

# Consolidated Statement of Financial Position

As at December 31, 2008

(\$000's)	2008	2007 (Restated note 15)
<b>ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	58,644	63,254
Taxes receivable	17,832	16,335
Trade and other accounts receivable	42,479	43,895
Inventory for resale	20,403	12,765
Investments (note 4)	12,385	18,354
Investment in Kitchener Power Corporation and its affiliates (note 5)	169,820	157,053
Other current assets	2,681	2,570
	<b>324,244</b>	<b>314,226</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	82,632	56,653
Deferred revenue - obligatory reserve funds (note 8)	8,129	13,706
Municipal debt (note 9)	63,512	56,403
Employee future benefits (note 10)	21,159	19,713
	<b>175,432</b>	<b>146,475</b>
<b>NET FINANCIAL ASSETS</b>	<b>148,812</b>	<b>167,751</b>
<b>OTHER ASSETS</b>		
Long-term assets (note 6)	10,975	9,812
<b>TOTAL NET ASSETS</b>	<b>159,787</b>	<b>177,563</b>
<b>MUNICIPAL POSITION</b>		
Operating fund (note 11)	156,950	144,444
Capital fund	54,354	67,616
Reserves and reserve funds (note 12)	33,154	41,619
	<b>244,458</b>	<b>253,679</b>
Amounts to be recovered (note 11)	(84,671)	(76,116)
Contingent liabilities (note 13)		
<b>TOTAL MUNICIPAL POSITION</b>	<b>159,787</b>	<b>177,563</b>

See accompanying notes.

# Consolidated Statement of Financial Activities

Year Ended December 31, 2008

(\$000's)	2008 Actual	2008 Budget (unaudited)	2007 Actual (Restated note 15)
<b>REVENUES</b>			
Taxation	90,756	92,049	86,446
User fees and charges			
Gasworks	110,580	100,139	107,371
Water and Sewer	26,487	29,077	27,191
Other	35,714	34,862	31,425
Grants	2,138	1,003	2,468
Investment income	9,856	8,246	10,901
Penalty and interest on taxes	2,658	2,579	2,228
Obligatory reserve funds revenue recognized	14,688	14,635	9,886
Sales of land and other capital assets	0	1,500	1,955
Share of net income of Kitchener			
Power Corporation and its affiliates	4,718	0	5,073
Other	9,979	9,799	8,527
<b>TOTAL REVENUES</b>	<b>307,574</b>	<b>293,889</b>	<b>293,471</b>

See accompanying notes.

# Consolidated Statement of Financial Activities Continued

Year Ended December 31, 2008

(\$000's)	2008 Actual	2008 Budget (unaudited)	2007 Actual (Restated note 15)
<b>EXPENDITURES</b>			
<b>Operating</b>			
General government	24,524	21,621	23,662
Protection to persons and property	33,770	31,209	28,441
Transportation services	18,300	14,172	15,883
Environmental services	11,871	9,650	11,257
Health services	1,446	1,211	1,408
Social and family services	1,587	1,553	1,560
Recreation and cultural services	46,789	48,256	44,354
Planning and development	6,442	6,299	5,318
Gasworks	92,229	80,878	89,597
<b>Total Operating</b>	<b>236,958</b>	<b>214,849</b>	<b>221,480</b>
<b>Capital</b>			
General government	30,010	16,665	7,813
Protection to persons and property	1,831	2,068	2,691
Transportation services	12,322	18,902	12,422
Environmental services	17,200	23,830	15,317
Health services	12,008	9,038	10,983
Social and family services	39	0	15
Recreation and cultural services	18,125	13,572	14,041
Planning and development	1,392	1,890	2,413
Gasworks	6,799	3,977	15,033
<b>Total Capital</b>	<b>99,726</b>	<b>89,942</b>	<b>80,728</b>
<b>TOTAL EXPENDITURES (note 16)</b>	<b>336,684</b>	<b>304,791</b>	<b>302,208</b>
<b>NET DEFICIENCY</b>	<b>(29,110)</b>	<b>(10,902)</b>	<b>(8,737)</b>
Increase in amounts			
to be recovered	8,555	10,473	10,016
Increase in long-term assets	1,163	0	270
Effect of change in accounting policies			
of Kitchener Power Corporation	10,171	0	0
<b>CHANGE IN FUND BALANCES</b>	<b>(9,221)</b>	<b>(429)</b>	<b>1,549</b>