

Town of Renfrew

Financial Report

For the year ended 31 December 2008

Sewer System

252 Raglan Street S.
Renfrew, Ontario

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Town of Renfrew.

We have audited the statement of financial position of the Town of Renfrew Sewer System as at 31 December 2008 and the statement of financial activities and schedule of continuity of reserves for the year then ended. These financial statements are the responsibility of the Town'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 Town of Renfrew Sewer System as at 31 December 2008, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

MacKilligan & Associates

RENFREW, Ontario.

1 April 2009.

Chartered Accountants,

Licensed Public Accountants.

Town of Renfrew Sewer System

Statement of Financial Position

As at 31 December 2008

(with 2007 figures for comparison)

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Current:		
Accounts receivable - sewer fees	\$ 261,054	\$ 249,984
Due from Ontario		62,664
Due from revenue fund	<u>1,219,201</u>	<u>677,471</u>
	<u>\$ 1,480,255</u>	<u>\$ 990,119</u>
 <u>FUND BALANCE</u> 		
Fund balance:		
Sewer system reserves	<u>\$ 1,480,255</u>	<u>\$ 990,119</u>

(See accompanying notes)

Town of Renfrew Sewer System

Statement of Financial Activities

For the year ended 31 December 2008
(with 2008 budget and 2007 actual figures for comparison)

	2008 Budget	2008 Actual	2007 Actual
Revenue:			
Sewer fees	\$ 1,295,750	\$ 1,203,759	\$ 1,154,128
Installation and service charges			578
	<u>\$ 1,295,750</u>	<u>\$ 1,203,759</u>	<u>\$ 1,154,706</u>
Expenditure:			
Operations:			
Administration	\$ 110,450	\$ 109,628	\$ 91,170
Sewage collection and transmission	379,300	204,189	183,881
Ontario Clean Water Agency operating charges	<u>391,000</u>	<u>343,588</u>	<u>320,471</u>
Total operating expenditure	<u>\$ 880,750</u>	<u>\$ 657,405</u>	<u>\$ 595,522</u>
Surplus for the year	<u>\$ 415,000</u>	<u>\$ 546,354</u>	<u>\$ 559,184</u>
Financing and transfers:			
Transfer to reserves	\$ (190,000)	\$ (490,136)	\$ (377,871)
Transfer to capital fund	<u>(225,000)</u>	<u>(56,218)</u>	<u>(181,313)</u>
Total financing and transfers	<u>\$ (415,000)</u>	<u>\$ (546,354)</u>	<u>\$ (559,184)</u>
Change in sewer system fund balance during the year	\$ -	\$ -	\$ -
Fund balance at the beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at the end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(See accompanying notes)

Town of Renfrew Sewer System

Schedule of Continuity of Reserves

For the year ended 31 December 2008
(with 2007 figures for comparison)

	<u>2008</u>	<u>2007</u>
Net transfers during the year:		
Transfer from sewer system revenue fund	\$ 490,136	\$ 377,871
Transfer to capital fund		<u>(3,449)</u>
Reserve balance at the beginning of the year	\$ 490,136	\$ 374,422
	<u>990,119</u>	<u>615,697</u>
Reserve balance at the end of the year	<u>\$ 1,480,255</u>	<u>\$ 990,119</u>

(See accompanying notes)

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Town of Renfrew Sewer System

Notes to the Financial Statements

For the year ended 31 December 2008

1. ACCOUNTING POLICIES

The financial statements of the Town of Renfrew Sewer System are the representation of management 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. 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.

Basis of Accounting

- (a) 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.
- (b) The historical cost and accumulated amortization of capital assets are not reported for municipal purposes. Capital assets are reported as an expenditure in the year of acquisition.

2. WASTE TREATMENT PLANT UPGRADE

During the year, the Town of Renfrew continued a project to upgrade the sewage treatment plant at an estimated cost of \$ 28,500,000. This project will be funded by a Canada - Ontario Municipal Rural Infrastructure Fund (COMRIF) grant to a maximum amount of \$ 18,914,496 and a repayable loan from the Ontario Infrastructure Projects Corporation (OIPC) for the balance of the funds required. This project is to be completed in 2009.

3. TANGIBLE CAPITAL ASSETS

Commencing with the fiscal year beginning 1 January 2009, the Municipality will be adopting the Canadian Institute of Chartered Accountants' Public Sector Accounting Handbook Section PS 3150, "Tangible Capital Assets". This section establishes standards on how to account for and report tangible capital assets in government financial statements. Tangible assets include such items as lands and buildings, vehicles, equipment and wastewater purification and collection systems.

During the year, the Town continued to work towards compliance with the new recommendations.

MACKILLICAN & ASSOCIATES

CHARTERED ACCOUNTANTS