

To The Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Huron:

We have audited the consolidated statement of financial position of the Corporation of the County of Huron as at December 31, 2004 and the consolidated statements of financial activities and cash flows for the year then ended. These statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 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 County of Huron as at December 31, 2004, the results of its financial activities and cash flows for the year then ended in accordance with accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants.

Goderich, Ontario
June 17, 2005

Vodden, Bender & Seebach
Chartered Accountants

**Consolidated Statement of Financial Activities
for the year ended December 31, 2004**

	Budget 2004	Actual 2004	Actual 2003
<u>Revenues</u>			
Taxation and user fees	31,941,975	33,370,185	29,022,094
Government transfers	28,671,692	27,757,974	26,958,516
Other revenue	916,900	1,391,908	1,713,215
Total revenues	61,530,567	62,520,067	57,693,825
<u>Expenditures</u>			
Operating			
General government	4,920,221	4,978,757	3,456,798
Protection to persons or property	826,212	841,704	775,307
Transportation services	9,975,903	9,289,019	7,188,948
Environmental services	45,000	137,529	194,414
Health services	9,828,539	9,904,445	8,716,474
Social and family services	28,586,165	27,847,630	25,907,400
Social and public housing	3,039,860	3,022,999	2,919,734
Recreation and cultural services	2,484,573	2,493,684	2,301,126
Planning and development	1,885,721	1,436,123	2,226,860
	61,592,194	59,951,890	53,687,061
Capital			
General government	624,000	624,107	1,017,552
Protection to persons and property	9,000	8,569	5,949
Transportation services	426,000	425,731	543,989
Environmental services	-	-	500
Health services	194,000	193,867	281,516
Social and family services	335,000	334,954	116,011
Social and public housing	256,000	255,819	249,846
Recreation and cultural services	153,000	153,392	230,535
Planning and development	40,000	40,094	37,431
	2,037,000	2,036,533	2,483,329
Total expenditures	63,629,194	61,988,423	56,170,390
Net expenditures	2,098,627	(531,644)	(1,523,435)
Opening municipal position	12,080,970	12,080,970	10,557,535
Closing municipal position	9,982,343	12,612,614	12,080,970