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Auditors' Report

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, 2007 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, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Sarnia, Ontario
April 16, 2008

Collins Barrow

Chartered Accountants
Licensed Public Accountants

Corporation Of The Town Of Plympton-Wyoming
 Consolidated Statement Of Financial Position
 December 31, 2007

	2007	2006
Assets		
Financial Assets		
Cash (note 3)	\$ 2,103,850	\$ 2,062,619
Taxes receivable (note 4)	586,833	537,251
Accounts receivable	289,912	286,792
Other	2,956	2,956
	<u>2,983,551</u>	<u>2,889,618</u>
Liabilities		
Accounts payable and accrued liabilities	412,820	243,242
Interest on debt	17,394	17,664
Municipal debt (note 5)	1,734,280	1,603,299
Deferred revenue (note 6)	334,479	248,815
	<u>2,498,973</u>	<u>2,113,020</u>
Net Assets	<u>\$ 484,578</u>	<u>\$ 776,598</u>

Municipal Position

Operating fund (note 7(a))	\$ 29,015	\$ 412,210
Capital fund (note 7(b))	(523,987)	(555,595)
Reserves and reserve funds (note 7(c))	<u>2,731,224</u>	<u>2,540,946</u>
Fund balances	2,236,252	2,397,561
Amounts to be recovered (note 8)	<u>(1,751,674)</u>	<u>(1,620,963)</u>
Total Municipal Position	<u>\$ 484,578</u>	<u>\$ 776,598</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, 2007

	Budget 2007	Actual 2007	Actual 2006
Revenues			
Net taxation and user charges	\$ 3,015,827	\$ 3,202,980	\$ 2,968,382
Water and sewage charges	1,813,754	1,921,916	1,951,513
Transfer payments	1,985,406	1,138,064	1,480,531
Other	956,901	924,310	605,841
Total revenues	<u>7,771,888</u>	<u>7,187,270</u>	<u>7,006,267</u>
Expenditures			
Current			
General government	667,270	638,487	620,366
Protection to persons and property	1,194,665	1,176,797	1,152,846
Transportation services	1,193,257	1,147,619	1,003,840
Environmental services	1,817,551	1,824,705	1,859,624
Health services	29,542	44,645	31,643
Recreation and cultural	170,910	172,998	159,398
Planning and development	156,018	218,988	151,479
Transfer to Wyoming Community Foundation	-	484	-
Total current	<u>5,229,213</u>	<u>5,224,723</u>	<u>4,979,196</u>
Capital			
General government	41,500	-	5,857
Protection to persons and property	380,615	457,595	49,665
Transportation services	1,059,400	996,112	1,273,029
Environmental services	1,802,127	337,212	123,054
Health services	3,000	-	-
Recreational and cultural services	157,581	158,126	2,975
Planning and development	140,000	239,458	197,370
Total capital	<u>3,584,223</u>	<u>2,188,503</u>	<u>1,651,950</u>
Total expenditures	<u>8,813,436</u>	<u>7,413,226</u>	<u>6,631,146</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(1,041,548)</u>	<u>(225,956)</u>	<u>375,121</u>
Add new debt issued	320,000	227,900	44,400
Less debt principal repayments	(194,983)	(162,983)	(137,485)
Add change in accrued interest on debt	-	(270)	1,637
Increase (decrease) in amounts to be recovered	<u>125,017</u>	<u>64,647</u>	<u>(91,448)</u>
Change In Fund Balances	<u>\$ (916,531)</u>	<u>\$ (161,309)</u>	<u>\$ 283,673</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, 2007

	2007	2006
Operations		
Excess (deficiency) of revenue over expenditures	\$ <u>(225,956)</u>	\$ <u>375,121</u>
Uses		
Increase in taxes receivable	(49,582)	-
Increase in accounts receivable	(3,120)	-
Decrease in accounts payable and accrued liabilities	-	(137,088)
Decrease in interest on debt	<u>(270)</u>	<u>-</u>
	<u>(52,972)</u>	<u>(137,088)</u>
Sources		
Increase in accounts payable and accrued liabilities	169,578	-
Increase in interest on debt	-	1,637
Increase in deferred revenue	85,664	47,952
Decrease in taxes receivable	-	53,979
Decrease in accounts receivable	<u>-</u>	<u>370,228</u>
	<u>255,242</u>	<u>473,796</u>
Net increase (decrease) from operations	<u>(23,686)</u>	<u>711,829</u>
Financing		
Long-term debt issued	227,900	44,400
Long-term debt repaid	<u>(162,983)</u>	<u>(137,485)</u>
Net increase (decrease) from financing	<u>64,917</u>	<u>(93,085)</u>
Net Change In Cash And Cash Equivalents	41,231	618,744
Opening, Cash And Cash Equivalents	<u>2,062,619</u>	<u>1,443,875</u>
Closing, Cash And Cash Equivalents	<u>\$ 2,103,850</u>	<u>\$ 2,062,619</u>
 Supplemental Cash Flow Information:		
Cash Represented By:		
Unrestricted	\$ 1,769,372	\$ 1,813,804
Restricted	<u>334,478</u>	<u>248,815</u>
	<u>\$ 2,103,850</u>	<u>\$ 2,062,619</u>
 Cash Disbursed For:		
Interest	<u>\$ 121,137</u>	<u>\$ 115,833</u>

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

1. Significant Accounting Policies

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.

1. Significant Accounting Policies cont'd....

(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.

