

**MACKILLICAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

252 Raglan Street S.  
Renfrew, Ontario

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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 2007, 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 2007, 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.

*MacKillican & Associates*

RENFREW, Ontario.

21 January 2008.

**Chartered Accountants,**

Licensed Public Accountants.

Township of Killaloe, Hagarty and Richards

Consolidated Balance Sheet

As at 31 December 2007  
(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash	\$ 1,501,364	\$ 995,014
Taxes receivable	443,492	430,213
Accounts receivable	152,961	465,369
Investment in Ottawa River Power Corporation	<u>358,895</u>	<u>358,895</u>
	<u>\$ 2,456,712</u>	<u>\$ 2,249,491</u>
 <u>LIABILITIES AND MUNICIPAL POSITION</u>		
Accounts payable and accrued liabilities	\$ 172,630	\$ 112,307
Deferred revenue (Note 4)	102,696	56,924
Net long term liabilities (Note 5)	31,587	55,277
Landfill closure and post closure costs (Note 6)	<u>352,300</u>	<u>352,300</u>
	<u>\$ 659,213</u>	<u>\$ 576,808</u>
 Municipal position:		
Fund balances:		
Current fund	\$ 4,106	\$ 5,481
Library board	22,293	16,588
Village of Killaloe Recreation Committee	7,308	8,863
Water fund	(274)	(5,359)
Discretionary reserve fund	17,034	27,137
Reserves	<u>2,130,919</u>	<u>2,027,550</u>
Total fund balances	<u>\$ 2,181,386</u>	<u>\$ 2,080,260</u>
 Amounts to be recovered: (Note 1(b) (iv))		
Long term liabilities	\$ (31,587)	\$ (55,277)
Landfill closure and post closure costs	<u>(352,300)</u>	<u>(352,300)</u>
Total amounts to be recovered	<u>\$ (383,887)</u>	<u>\$ (407,577)</u>
 Municipal position	 <u>\$ 1,797,499</u>	 <u>\$ 1,672,683</u>
	<u>\$ 2,456,712</u>	<u>\$ 2,249,491</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Township of Killaloe, Hagarty and Richards

Consolidated Statement of Operations

For the year ended 31 December 2007

(with 2007 budget and 2006 actual figures for comparison)

	<u>Budget</u> 2007	<u>Actual</u> 2007	<u>Actual</u> 2006
Revenue:			
Taxation and user charges	\$ 1,662,926	\$ 1,667,967	\$ 1,640,614
Transfer payments:			
Ontario	685,806	607,613	721,926
Canada	2,800	9,777	12,897
Other municipalities	3,792	5,387	5,562
Other	<u>255,782</u>	<u>363,669</u>	<u>282,402</u>
	<u>\$ 2,611,106</u>	<u>\$ 2,654,413</u>	<u>\$ 2,663,401</u>
Expenditure:			
Current:			
General government	\$ 448,900	\$ 451,502	\$ 437,690
Protection to persons and property	464,646	405,744	417,802
Transportation services	711,419	686,704	566,396
Environmental services	630,379	472,304	440,474
Health services	7,500	7,500	7,500
Recreation and cultural services	97,036	117,277	99,624
Planning and development	<u>9,500</u>	<u>2,555</u>	<u>9,625</u>
	<u>\$ 2,369,380</u>	<u>\$ 2,143,586</u>	<u>\$ 1,979,111</u>
Capital:			
General government	\$ 110,000	\$ 44,757	
Protection to persons and property	159,119	159,594	\$ 21,000
Transportation services	80,000	81,036	192,340
Environmental services	285,000	72,374	118,247
Recreation and cultural services	<u>28,250</u>	<u>28,250</u>	
	<u>\$ 662,369</u>	<u>\$ 386,011</u>	<u>\$ 331,587</u>
	<u>\$ 3,031,749</u>	<u>\$ 2,529,597</u>	<u>\$ 2,310,698</u>
Net surplus (deficit) for the year	\$ (420,643)	\$ 124,816	\$ 352,703
Financing and transfers:			
Debt principal payments	<u>(23,695)</u>	<u>(23,690)</u>	<u>(23,690)</u>
Change in fund balances for the year	<u>\$ (444,338)</u>	<u>\$ 101,126</u>	<u>\$ 329,013</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 2007

(with 2007 budget and 2006 actual figures for comparison)

	<u>Budget 2007</u>	<u>Actual 2007</u>	<u>Actual 2006</u>
Revenue:			
Net municipal taxation	\$ 1,416,090	\$ 1,424,737	\$ 1,406,983
Transfer payments:			
Ontario	632,874	528,502	609,845
Canada	2,800	9,777	2,897
Other municipalities	1,500	1,239	1,239
Other	<u>246,719</u>	<u>326,999</u>	<u>255,480</u>
	<u>\$ 2,299,983</u>	<u>\$ 2,291,254</u>	<u>\$ 2,276,444</u>
Expenditure:			
General government	\$ 448,900	\$ 451,502	\$ 437,690
Protection to persons and property	464,646	405,744	417,802
Transportation services	711,419	686,704	566,396
Environmental services	335,685	249,781	210,504
Health services	7,500	7,500	7,500
Recreation and cultural services	46,000	60,026	43,419
Planning and development	<u>9,500</u>	<u>2,555</u>	<u>9,625</u>
	<u>\$ 2,023,650</u>	<u>\$ 1,863,812</u>	<u>\$ 1,692,936</u>
Net surplus for the year	<u>\$ 276,333</u>	<u>\$ 427,442</u>	<u>\$ 583,508</u>
Financing and transfers:			
Debt principal payments	\$ (23,695)	\$ (23,690)	\$ (23,690)
Transfer to library	(13,500)	(15,589)	(16,723)
Transfer to reserves and reserve funds	(50,500)	(203,356)	(410,057)
Transfer to capital fund	<u>(194,119)</u>	<u>(186,182)</u>	<u>(131,756)</u>
Net financing and transfers	<u>\$ (281,814)</u>	<u>\$ (428,817)</u>	<u>\$ (582,226)</u>
Change in current fund balance	\$ (5,481)	\$ (1,375)	\$ 1,282
Current fund balance at the beginning of the year	<u>5,481</u>	<u>5,481</u>	<u>4,199</u>
Current fund balance at the end of the year	<u>\$ -</u>	<u>\$ 4,106</u>	<u>\$ 5,481</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 2007

(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
Revenue:		
User charges	\$ <u>108,822</u>	\$ <u>101,965</u>
Expenditure:		
Ontario Clean Water Agency billings	\$ 91,124	\$ 91,829
Hydro	<u>12,613</u>	<u>11,895</u>
	\$ <u>103,737</u>	\$ <u>103,724</u>
Net surplus (deficit) for the year	\$ 5,085	\$ (1,759)
Water fund balance at the beginning of the year	<u>(5,359)</u>	<u>(3,600)</u>
Water fund balance at the end of the year	<u><u>\$ (274)</u></u>	<u><u>\$ (5,359)</u></u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Schedule of Capital Fund Operations

For the year ended 31 December 2007

(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
Revenue:		
Grant - Ontario	\$ 45,867	\$ 78,831
- Canada		10,000
- True Sport Foundation	28,250	
Deferred revenue	<u>                    </u>	<u>11,000</u>
	<u>\$ 74,117</u>	<u>\$ 99,831</u>
Expenditure:		
General government	\$ 44,757	
Protection to persons and property	159,594	\$ 21,000
Transportation services	81,036	192,340
Environmental services	72,374	118,247
Recreation and cultural services	<u>28,250</u>	<u>                    </u>
Total expenditure	<u>\$ 386,011</u>	<u>\$ 331,587</u>
Net deficit for the year	<u>\$ (311,894)</u>	<u>\$ (231,756)</u>
Financing and transfers:		
Transfer from current fund	\$ 186,182	\$ 131,756
Transfer from reserves	<u>125,712</u>	<u>100,000</u>
	<u>\$ 311,894</u>	<u>\$ 231,756</u>
Change in capital fund balance	\$ -	\$ -
Capital fund balance at the beginning of the year	<u>-</u>	<u>-</u>
Capital fund balance at the end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(See accompanying notes)

Township of Killaloe, Hagarty and RichardsSchedule of Sewage Fund OperationsFor the year ended 31 December 2007

(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
Revenue:		
User charges	\$ <u>134,408</u>	\$ <u>131,666</u>
Expenditure:		
Grant in lieu	\$ 989	\$ 963
Hydro	24,059	25,357
Materials	1,832	13,892
Ontario Clean Water Agency billings	91,036	86,020
Wages	<u>870</u>	<u>14</u>
	\$ <u>118,786</u>	\$ <u>126,246</u>
Net surplus for the year	\$ <u>15,622</u>	\$ <u>5,420</u>
Financing and transfers:		
Transfer to reserves	\$ <u>(15,622)</u>	\$ <u>(5,420)</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>	<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 2007

(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
Net transfers from (to) other funds:		
Transfer from current fund	\$ 203,356	\$ 410,057
Transfer to capital fund	(125,712)	(100,000)
Transfer from sewage fund	<u>15,622</u>	<u>5,420</u>
Change in reserves and reserve funds balance	\$ 93,266	\$ 315,477
Reserves and reserve funds at the beginning of the year	<u>2,054,687</u>	<u>1,739,210</u>
Reserves and reserve funds at the end of the year	<u>\$ 2,147,953</u>	<u>\$ 2,054,687</u>
Analyzed as follows:		
Reserves set aside for specific purposes:		
Working funds	\$ 815,828	\$ 679,502
Sewage	36,332	20,711
Waterworks system	12,925	31,503
Waste disposal	303,700	303,700
Landfill closing costs	341,180	291,180
Fire	90,789	170,789
Other capital	114,018	114,018
Killaloe Hydro infrastructure	<u>416,147</u>	<u>416,147</u>
Total reserves	\$ 2,130,919	\$ 2,027,550
Discretionary reserve fund set aside for specific purpose:		
Environmental	<u>17,034</u>	<u>27,137</u>
Total reserves and reserve funds	<u>\$ 2,147,953</u>	<u>\$ 2,054,687</u>

(See accompanying notes)



Township of Killaloe, Hagarty and Richards

Consolidated Statement of Cash Flows

For the year ended 31 December 2007

(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Net surplus for the year	\$ <u>124,816</u>	\$ <u>352,703</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (13,279)	\$ (79,393)
- decrease (increase) in accounts receivable	312,408	(161,960)
- increase (decrease) in accounts payable and accrued liabilities	60,323	4,625
- increase (decrease) in deferred revenue	<u>45,772</u>	<u>43,034</u>
	\$ <u>405,224</u>	\$ <u>(193,694)</u>
Cash flows from operating activities	\$ <u>530,040</u>	\$ <u>159,009</u>
Cash flows from financing activities:		
Long term debt repaid	\$ <u>(23,690)</u>	\$ <u>(23,690)</u>
Net increase in cash and cash equivalents during the year	\$ 506,350	\$ 135,319
Cash and cash equivalents at the beginning of the year	<u>995,014</u>	<u>859,695</u>
Cash and cash equivalents at the end of the year	\$ <u><u>1,501,364</u></u>	\$ <u><u>995,014</u></u>
Comprised of:		
Cash	\$ <u><u>1,501,364</u></u>	\$ <u><u>995,014</u></u>

(See accompanying notes)

Township of Killaloe, Hagarty and RichardsNotes to the Financial StatementsFor the year ended 31 December 2007**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.

Township of Killaloe, Hagarty and Richards

Notes to the Financial Statements

For the year ended 31 December 2007

(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:

	<u>School Boards</u>	<u>County</u>
Taxation and user charges	\$ 567,977	\$ 883,814
Share of payments in lieu of taxes	<u>269</u>	<u>31,733</u>
Amounts requisitioned	<u>\$ 568,246</u>	<u>\$ 915,547</u>

3. TRUST FUND

Trust fund administered by the Municipality amounting to \$ 4,483 (2006 - \$ 4,666) has not been included in the "Consolidated Balance Sheet" nor have its operations been included in the "Consolidated Statement of Operations".

4. DEFERRED REVENUE

(a) 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:

	<u>2007</u>	<u>2006</u>
Ontario Clean Water Agency	\$ 3,692	\$ 46
Shoreline	18,138	8,403
Gasoline Tax - Federal	<u>80,866</u>	<u>48,475</u>
	<u>\$ 102,696</u>	<u>\$ 56,924</u>

Township of Killaloe, Hagarty and Richards

Notes to the Financial Statements

For the year ended 31 December 2007

(b) Transactions during the year in the externally restricted reserve funds are as follows:

	<u>2007</u>	<u>2006</u>
Balance at the beginning of the year	\$ 56,924	\$ -
Add: Gasoline Tax revenue	\$ 32,391	\$ 48,475
Sale of shoreline	9,735	8,403
Frontage fees	1,074	46
Interest	<u>2,572</u>	<u>          </u>
	\$ <u>45,772</u>	\$ <u>56,924</u>
Balance at the end of the year	\$ <u>102,696</u>	\$ <u>56,924</u>

5. NET LONG TERM LIABILITIES

- (a) The balance of net long term liabilities of \$ 31,587 (2006 - \$ 55,277) 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 in 2008 and 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>2007</u>	<u>2006</u>
Principal	\$ 23,690	\$ 23,690
Interest	<u>2,701</u>	<u>3,879</u>
	\$ <u>26,391</u>	\$ <u>27,569</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.

7. TANGIBLE CAPITAL ASSETS

Effective in 2009 all municipalities are required, under Section PS3150 of the Public Sector Accounting Handbook, to report tangible capital assets in their financial statements.

The municipality is in the process of compiling the information needed to comply with this new reporting requirement.

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

**MACKILLICAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

252 Raglan Street S.  
Renfrew, Ontario

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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 2007, 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 2007, 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.

*MacKilligan & Associates*

RENFREW, Ontario.

21 January 2008.

**Chartered Accountants,**

Licensed Public Accountants.

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

As at 31 December 2007  
(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash	\$ 9	\$ 423
Loans receivable (Note 2)	<u>4,483</u>	<u>4,483</u>
	<u>\$ 4,492</u>	<u>\$ 4,906</u>
<u>LIABILITY AND FUND BALANCE</u>		
Due to Municipality	\$ 9	\$ 240
Fund balance	<u>4,483</u>	<u>4,666</u>
	<u>\$ 4,492</u>	<u>\$ 4,906</u>

(See accompanying notes)

Township of Killaloe, Hagarty and RichardsOntario Home Renewal Program Trust FundStatement of ContinuityFor the year ended 31 December 2007

(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
Balance at the beginning of the year	\$ <u>4,666</u>	\$ <u>7,465</u>
Revenue:		
Interest	\$ <u>-</u>	\$ <u>18</u>
Expenditure:		
Administration		\$ 251
Repayment to the Province of Ontario	\$ <u>183</u>	<u>2,566</u>
	\$ <u>183</u>	\$ <u>2,817</u>
Balance at the end of the year	\$ <u><u>4,483</u></u>	\$ <u><u>4,666</u></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 2007

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 2007 comprise repayable loans of \$ 3,083 (2006 - \$ 3,083) and forgivable loans of \$ 1,400 (2006 - \$ 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 2007, there is no amount to be returned to the Province by 1 March 2008.



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 2007, 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.

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 such organizations, the Committee derives revenue from fundraising activities, 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 Village of Killaloe Recreation Committee and we were not able to determine whether any adjustments might be necessary to fundraising activities, 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 fundraising activities referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Village of Killaloe Recreation Committee as at 31 December 2007, 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.

*MacKillican & Associates*

RENFREW, Ontario.

21 January 2008.

**Chartered Accountants,**

Licensed Public Accountants.

Village of Killaloe Recreation CommitteeBalance Sheet

As at 31 December 2007  
(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash in bank	\$ 5,608	\$ 9,085
Due from Canada	<u>1,700</u>	<u>58</u>
	<u>\$ 7,308</u>	<u>\$ 9,143</u>
<u>LIABILITIES AND ACCUMULATED NET REVENUE</u>		
Current liabilities:		
Accounts payable	\$ -	\$ 280
Accumulated net revenue	<u>7,308</u>	<u>8,863</u>
	<u>\$ 7,308</u>	<u>\$ 9,143</u>

(See accompanying notes)

Village of Killaloe Recreation CommitteeStatement of Revenue and ExpenditureFor the year ended 31 December 2007

(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
Revenue:		
True Sport Foundation Grant	\$ -	\$ 6,250
Recreation hockey program		805
Fundraising		<u>130</u>
	<u>\$ -</u>	<u>\$ 7,185</u>
Expenditure:		
Recreation hockey program	<u>\$ 1,555</u>	<u>\$ 3,620</u>
Net revenue (expenditure) for the year	\$ (1,555)	\$ 3,565
Accumulated net revenue at the beginning of the year	<u>8,863</u>	<u>5,298</u>
Accumulated net revenue at the end of the year	<u>\$ 7,308</u>	<u>\$ 8,863</u>

(See accompanying notes)

Village of Killaloe Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2007

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.

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 2007, 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, fundraising 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, fundraising 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, fundraising 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 2007, 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.

*MacKilligan & Associates*

RENFREW, Ontario.

21 January 2008.

**Chartered Accountants,**

Licensed Public Accountants.

Killaloe & District Public Library BoardBalance Sheet

As at 31 December 2007  
(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash on hand and in bank	\$ 21,628	\$ 15,945
Due from Canada	377	1,111
Due from Ontario	<u>1,288</u>	<u>1,616</u>
	<u>\$ 23,293</u>	<u>\$ 18,672</u>
<u>LIABILITIES AND ACCUMULATED NET REVENUE</u>		
Current liabilities:		
Accounts payable	\$ 1,000	\$ 2,084
Accumulated net revenue	<u>22,293</u>	<u>16,588</u>
	<u>\$ 23,293</u>	<u>\$ 18,672</u>

(See accompanying notes)

## Killaloe &amp; District Public Library Board

## Statement of Revenue and Expenditure

For the year ended 31 December 2007

(with 2007 budget and 2006 actual figures for comparison)

	Budget 2007	Actual 2007	Actual 2006
Accumulated net revenue at the beginning of the year \$	16,588	16,588	6,140
Revenue:			
Grants - Ontario Library	\$ 6,824	\$ 6,824	\$ 6,824
- Pay Equity	1,312	1,312	1,312
- Ontario Trillium Foundation		6,000	4,600
- Sustainability	2,927	2,927	4,262
- CAP Grant	3,256	4,996	4,514
- Ministry of Culture Grant	9,000	9,000	10,500
- Connectivity Grant	763	1,585	638
- Summer Jobs Service Grant	600	600	600
Services sold to other library boards	2,292	4,148	4,323
Fines, donations, fundraising and sundry	9,063	8,420	8,737
	\$ 36,037	\$ 45,812	\$ 46,310
Expenditure:			
Advertising	\$ 650	\$ 836	\$ 194
Audit		1,500	1,500
Books	4,410	4,369	2,605
Equipment upgrades	1,307	1,454	
Expansion project		7,614	3,842
Fundraising	100	363	19
Insurance		589	
Postage and office	1,279	1,154	1,265
Programs and sundry	1,760	1,141	1,183
Supplies and furniture	6,018	3,337	3,926
Sustainability grant expenses	3,727	1,428	4,136
Trillium grant expenses		4,967	4,546
Wages	28,285	26,944	29,369
	\$ 47,536	\$ 55,696	\$ 52,585
Net deficit for the year	\$ (11,499)	\$ (9,884)	\$ (6,275)
Financing and transfers:			
Transfer from current fund	13,500	15,589	16,723
Change in library fund balance	\$ 2,001	\$ 5,705	\$ 10,448
Accumulated net revenue at the end of the year	\$ 18,589	\$ 22,293	\$ 16,588

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Killaloe & District Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2007

1. ACCOUNTING POLICIES

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