

Consolidated Financial Statements

**CORPORATION OF THE TOWN OF  
ARNPRIOR**

Year ended December 31, 2005

# **CORPORATION OF THE TOWN OF ARNPRIOR**

Year ended December 31, 2005

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Consolidated Financial Statements

# **CORPORATION OF THE TOWN OF ARNPRIOR**

Year ended December 31, 2005

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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, 2005 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, 2005 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

Ottawa, Canada

December 14, 2006

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Statement of Financial Position

December 31, 2005, with comparative figures for 2004

	2005	2004
<b>Assets</b>		
Financial assets:		
Cash and cash equivalents	\$ 2,332,910	\$ 1,019,591
Taxes receivable	1,061,388	1,046,079
Water and sewer billings receivable	642,673	547,929
Accounts receivable	3,005,858	723,599
Other current assets	41,018	17,018
Investments (note 12)	1,598,657	1,909,550
	<u>8,682,504</u>	<u>5,263,766</u>
Liabilities:		
Temporary loans (note 6(d)) 3,897,880 –		
Accounts payable and accrued liabilities	2,232,746	1,226,636
Deferred revenue – obligatory reserve funds (note 8)	135,600	219,513
Employee benefit obligations (note 5)	56,000	56,000
Landfill site closure and post-closure liabilities (note 13)	714,190	673,380
Net long-term liabilities (note 6)	3,340,561	3,706,080
	<u>10,376,977</u>	<u>5,881,609</u>
Net liabilities	(1,694,473)	(617,843)
Other assets:		
Inventory	104,925	72,453
Total net liabilities	<u>\$ (1,589,548)</u>	<u>\$ (545,390)</u>
Municipal position:		
Current fund (note 7)	\$ 23,914	\$ 34,845
Capital fund (note 7)	(6,601,568)	(4,502,445)
Reserves	1,722,916	1,315,873
Reserve funds	7,375,941	7,041,797
Fund balances	<u>2,521,203</u>	<u>3,890,070</u>
Amounts to be recovered from future revenues:		
Net long-term liabilities	(3,340,561)	(3,706,080)
Employee benefit obligations (note 5)	(56,000)	(56,000)
Landfill site closure and post-closure liabilities (note 13)	(46,120)	(92,017)
Amounts to be recovered from reserve funds:		
Landfill site closure and post-closure liabilities (note 13)	(668,070)	(581,363)
	<u>(4,110,751)</u>	<u>(4,435,460)</u>
Contingent liabilities (note 9)		
Total municipal position	<u>\$ (1,589,548)</u>	<u>\$ (545,390)</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, 2005, with comparative figures for 2004

	2005	2004
<b>Revenues:</b>		
Property taxation	\$ 5,324,366	\$ 5,202,600
Taxation from other governments	91,812	112,286
User charges	3,633,867	3,023,148
Province of Ontario	2,846,127	617,063
Federal government 334,085 –		
Grants from other municipalities	176,758	119,285
Investment income	373,341	374,493
Donations	242,000	67,762
Proceeds from sale of land and equipment	111,965	107,981
Prepaid special charges – 571,896		
Other	236,524	217,652
Transfers from deferred obligatory reserve funds (note 8) 250,933 –		
<b>Total revenues</b>	<b>13,621,778</b>	<b>10,414,166</b>
<b>Expenditures:</b>		
<b>Current:</b>		
General government	1,073,399	1,134,733
Protection to persons and property	2,052,950	1,980,201
Transportation services	1,302,865	1,030,500
Environmental services	2,008,267	1,928,957
Health services	47,313	63,888
Recreational and cultural services	2,044,219	1,926,285
Planning and development	100,458	85,716
<b>Total current expenditures (note 10)</b>	<b>8,629,471</b>	<b>8,150,280</b>
<b>Capital:</b>		
General government	78,330	49,581
Protection to persons and property	132,683	288,163
Transportation services	201,605	1,483,366
Environmental services	5,555,741	3,140,336
Health services 11,124 –		
Recreational and cultural services	92,632	191,588
Planning and development	22,857	68,234
<b>Total capital expenditures</b>	<b>6,094,972</b>	<b>5,221,268</b>
<b>Total expenditures</b>	<b>14,724,443</b>	<b>13,371,548</b>
<b>Net expenditures</b>	<b>(1,102,665)</b>	<b>(2,957,382)</b>
<b>Financing and transfers:</b>		
Debt incurred (note 6) – 1,545,000		
Debt principal repayments (note 6(c))	(365,519)	(1,337,973)
Change in landfill site closure and post-closure liabilities	40,810	40,810
Change in non-financial assets	32,472	(2,155)
Change in pro-rata share of Arnprior Airport		
Commission (note 1(a)(i))	26,035	(677)
	(266,202)	245,005
<b>Decrease in fund balances</b>	<b>\$ (1,368,867)</b>	<b>\$ (2,712,377)</b>

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, 2005, with comparative figures for 2004

	2005	2004
<b>Operations:</b>		
Net expenditures	\$ (1,102,665)	\$ (2,957,382)
<b>Uses:</b>		
Increase in taxes receivable	(15,309)	(295,497)
Increase in water and sewer billings receivable	(94,744)	(263,977)
Increase in accounts receivable (2,282,259) –		
Increase in other current assets (24,000) –		
Decrease in temporary loans – (983,990)		
Decrease in deferred revenue – obligatory reserve funds (83,913) –		
	(3,602,890)	(1,543,464)
<b>Sources:</b>		
Decrease in accounts receivable – 22,747		
Decrease in other current assets – 6,000		
Increase in deferred revenue – obligatory reserve funds – 11,579		
Increase in temporary loans 3,897,880 –		
Increase in accounts payable and accrued liabilities	1,006,110	348,613
Increase in landfill site closure and post-closure liabilities	40,810	40,810
	4,944,800	429,749
<b>Net change in cash from operations</b>	<b>1,341,910</b>	<b>(4,071,097)</b>
<b>Investing:</b>		
Decrease in investments	310,893	3,107,367
Increase (decrease) in pro-rata share of Arnprior Airport Commission	26,035	(677)
<b>Net change in cash from investing</b>	<b>336,928</b>	<b>3,106,690</b>
<b>Financing:</b>		
Debt incurred – 1,545,000		
Debt principal repayments	(365,519)	(1,337,973)
<b>Net change in cash from financing</b>	<b>(365,519)</b>	<b>207,027</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,313,319</b>	<b>(757,380)</b>
Cash and cash equivalents, beginning of year	1,019,591	1,776,971
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,332,910</b>	<b>\$ 1,019,591</b>

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, 2005

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### 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 (full consolidation, previously proportionately consolidated)

Downtown Arnprior Business Improvement Area Association

The Arnprior Airport Commission (formerly South Renfrew Municipal Airport Commission) is accounted for using the full consolidation method of accounting and reporting. In the current year, the Commission became wholly-owned and controlled by the Town. In the prior year, the Town's pro-rata share of each of the assets, liabilities, revenues and expenditures was combined on a line-by-line basis in the financial statements. In 2004, the Town's pro-rata share was at 54.3%.

(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, 2005

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## 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, 2005

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## 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 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.

## 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	2005	2004
Taxation and user charges	\$ 2,629,760	\$ 2,830,928
Amount transferred to school boards	\$ 2,629,760	\$ 2,830,928
County of Renfrew	2005	2004
Taxation and user charges	\$ 2,565,955	\$ 2,495,131
Payments in lieu	28,185	33,469
Amount transferred to County of Renfrew	\$ 2,594,140	\$ 2,528,600

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2005

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### 3. Trust funds:

Trust funds administered by the Town amounting to \$528,245 (2004 - \$517,252) 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 2005 was \$120,644 (2004 - \$102,618).

### 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:

	2005	2004
Vacation pay	\$ 56,000	\$ 56,000
Amounts to be recovered from future revenues	\$ 56,000	\$ 56,000

### 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	2006 to 2010	2011 to 2025	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	\$ 2,259,061	\$ 1,081,500	\$ 3,340,561

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2005

## 6. Net long-term liabilities (continued):

(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:

	2005	2004
Principal payments	\$ 365,519	\$ 1,337,973
Interest	386,317	279,150
	<u>\$ 751,836</u>	<u>\$ 1,617,123</u>

(d) Temporary loan:

The temporary loan, in the amount of \$3,897,880 (2004 - \$Nil), reported in the Consolidated Statement of Financial Position, is an advance received by the Town from the Ontario Municipal Economic Infrastructure Financing Authority (OMEIFA) on account of debentures issued by the Town subsequent to year end. The temporary loan bears interest at a rate of 3.8% per annum.

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

(a) The current fund balance on the Consolidated Statement of Financial Position of \$23,914 (2004 - \$34,845) at the end of the year is comprised of the following:

	2005	2004
To be applied to operations of the current fund for the following year	\$ 100,296	\$ 89,178
To be recovered from the waterworks operations	(128,028)	(65,076)
To be recovered from the wastewater operations	(111,126)	(106,286)
To be applied to operations of the municipal cemetery	102,005	101,851
To be applied to (recovered from) operations of the Downtown Arnprior Business Improvement Area Association	3,805	(7,346)
To be applied to operations of the Arnprior Public Library Board 3,972 –		
To be applied to operations of the South Renfrew Municipal Airport Commission	52,990	22,524
	<u>\$ 23,914</u>	<u>\$ 34,845</u>

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2005

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

- (b) The capital fund deficiency on the Consolidated Statement of Financial Position of \$6,601,568 (2004 - \$4,502,445) at the end of the year is comprised of the following:

	2005	2004
Unexpended capital financing	\$ 254,166	\$ 217,379
Capital expenditures to be financed from the proceeds of long-term liabilities	(2,634,899)	(435,569)
Capital expenditures to be financed from proceeds of development charges:		
Staye Court Drive Development Charge Project	(1,282,120)	(1,322,104)
Capital expenditures to be financed from Reserves (86,839) –		
Capital expenditures to be financed from proceeds of taxation or user charges:		
Jed Creek Estates Subdivision	(306,257)	(315,808)
Fire Vehicle	(182,481)	(200,680)
John Street North Reconstruction	(1,319,836)	(1,360,996)
Staye Court Drive Oversizing	(205,500)	(205,500)
Dry-O-Tron Replacement	(91,700)	(94,560)
Water Pollution Control Centre Design Refinancing	(83,765)	(91,000)
Elevated Water Tank Refinancing	(489,519)	(531,800)
Pumping Stations and Forcemain	(139,771)	(144,130)
Other	(33,047)	(17,677)
	<b>\$ (6,601,568)</b>	<b>\$ (4,502,445)</b>

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). Principal was repaid in the amount of \$9,551 in 2005.

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). Principal was repaid in the amount of \$18,199 in 2005.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2005

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

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 \$41,160 in 2005.

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 Stave 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.

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 Stave 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 \$39,984 in 2005.

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 \$2,860 in 2005.

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 \$7,235 in 2005.

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 \$42,281 in 2005.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2005

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

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 \$4,359 in 2005.

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.

## 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:

	2005	2004
Balance, beginning of year	\$ 219,513	\$ 207,934
Investment income	6,773	11,579
Subdivider contributions 160,247 –		
Transfers to capital fund (144,844) –		
Transfers to revenue fund (106,089) –		
Balance, end of year	\$ 135,600	\$ 219,513
Analyzed as follows:		
Development charges	\$ 102,913	\$ 209,432
Cash in lieu of parkland	32,687	10,081
	\$ 135,600	\$ 219,513

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2005

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## 9. Contingent liabilities:

General:

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, 2005, 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.

## 10. Supplementary information:

	2005	2004
Current fund expenditures by object:		
Salaries, wages and employee benefits	\$ 3,236,467	\$ 3,065,652
Long-term debt interest	386,317	279,150
Materials, services, rents and financial	4,987,671	4,791,799
Transfers to others	19,016	13,679
<b>Total</b>	<b>\$ 8,629,471</b>	<b>\$ 8,150,280</b>

## 11. Budget figures:

The Town of Arnprior reviews its operating and capital budgets annually. The approved operating and capital budgets for 2005 are reflected on the 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.



# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2005

## 12. Investments:

Investments held by the Town relate to reserve funds.

	2005		2004	
	Cost	Market value	Cost	Market value
Bonds	\$ 1,592,000	\$ 1,641,299	\$ 1,897,800	\$ 2,002,177
Unamortized premium paid on bonds	6,657 –	11,750 –		
	\$ 1,598,657	\$ 1,641,299	\$ 1,909,550	\$ 2,002,177

## 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 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.

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 \$1,791,078. 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 242,500 cubic meters of its total estimated capacity and its estimated remaining life is 20 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, 2005 is an amount of \$714,190 (2004 - \$673,380) with respect to landfill closure and post-closure liabilities recognized to date.

The Town has reserve funds totaling \$668,070 (2004 - \$581,363) for the landfill site closure and post-closure care of the landfill site.

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Schedule of Current Fund Financial Activities

Year ended December 31, 2005, with comparative figures for 2004

	Budget 2005	Actual 2005	Actual 2004
	(unaudited, note 11)		
Revenues:			
Property taxation	\$ 5,446,644	\$ 5,324,366	\$ 5,202,600
Taxation from other governments	108,029	91,812	112,286
User charges	3,828,609	3,633,867	3,023,148
Province of Ontario	984,851	1,005,219	563,224
Grants from other municipalities	160,430	176,758	119,285
Investment income	41,700	41,329	36,544
Donations	7,300	226,883	24,147
Proceeds from sale of land and equipment –	94,700	107,981	
Transfer from deferred obligatory reserve –	106,089	–	
Other	139,400	236,524	217,652
<b>Total revenues</b>	<b>10,716,963</b>	<b>10,937,547</b>	<b>9,406,867</b>
Expenditures:			
General government	1,161,766	1,073,399	1,134,733
Protection to persons and property	2,177,533	2,052,950	1,980,201
Transportation services	1,167,222	1,302,865	1,030,500
Environmental services	1,990,783	2,008,267	1,928,957
Health services	59,526	47,313	63,888
Recreation and cultural services	1,989,915	2,044,219	1,926,285
Planning and development	108,530	100,458	85,716
<b>Total expenditures (note 10)</b>	<b>8,655,275</b>	<b>8,629,471</b>	<b>8,150,280</b>
<b>Net revenues</b>	<b>2,061,688</b>	<b>2,308,076</b>	<b>1,256,587</b>
Financing and transfers:			
Debt principal repayments	(365,519)	(365,519)	(1,337,973)
Change in non-financial assets –	32,472 (2,155)		
Net transfers to capital fund	(886,000)	(1,093,680)	329,306
Net transfers from (to) reserves and reserve funds	(810,169)	(902,693)	(372,075)
Change in pro-rata share of South Renfrew Municipal Airport Commission (note 1(a)(ii)) –	10,413 (4)		
<b>Net financing and transfers</b>	<b>(2,061,688)</b>	<b>(2,319,007)</b>	<b>(1,382,901)</b>
<b>Change in current fund balance –</b>	<b>(10,931) (126,314)</b>		
Opening current fund balance	34,845	34,845	161,159
<b>Closing current fund balance</b>	<b>\$ 34,845</b>	<b>\$ 23,914</b>	<b>\$ 34,845</b>

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Schedule of Capital Fund Financial Activities

Year ended December 31, 2005, with comparative figures for 2004

	Budget 2005	Actual 2005	Actual 2004
	(unaudited, note 11)		
Revenues:			
Government grants and transfer payments	\$ 2,623,322	\$ 2,174,993	\$ 53,839
Prepaid special charges – – 571,896			
Transfer from deferred revenue - obligatory reserve fund (note 8) – 144,844 –			
Proceeds from sale of land – 17,265 –			
Donations	92,500	15,117	43,615
Total revenues	2,715,822	2,352,219	669,350
Expenditures:			
General government	69,153	78,330	49,581
Protection to persons and property	250,776	132,683	288,163
Transportation services	89,500	201,605	1,483,366
Environmental services	7,603,000	5,555,741	3,140,336
Health services 11,100 11,124 –			
Recreational and cultural services	110,591	92,632	191,588
Planning and development – 22,857 68,234			
Total expenditures	8,134,120	6,094,972	5,221,268
Net expenditures	(5,418,298)	(3,742,753)	(4,551,918)
Financing and transfers:			
Long-term debt 3,336,182 – 1,545,000			
Change in landfill site closure and post-closure liabilities – 40,810 40,810			
Net transfers from reserves and reserve funds	794,620	509,140	200,573
Net transfers from (to) current fund	886,000	1,093,680	(329,306)
Net financing and transfers	5,016,802	1,643,630	1,457,077
Change in capital fund balance (deficiency)	(401,496)	(2,099,123)	(3,094,841)
Opening capital fund balance (deficiency)	(4,502,445)	(4,502,445)	(1,407,604)
Closing capital fund balance (deficiency)	\$ (4,903,941)	\$ (6,601,568)	\$ (4,502,445)

As disclosed in note 7, the Capital Fund had repayments, net of internal borrowings, to the Arnprior Hydro Reserve Fund of \$165,629 in 2005 (2004 – in internal borrowings, net of repayments of \$3,675,078). Total internal financing at December 31, 2005 is \$4,100,949 (2004 - \$4,266,578).

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Schedule of Reserves and Reserve Funds

Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Revenue:		
Investment income	\$ 332,012	\$ 337,949
Net transfers from (to) other funds:		
Net transfers from (to) current fund	902,693	372,075
Net transfers to capital fund	(509,140)	(200,573)
Change in pro-rata share of South Renfrew Municipal Airport Commission (note 1(a)(ii))	15,622	(673)
Total net transfers	409,175	170,829
Change in reserves and reserve fund balances	741,187	508,778
Opening reserves and reserve fund balance	8,357,670	7,848,892
Closing reserves and reserve fund balance	\$ 9,098,857	\$ 8,357,670
Analyzed as follows:		
Reserves set aside for specific purposes by Council:		
Working capital	\$ 514,412	\$ 418,080
Acquisition of capital assets	844,467	740,578
Recreational and cultural facilities	177,948	69,583
Other	186,089	87,632
Total reserves	1,722,916	1,315,873
Reserve funds set aside for specific purposes by Council:		
Recreational and cultural facilities	5	124
Landfill site closure and post-closure care	668,070	581,363
Capital expenditure – Arnprior Hydro Reserve Fund	6,707,866	6,460,310
Total reserve funds	7,375,941	7,041,797
Total reserves and reserve funds	\$ 9,098,857	\$ 8,357,670

As disclosed in note 7, the Capital Fund had repayments, net of internal borrowings, to the Arnprior Hydro Reserve Fund of \$165,629 in 2005 (2004 – in internal borrowings, net of repayments of \$3,675,078). Total internal financing at December 31, 2005 is \$4,100,949 (2004 - \$4,266,578).

Financial Statements of

**TOWN OF ARNPRIOR – TRUST  
FUNDS**

Year ended December 31, 2005



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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, 2005 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, 2005 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

Ottawa, Canada

December 14, 2006

# CORPORATION OF THE TOWN OF ARNPRIOR

Trust Funds

Statements of Financial Position

December 31, 2005, with comparative figures for 2004

Name of Funds	Care and maintenance	Neilson trust	O.H.R.P	Total 2005	Total 2004
<b>Assets</b>					
Cash	\$ 28	\$ 32	\$ 2,526	\$ 2,586	\$ 2,633
Investment in bonds at cost:					
Canada 200 – – 200 200					
Provincial 216,000 – – 216,000 145,000					
Municipal and other corporate 47,682 – – 47,682 47,682					
Guaranteed investment certificates and term deposits 199,122 52,000 – 251,122 251,122					
Accrued interest receivable 98,561 – – 98,561 94,132					
	561,593	52,032	2,526	616,151	538,136
Other:					
Due from Town of Arnprior (note 4) 8,659 – – 8,659 68,705					
Due from revenue fund – – 1,673 1,673 994					
Loans receivable (note 2) – – 323 323 916					
	8,659 – 1,996 10,655 70,615				
	\$ 570,252	\$ 52,032	\$ 4,522	\$ 626,806	\$ 611,384

## Liabilities and Fund Balance

Due to Arnprior Municipal Cemetery \$ 98,561 \$ – \$ – \$ 98,561 \$ 94,132					
Fund balance	471,691	52,032	4,522	528,245	517,252
	\$ 570,252	\$ 52,032	\$ 4,522	\$ 626,806	\$ 611,384

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, 2005, with comparative figures for 2004

	Care and maintenance	Neilson trust	O.H.R.P	Total 2005	Total 2004
Fund balance, beginning of year	\$ 460,737	\$ 52,032	\$ 4,483	\$ 517,252	\$ 502,173
Capital receipts:					
Care and maintenance	10,954 – –	10,954	15,126		
Revenue:					
Investment income	19,877	1,457 –	21,334	21,658	
Loan interest	– –	86	86 –		
	30,831	1,457	86	32,374	21,658
Expenditures:					
Cemetery maintenance	19,877	1,457 –	21,334	21,658	
Administration fee	– –	47	47	47	
	19,877	1,457	47	21,381	21,705
Fund balance, end of year	\$ 471,691	\$ 52,032	\$ 4,522	\$ 528,245	\$ 517,252

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, 2005

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## 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, 2005 are comprised of repayable loans of \$323 (2004 - \$916). 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 \$613,565 (2004 - \$538,136) reported on the Statements of Financial Position at cost, have a market value of \$611,138 (2004 - \$534,931) 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 \$866 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, 2005



**KPMG LLP**  
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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, 2005 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, 2005 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

Ottawa, Canada

December 14, 2006

# DOWNTOWN ARNPRIOR BUSINESS IMPROVEMENT AREA ASSOCIATION

## Statement of Financial Position

December 31, 2005, with comparative figures for 2004

	2005	2004
<b>Assets</b>		
Financial assets:		
Cash and cash equivalents	\$ 30,383	\$ 27,895
Liabilities		
Accounts payable	4,132	1,500
Due to the Corporation of the Town of Arnprior	875	4,824
	5,007	6,324
<b>Net financial assets</b>	<b>\$ 25,376</b>	<b>\$ 21,571</b>
Municipal position:		
Current fund deficit	\$ 3,805	\$ (7,346)
Reserves:		
Reserve for working capital	6,306	10,965
Reserve for street improvements	15,265	17,952
	21,571	28,917
<b>Total municipal position</b>	<b>\$ 25,376</b>	<b>\$ 21,571</b>

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 (Deficit)

Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Revenues:		
Municipal tax levy \$ 25,000 \$ –		
Other 550 –		
Interest	191	241
	25,741	241
Expenditures:		
Services	12,320	1,000
Materials and supplies	9,554	1,517
Financial	62	52
	21,936	2,569
Net revenues (expenditures)	3,805	(2,328)
Financing transfers:		
Contribution from reserves 7,346 –		
Change in current fund balance	11,151	(2,328)
Opening current fund deficit	(7,346)	(5,018)
Closing current fund surplus (deficit)	\$ 3,805	\$ (7,346)

See accompanying notes to the financial statements.

# DOWNTOWN ARNPRIOR BUSINESS IMPROVEMENT AREA ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2005

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## **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 of

**ARNPRIOR PUBLIC LIBRARY  
BOARD**

Year ended December 31, 2005



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## AUDITORS' REPORT

We have audited the statement of financial position of the Arnprior Public Library Board as at December 31, 2005 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, 2005 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

Ottawa, Canada

December 14, 2006



# ARNPRIOR PUBLIC LIBRARY BOARD

## Statement of Financial Position

December 31, 2005, with comparative figures for 2004

	2005	2004
<b>Assets</b>		
Financial assets:		
Cash	\$ 46,991	\$ 39,591
Investments	139,921	36,500
	<u>186,912</u>	<u>76,091</u>
Liabilities:		
Accounts payable	4,192	8,597
Due to the Town of Arnprior	10,800	8,626
	<u>14,992</u>	<u>17,223</u>
<b>Total net financial assets</b>	<b>\$ 171,920</b>	<b>\$ 58,868</b>
Municipal position:		
Current fund \$ 3,973 \$ –		
Reserves:		
Reserve Norma Hall bequest	20,949	20,949
Reserve D. Macklem	5,000	5,000
Reserve Newmann bequest	10,000	10,000
Reserve Gaumond bequest 103,421 –		
Reserve for programs	1,125	1,125
Reserve for future development	18,495	12,837
Reserve for books	8,957	8,957
	<u>167,947</u>	<u>58,868</u>
<b>Total municipal position</b>	<b>\$ 171,920</b>	<b>\$ 58,868</b>

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, 2005, with comparative figures for 2004

	Budget (Unaudited)	2005	2004
<b>Revenues:</b>			
Grants - Town of Arnprior	\$ 173,309	\$ 173,309	\$ 168,247
- Province of Ontario	30,000	30,000	19,516
- Township of Mc Nab/Braeside 15,464 15,569 -			
- Darling	700	700	700
Fees, fines and book sales	15,100	25,115	43,528
Investment income	3,200	4,820	3,682
Donations	5,000	122,452	7,507
<b>Total revenues</b>	<b>242,773</b>	<b>371,965</b>	<b>243,180</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Salaries	181,423	184,441	168,227
Books and records	40,900	41,015	40,196
Office supplies	6,750	8,164	4,770
Miscellaneous	3,825	3,388	4,359
Copier lease	2,600	2,265	2,271
Professional fees	875	900	875
Insurance	800	995	800
Fundraising - 5,492 6,133			
Telephone	2,100	3,666	2,240
Automation	3,000	6,753	7,470
Equipment maintenance 500 - 435			
<b>Total current expenditures</b>	<b>242,773</b>	<b>257,079</b>	<b>237,776</b>
<b>Capital:</b>			
Capital - 1,834 648			
<b>Total capital expenditures - 1,834 648</b>			
<b>Net revenues - 113,052 4,756</b>			
<b>Financing transfers:</b>			
Transfers to reserves (note 3) - (110,119) (7,533)			
Contribution from reserves (note 3) - 1,040 2,250			
<b>- (109,079) (5,283)</b>			
<b>Change in current fund balance - 3,973 (527)</b>			
<b>Opening current fund balance - - 527</b>			
<b>Closing current fund balance \$ - \$ 3,973 \$ -</b>			

See accompanying notes to the financial statements.

# ARNPRIOR PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2005

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### 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.

### 2. Budget figures:

The Arnprior Public Library reviews its operating budget annually. The approved operating budget for 2005 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 PUBLIC LIBRARY BOARD

Notes to Financial Statements, continued

Year ended December 31, 2005

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### **3. Reserves:**

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

The reserve Guamond bequest is to fund general library operations.

The reserve D. Madden 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 for programs is to fund childrens' 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.

During the year, the Board transferred \$103,421 (2004 - \$Nil) to the Reserve Guamond bequest, \$6,698 (2004 - \$3,282) to the reserve for future development and \$Nil (2004 - \$4,252) to the reserve for books from the current fund. During the year, the Board transferred \$1,040 (2004 - \$2,250) from the reserve for future development.

### **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

**ARNPRIOR MUNICIPAL  
CEMETERY**

Year ended December 31, 2005



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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, 2005 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, 2005 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

Ottawa, Canada

December 14, 2007

# ARNPRIOR MUNICIPAL CEMETERY

## Statement of Financial Position

December 31, 2005, with comparative figures for 2004

	2005	2004
<b>Assets</b>		
Financial assets:		
Due from Town of Arnprior - current fund	\$ 18,354	\$ 23,199
Due from Town of Arnprior - care and maintenance trust fund	98,561	94,132
	<u>116,915</u>	<u>117,331</u>
Liabilities:		
Accounts payable	1,700	2,270
Deferred revenue	13,210	13,210
	<u>14,910</u>	<u>15,480</u>
Net financial assets	<u>\$ 102,005</u>	<u>\$ 101,851</u>
Municipal position:		
Current fund	\$ 102,005	\$ 101,851

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, 2005, with comparative figures for 2004

	Budget 2005	Actual 2005	Actual 2004
	(Unaudited, note 3)		
Revenue:			
Care and maintenance	\$ 23,500	\$ 21,334	\$ 21,659
Burial charges	35,300	32,710	35,670
Plots	18,900	11,665	16,990
	<u>77,700</u>	<u>65,709</u>	<u>74,319</u>
Expenditures:			
Salaries	48,100	33,574	36,099
Services	21,600	14,233	19,953
Materials, supplies and utilities	6,000	6,624	7,836
Capital purchases 2,000 11,124 –			
	<u>77,700</u>	<u>65,555</u>	<u>63,888</u>
Net revenue – 154 10,431			
Opening current fund balance	101,851	101,851	91,420
Closing current fund balance	<u>\$ 101,851</u>	<u>\$ 102,005</u>	<u>\$ 101,851</u>

See accompanying notes to the financial statements.



# ARNPRIOR MUNICIPAL CEMETERY

Notes to Financial Statements

Year ended December 31, 2005

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## 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 administered by the Town amounting to \$528,245 (2004 - \$517,252) 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 Arnprior Municipal Cemetery reviews its operating budget annually. The approved operating budget for 2005 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, 2005

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#### **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 AIRPORT  
COMMISSION**

(formerly South Renfrew Municipal Airport Commission)

Year ended December 31, 2005



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**Chartered Accountants**  
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## **AUDITORS' REPORT TO THE MEMBERS**

We have audited the statement of financial position of Arnprior Airport Commission, formerly South Renfrew Municipal Airport Commission, as at December 31, 2005 and the statements of financial activities and fund balance – operating fund, financial activities and fund balance – development fund, reserves and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission'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 Commission as at December 31, 2005 and the results of its financial activities and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Ottawa, Canada

February 3, 2006

# ARNPRIOR AIRPORT COMMISSION

## Statement of Financial Position

December 31, 2005, with comparative figures for 2004

	2005	2004
<b>Net Assets</b>		
Operating fund:		
Financial assets:		
Cash	\$ 16,407	\$ 16,739
Accounts receivable	4,905	4,701
Prepaid expenses – 2,406		
	<u>21,312</u>	<u>23,846</u>
Liabilities:		
Accounts payable	4,336	3,631
Customer deposits 2,000 –		
Deferred revenue 10,805 –		
Due to development fund	14,662	960
	<u>31,803</u>	<u>4,591</u>
Net financial assets (liabilities)	(10,491)	19,255
Inventory	31,920	16,254
Net assets	<u>21,429</u>	<u>35,509</u>
Development fund:		
Financial assets:		
Cash	9,618	13,122
Accounts receivable – 6,532		
Due from operating fund	14,662	960
Loans receivable (note 3)	32,170	20,000
	<u>56,450</u>	<u>40,614</u>
Liabilities:		
Accounts payable	8,991	458
Net financial assets	<u>47,459</u>	<u>40,156</u>
Total net assets	\$ 68,888	\$ 75,665

## Municipal Position

Operating fund	\$ 5,531	\$ 1,302
Development fund	47,459	40,156
Reserves for crack filling (note 4)	3,150	2,300
Reserves for working funds (note 4)	12,748	12,748
Reserves for future capital expenditures (note 4) – 19,159		
Total municipal position	\$ 68,888	\$ 75,665

Commitments (note 5)

See accompanying notes to financial statements.

# ARNPRIOR AIRPORT COMMISSION

Operating Fund

Statement of Financial Activities and Fund Balance

Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Revenues:		
Fuel sales	\$ 126,254	\$ 116,324
Municipal operating levies	49,226	48,056
Leases and rentals	14,561	12,548
Other	11,446	11,633
	<hr/> 201,487	<hr/> 188,561
Expenditures:		
Current:		
Fuel	102,285	99,237
Wages	41,876	42,018
Maintenance and repairs	27,383	25,268
Insurance	10,807	8,146
Office	4,065	4,026
Professional fees	3,000	2,750
Miscellaneous	1,741	1,361
Advertising and promotion	601	178
Total current expenditures	<hr/> 191,758	<hr/> 182,984
Capital	3,550	2,568
Total expenditures	<hr/> 195,308	<hr/> 185,552
Net revenues	6,179	3,009
Transfers to development fund (1,100) –		
Transfers (to) from reserves (note 4):		
Reserves for crack filling	(850)	(2,300)
Reserves for future capital expenditures – 4,736		
	<hr/> (850)	<hr/> 2,436
Change in operating fund balance	4,229	5,445
Opening fund balance (deficiency)	1,302	(4,143)
Closing fund balance	<hr/> \$ 5,531	<hr/> \$ 1,302

See accompanying notes to financial statements.

# ARNPRIOR AIRPORT COMMISSION

## Development Fund Statement of Financial Activities and Fund Balance

Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Revenues:		
Sale of lots	\$ 94,700	\$ 119,351
Expenditures:		
Paving	42,874	54,213
Contract labour	8,220	10,695
Professional fees	7,593	10,457
Development charges	36,547	7,598
Office	1,206	630
Selling 2,284 –		
Capital 8,932 –		
	107,656	83,593
Net revenues (expenditures)	(12,956)	35,758
Transfers from reserve for future capital expenditures 19,159 –		
Transfers from operating fund 1,100 –		
Change in development fund balance	7,303	35,758
Opening fund balance	40,156	4,398
Closing fund balance	\$ 47,459	\$ 40,156

See accompanying notes to financial statements.

# ARNPRIOR AIRPORT COMMISSION

## Statement of Reserves

Year ended December 31, 2005, with comparative figures for 2004

	Crack filling	Working Funds	Future Capital Expenditures	2005 Total	2004 Total
Opening fund balance	\$ 2,300	\$ 12,748	\$ 19,159	\$ 34,207	\$ 36,643
Transfers from operating fund	4,400 – – 4,400	4,275			
Transfers to operating fund	(3,550) – – (3,550)	(6,711)			
Transfers to development fund	– – (19,159)	(19,159)	–		
<b>Balance, end of year</b>	<b>\$ 3,150</b>	<b>\$ 12,748</b>	<b>\$ –</b>	<b>\$ 15,898</b>	<b>\$ 34,207</b>

See accompanying notes to financial statements.



# ARNPRIOR AIRPORT COMMISSION

## Statement of Changes in Financial Position

Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Cash provided by (used in):		
Operations:		
Net revenues (expenditures):		
Operating fund	\$ 6,179	\$ 3,009
Development fund	(12,956)	35,758
	<u>(6,777)</u>	<u>38,767</u>
Uses:		
Increase in prepaid expenses – (1,480)		
Increase in inventory	(15,666)	(1,377)
Decrease in accounts payable – (13,743)		
Decrease in customer deposits – (2,430)		
Increase in loans receivable	(12,170)	(20,000)
	<u>(27,836)</u>	<u>(39,030)</u>
Sources:		
Decrease in accounts receivable	6,328	6,025
Increase in accounts payable 9,238 –		
Increase in customer deposits 2,000 –		
Decrease in prepaid expenses 2,406 –		
Increase in deferred revenue 10,805 –		
	<u>30,777</u>	<u>6,025</u>
Increase (decrease) in cash	(3,836)	5,762
Cash, beginning of year	29,861	24,099
Cash, end of year	<u>\$ 26,025</u>	<u>\$ 29,861</u>
Comprised of:		
Operating fund	\$ 16,407	\$ 16,739
Development fund	9,618	13,122
	<u>\$ 26,025</u>	<u>\$ 29,861</u>

See accompanying notes to financial statements.

# ARNPRIOR AIRPORT COMMISSION

## Notes to Financial Statements

Year ended December 31, 2005

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### 1. Significant accounting policies:

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

(a) Revenues:

Municipal operating levies are recorded in the period to which the levies relate.

Sales, leases, rentals and other revenue are recognized in the period that the service is provided or the good is supplied.

(b) Inventory:

Inventory consists of airplane fuel and oil and is recorded at the lower of cost or net recoverable value.

(c) 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 Statements of Financial Activities and Fund Balance in the year of acquisition.

(d) 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 they become known.

### 2. Development fund:

This fund was established in 2001 for the capital development of the Commission and airport, including the sale of private hangar lots and commercial properties. In 2005, the reserve for future capital expenditures was transferred to the development fund.

# ARNPRIOR AIRPORT COMMISSION

Notes to Financial Statements, page 2

Year ended December 31, 2005

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## **3. Loans receivable:**

The loans receivable relate to lots sold by the Commission during the year. The loans receivable are non-interest bearing with monthly principal payments between \$1,250 and \$720. The principal is due as follows: 2006 - \$14,890; 2007 - \$8,640; and 2008 - \$8,640.

## **4. Reserves:**

- (a) The reserve for crack filling was established by the Commission in order to fund future runway crack filling expenditures.
- (b) The reserve for working funds was established by the Commission in order to fund the Commission's inventory.
- (c) The reserve for future capital expenditures was originally established to hold funds received through a prior year grant from Transport Canada. The reserve was intended to be used to finance capital expenditures in future years. In 2005, the funds were transferred to the development fund.

## **5. Commitments:**

The Commission has an agreement for snow removal services for three years ending April 30, 2007. On a fiscal year basis, the Commission has commitments under this agreement of approximately: 2006 - \$18,000; and 2007 - \$18,000.

## **6. Comparative figures:**

Certain 2004 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2005.