

**The Municipality of North Perth
Financial Statements
For the year ended December 31, 2008**

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Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of the Municipality of North Perth

We have audited the consolidated statement of financial position of the Municipality of North Perth as at December 31, 2008 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of North Perth as at December 31, 2008 and the results of its financial activities and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

"BDO Dunwoody LLP"

Chartered Accountants, Licensed Public Accountants

Stratford, Ontario
March 2, 2009

**The Municipality of North Perth
Consolidated Statement of Financial Position**

December 31 **2008** **2007**

Assets and Liabilities

Financial assets

Cash (Note 1)	\$ 4,497,918	\$ 3,532,902
Taxes receivable	634,380	563,903
Trade and other receivables	1,554,085	2,671,130
Debt recoverable from others (Note 3)	504,206	534,168
Long-term investments (Note 2)	3,224,267	427,982
	10,414,856	7,730,085

Liabilities

Temporary borrowings	728,135	728,135
Accounts payable and accrued liabilities	1,314,946	1,411,348
Solid waste closure and post-closure liabilities (Note 4)	883,883	992,452
Post-employment benefits liabilities	296,625	208,976
Deferred revenue (Page 18)	2,740,231	1,545,548
Long-term liabilities (Note 5)	7,913,636	8,168,969
	13,877,456	13,055,428

Net financial assets

Prepaid expenses	\$ (3,462,600)	\$ (5,325,343)
	121,960	120,315
	\$ (3,340,640)	\$ (5,205,028)

Municipal Position

Current fund (Page 19)	\$ 137,531	\$ (12,767)
Capital fund (Page 20), (Note 7)	(6,446,182)	(6,539,838)
Reserves and reserve funds (Page 21)	11,557,949	10,183,806
	5,249,298	3,631,201
Amounts to be recovered (Note 6)	(8,589,938)	(8,836,229)
	\$ (3,340,640)	\$ (5,205,028)

**The Municipality of North Perth
Consolidated Statement of Financial Activities**

For the year ended December 31	2008	2008	2007
	Budget	Actual	Actual
Revenue			
Taxation	\$ 7,178,215	\$ 7,227,016	\$ 6,743,979
Fees and user charges	5,140,767	5,283,458	5,186,847
Canada grants	195,852	7,458	88,996
Ontario grants	5,980,491	4,076,656	4,037,696
Municipal grants	301,117	675,808	520,498
Other income (Note 9)	1,370,117	2,907,527	1,616,616
Obligatory reserve fund revenue recognized	527,077	474,429	528,092
	<u>20,693,636</u>	<u>20,652,352</u>	<u>18,722,724</u>
Expenditures			
Current (Note 10)			
General government	1,487,601	1,451,395	1,455,376
Protection services	3,047,973	3,013,226	2,953,314
Transportation services	1,986,930	2,199,427	2,029,238
Environmental services	2,709,837	2,453,608	2,810,910
Health services	178,900	171,753	156,539
Social and family services	549,675	576,327	518,845
Recreation and cultural services	2,404,525	2,356,310	2,282,046
Planning and development	154,850	97,082	167,643
	<u>12,520,291</u>	<u>12,319,128</u>	<u>12,373,911</u>
Capital			
General government	56,000	60,074	97,900
Protection services	120,000	90,000	3,400
Transportation services	3,867,000	2,642,422	1,554,063
Environmental services	11,812,245	2,525,032	1,933,504
Health services	95,000	88,354	37,164
Social and family services	17,363	27,057	1,050
Recreational and cultural services	413,239	255,454	380,828
Planning and development	130,000	778,329	2,347,815
	<u>16,510,847</u>	<u>6,466,722</u>	<u>6,355,724</u>
	<u>29,031,138</u>	<u>18,785,850</u>	<u>18,729,635</u>
Net revenues (expenditures) for the year	(8,337,502)	1,866,502	(6,911)
Change in amounts to be recovered (Note 8)	8,322,223	(248,405)	(54,712)
Change in fund balances for the year	(15,279)	1,618,097	(61,623)
Fund balances, beginning of year	3,631,201	3,631,201	3,692,824
Fund balances, end of year	<u>\$ 3,615,922</u>	<u>\$ 5,249,298</u>	<u>\$ 3,631,201</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Municipality of North Perth
Consolidated Statement of Changes in Financial Position**

For the year ended December 31	2008	2007
Cash provided by (used in)		
Operating activities		
Net revenue for the year	\$ 1,866,502	\$ (6,911)
Change in non-cash working capital balances		
(Increase) decrease in taxes receivable	(70,477)	14,063
(Increase) decrease in trade and other receivables	1,117,045	(635,837)
Increase (decrease) in accounts payable and accrued liabilities	(96,402)	(468,706)
Increase (decrease) in post-employment benefits liabilities	87,649	(10,974)
Increase (decrease) in deferred revenue	1,194,683	164,105
(Increase) decrease in prepaid expenses	(1,645)	10,941
Increase (decrease) in solid waste closure and post-closure liabilities	(108,569)	83,330
	<u>3,988,786</u>	<u>(849,989)</u>
Investing activities		
(Increase) decrease in long-term investments	<u>(2,796,285)</u>	<u>(20,000)</u>
Financing activities		
Additions to long-term liabilities	55,500	1,272,564
Repayment of long-term liabilities	(227,485)	(1,269,232)
Transfer of proceeds of long-term debt to others	(55,500)	(130,400)
Increase (decrease) in temporary borrowings	-	(60,447)
	<u>(227,485)</u>	<u>(187,515)</u>
Net change in cash and cash equivalents	965,016	(1,057,504)
Cash and cash equivalents, beginning of year	3,532,902	4,590,406
Cash and cash equivalents, end of year	\$ 4,497,918	\$ 3,532,902

The Municipality of North Perth Summary of Significant Accounting Policies

December 31, 2008

Management Responsibility

The consolidated financial statements of the Municipality of North Perth are the representations of management. They have been prepared in accordance with generally accepted 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.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenues and expenditures of the current fund, capital fund, reserves and reserve funds of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenditures have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

Elma-Logan Arena
Business Improvement Association
North Perth Cemetery Board
North Perth Public Library Board

Basis of Accounting

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

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.

Capital Assets

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

The Municipality of North Perth Summary of Significant Accounting Policies

December 31, 2008

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. 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 the outstanding principal portion of unmatured long-term liabilities, liabilities not yet due, and other future expenditures not yet levied on the ratepayers.
Government Transfers	Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.
County and School Board	The municipality collects taxation revenue on behalf of the school boards and the County of Perth. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Perth 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 statements of financial position and financial activities and fund balances.

The Municipality of North Perth Notes to Financial Statements

December 31, 2008

1. Cash

	2008	2007
Unrestricted	\$ 2,258,719	\$ 2,394,043
Restricted - obligatory reserve funds	2,239,199	1,138,859
	\$ 4,497,918	\$ 3,532,902

The Municipality has an authorized line of credit of \$4,100,000, at the Canadian Imperial Bank of Commerce prime lending rate less 0.25%. The outstanding amount as of December 31, 2008 was \$nil (2007 - \$nil). The facility is secured by general borrowing by-laws.

2. Long-term Investments

	2008	2007
Long-term receivable from landowner bearing interest at 5% per annum. Secured by land.	\$ 220,000	\$ 220,000
Long-term note receivable bearing interest at 7% and receivable in blended annual payments of \$47,872; due 2013.	196,285	-
Mortgage receivable, bearing interest at bank prime; principal repayments are based upon units sold at the property. Secured by land.	207,982	207,982
Guaranteed investment certificate, bearing interest at 4.56% per annum. Interest is paid on an annual basis. Matures September 10, 2010.	2,600,000	-
	\$ 3,224,267	\$ 427,982

The Municipality of North Perth Notes to Financial Statements

December 31, 2008

3. Debt Recoverable from Others

	2008	2007
Tile drainage loans bearing interest between 6.0 and 8.0% and repayable in annual instalments. The loans are due between 2008 and 2017.	\$ 499,314	\$ 527,161
Local improvements receivable, 10.5%, blended annual payments of \$2,851; due 2010.	4,892	7,007
	\$ 504,206	\$ 534,168

4. Solid Waste Closure and Post-Closure Liabilities

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance.

The Municipality operates three landfill sites. The liability for these sites is recorded at \$883,883 and represents the present value and post closure costs using the Government of Canada's average long-term borrowing rate of 6%, based on the following information for each site:

	Percent of Opened Cells	Remaining Capacity	Future Expenditures	Remaining Life	Post-closure Care
Listowel	100%	- m ³	\$ 778,289	nil years	46 years
Etma	100%	367,140 m ³	7,326	60.2 years	85 years
Wallace	100%	7,922 m ³	98,268	20.8 years	78 years
		375,062 m ³	\$883,883		

This liability is expected to be funded through budget allocations over the remaining life of these landfills.

**The Municipality of North Perth
Notes to Financial Statements**

December 31, 2008

5. Long-Term Liabilities

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2008	2007
Tile drainage loans, bearing interest between 6.0 and 8.0% and repayable in annual instalments. The loans are due between 2008 and 2017 and are recoverable from benefiting landowners.	\$ 499,314	\$ 527,161
Cemetery Care and Maintenance Trust Fund loan, bearing interest at 5% and repayable in blended annual payments of \$25,678; due 2027.	310,322	320,000
OSIFA loan, bearing interest at 2.63% and repayable in blended semi-annual payments of \$124,807; due April 2046.	5,928,315	6,020,199
OSIFA loan, bearing interest at 2.43% and repayable in blended semi-annual payments of \$30,927; due April 2016.	421,758	472,438
OSIFA loan, bearing interest at 2.56% and repayable in blended semi-annual payments of \$46,855; due 2017.	749,035	822,164
Other loan term liabilities incurred by the Municipality.	4,892	7,007
	\$ 7,913,636	\$ 8,168,969

Principal payments for the next 5 fiscal years and thereafter are as follows:

2009	\$ 305,481
2010	307,417
2011	303,133
2012	309,684
2013	313,559
Thereafter	6,374,362

The Municipality of North Perth Notes to Financial Statements

December 31, 2008

6. Amounts to be recovered

	2008	2007
Long-term liabilities (Note 5)	\$ 7,913,636	\$ 8,168,969
Portion of long-term liabilities recoverable from others (Note 3)	(504,206)	(534,168)
Solid waste closure and post-closure liabilities	893,883	992,452
Post-employment benefits	296,625	208,976
	\$ 8,589,938	\$ 8,836,229

7. Internal Loans

As a means of funding capital projects, the Revenue Fund has borrowed funds from the Future Development Reserve Fund. This interfund debt is secured by promissory notes and is to be repaid over a predetermined period of time. Council approved the financing arrangements and ultimate repayment of these loans through the current budget process. For the purpose of these financial statements, this interfund debt is reflected as interfund transfers and therefore eliminated upon consolidation. The related capital projects are reported as unfinanced capital at December 31, 2008 in the amount of \$2,806,194 (2007 - \$3,063,022) and are to be financed from taxation and user charges as the interfund debt is repaid.

The following is the current status of all such loans outstanding:

	2008	2007
Future Development Reserve Fund loan to fund the repayment of external long-term liabilities; bearing interest at 5% and repayable in blended annual payments of \$43,596; due 2015.	431,545	452,516
Future Development Reserve Fund loan for roads capital projects; bearing interest at 5% and repayable in blended annual payments of \$173,698; due 2015.	1,005,081	1,122,647
Future Development Reserve Fund loan for general capital projects; bearing interest at 5% and repayable in blended annual payments of \$192,685; due 2017.	1,369,568	1,487,859
	\$ 2,806,194	\$ 3,063,022

**The Municipality of North Perth
Notes to Financial Statements**

December 31, 2008

8. Change in Amounts to be Recovered

	2008	2007
Issuance of long-term liabilities	\$ -	\$ 1,142,164
Debt principal repayments, net of recoveries	(227,485)	(1,269,232)
Change in vested sick leave payable	87,649	(10,974)
Change in solid-waste closure and post-closure liabilities	(108,569)	83,330
	\$ (248,405)	\$ (54,712)

9. Other Income

	2008	2008	2007
	Budget	Actual	Actual
Penalties and interest on taxation	\$ 100,000	\$ 92,010	\$ 88,990
Other fines and penalties	6,552	4,515	4,820
Investment income	145,700	232,506	286,208
Licences, permits and rents	327,264	355,436	316,231
Donations	70,670	163,685	248,741
Prepaid special charges	152,881	870,669	140,656
Sale of publications, equipment, etc.	567,050	549,663	517,090
Sale of land, equipment and other assets	-	639,043	13,880
	\$ 1,370,117	\$ 2,907,527	\$ 1,616,616

10. Expenditures by Object

Total operating expenditures for the year reported on the consolidated statement of financial activities are as follows:

	2008	2007
Salaries, wages and employee benefits	\$ 4,655,821	\$ 4,442,916
Materials	3,500,861	3,745,456
Contracted services	3,707,493	3,461,237
Rents and financial expenses	5,000	6,692
Interest on long-term debt	205,488	225,635
Contributions to other organizations	265,385	419,619
Amounts for unfunded liabilities	(20,920)	72,356
	\$ 12,319,128	\$ 12,373,911

The Municipality of North Perth Notes to Financial Statements

December 31, 2008

11. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2008 was \$195,114 (2007 - \$185,614).

12. Budget Amounts

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the consolidated statement of financial activities for comparative purposes. The 2008 budget amounts for the Municipality of North Perth approved by Council have been restated to conform to the basis of preparation of the revenues and expenditures on the consolidated statement of financial activities.

13. Operations of School Boards and the County of Perth

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Perth:

	2008	2007
School boards	\$ 4,314,512	\$ 4,265,493
County of Perth	2,987,245	2,945,296
	<u>\$ 7,301,757</u>	<u>\$ 7,210,789</u>

14. Trust Funds

The trust funds administered by the municipality amounting to \$433,518 (2007 - \$412,098) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2008, the trusts fund balances are as follows:

	2008	2007
Cemetery Care and Maintenance funds	\$ 433,518	\$ 412,098

The Municipality of North Perth Notes to Financial Statements

December 31, 2008

15. Contractual Commitments

The Municipality of North Perth has entered into a contract whereby it has agreed to purchase up to ten Phase II units in the Perth Adult Care Life Residences at a cost of no more than \$158,000 per unit, depending on availability of the remaining units. This commitment will only take place if less than 27 units have been sold at the time construction is completed.

16. Contingencies

A number of appeals of the current value assessment of properties in the municipality are currently in process. The impact on taxation revenue as a result of settlement of these appeals is not determinable at this time. The effect on taxation of the settlement of these appeals will be recorded in the fiscal year in which they can be determined.

The municipality is a defendant in a number of lawsuits. The ultimate liability if any, cannot be determined at this time.

17. Tangible Capital Assets

For the year ended December 31, 2009 the Municipality will be required to comply with Section 3150, Tangible Capital Assets of the Public Sector Accounting Board Handbook. Section 3150 requires the capitalization and amortization of tangible capital assets in the financial statements. As a transitional provision, Public Sector Guideline-7, Tangible Capital Assets of Local Governments, requires disclosure of information for each major class of tangible capital asset for which all the relevant information can be provided for the complete stock of tangible capital assets of that category.

The Municipality is currently working on the collection and recording of their capital assets, and the related accumulated amortization. Capitalization information is not yet available for any major categories of tangible capital assets.

18. Use of Estimates

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.

The Municipality of North Perth

Notes to Financial Statements

December 31, 2008

19. Segmented Information

The Municipality of North Perth is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This category relates to the revenues and expenses of the operations of the Municipality itself and cannot be directly attributed to specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection and protective inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. Protective inspection provides services related to the enforcement of building and construction codes.

Transportation

Transportation is responsible for providing the Municipality's transit services.

Environmental

Environmental services provide the Municipality's drinking water, process and clean sewage to ensure the Municipality's water system meets all Provincial standards, and provide waste disposal for its citizens.

Health

Health services relate to maintaining the Municipality's cemeteries.

Social Services

Social service provides for child care services.

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Municipality's citizens through recreational programs and library services.

Planning and Development

This department provides a number of services including planning, economic development and maintenance of the Municipality's drains.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been measured on the basis of the actual cost of services provided. Taxation and grants attributable to a number of segments have been allocated to those segments based on the budgeted net operating revenue for the year.

The Municipality of North Perth
Notes to Financial Statements

19. Segmented Information (Continued)

For the year ended December 31	General government	Protection to persons and property	Transportation	Environment	Health services	Social services	Recreation and cultural services	Planning and development	2008 Total
Revenue									
Taxation	\$ 906,114	\$ 2,387,005	\$ 2,690,275	\$ 37,116	\$ 56,137	\$ -	\$ 1,087,502	\$ 52,867	\$ 7,227,016
Fees and user charges	49,084	80,812	62,621	3,834,969	54,977	451,702	715,043	34,220	5,283,438
Grants	498,686	932,814	2,534,779	13,632	18,102	193,384	630,648	37,877	4,759,922
Other	386,305	266,808	96,486	607,532	53,554	6,334	671,008	1,273,939	3,381,976
	1,840,199	3,687,439	5,384,171	4,493,249	182,770	651,420	3,004,201	1,408,903	20,652,352
Expenses									
Salaries and benefits	1,000,445	598,830	707,744	443,249	94,478	496,725	1,279,360	14,059	4,634,901
Goods and services	658,967	2,349,813	1,307,448	1,897,448	25,823	78,618	1,088,806	71,816	7,478,739
Interest	-	-	-	189,488	16,000	-	-	-	205,488
Interfunctional transfers	(208,017)	64,583	184,235	(76,577)	35,452	983	(11,856)	11,197	-
Capital	60,074	90,000	2,642,422	2,525,032	88,354	27,057	255,454	778,329	6,466,722
	1,511,469	3,103,226	4,841,849	4,978,640	250,107	603,384	2,611,764	875,411	18,785,850
Net revenue (expenditures)	\$ 328,730	\$ 584,213	\$ 542,322	\$ (485,391)	\$ (77,337)	\$ 48,036	\$ 392,437	\$ 533,492	\$ 1,866,502

The Municipality of North Perth Notes to Financial Statements

19. Segmented Information (Continued)

For the year ended December 31	General government	Protection to persons and property	Transportation	Environment	Health services	Social services	Recreation and cultural services	Planning and development	2007 Total
Revenue									
Taxation	\$ 842,041	\$ 1,996,677	\$ 2,667,672	\$ 27,831	\$ 56,501	\$ -	\$ 938,322	\$ 215,035	\$ 6,743,979
Fees and user charges	29,806	62,140	42,911	3,859,374	46,909	397,101	694,080	54,526	5,186,847
Grants	684,262	800,729	2,383,220	50,308	19,267	212,362	417,185	79,827	4,647,190
Other	368,983	341,685	403,624	133,186	53,560	11,682	762,018	69,970	2,144,708
	<u>1,925,122</u>	<u>3,201,131</u>	<u>5,497,427</u>	<u>4,070,699</u>	<u>176,237</u>	<u>621,145</u>	<u>2,811,605</u>	<u>419,358</u>	<u>18,722,724</u>
Expenses									
Salaries and benefits	837,656	608,799	688,836	492,361	91,476	435,894	1,216,530	60,388	4,431,940
Goods and services	774,036	2,281,515	1,391,161	1,978,234	31,615	80,704	1,065,695	93,376	7,716,336
Interest	48,314	-	-	177,321	-	-	-	-	225,635
Interfunctional transfers	(204,630)	63,000	(50,759)	162,994	33,448	2,247	(20,179)	13,879	-
Capital	97,900	3,400	1,554,063	1,933,504	37,164	1,050	380,828	2,347,815	6,355,724
	<u>1,553,276</u>	<u>2,956,714</u>	<u>3,583,301</u>	<u>4,744,414</u>	<u>193,703</u>	<u>519,895</u>	<u>2,662,874</u>	<u>2,515,458</u>	<u>18,729,635</u>
Net revenue (expenditures)	\$ 371,846	\$ 244,417	\$ 1,914,126	\$ (673,715)	\$ (17,466)	\$ 101,250	\$ 148,731	\$ (2,096,100)	\$ (6,911)

**The Municipality of North Perth
Schedule of Deferred Revenue**

For the year ended December 31 2008

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 763,208	\$ 341,464	\$ 28,071	\$ (192,084)	\$ 940,659
Recreational land	323,353	12,500	8,084	-	343,937
Federal gas tax	8,495	195,852	212	(204,559)	-
Provincial gas tax	43,803	27,233	-	(71,036)	-
Other restricted grants	-	954,603	-	-	954,603
	<u>1,138,859</u>	<u>1,531,652</u>	<u>36,367</u>	<u>(467,679)</u>	<u>2,239,199</u>
Other					
Deposits	406,689	94,343	-	-	501,032
	<u>\$ 1,545,548</u>	<u>\$ 1,625,995</u>	<u>\$ 36,367</u>	<u>\$ (467,679)</u>	<u>\$ 2,740,231</u>

The Municipality of North Perth Schedule of Current Fund Operations

For the year ended December 31	2008 Budget	2008 Actual	2007 Actual
Revenue			
Taxation	\$ 7,178,215	\$ 7,227,016	\$ 6,743,979
Fees and user charges	5,140,767	5,283,458	5,186,847
Canada grants	195,852	7,458	5,194
Ontario grants	2,498,242	2,540,477	3,567,456
Municipal grants	301,117	374,297	519,435
Other	1,173,736	1,269,783	1,229,854
Obligatory reserve fund revenue recognized	-	84,323	61,292
	<u>16,487,929</u>	<u>16,786,812</u>	<u>17,314,057</u>
Expenditures			
General government	1,487,601	1,451,395	1,455,376
Protection services	3,047,973	3,013,226	2,953,314
Transportation services	1,986,930	2,199,427	2,029,238
Environmental services	2,709,837	2,453,608	2,810,910
Health services	178,900	171,753	156,539
Social and family services	549,675	576,327	518,845
Recreation and cultural services	2,404,525	2,356,310	2,282,046
Planning and development	154,850	97,082	167,643
	<u>12,520,291</u>	<u>12,319,128</u>	<u>12,373,911</u>
Net revenues for the year	<u>3,967,638</u>	<u>4,467,684</u>	<u>4,940,146</u>
Financing and transfers			
Debt principal repayments, net of recoveries	(227,484)	(227,485)	(1,269,232)
Change in post-employment benefits	-	87,649	(10,974)
Change in solid waste closure and post-closure liabilities	-	(108,569)	83,330
Transfers to capital fund operations	(174,262)	(146,174)	296,479
Transfers to reserves and reserve funds	(3,552,892)	(3,922,807)	(4,606,560)
	<u>(3,954,638)</u>	<u>(4,317,386)</u>	<u>(5,506,957)</u>
Change in fund balance for the year	13,000	150,298	(566,811)
Current Fund, beginning of the year	(13,000)	(12,767)	554,044
Current Fund, end of the year	<u>\$ -</u>	<u>\$ 137,531</u>	<u>\$ (12,767)</u>

The Municipality of North Perth Schedule of Capital Fund Operations

For the year ended December 31	2008 Budget	2008 Actual	2007 Actual
Revenue			
Canada grants	\$ -	\$ -	\$ 83,802
Ontario grants	3,482,249	1,536,179	470,240
Municipal grants	-	301,511	1,063
Donations	43,500	24,150	112,637
Prepaid special charges	152,881	870,671	140,656
Sale of land, equipment and other assets	-	639,043	13,880
Obligatory reserve fund revenue recognized	527,077	390,106	466,800
	<u>4,205,707</u>	<u>3,761,660</u>	<u>1,289,078</u>
Expenditures			
General government	56,000	60,074	97,900
Protection services	120,000	90,000	3,400
Transportation services	3,867,000	2,642,422	1,554,063
Environmental services	11,812,245	2,525,032	1,933,504
Health services	95,000	88,354	37,164
Social and family services	17,363	27,057	1,050
Recreation and cultural services	413,239	255,454	380,828
Planning and development	130,000	778,329	2,347,815
	<u>16,510,847</u>	<u>6,466,722</u>	<u>6,355,724</u>
Net revenues (expenditures) for the year	<u>(12,305,140)</u>	<u>(2,705,062)</u>	<u>(5,066,646)</u>
Financing and transfers			
Issue of long-term liabilities	8,549,708	55,500	1,272,564
Transfers from current fund operations	-	146,174	(296,479)
Transfers from (to) reserves and reserve funds	3,767,432	2,652,544	2,455,866
Transfer of proceeds of long-term debt to others	-	(55,500)	(130,400)
	<u>12,317,140</u>	<u>2,798,718</u>	<u>3,301,551</u>
Change in fund balance for the year	12,000	93,656	(1,765,095)
Capital Fund, beginning of the year	<u>(6,539,838)</u>	<u>(6,539,838)</u>	<u>(4,774,743)</u>
Capital Fund, end of the year (Note 7)	<u>\$ (6,527,838)</u>	<u>\$ (6,446,182)</u>	<u>\$ (6,539,838)</u>

**The Municipality of North Perth
Schedule of Reserves and Reserve Funds**

For the year ended December 31	2008 Budget	2008 Actual	2007 Actual
Revenue			
Other revenue	\$ -	\$ 103,880	\$ 119,589
Net Transfers from (to) other funds			
Transfer from current fund operations	3,552,892	3,922,807	4,606,560
Transfer from (to) capital fund operations	(3,767,432)	(2,652,544)	(2,455,866)
	<u>(214,540)</u>	<u>1,270,263</u>	<u>2,150,694</u>
Change in balance for the year	(214,540)	1,374,143	2,270,283
Reserves and Reserve Funds, beginning of the year	<u>10,183,806</u>	<u>10,183,806</u>	<u>7,913,523</u>
Reserves and Reserve Funds, end of the year	<u>\$ 9,969,266</u>	<u>\$ 11,557,949</u>	<u>\$ 10,183,806</u>

Analyzed as follows:

Reserves set aside for specific purpose by Council:

Working funds	\$ 550,000	\$ 550,000
Post-employment benefits	139,873	89,941
Current purposes	227,920	93,380
Capital purposes	3,448,075	2,710,911
	<u>4,365,868</u>	<u>3,444,232</u>

Reserve funds set aside for specific purpose by Council:

Current purposes	54,018	103,925
Capital purposes	7,138,063	6,635,649
	<u>7,192,081</u>	<u>6,739,574</u>

Reserves and Reserve Funds, end of the year	<u>\$ 11,557,949</u>	<u>\$ 10,183,806</u>
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**The Municipality of North Perth
Cemetery Board
Schedule of Financial Activities**

For the year ended December 31	2008	2008	2007
	Budget	Actual	Actual
Revenue			
Interment rights	\$ 72,600	\$ 58,427	\$ 48,806
Interest income transferred from trust fund	20,000	16,000	19,960
Burial charges	22,750	19,250	18,950
Sundry	4,950	8,300	4,354
Transfer from reserves	-	-	21,849
	<u>120,300</u>	<u>101,977</u>	<u>113,919</u>
Expenditures			
Cemetery and building maintenance	36,700	35,142	40,384
Administration and general	97,100	99,190	96,606
Transfer to perpetual care fund	29,100	21,420	19,550
Transfers to reserves	4,322	4,322	-
	<u>167,222</u>	<u>160,074</u>	<u>156,540</u>
	(46,922)	(58,097)	(42,621)
Contribution from Municipality of North Perth	<u>46,922</u>	<u>58,097</u>	<u>42,621</u>
Net revenues for the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The Municipality of North Perth
North Perth Public Library Board
Schedule of Financial Activities**

For the year ended December 31	2008	2008	2007
	Budget	Actual	Actual
Revenue			
Fees and user charges	\$ 8,168	\$ 8,825	\$ 10,208
Donations - Operating	3,070	5,899	14,142
Donations - Friends	2,000	3,388	17,934
Ontario grants	23,013	24,667	58,482
Canada grants	-	9,967	14,796
Other operating revenue	10,415	17,227	8,980
	<u>46,666</u>	<u>69,973</u>	<u>124,542</u>
Expenditures			
Administrative	39,760	24,024	28,414
Books, videos and periodicals	60,293	53,923	78,501
Repairs and maintenance	23,077	25,648	21,889
Wages and benefits	297,924	305,508	288,409
Utilities and insurance	36,167	34,170	34,905
Transfer to reserve	6,000	30,836	68,275
	<u>463,221</u>	<u>474,109</u>	<u>520,393</u>
	(416,555)	\$ (404,136)	(395,851)
Contribution from Municipality of North Perth	<u>416,555</u>	<u>\$ 404,136</u>	<u>395,851</u>
Net revenue for the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The Municipality of North Perth
Business Improvement Area
Schedule of Financial Activities and Fund Balance**

For the year ended December 31	2008	2008	2007
	Budget	Actual	Actual
Revenue			
Taxation revenue	\$ 53,820	\$ 53,739	\$ 52,000
Transfer from reserve fund	44,431	-	-
	<u>98,251</u>	<u>53,739</u>	<u>52,000</u>
Expenditures			
Administrative	8,475	8,459	8,443
Advertising and promotion	77,276	29,351	21,363
Downtown beautification	12,500	8,300	8,325
Transfer to reserve fund	-	7,629	13,869
	<u>98,251</u>	<u>53,739</u>	<u>52,000</u>
Net revenues for the year	<u>-</u>	<u>-</u>	<u>-</u>

**The Municipality of North Perth
Trust Funds
Financial Statements
For the year ended December 31, 2008**

**The Municipality of North Perth
Trust Funds
Financial Statements
For the year ended December 31, 2008**

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Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of the Municipality of North Perth

We have audited the statement of financial position of the Municipality of North Perth Trust Funds as at December 31, 2008 and the statement of financial activities and fund balance for the year then ended. These financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Municipality of North Perth Trust Funds as at December 31, 2008 and the results of financial activities for the year then ended in accordance with Canadian generally accepted accounting principles.

"BDO Dunwoody LLP"

Chartered Accountants, Licensed Public Accountants

Stratford, Ontario
March 2, 2009

**The Municipality of North Perth Trust Funds
Statement of Financial Position**

For the year ended December 31	2008	2007
Assets		
Current		
Cash	\$ 113,519	\$ 412,866
Current portion of loan receivable	10,161	9,678
Due from the Municipality of North Perth	9,677	-
	<u>133,357</u>	<u>422,544</u>
Long-term portion of loan receivable	<u>300,161</u>	<u>310,322</u>
	\$ 433,518	\$ 732,866
Liabilities and Fund Balance		
Current		
Due to the Municipality of North Perth	\$ -	\$ 320,768
Fund Balance	<u>433,518</u>	<u>412,098</u>
	\$ 433,518	\$ 732,866

**The Municipality of North Perth Trust Funds
Statement of Financial Activities and Fund Balance**

For the year ended December 31	2008	2007
Receipts		
Plot sales/monuments transferred from Cemetery Board	\$ 21,420	\$ 19,550
Interest	16,000	19,960
	<u>37,420</u>	<u>39,510</u>
Expenditures		
Interest transferred to Cemetery Board	<u>16,000</u>	<u>19,960</u>
Excess of receipts over expenditures for the year	21,420	19,550
Fund Balance, beginning of the year	<u>412,098</u>	<u>392,548</u>
Fund Balance, end of the year	<u>\$ 433,518</u>	<u>\$ 412,098</u>

The Municipality of North Perth Trust Funds Summary of Significant Accounting Policies

December 31, 2008

Management Responsibility

The financial statements of the Municipality of North Perth Trust Funds are the representation of management. Precise determination of some assets and liabilities may be dependent upon future events and estimates and approximations. These estimates and approximations have been based upon the available information, using careful judgment and review.

Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting.

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

Statement of Cash Flows

The statement of cash flows has not been provided as it would not provide any additional useful information.

The Municipality of North Perth Trust Funds
Notes to Financial Statements

December 31, 2008

1. Loan Receivable

	<u>2008</u>	<u>2007</u>
Loan to the Municipality of North Perth, receivable in annual instalments of \$25,678, including interest at 5%. Due December 2027.	\$ 310,322	\$ 320,000
Current portion	<u>(10,161)</u>	<u>(9,678)</u>
Long-term portion of loan receivable	<u>\$ 300,161</u>	<u>\$ 310,322</u>
