

Consolidated financial statements of

**The Corporation of the
Township of Brock**

December 31, 2007

The Corporation of the Township of Brock

December 31, 2007

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Auditors' Report

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Brock

We have audited the consolidated statement of financial position of the Corporation of the Township of Brock as at December 31, 2007 and the consolidated statements of financial activities and fund balance and of 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 Corporation of the Township of Brock as at December 31, 2007 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
March 7, 2008

The Corporation of the Township of Brock

Consolidated statement of financial activities and fund balance year ended December 31, 2007

	2007	2006
	Budget (unaudited) (Note 15)	Actual
	\$	\$
Revenues		
Taxation - all classes (Notes 1(b)(iv))	18,136,952	18,207,116
Less: amounts received for Region and School Boards (Note 2)	(11,815,377)	(11,830,142)
	6,321,575	6,003,501
User fees and charges	974,150	979,347
Grants (Note 11)		977,085
Government of Canada	599,519	345,901
Province of Ontario	2,081,998	2,053,596
Investment income	120,000	306,058
Penalties and interest on taxes	320,000	355,703
Developer contributions earned	50,000	54,768
Sale of land	-	3,181
Other	16,600	43,670
Total revenues	10,483,842	10,519,198
Expenditures (Note 16)		
Operating		
General government	1,670,146	1,744,430
Protection to persons and property	1,225,206	1,296,906
Transportation services	2,247,450	2,364,456
Environmental services	43,000	34,622
Health services	107,250	97,847
Recreation and cultural services	1,590,104	1,425,724
Planning and development	80,100	53,263
	6,963,256	7,017,248
Capital		
General government	186,613	100,592
Protection to persons and property	930,170	134,719
Transportation services	4,080,763	3,455,127
Environmental services	10,000	10,647
Health services	61,000	41,552
Recreation and cultural services	474,336	236,883
Planning and development	-	-
	5,742,882	3,979,520
Total expenditures	12,706,138	10,996,768
Net (expenditures) revenue from operations	(2,222,296)	(477,570)
Increase in employee post employment benefits	-	141,944
Decrease in amounts to be recovered - other	-	(43,834)
Debenture proceeds	800,000	-
Debt principal repayments (Note 12)	(43,628)	(43,628)
Internal loan repaid	-	(9,767)
Increase in amounts to be recovered	756,372	44,715
Change in fund balances	(1,465,924)	(432,855)
Fund balances, beginning of year	7,442,568	7,442,568
Fund balances, end of year	5,976,644	7,009,713

The Corporation of the Township of Brock

Consolidated statement of financial position

as at December 31, 2007

	2007	2006
	\$	\$
Assets		
Financial assets		
Cash (Note 3)	3,636,008	3,595,356
Investments (Note 3)	2,860,000	2,800,000
Taxes receivable (Note 4)	2,540,431	2,440,078
Accounts receivable	1,198,826	912,331
Other current assets	13,040	9,842
	10,248,305	9,757,607
Liabilities		
Accounts payable and accrued liabilities (Note 5)	1,490,070	1,249,035
Deferred revenue (Note 6)	2,093,745	1,464,828
Net long-term liabilities (Note 7)	484,862	528,490
Employee post employment benefits (Note 8)	719,200	577,256
	4,787,877	3,819,609
Net financial assets	5,460,428	5,937,998
Municipal position		
Operating Fund (Note 10(a)) - Schedule 1	139,410	218,968
Capital Fund (Note 10(b)) - Schedule 2	-	-
Reserves and Reserve Funds (Note 10(c)) - Schedule 3	6,870,303	7,223,600
	7,009,713	7,442,568
Amounts to be recovered (Note 9)	(1,549,285)	(1,504,570)
Municipal position	5,460,428	5,937,998

The Corporation of the Township of Brock

Consolidated statement of changes in financial position
year ended December 31, 2007

	2007	2006
	\$	\$
Operating activities		
Net (expenditures) revenues	(477,570)	815,056
Less item not involving cash		
Increase in post employment benefit liability	141,944	54,604
	(335,626)	869,660
Uses:		
Increase in taxes receivable	(100,353)	(21,806)
Increase in accounts receivable	(286,495)	(452,440)
Increase in other current assets	(3,198)	(4,834)
Decrease in accounts payable and accrued liabilities	-	(426,340)
	(390,046)	(905,420)
Sources:		
Increase in accounts payable and accrued liabilities	241,035	-
Increase in deferred revenue	628,917	307,182
	869,952	307,182
Net increase in cash from operating activities	144,280	271,422
Investing activities		
Investments	(60,000)	-
Financing activities		
Debenture proceeds	-	330,000
Long-term debt repaid	(43,628)	(16,627)
	(43,628)	313,373
Net change in cash	40,652	584,795
Cash, beginning of year	3,595,356	3,010,561
Cash, end of year	3,636,008	3,595,356

The Corporation of the Township of Brock

Notes to the consolidated financial statements

December 31, 2007

1. Significant accounting policies

The consolidated financial statements of The Corporation of Township of Brock are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Significant accounting policies adopted by the Township are as follows:

(a) (i) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the Operating Fund, Capital Fund, Reserve Funds, and Reserves of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of their financial affairs and resources, to the Township, and which are controlled by the Township including the Township of Brock Public Library Board.

All material inter-entity transactions and balances are eliminated on consolidation.

(ii) Accounting for region and school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the Region of Durham are not reflected in the municipal fund balances of these financial statements.

(iii) Trust Funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds Statement of Financial Position and Statement of Financial Activities and Fund Balance.

(b) Basis of accounting

(i) Expenditures and their related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenues; expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(ii) Investments

Investments are recorded at the lower of cost plus accrued interest and market value.

(iii) Tangible capital assets

The historical cost and accumulated depreciation of tangible assets are not recorded for municipal purposes. Tangible capital assets are reported as capital expenditures in the Consolidated Statement of Financial Activities and Fund Balance in the year of acquisition.

(iv) Accounting for Property Tax Phase-In/Capping Provisions

The net impact in property taxes as a result of the application of phase-in and capping provisions does not affect the Consolidated Statement of Financial Activities and Fund Balance, as the full amount of the property taxes were levied. However, the phase-in and capping adjustment are reported on the Consolidated Statement of Financial Position as a liability to be paid to the Region.

The Corporation of the Township of Brock

Notes to the consolidated financial statements

December 31, 2007

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(v) Deferred revenue

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed. In addition, any contributions received with external restrictions are deferred until the related expenditures are made.

(vi) Employee post employment benefits

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is determined by management using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.

(vii) Reserves and Reserve Funds

Certain amounts, as approved by the Township's Council, are set aside in Reserves and Reserve Funds for future operating and capital purposes. Transfers to and/or from Reserves and Reserve Funds are an adjustment to the respective fund when approved.

(viii) Government transfers

Government transfers are recognized in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made.

(ix) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 revenues and expenditures during the period. Actual results could differ from these estimates.

2. Operations of school boards and the Region of Durham

Further to Note 1(a) (ii), the taxation and other revenues of the school boards and the Region of Durham are comprised of the following:

	School boards	Region	Total
	\$	\$	\$
Taxation and user charges	3,530,517	8,060,306	11,590,823
Payments-in-lieu	88,118	151,201	239,319
	3,618,635	8,211,507	11,830,142

The Corporation of the Township of Brock

Notes to the consolidated financial statements

December 31, 2007

3. Cash and investments

This represents a consolidation of cash and investments from the Operating Fund and the Reserve Funds (including those funds set aside in respect of deferred revenue as detailed in Note 6). The composition is as follows:

	2007		2006	
	Cash	Investments	Cash	Investments
	\$	\$	\$	\$
Operating Fund	516,520	60,000	542,738	-
Reserve Funds	3,119,488	2,800,000	3,052,618	2,800,000
Total	3,636,008	2,860,000	3,595,356	2,800,000

The market value of the investments at December 31, 2007 was \$2,865,221 (2006 - \$2,804,228).

4. Taxes receivable

The balance in taxes receivable, including penalties and interest, is made up of the following:

	Total	
	2007	2006
	\$	\$
Current year	1,428,358	1,362,714
Arrears previous years	1,132,073	1,144,783
	2,560,431	2,507,497
Less allowance	(20,000)	(67,419)
	2,540,431	2,440,078

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include financial obligations to outside organizations and individuals as a result of transactions and events on or before the end of the accounting period. They are the result of contracts, agreements and legislation in force at the end of the accounting period that require The Township of Brock to pay for goods and services acquired or provided on or before December 31, 2007. A further breakdown is provided below:

	2007		2006	
	\$	\$	\$	\$
Trade accounts payable	975,351	839,140		
Payables to other governments	289,276	280,471		
Payroll liabilities	71,603	50,663		
Accrued liabilities	79,241	68,978		
Refundable deposits	74,599	9,783		
	1,490,070	1,249,035		

The Corporation of the Township of Brock

Notes to the consolidated financial statements

December 31, 2007

6. Deferred revenue

	2007	2006
	\$	\$
Obligatory reserve funds		
Development charges	1,084,738	896,605
Parkland	282,016	285,418
Parking	7,478	7,171
Federal gas tax revenue	411,058	241,748
	1,785,290	1,430,942
Other deferred revenue	308,455	33,886
	2,093,745	1,464,828
Continuity of obligatory reserve funds is as follows:		
Balance, beginning of year	1,430,942	1,076,164
Subdividers contributions	191,218	337,459
Federal gas tax revenues	157,407	118,069
Interest earned	60,491	40,794
	1,840,058	1,572,486
Internal loans repaid from obligatory reserve funds	(9,768)	(19,544)
Earned revenue transferred to operations	(45,000)	(122,000)
Total obligatory deferred revenue	1,785,290	1,430,942

7. Net long-term liabilities

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

	2007	2006
	\$	\$
The municipality has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by other municipalities. At the end of the year the outstanding principal amount of this liability is	656,017	723,360
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage has been assumed by individuals. At the end of the year the outstanding principal amount of this liability is	(171,155)	(194,870)
Net long-term liabilities at the end of the year	484,862	528,490

The Corporation of the Township of Brock

Notes to the consolidated financial statements

December 31, 2007

7. Net long-term liabilities (continued)

- (b) Of the long-term liabilities reported in (a) of this note, principal and sinking fund payments are payable from general municipal revenues as follows:

	\$
2008	44,627
2009	45,628
2010	46,627
2011	48,628
2012	148,352
Thereafter	151,000
	<u>484,862</u>

- (c) The long-term liabilities in (a) issued in the name of the municipality have received approval of the Ontario Municipal Board (or approved by private legislation) for those approved on or before December 31, 1992. Those approved on or after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (d) The Municipality is contingently liable for long-term liabilities with respect to tile drainage loans. The total amount outstanding as at December 31, 2007 is \$171,155 (2006 - \$194,870) and is not recorded on the "Consolidated Statement of Financial Position".

8. Employee post employment benefits

Under the provisions of certain employee benefit plans, an employee who, has achieved the magic number of 85 (age + years of service with the municipality), is eligible for a retirement pension from OMERS, and is under the age of 65 will be provided with Extended Health (drug, private hospital and dental plan) coverage, until the retiree's 65th birthday. As well, council members are eligible for a severance payment on retirement, based on years of service and rate of remuneration in effect at the date of retiring from council.

The management of the Township has, using the best information available to it, estimated the liability of employee post employment benefits based on the present value of current obligation for past and current employees. The value of this benefit liability is estimated at \$719,200 (2006 - \$ 577,256) and is reported on the Consolidated Statement of Financial Position.

The benefit liability at December 31, 2007 of \$719,200 was determined using a discount rate of 5.00%.

Information about the Township's post retirement benefits plan is as follows:

	2007	2006
	\$	\$
Accrued benefits liability, beginning of year	577,256	522,652
Expense for the period	188,219	82,093
Benefits paid during the period	(46,275)	(27,489)
Accrued benefits liability, end of year	<u>719,200</u>	<u>577,256</u>

The Corporation of the Township of Brock

Notes to the consolidated financial statements

December 31, 2007

8. Employee post employment benefits (continued)

The main assumptions employed for these valuations are as follows:

(a) General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed to be 2.5% in 2008 and thereafter.

(b) Interest (discount) rate

The present values as at December 31, 2007 of the post employment benefits was determined using a discount rate of 5.00%. This corresponds to the assumed CPI rate plus an assumed of return of 2.5%.

(c) Health and dental costs

Health and dental costs were assumed to increase at a weighted average increase of 5.0% in 2008 and every year thereafter.

9. Amounts to be recovered

	2007	2006
	\$	\$
Internal loans from obligatory Reserve Funds	103,389	113,156
Net long-term liabilities (Note 7)	484,862	528,490
Employee post employment benefits (Note 8)	719,200	577,256
Pay equity - public library board	306,834	350,668
	1,614,285	1,569,570
Less amount previously funded through operations	(65,000)	(65,000)
Total amounts to be recovered	1,549,285	1,504,570

The Corporation of the Township of Brock

Notes to the consolidated financial statements

December 31, 2007

10. Municipal fund balances at the end of the year

	2007	2006
	\$	\$
<i>(a) Operating fund balance</i>		
Reduction in general area taxation		
Township	127,834	221,347
Library	10,168	9,792
Benefiting landowners related to special charges and special rates	1,408	(12,171)
	139,410	218,968
<i>(b) Operating fund balance</i>		
Funds available for the acquisition of capital assets	-	-
<i>(c) Reserves and Reserve Funds</i>		
<i>Reserves</i>		
Reserves set aside for specific purposes by Council for:		
Acquisition of fixed assets	1,586,271	1,612,824
Municipal projects	752,706	806,972
Future elections	15,000	-
Working capital	382,128	382,128
	2,736,105	2,801,924
<i>Reserve Funds</i>		
Reserve funds set aside for specific purposes by Council for:		
Insurance purposes	115,964	118,456
Library purposes	37,000	-
Acquisition of fixed assets	3,720,620	3,564,718
Road construction	260,614	738,502
	4,134,198	4,421,676
Total reserves and Reserve Funds	6,870,303	7,223,600
Total municipal fund balances	7,009,713	7,442,568

The Corporation of the Township of Brock

Notes to the consolidated financial statements

December 31, 2007

11. Grants

	2007	2006
	\$	\$
Government of Canada	345,901	117,361
Province of Ontario		
Ministry of Municipal Affairs - Ontario Municipal Partnership Fund	781,092	761,788
Ministry of Municipal Affairs - Municipal Pay Equity	3,113	3,113
Ministry of Natural Resources - Aggregate Resources Act	64,392	71,942
Canada/Ontario Municipal Rural Infrastructure Fund - Provincial Share	336,492	103,409
Rural Infrastructure Initiative Investment Fund	779,000	-
Ministry of Transportation - Move Ontario Grant	-	514,640
Ontario Fire Services Grant	-	70,000
South Lake Community Futures Development Program	14,539	10,000
Ministry of Culture & Recreation - Library Operating Grant	21,717	21,717
Trillium Grant - Library	-	41,600
Literacy Foundation Grant	14,510	11,623
Library Provincial Special Grant	27,000	-
Rural Secretariat	5,408	-
Service Ontario	4,458	-
Library Equi-Pass Program	1,875	-
	2,053,596	1,609,832

12. Debt principal repayments

Total charges (principal and interest) for the year for net long-term liabilities as reported on the Consolidated Statement of Financial Activities and Fund Balance are as follows:

	2007	2006
	\$	\$
Principal payments	43,628	16,627
Interest	47,155	30,457
	90,783	47,084

13. Trust Funds

Trust funds administered by the municipality amounting to \$422,079 (2006 - \$ 372,470) are not included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities and Fund Balance.

The Corporation of the Township of Brock

Notes to the consolidated financial statements

December 31, 2007

14. Pension agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, which as of December 31, 2007 was on behalf of 41 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

An amount of \$125,711 (2006 - \$114,264) was paid to OMERS on behalf of its members.

15. Budget figures

The approved operating and capital budgets for 2007 are reflected on the Schedule of Operating Fund Financial Activities and Fund Balance, Schedule of Capital Fund Activities and Fund Balance and the Consolidated Statement of Financial Activities and Fund Balance. The budgets established for the capital fund operations are on a project-oriented basis, the cost of which may be carried out over one or more years and, therefore, may not be comparable with the current year actual amounts. As well, the municipality does not budget for activity within the Reserve Funds, with the exception being those transactions which affect either the operating or capital funds. Budget figures have been re-classified to conform with "PSAB" reporting requirements.

16. Classification of expenditures by object

The Consolidated Statement of Financial Activities and Fund Balance presents the expenditures by function; the following classifies those same expenditures by object:

	2007	2006
	\$	\$
Salaries, wages and employee benefits	3,765,626	3,330,130
Operating materials and supplies	2,943,236	2,676,452
Contracted services	208,380	157,182
Rents and financial expenses	19,236	18,945
External transfers to others	33,615	12,020
Tangible Capital assets	3,979,520	2,639,212
Debt services	47,155	30,457
Total expenditures by object	10,996,768	8,864,398

17. Contingency

The Township has been named as the defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable at this time and, accordingly, no provision has been made in these financial statements for any liability that may result.

The Corporation of the Township of Brock

Notes to the consolidated financial statements

December 31, 2007

18. Guarantees

In the normal course of business, the Township enters into agreements that meet the definition of a guarantee. The Township's primary guarantees subject to the disclosure requirements include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements.

These indemnification agreements may require the Township to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of ant potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Township from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Township has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the Consolidated Statement of Financial Position with respect to these agreements.

19. Tangible capital assets

For fiscal years commencing on or after January 1, 2009, the Township will be required to report tangible capital assets in its consolidated financial statements in accordance with The Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants section PS3150 - Tangible Capital Assets. The Township is currently working toward obtaining the necessary information in order to comply with PS3150. For 2007, Public Sector Guideline 7 requires the disclosure of tangible capital asset information in the notes to the financial statements to the extent that reliable information is available. The Township is currently working on a plan to implement PS3150 but as at December 31, 2007 the Township does not have detailed tangible capital asset information to disclose. For the year ended December 31, 2007 tangible capital expenditures incurred during the year are recorded as capital expenditures in the consolidated statement of financial activities.

The Corporation of the Township of Brock

Consolidated schedule of operating fund activities and
fund balance - Schedule 1
year ended December 31, 2007

	Budget (unaudited) (Note 15)	2007 Actual	2006 Actual
	\$	\$	\$
Revenues			
Taxation - all classes	18,136,952	18,207,116	17,290,167
Less: amounts received for Region and School Boards	(11,815,377)	(11,830,142)	(11,286,666)
	6,321,575	6,376,974	6,003,501
User fees and charges	974,150	979,347	977,085
Grants			
Government of Canada	6,000	9,409	13,952
Province of Ontario	931,886	938,104	870,183
Investment income	120,000	122,751	127,913
Penalties and interest on taxes	320,000	355,703	322,440
Sale of land	-	3,181	208,219
Other	16,600	6,371	12,703
Total revenues	8,690,211	8,791,840	8,535,996
Expenditures			
Operating			
General government	1,670,146	1,744,430	1,646,914
Protection to persons and property	1,225,206	1,296,906	1,031,242
Transportation services	2,247,450	2,364,456	1,945,191
Environmental services	43,000	34,622	45,609
Health services	107,250	97,847	101,644
Recreation and cultural services	1,590,104	1,425,724	1,380,820
Planning and development	80,100	53,263	73,766
Total expenditures	6,963,256	7,017,248	6,225,186
Net revenues	1,726,955	1,774,592	2,310,810
Financing and transfers			
Increase in employee post employment benefits	-	141,944	54,604
Decrease in amounts to be recovered - other	-	(43,834)	(43,834)
Debt principal repayments	(43,628)	(43,628)	(16,627)
Transfers (to) from Reserves and Reserve Funds	(104,414)	(95,372)	306,239
Transfers to Capital Fund	(1,797,881)	(1,813,260)	(2,565,276)
Net financing and transfers	(1,945,923)	(1,854,150)	(2,264,894)
Change in Operating Fund	(218,968)	(79,558)	45,916
Operating Fund, beginning of year	218,968	218,968	173,052
Operating Fund, end of year	-	139,410	218,968

The Corporation of the Township of Brock

Consolidated schedule of capital fund activities and
fund balance - Schedule 2
year ended December 31, 2007

	2007	2006
	Budget (unaudited) (Note 15)	Actual
	\$	\$
Revenues		
Grants		
Government of Canada	593,519	336,492
Province of Ontario	1,150,112	1,115,492
Developer contributions earned	50,000	54,768
Donations	-	14,930
Total revenue	1,793,631	1,521,682
Expenditures		
General government	186,613	100,592
Protection to persons and property	930,170	134,719
Transportation services	4,080,763	3,455,127
Environmental services	10,000	10,647
Health services	61,000	41,552
Recreation and cultural services	474,336	236,883
Planning and development	-	9,680
Total expenditures	5,742,882	3,979,520
Net expenditures	(3,949,251)	(2,457,838)
Financing and transfers		
Transfers from Operating Fund	1,797,881	1,813,260
Transfer from (to) Reserves and Reserve Funds	1,351,370	654,345
Internal loan repaid	-	(9,767)
Net financing and transfers	3,149,251	2,457,838
Change in Capital Fund	(800,000)	-
Debenture proceeds	800,000	-
Capital Fund, beginning of year	-	(450,801)
Capital Fund, end of year	-	-

The Corporation of the Township of Brock

Consolidated schedule of reserves and reserve fund activities and
fund balance - Schedule 3

year ended December 31, 2007

	2007	2006
	Budget (unaudited) (Note 15)	Actual
	\$	\$
Revenues		Actual
Investment Income	-	141,478
Donations	-	17,378
	-	158,856
Net transfers (to) from other funds		
Capital Fund	(1,351,370)	770,321
Operating Fund	104,414	(306,239)
	(1,246,956)	464,082
Change in Reserves and Reserve Funds	(1,246,956)	622,938
Reserves and Reserve Funds, beginning of year	7,223,600	6,600,662
Reserves and Reserve Funds, end of year	5,976,644	7,223,600