

**THE CORPORATION OF THE MUNICIPALITY OF  
THE TOWNSHIP OF BROOKE - ALVINSTON**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

**THE CORPORATION OF THE MUNICIPALITY OF THE  
TOWNSHIP OF BROOKE - ALVINSTON**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

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Collins Barrow

Chartered Accountants

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## AUDITORS' REPORT

### TO THE MEMBERS OF COUNCIL INHABITANTS AND RATEPAYERS OF THE THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

We have audited the consolidated statement of financial position of the The Corporation of the Municipality of the Township of Brooke - Alvinston as at December 31, 2009 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Township'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 Township as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow KMD LLP*

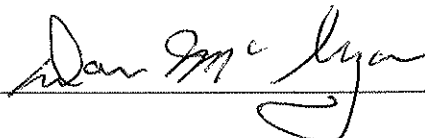
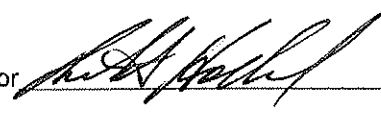
Chartered Accountants  
Licensed Public Accountants  
London, Ontario  
June 14, 2011

**THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF  
BROOKE - ALVINSTON**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
At December 31, 2009**

	2009 \$	Restated 2008 \$ (Note 2)
<b>FINANCIAL ASSETS</b>		
Cash	-	49,382
Accounts receivable	1,928,823	1,454,897
Taxes receivable	430,674	629,781
Investments	244,432	265,522
Investment - Bluewater Power Corporation (note 1)	345,862	353,106
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,949,791</b>	<b>2,752,688</b>
<b>LIABILITIES</b>		
Bank overdraft (note 9)	145,827	-
Short term debt (note 9)	550,000	10,000
Accounts payable and accrued liabilities	440,186	488,381
Deferred income	74,773	182,620
Long term debt (note 5)	927,601	994,712
<b>TOTAL LIABILITIES</b>	<b>2,138,387</b>	<b>1,675,713</b>
<b>NET FINANCIAL ASSETS</b>	<b>811,404</b>	<b>1,076,975</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 4)	18,842,938	17,753,014
Inventories of supplies and prepaid expenses	81,832	63,836
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>18,924,770</b>	<b>17,816,850</b>
<b>ACCUMULATED SURPLUS (note 6)</b>	<b>19,736,174</b>	<b>18,893,825</b>

Approved on behalf of the Board:

Mayor  Treasurer Administrator 

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

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2009

	Budget 2009 \$	Actual 2009 \$	Restated Actual 2008 \$ (Note 2)
<b>REVENUES</b>			
Property taxation	1,591,527	1,615,235	1,595,784
User charges	479,425	585,548	610,261
Government of Canada	768,045	619,167	115,637
Province of Ontario	2,197,122	2,012,274	2,029,279
Other municipalities	105,508	88,779	161,107
Penalties and interest on taxes	75,000	79,193	96,572
Investment income	17,000	62,631	89,569
Donations	7,709	85,788	92,147
Gain (loss) on sale of tangible capital assets	4,243	(5,275)	(6,290)
Share of (net loss) income of Bluewater Power Corporation	-	(7,244)	9,158
Prepaid special charges	193,439	209,420	10,823
<b>TOTAL REVENUES</b>	<b>5,439,018</b>	<b>5,345,516</b>	<b>4,804,047</b>
<b>EXPENSES</b>			
General government	446,065	622,928	536,947
Protection services	857,107	846,321	818,742
Transportation services	1,582,739	1,495,679	1,499,818
Environmental services	623,118	993,329	652,356
Health services	2,236	69,680	50,780
Recreation and cultural services	448,027	438,479	468,679
Planning and development	34,804	36,751	34,520
<b>TOTAL EXPENSES</b>	<b>3,994,096</b>	<b>4,503,167</b>	<b>4,061,842</b>
<b>ANNUAL SURPLUS</b>	<b>1,444,922</b>	<b>842,349</b>	<b>742,205</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>18,893,825</b>	<b>18,893,825</b>	<b>18,151,620</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>20,338,747</b>	<b>19,736,174</b>	<b>18,893,825</b>

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

**THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF  
BROOKE - ALVINSTON**

**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
For the Year Ended December 31, 2009**

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$ (Note 2)
<b>ANNUAL SURPLUS</b>	1,444,922	842,349	742,205
Amortization of tangible capital assets	848,848	848,848	675,665
Acquisition of tangible capital assets	-	(2,013,056)	(2,985,255)
Loss on disposal of tangible capital assets	-	5,467	6,290
Proceeds on sale of tangible capital assets	-	68,817	112,115
Increase in inventories of supplies and prepaid expenses	-	(17,996)	(4,908)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>2,293,770</b>	<b>(265,571)</b>	<b>(1,453,888)</b>
<b>NET FINANCIAL ASSETS - beginning of year</b>	<b>1,076,975</b>	<b>1,076,975</b>	<b>2,530,863</b>
<b>NET FINANCIAL ASSETS - end of year</b>	<b>3,370,745</b>	<b>811,404</b>	<b>1,076,975</b>

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

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2009

	2009	Restated 2008
	\$	\$
		(Note 2)
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus	842,349	742,205
(Increase)/decrease in accounts receivable	(473,926)	189,824
Decrease in taxes receivable	199,107	60,972
(Increase)/decrease in investments	21,090	(35,197)
(Increase)/decrease in investment - Bluewater Power Corporation	7,244	(9,158)
Increase in inventories of supplies and prepaid expenses	(17,996)	(4,908)
Increase in short term debt	540,000	10,000
Increase/(decrease) in accounts payable and accrued liabilities	(48,195)	134,407
Increase/(decrease) in deferred income	(107,847)	182,620
Non-cash charges to operations		
Amortization of tangible capital assets	848,848	675,664
Loss on disposal of tangible capital assets	5,467	6,290
<b>Net increase in cash from operating transactions</b>	<b>1,816,141</b>	<b>1,952,719</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(2,013,056)	(2,985,255)
Proceeds on disposal of tangible capital assets	68,817	112,115
<b>Net decrease in cash from capital transactions</b>	<b>(1,944,239)</b>	<b>(2,873,140)</b>
<b>FINANCING</b>		
Debt principal repayments	(67,111)	(116,168)
<b>DECREASE IN CASH</b>	<b>(195,209)</b>	<b>(1,036,589)</b>
<b>CASH - beginning of year</b>	<b>49,382</b>	<b>1,085,971</b>
<b>CASH - end of year</b>	<b>(145,827)</b>	<b>49,382</b>

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

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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The Township of Brooke - Alvinston is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

#### (a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These financial statements include:

- 
- 
- Alvinston Cemetery Board
- Inwood Community Centre Board
- Alvinston Electricity Holdings Inc.

All interfund assets and liabilities and revenues and expenses are eliminated.

Alvinston Electricity Holdings Inc. holds the Township's interest in BlueWater Power Corporation, a government business enterprise which is accounted for on the modified equity basis.

#### (b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.



# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	10 years
Buildings	50 years
Roadways	7-50 years
Water and sewer	50-75 years
Vehicles	5-15 years
Furniture and fixtures	5 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

#### (d) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

#### (e) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

#### (f) Reserves and Reserve Funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

#### (g) Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (h) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions on such areas as allowance for doubtful accounts. These estimates and assumptions 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 revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

### 2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY

The Township has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires municipalities and their local boards to record and amortize their tangible capital assets on their financial statements. Adjustments necessary to the 2008 financial information as a result of the Section are as follows:

#### Adjustment to 2008 Tangible Capital Assets

Assets previously expensed to December 31, 2008	\$ 29,525,208
Accumulated amortization to December 31, 2008, not previously recorded	<u>(11,772,194)</u>
Closing 2008 and opening 2009 net book value of tangible capital assets as restated	<u>\$ 17,753,014</u>

#### Adjustment to Opening 2008 Accumulated Surplus

Accumulated surplus as previously stated	
Current fund	\$ 574,198
Capital fund	1,200,468
Reserves and reserve funds	<u>1,793,696</u>
	3,568,362
Net book value of tangible capital assets at January 1, 2008	15,561,829
Long-term debt related to tangible capital assets	(1,260,204)
Municipal drains reclassified as accounts receivable	132,308
Reclassify reserve fund and cemetery investments	<u>149,325</u>
Opening 2008 accumulated surplus as restated	<u>\$ 18,151,620</u>

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 2. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY, continued

#### Adjustment to 2008 Annual Surplus

2008 annual surplus as previously stated	\$ (1,340,242)
Add: Assets capitalized but previously expensed	2,985,255
Less: Amortization expense not previously recorded	(675,665)
Proceeds from sale of tangible capital assets	(112,115)
Loss on sale of tangible capital assets	(6,290)
Reclass municipal drain expenditures	<u>(108,738)</u>
2008 annual surplus as restated	<u>\$ 742,205</u>

### 3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF LAMBTON

During 2009, requisitions were made by the County of Lambton and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	1,640,087	1,174,739
	<u>1,640,087</u>	<u>1,174,739</u>
Amounts requisitioned and remitted	1,640,087	1,174,739

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

### 4. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2009 \$	2008 \$
General		
Land	81,118	81,118
Land improvement	147,723	108,237
Buildings	1,403,827	1,415,248
Vehicles and equipment	1,291,444	1,341,556
Infrastructure		

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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<b>4. TANGIBLE CAPITAL ASSET, continued</b>		
Transportation	6,467,714	6,228,131
Environmental	9,376,022	6,385,135
	<hr/>	<hr/>
	18,767,848	15,559,425
Assets under construction	75,090	2,193,589
	<hr/>	<hr/>
	18,842,938	17,753,014

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For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2008 - \$Nil) and no interest capitalized (2008 - \$Nil).

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 5. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2009 \$	2008 \$
Waterline debentures, interest rates from 7% to 8.25%, maturing 2009 to 2020	42,801	57,375
OSIFA waterline debenture, interest rate of 2.54%, maturing 2035	744,880	764,896
OSIFA sewer debenture, interest rate of 2.28%, maturing 2020	114,847	123,936
Arena debentures, interest rate of 7%, maturing 2010	25,073	48,505
Tile drainage loans, interest rates at 8%, maturing 2009 to 2018	216,420	276,460
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage assistance loans has been assumed by individuals	(216,420)	(276,460)
	<u>927,601</u>	<u>994,712</u>

- (b) The Township acts as a collection agency for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2009 is \$216,420 (2008 - \$276,460). These loans and the related repayments are not reported on the Consolidated Statements of Financial Position, Financial Activities and Changes in Financial Position.
- (c) Interest paid during the year on long term debt amounted to \$32,950 (2008 - \$36,426).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2010	66,596	26,107	92,703
2011	43,079	22,796	65,875
2012	44,712	21,133	65,845
2013	32,998	19,451	52,449
2014	33,855	18,593	52,448
2015 to 2019	180,389	79,321	259,710
2020 and subsequent years	525,972	117,319	643,291
	<u>927,601</u>	<u>304,720</u>	<u>1,232,321</u>

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 6. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus/(deficit) and reserves and reserve funds as follows:

	2009	2008
	\$	\$
<b>Surplus/(Deficit)</b>		
General surplus (deficit)	(459,217)	(55,922)
Alvinston special area	(12,663)	(8,304)
Inwood special area	6,109	4,833
Water operations	(149,854)	(156,014)
Sewer	(300,793)	7,520
Community Centre	51,448	(11,736)
Canada Day Committee	7,677	7,212
Cemetery	36,065	46,337
Inwood	1,501	3,938
Investment - Bluewater Power Corporation	345,862	353,106
	(473,865)	190,970
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	18,842,938	17,753,014
Long term debt	(927,601)	(994,712)
	17,915,337	16,758,302
<b>Surplus</b>	<b>17,441,472</b>	<b>16,949,272</b>
<b>Reserves</b>		
Working Capital	874,612	619,611
Municipal building	111,820	74,361
Election	12,000	8,000
Storm sewer	20,800	20,800
Water	36,477	36,477
Sewer	64,318	64,318
Fire Area 2 Alvinston	121,000	51,000
Fire Area 1 Inwood	-	155,000
Roads	463,299	396,299
Arena	105,219	22,219
Equipment purchase	28,591	28,591
<b>Total Reserves</b>	<b>1,838,136</b>	<b>1,476,676</b>
<b>Reserve Funds</b>		
Alvinston general	99,590	111,148
Fire Area 1 Inwood	32,461	32,214
Sewer	2,142	2,142
Water	55,373	55,373
Alvinston capital utility	21,000	21,000
Cemetery	246,000	246,000
<b>Total Reserve Funds</b>	<b>456,566</b>	<b>467,877</b>
	<b>19,736,174</b>	<b>18,893,825</b>

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

### 7. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
Salaries and benefits	895,000	943,213	859,936
Interest charges	34,658	32,950	36,426
Materials	2,215,590	2,678,156	2,489,816
Amortization	848,848	848,848	675,664
	<b>3,994,096</b>	<b>4,503,167</b>	<b>4,061,842</b>

### 8. BUDGET FIGURES

The budget, approved by the Township, for 2009 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. Budget figures are not subject to audit.

### 9. INVESTMENT - ALVINSTON ELECTRICITY HOLDINGS INC.

On October 31, 2000 the assets of the Alvinston Hydro Electric Commission were transferred to Bluewater Power Distribution Corporation. The Township is the sole shareholder of Alvinston Electricity Holding Inc., which received a .72% interest in Bluewater Power Distribution Corporation in consideration for the transfer of the commission's assets. The investment is reported on the modified equity basis.

### 10. SEGMENTED INFORMATION

The Township of Brooke - Alvinston is a municipal government institution that provides a range of services to its citizens. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 10. SEGMENTED INFORMATION, continued

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segmented Disclosure.

#### **General Government**

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

#### **Protection Services**

Protection services include police, fire, conservation authority and protective inspection and control.

#### **Transportation Services**

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control, and street lighting.

#### **Environmental Services**

The environmental function is responsible for providing water, sewer, waste disposal and recycling services to ratepayers.

#### **Health Services**

The health services function consists of the activities of the cemetery board.

#### **Recreation and Cultural Services**

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

#### **Planning and Development**

The planning and development services function manages commercial, industrial and residential development within the Township.

### 11. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.



# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2009

	General			Infrastructure		Assets Under Construction	Totals	
	Land	Land Improvement	Buildings	Vehicles and Equipment	Transportation			Environmental
<b>COST</b>								
Balance, beginning of year	81,118	225,133	2,265,844	2,424,951	12,929,240	9,405,333	29,525,208	
Add: additions during the year	-	59,260	22,113	192,710	629,343	3,228,129	2,013,056	
Less: disposals during the year	-	-	-	79,951	-	-	79,951	
Balance, end of year	81,118	284,393	2,287,957	2,537,710	13,558,583	12,633,462	31,458,313	
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	116,896	850,596	1,083,395	6,701,109	3,020,198	11,772,194	
Add: additions during the year	-	19,774	33,534	168,538	389,760	237,242	848,848	
Less: disposals during the year	-	-	-	5,667	-	-	5,667	
Balance, end of year	-	136,670	884,130	1,246,266	7,090,869	3,257,440	12,615,375	
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>								
	81,118	147,723	1,403,827	1,291,444	6,467,714	9,376,022	18,842,938	

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2009

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>									
Property taxation	-	738,855	480,669	-	129,051	44,531	199,598	22,531	1,615,235
User charges	15,564	18,687	1,428	299,816	1,763	25,149	220,391	2,750	585,548
Government transfers - operating	1,454,200	-	2,138	347,098	-	-	3,000	11,470	1,817,906
Government transfers - capital	13,728	-	259,897	524,420	-	-	15,490	-	813,535
Other municipalities	-	88,779	-	-	-	-	-	-	88,779
Penalties and interest on taxes	79,193	-	-	-	-	-	-	-	79,193
Investment income	62,631	-	-	-	-	-	-	-	62,631
Donations	85,788	-	-	-	-	-	-	-	85,788
Gain (loss) on sale of assets	(5,275)	-	-	-	-	-	-	-	(5,275)
Investment income	(7,244)	-	-	-	-	-	-	-	(7,244)
Other	209,420	-	-	-	-	-	-	-	209,420
<b>Total revenues</b>	<b>1,908,005</b>	<b>846,321</b>	<b>744,132</b>	<b>1,171,334</b>	<b>130,814</b>	<b>69,680</b>	<b>438,479</b>	<b>36,751</b>	<b>5,345,516</b>
<b>Expenses</b>									
Salaries and benefits	311,228	90,611	364,005	-	-	21,032	156,337	-	943,213
Interest charges	-	-	-	29,555	-	-	3,395	-	32,950
Materials	301,135	685,424	669,471	600,444	130,814	46,712	211,009	33,147	2,678,156
Amortization	10,565	70,286	462,203	232,516	-	1,936	67,738	3,604	848,848
<b>Total expenses</b>	<b>622,928</b>	<b>846,321</b>	<b>1,495,679</b>	<b>862,515</b>	<b>130,814</b>	<b>69,680</b>	<b>438,479</b>	<b>36,751</b>	<b>4,503,167</b>
<b>Net surplus/deficit</b>	<b>1,285,077</b>	<b>-</b>	<b>(751,547)</b>	<b>308,819</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>842,349</b>

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2008

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
<b>Revenues</b>									
Property taxation	-	725,410	491,426	-	124,172	32,804	196,932	26,040	1,595,784
User charges	(8,280)	9,168	16,279	312,743	3,527	17,976	255,515	3,333	610,261
Government transfers - operating	1,235,100	230	2,628	36,824	-	-	1,700	5,147	1,281,629
Government transfers - capital	5,263	-	786,744	64,128	-	-	7,152	-	863,287
Other municipalities	-	83,934	-	68,793	-	-	8,380	-	161,107
Penalties and interest on taxes	96,572	-	-	-	-	-	-	-	96,572
Investment income	89,569	-	-	-	-	-	-	-	89,569
Donations	92,147	-	-	-	-	-	-	-	92,147
Gain (loss) on sale of assets	(6,290)	-	-	-	-	-	-	-	(6,290)
Investment income	9,158	-	-	-	-	-	-	-	9,158
Other	10,823	-	-	-	-	-	-	-	10,823
<b>Total revenues</b>	<b>1,524,062</b>	<b>818,742</b>	<b>1,297,077</b>	<b>482,488</b>	<b>127,699</b>	<b>50,780</b>	<b>468,679</b>	<b>34,520</b>	<b>4,804,047</b>
<b>Expenses</b>									
Salaries and benefits	262,441	98,648	319,409	-	-	26,396	153,042	-	859,936
Interest charges	-	-	-	31,498	-	-	4,928	-	36,426
Materials	265,299	657,481	777,540	354,008	127,699	22,448	251,323	34,018	2,489,816
Amortization	9,207	62,613	402,869	139,151	-	1,936	59,386	502	675,664
<b>Total expenses</b>	<b>536,947</b>	<b>818,742</b>	<b>1,499,818</b>	<b>524,657</b>	<b>127,699</b>	<b>50,780</b>	<b>468,679</b>	<b>34,520</b>	<b>4,061,842</b>
<b>Net surplus/deficit</b>	<b>987,115</b>	<b>-</b>	<b>(202,741)</b>	<b>(42,169)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>742,205</b>



Collins Barrow

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## AUDITORS' REPORT

### TO THE MEMBERS OF COUNCIL INHABITANTS AND RATEPAYERS OF THE THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

We have audited the statement of financial position of the Trust Funds of the The Corporation of the Municipality of the Township of Brooke - Alvinston as at December 31, 2009 and the statement of continuity of the Trust Funds for the year then ended. These financial statements are the responsibility of the Township'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 Trust Funds of the Township as at December 31, 2009 and the continuity of the Trust Funds for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow KMD LLP*

Chartered Accountants  
Licensed Public Accountants  
June 14, 2011

**THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF  
BROOKE - ALVINSTON**

**TRUST FUNDS  
STATEMENT OF FINANCIAL POSITION  
At December 31, 2009**

	Cemetery Board Perpetual Care \$	Ontario Home Renewal Plan \$	2009 Total \$	2008 Total \$
<b>FINANCIAL ASSETS</b>				
Cash	93	3,407	3,500	8,568
Accrued interest	5,192	-	5,192	5,575
Investments (note 2)	171,400	-	171,400	165,554
Due from Alvinston Cemetery Board	10,344	-	10,344	5,447
Loans receivable	-	1,969	1,969	2,488
	<b>187,029</b>	<b>5,376</b>	<b>192,405</b>	<b>187,632</b>
<b>CURRENT LIABILITIES</b>				
Due to Township of Brooke-Alvinston	-	219	219	24
Due to province	-	2,544	2,544	2,025
Due to ratepayer	-	486	486	-
	-	<b>3,249</b>	<b>3,249</b>	<b>2,049</b>
<b>FUND BALANCE</b>	<b>187,029</b>	<b>2,127</b>	<b>189,156</b>	<b>185,583</b>
	<b>187,029</b>	<b>5,376</b>	<b>192,405</b>	<b>187,632</b>

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

**THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF  
BROOKE - ALVINSTON**

**TRUST FUNDS  
STATEMENT OF CONTINUITY  
For the Year Ended December 31, 2009**

	Cemetery Board Perpetual Care \$	Ontario Home Renewal Plan \$	2009 Total \$	2008 Total \$
<b>BALANCE - beginning of year</b>	182,937	2,646	185,583	185,210
<b>RECEIPTS</b>				
Sale of lots	4,450	-	4,450	950
Interest earned	6,549	196	6,745	6,971
	10,999	196	11,195	7,921
<b>EXPENSES</b>				
Administration	4	196	200	61
Repayment to ministry	-	519	519	575
Transfer to Alvinston Cemetery Board	6,903	-	6,903	6,912
	6,907	715	7,622	7,548
<b>BALANCE - end of year</b>	187,029	2,127	189,156	185,583

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

# THE CORPORATION OF THE MUNICIPALITY OF THE TOWNSHIP OF BROOKE - ALVINSTON

## TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2009

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

#### (a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses 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) Financial Instruments

The Trust Funds financial instruments consist of cash, investments and accounts payable. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Funds does not have any significant concentration of credit, currency or interest rate risk.

#### (c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

### 2. CASH AND INVESTMENTS

Cash and investments totaling \$180,092 have a fair market value of the same amount. Included in cash and investments are \$171,400 of GIC's with interest rates ranging from 2.4% to 4.2% and maturities ranging from June 28, 2010 to September 22, 2014.

### 3. ONTARIO HOME RENEWAL PROGRAM LOANS

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.