

TOWNSHIP OF BROOKE-ALVINSTON
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2006

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, 2006 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.

Except as explained in the following paragraph, 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 the completion of our audit of the 2005 fiscal year, we were unable to assure ourselves that the cut-off for amounts receivable and amounts payable had been completed accurately. Since amounts receivable and amounts payable at the 2005 year end potentially impact revenues and expenditures of the current year, we were not able to determine whether any adjustments might be necessary to current year revenues or expenditures.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to the cut-off of the prior year's amounts receivable and amounts payable as described in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Township of Brooke-Alvinston as at December 31, 2006 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
June 26, 2008

LICENSED PUBLIC ACCOUNTANTS

TOWNSHIP OF BROOKE-ALVINSTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2006

(with comparative figures at December 31, 2005)

	<u>2006</u>	<u>2005</u>
FINANCIAL ASSETS		
Cash	\$ 51,137	\$ 2,386
Taxes receivable	840,057	713,976
Accounts receivable	1,369,839	1,221,639
Investment - Alvinston Electricity Holdings	336,361	328,905
Investments - Other (note 3)	<u>87,514</u>	<u>81,000</u>
Total financial assets	<u>2,684,908</u>	<u>2,347,906</u>
NON-FINANCIAL ASSETS		
Inventories of supplies and prepaid expenses	<u>37,846</u>	<u>25,281</u>
Total assets	<u>\$ 2,722,754</u>	<u>\$ 2,373,187</u>
LIABILITIES		
Bank loan	\$ 760,000	\$ 490,000
Accounts payable and accrued liabilities	185,521	227,953
Long term liabilities (note 5)	<u>1,146,720</u>	<u>1,237,118</u>
Total liabilities	<u>2,092,241</u>	<u>1,955,071</u>
MUNICIPAL FUND POSITION		
Operating fund (note 6)	172,493	362,501
Reserves and reserve funds (note 7)	1,568,436	1,418,950
Investment in Alvinston Electricity Holdings (note 8)	336,361	328,905
Capital fund	<u>(300,057)</u>	<u>(455,122)</u>
Total fund balances	1,777,233	1,655,234
Amounts to be recovered from future revenues	<u>(1,146,720)</u>	<u>(1,237,118)</u>
Net fund balances	<u>630,513</u>	<u>418,116</u>
Total liabilities and municipal fund position	<u>\$ 2,722,754</u>	<u>\$ 2,373,187</u>

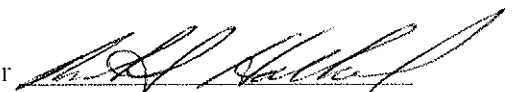
The accompanying notes are an integral part of this statement

Approved by Council

Mayor



Treasurer Administrator



TOWNSHIP OF BROOKE-ALVINSTON
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

(with comparative figures for the year ended December 31, 2005)

	<u>Budget</u> <u>2 0 0 6</u>	<u>Actual</u> <u>2 0 0 6</u>	<u>Actual</u> <u>2 0 0 5</u>
Revenues			
Taxation for municipal purposes	\$ 1,566,681	\$ 1,519,239	\$ 1,395,995
User fees	506,050	637,281	666,947
Government transfers - Canada	27,000	29,953	29,152
Government transfers - Ontario	1,361,040	1,572,356	1,577,297
Government transfers - Other municipalities	60,900	81,302	163,147
Other	67,380	240,085	538,590
Equity in Alvinston Electricity Holdings	<u> </u>	<u>7,456</u>	<u>17,824</u>
Total revenues	<u>3,835,051</u>	<u>4,087,672</u>	<u>4,388,952</u>
Expenditures			
Current			
General government	478,450	510,403	439,053
Protection to persons and property	676,605	593,158	566,388
Transportation services	861,614	860,314	778,337
Environmental services	456,703	456,947	473,092
Health services		38,212	22,119
Recreation and cultural services	369,900	366,240	363,648
Planning and development	<u>38,500</u>	<u>10,103</u>	<u>8,735</u>
	<u>2,881,772</u>	<u>2,835,377</u>	<u>2,651,372</u>
Capital			
General government	30,000	1,173	5,824
Protection to persons and property	121,600	113,494	238,873
Transportation services	480,300	666,711	207,770
Environmental services		39,062	288,177
Health services		12,438	19,320
Recreation and cultural services	73,380	36,958	211,300
Planning and development	<u> </u>	<u>166,422</u>	<u>142,766</u>
	<u>705,280</u>	<u>1,036,258</u>	<u>1,114,030</u>
Total expenditures	<u>3,587,052</u>	<u>3,871,635</u>	<u>3,765,402</u>
Net revenues (expenditures) for the year	247,999	216,037	623,550
Other			
Debenture payments	(54,607)	(94,038)	(171,449)
Debenture proceeds	<u>-</u>	<u>-</u>	<u>1,082,000</u>
Change in fund balances for the year	<u>193,392</u>	<u>121,999</u>	<u>1,534,101</u>
Fund Balances, beginning of year	<u>1,655,234</u>	<u>1,655,234</u>	<u>121,133</u>
Fund Balances, end of year	<u>\$ 1,848,626</u>	<u>\$ 1,777,233</u>	<u>\$ 1,655,234</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, 2006

(with comparative figures for the year ended December 31, 2005)

	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Operating activities		
Changes in fund balances for the year - statement 2	\$ 121,999	1,534,101
Net change in non-cash financial asset and liabilities		
Taxes receivable	(126,081)	(153,745)
Accounts receivable	(148,200)	(900,966)
Inventories of supplies and prepaid expenses	(12,565)	1,902
Investment - Alvinston Electricity Holdings	(7,456)	(17,824)
Accounts payable and accrued charges	<u>(42,432)</u>	<u>(173,605)</u>
	<u>(214,735)</u>	<u>289,863</u>
Investing activities		
Investments (acquired)/repaid	<u>(6,514)</u>	<u>165,000</u>
Change in cash and equivalents during year	(221,249)	454,863
Cash and equivalents, beginning of year	<u>(487,614)</u>	<u>(942,477)</u>
Cash and equivalents, end of year	\$ <u><u>(708,863)</u></u>	\$ <u><u>(487,614)</u></u>
Analysis of cash and equivalents		
Cash and short term deposits	\$ 51,137	\$ 2,386
Bank loan	<u>(760,000)</u>	<u>(490,000)</u>
	\$ <u><u>(708,863)</u></u>	\$ <u><u>(487,614)</u></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, 2006
(with comparative figures for the year ended December 31, 2005)

	Budget	Actual	Actual
	2006	2006	2005
Revenues			
Taxation for municipal purposes	\$ 1,566,681	\$ 1,519,239	\$ 1,395,995
User fees	506,050	637,281	673,507
Government transfers - Canada	27,000	2,800	29,152
Government transfers - Ontario	1,361,040	1,236,477	1,430,616
Government transfers - Other municipalities	60,900	65,302	49,029
Donations		13,811	50,927
Investment income	16,500	22,602	44,387
Penalty and interest on taxes	<u>35,000</u>	<u>105,712</u>	<u>76,122</u>
Total revenues	<u>3,573,171</u>	<u>3,603,224</u>	<u>3,749,735</u>
Expenditures			
General government	478,450	510,403	439,053
Protection to persons and property	676,605	593,158	566,388
Transportation services	861,614	860,314	778,337
Environmental services	456,703	456,947	479,652
Health services		38,212	22,119
Recreation and cultural services	369,900	366,240	363,648
Planning and development	<u>38,500</u>	<u>10,103</u>	<u>8,735</u>
Total expenditures	<u>2,881,772</u>	<u>2,835,377</u>	<u>2,657,932</u>
Net revenues for the year	691,399	767,847	1,091,803
Transfers and Other			
Debt repayments	(54,607)	(94,038)	(171,449)
Interfund transfers (to) from reserves	(253,098)	(253,098)	(592,759)
Interfund transfers (to) from capital	<u>(689,400)</u>	<u>(610,719)</u>	<u>(352,103)</u>
Change in operating fund balance for the year	(305,706)	(190,008)	(24,508)
Fund Balance, beginning of year	<u>362,501</u>	<u>362,501</u>	<u>387,009</u>
Fund Balance, end of year	<u>\$ 56,795</u>	<u>\$ 172,493</u>	<u>\$ 362,501</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, 2006

(with comparative figures for the year ended December 31, 2005)

	Budget <u>2 0 0 6</u>	Actual <u>2 0 0 6</u>	Actual <u>2 0 0 5</u>
Revenues			
Government transfers - Canada		\$ 27,153	
Government transfers - Ontario		335,879	\$ 146,681
Government transfers - Other municipalities		16,000	114,118
Special Charges		52,685	299,646
Fees and donations	15,880	33,175	85,332
Debentures issued		54,300	1,082,000
Sundry			<u>50,145</u>
Total revenues	<u>15,880</u>	<u>519,192</u>	<u>1,777,922</u>
Expenditures			
General government	30,000	1,173	5,824
Protection to persons and property	121,600	113,494	238,873
Transportation services	480,300	666,711	207,770
Environmental services		39,062	288,177
Health services		12,438	19,320
Recreation and cultural services	73,380	36,958	211,300
Planning and development		<u>220,722</u>	<u>142,766</u>
Total expenditures	<u>705,280</u>	<u>1,090,558</u>	<u>1,114,030</u>
Net revenues (expenditures) for the year	(689,400)	(571,366)	663,892
Transfers			
Interfund transfers (to) from reserves		115,712	
Interfund transfers (to) from operating	<u>689,400</u>	<u>610,719</u>	<u>352,103</u>
Change in capital fund balance for the year		155,065	1,015,995
Fund Balance, beginning of year	<u>(455,122)</u>	<u>(455,122)</u>	<u>(1,471,117)</u>
Fund Balance, end of year	\$ <u>(455,122)</u>	\$ <u>(300,057)</u>	\$ <u>(455,122)</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, 2006
(with comparative figures for the year ended December 31, 2005)

	Budget <u>2 0 0 6</u>	Actual <u>2 0 0 6</u>	Actual <u>2 0 0 5</u>
Revenues			
Investment income	_____	\$ <u>12,100</u>	_____
Expenditures	_____	_____	_____
Net revenues (expenditures) for the year	_____	<u>12,100</u>	_____
Transfers			
Interfund transfers (to) from operating	\$ 253,098	\$ 253,098	\$ 592,759
Interfund transfers (to) from capital	_____	<u>(115,712)</u>	_____
Change in reserves and reserve funds for the year	253,098	149,486	592,759
Fund Balances, beginning of year	<u>1,418,950</u>	<u>1,418,950</u>	<u>826,191</u>
Fund Balance, end of year	<u>\$ 1,672,048</u>	<u>\$ 1,568,436</u>	<u>\$ 1,418,950</u>

The accompanying notes are an integral part of this statement

TOWNSHIP OF BROOKE-ALVINSTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

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, 2006

(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	\$ 1,109,300	\$ 1,079,433
Grants	<hr/>	<hr/>
Amounts received or receivable	\$ <u>1,109,300</u>	\$ <u>1,079,433</u>

3. **Investments**

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

Excluded from investments is a loan by the Alvinston Cemetery Board to the Municipality in the amount of \$157,354 (2005 - \$165,000) 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 \$178,078 (2005 - \$176,684) and the Ontario Home Renewal Plan in the amount of \$9,758 (2005 - \$10,435). 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, 2006

5. **Net Long Term Liabilities**

	<u>2006</u>	<u>2005</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 2007 to 2009	\$ 110,897	\$ 155,118
OSIFA debenture, interest rate of 2.54% maturing 2035	803,443	822,000
OSIFA debenture, interest rate of 2.28% maturing 2020	141,508	150,000
Arena debentures, interest rate of 7% maturing 2010	90,872	110,000
Tile drainage loans, interest rates at 8%, maturing 2007 to 2014	339,749	348,834
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.	<u>(339,749)</u>	<u>(348,834)</u>
Net long term liabilities at the end of the year	<u>\$ 1,146,720</u>	<u>\$ 1,237,118</u>
(b) Of the net long term liabilities reported in (a) of this note, \$407,307 in principal payments are payable from 2007 to 2011 and are recoverable entirely 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 \$157,354 (2005 - \$165,000) 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, 2006

6. Operating Fund Balance

The operating fund balance of \$172,493 (2005 - \$532,759), as reported on the consolidated statement of financial position is comprised of the following:

	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Operating fund		
Available to offset future revenue requirements (to be financed from future revenues)		
General area taxation	\$ 104,596	\$ 298,722
Cemetery Board	51,479	56,182
Water Department	(61,535)	(54,035)
Sewer Department	48,035	36,827
Brooke, Alvinston, Inwood Community Centre	24,441	24,441
Inwood Community Centre Board	2,157	363
Alvinston special area	(1,243)	
Inwood special area	<u>4,563</u>	<u> </u>
	<u>\$ 172,493</u>	<u>\$ 362,501</u>

7. Reserves and Reserve Funds

Reserves and reserve funds of \$1,568,436 (2005 - \$1,172,950) are comprised of the following:

	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Reserves set aside for specific purpose by Council		
- for working capital	\$ 538,160	\$ 538,160
- for roads capital and construction	246,299	133,001
- for equipment purchases	10,000	10,000
- for storm sewers	20,800	20,800
- for Brooke, Alvinston, Inwood Community Centre	78,554	59,254
- for Alvinston Fire Department	16,000	16,000
- for Fire Area No. 1	155,000	155,000
- for water and sewer development	<u>60,795</u>	<u>60,795</u>
Total reserves	<u>1,125,608</u>	<u>993,010</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	10,572	10,563
- Alvinston Utility Capital	21,000	21,000
- for Inwood Library building fund	6,514	6,514
- for Alvinston Library	-	4,105
- for Alvinston General	70,035	43,876
- for Fire Area #1	31,101	30,401
- for playground equipment	91	5,966
- for Cemetery purposes	<u>246,000</u>	<u>246,000</u>
Total reserve funds	<u>442,828</u>	<u>425,940</u>
Total reserves and reserve funds	<u>\$ 1,568,436</u>	<u>\$ 1,418,950</u>

TOWNSHIP OF BROOKE-ALVINSTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

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**

During the current year, it was determined that certain corrections were required to adjust and correct fund and line allocations that were reported in the 2005 financial statements. The comparative figures have been adjusted and a summary of the changes is as follows:

	2005 As Previously Reported	Fund or Line Correction	Error Correction	2005 As Restated
Cash	\$ 83,386	\$ (81,000)		\$ 2,386
Investments - Other		81,000		81,000
Long term liabilities	1,138,118		\$ 99,000	1,237,118
Operating fund	658,646	(296,145)		362,501
Reserves and reserve funds	1,172,950	246,000		1,418,950
Capital fund	(505,267)	50,145		(455,122)
Amounts to be recovered from future revenues	(1,138,118)		(99,000)	(1,237,118)
Debenture proceeds	1,247,000	(165,000)		1,082,100

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, 2006 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, 2006 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
June 26, 2008

LICENSED PUBLIC ACCOUNTANTS

TOWNSHIP OF BROOKE-ALVINSTON
TRUST FUNDS
STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Cemetery Board Perpetual Care</u>	<u>Ontario Home Renewal Plan</u>
Balance, beginning of the year	\$ <u>176,684</u>	\$ <u>10,435</u>
Revenue		
Capital receipts - sale of lots	1,400	
Interest earned	<u>7,169</u>	<u>165</u>
	<u>8,569</u>	<u>165</u>
Expenditures		
Administration	6	82
Repayment to Ministry		760
Transfer to Cemetery Board	<u>7,169</u>	<u> </u>
	<u>7,175</u>	<u>842</u>
Balance, end of the year	\$ <u>178,078</u>	\$ <u>9,758</u>

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2006

FINANCIAL ASSETS		
Cash	\$ 923	\$ 1,850
Accrued interest receivable	6,171	
Investments (note 3)	165,294	
Due from Cemetery Board	5,690	
Loans receivable	<u> </u>	<u>9,600</u>
	\$ <u>178,078</u>	\$ <u>11,450</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$	\$ 1,507
Due to Township of Brooke-Alvinston	<u> </u>	<u>185</u>
	<u>-</u>	<u>1,692</u>
FUND BALANCE	<u>178,078</u>	<u>9,758</u>
	\$ <u>178,078</u>	\$ <u>11,450</u>

The accompanying notes are an integral part of this statement

TOWNSHIP OF BROOKE-ALVINSTON
TRUST FUNDS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

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, 2005 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 \$165,294 (2005 - \$156,994) and have a market value of \$165,294 (2005 - \$156,994) 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, 2006

(with comparative figures at December 31, 2005)

	<u>2 0 0 6</u>	<u>2 0 0 5</u>
FINANCIAL ASSETS		
Cash	\$ 68,963	\$ 56,442
Accounts receivable	7,164	1,363
Due from Township of Brooke-Alvinston		4,599
Short term investments	81,000	81,000
Loan to Township of Brooke-Alvinston	<u>157,354</u>	<u>165,000</u>
Total financial assets	<u>\$ 314,481</u>	<u>\$ 308,404</u>
LIABILITIES		
Accounts payable	\$ 822	\$ 331
Due to Perpetual Care Fund	5,690	5,891
Due to Township of Brooke-Alvinston	<u>10,490</u>	<u> </u>
Total liabilities	<u>17,002</u>	<u>6,222</u>
FUND BALANCES		
Accumulated net revenue	51,479	56,182
Reserve fund for future improvement and maintenance of the cemetery	<u>246,000</u>	<u>246,000</u>
Total fund balances	<u>297,479</u>	<u>302,182</u>
Total liabilities and fund balances	<u>\$ 314,481</u>	<u>\$ 308,404</u>

TOWNSHIP OF BROOKE-ALVINSTON
ALVINSTON CEMETERY BOARD
STATEMENT OF CURRENT OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006
(with comparative figures for the year ended December 31, 2005)

	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Revenue		
Grave openings, sales of lots and foundations	\$ 12,875	\$ 16,274
Donations	10,961	32,534
Interest	<u>22,109</u>	<u>19,636</u>
	<u>45,945</u>	<u>68,444</u>
Expenditures - Current		
Administrative and general	9,081	11,376
Repairs and maintenance	20,202	2,713
Wages and benefits	<u>8,927</u>	<u>8,030</u>
	<u>38,210</u>	<u>22,119</u>
Net revenue (expenditure) for the year	<u>7,735</u>	<u>46,325</u>
Accumulated net revenue, beginning of year	56,182	29,177
Transfer to capital fund	<u>12,438</u>	<u>19,320</u>
Accumulated net revenue, end of year	<u>\$ 51,479</u>	<u>\$ 56,182</u>

TOWNSHIP OF BROOKE-ALVINSTON
ALVINSTON CEMETERY BOARD
STATEMENT OF CAPITAL OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006
(with comparative figures for the year ended December 31, 2005)

	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Revenue		
Contribution from operating fund	\$ <u>12,438</u>	\$ <u>19,320</u>
Expenditures - Capital		
Equipment	3,450	19,320
Memorial gardens	<u>8,988</u>	<u>-</u>
	<u>12,438</u>	<u>19,320</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, 2006

(with comparative figures for the year ended December 31, 2005)

	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Revenue		
Current		
Sale of water	256,905	213,079
Service and connection charges	8,986	42,765
Local improvements	60,260	60,260
Other	<u>8,041</u>	<u>5,931</u>
	<u>334,192</u>	<u>322,035</u>
Capital		
Government transfers - Ontario	188,903	33,746
Prepaid special charges	<u>48,875</u>	<u>16,875</u>
	<u>237,778</u>	<u>50,621</u>
Total revenue	<u>571,970</u>	<u>372,656</u>
Expenditures		
Current		
Administrative and general	23,743	26,316
Bad debts	-	6,560
Bulk water purchases	105,381	104,223
Contracted service OCWA	78,252	103,892
Long term debt interest	35,624	18,322
Operations and maintenance	<u>15,540</u>	<u>-</u>
	<u>258,540</u>	<u>259,313</u>
Capital		
Capital repairs	-	96,102
Railroad line	8,856	-
Rokeby waterline	-	106,700
Waterline connections	-	9,625
Waterline engineering	-	18,496
Water treatment plant	<u>9,087</u>	<u>-</u>
	<u>17,943</u>	<u>230,923</u>
Total expenditures	<u>276,483</u>	<u>490,236</u>
Net revenue (expenditures) for the year	295,487	(117,580)
Long term debt issued	-	936,854
Long term debt repaid	<u>(74,065)</u>	<u>(56,478)</u>
Change in fund balances for the year	221,422	762,796
Fund balances, beginning of year	<u>(225,214)</u>	<u>(988,010)</u>
Fund balances, end of year	<u>(3,792)</u>	<u>(225,214)</u>
Fund balances consist of the following:		
Accumulated net operating revenue (deficit)	(61,535)	(54,035)
Unapplied capital receipts (Unfinanced capital outlay)	2,370	(226,552)
Reserve fund	<u>55,373</u>	<u>55,373</u>
	<u>(3,792)</u>	<u>(225,214)</u>

TOWNSHIP OF BROOKE-ALVINSTON
ALVINSTON SEWER DEPARTMENT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006
(with comparative figures for the year ended December 31, 2005)

	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Revenue		
Current		
Sewer billings	98,305	81,050
Service and connection charges	<u>6,146</u>	<u>6,176</u>
	<u>104,451</u>	<u>87,226</u>
Capital		
Prepaid special charges	<u>7,437</u>	<u>-</u>
Total revenue	<u>111,888</u>	<u>87,226</u>
Expenditures		
Current		
Administrative and general	32,514	43,189
Contracted service OCWA	37,537	46,210
Long term debt interest	<u>3,372</u>	<u>-</u>
	<u>73,423</u>	<u>89,399</u>
Capital		
Alvinston project	11,328	57,253
Inwood project	2,353	-
School line	<u>7,437</u>	<u>-</u>
	<u>21,118</u>	<u>57,253</u>
Total expenditures	<u>94,541</u>	<u>146,652</u>
Net revenue (expenditures) for the year	17,347	(59,426)
Long term debt issued	-	150,000
Long term debt repaid	<u>(8,492)</u>	<u>-</u>
Change in fund balances for the year	8,855	90,574
Fund balances, beginning of year	<u>159,999</u>	<u>69,425</u>
Fund balances, end of year	<u>168,854</u>	<u>159,999</u>
Fund balances consist of the following:		
Accumulated net operating revenue	48,035	36,827
Unapplied capital receipts	118,677	121,030
Reserve fund	<u>2,142</u>	<u>2,142</u>
	<u>168,854</u>	<u>159,999</u>

TOWNSHIP OF BROOKE-ALVINSTON
BROOKE, ALVINSTON AND INWOOD COMMUNITY CENTRE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006
(with comparative figures for the year ended December 31, 2005)

	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Revenue		
Current		
Contribution from Township	241,245	140,000
Donations	-	7,732
User charges	192,211	220,477
Other	<u>147</u>	<u>24</u>
	<u>433,603</u>	<u>368,233</u>
Capital		
Donations	<u>17,127</u>	<u>-</u>
Total revenue	<u>450,730</u>	<u>368,233</u>
Expenditures		
Current		
Advertising	531	1,193
Bank charges and interest	-	3,903
Insurance	19,334	16,362
Interest on long term debt	7,700	-
Office supplies and sundry	681	1,962
Professional fees	-	649
Repairs and maintenance	37,904	53,331
Supplies and equipment rental	38,058	44,773
Telephone	2,781	-
Utilities	73,494	74,475
Wages and benefits	<u>157,045</u>	<u>146,386</u>
	<u>337,528</u>	<u>343,034</u>
Capital		
Arena equipment	-	64,790
Furniture and equipment	4,719	-
Playground equipment	<u>30,639</u>	<u>-</u>
	<u>35,358</u>	<u>64,790</u>
Total expenditures	<u>372,886</u>	<u>407,824</u>
Net revenue (expenditures) for the year	77,844	(39,591)
Long term debt issued	-	110,000
Long term debt repaid	<u>(19,128)</u>	<u>-</u>
Change in fund balances for the year	58,716	70,409
Fund balances, beginning of year	<u>27,474</u>	<u>(42,935)</u>
Fund balances, end of year	<u>86,190</u>	<u>27,474</u>
Fund balances consist of the following		
Accumulated net revenue from operations	✓ 24,441	24,441
Unfinanced capital outlay	(27,468)	(72,749)
Reserve	78,554	59,254
Reserve fund	<u>10,663</u>	<u>16,528</u>
	<u>86,190</u>	<u>27,474</u>

TOWNSHIP OF BROOKE-ALVINSTON
INWOOD COMMUNITY CENTRE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>2 0 0 6</u>
Revenue	
Contribution from Township	<u>7,500</u>
Expenditures	
Repairs and maintenance	3,282
Supplies and equipment rental	1,843
Utilities	<u>581</u>
	<u>5,706</u>
Net revenue for the year	1,794
Operating fund balance, beginning of year	<u>363</u>
Operating fund balance, end of year	<u><u>2,157</u></u>