

**GRAHAM, SETTERINGTON, McINTOSH,
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CHARTERED ACCOUNTANTS



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AUDITORS' REPORT

**To the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Township of Pelee**

We have audited the statement of financial position of the Pelee Island Public Library Board as at December 31, 2008 and the statement of operations 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.

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.

The Pelee Island Library Board derives revenues from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Library Board and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, assets and municipal 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 donations and fundraising revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Pelee Island Library Board as at December 31, 2008 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

**GRAHAM, SETTERINGTON, McINTOSH,
DRIEDGER & HICKS LLP**

*Graham, Setterington, McIntosh,
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Chartered Accountants
Licensed Public Accountants

Leamington, Ontario
April 28, 2008

PELEE ISLAND PUBLIC LIBRARY BOARD
Statement of Financial Position
as at December 31

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash	\$ <u>37,250</u>	\$ <u>23,910</u>
FUND BALANCE		
Accumulated net revenue	\$ <u>37,250</u>	\$ <u>23,910</u>

See accompanying notes to financial statements

PELEE ISLAND PUBLIC LIBRARY BOARD

Statement of Operations

For the years ended December 31

	<u>2008</u>	<u>2007</u>
REVENUE		
Interest	\$ 73	\$ 61
Province of Ontario Grant	-	9,000
Heritage Grant	3,690	-
Fundraising	9,653	1,396
Donations	2,670	-
	<u>16,086</u>	<u>10,457</u>
EXPENDITURES		
Salaries, wages and employee benefits	331	11
Service and rents:		
Memberships - Essex County Library Co-operative	250	250
Supplies	161	-
Fundraising expense	2,004	-
	<u>2,746</u>	<u>261</u>
Revenues over Expenditures	13,340	10,196
Accumulated Net Revenue, Beginning of Year	<u>23,910</u>	<u>13,714</u>
Accumulated Net Revenue, End of Year	\$ <u><u>37,250</u></u>	\$ <u><u>23,910</u></u>

See accompanying notes to financial statements

PELEE ISLAND PUBLIC LIBRARY BOARD

Notes to the Financial Statements

For the year ended December 31, 2008

The Pelee Island Public Library Board is a government organization of the Corporation of the Township of Pelee. Its operations are governed by the provincial statutes.

1. SIGNIFICANT ACCOUNTING POLICIES

General

The financial statements of the Pelee Island Library Board are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing and include the following:

(i) 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.

(ii) Use of Estimates

The preparation of financial statements in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants requires management to make estimates and assumptions that affect the reported amount 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 expenditures during the period. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

(iii) Financial Instruments

It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted.

2. STATEMENT OF CASH FLOW

A statement of cash flow is not presented since this information is readily apparent from the statement of operations.