

**THE CORPORATION OF THE TOWN OF INGERSOLL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2005**

	<u>2005</u>	<u>2004</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$1,665,394	\$656,070
Taxes receivable	458,532	524,105
Trade and other receivables	1,011,662	1,925,968
Prepaid expenses	8,199	4,629
Other financial assets	<u>17,076</u>	<u>15,755</u>
TOTAL FINANCIAL ASSETS	<u>3,160,863</u>	<u>3,126,527</u>
Investment in Municipal Electrical Utility (Note 7)	<u>9,733,942</u>	<u>9,646,847</u>
Total Assets	<u>\$12,894,805</u>	<u>\$12,773,374</u>
LIABILITIES		
Accounts payable	\$610,675	\$700,948
Other	438,052	275,807
Deferred revenue	581,606	306,899
Long term debt (Note 5)	717,000	802,000
Employee benefits payable	<u>383,592</u>	<u>445,915</u>
Total Liabilities	<u>\$2,730,925</u>	<u>\$2,531,569</u>
MUNICIPAL POSITION		
Revenue fund (Note 8)	9,524	20,609
Capital fund (Note 8)	(798,548)	(89,681)
Reserves and reserve funds (Note 10)	2,319,554	1,911,945
Equity in Municipal Electrical Utility (Note 7)	<u>9,733,942</u>	<u>9,646,847</u>
	11,264,472	11,489,720
Amounts to be recovered (Note 9)	<u>(1,100,592)</u>	<u>(1,247,915)</u>
	<u>10,163,880</u>	<u>10,241,805</u>
TOTAL LIABILITIES AND MUNICIPAL POSITION	<u>\$12,894,805</u>	<u>\$12,773,374</u>

" The accompanying summary of significant accounting policies and notes
are integral parts of these financial statements "

**THE CORPORATION OF THE TOWN OF INGERSOLL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>2005</u>	<u>2004</u>
REVENUES		
Net taxation	\$7,187,541	\$6,275,860
Payments-in-lieu of taxes	42,459	38,919
User charges	910,669	924,913
Transfer payments		
Government of Canada	3,803	3,952
Province of Ontario	1,486,589	754,753
Other Municipalities	328,994	346,408
Investment income	125,372	96,960
Interest/Dividends - Municipal Electrical Utility	386,197	386,197
Sale of land and other assets	84,506	257,905
Penalties and interest on taxes	103,913	128,273
Donations	134,028	9,136
Net Recognition of obligatory funds	13,740	2,271
Other	<u>435,717</u>	<u>332,051</u>
Total Revenues	<u>11,243,528</u>	<u>9,557,598</u>
EXPENDITURES		
Current		
General government	1,127,104	1,060,666
Protection to persons and property	2,655,679	2,671,076
Transportation services	1,838,931	1,621,788
Environmental services	164,172	152,022
Health services	92,377	84,970
Social and family services	20,000	20,000
Recreation and culture	2,409,379	2,037,732
Planning and development	<u>289,135</u>	<u>239,082</u>
Total Current Expenditures	<u>8,596,777</u>	<u>7,887,336</u>
Capital		
General government	73,790	20,334
Protection to persons and property	28,719	55,804
Transportation services	838,665	2,176,445
Environmental services	140,552	--
Health services	1,014	--
Recreation and culture	856,697	204,579
Planning and development	<u>1,019,657</u>	<u>88,777</u>
Total Capital Expenditures	<u>2,959,094</u>	<u>2,545,939</u>
Total Expenditures	<u>11,555,871</u>	<u>10,433,275</u>
EQUITY IN ERIE THAMES POWER CORPORATION	<u>87,095</u>	<u>(82,405)</u>
Net Revenues	<u>(225,248)</u>	<u>(958,082)</u>
CHANGE IN AMOUNTS TO BE RECOVERED	<u>147,323</u>	<u>62,683</u>
CHANGE IN MUNICIPAL POSITION	<u>\$(77,925)</u>	<u>\$(895,399)</u>

" The accompanying summary of significant accounting policies and notes
are integral parts of these financial statements "

**THE CORPORATION OF THE TOWN OF INGERSOLL
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>2005</u>	<u>2004</u>
OPERATIONS		
Net Revenues	\$(77,925)	\$(895,399)
USES		
Increase in trade and other receivables	--	(957,832)
Increase in prepaid expenses	(3,570)	--
Increase in other financial assets	(1,321)	(11,885)
Decrease in accounts payable	(90,273)	--
Decrease in long term debt	(85,000)	(82,000)
Decrease in employee benefits payable	(62,323)	--
SOURCES		
Decrease in taxes receivable	65,573	300,143
Decrease in trade and other receivables	914,306	--
Decrease in prepaid expenses	--	8,771
Increase in accounts payable	--	248,411
Increase in other liabilities	162,245	63,964
Increase in deferred revenue	274,707	198,604
Increase in employee benefits payable	--	19,317
Net change in Cash Flow from Operations	<u>1,096,419</u>	<u>(1,107,906)</u>
INVESTING		
(Increase)/Decrease in long term investments	<u>(87,095)</u>	<u>82,405</u>
Net Change in Cash	1,009,324	(1,025,501)
CASH, BEGINNING OF YEAR	<u>656,070</u>	<u>1,681,571</u>
CASH, END OF YEAR	<u>\$1,665,394</u>	<u>\$656,070</u>

" The accompanying summary of significant accounting policies and notes
are integral parts of these financial statements "

**THE CORPORATION OF THE TOWN OF INGERSOLL
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

MANAGEMENT RESPONSIBILITY

The consolidated financial statements of the Corporation of the Town of Ingersoll are the representation of management. They have been prepared in accordance with accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing.

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

BASIS OF CONSOLIDATION

The consolidated statements reflect the assets, liabilities, revenues and expenditures of the revenue fund, capital fund, reserves and reserve funds of all municipal organizations, committees, and boards that are owned or controlled by Council. All interfund assets and liabilities and revenue and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenditures. The following board controlled by Council has been consolidated:

Ingersoll Board of Management

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenditures are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnership is reflected in the consolidated financial statements:

Ingersoll Rural Cemetery Board

Government business enterprises and partnerships are separate legal entities that do not rely on the municipality for funding. Investments in government business enterprises are accounted for using the modified equity method. The following government business enterprises are reflected in the consolidated financial statements:

**Erie Thames Services Corporation
Erie Thames Powerlines Corporation
Erie Thames Power Corporation**

BASIS OF ACCOUNTING

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

The Consolidated Statement of Financial Position reflects all of the financial assets and liabilities of the municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the municipality, and is the difference between its assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

TEMPORARY INVESTMENTS

Temporary investments are recorded at the lower of cost and market value.

**THE CORPORATION OF THE TOWN OF INGERSOLL
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

CAPITAL ASSETS

The historical cost and accumulated amortization for capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the Consolidated Statement of Financial Activities in the period of acquisition.

DEFERRED REVENUE

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Consolidated Statement of Financial Position. The revenue is reported on the Consolidated Statement of Financial Activities in the year in which it is used for the specified purpose.

AMOUNTS TO BE RECOVERED

Amounts to be recovered are reported in the municipal position on the Consolidated Statement of Financial Position. The balance represents future expenditures not yet levied on the ratepayers.

COUNTY AND SCHOOL BOARDS

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

TRUST FUNDS

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet".

**THE CORPORATION OF THE TOWN OF INGERSOLL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

1. Operations of School Boards and the County of Oxford

The taxation, other revenues, expenditures and overlevies of the School Boards and the County of Oxford are comprised of the following:

	<u>School Boards</u>	<u>County General</u>
Overlevies at the beginning of the year	\$ --	\$ --
Taxation and user charges	6,048,458	5,218,171
Share of payments-in-lieu of taxes	61,849	31,439
Requisitions	(6,110,307)	(5,249,610)
Overlevies at the end of the year	\$ --	\$ --

2. Trust Funds

Trust funds administered by the municipality amounting to \$ 188,894 (2004 - \$181,023) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Financial Activities".

3. Pension Agreement

The municipality made contributions to the Ontario Municipal Employees Retirement System (O.M.E.R.S.), which is a multi-employer plan, on behalf of 48 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 rate of pay.

The amount contributed to O.M.E.R.S. for 2005 was \$ 166,587 (2004 - \$ 148,394) for current service.

The municipality does not participate in any past service provisions for the O.M.E.R.S. agreement.

4. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the municipality's employment or they may select to take cash payment of the balance annually.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$ 70,643 (2004 - \$57,133) at the end of the year. An amount of \$ nil (2004 - \$ nil) was paid to employees during the current year.

A reserve fund has been established to provide for this past service liability and is reported on the "Consolidated Financial Position". The balance at the end of the year is \$ 71,616 (2004 - \$69,810).

There are no anticipated payments over the next five years for eligible employees.

**THE CORPORATION OF THE TOWN OF INGERSOLL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

5. Long Term Debt

- a) The balance of long term liabilities reported on the “Consolidated Statement of Financial Position” is comprised of the following:

The municipality has assumed responsibility for the payment of principal and interest charges on certain liabilities issued by the County of Oxford.	<u>2005</u>	<u>2004</u>
At the end of the year the outstanding principal amount of this liability is	\$717,000	\$802,000

- b) Of the long term liabilities reported in (a) of this note, the repayment schedule is as follows:

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010-2012</u>
\$ 89,000	\$ 92,000	\$ 97,000	\$ 101,000	\$ 338,000

These principal repayments are recoverable from general municipal revenues.

- d) The long-term liabilities in (a) of this note 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.

6. Non-accrual of Interest on Long Term Liabilities

No provision has been made in these financial statements for the accrual of interest on the long term liabilities. The amount of accrued interest is not material in relationship to the total Municipal Position balances at the end of the year.

7. Investments

Investments are comprised of the following:

<u>Cemetery Board</u>	<u>2005</u>	<u>2004</u>
Redeemable GIC, 1.25% due March, 2006	\$ 875	\$ 875
<u>Board of Management</u>		
Guaranteed Investment Certificate		
Peoples Trust 3.20% due October, 2005	--	9,515
M. R. S. Trust 3.5% due October, 2006	9,820	--
TOTAL	\$ 10,695	\$ 10,390

On August 1, 2000 pursuant to requirements of the Ontario Government’s Electricity Competition Act (Bill 35), the net assets of the Hydro Electric Commission of the Ingersoll Public Utility Commission were transferred to Erie Thames Power Corporation (“Erie Thames”) and affiliated companies.

Erie Thames and affiliates carry on the former business of the Commission with all its rights, duties, obligations and responsibilities from the date of transfer. The Town of Ingersoll owns 42.32% of Erie Thames and has increased/(decreased) the cost of the original investment by its proportionate share of the consolidated operating profits / (losses) of Erie Thames for the year ended December 31, 2005.

**THE CORPORATION OF THE TOWN OF INGERSOLL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

7. Investments – Continued

The Town's investment in Erie Thames Power Corporation is comprised of:

	<u>2005</u>	<u>2004</u>
Net Assets	\$ 5,190,442	\$ 5,103,347
Note Receivable	4,543,500	4,543,500
	\$ 9,733,942	\$ 9,646,847
	<u>2005</u>	<u>2004</u>
Cost of Investment, Beginning	\$ 9,646,847	\$ 9,729,252
Share of Dividends received for the year	(56,794)	(56,794)
Share of Income /(Loss) for the year	143,889	(25,611)
Cost of Investment, Ending	\$ 9,733,942	\$ 9,646,847

Interest on the long term notes receivable commenced October 1, 2001 at 8.5% per annum. The current interest rate on the receivable is 7.25% per annum. The term of the debt is undefined and no principal amounts are anticipated to be paid over the next 12 months.

The note receivable is fully secured by assets described in a general security agreement under the Personal Property Security Act (Ontario).

The following summarizes consolidated financial information of the Erie Thames Power Corporation

Financial Position	<u>2005</u>	<u>2004</u>
Assets:		
Current assets	\$ 8,768,745	\$ 7,872,072
Capital assets	18,866,647	17,890,020
Deferred charges and other assets	6,008,485	4,811,397
	\$ 33,643,877	\$ 30,573,489
Liabilities		
:		
Current Liabilities	9,559,120	6,025,154
Other Liabilities	437,500	411,700
Long Term Debt	11,383,143	12,078,311
	\$ 21,379,763	\$ 18,515,165
Net assets	\$ 12,264,114	\$ 12,058,324
Results of operations:		
Revenues	\$ 46,189,803	\$ 37,219,211
Expenses	45,849,819	37,279,725
Net income/(loss)	\$ 339,984	\$ (60,514)

**THE CORPORATION OF THE TOWN OF INGERSOLL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

7. Investments – Continued

All transactions between Erie Thames Power Corporation and the Town of Ingersoll were in the normal course of business and measured at the exchange value (the amount of consolidation established and agreed to by the related parties), which value approximates the arm's length equivalent value. These transactions are:

	<u>2005</u>	<u>2004</u>
Consolidated Statement of Financial Position:		
Accounts receivable	\$ 139,822	\$ 139,695
Accounts payable	53,657	36,763
Consolidated Statement of Financial Activities:		
Taxation	\$ 22,626	\$ 21,091
Interest revenue	329,404	329,404
Energy expense	331,345	388,352
Maintenance expense	34,616	30,071

8. Fund Balances

(a) The Town's fund balances are comprised of the following:

	<u>2005</u>	<u>2004</u>
Revenue fund (for general reduction in taxation or user charges)		
Cemetery	<u>\$ 9,524</u>	<u>\$ 20,609</u>
Funds available for the acquisition of capital assets	774,827	790,050
Acquisition of capital assets to be financed within the term of council	(50,762)	(385,923)
Acquisition of capital assets to be financed by proceeds from long term investments	(1,408,408)	(478,483)
Acquisition of capital assets to be recovered through reserves and reserve funds	(103,939)	(15,325)
Acquisition of capital assets to be financed by proceeds of subsidy	(10,266)	-
TOTAL (Unfinanced) capital financing	<u>\$ (798,548)</u>	<u>\$ (89,681)</u>
Reserves and Reserve funds	2,319,554	1,911,945
Equity in municipal electrical utility	9,733,942	9,646,847
	11,264,472	11,489,720
Amount to be recovered	(1,100,592)	(1,247,915)
TOTAL FUND BALANCES	<u>\$ 10,163,880</u>	<u>\$ 10,241,805</u>

**THE CORPORATION OF THE TOWN OF INGERSOLL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

8. Fund Balances – Continued

Consistent with policy authorized by Council resolution on May 13, 1992 any general purpose operating surplus/(deficit) is transferred to/(from) the Tax Stabilization reserve in the current year to the extent that a balance is available. In 2005 the transfer to the Tax Stabilization reserve was \$922,120 (2004 - \$570,801).

In addition, the balance available for the general reduction of taxation for the fiscal year ending December 31, 2005 has been reduced by an amount of \$ 17,158 (2004 - \$114,125) transferred to the reserves as authorized by resolutions dated November 14, 2005 and December 12, 2005.

Had the foregoing reductions not been made, the surplus would have shown a balance of \$948,802 (2004- \$705,535)

9. Amounts to be Recovered

The amounts to be recovered of \$1,100,592 (2004 - \$1,247,915) at the end of the year is comprised of:

	<u>2005</u>	<u>2004</u>
Sick leave benefits to be paid in future years	\$ 70,643	\$ 57,133
Post - employment benefits liability	290,172	367,120
Accrued vacation entitlement	22,777	21,662
Long term debt (note 5)	717,000	802,000
	<u>\$ 1,100,592</u>	<u>\$ 1,247,915</u>

10. Reserves and Reserve Funds

The total balance of reserves and reserve funds of \$2,052,405 (2004 - \$1,662,656) and \$267,149 (2004 - \$249,289) respectively are comprised of the following:

Reserves set aside for specific purposes by Council for:

	<u>2005</u>	<u>2004</u>
Debt Repayment	\$ 204,251	\$ 147,727
Acquisition of capital assets	507,024	418,607
Recreation programs/facilities	89,399	51,877
Working Capital	192,278	192,278
Tax Stabilization	900,856	598,322
Information Technology	46,834	87,925
Promotional	--	4,800
Election	10,000	5,000
Heritage events	8,000	6,000
Museum	26,791	32,192

**THE CORPORATION OF THE TOWN OF INGERSOLL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

10. Reserves and Reserve Funds - Continued

	<u>2005</u>	<u>2004</u>
Administration & Development	1,850	101,725
Police Board	31,119	5,820
Business Improvement Area	34,003	10,383
	\$	
Total Reserves	2,052,405	\$ 1,662,656

Reserve funds set aside for specific purposes by Council for:

Sick Leave	\$ 71,616	\$ 69,810
Industrial development	195,533	179,479
Total Reserve Funds	\$ 267,149	\$ 249,289
Total Reserves and Reserve Funds	\$ 2,319,554	\$ 1,911,945

11. Contingent liabilities

Lawsuits have been filed against the municipality for incidents which arose in the course of operation. In the opinion of management and legal counsel, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims not be recoverable from the municipality's insurers, such loss will be charged to operations in the year of resolution.

12. Post employment benefit liability

The Town provides to qualifying employees who retire before the age of 65, continued coverage for such benefits as extended health and dental care and life insurance to age 65 and beyond.

The management of the Town has, using the best information available to it, estimated the liability for the above mentioned employee future benefits to be \$ 290,172 (2004 - \$367,120) based on the present value of the current obligation for the past employees (see Note 9).

13. Other explanatory notes

13.

14.(a) Public Sector Salary Disclosure

The Town of Ingersoll did not pay any employee of the Corporation, salary and/or taxable benefits exceeding \$100,000 in 2005. This information has been presented in accordance with requirements under The Public Sector Salary Disclosure Act, 1996.

15.(b) Budget Figures

Budgets established for Capital funds, Reserves and Reserve funds are based on a project oriented basis, the cost of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts. Budgets have therefore not been reflected on the "Consolidated Statement of Financial Activities". Budgets for "Current Operations" have been consolidated and are reflected on a comparative basis with actuals on the "Schedule of Revenue Fund Operations".

**THE CORPORATION OF THE TOWN OF INGERSOLL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

13. Other explanatory notes - Continued

(c) Province of Ontario – Legislative Changes Affecting Municipalities

Effective 2000, the Provincial Government implemented the Ontario Fair Assessment System and redefined the services, which are funded from the property tax base. Assessment changes include the elimination of business taxes and the move to actual value assessment.

For multi-residential, commercial, and industrial property owners, the Province of Ontario instituted a mandatory capping program through the provisions of Bill 140, which limited assessment related increases. Multi-residential, commercial, and industrial property owners experiencing decreases were also capped at appropriate levels.

Since the application of the provincially mandated capping program is on a County wide basis, the impact on the Town of Ingersoll results in an amount paid to the County of Oxford as follows:

	<u>2005</u>	<u>2004</u>
Net Commercial Property (Decrease)	\$ (50,491)	\$ (34,148)
Net Industrial Property Increase	419,786	463,562
Net Multi-residential Property (Decrease)	(2,427)	(2,160)
Net paid to the County of Oxford	<u>\$ 366,868</u>	<u>\$ 427,254</u>

**THE CORPORATION OF THE TOWN OF INGERSOLL
SCHEDULE OF REVENUE FUND OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	2005 Budget (Unaudited)	2005 Actual	2004 Actual
REVENUES			
Net taxation	\$6,701,104	\$7,187,541	\$6,275,860
Payments-in-lieu of taxes	53,814	42,459	38,919
User charges	706,633	910,669	924,913
Transfer payments			
Government of Canada	2,628	3,803	3,952
Province of Ontario	1,382,299	1,377,903	754,753
Other municipalities	302,858	328,994	346,408
Other			
Investment income	93,750	118,769	91,984
Interest & Dividends - Municipal Electrical Utility	329,404	386,198	386,197
Sale of land and other assets	50,058	56,791	53,318
Penalties and interest on taxes	131,000	103,913	128,273
Donations	8,100	11,056	6,796
Other	<u>310,249</u>	<u>385,453</u>	<u>294,371</u>
Total Revenues	<u>10,071,897</u>	<u>10,913,549</u>	<u>9,305,744</u>
EXPENDITURES			
General government	1,123,585	1,127,104	1,060,666
Protection to persons and property	2,893,493	2,655,679	2,671,076
Transportation services	1,883,596	1,838,931	1,621,788
Environmental services	164,624	164,172	152,022
Health services	98,816	92,377	84,970
Social and family services	20,000	20,000	20,000
Recreation and culture	2,274,277	2,409,379	2,037,732
Planning and development	<u>352,705</u>	<u>289,135</u>	<u>239,082</u>
Total Expenditures	<u>8,811,096</u>	<u>8,596,777</u>	<u>7,887,336</u>
Net Revenues	1,260,801	2,316,772	1,418,408
FINANCING AND TRANSFERS			
Net transfers (from)/to reserves and reserve funds	(263,528)	696,855	617,158
Net transfers to capital operations	<u>1,544,938</u>	<u>1,631,002</u>	<u>797,365</u>
Net Transfers	1,281,410	2,327,857	1,414,523
CHANGE IN REVENUE FUND BALANCES	(20,609)	(11,085)	3,885
Revenue Fund Balance, beginning of year	<u>20,609</u>	<u>20,609</u>	<u>16,724</u>
Revenue Fund Balance, end of year	<u>\$ --</u>	<u>\$9,524</u>	<u>\$20,609</u>

**THE CORPORATION OF THE TOWN OF INGERSOLL
SCHEDULE OF CAPITAL FUND OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>2005</u>	<u>2004</u>
REVENUES		
Transfer payments		
Province of Ontario	\$108,686	\$ --
Other		
Net Obligatory reserve funds recognized	13,740	(5,413)
Sale of land and other assets	27,715	204,587
Donations	122,972	2,340
Contributions from others	<u>50,263</u>	<u>37,679</u>
Total Revenues	<u>\$323,376</u>	<u>\$239,193</u>
EXPENDITURES		
General government	73,790	20,334
Protection to persons and property	28,719	55,804
Transportation services	838,665	2,176,445
Environmental services	140,552	--
Health services	1,014	--
Recreation and culture	856,697	204,579
Planning and development	<u>1,019,657</u>	<u>88,777</u>
Total Expenditures	<u>2,959,094</u>	<u>2,545,939</u>
Net Expenditures	<u>(2,635,718)</u>	<u>(2,306,746)</u>
FINANCING AND TRANSFERS		
Net transfers from revenue fund	1,631,002	797,365
Net transfers from reserves and reserve funds	<u>295,849</u>	<u>1,009,164</u>
Net Financing and Transfers	<u>1,926,851</u>	<u>1,806,529</u>
CHANGE IN CAPITAL FUND BALANCE	(708,867)	(500,217)
Capital Fund Balance, beginning of year	<u>(89,681)</u>	<u>410,536</u>
Capital Fund Balance, end of year	<u>\$(798,548)</u>	<u>\$(89,681)</u>

**THE CORPORATION OF THE TOWN OF INGERSOLL
SCHEDULE OF RESERVES AND RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>2005</u>	<u>2004</u>
REVENUES		
Other		
Investment income	\$6,603	\$4,976
Total Revenues	<u>6,603</u>	<u>4,976</u>
 NET TRANSFERS FROM/(TO) OTHER FUNDS		
Transfers from revenue fund	696,855	624,843
Transfers (to) capital fund	(295,849)	(1,009,164)
Total Net Transfers	<u>401,006</u>	<u>(384,321)</u>
 CHANGE IN RESERVES AND RESERVE FUNDS BALANCE	 <u>407,609</u>	 <u>(379,345)</u>
Reserves and Reserve Funds Balance, beginning of year	1,911,945	2,291,290
Reserves and Reserve Funds Balance, end of year	<u>\$2,319,554</u>	<u>\$1,911,945</u>