

Town of Renfrew

Financial Report

For the year ended 31 December 2008

Waterworks

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 Waterworks as at 31 December 2008 and the statement of financial activities and schedule of continuity of reserve 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 Waterworks as at 31 December 2008, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Mackillican & Associates*

RENFREW, Ontario.

1 April 2009.

**Chartered Accountants,**

Licensed Public Accountants.

Town of Renfrew Waterworks

Statement of Financial Position

As at 31 December 2008

(with 2007 figures for comparison)

	<u>2008</u>	<u>2007</u>
<b><u>ASSETS</u></b>		
Current:		
Accounts receivable - sale of water	\$ 352,757	\$ 340,387
Due from revenue fund	<u>538,927</u>	<u>991,939</u>
	<u>\$ 891,684</u>	<u>\$ 1,332,326</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 42,155	\$ 143,119
Fund balance:		
Water reserve	<u>849,529</u>	<u>1,189,207</u>
	<u>\$ 891,684</u>	<u>\$ 1,332,326</u>

(See accompanying notes)

**MACKILLICAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

## Town of Renfrew Waterworks

## 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:			
Sale of water	\$ 1,826,289	\$ 1,696,892	\$ 1,674,969
Installation and service charges		<u>1,100</u>	<u>8,675</u>
	<u>\$ 1,826,289</u>	<u>\$ 1,697,992</u>	<u>\$ 1,683,644</u>
Expenditure:			
Operations:			
Administration	\$ 195,689	\$ 312,095	\$ 238,686
Water transmission and distribution	693,600	558,367	386,761
Ontario Clean Water Agency operating charges	<u>585,000</u>	<u>671,773</u>	<u>671,454</u>
Total operating expenditure	<u>\$ 1,474,289</u>	<u>\$ 1,542,235</u>	<u>\$ 1,296,901</u>
Surplus for the year	<u>\$ 352,000</u>	<u>\$ 155,757</u>	<u>\$ 386,743</u>
Financing and transfers:			
Debt principal repayments	\$ (320,000)	\$ (320,000)	\$ (160,000)
Transfer from (to) reserves	150,000	339,678	(128,639)
Transfer to capital fund	<u>(182,000)</u>	<u>(175,435)</u>	<u>(98,104)</u>
Total financing and transfers	<u>\$ (352,000)</u>	<u>\$ (155,757)</u>	<u>\$ (386,743)</u>
Change in waterworks 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 Waterworks

Schedule of Continuity of Reserve

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

	<u>2008</u>	<u>2007</u>
Net transfer during the year:		
Transfer (to) from waterworks	\$ (339,678)	\$ 128,639
Reserve balance at the beginning of the year	<u>1,189,207</u>	<u>1,060,568</u>
Reserve balance at the end of the year	<u>\$ 849,529</u>	<u>\$ 1,189,207</u>

(See accompanying notes)

Town of Renfrew Waterworks

Notes to the Financial Statements

For the year ended 31 December 2008

1. ACCOUNTING POLICIES

The financial statements of the Town of Renfrew Waterworks 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. NON ACCRUAL OF INTEREST ON LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made, the waterworks reserve balance at 31 December 2008 would have decreased by \$ 61,175.

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 water purification and distribution systems.

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