

FINANCIAL STATEMENTS
UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA
LIBRARY BOARD
for year ended
DECEMBER 31, 2008

AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants
and Ratepayers of the **CORPORATION OF THE UNITED
TOWNSHIPS OF HEAD, CLARA AND MARIA.**

We have audited the statement of financial position of the **CORPORATION OF THE UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA LIBRARY BOARD** as at December 31, 2008 and the statements of financial activities and cash flows for the year then ended. These financial statements are the responsibility of the United Townships' 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.

The Board derives receipts from donations, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of these receipts was limited to the amounts and values recorded in the accounts of the Board and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenditures and deficit.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary have we been able to satisfy ourselves concerning the completeness of revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the **CORPORATION OF THE UNITED TOWNSHIPS' LIBRARY BOARD** as at December 31, 2008 and the results of its financial activities and cash flows for the year then ended in accordance with the Canadian generally accepted accounting principles.

Welch LLP

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Pembroke, Ontario
April 12, 2009

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
FINANCIAL ASSETS		
Cash	\$ 29,711	\$ 33,961
Accounts receivable	643	652
Due from own municipality	<u>502</u>	<u>-</u>
	<u>30,856</u>	<u>34,613</u>
LIABILITIES		
Accounts payable and accrued liabilities	500	471
Due to own municipality	<u>-</u>	<u>2,089</u>
	<u>500</u>	<u>2,560</u>
NET ASSETS	\$ <u>30,356</u>	\$ <u>32,053</u>
MUNICIPAL POSITION		
Current fund	\$ 7,930	\$ 12,025
Reserves	<u>22,426</u>	<u>20,028</u>
	\$ <u>30,356</u>	\$ <u>32,053</u>

(See accompanying notes and schedules)

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget <u>2008</u>	Actual <u>2008</u>	Actual <u>2007</u>
REVENUES			
Provincial and other grants	\$ 4,173	\$ 5,085	\$ 13,350
Municipal contribution	-	-	2,100
Fundraising, donations and fines	<u>5,310</u>	<u>3,547</u>	<u>8,929</u>
	<u>9,483</u>	<u>8,632</u>	<u>24,379</u>
EXPENDITURES			
Current			
Wages	-	-	2,139
Books and periodicals	2,750	2,686	2,568
Administration and supplies	7,460	3,172	4,073
Veteran's plaque	<u>4,250</u>	<u>2,527</u>	<u>6,602</u>
	<u>14,460</u>	<u>8,385</u>	<u>15,382</u>
Capital			
Furniture and equipment	<u>7,048</u>	<u>1,944</u>	-
Total expenditures	<u>21,508</u>	<u>10,329</u>	<u>15,382</u>
NET (EXPENDITURES) REVENUES	(12,025)	(1,697)	8,997
MUNICIPAL POSITION AT BEGINNING OF YEAR	<u>32,053</u>	<u>32,053</u>	<u>23,056</u>
MUNICIPAL POSITION AT END OF YEAR	\$ <u>20,028</u>	\$ <u>30,356</u>	\$ <u>32,053</u>

(See accompany notes and schedules)

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
OPERATIONS		
Net (expenditures) revenues	\$ (1,697)	\$ 8,997
Changes in the level of:		
Accounts receivable	9	201
Due from own municipality	(502)	-
Accounts payable	29	(2,046)
Due to own municipality	<u>(2,089)</u>	<u>108</u>
NET (DECREASE) INCREASE IN CASH FROM OPERATIONS AND NET CHANGE IN CASH	(4,250)	7,260
CASH AT BEGINNING OF YEAR	<u>33,961</u>	<u>26,701</u>
CASH AT END OF YEAR	\$ <u>29,711</u>	\$ <u>33,961</u>

(See accompany notes and schedules)

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

The Library Board is a board of the United Township of Head, Clara and Maria organized to direct the provision of library services to residents of the United Townships.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared by management 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.

Fund accounting

The financial statements consist of current and capital funds. The current fund is to be used to offset taxation or user charges in 2009.

Tangible capital assets

The historical cost and accumulated amortization of tangible capital assets are not reported. Tangible capital assets are reported as an expenditure in the year of acquisition on the statement of financial activities. Effective January 1, 2009 this will change with implementation of Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook (See Note 2 - New Accounting Standards).

Revenue recognition

The Board is funded primarily by the Province of Ontario and the United Townships of Head, Clara and Maria in accordance with the budget approved by the United Townships' council. These financial statements reflect agreed funding arrangements approved by the United Townships with respect to the year ended December 31, 2008.

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 and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NOTE 2 NEW ACCOUNTING STANDARDS

The Library owns various tangible capital assets. Effective January 1, 2009, the Library will be required to record tangible capital assets in accordance with Section 3150 of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants. Accounting Guideline 7 of the Handbook provides transitional guidance on presenting information related to tangible capital assets until Section 3150 comes into effect. With regards to this guideline, the Library has begun the process of compiling a listing of all capital assets.

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 3 FINANCIAL INSTRUMENTS

The Board's financial instruments consist of cash, accounts receivable, amounts due from own municipality and accounts payable and accrued liabilities.

Risk

It is management's opinion that the Board is not exposed to significant interest, currency or credit risks arising from its financial instruments.

Fair market value

The fair value of the company's financial instruments approximates their carrying value due to their short term nature.

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

SCHEDULE OF CURRENT FUND OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget <u>2008</u>	Actual <u>2008</u>	Actual <u>2007</u>
REVENUES			
Provincial and other grants	\$ 4,173	\$ 5,085	\$ 13,350
Municipal contribution	-	-	2,100
Fundraising, donations and fines	<u>5,310</u>	<u>3,547</u>	<u>8,929</u>
	<u>9,483</u>	<u>8,632</u>	<u>24,379</u>
EXPENDITURES			
Wages	-	-	2,139
Books and periodicals	2,750	2,686	2,568
Administration and supplies	7,460	3,172	4,073
Veteran's plaque	<u>4,250</u>	<u>2,527</u>	<u>6,602</u>
	<u>14,460</u>	<u>8,385</u>	<u>15,382</u>
NET (EXPENDITURES) REVENUES	(4,977)	247	8,997
TRANSFERS			
To capital fund	(7,048)	(1,944)	-
To reserves	<u>-</u>	<u>(2,398)</u>	<u>(3,028)</u>
CHANGE IN CURRENT FUND	(12,025)	(4,095)	5,969
CURRENT FUND AT BEGINNING OF YEAR	<u>12,025</u>	<u>12,025</u>	<u>6,056</u>
CURRENT FUND AT END OF YEAR	\$ <u>-</u>	\$ <u>7,930</u>	\$ <u>12,025</u>

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

SCHEDULE OF CAPITAL FUND OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget <u>2008</u>	Actual <u>2008</u>	Actual <u>2007</u>
REVENUES			
Provincial and other grants	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
EXPENDITURES			
Furniture and equipment	<u> 7,048</u>	<u> 1,944</u>	<u> -</u>
NET EXPENDITURES	(7,048)	(1,944)	-
TRANSFERS			
From current fund	<u> 7,048</u>	<u> 1,944</u>	<u> -</u>
CHANGE IN CAPITAL FUND AND CAPITAL FUND AT END OF YEAR	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

SCHEDULE OF RESERVES

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget <u>2008</u>	Actual <u>2008</u>	Actual <u>2007</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	-	-	-
TRANSFERS			
From current fund	<u>-</u>	<u>2,398</u>	<u>3,028</u>
CHANGE IN RESERVES	-	2,398	3,028
RESERVES AT BEGINNING OF YEAR	<u>20,028</u>	<u>20,028</u>	<u>17,000</u>
RESERVES AT END OF YEAR	\$ <u><u>20,028</u></u>	\$ <u><u>22,426</u></u>	\$ <u><u>20,028</u></u>