

Township of Killaloe, Hagarty and Richards

Financial Report

For the year ended 31 December 2008

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 statement of financial position of the Corporation of the Township of Killaloe, Hagarty and Richards as at 31 December 2008, and the consolidated statements of financial activities 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 2008, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*MacKillican & Associates*

RENFREW, Ontario.

20 January 2009.

Chartered Accountants,

Licensed Public Accountants.

## Township of Killaloe, Hagarty and Richards

## Consolidated Statement of Financial Position

As at 31 December 2008  
(with 2007 figures for comparison)

	2008	2007
<b>ASSETS</b>		
Cash	\$ 1,742,878	\$ 1,501,364
Taxes receivable	477,510	443,492
Accounts receivable	129,989	152,961
Investment in Ottawa River Power Corporation (Note 4)	<u>358,895</u>	<u>358,895</u>
	<u>\$ 2,709,272</u>	<u>\$ 2,456,712</u>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
Accounts payable and accrued liabilities	\$ 192,323	\$ 172,630
Deferred revenue - obligatory reserve funds (Note 5)	68,626	102,696
- other	243,843	
Net long term liabilities (Note 6)	7,896	31,587
Landfill closure and post closure costs (Note 7)	<u>352,300</u>	<u>352,300</u>
	<u>\$ 864,988</u>	<u>\$ 659,213</u>
Municipal position:		
Fund balances:		
Current fund	\$ 4,318	\$ 4,106
Library board	14,005	22,293
Village of Killaloe Recreation Committee	7,548	7,308
Water fund	2,552	(274)
Discretionary reserve fund	33,754	17,034
Reserves	<u>2,142,303</u>	<u>2,130,919</u>
Total fund balances	<u>\$ 2,204,480</u>	<u>\$ 2,181,386</u>
Amounts to be recovered: (Note 1 (k))		
Long term liabilities	\$ (7,896)	\$ (31,587)
Landfill closure and post closure costs	<u>(352,300)</u>	<u>(352,300)</u>
Total amounts to be recovered	<u>\$ (360,196)</u>	<u>\$ (383,887)</u>
Municipal position	<u>\$ 1,844,284</u>	<u>\$ 1,797,499</u>
	<u>\$ 2,709,272</u>	<u>\$ 2,456,712</u>

(See accompanying notes)

MACKILLICAN &amp; ASSOCIATES

CHARTERED ACCOUNTANTS

## Township of Killaloe, Hagarty and Richards

## Consolidated Statement of Financial Activities

For the year ended 31 December 2008  
(with 2008 budget and 2007 actual figures for comparison)

	Budget 2008	Actual 2008	Actual 2007
<b>Revenue:</b>			
Taxation and user charges	\$ 1,686,288	\$ 1,694,525	\$ 1,667,967
Transfer payments:			
Ontario	1,125,429	1,008,432	607,613
Canada	7,900	10,483	9,777
Other municipalities	5,148	18,263	5,387
Other	289,400	386,367	363,669
	<u>\$ 3,114,165</u>	<u>\$ 3,118,070</u>	<u>\$ 2,654,413</u>
<b>Expenditure:</b>			
Current:			
General government	\$ 504,604	\$ 536,447	\$ 451,502
Protection to persons and property	730,694	410,093	405,744
Transportation services	931,018	684,975	686,704
Environmental services	693,727	595,629	472,304
Health services	7,500	15,000	7,500
Recreation and cultural services	101,614	119,285	117,277
Planning and development	14,000	8,507	2,555
	<u>\$ 2,983,157</u>	<u>\$ 2,369,936</u>	<u>\$ 2,143,586</u>
Capital:			
General government	\$ 230,000	\$ 209,681	\$ 44,757
Protection to persons and property		1,107	159,594
Transportation services	331,100	402,468	81,036
Environmental services	116,646	88,094	72,374
Recreation and cultural services			28,250
	<u>\$ 677,746</u>	<u>\$ 701,350</u>	<u>\$ 386,011</u>
	<u>\$ 3,660,903</u>	<u>\$ 3,071,286</u>	<u>\$ 2,529,597</u>
Net surplus (deficit) for the year	\$ (546,738)	\$ 46,784	\$ 124,816
Financing and transfers:			
Debt principal payments	(23,690)	(23,690)	(23,690)
Change in fund balances for the year	<u>\$ (570,428)</u>	<u>\$ 23,094</u>	<u>\$ 101,126</u>

(See accompanying notes)

## Township of Killaloe, Hagarty and Richards

## Schedule of Current Fund Operations

For the year ended 31 December 2008

(with 2008 budget and 2007 actual figures for comparison)

	Budget 2008	Actual 2008	Actual 2007
<b>Revenue:</b>			
Net municipal taxation	\$ 1,446,188	\$ 1,450,892	\$ 1,424,737
Transfer payments:			
Ontario	865,613	742,294	528,502
Canada	7,900	8,801	9,777
Other municipalities	1,000	14,115	1,239
Other	277,500	293,178	326,999
	<u>\$ 2,598,201</u>	<u>\$ 2,509,280</u>	<u>\$ 2,291,254</u>
<b>Expenditure:</b>			
General government	\$ 504,604	\$ 536,447	\$ 451,502
Protection to persons and property	730,694	410,093	405,744
Transportation services	931,018	684,975	686,704
Environmental services	453,627	346,220	249,781
Health services	7,500	15,000	7,500
Recreation and cultural services	59,750	61,088	60,026
Planning and development	14,000	8,507	2,555
	<u>\$ 2,701,193</u>	<u>\$ 2,062,330</u>	<u>\$ 1,863,812</u>
Net surplus (deficit) for the year	<u>\$ (102,992)</u>	<u>\$ 446,950</u>	<u>\$ 427,442</u>
<b>Financing and transfers:</b>			
Debt principal payments	\$ (23,690)	\$ (23,690)	\$ (23,690)
Transfer to library	(16,000)	(15,687)	(15,589)
Transfer from (to) reserves and reserve funds	187,722	(382,086)	(203,356)
Transfer to capital fund	(49,146)	(25,275)	(186,182)
Net financing and transfers	<u>\$ 98,886</u>	<u>\$ (446,738)</u>	<u>\$ (428,817)</u>
Change in current fund balance	\$ (4,106)	\$ 212	\$ (1,375)
Current fund balance at the beginning of the year	<u>4,106</u>	<u>4,106</u>	<u>5,481</u>
Current fund balance at the end of the year	<u>\$ -</u>	<u>\$ 4,318</u>	<u>\$ 4,106</u>

(See accompanying notes)

MACKILLICAN &amp; ASSOCIATES

CHARTERED ACCOUNTANTS

## Township of Killaloe, Hagarty and Richards

## Schedule of Water Fund Operations

For the year ended 31 December 2008  
(with 2007 figures for comparison)

	2008	2007
Revenue:		
User charges	\$ <u>108,678</u>	\$ <u>108,822</u>
Expenditure:		
Ontario Clean Water Agency billings	\$ 93,368	\$ 91,124
Hydro	<u>12,484</u>	<u>12,613</u>
	\$ <u>105,852</u>	\$ <u>103,737</u>
Net surplus for the year	\$ 2,826	\$ 5,085
Water fund balance at the beginning of the year	<u>(274)</u>	<u>(5,359)</u>
Water fund balance at the end of the year	<u><u>\$ 2,552</u></u>	<u><u>\$ (274)</u></u>

(See accompanying notes)

## Township of Killaloe, Hagarty and Richards

## Schedule of Capital Fund Operations

For the year ended 31 December 2008  
(with 2007 figures for comparison)

	2008	2007
<b>Revenue:</b>		
Grant - Ontario	\$ 249,368	\$ 45,867
- True Sport Foundation		28,250
Deferred revenue	<u>81,327</u>	<u>          </u>
	<u>\$ 330,695</u>	<u>\$ 74,117</u>
<b>Expenditure:</b>		
General government	\$ 209,681	\$ 44,757
Protection to persons and property	1,107	159,594
Transportation services	402,468	81,036
Environmental services	88,094	72,374
Recreation and cultural services	<u>          </u>	<u>28,250</u>
<b>Total expenditure</b>	<u>\$ 701,350</u>	<u>\$ 386,011</u>
<b>Net deficit for the year</b>	<u>\$ (370,655)</u>	<u>\$ (311,894)</u>
<b>Financing and transfers:</b>		
Transfer from current fund	\$ 25,275	\$ 186,182
Transfer from reserves	<u>345,380</u>	<u>125,712</u>
<b>Net financing and transfers</b>	<u>\$ 370,655</u>	<u>\$ 311,894</u>
<b>Change in capital fund balance</b>	\$ -	\$ -
<b>Capital fund balance at the beginning of the year</b>	<u>-</u>	<u>-</u>
<b>Capital fund balance at the end of the year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(See accompanying notes)

## Township of Killaloe, Hagarty and Richards

## Schedule of Sewage Fund Operations

For the year ended 31 December 2008  
(with 2007 figures for comparison)

	2008	2007
<b>Revenue:</b>		
User charges	\$ 134,955	\$ 134,408
<b>Expenditure:</b>		
Grant in lieu	\$ 1,001	\$ 989
Hydro	22,847	24,059
Materials	22,700	1,832
Ontario Clean Water Agency billings	94,187	91,036
Wages	2,822	870
	<u>\$ 143,557</u>	<u>\$ 118,786</u>
<b>Net surplus (deficit) for the year</b>	<u>\$ (8,602)</u>	<u>\$ 15,622</u>
<b>Financing and transfers:</b>		
Transfer from (to) reserves	\$ 8,602	\$ (15,622)
<b>Change in sewage fund balance</b>	\$ -	\$ -
<b>Sewage fund balance at the beginning of the year</b>	<u>-</u>	<u>-</u>
<b>Sewage fund balance at the end of the year</b>	<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 2008  
(with 2007 figures for comparison)

	2008	2007
Net transfers from (to) other funds:		
Transfer from current fund	\$ 382,086	\$ 203,356
Transfer to capital fund	(345,380)	(125,712)
Transfer from (to) sewage fund	<u>(8,602)</u>	<u>15,622</u>
Change in reserves and reserve funds balance	\$ 28,104	\$ 93,266
Reserves and reserve funds at the beginning of the year	<u>2,147,953</u>	<u>2,054,687</u>
Reserves and reserve funds at the end of the year	<u>\$ 2,176,057</u>	<u>\$ 2,147,953</u>
Analyzed as follows:		
Reserves set aside for specific purposes:		
Working funds	\$ 1,015,773	\$ 815,828
Roads	1,157	
Sewage	27,731	36,332
Waterworks system	12,925	12,925
Waste disposal	216,601	303,700
Landfill closing costs	341,180	341,180
Fire	110,789	90,789
Other capital		114,018
Killaloe Hydro infrastructure	<u>416,147</u>	<u>416,147</u>
Total reserves	\$ 2,142,303	\$ 2,130,919
Discretionary reserve fund set aside for specific purpose:		
Environmental	<u>33,754</u>	<u>17,034</u>
Total reserves and reserve funds	<u>\$ 2,176,057</u>	<u>\$ 2,147,953</u>

(See accompanying notes)

## Township of Killaloe, Hagarty and Richards

## Consolidated Statement of Cash Flows

For the year ended 31 December 2008  
(with 2007 figures for comparison)

	2008	2007
Cash flows from operating activities:		
Net surplus for the year	\$ <u>46,784</u>	\$ <u>124,816</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (34,018)	\$ (13,279)
- decrease (increase) in accounts receivable	22,972	312,408
- increase (decrease) in accounts payable and accrued liabilities	19,693	60,323
- increase (decrease) in deferred revenue	<u>209,773</u>	<u>45,772</u>
	<u>\$ 218,420</u>	<u>\$ 405,224</u>
Cash flows from operating activities	<u>\$ 265,204</u>	<u>\$ 530,040</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	\$ 241,514	\$ 506,350
Cash and cash equivalents at the beginning of the year	<u>1,501,364</u>	<u>995,014</u>
Cash and cash equivalents at the end of the year	<u>\$ 1,742,878</u>	<u>\$ 1,501,364</u>
Comprised of:		
Cash	<u>\$ 1,742,878</u>	<u>\$ 1,501,364</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2008

## 1. SIGNIFICANT 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 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 adopted by the Township are as follows:

### (a) Reporting Entity

- (i) The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the revenue fund, capital fund and reserve funds of the Township. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned or controlled by the Township. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

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

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

### (iii) Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the county and school boards are not reflected in the municipal fund balances of these financial statements.

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

- (v) 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 period in which they are paid.

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 receipts of goods or services and the creation of a legal obligation to pay.

### (b) Capital Assets

The historical cost and accumulated amortization of capital assets are not reported for municipal purposes. Capital assets are reported as expenditures on the "Consolidated Statement of Financial Activities" in the year of acquisition.

### (c) Government Transfers

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

Township of Killaloe, Hagarty and Richards  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2008

(d) Investment Income

Investment income earned on surplus current funds, capital funds, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

(e) Reserves and Reserve Funds

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

(f) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(g) Deferred Revenue - Obligatory Reserve Funds

The Township receives restricted contributions under the authority of provincial and federal legislation and township by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(h) Financial Instruments

Financial instruments include cash, taxes receivable, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash, taxes receivable, accounts receivable and accounts payable and accrued liabilities approximate fair values due to the immediate and short term maturities of these financial instruments.

The fair value of long term debt, including the current portion, is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

(i) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates.

(j) Landfill Closure and Post Closure Liabilities

The Municipality accrues landfill closure and post closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management.

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

Township of Killaloe, Hagarty and Richards  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2008

## (k) Amounts to be Recovered

Amounts to be recovered as reported on the consolidated statement of financial position are comprised of the outstanding principal portion of long term liabilities for municipal expenditures and the landfill closure and post closure liabilities.

## 2. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

Requisitions were made by the School Boards and County of Renfrew requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	<u>School Boards</u>	<u>County</u>
Property taxes	\$ 574,264	\$ 905,632
Payments in lieu	<u>269</u>	<u>32,091</u>
	<u>\$ 574,533</u>	<u>\$ 937,723</u>

## 3. TRUST FUNDS

Trust funds administered by the Township amounting to \$ 3,909 (2007 - \$ 4,483) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or financial activities.

## 4. INVESTMENT IN OTTAWA RIVER POWER CORPORATION

The investment in Ottawa River Power Corporation is carried at cost and is comprised as follows:

179 Common shares of Ottawa River Power Corporation	\$ 179,000
179 Common shares of Ottawa River Solutions Inc.	895
7.25% Promissory Note from Ottawa River Power Corporation	<u>179,000</u>
	<u>\$ 358,895</u>

## 5. 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 because federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Township are summarized below:

(a) The balance of deferred revenue - obligatory reserve funds on the "Consolidated Statement of Financial Position" at the end of the year is comprised of the following externally restricted reserve funds:

	<u>2008</u>	<u>2007</u>
Ontario Clean Water Agency	\$ 5,269	\$ 3,692
Shoreline	23,214	18,138
Gasoline Tax - Federal	<u>40,143</u>	<u>80,866</u>
	<u>\$ 68,626</u>	<u>\$ 102,696</u>

Township of Killaloe, Hagarty and Richards  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2008

(b) Transactions during the year in the deferred revenue - obligatory reserve funds are as follows:

	<u>2008</u>	<u>2007</u>
Balance at the beginning of the year	\$ 102,696	\$ 56,924
Gas tax revenue received	40,486	32,391
Sale of shoreline	5,076	9,735
Frontage fees	1,074	1,074
Interest earned	<u>621</u>	<u>2,572</u>
	\$ 149,953	\$ 102,696
Transfer to the capital fund	<u>(81,327)</u>	<u></u>
Balance at the end of the year	<u>\$ 68,626</u>	<u>\$ 102,696</u>

#### 6. NET LONG TERM LIABILITIES

- (a) The balance of net long term liabilities of \$ 7,896 (2007 - \$ 31,587) 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 2009.
- (c) Total charges for the year for net long term liabilities which are reported on the "Consolidated Statement of Financial Activities" are made up of:

	<u>2008</u>	<u>2007</u>
Principal	\$ 23,690	\$ 23,690
Interest	<u>1,056</u>	<u>2,701</u>
	<u>\$ 24,746</u>	<u>\$ 26,391</u>

#### 7. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

#### 8. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Township is not aware of any claims or possible claims as at 31 December 2008.

Township of Killaloe, Hagarty and Richards  
Notes to the Consolidated Financial Statements  
For the year ended 31 December 2008

#### 9. BUDGET FIGURES

Township of Killaloe, Hagarty and Richards Council reviews its operating and capital budgets annually. The approved operating budget for 2008 is reflected on the Schedule of Current Fund Operations and is included in the budget figures presented in the Consolidated Statement of Financial Activities.

Budgets established for the Capital Fund and Reserves and Reserve Funds are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years. The budget reflected in the Consolidated Statement of Financial Activities is an annual budget only as required by the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

#### 10. TANGIBLE CAPITAL ASSETS

Commencing with the fiscal year beginning 1 January 2009, the Municipality will be adopting the Canadian Institute of Chartered Accountants' Public Sector Accounting Handbook Section PS 3150, "Tangible Capital Assets". This section establishes standards on how to account for and report tangible capital assets in government financial statements. Tangible capital assets include such items as roads, bridges, lands and buildings, vehicles and equipment and water and wastewater systems.

During the year, the Township continued to work towards compliance with these new recommendations.

As of 31 December 2008, the Municipality does not have relevant information to disclose cost, accumulated amortization and net book values for any specific tangible capital asset category. Tangible capital assets are reported as an expenditure on the "Consolidated Statement of Financial Activities" in the year of acquisition.

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 statement of 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 2008, 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 2008, and the continuity of the trust fund for the year then ended in accordance with Canadian generally accepted accounting principles.

*MacKillican & Associates*

RENFREW, Ontario.

20 January 2009.

**Chartered Accountants,**

Licensed Public Accountants.



Township of Killaloe, Hagarty and Richards

Ontario Home Renewal Program Trust Fund

Statement of Financial Position

As at 31 December 2008  
(with 2007 figures for comparison)

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash	\$ 300	\$ 9
Loans receivable (Note 2)	<u>3,633</u>	<u>4,483</u>
	<u>\$ 3,933</u>	<u>\$ 4,492</u>
<b>LIABILITY AND FUND BALANCE</b>		
Due to Municipality	\$ 24	\$ 9
Fund balance	<u>3,909</u>	<u>4,483</u>
	<u>\$ 3,933</u>	<u>\$ 4,492</u>

(See accompanying notes)

Township of Killaloe, Hagarty and RichardsOntario Home Renewal Program Trust FundStatement of ContinuityFor the year ended 31 December 2008(with 2007 figures for comparison)

	<u>2008</u>	<u>2007</u>
Balance at the beginning of the year	\$ <u>4,483</u>	\$ <u>4,666</u>
Expenditure:		
Administration	\$ 15	
Loans forgiven	550	
Repayment to the Province of Ontario	<u>9</u>	\$ <u>183</u>
	<u>\$ 574</u>	<u>\$ 183</u>
Balance at the end of the year	<u>\$ <u>3,909</u></u>	<u>\$ <u>4,483</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 2008

**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 2008 comprise repayable loans of \$ 2,783 (2007 - \$ 3,083) and forgivable loans of \$ 850 (2007 - \$ 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 2008, the amount of \$ 275 must be returned to the Province by 1 March 2009.

AUDITORS' REPORT

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

We have audited the statement of financial position of the Village of Killaloe Recreation Committee as at 31 December 2008, and the statement of financial activities for the year then 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 2008, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*MacKilligan & Associates*

RENFREW, Ontario.

20 January 2009.

**Chartered Accountants,**

Licensed Public Accountants.

Village of Killaloe Recreation CommitteeStatement of Financial Position

As at 31 December 2008  
(with 2007 figures for comparison)

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash in bank	\$ 7,548	\$ 5,608
Due from Canada	<u>                    </u>	<u>1,700</u>
	<u>\$ 7,548</u>	<u>\$ 7,308</u>
<b>ACCUMULATED NET REVENUE</b>		
Accumulated net revenue	<u>\$ 7,548</u>	<u>\$ 7,308</u>

(See accompanying notes)

**Village of Killaloe Recreation Committee**

**Statement of Financial Activities**

**For the year ended 31 December 2008**  
(with 2007 figures for comparison)

	2008	2007
<b>Revenue:</b>		
Fundraising	\$ <u>4,745</u>	\$ <u>-</u>
<b>Expenditure:</b>		
Recreation hockey program	\$ 40	\$ 1,555
Recreation activities	100	
Fundraising	<u>4,365</u>	
	<u>\$ 4,505</u>	<u>\$ 1,555</u>
Net revenue (expenditure) for the year	\$ 240	\$ (1,555)
Accumulated net revenue at the beginning of the year	<u>7,308</u>	<u>8,863</u>
Accumulated net revenue at the end of the year	<u><u>\$ 7,548</u></u>	<u><u>\$ 7,308</u></u>

(See accompanying notes)

**Village of Killaloe Recreation Committee**

**Notes to the Financial Statements**

**For the year ended 31 December 2008**

**1. ACCOUNTING POLICIES**

The financial statements of the Village of Killaloe Recreation Committee are the representation of management 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. 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 judgements.

**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.

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 statement of financial position of the Killaloe & District Public Library Board as at 31 December 2008, and the statement of financial activities for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 2008, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*MacKilligan & Associates*

RENFREW, Ontario.

20 January 2009.

Chartered Accountants,

Licensed Public Accountants.



## Killaloe &amp; District Public Library Board

## Statement of Financial Position

As at 31 December 2008  
(with 2007 figures for comparison)

	2008	2007
<b>ASSETS</b>		
Cash on hand and in bank	\$ 15,172	\$ 21,628
Due from Canada		377
Due from Ontario	<u>1,331</u>	<u>1,288</u>
	<u>\$ 16,503</u>	<u>\$ 23,293</u>
<b>LIABILITIES AND ACCUMULATED NET REVENUE</b>		
Current liabilities:		
Accounts payable	\$ 1,752	\$ 1,000
Due to Canada	<u>746</u>	<u>          </u>
	\$ 2,498	\$ 1,000
Accumulated net revenue	<u>14,005</u>	<u>22,293</u>
	<u>\$ 16,503</u>	<u>\$ 23,293</u>

(See accompanying notes)

## Killaloe &amp; District Public Library Board

## Statement of Financial Activities

For the year ended 31 December 2008  
(with 2008 budget and 2007 actual figures for comparison)

	Budget 2008	Actual 2008	Actual 2007
Accumulated net revenue at the beginning of the year	\$ 22,293	\$ 22,293	\$ 16,588
Revenue:			
Grants - Ontario Library	\$ 6,824	\$ 6,824	\$ 6,824
- Pay Equity	1,312	1,312	1,312
- Ontario Trillium Foundation			6,000
- Sustainability		2,984	2,927
- CAP Grant		5,136	4,996
- Ministry of Culture Grant			9,000
- Connectivity Grant		514	1,585
- Summer Jobs Service Grant	1,680	1,682	600
Services sold to other library boards	4,148	4,148	4,148
Fines, donations, fundraising and sundry	7,100	7,117	8,420
	<u>\$ 21,064</u>	<u>\$ 29,717</u>	<u>\$ 45,812</u>
Expenditure:			
Advertising	\$ 1,150	\$ 719	\$ 836
Audit	2,000	2,000	1,500
Books	4,400	5,610	4,369
Equipment upgrades	500	281	1,454
Expansion project			7,614
Fundraising	500	94	363
Insurance	500	590	589
Postage and office	1,359	1,702	1,154
Programs and sundry	2,190	2,841	1,141
Supplies and furniture	2,900	3,007	3,337
Sustainability grant expenses		1,290	1,428
Trillium grant expenses			4,967
Wages	28,490	35,558	26,944
	<u>\$ 43,989</u>	<u>\$ 53,692</u>	<u>\$ 55,696</u>
Net deficit for the year	\$ (22,925)	\$ (23,975)	\$ (9,884)
Financing and transfers:			
Transfer from current fund	16,000	15,687	15,589
Change in library fund balance	\$ (6,925)	\$ (8,288)	\$ 5,705
Accumulated net revenue at the end of the year	<u>\$ 15,368</u>	<u>\$ 14,005</u>	<u>\$ 22,293</u>

(See accompanying notes)

MACKILLICAN &amp; ASSOCIATES

CHARTERED ACCOUNTANTS

**Killaloe & District Public Library Board**

**Notes to the Financial Statements**

**For the year ended 31 December 2008**

**1. ACCOUNTING POLICIES**

The financial statements of the Killaloe & District Public Library Board are the representation of management 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. 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 judgements.

**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.