

TOWNSHIP OF BROOKE-ALVINSTON
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2007

This copy of financial statements should be
signed on the face of the Balance Sheet,
indicating approval of the financial statements,
and returned to



Collins Barrow
Chartered Accountants

495 Richmond Street Suite 700
P.O. Box 5005
London, Ontario, Canada
N6A 5G4

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Brooke-Alvinston

We have audited the consolidated statement of financial position of the Township of Brooke-Alvinston as at December 31, 2007 and the consolidated statements of financial activities and changes in financial position 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 consolidated financial statements present fairly, in all material respects, the financial position of the Township of Brooke-Alvinston as at December 31, 2007 and the results of its financial activities and changes in its financial position for the year then ended in accordance with the accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants.

Collins Barrow KMD LLP

London, Canada
March 19, 2009

LICENSED PUBLIC ACCOUNTANTS

TOWNSHIP OF BROOKE-ALVINSTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

(with comparative figures at December 31, 2006)

	<u>2007</u>	<u>2006</u>
FINANCIAL ASSETS		
Cash	\$ 1,085,971	\$ 51,137
Taxes receivable	690,753	840,057
Accounts receivable	1,512,413	1,369,839
Investment - Alvinston Electricity Holdings	343,948	336,361
Investments - Other (note 3)	<u>81,000</u>	<u>87,514</u>
Total financial assets	<u>3,714,085</u>	<u>2,684,908</u>
NON-FINANCIAL ASSETS		
Inventories of supplies and prepaid expenses	<u>58,928</u>	<u>37,846</u>
Total assets	<u>\$ 3,773,013</u>	<u>\$ 2,722,754</u>
LIABILITIES		
Bank loan	\$ 353,976	\$ 760,000
Accounts payable and accrued liabilities	1,110,879	185,523
Long term liabilities (note 5)	<u>1,110,879</u>	<u>1,146,720</u>
Total liabilities	<u>1,464,855</u>	<u>2,092,243</u>
MUNICIPAL FUND POSITION		
Operating fund (note 6)	230,250	172,493
Capital fund	1,200,468	(142,704)
Reserves and reserve funds (note 7)	1,793,696	1,568,436
Investment in Alvinston Electricity Holdings (note 8)	<u>343,948</u>	<u>336,361</u>
Total fund balances	3,568,362	1,934,586
Amounts to be recovered from future revenues	<u>(1,260,204)</u>	<u>(1,304,075)</u>
Net fund balances	<u>2,308,158</u>	<u>630,511</u>
Total liabilities and municipal fund position	<u>\$ 3,773,013</u>	<u>\$ 2,722,754</u>

The accompanying notes are an integral part of this statement

Approved by Council

Mayor _____ Treasurer Administrator _____

TOWNSHIP OF BROOKE-ALVINSTON
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

(with comparative figures for the year ended December 31, 2006)

	Budget 2007	Actual 2007	Actual 2006
Revenues			
Taxation for municipal purposes	\$ 1,560,825	\$ 1,582,439	\$ 1,519,239
User fees	625,437	672,072	637,281
Government transfers - Canada		39,000	29,953
Government transfers - Ontario	1,235,040	2,624,768	1,572,356
Government transfers - Other municipalities		103,848	81,302
Donations		41,150	46,986
Investment income	3,500	92,188	34,702
Penalty and interest on taxes	80,000	95,675	105,712
Special charges	346,100	324,694	52,685
Equity in Alvinston Electricity Holdings		7,587	7,456
Total revenues	<u>3,850,902</u>	<u>5,583,421</u>	<u>4,087,672</u>
Expenditures			
Current			
General government	539,892	515,984	510,403
Protection to persons and property	727,575	678,020	593,158
Transportation services	1,297,760	871,851	860,314
Environmental services	556,013	475,223	456,947
Health services	8,150	55,081	38,212
Recreation and cultural services	372,505	389,263	366,240
Planning and development	13,500	8,896	10,103
	<u>3,515,395</u>	<u>2,994,318</u>	<u>2,835,377</u>
Capital			
General government	20,000	17,620	1,173
Protection to persons and property	60,200	80,795	113,494
Transportation services	258,900	309,673	666,711
Environmental services		345,428	39,062
Health services		14,773	12,438
Recreation and cultural services	7,000	13,223	36,958
Planning and development		129,944	220,722
	<u>346,100</u>	<u>911,456</u>	<u>1,090,558</u>
Total expenditures	<u>3,861,495</u>	<u>3,905,774</u>	<u>3,925,935</u>
Net revenues for the year	(10,593)	1,677,647	161,737
Other			
Long term liability proceeds		63,950	54,300
Long term liability payments		(107,821)	(94,038)
Change in fund balances for the year	<u>(10,593)</u>	<u>1,633,776</u>	<u>121,999</u>
Fund Balances, beginning of year	<u>1,934,586</u>	<u>1,934,586</u>	<u>1,812,587</u>
Fund Balances, end of year	<u>\$ 1,923,993</u>	<u>\$ 3,568,362</u>	<u>\$ 1,934,586</u>

The accompanying notes are an integral part of this statement

TOWNSHIP OF BROOKE-ALVINSTON
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2007

(with comparative figures for the year ended December 31, 2006)

	<u>2 0 0 7</u>	<u>2 0 0 6</u>
Operating activities		
Net revenues for the year - statement 2	\$ 1,677,647	161,737
Charges (credits) to income not involving cash		
Internal loans	8,030	
Investment in Alvinston Electricity Holdings	(7,587)	(7,456)
Net change in non-cash assets and liabilities		
Taxes receivable	149,304	(126,081)
Accounts receivable	(142,574)	(148,200)
Inventories of supplies and prepaid expenses	(21,082)	(12,565)
Accounts payable and accrued charges	<u>168,453</u>	<u>(42,432)</u>
	<u>1,832,191</u>	<u>(174,997)</u>
Financing activities		
Long term liability proceeds	63,950	54,300
Long term liability payments	<u>(107,821)</u>	<u>(94,038)</u>
	<u>(43,871)</u>	<u>(39,738)</u>
Investing activities		
Investments (acquired)/repaid	<u>6,514</u>	<u>(6,514)</u>
Change in cash and equivalents during year	1,794,834	(221,249)
Cash and equivalents, beginning of year	<u>(708,863)</u>	<u>(487,614)</u>
Cash and equivalents, end of year	<u>\$ 1,085,971</u>	<u>\$ (708,863)</u>
Analysis of cash and equivalents		
Cash	\$ 1,085,971	\$ 51,137
Bank loan	<u> </u>	<u>(760,000)</u>
	<u>\$ 1,085,971</u>	<u>\$ (708,863)</u>

The accompanying notes are an integral part of this statement

TOWNSHIP OF BROOKE-ALVINSTON
STATEMENT OF OPERATING FUND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007
(with comparative figures for the year ended December 31, 2006)

	Budget 2007	Actual 2007	Actual 2006
Revenues			
Taxation for municipal purposes	\$ 1,560,825	\$ 1,582,439	\$ 1,519,239
User fees	625,437	672,072	637,281
Government transfers - Canada		2,800	2,800
Government transfers - Ontario	1,235,040	1,259,783	1,236,477
Government transfers - Other municipalities		69,916	65,302
Donations		30,930	13,811
Investment income	3,500	30,116	22,602
Penalty and interest on taxes	<u>80,000</u>	<u>95,675</u>	<u>105,712</u>
 Total revenue	 <u>3,504,802</u>	 <u>3,743,731</u>	 <u>3,603,224</u>
Expenditures			
General government	539,892	515,984	510,403
Protection to persons and property	727,575	678,020	593,158
Transportation services	1,297,760	871,851	860,314
Environmental services	556,013	475,223	456,947
Health services	8,150	55,081	38,212
Recreation and cultural services	372,505	389,263	366,240
Planning and development	<u>13,500</u>	<u>8,896</u>	<u>10,103</u>
 Total expenditures	 <u>3,515,395</u>	 <u>2,994,318</u>	 <u>2,835,377</u>
Net revenues for the year	 (10,593)	 749,413	 767,847
Transfers and Other			
Long term liability payments		(107,821)	(94,038)
Interfund transfers (to) from reserves		(195,813)	(253,098)
Interfund transfers (to) from capital		<u>(388,022)</u>	<u>(610,719)</u>
Change in operating fund balance for the year	 (10,593)	 57,757	 (190,008)
Fund Balance, beginning of year	 <u>172,493</u>	 <u>172,493</u>	 <u>362,501</u>
Fund Balance, end of year	 <u>\$ 161,900</u>	 <u>\$ 230,250</u>	 <u>\$ 172,493</u>

The accompanying notes are an integral part of this statement

TOWNSHIP OF BROOKE-ALVINSTON
STATEMENT OF CAPITAL FUND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007
(with comparative figures for the year ended December 31, 2006)

	<u>Budget</u> <u>2 0 0 7</u>	<u>Actual</u> <u>2 0 0 7</u>	<u>Actual</u> <u>2 0 0 6</u>
Revenues			
Government transfers - Canada		\$ 36,200	27,153
Government transfers - Ontario		1,364,985	\$ 335,879
Government transfers - Other municipalities		33,932	16,000
Special Charges	346,100	324,694	52,685
Donations		10,220	33,175
Investment income		<u>32,625</u>	
Total revenues	<u>346,100</u>	<u>1,802,656</u>	<u>464,892</u>
Expenditures			
General government	20,000	17,620	1,173
Protection to persons and property	60,200	80,795	113,494
Transportation services	258,900	309,673	666,711
Environmental services		345,428	39,062
Health services		14,773	12,438
Recreation and cultural services	7,000	13,223	36,958
Planning and development		<u>129,944</u>	<u>220,722</u>
Total expenditures	<u>346,100</u>	<u>911,456</u>	<u>1,090,558</u>
Net revenues (expenditures) for the year		891,200	(625,666)
Transfers			
Long term liability proceeds		63,950	54,300
Interfund transfers (to) from reserves			115,712
Interfund transfers (to) from operating		<u>388,022</u>	<u>610,719</u>
Change in capital fund balance for the year		1,343,172	155,065
Fund Balance, beginning of year	<u>(142,704)</u>	<u>(142,704)</u>	<u>(297,769)</u>
Fund Balance, end of year	<u>\$ (142,704)</u>	<u>\$ 1,200,468</u>	<u>\$ (142,704)</u>

The accompanying notes are an integral part of this statement

TOWNSHIP OF BROOKE-ALVINSTON
STATEMENT OF RESERVE AND RESERVE FUND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007
(with comparative figures for the year ended December 31, 2006)

	Budget 2007	Actual 2007	Actual 2006
Revenues			
Investment income	_____	\$ 29,447	12,100
Expenditures	_____	-	-
Net revenues for the year	_____	29,447	12,100
Transfers			
Interfund transfers (to) from operating	\$ _____	\$ 195,813	\$ 253,098
Interfund transfers (to) from capital	_____	_____	(115,712)
Change in reserves and reserve funds for the year		225,260	149,486
Fund Balances, beginning of year	<u>1,568,436</u>	<u>1,568,436</u>	<u>1,418,950</u>
Fund Balance, end of year	<u>\$ 1,568,436</u>	<u>\$ 1,793,696</u>	<u>\$ 1,568,436</u>

The accompanying notes are an integral part of this statement

TOWNSHIP OF BROOKE-ALVINSTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. Significant Accounting Policies

The consolidated financial statements of the Township of Brooke-Alvinston are the representation of management prepared in accordance with generally accepted accounting principles for municipal governments, as recommended by the Public Sector Accounting 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 judgements. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) (i) Basis of Consolidation

These consolidated statements reflect the assets, liabilities, revenues, expenditures of the reporting entity. The reporting entity is comprised of all organizations accountable to the Township and owned or controlled by the Township. In addition to the operating fund, reserves, reserve funds and capital funds of the Township, they include the following local boards:

Alvinston Cemetery Board
Inwood Community Centre Board

Interfund transactions and balances are eliminated.

Alvinston Electricity Holdings Inc. is a wholly owned government business enterprise which is accounted for on the modified equity basis.

(ii) Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the schools boards and the County of Lambton are not reflected in these financial statements.

(iii) Trust Funds

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

(b) Basis of Accounting

(i) Revenues and Expenditures

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues 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.

(ii) Property, plant and equipment

The historical cost and accumulated depreciation for property, plant and equipment are not recorded for municipal purposes. Property, plant and equipment are reported as an expenditure on the Consolidated Statement of Financial Activities in the year of acquisition.

TOWNSHIP OF BROOKE-ALVINSTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

(c) **Future Changes in Accounting Policies**

In 2008, the municipality will apply the new recommendations of the Canadian Institute of Chartered Accountants regarding the recognition, measurement and presentation of financial instruments following the release of Sections 3855, "Financial instruments - recognition and measurement", 3862, "Financial instruments - disclosure" and 3863, "Financial instruments - presentation". Management does not believe that these new standards will have a significant impact on the financial statements.

In 2009, the municipality will apply the new recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants regarding the recognition, measurement and presentation of tangible capital assets, following the release of Section PS3150, "Tangible Capital Assets". Management is currently assessing the impact this new standard will have on the financial statements.

2. **Operations of School Boards and the County of Lambton**

Taxation, other revenues and expenditures of the school boards and the County of Lambton are comprised of the following:

	<u>School Boards</u>	<u>County</u>
Taxation and user charges	\$ 1,190,926	\$ 1,182,443
Grants	<u> </u>	<u> </u>
Amounts received or receivable	\$ <u>1,190,926</u>	\$ <u>1,182,443</u>

3. **Investments**

Investments of \$81,000 (2006 - \$87,514) reported on the "Consolidated Statement of Financial Position" at cost, have a market value of \$81,000 (2005 - \$87,514) at the end of the year.

Excluded from investments is a loan by the Alvinston Cemetery Board to the Municipality in the amount of \$149,325 (2006 - \$157,353) which bears interest at 5% per annum, is repayable in blended annual installments of \$15,896 and matures in April 2020.

4. **Trust Funds**

Trust funds administered by the municipality include the Cemetery Perpetual Care Fund in the amount of \$181,989 (2006 - \$178,078) and the Ontario Home Renewal Plan in the amount of \$3,221 (2006 - \$9,758). These Trust funds have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Financial Activities".

TOWNSHIP OF BROOKE-ALVINSTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

5. **Net Long Term Liabilities**

	<u>2007</u>	<u>2006</u>
(a) 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 consist of:		
Waterline debentures, interest rates from 7% to 8.25%, maturing 2008 to 2020	\$ 123,239	\$ 110,897
Waterline loan, interest rate 5%, maturing 2020	149,325	157,353
OSIFA waterline debenture, interest rate of 2.54%, maturing 2035	784,413	803,443
OSIFA sewer debenture, interest rate of 2.28% maturing 2020	132,822	141,508
Arena debentures, interest rate of 7% maturing 2010	70,405	90,872
Tile drainage loans, interest rates at 8%, maturing 2008 to 2017	329,057	339,749
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.	(329,057)	(339,749)
less: internal loan	<u>(149,325)</u>	<u>(157,353)</u>
Net long term liabilities at the end of the year	<u>\$ 1,110,879</u>	<u>\$ 1,146,720</u>
(b) Of the net long term liabilities reported in part (a) of this note, \$337,665 in principal payments are payable from 2008 to 2012, \$173,810 in principal payments are payable from 2013 to 2017 and \$599,404 is payable thereafter. All amounts are recoverable from general municipal revenues.		
(c) Approval of the Ontario Municipal Board has been obtained for the pending issue of long term liabilities and for those commitments to be financed from revenues beyond the term of Council and approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The principal and interest payments required to service these pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs.		
(d) Excluded from net long term liabilities is a loan from the Alvinston Cemetery Board to the Municipality in the amount of \$149,325 (2006 - \$157,354) which bears interest at 5% per annum, is repayable in blended annual installments of \$15,896 and matures in April 2020.		

TOWNSHIP OF BROOKE-ALVINSTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

6. Operating Fund Balance

The operating fund balance of \$230,250 (2006 - \$172,493), as reported on the consolidated statement of financial position is comprised of the following:

	<u>2007</u>	<u>2006</u>
Operating fund		
Available to offset future revenue requirements (to be financed from future revenue)		
General area taxation	\$ 223,787	\$ 104,596
Cemetery Board	47,007	51,479
Water Department	(109,992)	(61,535)
Sewer Department	49,614	48,035
Brooke, Alvinston, Inwood Community Centre	15,719	24,441
Inwood Community Centre Board	2,137	2,157
Alvinston special area	(6,066)	(1,243)
Inwood special area	<u>8,044</u>	<u>4,563</u>
	<u>\$ 230,250</u>	<u>\$ 172,493</u>

7. Reserves and Reserve Funds

Reserves and reserve funds of \$1,793,696 (2006 - \$1,568,436) are comprised of the following:

	<u>2007</u>	<u>2006</u>
Reserves set aside for specific purpose by Council		
- for working capital	\$ 560,912	\$ 538,160
- for roads capital and construction	396,299	246,299
- for equipment purchases	10,000	10,000
- for storm sewers	20,800	20,800
- for Brooke, Alvinston, Inwood Community Centre	78,554	78,554
- for Alvinston Fire Department	41,000	16,000
- for Fire Area No. 1	155,000	155,000
- for water and sewer development	60,795	60,795
- for elections	<u>4,000</u>	<u>-</u>
Total reserves	<u>1,327,360</u>	<u>1,125,608</u>
Reserve funds set aside for specific purpose by Council		
- for water purposes	55,373	55,373
- for sewer purposes	2,142	2,142
- for Brooke, Alvinston, Inwood Community Centre	10,577	10,572
- Alvinston Utility Capital	21,000	21,000
- for Inwood Library building fund	638	6,514
- for Alvinston General	98,777	70,035
- for Fire Area #1	31,829	31,101
- for playground equipment	-	91
- for Cemetery purposes	<u>246,000</u>	<u>246,000</u>
Total reserve funds	<u>466,336</u>	<u>442,828</u>
Total reserves and reserve funds	<u>\$ 1,793,696</u>	<u>\$ 1,568,436</u>

TOWNSHIP OF BROOKE-ALVINSTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

8. **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 Holdings 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.

9. **Comparative Amounts**

Certain comparative amounts in these financial statements as at December 31, 2006 and for the year then ended have been reclassified to conform to the method of presentation adopted for the current year.

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Township of Brooke-Alvinston

We have audited the balance sheet of the trust funds of the Corporation of the Township of Brooke-Alvinston as at December 31, 2007 and the statement of continuity of 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 Corporation of the Township of Brooke-Alvinston as at December 31, 2007 and the continuity of trust funds for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

Collins Barrow KMD LLP

London, Canada
March 19, 2009

LICENSED PUBLIC ACCOUNTANTS

TOWNSHIP OF BROOKE-ALVINSTON
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2007

	Cemetery Board Perpetual Care	Ontario Home Renewal Plan
Balance, beginning of the year	\$ 178,078	\$ 9,758
Revenue		
Sale of lots	3,800	
Interest earned	<u>6,293</u>	<u>54</u>
	<u>10,093</u>	<u>54</u>
Expenditures		
Administration	2	102
Repayment to Ministry		1,451
Loans forgiven		5,038
Transfer to Alvinston Cemetery Board	<u>6,180</u>	
	<u>6,182</u>	<u>6,591</u>
Balance, end of the year	\$ 181,989	\$ 3,221

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007

	Cemetery Board Perpetual Care	Ontario Home Renewal Plan
FINANCIAL ASSETS		
Cash	\$ 101	\$ 1,573
Accrued interest receivable	5,072	
Investments (note 3)	165,407	
Due from Alvinston Cemetery Board	11,409	
Loans receivable	<u> </u>	<u>3,063</u>
	<u>\$ 181,989</u>	<u>\$ 4,636</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$	\$ 1,451
Due (from) to Township of Brooke-Alvinston	<u> </u>	<u>(36)</u>
	<u> </u>	<u>1,415</u>
FUND BALANCE	<u>181,989</u>	<u>3,221</u>
	<u>\$ 181,989</u>	<u>\$ 4,636</u>

The accompanying notes are an integral part of this statement

TOWNSHIP OF BROOKE-ALVINSTON
TRUST FUNDS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. **Accounting of Policies**

Basis of Accounting

Capital receipts and income are reported on the cash basis of accounting.

Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes 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. **Ontario Home Renewal Program**

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 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 portion is \$4,000.

Ontario Home Renewal Program loans receivable at December 31, 2007 are all repayable.

Under the terms of the Ontario Ministry of Housing regulations the municipality is required to transfer the balance of cash on hand to the ministry. The municipality is continuing to administer and collect the loans on behalf of the ministry.

3. **Investments**

Investments held by the Cemetery Perpetual Care Fund are recorded at cost of \$165,407 (2006 - \$165,294) and have a market value of \$165,407 (2006 - \$165,294) at the year end.

The accompanying schedules are provided for information purposes only.

TOWNSHIP OF BROOKE-ALVINSTON
ALVINSTON CEMETERY BOARD
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

(with comparative figures at December 31, 2006)

	<u>2007</u>	<u>2006</u>
FINANCIAL ASSETS		
Cash	\$ 91,193	\$ 68,963
Accounts receivable	7,685	7,164
Short term investments	81,000	81,000
Loan receivable from the Township of Brooke-Alvinston	<u>149,325</u>	<u>157,354</u>
Total financial assets	<u>\$ 329,203</u>	<u>\$ 314,481</u>
 LIABILITIES		
Accounts payable	\$ 196	\$ 822
Due to Perpetual Care Fund	11,409	5,690
Due to Township of Brooke-Alvinston	<u>24,591</u>	<u>10,490</u>
Total liabilities	<u>36,196</u>	<u>17,002</u>
 FUND BALANCES		
Accumulated net revenue	47,007	51,479
Reserve fund for future improvement and maintenance of the cemetery	<u>246,000</u>	<u>246,000</u>
Total fund balances	<u>293,007</u>	<u>297,479</u>
Total liabilities and fund balances	<u>\$ 329,203</u>	<u>\$ 314,481</u>

TOWNSHIP OF BROOKE-ALVINSTON
ALVINSTON CEMETERY BOARD
STATEMENT OF CURRENT OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007

(with comparative figures for the year ended December 31, 2006)

	<u>2007</u>	<u>2006</u>
Revenue		
Grave openings, sales of lots and foundations	\$ 17,512	\$ 12,875
Donations	26,347	10,961
Interest	<u>21,522</u>	<u>22,109</u>
	<u>65,381</u>	<u>45,945</u>
Expenditures - Current		
Administrative and general	8,326	9,081
Repairs and maintenance	15,915	20,202
Wages and benefits	<u>30,839</u>	<u>8,927</u>
	<u>55,080</u>	<u>38,210</u>
Net revenue for the year	<u>10,301</u>	<u>7,735</u>
Accumulated net revenue, beginning of year	51,479	56,182
Transfer to capital fund	<u>(14,773)</u>	<u>(12,438)</u>
Accumulated net revenue, end of year	<u>\$ 47,007</u>	<u>\$ 51,479</u>

TOWNSHIP OF BROOKE-ALVINSTON
ALVINSTON CEMETERY BOARD
STATEMENT OF CAPITAL OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007

(with comparative figures for the year ended December 31, 2006)

	<u>2007</u>	<u>2006</u>
Revenue		
Contribution from operating fund	\$ <u>14,773</u>	\$ <u>12,438</u>
Expenditures - Capital		
Equipment	8,949	3,450
Memorial gardens	5,824	8,988
	<u>14,773</u>	<u>12,438</u>
Net revenue for the year	-	-
Capital fund, beginning of year	<u>-</u>	<u>-</u>
Capital fund, end of year	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF BROOKE-ALVINSTON
ALVINSTON WATER DEPARTMENT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007

(with comparative figures for the year ended December 31, 2006)

	<u>2007</u>	<u>2006</u>
Revenue		
Current		
Sale of water	\$ 229,124	\$ 256,905
Service and connection charges	9,019	8,986
Local improvements	60,260	60,260
Other	<u>4,113</u>	<u>8,041</u>
	<u>302,516</u>	<u>334,192</u>
Capital		
Government transfers - Ontario		188,903
Prepaid special charges	<u>20,250</u>	<u>48,875</u>
	<u>20,250</u>	<u>237,778</u>
 Total revenue	 <u>322,766</u>	 <u>571,970</u>
 Expenditures		
Current		
Administrative and general	31,551	23,743
Bulk water purchases	100,135	105,381
Contracted service OCWA	85,037	78,252
Interest on long term liabilities	36,807	35,624
Operations and maintenance	<u>7,329</u>	<u>15,540</u>
	<u>260,859</u>	<u>258,540</u>
Capital		
Railroad line	37,878	8,856
Water treatment plant	<u>2,213</u>	<u>9,087</u>
	<u>40,091</u>	<u>17,943</u>
 Total expenditures	 <u>300,950</u>	 <u>276,483</u>
 Net revenue for the year	 21,816	 295,487
Long term liability proceeds	63,950	
Long term liability payments	<u>(78,667)</u>	<u>(74,065)</u>
 Change in fund balances for the year	 7,099	 221,422
 Fund balances, beginning of year	 <u>(3,792)</u>	 <u>(225,214)</u>
 Fund balances, end of year	 \$ <u>3,307</u>	 \$ <u>(3,792)</u>
 Fund balances consist of the following:		
Accumulated net operating revenue (deficit)	\$ (109,992)	\$ (61,535)
Unapplied capital receipts (Unfinanced capital outlay)	57,926	2,370
Reserve fund	<u>55,373</u>	<u>55,373</u>
	<u>\$ 3,307</u>	<u>\$ (3,792)</u>

TOWNSHIP OF BROOKE-ALVINSTON
ALVINSTON SEWER DEPARTMENT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007
(with comparative figures for the year ended December 31, 2006)

	<u>2007</u>	<u>2006</u>
Revenue		
Current		
Sewer billings	\$ 94,765	\$ 98,305
Service and connection charges	<u>6,176</u>	<u>6,146</u>
	<u>100,941</u>	<u>104,451</u>
Capital		
Government transfers - Ontario	1,316,667	
Interest	32,625	
Prepaid special charges	<u>175,851</u>	<u>7,437</u>
	<u>1,525,143</u>	<u>7,437</u>
Total revenue	<u>1,626,084</u>	<u>111,888</u>
Expenditures		
Current		
Administrative and general	46,062	32,514
Contracted service OCWA	41,437	37,537
Interest on long term liabilities	<u>3,128</u>	<u>3,372</u>
	<u>90,627</u>	<u>73,423</u>
Capital		
Alvinston project		11,328
Inwood project	130,686	2,353
School line	<u>174,651</u>	<u>7,437</u>
	<u>305,337</u>	<u>21,118</u>
Total expenditures	<u>395,964</u>	<u>94,541</u>
Net revenue for the year	1,230,120	17,347
Long term liability payments	<u>(8,736)</u>	<u>(8,492)</u>
Change in fund balances for the year	1,221,384	8,855
Fund balances, beginning of year	<u>168,854</u>	<u>159,999</u>
Fund balances, end of year	<u>\$ 1,390,238</u>	<u>\$ 168,854</u>
Fund balances consist of the following:		
Accumulated net operating revenue	\$ 49,614	\$ 48,035
Unapplied capital receipts	1,338,482	118,677
Reserve fund	<u>2,142</u>	<u>2,142</u>
	<u>\$ 1,390,238</u>	<u>\$ 168,854</u>

TOWNSHIP OF BROOKE-ALVINSTON
BROOKE, ALVINSTON AND INWOOD COMMUNITY CENTRE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007
(with comparative figures for the year ended December 31, 2006)

	<u>2007</u>	<u>2006</u>
Revenue		
Current		
Contribution from Township of Brooke-Alvinston	\$ 161,770	\$ 241,245
User charges	<u>209,279</u>	<u>192,358</u>
	371,049	433,603
Capital		
Donations	<u>6,748</u>	<u>17,127</u>
Total revenue	<u>377,797</u>	<u>450,730</u>
Expenditures		
Current		
Advertising	325	531
Insurance	19,912	19,334
Interest on long term liabilities	6,361	7,700
Office supplies and sundry	1,259	681
Professional fees	2,316	
Repairs and maintenance	36,933	37,904
Supplies and equipment rental	32,612	38,058
Telephone	3,809	2,781
Utilities	92,004	73,494
Wages and benefits	<u>152,950</u>	<u>157,045</u>
	<u>348,481</u>	<u>337,528</u>
Capital		
Ball diamond lights	2,314	
Building upgrades	3,036	
Concession booth	7,873	
Furniture and equipment		4,719
Playground equipment		<u>30,639</u>
	<u>13,223</u>	<u>35,358</u>
Total expenditures	<u>361,704</u>	<u>372,886</u>
Net revenue for the year	16,093	77,844
Long term liability payments	<u>(20,467)</u>	<u>(19,128)</u>
Change in fund balances for the year	(4,374)	58,716
Fund balances, beginning of year	<u>86,190</u>	<u>27,474</u>
Fund balances, end of year	\$ <u>81,816</u>	\$ <u>86,190</u>
Fund balances consist of the following		
Accumulated net revenue from operations	\$ 15,719	\$ 24,441
Unfinanced capital outlay	(23,034)	(27,468)
Reserve	78,554	78,554
Reserve fund	<u>10,577</u>	<u>10,663</u>
	\$ <u>81,816</u>	\$ <u>86,190</u>

TOWNSHIP OF BROOKE-ALVINSTON
INWOOD COMMUNITY CENTRE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007
(with comparative figures for the year ended December 31, 2006)

	<u>2007</u>	<u>2006</u>
Revenue		
Contribution from Township of Brooke-Alvinston	\$ 8,388	\$ 7,500
Other revenue	<u>25</u>	<u></u>
	<u>8,413</u>	<u>7,500</u>
Expenditures		
Insurance	250	
Repairs and maintenance	1,850	3,282
Salaries and wages	620	
Supplies	5,210	1,843
Utilities	<u>503</u>	<u>581</u>
	<u>8,433</u>	<u>5,706</u>
Net revenue (expenditure) for the year	(20)	1,794
Operating fund balance, beginning of year	<u>2,157</u>	<u>363</u>
Operating fund balance, end of year	\$ <u>2,137</u>	\$ <u>2,157</u>