

252 Raglan Street S.  
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the  
Corporation of the Township of Whitewater Region.

We have audited the consolidated balance sheet of the Corporation of the Township of Whitewater Region as at 31 December 2006, and the consolidated statements of operations and cash flows and the schedules of current fund operations, reserves and reserve funds 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 Corporation of the Township of Whitewater Region as at 31 December 2006, 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.

6 February 2007.

Chartered Accountants.

## Township of Whitewater Region

## Consolidated Balance Sheet

As at 31 December 2006  
(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Cash	\$ 360,067	\$ 493,158
Taxes receivable	459,192	638,116
Accounts receivable	278,241	236,801
Investment in Ottawa River Power Corporation	<u>294,735</u>	<u>294,735</u>
	<u>\$ 1,392,235</u>	<u>\$ 1,662,810</u>
<u>LIABILITIES AND MUNICIPAL POSITION</u>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 477,134	\$ 190,618
Deferred revenue (Note 4)	186,592	121,170
Net long term liabilities (Note 5)		28,000
Employee future benefits	48,978	48,409
Landfill closure and post closure costs (Note 6)	<u>768,545</u>	<u>768,545</u>
	<u>\$ 1,481,249</u>	<u>\$ 1,156,742</u>
Municipal position:		
Fund balances:		
Current fund (Note 7)	\$ (41,259)	\$ (23,247)
Cobden and District Recreation Association	13,535	15,600
Whitewater Region Public Library Board	46,444	26,702
Waterworks - Cobden	(23,338)	20,306
Waterworks - Beachburg	(17,453)	5,840
Waterworks - Haley	76	2,197
Whitewater Historical Society	14,458	12,445
Capital fund	(827,261)	(250,641)
Reserves and reserve funds	<u>1,563,307</u>	<u>1,541,820</u>
Total fund balances	<u>\$ 728,509</u>	<u>\$ 1,351,022</u>
Amounts to be recovered:		
Long term liabilities		\$ (28,000)
Employee future benefits	\$ (48,978)	(48,409)
Landfill closure and post closure costs	<u>(768,545)</u>	<u>(768,545)</u>
Total amounts to be recovered	<u>\$ (817,523)</u>	<u>\$ (844,954)</u>
Municipal position	<u>\$ (89,014)</u>	<u>\$ 506,068</u>
	<u>\$ 1,392,235</u>	<u>\$ 1,662,810</u>

(See accompanying notes)

MACKILLICAN &amp; ASSOCIATES

CHARTERED ACCOUNTANTS

## Township of Whitewater Region

## Consolidated Statement of Operations

For the year ended 31 December 2006

(with 2006 budget and 2005 actual figures for comparison)

	Budget 2006	Actual 2006	Actual 2005
Revenue:			
Net municipal taxation and user fees	\$ 2,809,005	\$ 2,785,318	\$ 2,494,938
Transfer payments:			
Ontario	1,923,914	1,961,648	1,605,187
Canada	79,068	16,486	21,713
Other municipalities	9,000	6,542	8,500
Other	<u>792,246</u>	<u>817,414</u>	<u>772,502</u>
	<u>\$ 5,613,233</u>	<u>\$ 5,587,408</u>	<u>\$ 4,902,840</u>
Expenditure:			
Current:			
General government	\$ 733,611	\$ 751,724	\$ 652,658
Protection to persons and property	1,041,030	1,019,361	996,786
Transportation services	1,525,621	1,538,879	1,417,371
Environmental services	1,079,575	1,060,240	916,692
Health, social and family services	1,000	1,305	885
Recreation and cultural services	339,100	336,651	333,529
Planning and development	<u>12,000</u>	<u>13,936</u>	<u>11,677</u>
	<u>\$ 4,731,937</u>	<u>\$ 4,722,096</u>	<u>\$ 4,329,598</u>
Capital:			
General government	\$ 26,000	\$ 11,451	\$ 29,860
Protection to persons and property	270,000	264,719	95,054
Transportation services	242,500	237,645	120,989
Environmental services	743,700	872,094	197,552
Recreation and cultural services	61,000	73,916	30,996
Planning and development	<u>                    </u>	<u>                    </u>	<u>3,087</u>
	<u>\$ 1,343,200</u>	<u>\$ 1,459,825</u>	<u>\$ 477,538</u>
Total expenditure	<u>\$ 6,075,137</u>	<u>\$ 6,181,921</u>	<u>\$ 4,807,136</u>
Net surplus (deficit) for the year	\$ (461,904)	\$ (594,513)	\$ 95,704
Less: debt principal payments	<u>(28,000)</u>	<u>(28,000)</u>	<u>(26,000)</u>
Change in fund balances during the year	<u>\$ (489,904)</u>	<u>\$ (622,513)</u>	<u>\$ 69,704</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Township of Whitewater Region

Schedule of Current Fund Operations

For the year ended 31 December 2006

(with 2006 budget and 2005 actual figures for comparison)

	<u>Budget</u> <u>2006</u>	<u>Actual</u> <u>2006</u>	<u>Actual</u> <u>2005</u>
Revenue:			
Net municipal taxation	\$ 2,233,705	\$ 2,198,009	\$ 1,926,988
User charges	192,000	191,035	193,234
Transfer payments:			
Ontario	1,525,914	1,570,317	1,543,845
Canada	75,668	13,086	2,265
Other municipalities	8,000	5,542	7,500
Other	<u>615,146</u>	<u>632,375</u>	<u>585,141</u>
	<u>\$ 4,650,433</u>	<u>\$ 4,610,364</u>	<u>\$ 4,258,973</u>
Expenditure:			
General government	\$ 733,611	\$ 751,724	\$ 652,658
Protection to persons and property	1,041,030	1,019,361	996,786
Transportation services	1,525,621	1,538,879	1,417,371
Environmental services	698,256	683,023	597,088
Health services	1,000	1,305	885
Recreation and cultural services	91,700	87,283	116,100
Planning and development	<u>12,000</u>	<u>13,936</u>	<u>11,677</u>
	<u>\$ 4,103,218</u>	<u>\$ 4,095,511</u>	<u>\$ 3,792,565</u>
Net surplus for the year	<u>\$ 547,215</u>	<u>\$ 514,853</u>	<u>\$ 466,408</u>
Financing and transfers:			
Debt principal payments	\$ (20,566)	\$ (20,566)	\$ (19,097)
Transfer to Cobden and District Recreation	(10,000)	(10,000)	(10,000)
Transfer to Whitewater Region Public Library	(33,000)	(33,970)	(32,989)
Transfer to Whitewater Historical Society	(4,500)	(3,630)	(4,282)
Transfer to reserves	(85,055)	(73,854)	(198,374)
Transfer to waterworks - Haley	(17,347)	(17,347)	(14,021)
Transfer to capital	<u>(353,500)</u>	<u>(373,498)</u>	<u>(212,992)</u>
Net financing and transfers	<u>\$ (523,968)</u>	<u>\$ (532,865)</u>	<u>\$ (491,755)</u>
Change in current fund balance during the year	\$ 23,247	\$ (18,012)	\$ (25,347)
Current fund balance at the beginning of the year	<u>(23,247)</u>	<u>(23,247)</u>	<u>2,100</u>
Current fund balance at the end of the year	<u>\$ -</u>	<u>\$ (41,259)</u>	<u>\$ (23,247)</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Township of Whitewater Region

Schedule of Reserves and Reserve Funds

For the year ended 31 December 2006  
(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
Revenue:		
Investment income	\$ <u>596</u>	\$ <u>1,130</u>
Financing and transfers:		
Transfer from current fund	\$ 73,854	\$ 198,374
Transfer to capital fund	(193,000)	(21,100)
Transfer from Cobden and District Recreation Association	15,000	16,500
Transfer from waterworks - Beachburg	38,650	21,504
Transfer from waterworks - Cobden	86,387	34,338
Transfer from waterworks - Haley	<u>                    </u>	<u>2,000</u>
	<u>\$ 20,891</u>	<u>\$ 251,616</u>
Change in the reserves and reserve fund balances during the year	\$ 21,487	\$ 252,746
Reserves and reserve funds at the beginning of the year	<u>1,541,820</u>	<u>1,289,074</u>
Reserves and reserve funds at the end of the year	<u>\$ 1,563,307</u>	<u>\$ 1,541,820</u>
Analyzed as follows:		
Reserves set aside for specific purposes:		
Working funds	\$ 734,316	\$ 734,316
General government	63,000	40,000
Retirement of waterworks debentures	7,433	7,433
Working funds waterworks	203,016	83,979
Working funds for Beachburg	69,304	51,297
Roads	113,007	203,007
Sick leave	44,821	44,821
Replacement of fire equipment	20,000	95,000
Parks and recreation	37,867	22,867
Landfill expenditures	150,867	150,867
Planning and property	22,000	17,000
Sewer upgrading	<u>76,509</u>	<u>70,662</u>
Total reserves	\$ 1,542,140	\$ 1,521,249
Discretionary reserve fund set aside for specific purposes:		
Retirement of sewer debentures	<u>21,167</u>	<u>20,571</u>
Total reserves and reserve funds	<u>\$ 1,563,307</u>	<u>\$ 1,541,820</u>

(See accompanying notes)

Township of Whitewater Region

Schedule of Capital Fund Operations

For the year ended 31 December 2006

(with 2006 budget and 2005 actual figures for comparison)

	<u>Budget</u> <u>2006</u>	<u>Actual</u> <u>2006</u>	<u>Actual</u> <u>2005</u>
Revenue:			
Grant - Ontario	\$ 300,000	\$ 293,181	\$ 36,701
Grant - Canada			<u>16,358</u>
	<u>\$ 300,000</u>	<u>\$ 293,181</u>	<u>\$ 53,059</u>
Expenditure:			
General government	\$ 26,000	\$ 11,451	\$ 29,860
Protection to persons and property	270,000	264,719	95,054
Transportation services	242,500	237,645	120,989
Environmental services	743,700	872,094	197,552
Recreation and cultural services	61,000	73,916	30,996
Planning and development			<u>3,087</u>
Total expenditure	<u>\$ 1,343,200</u>	<u>\$ 1,459,825</u>	<u>\$ 477,538</u>
Net deficit for the year	<u>\$(1,043,200)</u>	<u>\$(1,166,644)</u>	<u>\$ (424,479)</u>
Financing and transfers:			
Transfer from current fund	\$ 353,500	\$ 373,498	\$ 212,992
Transfer from waterworks - Cobden	14,000	7,140	546
Transfer from waterworks - Beachburg	10,200	866	4,183
Transfer from waterworks - Haley	2,500		2,790
Transfer from Whitewater Region Public Library	7,000	7,258	3,608
Transfer from Cobden and District Recreation	3,000	8,262	20,525
Transfer from reserves	<u>193,000</u>	<u>193,000</u>	<u>21,100</u>
Total financing and transfers	<u>\$ 583,200</u>	<u>\$ 590,024</u>	<u>\$ 265,744</u>
Change in the capital fund balance during the year	\$ (460,000)	\$ (576,620)	\$ (158,735)
Capital fund balance at the beginning of the year	<u>(250,641)</u>	<u>(250,641)</u>	<u>(91,906)</u>
Capital fund balance at the end of the year	<u>\$ (710,641)</u>	<u>\$ (827,261)</u>	<u>\$ (250,641)</u>

(See accompanying notes)

Township of Whitewater Region

Consolidated Statement of Cash Flows

For the year ended 31 December 2006  
(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Net surplus (deficit) for the year	\$ <u>(594,513)</u>	\$ <u>95,704</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ 178,924	\$ (50,429)
- decrease (increase) in accounts receivable	(41,440)	(28,396)
- increase (decrease) in accounts payable and accrued liabilities	286,516	(68,443)
- increase (decrease) in deferred revenue	<u>65,422</u>	<u>64,663</u>
	\$ <u>489,422</u>	\$ <u>(82,605)</u>
Cash flows from (used for) operating activities	\$ <u>(105,091)</u>	\$ <u>13,099</u>
Cash flows from financing activities:		
Long term debt repaid	\$ <u>(28,000)</u>	\$ <u>(26,000)</u>
Net decrease in cash and cash equivalents during the year	\$ (133,091)	\$ (12,901)
Cash and cash equivalents at the beginning of the year	<u>493,158</u>	<u>506,059</u>
Cash and cash equivalents at the end of the year	<u>\$ 360,067</u>	<u>\$ 493,158</u>
Comprised of:		
Cash	<u>\$ 360,067</u>	<u>\$ 493,158</u>

(See accompanying notes)

## 1. ACCOUNTING POLICIES

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

### (a) (i) Basis of Consolidation

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

- Township of Whitewater Region Waterworks
- Cobden and District Recreation Association
- Whitewater Region Public Library Board
- Whitewater Historical Society

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

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

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

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

### (b) Basis of Accounting

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

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

### (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 Whitewater Region

Notes to the Financial Statements

For the year ended 31 December 2006

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF RENFREW

Further to Note 1 (a) (ii), 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	\$ 1,850,566	\$ 2,053,440
Share of payments in lieu of taxes	<u>21</u>	<u>27,381</u>
Total requisitions	\$ <u>1,850,587</u>	\$ <u>2,080,821</u>

3. TRUST FUND

Trust fund administered by the Municipality amounting to \$ 10,745 (2005 - \$ 10,745) has not been included in the "Consolidated Balance Sheet" nor have its operations been included in the "Consolidated Statement of Operations".

4. DEFERRED REVENUE

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

	<u>2006</u>	<u>2005</u>
Parkland Reserve Fund	\$ 22,547	\$ 21,353
Water and Sewer Reserve Fund	36,910	36,250
Gasoline Tax - Federal	<u>127,135</u>	<u>63,567</u>
	\$ <u>186,592</u>	\$ <u>121,170</u>

5. NET LONG TERM LIABILITIES

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

	<u>2006</u>	<u>2005</u>
Principal	\$ 28,000	\$ 26,000
Interest	<u>2,310</u>	<u>4,422</u>
	\$ <u>30,310</u>	\$ <u>30,422</u>

Township of Whitewater RegionNotes to the Financial StatementsFor the year ended 31 December 2006

## 6. LANDFILL CLOSURE AND POST CLOSURE COSTS

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

## 7. CURRENT FUND BALANCE AT THE END OF THE YEAR

The current fund balance on the "Consolidated Balance Sheet" at the end of the year is comprised of the following:

	<u>2006</u>	<u>2005</u>
- for general reduction (increase) of taxation	\$ (47,529)	\$ (39,412)
- for reduction (increase) of charges to benefitting landowners related to special areas as follows:		
- street lights	10,407	15,076
- sewage	<u>(4,137)</u>	<u>1,089</u>
	<u>\$ (41,259)</u>	<u>\$ (23,247)</u>

## 8. CONTINGENT LIABILITIES

The Municipality is contingently liable for long term liabilities with respect to tile drainage loans. The total amount outstanding as at 31 December 2006 is \$ 159,805 (2005 - \$ 178,031) and is not recorded on the "Consolidated Balance Sheet".

252 Raglan Street S.  
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the  
Corporation of the Township of Whitewater Region.

We have audited the balance sheet of the trust fund of the Corporation of the Township of Whitewater Region as at 31 December 2006, 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 Corporation of the Township of Whitewater Region as at 31 December 2006, 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.

RENFREW, Ontario.

6 February 2007.

Chartered Accountants.

Township of Whitewater Region

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Trust Fund

Statement of Continuity

For the year ended 31 December 2006

(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
Balance at the beginning of the year	\$ 10,745	\$ 25,472
Revenue:		
Interest earned - at bank	<u>                    </u>	<u>                    33</u>
	\$ <u>10,745</u>	\$ <u>25,505</u>
Expenditure:		
Administration charges	\$ -	\$ 33
Repayment to the Province of Ontario	<u>                    </u>	<u>                  14,727</u>
	\$ <u>-</u>	\$ <u>14,760</u>
Balance at the end of the year	<u>\$ 10,745</u>	<u>\$ 10,745</u>

Township of Whitewater Region

Trust Fund

Balance Sheet

As at 31 December 2006

(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Cash in bank	\$ 33	\$ 33
Loans receivable (Notes 2 and 3)	<u>10,745</u>	<u>10,745</u>
	<u>\$ 10,778</u>	<u>\$ 10,778</u>
<u>LIABILITY AND FUND BALANCE</u>		
Due to Township of Whitewater Region	\$ 33	\$ 33
Fund balance	<u>10,745</u>	<u>10,745</u>
	<u>\$ 10,778</u>	<u>\$ 10,778</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Township of Whitewater Region

Trust Fund

Notes to the Financial Statements

For the year ended 31 December 2006

1. ACCOUNTING POLICIES

Basis of Accounting

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

Expenditures 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 2006 comprise repayable loans of \$ 7,345 (2005 - \$ 7,345) and forgivable loans of \$ 3,400 (2005 - \$ 3,400). 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 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 2006, no amount is due to the Province.

3. LOANS RECEIVABLE

The majority of the loans receivable are not being repaid on a current basis.

AUDITORS' REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the  
Corporation of the Township of Whitewater Region.

We have audited the balance sheet of the Township of Whitewater Region Waterworks as at 31 December 2006, and the statements of revenue and expenditure for Cobden, Beachburg and Haley for the year then ended. These financial statements are the responsibility of the Waterworks' 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 Township of Whitewater Region Waterworks as at 31 December 2006, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

RENFREW, Ontario.

6 February 2007.

Chartered Accountants.

Township of Whitewater Region WaterworksBalance Sheet

As at 31 December 2006  
(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Due from Canada	\$ 16,377	\$ 6,689
Due from Province	393	393
Due from capital fund	632,816	250,641
Prepaid expenses	<u>118</u>	<u>118</u>
	<u>\$ 649,586</u>	<u>\$ 257,841</u>
<u>LIABILITIES AND WATERWORKS POSITION</u>		
Bank overdraft	\$ 152,823	\$ 30,318
Accounts payable	209,544	6,087
Due to current fund	117,485	101,681
Net long term liabilities	<u>7,434</u>	<u>7,434</u>
	<u>\$ 479,852</u>	<u>\$ 145,520</u>
Waterworks position:		
Fund balances:		
Cobden	\$ (23,338)	\$ 20,306
Beachburg	(17,453)	5,840
Haley	76	2,197
Reserves	<u>210,449</u>	<u>91,412</u>
Total fund balances	\$ 169,734	\$ 119,755
Amounts to be recovered	<u>(7,434)</u>	<u>(7,434)</u>
Waterworks position	<u>\$ 169,734</u>	<u>\$ 112,321</u>
	<u>\$ 649,586</u>	<u>\$ 257,841</u>

(See accompanying notes)

Township of Whitewater Region Waterworks - Cobden

Statement of Revenue and Expenditure

For the year ended 31 December 2006  
(with 2006 budget and 2005 actual figures for comparison)

	<u>Budget</u> <u>2006</u>	<u>Actual</u> <u>2006</u>	<u>Actual</u> <u>2005</u>
Revenue:			
Water service charges	\$ 210,000	\$ 215,658	\$ 201,727
Ontario grant	10,000	10,000	
Other		3,498	3,531
Interest income	<u>1,500</u>	<u>1,517</u>	<u>1,307</u>
	<u>\$ 221,500</u>	<u>\$ 230,673</u>	<u>\$ 206,565</u>
Expenditure:			
Administration	\$ 19,992	\$ 18,524	\$ 17,877
Distribution:			
Salaries	14,260	16,134	10,437
Facility supplies, utilities and maintenance	21,000	16,401	19,069
Interest on long term debt	613	613	1,174
Transmission:			
Salaries	68,170	69,165	66,391
Facility supplies, utilities and maintenance	<u>59,950</u>	<u>52,519</u>	<u>40,978</u>
	<u>\$ 183,985</u>	<u>\$ 173,356</u>	<u>\$ 155,926</u>
Net surplus for the year	<u>\$ 37,515</u>	<u>\$ 57,317</u>	<u>\$ 50,639</u>
Financing and transfers:			
Debt principal repayments	\$ (7,434)	\$ (7,434)	\$ (6,903)
Transfer to capital fund	(14,000)	(7,140)	(546)
Transfer to reserves	<u>(36,387)</u>	<u>(86,387)</u>	<u>(34,338)</u>
Net financing and transfers	<u>\$ (57,821)</u>	<u>\$ (100,961)</u>	<u>\$ (41,787)</u>
Change in waterworks fund balance during the year	\$ (20,306)	\$ (43,644)	\$ 8,852
Waterworks fund balance at the beginning of the year	<u>20,306</u>	<u>20,306</u>	<u>11,454</u>
Waterworks fund balance at the end of the year	<u>\$ -</u>	<u>\$ (23,338)</u>	<u>\$ 20,306</u>

(See accompanying notes)

Township of Whitewater Region Waterworks - Beachburg

Statement of Revenue and Expenditure

For the year ended 31 December 2006

(with 2006 budget and 2005 actual figures for comparison)

	<u>Budget 2006</u>	<u>Actual 2006</u>	<u>Actual 2005</u>
Revenue:			
Water service charges	\$ 157,300	\$ 164,296	\$ 156,669
Ontario grant	<u>10,000</u>	<u>10,000</u>	<u>          </u>
	<u>\$ 167,300</u>	<u>\$ 174,296</u>	<u>\$ 156,669</u>
Expenditure:			
Administration	\$ 23,392	\$ 23,930	\$ 22,771
Distribution:			
Salaries	6,078	11,545	5,490
Facility supplies, utilities and maintenance	8,000	4,305	7,804
Transmission:			
Salaries	66,820	67,202	65,015
Facility supplies, utilities and maintenance	<u>50,000</u>	<u>51,091</u>	<u>33,980</u>
	<u>\$ 154,290</u>	<u>\$ 158,073</u>	<u>\$ 135,060</u>
Net surplus for the year	<u>\$ 13,010</u>	<u>\$ 16,223</u>	<u>\$ 21,609</u>
Financing and transfers:			
Transfer to capital fund	\$ (10,200)	\$ (866)	\$ (4,183)
Transfer to reserves	<u>(8,650)</u>	<u>(38,650)</u>	<u>(21,504)</u>
Net financing and transfers	<u>\$ (18,850)</u>	<u>\$ (39,516)</u>	<u>\$ (25,687)</u>
Change in waterworks fund balance during the year	\$ (5,840)	\$ (23,293)	\$ (4,078)
Waterworks fund balance at the beginning of the year	<u>5,840</u>	<u>5,840</u>	<u>9,918</u>
Waterworks fund balance at the end of the year	<u>\$ -</u>	<u>\$ (17,453)</u>	<u>\$ 5,840</u>

(See accompanying notes)

Township of Whitewater Region Waterworks - Haley

Statement of Revenue and Expenditure

For the year ended 31 December 2006

(with 2006 budget and 2005 actual figures for comparison)

	<u>Budget 2006</u>	<u>Actual 2006</u>	<u>Actual 2005</u>
Revenue:			
Water service charges	\$ 16,000	\$ 16,320	\$ 16,320
Ontario grant	<u>10,000</u>	<u>10,000</u>	<u>          </u>
	<u>\$ 26,000</u>	<u>\$ 26,320</u>	<u>\$ 16,320</u>
Expenditure:			
Administration	\$ 1,826	\$ 1,856	\$ 1,455
Distribution:			
Salaries	912	1,551	303
Facility supplies, utilities and maintenance	3,000	4,724	2,089
Transmission:			
Salaries	16,150	16,232	15,737
Facility supplies, utilities and maintenance	<u>21,156</u>	<u>21,425</u>	<u>9,034</u>
	<u>\$ 43,044</u>	<u>\$ 45,788</u>	<u>\$ 28,618</u>
Net deficit for the year	<u>\$ (17,044)</u>	<u>\$ (19,468)</u>	<u>\$ (12,298)</u>
Financing and transfers:			
Transfer to capital fund	\$ (2,500)		\$ (2,790)
Transfer to reserves			(2,000)
Transfer from current fund	<u>17,347</u>	<u>\$ 17,347</u>	<u>14,021</u>
Net financing and transfers	<u>\$ 14,847</u>	<u>\$ 17,347</u>	<u>\$ 9,231</u>
Change in waterworks fund balance during the year	\$ (2,197)	\$ (2,121)	\$ (3,067)
Waterworks fund balance at the beginning of the year	<u>2,197</u>	<u>2,197</u>	<u>5,264</u>
Waterworks fund balance at the end of the year	<u>\$ -</u>	<u>\$ 76</u>	<u>\$ 2,197</u>

(See accompanying notes)

Township of Whitewater Region Waterworks

Notes to the Financial Statements

For the year ended 31 December 2006

1. ACCOUNTING POLICIES

The financial statements of the Township of Whitewater Region Waterworks 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.

252 Raglan Street S.  
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the  
Corporation of the Township of Whitewater Region.

We have audited the balance sheet of the Cobden and District Recreation Association as at 31 December 2006, and the statement of revenue and expenditure for the year then ended. These financial statements are the responsibility of the Recreation Association'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 Association 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 Cobden and District Recreation Association 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 Cobden and District Recreation Association as at 31 December 2006, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

RENFREW, Ontario.

6 February 2007.

Chartered Accountants.

Cobden and District Recreation AssociationBalance Sheet

As at 31 December 2006  
(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Cash on hand and in bank	\$ 55,488	\$ 40,636
Accounts receivable	<u>21,619</u>	<u>13,881</u>
	<u>\$ 77,107</u>	<u>\$ 54,517</u>
<u>LIABILITIES AND RECREATION POSITION</u>		
Current liabilities:		
Accounts payable	\$ 393	
Due to Canada	1,209	
Due to Municipality	<u>24,161</u>	<u>\$ 16,108</u>
	<u>\$ 25,763</u>	<u>\$ 16,108</u>
Recreation position:		
Recreation fund	\$ 13,535	\$ 15,600
Reserves	<u>37,809</u>	<u>22,809</u>
Recreation position	<u>\$ 51,344</u>	<u>\$ 38,409</u>
	<u>\$ 77,107</u>	<u>\$ 54,517</u>

(See accompanying notes)

Cobden and District Recreation Association

Statement of Revenue and Expenditure

For the year ended 31 December 2006

(with 2006 budget and 2005 actual figures for comparison)

	<u>Budget</u> <u>2006</u>	<u>Actual</u> <u>2006</u>	<u>Actual</u> <u>2005</u>
Accumulated net revenue at the beginning of the year	\$ 15,600	\$ 15,600	\$ 19,491
Revenue:			
Other municipalities		\$ 1,000	\$ 1,000
Algonquin College	\$ 3,000	7,000	
Facility rentals	131,250	125,975	124,650
Fundraising	<u>17,150</u>	<u>31,507</u>	<u>34,730</u>
	\$ 151,400	\$ 165,482	\$ 160,380
Expenditure:			
Administration	\$ 5,200	\$ 3,569	\$ 4,272
Maintenance of property and equipment	25,700	27,065	17,972
Salaries	69,600	70,987	66,848
Utilities	<u>58,500</u>	<u>52,664</u>	<u>48,154</u>
	\$ 159,000	\$ 154,285	\$ 137,246
Net surplus (deficit) for the year	\$ (7,600)	\$ 11,197	\$ 23,134
Financing and transfers:			
Transfer from current fund	\$ 10,000	\$ 10,000	\$ 10,000
Transfer to reserves	(15,000)	(15,000)	(16,500)
Transfer to capital fund	<u>(3,000)</u>	<u>(8,262)</u>	<u>(20,525)</u>
Net financing and transfers	\$ (8,000)	\$ (13,262)	\$ (27,025)
Change in recreation fund balance during the year	\$ (15,600)	\$ (2,065)	\$ (3,891)
Accumulated net revenue at the end of the year	\$ <u>-</u>	\$ <u>13,535</u>	\$ <u>15,600</u>

(See accompanying notes)

Cobden and District Recreation Association

Notes to the Financial Statements

For the year ended 31 December 2006

1. ACCOUNTING POLICIES

The financial statements of the Cobden and District Recreation Association 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.

AUDITORS' REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the  
Corporation of the Township of Whitewater Region.

We have audited the balance sheet of the Whitewater Region Public Library Board as at 31 December 2006, and the statement of revenue and expenditure for the year then ended. These financial statements are the responsibility of the Library 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 such organizations, the Board 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 Whitewater Region Public Library Board 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 Whitewater Region Public Library Board as at 31 December 2006, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

RENFREW, Ontario.

6 February 2007.

Chartered Accountants.

Whitewater Region Public Library BoardBalance Sheet

As at 31 December 2006  
(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Cash on hand and in bank	\$ 4,627	\$ 7,813
Term deposits	45,752	15,103
Due from Ontario		1,568
Due from Canada	5,112	1,526
Due from Whitewater Historical Society	<u>685</u>	<u>692</u>
	<u>\$ 56,176</u>	<u>\$ 26,702</u>
<u>LIABILITY AND LIBRARY POSITION</u>		
Due to Ontario	\$ 9,732	\$ -
Library fund	<u>46,444</u>	<u>26,702</u>
	<u>\$ 56,176</u>	<u>\$ 26,702</u>

(See accompanying notes)

Whitewater Region Public Library BoardStatement of Revenue and ExpenditureFor the year ended 31 December 2006

(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
Accumulated net revenue at the beginning of the year	\$ <u>26,702</u>	\$ <u>21,791</u>
Revenue:		
Grants from the Province of Ontario - operating	\$ 13,517	\$ 13,517
- pay equity	2,278	2,278
- Ministry of Culture Grant	31,500	
- Sustainability	12,785	7,776
Ontario Library Association	7,961	3,376
Fines and sale of books	1,087	823
Investment income	1,680	197
Donations and fundraising	<u>4,329</u>	<u>8,493</u>
	\$ <u>75,137</u>	\$ <u>36,460</u>
Expenditure:		
Bank charges	\$ 250	\$ 240
Books and videos	9,980	8,302
Fundraising	600	1,624
Insurance	911	846
Postage, telephone and internet	5,404	5,259
Rent	2,400	2,400
Salaries	43,747	37,045
Supplies	17,027	3,602
Utilities	<u>1,788</u>	<u>1,612</u>
	\$ <u>82,107</u>	\$ <u>60,930</u>
Net deficit for the year	\$ <u>(6,970)</u>	\$ <u>(24,470)</u>
Financing and transfers:		
Transfer from current fund	\$ 33,970	\$ 32,989
Transfer to capital fund	<u>(7,258)</u>	<u>(3,608)</u>
Net financing and transfers	\$ <u>26,712</u>	\$ <u>29,381</u>
Change in library fund balance during the year	\$ <u>19,742</u>	\$ <u>4,911</u>
Accumulated net revenue at the end of the year	\$ <u><u>46,444</u></u>	\$ <u><u>26,702</u></u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Whitewater Region Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2006

1. ACCOUNTING POLICIES

The financial statements of the Whitewater Region 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.

252 Raglan Street S.  
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the  
Corporation of the Township of Whitewater Region.

We have audited the balance sheet of the Whitewater Historical Society as at 31 December 2006, and the statement of revenue and expenditure for the year then ended. These financial statements are the responsibility of the Society'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 Society 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 Whitewater Historical Society 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 Whitewater Historical Society as at 31 December 2006, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

RENFREW, Ontario.

6 February 2007.

Chartered Accountants.

Whitewater Historical SocietyBalance Sheet

As at 31 December 2006  
(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Cash on hand and in bank	\$ <u>15,143</u>	\$ <u>13,137</u>
<u>LIABILITY AND ACCUMULATED NET REVENUE</u>		
Current liability:		
Due to Whitewater Region Public Library Board	\$ 685	\$ 692
Accumulated net revenue	<u>14,458</u>	<u>12,445</u>
	\$ <u>15,143</u>	\$ <u>13,137</u>

(See accompanying notes)

Whitewater Historical Society

Statement of Revenue and Expenditure

For the year ended 31 December 2006

(with 2005 figures for comparison)

	<u>2006</u>	<u>2005</u>
Accumulated net revenue at the beginning of the year	\$ <u>12,445</u>	\$ <u>14,132</u>
Revenue:		
Government of Canada	\$ 3,400	\$ 3,090
Ontario Ministry of Culture grant	1,070	1,070
Fundraising and donations	6,739	9,032
Interest income	<u>150</u>	<u>92</u>
	\$ <u>11,359</u>	\$ <u>13,284</u>
Expenditure:		
Building maintenance	\$ 311	\$ 545
Fundraising	472	2,375
Office, advertising and supplies	3,095	3,182
Salaries	4,885	3,181
St. Aidan's Church project	437	5,597
Utilities	<u>3,776</u>	<u>4,373</u>
	\$ <u>12,976</u>	\$ <u>19,253</u>
Net deficit for the year	\$ (1,617)	\$ (5,969)
Financing and transfers:		
Transfer from current fund	<u>3,630</u>	<u>4,282</u>
Change in Historical Society fund balance during the year	\$ <u>2,013</u>	\$ <u>(1,687)</u>
Accumulated net revenue at the end of the year	\$ <u><u>14,458</u></u>	\$ <u><u>12,445</u></u>

(See accompanying notes)

Whitewater Historical Society

Notes to the Financial Statements

For the year ended 31 December 2006

1. ACCOUNTING POLICIES

The financial statements of the Whitewater Historical Society 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.