

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

# BRENT J. BURNS, Chartered Accountant

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## Auditor's Report

**To the Members of Council,  
Inhabitants and Ratepayers of  
The Municipality of North Grenville**

I have audited the Statement of Financial Position of the Municipality of North Grenville as at December 31, 2008 and the Statements of Financial Activities and Changes in Financial Position. These financial statements are the responsibility of the Municipality's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipality of North Grenville as at December 31, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles disclosed in Note 1 to the financial statements.

Brent J. Burns  
Chartered Accountant  
Licensed Public Accountant

Gananoque, Ontario

June 3, 2009

**The Municipality of North Grenville  
Statement of Financial Position**

| <b>December 31</b>  | <b>2008</b>         | <b>2007</b>          |
|---|---------------------|----------------------|
| <b>Financial Assets</b>                                     |                     |                      |
| Cash  | \$ 6,874,185        | \$ 7,059,697         |
| Taxes receivable  | 1,866,844           | 1,783,414            |
| Accounts receivable   | 636,443             | 1,354,533            |
| Investments   | <u>3,995</u>        | <u>3,995</u>         |
| <b>Total Assets</b>   | <b>\$ 9,381,467</b> | <b>\$ 10,201,639</b> |
| <b>Liabilities</b>  |                     |                      |
| Temporary loans   | \$ 572,004          | \$ 572,004           |
| Accounts payable and accrued liabilities                    | 2,010,619           | 1,529,613            |
| Deferred revenues (Note 3)                                  | 1,583,332           | 2,645,193            |
| Post employment benefits (Note 4)                           | <u>194,697</u>      | <u>186,552</u>       |
|   | <u>4,360,652</u>    | <u>4,933,362</u>     |
| <b>Long term debt (Note 5)</b>                              | <u>3,598,398</u>    | <u>3,865,962</u>     |
| <b>Landfill closure and post-closure liability (Note 6)</b> | <u>1,400,112</u>    | <u>1,400,112</u>     |
| <b>Tangible Capital Lease Liability (Note 7)</b>            | <u>12,197,334</u>   | <u>12,197,334</u>    |
| <b>Municipal Position</b>                                   |                     |                      |
| Operating Fund  | -                   | 2,184,733            |
| Capital Fund  | (503,110)           | (362,153)            |
| Reserves (Note 8)   | 3,702,940           | 1,329,908            |
| Reserve Funds (Note 8)                                      | <u>2,015,682</u>    | <u>2,302,340</u>     |
| Fund balances   | 5,215,512           | 5,454,828            |
| Amounts to be recovered (Note 9)                            | <u>(15,990,429)</u> | <u>(16,249,847)</u>  |
| Municipal Position  | <u>(10,774,917)</u> | <u>(10,795,019)</u>  |
| <b>Total Liabilities and Municipal Position</b>             | <b>\$ 9,381,467</b> | <b>\$ 10,201,639</b> |

**The Municipality of North Grenville  
Statement of Financial Activities**

| <b>For the year ended December 31</b> | <b>2008<br/>Budget</b> | <b>2008<br/>Actual</b> | <b>2007<br/>Actual</b> |
|---------------------------------------|------------------------|------------------------|------------------------|
| <b>Revenues</b>                       |                        |                        |                        |
| <b>Net taxation and user charges</b>  |                        |                        |                        |
| Taxation for municipal purposes       | \$ 7,103,179           | \$ 7,354,408           | \$ 6,895,072           |
| Payments in lieu of taxation          | 113,400                | 111,348                | 107,223                |
| Provincial and Federal grants         | 2,155,500              | 3,425,287              | 2,305,499              |
| Revenues from other municipalities    | 50,000                 | 45,357                 | 678,311                |
| User fees and service charges         | 3,360,650              | 3,364,418              | 3,233,049              |
| Licences and permits                  | 361,125                | 403,555                | 427,947                |
| Fines and penalties                   | 297,800                | 328,470                | 287,328                |
| Investment income                     | 115,100                | 112,918                | 155,676                |
| Sale of land                          | -                      | 50,655                 | 201,181                |
| Other income                          | 153,600                | 190,351                | 214,929                |
| Revenue from Obligatory Reserve Funds | 1,062,490              | 1,525,997              | 723,601                |
| Proceeds of long term debt            | 1,546,000              | -                      | -                      |
| <b>Total Revenues</b>                 | <b>\$ 16,318,844</b>   | <b>\$ 16,912,764</b>   | <b>\$ 15,219,816</b>   |

**The Municipality of North Grenville  
Statement of Financial Activities**

| <b>For the year ended December 31</b> | <b>2008<br/>Budget</b> | <b>2008<br/>Actual</b> | <b>2007<br/>Actual</b> |
|---------------------------------------|------------------------|------------------------|------------------------|
| <b>Expenditures:</b>                  |                        |                        |                        |
| <b>Current operations</b>             |                        |                        |                        |
| General government                    | \$ 1,597,560           | \$ 1,722,594           | \$ 1,580,328           |
| Protection to persons and property    | 3,191,030              | 3,212,398              | 2,961,736              |
| Transportation services               | 2,150,410              | 2,043,458              | 1,905,681              |
| Environmental services                | 2,541,468              | 2,633,141              | 2,339,295              |
| Health services                       | 78,483                 | 14,534                 | 155,076                |
| Recreation and cultural services      | 2,872,201              | 2,736,951              | 2,720,725              |
| Planning and development              | 348,005                | 228,803                | 377,282                |
|                                       | <u>12,779,157</u>      | <u>12,591,879</u>      | <u>12,040,123</u>      |
| <b>Capital</b>                        |                        |                        |                        |
| General government                    | -                      | 4,410                  | -                      |
| Protection to persons and property    | 2,095,000              | 292,497                | 32,481                 |
| Transportation services               | 1,923,200              | 1,640,554              | 1,920,358              |
| Environmental services                | 2,365,213              | 1,765,816              | 1,420,580              |
| Recreation and cultural services      | 370,700                | 321,053                | 260,967                |
| Planning and development              | 25,000                 | 18,549                 | 13,571                 |
|                                       | <u>6,779,113</u>       | <u>4,042,879</u>       | <u>3,647,957</u>       |
| <b>Total Expenditures</b>             | <u>19,558,270</u>      | <u>16,634,758</u>      | <u>15,688,080</u>      |
| <b>Net Revenue (expense)</b>          | <u>\$ (3,239,426)</u>  | <u>\$ 278,006</u>      | <u>\$ (468,264)</u>    |

**The Municipality of North Grenville  
Statement of Changes in Financial Position**

| <b>For the year ended December 31</b>                  | <b>2008</b>         | <b>2007</b>         |
|--|---------------------|---------------------|
| <b>Operations:</b>                                     |                     |                     |
| Net Expense  | \$ (278,006)        | \$ (468,264)        |
| <b>Sources and Uses</b>                                |                     |                     |
| Increase in taxes receivable                           | (83,430)            | (194,188)           |
| Decrease in accounts receivable                        | 718,090             | 261,304             |
| Increase in accounts payable                           | 481,006             | 135,044             |
| Increase (decrease) in deferred revenues               | (1,061,861)         | 82,085              |
| Increase in post-employment benefits                   | 8,145               | 16,264              |
|  | <u>(61,950)</u>     | <u>300,509</u>      |
| <b>Net increase (decrease) in cash from operations</b> | <u>216,056</u>      | <u>(167,755)</u>    |
| <b>Financing:</b>                                      |                     |                     |
| Decrease in cash from financing                        | <u>(401,568)</u>    | <u>(34,876)</u>     |
| <b>Net changes in cash and cash equivalents</b>        | <u>(185,512)</u>    | <u>(202,631)</u>    |
| <b>Opening cash and equivalents</b>                    | <u>6,487,693</u>    | <u>6,690,324</u>    |
| <b>Closing cash and equivalent</b>                     | <u>\$ 6,302,181</u> | <u>\$ 6,487,693</u> |
| <b>Cash and equivalents comprise of:</b>               |                     |                     |
| Cash   | \$ 6,874,185        | \$ 7,059,697        |
| Temporary loan   | <u>(572,004)</u>    | <u>(572,004)</u>    |
|  | <u>\$ 6,302,181</u> | <u>\$ 6,487,693</u> |

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# The Municipality of North Grenville

## Notes to Financial Statements

December 31, 2008

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### 1. Summary of Significant Accounting Policies

The financial statements of the Municipality of North Grenville are the representation of management prepared in accordance with accounting policies prescribed by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) Basis of Accounting

(i) Accrual Accounting

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

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

(ii) Capital Assets

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

(iii) 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 expenses during the period. Actual results could differ from those estimates.

(iv) Landfill Closure and Post-closure Liabilities

The Municipality accrues landfill closure and post-closure care requirements that 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 using the best information available to management.

(v) Amounts to be Recovered from Future Revenues

Amounts to be recovered from future revenues represents the outstanding principal portion of any unmatured long-term liabilities for municipal expenditures, accrued interest on long-term liabilities, retirement benefits payable and accrued landfill closure and post closure accrual that will be financed through future revenues of the municipality and is reported on the Statement of Financial Position.

Future events may result in significant changes to the estimated expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate when applicable.

## The Municipality of North Grenville Notes to Financial Statements

**December 31, 2008**

### 2. Operations of School Boards and the United Counties of Leeds and Grenville

The taxation, other revenues and expenditures of the School Boards and the Counties of Leeds and Grenville are comprised of the following:

|                         | <b>School Board</b> | <b>United Counties</b> | <b>Total</b> |
|-------------------------|---------------------|------------------------|--------------|
| Taxation                | \$ 4,196,827        | \$ 5,134,215           | \$ 9,331,042 |
| Grants in lieu of taxes | 22,589              | 42,501                 | 65,090       |
|                         | 4,219,416           | 5,176,716              | 9,396,132    |
| Requisitions            | (4,219,416)         | (5,176,716)            | (9,396,132)  |
|                         | \$ -                | \$ -                   | \$ -         |

### 3. Deferred Revenues

Included in Deferred Revenues are Reserve Funds noted below the use of which, together with any earnings, is restricted by legislation. These amounts will be recognized as revenue in the period in which a related expenditure is made.

|                                  | <b>2008</b>  | <b>2007</b>  |
|----------------------------------|--------------|--------------|
| <b>Obligatory Reserve Funds:</b> |              |              |
| Development charges              | \$ 1,441,925 | \$ 2,360,060 |
| Parkland                         | 141,407      | 89,778       |
|                                  | 1,583,332    | 2,449,838    |
| Other deferred revenues          | -            | 195,355      |
|                                  | \$ 1,583,332 | \$ 2,645,193 |

## The Municipality of North Grenville Notes to Financial Statements

**December 31, 2008**

### 4. Post Employment Benefits

|                      | 2008       | 2007       |
|----------------------|------------|------------|
| Accrued vacation pay | \$ 60,004  | \$ 59,944  |
| Sick day accrual     | 125,671    | 117,585    |
| Sick leave credits   | 9,022      | 9,023      |
|                      | \$ 194,697 | \$ 186,552 |

Under the sick leave benefit plan the former Township of Oxford-on-Rideau, unused sick leave was accumulated. The employees of the former Township who became employees of the new Municipality, are entitled to a cash payment, based on sick leave amounts due at December 31, 1998, only when they leave the new municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to \$ 9,022 at the end of the year. An amount of \$14,101 has been provided for this past service liability and is included in Reserves on the Statement of Financial Position.

### 5. Long term debt

Debt payable issued in the name of the Municipality is comprised of:

|            | 2008         | 2007         |
|------------|--------------|--------------|
| Bank loans | \$ 3,437,619 | \$ 3,763,099 |
| Debentures | 160,779      | 102,863      |
|            | \$ 3,598,398 | \$ 3,865,962 |

Of the municipal debt shown above, the responsibility of payment of principal and interest for the drainage loans has been assumed by individuals.

|           |           |
|-----------|-----------|
| (160,779) | (102,863) |
|-----------|-----------|

Long term liabilities to be recovered from future revenues.

|              |              |
|--------------|--------------|
| \$ 3,437,619 | \$ 3,763,099 |
|--------------|--------------|

These long term liabilities have been approved by By-Law. Annual principal and interest payments required to service this debt are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

The responsibility for payment of principal and interest charges for tile drainage loans has been assumed by individuals. However, the municipality is contingently liable for these tile drainage loans.

The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

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## The Municipality of North Grenville Notes to Financial Statements

**December 31, 2008**

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### 6. Landfill Closure and Post-Closure Liability

Estimated total landfill closure and post-closure costs represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at an average rate of 8.00%. The estimated total landfill closure and post-closure care expenditures are calculated to be \$1,400,112.

### 7. Tangible Capital Lease Liability

The Municipality has entered into a capital lease for the construction of the North Grenville Community Complex. The monthly lease payments are interest only until 2009. Beginning in 2010, blended payments of principal and interest will be made until 2034 when a balloon payment of \$1,500,000 is due. Future lease payments under these capital lease obligations and the present value of future lease payments are as follows:

|  |             |                       |
|--|-------------|-----------------------|
|  | 2009        | \$ 628,330            |
|  | 2010        | \$ 4,323,730          |
|  | 2011        | \$ 523,730            |
|  | 2012        | \$ 523,730            |
|  | 2013        | \$ 523,730            |
|  | 2014 – 2034 | <u>\$ 12,430,269</u>  |
| Total future payments to affect acquisition                          |             | \$ 18,953,519         |
| Interest component of future payments to affect acquisitions (5.75%) |             | <u>\$ (6,756,185)</u> |
| Present value of future lease payments                               |             | <u>\$ 12,197,334</u>  |

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

**December 31, 2008**

**8. Reserves and Discretionary Reserve Funds**

The total balance of Reserves and Reserve Funds of \$5,718,622 is made up of the following:

Reserves set aside for specific purposes by council:

|                         | <b>2008</b>         | 2007         |
|-------------------------|---------------------|--------------|
| Working capital         | \$ 7,017            | \$ 254,029   |
| Capital expenditures    | <b>195,893</b>      | 178,238      |
| Sick leave              | <b>14,101</b>       | 14,101       |
| Economic development    | <b>10,000</b>       | 10,000       |
| Lot levies              | <b>23,489</b>       | 23,489       |
| General Government      | <b>39,805</b>       | 39,805       |
| Public Works            | <b>260,579</b>      | 402,313      |
| Recreation              | <b>185,100</b>      | 135,100      |
| Planning                | <b>57,070</b>       | 78,245       |
| Property and Protection | <b>12,388</b>       | 7,088        |
| Environment             | <b>63,782</b>       | 116,982      |
| Water and sewer         | <b>10,000</b>       | 70,518       |
| Trees project           | <b>1,501</b>        | -            |
| NGMC debt payment       | <b>2,000,000</b>    | -            |
| Future capital works    | <b>797,000</b>      | -            |
| New library             | <b>9,215</b>        | -            |
| Project carryovers      | <b>16,000</b>       | -            |
|                         | <b>\$ 3,702,940</b> | \$ 1,329,908 |

Discretionary Reserve Funds set aside for specific purposes:

|                        | <b>2008</b>         | 2007         |
|------------------------|---------------------|--------------|
| Capital expenditures   | \$ 111,069          | \$ 107,653   |
| Recreation and culture | <b>2,878</b>        | 95,965       |
| Hydro assets           | <b>624,454</b>      | 825,660      |
| Fire                   | <b>260,331</b>      | 253,114      |
| Planning               | <b>79,500</b>       | 77,056       |
| Water and sewer        | <b>365,623</b>      | 566,144      |
| Waste disposal         | <b>150,000</b>      | 150,000      |
| Gas tax rebate         | <b>329,228</b>      | 132,408      |
| Hospital contribution  | <b>92,599</b>       | 92,599       |
|                        | <b>\$ 2,015,682</b> | \$ 2,302,340 |

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# The Municipality of North Grenville

## Notes to Financial Statements

**December 31, 2008**

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### 9. Amounts to be recovered

|                          | <u>2008</u>          | <u>2007</u>          |
|--------------------------|----------------------|----------------------|
| Post employment benefits | \$ 194,697           | \$ 186,551           |
| Long term liabilities    | 3,598,398            | 3,865,962            |
| Capital lease liability  | <u>12,197,334</u>    | <u>12,197,334</u>    |
|                          | <u>\$ 15,990,429</u> | <u>\$ 16,249,847</u> |

### 10. Pension Agreements

The Municipality of North Grenville makes contributions to the Ontario Municipal Employees Retirement Fund (O.M.E.R.S.), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined contribution plan which specifies the annual amount of contributions to be made.

Contributions in the amount of \$ 364,211 were made for 2008 for current service.

### 11. Trust Funds

Trust funds of \$ 291,866 and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds Statement of Financial Position and Statement of Continuity.

### 12. Public Sector Disclosure

The Municipality of North Grenville is an employer subject to the Public Sector Salary disclosure Act 1996. No employees were paid in excess of \$ 100,000 or more by the Municipality in 2008.

### 13. Financial Instruments

#### i) Fair Value of Financial Instruments

The carrying amounts reported on the Statement of Financial Position for cash, taxes receivable, accounts receivable, temporary borrowings and accounts payable, approximate fair values due to the immediate and short-term maturities of these financial instruments.

The fair value of long-term debt is based on rates currently available to the municipality with similar terms and maturities and approximates its carrying amounts as disclosed on the Statement of Financial Position.

#### ii) Concentration of Credit Risk

The Municipality does not believe it is subject to any significant concentration of credit risk. Cash is in place with major financial institutions. Taxes and accounts receivable are the result of taxation or services to corporations, public sector organizations and individuals geographically concentrated within Eastern Ontario.

### 14. Tangible Capital Assets

The Municipality is currently establishing policies and creating an inventory of tangible capital assets in order to comply with the requirements for Tangible Capital Assets reporting for the year ended December 31, 2009.

**The Municipality of North Grenville  
Schedule of Current Fund Operations**

| <b>For the year ended December 31</b>         | <b>2008<br/>Budget</b> | <b>2008<br/>Actual</b> | <b>2007<br/>Actual</b> |
|---|------------------------|------------------------|------------------------|
| <b>Net taxation and user charges</b>          |                        |                        |                        |
| Taxation for municipal purposes               | \$ 7,103,179           | \$ 7,354,408           | \$ 6,895,072           |
| Payment in lieu of taxation                   | 113,400                | 111,348                | 107,223                |
| Provincial and Federal Grants                 | 1,687,400              | 2,763,645              | 1,822,501              |
| User fees and service charges                 | 3,360,650              | 3,364,418              | 3,223,049              |
| Licences and permits                          | 361,125                | 403,555                | 427,947                |
| Fines and penalties                           | 297,800                | 328,470                | 287,328                |
| Investment income                             | 115,100                | 112,918                | 155,676                |
| Sale of land                                  | -                      | 50,655                 | 201,181                |
| Other income                                  | 183,000                | 66,139                 | 154,716                |
| Revenue from obligatory reserve funds         | -                      | 372,599                | -                      |
|   | <b>13,221,654</b>      | <b>14,928,155</b>      | <b>13,274,693</b>      |
| <b>Current operations:</b>                    |                        |                        |                        |
| General government                            | 1,542,560              | 1,722,594              | 1,580,328              |
| Protection to persons and property            | 3,191,030              | 3,212,398              | 2,961,736              |
| Transportation services                       | 2,150,410              | 2,043,458              | 1,905,681              |
| Environmental services                        | 2,541,469              | 2,633,141              | 2,339,295              |
| Health Services                               | 78,483                 | 14,534                 | 155,076                |
| Recreation and cultural services              | 2,235,561              | 2,736,951              | 2,093,976              |
| Planning and development                      | 348,005                | 228,803                | 377,282                |
|   | <b>12,087,517</b>      | <b>12,591,879</b>      | <b>11,413,374</b>      |
| <b>Net Revenues</b>                           | <b>1,134,137</b>       | <b>2,336,276</b>       | <b>1,861,319</b>       |
| <b>Financing and transfers:</b>               |                        |                        |                        |
| Debt principal repayments                     | (933,991)              | (340,263)              | (899,474)              |
| Transfers (to) from reserve and reserve funds | (125,000)              | (2,934,527)            | 521,465                |
| Transfers to capital operations               | (2,259,879)            | (937,279)              | (1,031,572)            |
| <b>Net financing and transfers</b>            | <b>(3,318,870)</b>     | <b>(4,212,069)</b>     | <b>(1,409,581)</b>     |
| <b>Change in operating fund</b>               | <b>(2,184,733)</b>     | <b>(1,875,793)</b>     | <b>451,738</b>         |
| <b>Surplus - beginning of year</b>            | <b>2,184,733</b>       | <b>1,875,793</b>       | <b>1,424,055</b>       |
| <b>Surplus (deficit) - end of year</b>        | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 1,875,793</b>    |

**The Municipality of North Grenville  
Schedule of Capital Fund Operations**

| <b>For the year ended December 31</b>   | <b>2008<br/>Budget</b> | <b>2008<br/>Actual</b> | <b>2007<br/>Actual</b> |
|---|------------------------|------------------------|------------------------|
| <b>Revenues:</b>                        |                        |                        |                        |
| Grants                                  | \$ 468,100             | \$ 661,642             | \$ 482,998             |
| Revenue from Obligatory Reserve Funds   | 1,062,490              | 1,153,398              | 723,601                |
| Revenue from other municipalities       | 50,000                 | 45,357                 | 678,311                |
|   | <u>1,580,590</u>       | <u>1,860,397</u>       | 1,884,910              |
| <b>Expenditures:</b>                    |                        |                        |                        |
| General government                      | -                      | 4,410                  | -                      |
| Protection to persons and property      | 2,095,000              | 292,497                | 32,481                 |
| Transportation services                 | 1,923,200              | 1,640,554              | 1,920,358              |
| Environment and health services         | 2,365,213              | 1,765,816              | 1,420,580              |
| Recreation and cultural services        | 370,700                | 321,053                | 260,967                |
| Planning and development                | 25,000                 | 18,549                 | 13,571                 |
|   | <u>6,779,113</u>       | <u>4,042,879</u>       | 3,647,957              |
| <b>Net Expenditures</b>                 | <u>(5,198,523)</u>     | <u>(2,182,482)</u>     | <u>(1,763,047)</u>     |
| <b>Financing and transfers:</b>         |                        |                        |                        |
| Transfers from operating fund           | 2,259,879              | 937,279                | 1,031,572              |
| Transfer from reserve and reserve funds | 1,392,644              | 1,104,246              | 731,475                |
| Proceeds of long-term debt              | 1,546,000              | -                      | -                      |
|   | <u>5,198,523</u>       | <u>2,041,525</u>       | 1,763,047              |
| <b>Change in Capital Fund balance</b>   | -                      | (140,957)              | -                      |
| <b>Opening Capital Fund balance</b>     | <u>(362,153)</u>       | <u>(362,153)</u>       | <u>(362,153)</u>       |
| <b>Closing Capital Fund balance</b>     | <u>\$ (362,153)</u>    | <u>\$ (503,110)</u>    | <u>\$ (362,153)</u>    |

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

| <b>For the year ended December 31</b> | <b>2008<br/>Budget</b> | <b>2008<br/>Actual</b> | <b>2007<br/>Actual</b> |
|---------------------------------------|------------------------|------------------------|------------------------|
| <b>Revenues:</b>                      |                        |                        |                        |
| Investment Income                     | \$ -                   | \$ 54,898              | \$ 125,878             |
| Transfers to capital fund             | (1,392,644)            | (1,104,246)            | (731,475)              |
| Net transfers (to) from revenue fund  | <u>125,000</u>         | <u>2,934,524</u>       | <u>(480,652)</u>       |
|                                       | <u>(1,267,644)</u>     | <u>1,830,281</u>       | <u>1,212,127</u>       |
| Change in reserve fund balance        | (1,267,644)            | 1,885,176              | (1,086,249)            |
| Opening balance                       | <u>3,833,446</u>       | <u>3,833,446</u>       | <u>4,919,695</u>       |
| Closing balance                       | <u>\$ 2,565,802</u>    | <u>\$ 5,718,622</u>    | <u>\$ 3,833,446</u>    |