

**The Corporation of the
Village of Westport
Consolidated Financial Statements
For the year ended December 31, 2007**

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The Corporation of the Village of Westport

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Auditor's Report

**To the Members of Council,
Inhabitants and Ratepayers of
The Corporation of the Village of Westport**

I have audited the Statement of Financial Position of the Corporation of the Village of Westport as at December 31, 2007 and the Statements of Financial Activities and Changes in Financial Position. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the Village of Westport as at December 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles disclosed in Note 1 to the financial statements.

Brent J. Burns
Chartered Accountant
Licensed Public Accountant

Gananoque, Ontario

March 8, 2008

**The Corporation of the Village of Westport
Consolidated Statement of Financial Position**

December 31	2007	2006
Financial Assets		
Cash	\$ 116,806	\$ 372,464
Taxes receivable	76,813	123,415
Accounts receivable	84,059	87,686
Long term investments (Note 3)	<u>340,164</u>	<u>340,164</u>
	<u>617,842</u>	<u>923,729</u>
Physical Assets		
Prepaid expenses	<u>15,867</u>	-
Total Assets	\$ 633,709	\$ 923,729
Liabilities		
Temporary loan	\$ 228,000	\$ 298,109
Accounts payable and accrued liabilities	80,423	164,115
Deferred revenues (Note 10)	<u>20,284</u>	<u>2,100</u>
	<u>328,707</u>	<u>464,324</u>
Long term debt (Note 4)	<u>970,311</u>	<u>1,053,844</u>
Solid waste closure and post-closure liabilities	<u>255,000</u>	<u>175,000</u>
Municipal Position		
Operating Fund	50,683	206,576
Capital Fund	-	-
Reserves (Note 5)	247,019	245,529
Reserve Funds (Note 5)	7,300	7,300
Amounts to be recovered (Note 6)	<u>(1,225,311)</u>	<u>(1,228,844)</u>
Municipal Position	<u>(920,309)</u>	<u>(769,439)</u>
Total Liabilities and Municipal Position	\$ 633,709	\$ 923,729

**The Corporation of the Village of Westport
Consolidated Statement of Financial Activities**

For the year ended December 31	2007 Budget	2007 Actual	2006 Actual
Revenues			
Net Taxation and user charges			
Taxation for Municipal purposes	\$ 496,063	\$ 494,240	\$ 473,629
Payments in lieu of taxation	4,000	2,618	2,532
Provincial and Federal grants	176,208	221,103	364,324
Revenue from other municipalities	20,800	20,239	33,631
User fees and service charges	292,593	561,651	531,665
Licences, permits and rents	26,200	25,701	26,952
Fines and penalties	15,250	19,339	22,175
Investment income	14,200	28,635	28,121
Other	21,233	39,715	17,115
Total Revenues	\$ 1,066,547	\$ 1,413,241	\$ 1,500,144

**The Corporation of the Village of Westport
Consolidated Statement of Financial Activities**

For the year ended December 31	2007 Budget	2007 Actual	2006 Actual
Expenditures:			
Current operations			
General government	\$ 319,150	\$ 337,254	\$ 312,645
Protection services	124,971	122,353	129,846
Transportation services	99,455	106,244	105,535
Environment and health services	135,100	473,693	440,964
Recreation and cultural services	268,745	277,529	265,758
Planning and development	44,250	15,064	24,843
	<u>991,671</u>	<u>1,332,137</u>	<u>1,279,591</u>
Capital			
General government	-	696	34,910
Protection services	21,976	2,535	15,188
Transportation services	45,000	89,690	3,696
Environmental services	-	76,192	13,851
Recreation and cultural services	-	11,380	84,180
Planning and development	-	-	4,288
	<u>66,976</u>	<u>180,493</u>	<u>156,113</u>
Total Expenditures	<u>1,058,647</u>	<u>1,512,630</u>	<u>1,435,704</u>
Net revenue (expenditure)	<u>\$ 7,900</u>	<u>\$ (99,389)</u>	<u>\$ 64,440</u>

**The Corporation of the Village of Westport
Consolidated Statements of Changes in Financial Position**

For the year ended December 31	2007	2006
Operations:		
Net revenue (expenditure)	\$ (99,389)	\$ 64,440
Sources:		
Decrease in taxes receivable	47,102	3,290
Increase in deferred revenues	18,084	-
Decrease in accounts receivable	3,627	261,557
Uses:		
Decrease in accounts payable	(83,683)	(66,902)
Decrease in deferred revenues	-	(19,866)
Increase in prepaid expenses	(15,867)	-
Net increase (decrease) in cash from operations	(30,737)	178,079
Financing:		
Decrease in temporary loans	(78,109)	(665,670)
Increase (decrease) of municipal debt	(47,223)	640,709
	(125,532)	(24,961)
Net change in cash and cash equivalents	(255,658)	217,558
Opening cash and equivalents	372,464	154,906
Closing cash and equivalents	\$ 116,806	\$ 372,464

The Corporation of the Village of Westport

Notes to Consolidated Financial Statements

December 31, 2007

1. Summary of Significant Accounting Policies

The consolidated financial statements of the Corporation of the Village of Westport are the representation of management prepared in accordance with accounting policies prescribed by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment.

(a) (i) Basis of Consolidation

These consolidated statements reflect the assets, liabilities, sources of financing and applications of financing of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following boards which are under the control of Council:

Village of Westport Water and Wastewater Systems
Rideau District Museum Board
Village of Westport Library Board

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

(ii) Proportionately consolidated entities

The following joint local boards are proportionately consolidated:

The Westport – Rideau Lakes Fire Board
The Westport-North Crosby Waste Management Board

(iii) Trust Funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Fund Statement of Continuity and Balance Sheet.

The Corporation of the Village of Westport

Notes to Consolidated Financial Statements

December 31, 2007

1. Summary of Significant Accounting Policies (continued)

(b) Basis of Accounting

(i) Accrual Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized, as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(ii) Capital Assets

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

(c) Landfill closure and post-closure liabilities:

The Village accrues landfill 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 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.

The Corporation of the Village of Westport Notes to Consolidated Financial Statements

December 31, 2007

2. Operations of School Boards and the United Counties of Leeds and Grenville

The taxation, other revenues and expenditures of the School Boards and the United Counties of Leeds and Grenville are comprised of the following:

	School Board	United Counties
Taxation	\$ 309,317	\$ 261,791
Grants in lieu of taxes	110	1,005
	309,427	262,796
Requisitions	(309,427)	(262,796)
	\$ -	\$ -

3. Long Term Investments

Long term investments are comprised of:

	2007	2006
Common Shares of Rideau St. Lawrence Distribution Inc.	\$ 340,164	\$ 340,164

Long term investments are recorded at cost. Investment income of \$ 11,904 is included in the Consolidated Statement of Financial Activities.

4. Long Term Debt

a) The balance of the long term debt reported on the Consolidated balance sheet is made up of the following:

	2007	2006
(i) Long term bank loans incurred by the municipality including those incurred for municipal enterprises and outstanding at the end of the year amount to:	\$ 970,311	\$ 1,053,844
(ii) Solid waste site landfill closure and post closure liabilities	255,000	175,000
	\$ 1,225,311	\$ 1,228,844

b) The long term liabilities reported in (a) (i) of this note 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.

**The Corporation of the Village of Westport
Notes to Consolidated Financial Statements**

December 31, 2007

4. Long Term Debt (continued)

c) Future principal payments on long term debt for the next five years are as follows:

2008	\$ 83,811
2009	\$ 76,426
2010	\$ 81,218
2011	\$ 85,603
2012	\$ 89,988

5. Reserves and Reserve Funds

The total balance of Reserves and Reserve Funds of \$ 254,319 (2006 - \$ 252,829) are made up of the following:

	<u>2007</u>	<u>2006</u>
Reserves set aside for specific purpose by Council:		
- for acquisition of capital assets	\$ 199,269	\$ 197,779
- for working capital	<u>47,750</u>	<u>47,750</u>
	247,019	245,529
Reserve Fund for recreation capital	<u>7,300</u>	<u>7,300</u>
	<u>\$ 254,319</u>	<u>\$ 252,829</u>

6. Amounts to be Recovered

	<u>2007</u>	<u>2006</u>
Long term liabilities	\$ 970,311	\$ 1,053,844
Solid waste site closure liabilities	<u>255,000</u>	<u>175,000</u>
	<u>\$ 1,225,311</u>	<u>\$ 1,228,844</u>

7. Trust Funds

Trust funds administered by the municipality are:

	<u>2007</u>	<u>2006</u>
Lockwood Memorial Field Trust Fund	\$ 24,915	\$ 35,175

These have not been included in the consolidated balance sheet nor have their operations been included in the consolidated statement of operations.

The Corporation of the Village of Westport
Notes to Consolidated Financial Statements

December 31, 2007

8. Staff salaries

This municipality is an employer subject to the Public Sector Salary Disclosure Act 1996. No employees were paid \$ 100,000 or more by the Village in 2007.

9. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (O.M.E.R.S.), which is a multi-employer plan, on behalf of 2 members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay.

The contributions to O.M.E.R.S. made for 2007 for current service were \$ 17,410.80. These amounts are included in current operations on the statement of financial activities.

10. Deferred Revenues

Included in deferred revenues are Reserve Funds noted below the use of which, together with any earnings, is restricted by legislation. These amounts will be recognized as revenue in the period in which a related expenditure is made.

	<u>2006</u>	<u>2005</u>
Obligatory Reserve Funds:		
Park in Lieu	<u>\$ 2,100</u>	<u>\$ 2,100</u>
Other deferred revenue	<u>18,184</u>	-
	<u>\$ 20,284</u>	<u>\$ 2,100</u>

**The Corporation of the Village of Westport
Schedule of Current Fund Operations**

For the year ended December 31	2007 Budget	2007 Actual	2006 Actual
Revenues			
Net taxation and user charges			
Taxation for municipal purposes	\$ 496,063	\$ 494,240	\$ 473,629
Payments in lieu of taxation	4,000	2,618	2,532
Provincial and Federal grants	159,540	193,690	285,094
Revenue from other municipalities	20,800	20,234	33,631
User fees and service charges	292,593	561,651	531,665
Licences, permits and rents	26,200	25,701	26,952
Fines and penalties	15,250	19,339	22,175
Investment income	14,200	28,635	28,121
Other	8,733	12,114	11,822
	<u>1,037,379</u>	<u>1,358,227</u>	<u>1,415,621</u>
Current operations:			
General government	286,555	337,254	310,440
Protection to persons and property	124,971	122,363	129,846
Transportation services	99,455	106,244	105,535
Environment and health services	135,100	473,693	440,964
Recreation and cultural services	268,745	277,529	265,758
Planning and development	44,250	15,064	24,843
	<u>959,076</u>	<u>1,332,147</u>	<u>1,277,386</u>
Net Revenue	<u>78,303</u>	<u>26,080</u>	<u>138,235</u>
Financing and transfers			
Debt principal repayments	(22,000)	(52,989)	(69,398)
Transfers to reserve and reserve funds	(20,995)	(1,125)	(18,699)
Transfers (to) from capital operations	(35,308)	(127,859)	520,525
Net financing and transfers	<u>78,303</u>	<u>181,973</u>	<u>432,428</u>
Change in operating fund	-	(155,893)	570,663
Surplus beginning of year	<u>206,576</u>	<u>206,576</u>	<u>(364,087)</u>
Surplus end of year	<u>\$ 206,576</u>	<u>\$ 50,683</u>	<u>\$ 206,576</u>

**The Corporation of the Village of Westport
Schedule of Capital Fund Operations**

For the year ended December 31	2007 Budget	2007 Actual	2006 Actual
Revenues:			
Federal and Provincial grants	\$ 23,374	\$ 27,413	\$ 78,960
Other	-	25,221	29,000
	<u>23,374</u>	<u>52,634</u>	<u>107,960</u>
Expenditures:			
General government	-	696	34,910
Protective services	21,976	2,535	15,188
Transportation services	45,00	89,690	3,696
Environmental services	-	76,192	13,851
Recreation and cultural services	-	11,380	84,180
Planning and development	-	-	4,288
	<u>66,976</u>	<u>180,493</u>	<u>156,113</u>
Net Expenditures	<u>(43,602)</u>	<u>(127,859)</u>	<u>(48,153)</u>
Financing and transfers:			
Proceeds of long-term debt	-	-	690,113
Transfers from reserves and reserve funds	12,500	-	30,000
Transfers (to) from operating	31,102	127,859	(520,525)
	<u>43,602</u>	<u>127,859</u>	<u>199,588</u>
Change in Capital Fund balance	-	-	151,435
Opening Capital Fund balance	-	-	(151,435)
Closing Capital Fund balance	\$ -	\$ -	\$ -

**The Corporation of the Village of Westport
Schedule of Reserve and Reserve Funds**

For the year ended December 31	2007 Budget	2007 Actual	2006 Actual
Financing and Transfers:			
Transfers from operating fund	\$ 33,495	\$ 1,125	\$ 14,453
Transfer to capital fund	<u>(12,500)</u>	<u>-</u>	<u>(30,000)</u>
	20,995	1,125	(15,547)
Opening balance	<u>253,194</u>	<u>253,194</u>	<u>268,376</u>
Closing balance	<u>\$ 274,189</u>	<u>\$ 254,319</u>	<u>\$ 252,829</u>