

2007 Financial Report

**THE CORPORATION OF THE  
COUNTY OF RENFREW**

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## **THE CORPORATION OF THE COUNTY OF RENFREW**

2007 FINANCIAL REPORT

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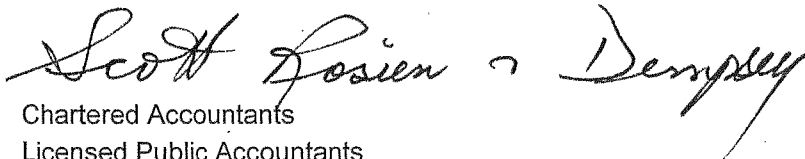
## AUDITORS' REPORT

To the Members of Council,  
Inhabitants and Ratepayers of  
The Corporation of the County of Renfrew

We have audited the consolidated statement of financial position of The Corporation of the County of Renfrew as at December 31, 2007 and the consolidated statements of financial activities and cash flows for the year then ended. These financial statements are the responsibility of the County'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 consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the County of Renfrew as at December 31, 2007 and the results of its financial activities and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants  
Licensed Public Accountants

Pembroke, Ontario

May 11, 2008

# THE CORPORATION OF THE COUNTY OF RENFREW

## Consolidated Statement of Financial Position

December 31, 2007, with comparative figures for 2006

	2007	2006
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	\$ 25,328,712	\$ 23,010,977
Accounts receivable		
Federal Government	992,672	1,196,495
Other municipalities	322,756	1,240,148
Other	263,053	338,998
Total Financial Assets	26,907,193	25,786,618
<b>Non-Financial Assets</b>		
Inventory and prepaid expenses	924,511	834,163
<b>TOTAL ASSETS</b>	<b>\$ 27,831,704</b>	<b>\$ 26,620,781</b>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 8,609,226	\$ 8,299,525
Payable to Province of Ontario	2,091,166	1,109,609
Payable to Federal Government	-	8,109
Deferred revenue	70,244	44,651
Long-term liabilities (note 4)	19,004,187	20,405,702
Accrued interest on long-term liabilities	247,543	265,403
Employee benefit liabilities (note 5)	1,194,772	1,108,961
Total Liabilities	31,217,138	31,241,960
<b>Municipal Position</b>		
Fund Balances		
Current fund	310,925	542,643
Capital fund	(2,113,022)	249,878
Reserves	17,792,328	15,124,495
Reserve funds	1,070,837	1,241,871
Total Fund Balances	17,061,068	17,158,887
Less: amounts to be recovered in future years (note 6)	(20,446,502)	(21,780,066)
Total Municipal Position	(3,385,434)	(4,621,179)
<b>TOTAL LIABILITIES AND MUNICIPAL POSITION</b>	<b>\$ 27,831,704</b>	<b>\$ 26,620,781</b>

The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE COUNTY OF RENFREW

## Consolidated Statement of Financial Activities

Year ended December 31, 2007, with comparative figures for 2006

	Budget 2007	Actual 2007	Actual 2006
	(unaudited)		
<b>REVENUES</b>			
Levies on area municipalities	\$ 31,818,121	\$ 31,569,488	\$ 30,165,412
Other municipal revenue	6,306,812	6,493,364	5,936,576
User fees and service charges	12,607,057	12,446,871	11,784,681
Government grants	72,569,685	73,089,300	73,315,544
Investment income	200,000	948,408	797,535
Donation, fines and other	1,460,000	1,754,803	1,419,413
<b>Total Revenues</b>	<b>124,961,675</b>	<b>126,302,234</b>	<b>123,419,161</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
General government	6,518,665	5,543,737	5,594,632
Protection services	913,240	772,617	773,838
Transportation services	5,805,100	6,252,108	5,788,913
Health services	13,924,183	11,642,582	11,561,048
Social and family services	73,946,822	74,841,121	71,788,589
Social housing	9,025,148	8,801,399	8,435,184
Planning and development	1,838,242	1,733,825	1,624,540
<b>Total Current Expenditures</b>	<b>111,971,400</b>	<b>109,587,389</b>	<b>105,566,744</b>
<b>Capital</b>			
General government	3,706,198	4,191,262	2,592,228
Protection services	15,000	-	14,194
Transportation services	10,649,400	9,835,512	10,138,659
Health services	776,000	488,350	1,253,148
Social and family services	1,880,970	175,063	494,456
Social housing	736,800	788,914	811,922
<b>Total Capital Expenditures</b>	<b>17,764,368</b>	<b>15,479,101</b>	<b>15,304,607</b>
<b>Total Expenditures (note 9)</b>	<b>129,735,768</b>	<b>125,066,490</b>	<b>120,871,351</b>
<b>Net Revenue (Expenditures)</b>	<b>(4,774,093)</b>	<b>1,235,744</b>	<b>2,547,810</b>
<b>Financing</b>			
Principal payments on long-term liabilities	(1,401,514)	(1,401,514)	(1,351,986)
Change in employee benefits and interest on long-term liabilities	-	67,951	(137,434)
Transfer from Ottawaska Housing Corporation	-	-	175,477
<b>Net decrease in amounts to be recovered</b>	<b>(1,401,514)</b>	<b>(1,333,563)</b>	<b>(1,313,943)</b>
<b>Increase (decrease) in Fund Balances</b>	<b>(6,175,607)</b>	<b>(97,819)</b>	<b>1,233,867</b>
<b>Balance of Funds Beginning of Year</b>	<b>17,158,887</b>	<b>17,158,887</b>	<b>15,925,020</b>
<b>BALANCE OF FUNDS END OF YEAR</b>	<b>\$ 10,983,280</b>	<b>\$ 17,061,068</b>	<b>\$ 17,158,887</b>

The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE COUNTY OF RENFREW

## Consolidated Statement of Cash Flows

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
<b>OPERATIONS</b>		
Net revenues	\$ 1,235,744	\$ 2,547,810
<b>Uses:</b>		
Increase in recoverable from Federal Government	-	(570,392)
Increase in recoverable from other municipalities	-	(116,966)
Increase in other accounts receivable	-	(225,112)
Increase in non-financial assets	(90,348)	-
Decrease in payable to Provincial Government	-	(2,770,912)
Decrease in payable to Federal Government	(8,109)	-
Decrease in deferred revenue	-	(5,681)
Decrease in accrued interest on long-term liabilities	(17,860)	(14,816)
Decrease in employee benefits payable	-	(122,618)
<b>Total Uses</b>	<b>(116,317)</b>	<b>(3,826,497)</b>
<b>Sources:</b>		
Decrease in recoverable from Federal Government	203,823	-
Decrease in recoverable from other municipalities	917,392	-
Decrease in other accounts receivable	75,945	-
Decrease in other assets	-	10,948
Increase in accounts payable and accrued liabilities	309,701	2,810,149
Increase in payable to Provincial Government	981,557	-
Increase in payable to Federal Government	-	1,098,803
Increase in deferred revenue	25,593	-
Increase in employee benefit liabilities	85,811	-
<b>Total Sources</b>	<b>2,599,822</b>	<b>3,919,900</b>
<b>Net Increase in Cash from Operations</b>	<b>3,719,249</b>	<b>2,641,213</b>
<b>FINANCING</b>		
Long-term liabilities repaid	(1,401,514)	(1,351,986)
Contribution from Ottawaska Housing Corporation	-	175,477
<b>Total Financing</b>	<b>(1,401,514)</b>	<b>(1,176,509)</b>
<b>Net Increase in Cash</b>	<b>2,317,735</b>	<b>1,464,704</b>
<b>Cash, beginning of year</b>	<b>23,010,977</b>	<b>21,546,273</b>
<b>Cash, end of year</b>	<b>\$ 25,328,712</b>	<b>\$ 23,010,977</b>

The accompanying notes are an integral part of these consolidated financial statements.

# THE CORPORATION OF THE COUNTY OF RENFREW

## Notes to the Consolidated Financial Statements

Year ended December 31, 2007

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The Corporation of the County of Renfrew is an upper tier municipality in the Province of Ontario, Canada. The provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation guide its operations.

### 1. Accounting Policies

The consolidated financial statements of the Corporation of the County of Renfrew are the representation of management and are prepared 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.

#### (a) (i) Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the current fund, capital fund, reserves and reserve funds and include the activities of all committees of Council.

The Renfrew County and District Health Unit has been proportionately consolidated.

The Ottawaska Housing Corporation has been consolidated.

The Renfrew County Housing Corporation has been consolidated.

All inter-fund assets and liabilities and sources of revenues and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenditures.

#### (ii) Fund Accounting

Funds within the consolidated financial statements consist of current, capital, reserves and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

#### (iii) Trust Funds

Trust funds and their related operations administered by the Corporation of the County of Renfrew are not consolidated, but are reported separately on the "Trust Funds Statements of Financial Position, Financial Activities and Changes in Fund Balance".

#### (b) Basis of Accounting

##### (i) Revenue and Expenditure Recognition

Sources of revenue and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned 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) Accounts Receivable

Accounts receivable are reported net of any allowance for doubtful accounts.

##### (iii) Inventory

Inventory is valued at the lower of cost or replacement value.

# THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 2

Year ended December 31, 2007

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## 1. Accounting Policies (continued)

### (b) Basis of Accounting (cont'd)

#### (iv) Tangible Capital Assets

The historical cost and accumulated amortization for tangible capital assets are not recorded for municipal purposes. Tangible capital assets are reported as an expenditure on the Consolidated Statement of Financial Activities in the year of acquisition.

Effective January 1, 2007, the Corporation of the County of Renfrew adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 – Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect on January 1, 2009.

During 2007, the Corporation of the County of Renfrew continued to work towards compliance with the new recommendations for accounting for tangible capital assets. A complete listing of assets and values is currently underway and expected to be completed by December 31, 2008.

#### (v) Deferred Revenue

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the related expenditures are incurred or services performed.

#### (vi) Reserves and Reserve Funds

Certain amounts, as approved by County Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

#### (vii) Employee Benefit Plan

The contributions to a multi-employer, defined benefit pension plan are expensed when contributions are due.

The costs of post-employment benefits are recognized when the event that obligates the County occurs. Costs include projected future income payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis.

#### (viii) Use of Estimates

The preparation of these consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures for the year. These estimates and assumptions, including such areas as employee benefits, are based on the County's best information and judgement and may differ significantly based on actual results.

# THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 3

Year ended December 31, 2007

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## 1. Accounting Policies (continued)

### (b) Basis of Accounting (cont'd)

#### (ix) Financial Instruments

In 2005, the CICA issued Handbook Section 3855, Financial Instruments – Recognition and Measurement, Handbook Section 1530, Comprehensive Income, Handbook Section 3251, Equity and Handbook Section 3865, Hedges. The new standards are effective for the County of Renfrew's financial report commencing January 1, 2007.

Under these standards, all of the financial assets are classified as held-to-maturity or loans and receivables. Held-to-maturity investments, loans and receivables and all financial liabilities are carried at amortized cost using the effective interest rate method. The County of Renfrew determined that none of its financial assets are classified as being available for sale or held-for-trading and none of its financial liabilities are classified as held-for-trading. The classification provisions of the new standards had no impact on the financial report.

In 2006, the CICA issued Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These new standards will become effective for the County of Renfrew beginning January 1, 2008. The County of Renfrew is currently assessing the impact of these two new standards.

It is the Management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from its financial instruments.

## 2. Trust Funds

Trust funds administered by the County amounting to \$217,137 (2006 – \$266,105) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Financial Activities".

## 3. Pension Agreement

The County of Renfrew, on behalf of its eligible employees, is a participant in the Ontario Municipal Employees Retirement System (OMERS). OMERS is a defined benefit pension plan, fully funded by equal contributions from participating employers and employees, and by the investment earnings of the OMERS Fund. OMERS pensions are calculated using a defined benefit formula, taking into account length of service and average annual wage that is designed to integrate with the pension payable from the Canada Pension Plan. The amount contributed to OMERS for 2007 was \$1,523,880 (2006 – \$1,429,220) for current service and is included as an expenditure on the Consolidated Statement of Financial Activities. At December 31, 2007 there is no liability for past service under this agreement.

# THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 4

Year ended December 31, 2007

## 4. Long-Term Liabilities

The balance of the long-term liabilities reported on the Consolidated Statement of Financial Position is made up of long-term liabilities incurred by the municipality and are outstanding at the end of the year:

	2007	2006
Long-term debt issued by the County at various rates of interest ranging from 2.65% to 5.20%	\$ 8,506,000	\$ 9,533,000
Long-term debt issued by the County bearing interest at 5.656%	6,788,435	7,021,365
Mortgage payable bearing interest at 3.774%, maturing April 1, 2009	601,889	636,336
Mortgage payable bearing interest at 4.470%, maturing December 1, 2008	1,224,517	1,276,380
Mortgage payable bearing interest at 4.460%, maturing June 1, 2008	1,883,346	1,938,621
	<u>\$ 19,004,187</u>	<u>\$ 20,405,702</u>

Principal repayments relating to long-term liabilities of \$19,004,187 outstanding as at December 31, 2007 are due as follows:

2008	\$ 4,453,914
2009	1,931,548
2010	1,427,355
2011	1,496,150
2012	1,569,850
Thereafter	<u>8,125,370</u>
	<u>\$ 19,004,187</u>

## 5. Employee Benefit Liabilities

	2007	2006
Employee benefits are summarized as follows:		
Sick leave benefits	\$ 735,799	\$ 692,061
Workplace Safety and Insurance Board obligations	458,973	416,900
	<u>\$1,194,772</u>	<u>\$1,108,961</u>

- (a) Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$735,799 (2006 – \$692,061) at the end of the year. A Reserve and Reserve Fund have been established to provide for a portion of this past service liability and are reported on the "Consolidated Statement of Financial Position". The balance at the end of the year is \$245,323 (2006 – \$245,323).

# THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 5

Year ended December 31, 2007

## 5. Employee Benefit Liabilities (cont'd)

(b) The County of Renfrew is a Schedule 2 employer under the Workplace Safety and Insurance Board Act and, as such, has assumed the liability for any costs awarded under the Workplace Safety and Insurance Board Act. An actuarial evaluation undertaken in 2006 determined that the liability for present and future awards was \$416,900 as at December 31, 2006. An estimate of \$458,973 for 2007 has been reported on the Statement of Financial Position. An amount of \$1,276,456 (2006 - \$1,116,020) has been provided for current and future pension awards and is reported as a reserve on the Consolidated Schedule of Reserves and Reserve Funds.

## 6. Amounts To Be Recovered In Future Years

Amounts to be recovered in future years comprise the gross amounts of the following liabilities as at December 31, some of which have been partially funded through reserve funds:

	2007	2006
Long-term liabilities	\$ 19,004,187	\$ 20,405,702
Accrued interest on long-term liabilities	247,543	265,403
Employee benefit liabilities	1,194,772	1,108,961
	<u>\$ 20,446,502</u>	<u>\$ 21,780,066</u>

Of the long-term liabilities totalling \$19,004,187, \$6,788,435 will be funded by the Ministry of Health and Long-Term Care over the next twenty years.

## 7. Commitments

(a) Under the terms of various operating lease agreements, future minimum payments over the next four years are as follows:

2008	\$ 192,375
2009	192,974
2010	112,362
2011	<u>45,500</u>
	<u>\$ 543,211</u>

(b) The Renfrew County Housing Corporation has entered into a long-term service agreement with the Ontario Clean Water Agency that ends February 2010.

Future minimum payments over the next three years are as follows:

2008	\$ 38,100
2009	\$ 38,100 Plus Consumer Price Index
2010	<u>\$ 6,350 Plus Consumer Price Index</u>
	<u>\$ 82,550</u>

# THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 6

Year ended December 31, 2007

## 8. Contingencies

At December 31, 2007 the Corporation of the County of Renfrew is defending itself with respect to legal actions for damages.

The impact of these actions on the financial statements is not determinable as at the date of the auditors' report. Neither the possible outcome nor the amount of possible settlement, if any, can be foreseen. Therefore, no provision has been made in the financial statements.

In the event that any amount is payable, it will be recorded as an expenditure in the year it is disbursed.

## 9. Expenditures by Object

The total expenditures on the consolidated statement of financial activities are summarized by object as follows:

	2007	2006
Salaries, wages and benefits	\$ 36,095,369	\$ 34,413,313
Materials	16,373,217	16,133,396
Contracted services	11,519,584	9,357,051
Interest on long-term debt	956,481	1,011,492
Transfer payments	42,770,761	42,395,963
Rents and financial expense	1,871,977	2,255,529
Capital expenditures	15,479,101	15,304,607
Total expenditures	\$ 125,066,490	\$ 120,871,351

## 10. Budget figures

The County of Renfrew's budget process includes the preparation of an annual current and capital budget. The current budget includes the expenditures and revenues approved by County Council for the period January 1 to December 31 each year. The current budget appears on the schedule of current fund operations. The capital budget includes the expenditure and revenue sources to acquire, construct and maintain County assets. The 2007 capital budget approved by Council included projects requiring financing of \$17,764,368.

## 11. Service contract with the Ministry of Community and Social Services and the Ministry of Children and Youth Services

The County of Renfrew has a service contract with the Ministry of Community and Social Services and the Ministry of Children and Youth Services. A review of these programs shows a surplus of \$1,626,877 as at December 31, 2007. These surplus amounts are reflected in the total payable to the Province of Ontario (net).

# THE CORPORATION OF THE COUNTY OF RENFREW

## Consolidated Schedule of Current Fund Operations

Year ended December 31, 2007, with comparative figures for 2006

	Budget 2007	Actual 2007	Actual 2006
	(unaudited)		
<b>Revenues</b>			
Levies on area municipalities	\$ 31,818,121	\$ 31,569,488	\$ 30,165,412
Other municipal revenue	6,306,812	6,475,490	5,897,354
User fees and service charges	12,607,057	12,446,871	11,784,681
Government grants	72,569,685	73,011,934	73,315,544
Investment income	200,000	686,655	610,622
Fines and other	1,460,000	1,424,310	1,320,077
<b>Total Revenues</b>	<b>124,961,675</b>	<b>125,614,748</b>	<b>123,093,690</b>
<b>Expenditures</b>			
General government	6,518,665	5,543,737	5,594,632
Protection services	913,240	772,617	773,838
Transportation services	5,805,100	6,252,108	5,788,913
Health services	13,924,183	11,642,582	11,561,048
Social and family services	73,946,822	74,841,121	71,788,589
Social housing	9,025,148	8,801,399	8,435,184
Planning and development	1,838,242	1,733,825	1,624,540
<b>Total Expenditures</b>	<b>111,971,400</b>	<b>109,587,389</b>	<b>105,566,744</b>
<b>Net Revenues</b>	<b>12,990,275</b>	<b>16,027,359</b>	<b>17,526,946</b>
<b>Financing and Transfers</b>			
Principal payments on long-term liabilities	(1,401,514)	(1,401,514)	(1,351,986)
Change in employee benefits and interest on long-term liabilities	-	67,951	(137,434)
Transfers to Reserves and Reserve Funds	(3,738,666)	(8,049,651)	(9,898,250)
Transfers from Reserves and Reserve Funds	5,316,345	5,146,646	5,972,429
Transfers to Capital Fund	(13,030,670)	(12,022,509)	(12,517,943)
Transfer from Ottawaska Housing Corporation	-	-	53,993
<b>Net Financing and Transfers</b>	<b>(12,854,505)</b>	<b>(16,259,077)</b>	<b>(17,879,191)</b>
<b>Change in Current Fund Balance</b>	<b>135,770</b>	<b>(231,718)</b>	<b>(352,245)</b>
<b>Opening Current Fund Balance</b>	<b>542,643</b>	<b>542,643</b>	<b>894,888</b>
<b>Closing Current Fund Balance</b>	<b>\$ 678,413</b>	<b>\$ 310,925</b>	<b>\$ 542,643</b>

# THE CORPORATION OF THE COUNTY OF RENFREW

## Consolidated Schedule of Capital Fund Operations

Year ended December 31, 2007, with comparative figures for 2006

	Budget 2007	Actual 2007	Actual 2006
	(unaudited)		
<b>Revenues</b>			
Other municipal revenue	\$ -	\$ 17,874	\$ 99,336
Government grants	-	77,366	-
Investment income	-	7,504	38,707
Proceeds from sale of capital assets	-	-	39,222
Construction recoveries	-	330,493	-
<b>Total Revenues</b>	<b>-</b>	<b>433,237</b>	<b>177,265</b>
<b>Expenditures</b>			
General government	3,706,198	4,191,262	2,592,228
Protection services	15,000	-	14,194
Transportation services	10,649,400	9,835,512	10,138,659
Health services	776,000	488,350	1,253,148
Social and family services	1,880,970	175,063	494,456
Social housing	736,800	788,914	811,922
<b>Total Expenditures</b>	<b>17,764,368</b>	<b>15,479,101</b>	<b>15,304,607</b>
<b>Net Expenditures</b>	<b>(17,764,368)</b>	<b>(15,045,864)</b>	<b>(15,127,342)</b>
<b>Financing and Transfers</b>			
Transfers from General Fund	13,030,670	12,022,509	12,517,943
Transfers from Reserves and Reserve Funds	1,970,455	660,455	2,114,262
<b>Net Financing and Transfers</b>	<b>15,001,125</b>	<b>12,682,964</b>	<b>14,632,205</b>
<b>Change in Capital Fund Balance</b>	<b>(2,763,243)</b>	<b>(2,362,900)</b>	<b>(495,137)</b>
<b>Opening Capital Fund Balance</b>	<b>249,878</b>	<b>249,878</b>	<b>745,015</b>
<b>Closing Capital Fund Balance</b>	<b>\$ (2,513,365)</b>	<b>\$ (2,113,022)</b>	<b>\$ 249,878</b>

# THE CORPORATION OF THE COUNTY OF RENFREW

## Consolidated Schedule of Reserves and Reserve Funds

Year ended December 31, 2007, with comparative figures for 2006

	Budget 2007 (unaudited)	Actual 2007	Actual 2006
<b>Revenue</b>			
Investment income	\$ -	\$ 254,249	\$ 148,206
<b>Total Revenue</b>	<b>-</b>	<b>254,249</b>	<b>148,206</b>
<b>Financing and Transfers</b>			
Transfers to General Fund	(5,316,345)	(5,146,646)	(5,972,429)
Transfers from General Fund	3,738,666	8,049,651	9,898,250
Transfers to Capital Fund	(1,970,455)	(660,455)	(2,114,262)
Transfers from Ottawaska Housing Corporation	-	-	121,484
<b>Net Financing and Transfers</b>	<b>(3,548,134)</b>	<b>2,242,550</b>	<b>1,933,043</b>
<b>Change in Reserves and Reserve Funds Balance</b>	<b>(3,548,134)</b>	<b>2,496,799</b>	<b>2,081,249</b>
<b>Opening Reserves and Reserve Funds Balance</b>	<b>16,366,366</b>	<b>16,366,366</b>	<b>14,285,117</b>
<b>Closing Reserves and Reserve Funds Balance</b>	<b>\$ 12,818,232</b>	<b>\$ 18,863,165</b>	<b>\$ 16,366,366</b>
<b>Analyzed As Follows:</b>			
<b>Reserves Set Aside For Specific Purposes By Council</b>			
Working Funds	\$ 2,008,761	\$ 4,058,195	\$ 2,669,216
Contingencies	790,000	390,810	740,000
Equipment Replacement	2,429,381	2,960,594	2,765,068
Sick Leave	245,323	245,323	245,323
Workplace Safety Insurance Board	994,493	1,276,456	1,116,020
Current – Public Works	854,327	1,715,864	2,854,326
Current – Health	805,784	829,858	805,784
Current – Social and Family Services	517,961	1,183,736	1,827,961
Current – Social Housing	358,698	1,905,424	433,977
Capital – Roadways	-	11,608	34,434
Capital – Housing	1,429,028	1,736,729	1,529,028
Capital – Health	1,455,035	1,477,731	103,358
	<b>11,888,791</b>	<b>17,792,328</b>	<b>15,124,495</b>
<b>Reserve Funds Set Aside For Specific Purposes By Council</b>			
Contingencies	49,638	49,638	121,171
Capital – General	872,887	896,294	987,513
Capital – Planning and Development	6,916	7,215	6,918
Capital – Social Housing	-	117,690	126,269
	<b>929,441</b>	<b>1,070,837</b>	<b>1,241,871</b>
<b>Total Reserves and Reserve Funds</b>	<b>\$ 12,818,232</b>	<b>\$ 18,863,165</b>	<b>\$ 16,366,366</b>

# SCOTT ROSIEN & DEMPSEY

Chartered Accountants

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## AUDITORS' REPORT

To the Members of Council, Inhabitants  
and Ratepayers of the Corporation of the County of Renfrew

We have audited the trust funds statement of financial position of the Corporation of the County of Renfrew as at December 31, 2007 and the trust funds statements of financial activities and changes in fund balances for the year then ended. These financial statements are the responsibility of the County'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 funds held in trust by the Corporation of the County of Renfrew as at December 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants  
Licensed Public Accountants

Pembroke, Ontario

May 11, 2008

# THE CORPORATION OF THE COUNTY OF RENFREW

## Trust Funds Statement of Financial Position

December 31, 2007, with comparative figures for 2006

	2007	2006
<b>Financial Assets</b>		
Cash and short-term investments	\$ 217,137	\$ 266,105
	<b>\$ 217,137</b>	<b>\$ 266,105</b>
<b>Fund Balance</b>		
Residents' equity	\$ 217,137	\$ 266,105
	<b>\$ 217,137</b>	<b>\$ 266,105</b>

## Trust Fund Statement of Financial Activities And Changes in Fund Balance

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
<b>Revenue:</b>		
Deposits from residents	\$ 3,294,336	\$ 3,012,502
Interest	8,379	8,345
	3,302,715	3,020,847
<b>Expenditure:</b>		
Payment for maintenance, withdrawals by residents and estate payments	3,351,683	3,044,296
<b>Change in Financial Assets</b>	<b>(48,968)</b>	<b>(23,449)</b>
<b>Fund Balance at The Beginning of The Year</b>	<b>266,105</b>	<b>289,554</b>
<b>Fund Balance at The End of The Year</b>	<b>\$ 217,137</b>	<b>\$ 266,105</b>

The accompanying notes are an integral part of these financial statements.

# THE CORPORATION OF THE COUNTY OF RENFREW

## Trust Funds

### Note to Financial Statements

Year ended December 31, 2007

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These financial statements reflect the financial activity and financial position of funds held in trust by The Corporation of The County of Renfrew for residents of Bonnechere Manor and Miramichi Lodge.

#### **1. Significant accounting policies:**

(a) Basis of accounting:

Cash and short-term investments are recorded at cost.

(b) Financial instruments:

In 2005, the CICA issued Handbook Section 3855, Financial Instruments – Recognition and Measurement, Handbook Section 1530, Comprehensive Income, Handbook Section 3251, Equity, and Handbook Section 3865, Hedges. The new standards are effective for the Corporation of the County of Renfrew's financial report commencing January 1, 2007.

Under these standards, all the financial assets are classified as held-to-maturity or loans and receivables. Held-to-maturity investments, loans and receivables and all financial liabilities are carried at amortized cost using the effective interest rate method. The Corporation of the County of Renfrew determined that none of its financial assets are classified as being available for sale or held-for-trading and none of its financial liabilities are classified as held-for-trading. The classification provisions of the new standards had no impact on the financial report.

In 2006, the CICA issued Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These new standards will become effective for the Corporation of the County of Renfrew beginning January 1, 2008. The Corporation of the County of Renfrew is currently assessing the impact of these two new standards.

It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from its financial instruments.