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## Auditors' Report

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### To The Members of Council, Inhabitants And Ratepayers Of The Corporation Of The Town of Plympton-Wyoming

We have audited the consolidated statement of financial position of the **Corporation of the Town of Plympton - Wyoming** as at December 31, 2006 and the consolidated statement of financial activities and consolidated statement of changes in financial position for the year then ended. These financial statements are the responsibility of the Town'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 Town as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow*

**Chartered Accountants  
Licensed Public Accountants**

Sarnia, Ontario  
March 20, 2007

**Corporation Of The Town Of Plympton - Wyoming**  
**Consolidated Statement Of Financial Position**  
**December 31, 2006**

	2006	2005
<b>Assets</b>		
<b>Financial Assets</b>		
Cash (note 3)	\$ 2,062,619	\$ 1,443,875
Taxes receivable (note 4)	537,251	591,230
Accounts receivable	286,792	657,020
Other	<u>2,956</u>	<u>2,956</u>
	<u>2,889,618</u>	<u>2,695,081</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	243,242	380,330
Interest on debt	17,664	16,027
Municipal debt (note 5)	1,603,299	1,331,975
Deferred revenue (note 6)	<u>248,815</u>	<u>200,863</u>
	<u>2,113,020</u>	<u>1,929,195</u>
<b>Net Assets</b>	<u>\$ 776,598</u>	<u>\$ 765,886</u>

**Municipal Position**

Operating fund (note 7(a))	\$ 412,210	\$ 412,561
Capital fund (note 7(b))	(555,595)	(603,030)
Reserves and reserve funds (note 7(c))	<u>2,540,946</u>	<u>2,304,357</u>
Fund balances	2,397,561	2,113,888
Amounts to be recovered (note 8)	<u>(1,620,963)</u>	<u>(1,348,002)</u>
<b>Total Municipal Position</b>	<u>\$ 776,598</u>	<u>\$ 765,886</u>

**On Behalf Of Council**

\_\_\_\_\_  
(Mayor)

\_\_\_\_\_  
(Clerk-Administrator)

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

**Corporation Of The Town Of Plympton - Wyoming**  
**Consolidated Statement Of Financial Activities**  
**December 31, 2006**

	Budget 2006	Actual 2006	Actual 2005
<b>Revenues</b>			
Net taxation and user charges	\$ 2,869,637	\$ 2,968,382	\$ 2,813,573
Water and sewage charges	1,670,879	1,951,513	1,725,640
Transfer payments	1,805,208	1,480,531	1,973,235
Other	<u>604,004</u>	<u>605,841</u>	<u>779,178</u>
Total revenues	<u>6,949,728</u>	<u>7,006,267</u>	<u>7,291,626</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	665,460	620,366	548,127
Protection to persons and property	1,227,683	1,152,846	1,015,922
Transportation services	1,050,140	1,003,840	819,247
Environmental services	1,844,735	1,859,624	1,775,874
Health services	29,542	31,643	55,349
Recreation and cultural	156,546	159,398	183,714
Planning and development	<u>131,945</u>	<u>151,479</u>	<u>126,722</u>
Total current	<u>5,106,051</u>	<u>4,979,196</u>	<u>4,524,955</u>
<b>Capital</b>			
General government	14,500	5,857	-
Protection to persons and property	57,185	49,665	86,654
Transportation services	1,154,923	1,273,029	969,498
Environmental services	716,150	123,054	993,026
Health services	3,000	-	-
Recreational and cultural services	99,259	2,975	203,814
Planning and development	<u>140,000</u>	<u>197,370</u>	<u>250,535</u>
Total capital	<u>2,185,017</u>	<u>1,651,950</u>	<u>2,503,527</u>
Total expenditures	<u>7,291,068</u>	<u>6,631,146</u>	<u>7,028,482</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(341,340)</u>	<u>375,121</u>	<u>263,144</u>
Add new debt issued	-	44,400	165,000
Less debt principal repayments	(126,764)	(137,485)	(87,921)
Add change in accrued interest on debt	<u>-</u>	<u>1,637</u>	<u>782</u>
Increase (decrease) in amounts to be recovered	<u>(126,764)</u>	<u>(91,448)</u>	<u>77,861</u>
Change In Fund Balances	<u>\$ (468,104)</u>	<u>\$ 283,673</u>	<u>\$ 341,005</u>

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

**Corporation Of The Town Of Plympton - Wyoming**  
**Consolidated Statement Of Changes In Financial Position**  
**For The Year Ended December 31, 2006**

	2006	2005
<b>Operations</b>		
Excess of revenue over expenditures	\$ <u>375,121</u>	\$ <u>263,144</u>
Uses		
Increase in taxes receivable	-	(64,220)
Increase in accounts receivable	-	(330,058)
Decrease in accounts payable and accrued liabilities	<u>(137,088)</u>	<u>(8,179)</u>
	<u>(137,088)</u>	<u>(402,457)</u>
Sources		
Increase in interest on debt	1,637	782
Increase in deferred revenue	47,952	15,629
Decrease in taxes receivable	53,979	-
Decrease in accounts receivable	<u>370,228</u>	<u>-</u>
	<u>473,796</u>	<u>16,411</u>
Net increase (decrease) from operations	<u>711,829</u>	<u>(122,902)</u>
<b>Financing</b>		
Long-term debt issued	44,400	165,000
Long-term debt repaid	<u>(137,485)</u>	<u>(87,921)</u>
Net increase (decrease) from financing	<u>(93,085)</u>	<u>77,079</u>
<b>Net Change In Cash And Cash Equivalents</b>	<b>618,744</b>	<b>(45,823)</b>
<b>Opening, Cash And Cash Equivalents</b>	<u>1,443,875</u>	<u>1,489,698</u>
<b>Closing, Cash And Cash Equivalents</b>	<u>\$ 2,062,619</u>	<u>\$ 1,443,875</u>
<b>Supplemental Cash Flow Information:</b>		
<b>Cash Represented By:</b>		
Unrestricted	\$ 1,813,804	\$ 1,243,012
Restricted	<u>248,815</u>	<u>200,863</u>
	<u>\$ 2,062,619</u>	<u>\$ 1,443,875</u>
<b>Cash Disbursed For:</b>		
Interest	<u>\$ 115,833</u>	<u>\$ 90,823</u>

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

## **1. Significant Accounting Policies**

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The Consolidated Financial Statements of the Corporation of the Town of Plympton-Wyoming (the "Town") are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Significant accounting policies adopted include:

**(a) (i) Reporting Entity**

These consolidated statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees of Council accountable for the administration of their financial affairs and resources, to the Town, and which are owned and controlled by the Town, include the following:

Local Boards:

Township of Plympton Cemetery Board  
Village of Wyoming Cemetery Board  
Village of Wyoming Water Commission  
Wyoming-Plympton Fire Board  
Plympton-Wyoming Parks and Recreation Board

All inter-entity transactions and balances are eliminated on consolidation.

**(ii) Accounting for County and School Board Transactions**

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Lambton are not reflected in the municipal fund balances of these financial statements.

**(iii) Trust Funds**

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

**I. Significant Accounting Policies cont'd....**

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**(b) Basis of Accounting**

**(i) Accrual 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 or services and the creation of a legal obligation to pay.

**(ii) Cash and Cash Equivalents**

Cash and cash equivalents include cash on account and short-term investments with original maturities of three months or less and are stated at cost, which approximates market value.

**(iii) Tangible Property, Plant And Equipment**

Tangible capital asset expenditures incurred during the year are recorded as capital expenditures in the Statement of Financial Activities.

**(iv) Deferred Revenue**

Deferred revenue represents development charges and other fees which have been collected, for which related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

**(v) Investment Income**

Investment income earned on surplus operating fund, capital fund, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income on obligatory reserve funds is added to the fund balance and form part of the respective deferred revenue balances.

**(vi) 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 revenues and expenses during the year. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

