

Consolidated Financial Statements

**CORPORATION OF THE TOWN OF  
ARNPRIOR**

Year ended December 31, 2006

Consolidated Financial Statements

# **CORPORATION OF THE TOWN OF ARNPRIOR**

Year ended December 31, 2006

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Consolidated Financial Statements

# **CORPORATION OF THE TOWN OF ARNPRIOR**

Year ended December 31, 2006

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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, 2006 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, 2006 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  
March 5, 2008

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Statement of Financial Position

December 31, 2006, with comparative figures for 2005

	2006	2005
<b>Assets</b>		
Financial assets:		
Cash and cash equivalents	\$ 2,755,217	\$ 2,332,910
Taxes receivable	1,163,535	1,061,388
Water and sewer billings receivable	774,850	642,673
Accounts receivable	822,730	3,005,858
Other current assets	5,018	41,018
Investments (note 12)	1,571,508	1,598,657
	<u>7,092,858</u>	<u>8,682,504</u>
Liabilities:		
Temporary loans	–	3,897,880
Accounts payable and accrued liabilities	1,516,931	2,232,746
Deferred revenue – obligatory reserve funds (note 8)	290,537	135,600
Employee benefit obligations (note 5)	65,000	56,000
Landfill site closure and post-closure liabilities (note 13)	759,189	714,190
Net long-term liabilities (note 6)	6,864,740	3,340,561
	<u>9,496,397</u>	<u>10,376,977</u>
Net liabilities	(2,403,539)	(1,694,473)
Other assets:		
Inventory	107,377	104,925
Total net liabilities	<u>\$(2,296,162)</u>	<u>\$(1,589,548)</u>
Municipal position:		
Current fund (note 7)	\$ 211,000	\$ 23,914
Capital fund (note 7)	(4,009,610)	(6,601,568)
Reserves	1,766,454	1,722,916
Reserve funds	7,424,923	7,375,941
Fund balances	<u>5,392,767</u>	<u>2,521,203</u>
Amounts to be recovered from future revenues:		
Net long-term liabilities	(6,864,740)	(3,340,561)
Employee benefit obligations (note 5)	(65,000)	(56,000)
Landfill site closure and post-closure liabilities (note 13)	–	(46,120)
Amounts to be recovered from reserve funds:		
Landfill site closure and post-closure liabilities (note 13)	(759,189)	(668,070)
	<u>(7,688,929)</u>	<u>(4,110,751)</u>
Contingent liabilities (note 9)		
Total municipal position	<u>\$(2,296,162)</u>	<u>\$(1,589,548)</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, 2006, with comparative figures for 2005

	2006	2005
<b>Revenues:</b>		
Property taxation	\$ 5,733,032	\$ 5,324,366
Taxation from other governments	94,165	91,812
User charges	3,942,017	3,633,867
Province of Ontario	1,427,597	2,846,127
Federal government	38,282	334,085
Grants from other municipalities	166,369	176,758
Investment income	413,039	373,341
Donations	61,946	242,000
Proceeds from sale of land and equipment	88,117	111,965
Other	246,999	236,524
Transfers from deferred obligatory reserve funds (note 8)	238,342	250,933
<b>Total revenues</b>	<b>12,449,905</b>	<b>13,621,778</b>
<b>Expenditures:</b>		
<b>Current:</b>		
General government	1,125,997	1,073,399
Protection to persons and property	2,206,427	2,052,950
Transportation services	1,429,286	1,302,865
Environmental services	2,146,915	2,008,267
Health services	54,326	47,313
Recreational and cultural services	2,165,083	2,044,219
Planning and development	88,610	100,458
<b>Total current expenditures (note 10)</b>	<b>9,216,644</b>	<b>8,629,471</b>
<b>Capital:</b>		
General government	191,938	78,330
Protection to persons and property	160,717	132,683
Transportation services	880,979	201,605
Environmental services	2,314,215	5,555,741
Health services	8,703	11,124
Recreational and cultural services	282,938	92,632
Planning and development	93,715	22,857
<b>Total capital expenditures</b>	<b>3,933,205</b>	<b>6,094,972</b>
<b>Total expenditures</b>	<b>13,149,849</b>	<b>14,724,443</b>
<b>Net expenditures</b>	<b>(699,944)</b>	<b>(1,102,665)</b>
<b>Financing and transfers:</b>		
Debt incurred (note 6)	3,897,880	-
Debt principal repayments (note 6(c))	(373,823)	(365,519)
Change in landfill site closure and post-closure liabilities	44,999	40,810
Change in non-financial assets	2,452	32,472
Change in pro-rata share of Arnprior Airport Commission (note 1(a)(i))	-	26,035
	3,571,508	(266,202)
<b>Increase (decrease) in fund balances</b>	<b>\$ 2,871,564</b>	<b>\$(1,368,867)</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, 2006, with comparative figures for 2005

	2006	2005
Operations:		
Net expenditures	\$ (699,944)	\$(1,102,665)
Uses:		
Increase in taxes receivable	(102,147)	(15,309)
Increase in water and sewer billings receivable	(132,177)	(94,744)
Increase in accounts receivable	-	(2,282,259)
Increase in other current assets	-	(24,000)
Decrease in temporary loans	(3,897,880)	-
Decrease in accounts payable and accrued liabilities	(715,815)	-
Decrease in deferred revenue – obligatory reserve funds	-	(83,913)
	<u>(4,848,019)</u>	<u>(2,500,225)</u>
Sources:		
Decrease in accounts receivable	2,183,128	-
Decrease in other current assets	36,000	-
Increase in deferred revenue – obligatory reserve funds	154,937	-
Increase in temporary loans	-	3,897,880
Increase in accounts payable and accrued liabilities	-	1,006,110
Increase in landfill site closure and post-closure liabilities	44,999	40,810
	<u>2,419,064</u>	<u>4,944,800</u>
Net change in cash from operations	(3,128,899)	1,341,910
Investing:		
Decrease in investments	27,149	310,893
Increase in pro-rata share of Arnprior Airport Commission	-	26,035
Net change in cash from investing	27,149	336,928
Financing:		
Debt incurred	3,897,880	-
Debt principal repayments	(373,823)	(365,519)
Net change in cash from financing	3,524,057	(365,519)
Increase in cash and cash equivalents	422,307	1,313,319
Cash and cash equivalents, beginning of year	2,332,910	1,019,591
Cash and cash equivalents, end of year	<u>\$ 2,755,217</u>	<u>\$ 2,332,910</u>

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, 2006

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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 – In 2005, the Commission became wholly-owned and controlled by the Town. In 2004, the Town's pro-rata share was at 54.3%.

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, 2006

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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, 2006

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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	2006	2005
Taxation and user charges	\$ 2,821,294	\$ 2,860,360
Amount transferred to school boards	\$ 2,821,294	\$ 2,860,360

  

County of Renfrew	2006	2005
Taxation and user charges	\$ 2,753,207	\$ 2,689,951
Payments in lieu	36,131	28,185
Amount transferred to County of Renfrew	\$ 2,789,338	\$ 2,718,136

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2006

### 3. Trust funds:

Trust funds administered by the Town amounting to \$548,939 (2005 - \$528,245) 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 2006 was \$136,674 (2005 - \$120,644).

### 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:

	2006	2005
Vacation pay	\$ 65,000	\$ 56,000
Amounts to be recovered from future revenues	\$ 65,000	\$ 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	2007 to 2011	2012 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	\$ 2,688,134	\$ 4,176,606	\$ 6,864,740

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2006

## 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:

	2006	2005
Principal payments	\$ 373,823	\$ 365,519
Interest	239,649	386,317
	<u>\$ 613,472</u>	<u>\$ 751,836</u>

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

(a) The current fund balance on the Consolidated Statement of Financial Position of \$211,000 (2005 - \$23,914) at the end of the year is comprised of the following:

	2006	2005
To be applied to operations of the current fund for the following year	\$ 32,778	\$ 100,296
To be recovered from the waterworks operations	4,405	(128,028)
To be recovered from the wastewater operations	5,804	(111,126)
To be applied to operations of the municipal cemetery	99,267	102,005
To be applied to (recovered from) operations of the Downtown Arnprior Business Improvement Area Association	18,714	3,805
To be applied to operations of the Arnprior Public Library Board	491	3,972
To be applied to operations of the Arnprior Airport Commission	49,541	52,990
	<u>\$ 211,000</u>	<u>\$ 23,914</u>

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2006

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

- (b) The capital fund deficiency on the Consolidated Statement of Financial Position of \$4,009,610 (2005 - \$6,601,568) at the end of the year is comprised of the following:

	2006	2005
Unexpended capital financing	\$ 733,225	\$ 254,166
Capital expenditures to be financed from the proceeds of long-term liabilities	(410,324)	(2,634,899)
Capital expenditures to be financed from proceeds of development charges:		
Staye Court Drive Development Charge Project	(1,240,137)	(1,282,120)
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	(296,229)	(306,257)
Fire Vehicle	(163,371)	(182,481)
John Street North Reconstruction	(1,276,618)	(1,319,836)
Staye Court Drive Oversizing	(205,500)	(205,500)
Dry-O-Tron Replacement	(88,698)	(91,700)
Water Pollution Control Centre Design Refinancing	(76,169)	(83,765)
Elevated Water Tank Refinancing	(445,124)	(489,519)
Pumping Stations and Forcemain	(135,194)	(139,771)
Other	(405,471)	(33,047)
	<u>\$ (4,009,610)</u>	<u>\$ (6,601,568)</u>

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 \$10,028 in 2006.

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 \$19,110 in 2006.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2006

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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 \$43,218 in 2006.

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.

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 \$41,983 in 2006.

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 \$3,002 in 2006.

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 \$7,596 in 2006.

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 \$44,395 in 2006.

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2006

## 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 \$4,577 in 2006.

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:

	2006	2005
Balance, beginning of year	\$ 135,600	\$ 219,513
Investment income	9,213	6,773
Subdivider contributions	278,887	160,247
Federal gas tax grant	105,179	–
Transfers to capital fund	(235,185)	(144,844)
Transfers to revenue fund	(3,157)	(106,089)
<b>Balance, end of year</b>	<b>\$ 290,537</b>	<b>\$ 135,600</b>
Analyzed as follows:		
Development charges	\$ 147,079	\$ 102,913
Federal gas tax	108,720	–
Cash in lieu of parkland	34,738	32,687
	<b>\$ 290,537</b>	<b>\$ 135,600</b>

# CORPORATION OF THE TOWN OF ARNPRIOR

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2006

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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, 2006, 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:

	2006	2005
Current fund expenditures by object:		
Salaries, wages and employee benefits	\$ 3,407,944	\$ 3,236,467
Long-term debt interest	444,726	386,317
Materials, services, rents and financial	5,347,257	4,987,671
Transfers to others	16,717	19,016
Total	\$ 9,216,644	\$ 8,629,471

## 11. Budget figures:

The Town of Arnprior reviews its operating and capital budgets annually. The approved operating and capital budgets for 2006 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, 2006

## 12. Investments:

Investments held by the Town relate to reserve funds.

	2006		2005	
	Cost	Market value	Cost	Market value
Bonds	\$ 1,563,022	\$ 1,594,632	\$ 1,592,000	\$ 1,641,299
Unamortized premium paid on bonds	8,486	—	6,657	—
	\$ 1,571,508	\$ 1,594,632	\$ 1,598,657	\$ 1,641,299

## 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 \$1,844,811. 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 230,375 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, 2006 is an amount of \$759,189 (2006 - \$714,190) with respect to landfill closure and post-closure liabilities recognized to date.

The Town has reserve funds totaling \$759,189 (2005 - \$668,070) 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, 2006, with comparative figures for 2005

	Budget 2006  (unaudited, note 11)	Actual 2006	Actual 2005
<b>Revenues:</b>			
Property taxation	\$ 5,649,478	\$ 5,733,032	\$ 5,324,366
Taxation from other governments	100,271	94,165	91,812
User charges	3,946,065	3,942,017	3,633,867
Province of Ontario	997,520	996,779	1,005,219
Grants from other municipalities	166,471	166,369	176,758
Investment income	41,700	49,385	41,329
Donations	7,300	30,355	226,883
Proceeds from sale of land and equipment	–	35,352	94,700
Transfer from deferred obligatory reserve (note 8)	3,157	3,157	106,089
Other	143,400	246,999	236,524
<b>Total revenues</b>	<b>11,055,362</b>	<b>11,297,610</b>	<b>10,937,547</b>
<b>Expenditures:</b>			
General government	1,061,681	1,125,997	1,073,399
Protection to persons and property	2,294,404	2,206,427	2,052,950
Transportation services	1,241,917	1,429,286	1,302,865
Environmental services	2,510,146	2,146,915	2,008,267
Health services	70,700	54,326	47,313
Recreation and cultural services	2,101,381	2,165,083	2,044,219
Planning and development	117,615	88,610	100,458
<b>Total expenditures (note 10)</b>	<b>9,397,844</b>	<b>9,216,644</b>	<b>8,629,471</b>
<b>Net revenues</b>	<b>1,657,518</b>	<b>2,080,966</b>	<b>2,308,076</b>
<b>Financing and transfers:</b>			
Debt principal repayments	(566,388)	(373,823)	(365,519)
Change in non-financial assets	–	2,452	32,472
Net transfers to capital fund	(579,300)	(714,482)	(1,093,680)
Net transfers to reserves and reserve funds	(535,744)	(808,027)	(902,693)
Change in pro-rata share of South Renfrew Municipal Airport Commission (note 1(a)(ii))	–	–	10,413
<b>Net financing and transfers</b>	<b>(1,681,432)</b>	<b>(1,893,880)</b>	<b>(2,319,007)</b>
<b>Change in current fund balance (deficiency)</b>	<b>(23,914)</b>	<b>187,086</b>	<b>(10,931)</b>
<b>Opening current fund balance</b>	<b>23,914</b>	<b>23,914</b>	<b>34,845</b>
<b>Closing current fund balance</b>	<b>\$ –</b>	<b>\$ 211,000</b>	<b>\$ 23,914</b>

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Schedule of Capital Fund Financial Activities

Year ended December 31, 2006, with comparative figures for 2005

	Budget 2006  (unaudited, note 11)	Actual 2006	Actual 2005
<b>Revenues:</b>			
Government grants and transfer payments	\$ 894,000	\$ 469,100	\$ 2,174,993
Investment income	—	17,638	—
Transfer from deferred revenue - obligatory reserve fund (note 8)	26,790	235,185	144,844
Proceeds from sale of land	—	52,765	17,265
Donations	—	8,896	15,117
<b>Total revenues</b>	<b>920,790</b>	<b>783,584</b>	<b>2,352,219</b>
<b>Expenditures:</b>			
General government	45,000	191,938	78,330
Protection to persons and property	21,500	160,717	132,683
Transportation services	768,750	880,979	201,605
Environmental services	2,316,000	2,314,215	5,555,741
Health services	—	8,703	11,124
Recreational and cultural services	158,500	282,938	92,632
Planning and development	—	93,715	22,857
<b>Total expenditures</b>	<b>3,309,750</b>	<b>3,933,205</b>	<b>6,094,972</b>
<b>Net expenditures</b>	<b>(2,388,960)</b>	<b>(3,149,621)</b>	<b>(3,742,753)</b>
<b>Financing and transfers:</b>			
Long-term debt	3,813,738	3,897,880	—
Change in landfill site closure and post-closure liabilities	—	44,999	40,810
Net transfers from reserves and reserve funds	435,750	1,084,218	509,140
Net transfers from current fund	814,000	714,482	1,093,680
<b>Net financing and transfers</b>	<b>5,063,488</b>	<b>5,741,579</b>	<b>1,643,630</b>
<b>Change in capital fund balance (deficiency)</b>	<b>2,674,528</b>	<b>2,591,958</b>	<b>(2,099,123)</b>
<b>Opening capital fund balance deficiency</b>	<b>(6,601,568)</b>	<b>(6,601,568)</b>	<b>(4,502,445)</b>
<b>Closing capital fund deficiency</b>	<b>\$(3,927,040)</b>	<b>\$(4,009,610)</b>	<b>\$(6,601,568)</b>

As disclosed in note 7, the Capital Fund had repayments, net of internal borrowings, to the Arnprior Hydro Reserve Fund of \$(173,909) (2005 - \$(165,629)) in 2006. Total internal financing at December 31, 2006 is \$3,927,040 (2005 - \$4,100,949).

# CORPORATION OF THE TOWN OF ARNPRIOR

## Consolidated Schedule of Reserves and Reserve Funds

Year ended December 31, 2006, with comparative figures for 2005

	2006	2005
Revenue:		
Investment income	\$ 346,016	\$ 332,012
Donations	22,695	-
Net transfers from (to) other funds:		
Net transfers from (to) current fund	808,027	902,693
Net transfers to capital fund	(1,084,218)	(509,140)
Change in pro-rata share of South Renfrew Municipal Airport Commission (note 1(a)(i))	-	15,622
Total net transfers	(276,191)	409,175
Change in reserves and reserve fund balances	92,520	741,187
Opening reserves and reserve fund balance	9,098,857	8,357,670
Closing reserves and reserve fund balance	\$ 9,191,377	\$ 9,098,857
Analized as follows:		
Reserves set aside for specific purposes by Council:		
Working capital	\$ 779,530	\$ 514,412
Acquisition of capital assets	649,655	844,467
Recreational and cultural facilities	217,854	177,948
Other	119,415	186,089
Total reserves	1,766,454	1,722,916
Reserve funds set aside for specific purposes by Council:		
Recreational and cultural facilities	16,442	5
Landfill site closure and post-closure care	759,188	668,070
Capital expenditure – Arnprior Hydro Reserve Fund	6,649,293	6,707,866
Total reserve funds	7,424,923	7,375,941
Total reserves and reserve funds	\$ 9,191,377	\$ 9,098,857

As disclosed in note 7, the Capital Fund had repayments, net of internal borrowings, to the Arnprior Hydro Reserve Fund of \$(173,909) (2005 - \$(165,629)) in 2006. Total internal financing at December 31, 2006 is \$3,927,040 (2005 - \$4,100,949).

Financial Statements of

**TOWN OF ARNPRIOR – TRUST  
FUNDS**

Year ended December 31, 2006



**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, 2006 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, 2006 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

March 5, 2008

# CORPORATION OF THE TOWN OF ARNPRIOR

## Trust Funds

### Statements of Financial Position

December 31, 2006, with comparative figures for 2005

Name of Funds	Care and maintenance	Neilson trust	O.H.R.P	Total 2006	Total 2005
<b>Assets</b>					
Cash	\$ 28	\$ 32	\$ 2,478	\$ 2,538	\$ 2,586
Investment in bonds at cost:					
Canada	200	—	—	200	200
Provincial	145,500	—	—	145,500	216,000
Municipal and other corporate	118,182	—	—	118,182	47,682
Guaranteed investment certificates and term deposits	199,122	52,000	—	251,122	251,122
Accrued interest receivable	107,541	—	—	107,541	98,561
	570,573	52,032	2,478	625,083	616,151
Other:					
Due from Town of Arnprior (note 4)	29,389	—	—	29,389	8,659
Due from revenue fund	—	—	2,008	2,008	1,673
Loans receivable (note 2)	—	—	—	—	323
	29,389	—	2,008	31,397	10,655
	\$ 599,962	\$ 52,032	\$ 4,486	\$ 656,480	\$ 626,806

### Liabilities and Fund Balance

Due to Arnprior Municipal Cemetery	\$ 107,541	\$ —	\$ —	\$ 107,541	\$ 98,561
Fund balance	492,421	52,032	4,486	548,939	528,245
	\$ 599,962	\$ 52,032	\$ 4,486	\$ 656,480	\$ 626,806

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, 2006, with comparative figures for 2005

	Care and maintenance	Neilson trust	O.H.R.P	Total 2006	Total 2005
Fund balance, beginning of year	\$ 471,691	\$ 52,032	\$ 4,522	\$ 528,245	\$ 517,252
Capital receipts:					
Care and maintenance	20,730	—	—	20,730	10,954
Revenue:					
Investment income	21,224	1,275	—	22,499	21,334
Loan interest	—	—	11	11	86
	<u>41,954</u>	<u>1,275</u>	<u>11</u>	<u>43,240</u>	<u>32,374</u>
Expenditures:					
Cemetery maintenance	21,224	1,275	—	22,499	21,334
Administration fee	—	—	47	47	47
	<u>21,224</u>	<u>1,275</u>	<u>47</u>	<u>22,546</u>	<u>21,381</u>
Fund balance, end of year	\$ 492,421	\$ 52,032	\$ 4,486	\$ 548,939	\$ 528,245

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, 2006

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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, 2006 are comprised of repayable loans of \$Nil (2005 - \$323). 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 \$622,245 (2005 - \$613,565) reported on the Statements of Financial Position at cost, have a market value of \$617,711 (2005 - \$611,138) 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 \$1,329 (2005 - \$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, 2006



**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, 2006 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, 2006 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

March 5, 2008

# DOWNTOWN ARNPRIOR BUSINESS IMPROVEMENT AREA ASSOCIATION

Statement of Financial Position

December 31, 2006, with comparative figures for 2005

	2006	2005
<b>Assets</b>		
Financial assets:		
Cash and cash equivalents	\$ 43,923	\$ 30,383
Liabilities:		
Accounts payable	1,888	4,132
Due to the Corporation of the Town of Arnprior	1,750	875
	3,638	5,007
<b>Net financial assets</b>	<b>\$ 40,285</b>	<b>\$ 25,376</b>
Municipal position:		
Current fund surplus	\$ 18,714	\$ 3,805
Reserves:		
Reserve for working capital	6,306	6,306
Reserve for street improvements	15,265	15,265
	21,571	21,571
<b>Total municipal position</b>	<b>\$ 40,285</b>	<b>\$ 25,376</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

Year ended December 31, 2006, with comparative figures for 2005

	2006	2005
Revenues:		
Municipal tax levy	\$ 25,500	\$ 25,000
Other	100	550
Interest	653	191
	26,253	25,741
Expenditures:		
Services	8,045	12,320
Materials and supplies	3,220	9,554
Financial	80	62
	11,345	21,936
Net revenues	14,908	3,805
Financing transfers:		
Contribution from reserves	-	7,346
Change in current fund balance	14,908	11,151
Opening current fund surplus (deficit)	3,805	(7,346)
Closing current fund surplus	\$ 18,713	\$ 3,805

See accompanying notes to the financial statements.

# **DOWNTOWN ARNPRIOR BUSINESS IMPROVEMENT AREA ASSOCIATION**

Notes to Financial Statements

Year ended December 31, 2006

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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

**ARNPRIOR MUNICIPAL  
CEMETERY**

Year ended December 31, 2006



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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, 2006 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, 2006 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

March 5, 2008

# ARNPRIOR MUNICIPAL CEMETERY

## Statement of Financial Position

December 31, 2006, with comparative figures for 2005

	2006	2005
<b>Assets</b>		
Financial assets:		
Due from Town of Arnprior - current fund	\$ 18,319	\$ 18,354
Due from Town of Arnprior - care and maintenance trust fund	107,541	98,561
	<u>125,860</u>	<u>116,915</u>
Liabilities:		
Accounts payable	2,900	1,700
Deferred revenue	13,210	13,210
	<u>16,110</u>	<u>14,910</u>
<b>Net financial assets</b>	<b>\$ 109,750</b>	<b>\$ 102,005</b>
Municipal position:		
Current fund	\$ 109,750	\$ 102,005

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, 2006, with comparative figures for 2005

	Budget 2006	Actual 2006	Actual 2005
	(Unaudited, note 3)		
Revenue:			
Care and maintenance	\$ 23,500	\$ 22,499	\$ 21,334
Burial charges	35,300	41,434	32,710
Plots	18,900	19,322	11,665
	<u>77,700</u>	<u>83,255</u>	<u>65,709</u>
Expenditures:			
Salaries	48,100	31,674	33,574
Services	21,600	25,111	14,233
Materials, supplies and utilities	6,000	10,023	6,624
Capital purchases	2,000	8,702	11,124
	<u>77,700</u>	<u>75,510</u>	<u>65,555</u>
Net revenue	-	7,745	154
Opening current fund balance	101,851	102,005	101,851
Closing current fund balance	<u>\$ 101,851</u>	<u>\$ 109,750</u>	<u>\$ 102,005</u>

See accompanying notes to the financial statements.

# ARNPRIOR MUNICIPAL CEMETERY

Notes to Financial Statements

Year ended December 31, 2006

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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 \$548,939 (2005 - \$528,245) 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 2006 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, 2006

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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 PUBLIC LIBRARY  
BOARD**

Year ended December 31, 2006



**KPMG LLP**  
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## AUDITORS' REPORT

We have audited the statement of financial position of the Arnprior Public Library Board as at December 31, 2006 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, 2006 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

March 5, 2008

# ARNPRIOR PUBLIC LIBRARY BOARD

## Statement of Financial Position

December 31, 2006, with comparative figures for 2005

	2006	2005
<b>Assets</b>		
Financial assets:		
Cash	\$ 63,119	\$ 46,991
Investments	161,789	139,921
	<u>224,908</u>	<u>186,912</u>
Liabilities:		
Accounts payable	4,462	4,192
Due to the Town of Arnprior	13,089	10,800
	<u>17,551</u>	<u>14,992</u>
<b>Total net financial assets</b>	<b>\$ 207,357</b>	<b>\$ 171,920</b>
Municipal position:		
Current fund	\$ 491	\$ 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	125,289	103,421
Reserve for programs	2,125	1,125
Reserve for future development	27,545	18,495
Reserve for books	15,958	8,957
	<u>206,866</u>	<u>167,947</u>
<b>Total municipal position</b>	<b>\$ 207,357</b>	<b>\$ 171,920</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, 2006, with comparative figures for 2005

	Budget (Unaudited)	2006	2005
<b>Revenues:</b>			
Grants - Town of Arnprior	\$ 177,969	\$ 177,969	\$ 173,309
- Township of Mc Nab/Braeside	32,646	32,300	30,000
- Province of Ontario	15,569	15,621	15,569
- Township of Lanark Highlands	700	700	700
Fees, fines and book sales	18,000	36,480	25,115
Investment income	3,200	6,686	4,820
Donations	5,000	29,395	122,452
<b>Total revenues</b>	<b>253,084</b>	<b>299,151</b>	<b>371,965</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Salaries and benefits	196,270	193,887	184,441
Books and records	37,950	43,390	41,015
Office supplies	6,260	7,197	8,164
Miscellaneous	2,875	2,728	3,388
Copier lease	2,300	2,227	2,265
Professional fees	875	900	900
Insurance	800	995	995
Fundraising	-	-	5,492
Telephone	4,800	3,787	3,666
Automation	3,000	8,037	6,753
Equipment maintenance	500	-	-
<b>Total current expenditures</b>	<b>255,630</b>	<b>263,148</b>	<b>257,079</b>
<b>Capital:</b>			
Capital	-	566	1,834
<b>Total capital expenditures</b>	<b>(2,546)</b>	<b>566</b>	<b>1,834</b>
<b>Net revenues (expenditures)</b>	<b>(2,546)</b>	<b>35,437</b>	<b>113,052</b>
<b>Financing transfers:</b>			
Transfers to reserves (note 3)	-	(38,919)	(110,119)
Contribution from reserves (note 3)	-	-	1,040
	-	(38,919)	(109,079)
<b>Change in current fund balance (deficiency)</b>	<b>(2,546)</b>	<b>(3,482)</b>	<b>3,973</b>
Opening current fund balance	3,973	3,973	-
<b>Closing current fund balance</b>	<b>\$ 1,427</b>	<b>\$ 491</b>	<b>\$ 3,973</b>

See accompanying notes to the financial statements.

# ARNPRIOR PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2006

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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.

# ARNPRIOR PUBLIC LIBRARY BOARD

Notes to Financial Statements, continued

Year ended December 31, 2006

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## 2. Budget figures:

The Arnprior Public Library reviews its operating budget annually. The approved operating budget for 2006 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 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 \$21,868 (2005 - 103,421) to the Reserve Guamond bequest, \$9,050 (2005 - \$6,698) to the reserve for future development, \$1,000 (2005 - \$ Nil) to the reserve for programs and \$7,000 (2005 - \$Nil) from the reserve for future development. During the year, the Board transferred \$Nil (2005 - \$1,040) 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.