

**CORPORATION OF THE MUNICIPALITY OF
HASTINGS HIGHLANDS
CONSOLIDATED FINANCIAL STATEMENTS
AT DECEMBER 31, 2008**

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Ronald J. Emond
Mayor

Craig Davidson
CAO/Clerk-
Treasurer



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THE CORPORATION OF THE MUNICIPALITY OF HASTINGS HIGHLANDS

For The Year Ended December 31, 2008

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Municipality of Hastings Highlands are the responsibility of management and have been approved by Council.

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

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

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

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

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

Mayor 

Date 23 SEP 09

CAO/Clerk-Treasurer 

Date 23 SEP 09

AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE MUNICIPALITY OF HASTINGS HIGHLANDS

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

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

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

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 9, 2009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2008

	2008 \$	2007 \$
ASSETS		
FINANCIAL ASSETS		
Cash and temporary investments	4,035,002	1,088,255
Taxes and grants in lieu receivable	1,334,192	1,038,402
Accounts receivable	343,651	232,158
Other assets	72,447	12,797
TOTAL ASSETS	5,785,292	2,371,612
LIABILITIES AND MUNICIPAL POSITION		
LIABILITIES		
Accounts payable	551,267	380,521
Deferred revenue	2,694,837	15,000
Deferred revenue - obligatory reserve fund (Note 4)	319,586	223,441
Long term debt (Note 5)	154,177	274,822
Landfill closure and post-closure liability (Note 6)	311,700	288,500
	4,031,567	1,182,284
MUNICIPAL POSITION		
Fund Balances (Note 7)		
Current fund	114,742	58,790
Reserves (see Schedule page 16)	2,104,860	1,693,860
	2,219,602	1,752,650
Amounts To Be Recovered		
Long term debt to be recovered	(154,177)	(274,822)
Landfill closure and post-closure liability	(311,700)	(288,500)
	(465,877)	(563,322)
	1,753,725	1,189,328
TOTAL LIABILITIES AND MUNICIPAL POSITION	5,785,292	2,371,612

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

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

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
REVENUES			
Property taxation	3,973,667	3,995,754	3,627,000
User charges	231,500	300,285	247,459
Government of Canada	242,049	84,618	500
Province of Ontario	5,118,516	2,554,333	1,403,870
Other municipalities	-	37,470	-
Penalties and interest on taxes	130,000	170,340	150,317
Investment income	50,000	68,796	66,864
Sale of land	6,000	7,287	14,820
TOTAL REVENUES	9,751,732	7,218,883	5,510,830
EXPENDITURES			
General government	660,348	642,246	550,322
Protection to persons and property	1,163,739	1,131,725	993,531
Transportation services	6,587,470	4,029,006	3,158,785
Environmental services	655,015	426,756	402,818
Health services	18,000	11,067	11,099
Recreation and cultural services	247,215	177,193	133,285
Library	73,200	115,721	79,560
Planning and development	98,000	120,772	7,153
TOTAL EXPENDITURES	9,502,987	6,654,486	5,336,553
NET REVENUES	248,745	564,397	174,277
INCREASE (DECREASE) IN AMOUNTS TO BE RECOVERED			
Debt principal repayments	(113,624)	(120,645)	(83,305)
Landfill closure and post-closure liability	23,200	23,200	23,200
Long term liabilities incurred	-	-	225,620
	(90,424)	(97,445)	165,515
INCREASE IN FUND BALANCES	158,321	466,952	339,792
OPENING FUND BALANCES	1,752,650	1,752,650	1,412,858
CLOSING FUND BALANCES	1,910,971	2,219,602	1,752,650

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

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

	2008 \$	2007 \$
OPERATIONS		
Net revenues	564,397	174,277
Sources (Uses):		
Decrease (increase) in taxes and grants in lieu receivable	(295,790)	(157,104)
Decrease (increase) in accounts receivable	(111,493)	(9,515)
Decrease (increase) in other assets	(59,650)	12,577
Increase (decrease) in accounts payable	170,746	(61,729)
Increase (decrease) in deferred revenue	2,775,982	162,711
Increase (decrease) in landfill closure and post-closure liability	23,200	23,200
Net increase in cash from operations	3,067,392	144,417
FINANCING		
Debt principal reduction	(120,645)	(83,305)
Long term liabilities incurred	-	225,620
	(120,645)	142,315
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,946,747	286,732
OPENING CASH AND CASH EQUIVALENTS	1,088,255	801,523
CLOSING CASH AND CASH EQUIVALENTS	4,035,002	1,088,255

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned and controlled by the Municipality. These financial statements include:

- . Hastings Highlands Public Library Board
- . Cemetery Board

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

Fund Accounting

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

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

Recognition of Revenue and Expenditures

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

Capital Assets

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

Reserves and Reserve Funds

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

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

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1. SIGNIFICANT ACCOUNTING POLICIES - (Continued)**Deferred Revenue**

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

Taxation

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

Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the funding occur, providing the funding is authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions on such areas as future landfill expenditures. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period and are based on the Municipality's best information and judgment. Actual results could differ from these estimates.

Financial Instruments

The Municipality's financial instruments consist of cash and temporary investments, taxes and grants in lieu receivable, accounts receivable, accounts payable and long term debt. Unless otherwise noted, the carrying values of the Municipality's financial instruments approximates their fair values. The Municipality does not have any significant concentration of currency or credit risks.

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

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2. FUTURE ACCOUNTING CHANGES

Tangible Capital Assets

Tangible capital assets are reported as an expenditure on the consolidated statement of financial activities in the year of acquisition. Effective for the fiscal year beginning on or after January 1, 2009, the Municipality, along with all other local governments, will be required to recognize tangible capital assets on the consolidated statement of financial position and any amortization, gains or losses on disposal or impairments on the consolidated statement of financial activities as required by the CICA Public Sector Accounting Handbook (PS3150). This change in accounting standards will require recognition of tangible capital assets on the consolidated statement of financial position, that were previously recorded as an expenditure in the consolidated statement of financial activities.

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

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

Council has approved accounting policies for tangible capital assets. The approval and implementation of these accounting policies will be completed in adequate time to allow for recognition of the Municipality's tangible capital assets on the consolidated statement of financial position for the year ending December 31, 2009.

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

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

	School Boards \$	County \$
Property taxes and payments in lieu	1,701,843	2,164,649

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

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

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4. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2008 \$	2007 \$
. federal gas tax rebate	319,586	223,441

5. LONG TERM DEBT

	2008 \$	2007 \$
(a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:		
Long term bank loan repayable in monthly principal instalments of \$2,855 plus interest at prime rate, due September 1, 2009	-	67,949
Long term capital lease repayable in blended monthly instalments of \$2,144, interest at 2.94%, due April 1, 2008	-	7,576
Long term capital lease repayable in blended monthly instalments of \$4,360, interest at 6%, due May 12, 2012	154,177	199,297
	154,177	274,822

(b) Future principal and interest payments are summarized as follows:

	Principal \$	Interest \$	Total \$
2009	45,121	6,175	51,296
2010	45,121	6,175	51,296
2011	45,121	6,175	51,296
2012	18,814	2,575	21,389
	154,177	21,100	175,277

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

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5. LONG TERM DEBT - (Continued)

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

(d) Interest paid on long term debt amounted to \$9,944 (2007 - \$12,032).

(e) The long term debt is secured by a chattel mortgage on the assets acquired.

6. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The liability for landfill closure and post-closure costs of \$311,700 (2007 - \$288,500) has been estimated using discounted future cash flows associated with closure and post-closure care activities. The closure costs include final cover, vegetation and land acquisitions, if any. Post-closure costs include monitoring and consulting fees for 25 years after the site is closed.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the nine operating landfill sites. The remaining capacity of the nine operating sites is estimated at approximately 41.3% (2007 - 42.4%) of their total capacity. The discounted future cash flows for closure and post-closure cost is estimated at \$593,516 (2007 - \$553,899). The operating landfill sites are expected to be closed in periods commencing in 2009 until 2050.

A reserve of \$231,222 (2007 - \$191,222) has been provided for this liability with the remaining costs to be funded from taxation. There are no specific assets designated for settling this liability.

7. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

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

	2008 \$	2007 \$
Current Fund		
For general reduction of taxation and user charges:		
. municipality	102,672	45,679
. cemetery board	4,414	4,262
. library board	7,656	8,849
	114,742	58,790
Reserves	2,104,860	1,693,860
Total	2,219,602	1,752,650

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

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8. EXPENDITURES BY OBJECT

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

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
Salaries, wages and employee benefits	1,984,101	1,958,119	1,781,454
Debt interest charges	13,119	9,944	12,032
Materials	2,024,974	2,180,132	1,763,679
Contracted services	771,033	759,014	661,713
Rents and financial expenses	20,115	33,258	13,248
External transfers	43,800	27,080	36,290
	4,857,142	4,967,547	4,268,416

9. PENSION AGREEMENTS

The Municipality makes contributions to OMERS, which is a multi-employer plan, on behalf of all permanent, full-time members of its staff and Council. 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 contributions on account of current service in 2008 amounted to \$74,721 (2007 - \$71,402).

10. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$43,040 (2007 - \$30,585) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities. Balances are held in trust by the Municipality for the benefit of others and they are not presented as part of the Municipality's financial position or financial activities.

11. BUDGET FIGURES

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

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

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12. SEGMENTED INFORMATION

The Municipality of Hastings Highlands is a municipal government institution that provides a range of services to its citizens. Municipal services are reported by function and their activities are separately disclosed in the segmented information.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segmented Disclosure.

Functions disclosed separately in the segmented information are as follows:

General Government

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

Protection Services

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

Transportation Services

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

Environmental Services

The environmental function is responsible for waste collection, waste disposal and recycling.

Health Services

The health services function consists of external transfers to the local medical centre and Cemetery operations.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facility and library services.

Planning and Development Services

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

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

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13. CREDIT FACILITY AGREEMENT

The Municipality has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$1,000,000 via an overdraft or demand note. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit for 2008 by By-law 10-2008. At December 31, 2008 there was a balance outstanding of \$ Nil.

14. COMMITMENT

The Municipality has accepted a tender for the collection and disposal of household garbage and recyclable materials with a cost of \$233,000 per annum. The term of the agreement is for two years, from January 1, 2009 to December 31, 2010.

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

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
REVENUES			
Property taxation	3,973,667	3,995,754	3,627,000
User charges	231,500	300,285	247,459
Government of Canada	-	7,841	500
Province of Ontario	1,174,671	1,234,478	1,170,870
Other municipalities	-	37,470	-
Penalties and interest on taxes	130,000	170,340	150,317
Investment income	50,000	68,796	66,864
Sale of land	6,000	7,287	14,820
TOTAL REVENUES	5,565,838	5,822,251	5,277,830
EXPENDITURES			
General government	640,348	625,947	549,742
Protection to persons and property	1,113,739	1,062,127	941,751
Transportation services	2,316,125	2,524,508	2,173,904
Environmental services	485,015	412,999	402,818
Health services	18,000	11,067	11,099
Recreation and cultural services	122,715	103,214	108,016
Library	63,200	106,913	73,933
Planning and development	98,000	120,772	7,153
TOTAL EXPENDITURES	4,857,142	4,967,547	4,268,416
NET REVENUES	708,696	854,704	1,009,414
FINANCING AND TRANSFERS			
Transfer to reserves and reserve funds	(254,000)	(411,000)	(483,000)
Transfer to capital fund	(409,951)	(290,307)	(409,517)
Debt principal repayments	(113,624)	(120,645)	(83,305)
Increase in landfill closure and post-closure liability	23,200	23,200	23,200
NET FINANCING AND TRANSFERS	(754,375)	(798,752)	(952,622)
CHANGE IN CURRENT FUND BALANCE	(45,679)	55,952	56,792
OPENING CURRENT FUND BALANCE	45,679	58,790	1,998
CLOSING CURRENT FUND BALANCE	-	114,742	58,790

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

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
REVENUES			
Province of Ontario	3,943,845	1,319,855	233,000
Government of Canada	242,049	76,777	-
TOTAL REVENUES	4,185,894	1,396,632	233,000
EXPENDITURES			
General government	20,000	16,299	580
Protection to persons and property	50,000	69,598	51,780
Transportation services	4,271,345	1,504,498	984,881
Environmental services	170,000	13,757	-
Recreation and cultural services	124,500	73,979	25,269
Library	10,000	8,808	5,627
TOTAL EXPENDITURES	4,645,845	1,686,939	1,068,137
NET REVENUES/(EXPENDITURES)	(459,951)	(290,307)	(835,137)
FINANCING AND TRANSFERS			
Transfers from current fund	409,951	290,307	409,517
Transfers from reserves and reserve funds	50,000	-	200,000
Long term liabilities incurred	-	-	225,620
NET TRANSFERS	459,951	290,307	835,137
CHANGE IN CAPITAL FUND BALANCE	-	-	-
OPENING CAPITAL FUND BALANCE	-	-	-
CLOSING CAPITAL FUND BALANCE	-	-	-



CONSOLIDATED SCHEDULE OF RESERVES
For The Year Ended December 31, 2008

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
NET TRANSFERS FROM (TO) OTHER FUNDS			
Current fund	254,000	411,000	483,000
Capital fund	(50,000)	-	(200,000)
TOTAL NET TRANSFERS	204,000	411,000	283,000
CHANGE IN FUND BALANCE	204,000	411,000	283,000
OPENING BALANCE	1,693,860	1,693,860	1,410,860
CLOSING BALANCE	1,897,860	2,104,860	1,693,860

ANALYZED AS FOLLOWS:

Reserves set aside for specific purposes
by Council

. working funds	734,780	734,780	684,780
. insurance	20,065	20,065	20,065
. general administration	242,956	332,956	186,956
. equipment replacement	239,204	239,204	189,204
. paving and construction	191,401	191,401	191,401
. election	16,035	16,035	8,035
. waste disposal	289,216	349,216	249,216
. policing costs	100,000	100,000	100,000
. recreation capital	34,203	54,203	34,203
. fire	30,000	30,000	30,000
. economic development	-	37,000	-
TOTAL RESERVES	1,897,860	2,104,860	1,693,860

MUNICIPALITY OF HASTINGS HIGHLANDS

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

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	454,203	804,860	2,161,970	312,468	11,069	187,226	63,958	3,995,754
User charges	26,194	152,533	19,543	68,534	150	13,402	19,929	300,285
Government of Canada	-	-	51,100	26,176	-	-	7,342	84,618
Province of Ontario	176,718	249,856	1,891,514	96,378	-	110,794	29,073	2,554,333
Other municipalities	-	-	-	-	-	-	37,470	37,470
Penalties and interest on taxes	170,340	-	-	-	-	-	-	170,340
Investment income	68,497	-	-	-	-	299	-	68,796
Sale of land	7,287	-	-	-	-	-	-	7,287
Total revenues	903,239	1,207,249	4,124,127	503,556	11,219	311,721	157,772	7,218,883
Expenditures								
Salaries and benefits	400,730	337,052	1,042,892	81,949	-	55,566	39,930	1,958,119
Interest charges	-	2,969	6,975	-	-	-	-	9,944
Materials	145,691	203,139	1,474,641	147,562	1,067	128,921	79,111	2,180,132
Contracted services	45,903	518,967	-	173,373	-	19,040	1,731	759,014
Rents and financial expenses	23,143	-	-	10,115	-	-	-	33,258
External transfers	10,480	-	-	-	10,000	6,600	-	27,080
Capital expenditures	16,299	69,598	1,504,498	13,757	-	82,787	-	1,686,939
Total expenditures	642,246	1,131,725	4,029,006	426,756	11,067	292,914	120,772	6,654,486
Net revenues (expenditures)	260,993	75,524	95,121	76,800	152	18,807	37,000	564,397
Increase (decrease) in amounts to be recovered	-	(75,524)	(45,121)	23,200	-	-	-	(97,445)
Increase (decrease) in fund balances	260,993	-	50,000	100,000	152	18,807	37,000	466,952

MUNICIPALITY OF HASTINGS HIGHLANDS

CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
For the year ended December 31, 2007

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues								
Property taxation	453,393	710,537	2,044,111	280,695	11,099	127,165	-	3,627,000
User charges	28,900	119,593	6,007	61,624	-	9,719	21,616	247,459
Government of Canada	-	-	-	500	-	-	-	500
Province of Ontario	151,357	250,384	809,369	106,799	-	85,961	-	1,403,870
Penalties and interest on taxes	150,317	-	-	-	-	-	-	150,317
Investment income	66,864	-	-	-	-	-	-	66,864
Sale of land	14,820	-	-	-	-	-	-	14,820
Total revenues	865,651	1,080,514	2,859,487	449,618	11,099	222,845	21,616	5,510,830
Expenditures								
Salaries and benefits	397,729	280,113	971,421	76,860	-	55,331	-	1,781,454
Interest charges	-	7,836	4,196	-	-	-	-	12,032
Materials	130,267	176,329	1,198,287	153,264	1,099	97,935	6,498	1,763,679
Contracted services	992	475,673	-	165,166	-	19,227	655	661,713
Rents and financial expenses	5,720	-	-	7,528	-	-	-	13,248
External transfers	15,034	1,800	-	-	10,000	9,456	-	36,290
Capital expenditures	580	51,780	984,881	-	-	30,896	-	1,068,137
Total expenditures	550,322	993,531	3,158,785	402,818	11,099	212,845	7,153	5,336,553
Net revenues (expenditures)	315,329	86,983	(299,298)	46,800	-	10,000	14,463	174,277
Increase (decrease) in amounts to be recovered	-	(56,983)	199,298	23,200	-	-	-	165,515
Increase (decrease) in fund balances	315,329	30,000	(100,000)	70,000	-	10,000	14,463	339,792

AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE MUNICIPALITY OF HASTINGS HIGHLANDS

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

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

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

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 9, 2009

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2008

	Total \$	Zion Cemetery Perpetual Care \$	Papineau Cemetery Perpetual Care \$	Community Trust \$	Ontario Home Renewal Program \$
FINANCIAL ASSETS					
Cash	49,690	3,100	5,727	34,213	6,650
Accounts receivable	70	70	-	-	-
Loans receivable - Note 2	-	-	-	-	-
	49,760	3,170	5,727	34,213	6,650
LIABILITIES AND FUND BALANCE					
CURRENT LIABILITIES					
Due to Province	1,635	-	-	-	1,635
Due to Municipality	5,015	-	-	-	5,015
Accounts payable	70	70	-	-	-
	6,720	70	-	-	6,650
FUND BALANCE					
Capital	42,349	3,100	5,036	34,213	-
Income	691	-	691	-	-
	43,040	3,100	5,727	34,213	-
	49,760	3,170	5,727	34,213	6,650

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

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

	Total \$	Zion Cemetery Perpetual Care \$	Papineau Cemetery Perpetual Care \$	Community Trust \$	Ontario Home Renewal Program \$
BALANCE AT THE BEGINNING OF THE YEAR	30,585	3,100	5,721	16,585	5,179
REVENUES					
Interest earned	76	70	6	-	-
Loan interest	63	-	-	-	63
Donations	17,750	-	-	17,750	-
	17,889	70	6	17,750	63
EXPENDITURES					
Administration	5,222	-	-	122	5,100
Transfer to Province	142	-	-	-	142
Cemetery maintenance	70	70	-	-	-
	5,434	70	-	122	5,242
BALANCE AT THE END OF THE YEAR	43,040	3,100	5,727	34,213	-

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

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

1. ACCOUNTING POLICIES

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

Recognition of Revenue and Expenditures

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

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period and are based on the Municipality's best information and judgment. Actual results could differ from these estimates.

Financial Instruments

The Trust's financial instruments consist of cash, accounts receivable, accounts payable, due to Province and due to Municipality. It is management's opinion that the fair market values of the financial instruments are not materially different from their carrying values. The Trust does not have any significant concentration of interest rate, currency or credit risk.

2. ONTARIO HOME RENEWAL PROGRAM LOANS

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

Ontario Home Renewal Program loans receivable at December 31, 2008 are comprised of repayable loans of \$ Nil (2007 - \$86).

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

3. PERPETUAL CARE FUND

The Perpetual Care Fund administered by the Municipality is funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the Municipality's cemeteries. The operations and investments of the Fund are undertaken by the Municipality in accordance with the regulations of the Cemeteries Act.

**CORPORATION OF THE MUNICIPALITY OF
HASTINGS HIGHLANDS
HASTINGS HIGHLANDS PUBLIC LIBRARY BOARD
FINANCIAL STATEMENTS
AT DECEMBER 31, 2008**

AUDITORS' REPORT

**TO THE MEMBERS OF THE HASTINGS HIGHLANDS PUBLIC
LIBRARY BOARD, MEMBERS OF COUNCIL, INHABITANTS
AND RATEPAYERS OF THE CORPORATION OF THE
MUNICIPALITY OF HASTINGS HIGHLANDS**

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

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

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

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 9, 2009

HASTINGS HIGHLANDS PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2008

	2008	2007
	\$	\$
FINANCIAL ASSETS		
Cash and short term investments	40,119	30,870
Accounts receivable	2,104	20,189
	42,223	51,059
LIABILITIES AND MUNICIPAL POSITION		
CURRENT LIABILITIES		
Accounts payable	340	-
Due to municipality	34,227	42,210
	34,567	42,210
MUNICIPAL POSITION		
Current fund	7,656	8,849
	42,223	51,059

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

HASTINGS HIGHLANDS PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended December 31, 2008

	Budget 2008 \$	Current Fund \$	Capital Fund \$	Total 2008 \$	Total 2007 \$
REVENUES					
Municipal grant	29,119	29,119	-	29,119	23,000
Government of Canada	-	7,341	-	7,341	3,131
Province of Ontario	43,581	76,368	-	76,368	43,228
Donations and memberships	500	1,401	-	1,401	650
Investment income	-	299	-	299	431
TOTAL REVENUES	73,200	114,528	-	114,528	70,440
EXPENDITURES					
CURRENT					
Salaries and benefits	49,000	55,565	-	55,565	55,331
Program supplies	3,000	41,275	-	41,275	6,072
Books and subscriptions	4,100	6,087	-	6,087	5,071
Mileage	2,500	743	-	743	764
CAP site	1,200	1,254	-	1,254	972
Training	1,000	-	-	-	1,268
Telephone	800	1,036	-	1,036	1,168
Other	1,600	953	-	953	3,288
TOTAL CURRENT EXPENDITURES	63,200	106,913	-	106,913	73,934
TOTAL CAPITAL EXPENDITURES	10,000	-	8,808	8,808	5,627
TOTAL EXPENDITURES	73,200	106,913	8,808	115,721	79,561
NET REVENUES/(EXPENDITURES)	-	7,615	(8,808)	(1,193)	(9,121)
TRANSFERS					
Interfund transfer	-	(8,808)	8,808	-	-
CHANGE IN FUND BALANCES	-	(1,193)	-	(1,193)	(9,121)
OPENING FUND BALANCES	-	8,849	-	8,849	17,970
CLOSING FUND BALANCES	-	7,656	-	7,656	8,849

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

HASTINGS HIGHLANDS PUBLIC LIBRARY BOARD
STATEMENT OF CHANGES IN FINANCIAL POSITION
For The Year Ended December 31, 2008

	2008	2007
	\$	\$
OPERATIONS		
Net revenues/(expenditures)	(1,193)	(9,121)
Sources (Uses):		
Decrease (increase) in accounts receivable	18,085	(17,147)
Increase (decrease) in accounts payable	340	-
Increase (decrease) in due to municipality	(7,983)	1,179
Net increase (decrease) in cash from operations	9,249	(25,089)
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,249	(25,089)
OPENING CASH AND CASH EQUIVALENTS	30,870	55,959
CLOSING CASH AND CASH EQUIVALENTS	40,119	30,870

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

HASTINGS HIGHLANDS PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

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

Capital Assets

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

Use of Estimates

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

Recognition of Revenue and Expenditures

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

Financial Instruments

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

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

2. FUTURE ACCOUNTING CHANGES

Tangible Capital Assets

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

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

- Furnishings
- Books

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

3. BUDGET FIGURES

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

**CORPORATION OF THE MUNICIPALITY OF
HASTINGS HIGHLANDS
CEMETERY BOARD
FINANCIAL STATEMENTS
AT DECEMBER 31, 2008**

AUDITORS' REPORT

TO THE MEMBERS OF THE CEMETERY BOARD, MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE MUNICIPALITY OF HASTINGS HIGHLANDS

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

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

In our opinion, these statements presents fairly, in all material respects, the financial position of the Board as at December 31, 2008 and the results of operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 9, 2009

CEMETERY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2008

	2008	2007
	\$	\$
<hr/>		
FINANCIAL ASSETS		
Cash	4,414	4,262
<hr/>		
MUNICIPAL POSITION		
Current Fund	4,414	4,262
<hr/>		

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

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

	2008 \$	2007 \$
REVENUES		
Municipal grant	1,067	1,099
Sale of plots 150	-	
Investment income	2	-
TOTAL REVENUES	1,219	1,099
EXPENDITURES		
CURRENT		
Maintenance	1,067	1,099
TOTAL EXPENDITURES	1,067	1,099
NET REVENUES	152	-
OPENING CURRENT FUND BALANCE	4,262	4,262
CLOSING CURRENT FUND BALANCE	4,414	4,262

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Fund Accounting

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

Capital Assets

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

Trust Funds

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

Use of Estimates

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

Recognition of Revenue and Expenditures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Financial Instruments

The Board's financial instrument consists of cash. The carrying value of the financial instruments approximates their fair values due to their immediate or short-term maturity. The Board does not have any significant concentration of credit, currency or interest rate risk.

Statement of Changes in Financial Position

The statement of changes in financial position has not been presented since this information is available elsewhere in these financial statements.

2. FUTURE ACCOUNTING CHANGES

Tangible Capital Assets

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

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

- Land and land improvements
- Buildings
- Furnishings
- Equipment

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

3. TRUST FUND

The trust fund administered by the Board amounting to \$ 8,827 (2007 - \$8,821) has not been included in the Statement of Financial Position nor has its operations been included in the Statement of Financial Activities.

AUDITORS' REPORT

**TO THE MEMBERS OF THE CEMETERY BOARD,
MEMBERS OF COUNCIL, INHABITANTS AND
RATEPAYERS OF THE CORPORATION OF THE
MUNICIPALITY OF HASTINGS HIGHLANDS**

We have audited the statement of financial position of the Trust Fund - Perpetual Care Fund of the Corporation of the Municipality of Hastings Highlands as at December 31, 2008 and the statement of continuity for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Fund of the Board as at December 31, 2008 and the continuity of the Trust Fund - Perpetual Care Fund for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 9, 2009

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

	Zion Cemetery \$	Papineau Cemetery \$	Total 2008 \$	Total 2007 \$
BALANCE AT THE BEGINNING OF THE YEAR	3,100	5,721	8,821	8,664
Revenues				
Interest earned	70	6	76	133
Capital receipts - perpetual care	-	-	-	150
	70	6	76	283
Expenditures				
Cemetery maintenance	70	-	70	126
BALANCE AT THE END OF THE YEAR	3,100	5,727	8,827	8,821

CEMETRY BOARD
TRUST FUND - PERPETUAL CARE FUND
STATEMENT OF FINANCIAL POSITION
At December 31, 2008

	Zion Cemetery \$	Papineau Cemetery \$	Total 2008 \$	Total 2007 \$
FINANCIAL ASSETS				
Cash	3,100	5,727	8,827	8,821
Accounts receivable	70	-	70	126
	3,170	5,727	8,897	8,947
LIABILITIES AND FUND BALANCE				
CURRENT LIABILITIES				
Accounts payable	70	-	70	126
FUND BALANCE				
Capital	3,100	5,036	8,136	8,136
Income	-	691	691	685
	3,100	5,727	8,827	8,821
	3,170	5,727	8,897	8,947

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

CORPORATION OF THE MUNICIPALITY OF HASTINGS HIGHLANDS**CEMETERY BOARD
TRUST FUND - PERPETUAL CARE FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2008**

1. ACCOUNTING POLICIES

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

Recognition of Revenue and Expenditures

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

Use of Estimates

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

Financial Instruments

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

2. PERPETUAL CARE FUND

The Perpetual Care Fund administered by the Board is funded by the sale of cemetery plots. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the municipality's cemeteries. The operations and investments of the Fund are undertaken by the Board in accordance with the regulations of the Cemeteries Act.