

Consolidated Financial Statements of

**CORPORATION OF THE
TOWNSHIP OF CHAPLEAU**

Year ended December 31, 2008

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Consolidated Financial Statements Index

Year ended December 31, 2008

	Page
Auditor's Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Financial Activities and Changes in Fund Balances	3
Consolidated Statement of Changes in Financial Position	4
Notes to Consolidated Financial Statements	5 - 15
Schedules of	
Current Fund Operations and Net Equity in Government Business Enterprises	16
Capital Fund Operations	17
Reserves and Reserve Funds	18



KPMG LLP
Chartered Accountants
Claridge Executive Centre
144 Pine Street PO Box 700
Sudbury ON P3E 4R6

Telephone (705) 675-8500
Fax (705) 675-7586
In Watts (1-800) 461-3551
Internet www.kpmg.ca

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Chapleau

We have audited the consolidated statement of financial position of the **Corporation of the Township of Chapleau** as at December 31, 2008 and the consolidated statements of financial activities and changes in fund balances 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 financial activities and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Sudbury, Canada

March 13, 2009

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Consolidated Statement of Financial Position

December 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Financial assets:		
Cash	\$ 1,201,162	749,233
Investments (note 3)	2,418,056	2,068,057
Taxes receivable	147,847	113,714
User charges receivable	110,999	163,934
Accounts receivable (note 4)	188,981	368,083
Accrued interest receivable	38,077	30,504
	<u>4,105,122</u>	<u>3,493,525</u>
Non-financial assets:		
Inventory and prepaids	82,386	58,849
Investments in government business enterprises (note 11(b))	2,119,216	2,079,553
	<u>\$ 6,306,724</u>	<u>5,631,927</u>

Liabilities and Municipal Position

Accounts payable and accrued liabilities (note 5)	\$ 828,149	555,084
Other current liabilities	3,340	10,597
Vested sick leave benefits (note 7)	15,000	15,000
Solid waste management liabilities (note 8)	1,347,000	1,661,000
Long-term liabilities (note 9)	999,828	1,150,270
	<u>3,193,317</u>	<u>3,391,951</u>
Municipal Position		
Fund balances:		
Current (schedule)	173,786	189,454
Reserves (schedule)	481,422	449,713
Reserve funds (schedule)	2,700,811	2,347,526
Investments in government business enterprises (note 11(b))	2,119,216	2,079,553
	<u>5,475,235</u>	<u>5,066,246</u>
Amounts to be recovered from future revenues (note 12)	(2,361,828)	(2,826,270)
	<u>\$ 6,306,724</u>	<u>5,631,927</u>

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

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Consolidated Statement of Financial Activities and Changes in Fund Balances

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenues:		
Property taxation	\$ 1,837,862	1,733,408
User charges	1,453,955	1,593,011
Government of Canada grants	113,503	163,834
Province of Ontario grants	3,415,160	2,219,002
Investment income	180,593	147,889
Licences and permits	13,047	12,836
Fines and penalties	325	2,856
Penalties and interest on taxes	66,480	66,913
Government business enterprise (share of losses) (note 11(a))	39,663	(64,206)
Other	17,916	189,068
	7,138,504	6,064,611
Expenditures:		
Current operations:		
General government	623,325	630,378
Protection to persons and property	769,410	646,770
Transportation services	891,929	1,001,499
Environmental services	511,120	926,801
Health services	287,328	280,674
Social and family services	214,943	215,297
Recreation and cultural services	572,133	583,000
Planning and development	199,294	358,688
	4,069,482	4,643,107
Capital:		
General government	1,877	13,052
Protection to persons and property	11,132	207,270
Transportation services	309,978	980,405
Environmental services	1,817,647	49,063
Planning and development	-	308
Recreation and cultural services	57,134	43,189
	2,197,768	1,293,287
	6,267,250	5,936,394
Excess of revenues over expenditures	871,254	128,217
Debt principal repayments on external financing	(150,441)	(150,441)
Other transfers	2,176	7,122
Solid waste management liabilities	(314,000)	42,000
Net change in fund balances	408,989	26,898
Fund balances, beginning of year	5,066,246	5,039,348
Fund balances, end of year	\$ 5,475,235	5,066,246

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

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Consolidated Statement of Changes in Financial Position

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Cash flows from operating activities:		
Excess of revenues over expenditures	\$ 871,254	128,217
Change in non-cash working capital:		
Taxes receivable	(34,133)	6,898
User charges receivable	52,935	(6,647)
Accounts receivable	179,102	(195,798)
Accrued interest receivable	(7,573)	14,652
Inventory and prepaids	(23,537)	(5,235)
Accounts payable and accrued liabilities	273,065	70,613
Other current liabilities	(7,257)	(14,835)
Deferred revenue - Obligatory Reserve Fund	-	(35,131)
Solid waste management liabilities	(314,000)	42,000
	989,856	4,734
Cash flows from investing activities:		
Increase in investments	(349,999)	(481,756)
Decrease (increase) in investments in government business enterprises	(39,663)	64,206
	(389,662)	(417,550)
Cash flows from financing activities:		
Debt principal repayments on external financing	(150,441)	(150,441)
Other transfers	2,176	7,122
	(148,265)	(143,319)
Net increase (decrease) in cash	451,929	(556,135)
Cash, beginning of year	749,233	1,305,368
Cash, end of year	\$ 1,201,162	749,233

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

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Notes to Consolidated Financial Statements

Year ended December 31, 2008

1. Significant accounting policies:

The consolidated financial statements of the Corporation of the Township of Chapleau (the "Township") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) Reporting entity:

(i) Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures and fund balances of the reporting entity and include the activities of all committees of Council and the following boards and enterprises which are under the control of Council:

Chapleau Public Library Board

All interfund assets, liabilities, revenues and expenditures have been eliminated.

(ii) Investment in government business enterprises:

The investments in the Township's 100% owned government business enterprises, Chapleau Public Utilities Corporation and Chapleau Energy Services Corporation, are accounted for on a modified equity basis. The modified equity basis includes the cost of the Township's investment in the government business enterprise adjusted for the proportionate share of earnings and dividends paid, if any.

(iii) Non-consolidated entities:

The following joint local boards are not consolidated:

Sudbury & District Health Unit

Manitoulin-Sudbury District Social Services Administration Board

(iv) Accounting for school board transactions:

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the fund balances of these consolidated financial statements. Overlevies (underlevies) are reported on the Consolidated Statement of Financial Position as other current liabilities (other current assets).

(v) Trust funds:

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately. These funds amounted to \$155,840 (2007 - \$147,261).

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Notes to Consolidated Financial Statements

Year ended December 31, 2008

1. Significant accounting policies (continued):

(b) Basis of accounting:

(i) 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.

(ii) Investments:

Investments are carried at cost unless a decline in value is considered to be other than temporary, at which time the investments and deposits are written down to net realizable value. Income on investments and deposits is recognized on an accrual basis.

(iii) 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 and changes in fund balances in the year of acquisition.

(iv) Amounts to be recovered from future revenues:

Amounts to be recovered makes up part of the Township's position, which includes balances for outstanding long-term liabilities, liability for solid waste management liabilities and for employee benefits accrued.

(v) Reserve 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 from reserves and reserve funds are an adjustment to the respective fund when approved.

(vi) Pensions and employee benefits:

The Township accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer public sector pension fund, as a deferred contribution plan. Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued where they are vested and are subject to pay out when an employee leaves the Township's employment.

(vii) Solid waste management liabilities:

Solid waste management liabilities are accounted for on the accrual basis as a charge to environmental services expenditures (note 8).

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Notes to Consolidated Financial Statements

Year ended December 31, 2008

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(viii) Revenue recognition:

The Township prepared tax billings based on assessment rolls issued by Municipal Property Assessment Corporation, in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized in the period in which the taxes are levied.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenditures have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

(ix) 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the valuation allowances for receivables and solid waste management liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Contributions to unconsolidated joint boards:

Further to note 1 (a)(iii), the following contributions were made by the Township to these Boards:

	2008	2007
Sudbury & District Health Unit	\$ 78,072	75,948
Manitoulin-Sudbury District Social Services Administration Board	307,930	313,869
	\$ 386,002	389,817

The Township is contingently liable for its share of the accumulated deficits to the end of the year for these Boards. It is anticipated that no significant deficits will be incurred.

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Notes to Consolidated Financial Statements

Year ended December 31, 2008

3. Investments:

The total investments of \$2,418,056 (2007 - \$2,068,057) reported on the Consolidated Statement of Financial Position at cost have a market value of \$2,416,965 (2007 - \$2,072,617).

4. Accounts receivable:

Accounts receivable consist of the following:

	2008	2007
Trade and miscellaneous	\$ 89,468	242,009
Government of Canada	66,580	98,078
Province of Ontario	32,933	27,996
	\$ 188,981	368,083

5. Accounts payable and accrued liabilities:

Accounts payable consist of the following:

	2008	2007
Trade and miscellaneous	\$ 589,833	533,708
Province of Ontario	238,053	20,711
Government of Canada	-	641
School boards	263	24
	\$ 828,149	555,084

6. Pension agreements:

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

The contribution required on account of current service for 2008 of \$64,011 (2007 - \$67,222) is included in the current fund expenditures.

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Notes to Consolidated Financial Statements

Year ended December 31, 2008

7. Vested sick leave benefits:

Under the sick leave benefit plan, unionized employees can accumulate unused sick leave and these employees may become entitled to a cash payment when they leave the Township's employment.

The liability for these accumulated sick days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to \$15,000 (2007 - \$15,000) at the end of the year. This past service liability has been provided for and is reported on the Consolidated Statement of Financial Position.

8. Solid waste management liabilities:

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill sites based on usage.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the Province of Ontario's average long-term borrowing rate of 5%. The estimated total landfill closure and post-closure care expenditures are calculated to be \$1,347,000 (2007 - \$1,661,000). The estimated liability for these expenditures is recognized as the landfill site's capacity is used. The period for post-closure care is estimated to be twenty-five years.

9. Long-term liabilities:

(a) The balance of long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

	2008	2007
Total long-term liabilities incurred by the Township including those incurred on behalf of school boards and municipal enterprises and outstanding at the beginning of the year amount to	\$ 1,150,270	1,300,712
Long-term liabilities paid out during the year	(150,442)	(150,442)
Long-term liabilities, end of year	\$ 999,828	1,150,270

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Notes to Consolidated Financial Statements

Year ended December 31, 2008

9. Long-term liabilities (continued):

(b) Of the long-term liabilities reported in (a) of this note, principal payments are payable as follows:

	2009 to 2013	2014 onwards
- from general municipal revenues	\$ 557,070	442,758

10. Contractual obligation - Ontario Clean Water Agency:

The Ontario Clean Water Agency operates the water and sanitary sewer systems on behalf of the Township. The Township is obligated to meet all operating costs related to the systems.

Included in the Consolidated Statement of Financial Activities and Changes in Fund Balances are the charges from the Agency of \$215,251 (2007 - \$195,850) for the water system and \$82,749 (2007 - \$74,350) for the sewer system.

11. Investments in government business enterprises:

Chapleau Public Utilities Corporation ("PUC") and Chapleau Energy Services ("ESC") are wholly-owned and controlled by the Township. As these corporations are business enterprises of the Township, they are accounted for on a modified equity basis in these consolidated financial statements.

(a) The following table provides condensed supplementary financial information for the year ended December 31, 2008:

	PUC	ESC	2008 Total	2007 Total
Financial Position:				
Current assets	\$ 1,389,446	569,057	1,958,503	1,891,907
Capital assets	876,566	123,638	1,000,204	1,015,359
Total assets	2,266,012	692,695	2,958,707	2,907,266
Current liabilities	369,849	111,308	481,157	377,709
Loans and mortgages payable to the Township	1,121,529	320,913	1,442,442	1,442,442
Other long-term liabilities	394,151	-	394,151	485,820
Total liabilities	1,885,529	432,221	2,317,750	2,305,971
Net assets	\$ 380,483	260,474	640,957	601,295

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Notes to Consolidated Financial Statements

Year ended December 31, 2008

11. Investments in government business enterprises (continued):

	PUC	ESC	2008 Total	2007 Total
Results of operations:				
Revenues	\$ 2,661,159	114,809	2,775,968	2,905,130
Operating expenses	2,633,556	102,749	2,736,305	2,969,336
Net income (loss)	\$ 27,603	12,060	39,663	(64,206)

The mortgages payable bear interest at 0% are not due within the next twelve months and are secured by a general security agreement and specified assets of the Township.

The loans payable bear interest at 0%, are unsecured and are not due within the next twelve months.

(b) The investment at December 31, 2008 consists of the following:

	PUC	ESC	2008 Total	2007 Total
Balance, beginning of year	\$ 1,510,324	569,229	2,079,553	2,143,759
Township's share of operating income (loss) for the year (11(a))	27,603	12,060	39,663	(64,206)
Balance, end of year	\$ 1,537,927	581,289	2,119,216	2,079,553

12. Amounts to be recovered from future revenues:

Amounts to be recovered from future revenues represent liabilities established for accrual accounting purposes. These liabilities are to be funded from future years' budgetary allocations and are comprised of:

	2008	2007
Vested sick leave	\$ 15,000	15,000
Solid waste management liabilities	1,347,000	1,661,000
Net long-term liabilities	999,828	1,150,270
	\$ 2,361,828	2,826,270

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Notes to Consolidated Financial Statements

Year ended December 31, 2008

13. 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. Revenue fund budgets are affected on an ongoing basis as various government programs become available to the Township. As such, the budgets are not directly comparable with current year actual amounts and budgets have therefore not been reflected on the Consolidated Statement of Financial Activities and Changes in Fund Balances.

14. Current Fund Balance:

The current fund balances are comprised of the following:

	2008	2007
For general reduction of taxation:		
Township	\$ 173,173	180,873
Library Board	613	8,581
	\$ 173,786	189,454

15. Public sector salary disclosure:

During the year, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Township.

16. Expenditures by object:

As required by Section 1700 of the Public Sector Accounting Board reporting requirements, these financial statements report on expenditures by functions. The Township's expenditures by object are as follows:

	2008	2007
Current operations:		
Library	\$ 100,069	91,608
Salaries, wages and benefits	1,466,776	1,421,319
Long-term debt charges	11,049	18,576
Materials, services, rents and financial items	2,491,588	3,111,604
	4,069,482	4,643,107
Capital:		
Materials, services, rents and financial items	2,197,768	1,293,287
Total	\$ 6,267,250	5,936,394

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Notes to Consolidated Financial Statements

Year ended December 31, 2008

17. Changes in accounting policies:

Commencing with the fiscal year beginning January 1, 2009, the Township will be adopting CICA Public Sector Accounting Handbook section PS 3150, "Tangible Capital Assets". This section establishes standards on how to account for and report tangible capital assets in government financial statements. Tangible capital assets include such diverse items as roads, bridges, buildings, vehicles, equipment, land, sewer and water systems.

Effective January 1, 2008, the Township adopted Public Sector Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets by way of a note to the financial statements until Section 3150 - Tangible Capital Assets comes into effect on January 1, 2009.

As of December 31, 2008, the Township does not have adequate information to disclose any of the tangible capital assets by major category.

18. Segmented information:

The Township is a municipal government institution that provides a range of services to its citizens, including police, fire, transportation, recreational and environmental. For management reporting purposes the Township's operations and activities are organized and reported by department. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Township services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

- (a) General Government: includes corporate services and governance of the Township. General Government is responsible for human resource management. Support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status is provided as well as frontline reception and customer service.
- (b) Protection Services: includes policing, fire protection, protective inspection and control and emergency measures. The mandate of the police services contract is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. Fire protection includes detection, extinguishing and suppression services; emergency medical first response; and prevention education and training programs. Inspection and control includes building inspection, by-law enforcement and dog control services.

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Notes to Consolidated Financial Statements

Year ended December 31, 2008

18. Segmented information (continued):

- (c) Transportation Services: This department provides the winter and summer maintenance, the repair and the construction of the municipal roads system including bridges and culverts.
- (d) Environmental Services: Includes the management and maintenance of the landfill site, transfer stations and waste collection system that serves the municipality.
- (e) Parks and Recreation: Provides recreation and leisure programs and facilities, including community halls, libraries, parks, recreation fields and arena. It also provides building maintenance services to all municipal facilities.
- (f) Planning and Development: Manages rural development for business interests, environmental concerns, heritage matters, local neighbourhoods and community development. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of the zoning by-law and official plan, and the provision of geographic information services.

For each segment separately reported in the schedule below, the segment revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These municipal services are funded primarily by taxation such as property tax revenue. Taxation and payments-in-lieu of taxes are apportioned to these services based on the net surplus. Certain government transfers, transfer from other funds, and other revenue have been apportioned based on a percentage of budgeted expenses.

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.

THE CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Note 18 - Segmented Information (continued)

Year ended December 31, 2008

	General Government	Protection to persons and property	Transportation Services	Environmental Services	Water & Sewer	Health Services	Social and Family Services	Recreation and cultural services	Planning and Development	Total
Revenues										
Property taxation	\$ 145,112	420,778	431,587	209,923	-	142,598	112,846	251,180	123,838	1,837,862
User charges	78,245	40,062	193,990	211,032	755,111	15,715	-	159,050	750	1,453,955
Government of Canada grants	21,482	-	92,021	-	-	-	-	-	-	113,503
Province of Ontario grants	195,622	380,698	483,505	189,927	1,595,000	129,015	102,097	227,254	112,042	3,415,160
Investment income	87,493	1,302	25,866	27,600	38,040	-	-	292	-	180,593
Government business enterprise	39,663	-	-	-	-	-	-	-	-	39,663
Licences and permits	13,047	-	-	-	-	-	-	-	-	13,047
Fines and penalties	325	-	-	-	-	-	-	-	-	325
Penalties and interest on taxes	66,480	-	-	-	-	-	-	-	-	66,480
Other	17,916	-	-	-	-	-	-	-	-	17,916
	665,385	842,840	1,226,969	638,482	2,388,151	287,328	214,943	637,776	236,630	7,138,504
Expenditures										
Salaries, wages and benefits	348,402	97,490	365,825	178,823	53,040	7,697	-	247,111	92,661	1,391,049
Materials	245,729	70,022	835,257	(131,806)	512,009	14,481	30,339	305,146	103,633	1,984,810
Contracted services	-	613,030	-	-	1,705,652	201,399	184,604	-	-	2,704,685
Rents and financial expenses	-	-	-	9,967	1,082	-	-	-	-	11,049
External agencies	31,071	-	825	-	-	63,751	-	77,010	3,000	175,657
	625,202	780,542	1,201,907	56,984	2,271,783	287,328	214,943	629,267	199,294	6,267,250
Net revenues (expenditures)	40,183	62,298	25,062	581,498	116,368	-	-	8,509	37,336	871,254
Solid waste management liabilities	-	-	-	(314,000)	-	-	-	-	-	(314,000)
Debt principal repayments	-	-	-	(49,280)	(101,161)	-	-	-	-	(150,441)
Other transfers	2,176	-	-	-	-	-	-	-	-	2,176
Change in Fund Balances	\$ 42,359	62,298	25,062	218,218	15,207	-	-	8,509	37,336	408,989
Analyzed as follows:										
Increase (decrease) in Current Fund	\$ (30,875)	-	-	-	15,207	-	-	-	-	(15,668)
Increase (decrease) in reserves	(7,500)	-	13,873	-	-	-	-	(12,000)	37,336	31,709
Increase (decrease) in reserve funds	41,071	62,298	11,189	218,218	-	-	-	20,509	-	353,285
Increase (decrease) in government reporting enterprises	39,663	-	-	-	-	-	-	-	-	39,663
Change in Fund Balances	\$ 42,359	62,298	25,062	218,218	15,207	-	-	8,509	37,336	408,989

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Schedule of Current Fund Operations and Net Equity in Government Business Enterprises

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenues:		
Property taxation	\$ 1,837,862	1,733,408
User charges	1,453,955	1,593,011
Government of Canada grants	21,482	90,213
Province of Ontario grants	1,788,487	1,719,002
Investment income	73,246	81,089
Government business enterprise (share of losses)	39,663	(64,206)
Licences and permits	13,047	12,836
Fines and penalties	325	2,856
Penalties and interest on taxes	66,480	66,913
Other	17,916	189,068
	5,312,463	5,424,190
Expenditures:		
General government	623,325	630,378
Protection to persons and property	769,410	646,770
Transportation services	891,929	1,001,499
Environmental services	511,120	926,801
Health services	287,328	280,674
Social and family services	214,943	215,297
Recreation and cultural services	572,133	583,000
Planning and development	199,294	358,688
	4,069,482	4,643,107
Excess of revenues over expenditures	1,242,981	781,083
Financing and transfers:		
Debt principal repayments	(150,441)	(150,441)
Transfer to capital	(144,992)	(121,464)
Transfers to reserves	(86,315)	(53,646)
Transfers from reserve funds	-	260
Transfers from reserves	7,500	-
Transfers to reserve funds	(530,738)	(446,639)
Solid waste management liabilities	(314,000)	42,000
	(1,218,986)	(729,930)
Net change in fund balance	\$ 23,995	51,153

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

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Schedule of Capital Fund Operations

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenues:		
Province of Ontario grants	\$ 1,626,673	500,000
Government of Canada grants	92,021	73,621
	<u>1,718,694</u>	<u>573,621</u>
Expenditures:		
General government	1,877	13,052
Protection to persons and property	11,132	207,270
Transportation services	309,978	980,405
Environmental services	1,817,647	49,063
Recreation and cultural services	57,134	43,189
Planning and development	-	308
	<u>2,197,768</u>	<u>1,293,287</u>
Deficiency of revenues over expenditures	(479,074)	(719,666)
Financing and transfers:		
Transfer from reserve funds	293,876	207,270
Transfer from reserves	40,206	390,932
Transfer from current fund	144,992	121,464
Net financing and transfers	<u>479,074</u>	<u>719,666</u>
Net change in fund balance	\$ -	-

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

CORPORATION OF THE TOWNSHIP OF CHAPLEAU

Schedule of Reserves and Reserve Funds

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenues:		
Investment income earned in reserve funds	\$ 107,347	66,800
Net transfers from (to) other funds:		
Transfers from current fund to reserve funds	530,738	446,639
Transfers from current fund to reserves	86,315	53,646
Transfers to current fund from reserve funds	-	(260)
Transfers to current fund from reserves	(7,500)	-
Transfers to capital fund from reserve funds	(293,876)	(207,270)
Transfers to capital fund from reserves	(40,206)	(390,932)
Other transfers to reserves	-	8,847
Other transfers to (from) reserve funds	2,176	(1,725)
	<u>277,647</u>	<u>(91,055)</u>
Net change in fund balances	384,994	(24,255)
Opening reserve and reserve fund balances	2,797,239	2,821,494
Closing reserve and reserve fund balances	\$ 3,182,233	2,797,239
Analyzed as follows:		
Reserves set aside for specific purposes by Council:		
Working funds	\$ 333,276	340,776
Capital	48,979	28,206
Recreation centre	-	12,000
Road construction	10,326	17,226
Annexation study	15,755	15,755
Planning	73,086	35,750
	<u>481,422</u>	<u>449,713</u>
Reserve funds set aside for specific purposes by Council:		
Building maintenance		
- Civic Centre	75,899	38,109
- Water Treatment Plant	158,568	146,788
- Sewage Treatment Plant	132,114	124,397
- Recreation Centre	31,147	20,062
Public Works equipment	351,236	253,189
Capital expenditure		
- fire	127,880	96,112
- sanitary sewers	155,731	181,437
- waterworks	574,515	497,931
- library	32,728	23,652
- airport	248,363	335,221
- transit	91,925	61,395
Landfill site	648,120	540,990
Sick leave	66,315	63,034
G.E. Young Memorial	8,018	7,670
Refuse collection	127,321	121,511
	<u>2,829,880</u>	<u>2,511,498</u>
Less: Reserve funds committed to financing activities	<u>(129,069)</u>	<u>(163,972)</u>
	<u>2,700,811</u>	<u>2,347,526</u>
Total reserves and reserve funds	\$ 3,182,233	2,797,239

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