

RAYMOND CHABOT GRANT THORNTON

Cowansville, September 19, 2013

Carrol Kralik

Municipality of West Bolton

9 Town Hall Road

West Bolton, Quebec. J0E 2T0

As requested, here is a summary of the financial situation of the municipality on December 31, 2012 according to the financial statements of December 31 2012 for which we have issued an independent auditor`s report.

Financial assets	\$ 990,231
Financial liabilities	\$ 499,557
Nonfinancial assets	\$1,301,887
Allocated and unallocated operating surplus	\$781,745
Net investments in long term assets	\$1,010,816

At that date, the municipality showed a positive financial position.

The accumulated surplus is the sum of all surpluses and deficits accumulated by a municipality. In accordance with the law and the principles of good governance, municipalities may retain a portion of their operational surplus for future projects or simply to provide themselves a safety margin. They are not required to allocate the total amount of their operating surplus to the following year`s budget, only the part that they plan to use during the next year. When preparing their budgets, municipalities must make certain decisions about allocating the accumulated surplus towards the following year`s operations and investments. Likewise, during the year, the Council may decide to use a part of the unallocated operating surplus for operating or investment purposes.