

Consolidated Financial Statements

**CORPORATION OF THE TOWN OF
ARNPRIOR**

Year ended December 31, 2008

CORPORATION OF THE TOWN OF ARNPRIOR

Year ended December 31, 2008

CORPORATION OF THE TOWN OF ARNPRIOR

	Page
Auditors' Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Financial Activities	3
Consolidated Statement of Changes in Financial Position	4
Notes to Consolidated Financial Statements	5
Consolidated Schedule of Current Fund Financial Activities	18
Consolidated Schedule of Capital Fund Financial Activities	19
Consolidated Schedule of Reserves and Reserve Funds	20
Consolidated Schedule of Segment Information – Current Fund	21

TOWN OF ARNPRIOR TRUST FUNDS

Auditors' Report	22
Statements of Financial Position	23
Statements of Continuity	24
Notes to Financial Statements	25

DOWNTOWN ARNPRIOR BUSINESS IMPROVEMENT AREA ASSOCIATION

Auditors' Report	26
Statement of Financial Position	27
Statement of Financial Activities and Current Fund Balance Surplus	28
Notes to Financial Statements	29

ARNPRIOR MUNICIPAL CEMETERY

Auditors' Report	30
Statement of Financial Position	31
Statement of Financial Activities and Current Fund Balance	32
Notes to Financial Statements	33

Consolidated Financial Statements

CORPORATION OF THE TOWN OF ARNPRIOR

Year ended December 31, 2008

ARNPRIOR PUBLIC LIBRARY BOARD

	Page
Auditors' Report	35
Statement of Financial Position	36
Statement of Financial Activities and Current Fund Balance	37
Notes to Financial Statements	38



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AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Arnprior

We have audited the consolidated statement of financial position of the Corporation of the Town of Arnprior as at December 31, 2008 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 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 consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Ottawa, Canada
July 31, 2009

CORPORATION OF THE TOWN OF ARNPRIOR

Consolidated Statement of Financial Position

December 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Financial assets:		
Cash and cash equivalents	\$ 6,707,813	\$ 4,834,094
Taxes receivable	1,290,020	1,366,536
Water and sewer billings receivable	860,921	732,275
Accounts receivable	910,790	1,140,023
Other current assets	5,018	15,518
Investments (note 12)	1,563,000	1,564,104
	<u>11,337,562</u>	<u>9,652,550</u>
Liabilities:		
Accounts payable and accrued liabilities	1,793,449	1,447,196
Deferred revenue – obligatory reserve funds (note 8)	1,908,908	1,604,271
Employee benefit obligations (note 5)	65,000	65,000
Landfill site closure and post-closure liabilities (note 13)	924,329	841,199
Net long-term liabilities (note 6)	6,223,038	6,559,336
	<u>10,914,724</u>	<u>10,517,002</u>
Net assets (liabilities)	422,838	(864,452)
Other assets:		
Inventory	44,351	34,033
Total net assets (liabilities)	<u>\$ 467,189</u>	<u>\$ (830,419)</u>
Municipal position:		
Current fund (note 7)	\$ 369,043	\$ 307,425
Capital fund (note 7)	(2,954,744)	(3,444,100)
Reserves	2,535,035	2,194,091
Reserve funds	7,730,222	7,577,700
Fund balances	<u>7,679,556</u>	<u>6,635,116</u>
Amounts to be recovered from future revenues:		
Net long-term liabilities	(6,223,038)	(6,559,336)
Employee benefit obligations (note 5)	(65,000)	(65,000)
Amounts to be recovered from reserve funds:		
Landfill site closure and post-closure liabilities (note 13)	(924,329)	(841,199)
	<u>(7,212,367)</u>	<u>(7,465,535)</u>
Contingent liabilities (note 9)		
Commitments (note 16)		
Total municipal position	<u>\$ 467,189</u>	<u>\$ (830,419)</u>

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

CORPORATION OF THE TOWN OF ARNPRIOR

Consolidated Statement of Financial Activities

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenues:		
Property taxation	\$ 6,400,546	\$ 6,042,690
Taxation from other governments	99,176	98,390
User charges	4,287,279	4,021,593
Province of Ontario	1,714,908	1,325,085
Federal government	105,000	10,537
Grants from other municipalities	184,152	168,285
Investment income	397,611	430,642
Donations	81,026	124,892
Proceeds from sale of land and equipment	92,586	124,352
Other	267,411	252,894
Transfers from deferred obligatory reserve funds (note 8)	256,551	62,790
Total revenues	13,886,246	12,662,150
Expenditures:		
Current:		
General government	1,235,584	1,175,130
Protection to persons and property	2,427,011	2,199,491
Transportation services	1,597,619	1,513,113
Environmental services	2,330,197	2,253,383
Health services	45,703	50,895
Recreational and cultural services	2,550,665	2,189,408
Planning and development	118,715	114,274
Total current expenditures (note 10)	10,305,494	9,495,694
Capital:		
General government	146,073	273,046
Protection to persons and property	29,441	14,594
Transportation services	1,084,825	638,197
Environmental services	522,069	567,735
Recreational and cultural services	504,753	133,413
Planning and development	6,301	385
Total capital expenditures	2,293,462	1,627,370
Total expenditures	12,598,956	11,123,064
Net revenues	1,287,290	1,539,086
Financing and transfers:		
Debt principal repayments (note 6(c))	(336,298)	(305,403)
Change in landfill site closure and post-closure liabilities	83,130	82,010
Change in non-financial assets	10,318	(73,344)
	(242,850)	(296,737)
Increase in fund balances	\$ 1,044,440	\$ 1,242,349

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

CORPORATION OF THE TOWN OF ARNPRIOR

Consolidated Statement of Changes in Financial Position

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Operations:		
Net revenues	\$ 1,287,290	\$ 1,539,086
Uses:		
Increase in taxes receivable	—	(203,001)
Increase in water and sewer billings receivable	(128,646)	(15,425)
Increase in accounts receivable	—	(259,293)
Increase in other current assets	—	(10,500)
Decrease in accounts payable and accrued liabilities	—	(69,735)
	(128,646)	(557,954)
Sources:		
Decrease in taxes receivable	76,516	—
Decrease in accounts receivable	229,233	—
Decrease in other current assets	10,500	—
Increase in accounts payable and accrued liabilities	346,253	—
Increase in deferred revenue – obligatory reserve funds	304,637	1,313,734
Increase in landfill site closure and post-closure liabilities	83,130	82,010
	1,050,269	1,395,744
Net change in cash from operations	2,208,913	2,376,876
Investing:		
Decrease in investments	1,104	7,404
Net change in cash from investing	1,104	7,404
Financing:		
Debt principal repayments	(336,298)	(305,403)
Net change in cash from financing	(336,298)	(305,403)
Increase in cash and cash equivalents	1,873,719	2,078,877
Cash and cash equivalents, beginning of year	4,834,094	2,755,217
Cash and cash equivalents, end of year	\$ 6,707,813	\$ 4,834,094

The Town considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

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

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements

Year ended December 31, 2008

1. Significant accounting policies:

The consolidated financial statements of the Corporation of the Town of Arnprior (the "Town") are the responsibility of management prepared in accordance with Canadian generally accepted accounting principles prescribed for local government as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the current, capital, reserves and reserve funds of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

Arnprior Public Library Board

Arnprior Municipal Cemetery

Arnprior Airport Commission

Downtown Arnprior Business Improvement Area Association

(ii) Accounting for County and School Board transactions:

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, and the County of Renfrew are not reflected in the municipal fund balances of these financial statements.

(iii) Trust funds and their related operations administered by the Town are not included in these financial statements but are reported on separately on the "Trust Funds Statement of Continuity and Statement of Financial Position".

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

1. Significant accounting policies (continued):

(b) Basis of accounting:

(i) Capital assets:

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

(ii) Landfill site closure and post-closure liabilities:

The Town accrues landfill site closure and post-closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 45 year period using the best information available to management.

Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

(c) Investments:

Investments are recorded at cost plus or minus amortization of bond discounts or premiums. Interest on the investments is accrued as earned. Gains or losses on the sale of investments are recognized in the year of sale. Amortization of bond discounts or premiums are accrued over the term of the investment.

(d) Deferred revenue – obligatory reserve funds:

The Town receives restricted contributions under the authority of provincial legislation and the Town's by-laws. These funds by their nature are restricted in their use, and until applied to applicable expenditures, are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(e) Amounts to be recovered from future revenues:

Amounts to be recovered from future revenues are comprised of outstanding net long-term liabilities, employee benefit obligations and landfill site closure and post-closure liabilities.

(f) Inventory:

Inventory consists of material and supplies available for future use and airplane fuel held for sale. Inventory is recorded at lower of cost and net recoverable value.

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

1. Significant accounting policies (continued):

(g) Long-term borrowings:

Long-term borrowings from reserve funds, which are used for capital fund expenditures, are eliminated upon consolidation on the Consolidated Statement of Financial Position and the corresponding capital costs are reported as "capital expenditures to be financed" from proceeds of taxation and user charges within the capital fund balance.

Amounts raised to finance these capital costs are reported as transfers to the capital fund in the year they are received and applied against the "capital expenditures to be financed" balance.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

(i) Changes in accounting policies:

Commencing with the fiscal year beginning January 1, 2009, the Town will be adopting CICA Public Sector Accounting Handbook Section PS 3150, *Tangible Capital Assets*. This Section establishes standards on how to account for and report tangible assets in government financial statements. Tangible capital assets include such diverse items as roads, bridges, buildings, vehicles, equipment, land, water systems and other utility systems.

Effective January 1, 2007, the Town adopted Public Sector Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets by way of a note to the financial statements until Section 3150, *Tangible Capital Assets* comes into effect on January 1, 2009.

As of December 31, 2008, the Town does not have adequate information to disclose any of the tangible assets by major category.

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

2. Operations of school boards and the County of Renfrew:

Requisitions were made by the school boards and the County of Renfrew requiring the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

School Boards	2008	2007
Taxation and user charges	\$ 3,020,427	\$ 2,956,492
Amount transferred to school boards	\$ 3,020,427	\$ 2,956,492

County of Renfrew	2008	2007
Taxation and user charges	\$ 3,043,758	\$ 2,953,184
Payments in lieu	30,043	23,735
Amount transferred to County of Renfrew	\$ 3,073,801	\$ 2,976,919

3. Trust funds:

Trust funds administered by the Town amounting to \$577,967 (2007 - \$566,281) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities and Current Fund Balance.

4. Pension agreements:

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for current service in 2008 was \$164,344 (2007 - \$152,902).

5. Employee benefit obligations:

The Town provides certain employee benefits which will require funding in future periods. An estimate of future liabilities has been reported on the Consolidated Statement of Financial Position as follows:

	2008	2007
Vacation pay	\$ 65,000	\$ 65,000
Amounts to be recovered from future revenues	\$ 65,000	\$ 65,000

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

6. Net long-term liabilities:

- (a) The balance of net long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following amounts broken down by years of repayment:

Source	2009 to 2013	2014 to 2026	Total
Total long-term liabilities incurred by the Town including those incurred on behalf of municipal enterprises and outstanding at the end of the year amount to	\$ 1,817,824	\$ 4,405,214	\$ 6,223,038

- (b) The long-term liabilities in (a) issued in the name of the Town have received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs & Housing.

- (c) Charges for net long-term liabilities:

Total charges for the year for net long-term liabilities which are reported on the "Consolidated Statement of Financial Activities" are as follows:

	2008	2007
Principal payments	\$ 336,298	\$ 305,403
Interest	292,898	323,730
	\$ 629,196	\$ 629,133

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

7. Municipal fund balances at the end of the year:

- (a) The current fund balance on the Consolidated Statement of Financial Position of \$369,043 (2007 - \$307,425) at the end of the year is comprised of the following:

	2008	2007
To be applied to operations of the current fund for the following year	\$ 54,885	\$ 108,200
To be applied to the waterworks operations	1,176	8,250
To be applied to (recovered from) the wastewater operations	676	(7,426)
To be applied to operations of the municipal cemetery	134,681	125,443
To be applied to operations of the Downtown Arnprior Business Improvement Area Association	59,216	30,160
To be applied to operations of the Arnprior Public Library Board	1	594
To be applied to operations of the Arnprior Airport Commission	118,408	42,204
	\$ 369,043	\$ 307,425

- (b) The capital fund deficiency on the Consolidated Statement of Financial Position of \$2,954,744 (2007 - \$3,444,100) at the end of the year is comprised of the following:

	2008	2007
Unexpended capital financing	\$ 1,927,041	\$ 1,044,660
Capital expenditures to be financed from the proceeds of long-term liabilities	(1,091,064)	(624,899)
Capital expenditures to be financed from proceeds of development charges:		
Staye Court Drive Development Charge Project	(1,149,769)	(1,196,055)
Capital expenditures to be financed from Reserves	(21,780)	(79,043)
Capital expenditures to be financed from Grants	(60,464)	(53,873)
Capital expenditures to be financed from proceeds of taxation or user charges:		
Jed Creek Estates Subdivision	(274,643)	(285,699)
Fire Vehicle	(122,237)	(143,306)
John Street North Reconstruction	(1,183,591)	(1,231,239)
Staye Court Drive Oversizing	-	(105,500)
Dry-O-Tron Replacement	(82,233)	(85,545)
Water Pollution Control Centre Design Refinancing	(59,817)	(68,192)
Elevated Water Tank Refinancing	(349,565)	(398,511)
Pumping Stations and Forcemain	(125,342)	(130,389)
Other	(361,280)	(86,509)
	\$ (2,954,744)	\$ (3,444,100)

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

7. Municipal fund balances at the end of the year (continued):

Unexpended capital financing represents capital revenues received that are related to capital projects in progress at year-end. These funds are reported as part of the capital fund balance and will be used to finance capital project costs in the subsequent year.

On May 27, 2002, the Town's Council approved by By-Law that \$348,500 be borrowed from the Arnprior Hydro Reserve Fund to finance the Town's capital costs for the Jed Creek Estates Subdivision Agreement. Under the By-Law, interest is paid at 5% per annum for the first two years followed by annual blended principal and interest repayments for the subsequent three years at 5% per annum, amortized over 20 years, but due in full in five years (October 2007). In October 2007, the Town's Council approved by By-law the extension of this loan for another 5 year term due in full in October, 2012. Principal was repaid in the amount of \$11,056 in 2008.

On October 28, 2002, the Town's Council approved by By-Law that \$243,000 be borrowed from the Arnprior Hydro Reserve Fund to finance the purchase of new Quint Fire Truck. Under the By-Law, the loan is to be repaid by annual blended principal and interest payments at 5% per annum, amortized over 10 years, but due in full in five years (October 2008). In October 2008, the Town's Council approved by By-law the extension of this loan for another 5 year term due in full in October, 2013. Principal was repaid in the amount of \$21,068 in 2008.

On April 19, 2004, the Town's Council approved by By-Law that \$1,360,996 be borrowed from the Arnprior Hydro Reserve Fund to finance the John Street North Reconstruction. Under the By-Law, the loan is to be repaid by annual blended principal and interest payments at 5% per annum, amortized over 20 years, but due in full in five years (September 2009). Principal was repaid in the amount of \$47,648 in 2008.

On April 19, 2004, the Town's Council approved by By-Law that \$205,500 be borrowed from the Arnprior Hydro Reserve Fund to finance the Staye Court Drive Oversizing Project. Under the By-Law, interest only shall be paid annually at 5% per annum and principal will be repaid as future charges imposed to fund the project are collected. Principal was repaid in the amount of \$105,500 in 2008.

On April 19, 2004, the Town's Council approved by By-Law that \$1,322,104 be borrowed from the Arnprior Hydro Reserve Fund to finance the Staye Court Drive Development Charges Project. Under the By-Law, the loan is to be repaid by annual blended principal and interest payments at 5% per annum, amortized over 20 years, but due in full in five years (September 2009). Principal was repaid in the amount of \$46,286 in 2008.

On January 15, 2005, the Town's Council approved by By-Law that \$94,560 be borrowed from the Arnprior Hydro Reserve Fund to finance the 2004 Council approved and completed Dry-O-Tron Reconstruction Project effective September, 2004. Under the By-Law, the loan is to be repaid by annual blended principal and interest payments at 5% per annum, amortized over 20 years, but due in full in five years (September 2009). Principal was repaid in the amount of \$3,311 in 2008.

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

7. Municipal fund balances at the end of the year (continued):

On January 15, 2005, the Town's Council approved by By-Law that \$91,000 be borrowed from the Arnprior Hydro Reserve Fund to re-finance the Water Pollution Control Centre Design Project originally authorized by By-law 4322-94, effective December, 2004. Under the By-Law, the loan is to be repaid by annual blended principal and interest payments at 5% per annum, amortized over 10 years, but due in full in five years (December 2009). Principal was repaid in the amount of \$8,375 in 2008.

On January 15, 2005, the Town's Council approved by By-Law that \$531,800 be borrowed from the Arnprior Hydro Reserve Fund to re-finance the Elevated Water Tank Construction Project originally authorized by By-law 4322-94, effective December, 2004. Under the By-Law, the loan is to be repaid by annual blended principal and interest payments at 5% per annum, amortized over 10 years, but due in full in five years (December 2009). Principal was repaid in the amount of \$48,945 in 2008.

On May 2, 2005, the Town's Council approved by By-Law that \$144,130 be borrowed from the Arnprior Hydro Reserve Fund to finance the 2004 Council approved and completed Pumping Stations and Force Main Project effective December, 2004. Under the By-Law, the loan is to be repaid by annual blended principal and interest payments at 5% per annum, amortized over 20 years, but due in full in five years (December 2009). Principal was repaid in the amount of \$5,046 in 2008.

Approval by by-law has been obtained for those pending issues of long-term liabilities and commitments to be financed by revenues beyond the term of Council. The principal and interest payments required to service these pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs of Ontario.

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

8. Deferred revenue – obligatory reserve funds:

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Town are summarized below:

	2008	2007
Balance, beginning of year	\$ 1,604,271	\$ 290,537
Investment income	61,048	39,170
Subdivider contributions	393,355	324,577
Federal gas tax grant received	116,845	128,542
Provincial RII grant received	–	884,985
Transfers to capital fund	(243,662)	(26,790)
Transfers to revenue fund	(12,889)	(36,000)
Interest expense and audit fees	(10,060)	(750)
Balance, end of year	\$ 1,908,908	\$ 1,604,271
Analyzed as follows:		
Development charges	\$ 628,483	\$ 417,239
Federal gas tax	298,599	243,721
Cash in lieu of parkland	40,501	36,137
Provincial RII grant	941,325	907,174
	\$ 1,908,908	\$ 1,604,271

9. Contingent liabilities:

(a) Contingent liabilities:

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims at December 31, 2008, management believes that the Town has valid defences and appropriate insurance coverages in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Town's financial position. Any adjustments, arising from these matters, will be recorded in future years.

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

10. Supplementary information:

	2008	2007
Current fund expenditures by object:		
Salaries, wages and employee benefits	\$ 3,933,638	\$ 3,647,821
Long-term debt interest	474,621	520,083
Materials, services, rents and financial	5,874,974	5,300,161
Transfers to others	22,261	27,629
Total	\$ 10,305,494	\$ 9,495,694

11. Budget figures:

The Town of Arnprior reviews its operating and capital budgets annually. The approved operating and capital budgets for 2008 are reflected on the Consolidated Schedules of Current and Capital Fund Operations. Budget figures have not been audited and are presented for information purposes.

Budgets established for capital funds are based on a project-oriented basis, the costs of which may be carried out over one or more years.

12. Investments:

Investments held by the Town relate to reserve funds.

	2008		2007	
	Cost	Market value	Cost	Market value
Bonds	\$ 1,563,000	\$ 1,594,483	\$ 1,563,000	\$ 1,590,772
Unamortized premium paid on bonds	-	-	1,104	-
	\$ 1,563,000	\$ 1,594,483	\$ 1,564,104	\$ 1,590,772

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

13. Landfill site closure and post-closure liabilities:

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill site closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 44 year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the Town's average long-term borrowing rate of 8% using an inflation factor of 3%. The estimated total landfill site closure and post-closure care expenditures are calculated to be \$1,900,155. The estimated liability for these expenditures is recognized as the landfill site's capacity is used. The estimated remaining capacity of the landfill site is 267,439 cubic meters of its total estimated capacity and its estimated remaining life is 19 years, after which the period for post-closure care is estimated to be 25 years.

Included on the Consolidated Statement of Financial Position at December 31, 2008 is an amount of \$924,329 (2007 - \$841,199) with respect to landfill closure and post-closure liabilities recognized to date.

The Town has reserve funds totalling \$924,329 (2007 - \$841,199) for the landfill site closure and post-closure care of the landfill site.

14. Future accounting standards:

Commencing with the fiscal year beginning January 1, 2009, the Town will be adopting CICA 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 capital assets include such diverse items as roads, bridges, buildings, vehicles, equipment, land, water systems and other utility systems.

Effective January 1, 2007, the Town adopted Public Sector Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets by way of a note to the financial statements until Section 3150, *Tangible Capital Assets* comes into affect on January 1, 2009.

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

14. Future accounting standards (continued):

The Town has contracted an individual to assist in evaluating major assets and has also started to establish policies relating to Tangible Capital Asset ("TCA") reporting, including asset classifications, useful life and depreciation methods. As of December 31, 2008, the Town has completed an inventory of Municipal assets and much of the associated valuation. A draft TCA policy will be presented to Council for approval pending the audit of opening balances and inventory/valuation processes.

15. Segmented information:

The Town is a municipal government institution that provides a range of services to its citizens, including police, fire, transportation, recreational, cultural and environmental. For management reporting purposes, the Town's operations and activities are organized and reported by department. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

- (a) General Government: Includes administration, corporate services and governance of the Town. Administration as a segment includes human resource management, support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status as well as frontline reception and customer service.
- (b) Protection to persons and property: Includes policing, fire protection, protective inspection and control and emergency measures. The mandate of the police services is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. Fire protection includes inspection, extinguishing and suppression services; emergency medical first response; and prevention education and training programs. Inspection and control includes building inspection, by-law enforcement and animal control services.
- (c) Transportation Services: Includes winter and summer roads maintenance, the repair and the construction of the municipal roads system including bridges and culverts and the management and maintenance of the municipal airport.
- (d) Environmental Services: Includes the management and maintenance of water treatment and distribution, wastewater treatment, sanitary and storm water sewers, solid waste and recycling collection and landfill site operations.
- (e) Health Services: Includes the management and maintenance of Cemeteries.

CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

15. Segmented information (continued):

- (f) Recreation and Cultural services: Provides services that contribute to neighbourhood development and sustainability through; the provision of recreation and leisure programs and facilities including community halls, parks, recreation fields and the arena; and through Library and museum facilities and programs.
- (g) Planning and Development: Manages development for business interests, heritage matters, local neighbourhoods and community development. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of the zoning by-law and official plan. This segment also includes the business improvement area activities.

For each segment separately reported, the segment non-taxation revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

16. Commitments:

Pursuant to a multi-year contract for operation and supervision of the Solid Waste Disposal Site ending 2011, the Town is committed to annual payments of \$209,605 in 2009, \$216,941 in 2010 and \$110,336 in 2011.

Pursuant to a multi-year contract for solid waste collection ending 2011, the Town is committed to annual payments of \$151,207 in 2009, \$155,143 in 2010 and \$65,600 in 2011.

17. Comparative figures:

Certain 2007 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2008.

CORPORATION OF THE TOWN OF ARNPRIOR

Consolidated Schedule of Current Fund Financial Activities

Year ended December 31, 2008, with comparative figures for 2007

	Budget 2008	Actual 2008	Actual 2007
	(unaudited, note 11)		
Revenues:			
Property taxation	\$ 6,291,604	\$ 6,400,546	\$ 6,042,690
Taxation from other governments	101,729	99,176	98,390
User charges	4,388,235	4,287,279	4,021,593
Province of Ontario	1,127,685	1,190,574	1,044,715
Grants from other municipalities	174,815	184,152	168,285
Investment income	46,400	60,632	60,985
Donations	5,950	8,094	9,944
Proceeds from sale of land and equipment	–	92,586	124,352
Transfer from deferred obligatory reserve funds (note 8)	–	12,889	36,000
Other	175,200	267,411	252,894
Total revenues	12,311,618	12,603,339	11,859,848
Expenditures:			
General government	1,266,482	1,235,584	1,175,130
Protection to persons and property	2,369,893	2,427,011	2,199,491
Transportation services	1,478,071	1,597,619	1,513,113
Environmental services	2,529,071	2,330,197	2,253,383
Health services	60,600	45,703	50,895
Recreation and cultural services	2,520,194	2,550,665	2,189,408
Planning and development	124,258	118,715	114,274
Total expenditures (note 10)	10,348,569	10,305,494	9,495,694
Net revenues	1,963,049	2,297,845	2,364,154
Financing and transfers:			
Debt principal repayments	(336,299)	(336,298)	(305,403)
Change in non-financial assets	–	10,318	(73,344)
Net transfers to capital fund	(822,460)	(887,283)	(1,188,227)
Net transfers to reserves and reserve funds	(937,800)	(1,022,964)	(700,755)
Net financing and transfers	(2,096,559)	(2,236,227)	(2,267,729)
Change in current fund balance (deficiency)	(133,510)	61,618	96,425
Opening current fund balance	307,425	307,425	211,000
Closing current fund balance	\$ 173,915	\$ 369,043	\$ 307,425

CORPORATION OF THE TOWN OF ARNPRIOR

Consolidated Schedule of Capital Fund Financial Activities

Year ended December 31, 2008, with comparative figures for 2007

	Budget 2008	Actual 2008	Actual 2007
	(unaudited, note 11)		
Revenues:			
Government grants and transfer payments:			
Province of Ontario	\$ 240,000	\$ 524,334	\$ 280,370
Federal government	–	105,000	10,537
Transfer from deferred obligatory reserve funds (note 8)	174,365	243,662	26,790
Donations	–	9,001	111,657
Total revenues	414,365	881,997	429,354
Expenditures:			
General government	35,000	146,073	273,046
Protection to persons and property	24,800	29,441	14,594
Transportation services	1,018,428	1,084,825	638,197
Environmental services	4,893,912	522,069	567,735
Recreational and cultural services	898,500	504,753	133,413
Planning and development	–	6,301	385
Total expenditures	6,870,640	2,293,462	1,627,370
Net expenditures	(6,456,275)	(1,411,465)	(1,198,016)
Financing and transfers:			
Long-term debt	5,078,216	–	–
Change in landfill site closure and post-closure liabilities	–	83,130	82,010
Net transfers from reserves and reserve funds	652,500	930,408	493,289
Net transfers from current fund	822,460	887,283	1,188,227
Net financing and transfers	6,553,176	1,900,821	1,763,526
Change in capital fund balance	96,901	489,356	565,510
Opening capital fund balance deficiency	(3,444,100)	(3,444,100)	(4,009,610)
Closing capital fund deficiency	\$(3,347,199)	\$(2,954,744)	\$(3,444,100)

The Capital Fund had repayments, net of internal borrowings, to the Arnprior Hydro Reserve Fund of \$297,235 (2007 - \$282,605). Total internal financing at December 31, 2008 is \$3,347,199 (2007 - \$3,644,435).

CORPORATION OF THE TOWN OF ARNPRIOR

Consolidated Schedule of Reserves and Reserve Funds

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Investment income	\$ 336,979	\$ 369,657
Donations	63,931	3,291
	<u>400,910</u>	<u>372,948</u>
Net transfers from (to) other funds:		
Net transfers from (to) current fund	1,022,964	700,755
Net transfers to capital fund	(930,408)	(493,289)
Total net transfers	<u>92,556</u>	<u>207,466</u>
Change in reserves and reserve fund balances	493,466	580,414
Opening reserves and reserve fund balance	9,771,791	9,191,377
Closing reserves and reserve fund balance	<u>\$10,265,257</u>	<u>\$ 9,771,791</u>
Analized as follows:		
Reserves set aside for specific purposes by Council:		
Working capital	\$ 965,524	\$ 852,847
Acquisition of capital assets	1,145,577	1,039,299
Recreational and cultural facilities	345,495	272,443
Other	78,439	29,502
Total reserves	<u>2,535,035</u>	<u>2,194,091</u>
Reserve funds set aside for specific purposes by Council:		
Landfill site closure and post-closure care	924,328	841,199
Capital expenditure – Arnprior Hydro Reserve Fund	6,805,894	6,736,501
Total reserve funds	<u>7,730,222</u>	<u>7,577,700</u>
Total reserves and reserve funds	<u>\$10,265,257</u>	<u>\$ 9,771,791</u>

The Capital Fund had repayments, net of internal borrowings, to the Arnprior Hydro Reserve Fund of \$297,235 (2007 - \$282,605). Total internal financing at December 31, 2008 is \$3,347,199 (2007 - \$3,644,435).

CORPORATION OF THE TOWN OF ARNPRIOR

Consolidated Schedule of Segment Information – Current Fund

Year ended December 31, 2008

	General Government	Protection to persons and property	Transportation Services	Environmental Services	Health Services	Recreational and Cultural Services	Planning and Development	Total
Non-taxation revenues:								
User charges	\$ 224,814	\$ 11,174	\$ 74,067	\$ 2,928,823	\$ 45,629	\$ 982,622	\$ 20,150	\$ 4,287,279
Province of Ontario	522,335	548,600	46,330	42,859	–	30,450	–	1,190,574
Grants from other municipalities	–	–	52,601	–	–	131,551	–	184,152
Investment income	53,107	–	–	–	–	7,525	–	60,632
Donations	–	–	–	–	–	8,094	–	8,094
Proceeds from sale of land and equipment	–	–	92,586	–	–	–	–	92,586
Transfer from deferred obligatory reserve funds	12,889	–	–	–	–	–	–	12,889
Other	225,662	11,193	19,255	–	–	11,301	–	267,411
	1,038,807	570,967	284,839	2,971,682	45,629	1,171,543	20,150	6,103,617
Expenditures:								
Salaries, wages and employee benefits	764,296	381,066	713,046	522,092	34,282	1,426,200	92,656	3,933,638
Long-term debt charges	–	7,165	13,858	449,321	–	4,277	–	474,621
Materials	64,087	49,119	447,468	540,907	8,804	719,575	230	1,830,190
Contracted services	402,006	1,989,661	423,247	804,040	2,617	378,352	25,829	4,025,752
Rents and financial expenses	5,195	–	–	13,837	–	–	–	19,032
External transfers	–	–	–	–	–	22,261	–	22,261
	1,235,584	2,427,011	1,597,619	2,330,197	45,703	2,550,665	118,715	10,305,494
Net segment revenues (expenditures)	(196,777)	(1,856,044)	(1,312,780)	641,485	(74)	(1,379,122)	(98,565)	(4,201,877)
Taxation revenues:								
Property taxation								6,400,546
Taxation from other governments								99,176
Net revenues								2,297,845
Financing and transfers								(2,236,227)
Change in current fund balance								\$ 61,618

Financial Statements of

**TOWN OF ARNPRIOR – TRUST
FUNDS**

Year ended December 31, 2008



KPMG LLP
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AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Town of Arnprior

We have audited the statements of financial position of the Trust Funds of the Corporation of the Town of Arnprior as at December 31, 2008 and the statements of fund continuity of the Trust Funds 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 Trust Funds of the Corporation of the Town of Arnprior as at December 31, 2008 and the continuity of Trust Funds for the year then ended in accordance with the accounting policies disclosed in note 1 to the financial statements.

Chartered Accountants, Licensed Public Accountants

Ottawa, Canada

July 31, 2009

CORPORATION OF THE TOWN OF ARNPRIOR

Trust Funds

Statements of Financial Position

December 31, 2008, with comparative figures for 2007

Name of Funds	Care and maintenance	Neilson trust	O.H.R.P	Total 2008	Total 2007
Assets					
Cash	\$ 28	\$ 32	\$ 2,478	\$ 2,538	\$ 2,538
Investment in bonds at cost:					
Canada	200	—	—	200	200
Provincial	—	—	—	—	141,400
Municipal and other corporate	313,479	—	—	313,479	118,182
Guaranteed investment certificates and term deposits	199,122	52,000	—	251,122	251,122
Accrued interest receivable	136,707	—	—	136,704	123,313
	649,536	52,032	2,478	704,043	636,755
Other:					
Due from Town of Arnprior (note 4)	8,623	—	—	8,623	50,831
Due from revenue fund	—	—	2,008	2,008	2,008
	8,623	—	2,008	10,631	52,839
	\$ 658,159	\$ 52,032	\$ 4,486	\$ 714,674	\$ 689,594

Liabilities and Fund Balance

Due to Arnprior Municipal Cemetery	\$ 136,707	\$ —	\$ —	\$ 136,707	\$ 123,313
Fund balance	521,449	52,032	4,486	577,967	566,281
	\$ 658,156	\$ 52,032	\$ 4,486	\$ 714,674	\$ 689,594

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

CORPORATION OF THE TOWN OF ARNPRIOR

Trust Funds

Statements of Fund Continuity

December 31, 2008, with comparative figures for 2007

	Care and maintenance	Neilson trust	O.H.R.P	Total 2008	Total 2007
Fund balance, beginning of year	\$ 509,763	\$ 52,032	\$ 4,486	\$ 566,281	\$ 548,939
Capital receipts:					
Care and maintenance	11,686	—	—	11,686	17,342
Revenue:					
Investment income	25,884	1,106	—	26,990	22,808
	37,570	1,106	—	38,676	40,150
Expenditures:					
Cemetery maintenance	25,884	1,106	—	26,990	22,808
Fund balance, end of year	\$ 521,449	\$ 52,032	\$ 4,486	\$ 577,967	\$ 566,281

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

CORPORATION OF THE TOWN OF ARNPRIOR

Trust Funds
Notes to Financial Statements

Year ended December 31, 2008

1. Significant accounting policies:

The financial statements of the Trust Funds 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.

These financial statements reflect the assets, liabilities and revenues and expenditures of the Trust Funds using the accrual basis of accounting with the exception of capital receipts which are recorded on the cash basis of accounting. The Town of Arnprior is responsible for the administration of the Trust Funds' assets.

2. Ontario Home Renewal Program (O.H.R.P.):

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable portion is \$4,000.

Ontario Home Renewal Program loans receivable at December 31, 2008 are comprised of repayable loans of \$Nil (2007 - \$Nil). Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

3. Investments:

The investments totalling \$701,508 (2007 - \$634,217) reported on the Statements of Financial Position at cost, have a market value of \$702,221 (2007 - \$626,501) at the end of the year.

4. Due from Town of Arnprior:

The amount due from the Town of Arnprior bears interest at the prime rate less 1.9% and is payable on demand. During the year, interest of \$1,642 (2007 - \$1,477) was received from the Town of Arnprior, which is included in investment income.

Financial Statements

**DOWNTOWN ARNPRIOR
BUSINESS IMPROVEMENT AREA
ASSOCIATION**

Year ended December 31, 2008



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AUDITORS' REPORT

To the Members of the Downtown Arnprior Business Improvement Area Association

We have audited the statement of financial position of the Downtown Arnprior Business Improvement Area Association as at December 31, 2008 and the statement of financial activities and current fund balance deficit for the year then ended. These financial statements are the responsibility of the Association'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 Downtown Arnprior Business Improvement Area Association as at December 31, 2008 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Ottawa, Canada

July 31, 2009

DOWNTOWN ARNPRIOR BUSINESS IMPROVEMENT AREA ASSOCIATION

Statement of Financial Position

December 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Financial assets:		
Cash and cash equivalents	\$ 68,122	\$ 32,907
Due from (to) the Corporation of the Town of Arnprior	12,665	22,627
	80,787	55,534
Liabilities:		
Accounts payable	-	3,802
Net financial assets	\$ 80,787	\$ 51,732
Municipal position:		
Current fund balance	\$ 59,216	\$ 30,161
Reserves:		
Reserve for working capital	6,306	6,306
Reserve for street improvements	15,265	15,265
	21,571	21,571
Total municipal position	\$ 80,787	\$ 51,732

See accompanying notes to the financial statements.

On behalf of the Downtown Arnprior Business Improvement Area Association:

_____ Member

_____ Member

DOWNTOWN ARNPRIOR BUSINESS IMPROVEMENT AREA ASSOCIATION

Statement of Financial Activities and Current Fund Balance Surplus

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenues:		
Municipal tax levy	\$ 39,095	\$ 25,500
Other	200	—
Interest	284	982
	<u>39,579</u>	<u>26,482</u>
Expenditures:		
Services	4,441	4,348
Materials and supplies	5,991	10,611
Financial	92	75
	<u>10,524</u>	<u>15,034</u>
Net revenue	29,055	11,448
Opening current fund balance	30,161	18,713
Closing current fund balance	<u>\$ 59,216</u>	<u>\$ 30,161</u>

See accompanying notes to the financial statements.

DOWNTOWN ARNPRIOR BUSINESS IMPROVEMENT AREA ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2008

1. Significant accounting policies:

The financial statements of the Downtown Arnprior Business Improvement Area Association are prepared by management 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) These statements reflect the assets, liabilities, revenue and expenditures of the Association and include operating funds and reserves. Transfers between funds are recorded as adjustments to the appropriate fund balance.
- (b) Revenue 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.
- (c) The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

2. Cash and cash equivalents:

The Downtown Arnprior Business Improvement Area Association considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

3. Statement of changes in financial position:

A statement of changes in financial position has not been included in these financial statements as it would not provide additional meaningful information.

Financial Statements

**ARNPRIOR MUNICIPAL
CEMETERY**

Year ended December 31, 2008



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AUDITORS' REPORT

To the Members of the Arnprior Municipal Cemetery

We have audited the statement of financial position of the Arnprior Municipal Cemetery as at December 31, 2008 and the statement of financial activities and current fund balance for the year then ended. These financial statements are the responsibility of 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 Municipal Cemetery as at December 31, 2008 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Ottawa, Canada

July 31, 2009

ARNPRIOR MUNICIPAL CEMETERY

Statement of Financial Position

December 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Financial assets:		
Due from Town of Arnprior - current fund	\$ 12,084	\$ 18,335
Due from Town of Arnprior - care and maintenance trust fund	136,707	123,313
	<u>148,791</u>	<u>141,648</u>
Liabilities:		
Accounts payable	900	2,995
Deferred revenue	13,210	13,210
	<u>14,110</u>	<u>16,205</u>
Net financial assets	\$ 134,681	\$ 125,443
Municipal position:		
Current fund	\$ 134,681	\$ 125,443

See accompanying notes to the financial statements.

On behalf of the Arnprior Municipal Cemetery:

_____ Member

_____ Member

ARNPRIOR MUNICIPAL CEMETERY

Statement of Financial Activities and Current Fund Balance

Year ended December 31, 2008, with comparative figures for 2007

	Budget 2008	Actual 2008	Actual 2007
	(Unaudited, note 3)		
Revenue:			
Care and maintenance	\$ 22,200	\$ 25,884	\$ 22,844
Burial charges	32,500	34,709	47,932
Plots	17,400	10,919	19,076
	<u>72,100</u>	<u>71,512</u>	<u>89,852</u>
Expenditures:			
Salaries	38,700	34,282	37,612
Services	22,700	19,187	25,137
Materials, supplies and utilities	10,700	8,805	11,410
	<u>72,100</u>	<u>62,274</u>	<u>74,159</u>
Net revenue	–	9,238	15,693
Opening current fund balance	125,443	125,443	109,750
Closing current fund balance	<u>\$ 125,443</u>	<u>\$ 134,681</u>	<u>\$ 125,443</u>

See accompanying notes to the financial statements.

ARNPRIOR MUNICIPAL CEMETERY

Notes to Financial Statements

Year ended December 31, 2008

1. Significant accounting policies:

The financial statements of the Arnprior Municipal Cemetery (the "Cemetery") 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. Significant aspects of the accounting policies adopted by the Cemetery are as follows:

- (a) These financial statements reflect the assets, liabilities, revenue and expenditures of the Cemetery. The Town of Arnprior is responsible for payment of debt charges relating to capital operations of the Cemetery and therefore related long-term debt and amounts to be recovered from future revenues are reflected in the Town's financial statements.
- (b) Revenues 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.
- (c) The historical cost and accumulated depreciation of capital assets are not reported for municipal purposes. Capital assets are reported as an expenditure on the "Statement of Financial Activities and Current Fund Balance" in the year of acquisition.
- (d) Certain monies are collected for burial charges in advance of the services actually being provided. Such revenues are not recognized until the services are rendered and are shown as deferred revenue on the "Statement of Financial Position".
- (e) The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

2. Trust funds:

Trust funds relating to the Cemetery administered by the Town amounting to \$577,967 (2007 - \$566,281) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Financial Activities and Current Fund Balance.

3. Budget figures:

The Cemetery reviews its operating budget annually. The approved operating budget for 2007 is reflected on the Statement of Financial Activities and Current Fund Balance. Budget figures have not been audited and are presented for information purposes.

ARNPRIOR MUNICIPAL CEMETERY

Notes to Financial Statements (continued)

Year ended December 31, 2008

4. Statement of changes in financial position:

A statement of changes in financial position has not been included in these financial statements as it would not provide additional meaningful information.

Financial Statements of

**ARNPRIOR PUBLIC LIBRARY
BOARD**

Year ended December 31, 2008



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AUDITORS' REPORT

We have audited the statement of financial position of the Arnprior Public Library Board as at December 31, 2008 and the statement of financial activities and current fund balance for the year then ended. These financial statements are the responsibility of the Board'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 Board as at December 31, 2008 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Ottawa, Canada

May 28, 2009

ARNPRIOR PUBLIC LIBRARY BOARD

Statement of Financial Position

December 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Financial assets:		
Cash	\$ 61,785	\$ 69,422
Accounts receivable	168	-
Investments	173,763	170,366
	<u>235,716</u>	<u>239,788</u>
Liabilities:		
Accounts payable	13,432	5,317
Due to the Town of Arnprior	16,789	11,435
	<u>30,221</u>	<u>16,752</u>
Total net financial assets	\$ 205,495	\$ 223,036
Municipal position:		
Current fund	\$ -	\$ 593
Reserves:		
Reserve Norma Hall bequest	20,949	20,949
Reserve D. Macklem	5,000	5,000
Reserve Neumann bequest	7,920	10,000
Reserve Gaumond bequest	137,263	133,866
Reserve for programs	2,363	3,125
Reserve for future development	18,470	33,545
Reserve for books	13,530	15,958
	<u>205,495</u>	<u>222,443</u>
Total municipal position	\$ 205,495	\$ 223,036

See accompanying notes to the financial statements.

On behalf of the Arnprior Public Library Board:

_____ Member

_____ Member

ARNPRIOR PUBLIC LIBRARY BOARD

Statement of Financial Activities and Current Fund Balance

Year ended December 31, 2008, with comparative figures for 2007

	Budget (Unaudited)	2008	2007
Revenues:			
Grants - Town of Arnprior	\$ 200,221	\$ 200,221	\$ 189,396
- Township of Mc Nab/Braeside	33,637	33,604	32,817
- Province of Ontario	15,605	15,490	15,605
- Township of Lanark Highlands	700	700	700
Fees, fines and book sales	18,500	26,651	33,532
Investment income	3,200	7,525	13,691
Donations	5,000	6,174	9,944
Total revenues	276,863	290,365	295,685
Expenditures:			
Current:			
Salaries and benefits	219,942	232,903	208,507
Books and records	38,700	41,575	45,917
Office supplies	5,200	6,357	8,142
Miscellaneous	3,575	2,770	2,175
Copier lease	2,300	2,198	2,492
Professional fees	900	930	900
Insurance	784	788	784
Telephone	2,500	3,063	2,274
Automation	3,000	10,056	8,517
Equipment maintenance	500	328	298
Total current expenditures	277,401	300,968	280,006
Capital:			
Capital	-	6,938	-
Total capital expenditures	-	6,938	-
Net revenues (expenditures)	(538)	(17,541)	15,679
Financing transfers:			
Transfers to reserves (note 3)	-	(3,397)	(21,577)
Contribution from reserves (note 3)	-	20,345	6,000
	-	16,948	(15,577)
Change in current fund balance (deficiency)	(538)	(593)	102
Opening current fund balance	538	593	491
Closing current fund balance	\$ -	\$ -	\$ 593

See accompanying notes to the financial statements.

ARNPRIOR PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2008

1. Significant accounting policies:

The financial statements of the Arnprior Public Library Board (the "Board") are prepared by management 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. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Reporting entity:

These statements reflect the assets, liabilities, revenues and expenditures of the Board and include both operating and capital activities.

(b) Revenues:

Grants, fees, fines and book sales are recorded in the period to which they relate.

Interest on investments is accrued as earned.

Donations are reported on a cash basis. Donation pledges are not reported in accounts until received.

(c) Investments:

Investments are recorded at cost, which approximates market value.

(d) Capital assets:

The historical cost and accumulated depreciation of capital assets are not reported for Board purposes. Capital assets are reported as an expenditure on the "Statement of Financial Activities and Current Fund Balance" in the year of acquisition.

(e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

ARNPRIOR PUBLIC LIBRARY BOARD

Notes to Financial Statements, continued

Year ended December 31, 2008

1. Significant accounting policies (continued):

(f) Changes in accounting policies:

Commencing with the fiscal year beginning January 1, 2009, the Board will be adopting CICA Public Sector Accounting Handbook Section PS 3150, *Tangible Capital Assets*. This Section establishes standards on how to account for and report tangible assets in government financial statements. Tangible capital assets include such diverse items as roads, bridges, buildings, vehicles, equipment, land, water systems and other utility systems.

Effective January 1, 2007, the Board adopted Public Sector Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets by way of a note to the financial statements until Section 3150, *Tangible Capital Assets* comes into effect on January 1, 2009.

As of December 31, 2008, the Board does not have adequate information to disclose any of the tangible assets by major category.

2. Budget figures:

The Arnprior Public Library reviews its operating budget annually. The approved operating budget for 2008 is reflected on the Statement of Financial Activities and Current Fund Balance. Budget figures have not been audited and are presented for information purposes.

3. Reserves:

The reserve Norma Hall bequest is to fund general library operations.

The reserve D. Macklem bequest is to fund the talking book collection.

The reserve Newmann bequest is to fund general library operations, excluding capital projects and acquisitions.

The reserve Guamond bequest is to fund general library operations.

The reserve for programs is to fund children's' programs.

The reserve for future development is to fund future development of the library.

The reserve for books is to fund book acquisitions in future years.

ARNPRIOR PUBLIC LIBRARY BOARD

Notes to Financial Statements, continued

Year ended December 31, 2008

3. Reserves (continued):

During the year, the Board transferred \$3,397 (2007 - \$8,577) to the Reserve Gaumond bequest, \$15,075 (2007 - \$12,000 to) from the reserve for future development, \$762 (2007 - \$1,000 to) from the reserve for programs, \$2,080 (2007 - \$Nil) from the Reserve Neumann bequest and \$2,428 (2007 - \$Nil) from the reserve for books.

4. Statement of changes in financial position:

A statement of changes in financial position has not been included in these financial statements as it would not provide additional meaningful information.