

**SOUTH ALGONQUIN PUBLIC LIBRARY BOARD**

Financial Statements

**DECEMBER 31, 2006**

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**FINANCIAL STATEMENTS**  
**SOUTH ALGONQUIN PUBLIC LIBRARY BOARD**  
**For year ended**  
**DECEMBER 31, 2006**

## AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants and Ratepayers of the  
**CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN**

We have audited the statement of financial position of the **SOUTH ALGONQUIN PUBLIC LIBRARY BOARD** as at December 31, 2006 and the statements of financial activities and cash flows 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.

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 **SOUTH ALGONQUIN PUBLIC LIBRARY BOARD** as at December 31, 2006 and the results of its financial activities and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

Pembroke, Ontario.  
March 13, 2007.

**SOUTH ALGONQUIN PUBLIC LIBRARY BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>FINANCIAL ASSETS</b>		
Due from own municipality	\$ <u>48,941</u>	\$ <u>          -</u>
<b>LIABILITIES</b>		
Deferred revenue	29,841	-
Due to own municipality	<u>          -</u>	<u>      2,328</u>
<b>NET (LIABILITIES) ASSETS</b>	<u>\$ 19,100</u>	<u>\$ (2,328)</u>
<b>MUNICIPAL POSITION</b>		
Current Fund	\$ 2,100	\$ (2,328)
Reserves	<u>17,000</u>	<u>          -</u>
	<u>\$ 19,100</u>	<u>\$ (2,328)</u>

(See accompanying notes and schedules)

**SOUTH ALGONQUIN PUBLIC LIBRARY BOARD**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budget <u>2006</u>	Actual <u>2006</u>	Actual <u>2005</u>
<b>REVENUES</b>			
Provincial grants	\$ 60,241	\$ 39,416	\$ 18,354
Contributions from own Municipality	25,485	25,485	15,336
Fees, service charges and donations	<u>300</u>	<u>372</u>	<u>445</u>
	<u>86,026</u>	<u>65,273</u>	<u>34,135</u>
<b>EXPENDITURES</b>			
<b>Current operations</b>			
Salaries, wages and employee benefits	13,652	21,436	20,948
Books and periodicals	15,877	8,140	5,541
Operating supplies and maintenance	<u>11,769</u>	<u>13,862</u>	<u>12,280</u>
	41,298	43,438	38,769
<b>Capital</b>	<u>25,400</u>	<u>407</u>	<u>480</u>
<b>Total expenditures</b>	<u>66,698</u>	<u>43,845</u>	<u>39,249</u>
<b>NET REVENUE (EXPENDITURES)</b>	19,328	21,428	(5,114)
<b>MUNICIPAL POSITION AT BEGINNING OF YEAR</b>	<u>(2,328)</u>	<u>(2,328)</u>	<u>2,786</u>
<b>MUNICIPAL POSITION AT END OF YEAR</b>	\$ <u>17,000</u>	\$ <u>19,100</u>	\$ <u>(2,328)</u>

(See accompanying notes and schedules)

**SOUTH ALGONQUIN PUBLIC LIBRARY BOARD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM (USED IN) OPERATIONS</b>		
<b>Net (expenditures) revenue</b>	\$ <u>21,428</u>	\$ <u>(5,114)</u>
<b>Sources (Uses):</b>		
Advances from (to) own municipality	(51,269)	5,114
Deferred revenue	<u>29,841</u>	<u>-</u>
<b>NET (DECREASE) INCREASE IN CASH FROM OPERATIONS AND NET CHANGE IN CASH</b>	-	-
<b>CASH AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>
<b>CASH AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes and schedules)

**SOUTH ALGONQUIN PUBLIC LIBRARY BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

The South Algonquin Public Library Board is a board of the Township of South Algonquin organized to direct the provision of library services to residents of the Township.

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

These 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 fund, capital fund and reserve. Interfund transfers are reflected in the appropriate municipal fund balance.

The schedule of current fund operations reflects the Board's program delivery and administrative activities and interfund transfers. The current fund is to be used to offset taxation or user charges in 2007.

The schedule of capital fund operations reflects the current year's capital expenditures, related revenues and interfund transfers.

Certain amounts as approved by council are set aside in reserves and reserve funds for future operating and capital purposes. The schedule of reserves and reserve fund reflects transactions to the reserve fund.

**Deferred revenue**

Deferred revenue consists of amounts received in advance of related expenditure. Deferred revenue will be recognized as income in the period the related expenditures are made.

**Capital assets**

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

**Revenue recognition**

The Library is funded primarily by the Township of South Algonquin in accordance with the budget approved by the Township's council. These financial statements reflect agreed funding arrangements approved by the Township with respect to the year ended December 31, 2006.

**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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**NOTE 2 FINANCIAL INSTRUMENTS**

It is management's opinion that the Library Board is not exposed to significant interest, currency or credit risks.

**SOUTH ALGONQUIN PUBLIC LIBRARY BOARD  
SCHEDULE OF CURRENT FUND OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budget <u>2006</u>	Actual <u>2006</u>	Actual <u>2005</u>
<b>REVENUES</b>			
Provincial grants	\$ 35,341	\$ 39,357	\$ 18,354
Contributions from own municipality	25,485	25,485	15,336
Fees, service charges and donations	<u>300</u>	<u>372</u>	<u>445</u>
	<u>61,126</u>	<u>65,214</u>	<u>34,135</u>
<b>EXPENDITURES</b>			
Salaries, wages and employee benefits	13,652	21,436	20,948
Books and periodicals	15,877	8,140	5,541
Operating supplies and maintenance	<u>11,769</u>	<u>13,862</u>	<u>12,280</u>
	<u>41,298</u>	<u>43,438</u>	<u>38,769</u>
<b>NET REVENUES (EXPENDITURES)</b>	19,828	21,776	(4,634)
<b>TRANSFERS</b>			
To reserve fund	(17,000)	(17,000)	-
To capital funds	<u>(500)</u>	<u>(348)</u>	<u>(480)</u>
<b>CHANGE IN CURRENT FUND</b>	2,328	4,428	(5,114)
<b>(DEFICIT) SURPLUS AT BEGINNING OF YEAR</b>	<u>(2,328)</u>	<u>(2,328)</u>	<u>2,786</u>
<b>SURPLUS AT END OF YEAR</b>	\$ <u>          -</u>	\$ <u>  2,100</u>	\$ <u>(2,328)</u>

**SOUTH ALGONQUIN PUBLIC LIBRARY BOARD  
SCHEDULE OF CAPITAL FUND OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budget <u>2006</u>	Actual <u>2006</u>	Actual <u>2005</u>
<b>REVENUES</b>			
Provincial grant	\$ <u>24,900</u>	\$ <u>59</u>	\$ <u>-</u>
<b>EXPENDITURES</b>			
Equipment and building	<u>25,400</u>	<u>407</u>	<u>480</u>
<b>NET EXPENDITURES</b>	<u>500</u>	<u>348</u>	<u>480</u>
<b>TRANSFERS</b>			
From current fund	<u>500</u>	<u>348</u>	<u>480</u>
<b>CHANGE IN CAPITAL FUND</b>	-	-	-
<b>CAPITAL FUND AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CAPITAL FUND AT END OF YEAR</b>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**SOUTH ALGONQUIN PUBLIC LIBRARY BOARD  
SCHEDULE OF RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budget <u>2006</u>	Actual <u>2006</u>	Actual <u>2005</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>TRANSFERS</b>			
From current fund	<u>17,000</u>	<u>17,000</u>	<u>-</u>
<b>CHANGES IN RESERVES</b>	17,000	17,000	-
<b>RESERVES AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>RESERVES AT END OF YEAR</b>	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ -</u>