

TOWN OF ESSEX 2005 FINANCIAL REPORT

CORPORATION OF THE TOWN OF ESSEX Consolidated Statement of Financial Position December 31, 2005, with comparative figures for 2004

BDO
BDO Dunwoody LLP
Chartered Accountants
and Consultants

180 Talbot St. S.
Essex, ON N8M 1B6
Telephone: (519) 776-6488
Telefax: (519) 776-6090
www.bdo.ca

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of The Corporation of the Town of Essex.

We have audited the consolidated statement of financial position of the Corporation of the Town of Essex as at December 31, 2005 and the consolidated statements of financial activities and cash flows for the year then ended. These financial statements are the responsibility of the Municipality'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. These 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 Town of Essex as at December 31, 2005 and the results of its financial activities and changes in cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants
Essex, Ontario
May 17, 2006

CORPORATION OF THE TOWN OF ESSEX Consolidated Statement of Financial Activities

Year ended December 31, 2005, with comparative figures for 2004

	2005 Budget	2005 Actual	2004 Actual
Revenue			
Taxation	\$ 11,146,078	\$ 11,235,860	\$ 10,754,966
Sewer and water charges	4,430,427	4,586,019	4,053,784
Grants	842,319	2,433,676	470,858
User Charges	2,275,765	2,312,337	2,364,432
Other	337,935	1,598,133	423,718
Landfill Compensation	1,540,024	1,088,476	1,508,349
Interest and penalties	462,075	717,193	621,528
Development contributions	759,020	561,859	245,422
Share of undistributed income E.L.K. Energy	-	438,888	504,795
Commutated payments	142,987	123,072	159,253
	<u>21,936,630</u>	<u>25,095,513</u>	<u>21,107,105</u>
Expenditures			
Operating:			
General government	1,640,235	1,711,634	1,601,886
Protection to persons and property	4,751,306	4,901,038	4,391,418
Transportation services	2,066,901	2,174,538	1,892,477
Environmental services	4,345,097	4,115,430	4,134,641
Health services	243,406	195,710	249,064
Recreation and cultural services	2,327,176	2,471,583	2,349,669
Planning and development	275,591	270,373	263,134
	<u>15,649,712</u>	<u>15,840,306</u>	<u>14,882,289</u>
Capital:			
General government	122,000	300,518	641,113
Protection to persons and property	326,830	609,656	217,075
Transportation services	1,238,610	1,452,335	1,438,816
Environmental services	9,217,285	7,008,003	7,021,275
Health services	2,175	50,496	-
Recreation and cultural services	630,000	782,904	159,621
Planning and development	30,211	190,310	180,031
	<u>11,567,111</u>	<u>10,394,222</u>	<u>9,657,931</u>
Total expenditures	<u>27,216,823</u>	<u>26,234,528</u>	<u>24,540,220</u>
Net revenue (expenditures)	<u>(5,280,193)</u>	<u>(1,139,015)</u>	<u>(3,433,115)</u>
Increase (decrease) in amounts to be recovered in future years:			
New debt issued	6,072,590	5,750,553	6,499,830
Debt principal payments	(2,090,425)	(2,094,250)	(1,845,509)
Employee benefits & accrued interest	-	206,524	180,109
	<u>3,982,165</u>	<u>3,862,827</u>	<u>4,834,430</u>
Change in fund balance	<u>(1,298,028)</u>	<u>2,723,812</u>	<u>1,401,315</u>
Fund balance, beginning of year	<u>11,999,028</u>	<u>11,999,028</u>	<u>10,597,713</u>
Fund balance, end of year	<u>\$ 10,701,000</u>	<u>\$ 14,722,840</u>	<u>\$ 11,999,028</u>

Financial Assets

	2005	2004
Cash and short term investments	\$ 8,812,952	\$ 6,641,849
Taxes receivable	2,616,605	2,297,963
Accounts receivable	2,525,936	2,041,508
Investment in E.L.K. Energy Inc.	6,534,522	6,342,634
Investment (deficiency) in Union Water Supply	250,872	(475,026)
Other assets	348,536	338,235
	<u>\$ 21,089,423</u>	<u>\$ 17,187,163</u>

Liabilities & Municipal Position

Liabilities

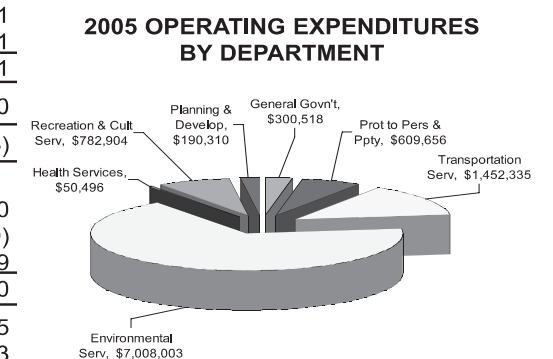
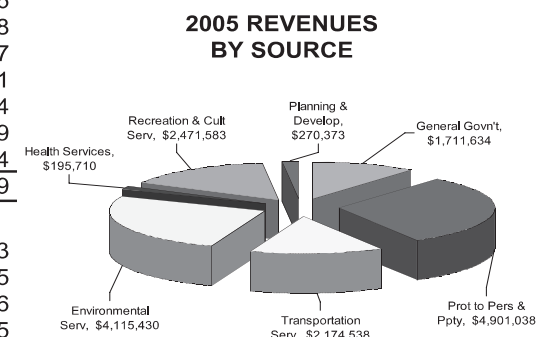
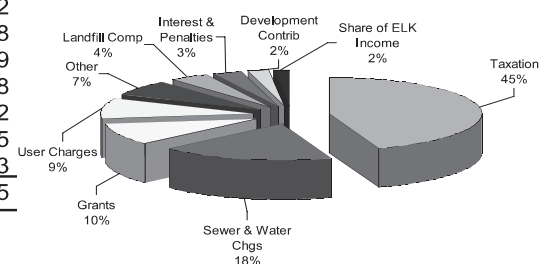
	2005	2004
Bank indebtedness	\$ 1,968,917	\$ 917,560
Accounts payable and accrued liabilities	3,562,263	3,151,636
Other current liabilities	86,021	57,158
Accrued interest payable on long-term debt	117,767	139,243
Employee future benefits	2,442,401	2,218,055
Deferred revenue - development charges	739,981	1,048,726
Net long-term debt	24,140,986	20,737,039
	<u>33,058,336</u>	<u>28,269,417</u>

Municipal Position

Operating fund	253,243	253,243
Equity in ELK Energy Inc.	7,275,522	6,836,634
Capital fund	(2,186,689)	(2,697,864)
Reserves	1,000,000	1,000,000
Reserve Funds	8,380,764	6,607,015
	<u>14,722,840</u>	<u>11,999,028</u>
Amounts to be recovered in future years	(26,691,753)	(23,081,282)
	<u>(11,968,913)</u>	<u>(11,082,254)</u>
Total municipal position	(11,968,913)	(11,082,254)
Contingencies and commitments		
	<u>\$ 21,089,423</u>	<u>\$ 17,187,163</u>

The financial statements should be read in conjunction with the Summary of Significant Accounting Policies and Notes to Financial Statements.

A complete copy of the Consolidated Financial Statements of the Town of Essex is available at the Municipal Offices or online at www.townofessex.on.ca.



2005 CAPITAL EXPENDITURES BY DEPARTMENT