

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

Consolidated Financial Report  
Year Ended December 31, 2008  
and Auditors' Report to the Members of  
Council, Inhabitants and Ratepayers

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

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**YEAR ENDED DECEMBER 31, 2008**

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**AUDITORS' REPORT**

To the Members of Council, Inhabitants and Ratepayers of  
the Corporation of the Township of Southwold:

We have audited the consolidated statement of financial position of the Corporation of the Township of Southwold 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 Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Township of Southwold as at December 31, 2008 and the results of its financial activities and the 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.



Chartered Accountants  
Licensed Public Accountants

March 20, 2009

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,726,685	\$ 1,535,150
Taxes receivable	446,846	489,200
Accounts receivable (Note 2)	574,480	523,526
Other current assets	<u>10,682</u>	<u>8,402</u>
<b>TOTAL FINANCIAL ASSETS</b>	<b><u>\$ 2,785,693</u></b>	<b><u>\$ 2,556,278</u></b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 895,058	\$ 745,542
Deferred revenue		
Other	136,029	184,541
Obligatory reserve funds (Note 3)	161,400	86,175
Municipal debt (Note 4)	<u>1,257,146</u>	<u>1,691,767</u>
<b>Total Liabilities</b>	<b><u>2,449,633</u></b>	<b><u>2,708,025</u></b>
<b>MUNICIPAL POSITION</b>		
Operating fund (Schedule 1)	11,803	(39,593)
Capital fund (Schedule 2)	(715,722)	92,131
Reserves (Schedule 3)	<u>2,270,125</u>	<u>1,487,482</u>
<b>Total fund balances</b>	<b>1,566,206</b>	<b>1,540,020</b>
<b>Amount to be recovered</b>	<b><u>(1,257,146)</u></b>	<b><u>(1,691,767)</u></b>
<b>Total Municipal Position</b>	<b><u>309,060</u></b>	<b><u>(151,747)</u></b>
<b>TOTAL LIABILITIES AND MUNICIPAL POSITION</b>	<b><u>\$2,758,693</u></b>	<b><u>\$ 2,556,278</u></b>

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

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2008**

	<u>Budget 2008</u>	<u>Actual 2008</u>	<u>Actual 2007</u>
<b>REVENUES</b>			
Net municipal taxation (Note 9)	\$1,692,842	\$1,675,912	\$1,577,251
Local improvements and other charges	512,490	545,329	509,008
User charges (Note 10)	1,442,362	1,395,425	1,368,043
Transfer payments	3,869,548	4,952,218	1,467,243
Penalty and interest on taxes	75,000	67,448	78,884
Investment income	65,000	70,358	72,313
Other contributions (Note 11)	<u>550,000</u>	<u>788,618</u>	<u>1,137,445</u>
 Total Revenues	 <u>8,207,242</u>	 <u>9,495,308</u>	 <u>6,210,187</u>
<b>EXPENDITURES</b>			
Current Operations			
General government	617,390	584,160	594,055
Protection to persons and property	862,693	854,865	892,456
Transportation services	1,243,169	1,474,916	1,210,929
Waterworks system	1,098,129	996,640	988,297
Garbage collection and disposal	207,785	201,349	199,793
Health services	12,525	14,350	11,825
Recreation and cultural services	155,712	122,748	72,570
Planning and development	<u>53,015</u>	<u>140,202</u>	<u>139,911</u>
 Total Current Operations	 <u>4,250,418</u>	 <u>4,389,230</u>	 <u>4,109,836</u>
Capital Operations			
Fire protection	30,950	25,645	219,995
Road building, projects and equipment	800,850	500,486	77,348
Waterworks projects	3,675,995	4,051,939	942,526
Keystone Complex	109,205	50,161	-
Library property	-	-	130,957
Drainage projects	12,000	17,040	38,984
Other capital expenditures	<u>16,000</u>	<u>-</u>	<u>5,612</u>
 Total Capital Operations	 <u>4,645,000</u>	 <u>4,645,271</u>	 <u>1,415,422</u>
 Total Expenditures (Note 12)	 <u>8,895,418</u>	 <u>9,034,501</u>	 <u>5,525,258</u>
 <b>NET REVENUES (EXPENDITURES)</b>	 <b>(688,176)</b>	 <b>460,807</b>	 <b>684,929</b>
 <b>FINANCING AND TRANSFERS:</b>			
Debt principal repayments	<u>(430,000)</u>	<u>(434,621)</u>	<u>(411,237)</u>
 <b>CHANGE IN FUND BALANCES</b>	 <b><u>\$(1,118,176)</u></b>	 <b><u>\$ 26,186</u></b>	 <b><u>\$ 273,692</u></b>

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

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**

**YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>OPERATIONS</b>		
Net revenues (expenditures)	\$ 460,807	\$ 684,929
Change in non-cash items:		
Decrease (increase) in taxes receivable	42,354	39,528
(Increase) decrease in accounts receivable	(50,954)	(116,047)
Decrease (increase) in other current assets	(2,280)	898
Increase (decrease) in accounts payable and accrued liabilities	149,516	450,601
Increase (decrease) in deferred revenue	<u>26,713</u>	<u>48,360</u>
Net increase in cash from operations	626,156	1,108,269
<b>FINANCING</b>		
Municipal debt repaid	<u>(434,621)</u>	<u>(411,237)</u>
<b>NET CASH INFLOW</b>	191,535	697,032
<b>CASH POSITION, BEGINNING OF YEAR</b>	<u>1,535,150</u>	<u>838,118</u>
<b>CASH POSITION, END OF YEAR</b>	<u>\$1,726,685</u>	<u>\$1,535,150</u>

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

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

The Township of Southwold is located in the County of Elgin in the Province of Ontario. Township operations are guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act, and related legislation.

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

The following are the Township's significant accounting policies:

**a) Reporting Entity**

The consolidated statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations, committees, local boards, and municipal enterprises accountable for the administration of their financial affairs and resources to the Township, and which are owned or controlled by the Township.

All interfund assets and liabilities and revenues and expenditures have been eliminated.

There are no local boards or municipal enterprises which are not consolidated.

**b) Fund Accounting**

Funds within the consolidated financial statements consist of operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balances.

**c) Accrual 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.

**d) Tangible Capital Assets**

Expenditures made on tangible capital assets are reported as capital expenditures on the "Consolidated Statement of Financial Activities" in the period incurred.

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**e) Reserves and Reserve Funds**

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

**f) Accounting for County and School Board Transactions**

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

**g) Deferred Revenue**

Deferred revenue represents grants, 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 in which the services are performed.

**h) Government Transfers**

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

**i) 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 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 TOWNSHIP OF SOUTHWOLD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**2. ACCOUNTS RECEIVABLE**

	<u>2008</u>	<u>2007</u>
Government of Canada	\$213,809	\$241,933
Province of Ontario	43,271	54,412
Other municipalities	73,695	16,603
Water billings	182,473	198,228
Other receivables	<u>61,232</u>	<u>12,350</u>
	<u>\$574,480</u>	<u>\$523,526</u>

**3. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS**

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, since provincial requirements restrict how these funds may be used, and, under certain circumstances, may require that they be refunded. The balances in these funds are as follows:

	<u>2008</u>	<u>2007</u>
Recreation land (The Planning Act)	\$ 27,129	\$27,116
Federal gasoline tax funding	<u>134,271</u>	<u>59,059</u>
	<u>\$161,400</u>	<u>\$86,175</u>

**4. MUNICIPAL DEBT**

	<u>2008</u>	<u>2007</u>
a) The balance of municipal debt reported on the "Consolidated Statement of Financial Position" is made up of the following:		
Total municipal debt incurred by the Township and outstanding at the end of the year amounted to	\$1,340,558	\$1,729,450
Of the municipal debt shown above, the responsibility for payment of principal and interest charges for tile drainage loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	<u>(83,412)</u>	<u>(37,683)</u>
Net municipal debt at the end of the year	<u>\$1,257,146</u>	<u>\$1,691,767</u>

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**4. MUNICIPAL DEBT (Cont'd)**

- (b) Principal payments due on the net municipal debt reported in (a) of this note are recoverable from benefiting landowners:

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014-2015</u>
\$408,750	\$278,301	\$166,322	\$154,316	\$129,460	\$119,997

- (c) The municipal debt reported in (a) has been approved by by-law and the annual principal and interest payments required to service this debt is within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (d) Interest on the municipal debt recorded in the "Consolidated Statement of Financial Activities" in 2008 was \$89,171 (2007 - \$116,087).
- (e) The Township is contingently liable for municipal debt with respect to tile drainage loans. The total amount outstanding as at December 31, 2008 is \$83,412 (2007 - \$37,683) and is not recorded on the "Consolidated Statement of Financial Position".

**5. OPERATING FUND**

The operating fund balance consists of the following individual operating surpluses (deficits):

	<u>2008</u>	<u>2007</u>
General municipal revenues	\$18,836	\$(39,930)
Local improvement/user charges	<u>(7,033)</u>	<u>337</u>
	<u>\$11,803</u>	<u>\$(39,593)</u>

**6. CAPITAL FUND**

The capital fund is comprised of the following:

	<u>2008</u>	<u>2007</u>
(Amounts to be financed) unexpended capital financing:		
Waterworks projects	\$(635,677)	\$156,524
Drainage projects	(52,337)	(35,297)
Other projects	<u>(27,708)</u>	<u>(29,096)</u>
	<u>\$(715,722)</u>	<u>\$ 92,131</u>

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**7. RESERVES**

	<u>2008</u>	<u>2007</u>
Working capital	\$ 322,679	\$ 350,000
Road projects	253,979	-
Fire capital expenditure	135,750	25,000
Police services	25,000	-
Waterworks projects	1,020,703	856,023
Recreation projects	-	40,000
Other unspecified capital projects	<u>512,014</u>	<u>216,459</u>
	<u>\$2,270,125</u>	<u>\$1,487,482</u>

**8. BUDGET FIGURES**

Budgets established for Capital Funds, Reserve and Reserve Funds are based on a project oriented basis, the cost of which may be carried out over one or more years. Although they are not directly comparable with current year actual amounts they have been reflected on the "Consolidated Statement of Financial Activities."

**9. NET MUNICIPAL TAXATION**

	<u>2008</u>	<u>2007</u>
Taxes		
Municipal, County and Education property taxes	\$7,941,939	\$7,930,996
Payments in lieu of taxes	<u>96,554</u>	<u>56,436</u>
	<u>8,038,493</u>	<u>7,987,432</u>
Less taxes on behalf of:		
County of Elgin	3,212,004	3,062,110
Education	<u>3,150,577</u>	<u>3,348,071</u>
	<u>6,362,581</u>	<u>6,410,181</u>
Net municipal taxation	<u>\$1,675,912</u>	<u>\$1,577,251</u>

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**10. USER CHARGES**

	<u>2008</u>	<u>2007</u>
Water billings	\$1,139,134	\$1,242,560
Rentals	59,995	37,342
Licenses and permits	44,809	49,301
Planning fees	6,228	4,000
Fire calls	4,550	21,677
Other fees and services	<u>140,709</u>	<u>13,163</u>
	<u>\$1,395,425</u>	<u>\$1,368,043</u>

**11. OTHER CONTRIBUTIONS**

	<u>2008</u>	<u>2007</u>
Prepaid special charges	\$777,262	\$ 14,384
Donations	<u>11,356</u>	<u>1,123,061</u>
	<u>\$788,618</u>	<u>\$1,137,445</u>

**12. CONSOLIDATED EXPENDITURES BY OBJECT**

	<u>2008</u>	<u>2007</u>
Salaries and benefits	\$1,134,691	\$1,080,055
Operating materials and supplies	2,178,700	1,800,525
Contracted services	946,997	1,066,214
Rent and financial expenses	-	6,282
External transfers to others	39,671	40,672
Tangible capital assets	4,645,271	1,415,422
Debt interest	<u>89,171</u>	<u>116,088</u>
	<u>\$9,034,501</u>	<u>\$5,525,258</u>

**13. PENSION AGREEMENTS**

The Township makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employee based on the length of service and rates of pay.

The amount contributed to OMERS in 2008 on behalf of current service was \$44,825 (2007 - \$41,518) and is included as an expenditure on the "Consolidated Statement of Financial Activities".

The Township had no obligation, as at December 31, 2008 under past service provisions.

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**14 CONTRACTUAL OBLIGATION - ELGIN AREA PRIMARY WATER SUPPLY SYSTEM**

Pursuant to a notice of transfer for the Elgin Area Primary Water Supply System from the Ministry of the Environment dated November 13, 1998, the works, properties and all assets, liabilities, rights and obligations of the system, held by the Ontario Clean Water Agency, were transferred jointly to the Corporations of the City of London, City of St. Thomas, Town of Aylmer and the Townships of Bayham, Central Elgin, Malahide and Southwold. The transfer established a joint board of management to govern the management of the water supply system comprised of seven representatives appointed by the respective councils of the participating municipalities. The Corporation of the City of London is the administering municipality under the transfer order and is responsible for the administration of the system on behalf of the participating municipalities. On August 6, 1998, the Corporation of the City of London acquired the assets of the water system by discharging those liabilities of the Ontario Clean Water Agency related to this system from the proceeds of a debenture issue.

Included in the "Consolidated Statement of Financial Activities" are the 2008 charges for water of \$718,091(2007 - \$719,336). The "Consolidated Statement of Financial Position" does not reflect any assets or liabilities pertaining to the water system except to the extent of service charges due to the City of London.

**15. PUBLIC SECTOR SALARY DISCLOSURE ACT 1996**

The Public Sector Salary Disclosure Act, 1996 (the "Act") requires the disclosure of the salaries and benefits of employees in the public sector who are paid a salary of \$100,000 or more in a year. The Township of Southwold complies with the Act by providing the information to the Ontario Ministry of Municipal Affairs and Housing for disclosure on the public website at [www.fin.gov.on.ca](http://www.fin.gov.on.ca).

**16. TANGIBLE CAPITAL ASSETS**

For the year ended December 31, 2009 the Township will be required to comply with Section 3150 of the Public Sector Accounting Board Handbook, Tangible Capital Assets. This section requires the capitalization and amortization of tangible capital assets in the financial statements. As a transitional provision, Public Sector Guideline-7, Tangible Capital Assets of Local Governments, requires disclosure of information for each major category of tangible capital asset for which all the relevant information can be provided.

The Township of Southwold has adopted an accounting policy for the classification and recording of tangible capital assets and their corresponding useful lives and amortization rates. To date, collection of the tangible capital assets' historical cost data is complete and is awaiting audit verification. Reporting requirements in accordance with Section 3150 of the Public Sector Accounting Handbook is scheduled to be presented in the 2009 financial statements.

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**SCHEDULE 1 - OPERATING FUND**

**YEAR ENDED DECEMBER 31, 2008**

	<u>Budget</u>	<u>2008</u>	<u>2007</u>
<b>REVENUES</b>			
Net municipal taxation	\$1,692,842	\$1,675,912	\$ 1,577,251
Local improvements and other charges	512,490	545,329	509,008
User charges	1,442,362	1,395,425	1,368,043
Transfer payments	1,419,548	1,451,952	1,358,055
Penalty and interest on taxes	75,000	67,448	78,884
Investment income	<u>65,000</u>	<u>70,358</u>	<u>72,313</u>
 Total Revenues	 <u>5,207,242</u>	 <u>5,206,424</u>	 <u>4,963,554</u>
 <b>EXPENDITURES</b>			
General government	617,390	584,160	594,055
Protection to persons and property	862,693	854,865	892,456
Transportation services	1,243,169	1,474,916	1,210,929
Waterworks system	1,098,129	996,640	988,297
Garbage collection and disposal	207,785	201,349	199,793
Health services	12,525	14,350	11,825
Recreation and cultural services	155,712	122,748	72,570
Planning and development	<u>53,015</u>	<u>140,202</u>	<u>139,911</u>
 Total Expenditures	 <u>4,250,418</u>	 <u>4,389,230</u>	 <u>4,109,836</u>
 <b>NET REVENUES (EXPENDITURES)</b>	 <u>956,824</u>	 <u>817,194</u>	 <u>853,718</u>
 <b>FINANCING AND TRANSFERS</b>			
Debt principal repayments	(430,000)	(434,621)	(411,237)
Transfers (to) from reserves	(374,818)	(273,109)	(182,744)
Transfers (to) capital operations	<u>(112,413)</u>	<u>(58,068)</u>	<u>(428,649)</u>
 Net Financing and Transfers	 <u>(917,231)</u>	 <u>(765,798)</u>	 <u>(1,022,630)</u>
 <b>CHANGE IN FUND BALANCE</b>	 39,593	 51,396	 (168,912)
 <b>FUND BALANCE, BEGINNING OF YEAR</b>	 <u>(39,593)</u>	 <u>(39,593)</u>	 <u>129,319</u>
 <b>FUND BALANCE, END OF YEAR (Note 5)</b>	 <u>\$ -</u>	 <u>\$ 11,803</u>	 <u>\$ (39,593)</u>

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

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**SCHEDULE 2 - CAPITAL FUND**

**YEAR ENDED DECEMBER 31, 2008**

	<u>Budget</u> <u>2008</u>	<u>Actual</u> <u>2008</u>	<u>Actual</u> <u>2007</u>
<b>REVENUES</b>			
Transfer payments	\$ 2,450,000	\$3,500,266	\$ 50,865
Other contributions	<u>550,000</u>	<u>788,618</u>	<u>1,137,445</u>
Total Revenues	<u>3,000,000</u>	<u>4,288,884</u>	<u>1,188,310</u>
<b>EXPENDITURES</b>			
Fire protection	30,950	25,645	219,995
Road building, projects and equipment	800,850	500,486	77,348
Waterworks projects	3,675,995	4,051,939	942,526
Keystone Complex	109,205	50,161	-
Library property	-	-	130,957
Drainage projects	12,000	17,040	38,984
Other capital expenditures	<u>16,000</u>	<u>-</u>	<u>5,612</u>
Total Expenditures	<u>4,645,000</u>	<u>4,645,271</u>	<u>1,415,422</u>
<b>NET REVENUES (EXPENDITURES)</b>	<u>(1,645,000)</u>	<u>(356,387)</u>	<u>(227,112)</u>
<b>FINANCING AND TRANSFERS</b>			
Transfers from operating fund	112,413	58,068	428,649
Transfers (to) reserves	<u>-</u>	<u>(509,534)</u>	<u>(40,000)</u>
Net Financing and Transfers	<u>112,413</u>	<u>(451,466)</u>	<u>388,649</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(1,532,587)</u>	<u>(807,853)</u>	<u>161,537</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>92,131</u>	<u>92,131</u>	<u>(69,406)</u>
<b>FUND BALANCE, END OF YEAR (Note 6)</b>	<u>\$ (1,440,456)</u>	<u>\$ (715,722)</u>	<u>\$ 92,131</u>

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

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**SCHEDULE 3 - RESERVES**

**YEAR ENDED DECEMBER 31, 2008**

	<u>Budget</u> <u>2008</u>	<u>Actual</u> <u>2008</u>	<u>Actual</u> <u>2007</u>
<b>NET TRANSFER FROM OTHER FUNDS</b>			
Transfers from operating fund	\$ 374,818	\$ 273,109	\$ 182,744
Transfers from capital fund	<u>-</u>	<u>509,534</u>	<u>40,000</u>
<b>CHANGE IN FUND BALANCE</b>	374,818	782,643	222,744
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,546,541</u>	<u>1,487,482</u>	<u>1,264,738</u>
<b>FUND BALANCE, END OF YEAR (Note 7)</b>	<u>\$1,921,359</u>	<u>\$2,270,125</u>	<u>\$1,487,482</u>

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

**CORPORATION OF THE TOWNSHIP OF SOUTHWOLD**

**SCHEDULE 4 - SEGMENT DISCLOSURE**

**YEAR ENDED DECEMBER 31, 2008**

	<b><u>OPERATING FUND</u></b>							
	<b><u>General Government</u></b>	<b><u>Protective Services</u></b>	<b><u>Transportation Services</u></b>	<b><u>Environmental Services</u></b>	<b><u>Health Services</u></b>	<b><u>Recreation Services</u></b>	<b><u>Planning and Development</u></b>	<b><u>Total</u></b>
<b>REVENUES</b>								
Net municipal taxation	\$383,105	\$ 529,917	\$ 551,298	\$ 118,515	\$ 7,700	\$ 41,106	\$ 44,271	\$1,675,912
Local improvements	-	-	26,252	478,278	-	-	40,799	545,329
User charges	71,703	49,706	100,793	1,139,134	-	27,861	6,228	1,395,425
Transfer payments	207,065	395,082	698,311	79,672	4,094	22,894	44,834	1,451,952
Other	32,027	43,573	45,332	9,745	633	2,856	3,640	137,806
Transfer from other funds	<u>27,321</u>	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,419</u>
	<u>721,221</u>	<u>1,018,376</u>	<u>1,421,986</u>	<u>1,825,344</u>	<u>12,427</u>	<u>94,717</u>	<u>139,772</u>	<u>5,233,843</u>
<b>EXPENDITURES</b>								
Salaries and benefits	402,306	197,204	451,729	10,274	89	21,428	51,661	1,134,691
Goods and services	181,854	657,661	1,023,187	1,099,046	14,261	101,320	88,039	3,165,368
Principal and interest on debt	-	-	-	519,324	-	-	4,468	523,792
Transfer to other funds	<u>-</u>	<u>161,395</u>	<u>-</u>	<u>197,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>358,596</u>
	<u>584,160</u>	<u>1,016,260</u>	<u>1,474,916</u>	<u>1,825,845</u>	<u>14,350</u>	<u>122,748</u>	<u>144,168</u>	<u>5,182,447</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$137,061</u>	<u>\$ 2,116</u>	<u>\$ (52,930)</u>	<u>\$ (501)</u>	<u>\$ (1,923)</u>	<u>\$ (28,031)</u>	<u>\$ (4,396)</u>	<u>51,396</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>								<u>(39,593)</u>
<b>FUND BALANCE, END OF YEAR</b>								<u>\$ 11,803</u>

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

