

2001 Financial Report

**THE CORPORATION OF THE
COUNTY OF RENFREW**

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THE CORPORATION OF THE COUNTY OF RENFREW

2001 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, 2001 and the consolidated statements of financial activities and changes in financial position 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 Corporation of The County of Renfrew as at December 31, 2001 and the results of its financial activities and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Walsh Stewart Scott & Co

Chartered Accountants

Pembroke, Ontario

August 22, 2002

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Financial Position

December 31, 2001, with comparative figures for 2000

	2001	2000
Assets		
Financial Assets		
Cash	\$ 17,750,944	\$ 10,822,815
Term deposits	-	5,214,724
Accounts receivable		
Federal Government	306,554	340,490
Other municipalities	475,119	709,259
Other	348,427	496,974
Total Financial Assets	18,881,044	17,584,262
Liabilities		
Accounts payable and accrued liabilities	4,456,350	3,385,671
Payable to Province of Ontario	1,983,035	2,465,645
Deferred revenue	52,748	3,365
Long-term liabilities (note 4)	1,620,077	1,851,000
Accrued interest on long-term liabilities	32,363	46,786
Employee benefits (note 5)	644,908	457,137
Total Liabilities	8,789,481	8,209,604
Net Financial Assets	10,091,563	9,374,658
Other non-financial assets		
Inventory and prepaids	638,729	612,524
TOTAL NET ASSETS	\$ 10,730,292	\$ 9,987,182
MUNICIPAL POSITION		
Amounts to be recovered		
From future revenues	(2,297,348)	(2,354,923)
Total Amounts to be Recovered	(2,297,348)	(2,354,923)
Fund Balances		
Current fund	2,234,963	1,612,631
Capital fund	691,496	33,030
Reserves	5,136,559	5,735,548
Reserve funds	4,964,622	4,960,896
Total Fund Balances	13,027,640	12,342,105
TOTAL MUNICIPAL POSITION	\$ 10,730,292	\$ 9,987,182

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

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Financial Activities

Year ended December 31, 2001, with comparative figures for 2000

	Budget 2001	Actual 2001	Actual 2000
	(unaudited)		
REVENUES			
Levies on area municipalities	\$ 20,212,290	\$ 20,000,371	\$ 20,274,359
Other municipal revenue	5,129,785	5,045,012	4,719,845
User fees and service charges	5,298,716	9,695,946	6,060,759
Government grants	54,563,639	52,402,935	46,091,679
Investment income	250,000	520,869	677,030
Fines and other	1,252,403	2,035,353	1,111,923
Total Revenues	86,706,833	89,700,486	78,935,595
EXPENDITURES			
Current			
General government	4,207,646	3,264,365	3,381,666
Protection to persons and property	222,200	583,774	115,165
Transportation services	4,021,800	4,097,746	4,809,885
Health services	7,817,668	7,570,053	4,175,401
Social and family services	59,870,260	56,203,506	56,826,284
Social housing	4,385,060	6,864,003	2,555,988
Planning and development	1,360,848	1,606,311	1,465,021
Total Current Expenditures	81,885,482	80,189,758	73,329,410
Capital			
General government	-	-	38,640
Transportation services	6,230,400	6,242,473	6,565,349
Health services	-	183,228	-
Social and family services	300,227	707,155	195,839
Social housing	-	614,644	-
Total Capital Expenditures	6,530,627	7,747,500	6,799,828
Total Expenditures	88,416,109	87,937,258	80,129,238
Net Revenues (Expenditures)	(1,709,276)	1,763,228	(1,193,643)
Decrease (increase) in amounts to be recovered	1,045,000	1,077,693	(1,164,946)
Decrease in non-financial assets	-	-	(242,454)
Increase (Decrease) in Fund Balances	(2,754,276)	685,535	(2,601,043)
Balance of Funds Beginning of Year	12,342,105	12,342,105	14,943,148
BALANCE OF FUNDS END OF YEAR	\$ 9,587,829	\$ 13,027,640	\$ 12,342,105

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

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Changes in Financial Position

Year ended December 31, 2001, with comparative figures for 2000

	2001	2000
OPERATIONS		
Net revenues (expenditures)	\$ 1,763,228	\$ (1,193,643)
Uses:		
Increase in receivable from Federal Government	-	(153,038)
Increase in recoverable from other municipalities	-	(51,544)
Increase in other accounts receivable	(26,205)	(206,566)
Increase in other assets	(482,610)	-
Decrease in payable to Province of Ontario	-	(1,933,243)
Decrease in deferred revenue	-	(23,524)
Decrease in accrued interest long-term liabilities	-	(16,228)
Decrease in employee benefits	-	(201,718)
Total Uses	(508,815)	(2,585,861)
Sources:		
Decrease in receivable from Federal Government	33,936	-
Decrease in receivable from other municipalities	234,140	-
Decrease in other accounts receivable	148,547	-
Increase in accounts payable and accrued liabilities	1,070,679	11,711
Increase in deferred revenue	49,383	-
Total Sources	1,536,685	11,711
Net Change in Cash From Operations	2,791,098	(3,767,793)
INVESTING		
Decrease in term deposits	5,214,724	246,832
FINANCING		
Long-term debt repaid	(1,077,693)	(947,000)
Net Change in Cash	6,928,129	(4,467,961)
Opening Cash	10,822,815	15,290,776
Closing Cash	\$ 17,750,944	\$ 10,822,815

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

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements

Year ended December 31, 2001

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 generally accepted accounting principals for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) (i) Basis of Consolidation

These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue 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 Renfrew County Housing Corporation has been consolidated.

All inter-fund assets and liabilities and sources of financing 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) Funds 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 Consolidated Statements of Financial Position, Financial Activities and Changes in Fund Balance".

(b) Basis of Accounting

(i) Revenue and Expenditure Recognition

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 2

Year ended December 31, 2001

1. Accounting Policies (continued)

(b) Basis of Accounting (cont'd)

(ii) Capital Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Financial Activities in the year of acquisition.

(iii) Deferred Revenue

Deferred revenues represents 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 services are performed.

(iv) 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.

2. Trust Funds

Trust funds administered by the County amounting to \$443,694, (2000 – \$422,261) 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 2001 was \$NIL, (2000 – \$6,638) for past service and is included as an expenditure on the Consolidated Statement of Financial Activities. At December 31, 2001 there is no liability for past service under this agreement.

Currently, OMERS members and employers are enjoying a full contribution holiday. From the pay period that included August 1, 1998 through to July 31, 2002, member and employer rates are zero per cent. In 2002, rates will begin to rise gradually so that by January 1, 2005, they will have returned to normal.

4. Long-Term Liabilities

(a)

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 is outstanding at the end of the year

Homes for the Aged	\$ 806,000	\$ 1,851,000
Social Housing	814,077	-

	<u>2001</u>	<u>2000</u>
	\$ 806,000	\$ 1,851,000
	814,077	-
	<u>\$ 1,620,077</u>	<u>\$ 1,851,000</u>

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to the Consolidated Financial Statements, page 4

Year ended December 31, 2001

7. 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 expenditures and financing sources to acquire, construct and maintain County assets. The 2001 capital budget approved by Council included projects requiring financing of \$6,530,627.

8. Operations

Effective January 1, 2001, under the provisions of Bill 128, "The Social Housing Reform Act", the Province of Ontario transferred responsibility for Social Housing Administration to municipal control. As a result of this legislation, the County has been transferred control over the Renfrew County Housing Corporation (RCHC), a newly formed Corporation. The County is the sole shareholder of RCHC. As a result of this transfer, the County has acquired the assets and has assumed the related liabilities of the RCHC.

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Schedule of Current Fund Operations

Year ended December 31, 2001, with comparative figures for 2000

	Budget 2001	Actual 2001	Actual 2000
	(unaudited)		
Revenues			
Levies on area municipalities	\$ 20,212,290	\$ 20,000,371	\$ 20,274,359
Other municipal revenue	5,129,785	5,045,012	4,719,845
User fees and service charges	5,298,716	9,695,946	6,060,759
Government grants	54,563,639	52,402,935	46,091,679
Investment income	250,000	324,313	475,745
Fines and other	1,252,403	1,376,887	1,111,923
Total Revenues	86,706,833	88,845,464	78,734,310
Expenditures			
General Government	4,207,646	3,264,365	3,406,149
Protection to persons and property	222,200	583,774	115,165
Transportation services	4,021,800	4,097,746	4,954,139
Health services	7,817,668	7,570,053	4,194,476
Social and family services	59,870,260	56,203,506	56,870,344
Social housing	4,385,060	6,864,003	2,555,988
Planning and development	1,360,848	1,606,311	1,475,603
Total Expenditures	81,885,482	80,189,758	73,571,864
Net Revenues	4,821,351	8,655,706	5,162,446
Financing and Transfers			
Debt principal repayments	(1,045,000)	(1,077,693)	(947,000)
Employee benefits and other liabilities	-	-	(217,946)
Transfers to Reserves and Reserve Funds	(1,705,780)	(2,532,939)	(2,229,060)
Transfers from Reserves and Reserve Funds	2,847,425	2,738,062	4,947,106
Transfers to Capital Fund	(6,530,627)	(7,160,804)	(6,761,188)
Net Financing and Transfers	(6,433,982)	(8,033,374)	(5,208,088)
Change in Current Fund Balance	(1,612,631)	622,332	(45,642)
Opening Current Fund Balance	1,612,631	1,612,631	1,658,273
Closing Current Fund Balance	\$ -	\$ 2,234,963	\$ 1,612,631

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Schedule of Capital Fund Operations

Year ended December 31, 2001, with comparative figures for 2000

	Budget 2001 (unaudited)	Actual 2001	Actual 2000
Revenues			
Other revenues	\$ -	\$ 658,466	\$ -
Expenditures			
General Government	-	-	38,640
Transportation services	6,230,400	6,242,473	6,565,349
Health Services	-	183,228	-
Social and Family Services	300,227	707,155	195,839
Social Housing	-	614,644	-
Total Expenditures	6,530,627	7,747,500	6,799,828
Net Expenditures	(6,530,627)	(7,089,034)	(6,799,828)
Financing and Transfers			
Transfers from General Fund	6,530,627	7,160,804	6,761,188
Transfers from Reserves and Reserve Funds	-	586,696	25,294
Net Financing and Transfers	6,530,627	7,747,500	6,786,482
Change in Capital Fund Balance	-	658,466	(13,346)
Opening Capital Fund Balance	33,030	33,030	46,376
Closing Capital Fund Balance	\$ 33,030	\$ 691,496	\$ 33,030

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Schedule of Reserves and Reserve Funds

Year ended December 31, 2001, with comparative figures for 2000

	Budget 2001 (unaudited)	Actual 2001	Actual 2000
Revenue			
Investment income	\$ -	\$ 196,556	\$ 201,285
Total Revenues	-	196,556	201,285
Net Transfers From (To) Other Funds			
Transfers to General Fund	(2,847,425)	(2,738,062)	(4,947,106)
Transfers from General Fund	1,705,780	2,532,939	2,229,060
Transfers to Capital Fund	-	(586,696)	(25,294)
Net Transfers	(1,141,645)	(791,819)	(2,743,340)
Change in Reserves and Reserve Funds Balance	(1,141,645)	(595,263)	(2,542,055)
Opening Reserves and Reserve Funds Balance	10,696,444	10,696,444	13,238,499
Closing Reserves and Reserve Funds Balance	\$ 9,554,799	\$ 10,101,181	\$ 10,696,444
Analyzed As Follows:			
Reserves Set Aside For Specific Purposes By Council			
Working Funds	\$ 928,043	\$ 925,435	\$ 1,278,931
Contingencies	350,000	350,000	350,000
Equipment Replacement	694,911	1,197,256	1,146,786
Sick Leave	245,323	245,323	245,323
Inventory	586,892	591,201	586,892
Statutory Entitlement Reserve	582,827	514,433	-
Capital - Housing	501,100	501,100	-
Capital - Roads	736,807	736,807	2,127,616
Workplace Safety Insurance Board	-	75,004	-
	4,625,903	5,136,559	5,735,548
Reserve Funds Set Aside For Specific Purposes			
By Council			
Working Funds	96,389	100,114	96,389
Contingencies	303,596	424,568	303,596
Equipment Replacement	24,413	25,356	24,413
Sick Leave	35,435	36,804	35,435
Capital - General	4,339,725	4,281,304	4,371,725
Capital - Health	88,815	92,247	88,815
Capital - Planning and Development	40,523	4,229	40,523
	4,928,896	4,964,622	4,960,896
TOTAL RESERVES AND RESERVE FUNDS	\$ 9,554,799	\$ 10,101,181	\$ 10,696,444

WALSH STEWART SCOTT & CO.

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, 2001 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 County as at December 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Walsh Stewart Scott & Co

Chartered Accountants

Pembroke, Ontario

July 19, 2002

THE CORPORATION OF THE COUNTY OF RENFREW

Trust Funds Statement of Financial Position

December 31, 2001, with comparative figures for 2000

	2001	2000
Financial Assets		
Cash and short-term investments	\$ 443,694	\$ 422,261
	\$ 443,694	\$ 422,261
Fund Balance		
Residents' equity	\$ 443,694	\$ 422,261
	\$ 443,694	\$ 422,261

Trust Fund Statement of Financial Activities And Changes in Fund Balance

Year ended December 31, 2001, with comparative figures for 2000

	2001	2000
Revenue:		
Deposits from residents	\$ 2,356,346	\$ 2,234,889
Interest	18,388	17,517
	2,374,734	2,252,406
Expenditure:		
Payment for maintenance, withdrawals by residents and estate payments	2,353,301	2,190,100
Change in Financial Assets	21,433	62,306
Fund Balance at The Beginning of The Year	422,261	359,955
Fund Balance at The End of The Year	\$ 443,694	\$ 422,261

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, 2001

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.

Basis of Accounting

Cash and short-term investments are recorded at cost.