

**CORPORATION OF THE TOWNSHIP OF ESSA**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

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## **AUDITORS' REPORT**

### **TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF ESSA**

We have audited the consolidated statement of financial position of the Corporation of the Township of Essa as at December 31, 2004 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 Township'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 Township as at December 31, 2004 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.

*Collins Barrow Kawarthas LLP*

Lindsay, Ontario  
April 7, 2005

Chartered Accountants

## CORPORATION OF THE TOWNSHIP OF ESSA

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At December 31, 2004**

	2004 \$	2003 \$
<b>ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	7,693,510	3,427,974
Taxes receivable	1,093,602	1,195,616
Trade and other receivables	870,452	788,748
Prepaid expenses	13,763	10,545
Long term receivables (Note 3)	589,467	601,719
<b>TOTAL ASSETS</b>	<b>10,260,794</b>	<b>6,024,602</b>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
<b>LIABILITIES</b>		
Temporary advances (Note 6)	165,994	-
Accounts payable and accrued liabilities	506,648	1,689,856
Other liabilities	424,816	408,620
Deferred revenue - other	167,213	174,513
Deferred revenue - obligatory reserve funds (Note 4)	3,355,474	1,969,789
Post employment benefit liabilities	293,238	255,678
Long term debt payable (Note 5)	4,127,000	-
<b>TOTAL LIABILITIES</b>	<b>9,040,383</b>	<b>4,498,456</b>
<b>MUNICIPAL POSITION</b>		
Fund Balances (Deficit) (Note 6)		
Current fund	644,251	898,003
Capital fund	(841,945)	(4,485,131)
Reserves and reserve funds (see Schedule page 13)	5,838,343	5,368,952
	5,640,649	1,781,824
Amounts To Be Recovered (Note 7)	(4,420,238)	(255,678)
<b>TOTAL MUNICIPAL POSITION</b>	<b>1,220,411</b>	<b>1,526,146</b>
<b>TOTAL LIABILITIES AND MUNICIPAL POSITION</b>	<b>10,260,794</b>	<b>6,024,602</b>

The accompanying notes are an integral part of this financial statement.

## CORPORATION OF THE TOWNSHIP OF ESSA

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**For The Year Ended December 31, 2004**

	Budget 2004 \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>			
Taxation	6,501,160	6,486,413	6,247,369
User charges	2,543,889	3,298,229	3,098,202
Transfer payments from other governments	640,411	639,345	653,660
Penalties and interest on taxes	150,000	169,879	146,168
Investment income	103,250	157,069	150,908
Development charges earned	317,609	93,976	422,728
Sale of land	629,000	60,500	-
<b>TOTAL REVENUES</b>	<b>10,885,319</b>	<b>10,905,411</b>	<b>10,719,035</b>
<b>EXPENDITURES</b>			
<b>CURRENT</b>			
General government	793,798	843,407	760,678
Protection services	2,479,768	2,286,859	2,150,017
Transportation services	1,639,603	1,632,448	1,492,007
Environmental services	1,648,205	1,649,399	1,491,528
Health services	2,235	-	-
Social and family services	23,000	20,047	27,634
Recreation and cultural services	1,257,382	1,210,054	1,190,549
Planning and development	297,764	362,912	246,391
<b>TOTAL CURRENT EXPENDITURES</b>	<b>8,141,755</b>	<b>8,005,126</b>	<b>7,358,804</b>
<b>CAPITAL</b>			
General government	125,014	91,540	60,581
Protection services	318,732	158,351	105,816
Transportation services	2,209,700	1,608,799	1,471,106
Environmental services	8,633,770	917,488	5,116,939
Recreation and cultural services	454,742	413,365	748,014
Planning and development	17,000	16,477	51,098
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>11,758,958</b>	<b>3,206,020</b>	<b>7,553,554</b>
<b>TOTAL EXPENDITURES</b>	<b>19,900,713</b>	<b>11,211,146</b>	<b>14,912,358</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>(9,015,394)</b>	<b>(305,735)</b>	<b>(4,193,323)</b>
<b>INCREASE (DECREASE) IN AMOUNTS TO BE RECOVERED</b>			
Long term debt issued	-	4,127,000	-
Post employment benefits	-	37,560	34,410
	-	4,164,560	34,410
<b>INCREASE (DECREASE) IN FUND BALANCES</b>	<b>(9,015,394)</b>	<b>3,858,825</b>	<b>(4,158,913)</b>

The accompanying notes are an integral part of this financial statement.

## CORPORATION OF THE TOWNSHIP OF ESSA

**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**For The Year Ended December 31, 2004**

	2004 \$	2003 \$
<b>OPERATIONS</b>		
Net revenues/(expenditures)	(305,735)	(4,193,323)
Sources (Uses):		
(Increase) decrease in taxes receivable	102,014	(163,658)
(Increase) decrease in trade and other receivables	(81,704)	(23,346)
(Increase) decrease in prepaid expenses	(3,218)	(517)
(Increase) decrease in long term receivables	12,252	(295,721)
Increase (decrease) in accounts payable and accrued liabilities	(1,183,208)	990,715
Increase (decrease) in other liabilities	16,196	191,721
Increase (decrease) in deferred revenue - other	(7,300)	174,513
Increase (decrease) in deferred revenue - obligatory reserve funds	1,385,685	767,707
Increase (decrease) in post employment benefit liabilities	37,560	34,410
Net increase (decrease) in cash from operations	(27,458)	(2,517,499)
<b>FINANCING</b>		
Long term debt issued	4,127,000	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>4,099,542</b>	<b>(2,517,499)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>3,427,974</b>	<b>5,945,473</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>7,527,516</b>	<b>3,427,974</b>
<b>REPRESENTED BY:</b>		
Cash	7,693,510	3,427,974
Temporary advances	(165,994)	-
	<b>7,527,516</b>	<b>3,427,974</b>

The accompanying notes are an integral part of this financial statement.

**CORPORATION OF THE TOWNSHIP OF ESSA****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For The Year Ended December 31, 2004**

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The Township of Essa is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements have been prepared by management in accordance with 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 are as follows:

**Reporting Entity**

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures and fund balances 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 Township and which are owned or controlled by the Township. These financial statements include:

- . Centennial Public Library Board
- . Angus Business Improvement Area Board

All interfund assets and liabilities and revenues and expenditures are eliminated.

**Fund Accounting**

Funds within the consolidated financial statements consist of current, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

**Basis of 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 receipt of goods and services and the creation of a legal obligation to pay.

**Capital Assets**

Expenditures made on capital assets are reported as capital expenditures on the Consolidated Statement of Financial Activities in the period incurred.

**Reserves and Reserve Funds**

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

**CORPORATION OF THE TOWNSHIP OF ESSA**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2004**

1. **SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Deferred Revenue**

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

**Amounts To Be Recovered**

Amounts to be recovered represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures, employee benefits payable and accrued interest on debt, and are reported on the Consolidated Statement of Financial Position.

**Government Transfers**

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

**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 revenue and expenditures during the period. Actual results could differ from these estimates.

**Financial Instruments**

It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted.

2. **OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE**

During 2004, requisitions were made by the County of Simcoe and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	3,883,227	2,766,358
Taxation from other governments	319,783	665,030
<b>Amount requisitioned and remitted</b>	<b>4,203,010</b>	<b>3,431,388</b>

These amounts have not been included in the Consolidated Statement of Financial Activities.

**CORPORATION OF THE TOWNSHIP OF ESSA**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2004**

**3. LONG TERM RECEIVABLES**

Long term receivables consist of the following:

	2004 \$	2003 \$
Note receivable, repayable in 15 blended annual payments of \$38,057, including principal and interest at 5%, secured by a mortgage on real estate	339,010	382,000
Amount receivable from sewer users, repayable in blended monthly payments of \$8,176, including principal and interest at prime bank rate less ¼%.	128,357	219,719
Amount receivable from sewer users, repayable in 10 blended annual payments of \$16,326, including principal and interest at 6%.	122,100	-
	589,467	601,719

**4. 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 provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the municipality are summarized below.

	2004 \$	2003 \$
. development charges	3,292,937	1,908,563
. parklands	62,537	61,226
Total	3,355,474	1,969,789

## CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For The Year Ended December 31, 2004

## 5. LONG TERM DEBT

	2004 \$	2003 \$
(a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:		
Total long term debt incurred by the municipality including those incurred on behalf of municipal enterprises and and outstanding at the end of the year amount to	4,127,000	-

(b) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2005	227,860	106,645	334,505
2006	233,869	100,636	334,505
2007	240,036	94,468	334,504
2008	246,367	88,138	334,505
2009	252,864	81,641	334,505
2010 - 2014	1,367,932	304,590	1,672,522
2015 - 2019	1,558,072	114,450	1,672,522
	4,127,000	890,568	5,017,568

(c) The long term debt in (a) issued in the name of the municipality 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 and Housing.

(d) Interest is charged at 2.62% annually. No interest was paid during the year.

## CORPORATION OF THE TOWNSHIP OF ESSA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For The Year Ended December 31, 2004

## 6. MUNICIPAL POSITION AT THE END OF THE YEAR

The municipal position available for general reduction of (to be recovered from) taxation and user charges is detailed as follows:

	2004 \$	2003 \$
Current fund		
. General Fund	630,291	880,704
. Library Board	13,960	17,299
	644,251	898,003
Capital fund	(841,945)	(4,485,131)
Reserves	5,322,284	5,083,450
Reserve funds	516,059	285,502
	5,838,343	5,368,952
Total	5,640,649	1,781,824

The capital fund deficit will be funded in subsequent years through government grants, amounts recovered from users of the water and sewer systems to which these upgrades relate and long term debt. During the year the municipality received approval from the Ontario Municipal Economic Infrastructure Financing Authority of up to \$6,027,110 in short term financing for costs incurred in 2003 and subsequent years to complete these upgrade projects. Advances of \$4,292,994 were received in 2004. The municipality has since issued a debenture as reported in 5(a) above in the amount of \$4,127,000, leaving a short term financing balance at year end of \$165,994.

## 7. AMOUNTS TO BE RECOVERED

Amounts to be recovered consist of the outstanding principal portion of unmatured long term liabilities for municipal expenditures, employee benefits payable and accrued interest. The balance consists of:

	2004 \$	2003 \$
Post employment benefit liabilities	293,238	255,678
Long term debt to be recovered from local improvement charges	2,799,199	-
Long term debt to be recovered from future local improvement charges and government transfer payments	1,327,801	-
Total	4,420,238	255,678

**CORPORATION OF THE TOWNSHIP OF ESSA****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For The Year Ended December 31, 2004**

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**8. CONTRACTUAL OBLIGATION - ONTARIO CLEAN WATER AGENCY (OCWA)**

The municipality has entered into a Service Agreement with OCWA to provide operating maintenance of its wastewater facilities and water facilities. Included in the Consolidated Statement of Financial Activities are the operating charges from OCWA of \$606,729 (2003 - \$543,218). The agreement requires annual payments of \$560,516 plus cumulative annual inflation adjustments for 2005 and 2006.

**9. PENSION AGREEMENTS**

The municipality makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time 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 contribution on account of current service in 2004 amounted to \$102,767 (2003 \$31,711) for current service and is included as an expenditure in the Consolidated Statement of Financial Activities.

**10. WASTE MANAGEMENT SETTLEMENT**

A settlement has been reached between the County of Simcoe and the Township of Essa regarding the transfer of landfill site assets and liabilities to the County. Under the terms of the settlement, the County has reduced the tippage fees during 2004 by \$157,436 (2003 - \$159,960). The balance of the settlement of \$333,358 (2003 - \$490,794) will be realized by future reduction in tippage fees and has not been reflected in the Consolidated Statement of Financial Position.

**11. BUDGET FIGURES**

Budgets established for capital funds, reserves and reserve funds are based on a project-oriented basis, the costs of which may be carried out over one or more years. Although they are not directly comparable with the current year actual amounts they have been reflected on the Consolidated Statement of Financial Activities and the Schedules of Current Fund Operations, Capital Fund Operations and Reserves and Reserve Funds. The budget figures are not subject to audit.

**12. TILE DRAINAGE LOANS**

The Township acts as a collection agent for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2004 is \$58,558 (2003 - \$77,885). These loans and the related repayments are not reported on the Consolidated Statements of Financial Position, Financial Activities and Changes in Financial Position.

**13. COMPARATIVE FIGURES**

Comparative figures were restated, where required, to conform with the current year presentation.

## CORPORATION OF THE TOWNSHIP OF ESSA

## CONSOLIDATED SCHEDULE OF CURRENT FUND OPERATIONS

For The Year Ended December 31, 2004

	Budget 2004 \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>			
Taxation	6,501,160	6,486,413	6,247,369
User charges	2,541,389	2,935,987	3,075,938
Transfer payments	632,411	623,409	626,622
Penalties and interest on taxes	150,000	169,879	146,168
Investment income	103,250	148,838	144,810
Sale of land	629,000	60,500	-
<b>TOTAL REVENUES</b>	<b>10,557,210</b>	<b>10,425,026</b>	<b>10,240,907</b>
<b>EXPENDITURES</b>			
Salaries, wages and employee benefits	2,722,566	2,677,597	2,492,223
Materials	2,103,477	2,167,918	1,867,255
Contracted services	3,163,853	3,010,118	2,856,152
Rent and financial services	32,236	32,823	29,842
External transfers	119,623	116,670	113,332
<b>TOTAL CURRENT EXPENDITURES</b>	<b>8,141,755</b>	<b>8,005,126</b>	<b>7,358,804</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>2,415,455</b>	<b>2,419,900</b>	<b>2,882,103</b>
<b>FINANCING AND TRANSFERS</b>			
Transfer (to) from capital fund	(2,048,894)	(2,034,951)	(2,074,732)
Transfer (to) from reserves and reserve funds	(322,000)	(676,261)	(560,227)
Post employment benefits	-	37,560	34,410
<b>NET FINANCING AND TRANSFERS</b>	<b>(2,370,894)</b>	<b>(2,673,652)</b>	<b>(2,600,549)</b>
<b>CHANGE IN CURRENT FUND BALANCE</b>	<b>44,561</b>	<b>(253,752)</b>	<b>281,554</b>
<b>OPENING CURRENT FUND BALANCE</b>	<b>898,003</b>	<b>898,003</b>	<b>616,449</b>
<b>CLOSING CURRENT FUND BALANCE</b>	<b>942,564</b>	<b>644,251</b>	<b>898,003</b>

## CORPORATION OF THE TOWNSHIP OF ESSA

**CONSOLIDATED SCHEDULE OF CAPITAL FUND OPERATIONS**  
**For The Year Ended December 31, 2004**

	Budget 2004 \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>			
Transfer payments from other governments	8,000	15,936	27,038
Other	2,500	4,187	22,264
Development charges earned	317,609	93,976	422,728
Local improvement charges	-	358,055	-
<b>TOTAL REVENUES</b>	<b>328,109</b>	<b>472,154</b>	<b>472,030</b>
<b>EXPENDITURES</b>			
General government	125,014	91,540	60,581
Protection services	318,732	158,351	105,816
Transportation services	2,209,700	1,608,799	1,471,106
Environmental services	8,633,770	917,488	5,116,939
Recreation and cultural services	454,742	413,365	748,014
Planning and development	17,000	16,477	51,098
<b>TOTAL EXPENDITURES</b>	<b>11,758,958</b>	<b>3,206,020</b>	<b>7,553,554</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>(11,430,849)</b>	<b>(2,733,866)</b>	<b>(7,081,524)</b>
<b>FINANCING AND TRANSFERS</b>			
Long term debt issued	-	4,127,000	-
Transfers from current fund	2,048,894	2,034,951	2,074,732
Transfers from reserves and reserve funds	192,655	215,101	568,748
<b>NET FINANCING AND TRANSFERS</b>	<b>2,241,549</b>	<b>6,377,052</b>	<b>2,643,480</b>
<b>CHANGE IN CAPITAL FUND BALANCE</b>	<b>(9,189,300)</b>	<b>3,643,186</b>	<b>(4,438,044)</b>
<b>OPENING CAPITAL FUND BALANCE (DEFICIT)</b>	<b>(4,485,131)</b>	<b>(4,485,131)</b>	<b>(47,087)</b>
<b>CLOSING CAPITAL FUND BALANCE (DEFICIT)</b>	<b>(13,674,431)</b>	<b>(841,945)</b>	<b>(4,485,131)</b>

## CORPORATION OF THE TOWNSHIP OF ESSA

**CONSOLIDATED SCHEDULE OF RESERVES AND RESERVE FUNDS**  
 For The Year Ended December 31, 2004

	Budget 2004 \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>			
Investment income	-	8,231	6,098
<b>TOTAL REVENUES</b>	-	8,231	6,098
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>			
Current fund	322,000	676,261	560,227
Capital fund	(192,655)	(215,101)	(568,748)
<b>TOTAL NET TRANSFERS</b>	129,345	461,160	(8,521)
<b>CHANGE IN RESERVE AND RESERVE FUND BALANCES</b>	129,345	469,391	(2,423)
<b>OPENING RESERVE AND RESERVE FUND BALANCES</b>	5,368,952	5,368,952	5,371,375
<b>CLOSING RESERVE AND RESERVE FUND BALANCES</b>	<b>5,498,297</b>	<b>5,838,343</b>	<b>5,368,952</b>
<b>ANALYZED AS FOLLOWS:</b>			
Reserves set aside for specific purposes by Council			
. working funds		934,935	934,935
. contingencies		37,372	37,372
. acquisition of capital assets		4,124,504	3,910,176
. operations		225,473	200,967
<b>TOTAL RESERVES</b>		5,322,284	5,083,450
Reserve funds set aside for specific purposes by Council			
. water and sewer services		89,270	61,617
. Brown's Line and bridge		414,664	213,465
. BIA		12,125	10,420
<b>TOTAL RESERVE FUNDS</b>		516,059	285,502
<b>TOTAL RESERVES AND RESERVE FUNDS</b>		<b>5,838,343</b>	<b>5,368,952</b>

**WATERWORKS SYSTEM**  
**SCHEDULE OF FINANCIAL ACTIVITIES**  
**For The Year Ended December 31, 2004**

	Budget 2004 \$	Current Fund \$	Capital Fund \$	Reserve and Reserve Fund \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>						
Service fees	680,000	768,389	-	-	768,389	719,211
Frontage and connection fees	-	23,730	-	-	23,730	35,415
Investment income	-	-	-	110	110	1,204
Penalties and interest	8,000	8,697	-	-	8,697	13,033
Other	36,000	53,143	-	-	53,143	46,500
Development charges earned	-	-	-	-	-	331,103
Commuted local improvement charges	-	-	226,055	-	226,055	213,600
<b>TOTAL REVENUES</b>	<b>724,000</b>	<b>853,959</b>	<b>226,055</b>	<b>110</b>	<b>1,080,124</b>	<b>1,360,066</b>
<b>EXPENDITURES</b>						
<b>CURRENT</b>						
Transmission and distribution	335,343	331,550	-	-	331,550	310,357
Utilities	90,200	76,460	-	-	76,460	61,970
Administration	40,580	48,403	-	-	48,403	25,925
<b>TOTAL CURRENT EXPENDITURES</b>	<b>466,123</b>	<b>456,413</b>	<b>-</b>	<b>-</b>	<b>456,413</b>	<b>398,252</b>
<b>CAPITAL EXPENDITURES</b>						
System improvements	4,873,360	-	459,075	-	459,075	4,642,739
<b>TOTAL EXPENDITURES</b>	<b>5,339,483</b>	<b>456,413</b>	<b>459,075</b>	<b>-</b>	<b>915,488</b>	<b>5,040,991</b>
<b>NET REVENUES/ (EXPENDITURES)</b>	<b>(4,615,483)</b>	<b>397,546</b>	<b>(233,020)</b>	<b>110</b>	<b>164,636</b>	<b>(3,680,925)</b>
<b>FINANCING AND TRANSFERS</b>						
Interfund transfers	-	(279,085)	55,848	223,237	-	-
Long term debt issued	-	-	4,127,000	-	4,127,000	-
<b>CHANGE IN FUND BALANCES</b>	<b>(4,615,483)</b>	<b>118,461</b>	<b>3,949,828</b>	<b>223,347</b>	<b>4,291,636</b>	<b>(3,680,925)</b>
<b>OPENING FUND BALANCES (DEFICIT)</b>	<b>(3,820,837)</b>	<b>194,456</b>	<b>(4,036,437)</b>	<b>21,144</b>	<b>(3,820,837)</b>	<b>(139,912)</b>
<b>CLOSING FUND BALANCES (DEFICIT)</b>	<b>(8,436,320)</b>	<b>312,917</b>	<b>(86,609)</b>	<b>244,491</b>	<b>470,799</b>	<b>(3,820,837)</b>

**SEWAGE SYSTEM  
SCHEDULE OF FINANCIAL ACTIVITIES  
For The Year Ended December 31, 2004**

	Budget 2004 \$	Current Fund \$	Capital Fund \$	Reserve and Reserve Fund \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>						
Service fees	435,888	470,413	-	-	470,413	440,153
Frontage and connection fees	44,706	46,990	-	-	46,990	52,246
Investment income	-	-	-	1,529	1,529	1,494
Penalties and interest	7,000	7,017	-	-	7,017	9,360
Other	7,000	5,100	-	-	5,100	5,997
Local improvement charges	-	-	132,000	-	132,000	-
<b>TOTAL REVENUES</b>	<b>494,594</b>	<b>529,520</b>	<b>132,000</b>	<b>1,529</b>	<b>663,049</b>	<b>509,250</b>
<b>EXPENDITURES</b>						
<b>CURRENT</b>						
Transmission and distribution	323,518	331,594	-	-	331,594	324,209
Utilities	78,000	75,687	-	-	75,687	54,542
Administration	13,242	15,131	-	-	15,131	14,969
<b>TOTAL CURRENT EXPENDITURES</b>	<b>414,760</b>	<b>422,412</b>	<b>-</b>	<b>-</b>	<b>422,412</b>	<b>393,720</b>
<b>CAPITAL EXPENDITURES</b>						
System improvements	3,746,910	-	458,414	-	458,414	466,157
<b>TOTAL EXPENDITURES</b>	<b>4,161,670</b>	<b>422,412</b>	<b>458,414</b>	<b>-</b>	<b>880,826</b>	<b>859,877</b>
<b>NET REVENUES/ (EXPENDITURES)</b>	<b>(3,667,076)</b>	<b>107,108</b>	<b>(326,414)</b>	<b>1,529</b>	<b>(217,777)</b>	<b>(350,627)</b>
<b>FINANCING AND TRANSFERS</b>						
Interfund transfers	-	(113,428)	36,145	77,283	-	-
<b>CHANGE IN FUND BALANCES</b>	<b>(3,667,076)</b>	<b>(6,320)</b>	<b>(290,269)</b>	<b>78,812</b>	<b>(217,777)</b>	<b>(350,627)</b>
<b>OPENING FUND BALANCES (DEFICIT)</b>	<b>(40,726)</b>	<b>337,819</b>	<b>(448,694)</b>	<b>70,149</b>	<b>(40,726)</b>	<b>309,901</b>
<b>CLOSING FUND BALANCES (DEFICIT)</b>	<b>(3,707,802)</b>	<b>331,499</b>	<b>(738,963)</b>	<b>148,961</b>	<b>(258,503)</b>	<b>(40,726)</b>

**CORPORATION OF THE TOWNSHIP OF ESSA**  
**CENTENNIAL PUBLIC LIBRARY BOARD**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF THE CENTENNIAL PUBLIC LIBRARY BOARD, MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF ESSA**

We have audited the statement of financial position of the Centennial Public Library Board of the Corporation of the Township of Essa as at December 31, 2004 and the statement of financial activities 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 financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2004 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*

Lindsay, Ontario  
April 7, 2005

Chartered Accountants

## CORPORATION OF THE TOWNSHIP OF ESSA

CENTENNIAL PUBLIC LIBRARY BOARD  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2004

	2004 \$	2003 \$
<b>ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
Cash	2,683	12,016
Trade and other receivables	832	1,028
Prepaid expenses	12,017	10,545
Due from Township	2,987	1,978
<b>TOTAL ASSETS</b>	<b>18,519</b>	<b>25,567</b>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
<b>LIABILITIES</b>		
Accounts payable	4,559	968
Deferred revenue	-	7,300
<b>TOTAL LIABILITIES</b>	<b>4,559</b>	<b>8,268</b>
<b>MUNICIPAL POSITION</b>		
Fund Balances (Note 2)		
Current fund	13,960	17,299
<b>TOTAL MUNICIPAL POSITION</b>	<b>13,960</b>	<b>17,299</b>
<b>TOTAL LIABILITIES AND MUNICIPAL POSITION</b>	<b>18,519</b>	<b>25,567</b>

The accompanying notes are an integral part of this financial statement.

## CORPORATION OF THE TOWNSHIP OF ESSA

**CENTENNIAL PUBLIC LIBRARY BOARD  
 STATEMENT OF FINANCIAL ACTIVITIES  
 For The Year Ended December 31, 2004**

	Budget 2004 \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>			
Contribution from Township	287,835	286,430	301,838
Province of Ontario	25,297	32,597	25,297
Government of Canada	14,000	8,636	7,159
Other	10,705	9,637	15,567
<b>TOTAL REVENUES</b>	<b>337,837</b>	<b>337,300</b>	<b>349,861</b>
<b>EXPENDITURES</b>			
<b>CURRENT</b>			
Salaries and benefits	228,271	226,456	247,157
Books, audio and periodicals	45,958	43,777	36,373
Utilities	11,542	12,182	11,389
Insurance and audit	3,953	3,655	4,516
Repairs and maintenance	4,874	6,698	4,946
Contracted services	8,866	8,294	8,866
Other operating costs	10,772	12,280	10,070
<b>TOTAL CURRENT EXPENDITURES</b>	<b>314,236</b>	<b>313,342</b>	<b>323,317</b>
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>39,078</b>	<b>27,297</b>	<b>22,535</b>
<b>TOTAL EXPENDITURES</b>	<b>353,314</b>	<b>340,639</b>	<b>345,852</b>
<b>NET REVENUES/(EXPENDITURES) AND CHANGES IN FUND BALANCES</b>	<b>(15,477)</b>	<b>(3,339)</b>	<b>4,009</b>

The accompanying notes are an integral part of this financial statement.

**CORPORATION OF THE TOWNSHIP OF ESSA**

**CENTENNIAL PUBLIC LIBRARY BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended December 31, 2004**

**1. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards 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:

**Fund Accounting**

Funds within the financial statements consist of current and capital funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

**Basis of 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 receipt of goods and services and the creation of a legal obligation to pay.

**Capital Assets**

Expenditures made on capital assets are reported as capital expenditures on the Statement of Financial Activities in the period incurred.

**Government Transfers**

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

**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 revenue and expenditures during the period. Actual results could differ from these estimates.

**Financial Instruments**

It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted.

**Statement of Changes in Financial Position**

The statement of changes in financial position has not been prepared as this information is disclosed elsewhere in these financial statements.

**2. MUNICIPAL POSITION AT THE END OF THE YEAR**

The Library Board's municipal position is comprised of the following:

	2004 \$	2003 \$
Current fund	13,960	17,299

## CORPORATION OF THE TOWNSHIP OF ESSA

**CENTENNIAL PUBLIC LIBRARY BOARD  
 SCHEDULE OF CURRENT FUND OPERATIONS  
 For The Year Ended December 31, 2004**

	Budget 2004 \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>			
Contribution from Township	287,835	286,430	300,924
Province of Ontario	25,297	25,297	25,297
Other	16,705	9,637	15,567
<b>TOTAL REVENUES</b>	<b>329,837</b>	<b>321,364</b>	<b>341,788</b>
<b>EXPENDITURES</b>			
Salaries and benefits	228,271	226,456	247,157
Books, audio and periodicals	45,958	43,777	36,373
Utilities	11,542	12,182	11,389
Insurance and audit	3,953	3,655	4,516
Repairs and maintenance	4,874	6,698	4,946
Contracted services	8,866	8,294	8,866
Other operating costs	10,772	12,280	10,070
<b>TOTAL CURRENT EXPENDITURES</b>	<b>314,236</b>	<b>313,342</b>	<b>323,317</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>15,601</b>	<b>8,022</b>	<b>18,471</b>
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>			
Capital fund	(31,078)	(11,361)	(12,461)
<b>CHANGE IN CURRENT FUND BALANCE</b>	<b>(15,477)</b>	<b>(3,339)</b>	<b>6,010</b>
<b>OPENING CURRENT FUND BALANCE</b>	<b>15,477</b>	<b>17,299</b>	<b>11,289</b>
<b>CLOSING CURRENT FUND BALANCE</b>	<b>-</b>	<b>13,960</b>	<b>17,299</b>

## CORPORATION OF THE TOWNSHIP OF ESSA

**CENTENNIAL PUBLIC LIBRARY BOARD  
 SCHEDULE OF CAPITAL FUND OPERATIONS  
 For The Year Ended December 31, 2004**

	Budget 2004 \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>			
Province of Ontario	-	7,300	-
Government of Canada	8,000	8,636	7,159
Contribution from Township	-	-	914
<b>TOTAL REVENUES</b>	8,000	15,936	8,073
<b>CAPITAL EXPENDITURES</b>			
Building and equipment	39,078	27,297	22,535
<b>NET REVENUE/(EXPENDITURES)</b>	(31,078)	(11,361)	(14,462)
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>			
Current fund	31,078	11,361	12,461
<b>CHANGE IN CAPITAL FUND BALANCE</b>	-	-	(2,001)
<b>OPENING CAPITAL FUND BALANCE</b>	-	-	2,001
<b>CLOSING CAPITAL FUND BALANCE</b>	-	-	-

**CORPORATION OF THE  
TOWNSHIP OF ESSA  
ANGUS BUSINESS IMPROVEMENT AREA BOARD  
FINANCIAL STATEMENTS  
DECEMBER 31, 2004**

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF THE ANGUS BUSINESS IMPROVEMENT AREA BOARD, MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWNSHIP OF ESSA**

We have audited the statement of financial position of the Angus Business Improvement Area Board of the Corporation of the Township of Essa as at December 31, 2004 and the statement of financial activities 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 financial statements presents fairly, in all material respects, the financial position of the Board as at December 31, 2004 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*

Lindsay, Ontario  
April 7, 2005

Chartered Accountants

**ANGUS BUSINESS IMPROVEMENT AREA BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**At December 31, 2004**

	2004 \$	2003 \$
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	12,125	10,420
<b>TOTAL ASSETS</b>	<b>12,125</b>	<b>10,420</b>
<b>MUNICIPAL POSITION</b>		
Fund Balance		
Reserve fund	12,125	10,420
<b>TOTAL MUNICIPAL POSITION</b>	<b>12,125</b>	<b>10,420</b>

The accompanying note is an integral part of this financial statement.

**ANGUS BUSINESS IMPROVEMENT AREA BOARD**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**For The Year Ended December 31, 2004**

	Budget 2004 \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>			
Taxation	10,000	10,000	10,000
Investment income	-	223	402
<b>TOTAL REVENUES</b>	10,000	10,223	10,402
<b>EXPENDITURES</b>			
<b>CURRENT</b>			
Audit	-	500	-
Decorations and maintenance	10,000	7,948	14,228
Tax write-offs	-	70	-
	10,000	8,518	14,228
<b>NET REVENUES/(EXPENDITURES)</b> <b>AND CHANGE IN FUND BALANCE</b>	-	1,705	(3,826)

The accompanying note is an integral part of this financial statement.

**CORPORATION OF THE TOWNSHIP OF ESSA****ANGUS BUSINESS IMPROVEMENT AREA BOARD  
NOTE TO THE FINANCIAL STATEMENTS  
For The Year Ended December 31, 2004**

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**SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards 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:

**Fund Accounting**

Funds within the financial statements consist of the current and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

**Basis of 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 receipt of goods and services and the creation of a legal obligation to pay.

**Capital Assets**

Expenditures made on capital assets are reported as capital expenditures on the Statement of Financial Activities in the period incurred.

**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 revenue and expenditures during the period. Actual results could differ from these estimates.

**Financial Instruments**

It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted.

**Statement of Changes in Financial Position**

A statement of changes in financial position has not been provided as this information is readily available from the financial statements.

**Reserves and Reserve Funds**

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

## CORPORATION OF THE TOWNSHIP OF ESSA

**ANGUS BUSINESS IMPROVEMENT AREA BOARD  
 SCHEDULE OF CURRENT FUND OPERATIONS  
 For The Year Ended December 31, 2004**

	Budget 2004 \$	Actual 2004 \$	Actual 2003 \$
<b>REVENUES</b>			
Taxation	10,000	10,000	10,000
Investment income	-	223	402
<b>TOTAL REVENUES</b>	10,000	10,223	10,402
<b>EXPENDITURES</b>			
<b>CURRENT</b>			
Audit	-	500	-
Decorations and maintenance	10,000	7,948	14,228
Tax write-offs	-	70	-
	10,000	8,518	14,228
<b>NET REVENUES/(EXPENDITURES)</b>	-	1,705	(3,826)
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>			
Reserve fund	-	(1,705)	3,826
<b>CHANGE IN CURRENT FUND BALANCE</b>	-	-	-
<b>OPENING CURRENT FUND BALANCE</b>	-	-	-
<b>CLOSING CURRENT FUND BALANCE</b>	-	-	-

## CORPORATION OF THE TOWNSHIP OF ESSA

**ANGUS BUSINESS IMPROVEMENT AREA BOARD  
SCHEDULE OF RESERVE FUND  
For The Year Ended December 31, 2004**

	Budget 2004 \$	Actual 2004 \$	Actual 2003 \$
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>			
Current fund	-	1,705	(3,826)
<b>CHANGE IN RESERVE FUND BALANCE</b>	-	1,705	(3,826)
<b>OPENING RESERVE FUND BALANCE</b>	-	10,420	14,246
<b>CLOSING RESERVE FUND BALANCE</b>	-	<b>12,125</b>	<b>10,420</b>