

2010 Financial Report

**THE CORPORATION OF THE  
COUNTY OF RENFREW**

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

2010 FINANCIAL REPORT

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the Corporation Of The County of Renfrew, which comprise the consolidated statement of financial position as at December 31, 2010, the consolidated statement of operations, the consolidated statement of change in net financial assets and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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, 2010 and the results of its operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

  
Chartered Accountants, Licensed Public Accountants

Pembroke, Ontario  
June 29, 2011

# THE CORPORATION OF THE COUNTY OF RENFREW

## Consolidated Statement of Financial Position

December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Financial Assets</b>		
Cash	\$ 19,627,308	\$ 20,768,897
Investments (note 4)	8,558,347	7,767,181
Accounts receivable		
Federal Government	1,643,757	1,385,834
Provincial Government	53,022	-
Other municipalities	350,901	534,640
Other	606,839	504,524
	<u>30,840,174</u>	<u>30,961,076</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	6,842,701	6,186,294
Payable to Province of Ontario	-	432,363
Deferred revenue	40,192	45,881
Long-term liabilities (note 5)	14,415,621	16,013,791
Accrued interest on long-term liabilities	192,654	206,963
Post-employment benefits (note 6)	2,554,149	2,267,990
	<u>24,045,317</u>	<u>25,153,282</u>
<b>Net Financial Assets</b>	<u>6,794,857</u>	<u>5,807,794</u>
<b>Non-Financial Assets</b>		
Tangible capital assets - net (note 7)	188,047,769	189,494,469
Tangible capital assets - construction in progress	9,189,929	3,429,279
Inventory	750,095	727,311
Prepaid expenses	144,481	118,393
	<u>198,132,274</u>	<u>193,769,452</u>
<b>Accumulated Surplus</b> (note 8)	<u>\$ 204,927,131</u>	<u>\$ 199,577,246</u>

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

# THE CORPORATION OF THE COUNTY OF RENFREW

## Consolidated Statement of Operations

Year ended December 31, 2010, with comparative figures for 2009

	2010	2010	2009
	Budget	Actual	Actual
<b>REVENUES:</b>			
Levies on area municipalities	\$ 34,660,117	\$ 34,960,534	\$ 34,005,731
Other municipal revenue	4,529,648	4,596,604	5,325,746
User fees and service charges	14,183,883	14,929,779	14,364,766
Government grants	73,031,875	75,371,815	69,205,269
Investment income	220,000	256,685	217,640
Loss on disposal of tangible capital assets	-	(135,090)	(45,546)
Donation, fines and other	1,799,166	1,656,734	1,583,105
<b>Total revenues</b>	<b>128,424,689</b>	<b>131,637,061</b>	<b>124,656,711</b>
<b>EXPENDITURES:</b>			
General government	7,397,142	7,084,097	5,949,127
Protection services	1,007,508	880,132	852,644
Transportation services	15,031,703	16,386,128	15,778,775
Health services	13,626,425	12,772,053	12,003,997
Social and family services	74,440,006	75,375,034	73,250,147
Social housing	12,887,020	12,104,163	10,483,469
Planning and development	1,773,892	1,685,569	1,772,618
<b>Total expenditures</b>	<b>126,163,696</b>	<b>126,287,176</b>	<b>120,090,777</b>
<b>Annual surplus</b>	<b>2,260,993</b>	<b>5,349,885</b>	<b>4,565,934</b>
<b>Accumulated surplus, beginning of year</b>	<b>199,577,246</b>	<b>199,577,246</b>	<b>195,011,312</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 201,838,239</b>	<b>\$ 204,927,131</b>	<b>\$ 199,577,246</b>

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

# THE CORPORATION OF THE COUNTY OF RENFREW

## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2010, with comparative figures for 2009

	2010	2010	2009
	Budget	Actual	Actual
Annual surplus	2,260,993	\$ 5,349,885	\$ 4,565,934
Amortization of tangible capital assets	10,979,775	11,329,123	11,055,835
Acquisition of tangible capital assets	(16,953,658)	(10,048,373)	(12,213,382)
Loss on disposal of tangible capital assets	-	135,090	45,546
Proceeds on sale of tangible capital assets	-	30,860	23,591
Acquisition of tangible capital assets under construction	-	(5,760,650)	(2,594,852)
Increase in inventory	-	(22,784)	(17,125)
Increase in prepaid expenses	-	(26,088)	(14,188)
<b>Increase in net financial assets</b>	<b>(3,712,890)</b>	<b>987,063</b>	<b>851,359</b>
<b>Net financial assets, beginning of year</b>	<b>5,807,794</b>	<b>5,807,794</b>	<b>4,956,435</b>
<b>Net financial assets, end of year</b>	<b>2,094,904</b>	<b>\$ 6,794,857</b>	<b>\$ 5,807,794</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, 2010, with comparative figures for 2009

	2010	2009
<b>OPERATIONS</b>		
Annual surplus	\$ 5,349,885	\$ 4,565,934
<b>Non-cash charges to operations:</b>		
Amortization of tangible capital assets	11,329,123	11,055,835
Loss on disposal of tangible capital assets	135,090	45,546
<b>Uses:</b>		
Increase in recoverable from Federal Government	(257,923)	(317,661)
Increase in other accounts receivable	(102,315)	-
Increase in inventory	(22,784)	(17,125)
Increase in prepaid expenses	(26,088)	(14,188)
Decrease in accounts payable and accrued liabilities	-	(56,349)
Decrease in payable to Provincial Government	(485,385)	(1,238,108)
Decrease in deferred revenue	(5,689)	(7,475)
Decrease in accrued interest on long-term liabilities	(14,309)	(21,595)
<b>Total Uses</b>	<b>(914,493)</b>	<b>(1,672,501)</b>
<b>Sources:</b>		
Decrease in recoverable from other municipalities	183,739	199,421
Decrease in other accounts receivable	-	32,830
Increase in accounts payable and accrued liabilities	656,407	-
Increase in employee benefit liabilities	286,159	1,020,452
<b>Total Sources</b>	<b>1,126,305</b>	<b>1,252,703</b>
<b>Increase in Cash from Operations</b>	<b>17,025,910</b>	<b>15,247,517</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(10,048,373)	(12,213,382)
Proceeds on disposal of tangible capital assets	30,860	23,591
Additions to tangible capital assets under construction	(5,760,650)	(2,594,852)
<b>Total Capital</b>	<b>(15,778,163)</b>	<b>(14,784,643)</b>
<b>INVESTING</b>		
Increase in investments	(791,166)	(4,133,796)
<b>Total Investing</b>	<b>(791,166)</b>	<b>(4,133,796)</b>
<b>FINANCING</b>		
Long-term liabilities repaid	(1,598,170)	(1,529,724)
<b>Total Financing</b>	<b>(1,598,170)</b>	<b>(1,529,724)</b>
<b>Decrease in Cash</b>	<b>(1,141,589)</b>	<b>(5,200,646)</b>
<b>Cash, beginning of year</b>	<b>20,768,897</b>	<b>25,969,543</b>
<b>Cash, end of year</b>	<b>\$ 19,627,308</b>	<b>\$ 20,768,897</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, 2010

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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 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, 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.

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 Fund 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, 2010

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## 1. Accounting Policies (continued)

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

#### (iii) Tangible Capital 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 is amortized on a straight-line basis over their estimated useful lives as follows:

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	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

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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, 2010

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## 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 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, 2010

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## 2. Trust Funds

Trust funds administered by the County amounting to \$122,133 (2009 – \$155,340) 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 2010 was \$1,755,378 (2009 – \$1,696,694) for current service and is included as an expenditure on the Consolidated Statement of Financial Activities. At December 31, 2010 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, 2010

## 4. Investments

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

	2010	2009
Phillips, Hager & North – Canadian Bond	108,154	104,935
Phillips, Hager & North – Canadian Equity	31,088	28,415
Eastern Ontario Wardens Caucus Inc. (Apr 2013 – 5.0%)	716,288	-
AGF Trust GIC (Sep 19/11 – 1.96%)	100,558	100,558
Home Trust (Sep 19/11 – 1.95%)	100,556	100,556
Montreal Trust (Sep 18/12 – 2.45%)	100,698	100,698
Advisors Advantage (Sep 18/12 – 2.25%)	100,641	100,641
Canadian Tire (Sep 19/11 – 1.80%)	100,513	100,513
Equitable Trust (Sep 19/11 – 1.80%)	100,513	100,513
ICICI Bank (Sep 19/11 – 1.95%)	100,556	100,556
Manulife (Sep 19/11 – 1.80%)	100,513	100,513
Montreal Trust (Sep 19/11 – 1.75%)	100,499	100,499
National Bank (Sep 18/12 – 2.25%)	100,641	100,641
Peoples Trust (Sep 19/11 – 1.75%)	100,499	100,499
Royal Bank (Sep 18/12 – 2.15%)	100,613	100,613
TD Mortgage (Sep 18/12 – 2.25%)	100,641	100,641
Advisors Advantage (Sep 13/10 – 3.95%)	-	101,190
CDN Western (Sep 13/10 – 4.00%)	-	101,205
HSBC Bank (Sep 13/10 – 3.95%)	-	101,190
Maple Trust (Sep 13/10 – 3.90%)	-	101,175
Montreal Trust (Sep 13/10 – 3.90%)	-	101,175
TD Mortgage (Sep 13/10 – 3.85%)	-	101,191
HSBC Bank of Canada GIC (Oct 15/13 – 2.3%)	1,005,041	-
Manulife Bank of Canada (Oct 14/14 – 2.6%)	1,005,699	-
HSBC Bank of Canada GIC (Sep 14/15 – 2.95%)	302,643	-
Manulife Bank of Canada (Sep 14/15 – 3.05%)	302,732	-
Ontario Hydro Bond (Aug 6/12 – 2.07%)	411,668	400,264
Province of Ontario Bond (Jun 2/12 – 2.0%)	411,241	400,518
Province of Ontario Bond (Dec 2/12 – 2.17%)	412,705	399,883
One – Money Market Fund	2,543,647	4,518,599
<b>Totals</b>	<b>\$ 8,558,347</b>	<b>\$ 7,767,181</b>

# THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 6

Year ended December 31, 2010

## 5. 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:

	2010	2009
Long-term debt issued by the County at various rates of interest ranging from 2.65% to 5.20%, principal of varying amounts payable on the 10 <sup>th</sup> day of February each year. Interest to be paid semi-annually on August 10 <sup>th</sup> and February 10 <sup>th</sup> each year. Maturing February 10, 2014.	\$ 5,185,000	\$ 6,337,000
Long-term debt issued by the County bearing interest at 5.656%, payable \$313,405 on April 4 <sup>th</sup> and October 4 <sup>th</sup> of each year, including principal and interest. Maturing October 4, 2024	6,006,375	6,281,726
2.802% Mortgage, payable \$4,556 monthly, including principal and interest, maturing April 1, 2014.	487,031	527,527
3.68% Mortgage, payable \$8,490 monthly, including principal and interest, maturing December 1, 2018.	1,047,810	1,110,179
3.65% Mortgage, payable \$10,874 monthly, including principal and interest, maturing June 1, 2018.	1,689,405	1,757,359
	<u>\$ 14,415,621</u>	<u>\$ 16,013,791</u>

Principal repayments relating to long-term liabilities of \$14,415,621 outstanding as at December 31, 2010 are due as follows:

2011	\$ 1,672,928
2012	1,752,770
2013	1,840,230
2014	2,246,446
2015	520,190
Thereafter	<u>6,383,057</u>
	<u>\$ 14,415,621</u>

The mortgages payable are secured by a first charge on the capital assets of Renfrew County Housing Corporation.

# THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 7

Year ended December 31, 2010

## 6. Post-employment Benefits

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	2010	2009
Post-employment benefits are summarized as follows:		
Sick leave benefits	\$ 853,041	\$ 806,889
Workplace Safety and Insurance Board obligations	1,701,108	1,461,101
	<u>\$2,554,149</u>	<u>\$2,267,990</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 \$853,041 (2009 – \$806,889) 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. An estimate of \$1,701,108 for 2010 has been reported on the Statement of Financial Position

# CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 8

Year ended December 31, 2010

## 7. 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	2010	2009
<b>Cost</b>									
Balance, beginning 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
Additions during the year	242,049	18,820	7,468,357	522,841	524,966	1,268,874	2,466	10,048,373	12,213,382
Disposals during the year	-	-	(2,060,862)	(737,674)	(5,531)	(230,711)	-	(3,034,778)	(2,630,300)
Balance, end of year	20,659,941	277,182	272,695,722	3,800,722	57,061,380	32,276,860	1,114,831	387,886,638	380,873,043
<b>Accumulated amortization</b>									
Balance, beginning 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)
Amortization during the year	(480,713)	(25,914)	(7,871,283)	(586,307)	(1,620,355)	(713,553)	(30,998)	(11,329,123)	(11,055,835)
Accumulated amortization on disposals	-	-	1,996,440	729,466	3,596	139,326	-	2,868,828	2,561,163
Balance, end of year	(4,287,937)	(238,317)	(160,933,493)	(2,104,641)	(13,856,001)	(17,787,200)	(631,280)	(199,838,869)	(191,378,574)
<b>Net book value of tangible capital assets</b>	<b>\$ 16,372,004</b>	<b>\$ 38,865</b>	<b>\$ 111,762,229</b>	<b>\$ 1,696,081</b>	<b>\$ 43,205,379</b>	<b>\$ 14,489,660</b>	<b>\$ 483,551</b>	<b>\$ 188,047,769</b>	<b>\$ 189,494,469</b>

# CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 9

Year ended December 31, 2010

## 7. Tangible Capital Assets (continued)

### (b) Tangible capital assets by asset class:

	Land	Land Improvements	Buildings	Machinery and Equipment	Leasehold Improvements	Vehicles	Linear Assets	2010	2009
<b>Cost</b>									
Balance, beginning 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
Additions during the year	-	385,423	1,117,841	720,091	-	790,926	7,034,092	10,048,373	12,213,382
Disposals during the year	-	(20,494)	(204,871)	(35,127)	-	(1,050,674)	(1,723,612)	(3,034,778)	(2,630,300)
<b>Balance, end of year</b>	<b>5,315,637</b>	<b>3,409,040</b>	<b>93,889,128</b>	<b>11,990,886</b>	<b>392,208</b>	<b>9,203,554</b>	<b>263,686,185</b>	<b>387,886,638</b>	<b>380,873,043</b>
<b>Accumulated amortization</b>									
Balance, beginning 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)
Amortization during the year	-	(117,943)	(2,019,434)	(904,307)	(19,902)	(852,037)	(7,415,500)	(11,329,123)	(11,055,835)
Accumulated amortization on disposals	-	15,486	120,164	31,521	-	1,042,466	1,659,191	2,868,828	2,561,163
<b>Balance, end of year</b>	<b>-</b>	<b>(1,498,675)</b>	<b>(29,710,376)</b>	<b>(7,418,859)</b>	<b>(341,012)</b>	<b>(6,015,535)</b>	<b>(154,854,412)</b>	<b>(199,838,869)</b>	<b>(191,378,574)</b>
<b>Net book value of tangible capital assets</b>	<b>\$5,315,637</b>	<b>\$ 1,910,365</b>	<b>\$ 64,178,752</b>	<b>\$4,572,027</b>	<b>\$ 51,196</b>	<b>\$ 3,188,019</b>	<b>\$108,831,773</b>	<b>\$188,047,769</b>	<b>\$189,494,469</b>

# THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 10

Year ended December 31, 2010

## 8. Accumulated surplus comprised of:

	2010	2009
Reserves - current	\$ 17,375,649	\$ 18,067,474
Reserves - capital	7,283,554	7,074,768
Invested in tangible capital assets	197,237,698	192,923,748
Unfunded (note 9)		
Accrued interest on long-term liabilities	-	(206,963)
Post-employment benefits	(2,554,149)	(2,267,990)
Long-term liabilities	(14,415,621)	(16,013,791)
<b>Accumulated Surplus</b>	<b>\$ 204,927,131</b>	<b>\$ 199,577,246</b>

## 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:

2011	\$ 183,841
2012	139,292
2013	84,083
2014	65,601
2015	<u>49,200</u>
	<u>\$ 522,017</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:

2011	\$ 39,993
2012	39,993
2013	39,993
2014	<u>6,665</u>
	<u>\$ 126,644</u>

# THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 11

Year ended December 31, 2010

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## 10. Commitments (continued)

(c) 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 installments over a three year period beginning in 2010. At December 31, 2010, \$82,021 remains outstanding on this assessment.

In 2010, OMEX approved another supplementary assessment totaling \$523,291 for the 2009 underwriting period payable in instalments over a five year period beginning in 2011.

(d) The Corporation of the County of Renfrew has entered into a custodial service contract in the amount of \$239,891 for the period from September 2010 to August 2013.

(e) The Corporation of the County of Renfrew has agreed to fund it's proportionate share of the Eastern Ontario Wardens Caucus Inc. broadband project. At December 31, 2010, this commitment is \$707,373 which is due at five equal instalments in April 2011, October 2011, April 2012, October 2012 and April 2013. The Corporation has opted to prepay these amounts. At December 31, 2010, it holds a 5% investment in the amount of \$716,288 (note 4) to fund this commitment.

(f) The Corporation of the County of Renfrew has entered into a construction contract to build an auditorium at Bonnechere Manor. At December 31, 2010 the contract total was \$1,098,494 of which \$451,381 was completed. The Bonnechere Manor auditorium project is to be funded by several sources with the net contribution from The Corporation of the County of Renfrew to be \$401,780.

# THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 12

Year ended December 31, 2010

## 11. Contingencies

At December 31, 2010 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.

## 12. Expenditures by Object

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

	2010	2009
Salaries, wages and benefits	\$ 39,871,838	\$ 39,358,704
Materials	19,607,720	17,554,878
Contracted services	9,666,943	8,901,996
Interest on long-term debt	728,908	802,382
Transfer payments	43,193,939	40,547,528
Rents and financial expense	1,888,705	1,869,453
Amortization of tangible capital assets	11,329,123	11,055,836
<b>Total expenditures</b>	<b>\$ 126,287,176</b>	<b>\$ 120,090,777</b>

## 13. Budget figures

The operating budget approved by County Council for 2010 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 \$362,053 as at December 31, 2010. 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 13

Year ended December 31, 2010

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## 15. Financial instruments

### (a) Fair value:

The carrying values of cash, investments, accounts receivable, accounts payable and accrued liabilities, 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, 2010.

### (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.

# SCOTT ROSIEN & DEMPSEY

Chartered Accountants

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying trust fund financial statements of the Corporation Of The County of Renfrew, which comprise the statement of financial position as at December 31, 2010, the statement of financial activities and changes in fund balance for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these trust fund financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

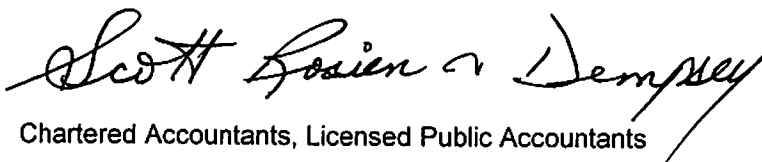
Our responsibility is to express an opinion on these trust fund financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the trust fund financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these trust fund financial statements present fairly, in all material respects, the financial position of the trust fund of the Corporation Of The County of Renfrew as at December 31, 2010 and the results of its financial activities and changes in fund balance for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants, Licensed Public Accountants

Pembroke, Ontario  
June 29, 2011

# THE CORPORATION OF THE COUNTY OF RENFREW

## Trust Fund Statement of Financial Position

December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Financial Assets</b>		
Cash and short-term investments	\$ 122,133	\$ 155,340
	<b>\$ 122,133</b>	<b>\$ 155,340</b>
<b>Fund Balance</b>		
Residents' equity	\$ 122,133	\$ 155,340
	<b>\$ 122,133</b>	<b>\$ 155,340</b>

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

Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Revenue:</b>		
Deposits from residents	\$ 3,708,277	\$ 3,622,811
Interest	905	2,230
	<b>3,709,182</b>	<b>3,625,041</b>
<b>Expenditure:</b>		
Payment for maintenance, withdrawals by residents and estate payments	3,742,389	3,659,909
<b>Change in Financial Assets</b>	<b>(33,207)</b>	<b>(34,868)</b>
<b>Fund Balance at The Beginning of The Year</b>	<b>155,340</b>	<b>190,208</b>
<b>Fund Balance at The End of The Year</b>	<b>\$ 122,133</b>	<b>\$ 155,340</b>

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

# THE CORPORATION OF THE COUNTY OF RENFREW

Trust Fund

Note to Financial Statements

Year ended December 31, 2010

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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) 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.