

2009 Financial Report

**THE CORPORATION OF THE
COUNTY OF RENFREW**

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THE CORPORATION OF THE COUNTY OF RENFREW

2009 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, 2009 and the consolidated statements of operations, change in net financial assets 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, 2009 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licensed Public Accountants

Pembroke, Ontario

June 24, 2010

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Financial Position

December 31, 2009, with comparative figures for 2008

	2009	2008
		(as restated) (note 2)
Financial Assets		
Cash	\$ 20,768,897	\$ 25,969,543
Investments (note 5)	7,767,181	3,633,385
Accounts receivable		
Federal Government	1,385,834	1,068,173
Other municipalities	534,640	734,061
Other	504,524	537,354
	<hr/> 30,961,076	<hr/> 31,942,516
Financial Liabilities		
Accounts payable and accrued liabilities	6,186,294	6,242,643
Payable to Province of Ontario	432,363	1,670,471
Deferred revenue	45,881	53,356
Long-term liabilities (note 6)	16,013,791	17,543,515
Accrued interest on long-term liabilities	206,963	228,558
Post-employment benefits (note 7)	2,267,990	1,247,538
	<hr/> 25,153,282	<hr/> 26,986,081
Net Financial Assets	<hr/> 5,807,794	<hr/> 4,956,435
Non-Financial Assets		
Tangible capital assets - net (note 8)	189,494,469	188,406,059
Tangible capital assets - construction in progress	3,429,279	834,427
Inventory	727,311	710,186
Prepaid expenses	118,393	104,205
	<hr/> 193,769,452	<hr/> 190,054,877
Accumulated Surplus	<hr/> \$ 199,577,246	<hr/> \$ 195,011,312

Accumulated surplus comprised of:

Reserves - current	\$ 18,067,474	\$ 18,617,077
Reserves - capital	7,074,768	6,173,360
Invested in tangible capital assets	192,923,748	189,240,486
Unfunded (note 9)		
Accrued interest on long-term liabilities	(206,963)	(228,558)
Post-employment benefits	(2,267,990)	(1,247,538)
Long-term liabilities	(16,013,791)	(17,543,515)

Accumulated Surplus	<hr/> \$ 199,577,246	<hr/> \$ 195,011,312
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The accompanying notes are an integral part of these financial statements.

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Operations

Year ended December 31, 2009, with comparative figures for 2008

	2009	2009	2008
	Budget	Actual	Actual
			(as restated) (note 2)
REVENUES:			
Levies on area municipalities	\$ 33,555,986	\$ 34,005,731	\$ 33,141,678
Other municipal revenue	5,106,713	5,325,746	5,307,752
User fees and service charges	14,057,765	14,364,766	12,922,237
Government grants	66,752,915	69,205,269	77,186,537
Investment income	360,000	217,640	838,243
Loss on disposal of tangible capital assets	-	(45,546)	(261,943)
Donation, fines and other	1,475,000	1,583,105	1,394,212
Total revenues	121,308,379	124,656,711	130,528,716
Expenditures:			
General government	6,739,951	5,949,127	6,434,441
Protection services	986,774	852,644	817,358
Transportation services	14,937,278	15,778,775	14,849,965
Health services	13,086,924	12,003,997	11,064,345
Social and family services	71,968,684	73,250,147	72,067,100
Social housing	10,764,552	10,483,469	10,548,601
Planning and development	1,792,632	1,772,618	1,775,441
Total expenditures	120,276,795	120,090,777	117,557,251
Annual surplus	1,031,581	4,565,934	12,971,465
Accumulated surplus, beginning of year	195,011,312	195,011,312	182,039,847
Accumulated surplus, end of year	\$ 196,042,896	\$ 199,577,246	\$ 195,011,312

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

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
	Actual	Actual (as restated) (note 2)
Annual surplus	\$ 4,565,934	\$ 12,971,465
Amortization of tangible capital assets	11,055,835	10,638,185
Acquisition of tangible capital assets	(12,213,382)	(13,689,679)
Loss on disposal of tangible capital assets	45,546	261,943
Proceeds on sale of tangible capital assets	23,591	-
Acquisition of tangible capital assets under construction	(2,594,852)	(834,427)
Decrease (increase) in inventory	(17,125)	62,982
Decrease (increase) in prepaid expenses	(14,188)	19,683
Increase in net financial assets	851,359	9,430,152
Net financial assets, beginning of year	4,956,435	(4,473,717)
Net financial assets, end of year	\$ 5,807,794	\$ 4,956,435

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

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Cash Flows

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
		(as restated) (note 2)
OPERATIONS		
Annual surplus	\$ 4,565,934	\$ 12,971,465
Non-cash charges to operations:		
Amortization of tangible capital assets	11,055,835	10,638,185
Loss on disposal of tangible capital assets	45,546	261,943
Uses:		
Increase in recoverable from Federal Government	(317,661)	(98,805)
Increase in recoverable from other municipalities	-	(411,305)
Increase in other accounts receivable	-	(276,890)
Increase in inventory	(17,125)	-
Increase in prepaid expenses	(14,188)	-
Decrease in accounts payable and accrued liabilities	(56,349)	(1,974,929)
Decrease in payable to Provincial Government	(1,238,108)	-
Decrease in deferred revenue	(7,475)	(11,738)
Decrease in accrued interest on long-term liabilities	(21,595)	(18,985)
Total Uses	(1,672,501)	(2,792,652)
Sources:		
Decrease in recoverable from other municipalities	199,421	-
Decrease in other accounts receivable	32,830	-
Decrease in inventory	-	62,982
Decrease in prepaid expenses	-	19,683
Increase in payable to Provincial Government	-	251,898
Increase in employee benefit liabilities	1,020,452	52,766
Total Sources	1,252,703	387,329
Increase in Cash from Operations	15,247,517	21,466,270
CAPITAL		
Acquisition of tangible capital assets	(12,213,382)	(13,689,679)
Proceeds on disposal of tangible capital assets	23,591	-
Additions to tangible capital assets under construction	(2,594,852)	(834,427)
Total Capital	(14,784,643)	(14,524,106)
INVESTING		
Net decrease (increase) in investments	(4,133,796)	1,868,970
Total Investing	(4,133,796)	1,868,970
FINANCING		
Long-term liabilities repaid	(1,529,724)	(1,460,672)
Total Financing	(1,529,724)	(1,460,672)
Increase (decrease) in Cash	(5,200,646)	7,350,462
Cash, beginning of year	25,969,543	18,619,081
Cash, end of year	\$ 20,768,897	\$ 25,969,543

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, 2009

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, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets and include the activities of all committees of Council.

The Renfrew County Housing Corporation has been consolidated.

Effective January 1, 2009 in accordance with PSAB Section 1300 the operations of the Renfrew County and District Health Unit have not been proportionately consolidated. The comparative figures have been restated to reflect this change.

All inter-fund assets and liabilities and sources of revenues and expenditures have been eliminated.

(ii) 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) Accrual Basis of Accounting

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) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 2

Year ended December 31, 2009

1. Accounting Policies (continued)

(b) Basis of Accounting (cont'd)

(iii) Tangible Capital Assets

Effective January 1, 2009, the Corporation Of The County of Renfrew adopted the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") Section 1200 – Financial Statement Presentation and Section 3150 – Tangible Capital Assets. Current year data is presented on the new basis. Prior year data has been restated on the same basis wherever possible, to be comparable with the current year data. The most significant change is the reporting of tangible capital assets for the first time, and the inclusion of the consolidated statement of change in net financial assets.

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	Estimated useful life
Land improvements	20 to 25 years
Buildings	25 to 60 years
Machinery and equipment	5 to 25 years
Vehicles	4 to 20 years
Linear assets	15 to 99 years

Leasehold improvements are amortized on a straight-line basis over the current lease term plus one subsequent lease term.

The Corporation Of The County of Renfrew has a capitalization threshold so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of the transfer.

(iv) Accounts Receivable

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

(v) 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 3

Year ended December 31, 2009

1. Accounting Policies (continued)

(b) Basis of Accounting (cont'd)

(vi) 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.

(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.

(ix) Financial Instruments

The Corporation of the County of Renfrew adopted the accounting standards that were issued by the Canadian Institute of Chartered Accountants, particularly Section 3855, Financial Instruments – Recognition and Measurement. This section establishes standards for recognizing and measuring financial assets and financial liabilities. All financial instruments must be classified as held for trading, available-for-sale, held to maturity, loans and receivables, or other financial liabilities. The Corporation has classified its cash and investments as held for trading and they are stated at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, payable to Province of Ontario, deferred revenue, long-term liabilities, accrued interest on long-term liabilities and employee benefit liabilities are classified as other liabilities which are measured at cost.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 4

Year ended December 31, 2009

2. Change in accounting policy

As a result of adopting PSAB Section 1300 and no longer proportionately consolidating the Renfrew County and District Health Unit the 2008 comparative figures were restated. The restatement is reflected as follows:

Total financial assets reduced by	\$(1,214,070)
Non-financial assets reduced by	(28,252)
Total liabilities reduced by	<u>1,061,555</u>
Accumulated surplus reduced by	<u>\$(180,767)</u>
Total revenues reduced by	\$(2,488,948)
Health services expenditures reduced by	<u>2,500,908</u>
Annual surplus increased by	<u>\$ 11,960</u>

3. Trust Funds

Trust funds administered by the County amounting to \$155,340 (2008 – \$190,208) have not been included in the “Consolidated Statement of Financial Position” nor have their operations been included in the “Consolidated Statement of Financial Activities”.

4. 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 2009 was \$1,696,694 (2008 – \$1,627,925) for current service and is included as an expenditure on the Consolidated Statement of Financial Activities. At December 31, 2009 there is no liability for past service under this agreement.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 5

Year ended December 31, 2009

5. Investments

Investments are stated at fair value and are comprised of the following:

	2009	2008
Guaranteed investment certificates	\$ 1,914,568	\$ 1,011,892
One Funds – Money Market	4,518,598	2,494,369
2.07% Ontario Hydro bond, due August 6, 2012	400,264	-
2.00% Province of Ontario bond, due June 2, 2012	400,518	-
2.17% Province of Ontario bond, due December 2, 2012	399,883	-
Phillips, Hager & North - Canadian Bond	104,935	104,950
Phillips, Hager & North – Canadian Equity	28,415	22,174
	<u>\$ 7,767,181</u>	<u>\$ 3,633,385</u>

The guaranteed investment certificates bear interest at rates from 1.75% to 4.0% and mature from September 13, 2010 to September 18, 2012.

6. 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:

	2009	2008
Long-term debt issued by the County at various rates of interest ranging from 2.65% to 5.20%, maturing February 10, 2014	\$ 6,337,000	\$ 7,442,000
Long-term debt issued by the County bearing interest at 5.656%, maturing October 4, 2024	6,281,726	6,542,146
Mortgage payable bearing interest at 3.774%, matured	-	566,129
Mortgage payable bearing interest at 2.802%, maturing April 1, 2012	527,527	-
Mortgage payable bearing interest at 3.68%, maturing December 1, 2018	1,110,179	1,170,326
Mortgage payable bearing interest at 3.65%, maturing June 1, 2018	1,757,359	1,822,914
	<u>\$ 16,013,791</u>	<u>\$ 17,543,515</u>

Principal repayments relating to long-term liabilities of \$16,013,791 outstanding as at December 31, 2009 are due as follows:

2010	\$ 1,598,172
2011	1,672,928
2012	1,752,770
2013	1,840,230
2014	2,246,446
Thereafter	<u>6,903,245</u>
	<u>\$ 16,013,791</u>

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 6

Year ended December 31, 2009

7. Post-employment Benefits

	2009	2008
Post-employment benefits are summarized as follows:		
Sick leave benefits	\$ 806,889	\$ 755,279
Workplace Safety and Insurance Board obligations	1,461,101	492,259
	<u>\$2,267,990</u>	<u>\$1,247,538</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 \$806,889 (2008 – \$755,279) at the end of the year.

- (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 2009 determined that the liability for present and future awards was \$1,461,101 as at December 31, 2009.

CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 7

Year ended December 31, 2009

8. Tangible Capital Assets

(a) Tangible capital assets by functional classification:

	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Social Housing	Planning and Development	2009	2008
Cost									
Balance, beginning of year	\$ 18,420,773	\$ 247,342	\$ 261,164,997	\$ 3,674,454	\$ 55,767,226	\$ 30,921,583	\$ 1,093,586	\$ 371,289,961	\$ 359,382,911
Additions during the year	1,997,119	11,020	8,024,520	876,084	865,033	420,827	18,779	12,213,382	13,689,679
Disposals during the year	-	-	(1,901,290)	(534,983)	(90,314)	(103,713)	-	(2,630,300)	(1,782,629)
Balance, end of year	20,417,892	258,362	267,288,227	4,015,555	56,541,945	31,238,697	1,112,365	380,873,043	371,289,961
Accumulated amortization									
Balance, beginning of year	3,346,698	183,964	149,215,042	2,250,045	10,695,344	16,627,578	565,231	182,883,902	173,766,402
Amortization during the year	460,526	28,439	7,713,015	532,738	1,607,021	679,045	35,051	11,055,835	10,638,185
Accumulated amortization on disposals	-	-	(1,869,407)	(534,983)	(63,123)	(93,650)	-	(2,561,163)	(1,520,685)
Balance, end of year	3,807,224	212,403	155,058,650	2,247,800	12,239,242	17,212,973	600,282	191,378,574	182,883,902
Net book value of tangible capital assets	\$ 16,610,668	\$ 45,959	\$ 112,229,577	\$ 1,767,755	\$ 44,302,703	\$ 14,025,724	\$ 512,083	\$ 189,494,469	\$ 188,406,059

CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 8

Year ended December 31, 2009

8. Tangible Capital Assets (continued)

(b) Tangible capital assets by asset class:

	Land	Land Improvements	Buildings	Machinery and Equipment	Leasehold Improvements	Vehicles	Linear Assets	2009	2008
Cost									
Balance, beginning of year	\$5,258,161	\$ 2,862,667	\$ 90,495,527	\$10,748,009	\$ 392,208	\$ 8,840,978	\$252,692,411	\$371,289,961	\$359,382,911
Additions during the year	57,476	181,444	2,616,466	610,762	-	1,273,459	7,473,775	12,213,382	13,689,679
Disposals during the year	-	-	(135,835)	(52,849)	-	(651,135)	(1,790,481)	(2,630,300)	(1,782,629)
Balance, end of year	5,315,637	3,044,111	92,976,158	11,305,922	392,208	9,463,302	258,375,705	380,873,043	371,289,961
Accumulated amortization									
Balance, beginning of year	-	1,283,679	25,953,585	5,656,694	296,719	6,055,029	143,638,196	182,883,902	173,766,402
Amortization during the year	-	112,539	1,956,102	942,228	24,391	802,070	7,218,505	11,055,835	10,638,185
Accumulated amortization on disposals	-	-	(98,581)	(52,849)	-	(651,135)	(1,758,598)	(2,561,163)	(1,520,685)
Balance, end of year	-	1,396,218	27,811,106	6,546,073	321,110	6,205,964	149,098,103	191,378,574	182,883,902
Net book value of tangible capital assets	\$5,315,637	\$ 1,647,893	\$ 65,165,052	\$4,759,849	\$ 71,098	\$ 3,257,338	\$109,277,602	\$189,494,469	\$188,406,059

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 9

Year ended December 31, 2009

9. Amounts To Be Recovered In Future Years

Amounts to be recovered represent the requirement of the County to raise funds in subsequent periods to finance unfunded liabilities, comprised of long-term liabilities, accrued interest on long-term liabilities and employee future benefits.

10. Commitments

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

2010	\$ 258,957
2011	115,474
2012	73,929
2013	<u>18,010</u>
	<u>\$ 466,370</u>

(b) The Renfrew County Housing Corporation has entered into a long-term service agreement with the Ontario Clean Water Agency that ends February 2014.

Future minimum payments over the next five years is as follows:

2010	\$ 39,713
2011	39,993
2012	39,993
2013	39,993
2014	<u>6,665</u>
	<u>\$ 166,357</u>

(c) The Renfrew County Housing Corporation has entered into a construction contract of which \$38,500 remains outstanding as at December 31, 2009.

(d) The Corporation of the County of Renfrew is a member of the Ontario Municipal Insurance Exchange (OMEX). OMEX approved a supplementary assessment totaling \$121,362 for the 2006 to 2008 underwriting periods payable in instalments over a three year period beginning in 2010.

11. Contingencies

At December 31, 2009 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.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 10

Year ended December 31, 2009

12. Expenditures by Object

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

	2009	2008
Salaries, wages and benefits	\$ 39,358,704	\$ 37,109,034
Materials	17,554,878	17,705,404
Contracted services	8,901,996	11,401,363
Interest on long-term debt	802,382	887,487
Transfer payments	40,547,528	37,450,239
Rents and financial expense	1,869,453	2,365,539
Amortization of tangible capital assets	11,055,836	10,638,185
Total expenditures	\$ 120,090,777	\$ 117,557,251

13. Budget figures

The operating budget approved by County Council for 2009 is reflected on the consolidated statement of operations. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with Public Sector Accounting Board (PSAB) reporting requirements.

14. 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 \$745,821 as at December 31, 2009. These surplus amounts are reflected in the total payable to the Province of Ontario (net).

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 11

Year ended December 31, 2009

15. Financial instruments

(a) Fair value:

The carrying values of cash, investments, accounts receivable, accounts payable and accrued liabilities, payable to Province of Ontario, deferred revenue, accrued interest on long-term liabilities and employee benefit liabilities approximate the fair value due to their short-term nature.

The carrying value of the long-term liabilities is considered to be its fair value because the interest rate approximates the market rate that would be available to the Corporation for the same or similar instruments at December 31, 2009.

(b) Interest rate risk:

The long-term liabilities bear interest at fixed interest rates. Consequently, the long-term debt risk exposure is minimal.

(c) Credit risk:

The Corporation provides credit to other agencies and to its tenants during the normal course of operations. The Corporation determines on a continuing basis, the probable losses and records a provision for losses based upon the stated realizable value. Concentration of credit risk with respect to accounts receivable is limited due to the number of other agencies and tenants involved. The Corporation does not run any significant risk with respect to a single account receivable.

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

16. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

SCOTT ROSIEN & DEMPSEY

Chartered Accountants

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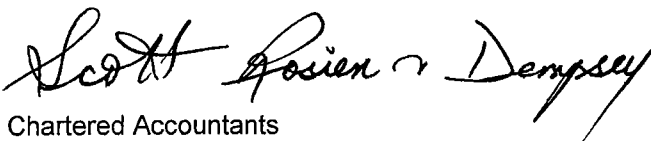
AUDITORS' REPORT

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, 2009 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, 2009 and the results of its financial activities for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licensed Public Accountants

Pembroke, Ontario

June 24, 2010

THE CORPORATION OF THE COUNTY OF RENFREW

Trust Funds Statement of Financial Position

December 31, 2009, with comparative figures for 2008

	2009	2008
Financial Assets		
Cash and short-term investments	\$ 155,340	\$ 190,208
	\$ 155,340	\$ 190,208
Fund Balance		
Residents' equity	\$ 155,340	\$ 190,208
	\$ 155,340	\$ 190,208

Trust Fund Statement of Financial Activities And Changes in Fund Balance

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
Revenue:		
Deposits from residents	\$ 3,622,811	\$ 3,517,500
Interest	2,230	6,309
	3,625,041	3,523,809
Expenditure:		
Payment for maintenance, withdrawals by residents and estate payments	3,659,909	3,550,738
Change in Financial Assets	(34,868)	(26,929)
Fund Balance at The Beginning of The Year	190,208	217,137
Fund Balance at The End of The Year	\$ 155,340	\$ 190,208

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, 2009

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) Financial instruments:

The Corporation of the County of Renfrew adopted the accounting standards that were issued by the Canadian Institute of Chartered Accountants, particularly Section 3855, Financial Instruments – Recognition and Measurement. This section establishes standards for recognizing and measuring financial assets and financial liabilities. All financial instruments must be classified as held for trading, available-for-sale, held to maturity, loans and receivables, or other financial liabilities. The Corporation has classified its cash and short term investments as held for trading and they are stated at fair value.

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