

**UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Financial Instruments**

It is management's opinion that the United Townships is not exposed to significant interest, currency or credit risks.

**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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**NOTE 2 OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF RENFREW**

During 2003, property taxes and payments in lieu of taxes were collected by the United Townships on behalf of the County of Renfrew and the School Boards. The amounts collected and remitted, which are not reflected in the consolidated financial statements, are as follows:

	<u>School Boards</u>	<u>County of Renfrew</u>
Taxation and user charges	\$ 976,879	\$ 478,404
Share of payments in lieu of taxes and railway corridors	<u>21,802</u>	<u>21,718</u>
Amounts collected and remitted	\$ <u>998,681</u>	\$ <u>500,122</u>

**NOTE 3 TRUST FUNDS**

Trust funds administered by the municipality amounting to \$5,198 (2002 - \$4,797) have not been included in the Consolidated Balance Sheet nor have their operations been included in the Consolidated Statement of Operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 4 SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE LIABILITY**

The United Townships operate three landfill sites and as a result is liable for the closure and post closure costs associated with each site. These financial statements recognize a liability for closure and post closure care as each landfill site's capacity is used. Specifically, usage is measured as cumulative capacity used versus total estimated capacity available. Furthermore, as costs are expected to be incurred in the future, expected closure and post-closure costs have been discounted using the United Townships average long term borrowing rate of 5%. The following summarizes the estimated closure and post-closure costs and remaining capacity of the United Townships landfill sites at December 31, 2003.

	<u>Stonecliffe</u>	<u>Bisset Creek</u>	<u>Deux Rivieres</u>	<u>Total</u>
Liability to date	\$ <u>15,447</u>	\$ <u>6,435</u>	\$ <u>40,618</u>	\$ <u>62,500</u>
Expected total expenditures	<u>110,269</u>	<u>126,075</u>	<u>80,300</u>	<u>316,644</u>
Amount remaining to be recognized	<u>94,822</u>	<u>119,640</u>	<u>39,682</u>	<u>254,144</u>
Remaining capacity of site in cubic metres	<u>13,269</u>	<u>12,560</u>	<u>2,190</u>	<u>28,019</u>
Remaining useful life of site in years	<u>22</u>	<u>33</u>	<u>5</u>	
Years of post-closure care	<u>10</u>	<u>10</u>	<u>10</u>	

The United Townships have reserved \$59,000 to finance the expected closure and post closure care liabilities.

**NOTE 5 CURRENT FUND BALANCES**

The United Townships current fund balance consists of the following to be used to offset taxation or user changes in 2004:

	<u>2003</u>	<u>2002</u>
United Townships	\$ 21,483	\$ 31,432
Library Board	<u>4,048</u>	<u>3,180</u>
	\$ <u>25,531</u>	\$ <u>34,612</u>

**NOTE 6 COMMITMENTS**

**Policing Services**

The United Townships have contracted with the Province of Ontario to provide policing services. The contract cost for 2003 was \$45,751 (2002 - \$40,363).

**UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA**

**CONSOLIDATED SCHEDULE OF CURRENT FUND OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Budget</u> <u>2003</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2002</u>
<b>REVENUES</b>			
<b>Taxation and user charges</b>			
Property taxation	\$ 88,790	\$ 86,880	\$ 82,225
Payments in lieu of taxes	97,000	96,792	98,815
<b>Grants</b>			
Province of Ontario	220,423	220,423	249,423
<b>Other</b>			
Fees, service charges and donations	8,475	14,500	6,593
Investment income	5,050	10,523	6,804
Other	<u>1,370</u>	<u>9,556</u>	<u>7,248</u>
	<u>421,108</u>	<u>438,674</u>	<u>451,108</u>
<b>EXPENDITURES</b>			
General government	128,942	133,447	99,627
Protection to persons and property	74,320	63,128	60,274
Transportation services	140,000	116,664	120,323
Environmental services	64,480	69,980	87,168
Recreation and cultural services	21,478	20,717	16,846
Planning and development	<u>1,500</u>	<u>1,314</u>	<u>1,456</u>
	<u>430,720</u>	<u>405,250</u>	<u>385,694</u>
Net revenues (expenditures)	(9,612)	33,424	65,414
<b>TRANSFERS</b>			
To Capital Fund	(14,000)	(29,160)	(64,977)
To Reserves	(11,000)	(18,500)	(87,500)
Amounts to be recovered from future revenues	<u>-</u>	<u>5,155</u>	<u>38,405</u>
<b>CHANGE IN CURRENT FUND</b>	<b>(34,612)</b>	<b>(9,081)</b>	<b>(48,658)</b>
<b>CURRENT FUND BALANCE AT BEGINNING OF YEAR</b>	<u><b>34,612</b></u>	<u><b>34,612</b></u>	<u><b>83,270</b></u>
<b>CURRENT FUND BALANCE AT END OF YEAR</b>	\$ <u><u><b>-</b></u></u>	\$ <u><u><b>25,531</b></u></u>	\$ <u><u><b>34,612</b></u></u>

**UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA**  
**CONSOLIDATED SCHEDULE OF CAPITAL FUND OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Budget</u> <u>2003</u>	<u>Actual</u> <u>2003</u>	<u>Actual</u> <u>2002</u>
<b>REVENUES</b>			
Province of Ontario	\$ _____ -	\$ <u>15,000</u>	\$ <u>5,000</u>
<b>EXPENDITURES</b>			
General government	9,000	7,481	235
Protection to persons and property	5,000	2,338	6,922
Transportation services	-	14,182	-
Environmental services	-	-	29,389
Recreation and cultural services	-	<u>20,159</u>	<u>33,431</u>
	<u>14,000</u>	<u>44,160</u>	<u>69,977</u>
Net expenditures	14,000	29,160	64,977
<b>TRANSFERS</b>			
From Current Fund	<u>14,000</u>	<u>29,160</u>	<u>64,977</u>
<b>CHANGE IN CAPITAL FUND</b>	-	-	-
<b>CAPITAL FUND AT BEGINNING OF YEAR</b>	-	-	-
<b>CAPITAL FUND AT END OF YEAR</b>	\$ <u>_____ -</u>	\$ <u>_____ -</u>	\$ <u>_____ -</u>

**UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA**

**CONSOLIDATED SCHEDULE OF RESERVES**

**FOR THE YEAR ENDED DECEMBER 31, 2003**

	Budget <u>2003</u>	Actual <u>2003</u>	Actual <u>2002</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET REVENUE</b>	-	-	-
<b>TRANSFERS</b>			
From Current Fund	<u>11,000</u>	<u>18,500</u>	<u>87,500</u>
<b>CHANGE IN RESERVES</b>	11,000	18,500	87,500
<b>RESERVES AT BEGINNING OF YEAR</b>	<u>352,020</u>	<u>352,020</u>	<u>264,520</u>
<b>RESERVES AT END OF YEAR</b>	\$ <u><u>363,020</u></u>	\$ <u><u>370,520</u></u>	\$ <u><u>352,020</u></u>

**ANALYZED AS FOLLOWS:**

**Reserves set aside for specific purposes by council:**

	<u>2003</u>	<u>2002</u>
Contingencies	\$ 50,788	\$ 50,788
Working capital	108,240	108,240
Recreation purposes	8,080	8,080
Disposal site	122,412	137,412
Emergency vehicle	5,000	7,000
Physician recruitment	3,000	3,000
Solid waste landfill closure and postclosure	59,000	19,000
Office technology	3,500	3,500
Roads - capital projects	3,000	15,000
Emergency management	<u>7,500</u>	<u>-</u>
	\$ <u><u>370,520</u></u>	\$ <u><u>352,020</u></u>

**UNITED TOWNSHIPS OF HEAD, CLARA AND MARIA**  
**CONSOLIDATED SCHEDULE OF CURRENT FUND EXPENDITURES BY OBJECT**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	Budget <u>2003</u>	Actual <u>2003</u>	Actual <u>2002</u>
<b>GENERAL GOVERNMENT</b>			
Salaries, wages and benefits	\$ 80,000	\$ 84,058	\$ 62,453
Administration and supplies	47,942	46,727	35,506
Financial expenses	<u>1,000</u>	<u>2,662</u>	<u>1,668</u>
	<u>128,942</u>	<u>133,447</u>	<u>99,627</u>
<b>PROTECTION TO PERSONS AND PROPERTY</b>			
Salaries, wages and benefits	10,000	3,663	3,318
Administration and supplies	14,320	13,714	16,593
Policing	<u>50,000</u>	<u>45,751</u>	<u>40,363</u>
	<u>74,320</u>	<u>63,128</u>	<u>60,274</u>
<b>TRANSPORTATION SERVICES</b>			
Salaries, wages and benefits	40,000	30,770	32,337
Winter control	40,000	36,459	43,340
Road maintenance	<u>60,000</u>	<u>49,435</u>	<u>44,646</u>
	<u>140,000</u>	<u>116,664</u>	<u>120,323</u>
<b>ENVIRONMENTAL SERVICES</b>			
Salaries, wages and benefits	15,000	15,954	21,363
Administration and supplies	14,500	22,784	8,210
Solid waste landfill closure and post-closure costs	-	5,155	38,405
Disposal site study	<u>34,980</u>	<u>26,087</u>	<u>19,190</u>
	<u>64,480</u>	<u>69,980</u>	<u>87,168</u>
<b>RECREATION AND CULTURAL</b>			
Recreation	13,450	15,616	12,977
Library	<u>8,028</u>	<u>5,101</u>	<u>3,869</u>
	<u>21,478</u>	<u>20,717</u>	<u>16,846</u>
<b>PLANNING AND DEVELOPMENT</b>			
Economic development	1,000	1,000	1,000
Physician recruitment	<u>500</u>	<u>314</u>	<u>456</u>
	<u>1,500</u>	<u>1,314</u>	<u>1,456</u>
	\$ <u>430,720</u>	\$ <u>405,250</u>	\$ <u>385,694</u>