

MACKILICAN & ASSOCIATES
CHARTERED ACCOUNTANTS

252 Raglan Street S.
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Township of Bonnechere Valley.

We have audited the consolidated balance sheet of the Township of Bonnechere Valley as at 31 December 2007, and the consolidated statements of operations and cash flows and the schedules of current fund operations, reserves and capital fund operations 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 Township of Bonnechere Valley 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.



RENFREW, Ontario.

22 February 2008.

Chartered Accountants,

Licensed Public Accountants.

Township of Bonnechere Valley

Consolidated Balance Sheet

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

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash	\$ 556,901	\$ 330,577
Taxes receivable	324,123	349,107
Accounts receivable	165,903	362,739
Notes receivable (Note 4)	1,392,156	1,459,150
Other current assets	<u>4,331</u>	<u>3,982</u>
	<u>\$ 2,443,414</u>	<u>\$ 2,505,555</u>
<u>LIABILITIES AND MUNICIPAL POSITION</u>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 312,977	\$ 488,693
Solid waste landfill closure costs (Note 5)	1,563,500	1,720,500
Accrued vacation pay	21,839	17,423
Net long term liabilities (Note 6)	<u>1,133,575</u>	<u>1,118,680</u>
	<u>\$ 3,031,891</u>	<u>\$ 3,345,296</u>
Municipal position:		
Fund balances:		
Current fund	\$ 99,892	\$ (12,860)
Library	30,601	30,663
Reserves	<u>1,999,944</u>	<u>1,999,059</u>
Fund balances	<u>\$ 2,130,437</u>	<u>\$ 2,016,862</u>
Amounts to be recovered: (Note 1(b) (iv))		
Net long term liabilities	\$ (1,133,575)	\$ (1,118,680)
Solid waste landfill closure costs	(1,563,500)	(1,720,500)
Accrued vacation pay	<u>(21,839)</u>	<u>(17,423)</u>
	<u>\$ (2,718,914)</u>	<u>\$ (2,856,603)</u>
Municipal position	<u>\$ (588,477)</u>	<u>\$ (839,741)</u>
	<u>\$ 2,443,414</u>	<u>\$ 2,505,555</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Bonnechere Valley

Consolidated Statement of Operations

For the year ended 31 December 2007

(with 2007 budget and 2006 actual figures for comparison)

	Budget <u>2007</u>	Actual <u>2007</u>	Actual <u>2006</u>
Revenue:			
Net municipal taxation and user charges	\$ 2,582,697	\$ 2,566,314	\$ 2,369,168
Transfer payments:			
Ontario	1,783,896	1,881,681	1,626,262
Canada	3,927	12,145	4,262
Other municipalities	83,057	141,891	36,349
Other	<u>614,174</u>	<u>1,083,398</u>	<u>656,715</u>
	\$ <u>5,067,751</u>	\$ <u>5,685,429</u>	\$ <u>4,692,756</u>
Expenditure:			
Current:			
General government	\$ 516,950	\$ 498,895	\$ 538,376
Protection to persons and property	734,529	739,684	746,618
Transportation services	1,647,008	1,471,769	1,492,974
Environmental services	1,082,596	975,722	819,319
Recreation and cultural services	475,956	485,534	419,609
Planning and development	<u>6,250</u>	<u>64,931</u>	<u>70,511</u>
	\$ <u>4,463,289</u>	\$ <u>4,236,535</u>	\$ <u>4,087,407</u>
Capital:			
General government		\$ 11,813	
Protection to persons and property		44,125	\$ 151,175
Transportation services	\$ 432,470	655,315	547,358
Environmental services	280,000	331,957	791,431
Recreation	<u>230,300</u>	<u>307,004</u>	<u>73,239</u>
	\$ <u>942,770</u>	\$ <u>1,350,214</u>	\$ <u>1,563,203</u>
Total expenditure	\$ <u>5,406,059</u>	\$ <u>5,586,749</u>	\$ <u>5,650,610</u>
Net surplus (deficit) for the year	\$ <u>(338,308)</u>	\$ <u>98,680</u>	\$ <u>(957,854)</u>
Financing:			
Loan proceeds	\$ 400,670	\$ 400,670	\$ 647,000
Less debt principal repayments	<u>(170,730)</u>	<u>(385,775)</u>	<u>(117,617)</u>
	\$ <u>229,940</u>	\$ <u>14,895</u>	\$ <u>529,383</u>
Change in fund balances during the year	\$ <u>(108,368)</u>	\$ <u>113,575</u>	\$ <u>(428,471)</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Bonnechere Valley

Schedule of Current Fund Operations

For the year ended 31 December 2007

(with 2007 budget and 2006 actual figures for comparison)

	Budget <u>2007</u>	Actual <u>2007</u>	Actual <u>2006</u>
Revenue:			
Net municipal taxation	\$ 2,582,697	\$ 2,566,314	\$ 2,369,168
Transfer payments:			
Ontario	1,766,699	1,328,542	1,326,906
Other municipalities	68,000	78,156	31,305
Other	<u>602,690</u>	<u>736,829</u>	<u>623,420</u>
	\$ <u>5,020,086</u>	\$ <u>4,709,841</u>	\$ <u>4,350,799</u>
Expenditure:			
General government	\$ 516,950	\$ 498,895	\$ 538,376
Protection to persons and property	734,529	739,684	746,618
Transportation services	1,647,008	1,471,769	1,492,974
Environmental services	1,082,596	975,722	819,319
Recreation and cultural services	428,291	399,128	358,614
Planning and development	<u>6,250</u>	<u>64,931</u>	<u>70,511</u>
	\$ <u>4,415,624</u>	\$ <u>4,150,129</u>	\$ <u>4,026,412</u>
Net surplus for the year	\$ <u>604,462</u>	\$ <u>559,712</u>	\$ <u>324,387</u>
Financing and transfers:			
Transfer to capital fund	\$ (542,100)	\$ (60,300)	\$ (393,878)
Transfer from (to) reserves	121,228	(885)	118,063
Debt principal repayments	<u>(170,730)</u>	<u>(385,775)</u>	<u>(117,617)</u>
Net financing and transfers	\$ <u>(591,602)</u>	\$ <u>(446,960)</u>	\$ <u>(393,432)</u>
Change in current fund balance during the year	\$ 12,860	\$ 112,752	\$ (69,045)
Current fund balance at the beginning of the year	<u>(12,860)</u>	<u>(12,860)</u>	<u>56,185</u>
Current fund balance at the end of the year	\$ <u><u>-</u></u>	\$ <u><u>99,892</u></u>	\$ <u><u>(12,860)</u></u>

(See accompanying notes)

Township of Bonnechere Valley

Schedule of Reserves

For the year ended 31 December 2007
(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
Transfers from (to) other funds:		
Transfer from (to) current fund	\$ 885	\$ (118,063)
Transfer to capital fund	<u> </u>	<u>(252,325)</u>
	\$ 885	\$ (370,388)
Reserve balances at the beginning of the year	<u>1,999,059</u>	<u>2,369,447</u>
Reserve balances at the end of the year	\$ <u>1,999,944</u>	\$ <u>1,999,059</u>
Analyzed as follows:		
Reserves set aside for specific purposes:		
Working capital - current fund	\$ 336,550	\$ 336,550
Insurance	10,000	10,000
Protection	17,687	17,687
Transportation	100,736	90,855
Recreation - facilities	7,311	7,311
- parks	9,463	9,464
Water and sewer capital	97,621	106,616
Hydro generation	<u>1,420,576</u>	<u>1,420,576</u>
	\$ <u>1,999,944</u>	\$ <u>1,999,059</u>

(See accompanying notes)

Township of Bonnechere Valley

Schedule of Capital Fund Operations

For the year ended 31 December 2007

(with 2006 figures for comparison)

	<u>2007</u>	<u>2006</u>
Revenue:		
Province of Ontario	\$ 532,742	\$ 270,000
Other municipalities	49,269	
Sale of land	<u>274,691</u>	<u> </u>
	\$ <u>856,702</u>	\$ <u>270,000</u>
Expenditure:		
General government	\$ 11,813	
Protection	44,125	\$ 151,175
Transportation services	655,315	547,358
Environmental services	331,957	791,431
Recreation	<u>307,004</u>	<u>73,239</u>
Total expenditure	\$ <u>1,350,214</u>	\$ <u>1,563,203</u>
Net deficit for the year	\$ <u>(493,512)</u>	\$ <u>(1,293,203)</u>
Financing and transfers:		
Proceeds of long term debt	\$ 400,670	\$ 647,000
Transfer from reserves		252,325
Transfer from library fund	32,542	
Transfer from current fund	<u>60,300</u>	<u>393,878</u>
Total financing and transfers	\$ <u>493,512</u>	\$ <u>1,293,203</u>
Capital fund balance at the end of the year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

(See accompanying notes)

Township of Bonnechere Valley

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 (deficit) for the year	\$ <u>98,680</u>	\$ <u>(957,854)</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ 24,984	\$ (3,956)
- decrease (increase) in accounts receivable	196,836	(200,042)
- decrease (increase) in inventory	(61)	68
- decrease (increase) in notes receivable	66,994	130,326
- increase (decrease) in accounts payable and accrued liabilities	(175,716)	401,531
- increase (decrease) in prepaid expenses	<u>(288)</u>	<u> </u>
	\$ <u>112,749</u>	\$ <u>327,927</u>
Cash flows from (used for) operating activities	\$ <u>211,429</u>	\$ <u>(629,927)</u>
Cash flows from financing activities:		
Proceeds from long term debt	\$ 400,670	\$ 647,000
Long term debt repaid	<u>(385,775)</u>	<u>(117,617)</u>
Cash flows from financing activities	\$ <u>14,895</u>	\$ <u>529,383</u>
Net increase (decrease) in cash and cash equivalents during the year	\$ 226,324	\$ (100,544)
Cash and cash equivalents at the beginning of the year	<u>330,577</u>	<u>431,121</u>
Cash and cash equivalents at the end of the year	\$ <u><u>556,901</u></u>	\$ <u><u>330,577</u></u>
Comprised of:		
Cash	\$ <u><u>556,901</u></u>	\$ <u><u>330,577</u></u>

(See accompanying notes)

Township of Bonnechere Valley

Notes to the Financial Statements

For the year ended 31 December 2007

1. ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Bonnechere Valley 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 and reserves and include the activities of all committees of Council and the following board which is under the control of Council.

- Bonnechere Union Public Library Board

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

(ii) Non-Consolidated Entities

The Eganville Generation Corporation is not consolidated in these financial statements.

(iii) 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.

(iv) 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.

(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.

Township of Bonnechere Valley

Notes to the Financial Statements

For the year ended 31 December 2007

(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, the estimated landfill closure costs and accrued vacation pay.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF RENFREW

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

	<u>School Boards</u>	<u>County</u>
Taxation and user charges	\$ 810,287	\$ 1,148,614
Share of payments in lieu of taxes	<u>122</u>	<u>20,851</u>
Amounts requisitioned	<u>\$ 810,409</u>	<u>\$ 1,169,465</u>

3. TRUST FUND

Trust fund administered by the Municipality amounting to \$ 828 (2006 - \$ 1,849) has not been included in the "Consolidated Balance Sheet" nor have its operations been included in the "Consolidated Statement of Operations".

4. NOTES RECEIVABLE

a) Due from Eganville Generation Corporation - \$ 1,387,858:

The former Eganville Public Utilities Commission distribution system was sold to Hydro One in 2001.

The Eganville Generation Corporation was formed and the proceeds from the sale were used to finance the generation system upgrade. The note receivable is offset by reserves held by the Township. The amount is presently on an interest free basis with the interest terms to be reviewed annually. The note has no fixed repayment terms.

b) Eganville and Area Long Term Care Corporation - \$ 4,298:

The note receivable is to be repaid in 2008, is at an interest rate of prime plus .5% and is secured against title to the property.

5. SOLID WASTE LANDFILL 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.

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Township of Bonnechere Valley

Notes to the Financial Statements

For the year ended 31 December 2007

6. NET LONG TERM LIABILITIES	<u>2007</u>	<u>2006</u>
(a) The balance of net long term liabilities reported on the "Consolidated Balance Sheet" is made up of long term liabilities incurred by the Municipality including those incurred on behalf of municipal enterprises.	\$ <u>1,133,575</u>	\$ <u>1,118,680</u>

(b) Of the net long term liabilities reported in (a) of this Note \$ 1,017,785 in principal payments are payable from 2008 to 2012 and \$ 115,790 from 2013 to 2017 from general municipal revenues.

(c) Approval of the Ontario Municipal Board has been obtained for the long term liabilities in (a) of this Note issued in the name of the Municipality.

7. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for net long term liabilities which are reported on the "Consolidated Statement of Operations" are as follows:

	<u>2007</u>	<u>2006</u>
Principal payments	\$ 385,775	\$ 117,617
Interest	<u>45,564</u>	<u>54,022</u>
	\$ <u>431,339</u>	\$ <u>171,639</u>

8. 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 the new reporting requirement.

9. JOINT LOCAL BOARD - OTTAWA VALLEY WASTE RECOVERY CENTRE

The Township's allocation of this joint local board's assets, liabilities, revenue and expenditure are not included in the consolidated financial statements.

MACKILICAN & ASSOCIATES
CHARTERED ACCOUNTANTS

252 Raglan Street S.
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Township of Bonnechere Valley.

We have audited the balance sheet of the trust fund of the Township of Bonnechere Valley 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 trust fund of the Township of Bonnechere Valley 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.

MacKillican & Associates

RENFREW, Ontario.

22 February 2008.

Chartered Accountants,

Licensed Public Accountants.

Township of Bonnechere Valley

Trust Fund

Balance Sheet

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

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash in bank	\$ 1,065	\$ 1,371
Loans receivable	<u>828</u>	<u>1,870</u>
	<u>\$ 1,893</u>	<u>\$ 3,241</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Due to Township		\$ 110
Due to Province	\$ 1,065	1,282
Fund balance	<u>828</u>	<u>1,849</u>
	<u>\$ 1,893</u>	<u>\$ 3,241</u>

(See accompanying notes)

Township of Bonnechere Valley

Trust Fund

Statement of Continuity

For 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>1,849</u>	\$ <u>3,096</u>
Revenue:		
Interest on loans	\$ 80	\$ 123
Investment income	<u>30</u>	<u>43</u>
	\$ <u>110</u>	\$ <u>166</u>
Expenditure:		
Administration costs		\$ 110
Bank charges	\$ 66	21
Repayment to Minister of Finance	<u>1,065</u>	<u>1,282</u>
	\$ <u>1,131</u>	\$ <u>1,413</u>
Balance at the end of the year	\$ <u><u>828</u></u>	\$ <u><u>1,849</u></u>

(See accompanying notes)

Township of Bonnechere Valley

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 are comprised of repayable loans of \$ 828 (2006 - \$ 1,870). In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balance of the repayable loan immediately becomes due and payable by the homeowner.

In 1993, the Ministry of Municipal Affairs and 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 2007, the amount of \$ 1,065 is to be returned to the Province by 1 March 2008.

MACKILLICAN & ASSOCIATES
CHARTERED ACCOUNTANTS

252 Raglan Street S.
Renfrew, Ontario

AUDITORS' REPORT

To the Board Members,
Bonnechere Union Public Library Board,
EGANVILLE, Ontario.

We have audited the balance sheet of the Bonnechere Union 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 public library boards, the organization derives revenue from donations, fundraising, fees and memberships and lottery receipts, 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 Bonnechere Union Public Library Board and we were not able to determine whether any adjustments might be necessary to donations, fundraising, fees and memberships, lottery receipts, 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 donations, fundraising, fees and memberships and lottery receipts referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Bonnechere Union 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.

22 February 2008.

Chartered Accountants,

Licensed Public Accountants.

Bonnechere Union Public Library Board

Balance 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	\$ 28,509	\$ 24,477
Accounts receivable	1,953	200
Due from Canada	2,282	7,236
Prepaid expenses	<u>288</u>	<u> </u>
	\$ <u>33,032</u>	\$ <u>31,913</u>

LIABILITIES AND ACCUMULATED NET REVENUE

Liabilities:		
Accounts payable	\$ <u>2,431</u>	\$ <u>1,250</u>
Accumulated net revenue:		
General	\$ <u>30,601</u>	\$ <u>30,663</u>
	\$ <u>33,032</u>	\$ <u>31,913</u>

(See accompanying notes)

Bonnechere Union Public Library Board

Statement of Revenue and Expenditure

For the year ended 31 December 2007
(with 2007 budget and 2006 actual figures for comparison)

	<u>Budget</u> <u>2007</u>	<u>Actual</u> <u>2007</u>	<u>Actual</u> <u>2006</u>
Revenue:			
Government grants:			
Province of Ontario - library grants (Note 2)	\$ 14,506	\$ 14,506	\$ 14,506
- pay equity	2,691	2,691	2,691
- literacy grant			10,500
- SOLS grant			1,659
- Algonquin College		3,200	
Government of Canada - Summer Career Placement Program	1,000	1,256	
- Community Access Program	2,927	10,889	4,262
Municipalities - Bonnechere Valley	55,988	55,017	28,327
- North Algona Wilberforce	15,057	14,466	5,044
Interest income		1,059	570
Donations, fundraising, fees and memberships	11,484	53,123	13,790
Lottery receipts		17,696	18,935
	<hr/>	<hr/>	<hr/>
Total revenue	\$ 103,653	\$ 173,903	\$ 100,284
Expenditure:			
Audit and bookkeeping	\$ 2,400	\$ 4,253	\$ 1,544
Capital purchases		32,542	
Cleaning	4,000	251	1,940
Equipment and supplies	4,000	6,148	11,598
Expansion	3,500	3,488	5,086
Insurance	935	935	930
Lottery expense - programs and awards		1,329	2,138
- administration	5,000	5,156	5,232
Miscellaneous	4,250	1,892	737
Purchases - books, magazines, etc.	500	13,608	9,011
Rent	4,440	4,399	4,440
Technology advancements	3,500	3,421	
Telephone	1,236	1,259	1,498
Utilities	2,280	1,867	1,765
Wages and benefits	67,612	78,417	43,403
	<hr/>	<hr/>	<hr/>
Total operating expenditure	\$ 103,653	\$ 158,965	\$ 89,322
Net revenue for the year	\$ -	\$ 14,938	\$ 10,962
Transfer to Township of Bonnechere Valley		(15,000)	
Change in fund balance during the year	\$ -	\$ (62)	\$ 10,962
Accumulated net revenue at the beginning of the year	30,663	30,663	19,701
	<hr/>	<hr/>	<hr/>
Accumulated net revenue at the end of the year	\$ 30,663	\$ 30,601	\$ 30,663

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Bonnechere Union Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2007

1. ACCOUNTING POLICIES

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

Basis of Accounting

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

	<u>2007</u>			<u>2006</u>
	<u>Amount</u>	<u>Transferred</u>	<u>Net</u>	<u>Net</u>
2. PROVINCIAL LIBRARY GRANTS	<u>Received</u>	<u>to Other</u>	<u>Grants</u>	<u>Grants</u>
		<u>Library</u>		
		<u>Boards</u>		
Bonnechere Valley	\$ 9,941	\$ 1,856	\$ 8,085	\$ 8,085
North Algona Wilberforce	<u>7,073</u>	<u>652</u>	<u>6,421</u>	<u>6,421</u>
	<u>\$ 17,014</u>	<u>\$ 2,508</u>	<u>\$ 14,506</u>	<u>\$ 14,506</u>