>
<td>-</td>
<td>90,000</td>
<td>-</td>
<td>2,500</td>
</tr>
<tr>
<td>Grants/Subsidies - Federal/Provincial</td>
<td>2,266</td>
<td>29</td>
<td>111</td>
<td>197</td>
<td>(51)</td>
</tr>
<tr>
<td>Other</td>
<td>599</td>
<td>2,258</td>
<td>1,822</td>
<td>1,782</td>
<td>1,070</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>116,854</strong></td>
<td><strong>87,700</strong></td>
<td><strong>202,447</strong></td>
<td><strong>52,901</strong></td>
<td><strong>66,254</strong></td>
</tr>
</tbody>
</table>

Note: 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. We still track all capital related expenses in the Capital Fund, however we do not report by fund accounting on the statements.

**Discretionary Reserves and Reserve Funds and Obligatory Reserve Funds**

<table>
<thead>
<tr>
<th>Discretionary Reserves *</th>
<th>156,288</th>
<th>162,732</th>
<th>157,566</th>
<th>138,902</th>
<th>89,834</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary Reserve Funds *</td>
<td>39,915</td>
<td>38,026</td>
<td>37,931</td>
<td>78,986</td>
<td>73,747</td>
</tr>
<tr>
<td>Obligatory Reserve Funds **</td>
<td>63,225</td>
<td>38,828</td>
<td>20,227</td>
<td>3,348</td>
<td>2,300</td>
</tr>
<tr>
<td>Development Charges</td>
<td>39,564</td>
<td>39,647</td>
<td>41,728</td>
<td>32,834</td>
<td>32,412</td>
</tr>
<tr>
<td>Parkland</td>
<td>14,085</td>
<td>12,376</td>
<td>12,617</td>
<td>13,938</td>
<td>11,518</td>
</tr>
<tr>
<td><strong>Total - Reserves &amp; Reserve Funds</strong></td>
<td><strong>313,077</strong></td>
<td><strong>291,609</strong></td>
<td><strong>270,069</strong></td>
<td><strong>268,008</strong></td>
<td><strong>210,659</strong></td>
</tr>
</tbody>
</table>

### Long-Term Debt

<table>
<thead>
<tr>
<th></th>
<th>2017 (000’s)</th>
<th>2016 (000’s)</th>
<th>2015 (000’s)</th>
<th>2014 (000’s)</th>
<th>2013 (000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long-Term Liabilities (Debt)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Levy Supported Debt</td>
<td>9,098</td>
<td>6,055</td>
<td>8,065</td>
<td>10,375</td>
<td>13,628</td>
</tr>
<tr>
<td>Tax Levy Supported Hospital Debt</td>
<td>86,367</td>
<td>88,184</td>
<td>90,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Self Supported Debt</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Charges Supported Debt</td>
<td>14,595</td>
<td>18,919</td>
<td>23,300</td>
<td>27,415</td>
<td>31,379</td>
</tr>
<tr>
<td>Oakville Harbours Supported Debt</td>
<td>2,518</td>
<td>1,088</td>
<td>1,546</td>
<td>1,986</td>
<td>2,410</td>
</tr>
<tr>
<td>Oakville Soccer Club Supported Debt</td>
<td>6,971</td>
<td>7,370</td>
<td>7,751</td>
<td>8,114</td>
<td>8,460</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>119,549</td>
<td>121,616</td>
<td>130,662</td>
<td>47,890</td>
<td>55,877</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2017 (000’s)</th>
<th>2016 (000’s)</th>
<th>2015 (000’s)</th>
<th>2014 (000’s)</th>
<th>2013 (000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Levy Supported Debt Annual Repayment</td>
<td>6,728</td>
<td>7,139</td>
<td>4,736</td>
<td>3,691</td>
<td>3,446</td>
</tr>
<tr>
<td>Self Supported Debt Annual Repayment</td>
<td>6,227</td>
<td>6,259</td>
<td>6,361</td>
<td>6,343</td>
<td>6,314</td>
</tr>
<tr>
<td><strong>Total Annual Debt Repayment</strong></td>
<td>12,955</td>
<td>13,398</td>
<td>11,097</td>
<td>10,034</td>
<td>9,760</td>
</tr>
</tbody>
</table>

#### Debt Repayment Policy % Limits – As a % of Revenue Fund Revenues

- Ministry of Municipal Affairs & Housing’s Policy: 25% 25% 25% 25% 25%
- Town of Oakville’s Policy % Limits: 12% 12% 12% 12% 12%

#### Actual %

<table>
<thead>
<tr>
<th></th>
<th>2017 (000’s)</th>
<th>2016 (000’s)</th>
<th>2015 (000’s)</th>
<th>2014 (000’s)</th>
<th>2013 (000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Annual Debt Repayment</td>
<td>5.09%</td>
<td>5.50%</td>
<td>4.04%</td>
<td>4.60%</td>
<td>4.59%</td>
</tr>
<tr>
<td>Tax Levy Supported Debt Repayment</td>
<td>2.65%</td>
<td>2.93%</td>
<td>1.76%</td>
<td>1.69%</td>
<td>1.62%</td>
</tr>
</tbody>
</table>

* “Revenue Fund Revenues” - Ministry calculation requires that all grant funding and revenue from other municipalities be excluded.

### Principal Corporate Tax Payers

- Ford Motor Company
- Riocan Holdings (Oakville Place) Inc.
- 2121049 Ontario Limited.
- Silgold Developments Inc.
- Oakville Entertainment Holdings Inc.
- 2725321 Canada Inc.
- Suncor Energy Inc.
- Calloway Reit (Hopedale) Inc.
- Sun Life Assurance Company of Canada
- The Great West Life Assurance Company