

SOUTH ALGONQUIN RECREATION BOARD

Financial Statements

DECEMBER 31, 2008

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Date document last saved

March 25, 2009

Date document printed

08/06/2009

Document prepared by:

Document reviewed by:

Partner

Code: _____

Typing checked by:

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FINANCIAL STATEMENTS
SOUTH ALGONQUIN RECREATION BOARD
For year ended
DECEMBER 31, 2008

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, 2008 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, 2008 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 10, 2009.

SOUTH ALGONQUIN RECREATION BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
FINANCIAL ASSETS		
Due from own municipality	\$ <u>6,045</u>	\$ <u>32,133</u>
NET ASSETS	\$ <u>6,045</u>	\$ <u>32,133</u>
MUNICIPAL POSITION		
Current fund	\$ (7,616)	\$ 11,618
Reserves	<u>13,661</u>	<u>20,515</u>
	\$ <u>6,045</u>	\$ <u>32,133</u>

(See accompanying notes and schedules)

SOUTH ALGONQUIN RECREATION 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			
Federal Grants	\$ -	\$ -	\$ 1,178
Contributions from own Municipality	53,438	53,438	67,592
Fees, service charges and donations	<u>10,300</u>	<u>11,572</u>	<u>1,876</u>
	<u>63,738</u>	<u>65,010</u>	<u>70,646</u>
EXPENDITURES			
Current operations			
Wages and benefits	21,675	22,018	14,356
Materials	10,400	11,437	10,310
Contracted services	26,878	26,756	26,375
Rents and financial expenses	<u>900</u>	<u>1,596</u>	<u>880</u>
	59,853	61,807	51,921
Capital	<u>23,535</u>	<u>29,291</u>	<u>1,685</u>
Total expenditures	<u>83,388</u>	<u>91,098</u>	<u>53,606</u>
NET (EXPENDITURES) REVENUE	(19,650)	(26,088)	17,040
MUNICIPAL POSITION AT BEGINNING OF YEAR	<u>32,133</u>	<u>32,133</u>	<u>15,093</u>
MUNICIPAL POSITION AT END OF YEAR	<u>\$ 12,483</u>	<u>\$ 6,045</u>	<u>\$ 32,133</u>

(See accompanying notes and schedules)

**SOUTH ALGONQUIN RECREATION BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM (USED IN) OPERATIONS		
Net revenue (expenditures)	\$ (26,088)	\$ 17,040
Sources (Uses):		
Advances from own municipality	<u>26,088</u>	<u>(17,040)</u>
NET (DECREASE) INCREASE IN CASH	-	-
CASH AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes and schedules)

SOUTH ALGONQUIN RECREATION BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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 2009.

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, 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 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 NEW ACCOUNTING STANDARDS

The Board owns various tangible capital assets. Effective January 1, 2009, the Board 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 Board has begun compiling a listing of all tangible capital assets.

**SOUTH ALGONQUIN RECREATION BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 3 RESERVE

The reserve has been set aside for capital purposes.

NOTE 4 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, 2008

	Budget <u>2008</u>	Actual <u>2008</u>	Actual <u>2007</u>
REVENUES			
Government and other grants	\$ 1,178	\$ -	\$ 1,178
Contributions from own Municipality	53,438	53,438	67,592
Fees, service charges and donations	<u>10,300</u>	<u>11,572</u>	<u>1,876</u>
	<u>64,916</u>	<u>65,010</u>	<u>70,646</u>
EXPENDITURES			
Wages and benefits	21,675	22,018	14,356
Materials	10,400	11,437	10,310
Contracted services	26,878	26,756	26,375
Rents and financial expenses	<u>900</u>	<u>1,596</u>	<u>880</u>
	<u>59,853</u>	<u>61,807</u>	<u>51,921</u>
NET REVENUE	5,063	3,203	18,725
TRANSFERS			
To capital fund	<u>(16,681)</u>	<u>(22,437)</u>	<u>(1,685)</u>
CHANGE IN CURRENT FUND	(11,618)	(19,234)	17,040
CURRENT FUND AT BEGINNING OF YEAR	<u>11,618</u>	<u>11,618</u>	<u>(5,422)</u>
CURRENT FUND AT END OF YEAR	\$ <u>-</u>	\$ <u>(7,616)</u>	\$ <u>11,618</u>

**SOUTH ALGONQUIN RECREATION 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			
Province of Ontario	\$ -	\$ -	\$ -
EXPENDITURES	<u>23,535</u>	<u>29,291</u>	<u>1,685</u>
NET EXPENDITURES	(23,535)	(29,291)	(1,685)
TRANSFERS			
From current fund	16,681	22,437	1,685
From reserves	<u>6,854</u>	<u>6,854</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, 2008

	Budget <u>2008</u>	Actual <u>2008</u>	Actual <u>2007</u>
REVENUES	\$ _____ -	\$ _____ -	\$ _____ -
TRANSFERS			
To capital fund	____ (6,854)	____ (6,854)	_____ -
CHANGES IN RESERVES	(6,854)	(6,854)	-
RESERVES AT BEGINNING OF YEAR	____ 20,515	____ 20,515	____ 20,515
RESERVES AT END OF YEAR	\$ <u>13,661</u>	\$ <u>13,661</u>	\$ <u>20,515</u>