

Township of Whitewater Region

Financial Report

For the year ended 31 December 2009

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

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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 Whitewater Region.

We have audited the consolidated statement of financial position of the Corporation of the Township of Whitewater Region 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 Whitewater Region 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.

RENFREW, Ontario.  
19 March 2010.

*macKillican & Associates*  
Chartered Accountants,  
Licensed Public Accountants.

Township of Whitewater Region  
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		\$ 696,071
Taxes receivable	\$ 553,794	476,616
Accounts receivable	245,540	185,219
Investment in Ottawa River Power Corporation (Note 4)	<u>294,735</u>	<u>294,735</u>
	<u>\$ 1,094,069</u>	<u>\$ 1,652,641</u>
<b>Financial liabilities:</b>		
Bank overdraft and operating loan	\$ 912,687	
Accounts payable and accrued liabilities	333,781	\$ 284,379
Deferred revenue - obligatory reserve funds (Note 6)	278,131	218,960
- other	240,121	1,178,914
Net long term liabilities (Note 12)	750,000	750,000
Employee future benefits	71,997	64,677
Landfill closure and post closure costs (Note 7)	<u>566,875</u>	<u>566,875</u>
	<u>\$ 3,153,592</u>	<u>\$ 3,063,805</u>
Net financial assets (liabilities)	<u>\$ (2,059,523)</u>	<u>\$ (1,411,164)</u>
<b>Non-financial assets:</b>		
Tangible capital assets (net)	\$ 32,192,210	\$ 31,396,466
Inventories of supplies	<u>55,325</u>	<u>46,560</u>
	<u>\$ 32,247,535</u>	<u>\$ 31,443,026</u>
Accumulated surplus	<u>\$ 30,188,012</u>	<u>\$ 30,031,862</u>
<b>Accumulated surplus comprised of:</b>		
Equity in tangible capital assets	\$ 29,463,694	\$ 28,975,105
General	14,596	(3,831)
Cobden and District Recreation Association	28,465	40,075
Whitewater Region Public Library Board	46,424	62,610
Waterworks - Cobden	(30,923)	8,135
Waterworks - Beachburg	5,099	(5,467)
Waterworks - Haley	3,379	2,114
Whitewater Historical Society	15,420	17,419
Reserve and reserve funds	1,280,730	1,567,254
Unfunded - Employee future benefits (Note 2)	(71,997)	(64,677)
Unfunded - Landfill closure and post closure costs (Note 2)	<u>(566,875)</u>	<u>(566,875)</u>
Total accumulated surplus	<u>\$ 30,188,012</u>	<u>\$ 30,031,862</u>

(See accompanying notes)

Township of Whitewater Region  
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	\$ 3,281,483	\$ 3,284,222	\$ 3,049,068
Government transfers:			
Ontario	2,754,602	2,608,169	2,412,947
Canada	225,063	214,746	173,907
Other municipalities	9,000	9,962	38,734
Other	<u>951,457</u>	<u>950,493</u>	<u>946,467</u>
	<u>\$ 7,221,605</u>	<u>\$ 7,067,592</u>	<u>\$ 6,621,123</u>
<b>Expenditure:</b>			
General government	\$ 791,841	\$ 790,936	\$ 765,218
Protection to persons and property	1,154,872	1,130,847	986,869
Transportation services	3,185,822	3,040,649	2,888,489
Environmental services	1,353,093	1,370,435	1,075,291
Health services	14,696	15,117	6,907
Recreation and cultural services	528,529	532,802	499,224
Planning and development	<u>30,386</u>	<u>30,656</u>	<u>30,578</u>
	<u>\$ 7,059,239</u>	<u>\$ 6,911,442</u>	<u>\$ 6,252,576</u>
Net surplus for the year	\$ 162,366	\$ 156,150	\$ 368,547
Accumulated surplus at the beginning of the year	<u>30,031,862</u>	<u>30,031,862</u>	<u>29,663,315</u>
Accumulated surplus at the end of the year	<u>\$ 30,194,228</u>	<u>\$ 30,188,012</u>	<u>\$ 30,031,862</u>

(See accompanying notes)

Township of Whitewater Region  
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 for the year	\$ 156,150	\$ 368,547
Amortization of tangible capital assets	1,866,612	1,822,302
Acquisition of tangible capital assets	(2,662,356)	(2,334,019)
Use of (acquisition of) inventory	<u>(8,765)</u>	<u>(46,560)</u>
Decrease in net financial assets	\$ (648,359)	\$ (189,730)
Net financial assets at the beginning of the year	<u>(1,411,164)</u>	<u>(1,221,434)</u>
Net financial assets at the end of the year	<u>\$ (2,059,523)</u>	<u>\$ (1,411,164)</u>

(See accompanying notes)

Township of Whitewater Region  
Consolidated Statement of Cash Flows  
For the year ended 31 December 2009  
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
<b>Cash flows from operating activities:</b>		
Net surplus for year	\$ 156,150	\$ 368,547
Add amortization which does not involve cash	<u>1,866,612</u>	<u>1,822,302</u>
	<u>\$ 2,022,762</u>	<u>\$ 2,190,849</u>
<b>Net change in non cash working capital balances related to operations:</b>		
- decrease (increase) in taxes receivable	\$ (77,178)	\$ 19,054
- decrease (increase) in accounts receivable	(60,321)	167,438
- decrease (increase) in inventory	(8,765)	(46,560)
- increase (decrease) in accounts payable and accrued liabilities	49,402	(153,902)
- increase (decrease) in employee benefits liability	7,320	10,301
- increase (decrease) in landfill closure and post closure costs liability	<u>                    </u>	<u>(201,670)</u>
	<u>\$ (89,542)</u>	<u>\$ (205,339)</u>
Cash flows from operating activities	<u>\$ 1,933,220</u>	<u>\$ 1,985,510</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in long term debt		\$ 250,000
Increase (decrease) in deferred revenue	<u>\$ (879,622)</u>	<u>1,124,850</u>
Cash flows from (used for) financing activities	<u>\$ (879,622)</u>	<u>\$ 1,374,850</u>
<b>Cash flows used for investing activities:</b>		
Additions to tangible capital assets:		
General government	\$ (895,600)	\$ (33,492)
Protection to persons and property	(305,615)	(91,850)
Transportation services	(1,046,808)	(1,203,059)
Environmental services	(329,145)	(974,074)
Recreation and cultural services	(85,188)	(28,988)
Planning and development	<u>                    </u>	<u>(2,556)</u>
Cash flows used for investing activities	<u>\$ (2,662,356)</u>	<u>\$ (2,334,019)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ (1,608,758)	\$ 1,026,341
Cash and cash equivalents at the beginning of the year	<u>696,071</u>	<u>(330,270)</u>
Cash and cash equivalents at the end of the year	<u>\$ (912,687)</u>	<u>\$ 696,071</u>
<b>Comprised of:</b>		
Cash on hand and in bank		\$ 696,071
Bank overdraft and operating loan	<u>\$ (912,687)</u>	<u>                    </u>
	<u>\$ (912,687)</u>	<u>\$ 696,071</u>

(See accompanying notes)

Township of Whitewater Region  
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 Whitewater Region 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 (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 Change 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:

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

(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.

Township of Whitewater Region  
Notes to the Financial Statements  
For the year ended 31 December 2009

(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.

(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 - 40 years
Buildings	15 - 50 years
Machinery and equipment	5 - 30 years
Vehicles	10 - 50 years
Linear assets	15 - 75 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.

Township of Whitewater Region  
Notes to the Financial Statements  
For the year ended 31 December 2009

(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.

(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, bank overdraft and operating loan, accounts payable and accrued liabilities, deferred revenue and long term debt. 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, investment in Ottawa Power Corporation, bank overdraft and operating loan, accounts payable and accrued liabilities and deferred revenue, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

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

(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 employee future benefits and landfill closure and post closure liabilities.

## 3. TRUST FUNDS

Trust funds administered by the Township, totaling \$ 2,508 (2008 - \$ 4,908) are presented in a separate financial statement of trust fund financial position and financial activities. 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.

Township of Whitewater Region  
Notes to the Financial Statements  
For the year ended 31 December 2009

4. INVESTMENT IN OTTAWA RIVER POWER CORPORATION

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

147 Common shares of Ottawa River Power Corporation	\$	147,000
147 Common shares of Ottawa River Solutions Inc.		735
7.25% Promissory Note from Ottawa River Power Corporation		<u>147,000</u>
	\$	<u><u>294,735</u></u>

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	\$ 1,908,391	\$ 2,256,811
Payments in lieu	<u>20</u>	<u>28,059</u>
	<u>\$ 1,908,411</u>	<u>\$ 2,284,870</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>
Parkland Reserve Fund	\$ 26,808	\$ 23,881
Water and Sewer Reserve Fund	39,468	38,961
Gasoline Tax - Federal	<u>211,855</u>	<u>156,118</u>
	<u>\$ 278,131</u>	<u>\$ 218,960</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	\$ 218,960	\$ 273,024
Gas tax revenue received	211,855	105,928
Subdivider fees	2,500	
Interest earned	<u>934</u>	<u>1,700</u>
	\$ 434,249	\$ 380,652
Used to purchase tangible capital assets	<u>(156,118)</u>	<u>(161,692)</u>
Balance at the end of the year	<u>\$ 278,131</u>	<u>\$ 218,960</u>

Township of Whitewater Region  
Notes to the Financial Statements  
For the year ended 31 December 2009

7. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

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

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 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. The Municipality is contingently liable for long term liabilities with respect to tile drainage loans of \$ 341,982 (2008 - \$ 252,083).

9. BUDGET FIGURES

The operating budget approved by the Township of Whitewater Region, 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 function, 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.

Township of Whitewater Region  
Notes to the Financial Statements  
For the year ended 31 December 2009

11. COMPARATIVE FIGURES

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

12. NET LONG TERM LIABILITIES

The net long term liabilities represents an advance from O.S.I.F.A. for the ongoing water projects. Presently there is no set repayment schedule.

13. 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	\$ 2,029,718	\$ 1,909,367
Operating materials and supplies	2,170,039	1,731,258
Contracted services	787,159	720,333
Rent and financial expenses	6,487	6,001
External transfers	51,427	63,315
Amortization	<u>1,866,612</u>	<u>1,822,302</u>
Total expenditures by object	\$ <u>6,911,442</u>	\$ <u>6,252,576</u>

Township of Whitewater Region  
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	\$ 2,695,163	\$ 2,707,420	\$ 2,473,035
User charges	192,000	183,777	183,392
Government transfers:			
Ontario	2,680,312	2,534,095	2,041,789
Canada	219,063	208,381	164,586
Other municipalities	7,500	8,542	37,314
Other	<u>703,257</u>	<u>697,622</u>	<u>682,830</u>
	<u>\$ 6,497,295</u>	<u>\$ 6,339,837</u>	<u>\$ 5,582,946</u>
<b>Expenditure:</b>			
General government	\$ 791,841	\$ 790,936	\$ 765,218
Protection to persons and property	1,154,872	1,130,847	986,869
Transportation services	3,185,822	3,033,329	2,878,188
Environmental services	804,295	804,725	782,841
Health services	14,696	15,117	6,907
Recreation and cultural services	183,979	187,254	194,228
Planning and development	<u>30,386</u>	<u>30,656</u>	<u>30,578</u>
	<u>\$ 6,165,891</u>	<u>\$ 5,992,864</u>	<u>\$ 5,644,829</u>
Net revenue (expenditure)	<u>\$ 331,404</u>	<u>\$ 346,973</u>	<u>\$ (61,883)</u>
<b>Transfers:</b>			
Transfer to Cobden and District Recreation	\$ (12,500)	\$ (12,500)	\$ (10,000)
Transfer to Whitewater Region Public Library	(34,500)	(33,629)	(33,831)
Transfer to Whitewater Historical Society	(4,500)	(6,032)	(3,726)
Transfer from reserves	116,640	245,774	2,285
Transfer to waterworks - Haley	(13,909)	(13,909)	(19,983)
Transfer to waterworks - Beachburg			(7,438)
Transfer from (to) equity in tangible capital assets	<u>(378,804)</u>	<u>(508,250)</u>	<u>259,321</u>
Net transfers	<u>\$ (327,573)</u>	<u>\$ (328,546)</u>	<u>\$ 186,628</u>
Change in general surplus	\$ 3,831	\$ 18,427	\$ 124,745
General surplus (deficit) at the beginning of the year	<u>(3,831)</u>	<u>(3,831)</u>	<u>(128,576)</u>
General surplus (deficit) at the end of the year	<u>\$ -</u>	<u>\$ 14,596</u>	<u>\$ (3,831)</u>

(See accompanying notes)

Township of Whitewater Region  
Schedule of Tangible Capital Assets  
For the year ended 31 December 2009  
(with 2008 figures for comparison)

Functional classification:	2009			2008
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
General government	\$ 1,410,815	\$ 84,170	\$ 1,326,645	\$ 437,567
Protection services	2,181,050	680,112	1,500,938	1,278,625
Transportation services	37,015,087	19,346,885	17,668,202	18,150,721
Environmental services	15,815,162	6,123,634	9,691,528	9,517,552
Health services	61,851	37,239	24,612	26,109
Recreation and cultural services	4,105,917	2,223,088	1,882,829	1,884,249
Planning and development	<u>222,532</u>	<u>125,076</u>	<u>97,456</u>	<u>101,643</u>
	<u>\$ 60,812,414</u>	<u>\$ 28,620,204</u>	<u>\$ 32,192,210</u>	<u>\$ 31,396,466</u>

Segmented by asset class:	2009			2008
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 550,122	\$	\$ 550,122	\$ 449,807
Land improvements	356,010	219,633	136,377	138,716
Buildings	12,210,323	7,315,550	4,894,773	5,068,069
Machinery and equipment	1,305,351	493,796	811,555	651,679
Vehicles	3,398,697	1,444,046	1,954,651	1,545,533
Linear assets	37,810,090	19,147,179	18,662,911	19,314,618
Construction in progress	<u>5,181,821</u>		<u>5,181,821</u>	<u>4,228,044</u>
	<u>\$ 60,812,414</u>	<u>\$ 28,620,204</u>	<u>\$ 32,192,210</u>	<u>\$ 31,396,466</u>

(See accompanying notes)

Township of Whitewater Region  
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	\$ 87,118	\$ 40,961
Other	<u>601</u>	<u>622</u>
	<u>\$ 87,719</u>	<u>\$ 41,583</u>
Transfers:		
Transfer to operations	\$ 12,175	\$ 9,500
Transfer to tangible capital acquisitions	<u>362,068</u>	<u>40,007</u>
	<u>\$ 374,243</u>	<u>\$ 49,507</u>
Change in reserves and reserve funds balance	\$ (286,524)	\$ (7,924)
Reserves and reserve funds at the beginning of the year	<u>1,567,254</u>	<u>1,575,178</u>
Reserves and reserve funds at the end of the year	<u>\$ 1,280,730</u>	<u>\$ 1,567,254</u>
Reserves:		
Working funds	\$ 756,559	\$ 736,559
General government	3,226	175,000
Protection services	42,000	68,000
Roadways	73,000	73,000
Wastewater system	100,068	106,068
Waterworks system	204,131	207,188
Solid waste disposal	23,867	85,867
Recreation	10,058	48,352
Other	<u>44,821</u>	<u>44,821</u>
Total reserves	\$ 1,257,730	\$ 1,544,855
Discretionary reserve fund set aside for specific purpose:		
Wastewater system	<u>23,000</u>	<u>22,399</u>
Total reserves and reserve funds	<u>\$ 1,280,730</u>	<u>\$ 1,567,254</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 Whitewater Region.

We have audited the statement of financial position of the trust fund of the Corporation of the Township of Whitewater Region as at 31 December 2009 and the statement of financial activities 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 2009, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

RENFREW, Ontario.

19 March 2010.

*macKillican & Associates*

Chartered Accountants,

Licensed Public Accountants.

Township of Whitewater Region

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 in bank	\$ 1,638	\$ 2,625
Loans receivable (Note 2)	<u>953</u>	<u>2,467</u>
	<u>\$ 2,591</u>	<u>\$ 5,092</u>
<b>LIABILITY AND FUND BALANCE</b>		
Due to Township of Whitewater Region	\$ 83	\$ 184
Fund balance	<u>2,508</u>	<u>4,908</u>
	<u>\$ 2,591</u>	<u>\$ 5,092</u>

Township of Whitewater Region

Trust Fund

Statement of Financial Activities

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>4,908</u>	\$ <u>10,330</u>
Revenue:		
Interest earned - at bank	\$ 1	\$ 55
- loans	<u>123</u>	<u>779</u>
	<u>\$ 124</u>	<u>\$ 834</u>
Expenditure:		
Administration charges	\$ 83	\$ 184
Loans forgiven		2,950
Repayment to the Province of Ontario	<u>2,441</u>	<u>3,122</u>
	<u>\$ 2,524</u>	<u>\$ 6,256</u>
Balance at the end of the year	<u>\$ 2,508</u>	<u>\$ 4,908</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 2009

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 2009 comprise repayable loans of \$ 953 (2008 - \$ 2,467). 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 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 the year ended 31 December 2009, the amount of \$ 1,555 must be returned to the Province by 1 March 2010.

**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 Whitewater Region.

We have audited the consolidated statement of financial position of the Township of Whitewater Region Waterworks as at 31 December 2009, and the consolidated statement of financial activities 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 consolidated financial statements present fairly, in all material respects, the financial position of the Township of Whitewater Region Waterworks 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.

19 March 2010.

*MacKillican & Associates*

**Chartered Accountants,**

Licensed Public Accountants.

Township of Whitewater Region Waterworks

Consolidated Statement of Financial Position

As at 31 December 2009

(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Financial assets:		
Cash in bank	\$ 61,943	\$ 23,215
Due from Canada	4,794	6,384
Due from Province	393	393
Accounts receivable	<u>2,723</u>	<u>3,384</u>
	<u>\$ 69,853</u>	<u>\$ 33,376</u>
Financial liabilities:		
Accounts payable	\$ 38,175	\$ 8,350
Due to current fund	1,696,646	1,484,417
O.S.I.F.A. loan	<u>750,000</u>	<u>750,000</u>
	<u>\$ 2,484,821</u>	<u>\$ 2,242,767</u>
Net financial assets (liabilities)	\$ (2,414,968)	\$ (2,209,391)
Non-financial assets:		
Tangible capital assets (net)	<u>7,354,519</u>	<u>7,268,466</u>
Accumulated surplus	<u>\$ 4,939,551</u>	<u>\$ 5,059,075</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets:		
Cobden	\$ 2,522,681	\$ 2,554,752
Beachburg	2,094,610	2,151,775
Haley	140,574	140,578
Fund balances:		
Cobden	(30,923)	8,135
Beachburg	5,099	(5,467)
Haley	3,379	2,114
Reserves	<u>204,131</u>	<u>207,188</u>
Total accumulated surplus	<u>\$ 4,939,551</u>	<u>\$ 5,059,075</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Township of Whitewater Region Waterworks

Consolidated 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
<b>Revenue:</b>			
Water service charges	\$ 394,320	\$ 388,872	\$ 392,641
Municipal grant	13,909	13,909	27,421
Ontario grant	39,990	39,990	343,609
Other	3,300	3,373	2,673
Interest income	<u>200</u>	<u>42</u>	<u>2,957</u>
	<u>\$ 451,719</u>	<u>\$ 446,186</u>	<u>\$ 769,301</u>
<b>Expenditure:</b>			
Administration	\$ 81,667	\$ 80,555	\$ 48,916
Amortization	89,240	89,240	89,974
<b>Distribution:</b>			
Salaries	34,825	50,688	38,797
Facility supplies, utilities and maintenance	50,816	78,062	36,197
<b>Transmission:</b>			
Salaries	167,600	155,124	161,531
Facility supplies, utilities and maintenance	<u>124,650</u>	<u>112,041</u>	<u>118,705</u>
	<u>\$ 548,798</u>	<u>\$ 565,710</u>	<u>\$ 494,120</u>
Net surplus (deficit) for the year	\$ (97,079)	\$ (119,524)	\$ 275,181
Accumulated surplus at the beginning of the year	<u>5,059,075</u>	<u>5,059,075</u>	<u>4,783,894</u>
Accumulated surplus at the end of the year	<u>\$ 4,961,996</u>	<u>\$ 4,939,551</u>	<u>\$ 5,059,075</u>

(See accompanying notes)

Township of Whitewater Region Waterworks

Notes to the Financial Statements

For the year ended 31 December 2009

1. ACCOUNTING POLICIES

The financial statements of the Township of Whitewater Region Waterworks are the representation of management prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

Basis of Accounting

- (1) Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (2) Tangible Capital Assets (TCAs) are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost less residual value of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	50 - 80 years
Linear assets	50 - 100 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.

Township of Whitewater Region Waterworks - Cobden

Schedule of Waterworks Financial Activities

For the year ended 31 December 2009  
(with 2009 budget and 2008 actual figures for comparison)

	2009 Budget	2009 Actual	2008 Actual
<b>Revenue:</b>			
Water service charges	\$ 210,000	\$ 205,075	\$ 208,567
Ontario grant	9,000	9,000	223,653
Other	3,300	3,300	2,673
Interest income	<u>200</u>	<u>42</u>	<u>2,957</u>
	<u>\$ 222,500</u>	<u>\$ 217,417</u>	<u>\$ 437,850</u>
<b>Expenditure:</b>			
Administration	\$ 33,317	\$ 32,890	\$ 19,710
Amortization	32,071	32,071	32,057
<b>Distribution:</b>			
Salaries	23,000	33,780	21,233
Facility supplies, utilities and maintenance	32,700	59,312	18,166
<b>Transmission:</b>			
Salaries	75,400	70,126	73,284
Facility supplies, utilities and maintenance	<u>63,100</u>	<u>57,249</u>	<u>57,727</u>
	<u>\$ 259,588</u>	<u>\$ 285,428</u>	<u>\$ 222,177</u>
Net revenue (expenditure) for the year	<u>\$ (37,088)</u>	<u>\$ (68,011)</u>	<u>\$ 215,673</u>
<b>Financing and transfers:</b>			
Transfer from (to) equity in tangible capital assets	\$ 32,071	\$ 32,071	\$ (192,262)
Transfer to reserves	<u>(3,118)</u>	<u>(3,118)</u>	<u>(3,239)</u>
Net financing and transfers	<u>\$ 28,953</u>	<u>\$ 28,953</u>	<u>\$ (195,501)</u>
Change in waterworks surplus balance during the year	\$ (8,135)	\$ (39,058)	\$ 20,172
Waterworks surplus (deficit) balance at the beginning of the year	<u>8,135</u>	<u>8,135</u>	<u>(12,037)</u>
Waterworks surplus (deficit) balance at the end of the year	<u>\$ -</u>	<u>\$ (30,923)</u>	<u>\$ 8,135</u>

(See accompanying notes)

Township of Whitewater Region Waterworks - Beachburg

Schedule of Waterworks Financial Activities

For the year ended 31 December 2009

(with 2009 budget and 2008 actual figures for comparison)

	2009 <u>Budget</u>	2009 <u>Actual</u>	2008 <u>Actual</u>
Revenue:			
Water service charges	\$ 168,000	\$ 167,477	\$ 167,754
Municipal grant			7,438
Ontario grant	12,000	12,000	61,466
Other		<u>73</u>	
	<u>\$ 180,000</u>	<u>\$ 179,550</u>	<u>\$ 236,658</u>
Expenditure:			
Administration	\$ 35,458	\$ 34,957	\$ 25,836
Amortization	57,165	57,165	57,917
Distribution:			
Salaries	10,350	14,998	15,906
Facility supplies, utilities and maintenance	13,000	12,994	15,869
Transmission:			
Salaries	74,000	68,347	70,897
Facility supplies, utilities and maintenance	<u>47,900</u>	<u>43,863</u>	<u>48,246</u>
	<u>\$ 237,873</u>	<u>\$ 232,324</u>	<u>\$ 234,671</u>
Net revenue (expenditure) for the year	<u>\$ (57,873)</u>	<u>\$ (52,774)</u>	<u>\$ 1,987</u>
Financing and transfers:			
Transfer from (to) equity in tangible capital assets	\$ 57,165	\$ 57,165	\$ (9,058)
Transfer from reserves	<u>6,175</u>	<u>6,175</u>	<u>9,500</u>
Net financing and transfers	<u>\$ 63,340</u>	<u>\$ 63,340</u>	<u>\$ 442</u>
Change in waterworks surplus balance during the year	\$ 5,467	\$ 10,566	\$ 2,429
Waterworks surplus (deficit) balance at the beginning of the year	<u>(5,467)</u>	<u>(5,467)</u>	<u>(7,896)</u>
Waterworks surplus (deficit) balance at the end of the year	<u>\$ -</u>	<u>\$ 5,099</u>	<u>\$ (5,467)</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

**Township of Whitewater Region Waterworks - Haley**

**Schedule of Waterworks Financial Activities**

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

	2009 <u>Budget</u>	2009 <u>Actual</u>	2008 <u>Actual</u>
<b>Revenue:</b>			
Water service charges	\$ 16,320	\$ 16,320	\$ 16,320
Municipal grant	13,909	13,909	19,983
Ontario grant	<u>18,990</u>	<u>18,990</u>	<u>58,490</u>
	<u>\$ 49,219</u>	<u>\$ 49,219</u>	<u>\$ 94,793</u>
<b>Expenditure:</b>			
Administration	\$ 12,892	\$ 12,708	\$ 3,370
Amortization	4	4	
Distribution:			
Salaries	1,475	1,910	1,658
Facility supplies, utilities and maintenance	5,116	5,756	2,162
Transmission:			
Salaries	18,200	16,651	17,350
Facility supplies, utilities and maintenance	<u>13,650</u>	<u>10,929</u>	<u>12,732</u>
	<u>\$ 51,337</u>	<u>\$ 47,958</u>	<u>\$ 37,272</u>
Net revenue (expenditure) for the year	\$ (2,118)	\$ 1,261	\$ 57,521
<b>Financing and transfers:</b>			
Transfer from (to) equity in tangible capital assets	<u>4</u>	<u>4</u>	<u>(58,706)</u>
Change in waterworks surplus balance during the year	\$ (2,114)	\$ 1,265	\$ (1,185)
Waterworks surplus balance at the beginning of the year	<u>2,114</u>	<u>2,114</u>	<u>3,299</u>
Waterworks surplus balance at the end of the year	<u>\$ -</u>	<u>\$ 3,379</u>	<u>\$ 2,114</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

**Township of Whitewater Region Waterworks**

**Schedule of Tangible Capital Assets**

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

	2009			2008
Segmented by asset class:	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
<b>Cobden Waterworks:</b>				
Land	\$ 1		\$ 1	\$ 1
Buildings	1,403,588	\$ 893,276	510,312	523,860
Linear assets	984,742	413,511	571,231	589,754
Construction in progress	<u>3,203,329</u>		<u>3,203,329</u>	<u>3,112,487</u>
	<u>\$ 5,591,660</u>	<u>\$ 1,306,787</u>	<u>\$ 4,284,873</u>	<u>\$ 4,226,102</u>
<b>Beachburg Waterworks:</b>				
Land	\$ 1		\$ 1	\$ 1
Buildings	1,634,386	\$ 597,091	1,037,295	1,069,983
Linear assets	1,320,135	439,552	880,583	889,251
Construction in progress	<u>498,042</u>		<u>498,042</u>	<u>486,617</u>
	<u>\$ 3,452,564</u>	<u>\$ 1,036,643</u>	<u>\$ 2,415,921</u>	<u>\$ 2,445,852</u>
<b>Haley Waterworks:</b>				
Land	\$ 1		\$ 1	\$ 1
Linear assets	19,675	\$ 3,349	16,326	216
Construction in progress	<u>637,398</u>		<u>637,398</u>	<u>596,295</u>
	<u>\$ 657,074</u>	<u>\$ 3,349</u>	<u>\$ 653,725</u>	<u>\$ 596,512</u>
	<u>\$ 9,701,298</u>	<u>\$ 2,346,779</u>	<u>\$ 7,354,519</u>	<u>\$ 7,268,466</u>

**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 Whitewater Region.

We have audited the statement of financial position of the Cobden and District Recreation Association 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 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 2009, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

RENFREW, Ontario.

19 March 2010.

*Mackillican & Associates*  
Chartered Accountants,

Licensed Public Accountants.

**Cobden and District Recreation Association**

**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 on hand and in bank	\$ 76,213	\$ 120,351
Accounts receivable	<u>25,713</u>	<u>14,664</u>
	<u>\$ 101,926</u>	<u>\$ 135,015</u>
<b>Financial liabilities:</b>		
Accounts payable	\$ 8,600	\$ 10,416
Due to Canada	1,204	2,670
Due to Municipality	<u>53,657</u>	<u>33,560</u>
	<u>\$ 63,461</u>	<u>\$ 46,646</u>
<b>Net financial assets</b>	<u>\$ 38,465</u>	<u>\$ 88,369</u>
<b>Non-financial assets:</b>		
Tangible capital assets - arena equipment	\$ 206,904	\$ 183,312
Less accumulated amortization - arena equipment	<u>(58,739)</u>	<u>(104,726)</u>
	<u>\$ 148,165</u>	<u>\$ 78,586</u>
<b>Accumulated surplus</b>	<u>\$ 186,630</u>	<u>\$ 166,955</u>
<b>Accumulated surplus comprised of:</b>		
Equity in tangible capital assets	\$ 148,165	\$ 78,586
Recreation general surplus	28,465	40,075
Reserves	<u>10,000</u>	<u>48,294</u>
<b>Total accumulated surplus</b>	<u>\$ 186,630</u>	<u>\$ 166,955</u>

(See accompanying notes)

**Cobden and District Recreation Association**

**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
Revenue:			
Municipal grant	\$ 12,500	\$ 12,500	\$ 10,000
Other municipalities	1,500	1,420	1,420
Hydro One Grant			15,000
Facility rentals	190,000	214,073	184,231
Trade in of capital asset		6,000	
Fundraising	<u>22,100</u>	<u>                    </u>	<u>41,298</u>
	<u>\$ 226,100</u>	<u>\$ 233,993</u>	<u>\$ 251,949</u>
Expenditure:			
Administration	\$ 3,500	\$ 3,992	\$ 2,936
Amortization	7,281	7,281	6,346
Maintenance of property and equipment	56,469	49,601	44,054
Salaries	100,000	105,523	97,865
Utilities	<u>54,500</u>	<u>47,921</u>	<u>52,430</u>
	<u>\$ 221,750</u>	<u>\$ 214,318</u>	<u>\$ 203,631</u>
Net surplus for the year	\$ 4,350	\$ 19,675	\$ 48,318
Accumulated surplus at the beginning of the year	<u>166,955</u>	<u>166,955</u>	<u>118,637</u>
Accumulated surplus at the end of the year	<u>\$ 171,305</u>	<u>\$ 186,630</u>	<u>\$ 166,955</u>

(See accompanying notes)

Cobden and District Recreation Association

Notes to the Financial Statements

For the year ended 31 December 2009

1. ACCOUNTING POLICIES

The financial statements of the Cobden and District Recreation Association are the representation of management prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

Basis of Accounting

- (1) Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (2) Tangible Capital Assets (TCAs) are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Machinery and equipment	20 - 30 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.

**Cobden and District Recreation Association**

**Schedule of Recreation General Financial Activities**

**For the year ended 31 December 2009**

(with 2009 budget and 2008 actual figures for comparison)

	2009 Budget	2009 Actual	2008 Actual
Recreation general surplus at the beginning of the year	\$ 40,075	\$ 40,075	\$ 4,121
Revenue:			
Other municipalities	\$ 1,500	\$ 1,420	\$ 1,420
Hydro One Grant			15,000
Facility rentals	190,000	214,073	184,231
Trade in of capital asset		6,000	
Fundraising	<u>22,100</u>	<u>        </u>	<u>41,298</u>
	<u>\$ 213,600</u>	<u>\$ 221,493</u>	<u>\$ 241,949</u>
Expenditure:			
Administration	\$ 3,500	\$ 3,991	\$ 2,936
Amortization	7,281	7,281	6,346
Maintenance of property and equipment	56,469	49,601	44,054
Salaries	100,000	105,523	97,865
Utilities	<u>54,500</u>	<u>47,921</u>	<u>52,430</u>
	<u>\$ 221,750</u>	<u>\$ 214,317</u>	<u>\$ 203,631</u>
Net revenue (expenditure)	<u>\$ (8,150)</u>	<u>\$ 7,176</u>	<u>\$ 38,318</u>
Transfers:			
Transfer from Municipality	\$ 12,500	\$ 12,500	\$ 10,000
Transfer from reserves	38,294	38,294	
Transfer to equity in tangible capital assets	<u>(82,719)</u>	<u>(69,580)</u>	<u>(12,364)</u>
Net transfers	<u>\$ (31,925)</u>	<u>\$ (18,786)</u>	<u>\$ (2,364)</u>
Change in recreation general surplus during the year	<u>\$ (40,075)</u>	<u>\$ (11,610)</u>	<u>\$ 35,954</u>
Recreation general surplus at the end of the year	<u>\$ -</u>	<u>\$ 28,465</u>	<u>\$ 40,075</u>

(See accompanying notes)

**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 Whitewater Region.

We have audited the statement of financial position of the Whitewater Region 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 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 2009, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

RENFREW, Ontario.

19 March 2010.

*MacKilligan & Associates*  
Chartered Accountants,

Licensed Public Accountants.

**Whitewater Region Public Library Board**

**Statement of Financial Position**

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

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash on hand and in bank	\$ 10,865	\$ 12,329
Term deposits	32,597	46,821
Due from Ontario	1,130	1,483
Due from Canada	1,882	1,342
Due from Whitewater Historical Society	<u>        </u>	<u>635</u>
	<u>\$ 46,474</u>	<u>\$ 62,610</u>

**LIABILITIES AND ACCUMULATED SURPLUS**

Liabilities:		
Accounts payable	\$ 50	\$ -
Accumulated surplus	<u>46,424</u>	<u>62,610</u>
	<u>\$ 46,474</u>	<u>\$ 62,610</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

**Whitewater Region Public Library Board**

**Statement of Financial Activities**

**For the year ended 31 December 2009**

**(with 2008 figures for comparison)**

	<u>2009</u>	<u>2008</u>
Accumulated surplus at the beginning of the year	\$ 62,610	\$ 71,803
Revenue:		
Grants from the Province of Ontario - operating	\$ 13,517	\$ 13,517
- pay equity	2,278	2,278
- sustainability	10,989	10,989
Canada summer student grant		1,227
Municipal grant	33,629	33,831
Ontario Library Association	10,293	5,333
SOLS grant	2,796	
Fines and sale of books	1,203	571
Investment income	800	1,310
Donations and fundraising	<u>13,339</u>	<u>5,234</u>
	<u>\$ 88,844</u>	<u>\$ 74,290</u>
Expenditure:		
Bank charges	\$ 193	\$ 206
Books and videos	28,040	14,816
Insurance	1,270	1,176
Postage, telephone and internet	5,243	5,885
Rent	2,600	2,400
Salaries	46,916	45,723
Supplies	18,070	11,262
Utilities	<u>2,698</u>	<u>2,015</u>
	<u>\$ 105,030</u>	<u>\$ 83,483</u>
Net deficit for the year	\$ (16,186)	\$ (9,193)
Accumulated surplus at the end of the year	<u>\$ 46,424</u>	<u>\$ 62,610</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Whitewater Region Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2009

1. ACCOUNTING POLICIES

The financial statements of the Whitewater Region 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.

**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 Whitewater Region.

We have audited the statement of financial position of the Whitewater Historical Society as at 31 December 2009 and the statement of financial activities 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 2009, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

RENFREW, Ontario.

19 March 2010.

*macKillican & Associates*  
Chartered Accountants,

Licensed Public Accountants.

Whitewater Historical Society

Statement of Financial Position

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

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash on hand and in bank	\$ <u>15,420</u>	\$ <u>25,354</u>
<b>LIABILITIES AND ACCUMULATED SURPLUS</b>		
Current liabilities:		
Due to Whitewater Region Public Library Board	\$ -	\$ 635
Deferred revenue - other	<u>                    </u>	<u>7,300</u>
Accumulated surplus	\$ <u>15,420</u>	\$ <u>17,419</u>
	<u>\$ 15,420</u>	<u>\$ 25,354</u>

(See accompanying notes)

Whitewater Historical Society

Statement of Financial Activities

For the year ended 31 December 2009

(with 2008 figures for comparison)

	2009	2008
Accumulated surplus at the beginning of the year	\$ <u>17,419</u>	\$ <u>18,308</u>
Revenue:		
Government of Canada	\$ 6,365	\$ 8,094
Ontario Ministry of Culture grant		765
Trillium grant	7,300	
Municipal grant	6,032	3,726
Fundraising and donations	4,477	4,292
Interest income	<u>28</u>	<u>116</u>
	\$ <u>24,202</u>	\$ <u>16,993</u>
Expenditure:		
Building maintenance	\$ 610	\$ 300
Fundraising	1,148	535
Office, advertising and supplies	5,801	5,423
Salaries	7,575	9,739
Trillium grant expenses	7,300	
Utilities	<u>3,767</u>	<u>1,885</u>
	\$ <u>26,201</u>	\$ <u>17,882</u>
Deficit for the year	\$ <u>(1,999)</u>	\$ <u>(889)</u>
Accumulated surplus at the end of the year	\$ <u><u>15,420</u></u>	\$ <u><u>17,419</u></u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Whitewater Historical Society

Notes to the Financial Statements

For the year ended 31 December 2009

1. ACCOUNTING POLICIES

The financial statements of the Whitewater Historical Society 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.