

252 Raglan Street S.
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Killaloe, Hagarty and Richards.

We have audited the consolidated balance sheet of the Corporation of the Township of Killaloe, Hagarty and Richards as at 31 December 2004, and the consolidated statements of operations and cash flows and the schedules of current fund operations, water fund operations, capital fund operations, sewage fund operations and reserves and reserve funds for the year then ended. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Killaloe, Hagarty and Richards as at 31 December 2004, and the results of its operations and cash flows for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

MacKilligan & Associates

RENFREW, Ontario.

19 January 2005.

Chartered Accountants.

Township of Killaloe, Hagarty and Richards

Consolidated Balance Sheet

As at 31 December 2004
(with 2003 figures for comparison)

	2004	2003
ASSETS		
Cash	\$ 707,019	\$ 590,059
Taxes receivable	391,436	403,423
Accounts receivable	94,489	76,192
Investment in Ottawa River Power Corporation	<u>358,895</u>	<u>358,895</u>
	<u>\$ 1,551,839</u>	<u>\$ 1,428,569</u>
LIABILITIES AND MUNICIPAL POSITION		
Temporary loans - current purposes		\$ 13,750
Accounts payable and accrued liabilities	\$ 142,698	124,435
Deferred revenue (Note 4)	93,384	88,060
Net long term liabilities (Note 5)	102,657	34,464
Landfill closure and post closure costs (Note 6)	<u>352,300</u>	<u>352,300</u>
	<u>\$ 691,039</u>	<u>\$ 613,009</u>
Municipal position:		
Fund balances:		
Current fund	\$ 4,076	\$ 53,248
Library board	3,279	3,587
Village of Killaloe Recreation Committee	4,061	2,698
Water fund	1,242	2,769
Capital fund	(3,556)	(3,556)
Discretionary reserve fund	17,236	10,998
Reserves	<u>1,289,419</u>	<u>1,132,580</u>
Total fund balances	<u>\$ 1,315,757</u>	<u>\$ 1,202,324</u>
Amounts to be recovered: (Note 1(b) (iv))		
Long term liabilities	\$ (102,657)	\$ (34,464)
Landfill closure and post closure costs	<u>(352,300)</u>	<u>(352,300)</u>
Total amounts to be recovered	<u>\$ (454,957)</u>	<u>\$ (386,764)</u>
Municipal position	<u>\$ 860,800</u>	<u>\$ 815,560</u>
	<u>\$ 1,551,839</u>	<u>\$ 1,428,569</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Killaloe, Hagarty and Richards

Consolidated Statement of Operations

For the year ended 31 December 2004
(with 2004 budget and 2003 actual figures for comparison)

	Budget 2004	Actual 2004	Actual 2003
Revenue:			
Taxation and user charges	\$ 1,335,358	\$ 1,345,902	\$ 1,261,672
Transfer payments:			
Ontario	533,388	390,653	337,688
Canada	6,172	4,217	6,182
Other municipalities	8,148	8,773	8,626
Other	253,168	261,347	299,509
	<u>\$ 2,136,234</u>	<u>\$ 2,010,892</u>	<u>\$ 1,913,677</u>
Expenditure:			
Current:			
General government	\$ 387,693	\$ 375,030	\$ 328,482
Protection to persons and property	402,307	389,228	333,574
Transportation services	466,464	427,459	416,382
Environmental services	462,085	437,755	347,906
Recreation and cultural services	92,036	87,050	70,147
Planning and development	1,000	907	
	<u>\$ 1,811,585</u>	<u>\$ 1,717,429</u>	<u>\$ 1,496,491</u>
Capital:			
General government	\$ 5,000	\$ 3,467	\$ 7,928
Protection to persons and property			18,126
Transportation services	118,450	120,675	55,056
Environmental services	323,630	106,104	42,447
Recreation and cultural services	40,000	17,977	60,069
	<u>\$ 487,080</u>	<u>\$ 248,223</u>	<u>\$ 183,626</u>
	<u>\$ 2,298,665</u>	<u>\$ 1,965,652</u>	<u>\$ 1,680,117</u>
Net surplus (deficit) for the year	<u>\$ (162,431)</u>	<u>\$ 45,240</u>	<u>\$ 233,560</u>
Financing and transfers:			
Proceeds from long term debt	\$ 118,450	\$ 118,450	
Debt principal payments	(50,459)	(50,257)	\$ (20,700)
	<u>\$ 67,991</u>	<u>\$ 68,193</u>	<u>\$ (20,700)</u>
Change in fund balances for the year	<u>\$ (94,440)</u>	<u>\$ 113,433</u>	<u>\$ 212,860</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Killaloe, Hagarty and Richards

Schedule of Current Fund Operations

For the year ended 31 December 2004
(with 2004 budget and 2003 actual figures for comparison)

	Budget 2004	Actual 2004	Actual 2003
Revenue:			
Net municipal taxation	\$ 1,152,158	\$ 1,162,784	\$ 1,078,805
Transfer payments:			
Ontario	514,510	338,814	331,000
Canada	5,100	3,144	5,128
Other municipalities	4,000	4,625	4,478
Other	240,780	247,756	290,628
	<u>\$ 1,916,548</u>	<u>\$ 1,757,123</u>	<u>\$ 1,710,039</u>
Expenditure:			
General government	\$ 387,693	\$ 375,030	\$ 328,482
Protection to persons and property	402,307	389,228	333,574
Transportation services	466,464	427,459	416,382
Environmental services	278,885	262,126	188,966
Recreation and cultural services	42,050	35,963	34,905
Planning and development	1,000	907	
	<u>\$ 1,578,399</u>	<u>\$ 1,490,713</u>	<u>\$ 1,302,309</u>
Net surplus for the year	<u>\$ 338,149</u>	<u>\$ 266,410</u>	<u>\$ 407,730</u>
Financing and transfers:			
Debt principal payments	\$ (50,459)	\$ (50,257)	\$ (20,700)
Transfer to library	(13,500)	(14,500)	(13,000)
Transfer from (to) reserves and reserve funds	41,192	(221,624)	(160,891)
Transfer to capital fund	(368,630)	(29,201)	(160,027)
Net financing and transfers	<u>\$ (391,397)</u>	<u>\$ (315,582)</u>	<u>\$ (354,618)</u>
Change in current fund balance	\$ (53,248)	\$ (49,172)	\$ 53,112
Current fund balance at the beginning of the year	<u>53,248</u>	<u>53,248</u>	<u>136</u>
Current fund balance at the end of the year	<u>\$ -</u>	<u>\$ 4,076</u>	<u>\$ 53,248</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Killaloe, Hagarty and Richards

Schedule of Water Fund Operations

For the year ended 31 December 2004
(with 2003 figures for comparison)

	2004	2003
Revenue:		
User charges	\$ <u>60,554</u>	\$ <u>60,594</u>
Expenditure:		
Ontario Clean Water Agency billings	\$ 52,550	\$ 52,627
Hydro	<u>9,531</u>	<u>9,146</u>
	\$ <u>62,081</u>	\$ <u>61,773</u>
Net deficit for the year	\$ (1,527)	\$ (1,179)
Water fund balance at the beginning of the year	<u>2,769</u>	<u>3,948</u>
Water fund balance at the end of the year	<u>\$ 1,242</u>	<u>\$ 2,769</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Schedule of Capital Fund Operations

For the year ended 31 December 2004
(with 2003 figures for comparison)

	<u>2004</u>	<u>2003</u>
Revenue:		
Grant - Ontario	\$ 32,961	\$ -
Expenditure:		
General government	\$ 3,467	\$ 7,928
Protection to persons and property		18,126
Transportation services	120,675	55,056
Environmental services	106,104	42,447
Recreation and cultural services	<u>17,977</u>	<u>60,069</u>
Total expenditure	\$ <u>248,223</u>	\$ <u>183,626</u>
Net surplus (deficit) for the year	\$ <u>(215,262)</u>	\$ <u>(183,626)</u>
Financing and transfers:		
Proceeds from long term debt	\$ 118,450	
Transfer from the current fund	29,201	\$ 160,027
Transfer from the sewage fund	9,000	23,599
Transfer from the reserves	<u>58,611</u>	
	\$ <u>215,262</u>	\$ <u>183,626</u>
Change in capital fund balance	\$ -	\$ -
Capital fund balance at the beginning of the year	<u>(3,556)</u>	<u>(3,556)</u>
Capital fund balance at the end of the year	\$ <u>(3,556)</u>	\$ <u>(3,556)</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Schedule of Sewage Fund Operations

For the year ended 31 December 2004
(with 2003 figures for comparison)

	2004	2003
Revenue:		
User charges	\$ <u>122,564</u>	\$ <u>122,273</u>
Expenditure:		
Grant in lieu	\$ 887	\$ 924
Hydro	19,442	16,488
Materials	13,081	3,366
Ontario Clean Water Agency billings	78,051	76,117
Wages	<u>2,087</u>	<u>228</u>
	\$ <u>113,548</u>	\$ <u>97,123</u>
Net surplus for the year	\$ <u>9,016</u>	\$ <u>25,150</u>
Financing and transfers:		
Transfer to capital	\$ (9,000)	\$ (23,599)
Transfer to reserves	<u>(16)</u>	<u>(1,551)</u>
Net financing and transfers	\$ <u>(9,016)</u>	\$ <u>(25,150)</u>
Change in sewage fund balance	\$ -	\$ -
Sewage fund balance at the beginning of the year	<u>-</u>	<u>-</u>
Sewage fund balance at the end of the year	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Schedule of Reserves and Reserve Funds

For the year ended 31 December 2004
(with 2003 figures for comparison)

	2004	2003
Revenue:		
Investment income	\$ 48	\$ -
Expenditure:		
Bank charges	\$ -	\$ 44
Net transfers from (to) other funds:		
Transfer from current fund	\$ 221,624	\$ 160,891
Transfer to capital fund	(58,611)	
Transfer from sewage fund	16	1,551
	<u>\$ 163,029</u>	<u>\$ 162,442</u>
Change in reserves and reserve funds balance	\$ 163,077	\$ 162,398
Reserves and reserve funds at the beginning of the year	<u>1,143,578</u>	<u>981,180</u>
Reserves and reserve funds at the end of the year	<u>\$ 1,306,655</u>	<u>\$ 1,143,578</u>
Analyzed as follows:		
Reserves set aside for specific purposes:		
Working funds	\$ 652,611	\$ 529,099
Sewage	13,971	13,955
Waterworks system	31,503	49,681
Waste disposal	53,700	23,000
Landfill closing costs	16,680	16,680
Fire	40,789	20,000
Other capital	64,018	64,018
Killaloe Hydro infrastructure	<u>416,147</u>	<u>416,147</u>
Total reserves	\$ 1,289,419	\$ 1,132,580
Discretionary reserve fund set aside for specific purpose:		
Environmental	<u>17,236</u>	<u>10,998</u>
Total reserves and reserve funds	<u>\$ 1,306,655</u>	<u>\$ 1,143,578</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Killaloe, Hagarty and Richards

Consolidated Statement of Cash Flows

For the year ended 31 December 2004
(with 2003 figures for comparison)

	2004	2003
Cash flows from operating activities:		
Net surplus for the year	\$ <u>45,240</u>	\$ <u>233,560</u>
Net change in non cash working capital balances related to operations:		
- increase in accounts receivable	\$ (18,297)	\$ (10,088)
- decrease (increase) in taxes receivable	11,987	(27,656)
- decrease in OCWA - reserve fund		14,070
- increase in accounts payable	18,263	15,666
- increase in deferred revenue	<u>5,324</u>	<u>77,158</u>
	\$ <u>17,277</u>	\$ <u>69,150</u>
Cash flows from operating activities	\$ <u>62,517</u>	\$ <u>302,710</u>
Cash flows from financing activities:		
Proceeds from long term debt	\$ 118,450	
Long term debt repaid	<u>(50,257)</u>	\$ <u>(20,700)</u>
Cash flows from (used for) financing activities	\$ <u>68,193</u>	\$ <u>(20,700)</u>
Net increase in cash and cash equivalents during the year	\$ 130,710	\$ 282,010
Cash and cash equivalents at the beginning of the year	<u>576,309</u>	<u>294,299</u>
Cash and cash equivalents at the end of the year	<u>\$ 707,019</u>	<u>\$ 576,309</u>
Comprised of:		
Cash	\$ 707,019	\$ 590,059
Temporary loans - current purposes	<u> </u>	<u>(13,750)</u>
	<u>\$ 707,019</u>	<u>\$ 576,309</u>

(See accompanying notes)

Township of Killaloe, Hagarty and RichardsNotes to the Financial StatementsFor the year ended 31 December 2004**1. ACCOUNTING POLICIES**

The consolidated financial statements of the Corporation of the Township of Killaloe, Hagarty and Richards are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) (i) Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following boards which are under the control of Council:

- Village of Killaloe Recreation Committee
- Killaloe & District Public Library Board

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

(ii) Accounting for County and School Board Transactions

The taxation, other revenues and requisitions with respect to the operations of the school boards and the County of Renfrew are not reflected in the municipal fund balances of these financial statements.

(iii) Trust fund and its related operations administered by the Municipality are not consolidated, but are reported separately on the "Trust Fund Statement of Continuity and Balance Sheet".

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of interest charges on long term liabilities which are charged against operations in the periods in which they are paid. The interest charges are not accrued for the periods from the dates of the latest installment payments to the end of the financial year.

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

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Killaloe, Hagarty and Richards

Notes to the Financial Statements

For the year ended 31 December 2004

(iii) Capital Assets

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

(iv) Amounts to be Recovered

The "Amounts to be recovered", as reported on the consolidated balance sheet, represents the outstanding principal portion of long term liabilities for municipal expenditures and the estimated landfill closure costs.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF RENFREW

Further to Note 1 (a) (ii), the taxation, other revenues and requisitions of the school boards and the County of Renfrew are comprised of the following:

	School Boards	County
Taxation and user charges	\$ 508,521	\$ 697,517
Share of payments in lieu of taxes	<u>846</u>	<u>29,606</u>
Amounts requisitioned	<u>\$ 509,367</u>	<u>\$ 727,123</u>

3. TRUST FUND

Trust fund administered by the Municipality amounting to \$ 9,594 has not been included in the "Consolidated Balance Sheet" nor have its operations been included in the "Consolidated Statement of Operations".

4. DEFERRED REVENUE

The balance of deferred revenue shown on the "Consolidated Balance Sheet" at the end of the year is comprised of the following externally restricted reserve funds:

	2004	2003
Ontario Clean Water Agency	\$ 87,256	\$ 81,932
Shoreline	<u>6,128</u>	<u>6,128</u>
	<u>\$ 93,384</u>	<u>\$ 88,060</u>

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Killaloe, Hagarty and Richards

Notes to the Financial Statements

For the year ended 31 December 2004

5. NET LONG TERM LIABILITIES

- (a) The balance of net long term liabilities of \$ 102,657 (2003 - \$ 34,464) is made up of long term liabilities incurred by the Municipality.
- (b) The net long term liabilities reported in (a) of this Note are payable from 2005 to 2009.
- (c) Total charges for the year for net long term liabilities which are reported on the "Consolidated Statement of Operations" are made up of :

	<u>2004</u>	<u>2003</u>
Principal	\$ 50,257	\$ 20,700
Interest	<u>3,194</u>	<u>2,148</u>
	<u>\$ 53,451</u>	<u>\$ 22,848</u>

6. LANDFILL CLOSURE AND POST CLOSURE COSTS

The landfill closure and post closure costs are the Township's estimate of the future costs of closing and monitoring the Township's landfill sites.

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Killaloe, Hagarty and Richards.

We have audited the balance sheet of the Ontario Home Renewal Program trust fund of the Corporation of the Township of Killaloe, Hagarty and Richards as at 31 December 2004, and the statement of continuity of the trust fund for the year then ended. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Ontario Home Renewal Program trust fund of the Corporation of the Township of Killaloe, Hagarty and Richards as at 31 December 2004, and the continuity of the trust fund for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

MacKillican & Associates

RENFREW, Ontario.

19 January 2005.

Chartered Accountants.

Township of Killaloe, Hagarty and RichardsOntario Home Renewal Program Trust FundBalance Sheet

As at 31 December 2004
(with 2003 figures for comparison)

	2004	2003
<u>ASSETS</u>		
Cash	\$ 2,116	\$ 802
Loans receivable (Note 2)	<u>7,584</u>	<u>9,489</u>
	<u>\$ 9,700</u>	<u>\$ 10,291</u>
<u>LIABILITY AND FUND BALANCE</u>		
Due to Municipality	\$ 106	\$ 41
Fund balance	<u>9,594</u>	<u>10,250</u>
	<u>\$ 9,700</u>	<u>\$ 10,291</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Ontario Home Renewal Program Trust Fund

Statement of Continuity

For the year ended 31 December 2004
(with 2003 figures for comparison)

	<u>2004</u>	<u>2003</u>
Balance at the beginning of the year	\$ <u>10,250</u>	\$ <u>15,194</u>
Revenue:		
Loan interest	\$ <u>214</u>	\$ <u>235</u>
Expenditure:		
Administration	\$ 109	\$ 54
Loan written off		4,282
Repayment to the Province of Ontario	<u>761</u>	<u>843</u>
	<u>\$ 870</u>	<u>\$ 5,179</u>
Balance at the end of the year	<u>\$ 9,594</u>	<u>\$ 10,250</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Ontario Home Renewal Program Trust Fund

Notes to the Financial Statements

For the year ended 31 December 2004

1. ACCOUNTING POLICIES

Basis of Accounting

Capital receipts and income are reported on the cash basis of accounting.

Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

2. ONTARIO HOME RENEWAL PROGRAM

Ontario Home Renewal Program loans receivable at 31 December 2004 comprise repayable loans of \$ 6,184 (2002 - \$ 8,089) and forgivable loans of \$ 1,400 (2003 - \$ 1,400). 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.

In 1993, the Ministry of Housing announced that the Ontario Home Renewal Program was being discontinued and that all cash funds on hand at the end of each year are to be returned to the Province by 1 March of the next year. For the year ended 31 December 2004, the amount of \$ 2,010 must be returned to the Province by 1 March 2005.

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

252 Raglan Street S.
Renfrew, Ontario

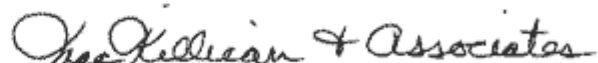
AUDITORS' REPORT

To the Committee Members,
Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Killaloe, Hagarty and Richards.

We have audited the balance sheet of the Village of Killaloe Recreation Committee as at 31 December 2004, and the statement of revenue and expenditure for the year ended. These financial statements are the responsibility of the Recreation Committee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village of Killaloe Recreation Committee as at 31 December 2004, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.



RENFREW, Ontario.

19 January 2005.

Chartered Accountants.

Village of Killaloe Recreation CommitteeBalance Sheet

As at 31 December 2004
(with 2003 figures for comparison)

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash in bank	\$ 1,836	\$ 567
Due from Canada	94	
Due from Township	<u>2,131</u>	<u>2,131</u>
	<u>\$ 4,061</u>	<u>\$ 2,698</u>
<u>ACCUMULATED NET REVENUE</u>		
Accumulated net revenue	<u>\$ 4,061</u>	<u>\$ 2,698</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Village of Killaloe Recreation Committee

Statement of Revenue and Expenditure

For the year ended 31 December 2004
(with 2003 figures for comparison)

	<u>2004</u>	<u>2003</u>
Revenue:		
Recreation hockey program	\$ 3,011	\$ -
Expenditure:		
Recreation hockey program	<u>1,648</u>	<u> </u>
Net revenue for the year	\$ 1,363	\$ -
Accumulated net revenue at the beginning of the year	<u>2,698</u>	<u>2,698</u>
Accumulated net revenue at the end of the year	<u>\$ 4,061</u>	<u>\$ 2,698</u>

(See accompanying notes)

Village of Killaloe Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2004

1. ACCOUNTING POLICIES

The financial statements of the Village of Killaloe Recreation Committee are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

Basis of Accounting

- (1) Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (2) The historical cost and accumulated amortization of capital assets are not reported for municipal purposes. Capital assets are reported as an expenditure in the year of acquisition.

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

252 Raglan Street S.
Renfrew, Ontario

AUDITORS' REPORT

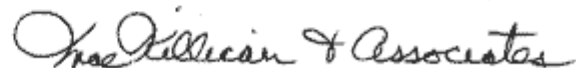
To the Board Members,
Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Killaloe, Hagarty and Richards.

We have audited the balance sheet of the Killaloe & District Public Library Board as at 31 December 2004, and the statement of revenue and expenditure 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.

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.

In common with many library boards, the organization derives revenue from fines, donations, fund raising and sundry, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Killaloe & District Public Library Board and we were not able to determine whether any adjustments might be necessary to fines, donations, fund raising and sundry, assets and accumulated net revenue.

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 the fines, donations, fund raising and sundry referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Killaloe & District Public Library Board as at 31 December 2004, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.



RENFREW, Ontario.

19 January 2005.

Chartered Accountants.

Killaloe & District Public Library Board

Balance Sheet

As at 31 December 2004
(with 2003 figures for comparison)

	2004	2003
ASSETS		
Cash on hand and in bank	\$ 3,740	\$ 11,413
Due from Canada	<u>539</u>	<u> </u>
	<u>\$ 4,279</u>	<u>\$ 11,413</u>
LIABILITIES AND ACCUMULATED NET REVENUE		
Current liabilities:		
Accounts payable	\$ 1,000	\$ 1,000
Due to Canada		84
Due to Ontario Trillium Foundation	<u> </u>	<u>6,742</u>
	\$ 1,000	\$ 7,826
Accumulated net revenue	<u>3,279</u>	<u>3,587</u>
	<u>\$ 4,279</u>	<u>\$ 11,413</u>

(See accompanying notes)

Killaloe & District Public Library Board

Statement of Revenue and Expenditure

For the year ended 31 December 2004
(with 2004 budget and 2003 actual figures for comparison)

	Budget 2004	Actual 2004	Actual 2003
Accumulated net revenue at the beginning of the year	\$ 3,587	\$ 3,587	\$ 5,058
Revenue:			
Grants - Ontario Library	\$ 6,824	\$ 6,824	\$ 5,118
- Pay Equity	1,312	1,312	1,312
- Human Resources Development	1,072	1,073	1,054
- Ontario Trillium Foundation	6,742	6,742	258
- Sustainability	4,000	4,000	
Services sold to other library boards	4,148	4,148	4,148
Fines, donations, fund raising and sundry	9,388	10,532	8,881
	<u>\$ 33,486</u>	<u>\$ 34,631</u>	<u>\$ 20,771</u>
Expenditure:			
Advertising	\$ 600	\$ 527	\$ 477
Audit	1,000	1,000	1,000
Books	4,661	4,408	4,455
Fund raising	60	12	59
Postage and office	980	1,220	1,021
Programs and sundry	1,782	1,441	1,757
Supplies and furniture	1,425	1,642	1,061
Sustainability grant expenses	4,000	4,047	
Trillium grant expenses	6,742	6,742	258
Wages	25,236	28,400	25,154
	<u>\$ 46,486</u>	<u>\$ 49,439</u>	<u>\$ 35,242</u>
Net deficit for the year	\$ (13,000)	\$ (14,808)	\$ (14,471)
Financing and transfers:			
Transfer from current fund	13,000	14,500	13,000
Change in library fund balance	\$ -	\$ (308)	\$ (1,471)
Accumulated net revenue at the end of the year	<u>\$ 3,587</u>	<u>\$ 3,279</u>	<u>\$ 3,587</u>

(See accompanying notes)

Killaloe & District Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2004

1. ACCOUNTING POLICIES

The financial statements of the Killaloe & District Public Library Board are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

Basis of Accounting

- (1) Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (2) The historical cost and accumulated amortization of capital assets are not reported for municipal purposes. Capital assets are reported as an expenditure in the year of acquisition.