

**CORPORATION OF THE  
TOWNSHIP OF CRAMAHE  
CONSOLIDATED FINANCIAL STATEMENTS  
AT DECEMBER 31, 2008**

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**TOWNSHIP OF CRAMAHE**

**For The Year Ended December 31, 2008**

**MANAGEMENT REPORT**

The accompanying financial statements of the Township of Cramahe are the responsibility of management and have been approved by Council.


The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.


The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the external auditor's report.

The financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Collins Barrow Kawarthas LLP have full and free access to Council.

Mayor 

Treasurer 

Date 7 APRIL 09

Date April 7/09

## AUDITORS' REPORT

### TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF CRAMAHE

We have audited the consolidated statement of financial position of the Corporation of the Township of Cramahe 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 Township'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 Township as at December 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
January 23, 2009

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At December 31, 2008**

	2008 \$	2007 \$
<b>ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
Cash	4,197,812	2,793,903
Taxes receivable	1,013,002	753,272
Accounts receivable	287,184	248,617
<b>TOTAL ASSETS</b>	<b>5,497,998</b>	<b>3,795,792</b>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
<b>LIABILITIES</b>		
Temporary loan	493,802	500,000
Accounts payable	479,764	460,289
Deferred revenue - obligatory reserve fund (Note 4)	649,458	515,833
Deferred revenue - other	2,351	-
Long-term debt (Note 5)	2,330,020	2,610,482
	3,955,395	4,086,604
<b>MUNICIPAL POSITION</b>		
Fund Balances (Note 6)		
Current fund	(6,436)	(127,804)
Capital fund	(1,583,767)	(1,666,935)
Reserves and reserve funds (see Schedule page 16)	5,462,826	4,114,409
	3,872,623	2,319,670
Amount To Be Recovered		
Long-term debt	(2,330,020)	(2,610,482)
	1,542,603	(290,812)
<b>TOTAL LIABILITIES AND MUNICIPAL POSITION</b>	<b>5,497,998</b>	<b>3,795,792</b>

The accompanying notes are an integral part of this financial statement.

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**For The Year Ended December 31, 2008**

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
<b>REVENUES</b>			
Property taxation	3,923,990	4,015,119	3,876,180
User charges	1,361,272	1,416,697	1,509,241
Government of Canada	95,164	80,819	44,629
Province of Ontario	1,516,538	2,041,492	954,149
Other municipalities	-	40,500	-
Other grants	1,050	15,052	65,606
Penalties and interest on taxes	110,000	129,613	112,840
Investment income	100,000	104,772	131,470
Developer contributions earned	-	20,815	34,006
Sale of assets	70,500	629,540	152,547
Donations	-	300	8,476
<b>TOTAL REVENUES</b>	<b>7,178,514</b>	<b>8,494,719</b>	<b>6,889,144</b>
<b>EXPENDITURES</b>			
General government	769,410	865,950	681,493
Protection to persons and property	1,390,785	1,320,163	1,354,385
Transportation services	1,908,146	1,899,519	1,750,851
Environmental services	502,102	365,824	505,958
Health services	5,306	12,702	12,965
Recreation and cultural services	1,268,443	1,326,996	1,311,224
Planning and development	643,548	870,150	1,928,657
<b>TOTAL EXPENDITURES</b>	<b>6,487,740</b>	<b>6,661,304</b>	<b>7,545,533</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>690,774</b>	<b>1,833,415</b>	<b>(656,389)</b>
<b>INCREASE IN AMOUNTS TO BE RECOVERED</b>			
Long-term debt incurred	250,000	-	1,125,000
Debt principal repayments	(286,311)	(280,462)	(277,075)
	(36,311)	(280,462)	847,925
<b>INCREASE IN FUND BALANCES</b>	<b>654,463</b>	<b>1,552,953</b>	<b>191,536</b>
<b>OPENING FUND BALANCES</b>	<b>2,305,354</b>	<b>2,319,670</b>	<b>2,128,134</b>
<b>CLOSING FUND BALANCES</b>	<b>2,959,817</b>	<b>3,872,623</b>	<b>2,319,670</b>

The accompanying notes are an integral part of this financial statement.

**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**For The Year Ended December 31, 2008**

	2008 \$	2007 \$
<b>OPERATIONS</b>		
Net revenues/(expenditures)	1,833,415	(656,389)
(Uses) Sources:		
(Increase) decrease in taxes receivable	(259,730)	(86,422)
(Increase) decrease in accounts receivable	(38,567)	(48,925)
Increase (decrease) in accounts payable	19,475	(174,145)
Increase (decrease) in deferred revenue	133,625	114,149
(Increase) decrease in other deferred revenue	2,351	(11,200)
Net increase (decrease) in cash from operations	1,690,569	(862,932)
<b>FINANCING ACTIVITIES</b>		
Long-term debt incurred	-	1,125,000
Debt principal repayments	(280,462)	(277,075)
	(280,462)	847,925
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,410,107	(15,007)
<b>OPENING CASH AND CASH EQUIVALENTS</b>	2,293,903	2,308,910
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>3,704,010</b>	<b>2,293,903</b>
<b>CASH AND CASH EQUIVALENTS COMPRISED OF:</b>		
Cash	4,197,812	2,793,903
Temporary loan	(493,802)	(500,000)
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>3,704,010</b>	<b>2,293,903</b>

The accompanying notes are an integral part of this financial statement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For The Year Ended December 31, 2008**

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The Township of Cramahe is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

**Reporting Entity**

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures and fund balances 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 Township and which are owned and controlled by the Township. These financial statements include the following boards:

- . East Colborne Cemetery Board
- . Cramahe Township Public Library Board

All interfund assets, liabilities, revenues and expenditures are eliminated.

**Fund Accounting**

Funds within the consolidated financial statements consist of current, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

Trust funds and their related operations administered by the Township are not included in these financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

**Recognition of Revenue and Expenditures**

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

**Capital Assets**

Expenditures made on capital assets are reported as capital expenditures on the Consolidated Statement of Financial Activities in the period incurred.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2008**

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**1. SIGNIFICANT ACCOUNTING POLICIES - (Continued)****Reserves and Reserve Funds**

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

**Deferred Revenue**

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

**Taxation**

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

**Government Funding**

Government funding is recognized in the financial statements as revenues 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.

**Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenditures during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

**Financial Instruments**

The Township's financial instruments consist of cash, taxes receivable, accounts receivable, temporary loans, accounts payable and long-term debt. The carrying value of the financial instruments approximates their fair values. The Township does not have any significant concentration of credit or currency risk.

## CORPORATION OF THE TOWNSHIP OF CRAMAHE

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2008**

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**2. FUTURE ACCOUNTING CHANGE****Tangible Capital Assets**

Tangible capital assets are currently reported as an expenditure on the consolidated statements of financial activities in the year of acquisition. Effective for the fiscal year beginning January 1, 2009, the Township, along with all other local governments, will be required to recognize tangible capital assets on the consolidated statement of financial position and any amortization, gains or losses on disposal or impairments on the consolidated statement of financial activities as required by the CICA Public Sector Accounting Handbook (PS3150).

The Township has undertaken an inventory of all its tangible capital assets and has identified the following major categories:

- Land and land improvements
- Buildings
- Linear assets
- Machinery and equipment
- Vehicles
- Capital works in progress

The Township has prepared accounting policies for tangible capital assets and is in the process of compiling this information. The implementation of these accounting policies will be completed in adequate time to allow for recognition of the Township's tangible capital assets on the consolidated statement of financial position for the year ending December 31, 2009.

**3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND**

During 2008, requisitions were made by the County of Northumberland and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxation	1,835,873	2,459,585
Amount requisitioned	1,835,873	2,459,585

These amounts have not been included in the Consolidated Statement of Financial Activities.

## CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For The Year Ended December 31, 2008

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## 4. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below.

	2008 \$	2007 \$
. parkland	89,368	90,121
. development charges	281,616	240,055
. gas tax revenues	278,474	185,657
	649,458	515,833

## 5. LONG-TERM DEBT

	2008 \$	2007 \$
(a) The balance of long-term debt reported on the Consolidated Statement of Financial Position is made up of the following:		
Long-term bank loan, due September 1, 2012, repayable in blended monthly instalments of \$16,715, interest rate fixed at 5.85% per annum.	1,371,127	1,487,773
Long-term bank loan, due December 1, 2009, repayable in blended monthly instalments of \$17,690, interest rate fixed at 4.95% per annum.	938,685	1,100,000
Long-term loan from Community Futures, due January 1, 2017, repayable in monthly instalments of \$208, interest free loan.	20,208	22,709
	2,330,020	2,610,482

## CORPORATION OF THE TOWNSHIP OF CRAMAHE

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2008**

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5. **LONG-TERM DEBT - (Continued)**

(b) Future debt payments are as follows:

	Principal \$	Interest \$	Total \$
2009	1,064,841	119,575	1,184,416
2010	133,587	69,499	203,086
2011	141,464	61,622	203,086
2012	149,815	53,271	203,086
2013	158,668	44,418	203,086
Thereafter	1,648,375 681,645	348,385 78,259	1,996,760 759,904
	2,330,020	426,644	2,756,664

(c) The long-term debt in (a) issued in the name of the Township 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. **MUNICIPAL POSITION AT THE END OF THE YEAR**

The municipal position is comprised of the following:

	2008 \$	2007 \$
<b>Current Fund</b>		
For general reduction (increase) of taxation and user charges		
. Township	(9,749)	(143,889)
. Area rates	(7,547)	1,769
. East Colborne Cemetery Board	10,860	14,316
	(6,436)	(127,804)
<b>Capital Fund</b>		
. Colborne Creek	(1,110,196)	(1,166,935)
. Industrial Park	(473,571)	(500,000)
	(1,583,767)	(1,666,935)
<b>Reserves and Reserve Funds</b>	5,462,826	4,114,409
	3,872,623	2,319,670

**CORPORATION OF THE TOWNSHIP OF CRAMAHE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For The Year Ended December 31, 2008**

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**7. EXPENDITURES BY OBJECT**

The operating expenditures for the year reported on the Consolidated Schedule of Current Fund Operations by object are as follows:

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
Salaries, wages and employee benefits	1,748,935	1,836,970	1,741,087
Debt interest charges	220,692	134,904	96,953
Materials	1,458,684	1,510,407	1,620,725
Contracted services	1,303,079	1,256,086	1,214,576
Rents and financial expenses	6,400	19,764	7,312
External transfers	131,793	122,635	127,232
	<b>4,869,583</b>	<b>4,880,766</b>	<b>4,807,885</b>

**8. PENSION AGREEMENTS**

The Township makes contributions to the Ontario Municipal Employees Retirement System (“OMERS”), which is a multi-employer plan, on behalf of most permanent, full-time members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions required on account of current service amounted to \$70,541 (2007 \$63,641).

The permanent full-time staff members not participating in the OMERS plan received a contribution to their Registered Retirement Savings Plan in lieu of the OMERS benefit.

**9. TRUST FUNDS**

The trust funds administered by the Township amounting to \$50,519 (2007 \$56,381) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township financial position or financial activities.

**CORPORATION OF THE TOWNSHIP OF CRAMAHE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2008**

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**10. BUDGET FIGURES**

Budgets established for capital funds, reserves and reserve funds are based on a project-oriented basis, the costs of which may be carried out over one or more years. Although they may not be directly comparable with the current year actual amounts they have been reflected on the Consolidated Statement of Financial Activities. Budget figures are not subject to audit.

**11. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

The Township does not have any obligations for landfill sites since the County of Northumberland assumed waste management responsibilities for the County in 1990. The Township has completed a settlement with the County for its landfill site in prior years.

**12. COMMITMENT**

(a) During the year the Township approved the issue of debentures in the amount of \$500,000 from the Ontario Infrastructure Projects Corporation (OIPC). At year end the debentures have not been issued. The advances from OIPC of \$493,802 in temporary loans on the Consolidated Statement of Financial Position represent advances on these debentures while the projects and financing are in progress.

(b) In 2006, the Township committed \$100,000 to the Northumberland Hills Hospital. This amount is being paid over four years from 2007 to 2010. During 2008, \$25,000 of this commitment was paid.

**13. CREDIT FACILITY AGREEMENT**

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$500,000 via an overdraft. Any balance borrowed will bear interest at prime. Council authorized the borrowing limit for 2008 by By-law 08-01. As at December 31, 2008 there was a balance outstanding of \$Nil.

**14. SEGMENTED INFORMATION**

The Township of Cramahe is a municipal government that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Property taxation and certain unconditional government transfers are apportioned based on each segment's net requirements.

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. For additional information see the Consolidated Schedule of Segmented Disclosure.

## CORPORATION OF THE TOWNSHIP OF CRAMAHE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For The Year Ended December 31, 2008

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14. **SEGMENTED INFORMATION** - (Continued)

Functions disclosed separately in the segmented information are as follows:

**General Government**

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

**Protection Services**

Protection services include police, fire, conservation authority and protective inspection and control.

**Transportation Services**

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control, and street lighting.

**Sewer Services**

Sewer services provides services to urban residents.

**Water Services**

Water services provides services to urban residents.

**Other Environmental Services**

The environmental function is responsible for waste vouchers provided by the County of Northumberland.

**Health Services**

The health services function manages the operation of the East Colborne cemetery.

**Recreation and Cultural Services**

The recreation and cultural services function provides indoor and outdoor recreational facilities, library services and maintenance of cultural facilities.

**Planning and Development Services**

The planning and development services function manages commercial, industrial and residential development within the Township.

**CONSOLIDATED SCHEDULE OF CURRENT FUND OPERATIONS**  
**For The Year Ended December 31, 2008**

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
<b>REVENUES</b>			
Property taxation	3,923,990	4,015,119	3,876,180
User charges	1,361,272	1,416,697	1,509,241
Province of Ontario	1,421,373	1,474,912	909,520
Other municipalities	-	18,000	-
Other grants	1,050	3,982	12,606
Penalties and interest on taxes	110,000	129,613	112,840
Investment income	100,000	103,961	130,883
Sale of land	500	1,540	1,980
Donations and fundraising	-	300	8,476
<b>TOTAL REVENUES</b>	<b>6,918,185</b>	<b>7,164,124</b>	<b>6,561,726</b>
<b>EXPENDITURES</b>			
General government	679,410	799,670	659,582
Protection to persons and property	1,370,785	1,297,102	1,314,145
Transportation services	1,178,652	1,190,591	1,142,582
Environmental services	378,102	358,807	397,794
Health services	5,306	8,154	6,089
Recreation and cultural services	880,791	910,029	1,068,362
Planning and development	376,537	316,413	219,331
<b>TOTAL EXPENDITURES</b>	<b>4,869,583</b>	<b>4,880,766</b>	<b>4,807,885</b>
<b>NET REVENUES</b>	<b>2,048,602</b>	<b>2,283,358</b>	<b>1,753,841</b>
<b>FINANCING AND TRANSFERS</b>			
Transfer to reserves and reserve funds	(938,171)	(1,268,570)	(986,577)
Transfer to capital fund	(682,000)	(612,958)	(783,946)
Debt principal repayments	(286,311)	(280,462)	(277,075)
<b>NET FINANCING AND TRANSFERS</b>	<b>(1,906,482)</b>	<b>(2,161,990)</b>	<b>(2,047,598)</b>
<b>CHANGE IN CURRENT FUND BALANCE</b>	<b>142,120</b>	<b>121,368</b>	<b>(293,757)</b>
<b>OPENING CURRENT FUND BALANCE</b>	<b>(142,120)</b>	<b>(127,804)</b>	<b>165,953</b>
<b>CLOSING CURRENT FUND BALANCE</b>	<b>-</b>	<b>(6,436)</b>	<b>(127,804)</b>

**CONSOLIDATED SCHEDULE OF CAPITAL FUND OPERATIONS**  
**For The Year Ended December 31, 2008**

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
<b>REVENUE</b>			
Government of Canada	95,164	80,819	44,629
Province of Ontario	95,165	566,580	44,629
Other municipalities	-	22,500	-
Other grants	-	11,070	53,000
Developer contributions earned	-	20,815	34,006
Sale of land	70,000	628,000	150,567
<b>TOTAL REVENUE</b>	<b>260,329</b>	<b>1,329,784</b>	<b>326,831</b>
<b>EXPENDITURES</b>			
General government	90,000	66,280	21,911
Protection to persons and property	20,000	23,061	40,240
Transportation services	729,494	708,928	608,269
Environmental services	124,000	7,017	108,164
Health services	-	4,548	6,876
Recreation and cultural services	387,652	416,967	242,862
Planning and development	267,011	553,737	1,709,326
<b>TOTAL EXPENDITURES</b>	<b>1,618,157</b>	<b>1,780,538</b>	<b>2,737,648</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>(1,357,828)</b>	<b>(450,754)</b>	<b>(2,410,817)</b>
<b>FINANCING AND TRANSFERS</b>			
Transfer from current fund	682,000	612,958	783,946
Transfer from (to) reserves and reserve funds	419,917	(79,036)	68,862
Proceeds from long term debt	250,000	-	1,125,000
<b>NET FINANCING AND TRANSFERS</b>	<b>1,351,917</b>	<b>533,922</b>	<b>1,977,808</b>
<b>CHANGE IN CAPITAL FUND BALANCE</b>	<b>(5,911)</b>	<b>83,168</b>	<b>(433,009)</b>
<b>OPENING CAPITAL FUND BALANCE</b>	<b>(1,666,935)</b>	<b>(1,666,935)</b>	<b>(1,233,926)</b>
<b>CLOSING CAPITAL FUND BALANCE</b>	<b>(1,672,846)</b>	<b>(1,583,767)</b>	<b>(1,666,935)</b>

**CONSOLIDATED SCHEDULE OF RESERVES AND RESERVE FUNDS**  
**For The Year Ended December 31, 2008**

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
<b>REVENUE</b>			
Investment income	-	811	587
<b>TOTAL REVENUES</b>	-	811	587
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>			
Current fund	938,171	1,268,570	986,577
Capital fund	(419,917)	79,036	(68,862)
<b>TOTAL NET TRANSFERS</b>	518,254	1,347,606	917,715
<b>CHANGE IN FUND BALANCE</b>	518,254	1,348,417	918,302
<b>OPENING FUND BALANCE</b>	4,114,409	4,114,409	3,196,107
<b>CLOSING FUND BALANCE</b>	<b>4,632,663</b>	<b>5,462,826</b>	<b>4,114,409</b>

**ANALYZED AS FOLLOWS:**

Reserves set aside for specific purposes  
by Council

. working funds	567,623	537,623
. sewer operations	1,185,461	848,861
. future capital	475,459	703,423
. waterworks operations	1,007,124	725,673
. community projects	14,881	14,881
. transportation services	1,713,038	952,764
. insurance deductible	10,793	10,793
. fire services	160,445	87,034
. Workplace Safety and Insurance Board	194,482	184,482
. planning and development operations	25,250	3,000
. general government operations	52,000	6,000
. library operations	5,352	-
<b>TOTAL RESERVES</b>	<b>5,411,908</b>	<b>4,074,534</b>
Reserve funds set aside for specific purposes by Council		
. library services	50,918	39,875
<b>TOTAL RESERVE FUNDS</b>	<b>50,918</b>	<b>39,875</b>
<b>TOTAL RESERVES AND RESERVE FUNDS</b>	<b>5,462,826</b>	<b>4,114,409</b>



**TOWNSHIP OF CRAMAHE**

**CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE**

For the year ended December 31, 2007

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>									
Property taxation	267,007	1,119,230	1,446,540	-	9,400	5,311	864,546	164,146	3,876,180
User charges	28,942	70,406	2,354	977,805	-	2,716	386,783	40,235	1,509,241
Government of Canada	-	-	44,629	-	-	-	-	-	44,629
Province of Ontario	615,770	20,770	128,940	-	-	-	188,669	-	954,149
Penalties and interest on taxes	112,840	-	-	-	-	-	-	-	112,840
Investment income	129,950	-	-	-	-	933	587	-	131,470
Donations	-	-	-	-	-	-	8,363	113	8,476
Sale of assets	530	1,450	-	-	-	-	-	150,567	152,547
Other grants	-	-	-	-	-	-	65,606	-	65,606
Developer contributions earned	-	-	-	-	-	-	34,006	-	34,006
<b>Total revenues</b>	<b>1,155,039</b>	<b>1,211,856</b>	<b>1,622,463</b>	<b>977,805</b>	<b>9,400</b>	<b>8,960</b>	<b>1,548,560</b>	<b>355,061</b>	<b>6,889,144</b>
<b>Expenditures</b>									
Salaries and benefits	412,571	225,833	467,107	42,596	-	2,462	489,320	101,198	1,741,087
Interest charges	265	-	780	-	-	-	92,626	3,282	96,953
Materials	231,848	120,976	509,142	239,480	4,841	3,467	432,916	78,055	1,620,725
Contracted services	14,303	909,710	157,103	106,127	-	-	1,933	25,400	1,214,576
Rents and financial expenses	5,345	-	-	-	-	-	340	1,627	7,312
External transfers	-	57,626	8,450	-	-	160	51,227	9,769	127,232
Internal transfers	(4,750)	-	-	4,750	-	-	-	-	-
Capital expenditures	21,911	40,240	608,269	108,164	-	6,876	242,862	1,709,326	2,737,648
<b>Total expenditures</b>	<b>681,493</b>	<b>1,354,385</b>	<b>1,750,851</b>	<b>501,117</b>	<b>4,841</b>	<b>12,965</b>	<b>1,311,224</b>	<b>1,928,657</b>	<b>7,545,533</b>
<b>Net revenues (expenditures)</b>	<b>473,546</b>	<b>(142,529)</b>	<b>(128,388)</b>	<b>476,688</b>	<b>4,559</b>	<b>(4,005)</b>	<b>237,336</b>	<b>(1,573,596)</b>	<b>(656,389)</b>
<b>Increase (decrease) in amounts to be recovered</b>	<b>(14,004)</b>	<b>-</b>	<b>(41,187)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(196,884)</b>	<b>1,100,000</b>	<b>847,925</b>
<b>Increase (decrease) in fund balances</b>	<b>459,542</b>	<b>(142,529)</b>	<b>(169,575)</b>	<b>476,688</b>	<b>4,559</b>	<b>(4,005)</b>	<b>40,452</b>	<b>(473,596)</b>	<b>191,536</b>

**TOWNSHIP OF CRAMAHE**

**CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE  
For the year ended December 31, 2008**

	General Government		Protection Services		Transportation Services		Water and Sewer		Other Environmental Services		Health Services		Recreation and Cultural Services		Planning and Development		Consolidated		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Revenues</b>																			
Property taxation	428,116	1,120,651	1,242,951	-	5,400	4,136	786,363	427,502	4,015,119										
User charges	26,544	91,211	974,389	-	-	2,535	276,887	35,280	1,416,697										
Government of Canada	-	-	80,819	-	-	-	-	-	80,819										
Province of Ontario	554,781	244,036	1,224,865	-	-	-	-	-	17,810										
Other municipalities	-	-	22,500	-	-	-	-	-	-										
Penalties and interest on taxes	129,613	-	-	-	-	-	-	-	-										
Investment income	102,041	27	-	6	-	850	1,848	-	129,613										
Donations	-	-	-	-	-	-	300	-	104,772										
Sale of assets	1,540	-	-	-	-	-	-	-	300										
Other grants	-	-	-	-	-	-	-	-	-										
Developer contributions earned	-	-	-	-	-	-	-	-	15,052										
	-	-	-	-	-	-	-	-	20,815										
<b>Total revenues</b>	<b>1,242,635</b>	<b>1,455,925</b>	<b>2,580,986</b>	<b>992,395</b>	<b>5,400</b>	<b>7,521</b>	<b>1,119,075</b>	<b>1,090,782</b>	<b>8,494,719</b>										
<b>Expenditures</b>																			
Salaries and benefits	513,339	235,289	474,638	51,679	-	-	452,142	109,883	1,836,970										
Interest charges	-	-	-	-	-	-	83,940	50,964	134,904										
Materials	245,509	119,268	534,097	166,303	9,480	8,054	334,657	93,039	1,510,407										
Contracted services	40,056	882,302	173,406	126,595	-	-	1,630	32,097	1,256,086										
Rents and financial expenses	5,516	-	-	-	-	-	35	14,213	19,764										
External transfers	-	60,243	8,450	-	-	100	37,625	16,217	122,635										
Internal transfers	(4,750)	-	-	4,750	-	-	-	-	-										
Capital expenditures	66,280	23,061	708,928	7,017	-	4,548	416,967	553,737	1,780,538										
<b>Total expenditures</b>	<b>865,950</b>	<b>1,320,163</b>	<b>1,899,519</b>	<b>356,344</b>	<b>9,480</b>	<b>12,702</b>	<b>1,326,996</b>	<b>870,150</b>	<b>6,661,304</b>										
<b>Net revenues (expenditures)</b>	<b>376,685</b>	<b>135,762</b>	<b>681,467</b>	<b>636,051</b>	<b>(4,080)</b>	<b>(5,181)</b>	<b>(207,921)</b>	<b>220,632</b>	<b>1,833,415</b>										
<b>Increase (decrease) in amounts to be recovered</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(119,146)</b>	<b>(161,316)</b>	<b>(280,462)</b>										
<b>Increase (decrease) in fund balances</b>	<b>376,685</b>	<b>135,762</b>	<b>681,467</b>	<b>636,051</b>	<b>(4,080)</b>	<b>(5,181)</b>	<b>(327,067)</b>	<b>59,316</b>	<b>1,552,953</b>										

## AUDITORS' REPORT

### TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF CRAMAHE

We have audited the statement of financial position of the Trust Funds of the Corporation of the Township of Cramahe as at December 31, 2008 and the statement of continuity of the trust funds for the year then ended. These financial statements are the responsibility of the Township'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 financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Township as at December 31, 2008 and the continuity of the Trust Funds for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
January 23, 2009

**TRUST FUNDS**  
**STATEMENT OF FINANCIAL POSITION**  
**At December 31, 2008**

	Mutton Estate \$	Cemetery Perpetual Care \$	Forestry Program \$	Ontario Home Renewal Program \$	2008 Total \$	2007 Total \$
<b>FINANCIAL ASSETS</b>						
Cash and investments (Note 3)	-	40,068	8,805	193	49,066	60,549
Accounts receivable	-	300	264	-	564	300
Loans receivable (Note 2)	-	-	-	989	989	989
	-	<b>40,368</b>	<b>9,069</b>	<b>1,182</b>	<b>50,619</b>	<b>61,838</b>
<b>LIABILITIES AND TRUST FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	-	-	-	100	100	5,457
<b>TRUST FUND BALANCES</b>						
Capital	-	34,624	9,069	1,082	44,775	49,064
Income	-	5,744	-	-	5,744	7,317
	-	40,368	9,069	1,082	50,519	56,381
	-	<b>40,368</b>	<b>9,069</b>	<b>1,182</b>	<b>50,619</b>	<b>61,838</b>

The accompanying note is an integral part of this financial statement.

**TRUST FUNDS**  
**STATEMENT OF CONTINUITY**  
**For The Year Ended December 31, 2008**

	Mutton Estate \$	Cemetery Perpetual Care \$	Forestry Program \$	Ontario Home Renewal Program \$	2008 Total \$	2007 Total \$
<b>BALANCE AT THE BEGINNING OF THE YEAR</b>	6,573	40,268	8,458	1,082	56,381	59,206
<b>Revenues</b>						
Investment income	103	1,707	611	100	2,521	2,888
Capital gains	-	-	-	-	-	220
Interment fees	-	100	-	-	100	160
	103	1,807	611	100	2,621	3,268
<b>Expenditures</b>						
Administration fee	-	243	-	100	343	594
Transfer to Province	-	-	-	-	-	4,025
Transfer to operations	-	1,464	-	-	1,464	1,474
Donations	6,676	-	-	-	6,676	-
	6,676	1,707	-	100	8,483	6,093
<b>BALANCE AT THE END OF THE YEAR</b>	-	40,368	9,069	1,082	50,519	56,381

The accompanying note is an integral part of this financial statement.

**TRUST FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2008**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

**Basis of Accounting**

Revenues and expenditures are recorded on the accrual basis of accounting.

**Financial Instruments**

The trust's financial instruments consist of cash and investments, accounts receivable, loans receivable and accounts payable. The market value of these financial instruments, other than investments, approximates their carrying value due to their short term maturity. The market value of the investments is disclosed in Note 3. The Board is exposed to fluctuations in the market price of its investments. The Board does not have any significant concentration of credit or currency risk.

**Management Estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates.

**2. ONTARIO HOME RENEWAL PROGRAM LOANS**

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

Ontario Home Renewal Program loans receivable at December 31, 2008 are comprised of repayable loans of \$989 (2007 \$989).

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.

**TRUST FUNDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2008**

3. **INVESTMENTS**

Included in cash and investments are the following investments:

	2008 \$	2007 \$
Scotiabank Bond Common Trust Fund - cost	40,068	39,968
Market Value of Above	38,129	38,600
1 year GIC maturing January 8, 2009, interest at 3.0%	8,805	-
1 year GIC maturing January 8, 2008, interest at 4.1%	-	8,458
	8,805	8,458

4. **CEMETERY PERPETUAL CARE**

The figures reported for the cemetery perpetual care represent the trust fund activities for the Woods, Walker and East Colborne cemeteries.

**CORPORATION OF THE  
TOWNSHIP OF CRAMAHE  
CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD  
FINANCIAL STATEMENTS  
AT DECEMBER 31, 2008**

## AUDITORS' REPORT

### TO THE MEMBERS OF THE CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF CRAMAHE

We have audited the statement of financial position of the Cramahe Township Public Library Board of the Corporation of the Township of Cramahe as at December 31, 2008 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Board'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 financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2008 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
January 23, 2009

## CORPORATION OF THE TOWNSHIP OF CRAMAHE

**CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**At December 31, 2008**

	2008 \$	2007 \$
<b>FINANCIAL ASSETS</b>		
Cash and short term investments	86,940	68,275
Accounts receivable	-	2,774
	<b>86,940</b>	<b>71,049</b>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Due to Township	27,436	17,841
Accounts payable	-	10,100
	27,436	27,941
<b>MUNICIPAL POSITION</b>		
Fund Balance		
Reserve and reserve funds (Note 4)	59,504	43,108
	<b>86,940</b>	<b>71,049</b>

The accompanying notes are an integral part of this financial statement.

## CORPORATION OF THE TOWNSHIP OF CRAMAHE

**CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD  
STATEMENT OF FINANCIAL ACTIVITIES  
For The Year Ended December 31, 2008**

	Budget 2008 \$	Current Fund \$	Capital Fund \$	Reserve and Reserve Funds \$	Actual 2008 \$	Actual 2007 \$
<b>REVENUES</b>						
Municipal contributions	138,646	141,236	-	-	141,236	140,394
Province of Ontario	13,719	17,422	-	-	17,422	43,274
Other income	600	4,615	-	-	4,615	4,147
Interest	-	-	-	811	811	587
<b>TOTAL REVENUES</b>	<b>152,965</b>	<b>163,273</b>	<b>-</b>	<b>811</b>	<b>164,084</b>	<b>188,402</b>
<b>EXPENDITURES</b>						
Salaries and benefits	77,025	78,843	-	-	78,843	82,013
Books and periodicals	34,550	33,729	-	-	33,729	35,666
Supplies	5,650	2,650	-	-	2,650	3,138
Maintenance and utilities	22,960	20,887	-	-	20,887	26,364
Insurance, audit and legal	3,830	7,264	-	-	7,264	3,531
Miscellaneous	3,450	3,835	-	-	3,835	2,305
Equipment and furnishings	6,000	480	-	-	480	16,198
<b>TOTAL EXPENDITURES</b>	<b>153,465</b>	<b>147,688</b>	<b>-</b>	<b>-</b>	<b>147,688</b>	<b>169,215</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>(500)</b>	<b>15,585</b>	<b>-</b>	<b>811</b>	<b>16,396</b>	<b>19,187</b>
<b>FINANCING AND TRANSFERS</b>						
Interfund transfers	-	(15,585)	-	15,585	-	-
<b>CHANGE IN FUND BALANCES</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>16,396</b>	<b>16,396</b>	<b>19,187</b>
<b>OPENING FUND BALANCES</b>	<b>43,108</b>	<b>-</b>	<b>-</b>	<b>43,108</b>	<b>43,108</b>	<b>23,921</b>
<b>CLOSING FUND BALANCES</b>	<b>42,608</b>	<b>-</b>	<b>-</b>	<b>59,504</b>	<b>59,504</b>	<b>43,108</b>

The accompanying notes are an integral part of this financial statement.

## CORPORATION OF THE TOWNSHIP OF CRAMAHE

**CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD**  
**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**For The Year Ended December 31, 2008**

	2008 \$	2007 \$
<b>OPERATIONS</b>		
Net revenues/(expenditures)	16,396	19,187
(Uses) Sources:		
(Increase) decrease in accounts receivable	2,774	(769)
(Increase) decrease in other assets	-	629
Increase (decrease) in accounts payable and accrued	(10,100)	2,832
Increase (decrease) in due to Township	9,595	695
Increase (decrease) in deferred revenue	-	(11,200)
Net increase (decrease) in cash from operations	18,665	11,374
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>18,665</b>	<b>11,374</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>68,275</b>	<b>56,901</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>86,940</b>	<b>68,275</b>

The accompanying notes are an integral part of this financial statement.

**CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended December 31, 2008**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

**Fund Accounting**

Funds within the financial statements consist of current, capital and reserve and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

**Recognition of Revenue and Expenditures**

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

**Capital Assets**

Expenditures made on capital assets are reported as capital expenditures on the Statement of Financial Activities in the period incurred.

**Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenditures during the period and are based on the Board's best information and judgment. Actual results could differ from these estimates.

**Financial Instruments**

The Board's financial instruments consist of cash and short term investments, accounts receivable, accounts payable and due to Township. The carrying value of the financial instruments approximates their fair values due to their immediate or short-term maturity. The Board does not have any significant concentration of credit or currency risk.

**Reserve and Reserve Funds**

Certain amounts, as approved by the Board, are set aside in reserve and reserve funds for future operating and capital purposes. Transfers to and/or from reserve and reserve funds are an adjustment to the respective fund when approved.

**CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended December 31, 2008**

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**2. FUTURE ACCOUNTING CHANGE**

**Tangible Capital Assets**

Tangible capital assets are currently reported as an expenditure on the statement of financial activities in the year of acquisition. Effective for the fiscal year beginning January 1, 2009, the Board, along with all other local governments, will be required to recognize tangible capital assets on the statement of financial position and any amortization, gains or losses on disposal or impairments on the statement of financial activities as required by the CICA Public Sector Accounting Handbook (PS3150).

The Board has undertaken an inventory of all its tangible capital assets and has identified the following major categories:

- Land and land improvements
- Buildings
- Furnishings
- Books

The Board has prepared draft accounting policies for tangible capital assets and is in the process of reviewing and approving these policies. The approval and implementation of these accounting policies will be completed in adequate time to allow for recognition of the Board's tangible capital assets on the statement of financial position for the year ending December 31, 2009.

**3. BUDGET FIGURES**

Budgets established for capital funds are based on a project-oriented basis, the costs of which may be carried out over one or more years. Although they may not be directly comparable with the current year actual amounts they have been reflected on the Statement of Financial Activities. Budget figures are not subject to audit.

**CRAMAHE TOWNSHIP PUBLIC LIBRARY BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2008**

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4. **RESERVE AND RESERVE FUNDS**

The reserve and reserve funds are comprised of the following:

	2008 \$	2007 \$
Reserve		
. equipment	3,234	3,233
. connectivity enhancements	5,352	-
	8,586	3,233
Reserve Funds		
. literacy enhancements	50,918	39,875
	59,504	43,108

**CORPORATION OF THE  
TOWNSHIP OF CRAMAHE  
EAST COLBORNE CEMETERY BOARD  
FINANCIAL STATEMENTS  
AT DECEMBER 31, 2008**

## AUDITORS' REPORT

### **TO THE MEMBERS OF THE EAST COLBORNE CEMETERY BOARD, MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF CRAMAHE**

We have audited the statement of financial position of the East Colborne Cemetery Board of the Corporation of the Township of Cramahe as at December 31, 2008 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Board'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 statements presents fairly, in all material respects, the financial position of the Board as at December 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
January 23, 2009

**EAST COLBORNE CEMETERY BOARD  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2008**

	2008 \$	2007 \$
<b>FINANCIAL ASSETS</b>		
Cash	3,902	7,527
Investments (Note 3)	7,258	7,089
	<b>11,160</b>	<b>14,616</b>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
<b>LIABILITIES</b>		
Due to perpetual care trust	300	300
<b>MUNICIPAL POSITION</b>		
Current Fund	10,860	14,316
	<b>11,160</b>	<b>14,616</b>

The accompanying notes are an integral part of this financial statement.

**EAST COLBORNE CEMETERY BOARD**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**For The Year Ended December 31, 2008**

	Current Fund \$	Capital Fund \$	Actual 2008 \$	Actual 2007 \$
<b>REVENUES</b>				
Municipal contribution	2,446	-	2,446	11,399
Decoration day receipts and donations	2,335	-	2,335	2,216
Interment rights and sale of monuments	200	-	200	500
Investment income	950	-	950	933
<b>TOTAL REVENUES</b>	<b>5,931</b>	<b>-</b>	<b>5,931</b>	<b>15,048</b>
<b>EXPENDITURES</b>				
Administration	786	-	786	986
Maintenance	3,953	-	3,953	2,469
Transfer to trust	100	-	100	160
Capital	-	4,548	4,548	10,720
<b>TOTAL EXPENDITURES</b>	<b>4,839</b>	<b>4,548</b>	<b>9,387</b>	<b>14,335</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>1,092</b>	<b>(4,548)</b>	<b>(3,456)</b>	<b>713</b>
<b>FINANCING AND TRANSFERS</b>				
Interfund transfers	(4,548)	4,548	-	-
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>(3,456)</b>	<b>-</b>	<b>(3,456)</b>	<b>713</b>
<b>OPENING FUND BALANCE</b>	<b>14,316</b>	<b>-</b>	<b>14,316</b>	<b>13,603</b>
<b>CLOSING FUND BALANCE</b>	<b>10,860</b>	<b>-</b>	<b>10,860</b>	<b>14,316</b>

The accompanying notes are an integral part of this financial statement.

**EAST COLBORNE CEMETERY BOARD**  
**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**For The Year Ended December 31, 2008**

	2008 \$	2007 \$
<b>OPERATIONS</b>		
Net revenues/(expenditures)	(3,456)	713
Net increase (decrease) in cash from operations	(3,456)	713
<b>INVESTING ACTIVITIES</b>		
(Increase) decrease in investments	(169)	(169)
<b>NET CHANGE IN CASH</b>	<b>(3,625)</b>	<b>544</b>
<b>OPENING CASH</b>	<b>7,527</b>	<b>6,983</b>
<b>CLOSING CASH</b>	<b>3,902</b>	<b>7,527</b>

The accompanying notes are an integral part of this financial statement.

**CORPORATION OF THE TOWNSHIP OF CRAMAHE****EAST COLBORNE CEMETERY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended December 31, 2008**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

**Fund Accounting**

Funds within the financial statements consist of the current and capital funds.

Trust funds and their related operations administered by the Board are not included in these financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

**Recognition of Revenue and Expenditures**

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

**Capital Assets**

Expenditures made on capital assets are reported as capital expenditures on the Statement of Financial Activities in the period incurred.

**Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

**Financial Instruments**

The Board's financial instruments consist of cash, investments and due to perpetual care. The carrying value of the financial instruments approximates their fair values due to their immediate or short-term maturity. The Board does not have any significant concentration of credit or currency risk.

**2. TRUST FUND**

The trust fund administered by the Board amounting to \$20,050 (2007 \$19,950) has not been included in the Statement of Financial Position nor has its operations been included in the Statement of Financial Activities.

**CORPORATION OF THE TOWNSHIP OF CRAMAHE****EAST COLBORNE CEMETERY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended December 31, 2008**

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**2. FUTURE ACCOUNTING CHANGE****Tangible Capital Assets**

Tangible capital assets are reported as an expenditure on the statements of financial activities in the year of acquisition. Effective for the fiscal year beginning January 1, 2009, the Board, along with all other local governments, will be required to recognize tangible capital assets on the statement of financial position and any amortization, gains or losses on disposal or impairments on the statement of financial activities as required by the CICA Public Sector Accounting Handbook (PS3150).

The Board is undertaking an inventory of all its tangible capital assets and has identified the following major categories:

- Land and land improvements
- Buildings
- Linear assets

The Board has prepared draft accounting policies for tangible capital assets and is in the process of reviewing and approving these policies. The approval and implementation of these accounting policies will be completed in adequate time to allow for recognition of the Board's tangible capital assets on the consolidated statement of financial position for the year ending December 31, 2009.

**3. INVESTMENTS**

The investment in a guaranteed investment certificate is reported at cost which approximates fair market value. This is a 5 year investment maturing in 2009 and earns interest at an effective rate of 2.4%.

## AUDITORS' REPORT

### TO THE MEMBERS OF THE EAST COLBORNE CEMETERY BOARD, MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF CRAMAHE

We have audited the statement of financial position of the East Colborne Cemetery Board Trust Fund of the Corporation of the Township of Cramahe as at December 31, 2008 and the statement of continuity of the Trust Fund for the year then ended. These financial statements are the responsibility of the Board'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 financial statements present fairly, in all material respects, the financial position of the Board's Trust Fund as at December 31, 2008 and the continuity of the Trust Fund for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
January 23, 2009

## CORPORATION OF THE TOWNSHIP OF CRAMAHE

**EAST COLBORNE CEMETERY BOARD  
PERPETUAL CARE TRUST FUND  
STATEMENT OF CONTINUITY  
For The Year Ended December 31, 2008**

	2008 \$	2007 \$
<b>BALANCE AT THE BEGINNING OF THE YEAR</b>	19,950	19,683
<b>Revenues</b>		
Interest income	831	834
Interment fees	100	160
Capital gains	-	107
	931	1,101
<b>Expenditures</b>		
Administration fee	53	53
Transfer to operations	778	781
	831	834
<b>BALANCE AT THE END OF THE YEAR</b>	<b>20,050</b>	<b>19,950</b>

**PERPETUAL CARE TRUST FUND  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2008**

	2008 \$	2007 \$
<b>FINANCIAL ASSETS</b>		
Investments (Note 2)	19,750	19,650
Due from Cemetery Board	300	300
	<b>20,050</b>	<b>19,950</b>
<b>TRUST FUND BALANCE</b>		
Capital	14,306	14,206
Income	5,744	5,744
	<b>20,050</b>	<b>19,950</b>

The accompanying notes are an integral part of this financial statement.

## CORPORATION OF THE TOWNSHIP OF CRAMAHE

**EAST COLBORNE CEMETERY BOARD  
PERPETUAL CARE TRUST FUND  
NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended December 31, 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

**Basis of Accounting**

Revenues and expenditures are recorded on the accrual basis of accounting.

**Management Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

**Financial Instruments**

The Board's financial instruments consist of investments and due from cemetery board. The carrying value of these financial instruments other than investments, approximates their fair values due to their immediate or short-term maturity. The market value of the investment is disclosed in Note 2. The Board is exposed to fluctuations in the market price of its investments. The Board does not have any significant concentration of credit or currency risk.

**2. INVESTMENTS**

Investments are comprised of the following:

	2008 \$	2007 \$
Scotiastream Bond Common Trust Fund - cost	19,750	19,650
Market Value of Above	18,605	18,783