

Township of Bonnechere Valley

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

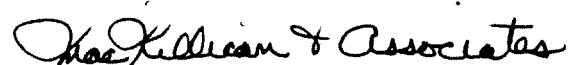
AUDITORS' REPORT

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

We have audited the consolidated statement of financial position of the Corporation of the Township of Bonnechere Valley 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 Bonnechere Valley 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.  
29 January 2010.

Chartered Accountants,  
Licensed Public Accountants.

Township of Bonnechere Valley  
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	\$ 400	\$ 679,778
Taxes receivable	473,038	406,183
Accounts receivable	849,506	159,024
Other assets	5,272	
Notes receivable (Note 4)	1,118,401	1,218,551
Investment in Eganville Generation Corporation (Note 5)	<u>190,571</u>	<u>                    </u>
	<u>\$ 2,637,188</u>	<u>\$ 2,463,536</u>
<b>Financial liabilities:</b>		
Bank overdraft	\$ 128,040	
Bank credit line	76,300	
Accounts payable and accrued liabilities	254,427	\$ 192,207
Deferred revenue	7,789	179,070
Net long term liabilities (Note 13)	1,586,664	1,515,665
Landfill closure and post closure costs (Note 7)	1,366,500	1,480,500
Employee future benefits	<u>37,261</u>	<u>30,247</u>
	<u>\$ 3,456,981</u>	<u>\$ 3,397,689</u>
<b>Net financial assets</b>	<u>\$ (819,793)</u>	<u>\$ (934,153)</u>
<b>Non-financial assets:</b>		
Tangible capital assets (net) (Note 10)	\$ 33,819,218	\$ 32,931,989
Inventory of supplies	90,908	121,693
Prepaid expenses	<u>80,856</u>	<u>112,906</u>
	<u>\$ 33,990,982</u>	<u>\$ 33,166,588</u>
<b>Accumulated surplus</b>	<u>\$ 33,171,189</u>	<u>\$ 32,232,435</u>
<b>Accumulated surplus comprised of:</b>		
Equity in tangible capital assets	\$ 31,727,910	\$ 31,290,324
Reserves	2,260,514	2,294,164
General	374,543	140,192
Equity in government business enterprises	190,571	
Library Board	21,412	18,502
Unfunded - employee future benefit costs (Note 2)	(37,261)	(30,247)
Unfunded - landfill closure and post closure costs (Note 2)	<u>(1,366,500)</u>	<u>(1,480,500)</u>
<b>Total accumulated surplus</b>	<u>\$ 33,171,189</u>	<u>\$ 32,232,435</u>

(See accompanying notes)

**Township of Bonnechere Valley**  
**Consolidated Statement of 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>Revenues:</b>			
Taxation and user charges	\$ 2,863,533	\$ 2,964,353	\$ 2,703,224
Government transfers:			
Ontario	1,568,820	2,144,336	2,398,454
Canada	117,939	611,363	22,451
Other municipalities	102,291	108,635	79,092
Other	<u>681,809</u>	<u>752,818</u>	<u>659,708</u>
	<u>\$ 5,334,392</u>	<u>\$ 6,581,505</u>	<u>\$ 5,862,929</u>
<b>Expenditures:</b>			
General government	\$ 588,345	\$ 648,368	\$ 754,952
Protection to persons and property	849,287	831,151	753,626
Transportation services	2,290,846	2,200,335	2,027,368
Environmental services	1,309,842	1,233,192	992,139
Health services			3,600
Recreation and cultural services	662,496	699,512	842,901
Planning and development	<u>18,050</u>	<u>30,193</u>	<u>51,875</u>
	<u>\$ 5,718,866</u>	<u>\$ 5,642,751</u>	<u>\$ 5,426,461</u>
Net surplus (deficit) for the year	\$ (384,474)	\$ 938,754	\$ 436,468
Accumulated surplus at the beginning of the year	<u>32,232,435</u>	<u>32,232,435</u>	<u>31,795,967</u>
Accumulated surplus at the end of the year	<u>\$ 31,847,961</u>	<u>\$ 33,171,189</u>	<u>\$ 32,232,435</u>

(See accompanying notes)

Township of Bonnechere Valley  
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	\$ 938,754	\$ 436,468
Amortization of tangible capital assets	1,459,756	1,370,054
Acquisition of tangible capital assets	(2,470,657)	(2,088,383)
Loss (gain) on disposal of capital assets	123,672	170,783
Use of (acquisition of) prepaid expenses	32,050	(112,906)
Use of (acquisition of) inventory	<u>30,785</u>	<u>(121,693)</u>
Increase (decrease) in net financial assets	\$ 114,360	\$ (345,677)
Net financial assets, beginning of year	<u>(934,153)</u>	<u>(588,476)</u>
Net financial assets, end of year	<u>\$ (819,793)</u>	<u>\$ (934,153)</u>

(See accompanying notes)

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

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net surplus for year	\$ 938,754	\$ 436,468
Add amortization and loss on disposals which do not involve cash	<u>1,583,428</u>	<u>1,540,837</u>
	<u>\$ 2,522,182</u>	<u>\$ 1,977,305</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	\$ (66,855)	(82,060)
- decrease (increase) in other assets	(5,272)	4,331
- decrease (increase) in notes receivable	100,150	173,605
- decrease (increase) in prepaid expenses	32,050	(112,906)
- decrease (increase) in accounts receivable	(690,482)	6,879
- decrease (increase) in inventory	30,785	(121,693)
- increase (decrease) in accounts payable and accrued liabilities	62,220	(120,770)
- increase (decrease) in landfill closure and post closure costs	(114,000)	(83,000)
- increase (decrease) in employee future benefits	<u>7,014</u>	<u>8,408</u>
	<u>\$ (644,390)</u>	<u>\$ (327,206)</u>
Cash flows from operating activities	<u>\$ 1,877,792</u>	<u>\$ 1,650,099</u>
Cash flows from financing activities:		
Increase (decrease) in long term debt	\$ 70,999	\$ 382,090
Increase (decrease) in deferred revenue	<u>(171,281)</u>	<u>179,070</u>
Cash flows from (used for) financing activities	<u>\$ (100,282)</u>	<u>\$ 561,160</u>
Cash flows used for investing activities:		
Additions to tangible capital assets:		
General government		\$ (32,643)
Protection to persons and property	\$ (31,247)	(142,815)
Transportation services	(1,359,030)	(1,365,259)
Environmental services	(205,294)	(519,554)
Recreation and cultural services	(227,195)	(28,111)
Work in progress	(647,891)	
Investment in Eganville Generation Corporation	<u>(190,571)</u>	
Cash flows used for investing activities	<u>\$ (2,661,228)</u>	<u>\$ (2,088,382)</u>
Increase (decrease) in cash and cash equivalents during the year	\$ (883,718)	\$ 122,877
Cash and cash equivalents at the beginning of the year	<u>679,778</u>	<u>556,901</u>
Cash and cash equivalents at the end of the year	<u>\$ (203,940)</u>	<u>\$ 679,778</u>
Comprised of:		
Cash	\$ 400	\$ 679,778
Bank overdraft	(128,040)	
Bank credit line	<u>(76,300)</u>	
	<u>\$ (203,940)</u>	<u>\$ 679,778</u>

(See accompanying notes)

Township of Bonnechere Valley  
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 Bonnechere Valley are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

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

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

(a) Reporting Entity

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the Township. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned or controlled by the Township. Interdepartmental and interorganizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

- Bonnechere Union Public Library Board

- (ii) Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the county and school boards are not reflected in the municipal fund balances of these financial statements.

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

(b) Accrual Basis of Accounting

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

(c) Non-financial Assets

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

Township of Bonnechere Valley  
Notes to the Financial Statements  
For the year ended 31 December 2009

(d) Tangible Capital Assets

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

Land improvements	20 - 50 years
Buildings	15 - 50 years
Machinery and equipment	5 - 25 years
Vehicles	7 - 20 years
Linear assets	10 - 60 years

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

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

(ii) Contribution of Tangible Capital Assets

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

(iii) Leases

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

(iv) Inventories

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

(e) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

(f) Government Transfers

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

(g) Deferred Revenue

Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

Township of Bonnechere Valley  
Notes to the Financial Statements  
For the year ended 31 December 2009

(h) **Deferred Revenue - Obligatory Reserve Funds**

The Township receives restricted contributions under the authority of provincial and federal legislation and Township by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(i) **Financial Instruments**

Financial instruments include cash, taxes receivable, accounts receivable, other assets, notes receivable, investment in Eganville Generation Corporation, bank overdraft, bank credit line, 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 and accounts payable and accrued liabilities approximate 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 landfill closure and post closure liabilities and employee future benefit costs.

**3. TRUST FUNDS**

Trust funds administered by the Township, totaling \$ nil (2008 - \$ 828) are presented in a separate financial statement of trust fund financial position, financial activities and fund balances. As such, balances held in trust by the Township for the benefit of others have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities and Fund Balances.

**4. NOTES RECEIVABLE**

Due from Eganville Generation Corporation - \$ 1,118,401 (2008 - \$ 1,218,551):

The former Eganville Public Utilities Commission distribution system was sold to Hydro One in 2001. The Eganville Generation Corporation was formed and the proceeds from the sale were used to finance the generation system upgrade. The note receivable is offset by reserves held by the Township. The interest charged in 2009 was at interest rates of 7.25% and 4.02%. The note has no fixed repayment terms.

Township of Bonnechere Valley  
Notes to the Financial Statements  
For the year ended 31 December 2009

5. INVESTMENT IN EGANVILLE GENERATION CORPORATION

The investment in Eganville Generation Corporation is carried at cost and is comprised as follows:

100 Common shares of Eganville Generation Corporation	\$	100
Eganville Generation Corporation surplus		<u>190,471</u>
	\$	<u><u>190,571</u></u>

6. 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	\$ 851,226	\$ 1,225,132
Payments in lieu	<u>21,028</u>	<u>123</u>
	<u><u>\$ 872,254</u></u>	<u><u>\$ 1,225,255</u></u>

7. LANDFILL CLOSURE AND POST CLOSURE LIABILITY

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

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a ten year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

8. CONTINGENT LIABILITIES

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. The Township is not aware of any claims or possible claims as at 31 December 2009.

9. BUDGET FIGURES

The operating budget approved by the Township of Bonnechere Valley for 2009 is reflected on the Consolidated Statement of Financial Activities. The budget established for capital investment in tangible capital assets are 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.

Township of Bonnechere Valley  
Notes to the Financial Statements  
For the year ended 31 December 2009

10. TANGIBLE CAPITAL ASSETS

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

(i) Contributed Tangible Capital Assets

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

(ii) Tangible Capital Assets Recognized at Nominal Value

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

11. COMPARATIVE FIGURES

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

12. EXPENDITURES BY OBJECT

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

	<u>2009</u>	<u>2008</u>
Salaries, wages and employee benefits	\$ 1,615,211	\$ 1,418,159
Interest on long term debt	50,233	51,964
Operating materials and supplies	2,117,700	2,146,169
Contracted services	387,922	435,515
External transfers	11,930	4,600
Amortization	<u>1,459,755</u>	<u>1,370,054</u>
Total expenditure by object	\$ <u>5,642,751</u>	\$ <u>5,426,461</u>

Township of Bonnechere Valley  
Notes to the Financial Statements  
For the year ended 31 December 2009

13. NET LONG TERM LIABILITIES

(a) The balance of net long term liabilities of \$ 1,586,664 (2008 - \$ 1,515,665) reported on the "Consolidated Statement of Financial Position" is made up of long term liabilities incurred by the Municipality and includes those incurred on behalf of municipal enterprises.

(b) Principal payments required on the long term liabilities are as follows:

2010	\$	358,388
2011		320,049
2012		276,486
2013		171,873
2014		99,018
2015 to 2019		224,084
2020 onward		136,766

14. CHARGES FOR NET LONG TERM LIABILITIES

(a) Total charges for the year for net long term liabilities are as follows:

	<u>2009</u>	<u>2008</u>
Principal	\$ 310,782	\$ 277,854
Interest	<u>50,233</u>	<u>51,964</u>
	<u>\$ 361,015</u>	<u>\$ 329,818</u>

These payments are within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing under Ontario Regulation 403/02.

(b) The interest charges shown in (a) above are reported on the Consolidated Statement of Financial Activities under the appropriate functional expenditure heading.

Township of Bonnechere Valley

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	\$ 2,863,533	\$ 2,964,353	\$ 2,703,224
Government transfers:			
Ontario	1,550,523	2,127,139	2,380,638
Canada	116,683	598,166	12,180
Other municipalities	73,430	78,243	53,669
Other	<u>662,162</u>	<u>531,415</u>	<u>628,535</u>
	<u>\$ 5,266,331</u>	<u>\$ 6,299,316</u>	<u>\$ 5,778,246</u>
<b>Expenditure:</b>			
General government	\$ 588,345	\$ 648,368	\$ 754,952
Protection to persons and property	849,287	831,151	753,626
Transportation services	2,290,846	2,193,321	2,101,958
Environmental services	1,309,842	1,347,192	992,139
Health services			3,600
Recreation and cultural services	594,435	606,261	746,119
Planning and development	<u>18,050</u>	<u>30,193</u>	<u>51,875</u>
	<u>\$ 5,650,805</u>	<u>\$ 5,656,486</u>	<u>\$ 5,404,269</u>
Net revenue (expenditure)	<u>\$ (384,474)</u>	<u>\$ 642,830</u>	<u>\$ 373,977</u>
<b>Transfers:</b>			
Transfer from (to) reserves	\$ 30,000	\$ 33,650	\$ (294,220)
Transfer to equity in tangible capital assets	<u>                    </u>	<u>(442,129)</u>	<u>(39,457)</u>
Net transfers	<u>\$ 30,000</u>	<u>\$ (408,479)</u>	<u>\$ (333,677)</u>
Change in general surplus	\$ (354,474)	\$ 234,351	\$ 40,300
General surplus at the beginning of the year	<u>140,192</u>	<u>140,192</u>	<u>99,892</u>
General surplus (deficit) at the end of the year	<u>\$ (214,282)</u>	<u>\$ 374,543</u>	<u>\$ 140,192</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Township of Bonnechere Valley  
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 (to) operations	\$ (33,650)	\$ 294,220
Reserves and reserve funds at the beginning of the year	<u>2,294,164</u>	<u>1,999,944</u>
Reserves and reserve funds at the end of the year	<u>\$ 2,260,514</u>	<u>\$ 2,294,164</u>
Reserves:		
Working funds	\$ 336,550	\$ 336,550
Protection services	17,687	17,687
Roadways	90,126	83,167
Administration	10,000	10,000
Water and Sewage system	342,397	296,667
Environmental		74,846
Recreation	33,178	54,671
Hydro generation	1,420,576	1,420,576
Health	<u>10,000</u>	
Total reserves	<u>\$ 2,260,514</u>	<u>\$ 2,294,164</u>

(See accompanying notes)

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

	2009			2008
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
<b>Functional classification:</b>				
General government	\$ 991,635	\$ 473,788	\$ 517,847	\$ 559,692
Protection services	1,907,081	768,020	1,139,061	1,214,002
Transportation services	36,427,253	14,459,327	21,967,926	21,622,454
Environmental services	14,123,483	6,249,151	7,874,332	7,974,655
Recreation and cultural services	3,437,785	1,875,058	1,562,727	1,451,752
Planning and development	109,434		109,434	109,434
Construction in progress	<u>647,891</u>		<u>647,891</u>	
	<u>\$ 57,644,562</u>	<u>\$ 23,825,344</u>	<u>\$ 33,819,218</u>	<u>\$ 32,931,989</u>

	2009			2008
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
<b>Segmented by asset class:</b>				
Land	\$ 423,750	\$ 68,708	\$ 355,042	\$ 355,042
Land improvements	822,747	634,481	188,266	210,589
Buildings	9,575,388	3,822,398	5,752,990	5,477,286
Machinery and equipment	4,900,626	1,933,487	2,967,139	3,047,201
Vehicles	1,948,998	931,227	1,017,771	719,936
Linear assets	<u>39,973,053</u>	<u>16,435,043</u>	<u>23,538,010</u>	<u>23,121,935</u>
	<u>\$ 57,644,562</u>	<u>\$ 23,825,344</u>	<u>\$ 33,819,218</u>	<u>\$ 32,931,989</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  
Township of Bonnechere Valley.

We have audited the statement of financial position of the Ontario Home Renewal Program trust fund of the Township of Bonnechere Valley as at 31 December 2009 and the statement of continuity of the trust fund for the year then ended. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Ontario Home Renewal Program trust fund of the Township of Bonnechere Valley as at 31 December 2009, and the continuity of the trust fund for the year then ended in accordance with Canadian generally accepted accounting principles.



RENFREW, Ontario.

29 January 2010.

**Chartered Accountants,**

Licensed Public Accountants.

Township of Bonnechere Valley

Trust Fund

Statement of Financial Position

As at 31 December 2009

(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>		
Cash in bank	\$ -	\$ 1,039
Loans receivable		<u>828</u>
	<u>\$ -</u>	<u>\$ 1,867</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Due to Province	\$ -	\$ 1,039
Fund balance		<u>828</u>
	<u>\$ -</u>	<u>\$ 1,867</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Township of Bonnechere Valley

Trust Fund

Statement of Continuity

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

	<u>2009</u>	<u>2008</u>
Balance at the beginning of the year	\$ <u>828</u>	\$ <u>828</u>
Revenue:		
Investment income	\$ <u>2</u>	\$ <u>-</u>
Expenditure:		
Administration charges	\$ 2	\$ -
Uncollectable loans	<u>828</u>	<u>          </u>
	<u>\$ 830</u>	<u>\$ -</u>
Balance at the end of the year	\$ <u>-</u>	\$ <u><u>828</u></u>

(See accompanying notes)

Township of Bonnechere Valley

Trust Fund

Notes to the Financial Statements

For the year ended 31 December 2009

1. ACCOUNTING POLICIES

**Basis of Accounting**

Capital receipts and income are reported on the cash basis of accounting. Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

2. ONTARIO HOME RENEWAL PROGRAM

Ontario Home Renewal Program loans receivable at 31 December 2009 are \$ nil (2008 - \$ 828). The balance of the loans receivable were written-off in 2009 and the trust fund was discontinued.

**MACKILLICAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

252 Raglan Street S.  
Renfrew, Ontario

AUDITOR'S REPORT

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

We have audited the statement of financial position of the Bonnechere Union Public Library Board as at 31 December 2009, and the statements of financial activities and changes in net financial assets for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many public library boards, the organization derives revenue from donations, fundraising, fees and memberships and lottery receipts, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Bonnechere Union Public Library Board and we were not able to determine whether any adjustments might be necessary to donations, fundraising, fees and memberships, lottery receipts, assets and accumulated surplus.

In our opinion, except for the effect of adjustments, if any, which we have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations, fundraising, fees and memberships and lottery receipts referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Bonnechere Union Public Library Board as at 31 December 2009, and the results of its operations and changes in net financial assets for the year then ended in accordance with Canadian generally accepted accounting principles.



RENFREW, Ontario.  
19 February 2010.

**Chartered Accountants,**  
Licensed Public Accountants.

Bonnechere Union Public Library Board

Statement of Financial Position

As at 31 December 2009

(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Financial assets:		
Cash	\$ 16,154	\$ 15,784
Accounts receivable	6,497	2,043
Due from Canada	<u>2,036</u>	<u>5,264</u>
	<u>\$ 24,687</u>	<u>\$ 23,091</u>
Financial liabilities:		
Accounts payable and accrued liabilities	<u>\$ 3,854</u>	<u>\$ 4,783</u>
Net financial assets	<u>\$ 20,833</u>	<u>\$ 18,308</u>
Non-financial assets:		
Prepaid expenses	\$ 579	\$ 194
Tangible capital assets (Note 3)	<u>112,763</u>	<u>117,307</u>
	<u>\$ 113,342</u>	<u>\$ 117,501</u>
Accumulated surplus	<u>\$ 134,175</u>	<u>\$ 135,809</u>
Accumulated surplus comprised of:		
Equity in tangible capital assets	\$ 112,763	\$ 117,307
General	<u>21,412</u>	<u>18,502</u>
Total accumulated surplus	<u>\$ 134,175</u>	<u>\$ 135,809</u>

**Bonnechere Union Public Library Board**

**Statement of 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>			
Province of Ontario - library grants (Note 2)	\$ 14,506	\$ 14,506	\$ 14,506
- pay equity	2,691	2,691	2,691
- SOLS grant	1,100		
- Algonquin College			619
Government of Canada - Summer Career Placement Program	1,256	1,848	1,150
- Community Access Program	7,663	11,349	9,121
Municipalities - Bonnechere Valley	67,344	70,914	59,320
- North Altona Wilberforce	28,861	30,392	25,423
Interest income	300		230
Donations, fundraising, fees and memberships	11,000	19,881	23,970
Lottery receipts	<u>684</u>	<u>12,986</u>	<u>13,265</u>
	<u>\$ 135,405</u>	<u>\$ 164,567</u>	<u>\$ 150,295</u>
<b>Expenditure:</b>			
Audit and bookkeeping	\$ 4,000	\$ 3,841	\$ 3,689
Capital purchases (minor)			5,552
Cleaning	3,000		3,152
Equipment and supplies	2,000	2,381	6,889
Lottery expense - programs and awards		20	57
- administration	3,500	5,201	4,590
Miscellaneous	2,225	7,022	5,322
Books and publications	2,500	5,327	5,078
Rent	13,925	11,550	11,550
Technology advancements	3,000	3,593	8,314
Telephone	1,350	1,240	1,242
Utilities	1,650	1,650	1,650
Wages and benefits	<u>98,255</u>	<u>104,572</u>	<u>90,049</u>
	<u>\$ 135,405</u>	<u>\$ 146,397</u>	<u>\$ 147,134</u>
Surplus before amortization	\$ -	\$ 18,170	\$ 3,161
Less amortization		<u>(19,804)</u>	<u>(19,528)</u>
Net deficit for the year	\$ -	\$ (1,634)	\$ (16,367)
Accumulated surplus at the beginning of the year	<u>135,809</u>	<u>135,809</u>	<u>152,176</u>
Accumulated surplus at the end of the year	<u>\$ 135,809</u>	<u>\$ 134,175</u>	<u>\$ 135,809</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Bonnechere Union Public Library Board  
Statement of Changes in Net Financial Assets  
(unaudited)  
For the year ended 31 December 2009  
(with 2008 figures for comparison)

	<u>2009</u>	<u>2008</u>
Net deficit for the year	\$ (1,634)	\$ (16,367)
Amortization of tangible capital assets	19,804	19,528
Acquisition of tangible capital assets	(15,261)	(15,261)
(Acquisition) use of prepaid expenses	<u>(384)</u>	<u>93</u>
Increase (decrease) in net financial assets	\$ 2,525	\$ (12,007)
Net financial assets, beginning of year	<u>18,308</u>	<u>30,315</u>
Net financial assets, end of year	<u>\$ 20,833</u>	<u>\$ 18,308</u>

(See accompanying notes)

Bonnechere Union Public Library Board

Notes to the Financial Statements  
(unaudited)

For the year ended 31 December 2009

1. ACCOUNTING POLICIES

The financial statements of the Bonnechere Union 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

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.

	2009			2008
	Amount	Transferred to Other Library Boards	Net Grants	Net Grants
2. PROVINCIAL LIBRARY GRANTS	<u>Received</u>	<u>Boards</u>	<u>Grants</u>	<u>Grants</u>
Bonnechere Valley	\$ 9,941	\$ 1,856	\$ 8,085	\$ 8,085
North Algona Wilberforce	<u>7,073</u>	<u>652</u>	<u>6,421</u>	<u>6,421</u>
	<u>\$ 17,014</u>	<u>\$ 2,508</u>	<u>\$ 14,506</u>	<u>\$ 14,506</u>

	2009			2008
3. TANGIBLE CAPITAL ASSETS	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment and books	<u>\$ 225,780</u>	<u>\$ 113,017</u>	<u>\$ 112,763</u>	<u>\$ 117,307</u>

4. COMPARATIVE FIGURES

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