

TOWNSHIP OF NORWICH

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2006

**TOWNSHIP OF NORWICH
CONSOLIDATED FINANCIAL STATEMENTS INDEX
FOR THE YEAR ENDED DECEMBER 31, 2006**

I N D E X

| | | |
|----------------|---|--|
| Page 1 | - | Index |
| Page 2 | - | Auditors' Report |
| Page 3 | - | Consolidated Balance Sheet |
| Page 4 | - | Consolidated Statement of Operations |
| Page 5 | - | Consolidated Statement of Cash Flow |
| Page 6 | - | Notes to the Consolidated Financial Statements |
| Page 7 | - | Auditors' Report - Trust Funds |
| Page 8 | - | Trust Funds Balance Sheets |
| Page 9 | - | Trust Funds Statements of Operations and Changes in Fund Balances |
| Page 10 | - | Notes to the Trust Funds Financial Statements |

Medical Centre Board of Management

| | | |
|---------------|---|--|
| Page 1 | - | Auditors' Report |
| Page 2 | - | Balance Sheet |
| Page 3 | - | Statement of Operations |
| Page 4 | - | Notes to the Financial Statements |

Norwich Business Improvement Area

| | | |
|---------------|---|--|
| Page 1 | - | Auditors' Report |
| Page 2 | - | Balance Sheet and Statement of Operations |
| Page 3 | - | Notes to the Financial Statements |

MILLARD, ROUSE AND ROSEBRUGH LLP
CHARTERED ACCOUNTANTS

85 Robinson Street
Simcoe, Ontario

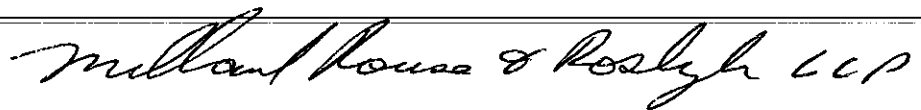
AUDITORS' REPORT

**To the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Township of Norwich**

We have audited the Consolidated Balance Sheet of the Corporation of the Township of Norwich as at December 31, 2006 and the Consolidated Statements of Operations and Cash Flow for the year then ended. These financial statements are the responsibility of 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 Corporation of the Township of Norwich as at December 31, 2006 and the results of its operations and changes in its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS
Licensed Public Accountants

April 25, 2007
Simcoe, Ontario

**TOWNSHIP OF NORWICH
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2006**

| ASSETS | 2006 | 2005 |
|---|------------------|------------------|
| | \$ | \$ |
| FINANCIAL ASSETS | | |
| Cash and Bank | 360,526 | 73,574 |
| Short Term Investments (Note 4) | 446,765 | 294,729 |
| Taxes Receivable | 1,237,089 | 1,466,015 |
| Accounts Receivable (Note 12) | 729,216 | 312,810 |
| Other Current Assets | 22,289 | 21,802 |
| Mortgages Receivable | 12,000 | 12,500 |
| Investment in Erie Thames Power Corporation (Note 11) | 1,173,995 | 1,165,236 |
| | <u>3,981,880</u> | <u>3,346,666</u> |
| LIABILITIES AND MUNICIPAL POSITION | | |
| LIABILITIES | | |
| Bank Indebtedness (Note 7) | --- | 2,600,000 |
| Accounts Payable and Accrued Liabilities | 163,600 | 193,548 |
| Other Current Liabilities | 239,160 | 96,963 |
| Deferred Revenue (Note 8) | 331,170 | 275,857 |
| Long Term Liabilities (Note 9) | 3,248,700 | 670,425 |
| | <u>3,982,630</u> | <u>3,836,793</u> |
| MUNICIPAL POSITION (Note 10) | | |
| Operating Funds | 202,025 | (14,935) |
| Capital Fund | (375,260) | (3,410,953) |
| Reserves and Reserve Funds | 2,247,190 | 2,440,950 |
| Equity in Erie Thames Power Corporation (Note 11) | 1,173,995 | 1,165,236 |
| | <u>3,247,950</u> | <u>180,298</u> |
| Total Fund Balances | 3,247,950 | 180,298 |
| Amounts to be Recovered in Future Years | (3,248,700) | (670,425) |
| | <u>(750)</u> | <u>(490,127)</u> |
| | <u>3,981,880</u> | <u>3,346,666</u> |

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF NORWICH
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006

| | 2006 | 2005 |
|--|------------------|--------------------|
| | \$ | \$ |
| REVENUE | | |
| Taxation | 4,089,270 | 3,839,349 |
| Payments in Lieu of Taxes | 61,732 | 63,026 |
| User Charges (Note 12) | 929,051 | 641,260 |
| Grants | 3,013,262 | 2,473,919 |
| Fines | 340 | 823 |
| Penalties and Interest on Taxes | 168,545 | 182,038 |
| Investment Income | 206,742 | 130,286 |
| Sale of Assets | 86,966 | 82,172 |
| Prepaid Special Charges | 73,568 | 71,304 |
| Donations | 696,213 | 278,650 |
| Development Contributions | 48,394 | 22,113 |
| | <u>9,374,083</u> | <u>7,784,940</u> |
| EXPENDITURES | | |
| Current Operations | | |
| General Government | 712,806 | 646,927 |
| Protection Services | 2,188,007 | 2,073,305 |
| Transportation Services | 1,564,029 | 1,831,542 |
| Environmental Services | 5,927 | ---- |
| Health Services | 399,441 | 323,541 |
| Recreation and Cultural Services | 1,040,927 | 757,999 |
| Planning and Development | 67,937 | 53,220 |
| | <u>5,979,074</u> | <u>5,686,534</u> |
| Capital Operations | | |
| General Government | 50,301 | 26,332 |
| Protection Services | 327,008 | 9,516 |
| Transportation Services | 1,122,901 | 348,364 |
| Environmental Services | ---- | ---- |
| Health Services | 61,522 | 952 |
| Recreation and Cultural Services | 605,901 | 3,928,253 |
| Planning and Development | 678,498 | 669,514 |
| | <u>2,846,131</u> | <u>4,982,931</u> |
| | <u>8,825,205</u> | <u>10,669,465</u> |
| NET REVENUE (EXPENDITURES) FOR THE YEAR | | |
| BEFORE UNDERNOTED ITEM | 548,878 | (2,884,525) |
| Equity Acquired in Erie Thames Power Corporation (Note 11) | 8,759 | 19,552 |
| | <u>557,637</u> | <u>(2,864,973)</u> |
| CHANGES IN AMOUNTS TO BE RECOVERED IN FUTURE YEARS | | |
| Deferred Revenue | (51,228) | (81,730) |
| Principal Repayment of Long Term Debt | (238,757) | (154,183) |
| Long Term Debt Proceeds | 2,800,000 | ---- |
| | <u>2,510,015</u> | <u>(235,913)</u> |
| Change in Amounts to be Recovered in Future Years | 2,510,015 | (235,913) |
| CHANGE IN FUND BALANCES | <u>3,067,652</u> | <u>(3,100,886)</u> |

The accompanying notes are an integral part of these financial statements.

**TOWNSHIP OF NORWICH
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | 2006 | 2005 |
|---|--------------------|--------------------|
| | \$ | \$ |
| CASH FLOW (DEFICIT) FROM OPERATIONS | | |
| Net Revenue (Deficit) for the Year | 557,637 | (2,864,973) |
| Changes in Non-Cash Amounts: | | |
| Taxes Receivable | 228,926 | (296,484) |
| Accounts Receivable | (416,406) | (84,477) |
| Other Current Assets | (487) | (1,277) |
| Mortgages Receivable | 500 | 500 |
| Accounts Payable and Accrued Liabilities | (29,948) | 82,203 |
| Other Current Liabilities | 142,197 | 44,804 |
| Deferred Revenue | 4,085 | (60) |
| | <u>486,504</u> | <u>(3,119,764)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Investment in Erie Thomas Power Corporation | <u>(8,759)</u> | <u>(19,552)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long Term Debt Repaid | (238,757) | (154,183) |
| Long Term Debt Issued | <u>2,800,000</u> | <u>----</u> |
| | <u>2,561,243</u> | <u>(154,183)</u> |
| NET CASH FLOW FOR THE YEAR | <u>3,038,988</u> | <u>(3,293,499)</u> |
| CASH AND EQUIVALENTS - Beginning of the Year | <u>(2,231,697)</u> | <u>1,061,802</u> |
| CASH AND EQUIVALENTS - End of the Year | <u>807,291</u> | <u>(2,231,697)</u> |
| Cash and Equivalents are Comprised of: | | |
| Cash and Bank | 360,526 | 73,574 |
| Short Term Investments | 446,765 | 294,729 |
| Bank Indebtedness | ---- | (2,600,000) |
| | <u>807,291</u> | <u>(2,231,697)</u> |

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF NORWICH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

1. ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Norwich are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities and their local boards by the Ministry of Municipal Affairs and Housing and by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

a) Basis of Consolidation

i) Consolidated Entities

These consolidated statements reflect the assets, liabilities, revenue and expenditures of the revenue fund, reserves, reserve funds, the capital fund and includes the activities of all committees of Council and the following local boards, which are under the control of Council:

Norwich Business Improvement Area
 Medical Centre Board of Management

All interfund assets and liabilities and revenue and expenditures have been eliminated.

ii) Non-Consolidated Entities

The municipality's investment in Erie Thames Power Corporation is accounted for by the equity method of accounting whereby the original cost of the investment is increased by the municipality's share of earnings each year.

iii) Accounting for the County of Oxford 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 Oxford are not reflected in these financial statements.

iv) Trust Funds

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

Continued....

TOWNSHIP OF NORWICH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

1. ACCOUNTING POLICIES - Continued

b) Basis of Accounting

i) Revenue and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes 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) Land, Buildings and Equipment

The historical cost and accumulated depreciation for land, buildings and equipment are not recorded for municipal purposes. Purchases of land, buildings and equipment are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.

iii) Fund Accounting

The Township of Norwich uses the restricted fund method of accounting for revenue. The revenue fund accounts for the current operations of the municipality. The capital fund accounts for expenditures and related financing that are expected to provide a benefit to the municipality which extends beyond the current year. Reserve funds are restricted for specific purposes.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF OXFORD

Further to Note 1 (a) (iii), the taxation, other revenues, expenditures and overlevies (underlevies) of the school boards and the County of Oxford are comprised of the following:

| | School Boards 2006 \$ | School Boards 2005 \$ | County 2006 \$ | County 2005 \$ |
|---------------------------|--|--|-------------------------------|-------------------------------|
| Taxation | 2,913,780 | 2,974,884 | 4,056,223 | 4,006,015 |
| Payments in Lieu of Taxes | 224 | 236 | 21,632 | 22,986 |
| | <u>2,914,004</u> | <u>2,975,120</u> | <u>4,077,855</u> | <u>4,029,001</u> |
| Requisitions | <u>2,914,004</u> | <u>2,975,120</u> | <u>4,077,855</u> | <u>4,029,001</u> |

3. TRUST FUNDS

Trust funds administered by the municipality amounting to \$90,423 (2005 - \$88,771) have not been included in the Consolidated Balance Sheet nor have their operations been included in the Consolidated Statement of Operations.

Continued....

TOWNSHIP OF NORWICH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

4. SHORT TERM INVESTMENTS

The total short term investments of \$446,765 (2005 - \$294,729) recorded on the Consolidated Balance Sheet, at cost, have a market value of \$446,765 (2005 - \$294,729) as at the end of the year.

5. LIABILITY FOR VESTED SICK LEAVE BENEFITS

The Township of Norwich has entered into a Long Term Disability Plan whereby sick leave benefits no longer accrue. Previously accrued benefits have been paid to employees.

6. PENSION AGREEMENTS

a) The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) that is a multi-employer plan on behalf of 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 length of service and rate of pay.

b) The amount contributed to OMERS for 2006 was \$87,467 (2005 - \$73,350) for current service and is included as an expenditure on the Consolidated Statement of Operations.

c) There were no contributions made during the year or during the previous year with respect to past service.

7. BANK INDEBTEDNESS

Bank indebtedness from time to time consists of demand loans and/or overdrafts. As at December 31, 2006 bank indebtedness has been approved to a maximum of \$5,000,000. The lending agreement as at December 31, 2006 was renewed effective January 8, 2007.

8. DEFERRED REVENUE

| | 2006 | 2005 |
|---|----------------|----------------|
| | \$ | \$ |
| Deferred Revenue is Comprised of: | | |
| Funds Set Aside for Specific Purposes by Legislation, | | |
| Regulation or Agreement: | | |
| - Federal Gasoline Tax Revenue | 114,548 | 102,157 |
| - Development Charges | 130,444 | 133,614 |
| - Recreational Land (Planning Act) | 82,093 | 40,086 |
| Operating Activities | 4,085 | ---- |
| | 331,170 | 275,857 |

Continued....

TOWNSHIP OF NORWICH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

9. NET LONG TERM LIABILITIES

| | 2006 | 2005 |
|---|-------------------------|-----------------------|
| | \$ | \$ |
| a) The balance of net liabilities reported on the Consolidated Balance Sheet is comprised of the following: | | |
| Total long term liabilities incurred by the municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to | 3,280,686 | 719,443 |
| Of the long term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is | <u>(31,986)</u> | <u>(49,018)</u> |
| Net Long Term Liabilities at the End of the Year | <u>3,248,700</u> | <u>670,425</u> |

b) Of the net long term liabilities reported in part a) of this note, principal payments are recoverable from general municipal revenues and are repayable as follows:

| | \$ |
|------------------|-------------------------|
| 2007 | 291,502 |
| 2008 | 291,502 |
| 2009 | 291,502 |
| 2010 | 204,194 |
| 2011 | 140,000 |
| Subsequent Years | <u>2,030,000</u> |
| | <u>3,248,700</u> |

c) The municipality is contingently liable for long term liabilities with respect to tile drainage loans. The total amount outstanding as at December 31, 2006 is \$31,986 (2005 - \$49,018) and is not recorded on the Consolidated Balance Sheet.

d) The long term liabilities in (a), issued in the name of the municipality have received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those approved after January 1, 1993 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.

e) Total charges for the year for net long term liabilities which are reported on the Consolidated Statement of Operations are as follows:

| | 2006 | 2005 |
|----------|---------------|-------------|
| | \$ | \$ |
| Interest | <u>65,815</u> | <u>----</u> |

The charges for long term liabilities assumed by the non-consolidated entities or by individuals in the case of tile drainage loans are not reflected in these statements.

Continued....

TOWNSHIP OF NORWICH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

10. MUNICIPAL POSITION

a) The operating fund balance of \$202,025 (2005 - \$(14,935)) is comprised of accumulated equity from the following sources:

| | 2006 | 2005 |
|------------------------------------|----------------|-----------------|
| | \$ | \$ |
| Revenue Fund | 186,816 | (24,901) |
| Norwich Business Improvement Area | 6,892 | 5,791 |
| Medical Centre Board of Management | 8,317 | 4,175 |
| | <u>202,025</u> | <u>(14,935)</u> |

b) The capital fund deficit of \$(375,260) (2005 - \$(3,410,953)) is comprised of the following:

| | 2006 | 2005 |
|---|------------------|--------------------|
| | \$ | \$ |
| Capital Expenditures to be Recovered from Taxation and User Charges | (995,346) | (360) |
| Unexpended Capital Financing | 620,086 | 411,217 |
| Expenditures to be Recovered from Benefiting Land Owners | ---- | (704,060) |
| Proceeds from Long Term Liabilities | ---- | (2,800,000) |
| Transfers from Reserves | ---- | (317,750) |
| | <u>(375,260)</u> | <u>(3,410,953)</u> |

c) The total balance of reserves and reserve funds of \$2,247,190 (2005 - \$2,440,950) is comprised of the following:

| | 2006 | 2005 |
|--|------------------|------------------|
| | \$ | \$ |
| Reserves Set Aside for Specific Purpose by Council: | | |
| Working Capital | 202,300 | 202,300 |
| Elections | --- | 13,000 |
| Insurance | 27,910 | 22,859 |
| Tax Rate Stabilization | 1,079,442 | 1,079,442 |
| Future Capital Expenditures | 878,381 | 1,075,617 |
| Cemeteries | 6,788 | 6,788 |
| Libraries | 1,000 | 1,000 |
| Medical Centre | 28,200 | 18,000 |
| | <u>2,224,021</u> | <u>2,419,006</u> |
| Reserve Funds Set Aside for Specific Purpose by Council: | | |
| Disaster Relief | 23,169 | 21,944 |
| | <u>2,247,190</u> | <u>2,440,950</u> |

Continued....

TOWNSHIP OF NORWICH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

11. INVESTMENT IN ERIE THAMES POWER CORPORATION

The Ontario Government enacted the Energy Competition Act, 1993 to introduce competition to the Ontario electricity market. Under terms of this legislation, the Ontario Energy Board will regulate industry participants by issuing licenses for the right to generate, transmit, distribute and retail electricity. These licenses will require compliance with established market rules and codes.

Pursuant to this legislation, effective August 1, 2000, a by-law was passed to transfer all of the electricity related net assets of the Norwich Public Utility Commission to Erie Thames Power Corporation as one of the municipal participants in this newly incorporated business. The Township of Norwich holds a 9.5% equity position in this corporation as a result of this transfer of net assets. The Township's investment in Erie Thames Power Corporation will be increased in subsequent years by its share of the net income of Erie Thames Power Corporation.

During the year the Township's share of the net earnings of Erie Thames Power Corporation amounted to \$8,759 (2005 - \$19,552).

12. PLEDGES

Included in accounts receivable on the Consolidated Balance Sheet and in user charges on the Consolidated Statement of Operations are donation pledges amounting to \$356,667, which are an integral part of the financing of the Norwich Arena and Community Centre Capital Project and, which management has determined to be collectible.

MILLARD, ROUSE AND ROSEBRUGH LLP
CHARTERED ACCOUNTANTS

85 ROBINSON STREET
SIMCOE, ONTARIO

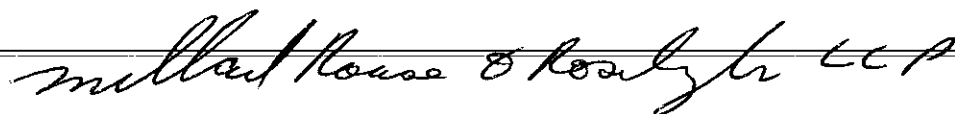
AUDITORS' REPORT

**To the Members of Council, Inhabitants and Ratepayers of the
Corporation of the Township of Norwich**

We have audited the Trust Funds Balance Sheets of the Corporation of the Township of Norwich as at December 31, 2006 and the Trust Funds Statements of Operations and Changes in Fund Balances for the year then ended. These financial statements are the responsibility of 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 Trust Funds of the Corporation of the Township of Norwich as at December 31, 2006 and the continuity of the Trust Funds for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS
Licensed Public Accountants

April 25, 2007
Simcoe, Ontario

**TOWNSHIP OF NORWICH
TRUST FUNDS BALANCE SHEETS
AS AT DECEMBER 31, 2006**

| | Otterville Estates Security Deposits \$ | Guarantee Deposits \$ | Pioneer Cemetery Perpetual Care \$ | Rosanna Cemetery Perpetual Care \$ | Milldale Cemetery Perpetual Care \$ | Old Quaker Cemetery Perpetual Care \$ | OHRP Fund \$ | Total 2006 \$ | Total 2005 \$ |
|----------------------------|---|-----------------------------|--|--|---|--|--------------------|---------------------|---------------------|
| ASSETS | | | | | | | | | |
| Bank | --- | 2,077 | 29,529 | 11,893 | 13,824 | 1,142 | --- | 58,465 | 54,560 |
| Investments - Note 2 | 40,936 | --- | --- | --- | --- | --- | --- | 40,936 | 39,390 |
| OHRP Loans Receivable | --- | --- | --- | --- | --- | --- | --- | --- | 1,744 |
| Due (to) from Revenue Fund | --- | 12,923 | --- | --- | --- | --- | --- | 12,923 | 12,951 |
| | 40,936 | 15,000 | 29,529 | 11,893 | 13,824 | 1,142 | --- | 112,324 | 108,645 |
| LIABILITIES | | | | | | | | | |
| Due to Cemetery Boards | --- | --- | 9,200 | 6,000 | 6,659 | 42 | --- | 21,901 | 19,874 |
| | 40,936 | 15,000 | 20,329 | 5,893 | 7,165 | 1,100 | --- | 90,423 | 88,771 |
| FUND BALANCE | 40,936 | 15,000 | 29,529 | 11,893 | 13,824 | 1,142 | --- | 112,324 | 108,645 |

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF NORWICH
TRUST FUNDS STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006

| | Otterville Estates Security Deposits \$ | Guarantee Deposits \$ | Pioneer Cemetery Perpetual Care \$ | Rosanna Cemetery Perpetual Care \$ | Milldale Cemetery Perpetual Care \$ | Old Quaker Cemetery Perpetual Care \$ | OHRP Fund \$ | Total 2006 \$ | Total 2005 \$ |
|--|---|-----------------------------|--|--|---|--|--------------------|---------------------|---------------------|
| REVENUE | | | | | | | | | |
| Interest | 1,546 | 77 | 1,068 | 437 | 507 | 42 | ---- | 3,677 | 2,222 |
| Perpetual Care | ---- | ---- | 1,500 | 100 | 250 | ---- | ---- | 1,850 | 600 |
| Deposits Received | ---- | 7,000 | ---- | ---- | ---- | ---- | ---- | 7,000 | 5,000 |
| | 1,546 | 7,077 | 2,568 | 537 | 757 | 42 | ---- | 12,527 | 7,822 |
| EXPENDITURES | | | | | | | | | |
| Transfer to Others | ---- | 7,000 | ---- | ---- | ---- | ---- | ---- | 7,000 | ---- |
| Transfer to Cemetery Board | ---- | ---- | 1,068 | 437 | 507 | 42 | ---- | 2,054 | 1,233 |
| Transfer to Township | ---- | 77 | ---- | ---- | ---- | ---- | ---- | 77 | 49 |
| Transfer to Province of Ontario | ---- | ---- | ---- | ---- | ---- | ---- | 1,744 | 1,744 | ---- |
| | ---- | 7,077 | 1,068 | 437 | 507 | 42 | 1,744 | 10,875 | 1,282 |
| NET REVENUE (EXPENDITURES) FOR THE YEAR | 1,546 | ---- | 1,500 | 100 | 250 | ---- | (1,744) | 1,652 | 6,540 |
| FUND BALANCE | 39,390 | 15,000 | 18,829 | 5,793 | 6,915 | 1,100 | 1,744 | 88,771 | 82,231 |
| - Beginning of the Year | | | | | | | | | |
| FUND BALANCE | 40,936 | 15,000 | 20,329 | 5,893 | 7,165 | 1,100 | ---- | 90,423 | 88,771 |
| - End of the Year | | | | | | | | | |

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF NORWICH
NOTES TO THE TRUST FUNDS FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

1. ACCOUNTING POLICIES

Basis of Accounting

Revenue and expenditures are reported on the accrual basis of accounting, which recognizes revenue as it becomes available and measurable and expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

2. INVESTMENTS

The total trust fund investments of \$40,936 (2005 - \$39,390) recorded at cost have a market value of \$40,936 (2005 - \$39,390).

MEDICAL CENTRE BOARD OF MANAGEMENT

**FINANCIAL STATEMENTS
DECEMBER 31, 2006**

MILLARD, ROUSE AND ROSEBRUGH LLP
CHARTERED ACCOUNTANTS

85 ROBINSON STREET
SIMCOE, ONTARIO

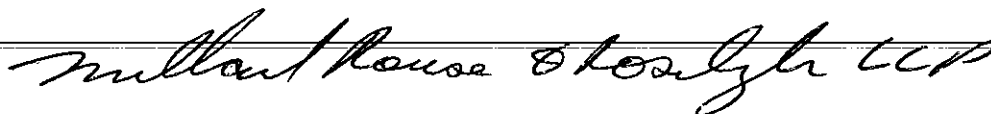
AUDITORS' REPORT

**To the Members of the
Medical Centre Board of Management**

We have audited the Balance Sheet of the Medical Centre Board of Management as at December 31, 2006 and the Statement of Operations 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 Medical Centre Board of Management as at December 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS
Licensed Public Accountants

**April 25, 2007
Simcoe, Ontario**

**TOWNSHIP OF NORWICH
MEDICAL CENTRE BOARD OF MANAGEMENT
BALANCE SHEET
AS AT DECEMBER 31, 2006**

| | 2006 \$ | 2005 \$ |
|--|---------------|---------------|
| FINANCIAL ASSETS | | |
| Cash and Bank | 2,630 | 2,529 |
| Accounts Receivable | 41,136 | 26,674 |
| Other Current Assets | 207 | 1,058 |
| | <u>43,973</u> | <u>30,261</u> |
| LIABILITIES | | |
| Due to Township of Norwich | 3,969 | 7,857 |
| Accounts Payable and Accrued Liabilities | 3,487 | 229 |
| | <u>7,456</u> | <u>8,086</u> |
| NET FINANCIAL ASSETS | | |
| Operating Fund | 8,317 | 4,175 |
| Reserves | 28,200 | 18,000 |
| | <u>36,517</u> | <u>22,175</u> |
| | <u>43,973</u> | <u>30,261</u> |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF NORWICH
MEDICAL CENTRE BOARD OF MANAGEMENT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | 2006 | 2005 |
|--|----------------|-----------------|
| | \$ | \$ |
| REVENUE | | |
| Administrative Fees | 229,164 | 115,553 |
| Interest | --- | 1,065 |
| Rent | 33,648 | 43,534 |
| Contributions from Township of Norwich | 211,118 | 73,750 |
| Donations and Fund Raising | 3,395 | 1,025 |
| | <u>477,325</u> | <u>234,927</u> |
| EXPENDITURES | | |
| Salaries, Wages and Benefits | 257,084 | 201,818 |
| Insurance | 2,665 | 3,189 |
| Medical Support | 1,153 | 1,153 |
| Medical Supplies | 9,822 | 6,739 |
| Office Supplies | 13,207 | 7,539 |
| Cleaning Supplies | 2,598 | 1,762 |
| Repairs and Maintenance | 6,637 | 9,147 |
| Professional Promotion and Advertising | 2,041 | 2,546 |
| Telephone | 5,693 | 5,592 |
| Postage | 3,466 | 503 |
| Cleaning Service | 20,894 | 20,500 |
| Legal and Accounting | 143 | 1,000 |
| Travel and Entertainment | 3,048 | 1,058 |
| Conferences and Training | 199 | 2,449 |
| Dues and Subscriptions | 80 | 123 |
| Recruiting | 17,207 | 11,908 |
| Utilities | 13,926 | 12,544 |
| Security | 331 | 2,173 |
| Property Taxes | 25,197 | 26,168 |
| Office Equipment | 521 | 791 |
| Medical Equipment | 9,458 | 237 |
| Sundry | 70 | 439 |
| | <u>395,440</u> | <u>319,378</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR | 81,885 | (84,451) |
| NET FINANCIAL ASSETS - Beginning of the Year | 4,175 | 108,626 |
| | <u>86,060</u> | <u>24,175</u> |
| Transfer to Capital | 67,543 | 10,000 |
| Transfer to Reserves | 10,200 | 10,000 |
| | <u>77,743</u> | <u>20,000</u> |
| NET FINANCIAL ASSETS - End of the Year | 8,317 | 4,175 |

The accompanying notes are an integral part of these financial statements

**MEDICAL CENTRE BOARD OF MANAGEMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

1. ACCOUNTING POLICIES

The financial statements of the Medical Centre Board of Management are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities and their local boards by the Ministry of Municipal Affairs and Housing and by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent on future events, the preparation of periodic statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

a) Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue 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.

b) Land, Buildings and Equipment

The historical cost and accumulated depreciation for land, buildings and equipment are not recorded for municipal purposes. Purchases of land, buildings and equipment are reported as an expenditure on the Statement of Operations in the year of acquisition. For those capital assets financed or to be financed by the issue of long term liabilities, the principal and interest on the long term indebtedness are also reported on the Statement of Operations as they are paid.

2. CAPITAL OPERATIONS

Included in the consolidated financial statements of the Township of Norwich are the following capital transactions, which are administered by the Township on behalf of the Medical Centre.

| | 2006 \$ | 2005 \$ |
|---|------------|------------|
| CAPITAL FINANCING | | |
| Transfers from Revenue Fund | 67,543 | 10,000 |
| CAPITAL EXPENDITURES | | |
| Roof | 57,043 | ---- |
| Security Storage | 3,307 | ---- |
| | 60,350 | ---- |
| EXCESS OF FINANCING OVER EXPENDITURES FOR THE YEAR | 7,193 | 10,000 |
| FUND BALANCE - Beginning of the Year | 2,000 | (8,000) |
| FUND BALANCE - End of the Year | 9,193 | 2,000 |

NORWICH BUSINESS IMPROVEMENT AREA

**FINANCIAL STATEMENTS
DECEMBER 31, 2006**

MILLARD, ROUSE AND ROSEBRUGH LLP
CHARTERED ACCOUNTANTS

85 ROBINSON STREET
SIMCOE, ONTARIO

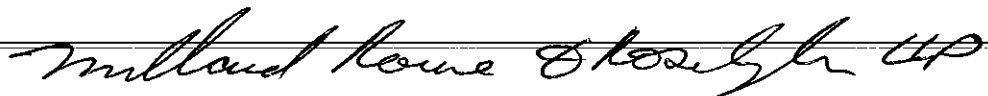
AUDITORS' REPORT

**To the Members of the
Norwich Business Improvement Area**

We have audited the Balance Sheet of the Norwich Business Improvement Area as at December 31, 2006 and the Statement of Operations 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 Norwich Business Improvement Area as at December 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS
Licensed Public Accountants

**April 25, 2007
Simcoe, Ontario**

**TOWNSHIP OF NORWICH
NORWICH BUSINESS IMPROVEMENT AREA
BALANCE SHEET
AS AT DECEMBER 31, 2006**

| | 2006 \$ | 2005 \$ |
|------------------------------|--------------|--------------|
| FINANCIAL ASSETS | | |
| Bank Balance | 4,192 | 5,791 |
| Due from Township of Norwich | 2,700 | ---- |
| | <u>6,892</u> | <u>5,791</u> |
| NET FINANCIAL ASSETS | <u>6,892</u> | <u>5,791</u> |

**NORWICH BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | 2006 \$ | 2005 \$ |
|---|---------------|--------------|
| REVENUE | | |
| Tax Levy | 5,400 | 5,400 |
| Investment Income | 2 | 1 |
| Fees and Service Charges | 5,793 | 1,531 |
| | <u>11,195</u> | <u>6,932</u> |
| EXPENDITURES | | |
| Beautification and Capital | 6,315 | 1,145 |
| Promotions and Advertising | 3,144 | 2,443 |
| Administration | 635 | 230 |
| | <u>10,094</u> | <u>3,818</u> |
| EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR | <u>1,101</u> | <u>3,114</u> |
| NET FINANCIAL ASSETS - Beginning of the Year | <u>5,791</u> | <u>2,677</u> |
| NET FINANCIAL ASSETS - End of the Year | <u>6,892</u> | <u>5,791</u> |

The accompanying notes are an integral part of these financial statements

**NORWICH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

1. ACCOUNTING POLICIES

The financial statements of the Norwich Business Improvement Area are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities and their local boards by the Ministry of Municipal Affairs and Housing and by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent on future events, the preparation of periodic statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

a) Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue 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.

b) Land, Buildings and Equipment

The historical cost and accumulated depreciation for land, buildings and equipment are not recorded for municipal purposes. Purchases of land, buildings and equipment are reported as an expenditure on the Statement of Operations in the year of acquisition. For those capital assets financed or to be financed by the issue of long term liabilities, the principal and interest on the long term indebtedness are also reported on the Statement of Operations as they are paid.