

AUDITOR'S REPORT

Township of Sandwich South

To: The Members of Council, Inhabitants
and Ratepayers of the Corporation
of the Township of Sandwich South

We have examined the 1979 financial statements of the Corporation of the Township of Sandwich South. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation of the Township of Sandwich South as at December 31, 1979 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted for Ontario Municipalities applied on a basis consistent with that of the preceding year.

Windsor, Ontario
March 29, 1980
Licence No. 057

G. H. WARD & PARTNERS
Chartered Accountants

STATEMENT OF REVENUE AND EXPENDITURE for the year ended December 31, 1979 TOWNSHIP OF SANDWICH SOUTH

	1979 Budget \$	1979 Actual \$	1978 Actual \$
Accumulated net revenue (deficit) at the beginning of the year	47,642	47,642	63,533
Expenditures and transfers			
Municipal expenditures			
General government	168,500	174,177	139,428
Protection to persons & prop.	138,036	142,889	93,387
Transportation services	265,800	270,051	241,909
Environmental services	162,752	181,556	101,798
Health services	7,000	6,984	3,191
Social and family services	—	—	—
Recreation & cultural services	20,000	24,274	21,286
Planning and development	100,844	81,873	73,944
Other	—	—	—
Total expenditure	862,932	881,804	674,943
Transfers			
Transfers to region or county	194,370	203,145	183,379
Transfers to school boards	1,149,628	1,201,068	1,011,982
Total transfers	1,343,998	1,404,213	1,195,361
Total expenditures and transfers	2,206,930	2,286,017	1,870,304
Revenue by purpose			
Municipal purposes			
Taxation	404,768	416,823	335,200
Payments in lieu of taxes	10,000	10,029	9,586
Ontario grants	223,240	223,066	136,165
Other grants	95,067	85,517	69,452
Fees and service charges	22,678	43,132	29,726
Other	66,382	82,298	70,391
Revenue to pay for municipal purposes	822,135	860,865	650,520
Region or county requisition			
Taxation	192,201	201,095	184,704
Payment in lieu of taxes	436	436	414
Ontario grants	—	—	—
Other	—	—	—
Revenue to pay the region or county requisition	192,637	201,531	185,118
School board requisition			
Taxation	1,147,322	1,200,517	1,017,691
Payments in lieu of taxes	1,274	1,274	1,084
Other	—	—	—
Revenue to pay the school board requisition	1,148,596	1,201,791	1,018,775
Total revenue	2,163,368	2,264,187	1,854,413
Accumulated net revenue (deficit) at the end of the year	4,080	25,812	47,642
Analysed as follows:			
General revenue	4,080	10,356	16,080
Region or county	—	174	1,733
School boards	—	1,954	1,032
Special charges	—	11,606	2,075
Special areas	—	1,722	26,722
Local boards	—	—	—
Municipal enterprises	—	—	—
	4,080	25,812	47,642

STATEMENT OF CAPITAL OPERATIONS for the year ended December 31, 1979 TOWNSHIP OF SANDWICH SOUTH

	1979 Actual \$	1978 Actual \$
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	180,630	127,486

Capital expenditure		
General government	4,458	15,861
Protection to persons and property	396,488	15,208
Transportation services	9,732	102,111
Environmental services	19,910	114,906
Health services	—	—
Social and family services	—	—
Recreation and cultural services	7,259	—
Planning and development	249,134	75,802
Other	—	—
Total expenditure	686,981	323,888
Capital financing		
Contributions from the revenue fund	75,300	84,014
Contributions from reserve funds and reserves	22,259	—
Long term liabilities incurred	148,533	49,063
Ontario grants	53,871	53,761
Other	81,258	83,906
Total capital financing	381,221	270,744
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	486,390	180,630

BALANCE SHEET as at December 31, 1979 TOWNSHIP OF SANDWICH SOUTH

ASSETS	1979 Actual \$	1978 Actual \$
Current assets		
Cash	184,717	7,883
Taxes receivable	131,433	122,602
Accounts receivable	31,943	65,980
Other current assets	348,093	196,465
Capital outlay to be recovered in future years	982,021	678,937
Other long term assets	34,450	—
	1,364,564	875,402
LIABILITIES		
Current liabilities		
Temporary loans	547,691	110,500
Accounts payable and accrued liabilities	24,944	69,010
Other current liabilities	32,974	15,845
	605,609	195,355
Net long term liabilities	495,631	498,307
Reserves and reserve funds	237,512	134,098
Accumulated net revenue (deficit) and unapplied capital receipts	25,812	47,642
	1,364,564	875,402

NOTES TO THE FINANCIAL STATEMENTS TOWNSHIP OF SANDWICH SOUTH

- Accounting Policies
 - Statement of Revenue and Expenditure
This statement reflects the revenue and expenditures of the revenue fund of the municipality and includes the activities of all committees of council and local boards for general municipal activities.
 - Statement of Capital Operations
This statement reflects the capital expenditures and the related capital financing to be recovered from general municipal revenues of the municipality and its local boards described in Note 1(a).
 - Balance Sheet
This statement reflects the assets and liabilities of the revenue fund, the capital fund, reserve funds and the local boards described in Note 1(a).
 - Fixed Assets
The historical cost and accumulated depreciation of fixed assets is not reported for municipal purposes. Instead the "capital outlay to be recovered in future years", which is the aggregate of the principal portion of unmatured long term liabilities, capital funds transferred to other organizations and the cost of capital projects not yet permanently financed, is reported on the "Balance Sheet".
 - Charges for Net Long Term Liabilities
Debt, retirement costs, including principal and interest, are charged against current revenue in the periods in which they are due. Interest charges are not accrued for the periods from the dates of the latest interest payments to the end of the financial year.
- Capital Outlay to be Recovered in Future Years
 - Some capital outlay to be recovered in future years does not represent a burden on general municipal revenues, as it is to be recovered in future years from other sources:

	1979	1978
From general municipal revenues	\$325,987	\$ 8,097
Special charges on benefitting landowners	656,034	670,840
	982,021	678,937
 - Capital outlays, including fixed assets and the transfers of capital funds in the amount of \$75,300 (1978 - \$84,014), which have been financed from general municipal revenues of the current year, are reported on the "Statement of Revenue and Expenditure".

- Reserve Funds
Provisions for reserves and reserve funds amounting to \$26,722 (1978 - \$3,000) are reported in the "Statement of Revenue and Expenditure" classified under the appropriate headings. During the year \$85,263 (1978 - \$23,950) were credited directly to reserve funds without being recorded as revenues and expenditures of the Revenue Fund. These funds were provided by subdividers and developers.

- Net Long Term Liabilities
The balance for net long term liabilities reported on the "Balance Sheet" does not include any liability to the Ministry of the Environment in connection with the Maidstone and Sandwich South waterline project #6-0266-73. Under the terms of the agreements relating to this project, special taxes levied on the residents affected by the waterline are remitted to the Township of Maidstone as are the proceeds of usage charges. The long term liabilities, operations, surpluses or deficits of that area are included in the financial statements of the Township of Maidstone.

- Accumulated Net Revenue (Deficit) at the End of the Year
The balance in the revenue fund at the end of the year is available to reduce (to be added to) the levies of the following classes of ratepayers:

	1979	1978
General ratepayers	\$10,356	\$16,080
Designated ratepayers	13,328	28,797
Elementary Separate School Board ratepayers	1,093	405
Elementary Public School Board ratepayers	143	77
Secondary School Board ratepayers	718	550
County ratepayers	174	1,733
	\$25,812	\$47,642

- Charges for Net Long Term Liabilities
Total charges for the year for net long term liabilities were as follows:

	1979	1978
Principal payments	\$38,082	\$37,144
Interest	34,625	29,370
	\$72,707	\$66,514

The total charges shown above were paid from general municipal revenues of the municipality and are included in expenditure on the "Statement of Revenue and Expenditure" classified under the appropriate functional headings.

- Liability for Vested Sick Leave Benefits
Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment. The liability for these accumulated days, on the extent that they have vested and could be taken in cash by an employee on terminating, amounted to \$12,938 (1978 - \$10,152) at the end of the year. No amounts have been provided for this past service liability in these or prior years financial statements.

RESERVE AND RESERVE FUNDS STATEMENT OF CONTINUITY AND ANALYSIS OF YEAR END POSITION for the year ended December 31, 1979 TOWNSHIP OF SANDWICH SOUTH

	1979 Actual \$	1978 Actual \$
Available at the beginning of the year for future municipal purposes	134,098	107,948
Revenue		
Contributions from the revenue fund	26,722	3,000
Contributions from developers	85,262	23,950
Contributions re: M.O.E. connections	16,689	—
Interest earned	128,673	26,950
Expenditure		
Transfers to the capital fund	22,259	—
Transfers to the revenue fund	3,000	800
	25,259	800
Available at the year end for future municipal purposes	237,512	134,098

ANALYSIS OF YEAR-END POSITION as at December 31, 1979

Reserves		
Working funds	86,667	86,667
	86,667	86,667
Reserve funds		
Lot levies	72,234	28,831
Impost fees	6,000	—
Amendment #9	29,200	15,600
Sewer surcharge and connections	43,411	—
Recreation	—	3,000
	150,845	47,431
Year end position of reserves and reserve funds	237,512	134,098