

Consolidated financial statements of

**The Corporation of the  
Township of Uxbridge**

December 31, 2010

# The Corporation of the Township of Uxbridge

December 31, 2010

## Table of contents

Independent Auditor's Report .....	1
Consolidated statement of financial position .....	2
Consolidated statement of operations.....	3
Consolidated statement of change in net financial assets .....	4
Consolidated statement of cash flows.....	5
Notes to the consolidated financial statements.....	6-18

## Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Uxbridge which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations, change in net financial assets and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement to the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Uxbridge as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Deloitte & Touche LLP*

Chartered Accountants  
Licensed Public Accountants  
June 13, 2011

# The Corporation of the Township of Uxbridge

## Consolidated statement of financial position as at December 31, 2010

	2010	2009
	\$	\$
<b>Assets</b>		
Financial assets		
Cash (Note 3)	2,728,107	1,625,247
Temporary investments (Note 3)	11,812,900	11,816,046
Taxes receivable (Note 4)	2,522,398	3,451,434
Accounts receivable	2,542,337	687,401
Loan receivable (Note 5)	85,537	99,128
Inventory for resale	8,597	10,037
	<b>19,699,876</b>	<b>17,689,293</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	2,070,035	1,236,427
Other current liabilities	1,547,426	1,105,401
Post employment benefit liability (Note 7)	170,787	159,583
Deferred revenue (Note 8)	9,021,904	8,486,977
	<b>12,810,152</b>	<b>10,988,388</b>
<b>Net financial assets</b>	<b>6,889,724</b>	<b>6,700,905</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 9)	88,228,344	81,756,546
Inventory of supplies	110,888	121,242
Prepaid expenses	27,036	29,042
Total non-financial assets	<b>88,366,268</b>	<b>81,906,830</b>
<b>Accumulated surplus (Note 10)</b>	<b>95,255,992</b>	<b>88,607,735</b>

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

# The Corporation of the Township of Uxbridge

## Consolidated statement of operations year ended December 31, 2010

		2010	2009
	Budget (Unaudited) (Note 14)	Actual	Actual
	\$	\$	\$
<b>Revenues</b>			
Taxation - all classes (Note 1(b)(iii))	41,912,683	41,502,162	40,479,184
Less amounts received for Region and School Boards (Note 2)	33,283,000	32,865,531	31,966,455
	8,629,683	8,636,631	8,512,729
User fees and charges	1,929,060	2,150,328	2,077,421
Grants			
Government of Canada	1,366,050	1,463,265	544,356
Province of Ontario	2,055,176	2,012,386	1,268,017
Other municipalities	183,977	364,326	263,978
Investment income	151,901	145,063	123,660
Penalties and interest on taxes	395,000	485,812	454,025
Developer and other contributions earned	333,525	149,979	753,801
Contributed tangible capital assets	-	5,261,277	431,788
Other	959,425	673,405	802,066
<b>Total revenues</b>	<b>16,003,797</b>	<b>21,342,472</b>	<b>15,231,841</b>
<b>Expenses (Note 13)</b>			
General government	2,155,406	2,377,768	1,751,810
Protection to persons and property	2,607,960	2,400,808	2,460,751
Transportation services	5,263,856	5,192,824	5,044,469
Environmental services	303,238	344,117	293,439
Health services	9,535	5,779	1,154
Recreation and cultural services	4,151,109	3,964,120	3,723,080
Planning and development	410,775	385,141	337,796
Loss on sale of tangible capital assets	-	23,658	46,487
	14,901,879	14,694,215	13,658,986
Annual surplus	1,101,918	6,648,257	1,572,855
Accumulated surplus, beginning of year	86,166,386	88,607,735	87,034,880
<b>Accumulated surplus, end of year</b>	<b>87,268,304</b>	<b>95,255,992</b>	<b>88,607,735</b>

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

# The Corporation of the Township of Uxbridge

## Consolidated statement of change in net financial assets year ended December 31, 2010

	2010	2009
	Budget (Unaudited) (Note 14)	Actual
	\$	\$
<b>Annual surplus</b>	<b>1,101,918</b>	<b>6,648,257</b>
Acquisition of tangible capital assets	<b>(5,098,400)</b>	<b>(9,750,332)</b>
Amortization of tangible capital assets	<b>3,212,293</b>	<b>3,226,015</b>
Loss on sale of tangible capital assets	-	<b>23,658</b>
Proceeds on sale of tangible capital assets	-	<b>28,861</b>
	<b>(784,189)</b>	<b>176,459</b>
Acquisition of inventories of supplies	-	<b>10,354</b>
Prepaid expenses incurred	-	<b>(27,036)</b>
Prepaid expenses applied	-	<b>29,042</b>
Increase in net financial assets	<b>(784,189)</b>	<b>188,819</b>
Net financial assets at beginning of year	<b>6,700,905</b>	<b>6,700,905</b>
<b>Net financial assets at end of year</b>	<b>5,916,716</b>	<b>6,889,724</b>

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

# The Corporation of the Township of Uxbridge

## Consolidated statement of cash flows year ended December 31, 2010

	2010	2009
	\$	\$
<b>Operating transactions</b>		
Annual surplus	6,648,257	1,572,855
Items not involving cash		
Amortization	3,226,015	3,040,606
Loss on sale of tangible capital assets	23,658	46,487
Contributed capital assets recognized as revenue	(5,261,277)	(431,788)
Change in non-cash assets and liabilities		
Decrease (increase) in taxes receivable	929,036	(750,542)
(Increase) decrease in accounts receivable	(1,854,936)	92,191
Decrease in inventory for resale	1,440	1,008
Decrease (increase) in inventory of supplies	10,354	(121,242)
Increase (decrease) in accounts payable and accrued liabilities	833,608	(432,774)
Increase in other current liabilities	442,025	156,855
Increase (decrease) in post employment benefit liability	11,204	(333,848)
Increase (decrease) in deferred revenue	534,927	(425,551)
Decrease (increase) in prepaid expenses	2,006	(2,928)
Cash provided by operating transactions	5,546,317	2,411,329
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(4,489,055)	(3,781,276)
Proceeds on sale of tangible capital assets	28,861	79,238
Cash applied to capital transactions	(4,460,194)	(3,702,038)
<b>Investing transactions</b>		
Proceeds from repayment of loan	13,591	37,530
Change in temporary investments (net)	3,146	860,787
Cash provided by investing transactions	16,737	898,317
Increase (decrease) in cash	1,102,860	(392,392)
Cash, beginning of year	1,625,247	2,017,639
<b>Cash, end of year</b>	<b>2,728,107</b>	<b>1,625,247</b>

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

# The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2010

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## 1. Significant accounting policies

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

Significant accounting policies of the Township include:

### a) i) *Reporting entity*

These consolidated financial statements (the "financial statements") reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees which are controlled by the Township, including the following:

- Library Board
- Uxbridge Business Improvement Area
- Uxbridge Historical Centre
- Goodwood Community Park and Centre Association
- Leaskdale Community Park and Centre Association
- Sandford Community Hall Association
- Seniors Centre
- Siloam Community Centre Association
- Uxbridge Community Music Hall
- Zephyr Community Park and Hall Association

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

### ii) *Accounting for Region and School Board transactions*

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

### iii) *Trust funds*

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately in the Trust Funds statement of financial activities and statement of financial position.

## b) *Basis of accounting*

### i) *Recognition*

Revenues and expenses 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.



# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2010

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### 1. Significant accounting policies (continued)

#### b) Basis of accounting (continued)

##### ii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations.

##### (a) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	10 to 50 years
Buildings	15 to 50 years
Vehicles	5 to 20 years
Machinery and equipment	5 to 50 years
Computer systems	3 to 20 years
Roads	8 to 50 years
Storm sewer	40 to 100 years
Bridges and structures	25 to 85 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use. Land is not amortized.

Tangible capital assets received as contributions are recorded at their fair value at the date contributed, and that amount is also recorded as revenue.

##### (b) Inventory of supplies

Inventories held for consumption are recorded at the lower of cost or net realizable value.

##### (c) Intangible assets

Intangible assets are not recognized as assets in the financial statements.

##### iii) Accounting for property tax phase-in and capping provisions resulting from the Ontario Fair Assessment System

The net decrease/increase in property taxes as a result of the application of capping provisions does not affect the consolidated statement of operations as the full amount of the property taxes were levied. However, the capping adjustment is reported on the consolidated statement of financial position as an asset/liability, to be received from/paid to the Region of Durham.

##### iv) 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.

##### v) Post employment benefits

The present value of the cost of providing employees with future benefits programs is recognized as employees earn these entitlements through service.

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2010

### 1. Significant accounting policies (continued)

#### b) Basis of accounting (continued)

##### vi) 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 recorded as an adjustment to the respective fund when approved.

##### vii) 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.

##### viii) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts in financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates. Accounts which are subject to significant estimates include employee future benefits, allowance for doubtful accounts and certain accruals.

### 2. Operation 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:

			2010	2009
	School boards	Region	Total	Total
	\$	\$	\$	\$
Taxation	10,032,688	22,504,582	32,537,270	31,672,074
Grants in lieu	71,817	256,444	328,261	294,381
<b>Total</b>	<b>10,104,505</b>	<b>22,761,026</b>	<b>32,865,531</b>	<b>31,966,455</b>

### 3. Cash and temporary investments

This represents a consolidation of cash and temporary investments from the operating fund and the reserve funds (including those funds set aside in respect of deferred revenue as detailed in Note 8). The composition is as follows:

	2010			2009		
	Cash	Investments	Total	Cash	Investments	Total
	\$	\$	\$	\$	\$	\$
Operating Fund	2,563,666	3,358,966	5,922,632	1,469,275	3,896,990	5,366,265
Reserve Funds	164,441	8,453,934	8,618,375	155,972	7,919,056	8,075,028
<b>Total</b>	<b>2,728,107</b>	<b>11,812,900</b>	<b>14,541,007</b>	<b>1,625,247</b>	<b>11,816,046</b>	<b>13,441,293</b>

Investments with a cost of \$11,881,920 have been recorded at a market value of \$11,812,900. In 2009 investments with a cost of \$11,818,873 were recorded at their market value of \$11,816,046.

# The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2010

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## 4. Taxes receivable

	2010	2009
	\$	\$
Current year	1,876,136	2,166,078
Arrears previous years	816,262	1,455,356
	<b>2,692,398</b>	3,621,434
Less allowance	170,000	170,000
	<b>2,522,398</b>	3,451,434

## 5. Loan receivable

	2010	2009
	\$	\$
Loan receivable with interest payable at 2.25% in equal monthly payments of principal and interest of \$950, due December 1, 2011.	85,537	99,128

## 6. 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 occurring 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 to pay for goods and services acquired or provided on or before the end of the accounting period. A breakdown of accounts payable and accrued liabilities is provided below:

	2010	2009
	\$	\$
Trade accounts payable	1,264,465	404,328
Payables to other governments	228,088	291,218
Payroll liabilities	494,145	439,415
Accrued liabilities	83,337	101,466
	<b>2,070,035</b>	1,236,427

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2010

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### 7. Post employment benefit liability

The Township makes available to qualifying employees who retire before the age of 65, the opportunity to continue their coverage for such benefits as extended health and drugs and dental care. Coverage ceases at the age of 65. The last actuarial evaluation was conducted as of January 1, 2009.

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

	2010	2009
	\$	\$
Accrued benefit liability as at January 1	159,583	493,431
Adjustment resulting from actuarial review	-	(340,615)
	<b>159,583</b>	152,816
Current service cost	10,173	9,689
Benefit payments	(7,027)	(10,541)
Interest on obligation	8,058	7,619
Accrued benefits liability as at December 31	<b>170,787</b>	159,583
Current year benefit expense	10,173	9,689
Interest on accrued benefit obligation	8,058	7,619
	<b>18,231</b>	17,308
	2010	2009
	\$	\$
Accrued benefit obligation	170,787	159,583
Unamortized actuarial loss	-	-
Employee future liability	<b>170,787</b>	159,583

The main assumptions employed for the valuations are as follows:

(a) *General inflation*

A rate of 2% per year is used.

(b) *Interest (discount) rate*

A rate of 5% is used to determine liabilities at the beginning of the fiscal period and for extrapolations during the period. A rate of 5% is used to determine the end of the fiscal period.

(c) *Health and dental rate*

Drug costs are presumed to increase 10% after the first year, this rate reducing linearly to 4% after 10 years. Other health and dental costs are presumed to increase 4% per year.

(d) *Mortality Table*

1994 Uninsured Pensioner Mortality Table projected to 2015.

# The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2010

## 8. Deferred revenue

				2010	2009
	Development charges	Parkland	Federal Gas tax	Total	Total
	\$	\$	\$	\$	\$
Obligatory reserve funds					
Balance, beginning of year	7,354,409	364,838	199,971	7,919,218	8,260,210
Developer contributions	504,198	3,806	-	508,004	454,815
Gas tax monies	-	-	588,009	588,009	564,633
Interest earned	84,574	4,083	5,571	94,228	71,839
	7,943,181	372,727	793,551	9,109,459	9,351,497
Earned revenue transferred					
to operations	(149,979)	-	(505,383)	(655,362)	(1,432,279)
Balance, end of year	7,793,202	372,727	288,168	8,454,097	7,919,218
Other				567,807	567,759
<b>Total</b>				<b>9,021,904</b>	<b>8,486,977</b>

## 9. Tangible capital assets

### i) Contributed tangible capital assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are land, roadways, storm sewer lines installed by a developer as part of a subdivision agreement. Transfer of tangible capital assets in 2010 amounted to \$5,261,277 (2009 - \$431,788).

### ii) Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value of one Canadian dollar, because of the difficulty of determining a tenable valuation and/or the assets were older than their estimated expected useful lives, and therefore were fully amortized.

### iii) Works of art and historical treasures

The Township applies efforts to protect and preserve a number of owned historical buildings, collections of equipment, artifacts, documents and exhibits and works of art. These assets are not held for financial gain but rather for public exhibition, education or research in furtherance of public service. These historical treasures and works of art are not recognized as tangible capital assets in the financial statements. The acquisition or betterment of such assets is recognized in the financial statements as an operating expense.

### iv) Other

During the year, there were no write-downs of assets (2009 - \$nil) and no interest was capitalized during the year (2009 - \$nil).

# The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2010

## 9. Tangible capital assets (continued)

	2010										
	Land	Land improvements	Buildings	Vehicles	Machinery & equipment	Computer systems	Roads	Storm Sewer	Bridges & structures	Work in progress	Total
	\$	\$	\$	\$	\$	\$			\$	\$	\$
<b>Cost</b>											
Balance, beginning of year	19,102,995	3,011,994	12,518,584	5,427,954	3,379,664	211,354	47,360,488	20,993,483	4,557,882	101,420	116,665,818
Additions	60,378	203,866	810,523	-	284,488	48,098	4,123,896	2,344,383	1,076,221	877,697	9,829,550
Work in progress completed	-	-	-	-	-	-	-	-	-	(79,218)	(79,218)
Disposals	6,953	74,237	180,521	294,312	187,192	-	27,720	-	3	-	770,938
Balance, end of year	19,156,420	3,141,623	13,148,586	5,133,642	3,476,960	259,452	51,456,664	23,337,866	5,634,100	899,899	125,645,212
<b>Accumulated amortization</b>											
Balance, beginning of year	-	1,309,032	5,382,880	2,195,207	1,533,850	87,885	18,748,326	4,021,276	1,630,816	-	34,909,272
Amortization	-	113,037	337,180	339,733	274,859	32,117	1,734,425	300,215	94,449	-	3,226,015
Accumulated amortization on disposal	-	71,399	138,635	294,312	187,192	-	26,878	-	3	-	718,419
Balance, end of year	-	1,350,670	5,581,425	2,240,628	1,621,517	120,002	20,455,873	4,321,491	1,725,262	-	37,416,868
<b>Net book value of tangible capital assets</b>	<b>19,156,420</b>	<b>1,790,953</b>	<b>7,567,161</b>	<b>2,893,014</b>	<b>1,855,443</b>	<b>139,450</b>	<b>31,000,791</b>	<b>19,016,375</b>	<b>3,908,838</b>	<b>899,899</b>	<b>88,228,344</b>
2009											
	Land	Land improvements	Buildings	Vehicles	Machinery & equipment	Computer systems	Roads	Storm sewer	Bridges & structures	Work in progress	Total
	\$	\$	\$	\$	\$	\$			\$	\$	\$
<b>Cost</b>											
Balance, beginning of year	19,206,969	2,924,950	12,259,225	4,534,064	3,077,024	189,333	45,205,480	20,993,483	4,479,903	359,792	113,230,223
Additions	-	180,977	259,359	1,159,052	414,793	22,021	2,357,255	-	77,979	101,420	4,572,856
Work in progress completed	-	-	-	-	-	-	-	-	-	(359,792)	(359,792)
Disposals	103,974	93,933	-	265,162	112,153	-	202,247	-	-	-	777,469
Balance, end of year	19,102,995	3,011,994	12,518,584	5,427,954	3,379,664	211,354	47,360,488	20,993,483	4,557,882	101,420	116,665,818
<b>Accumulated amortization</b>											
Balance, beginning of year	-	1,288,664	5,071,494	2,132,411	1,390,277	60,007	17,293,786	3,737,677	1,546,094	-	3,252,410
Amortization	-	108,015	311,386	314,277	255,726	27,878	1,655,003	283,599	84,722	-	3,040,606
Accumulated amortization on disposal	-	87,647	-	251,481	112,153	-	200,463	-	-	-	651,744
Balance, end of year	-	1,309,032	5,382,880	2,195,207	1,533,850	87,885	18,748,326	4,021,276	1,630,816	-	34,909,272
<b>Net book value of tangible capital assets</b>	<b>19,102,995</b>	<b>1,702,962</b>	<b>7,135,704</b>	<b>3,232,747</b>	<b>1,845,814</b>	<b>123,469</b>	<b>28,612,162</b>	<b>16,972,207</b>	<b>2,927,066</b>	<b>101,420</b>	<b>81,756,546</b>

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2010

### 10. Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2010	2009
	\$	\$
Invested in tangible capital assets	88,228,344	81,756,546
Other	3,554,305	2,707,749
Employee future benefits	(170,787)	(159,583)
	<b>91,611,862</b>	<b>84,304,712</b>
Reserves		
Equipment	63,540	63,540
Tax stabilization	260,231	260,231
Working capital	971,941	971,941
Insurance	108,200	102,191
Museum administration centre	89	89
Future capital projects	309,805	744,084
Fire equipment	172,432	188,103
Election	19,473	45,000
Music Hall	19,604	13,465
Major maintenance	77,129	77,129
Ditching	80,221	53,240
Street lights	19,939	19,939
Sidewalks	50,715	50,715
Elevator	35,000	25,000
Arena	2,372	1,922
Preserve	125,163	128,291
Municipal facilities and projects	31,298	31,298
Foster Memorial	3,386	3,386
Sandford Community Hall Improvements	2,752	2,752
Zephyr Hall Improvements	381	81
Spay & Neutering	37,280	31,966
Brock Street reconstruction	-	74,007
Energy efficiency reserve	35,000	35,000
Community Halls	30,000	30,000
Uncompleted projects	658,427	887,391
Downtown revitalization	73,040	73,040
Strategic plan	11,548	26,603
OMB hearings	173,645	173,645
Cultural reserve	33,164	33,164
Community Improvement Plan	50,000	-
Trails reserve	24,077	-
Sub-total reserves	<b>3,479,852</b>	<b>4,147,213</b>
Reserve funds set aside for specific purposes by Council for:		
Reserve funds		
Phosphorous removal	109,090	104,822
Library	45,419	45,419
Parking	9,769	5,569
Sub-total reserve funds	<b>164,278</b>	<b>155,810</b>
Total accumulated surplus	<b>95,255,992</b>	<b>88,607,735</b>

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2010

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### 11. Trust funds

Trust funds administered by the municipality amounting to \$24,894 (2009 - \$24,879) are not included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

### 12. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, on behalf of 64 members of its staff and council. The plan is a defined benefit plan which specifies the amount of retirement benefits to be received by the employees based on the length of service and rates of pay.

Contributions to OMERS in 2010 amounted to \$ 485,939 (2009 - \$469,422).

### 13. Classification of expenses by object

The consolidated statement of operations presents the expenses by function; the following classifies those same expenses by object:

	2010	2009
	\$	\$
Salaries, wages and employee benefits	6,156,071	5,654,201
Operating materials and supplies	2,670,532	2,696,724
Contract services	2,518,439	2,138,737
Rents and financial expenses	44,040	23,422
External transfers to others	55,460	58,809
Amortization	3,226,015	3,040,606
Loss on sale of tangible capital assets	23,658	46,487
	<b>14,694,215</b>	<b>13,658,986</b>

### 14. Budget figures

The approved budget amount for 2010 is reflected on the consolidated statement of operations and the consolidated statement of change in net financial assets. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and therefore, may not be comparable with current year's actual acquisitions amounts. For the purpose of these financial statements, budget figures have been presented as a basis consistent with the presentation of the actuals. Amortization expense was not budgeted for by Council, and the amount reflected in the budget numbers is based on Management's best estimate at the beginning of the year of the amortization expense that would be incurred.



# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2010

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### 15. Contingent liabilities

#### a) *Legal actions*

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 as at December 31, 2010 and accordingly, no provision has been made in these financial statements for any liability which may result. Any loss arising from these legal actions will be recorded in the year the related litigation is settled or when it is determined that a loss is likely and the amount is measurable.

#### b) *Guarantees*

In the normal course of business, the Township enters into agreements that meet the definition of a guarantee.

- i) The Township, on occasion, has provided indemnities under lease agreements for the use of certain facilities. Under the terms of these agreements the Township agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- ii) The Township has purchased errors and omissions insurance to mitigate the costs of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the Township. The maximum amount of any potential future payment cannot be reasonably estimated.
- iii) In the normal course of business, the Township, on occasion, has entered into agreements that 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 for losses incurred by the counterparties 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 any 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 statement of financial position with respect to these agreements.

#### c) *Settlement of assessment appeals*

On December 13, 2010, the Municipal Property Assessment Corporation (MPAC) and the National Golf Course Owners Association Canada (NGCOA) reached a non-binding Settlement Agreement to be applied in determining golf course valuations for assessment purposes, in order to resolve outstanding assessment complaints by NGCOA members. Although, the Township is currently assessing the impact of the Settlement Agreement, the full amount of the impact is not yet determinable. Any adjustments relating to the settlement of golf course assessment appeals in excess of our allowance of \$170,000 (Note 4), will be provided for in the year of settlement.

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2010

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### 16. Segmented information

The Township provides a wide range of services to its citizens, including fire, library, and recreation programs. For management reporting purposes the Township's operations and activities are reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions, or limitations.

Township services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### *General government*

General government includes the services provided by council, the Chief Administrative office, Treasury, and the Clerk's department. These services involve overall management of the Township. The costs for collection of taxes from residents and the payment of suppliers and employees is included in this caption. Also the services provided to Council by the Clerk's Department are also reported in this area.

#### *Fire services*

Fire services include the responsibility to provide fire suppression services, fire prevention programs, training and education related to prevention, and detection or extinguishment of fires. The Fire Department is a composite department staffed mainly by volunteers with a few full time staff. The Department has response agreements with the neighbouring communities to augment its firefighting force.

#### *Public works*

The Public works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems.

#### *Parks recreation & culture*

Parks recreation & culture are services for the maintenance of parks and open space, various recreational programs and cultural activities carried on by the Township.

The Township has an extensive trails system that is maintained by volunteers. Included in this area is the cost of maintaining a number of cultural facilities, including the Lucy Maud Montgomery Manse and the Thomas Foster Memorial.

#### *Library*

The Library is responsible for providing educational programs, and literature materials for the citizens of the Township. The library has two branches to serve the public.

#### *Other services*

Other services include expenses related to the Development Services Department which provides the building permitting and inspection functions as well as the Planning function for the municipality. The expenses and revenues of the Uxbridge Business Improvement Area are also reported here.

#### *Corporate*

Functions that cannot be allocated are included under Corporate. Expenses in this category include grants to non profit and charitable organizations, administration of Township rental properties and the health & safety program. The main sources of revenue reported here are property taxes; interest revenue and certain provincial grants received.

# The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2010

## 16. Segmented information (continued)

									2010	
	General government	Fire services	Public works	Parks recreation & culture	Library	Other services	Corporate	Total	Consolidation adjustments	Consolidation adjustments Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
Salaries wages and employee benefits	1,365,216	832,878	1,308,309	1,250,936	534,594	806,998	57,140	6,156,071	-	6,156,071
Grants	-	-	150	7,500	-	13,892	33,918	55,460	-	55,460
Internal charges	-	17,919	899,882	39,600	293	142,916	124	1,100,734	(1,100,734)	-
Amortization	-	152,610	2,394,395	411,348	125,357	5,767	136,538	3,226,015	-	3,226,015
Other expenses	409,267	458,227	1,886,304	1,436,287	180,458	358,041	504,427	5,233,011	-	5,233,011
TCA loss on disposal	-	-	-	-	-	-	23,658	23,658	-	23,658
	<b>1,774,483</b>	<b>1,461,634</b>	<b>6,489,040</b>	<b>3,145,671</b>	<b>840,702</b>	<b>1,327,614</b>	<b>755,805</b>	<b>15,794,949</b>	<b>(1,100,734)</b>	<b>14,694,215</b>
Revenue										
Tax revenue	-	-	-	-	724,795	97,283	7,814,553	8,636,631	-	8,636,631
Federal grants	1,400	-	1,013,822	371,584	10,820	-	65,639	1,463,265	-	1,463,265
Provincial grants	-	-	417,336	303,054	123,735	9,261	1,159,000	2,012,386	-	2,012,386
Other municipalities	100,334	71,800	8,694	2,700	-	141,286	39,512	364,326	-	364,326
Developer and other contributions earned	-	-	137,079	-	12,900	-	-	149,979	-	149,979
Contributed TCA	-	-	5,252,681	-	8,596	-	-	5,261,277	-	5,261,277
Other external revenue	57,312	100,399	280,142	1,759,421	49,058	468,047	740,229	3,454,608	-	3,454,608
Internal charges	3,110	-	952,071	22,133	120	3,300	120,000	1,100,734	(1,100,734)	-
	<b>162,156</b>	<b>172,199</b>	<b>8,061,825</b>	<b>2,458,892</b>	<b>930,024</b>	<b>719,177</b>	<b>9,938,933</b>	<b>22,443,206</b>	<b>(1,100,734)</b>	<b>21,342,472</b>
Net (expenditure) revenue	<b>(1,612,327)</b>	<b>(1,289,435)</b>	<b>1,572,785</b>	<b>(686,779)</b>	<b>89,322</b>	<b>(608,437)</b>	<b>9,183,128</b>	<b>6,648,257</b>	<b>-</b>	<b>6,648,257</b>

# The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2010

## 17. Segmented information (continued)

2009

	General government	Fire services	Public works	Parks recreation & culture	Library	Other services	Corporate	Total	Consolidated adjustments	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenditures										
Salaries wages and employee benefits	1,405,449	779,577	1,292,077	1,200,798	497,208	807,791	(328,699)	5,654,201	-	5,654,201
Grants	6,500	-	-	8,250	-	14,761	29,298	58,809	-	58,809
Internal charges	-	17,177	-	49,330	140	150,622	21	217,290	(217,290)	-
Amortization	131,533	135,166	2,266,754	412,743	89,633	4,777	-	3,040,606	-	3,040,606
Other expenses	480,586	529,538	1,808,443	1,307,653	185,957	376,563	170,143	4,858,883	-	4,858,883
TCA loss on disposal	-	-	-	-	-	-	(46,487)	(46,487)	-	(46,487)
	<u>2,024,068</u>	<u>1,461,458</u>	<u>5,367,274</u>	<u>2,978,774</u>	<u>772,938</u>	<u>1,354,514</u>	<u>(82,750)</u>	<u>13,876,276</u>	<u>(217,290)</u>	<u>13,658,986</u>
Revenue										
Tax revenue	-	-	-	-	695,123	97,544	7,720,062	8,512,729	-	8,512,729
Federal grants	-	1,425	532,018	-	8,918	1,995	-	544,356	-	544,356
Provincial grants	680	-	67,723	12,136	29,926	8,732	1,148,820	1,268,017	-	1,268,017
Other municipalities	102,983	40,636	4,960	-	-	-	115,399	263,978	-	263,978
Developer and other contributions earned	16,149	29,974	693,651	1,127	12,900	-	-	753,801	-	753,801
Contributed TCA	-	-	423,396	-	8,392	-	-	431,788	-	431,788
Other external revenue	74,356	65,589	324,382	1,783,395	48,421	590,173	570,856	3,457,172	-	3,457,172
Internal charges	3,160	-	45,538	28,592	-	140,000	-	217,290	(217,290)	-
	<u>197,328</u>	<u>137,624</u>	<u>2,091,668</u>	<u>1,825,250</u>	<u>803,680</u>	<u>838,444</u>	<u>9,555,137</u>	<u>15,449,131</u>	<u>(217,290)</u>	<u>15,231,841</u>
Net (expenditure) revenue	<u>(1,826,740)</u>	<u>(1,323,834)</u>	<u>(3,275,606)</u>	<u>(1,153,524)</u>	<u>30,742</u>	<u>(516,070)</u>	<u>9,637,887</u>	<u>1,572,855</u>	<u>-</u>	<u>1,572,855</u>