

SOUTH ALGONQUIN RECREATION BOARD

Financial Statements

DECEMBER 31, 2006

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FINANCIAL STATEMENTS
SOUTH ALGONQUIN RECREATION 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 RECREATION 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 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.

The Board derives revenue from dances, hall rentals and community activities, the completeness of which by their nature is not susceptible of satisfactory audit verification. Accordingly our verification of these revenues was limited to the amounts recorded in the records of the committee and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue and expenditure, assets and fund balances.

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 revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the **SOUTH ALGONQUIN RECREATION 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 RECREATION BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Due from own municipality	\$ <u>15,093</u>	\$ <u>21,555</u>
NET ASSETS	\$ <u>15,093</u>	\$ <u>21,555</u>
MUNICIPAL POSITION		
Current fund	\$ (5,422)	\$ 894
Reserve fund	<u>20,515</u>	<u>20,661</u>
	\$ <u>15,093</u>	\$ <u>21,555</u>

(See accompanying notes and schedules)

SOUTH ALGONQUIN RECREATION BOARD
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget <u>2006</u>	Actual <u>2006</u>	Actual <u>2005</u>
REVENUES			
Federal Grants	\$ 9,058	\$ 8,822	\$ 1,455
Provincial grants	37,400	37,400	-
Contributions from own Municipality	51,149	51,149	57,197
District Social Services Administration Board	-	-	43,590
Fees, service charges and donations	<u>15,775</u>	<u>11,643</u>	<u>9,662</u>
	<u>113,382</u>	<u>109,014</u>	<u>111,904</u>
EXPENDITURES			
Current operations			
Wages and benefits	23,568	18,442	23,128
Materials	7,875	14,283	9,204
Contracted services	23,360	21,511	21,378
Rents and financial expenses	<u>500</u>	<u>1,322</u>	<u>761</u>
	55,303	55,558	54,471
Capital	<u>65,625</u>	<u>59,570</u>	<u>50,781</u>
Total expenditures	<u>120,928</u>	<u>115,128</u>	<u>105,252</u>
NET REVENUE (EXPENDITURES)	(7,546)	(6,114)	6,652
MUNICIPAL POSITION AT BEGINNING OF YEAR	<u>21,207</u>	<u>21,207</u>	<u>14,555</u>
MUNICIPAL POSITION AT END OF YEAR	\$ <u>13,661</u>	\$ <u>15,093</u>	\$ <u>21,207</u>

(See accompanying notes and schedules)

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

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM (USED IN) OPERATIONS		
Net revenue (expenditures)	\$ (6,114)	\$ 6,652
Sources (Uses):		
Advances from own municipality	<u>6,462</u>	<u>(550)</u>
NET (DECREASE) INCREASE IN CASH	348	6,102
CASH AT BEGINNING OF YEAR	<u>6,102</u>	<u>-</u>
CASH AT END OF YEAR	<u>\$ 6,450</u>	<u>\$ 6,102</u>

(See accompanying notes and schedules)

SOUTH ALGONQUIN RECREATION BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

The South Algonquin Recreation Board is a board of the Township of South Algonquin organized to direct the provision of recreational 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, capital and reserve funds. 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.

The schedule of reserves and reserve fund reflects transactions of the reserve fund.

Capital assets

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

Revenue recognition

The board 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 RESERVE

The reserve has been set aside for capital purposes.

NOTE 3 FINANCIAL INSTRUMENTS

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

**SOUTH ALGONQUIN RECREATION 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>
REVENUES			
Government and other grants	\$ 9,058	\$ 8,822	\$ 1,455
Contributions from own Municipality	51,149	51,149	57,197
Fees, service charges and donations	<u>10,550</u>	<u>6,418</u>	<u>9,662</u>
	<u>70,757</u>	<u>66,389</u>	<u>68,314</u>
EXPENDITURES			
Wages and benefits	23,568	18,442	23,128
Materials	7,875	14,283	9,204
Contracted services	23,360	21,511	21,378
Rents and financial expenses	<u>500</u>	<u>1,322</u>	<u>761</u>
	<u>55,303</u>	<u>55,558</u>	<u>54,471</u>
NET (EXPENDITURES) REVENUE	15,454	10,831	13,843
TRANSFERS			
To capital fund	(16,000)	(9,945)	(7,191)
To reserve	<u>-</u>	<u>(6,854)</u>	<u>(7,000)</u>
CHANGE IN CURRENT FUND	(546)	(5,968)	(348)
CURRENT FUND AT BEGINNING OF YEAR	<u>546</u>	<u>546</u>	<u>894</u>
CURRENT FUND AT END OF YEAR	<u>\$ -</u>	<u>\$ (5,422)</u>	<u>\$ 546</u>

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

	<u>Budget 2006</u>	<u>Actual 2006</u>	<u>Actual 2005</u>
REVENUES			
Province of Ontario	37,400	37,400	-
District Social Services Administration Board	\$ -	\$ -	\$ 43,590
Donations	<u>5,225</u>	<u>5,225</u>	<u>-</u>
	42,625	42,625	43,590
EXPENDITURES			
	<u>65,625</u>	<u>59,570</u>	<u>50,781</u>
NET EXPENDITURES			
	<u>(23,000)</u>	<u>(16,945)</u>	<u>(7,191)</u>
TRANSFERS			
From current fund	16,000	9,945	7,191
From reserve fund	<u>7,000</u>	<u>7,000</u>	<u>-</u>
CHANGE IN CAPITAL FUND			
	-	-	-
CAPITAL FUND AT BEGINNING OF YEAR			
	<u>-</u>	<u>-</u>	<u>-</u>
CAPITAL FUND AT END OF YEAR			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTH ALGONQUIN RECREATION BOARD
SCHEDULE OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget <u>2006</u>	Actual <u>2006</u>	Actual <u>2005</u>
REVENUES	\$ _____ -	\$ _____ -	\$ _____ -
TRANSFERS			
From current fund	-	6,854	7,000
To capital fund	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
CHANGES IN RESERVES	(7,000)	(146)	7,000
RESERVES AT BEGINNING OF YEAR	<u>20,661</u>	<u>20,661</u>	<u>13,661</u>
RESERVES AT END OF YEAR	\$ <u>13,661</u>	\$ <u>20,515</u>	\$ <u>20,661</u>