

THE CORPORATION OF THE TOWNSHIP OF PRINCE

BY-LAW NO. 2007-14

Being a by-law to authorize execution by the Reeve and Administrator of an agreement between the municipality and Calam Ruscio Rossi, Chartered Accountants LLP and Stefanizzi Professional Corporation, Chartered Accountants, being an agreement with regards to Capital Asset Management.

THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF PRINCE
HEREBY ENACTS AS FOLLOWS:


1. THAT the Reeve and Administrator be and they are hereby authorized to execute and affix the Corporate Seal to an Agreement between the municipality and Calam Ruscio Rossi, Chartered Accountants LLP and Stefanizzi Professional Corporation, Chartered Accountants, which Agreement is attached hereto as Schedule "A".

2. SCHEDULE "A"

Schedule "A" forms part of this by-law.

READ THREE TIMES AND PASSED in open Council this 11th day of
September, 2007.


Reeve


CAO/Administrator



Calam Ruscio Rossi

Chartered Accountants LLP



STEFANIZZI
PROFESSIONAL CORPORATION
CHARTERED ACCOUNTANT

August 6, 2007

Ann Mitchell,

CAO/Administrator

Township of Prince

3042 Second Line West,

Sault Ste. Marie, ON

P6A 6K4

SCHEDULE "A" TO BY-LAW 2007-14

Dear Ann:

The purpose of this letter is to outline the terms of our engagement to provide PSAB consulting services for The Corporation of the Township of Prince. The consulting services are being provided jointly by Calam Ruscio Rossi CA LLP and Stefanzizzi Professional Corporation.

As consultants we will assist the Township in developing an initial data collection template, discussion and analysis re: average useful life guidelines, asset pooling and groupings, procedural manual for TCA management and data verification process/structure.

It maybe necessary to engage the assistance of other consultants and professionals (i.e. engineers, valuers and appraisers). The cost of these other consultants and professionals will be the responsibility of the Township.

The above terms of our engagement will be effective from September 15, 2007 unless amended or terminated in writing. A copy of the proposed timeline and milestones along with the fee structure is attached.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us. We appreciate the opportunity of continuing to be of service to your Township.

Yours truly,

Calam Ruscio Rossi

Chartered Accountants LLP

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STEFANIZZI
PROFESSIONAL CORPORATION
CHARTERED ACCOUNTANT



- ❖ Engagement letters – draft engagement letters to be circulated to Townships September 2007
- ❖ Inventory or mapping of the Township Assets. (i.e. Roads, Water & Sewer, Fire Department and Recreation)
- ❖ Preparation of the necessary schedules, working papers analysis etc. (i.e. Treasurers to locate historical cost records of assets where possible, determination if alternative value methods are necessary, specialists – engineers/valuators)
- ❖ Specialist for valuation of Township Assets (i.e. Engineering Firm or Municipal Consultants)
- ❖ Development of threshold for each Township, pooling of assets groups and development of capital asset policies and amortization rates. (i.e. pools (streetlights and road and water components)
- ❖ Integration of inventory/mapping and values into each Township's financial reporting process and software
- ❖ Determination of materiality levels for each Township and communication with auditor
- ❖ Dates, commence preliminary review of Township Assets with CAO of each Town in November 2007.
- ❖ Dates, January & February 2008 compile cost records for Capital Asset classes, if specialists are required for Asset Valuation time line determined prior to May and June 2008
- ❖ Dates, May and June 2008, compile Capital Asset classes template for each Township on a first draft basis
- ❖ Dates, September 2008 present draft Capital Asset policies, manual and Template to Council for approval
- ❖ Implementation November 2008 of project





Fee Schedule

Our fees are based on what we believe is a fair estimate of our time and effort to provide you with a quality. We continually strive to keep our fees at the lowest level consistent with the highest professional standards and requirements for timely service. We will work closely with the accounting personnel and anticipate their active participation in areas where they can contribute to the audit effort and minimize cost.

The proposed budgets presuppose to complete the PSAB project and year-end files.

Based on the our budgeted hours, our proposed fee to conduct the project would be between \$20,000 and \$25,000 per township plus GST and disbursements.

The above fees are based on the anticipated 150 to 200 hours for the project.

The fees are not **inclusive** of specialists' fees and costs.

If less time is required to perform the required services than anticipated, a reduction in fees will result.

ACKNOWLEDGED:

Client Name: Ann Mitchell

Name and Title: CAO/Administrator

Date:



Appendix I - Fee Schedule - Estimates

Late: October and November 2007, commence preliminary review of Township Assets with CAO of each Township, identify scope and availability of information, etc. \$2,700.00

Late: January and February 2008, preparation of the necessary schedules, working papers analysis etc. (i.e Treasurers have located historical cost records of assets where possible, determination if alternative value methods are necessary, specialists – engineers/valuators and communication with same.

Compile cost records and template for capital asset continuity, ensure software for asset management (were applicable) is online, develop amortization rates and pools etc. \$9,450.00

Late: May and June 2008, compile Capital Asset Continuity working draft template for each Township on a first draft basis, review workings of same with CAO/Treasurer, make changes where necessary and implement into financial reporting processes on a test basis \$7,425.00

Date: September 2008 present draft Capital Asset management policies, manual and Template to Council for approval and assistance to staff on the implementation basis \$5,400.00