

**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<br/>Boards</u> | <u>County of<br/>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<br/>Creek</u> | <u>Deux<br/>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<br>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 | \$ <u>21,483</u> | \$ <u>31,432</u> |
| 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><br><u>2003</u> | <u>Actual</u><br><u>2003</u>   | <u>Actual</u><br><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><br><u>2003</u> | <u>Actual</u><br><u>2003</u> | <u>Actual</u><br><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<br><u>2003</u>    | Actual<br><u>2003</u>    | Actual<br><u>2002</u>    |
|-------------------------------|--------------------------|--------------------------|--------------------------|
| REVENUES                      | \$ -                     | \$ -                     | \$ -                     |
| EXPENDITURES                  | <u>-</u>                 | <u>-</u>                 | <u>-</u>                 |
| NET REVENUE                   | -                        | -                        | -                        |
| TRANSFERS                     |                          |                          |                          |
| From Current Fund             | <u>11,000</u>            | <u>18,500</u>            | <u>87,500</u>            |
| CHANGE IN RESERVES            | 11,000                   | 18,500                   | 87,500                   |
| RESERVES AT BEGINNING OF YEAR | <u>352,020</u>           | <u>352,020</u>           | <u>264,520</u>           |
| RESERVES AT END OF YEAR       | \$ <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<br><u>2003</u> | Actual<br><u>2003</u> | Actual<br><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>     |