

Township of Killaloe, Hagarty and Richards

Financial Report

For the year ended 31 December 2009

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

**MACKILLICAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

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 2009, and the consolidated statements of financial activities, changes in net financial assets and cash flows 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 2009, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*MacKilligan & Associates*

RENFREW, Ontario.  
5 February 2010.

Chartered Accountants,  
Licensed Public Accountants.

Township of Killaloe, Hagarty and Richards  
Consolidated Statement of Financial Position

As at 31 December 2009  
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 1,756,651	\$ 1,742,878
Taxes receivable	469,578	477,510
Accounts receivable	187,742	129,989
Investment in Ottawa River Power Corporation (Note 4)	<u>358,895</u>	<u>358,895</u>
	<u>\$ 2,772,866</u>	<u>\$ 2,709,272</u>
 <b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	\$ 195,367	\$ 192,323
Deferred revenue - obligatory reserve funds (Note 6)	134,826	68,626
- other	33,992	243,843
Net long term liabilities		7,896
Landfill closure and post closure costs (Note 7)	<u>352,300</u>	<u>352,300</u>
	<u>\$ 716,485</u>	<u>\$ 864,988</u>
 <b>Net financial assets</b>	 <u>\$ 2,056,381</u>	 <u>\$ 1,844,284</u>
 <b>Non-financial assets:</b>		
Tangible capital assets (net)	\$ 8,936,691	\$ 9,201,862
Inventories of supplies	<u>45,170</u>	<u>36,960</u>
	<u>\$ 8,981,861</u>	<u>\$ 9,238,822</u>
 <b>Accumulated surplus</b>	 <u>\$ 11,038,242</u>	 <u>\$ 11,083,106</u>
 <b>Accumulated surplus comprised of:</b>		
Equity in tangible capital assets	\$ 8,936,691	\$ 9,193,966
Discretionary reserve fund	48,866	33,754
Reserves	2,341,099	2,142,303
General	51,279	41,278
Water operations	(6,288)	2,552
Library Board	15,602	14,005
Village of Killaloe Recreation Committee	3,293	7,548
Unfunded - landfill closure and post closure costs (Note 2)	<u>(352,300)</u>	<u>(352,300)</u>
 <b>Total accumulated surplus</b>	 <u>\$ 11,038,242</u>	 <u>\$ 11,083,106</u>

(See accompanying notes)

**Township of Killaloe, Hagarty and Richards**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 December 2009**  
(with 2009 budget and 2008 actual figures for comparison)

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>2008</u> <u>Actual</u>
<b>Revenue:</b>			
Taxation and user charges	\$ 1,691,062	\$ 1,701,451	\$ 1,694,525
Government transfers:			
Ontario	1,121,164	1,091,030	1,008,432
Canada	80,699	58,434	10,483
Other municipalities	40,348	5,387	18,263
Other	<u>292,400</u>	<u>267,756</u>	<u>386,367</u>
	<u>\$ 3,225,673</u>	<u>\$ 3,124,058</u>	<u>\$ 3,118,070</u>
<b>Expenditure:</b>			
General government	\$ 571,362	\$ 501,118	\$ 540,184
Protection to persons and property	524,173	467,013	462,059
Transportation services	1,356,125	1,239,533	1,123,632
Environmental services	835,952	790,328	805,290
Health services	15,000	15,000	15,000
Recreation and cultural services	130,943	140,864	149,554
Planning and development	<u>9,900</u>	<u>15,066</u>	<u>8,507</u>
	<u>\$ 3,443,455</u>	<u>\$ 3,168,922</u>	<u>\$ 3,104,226</u>
Net surplus (deficit) for the year	\$ (217,782)	\$ (44,864)	\$ 13,844
Accumulated surplus at the beginning of the year	<u>11,083,106</u>	<u>11,083,106</u>	<u>11,069,262</u>
Accumulated surplus at the end of the year	<u>\$ 10,865,324</u>	<u>\$ 11,038,242</u>	<u>\$ 11,083,106</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards  
Consolidated Statement of Changes in Net Financial Assets  
For the year ended 31 December 2009  
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Net surplus (deficit) for the year	\$ (44,864)	\$ 13,844
Amortization of tangible capital assets	824,413	771,251
Acquisition of tangible capital assets	(559,242)	(701,350)
Use of (acquisition of) inventory	<u>(8,210)</u>	<u>(36,960)</u>
Increase in net financial assets	\$ 212,097	\$ 46,785
Net financial assets, beginning of year	<u>1,844,284</u>	<u>1,797,499</u>
Net financial assets, end of year	<u>\$ 2,056,381</u>	<u>\$ 1,844,284</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Consolidated Statement of Cash Flows

For the year ended 31 December 2009

(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net surplus (deficit) for year	\$ (44,864)	\$ 13,844
Add amortization which does not involve cash	<u>824,413</u>	<u>771,251</u>
	<u>\$ 779,549</u>	<u>\$ 785,095</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ 7,932	\$ (34,018)
- decrease (increase) in accounts receivable	(57,753)	22,972
- decrease (increase) in inventory	(8,210)	(36,960)
- increase (decrease) in accounts payable and accrued liabilities	<u>3,044</u>	<u>19,692</u>
	<u>\$ (54,987)</u>	<u>\$ (28,314)</u>
Cash flows from operating activities	<u>\$ 724,562</u>	<u>\$ 756,781</u>
Cash flows from financing activities:		
Increase (decrease) in long term debt	\$ (7,896)	\$ (23,690)
Increase (decrease) in deferred revenue	<u>(143,651)</u>	<u>209,773</u>
Cash flows from (used for) financing activities	<u>\$ (151,547)</u>	<u>\$ 186,083</u>
Cash flows used for investing activities:		
Additions to tangible capital assets:		
General government	\$ (8,634)	\$ (209,681)
Protection to persons and property		(1,107)
Transportation services	(486,879)	(402,468)
Environmental services		(88,094)
Recreation and cultural services	<u>(63,729)</u>	<u>                    </u>
Cash flows used for investing activities	<u>\$ (559,242)</u>	<u>\$ (701,350)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ 13,773	\$ (241,514)
Cash and cash equivalents at the beginning of the year	<u>1,742,878</u>	<u>1,501,364</u>
Cash and cash equivalents at the end of the year	<u>\$ 1,756,651</u>	<u>\$ 1,742,878</u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Notes to the Financial Statements

For the year ended 31 December 2009

**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 generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the Township and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Township and is the difference between financial assets and liabilities. This information explains the Township's overall future revenue requirements and its ability to finance activities and meet its obligations.

Effective 1 January 2009, the Township changed its accounting and financial reporting to conform to the revised guidelines in the Public Sector Accounting Handbook on financial reporting presentation (Section PS 1200) and tangible capital asset accounting (PS 3150). Current year data is presented on the new basis. Prior year data has been restated on the same basis wherever possible, to be comparable with the current year data. The most significant change is the reporting on tangible capital assets for the first time, and the inclusion of the Consolidated Statement of Changes in Net Financial Assets.

**(a) Reporting Entity**

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets 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 interorganizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

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

- (ii) 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.

- (iii) Trust funds and their related operations administered by the Township are not included in these financial statements but are reported separately.

**(b) Accrual Basis of Accounting**

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

**(c) Non-financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Township of Killaloe, Hagarty and Richards

Notes to the Financial Statements

For the year ended 31 December 2009

(d) Tangible Capital Assets

- (i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in service date using the Non-Residential Building Construction Price Index (NRBCPI) for infrastructure, storm sewers and sanitary sewers and using the Consumer Price Index (CPI) for all other assets. Land for road segments is valued at \$ 1.00 per segment. All other land is valued at cost. Where cost was not readily determinable, the land was given a value of \$ 1.00 per segment. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 - 25 years
Buildings	15 - 30 years
Machinery and equipment	5 - 10 years
Vehicles	5 - 20 years
Linear assets	10 - 40 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Township has a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(iv) Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost.

(e) Investment Income

Investment income earned on current 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.

(f) 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.

(g) 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.

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS



Township of Killaloe, Hagarty and Richards

Notes to the Financial Statements

For the year ended 31 December 2009

(h) 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.

(i) Financial Instruments

Financial instruments include cash, taxes receivable, accounts receivable, investment in Ottawa River Power Corporation, accounts payable and accrued liabilities and deferred revenue. 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.

(j) 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.

2. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the requirement of the Township to raise funds in subsequent periods to finance unfunded liabilities, comprised of the landfill closure and post closure liabilities.

3. TRUST FUNDS

Trust funds administered by the Township, totaling \$ 3,633 (2008 - \$ 3,909) are presented in a separate financial statement of trust fund financial position, financial activities and fund balances. As such, balances held in trust by the Township for the benefit of others have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities and Fund Balances.

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><u>358,895</u></u>

Township of Killaloe, Hagarty and Richards

Notes to the Financial Statements

For the year ended 31 December 2009

5. 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	\$ 602,059	\$ 947,204
Payments in lieu	<u>273</u>	<u>32,146</u>
	<u>\$ 602,332</u>	<u>\$ 979,350</u>

6. 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>2009</u>	<u>2008</u>
Ontario Clean Water Agency	\$ 6,297	\$ 5,269
Shoreline	7,413	23,214
Gasoline Tax - Federal	<u>121,116</u>	<u>40,143</u>
	<u>\$ 134,826</u>	<u>\$ 68,626</u>

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

	<u>2009</u>	<u>2008</u>
Balance at the beginning of the year	\$ 68,626	\$ 102,696
Gas tax revenue received	80,973	40,486
Sale of shoreline		5,076
Frontage fees	1,027	1,074
Interest earned		<u>621</u>
	<u>\$ 150,626</u>	<u>\$ 149,953</u>
Used to purchase tangible capital assets	<u>(15,800)</u>	<u>(81,327)</u>
Balance at the end of the year	<u>\$ 134,826</u>	<u>\$ 68,626</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.

Township of Killaloe, Hagarty and Richards

Notes to the Financial Statements

For the year ended 31 December 2009

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 ten 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 2009.

9. BUDGET FIGURES

The operating budget approved by the Township of Killaloe, Hagarty and Richards for 2009 is reflected on the Consolidated Statement of Financial Activities. The budget established for capital investment in tangible capital assets is on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements.

10. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Township by major asset class and by business segment, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(i) Contributed Tangible Capital Assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. There were no such transfers in 2009.

(ii) Tangible Capital Assets Recognized at Nominal Value

Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such assets are the Township's road allowances. The 2009 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year financial statement presentation.

Township of Killaloe, Hagarty and Richards

Notes to the Financial Statements

For the year ended 31 December 2009

12. EXPENDITURES BY OBJECT

The Consolidated Statement of Financial Activities presents the consolidated expenditures by function. The following listing classifies the expenditures by object:

	<u>2009</u>	<u>2008</u>
Salaries, wages and employee benefits	\$ 807,426	\$ 888,978
Interest on long term debt	50	1,056
Operating materials and supplies	1,031,357	989,128
Contracted services	489,713	438,813
External transfers	15,963	15,000
Amortization	<u>824,413</u>	<u>771,251</u>
Total expenditures by object	<u>\$ 3,168,922</u>	<u>\$ 3,104,226</u>

**Township of Killaloe, Hagarty and Richards**  
**Schedule of General Financial Activities**  
**For the year ended 31 December 2009**  
(with 2009 budget and 2008 actual figures for comparison)

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>2008</u> <u>Actual</u>
<b>Revenue:</b>			
Net municipal taxation	\$ 1,445,588	\$ 1,445,894	\$ 1,450,892
Government transfers:			
Ontario	1,102,617	1,068,209	991,662
Canada	78,875	56,610	8,801
Other municipalities	36,200	1,239	14,115
Other	<u>281,600</u>	<u>257,498</u>	<u>374,506</u>
	<u>\$ 2,944,880</u>	<u>\$ 2,829,450</u>	<u>\$ 2,839,976</u>
<b>Expenditure:</b>			
General government	\$ 571,362	\$ 501,118	\$ 540,184
Protection to persons and property	524,173	467,013	462,059
Transportation services	1,356,125	1,239,531	1,123,632
Environmental services	590,478	522,655	555,881
Health services	15,000	15,000	15,000
Recreation and cultural services	78,924	79,085	91,357
Planning and development	<u>9,900</u>	<u>15,066</u>	<u>8,507</u>
	<u>\$ 3,145,962</u>	<u>\$ 2,839,468</u>	<u>\$ 2,796,620</u>
Net revenue (expenditure)	<u>\$ (201,082)</u>	<u>\$ (10,018)</u>	<u>\$ 43,356</u>
<b>Transfers:</b>			
Transfer to library	\$ (16,700)	\$ (20,070)	\$ (15,687)
Transfer to discretionary reserve fund	(16,000)	(15,112)	(16,720)
Transfer from (to) reserves	143,444	(202,072)	(19,986)
Transfer from equity in tangible capital assets	<u>86,020</u>	<u>257,273</u>	<u>46,209</u>
Net transfers	<u>\$ 196,764</u>	<u>\$ 20,019</u>	<u>\$ (6,184)</u>
Change in general surplus	\$ (4,318)	\$ 10,001	\$ 37,172
General surplus at the beginning of the year	<u>4,318</u>	<u>41,278</u>	<u>4,106</u>
General surplus at the end of the year	<u>\$ -</u>	<u>\$ 51,279</u>	<u>\$ 41,278</u>

(See accompanying notes)

**Township of Killaloe, Hagarty and Richards**

**Schedule of Water Fund Operations**

**For the year ended 31 December 2009**  
(with 2008 figures for comparison)

	2009	2008
Revenue:		
User charges	\$ <u>113,885</u>	\$ <u>108,678</u>
Expenditure:		
Ontario Clean Water Agency billings	\$ 108,756	\$ 93,368
Hydro	<u>13,969</u>	<u>12,484</u>
	\$ <u>122,725</u>	\$ <u>105,852</u>
Net surplus (deficit) for the year	\$ (8,840)	\$ 2,826
Water fund surplus (deficit) at the beginning of the year	<u>2,552</u>	<u>(274)</u>
Water fund surplus (deficit) at the end of the year	<u><u>\$ (6,288)</u></u>	<u><u>\$ 2,552</u></u>

(See accompanying notes)

Township of Killaloe, Hagarty and Richards

Schedule of Sewage Fund Operations

For the year ended 31 December 2009

(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Revenue:		
User charges	\$ <u>141,672</u>	\$ <u>134,955</u>
Expenditure:		
Grant in lieu	\$ 955	\$ 1,001
Hydro	22,862	22,847
Materials	16,763	22,700
Ontario Clean Water Agency billings	103,243	94,187
Wages	<u>1,125</u>	<u>2,822</u>
	\$ <u>144,948</u>	\$ <u>143,557</u>
Net surplus (deficit) for the year	\$ (3,276)	\$ (8,602)
Financing and transfers:		
Transfer from reserves	\$ <u>3,276</u>	\$ <u>8,602</u>
Change in sewage fund surplus	\$ -	\$ -
Sewage fund surplus at the beginning of the year	<u>-</u>	<u>-</u>
Sewage fund surplus 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 2009

(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Contributions:		
From operations	\$ <u>506,974</u>	\$ <u>343,484</u>
Transfers:		
Transfer to operations	\$ 241,095	
Transfer to tangible capital acquisitions	<u>51,971</u>	\$ <u>345,380</u>
	<u>\$ 293,066</u>	<u>\$ 345,380</u>
Change in reserves and reserve funds balance	\$ 213,908	\$ 28,104
Reserves and reserve funds at the beginning of the year	<u>2,176,057</u>	<u>2,147,953</u>
Reserves and reserve funds at the end of the year	<u>\$ 2,389,965</u>	<u>\$ 2,176,057</u>
Reserves:		
Working funds	\$ 917,845	\$ 1,015,773
Protection services	120,789	110,789
Roadways	291,157	1,157
Wastewater system	24,455	27,731
Waterworks system	12,925	12,925
Solid waste disposal	557,781	557,781
Hydro Reserve Killaloe	<u>416,147</u>	<u>416,147</u>
Total reserves	\$ 2,341,099	\$ 2,142,303
Discretionary reserve fund set aside for specific purpose:		
Environmental	<u>48,866</u>	<u>33,754</u>
Total reserves and reserve funds	<u>\$ 2,389,965</u>	<u>\$ 2,176,057</u>

(See accompanying notes)



Township of Killaloe, Hagarty and Richards

Schedule of Tangible Capital Assets

For the year ended 31 December 2009

(with 2008 figures for comparison)

	<u>2009</u>			<u>2008</u>
Functional classification:	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
General government	\$ 509,327	\$ 227,980	\$ 281,347	\$ 296,385
Protection services	920,094	544,268	375,826	427,201
Transportation services	17,398,234	11,394,912	6,003,322	6,017,009
Environmental services	6,148,098	4,272,665	1,875,433	2,093,869
Recreation and cultural services	<u>752,689</u>	<u>351,926</u>	<u>400,763</u>	<u>367,398</u>
	<u>\$ 25,728,442</u>	<u>\$ 16,791,751</u>	<u>\$ 8,936,691</u>	<u>\$ 9,201,862</u>

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Segmented by asset class:				
Land	\$ 342,666	\$ 40,065	\$ 302,601	\$ 315,006
Land improvements	245,016	179,512	65,504	85,176
Buildings	4,031,478	2,844,363	1,187,115	1,320,623
Machinery and equipment	300,118	164,477	135,641	121,506
Vehicles	2,003,005	1,036,261	966,744	833,046
Linear assets	18,758,231	12,527,073	6,231,158	6,526,505
Construction in progress	<u>47,928</u>	<u>                    </u>	<u>47,928</u>	<u>                    </u>
	<u>\$ 25,728,442</u>	<u>\$ 16,791,751</u>	<u>\$ 8,936,691</u>	<u>\$ 9,201,862</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

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 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 2009, 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 2009, and the continuity of the trust fund for the year then ended in accordance with Canadian generally accepted accounting principles.

*MacKilligan & Associates*

RENFREW, Ontario.

5 February 2010.

**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 2009

(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash		\$ 300
Loans receivable (Note 2)	\$ <u>3,633</u>	<u>3,633</u>
	<u>\$ 3,633</u>	<u>\$ 3,933</u>
<b>LIABILITY AND FUND BALANCE</b>		
Due to Municipality		\$ 24
Fund balance	\$ <u>3,633</u>	<u>3,909</u>
	<u>\$ 3,633</u>	<u>\$ 3,933</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 2009

(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Balance at the beginning of the year	\$ <u>3,909</u>	\$ <u>4,483</u>
Expenditure:		
Administration		\$ 15
Loans forgiven		550
Repayment to the Province of Ontario	\$ <u>276</u>	<u>9</u>
	\$ <u>276</u>	\$ <u>574</u>
Balance at the end of the year	\$ <u><u>3,633</u></u>	\$ <u><u>3,909</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 2009

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 2009 comprise repayable loans of \$ 2,783 (2008 - \$ 2,783) and forgivable loans of \$ 850 (2008 - \$ 850). 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 2009, there is no amount to be returned to the Province.

**MACKILLICAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

252 Raglan Street S.  
Renfrew, Ontario

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 2009, 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 2009, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*MacKillican & Associates*

RENFREW, Ontario.

5 February 2010.

**Chartered Accountants,**

Licensed Public Accountants.

Village of Killaloe Recreation Committee

Statement of Financial Position

As at 31 December 2009  
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
<b>ASSET</b>		
Cash in bank	\$ <u>3,293</u>	\$ <u>7,548</u>
<b>ACCUMULATED NET REVENUE</b>		
Accumulated net revenue	\$ <u>3,293</u>	\$ <u>7,548</u>

(See accompanying notes)

**Village of Killaloe Recreation Committee**

**Statement of Financial Activities**

**For the year ended 31 December 2009**

**(with 2008 figures for comparison)**

	<u>2009</u>	<u>2008</u>
Revenue:		
Fundraising	\$ 3,675	\$ 4,745
Interest	<u>11</u>	<u>          </u>
	<u>\$ 3,686</u>	<u>\$ 4,745</u>
Expenditure:		
Recreation hockey program		\$ 40
Recreation activities		100
Fundraising	\$ 3,555	4,365
Transfer to Round Lake Recreation	<u>4,386</u>	<u>          </u>
	<u>\$ 7,941</u>	<u>\$ 4,505</u>
Net revenue (expenditure) for the year	\$ (4,255)	\$ 240
Accumulated net revenue at the beginning of the year	<u>7,548</u>	<u>7,308</u>
Accumulated net revenue at the end of the year	<u>\$ 3,293</u>	<u>\$ 7,548</u>

(See accompanying notes)



Village of Killaloe Recreation Committee

Notes to the Financial Statements

For the year ended 31 December 2009

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.

**MACKILLCAN & 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 statement of financial position of the Killaloe & District Public Library Board as at 31 December 2009, 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 2009, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



RENFREW, Ontario.

5 February 2010.

**Chartered Accountants,**

**Licensed Public Accountants.**

**Killaloe & District Public Library Board**

**Statement of Financial Position**

**As at 31 December 2009**  
**(with 2008 figures for comparison)**

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Cash on hand and in bank	\$ 15,907	\$ 15,172
Due from Ontario	<u>2,154</u>	<u>1,331</u>
	<u>\$ 18,061</u>	<u>\$ 16,503</u>
<b>LIABILITIES AND ACCUMULATED NET REVENUE</b>		
Current liabilities:		
Accounts payable	\$ 1,800	\$ 1,752
Due to Canada	<u>659</u>	<u>746</u>
	\$ 2,459	\$ 2,498
Accumulated net revenue	<u>15,602</u>	<u>14,005</u>
	<u>\$ 18,061</u>	<u>\$ 16,503</u>

(See accompanying notes)

**Killaloe & District Public Library Board**

**Statement of Financial Activities**

**For the year ended 31 December 2009**

(with 2009 budget and 2008 actual figures for comparison)

	2009 Budget	2009 Actual	2008 Actual
Accumulated net revenue at the beginning of the year	\$ 14,005	\$ 14,005	\$ 22,293
Revenue:			
Grants - Ontario Library	\$ 6,824	\$ 6,824	\$ 6,824
- Pay Equity	1,312	1,312	1,312
- Sustainability	3,663	3,663	2,984
- CAP Grant	5,393	5,720	5,136
- Investment Grant		4,088	
- Connectivity Grant	1,355	1,214	514
- Summer Jobs Service Grant	1,824	1,824	1,682
Services sold to other library boards	4,148	4,148	4,148
Fines, donations, fundraising and sundry	7,100	6,572	7,117
	<u>\$ 31,619</u>	<u>\$ 35,365</u>	<u>\$ 29,717</u>
Expenditure:			
Advertising	\$ 800	\$ 479	\$ 719
Audit		2,100	2,000
Books	6,100	5,023	5,610
Equipment upgrades			281
Fundraising			94
Insurance		3,708	590
Postage and office	1,339	1,694	1,702
Programs and sundry	1,300	1,021	2,841
Supplies and furniture	1,700	2,812	3,007
Sustainability grant expenses	3,558	2,958	1,290
Wages	35,619	34,043	35,558
	<u>\$ 50,416</u>	<u>\$ 53,838</u>	<u>\$ 53,692</u>
Net deficit for the year	\$ (18,797)	\$ (18,473)	\$ (23,975)
Financing and transfers:		•	
Transfer from current fund	14,500	20,070	15,687
Change in library fund balance	\$ (4,297)	\$ 1,597	\$ (8,288)
Accumulated net revenue at the end of the year	<u>\$ 9,708</u>	<u>\$ 15,602</u>	<u>\$ 14,005</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

**Killaloe & District Public Library Board**

**Notes to the Financial Statements**

**For the year ended 31 December 2009**

**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.