

Consolidated financial statements of

**The Corporation of the
Township of Uxbridge**

December 31, 2009

The Corporation of the Township of Uxbridge

December 31, 2009

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Auditors' Report

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

We have audited the consolidated statement of financial position of the Corporation of the Township of Uxbridge as at December 31, 2009 and the consolidated statements of operations, changes in net financial assets and of cash flows 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 Uxbridge as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
April 23, 2010

The Corporation of the Township of Uxbridge

Consolidated statement of financial position
as at December 31, 2009

	2009	2008 Restated - Note 2
	\$	\$
Assets		
Financial assets		
Cash (Note 4)	1,625,247	2,017,639
Temporary investments (Note 4)	11,816,046	12,676,833
Taxes receivable (Note 5)	3,451,434	2,700,892
Accounts receivable	687,401	779,592
Loan receivable (Note 6)	99,128	136,658
Inventory for resale	10,037	11,045
	17,689,293	18,322,659
Liabilities		
Accounts payable and accrued liabilities (Note 7)	1,236,427	1,669,201
Other current liabilities	1,105,401	948,546
Post employment benefit liability (Note 8)	159,583	493,431
Deferred revenue (Note 9)	8,486,977	8,912,528
	10,988,388	12,023,706
Net financial assets	6,700,905	6,298,953
Non-financial assets		
Tangible capital assets (Note 10)	81,756,546	80,709,813
Inventory of supplies	121,242	-
Prepaid expenses	29,042	26,114
Total non-financial assets	81,906,830	80,735,927
Accumulated surplus (Note 11)	88,607,735	87,034,880

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, 2009

	2009	2008 Restated - Note 2
	Budget (unaudited) (Note 15) \$	Actual \$
		Actual \$
Revenues		
Taxation - all classes (Note 1(b)(iii))	39,704,763	40,479,184
Less amounts received for Region and School Boards (Note 3)	31,426,800	29,529,587
	8,277,963	8,195,108
User fees and charges	2,260,805	2,077,421
Grants		2,503,985
Government of Canada	565,000	544,356
Province of Ontario	1,162,228	1,268,017
Other municipalities	132,175	263,978
Investment income	195,000	123,660
Penalties and interest on taxes	400,000	454,025
Developer and other contributions earned	1,441,600	753,801
Contributed tangible capital assets	-	431,788
Gain (loss) on sale of tangible capital assets	-	(46,487)
Other	742,684	802,066
Total revenues	15,177,455	15,185,354
Expenses (Note 14)		
Current		
General government	2,012,157	1,751,810
Protection to persons and property	2,673,544	2,460,751
Transportation services	5,391,743	5,044,469
Environmental services	309,686	293,439
Health services	9,525	1,154
Recreation and cultural services	4,225,635	3,723,080
Planning and development	583,488	337,796
	15,205,778	13,612,499
Annual surplus	(28,323)	1,572,855
Accumulated surplus, beginning of year	85,348,485	87,034,880
Accumulated surplus, end of year	85,320,162	87,034,880

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, 2009

	2009	2008
	Budget (unaudited) (Note 15)	Actual
	\$	\$
Annual surplus	(28,323)	1,572,855
Acquisition of tangible capital assets	(4,230,688)	(4,213,064)
Amortization of tangible capital assets	3,038,000	3,040,606
Loss (gain) on sale of tangible capital assets	-	46,487
Proceeds on sale of tangible capital assets	-	79,238
	(1,221,011)	526,122
Acquisition of inventories of supplies	-	(121,242)
Prepaid expenses incurred	-	(29,042)
Prepaid expenses applied	-	26,114
Increase in net financial assets	(1,221,011)	401,952
Net financial assets at beginning of year	6,298,953	6,298,953
Net financial assets at end of year	5,077,942	6,700,905

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, 2009

	2009	2008
		Restated - Note 2
	\$	\$
Cash provided by / (used in)		
Operating activities		
Annual surplus	1,572,855	6,931,404
Items not involving cash		
Amortization	3,040,606	2,868,828
Loss (gain) on sale of tangible capital assets	46,487	(13,997)
Contributed capital assets recognized as revenue	(431,788)	(2,556,559)
Change in working capital		
Increase in taxes receivable	(750,542)	(472,916)
Decrease in accounts receivable	92,191	559,777
Decrease in inventory for resale	1,008	719
Increase in inventory of supplies	(121,242)	-
Decrease in accounts payable and accrued liabilities	(432,774)	(956,675)
Increase in other current liabilities	156,855	105,510
(Decrease) increase in post employment benefit liability	(333,848)	68,533
(Decrease) increase in deferred revenue	(425,551)	213,526
Increase in prepaid expenses	(2,928)	(5,339)
Net change in cash from operating activities	2,411,329	6,742,811
Capital activities		
Acquisition of tangible capital assets	(3,781,276)	(4,942,747)
Proceeds on sale of tangible capital assets	79,238	43,800
Net change in cash from capital activities	(3,702,038)	(4,898,947)
Investing activities		
Proceeds from repayment of loan	37,530	24,568
Net change in temporary investments	860,787	(1,094,491)
Net change in cash from investing activities	898,317	(1,069,923)
Net change in cash	(392,392)	773,941
Cash beginning of year	2,017,639	1,243,698
Cash, end of year	1,625,247	2,017,639

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, 2009

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 by the Township include:

a) i) *Reporting entity*

These consolidated financial statements (the "financial statements") reflect the assets, liabilities, revenues, expenditures 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, expenditures, 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; expenses 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, 2009

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.

Contribution of tangible capital assets

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, 2009

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. Change in accounting policy

The Township has implemented the Public Sector Accounting Board ("PSAB") financial statement presentation standards as prescribed in PS 1200, Financial Statement Presentation in the current fiscal reporting period. Comparatives have been reclassified to conform with this presentation.

In addition, for the 2009 fiscal year the Township changed its accounting policy related to the treatment of tangible capital assets to comply with PS 3150, Tangible Capital Assets. Capital assets are capitalized at cost and amortized over their estimated useful lives. Previously the costs to acquire tangible capital assets were recorded as a capital expenditure when incurred.

Method used for determining the opening cost of each major category of tangible capital assets

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The Township applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost a deflator study was used as a resource for determining appropriate indices in order to deflate the replacement or reproduction cost to an estimated historical cost for the year of acquisition.

The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2009

2. Change in accounting policy (continued)

This change in accounting policy has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in prior period as follows:

	\$
Accumulated surplus	
Operating	1,537,183
Capital	1,761,680
Reserves and Reserve Funds	3,139,623
Amounts to be recovered	<u>(113,419)</u>
Accumulated surplus, as previously reported	6,325,067
Net book value of tangible capital assets	<u>80,709,813</u>
Accumulated surplus, as restated	<u>87,034,880</u>
Annual surplus	
Net revenue, as previously reported	2,330,730
Revenue recognized on contributed tangible capital assets	2,556,559
Assets capitalized but previously expensed	4,942,747
Amortization expense not previously recorded	<u>(2,868,828)</u>
Net book value of assets sold	<u>(29,804)</u>
Annual surplus, as restated	<u>6,931,404</u>

3. 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:

	2009			2008
	School boards	Region	Total	Total
	\$	\$	\$	\$
Taxation	10,235,126	21,436,948	31,672,074	29,243,111
Grants in lieu	64,923	229,458	294,381	286,476
	<u>10,300,049</u>	<u>21,666,406</u>	<u>31,966,455</u>	<u>29,529,587</u>

The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2009

4. 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 9). The composition is as follows:

	2009			2008		
	Cash	Investments	Total	Cash	Investments	Total
	\$	\$	\$	\$	\$	\$
Operating Fund	1,469,275	3,896,990	5,366,265	1,872,602	4,416,785	6,289,387
Reserve Funds	155,972	7,919,056	8,075,028	145,037	8,260,048	8,405,085
Total	1,625,247	11,816,046	13,441,293	2,017,639	12,676,833	14,694,472

Investments with a cost of \$11,818,873 have been recorded at a market value of \$11,816,046. In 2008 investments with a cost of \$12,752,942 were recorded at their market value of \$12,676,833.

5. Taxes receivable

	2009	2008
	\$	\$
Current year	2,166,078	1,670,034
Arrears previous years	1,455,356	1,180,858
	3,621,434	2,850,892
Less allowance	170,000	150,000
	3,451,434	2,700,892

The allowance of \$170,000 (2008 - \$150,000) has been established to cover the Township's share of potential adjustments resulting from assessment appeals.

6. Loan receivable

	2009	2008
	\$	\$
Loan receivable with interest payable at 2.25% in equal monthly payments of principal and interest of \$950, due December 1, 2011.	99,128	136,658

7. 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 of Uxbridge 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:

	2009	2008
	\$	\$
Trade accounts payable	404,328	575,696
Payables to other governments	291,218	503,715
Payroll liabilities	439,415	519,791
Accrued liabilities	101,466	69,999
	1,236,427	1,669,201

The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2009

8. 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.

Prior to 2009 management of the Township has, using the best information available to it, estimated the liability for the above mentioned employee future benefits based on the present value of the current obligation for current employees. During 2009 the Township of Uxbridge engaged the services of an actuary to calculate the benefit liability at January 1, 2009 and the expense for the period. The employee benefit liability is estimated at \$ 159,583 (2008 - \$493,431) and is reported on the Consolidated Statement of Financial Position.

Information about the Township's post employment benefit liability is as follows:

	\$
Accrued benefit liability as at January 1	493,431
Adjustment resulting from actuarial review	<u>(340,615)</u>
	152,816
Current service cost	9,689
Benefit payments	<u>(10,541)</u>
Interest on obligation	7,619
Accrued benefit liability and obligation as at December 31	<u>159,583</u>
	\$
Current year benefit expense	9,689
Amortization of actuarial gains and losses	-
Interest on accrued benefit obligation	<u>7,619</u>
	<u>17,308</u>

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.

(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*

Mortality rates are based upon 1994 Uninsured Pensioner Mortality Table projected to 2015.

The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2009

9. Deferred revenue

					2009	2008
	Development charges	Parkland	Federal gas tax	Planning Act surplus	Total	Total
	\$	\$	\$	\$	\$	\$
Obligatory reserve funds						
Balance, beginning of year	7,613,073	323,548	136,403	187,186	8,260,210	8,045,974
Subdividers' contributions	415,428	39,387	-	-	454,815	1,960,412
Gas tax monies	-	-	564,633	-	564,633	282,317
Building	-	-	-	-	-	-
Interest earned	67,647	3,030	1,162	-	71,839	363,032
	8,096,148	365,965	702,198	187,186	9,351,497	10,651,735
Earned revenue transferred to operations	(741,739)	(1,127)	(502,227)	(187,186)	(1,432,279)	(2,391,525)
Balance, end of year	7,354,409	364,838	199,971	-	7,919,218	8,260,210
Other					567,759	652,318
Total					8,486,977	8,912,528

10. 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 2009 amounted to \$431,788 (2008 - \$2,556,559).

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 or to provide service 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 (2008 - \$nil) and no interest was capitalized during the year (2008 - \$nil).

The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2009

10. Tangible capital assets (continued)

											2009
	Land	Land improvements	Buildings	Vehicles	Machinery & equipment	Computer systems	Roads	Storm sewer	Bridges & structures	Work in progress	Total
	\$	\$	\$	\$	\$	\$			\$	\$	\$
Cost											
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
Accumulated amortization											
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	-	32,520,410
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
Net book value of											
tangible capital assets	19,102,995	1,702,962	7,135,704	3,232,747	1,845,814	123,469	28,612,162	16,972,207	2,927,066	101,420	81,756,546

The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2009

10. Tangible capital assets (continued)

											2008
	Land	Land improvements	Buildings	Vehicles	Machinery & equipment	Computer systems	Roads	Storm sewer	Bridges & structures	Work In progress	Total
	\$	\$	\$	\$	\$	\$			\$	\$	\$
Cost											
Balance, beginning of year	18,144,562	2,763,134	12,128,840	4,500,577	2,890,254	154,400	41,313,379	19,881,084	4,321,849	-	106,098,079
Additions	1,063,552	186,561	130,385	180,451	251,682	34,933	4,008,913	1,124,983	158,053	359,793	7,499,306
Disposals	1,145	24,745	-	146,964	64,912	-	116,813	12,584	-	-	367,163
Balance, end of year	19,206,969	2,924,950	12,259,225	4,534,064	3,077,024	189,333	45,205,479	20,993,483	4,479,902	359,793	113,230,222
Accumulated amortization											
Balance, beginning of year	-	1,204,321	4,762,448	1,978,501	1,212,753	34,183	15,864,560	3,467,916	1,464,260	-	29,988,941
Amortization	-	101,746	309,047	291,076	242,436	25,824	1,541,231	275,633	81,834	-	2,868,828
Accumulated amortization on disposals	-	17,403	-	137,166	64,912	-	112,005	5,873	-	-	337,360
Balance, end of year	-	1,288,663	5,071,495	2,132,410	1,390,278	60,007	17,293,786	3,737,676	1,546,094	-	32,520,409
Net book value of tangible capital assets	19,206,969	1,636,287	7,187,730	2,401,654	1,686,746	129,326	27,911,693	17,255,807	2,933,808	359,793	80,709,813

The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2009

11. Accumulated surplus

Accumulated surplus consists of individual fund surplus, reserves and reserve funds and amounts invested in capital assets as follows:

	2009	2008
	\$	\$
Invested in tangible capital assets	81,756,546	80,709,813
Other	2,707,749	3,678,875
Employee future benefits	(159,583)	(493,431)
Total surplus	84,304,712	83,895,257
Reserves		
Equipment	63,540	63,540
Tax stabilization	260,231	260,231
Working capital	971,941	971,941
Insurance	102,191	65,889
Museum administration centre	89	89
Future capital projects	744,084	744,084
Fire equipment	188,103	250,000
Election	45,000	30,000
Music Hall	13,465	11,027
Major maintenance	77,129	77,129
Ditching	53,240	53,240
Street lights	19,939	19,939
Sidewalks	50,715	50,715
Elevator	25,000	25,000
Arena	1,922	1,682
Preserve	128,291	130,081
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	81	5,144
Spay & Neutering	31,966	22,581
Brock Street reconstruction	74,007	100,000
Energy efficiency reserve	35,000	35,000
Community Halls	30,000	-
Uncompleted projects	887,391	-
Downtown revitalization	73,040	-
Strategic plan	26,603	-
OMB hearings	173,645	-
Cultural reserve	33,164	40,000
Sub-total reserves	4,147,213	2,994,748
Reserve funds set aside for specific purposes by Council for:		
Reserve funds		
Phosphorous removal	104,822	96,987
Library	45,419	45,419
Parking	5,569	2,469
Sub-total reserve funds	155,810	144,875
Total accumulated surplus	88,607,735	87,034,880

The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2009

12. Trust funds

Trust funds administered by the municipality amounting to \$24,879 (2008 - \$24,825) are not included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations.

13. 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 2009 amounted to \$ 469,422 (2008 - \$455,814).

14. Classification of expenses by object

The Consolidated Statement of Operations presents the expenses by function; the following classifies those same expenses by object:

	2009	2008
	\$	\$
Salaries, wages and employee benefits	5,654,201	5,870,790
Operating materials and supplies	2,696,724	2,983,355
Contract services	2,138,737	1,855,611
Rents and financial expenses	23,422	85,211
External transfers to others	58,809	53,564
Amortization	3,040,606	2,868,828
	13,612,499	13,717,359

15. Budget figures

The approved budget amounts for 2009 is reflected on the Consolidated Statement of Operations and the Consolidated Statement of Changes 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 purposes 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.

16. 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, 2009 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.

The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2009

16. Contingent liabilities (continued)

b) Guarantees

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

- (i) 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.
- 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 member of council, director or officer of the Township. The maximum amount of any potential future payment 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.

17. 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.

The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2009

17. Segmented information (continued)

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, 2009

17. Segmented information (continued)

									2009	
	General government	Fire services	Public works	Parks recreation & culture	Library	Other services	Corporate	Total	External charges adjustment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
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
	2,024,068	1,461,458	5,367,274	2,978,774	772,938	1,354,514	(129,237)	13,829,789	(217,290)	13,612,499
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
TCA loss on disposal	-	-	-	-	-	-	(46,487)	(46,487)		(46,487)
Internal charges	3,160	-	45,538	28,592	-	140,000		217,290	(217,290)	-
	197,328	137,624	2,091,668	1,825,250	803,680	838,444	9,508,650	15,402,644	(217,290)	15,185,354
Net revenue (expenses)	(1,826,740)	(1,323,834)	(3,275,606)	(1,153,524)	30,742	(516,070)	9,637,887	1,572,855	-	1,572,855