

**CORPORATION OF THE
MUNICIPALITY OF BROCKTON**

CONSOLIDATED FINANCIAL REPORT

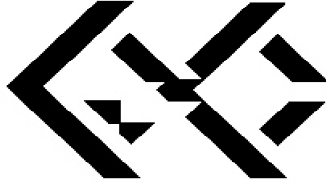
DECEMBER 31, 2008

CORPORATION OF THE MUNICIPALITY OF BROCKTON

DECEMBER 31, 2008

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Gaviller & Company LLP
— CHARTERED ACCOUNTANTS —

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the
Corporation Of The Municipality of Brockton

We have audited the consolidated statement of financial position of the **Corporation Of The Municipality of Brockton** as at December 31, 2008, 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 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 **Corporation Of The Municipality of Brockton** as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Gaviller & Company LLP
Licensed Public Accountants
Walkerton, Ontario
April 27, 2009

CORPORATION OF THE MUNICIPALITY OF BROCKTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2008

	2008	2007
	\$	\$
FINANCIAL ASSETS		
Cash (Note 2)	5,062,707	3,008,211
Taxes receivable	846,643	790,137
Accounts receivable	1,179,155	683,743
Other assets	12,522	18,442
Long-term investments (Note 3)	2,303,593	2,303,593
	<u>9,404,620</u>	<u>6,804,126</u>
LIABILITIES		
Bank indebtedness (Note 4)	1,903	13,017
Accounts payable and accrued liabilities	670,895	629,252
Deferred revenue (Note 5)	1,886,025	269,309
Long term debt (Note 6)	5,818,078	5,866,275
Post-employment benefits liability (Note 13)	61,107	71,957
Solid waste landfill closure and post-closure liability (Note 15)	761,805	752,147
	<u>9,199,813</u>	<u>7,601,957</u>
TOTAL NET ASSETS	<u>204,807</u>	<u>(797,831)</u>
MUNICIPAL POSITION		
Current fund (Page 15) (Note 7)	340,978	(407,972)
Capital fund (Page 16)	-	-
Reserves and reserve funds (Page 17)	5,963,268	5,748,532
	<u>6,304,246</u>	<u>5,340,560</u>
Amounts to be recovered from future revenues (Note 8)	<u>(6,099,439)</u>	<u>(6,138,391)</u>
TOTAL MUNICIPAL POSITION	<u>204,807</u>	<u>(797,831)</u>

APPROVED BY:

MAYOR

DATE

The accompanying notes are an integral part
of the financial statement

CORPORATION OF THE MUNICIPALITY OF BROCKTON

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
	\$	\$
REVENUES		
Property taxation	5,194,571	4,912,276
User charges and fees	3,553,280	3,266,138
Ontario grants	4,398,063	2,536,836
Canada grants	5,873	21,005
Grants from other municipalities	193,557	198,152
Other income (Note 10)	931,058	916,888
	14,276,402	11,851,295
EXPENDITURES		
Current		
General government	1,216,541	1,297,137
Protection to persons and property	2,794,546	2,694,185
Transportation services	2,218,074	1,957,632
Environmental services	1,643,975	1,709,906
Health services	116,021	131,917
Social and family services	476,237	445,721
Recreational and cultural services	1,141,912	1,004,701
Planning and development	353,168	299,803
	9,960,474	9,541,002
Capital		
General government	274,147	17,908
Protection to persons and property	50,888	103,232
Transportation services	1,999,621	673,659
Environmental services	638,908	683,906
Health services	42,977	19,495
Social and family services	3,495	4,227
Recreational, cultural services and other	122,985	730,566
Planning and development	32,619	234,859
	3,165,640	2,467,852
	13,126,114	12,008,854
NET REVENUE (EXPENDITURES) FOR THE YEAR	1,150,288	(157,559)
Change in amounts to be recovered		
Debt principal repayments	(761,235)	(618,055)
New debt issued	562,726	1,030,991
Solid waste landfill closure and post-closure care	22,758	74,897
Post-employment benefits	(10,850)	(11,605)
	(186,601)	476,228
CHANGE IN FUND BALANCES	963,687	318,669

The accompanying notes are an integral part
of the financial statement

CORPORATION OF THE MUNICIPALITY OF BROCKTON

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
	\$	\$
CASH FLOWS FROM (FOR):		
OPERATING ACTIVITIES		
Net revenues	1,150,288	(157,559)
Changes in:		
Taxes receivable	(56,506)	(56,028)
Accounts receivable	(495,412)	584,521
Other assets	5,920	833
Accounts payable and accrued liabilities	44,305	(218,097)
Deferred revenue	1,616,716	26,326
Decrease in post-employment benefits liability	(10,850)	(11,605)
Increase in solid waste landfill closure and post-closure liability	9,658	120,547
Net change in cash from operations	2,264,119	288,938
FINANCING ACTIVITIES		
Additions to long-term liabilities	562,726	1,030,991
Long term debt repaid	(761,235)	(618,055)
Net change in cash from financing	(198,509)	412,936
NET CHANGE IN CASH POSITION	2,065,610	701,874
Cash, beginning of year	2,995,194	2,293,320
Cash, end of year	5,060,804	2,995,194
Comprised of:		
Cash	5,062,707	3,008,211
Bank indebtedness	(1,903)	(13,017)
	5,060,804	2,995,194

The accompanying notes are an integral part
of the financial statement

CORPORATION OF THE MUNICIPALITY OF BROCKTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation Of The Municipality of Brockton are the representations of management 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.

The following are the municipality's significant accounting policies:

a) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and cash position of the reporting entity which comprises all funds of the following related organizations which are accountable to Council for the administration of their financial affairs and resources and are owned or controlled by the Corporation of the Municipality of Brockton:

Walkerton Chamber of Commerce
Bradley Community Centre
Cargill & District Community Fund

Excluded are Funds Held in Trust which are administered by the municipality and reported on separately. Interfund assets and liabilities and sources of financing and expenditures have been eliminated.

A government partnership exists where the municipality has a shared control over the board or entity. The municipality's pro-rata share of assets, liabilities, revenues and expenditures are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate share of the following government partnership are reflected in the consolidated financial statements:

Bruce Area Solid Waste Recycling	13.13%
Elmwood Community Centre	50.0%
Elmwood Fire Department	40.58%
Hanover/Walkerton Landfill	50.0%
Paisley & District Fire Area Committee	18.1%
Saugeen Municipal Airport	41.58%

b) Basis of Accounting

Sources of financing 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 goods or services and the creation of a legal obligation to pay.

c) Use of Estimates

The preparation of financial statements in conformity with accounting principles for municipal governments and accounting principles generally accepted in Canada requires management to make estimates and assumptions that 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 expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

CORPORATION OF THE MUNICIPALITY OF BROCKTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2008

d) Capital Expenditures

The historical cost and accumulated depreciation for capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the Consolidated Statement of Financial Activities in the year of acquisition

e) Amounts to be Recovered

Amounts to be recovered are comprised of outstanding net-long-term liabilities, accrued interest on long-term debt, liabilities not yet due, and other future expenditures not yet levied on the ratepayers.

f) Temporary Investments

Temporary Investments are recorded at the lower of cost and market value.

g) Long-Term Investments

Long-term investments are recorded at cost.

h) Financial Instruments and Fair Values

The fair value of the receivables, bank indebtedness, accounts payable and accrued liabilities, and long term liabilities approximate the carrying amount of these instruments due to their short period to maturity. Unless otherwise noted, it is management's opinion that the corporation is not exposed to significant interest, currency nor credit risks arising from these financial instruments.

i) Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specified purpose.

j) Solid Waste Landfill Closure and Post-Closure Care

Site Closure and post-closure care costs are recognized over the operating life of the landfills based on capacity used. The liability is recorded at its discounted value, based on the average long-term borrowing rate of the municipality.

k) County and School Boards

The municipality collects taxation revenue on behalf of the school boards and the County of Bruce. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Bruce are not reflected in these financial statements.

l) Protection to Persons and Property Adjustment

Annually, the municipality is unable to estimate its Ontario Provincial Police adjustment. As a result, the expense adjustment is recorded in the year in which it is received. A credit of \$169,228 was received and recorded as a reduction of expenses in 2008 for services performed in 2007 (2007 - \$215,826).

2. CASH

	2008	2007
	\$	\$
Unrestricted	3,184,250	2,971,787
Restricted	1,878,457	269,310
	<u>5,062,707</u>	<u>3,008,211</u>

CORPORATION OF THE MUNICIPALITY OF BROCKTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2008

3. LONG-TERM INVESTMENTS

	2008	2007
	\$	\$
1,261 Common shares, Westario Power Holdings Inc.	<u>2,303,593</u>	<u>2,303,593</u>

The municipality owns 12.61% of the outstanding common shares of Westario Power Holdings Inc. The shares have no fixed maturity dates and are generally not exposed to interest rate risk. The fair value of these shares is not determinable in the absence of published market quotations.

Dividends received during the year totalled \$68,046 (2007 - \$65,439).

4. SHORT TERM BORROWING

Short term borrowing is due on demand and bears interest at the bank's prime rate less 0.65%. An unsecured short term bank line of credit is available to the municipality up to an amount of \$1,500,000.

5. DEFERRED REVENUE

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The balance of deferred revenue is made up as follows:

	2008	2007
	\$	\$
Obligatory Reserve Funds		
Recreational Land	5,694	5,511
Other		
Government grant funding	1,830,024	202,138
Deposits	3,143	3,785
Other	47,164	57,875
	<u>1,886,025</u>	<u>269,309</u>

The net change during the year for the obligatory reserve funds is made up as follows:

Balance, beginning of the year	5,511
Interest earned	<u>183</u>
	<u>5,694</u>

CORPORATION OF THE MUNICIPALITY OF BROCKTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2008

6. LONG TERM DEBT

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2008	2007
	\$	\$
Tile drain loans payable, 6 & 8%, payable interest and principal monthly, due through 2018	284,890	255,746
Demand bank loan payable, interest at bank prime rate less .65%, payable \$8,080 monthly principal plus interest	751,423	848,381
Demand bank loan payable, interest at bank prime rate less .65%, payable \$2,760 monthly principal plus interest	89,353	122,470
Demand bank loan payable, interest at bank prime rate less .65%, payable \$5,868 monthly principal plus interest	1,044,514	1,114,930
Bank loan payable, interest at bank prime rate less .65%, payable \$3,017 monthly principal plus interest	177,983	214,183
Demand bank loan payable, interest at bank prime rate less .65%, payable \$2,662 monthly principal plus interest	157,068	189,014
Demand bank loan payable, interest at bank prime rate less .65%, payable \$1,233 monthly principal plus interest	-	13,566
Demand Bank Loan Payable, interest at bank prime rate less .65%, payable \$7,500 monthly principal plus interest	532,500	622,500
Demand bank loan payable, interest at bank prime rate less .65%, payable \$4,167 monthly principal plus interest	350,000	400,000
Demand bank loan payable, interest at bank prime rate less .65%, payable \$5,000 monthly principal plus interest	524,991	584,991
Demand bank loan payable, interest at bank prime rate less .65%, payable \$3,592 monthly principal plus interest	312,120	420,224
Demand Bank Loan Payable, interest at bank prime rate less .65%, payable \$3,126 monthly principal plus interest	562,726	-
Infrastructure Financing Authority (OMEIFA), interest at 2.95%, semi-annual payments beginning January 17, 2005 of \$40,631 principal and interest, due July 15, 2024	1,030,510	1,080,270
	<u>5,818,078</u>	<u>5,866,275</u>

Long term debt is repayable as follows:

2009	637,782
2010	633,257
2011	626,819
2012	607,437
2013	599,675
Thereafter	2,713,108

CORPORATION OF THE MUNICIPALITY OF BROCKTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2008

7. CURRENT FUND

	2008	2007
	\$	\$
Available to offset future revenue requirements (required to be financed from future revenues):		
General area taxation	249,655	(412,337)
Recreation, community centres and arenas	7,394	6,739
Chamber of Commerce	3,983	(885)
Saugeen Municipal Airport	(1,885)	(14,798)
Paisley & District Fire Department	1,841	1,859
Hanover/Walkerton Landfill	79,990	11,450
	<u>340,978</u>	<u>(407,972)</u>

8. AMOUNTS TO BE RECOVERED

	2008	2007
	\$	\$
Capital outlay financed by long-term liabilities	5,533,189	5,613,191
Tile drainage debentures	284,890	255,746
Post-employment benefits	61,107	71,957
Solid waste landfill closure and post-closure care	220,255	197,497
	<u>6,099,441</u>	<u>6,138,391</u>

9. EDUCATION AND COUNTY REQUISITIONS

The municipality is required to collect taxes for education and county purposes. The amount of these requisitions is determined solely by the Government of Ontario and the County of Bruce. All supplementary tax collections above the requisitioned amounts become payable to the appropriate body in the year assessed. Reciprocally, the school boards and county are responsible for repaying the municipality for assessment tribunal losses. The following taxation revenue was raised and remitted to the school boards and County of Bruce:

	2008	2007
	\$	\$
School boards	2,309,531	2,290,554
County of Bruce	2,953,979	2,799,079
	<u>5,263,510</u>	<u>5,089,633</u>

CORPORATION OF THE MUNICIPALITY OF BROCKTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2008

10. OTHER INCOME

	2008	2007
	\$	\$
Penalties and interest on taxation	115,380	102,491
Investment income	209,710	218,156
Rents and concessions	318,112	293,925
Donations	117,242	40,511
Sale of land and other assets	122,290	131,014
Contributions from benefiting landowners	44,000	127,605
Other	4,324	3,186
	<u>931,058</u>	<u>916,888</u>

11. SALARY DISCLOSURE

The Public Sector Salary Disclosure Act, 1996, requires disclosure of any employees who were paid a salary of \$100,000 or more. The municipality had no such employees in 2008.

12. BUDGET AMOUNTS

The 2008 budget amounts for the Corporation of the Municipality of Brockton are approved by Council and are unaudited.

13. EMPLOYEE FUTURE BENEFITS

The former South Bruce Grey Police Services Board provided post-employment health and life insurance benefits to eligible retired employees. The Municipality of Brockton's proportionate share of this former joint local board was 46.4%, and as such are responsible for their share of the ongoing benefit payments. Payments for these benefits totalled \$18,545 in 2008 (2007 - \$21,385). The municipality's share of \$8,605 (2007 - \$9,922) is included as an expenditure on the consolidated statement of financial activities. The post employment benefit liability was determined using a discount rate of 5% and an annual rate of increase in benefit costs of 6%.

The employees of the Corporation of the Municipality of Brockton participate in the Ontario Municipal Employees Retirement Savings Plan ("OMERS"). Although the plan has a defined retirement benefit for employees the related obligation of the Corporation cannot be identified. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. The municipal contributions during 2008 amounted to \$96,776 (2007 - \$92,491). The OMERS plan has reported a \$0.3 billion actuarial deficit at the end of 2008 (2007 - \$0.1 billion surplus), and actuarial liabilities of \$50.1 billion (2007 - \$46.8 billion).

CORPORATION OF THE MUNICIPALITY OF BROCKTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2008

14. CONTRACTUAL COMMITMENTS

Capital commitments of approximately \$1,830,000 (2007 - \$295,000) are not reflected in the financial statements. This amount, for which funding is in place, represents uncompleted portions of contracts as at December 31, 2008, on major projects and estimated obligation under other various agreements.

On July 1, 2006 the municipality entered into a five year operating agreement with Veolia Water Canada Inc. for the operation and maintenance of the Municipality's water and wastewater facilities. Under this agreement Veolia has agreed to operate the facility for a fee of \$577,572 for the year ending July 1, 2007. The fee for subsequent years are \$474,572 plus an adjustment for inflation.

The municipality currently leases space for its municipal office at a rate \$3,402 per month under a five year lease ending in October 2012. The fee for subsequent years is adjusted for inflation.

Annual payments under an operating lease for computer equipment are \$22,624 ending in December 2011.

The minimum annual lease payments for the next five years are as follows:

2008	\$550,841
2009	525,133
2010	524,969
2011	281,576
2012	36,017

On May 14, 2007, Council passed a resolution in which the municipality agreed to act as financial guarantor for the construction of the Brockton Medical Clinic, for the sum of \$2,000,000 for five years and to fund any interest carrying charges to a maximum of \$200,000. Should the fundraising committee fall short of its intended goal, the municipality will be responsible to cover any shortfall. Any amount required to fund this shortfall will be recognized in the financial statements in the year of occurrence.

The Municipality of Brockton and the Town of Hanover are in the process of obtaining approval to expand the Hanover/Walkerton Landfill Site. The Term of Reference for Environmental Assessment (ToR) has been prepared by a contracted engineer and approved by the Ministry of Environment. The ToR sets out the environmental studies and consultation that the municipalities will undertake to support their application under the Environmental Assessment Act. The costs of these studies are estimated to total \$1,152,250. As of December 31, 2007, \$1,006,400 has been incurred and included in the statement of financial activities of the Hanover/Walkerton Landfill Site, with the balance expected to be incurred during 2008. No provision for these future costs has been recorded in the financial statements of the Hanover/Walkerton Landfill Site or the Municipality of Brockton (as 50% owner of this joint board) at December 31, 2007.

CORPORATION OF THE MUNICIPALITY OF BROCKTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2008

15. SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Solid waste landfill closure and post-closure care requirements are defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates and ongoing environmental monitoring, site inspection and maintenance. These costs will be incurred as each landfill site stops accepting waste, with the post-closure care expected to continue for an additional 25 years. The total closure and post-closure care costs are estimated to be \$1,175,357.

Brant Landfill Site

As at December 31, 2008, the municipality has recognized in the financial statements a liability of \$104,128. This liability represents 33% of the present value of the estimated costs and is based on a total capacity of 146,900 cubic meters and a discount rate of 6%. The balance of the liability of \$198,022 will be accrued as the remaining capacity of 98,186 cubic meters is utilized, which is expected to be over the next 16 years.

Greenock Landfill Site

As at December 31, 2008, the municipality has recognized in the financial statements a liability of \$116,127. This liability represents 41% of the present value of the estimated costs and is based on a total capacity of 82,000 cubic meters and a discount rate of 6%. The balance of the liability of \$145,180 will be accrued as the remaining capacity of 47,304 cubic meters is utilized, which is expected to be over the next 21 years.

At December 31, 2007, the Brant and Greenock solid waste landfill closure and post-closure liability is unfunded. The liability is expected to be funded through budget allocations to a landfill reserve over the remaining life of the landfill sites.

Hanover/Walkerton Landfill Site

As at December 31, 2008, the Municipality of Brockton has recognized in the financial statements a liability of \$541,550. This represents 50% of the total funded liability of \$1,083,100 shared with the Town of Hanover. This represents 92% of the present value of the estimated costs and is based on a total capacity of 506,000 cubic metres and a discount rate of 6%. The balance of the Municipality's share of the liability of \$83,450 will be accrued as the remaining capacity of 72,114 cubic metres is utilized, which is expected to be over the next 3 years.

At December 31, 2008, the Walkerton/Hanover solid waste landfill closure and post-closure liability is fully funded. The board of the Hanover/Walkerton Landfill has set aside cash from which the closure and post closure care costs are expected to be funded.

Management's estimate for site closure and post-closure care liability is subject to measurement uncertainty. The estimate is based on assumptions contained in engineer's reports as to capacity, site life expectancy and usage. Actual results could differ significantly from these estimates because of the uncertainty related to future cost estimates, future use of the landfill site, etc.

CORPORATION OF THE MUNICIPALITY OF BROCKTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2008

16. TRUST FUNDS

Trust funds administered by the municipality amounting to \$132,861 (2007 - \$128,915) have not been included in the consolidated balance sheet nor have their operations been included in the consolidated statement of operations. The trust funds are comprised of the following:

	2008	2007
	\$	\$
Ontario Home Renewal Program	6,934	7,444
Perpetual Care	125,927	121,471
	<u>132,861</u>	<u>128,915</u>

17. ADMINISTRATIVE EXPENSES

Administrative expenses have been allocated to all departments.

18. CONTINGENCY

The Municipality has been named in a lawsuit. In the opinion of management and legal counsel, the outcome of the lawsuit is not determinable. Should any loss result from the resolution of this claim, such loss will be charged to operations in the year of resolution.

19. GOVERNMENT PARTNERSHIPS

The following summarizes the financial position and results of operations of the government partnerships. The Municipality of Brockton's pro-rata share of these amounts has been reported in these financial statements using proportionate consolidation method:

	Paisley Fire	Bruce Area Recycling	Saugeen Municipal Airport	Hanover/ Walkerton Landfill	Elmwood Fire Department	Elmwood Community Centre
	\$	\$	\$	\$	\$	\$
Assets	35,295	961,880	55,535	1,993,853	47,805	3,044
Liabilities	25,124	103,355	12,522	1,187,471	16,899	-
Board Position	10,171	858,525	43,013	806,382	30,906	3,044
	<u>35,295</u>	<u>961,880</u>	<u>55,535</u>	<u>1,993,853</u>	<u>47,805</u>	<u>3,044</u>
Revenues	135,747	2,164,925	144,872	664,685	211,122	178,345
Expenditures	135,847	2,067,292	144,960	857,793	180,724	182,854
	<u>(100)</u>	<u>97,633</u>	<u>(88)</u>	<u>(193,108)</u>	<u>30,398</u>	<u>(4,509)</u>

CORPORATION OF THE MUNICIPALITY OF BROCKTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2008

20. TANGIBLE CAPITAL ASSETS

Effective for fiscal years beginning on or after January 1, 2009 all local governments must disclose tangible capital assets in accordance with Section 3150 of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants. These provisions require local governments to capitalize assets at historical cost and amortize these assets over their estimated useful life.

As a transitional provision, Public Sector Guidelines requires disclosure of information for each major category of tangible capital asset for which relevant information can be provided for the complete stock of tangible capital assets of that category. No major categories have been completed by the municipality as at December 31, 2008.

21. COMPARATIVE AMOUNTS

Certain amounts presented for comparative purposes have been reclassified and restated to conform to the current year's presentation.

22. SEGMENTED INFORMATION

Effective January 2008 the Corporation of the Municipality of Brockton adopted on a retroactive basis the new PSAB accounting standards for segmented information. As a result, additional disclosure has been provided about the segments described in Schedule 4 and 5. The retroactive application of this change in accounting policy has no impact on the statements of financial position, financial activities or changes in financial position.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

CORPORATION OF THE MUNICIPALITY OF BROCKTON

SCHEDULE 1 CONSOLIDATED SCHEDULE OF CURRENT FUND OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget 2008 (unaudited)	Actual 2008 \$	Actual 2007 \$
Revenues			
Property taxation	5,193,100	5,194,571	4,912,276
User charges and fees	2,849,364	3,553,280	3,266,138
Ontario grants	2,214,349	2,579,456	2,228,042
Canada grants	-	5,873	21,004
Municipal grants	102,652	193,557	198,152
Other	632,607	658,375	619,449
	10,992,072	12,185,112	11,245,061
Expenditures			
General government	1,280,956	1,216,541	1,297,137
Protection to persons and property	2,821,864	2,794,546	2,694,185
Transportation services	2,014,471	2,218,074	1,957,632
Environmental services	1,498,267	1,643,975	1,709,906
Health services	159,739	116,021	131,917
Social and family services	459,055	476,237	445,721
Parks and recreation	1,021,361	1,141,912	1,004,701
Planning and development	156,415	353,168	299,803
	9,412,128	9,960,474	9,541,002
Net Revenues (Expenditures)	1,579,944	2,224,638	1,704,059
Financing and transfers			
Debt principal repayments	(610,201)	(761,235)	(618,055)
New debt issued	412,336	412,336	-
Capital fund transfers	(855,988)	(937,221)	(965,238)
Reserves and reserve fund transfers	(113,755)	(201,476)	(610,764)
Change in post-employment liability	-	(10,850)	(11,605)
Change in solid waste landfill closure and post closure care liability	-	22,758	74,897
	(1,167,608)	(1,475,688)	(2,130,765)
Change in Current Fund Balance	412,336	748,950	(426,706)
Opening Current Fund Balance	(407,972)	(407,972)	18,734
Closing Current Fund Balance	4,364	340,978	(407,972)

The accompanying notes are an integral part
of the financial statement

CORPORATION OF THE MUNICIPALITY OF BROCKTON

SCHEDULE 2 CONSOLIDATED SCHEDULE OF CAPITAL FUND OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget	Actual	Actual
	2008	2008	2007
	(unaudited)	\$	\$
Revenues			
Ontario grants	503,326	1,392,346	183,257
Canada grants	383,566	426,260	125,536
Sale of assets	-	122,290	25,751
Contributions from benefiting landowners	54,000	44,000	127,605
	940,892	1,984,896	462,149
Expenditures			
General government	165,000	274,147	17,908
Protection to persons and property	29,520	50,888	103,232
Transportation services	1,719,000	1,999,621	673,659
Environmental services	393,750	638,908	683,906
Health services	50,000	42,977	19,495
Social and family services	4,000	3,495	4,227
Recreational, cultural services and other	200,000	122,985	730,566
Planning and development	93,459	32,619	234,859
	2,654,729	3,165,640	2,467,852
Net Expenditures	(1,713,837)	(1,180,744)	(2,005,703)
Financing and transfers			
Transfers from reserves and reserve funds	557,459	93,133	9,474
Transfers from current fund	855,988	937,221	965,238
Tile drain loans to individuals	-	(88,100)	-
Long term debt issued - tile loan	-	88,100	-
Long term debt issued	300,390	150,390	1,030,991
	1,713,837	1,180,744	2,005,703
Change in Capital Fund Balance	-	-	-
Opening Capital Fund Balance	-	-	-
Closing Capital Fund Balance	-	-	-

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CORPORATION OF THE MUNICIPALITY OF BROCKTON

SCHEDULE 3 CONSOLIDATED SCHEDULE OF RESERVES AND RESERVE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2008

	Budget	Actual	Actual
	2008	2008	2007
	(unaudited)	\$	\$
Revenues			
Investment income	-	106,393	144,082
Net revenues	-	106,393	144,082
Net transfers from (to) other funds			
Transfers from (to) current fund	113,755	201,476	610,764
Transfers from (to) capital fund	(557,459)	(93,133)	(9,474)
Total net transfers	(443,704)	108,343	601,290
Change in reserves and reserve funds balance	(443,704)	214,736	745,372
Opening reserves and reserve funds balance	5,748,532	5,748,532	5,003,160
Closing reserves and reserve funds balance	5,304,828	5,963,268	5,748,532
Analyzed as follows:			
Reserves set aside for specific purpose by Council:			
Working funds		478,758	428,758
Capital purposes		199,971	157,798
		678,729	586,556
Reserve funds set aside for specific purpose by Council:			
Capital purposes		5,284,539	5,161,976
		5,963,268	5,748,532

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CORPORATION OF THE MUNICIPALITY OF BROCKTON

SCHEDULE 4 CONSOLIDATED REPORT OF SEGMENTED REVENUE AND EXPENDITURES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2008

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Total
Revenue	\$	\$	\$	\$	\$	\$	\$	\$
Net municipal taxation	5,030,615	-	-	-	-	-	54,718	5,085,333
Payments in lieu of taxation	109,238	-	-	-	-	-	-	109,238
User charges	141,214	167,426	44,965	2,301,774	18,279	754,226	125,396	3,553,280
Government grants	2,241,228	37,622	2,011,106	45,445	-	36,620	31,914	4,403,935
Revenue from other municipalities	-	79,709	-	-	16,100	97,748	-	193,557
Investment income	96,615	7,681	41,909	48,823	5,462	32	9,188	209,710
Other	256,069	38,323	250	2,000	-	424,706	-	721,348
	7,874,979	330,761	2,098,230	2,398,042	39,841	1,313,332	221,216	14,276,401
Expenditures								
Salaries, wages and benefits	699,251	333,114	655,550	284,508	27,625	908,461	-	2,908,509
Interest on long-term liabilities	-	55,098	58,574	66,853	-	18,010	33,251	231,786
Materials and supplies	306,439	245,891	1,470,003	591,519	17,030	657,848	278,217	3,566,947
Contracted services	33,563	2,116,564	41,372	792,191	70,825	35,028	-	3,089,543
Rents, financial expenses and external transfers	22,006	139,510	1,300	-	-	873	-	163,689
	1,061,259	2,890,177	2,226,799	1,735,071	115,480	1,620,220	311,468	9,960,474
Capital	274,147	50,888	1,999,621	638,908	42,977	126,480	32,619	3,165,640
Net (expenditures) revenues	6,539,573	(2,610,304)	(2,128,190)	24,063	(118,616)	(433,368)	(122,871)	1,150,287
Financing and transfers								
Long-term liabilities repaid	-	(106,616)	(147,897)	(219,524)	-	(118,147)	(169,051)	(761,235)
Long-term liabilities issued	497,336	-	-	65,390	-	-	-	562,726
Post employment benefits	-	(10,850)	-	-	-	-	-	(10,850)
Solid waste landfill closure and post closure	-	-	-	22,758	-	-	-	22,758
Change in fund balance	7,036,909	(2,727,770)	(2,276,087)	(107,313)	(118,616)	(551,515)	(291,922)	963,686

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CORPORATION OF THE MUNICIPALITY OF BROCKTON

SCHEDULE 5 CONSOLIDATED REPORT OF SEGMENTED REVENUE AND EXPENDITURES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2007

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Total
Revenue	\$	\$	\$	\$	\$	\$	\$	\$
Net municipal taxation	4,672,631	-	-	-	-	-	52,000	4,724,631
Payments in lieu of taxation	187,645	-	-	-	-	-	-	187,645
User charges	117,796	120,533	40,506	2,233,651	11,909	612,437	129,309	3,266,141
Government grants	2,150,982	15,074	285,547	-	-	56,894	49,344	2,557,841
Revenue from other municipalities	-	109,617	4,000	-	30,308	54,227	-	198,152
Investment income	67,676	8,244	55,678	79,426	4,807	19	2,305	218,155
Other	115,891	12,186	-	-	12,328	429,310	129,014	698,729
	7,312,621	265,654	385,731	2,313,077	59,352	1,152,887	361,972	11,851,294
Expenditures								
Salaries, wages and benefits	700,562	289,199	670,476	237,260	71,360	860,746	-	2,829,603
Interest on long-term liabilities	-	75,552	74,271	70,369	-	8,616	24,942	253,750
Materials and supplies	315,838	242,360	1,132,485	604,259	19,110	564,061	303,816	3,181,929
Contracted services	32,113	2,179,053	39,028	791,453	39,471	18,186	-	3,099,304
Rents, financial expenses and external transfers	32,674	142,115	739	-	-	888	-	176,416
	1,081,187	2,928,279	1,916,999	1,703,341	129,941	1,452,497	328,758	9,541,002
Capital	17,908	103,232	673,659	683,906	19,495	734,793	234,859	2,467,852
Net (expenditures) revenues	6,213,526	(2,765,857)	(2,204,927)	(74,170)	(90,084)	(1,034,403)	(201,645)	(157,560)
Financing and transfers								
Long-term liabilities repaid	-	(106,617)	(148,019)	(168,601)	-	(20,819)	(173,999)	(618,055)
Long-term liabilities issued	-	-	-	599,991	-	431,000	-	1,030,991
Post employment benefits	-	(11,605)	-	-	-	-	-	(11,605)
Solid waste landfill closure and post closure	-	-	-	74,897	-	-	-	74,897
Change in fund balance	6,213,526	(2,884,079)	(2,352,946)	432,117	(90,084)	(624,222)	(375,644)	318,668

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