

**FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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**Town of Gananoque
Financial Statements
December 31, 2008**

Town of Gananoque
Five Year Financial Review
(not subject to audit)

December 31	2008	2007	2006	2005	2004
Population	4,702	4,702	4,702	4,793	4,793
Number of Households	2,478	2,476	2,470	2,458	2,394
Taxable Assessment	\$	\$	\$	\$	\$
Residential and farm	311,569	307,406	304,843	259,085	258,828
Commercial and industrial	70,350	69,104	66,624	63,971	64,335
Total	381,919	376,510	371,467	323,056	323,163
Commercial, industrial as % of assessment	18.4%	18.4%	17.9%	19.8%	19.9%
Rates of Taxation					
Residential tax rates					
▶ for general municipal purposes	1.177170	1.076710	1.026316	1.080333	1.051376
▶ for school board purposes	0.264000	0.264000	0.264000	0.296000	0.296000
Total	1.441170	1.340710	1.290316	1.376333	1.347376
Multi-Residential, Commercial and Industrial Tax Rates	Total	Municipal	School		
	%	%	%		
▶ multi-residential	2.501800	2.237800	0.264000		
▶ commercial	4.399854	2.330797	2.069057		
▶ industrial	6.523622	3.732730	2.790892		
Tax Arrears					
▶ per capita	437.37	343.62	323.68	236.86	189.72
▶ percentage of current levy	26.1%	21.9%	25.4%	16.5%	13.7%
Taxes Transferred					
▶ School Boards	2,396	2,373	2,341	2,322	2,313
Revenue for Town Purposes	\$	\$	\$	\$	\$
▶ Taxation	5,492	5,009	4,765	4,547	4,337
▶ Payments in lieu of taxes	221	214	204	223	213
▶ User charges	3,057	2,461	2,226	2,164	2,084
▶ Government grants	4,644	3,167	2,428	1,279	540
▶ Other	2,447	2,285	2,406	2,758	2,991
Total	15,861	13,136	12,029	10,971	10,165
Expenditure for Town Purposes					
▶ General	13,315	12,950	13,779	11,894	12,402
▶ Long term debt charges	400	416	258	121	81
▶ interest	377	292	289	240	159
▶ principal					
Net Long Term Debt	8,402	7,279	6,971	4,860	2,010
Fund Balances, End of Year					
▶ Current Operations	72	86	38	512	581
▶ Capital	2,541	261	(1,589)	(3,231)	(4,857)
▶ Reserves	1,821	1,196	2,185	3,187	3,239
▶ Reserve Funds	858	544	1,333	1,385	1,073

(Note: All dollar amounts are in thousands of dollars, except per capita figures.)

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Chartered Accountant Professional Corporation

TOWN OF GANANOQUE

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Gananoque:

We have audited the consolidated statement of financial position of the Corporation of the Town of Gananoque as at December 31, 2008 and the consolidated statement of financial activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation of the Town of Gananoque'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 Town as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licenced Public Accountants

Perth, Ontario,
April 3, 2009.

Town of Gananoque
Consolidated Statement of Financial Position

December 31	2008	2007
	\$	\$
Assets		
Financial Assets		
Cash and short term deposits	3,716,385	1,254,582
Taxes receivable (net of allowance of \$82,000)	1,974,494	1,533,667
User charges receivable (net of allowance \$10,260)	419,483	328,069
Accounts receivable (net of allowance \$169,780)	1,254,713	1,124,967
Mortgage receivable (note 4)	149,800	171,200
Total Assets	7,514,875	4,412,485
Liabilities and Municipal Position		
Liabilities		
Bank indebtedness	---	1,500,000
Accounts payable and accrued liabilities	2,177,729	790,949
Other current liabilities	45,420	35,113
Employee future benefit obligations (note 5)	435,625	499,672
Net long term liabilities (note 6)	8,402,205	7,279,018
Total Liabilities	11,060,979	10,104,752
Contingent Liabilities (note 10)		
Commitments (note 11)		
Municipal Position		
Fund Balances (note 7)		
Current fund	71,639	85,689
Capital fund	2,540,850	260,649
Reserves	1,821,293	1,196,470
Reserve Funds	857,944	543,615
	5,291,726	2,086,423
Amounts to be recovered		
From future revenues ▶ net long term liabilities (note 6)	(8,402,205)	(7,279,018)
▶ employee future benefit obligations (note 5)	(435,625)	(499,672)
	(8,837,830)	(7,778,690)
Total Municipal Position	(3,546,104)	(5,692,267)
Total Liabilities and Municipal Position	7,514,875	4,412,485

The accompanying notes are an integral part of these financial statements.

**Town of Gananoque
Consolidated Statement of Financial Activities**

For the year ended December 31	2008	2007
	\$	\$
Revenues		
Taxation ▶ residential	3,797,232	3,444,236
▶ commercial and industrial	1,694,482	1,564,359
▶ other governments	220,768	213,523
User charges	3,056,538	2,461,332
Government grants	4,643,644	3,166,848
Investment income	73,642	67,444
Penalties and interest	241,790	241,604
Licenses and permits	45,183	65,350
Casino revenues	1,714,750	1,616,467
Other	373,090	294,758
Total Revenues	15,861,119	13,135,921
Expenditures		
Current operations		
General government	1,168,491	1,237,863
Protection to persons and property	3,236,302	3,008,505
Transportation services	1,138,716	1,183,061
Environmental services	1,520,203	1,336,708
Health services	405,501	302,582
Social and family services	955,772	1,064,240
Recreation and cultural services	1,476,492	1,369,906
Planning and development	312,737	273,108
Total Current	10,214,214	9,775,973
Capital		
General government	16,633	3,300
Protection to persons and property	18,893	50,986
Transportation services	2,877,923	479,374
Environmental services	344,079	378,127
Endowment fund	---	1,034,797
Recreation and cultural services	243,214	284,928
Planning and development	---	1,358,167
Total Capital	3,500,742	3,589,679
Total Expenditures	13,714,956	13,365,652
Net Revenues (Expenditures) for the Year	2,146,163	(229,731)
Financing and Transfers		
Proceeds of long term debt	1,500,000	600,000
Debt principal repayments	(376,813)	(291,977)
Change in employee future benefit obligations	(64,047)	40,463
Increase in amounts to be recovered	1,059,140	348,486
Increase in Fund Balances	3,205,303	118,755

The accompanying notes are an integral part of these financial statements.

**Town of Gananoque
Consolidated Statement of Cash Flows**

For the year ended December 31	2008	2007
	\$	\$
Cash Flows Provided From:		
Operations:		
Net Revenues (Expenditures) for the Year	2,146,163	(229,731)
Net Change in Non-Cash Working Capital Items		
Taxes receivable	(440,827)	(93,717)
User charges receivable	(91,414)	13,601
Accounts receivable	(129,746)	720,029
Accounts payable and accrued liabilities	1,386,780	(1,328,059)
Other current liabilities	10,307	(4,290)
Employee future benefit obligations	(64,047)	40,463
	671,053	(651,973)
Net Change in Cash From Operations	2,817,216	(881,704)
Investing Activities		
Decrease in investments	---	1,230,661
Decrease in mortgage receivable	21,400	21,400
	21,400	1,252,061
Financing Activities		
Long term debt issued	1,500,000	600,000
Debt principal repayments	(376,813)	(291,977)
Net Change in Cash from Financing	1,123,187	308,023
Cash and Equivalents, Change in Year	3,961,803	678,380
Cash and Equivalents, Beginning of Year	(245,418)	(923,798)
Cash and Equivalents, End of Year	3,716,385	(245,418)
Cash and Equivalents Consist of:		
Cash and short term deposits	3,716,385	1,254,582
Bank indebtedness	---	(1,500,000)
	3,716,385	(245,418)

The accompanying notes are an integral part of these financial statements.

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

1. Significant Accounting Policies

The consolidated financial statements of the Corporation of the Town of Gananoque (the "Town") are the representation of management 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 adopted by the County are as follows:

(a) Reporting Entity

- (i) The consolidated statements reflect the assets, liabilities, revenues, 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 Town and which are owned or controlled by the Town. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:
 - ▶ Public Library Board
 - ▶ Business Improvement Area Committee
 - ▶ Police Commission
- (ii) 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.
- (iii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements.
- (iv) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal charges on long term liabilities which are charged against operations in the period in which they are paid.
- (vi) 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.

(b) Cash and Cash Equivalents

The Town considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

(c) Property and Equipment

The historical costs and accumulated depreciation of property and equipment are not reported for municipal purposes. Property and equipment are reported as an expenditure on the 'Consolidated Statement of Financial Activities' in the year of acquisition.

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

1. Significant Accounting Policies / continued

(d) Reserves and Reserve Funds

Certain amounts, as approved by Town 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.

(e) Government Transfers

Government transfers are 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.

(f) Deferred Revenues

The Town defers recognition of 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.

(g) Investment Income

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on surplus current funds, capital funds, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on development charges and parkland obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

(h) Financial Instruments

All financial instruments are initially recognized at fair value on the balance sheet. The Municipality has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Municipality classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

1. Significant Accounting Policies / continued

(i) 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 revenues and expenditures during the period. Actual results could differ from these estimates.

2. Operations of the School Boards

During 2008, the Town collected and made property tax transfers including payments in lieu of property taxes, to the School Boards as follows:

	2008	2007
	\$	\$
Property taxes	2,396,376	2,373,183
Amounts requisitioned and paid	2,396,376	2,373,183

3. Bank Indebtedness

The Town's financial agreement with its bank provides for an operating credit facility of up to \$3,273,000 to finance expenses, pending receipt of property taxes and other income. Interest on fund drawn is charged at the Bank of Montreal prime. As at December 31, 2008, there was \$Nil (2007 \$Nil) drawn on the facility.

4. Mortgage Receivable

	2008	2007
	\$	\$
United County of Leeds and Grenville, bearing interest at the rate (prime + 1%), with annual principal payments to begin on December 1, 2007 of \$21,400.	149,800	171,200

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

5. Employee Future Benefit Obligations

The Town provides a sick leave benefit plan to its employees. Unused sick leave can be accumulated and employees may become entitled to a cash payment when they leave the Town's employment.

The liabilities for these accumulated days, to the extent they were vested and could be taken in cash by an employee on termination is \$435,625 (2007 \$499,672). An amount of \$94,506 was paid out in 2008 (2007 \$49,582). Payouts to employees eligible to retire in the next five years approximates \$136,000. A reserve of \$75,278 (2007 \$75,278) has been established.

6. Net Long Term Liabilities

(a) The balance of the net 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 municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to:	8,402,205	7,279,018
Net long term liabilities at the end of the year	8,402,205	7,279,018

(b) Of the net long term liabilities reported in (a) of this note \$2,079,399 in principal payments are payable from 2009 to 2013, \$4,049,734 from 2014 to 2018 and \$2,273,072 from 2019 onwards and are summarized as follows:

	2009 to 2013	2014 to 2018	2019 onwards
	\$	\$	\$
▶ from general municipal revenues	1,550,334	3,899,512	827,701
▶ from user charges	529,065	150,222	1,445,371
	2,079,399	4,049,734	2,273,072

(c) The long term liabilities in (a), issued in the name of the municipality, have been approved by either the Ontario Municipal Board or by by-law. The annual principal and interest payments required to service these liabilities are within the debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(d) Interest expense on long term liabilities in 2008 amounted to \$399,530 (2007 \$415,862).

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

7. Municipal Fund Balances at the End of the Year

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

	2008	2007
	\$	\$
To be applied to operations for the following year		
Town	45,915	8,350
Library Board	25,724	439
Business Improvement Areas	---	76,900
Total	71,639	85,689
Capital expenditures to be recovered from taxation or user fees		
Unexpended capital financing	2,540,850	1,860,649
Taxation and user charges	---	(100,000)
Long term debt	---	(1,500,000)
	2,540,850	260,649
Reserves	1,821,293	1,196,470
Reserve Funds	857,944	543,615
Total	5,291,726	2,086,423

8. Pension Agreements

The Town makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent 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 amount contributed to OMERS was \$237,272 (2007 \$238,562) for current services and is included as an expenditure on the Consolidated Statement of Financial Activities.

9. Provincial Offences Administration (POA)

The United Counties of Leeds and Grenville has assumed the administration of the Provincial Offences office for all County of Leeds and Grenville resident municipalities. The transfer of administration from the Ministry of Attorney General to the Town was a result of the Provincial Offences Act (POA) 1997, which provides the framework for the transfer of responsibility and administration of POA courts.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-Laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

9. Provincial Offences Administration (POA) / continued

The Town's share of net revenues arising from operation of the POA office have been consolidated with these financial statements. The revenue of the court office consists of fines levied under Parts I and III (including delay penalties) for POA charges filed in the County court.

If fines are paid at other court offices, the receipt is recorded in the Integrated Courts Operation Network System ("ICON") operated by the Province of Ontario. Revenue is recognized when receipt of funds is recorded by the provincial ICON system regardless of the location where payment is made.

10. Contingent Liabilities

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2008, management believes the Town has appropriate provisions including insurance coverages in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Town's financial position.

The Town has also agreed that if either the Thousand Islands Playhouse (Springer Theatre) or the Thousand Islands Foundation for the Performing Arts (Firehall Theatre) terminates their respective lease with the Town, the Town shall be obligated to make a payment to each Theatre's bank of \$100,000 for the Springer Theatre (agreement expires December 31, 2024) and \$340,000 for the Firehall Theatre reducing to \$220,000 December 31, 2009, and \$100,000 December 31, 2010 (agreement expires December 31, 2024).

11. Commitments

The Town has entered into the following contractual service commitments:

- (a) An agreement with 1427255 Ontario Inc. (operating as WSI Waste Services) for the collection of solid waste and recycled materials and the disposal of solid waste which expires December 2010. Fees are based on tonnage and adjusted annually for inflation. The contract costs for 2008 were \$243,644 (2007 \$210,612).
- (b) An agreement with Frontenac Municipal Law Enforcement Incorporated for the provision of by-law enforcement services which expires January 2013. Fees are based on an hourly rate and mileage is reimbursed on a kilometre basis. Fee increases are to be reviewed from time to time at the request of the contractor.
- (c) An agreement with the 1000 Islands Chamber of Commerce for annual funding of \$43,000 per year. The agreement expired in 2008 and is correctly being renegotiated.
- (d) The Town has committed to a long term vehicle supply for police vehicles with Gananoque Chevrolet Cadillac. The agreement provides for the supply for two vehicles every two years for a financial commitment of \$22,000 per year from 2006 to 2008 and \$24,000 per year for 2009 to 2011.

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

11. Commitments / continued

- (e) The Town has committed to a vehicle lease arrangement with GMAC for the lease of a 2007 Chevrolet. The agreement expires September 2009.
- (f) Agreements with CSI Leasing Canada Ltd. and Dell Financial Services provide for the lease of computer equipment based on multi year lease agreements. Separate leases are executed for computer equipment based on the master lease agreement. Any lease may be terminated with the payment of the present value of the remaining lease payments. The amount paid in 2008 under the master lease agreement was \$18,879. The minimum lease payments are:

	\$
2009	18,879
2010	7,768
2011	5,511

- (g) The Town has committed to various road construction projects for King Street and Charles Street. The contracts total approximately \$4,000,000 of which approximately \$1,400,000 is to be completed in 2009. In addition, engineering fees committed for 2009 are estimated at \$54,000.
- (h) The Town has committed to facility renewal contracts to be completed in 2009 in the amount of \$94,300.
- (i) The Town has committed to funding to the Arthur Child Heritage Museum in the amount of \$40,000 per year from 2009 to 2011.
- (j) The Town has pledged the interest income from the Town's endowment fund for the years 2009 to 2018 to the University Hospitals Kingston Foundation to a maximum of \$30,000 per year. The agreement also provides for a catch up provision in years where the maximum commitment is not earned from the endowment fund.

12. Financial Instruments

The Municipality's financial instruments consist of cash and short term deposits, accounts receivable, taxes receivable, user charges receivable, mortgage receivable, accounts payable and accrued liabilities, other current liabilities and long term debt. The carrying values of these financial instruments approximate their fair values due to the relatively short period to maturity of the instruments or the near current market interest rates applicable. The fair values of the loans are not readily determinable.

(a) Credit Risk

Credit risk arises from the possibility that the entities to which the Municipality provides services to may experience difficulty and be unable to fulfill their obligations. The Municipality is exposed to financial risk that arises from the credit quality of the entities to which it provides its services. The Municipality does not feel it has significant exposure based on the following:

- Accounts receivable ▶ the majority of the amounts are due from other levels of government.

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

12. Financial Instruments / continued

(a) Credit Risk / continued

- Taxes receivable ▶ the Municipality has the right to sell the property for arrears of taxes and in the majority of cases the fair market value of the property exceeds the tax arrears.
- User charges receivable ▶ the Municipality has the right to add the amounts to taxes.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to a financial instrument will fluctuate as a result of changes in market interest rates. The Municipality is exposed to financial risk that arises from the interest rate differences between the market interest rate and the rates on its cash and cash equivalents, operating loan, and long term debt. Changes in variable interest rates could cause unanticipated fluctuations in the Municipality's operating results.

(c) Liquidity Risk

Liquidity risk is the risk that the Municipality will not be able to meet its obligations as they fall due. The Municipality requires working capital to meet day-to-day operating activities. Management expects that the Municipality's cash flows from operating activities and from reserves will be sufficient to meet these requirements.

The Municipality's financial instruments consist of the following:

	2008		2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Held-For-Trading Financial Assets				
Cash and cash equivalents	3,716,385	3,716,385	1,254,452	1,254,452
Loans and receivables				
Accounts receivable	1,254,713	1,254,713	1,124,967	1,124,967
Taxes receivable	1,974,494	1,974,494	1,533,667	1,533,667
User charges receivable	419,483	419,483	328,069	328,069
Mortgage receivable	149,800	149,800	171,200	171,200
Other Financial Liabilities (not held-for-trading)				
Bank indebtedness	---	---	1,500,000	1,500,000
Accounts payable and accrued liabilities	2,177,729	2,177,729	790,949	790,949
Other current liabilities	45,420	45,420	35,113	35,113
Long term debt	8,402,205	8,402,205	7,279,018	7,279,018

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

13. Tangible Capital Assets

During 2008 the Municipality continued to work towards compliance with the new recommendations for accounting for tangible capital assets. Significant progress has been made on compiling preliminary asset inventory listings for most asset categories. Work to value all asset categories is currently underway and expected to be completed by September 30, 2009.

(a) Transitional Provisions

Effective January 1, 2007, the Town adopted Accounting Guideline (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 until Section 3150 – Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect on January 1, 2009. These provisions require local government to capitalize assets at historical cost and amortize these assets over their estimated useful life. Currently the Town records tangible capital assets as capital expenditures in the statement of financial activities.

The Town is currently undertaking an inventory of all its tangible capital assets and has identified the following major categories within each major asset class within each category (General or Infrastructure):

- ▶ Land
- ▶ Land Improvements
- ▶ Leasehold Improvements
- ▶ Buildings
- ▶ Machinery and Equipment
- ▶ Vehicles
- ▶ Linear Assets
- ▶ Capital Work in Progress

(b) Methods Used for Determining the Cost of Each Major Category of Tangible Capital Assets

The financial information to be recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records are not available, other methods will be used to estimate the costs and accumulated amortization of the assets. The Town will apply a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it does not have historical cost records, except in circumstances where it can be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost, the Consumer Price Index will be used as a resource for determining appropriate indices in order to deflate the replacement or reproduction cost to an estimated historical cost.

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

(c) Amortization

Amortization will be calculated on a straight-line basis over the asset's expected useful life for all classes except land. Land has been considered to have an infinite life.

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

13. Tangible Capital Assets / continued

(d) Contributed Tangible Capital Assets

Contributed tangible capital assets will be recognized at fair market value at the date of contribution.

(e) Tangible Capital Assets Disclosed at Nominal Values

Where an estimate of fair value could not be made, the tangible capital asset will be recognized at a nominal value.

(f) Interest Capitalization

The Town's draft tangible capital asset policy allows for the capitalization of interest costs associated with the acquisition or construction of a tangible capital asset providing the financing was undertaken during the construction of the asset.

14. Segmented Information

The Town is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the consolidated statement of financial activities.

Departments have been separately disclosed in the segmented information, along with the service they provide, are set out in the schedule below.

For each reported segment, 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.

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.

	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	Financial Expenses	External Transfers	Capital Expenditure	Total
	\$	\$	\$	\$	\$	\$	\$
General Government							
Governance	61,502	---	8,156	---	---	16,633	69,658
Corporate Management & Program Support	536,098	---	451,848	110,887	---	---	1,115,466

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

14. Segmented Information / continued

	Salaries, Wages & Employee Benefits	Debt Interest	Materials & Services	Financial Expenses	External Transfers	Capital Expenditure	Total
	\$	\$	\$	\$	\$	\$	\$
Protection to Persons and Property							
Fire	520,535	27,243	126,721	---	---	18,893	693,392
Police	2,063,718	---	135,572	---	---	---	2,199,290
Conservation Authority	---	---	---	---	29,386	---	29,386
Protective Inspection	43,528	---	61,817	---	---	---	105,345
Emergency Measures	18,258	112,232	97,292	---	---	---	227,782
Transportation							
Roadways	436,873	99,853	285,434	---	---	2,877,923	3,700,083
Winter Control	85,331	---	57,107	---	---	---	142,438
Parking	479	---	31,719	---	---	---	32,198
Street Lighting	276	---	141,644	---	---	---	141,920
Environmental							
Sanitary Sewer	251,347	42,359	237,046	---	---	62,609	593,361
Waterworks	316,077	16,982	362,431	---	---	281,470	976,960
Waste Services	44,449	---	249,512	---	---	---	293,961
Health Services							
Public Health Services	---	---	---	---	64,498	---	64,498
Ambulance	---	---	---	---	246,162	---	246,162
Doctor Recruitment	---	---	94,841	---	---	---	94,841
Social and Family							
General Assistance	---	---	---	---	695,577	---	695,577
Assistance to Aged Persons	---	25,903	---	---	28,145	---	54,048
Child Care	---	---	---	---	30,539	---	30,539
Social Housing	---	---	---	---	175,608	---	175,608
Recreation and Cultural Services							
Parks	110,249	---	46,042	---	---	1,974	158,265
Recreation Facilities & Programs	439,187	74,958	468,280	23,633	171,277	239,040	1,416,375
Libraries	97,292	---	38,979	---	---	2,200	138,471
Cultural Services	---	---	6,595	---	---	---	6,595
Planning and Development							
Planning & Zoning	74,003	---	31,319	---	---	---	105,322
Commercial & Industrial	83,625	---	75,790	---	48,000	---	207,415
2008	5,182,827	399,530	3,008,145	134,520	1,489,192	3,500,742	13,714,956
2007	4,892,990	415,837	2,823,325	43,195	1,600,626	3,589,679	13,365,652

Town of Gananoque
Notes to the Consolidated Financial Statements

December 31, 2008

15. Budget Figures

Gananoque Town Council reviews its operating and capital budgets annually. The approved operating budget for 2008 is reflected on the Schedule of Current Fund Operations and is included in the budget figures presented in the Consolidated Statement of Financial Activities.

Budgets established for the Capital Fund and Reserves and Reserve Funds are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years. The budgets reflected in the Schedule of Capital Fund Operations and the Schedule of Reserves and Reserve Funds and included in the Consolidated Statement of Financial Activities is an annual budget only as required by the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Town of Gananoque
Schedule of Current Fund Operations

For the year ended December 31	(Note 15) Budget	2008	2007
	\$	\$	\$
Revenues			
Taxation ▶ residential	3,790,487	3,797,232	3,444,236
▶ commercial and industrial	1,745,134	1,694,482	1,564,359
▶ other governments	214,709	220,768	213,523
User charges ▶ environmental	2,211,906	2,174,734	1,593,137
▶ transportation	75,700	67,481	82,469
▶ recreation and culture	757,900	755,941	743,696
▶ other	38,644	58,382	42,030
Government grants	1,362,471	1,379,197	1,132,525
Investment income	58,150	63,616	51,395
Penalties and interest on taxes	140,000	241,790	241,604
Licenses and permits	71,025	45,183	65,350
Provincial offenses	66,439	70,958	77,526
Casino revenues	1,600,000	1,714,750	1,616,467
Other	204,476	192,180	217,232
Total Revenues	12,337,041	12,476,694	11,085,549
Expenditures			
General government	1,034,908	1,168,491	1,237,863
Protection to persons and property	3,106,789	3,236,302	3,008,505
Transportation services	1,279,603	1,138,716	1,183,061
Environmental services	1,760,846	1,520,203	1,336,708
Health services	390,367	405,501	302,582
Social and family services	979,030	955,772	1,064,240
Recreation and cultural services	1,325,934	1,476,492	1,369,906
Planning and development	277,591	312,737	273,108
Total Expenditures	10,155,068	10,214,214	9,775,973
Net Revenues	2,181,973	2,262,480	1,309,576
Financing and Transfers			
Change in employee future benefit obligations	---	(64,047)	40,463
Debt principal repayments	(376,813)	(376,813)	(291,977)
Transfers to capital fund	(354,000)	(199,003)	(89,065)
Transfers to reserves and reserve funds	(1,458,160)	(1,636,667)	(921,525)
Net Financing and Transfers	(2,188,973)	(2,276,530)	(1,262,104)
Current Fund Balance, Change in Year	(7,000)	(14,050)	47,472
Current Fund Balance, Beginning of Year	85,689	85,689	38,217
Current Fund Balance, End of Year	78,689	71,639	85,689

The accompanying notes are an integral part of these financial statements.

**Town of Gananoque
Schedule of Capital Fund Operations**

For the year ended December 31	(Note 15) Budget	2008	2007
	\$	\$	\$
Revenues			
Government grants	2,761,584	3,264,447	2,034,323
User charges	47,156	---	---
Other	---	109,952	---
Total Revenues	2,808,740	3,374,399	2,034,323
Expenditures			
General government	25,000	16,633	3,300
Protection to persons and property	80,400	18,893	50,986
Transportation services	3,770,946	2,877,923	479,374
Environmental services	1,952,481	344,079	378,127
Endowment fund	---	---	1,034,797
Recreation and cultural services	469,209	243,214	284,928
Planning and development	54,000	---	1,358,167
Total Expenditures	6,352,036	3,500,742	3,589,679
Net Expenditures	(3,543,296)	(126,343)	(1,555,356)
Financing and Transfers			
Proceeds of long term debt	260,000	1,500,000	600,000
Transfers from current operations	354,000	199,003	89,065
Transfers from reserves and reserve funds	1,078,815	707,541	2,715,583
Net Financing and Transfers	1,692,815	2,406,544	3,404,648
Capital Fund Balance, Change in Year	(1,850,481)	2,280,201	1,849,292
Capital Fund Balance, Beginning of Year	260,649	260,649	(1,588,643)
Capital Fund Balance, End of Year	(1,589,832)	2,540,850	260,649

The accompanying notes are an integral part of these financial statements.

**Town of Gananoque
Schedule of Reserves and Reserve Funds**

For the year ended December 31	(Note 15) Budget	2008	2007
	\$	\$	\$
Revenue			
Interest	---	10,026	16,049
Net Transfers From/(To) Other Funds			
Transfers from current fund	1,458,160	1,636,667	921,525
Transfers to capital fund	(1,078,815)	(707,541)	(2,715,583)
Total Net Transfers	379,345	929,126	(1,794,058)
Reserves and Reserve Fund Balances, Change in Year	379,345	939,152	(1,778,009)
Reserves and Reserve Fund Balances, Beginning of Year	1,740,085	1,740,085	3,518,094
Reserves and Reserve Fund Balances, End of Year	2,119,430	2,679,237	1,740,085

Composition of Reserves and Reserve Funds

For the year ended December 31	2008	2007
	\$	\$
Reserves set aside for specific purposes by Council:		
▶ for working capital	547,809	547,809
▶ for contingencies	36,766	10,853
▶ for future capital expenditure	548,095	246,789
▶ infrastructure	358,763	126,091
▶ recreation facilities	165,735	125,135
▶ other	1,099	3,792
▶ library	75,278	75,278
▶ for accumulated sick leave	10,000	5,000
▶ for election	77,748	55,723
▶ for economic development		
	1,821,293	1,196,470
Reserve Funds set aside for specific purposes by Council:		
▶ for future capital expenditure	293,761	92,532
▶ waterworks and sewer	15,741	15,314
▶ parks	33,498	184,140
▶ parking	12,653	12,310
▶ recreation and cultural	4,500	4,500
▶ for library purposes	87,029	---
▶ for community endowment	125,155	120,401
▶ for lot levies	285,607	114,418
▶ for infrastructure from gas tax funding		
	857,944	543,615
Total Reserves	2,679,237	1,740,085

The accompany notes are an integral part of these financial statements.

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Chartered Accountant Professional Corporation

TOWN OF GANANOQUE

PUBLIC LIBRARY BOARD

AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Gananoque:

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



Chartered Accountants
Licenced Public Accountants

Perth, Ontario,
April 3, 2009.

**Town of Gananoque
Public Library Board
Consolidated Statement of Financial Position**

December 31	2008	2007
	\$	\$
Assets		
Financial Assets		
Cash and short term investments	31,944	7,281
Accounts receivable	2,137	2,757
Total Assets	34,081	10,038
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accrued liabilities	3,857	5,099
Fund Balances		
Current fund (note 2)	25,724	439
Reserves	4,500	4,500
	30,224	4,939
Total Liabilities and Fund Balances	34,081	10,038

The accompanying notes are an integral part of these financial statements.

**Town of Gananoque
Public Library Board**

Consolidated Statement of Financial Activities

For the year ended December 31	(Note 4) Budget	2008	2007
	\$	\$	\$
Revenues			
Grants			
Municipal Grants	127,970	127,970	122,500
Province of Ontario ▶ operating	10,500	27,400	9,000
▶ CAP	2,000	1,732	1,507
	140,470	157,102	133,007
User Charges			
Fees, service charges and fines	6,000	2,301	3,052
Other			
Interest	200	239	111
Donations	---	1,914	640
	200	2,153	751
Total Revenues	146,670	161,556	136,810
Expenditures			
Current operations			
Salaries and benefits	105,575	97,292	100,580
Books and subscriptions	21,220	22,683	27,726
Insurance	---	860	---
Supplies	2,200	454	---
Utilities and maintenance	16,275	10,336	13,121
Administration	8,400	4,646	6,362
Total Current	153,670	136,271	147,789
Capital			
Computer and equipment	---	---	2,457
Total Capital	---	---	2,457
Total Expenditures	153,670	136,271	150,246
Net Revenues (Expenditures) for the Year	(7,000)	25,285	(13,436)
Fund Balances, Beginning of Year	4,939	4,939	18,375
Fund Balances, End of Year	(2,061)	30,224	4,939

The accompanying notes are an integral part of these financial statements.

**Town of Gananoque
Public Library Board
Notes to the Financial Statements**

December 31, 2008

1. Significant Accounting Policies

(a) Reporting Entity

The consolidated statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity.

(b) Fund Accounting

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

(c) Property and Equipment

Expenditures made on property and equipment are reported as capital expenditures on the statement of financial activities in the period incurred.

(d) Reserves and Reserve Funds

Certain amounts, as approved by Town 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.

(e) Government Transfers

Government transfers are 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.

(f) Deferred Revenues

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.

(g) Financial Instruments

All financial instruments are initially recognized at fair value on the balance sheet. The Library Board has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Library Board classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

**Town of Gananoque
Public Library Board
Notes to the Financial Statements**

December 31, 2008

1. Significant Accounting Policies / continued

(h) 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 revenues and expenditures during the period. Actual results could differ from these estimates.

2. Fund Balances at the End of the Year

The Library's fund balances are comprised of the following:

	2008	2007
	\$	\$
Current fund	25,724	439
Reserves	4,500	4,500
	30,224	4,939

3. Tangible Capital Assets

The Library Board has adopted the processes required to commence collecting the information required to comply with the Accounting Guidelines contained in the Canadian Institute of Chartered Accountant's Public Sector Accounting Standards Section PS 3150 relating to tangible capital assets. This section applies to local governments for fiscal years beginning on or after January 1st, 2009.

Public Sector Guideline PSG-7 provides transitional guidance to local governments on reporting information related to tangible capital assets in notes or schedules to its financial statements. In accordance with this guideline, the Board will provide details of its tangible capital assets once the Board has compiled information that would be meaningful to include in the financial statements.

4. Budget Figures

Gananoque Public Library Board reviews its operating and capital budgets each year. The approved operating budget for 2008 is included in the budget figures presented in the Consolidated Statement of Financial Activities.

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Chartered Accountant Professional Corporation

TOWN OF GANANOQUE

BUSINESS IMPROVEMENT AREA COMMITTEE

AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Gananoque:

We have audited the consolidated statement of financial position of the Corporation of the Town of Gananoque Business Improvement Area Committee as at December 31, 2008 and the consolidated statement of financial activities for the year then ended. These financial statements are the responsibility of the Corporation of the Town of Gananoque Business Improvement Area Committee'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 Town's Business Improvement Area Committee as at December 31, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licenced Public Accountants

Perth, Ontario,
April 3, 2009.

**Town of Gananoque
Business Improvement Area Committee
Consolidated Statement of Financial Position**

December 31	2008	2007
	\$	\$
Assets		
Financial Assets		
Cash	---	80,641
Due from the Town of Gananoque	87,029	---
Accounts receivable	---	1,099
	<hr/>	<hr/>
Total Assets	87,029	81,740
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accrued liabilities	---	4,840
	<hr/>	<hr/>
Fund Balances		
Current fund (note 2)	---	76,900
Reserves	87,029	---
	<hr/>	<hr/>
	87,029	76,900
	<hr/>	<hr/>
Total Liabilities and Fund Balances	87,029	81,740

The accompanying notes are an integral part of these financial statements.

**Town of Gananoque
Business Improvement Area Committee
Consolidated Statement of Financial Activities**

For the year ended December 31	(Note 4) Budget	2008	2007
	\$	\$	\$
Revenues			
Municipal contribution	40,000	39,966	25,000
Interest	---	1,686	---
Fees and service charges	---	3,462	---
Total Revenues	40,000	45,114	25,000
Expenditures			
Current operations			
Administration	6,000	5,686	447
Advertising and promotion	7,100	12,010	10,563
Salaries and benefits	9,901	9,000	---
Special events	18,200	8,289	11,323
Capital	54,000	---	---
Total Current	95,201	34,985	22,333
Net Revenues (Expenditures) for the Year	(55,201)	10,129	2,667
Fund Balances, Beginning of Year	76,900	76,900	74,233
Fund Balances, End of Year	21,699	87,029	76,900

The accompanying notes are an integral part of these financial statements.

**Town of Gananoque
Business Improvement Area Committee
Notes to the Financial Statements**

December 31, 2008

1. Significant Accounting Policies

(a) Reporting Entity

The consolidated statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity.

(b) Fund Accounting

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

(c) Property and Equipment

Expenditures made on property and equipment are reported as capital expenditures on the statement of financial activities in the period incurred.

(d) Reserves and Reserve Funds

Certain amounts, as approved by Town 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.

(e) Government Transfers

Government transfers are 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.

(f) Deferred Revenues

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.

(g) Financial Instruments

All financial instruments are initially recognized at fair value on the balance sheet. The Business Improvement Area Committee has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

**Town of Gananoque
Business Improvement Area Committee
Notes to the Financial Statements**

December 31, 2008

1. Significant Accounting Policies / continued

(g) Financial Instruments / continued

The Business Improvement Area Committee classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

(h) 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 revenues and expenditures during the period. Actual results could differ from these estimates.

2. Fund Balances at the End of the Year

The fund balances are comprised of the following:

	2008	2007
	\$	\$
Current fund	---	76,900
Reserves	87,029	---
	87,029	76,900

3. Tangible Capital Assets

The Business Improvement Area Committee has adopted the processes required to commence collecting the information required to comply with the Accounting Guidelines contained in the Canadian Institute of Chartered Accountant's Public Sector Accounting Standards Section PS 3150 relating to tangible capital assets. This section applies to local governments for fiscal years beginning on or after January 1st, 2009.

Public Sector Guideline PSG-7 provides transitional guidance to local governments on reporting information related to tangible capital assets in notes or schedules to its financial statements. In accordance with this guideline, the Board will provide details of its tangible capital assets once the Business Improvement Area Committee has compiled information that would be meaningful to include in the financial statements.

**Town of Gananoque
Business Improvement Area Committee
Notes to the Financial Statements**

December 31, 2008

4. Budget Figures

Gananoque Business Improvement Area Board of Management reviews its operating and capital budgets each year. The approved operating budget for 2008 is included in the budget figures presented in the Consolidated Statement of Financial Activities.

Town of Gananoque
Waterworks and Sewer Operations Schedule
Consolidated Statement of Financial Activities

For the year ended December 31	(Note 15) Budget	2008	2007
	\$	\$	\$
Revenues			
User charges ▶ water and sewer revenue	2,051,440	1,988,713	1,399,814
▶ penalty	16,000	18,194	14,049
▶ interest	---	2,021	---
▶ miscellaneous fees and service charges	---	26,035	46,980
Government grants	---	240,843	231,144
Contributions from casino, capital and sick leave reserves	---	25,920	68,168
Proceeds from long term debt	260,000	---	600,000
Total Revenues	2,327,440	2,301,726	2,360,155
Expenditures			
Operations			
Overhead			
▶ salaries and benefits	350,082	323,081	283,089
▶ materials and supplies	132,844	157,362	56,661
▶ property tax	55,604	57,604	51,109
▶ bad debts	---	---	89
▶ vehicle and equipment operation	23,900	11,896	13,801
Water treatment plant & storage tank			
▶ salaries & benefits	103,725	90,691	97,049
▶ materials & supplies	252,250	131,215	162,359
Water distribution			
▶ salaries & benefits	61,600	66,140	51,440
▶ materials & supplies	84,000	63,145	36,831
Water meters & meter reading			
▶ salaries & benefits	29,500	19,277	23,411
▶ materials & supplies	19,400	14,014	1,708
Sewage pumping stations & lagoon			
▶ salaries & benefits	40,000	45,809	82,301
▶ materials & supplies	204,000	126,456	141,764
Sewage collection			
▶ salaries & benefits	19,500	20,746	5,620
▶ materials & supplies	42,100	39,465	19,903
Interest on long term debt	50,572	50,572	53,660
Principal on long term debt	164,755	164,755	136,472
Total Operations	1,633,832	1,382,228	1,217,267
Capital			
Water treatment plant and intake	352,000	31,451	39,970
Water distribution and sewage collection	1,140,481	250,019	---
Sewage pumping station and lagoon	335,000	54,859	338,158
Sewage collection	125,000	7,750	---
Total Capital	1,952,481	344,079	378,128
Total Expenditures	3,586,313	1,726,307	1,595,395
Net Revenues (Expenditures) for the Year	(1,258,873)	575,419	764,760

Town of Gananoque
Waterworks and Sewer Operations Schedule
Consolidated Statement of Financial Activities/continued

For the year ended December 31	(Note 15) Budget	2008	2007
	\$	\$	\$
Fund Balances, Beginning of Year			
Current Fund	9,649	9,649	---
Reserve Funds	92,532	92,532	---
Capital Fund	(100,000)	(100,000)	(762,579)
	<u>2,181</u>	<u>2,181</u>	<u>(762,579)</u>
Net Revenues (Expenditures) for the Year	(1,258,873)	575,419	764,760
Fund Balances, End of Year			
Current Fund	---	9,649	9,649
Reserve Funds	---	293,761	92,532
Capital Fund	---	274,190	(100,000)
	<u>---</u>	<u>577,600</u>	<u>2,181</u>

**Town of Gananoque
Police Commission Schedule
Consolidated Statement of Financial Activities**

For the year ended December 31	(Note 15) Budget	2008	2007
	\$	\$	\$
Revenues			
Provincial grants	100,503	99,286	95,861
Miscellaneous fees and service charges	4,600	5,205	8,173
Total Revenues	105,103	104,491	104,034
Expenditures			
Current operations			
Police force			
Salaries and benefits	1,714,825	1,869,530	1,665,593
Materials and supplies	58,464	54,402	54,043
Vehicle maintenance	25,265	34,372	31,123
Administration			
Salaries and benefits	228,279	254,226	174,113
Materials and supplies	22,717	13,440	9,392
Police Services Board			
Honorarium	5,500	5,500	5,500
Materials and supplies	9,600	12,422	4,008
Police Auxiliary			
Materials and supplies	1,014	---	154
Total Current	2,065,664	2,243,892	1,943,926
Capital			
Equipment	26,028	25,411	17,291
Vehicles	28,500	24,346	21,484
Total Capital	54,528	49,757	38,775
Transfer to Reserves	10,000	6,400	10,000
Total Expenditures	2,130,192	2,300,049	1,992,701
Net Expenditures	(2,025,089)	(2,195,558)	(1,888,667)