

FINANCIAL STATEMENTS
UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA
LIBRARY BOARD
for year ended
DECEMBER 31, 2007

AUDITORS' REPORT

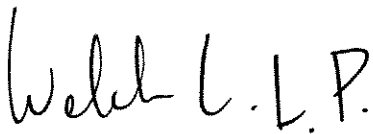
To the Board Members, Members of Council, Inhabitants
and Ratepayers of the **CORPORATION OF THE UNITED
TOWNSHIPS OF HEAD, CLARA AND MARIA.**

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, 2007 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, 2007 and the results of its financial activities and cash flows position for the year then ended in accordance with the Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Pembroke, Ontario
March 18, 2008

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2007

	<u>2007</u>	<u>2006</u>
FINANCIAL ASSETS		
Cash	\$ 33,961	\$ 26,701
Accounts receivable	<u>652</u>	<u>853</u>
	<u>34,613</u>	<u>27,554</u>
LIABILITIES		
Accounts payable and accrued liabilities	471	2,517
Due to own municipality	<u>2,089</u>	<u>1,981</u>
	<u>2,560</u>	<u>4,498</u>
NET ASSETS	\$ <u><u>32,053</u></u>	\$ <u><u>23,056</u></u>
MUNICIPAL POSITION		
Current fund	\$ 12,025	\$ 6,056
Reserves	<u>20,028</u>	<u>17,000</u>
	\$ <u><u>32,053</u></u>	\$ <u><u>23,056</u></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, 2007

	Budget <u>2007</u>	Actual <u>2007</u>	Actual <u>2006</u>
REVENUES			
Provincial and other grants	\$ 11,457	\$ 13,350	\$ 32,532
Municipal contribution	2,100	2,100	2,100
Fundraising, donations and fines	<u>2,710</u>	<u>8,929</u>	<u>3,266</u>
	<u>16,267</u>	<u>24,379</u>	<u>37,898</u>
EXPENDITURES			
Current			
Wages	2,000	2,139	1,774
Books and periodicals	3,500	2,568	1,593
Administration and supplies	13,020	4,073	8,178
Veteran's plaque	2,717	6,602	1,615
History project	<u>750</u>	<u>-</u>	<u>5,399</u>
	<u>21,987</u>	<u>15,382</u>	<u>18,559</u>
Capital			
Furniture and equipment	<u>-</u>	<u>-</u>	<u>1,005</u>
Total expenditures	<u>21,987</u>	<u>15,382</u>	<u>19,564</u>
NET (EXPENDITURES) REVENUES	(5,720)	8,997	18,334
MUNICIPAL POSITION AT BEGINNING OF YEAR	<u>24,720</u>	<u>23,056</u>	<u>4,722</u>
MUNICIPAL POSITION AT END OF YEAR	\$ <u>19,000</u>	\$ <u>32,053</u>	\$ <u>23,056</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, 2007

	<u>2007</u>	<u>2006</u>
OPERATIONS		
Net revenues	\$ 8,997	\$ 18,334
Changes in the level of:		
Accounts receivable	201	(508)
Accounts payable	(2,046)	1,729
Due to own municipality	<u>108</u>	<u>216</u>
NET INCREASE IN CASH FROM OPERATIONS AND NET CHANGE IN CASH	7,260	19,771
CASH AT BEGINNING OF YEAR	<u>26,701</u>	<u>6,930</u>
CASH AT END OF YEAR	\$ <u>33,961</u>	\$ <u>26,701</u>

(See accompany notes and schedules)

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007

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 2008.

Capital assets

Capital assets are reported as an expenditure in the year of acquisition on the statement of financial activities.

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, 2007.

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, 2007

NOTE 3 FINANCIAL INSTRUMENTS

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

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.

NOTE 4 COMPARATIVE FIGURES

Comparative figures have been reclassified to conform with the current year's presentation.

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

SCHEDULE OF CURRENT FUND OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget <u>2007</u>	Actual <u>2007</u>	Actual <u>2006</u>
REVENUES			
Provincial and other grants	\$ 11,457	\$ 13,350	\$ 32,532
Municipal contribution	2,100	2,100	2,100
Fundraising, donations and fines	<u>2,710</u>	<u>8,929</u>	<u>3,266</u>
	<u>16,267</u>	<u>24,379</u>	<u>37,898</u>
EXPENDITURES			
Wages	2,000	2,139	1,774
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Administration and supplies	13,020	4,073	9,793
Veteran's plaque	2,717	6,602	1,615
History project	<u>750</u>	<u>-</u>	<u>5,399</u>
	<u>21,987</u>	<u>15,382</u>	<u>18,559</u>
NET (EXPENDITURES) REVENUES	(5,720)	8,997	19,339
TRANSFERS			
To capital fund	-	-	(1,005)
To reserves	<u>(2,000)</u>	<u>(3,028)</u>	<u>(17,000)</u>
CHANGE IN CURRENT FUND	(7,720)	5,969	1,334
CURRENT FUND AT BEGINNING OF YEAR	<u>7,720</u>	<u>6,056</u>	<u>4,722</u>
CURRENT FUND AT END OF YEAR	\$ <u><u>-</u></u>	\$ <u><u>12,025</u></u>	\$ <u><u>6,056</u></u>

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

SCHEDULE OF RESERVES

FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget <u>2007</u>	Actual <u>2007</u>	Actual <u>2006</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	-	-	-
TRANSFERS			
From current fund	<u>2,000</u>	<u>3,028</u>	<u>17,000</u>
CHANGE IN RESERVES	2,000	3,028	17,000
RESERVES AT BEGINNING OF YEAR	<u>17,000</u>	<u>17,000</u>	<u>-</u>
RESERVES AT END OF YEAR	\$ <u><u>19,000</u></u>	\$ <u><u>20,028</u></u>	\$ <u><u>17,000</u></u>

UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA

LIBRARY BOARD

SCHEDULE OF CAPITAL FUND OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget <u>2007</u>	Actual <u>2007</u>	Actual <u>2006</u>
REVENUES			
Provincial and other grants	\$ _____ -	\$ _____ -	\$ _____ -
 EXPENDITURES			
Furniture and equipment	_____ -	_____ -	_____ 1,005
 NET EXPENDITURES	-	-	(1,005)
 TRANSFERS			
From current fund	_____ -	_____ -	_____ 1,005
 CHANGE IN CAPITAL FUND AND CAPITAL FUND AT END OF YEAR	\$ <u>_____ -</u>	\$ <u>_____ -</u>	\$ <u>_____ -</u>