

CORPORATION OF THE COUNTY OF SIMCOE
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008

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THE CORPORATION OF THE COUNTY OF SIMCOE

For The Year Ended December 31, 2008

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the County of Simcoe are the responsibility of management and have been approved by Council.

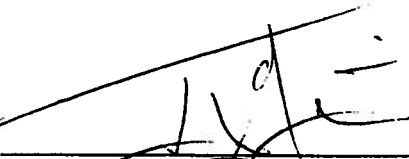
The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management 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 County 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 County's assets are appropriately accounted for and adequately safeguarded.

The County'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 County's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the County of Simcoe. 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 Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the County. Collins Barrow Kawarthas LLP have full and free access to Council.

Warden _____


Date 05/26/09

Treasurer _____


Date 05/26/09

AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE COUNTY OF SIMCOE

We have audited the consolidated statement of financial position of the Corporation of the County of Simcoe 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 County'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 County 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
March 27, 2009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2008

	2008 \$	2007 \$
ASSETS		
FINANCIAL ASSETS		
Cash and short term investments (Note 3)	67,013,163	61,842,588
Trade and other receivables	16,113,444	13,485,054
Other current assets	915,960	505,720
TOTAL FINANCIAL ASSETS	84,042,567	75,833,362
LIABILITIES AND MUNICIPAL POSITION		
LIABILITIES		
Temporary loans (Note 13)	3,195,762	3,195,762
Accounts payable and accrued liabilities	22,753,763	19,328,894
Deferred revenue - obligatory reserve fund (Note 4)	10,295,534	4,313,757
Other deferred revenue	3,278,430	1,845,944
Employee future benefits payable (Note 5)	1,597,081	1,462,032
Landfill closure and post-closure liability (Note 8)	13,846,000	13,277,000
Long term debt payable (Note 6)	36,162,280	37,554,665
	91,128,850	80,978,054
MUNICIPAL POSITION		
Fund Balances (Note 7)		
Current fund	2,990,457	4,759,738
Capital fund	(33,850,015)	(16,525,302)
Reserves and reserve funds (see Schedule page 18)	73,781,555	57,452,537
	42,921,997	45,686,973
Amounts To Be Recovered		
Landfill closure and post-closure liability	(13,846,000)	(13,277,000)
Long term debt	(36,162,280)	(37,554,665)
	(50,008,280)	(50,831,665)
	(7,086,283)	(5,144,692)
TOTAL LIABILITIES AND MUNICIPAL POSITION	84,042,567	75,833,362

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			
Taxation from lower tier municipalities	90,075,348	91,578,652	85,379,340
User charges	22,359,406	22,933,870	24,065,676
Province of Ontario	169,886,777	177,095,134	169,858,653
Government of Canada	10,017,803	11,671,008	15,912,938
Other municipalities	54,340,092	49,349,253	46,927,018
Investment income	999,996	1,462,885	1,850,003
Sale of land and equipment and other revenue	20,000	1,712,950	990,296
Developer contributions earned	6,885,824	4,382,242	4,346,696
Other revenue	-	467,123	1,006,962
Donations and fundraising	292,706	547,796	457,967
TOTAL REVENUES	354,877,952	361,200,913	350,795,549
EXPENDITURES			
General government	17,622,458	14,820,330	19,113,217
Protection to persons and property	555,704	490,089	352,986
Transportation services	51,494,899	38,535,492	34,547,445
Environmental services	40,480,799	32,019,793	25,617,666
Health services	40,382,986	34,426,962	30,121,443
Social and family services	228,316,916	206,761,224	207,698,555
Social housing	36,076,717	30,281,436	28,632,280
Recreation and cultural services	2,870,200	2,677,214	2,619,624
Planning and development	2,574,600	3,129,964	3,735,027
TOTAL EXPENDITURES	420,375,279	363,142,504	352,438,243
NET REVENUES/(EXPENDITURES)	(65,497,327)	(1,941,591)	(1,642,694)
INCREASE (DECREASE) IN AMOUNTS TO BE RECOVERED			
Proceeds of long term debt	39,669,505	-	-
Debt principal repayments	(1,645,977)	(1,392,385)	(1,642,117)
Landfill closure and post-closure costs	-	569,000	1,177,000
TOTAL INCREASE (DECREASE) IN AMOUNTS TO BE RECOVERED	38,023,528	(823,385)	(465,117)
INCREASE (DECREASE) IN FUND BALANCES	(27,473,799)	(2,764,976)	(2,107,811)
OPENING FUND BALANCES	45,686,973	45,686,973	47,794,784
CLOSING FUND BALANCES	18,213,174	42,921,997	45,686,973

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/(expenditures)	(1,941,591)	(1,642,694)
Sources (Uses):		
(Increase) decrease in trade and other receivables	(2,628,390)	3,214,347
(Increase) decrease in other current assets	(410,240)	(461,769)
Increase in accounts payable and accrued liabilities	3,424,869	1,359,397
Increase (decrease) in other deferred revenue	1,432,486	(1,439,739)
Increase in deferred revenue - obligatory reserve fund	5,981,777	2,570,243
Increase in employee future benefits payable	135,049	414,548
Increase in landfill closure and post-closure liability	569,000	1,177,000
Net increase in cash from operations	6,562,960	5,191,333
FINANCING		
Long term debt repaid	(1,392,385)	(1,642,117)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,170,575	3,549,216
OPENING CASH AND CASH EQUIVALENTS	58,646,826	55,097,610
CLOSING CASH AND CASH EQUIVALENTS	63,817,401	58,646,826
REPRESENTED BY THE FOLLOWING AMOUNTS ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Cash	67,013,163	61,842,588
Temporary loans	(3,195,762)	(3,195,762)
	63,817,401	58,646,826

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 County of Simcoe is an upper 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 County and which are controlled by the County. These financial statements include the following:

- . County of Simcoe Museum
- . County of Simcoe Library Co-operative Board
- . Simcoe County Housing Corporation

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

Fund Accounting

Funds within the consolidated financial statements consist of current, capital and reserves 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 County are not included in these financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

Basis of Accounting

Revenue and expenditures are reported on the accrual basis of accounting which 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.

Capital Assets

Expenditures made on capital assets are included with current expenditures and 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 for future expenditures. 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**

1. SIGNIFICANT ACCOUNTING POLICIES - (Continued)**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 County's best information and judgment. Actual results could differ from these estimates.

Financial Instruments

The County's financial instruments consist of cash, trade and other receivables, other current assets, temporary loans, accounts payable and accrued liabilities and long-term debt payable. It is management's opinion that the fair value of its financial instruments are not materially different from their carrying value unless otherwise noted. The County does not have any significant concentration of currency or credit risks.

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

Tangible assets are currently reported as an expenditure on the consolidated statements of financial activities in the year of acquisition. Effective for the fiscal year beginning January 1, 2009, the County, 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, what were previously recorded as an expenditure on the consolidated statement of financial activities.

The County 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

County council has approved accounting policies for tangible capital assets. The County is in the process of valuing their inventory of tangible capital assets. The valuation of the tangible capital assets will be completed in adequate time to allow for recognition of the County's tangible capital assets on the consolidated statement of financial position for the year ending December 31, 2009.

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

3. SHORT TERM INVESTMENTS

Included in cash and short term investments is a \$30,000,000 1 year guaranteed investment certificate maturing October 8, 2009 and earning interest at an effective rate of 3.2%.

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 legislation and other 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 County are summarized below:

	2008 \$	2007 \$
. development charges	10,295,534	4,313,757
. federal gas tax revenues	-	-
	10,295,534	4,313,757

5. EMPLOYEE FUTURE BENEFITS PAYABLE

The County provides certain employee benefits which will require payments in future periods. Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the County's employment.

	2008 \$	2007 \$
. vacation pay entitlement and accumulated sick leave benefit plan entitlement	1,597,081	1,462,032

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

6. 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:		
Canada Mortgage and Housing Corporation and Ontario Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturity dates ranging from 2010 to 2027 and interest rates ranging from 5.25% to 7.85%.	10,180,684	10,650,828
Ontario Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturing dates ranging from 2010 to 2027 and interest rates ranging from 5.25% to 8.1%.	1,185,545	1,240,296
Mortgage payable on rental property owned by Simcoe County Housing Corporation, at 6.416%, due October 2010, blended monthly payments of \$5,887 including principal and interest, secured by Midland property.	390,888	435,246
Mortgages payable on rental properties owned by Simcoe County Housing Corporation, at 3.71%, due October 2010, blended monthly payments of \$35,258 including principal and interest, secured by land and buildings.	5,208,843	5,435,567
Amounts due to lower tier municipalities for acquisition of waste disposal properties. Maturity dates range from 2010 to beyond 2070. Repayments equal the tipping fee rebates provided to the lower-tier municipalities based on the amount of waste deposited by each municipality at the County landfill sites.	19,196,320	19,792,728
	36,162,280	37,554,665

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

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

(b) Principal and interest payments due in each of the next five years are estimated to be as follows:

	Principal \$	Interest \$	Total \$
2009	1,521,434	948,341	2,469,775
2010	1,541,014	897,942	2,438,956
2011	1,591,727	846,957	2,438,684
2012	1,643,172	795,512	2,438,684
2013	1,700,939	737,745	2,438,684

(c) The long term debt in (a) issued in the name of the County has received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those approved after January 1, 1993 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 in 2008 amounted to \$982,628 (2007 - \$1,024,685).

7. **MUNICIPAL POSITION AT THE END OF THE YEAR**

The municipal position available for general reduction of taxation and user charges is detailed as follows:

	2008 \$	2007 \$
Current Fund		
. County	2,990,457	4,759,738
. Museum	-	-
. Library Co-operative Board	-	-
. Housing Corporation	-	-
	2,990,457	4,759,738
Capital Fund		
. Transportation services	(31,144,118)	(16,525,302)
. Environmental services	(2,705,897)	-
	(33,850,015)	(16,525,302)
Reserves and Reserve Funds	73,781,555	57,452,537
	42,921,997	45,686,973

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

8. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The liability for landfill closure and post-closure costs of \$13,846,000 (2007 - \$13,277,000) has been estimated using discounted future cash flows associated with closure and post-closure care activities for the eighteen sites the County operates. The closure costs include final cover, vegetation, land acquisition and additional monitoring wells. Post-closure costs include monitoring and consulting fees for 25 years after the sites are closed. The County has a waste management reserve totalling \$5,890,804 (2007 - \$7,571,758) to fund these costs and other waste management projects. The remaining landfill closure and post-closure liability will be funded from taxation. There are no specific assets designated for settling this liability.

The reported liability is based upon estimates and assumptions with respect to events extending over the remaining life of the landfills. The total discounted future cash flows for closure and post-closure is estimated at \$21,551,006 (2007 - \$20,901,870). The remaining capacity of the landfill sites is estimated at 1,275,930 m³ which is approximately 38.27% of the historical total capacity for all the operating sites. The liability is calculated based on the sites' capacity utilized to the end of the current year.

9. PENSION AGREEMENTS

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

The contributions required on account of current service in 2008 were \$4,121,881 (2007 - \$3,593,573).

10. TRUST FUNDS

Trust funds administered by the County amounting to \$925,626 (2007 - \$948,402) 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 County for the benefit of others and they are not presented as part of the County's financial position or financial activities.

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

11. 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	87,388,747	84,657,135	78,851,842
Long term debt interest	993,799	982,628	1,024,685
Materials	39,164,994	38,597,008	33,905,488
Contracted services	37,671,436	37,919,639	38,164,798
Rents and financial expenses	2,748,793	2,353,194	3,192,697
External transfers	155,308,536	149,478,081	157,489,852
	323,276,305	313,987,685	312,629,362

12. SEGMENTED INFORMATION

The County of Simcoe is a municipal government institution that provides a range of services to its citizens. County 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 County and its programs and services.

Protection Services

Protection services include protective inspection and control and emergency measures.

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

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

Transportation Services

The activities of the transportation function include construction and maintenance of the County's roads and bridges and winter control.

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 health unit and the activities of the ambulance service.

Social and Family Services

The activities of the social and family services function include general assistance payments to citizens of the County, the activities of the County's four homes for the aged, and external payments to childcare centers in the County.

Social Housing

The social housing function is responsible for the activities of all of the County's social housing properties.

Recreation and Cultural Services

The recreation and cultural services function is responsible for the activities of the library co-operative board and the County of Simcoe museum.

Planning and Development Services

The planning and development services function manages commercial, industrial and residential development within the County as well as the County forests.

13. **COMMITMENTS**

- (a) The County rents office equipment under long term operating leases which extend to 2013. The minimum annual payments under the terms of these leases are as follows:

2009	\$384,187
2010	216,949
2011	86,670
2012	15,039
2013	2,292

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

13. COMMITMENTS – (Continued)

- (b) The County leases office and fleet space under long term operating leases which extend to 2023. The minimum annual payments over the next five years under the terms of the leases are as follows:

2009	\$951,662
2010	768,665
2011	614,367
2012	407,074
2013	393,677

- (c) The County has entered into various long term contracts for waste and waste diversion collection. These contracts have varying terms and expiry dates. The minimum annual payments under the terms of these contracts are as follows:

2009	\$10,929,540
2010	9,691,326
2011	5,405,052

- (d) During 2007 the County approved the issue of debentures in the amount of \$11,115,741 from the Ontario Infrastructure Projects Corporation (OIPC). At year end the debentures have not been issued. The advances from OIPC of \$3,195,762 in temporary loans on the Consolidated Statement of Financial Position represent advances on these debentures while the projects and financing are in progress.
- (e) In 2007 the County committed \$30,000,000 to the Simcoe County Hospital Alliance to be funded over ten years. The 2008 amount of \$3,000,000 has been transferred to the Health Services reserve fund.
- (f) During the year the County entered into a contract to construct new affordable housing units. The remaining amount of the contract at the end of the year is \$4,132,973.

14. CREDIT FACILITY AGREEMENT

The County has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$75,000,000 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 #5586. As at December 31, 2008 there was a balance outstanding of \$Nil.

15. CONTINGENT LIABILITIES

During 1990 the County assumed responsibility for waste management of lower tier municipalities pursuant to provincial legislation. As a result, the County acquired related property and assets from lower tier municipalities and assumed long term debt pursuant to negotiated agreements. Further negotiations are ongoing and amounts will be recognized in the year settlements are determined.

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

16. BUDGET FIGURES

Budgets established for capital funds and 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.

17. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

18. SOCIAL HOUSING

The Simcoe County Housing Corporation was incorporated under Part III of The Ontario Business Corporations Act in response to the Province's overall initiative to devolve Social Housing to local municipalities. The corporation currently provides 1,235 units of subsidized housing to its tenants and their families.

As the Service Manager, on behalf of the Cities of Barrie and Orillia and the County of Simcoe, the County is now the sole shareholder of the Corporation.

On January 1, 2001 the Ontario Housing Corporation transferred 1,169 units and certain head office assets to the Corporation. The properties transferred carried the following restriction:

“The properties cannot be transferred or mortgaged or otherwise encumbered, developed or redeveloped or disposed of by any person without prior consent of the Minister of Municipal Affairs and Housing.”

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

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
REVENUES			
Taxation from lower tier municipalities	90,075,348	91,578,652	85,379,340
User charges	22,359,406	22,933,870	24,065,676
Province of Ontario	164,536,027	175,560,225	169,216,601
Government of Canada	7,187,803	7,410,301	11,743,452
Other municipalities	51,519,872	47,140,776	45,915,790
Investment income	999,996	971,998	1,548,580
Sale of land and equipment and other income	20,000	1,712,950	990,296
Donations	292,706	547,796	457,967
TOTAL REVENUES	336,991,158	347,856,568	339,317,702
EXPENDITURES			
General government	11,746,504	11,277,351	16,785,204
Protection to persons and property	525,704	458,114	334,587
Transportation services	10,739,899	10,755,148	10,462,861
Environmental services	22,890,799	22,033,502	20,326,117
Health services	36,483,739	32,196,549	28,975,261
Social and family services	205,543,521	204,382,215	204,902,797
Social housing	30,816,339	28,599,638	27,146,982
Recreation and cultural services	2,590,200	2,515,371	2,219,000
Planning and development	1,939,600	1,769,797	1,476,553
TOTAL EXPENDITURES	323,276,305	313,987,685	312,629,362
NET REVENUES/(EXPENDITURES)	13,714,853	33,868,883	26,688,340
NET FINANCING AND TRANSFERS			
Long term debt principal repayments	(1,645,977)	(1,392,385)	(1,642,117)
Landfill closure and post-closure costs	-	569,000	1,177,000
Transfers to capital fund	(27,673,269)	(14,894,280)	(6,004,584)
Transfer to reserves and reserve funds	10,869,649	(19,920,499)	(19,693,642)
TOTAL NET FINANCING AND TRANSFERS	(18,449,597)	(35,638,164)	(26,163,343)
CHANGE IN CURRENT FUND BALANCE	(4,734,744)	(1,769,281)	524,997
OPENING CURRENT FUND BALANCE	4,759,738	4,759,738	4,234,741
CLOSING CURRENT FUND BALANCE	24,994	2,990,457	4,759,738

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

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
REVENUES			
Province of Ontario	5,350,750	1,534,909	642,052
Government of Canada	2,830,000	4,260,707	4,169,486
Other municipalities	2,820,220	2,208,477	1,011,228
Developer contributions earned	6,885,824	4,382,242	4,346,696
Other revenue	-	467,123	1,006,962
TOTAL REVENUES	17,886,794	12,853,458	11,176,424
EXPENDITURES			
General government	5,875,954	3,542,979	2,328,013
Protection to persons and property	30,000	31,975	18,399
Transportation services	40,755,000	27,780,344	24,084,584
Environmental services	17,590,000	9,986,291	5,291,549
Health services	3,899,247	2,230,413	1,146,182
Social and family services	22,773,395	2,379,009	2,795,758
Social housing	5,260,378	1,681,798	1,485,298
Recreation and cultural services	280,000	161,843	400,624
Planning and development	635,000	1,360,167	2,258,474
TOTAL EXPENDITURES	97,098,974	49,154,819	39,808,881
NET REVENUES/(EXPENDITURES)	(79,212,180)	(36,301,361)	(28,632,457)
NET FINANCING AND TRANSFERS			
Proceeds of long term debt	39,669,505	-	-
Transfers from current fund	27,673,269	14,894,280	6,004,584
Transfers from reserves and reserve funds	11,869,406	4,082,368	10,363,798
TOTAL NET FINANCING AND TRANSFERS	79,212,180	18,976,648	16,368,382
CHANGE IN CAPITAL FUND BALANCE	-	(17,324,713)	(12,264,075)
OPENING CAPITAL FUND BALANCE	(16,525,302)	(16,525,302)	(4,261,227)
CLOSING CAPITAL FUND BALANCE	(16,525,302)	(33,850,015)	(16,525,302)

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

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
REVENUES			
Investment income	-	490,887	301,423
TOTAL REVENUES	-	490,887	301,423
NET TRANSFERS FROM (TO) OTHER FUNDS			
Current fund	(10,869,649)	19,920,499	19,693,642
Capital fund	(11,869,406)	(4,082,368)	(10,363,798)
TOTAL NET TRANSFERS	(22,739,055)	15,838,131	9,329,844
CHANGE IN FUND BALANCE	(22,739,055)	16,329,018	9,631,267
OPENING RESERVE AND RESERVE FUND BALANCE	57,452,537	57,452,537	47,821,270
CLOSING RESERVE AND RESERVE FUND BALANCE	34,713,482	73,781,555	57,452,537
ANALYZED AS FOLLOWS:			
Reserves set aside for specific purposes by Council			
. administration building		631,772	581,772
. contingencies		16,307,117	11,669,576
. transportation services		23,858,613	13,578,619
. paramedic services		480,936	480,936
. social housing		8,072,646	6,580,281
. planning and development		85,500	21,000
. social and family services (capital)		7,069,003	9,080,288
. recreation and cultural services (capital)		491,334	223,094
. waste management		5,890,804	7,571,758
TOTAL RESERVES		62,887,725	49,787,324
Reserve funds set aside for specific purposes by Council			
. social and family services		790,602	817,333
. planning and development		400,895	366,159
. health services		9,702,333	6,481,721
TOTAL RESERVE FUNDS		10,893,830	7,665,213
TOTAL RESERVES AND RESERVE FUNDS		73,781,555	57,452,537

CORPORATION OF THE COUNTY OF SIMCOE

**CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
For the year ended December 31, 2008 (in thousands of dollars)**

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreation and Cultural Services	Planning and Development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	30,555	613	9,928	3,645	11,857	19,682	11,707	2,136	1,456	91,579
User charges	294	30	250	4,101	39	11,398	5,382	230	1,210	22,934
Government of Canada	-	-	4,263	-	-	-	7,405	3	-	11,671
Province of Ontario	721	-	9,772	1,586	13,695	149,254	2,030	37	-	177,095
Other municipalities	2	122	-	17,641	5,569	20,674	5,176	165	-	49,349
Other revenue	-	-	464	3	-	-	-	-	-	467
Investment income	1,463	-	-	-	-	-	-	-	-	1,463
Donations	-	-	-	-	231	128	-	189	-	548
Sale of assets	-	-	80	1,603	30	-	-	-	-	1,713
Developer contributions earned	-	-	4,004	-	89	-	-	15	274	4,382
Total revenues	33,035	765	28,761	28,579	31,510	201,136	31,700	2,775	2,940	361,201
Expenditures										
Salaries and benefits	8,175	275	4,577	3,756	23,685	38,945	2,317	1,822	1,105	84,657
Interest charges	-	-	-	-	-	-	983	-	-	983
Materials	3,171	54	4,976	5,597	2,996	15,275	5,487	692	349	38,597
Contracted services	6,994	5	982	11,910	-	17,608	104	1	316	37,920
Rents and financial expenses	45	-	221	771	494	656	166	-	-	2,353
External transfers	55	124	-	-	3,308	127,063	18,928	-	-	149,478
Internal transfers	(7,163)	-	-	-	1,713	4,835	615	-	-	-
Capital expenditures	3,543	32	27,780	9,986	2,231	2,379	1,682	162	1,360	49,155
Total expenditures	14,820	490	38,536	32,020	34,427	206,761	30,282	2,677	3,130	363,143
Net revenues (expenditures)	18,215	275	(9,775)	(3,441)	(2,917)	(5,625)	1,418	98	(190)	(1,942)
Increase (decrease) in amounts to be recovered	-	-	-	(27)	-	-	(796)	-	-	(823)
Increase (decrease) in fund balances	18,215	275	(9,775)	(3,468)	(2,917)	(5,625)	622	98	(190)	(2,765)

CORPORATION OF THE COUNTY OF SIMCOE

**CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
For the year ended December 31, 2007 (in thousands of dollars)**

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Social Housing \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues										
Taxation	28,157	344	9,083	182	10,535	18,455	14,792	1,945	1,886	85,379
User charges	165	-	398	4,939	44	10,849	5,183	188	2,299	24,065
Government of Canada	-	-	4,169	-	-	-	11,729	15	-	15,913
Province of Ontario	1,044	-	628	939	11,979	154,284	887	98	-	169,859
Other municipalities	-	124	-	15,312	5,382	20,476	5,539	94	-	46,927
Other revenue	-	-	703	168	-	-	136	-	-	1,007
Investment income	1,850	-	-	-	-	-	-	-	-	1,850
Donations	-	-	-	-	165	172	121	-	-	458
Sale of assets	990	-	-	-	-	-	-	-	-	990
Developer contributions earned	-	-	4,129	-	81	-	33	16	88	4,347
Total revenues	32,206	468	19,110	21,540	28,186	204,236	38,420	2,356	4,273	350,795
Expenditures										
Salaries and benefits	6,990	165	4,454	3,350	22,195	37,004	2,186	1,571	937	78,852
Interest charges	-	-	-	-	-	-	1,025	-	-	1,025
Materials	2,354	148	4,738	3,759	2,879	13,693	5,404	584	346	33,905
Contracted services	7,062	-	901	12,312	2	17,567	134	31	156	38,165
Rents and financial expenses	305	-	369	905	614	756	236	-	7	3,192
External transfers	74	-	-	-	3,187	136,047	18,162	-	20	157,490
Internal transfers	-	22	-	-	98	(164)	-	33	11	-
Capital expenditures	2,328	18	24,085	5,292	1,146	2,796	1,485	401	2,258	39,809
Total expenditures	19,113	353	34,547	25,618	30,121	207,699	28,632	2,620	3,735	352,438
Net revenues (expenditures)	13,093	115	(15,437)	(4,078)	(1,935)	(3,463)	9,788	(264)	538	(1,643)
Increase (decrease) in amounts to be recovered	-	-	-	289	-	(754)	-	-	-	(465)
Increase (decrease) in fund balances	13,093	115	(15,437)	(3,789)	(1,935)	(4,217)	9,788	(264)	538	(2,108)

AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE COUNTY OF SIMCOE

We have audited the statement of financial position of the Trust Funds of the Corporation of the County of Simcoe 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 County'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 as at December 31, 2008 and the results of its 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
March 27, 2009

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2008

	Homes for the Aged Residents \$	Estate of S.O. Bain \$	Estate of H.P. Brown \$	Ross Channen Memorial Fund \$	S.L. Page Scholarship Fund \$	Pierce Fund \$	Honour Guard \$	2008 Total \$	2007 Total \$
FINANCIAL ASSETS									
Cash and investments (Note 2)	108,397	172,781	571,342	6,784	57,778	2,467	9,706	929,255	955,939
LIABILITIES AND TRUST FUND BALANCES									
CURRENT LIABILITIES									
Due to County of Simcoe	3,629	-	-	-	-	-	-	3,629	7,537
TRUST FUND BALANCES	104,768	172,781	571,342	6,784	57,778	2,467	9,706	925,626	948,402
	108,397	172,781	571,342	6,784	57,778	2,467	9,706	929,255	955,939

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

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

	Homes for the Aged Residents \$	Estate of S.O. Bain \$	Estate of H.P. Brown \$	Ross Channen Memorial Fund \$	S.L. Page Scholarship Fund \$	Pierce Fund \$	Honour Guard \$	2008 Total \$	2007 Total \$
BALANCE, beginning of year	134,024	173,511	564,475	6,639	59,500	2,388	7,865	948,402	1,048,389
RECEIPTS									
Contribution from County of Simcoe	27,393	-	-	-	-	-	2,500	29,893	46,699
Interest earned	8,503	5,632	18,418	145	1,778	79	301	34,856	46,018
Residents' contributions	152,243	-	-	-	-	-	-	152,243	159,722
Donations	-	-	-	-	500	-	-	500	150
	188,139	5,632	18,418	145	2,278	79	2,801	217,492	252,589
EXPENDITURES									
Purchases benefitting residents	-	6,362	11,551	-	-	-	-	17,913	12,605
Operating costs	135	-	-	-	-	-	960	1,095	77
Residents' payments	217,260	-	-	-	-	-	-	217,260	336,294
Scholarships	-	-	-	-	4,000	-	-	4,000	3,600
	217,395	6,362	11,551	-	4,000	-	960	240,268	352,576
BALANCE, end of year	104,768	172,781	571,342	6,784	57,778	2,467	9,706	925,626	948,402

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. 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.

Basis of Accounting

Revenue and expenditures are reported on the accrual basis of accounting which 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.

Financial Instruments

The financial instruments consist of cash, investments and due to the County of Simcoe. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. There is no significant concentration of currency or credit risk.

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 County's best information and judgment. Actual results could differ from these estimates.

2. CASH AND INVESTMENTS

Cash and investments totalling \$929,255 have a fair market value of the same amount. Included in cash and investments are \$60,215 of GIC's with interest rates ranging from 1.5% to 3.2% and maturities ranging from August 1, 2009 to October 19, 2010.

CORPORATION OF THE COUNTY OF SIMCOE
COUNTY OF SIMCOE MUSEUM
FINANCIAL STATEMENTS
DECEMBER 31, 2008

AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE COUNTY OF SIMCOE

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

Except as explained in the following paragraph, 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.

The Museum derives revenues from other revenues, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue, other than grants and contributions, was limited to the amounts recorded in the records of the Museum and we were not able to determine whether any adjustments might be necessary to user charges revenue, assets and municipal fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues other than grants or contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Museum as at December 31, 2008 and the results of its 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
March 27, 2009

**COUNTY OF SIMCOE MUSEUM
STATEMENT OF FINANCIAL POSITION
At December 31, 2008**

	2008	2007
	\$	\$
<hr/>		
FINANCIAL ASSETS		
Due from the County of Simcoe	177,055	168,392
<hr/>		
MUNICIPAL POSITION		
Reserve for Museum contingency	177,055	168,392
<hr/>		

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

**COUNTY OF SIMCOE MUSEUM
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended December 31, 2008**

	Budget 2008 \$	Current Fund \$	Capital Fund \$	Reserve \$	Actual 2008 \$	Actual 2007 \$
REVENUES						
GRANTS AND CONTRIBUTIONS						
Province of Ontario	64,900	70,507	-	-	70,507	70,507
Government of Canada	3,605	3,360	-	-	3,360	15,023
City of Barrie	61,295	53,254	-	-	53,254	53,300
County of Simcoe	1,249,500	1,283,692	-	-	1,283,692	1,182,288
OTHER						
Admission fees	177,100	117,845	-	-	117,845	113,867
Gift shop	53,500	53,301	-	-	53,301	42,631
Donations	200,200	26,072	161,775	-	187,847	119,748
Memberships	5,000	7,276	-	-	7,276	4,864
Other cultural	-	12,368	-	-	12,368	1,574
Rentals	7,500	9,225	-	-	9,225	6,098
TOTAL REVENUES	1,822,600	1,636,900	161,775	-	1,798,675	1,609,900
EXPENDITURES						
CURRENT						
Salaries and benefits	1,167,000	1,172,563	-	-	1,172,563	1,008,934
Utilities	98,000	103,397	-	-	103,397	101,829
Repairs and maintenance	102,600	82,633	-	-	82,633	94,222
Supplies	58,900	74,101	-	-	74,101	89,020
Advertising and promotion	32,200	50,827	-	-	50,827	28,354
Recoverable materials	30,000	40,591	-	-	40,591	34,115
Telephone	3,600	3,348	-	-	3,348	1,449
Office supplies and postage	30,300	38,835	-	-	38,835	44,529
Mileage and travel	7,600	9,456	-	-	9,456	5,643
Memberships	400	1,176	-	-	1,176	99
Clothing	-	-	-	-	-	1,907
Bad debt	-	-	-	-	-	412
Fundraising expenses	72,000	67,454	-	-	67,454	-
TOTAL CURRENT EXPENDITURES	1,602,600	1,644,381	-	-	1,644,381	1,410,513
CAPITAL	220,000	-	145,631	-	145,631	329,159
TOTAL EXPENDITURES	1,822,600	1,644,381	145,631	-	1,790,012	1,739,672
NET REVENUES/(EXPENDITURES)	-	(7,481)	16,144	-	8,663	(129,772)
NET TRANSFERS FROM (TO) OTHER FUNDS	-	7,481	(16,144)	8,663	-	-
CHANGE IN FUND BALANCES	-	-	-	8,663	8,663	(129,772)
OPENING FUND BALANCES	-	-	-	168,392	168,392	298,164
CLOSING FUND BALANCES	-	-	-	177,055	177,055	168,392

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

CORPORATION OF THE COUNTY OF SIMCOE**COUNTY OF SIMCOE MUSEUM
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 Museum are as follows:

Fund Accounting

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

Basis of Accounting

Revenue and expenditures are reported on the accrual basis of accounting which 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.

Capital Assets

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

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. 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 organization's best information and judgment. Actual results could differ from these estimates.

Financial Instruments

The Museum's financial instrument is an amount due from the County of Simcoe. It is management's opinion that the fair value of their financial instrument is not materially different from its carrying value unless otherwise noted. The Museum does not have any significant concentration of currency or credit risks.

Statement of Changes in Financial Position

The statement of changes in financial position has not been prepared as this information is disclosed elsewhere in these financial statements.

CORPORATION OF THE COUNTY OF SIMCOE**COUNTY OF SIMCOE MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2008**

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

Tangible assets are currently reported as an expenditure on the statements of financial activities in the year of acquisition. Effective for the fiscal year beginning January 1, 2009, the Museum, 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 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 statement of financial position, what were previously recorded as an expenditure on the statement of financial activities.

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

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

The Museum has approved accounting policies for tangible capital assets and is in the process of valuing their inventory of tangible capital assets. The valuation of the tangible capital assets will be completed in adequate time to allow for recognition of the County's tangible capital assets on the consolidated statement of financial position for the year ending December 31, 2009.

3. BUDGET FIGURES

Budgets established for capital 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 Statement of Financial Activities. Budget figures are not subject to audit.

CORPORATION OF THE COUNTY OF SIMCOE
LIBRARY CO-OPERATIVE BOARD
FINANCIAL STATEMENTS
DECEMBER 31, 2008

AUDITORS' REPORT

TO THE CHAIRMAN AND MEMBERS OF THE LIBRARY CO-OPERATIVE BOARD, MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE COUNTY OF SIMCOE

We have audited the statement of financial activities of the Library Co-operative Board of the Corporation of the County of Simcoe for the year ended December 31, 2008. This financial statement is the responsibility of the Board's management. Our responsibility is to express an opinion on this financial statement 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, this financial statement presents fairly, in all material respects, the financial activities of the Board as at December 31, 2008 in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
March 27, 2009

CORPORATION OF THE COUNTY OF SIMCOE

**LIBRARY CO-OPERATIVE BOARD
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended December 31, 2008**

	Budget 2008 \$	Current Fund \$	Capital Fund \$	Actual 2008 \$	Actual 2007 \$
REVENUES					
Grants					
Province of Ontario	7,585	15,692	-	15,692	26,713
Other grants	10,615	21,026	-	21,026	-
Other					
Book sales and other fees	5,500	12,872	-	12,872	15,347
Municipal Contribution					
County of Simcoe	509,400	427,785	15,260	443,045	458,904
Other municipalities	-	-	-	-	190
TOTAL REVENUES	533,100	477,375	15,260	492,635	501,154
EXPENDITURES					
CURRENT					
Salaries	209,000	223,747	-	223,747	214,027
Employee benefits	63,100	61,762	-	61,762	56,536
Books	107,300	105,090	-	105,090	97,808
Database	56,500	36,903	-	36,903	35,233
Memberships	2,000	1,740	-	1,740	900
Mileage	1,300	1,399	-	1,399	871
Administration	27,600	42,350	-	42,350	34,499
Vehicle expenses	5,800	2,395	-	2,395	2,601
Telephone	500	294	-	294	466
TOTAL CURRENT EXPENDITURES	473,100	475,680	-	475,680	442,941
CAPITAL	60,000	-	16,955	16,955	58,213
TOTAL EXPENDITURES	533,100	475,680	16,955	492,635	501,154
NET REVENUES/ (EXPENDITURES)	-	1,695	(1,695)	-	-
NET TRANSFERS FROM (TO) OTHER FUNDS	-	(1,695)	1,695	-	-
CHANGE IN FUND BALANCE	-	-	-	-	-
OPENING FUND BALANCES	-	-	-	-	-
CLOSING FUND BALANCES	-	-	-	-	-

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

CORPORATION OF THE COUNTY OF SIMCOE**LIBRARY CO-OPERATIVE BOARD
NOTE TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2008**

1. SIGNIFICANT ACCOUNTING POLICIES

This financial statement has 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 statement consist of current and capital funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

Basis of Accounting

Revenue and expenditures are reported on the accrual basis of accounting which 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.

Capital Assets

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

Government Funding

Government funding is recognized in the financial statement 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. 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 organization's best information and judgment. Actual results could differ from these estimates.

CORPORATION OF THE COUNTY OF SIMCOE**LIBRARY CO-OPERATIVE BOARD
NOTE TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2008**

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

Tangible assets are currently reported as an expenditure on the statements of financial activities in the year of acquisition. Effective for the fiscal year beginning January 1, 2009, the Board, along with all other local governments, will be required to recognize tangible capital assets on the statement of financial position and any amortization, gains or losses on disposal or impairments on the 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 statement of financial position, what were previously recorded as an expenditure on the statement of financial activities.

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

- Books
- Vehicles

The Board has approved accounting policies for tangible capital assets and is in the process of valuing their inventory of tangible capital assets. The valuation of the tangible capital assets will be completed in adequate time to allow for recognition of the County's tangible capital assets on the consolidated statement of financial position for the year ending December 31, 2009.

3. COUNTY OF SIMCOE MUNICIPAL CONTRIBUTION

The Board does not have a fund balance at the end of the year as the County of Simcoe's contribution is adjusted so the revenues equal expenditures for the year. Since the municipal position is zero and the Board's assets and liabilities are assumed by the County, a Statement of Financial Position is not presented.

4. BUDGET FIGURES

Budgets established for capital 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 Statement of Financial Activities. Budget figures are not subject to audit.

SIMCOE COUNTY HOUSING CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2008

AUDITORS' REPORT

TO THE SHAREHOLDER OF THE SIMCOE COUNTY HOUSING CORPORATION

We have audited the statement of financial position of the Simcoe County Housing Corporation as at December 31, 2008 and the statements of operations and changes in fund balance and cash flows for the year then ended. These financial statements have been prepared to satisfy the reporting requirements of the Ontario Social Housing Reform Act (OSHRA). These financial statements are the responsibility of the Corporation'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 Corporation as at December 31, 2008 and the results of its operations and cash flows for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements.

These financial statements which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the sole shareholder, Simcoe County, to satisfy the financial reporting requirements of the OSHRA and filing the Corporation's income tax returns. These financial statements are not intended to be and should not be used by anyone other than the specified users for any other purpose.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
March 27, 2009

SIMCOE COUNTY HOUSING CORPORATION

STATEMENT OF FINANCIAL POSITION
At December 31, 2008

	2008 \$	2007 \$
ASSETS		
CURRENT ASSETS		
Accounts receivable	284,367	653,684
Other current assets	120,891	114,558
Due from shareholder (Note 6)	273,866	176,608
	679,124	944,850
CAPITAL (Note 4)	17,417,294	17,761,937
TOTAL ASSETS	18,096,418	18,706,787
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Bank indebtedness	103,670	64,584
Accounts payable and accrued liabilities	817,268	435,537
Due to Province	-	352,845
Current portion of long term debt (Note 5)	841,434	795,545
	1,762,372	1,648,511
LONG TERM DEBT (Note 5)	16,124,526	16,966,392
FUND BALANCES		
Share capital (Note 7)	100	100
Capital projects reserve - internally restricted	209,420	91,784
	209,520	91,884
TOTAL LIABILITIES AND FUND BALANCES	18,096,418	18,706,787

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

SIMCOE COUNTY HOUSING CORPORATION

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
For The Year Ended December 31, 2008

	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
REVENUES			
Rental income	5,171,161	5,381,720	5,182,891
Provincial subsidies	2,668,550	2,657,380	3,553,569
Contribution from other municipalities	1,491,831	1,186,623	1,204,552
Contribution from County of Simcoe (Note 6)	4,331,017	1,956,040	1,888,546
Other income	49,734	6,339	136,250
TOTAL REVENUES	13,712,293	11,188,102	11,965,808
EXPENDITURES			
Salaries, wages and benefits	1,837,750	1,690,984	1,779,997
Transportation and communication	93,521	88,762	89,193
Services	35,100	35,920	44,536
Supplies and equipment	55,153	27,491	31,449
Rent	39,026	42,426	56,213
Building operations	1,666,020	1,710,629	1,693,582
Utilities	2,217,860	1,790,411	1,553,021
Bad debts	84,000	122,853	179,107
Municipal taxes	1,699,842	1,638,888	1,571,040
Insurance	145,580	144,889	148,280
Interest on long term debt	993,799	982,628	1,024,685
Rent supplement subsidies	798,377	794,564	1,602,566
Amortization of capital assets	795,977	795,977	754,289
Capital	3,250,288	1,204,044	1,427,512
TOTAL EXPENDITURES	13,712,293	11,070,466	11,955,470
NET REVENUES AND CHANGES IN FUND BALANCES	-	117,636	10,338
OPENING FUND BALANCES	91,844	91,884	81,546
CLOSING FUND BALANCES	91,844	209,520	91,884

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

SIMCOE COUNTY HOUSING CORPORATION

STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2008

	2008 \$	2007 \$
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Net revenues	117,636	10,338
Items not affecting cash		
Amortization of capital assets	795,977	754,289
Net change in non-cash working capital accounts		
(Increase) decrease in accounts receivable	369,317	(182,888)
(Increase) decrease in other current assets	(6,333)	7,778
Increase (decrease) in accounts payable and accrued liabilities	381,731	(697,529)
Increase (decrease) in due to Province	(352,845)	(25,731)
Net increase (decrease) in cash from operations	1,305,483	(133,743)
FINANCING		
Debt principal repayments	(795,977)	(754,289)
(Increase) decrease in due to/from shareholder	(97,258)	983,288
	(893,235)	228,999
INVESTING		
Purchase of capital assets	(451,334)	-
NET INCREASE (DECREASE) IN CASH/ (BANK INDEBTEDNESS)	(39,086)	95,256
OPENING CASH/(BANK INDEBTEDNESS)	(64,584)	(159,840)
CLOSING CASH/(BANK INDEBTEDNESS)	(103,670)	(64,584)

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

SIMCOE COUNTY HOUSING CORPORATION

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

1. NATURE OF ORGANIZATION

The Corporation was incorporated on December 18, 2000 under Part III of the Ontario Business Corporations Act as a corporation to provide subsidized housing.

The Corporation is exempt from income tax under section 149(1)(d.5) of the Income Tax Act as a corporation operating exclusively for social welfare. No portion of the Corporation's income is available for the personal benefit of any tenant.

In accordance with its operating agreement with the County of Simcoe, the Corporation receives funding from the County and provides subsidized housing to its tenants and their families. The Corporation is dependent on this funding for its continued operation.

The Corporation operates under the Social Housing Reform Act, 2000 and under the rules and procedures as set out by the County.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the significant accounting policies stipulated by the Ministry of Municipal Affairs and Housing. Significant aspects of the accounting policies are as follows:

Basis of Accounting

Revenue and expenditures are reported on the accrual basis of accounting which 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.

Capital Assets

On January 1, 2001 the Ontario Housing Corporation transferred 1,169 units and certain head office assets to the Corporation. The properties transferred carried the following restriction:

“The properties cannot be transferred or mortgaged or otherwise encumbered, developed or redeveloped or disposed of by any person without prior consent of the Minister of Municipal Affairs and Housing.”

In 2005 the Corporation assumed the operations of Georgian Bay Native Friendship Centre and Midland Penetanguishene Urban Native Homes Corporation.

Land and buildings are recorded at the value of the debt at date of transfer to the Corporation less accumulated amortization. Amortization is provided at an amount equal to the principal reduction on the related long term debt.

Expenditures made on capital assets are reported as capital expenditures on the Statement of Operations and Changes in Fund Balances in the period incurred.

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2008

2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 management's best information and judgment. Actual results could differ from these estimates.

Financial Instruments

The Corporation's financial instruments consist of accounts receivable, other current assets, due from shareholder, bank indebtedness, accounts payable and accrued liabilities, due to Province and long term debt. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Corporation does not have any significant concentration of currency or credit risk.

3. INCORPORATION AND TRANSFER AGREEMENT

On December 18, 2000 the Simcoe County Housing Corporation was established under the provisions of the Ontario Business Corporations Act. Upon incorporation 100 shares were issued to the County of Simcoe for nominal consideration.

As part of its local services realignment program, transfers of social housing units owned by the Ontario Housing Corporation (OHC) were made in accordance with transfer orders prepared under authority of the Social Housing Reform Act, 2000. Under the provisions of such a transfer order, this Corporation was the recipient on January 1, 2001 all of the assets, liabilities, rights and obligations previously owned by the OHC and located in the County of Simcoe. Effective on the date of transfer, the Corporation is responsible for the management and operations of the housing projects transferred and is bound by the requirements set out in the legislation.

The transfer of land and buildings was recorded in the Corporation's accounts at a value equivalent to the debt transferred by the Province of Ontario.

4. CAPITAL ASSETS

	2008 \$	2007 \$
Land and buildings	21,507,214	21,507,214
Work in progress	451,334	-
Less: accumulated amortization	4,541,254	3,745,277
	17,417,294	17,761,937

SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2008

5. LONG TERM DEBT

	2008 \$	2007 \$
Canada Mortgage and Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturity dates ranging from 2010 to 2027 and interest rates ranging from 5.25% to 7.85%.	10,180,684	10,650,828
Ontario Housing Corporation debentures payable on rental properties owned by Simcoe County Housing Corporation. The debentures have various maturing dates ranging from 2010 to 2027 and interest rates ranging from 5.25% to 8.1%.	1,185,545	1,240,296
Mortgage payable - 6.416%, due October 2010, blended monthly payments of \$5,887 including principal and interest, secured by Midland property.	390,888	435,246
Mortgage payable - 3.71%, due October 2010, blended monthly payments of \$35,258 including principal and interest, secured by land and buildings.	5,208,843	5,435,567
	16,965,960	17,761,937
Less amounts due within one year included in current liabilities	841,434	795,545
	16,124,526	16,966,392

Principal and interest payments due in each of the next five years are estimated to be as follows:

	Principal \$	Interest \$	Total \$
2009	841,434	948,341	1,789,775
2010	891,014	897,942	1,788,956
2011	941,727	846,957	1,788,684
2012	993,172	795,512	1,788,684
2013	1,050,939	737,745	1,788,684



SIMCOE COUNTY HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2008

6. RELATED PARTY TRANSACTIONS

The Corporation received funding from the County of Simcoe, its sole shareholder, in the amount of \$1,956,040 (2007 - \$1,888,546).

The \$273,866 (2007 - \$176,608) amount due from shareholder is interest-free and payable on demand.

7. SHARE CAPITAL

The authorized share capital of the Corporation is an unlimited number of common shares.

The issued share capital is as follows:

	2008 \$	2007 \$
100 common shares	100	100

8. PENSION AGREEMENTS

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

Contributions required on account of current service in 2008 were \$85,694 (2007 - \$74,664).

9. BUDGET FIGURES

Budgets established for capital expenditures 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 Operations. Budget figures are not subject to audit.

10. COMMITMENT

During the year the corporation entered into a contract to construct new affordable housing units. The remaining amount of the contract at the end of the year is \$4,132,973.