

AUDITORS REPORT

109 Cuthbertson Block
Fort William, Ontario,
April 20, 1967.

THE REEVE AND MEMBERS OF COUNCIL,
THE TOWNSHIP OF TERRACE BAY,
TERRACE BAY, ONTARIO.

We have examined the books and records of the Township of Terrace Bay for the year ended December 31, 1966, and statements relative thereto are attached.

Revenue Fund

Requests for verification of tax arrears were sent to all taxpayers shown on the roll as being in arrears as at April 14, 1967.

It is our understanding that receipts from swimming pool donations and memberships are to be taken into the Township revenue fund until such time as the amounts expended by the Township in past years on the construction and maintenance of the pool and changehouse have been fully recovered. Subsequent receipts from these sources would then be paid directly to the Recreation Committee to finance operating expenses. The unrecovered balance of the pool and change-house costs at December 31, 1966, was \$21,075.58 as follows:

Balance, December 31, 1965	\$25,034.87
Donations and memberships	<u>3,959.29</u>
Balance, December 31, 1966	<u>\$21,075.58</u>

We were not able to determine if the division of recreation memberships was properly made between those for the use of the pool, which are receivable by the Township as shown above, and those receivable by the Recreation Committee for general recreation purposes.

An amount of \$38,080.00 was paid to the Thunder Bay District Home for The Aged during the year. This amount represented the Township's share of the capital cost of a new home for the aged, based on its proportion of the total equalized assessment of the participating municipalities. However, the proportionate amount payable by each municipality has been appealed and, while the appeal is not yet settled, the latest available information indicates that an additional amount of approximately \$29,000.00 may have to be provided by the Township out of future years' levies.

The development of a park as a centennial project was commenced during 1966, but was not completed by the end of the year. Only the expenditures made, and the interim grants applicable to these expenditures, have been reflected in 1966 revenue and expenditure. It is estimated that further costs of approximately \$2,800.00 will be required to complete this project in 1967 and that approximately \$1,800.00 in grants will be forthcoming in that year.

Terrace Bay Hydro-Electric Utility

As in past years, neither the expenditure on power purchased during the last month in the year nor the revenue derived from sales of power during an approximately equal period are included in the attached operating statement.

Public School Board

Expenditure for teachers' salaries in the attached statement includes the gross salaries earned by teachers during the year. Since the teaching staff are paid on a twelve-month basis from September to August inclusive, whereas the services are rendered over a ten-month period from September to June, there is a resultant liability to teachers for deferred salary payments as at December 31, 1966. This accrued liability is included in the attached statements.

R. C. Separate School Board

The expenditure for teachers' salaries and the liability for accrued salaries have been determined in the same manner as was explained above for the Public School Board.

A residence is held in the name of the School Board, as an accommodation measure only, on behalf of the Parish. A mortgage in the amount of \$14,300.00, without interest, payable on demand, was given by the Board to the Parish to indicate effective ownership by the Parish of this dwelling. Neither the asset nor the liability for the demand mortgage are included in the attached statement.

High School Board

Capital expenditures from revenue funds amounted to \$22,606.48 and were in excess of the two mills expenditure

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