

Consolidated financial statements of

**The Corporation of the  
Township of Uxbridge**

December 31, 2016

# The Corporation of the Township of Uxbridge

December 31, 2016

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## 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, 2016, and the consolidated statements of operations, change in net financial assets and 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 of 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, 2016 and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
June 26, 2017

# The Corporation of the Township of Uxbridge

## Consolidated statement of financial position as at December 31, 2016

	2016	2015
	\$	\$
<b>Assets</b>		
Financial assets		
Cash (Note 3)	2,644,461	1,145,932
Temporary investments (Note 3)	19,677,709	21,628,735
Taxes receivable (Note 4)	2,957,714	2,910,849
Accounts receivable (Note 5)	1,214,041	1,257,315
Inventory for resale	128,399	2,951
	<b>26,622,324</b>	<b>26,945,782</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	2,856,144	2,330,910
Other current liabilities	2,751,994	2,701,454
Post-employment benefit liability (Note 7)	257,919	239,542
Deferred revenue (Note 8)	11,101,841	10,650,045
	<b>16,967,898</b>	<b>15,921,951</b>
Net financial assets	<b>9,654,426</b>	<b>11,023,831</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 9)	98,794,903	94,967,570
Inventory of supplies	105,982	211,399
Prepaid expenses	47,344	38,083
	<b>98,948,229</b>	<b>95,217,052</b>
<b>Accumulated surplus (Note 10)</b>	<b>108,602,655</b>	<b>106,240,883</b>

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

# The Corporation of the Township of Uxbridge

## Consolidated statement of operations year ended December 31, 2016

		2016	2015
	Budget (Note 14)	Actual	Actual
	\$	\$	\$
<b>Revenue</b>			
Taxation - all classes (Note 1(b)(iii))	11,573,494	11,344,048	10,893,974
User fees and charges	2,268,127	2,646,223	2,555,124
Grants			
Government of Canada	1,076,316	967,782	993,940
Province of Ontario	1,050,339	958,333	1,136,078
Other municipalities	225,564	333,706	314,764
Investment income	121,901	239,054	283,653
Penalties and interest on taxes	430,000	508,916	503,846
Developer and other contributions earned	1,056,438	1,206,319	1,753,815
Contributed tangible capital assets (Note 9 (i))	-	179,538	536,347
(Loss) gain on sale of tangible capital assets	-	(107,541)	312,119
Other	431,350	528,029	695,132
	<b>18,233,529</b>	<b>18,804,407</b>	<b>19,978,792</b>
<b>Expenses (Note 13)</b>			
General government	2,783,334	2,445,948	2,481,891
Protection to persons and property	2,387,578	2,151,354	2,519,887
Transportation services	6,354,796	6,360,865	5,962,289
Environmental services	470,944	418,055	395,976
Health services	50,275	48,685	34,844
Recreation and cultural services	4,905,921	4,658,574	4,426,980
Planning and development	595,972	359,154	492,987
	<b>17,548,820</b>	<b>16,442,635</b>	<b>16,314,854</b>
Annual surplus	684,709	2,361,772	3,663,938
Accumulated surplus, beginning of year	106,240,883	106,240,883	102,576,945
<b>Accumulated surplus, end of year</b>	<b>106,925,592</b>	<b>108,602,655</b>	<b>106,240,883</b>

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

# The Corporation of the Township of Uxbridge

## Consolidated statement of change in net financial assets year ended December 31, 2016

	2016	2015
	Budget (Note 14)	Actual
	\$	\$
<b>Annual surplus</b>	<b>684,709</b>	<b>2,361,772</b>
Acquisition of tangible capital assets	<b>(9,085,829)</b>	<b>(7,728,860)</b>
Amortization of tangible capital assets	<b>3,705,800</b>	<b>3,787,102</b>
Loss (gain) on sale of tangible capital assets	-	<b>107,541</b>
Proceeds on sale of tangible capital assets	-	<b>6,884</b>
	<b>(4,695,320)</b>	<b>(1,465,561)</b>
Use (acquisition) of inventories of supplies (net)	-	<b>105,417</b>
Acquisition of prepaid expenses	-	<b>(47,344)</b>
Use of prepaid expenses	-	<b>38,083</b>
(Decrease) increase in net financial assets	<b>(4,695,320)</b>	<b>(1,369,405)</b>
Net financial assets at beginning of year	<b>11,023,831</b>	<b>11,023,831</b>
<b>Net financial assets at end of year</b>	<b>6,328,511</b>	<b>9,654,426</b>

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

# The Corporation of the Township of Uxbridge

## Consolidated statement of cash flows year ended December 31, 2016

	2016	2015
	\$	\$
<b>Operating activities</b>		
Annual surplus	2,361,772	3,663,938
Items not involving cash		
Amortization	3,787,102	3,705,746
Loss (gain) on sale of tangible capital assets	107,541	(312,119)
Contributed and donated tangible capital assets	(179,538)	(536,347)
Change in non-cash assets and liabilities		
Increase in taxes receivable	(46,865)	(28,169)
Decrease (increase) in accounts receivable	43,274	(323,355)
(Increase) decrease in inventory for resale	(125,448)	2,040
Decrease (increase) in inventory of supplies	105,417	(65,446)
Increase (decrease) in accounts payable and accrued liabilities	525,234	(703,952)
Increase in other current liabilities	50,540	694,803
Increase in post-employment benefit liability	18,377	17,857
Increase (decrease) in deferred revenue	451,796	(334,790)
Increase in prepaid expenses	(9,261)	(15,744)
	<b>7,089,941</b>	<b>5,764,462</b>
<b>Capital activities</b>		
Acquisition of tangible capital assets (net of contributions and transfers)	(7,549,322)	(5,191,607)
Proceeds on sale of tangible capital assets	6,884	397,085
	<b>(7,542,438)</b>	<b>(4,794,522)</b>
<b>Investing activity</b>		
Change in temporary investments (net)	1,951,026	(1,638,121)
Increase (decrease) in cash	1,498,529	(668,181)
Cash, beginning of year	1,145,932	1,814,113
<b>Cash, end of year</b>	<b>2,644,461</b>	<b>1,145,932</b>

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.



# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

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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 Chartered Professional Accountants of Canada ("CPA Canada").

Significant accounting policies followed by the Township include:

#### a) Reporting entity

##### i) Consolidated financial statements

These consolidated financial statements (the "financial statements") reflect the assets, liabilities, non-financial assets, 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:

- Uxbridge 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 fund balance and statement of financial position.

#### b) Basis of accounting

##### i) Accrual basis of accounting

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.

##### 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.

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

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### 1. Significant accounting policies (continued)

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

##### ii) Non-financial assets (continued)

###### (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. Work in progress is not amortized until the tangible capital 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 replacement cost.

###### (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) Temporary investments

Temporary investments are recorded at the lower of cost and market value.

##### v) Contaminated Sites

Contaminated sites are the result of contamination being introduced into the air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met: a) an environmental standard exists; b) contamination exceeds the environmental standard; c) the Township is directly responsible or accepts responsibility for the liability; d) future economic benefits will be given up; and e) a reasonable estimate of the liability can be made. A liability is recorded only for sites that are not in productive use or if there was an unexpected event that resulted in contamination. Changes in this estimate are recorded in the Township's statement of operations. The Township does not have any contaminated sites that are not in productive use.

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

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### 1. Significant accounting policies (continued)

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

##### vi) 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.

##### vii) Post-employment benefits

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

##### viii) 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 funds when approved.

##### ix) Government transfers

Government transfers are recognized in the period in which the transfers are authorized and any eligibility criteria are met unless they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

Certain transfers are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the completion of specific work. Such transfers are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

##### x) Tax revenue

Taxation revenue is recognized on all taxable properties within the Township that are included in the tax roll provided by the Municipal Property Assessment Corporation, using property values included in the tax roll or property tax values that can be reasonably estimated by the Township as it relates to supplementary or omitted assessments, at tax rates authorized by Council for the local Township's own purposes, in the period for which the tax is levied.

At year end the Township evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognizes a liability if the amount can be reasonably estimated.

##### xi) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 post-employment benefits, allowance for estimated property tax reassessments, allowance for doubtful accounts, certain accruals, and the net book value of tangible capital assets which is based on estimated useful lives of various categories.

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

### 2. Operation of school boards and the Region of Durham

Further to Note 1(a) (ii), the taxation and grants in lieu raised on behalf of the school boards and the Region of Durham are as follows:

	2016			2015
	School boards	Region	Total	Total
	\$	\$	\$	\$
Taxation	9,088,184	28,870,904	37,959,088	37,810,416
Grants in lieu	77,036	309,721	386,757	387,862
	<b>9,165,220</b>	<b>29,180,625</b>	<b>38,345,845</b>	38,198,278

### 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:

	2016			2015		
	Cash	Temporary investments	Total	Cash	Temporary investments	Total
	\$	\$	\$	\$	\$	\$
Operating Fund	2,434,225	8,859,815	11,294,040	923,427	11,344,596	12,268,023
Reserve Funds	210,236	10,817,894	11,028,130	222,505	10,284,139	10,506,644
	<b>2,644,461</b>	<b>19,677,709</b>	<b>22,322,170</b>	1,145,932	21,628,735	22,774,667

Investments with a cost of \$19,790,172 have been recorded at a market value of \$19,677,709. In 2015, investments with a cost of \$21,712,011 were recorded at their market value of \$21,628,735.

### 4. Taxes receivable

	2016	2015
	\$	\$
Current year	2,103,037	2,046,877
Arrears previous years	854,677	863,972
	<b>2,957,714</b>	2,910,849

### 5. Accounts receivable

Accounts receivable recorded in the amount of \$1,214,041 (2015 - \$1,257,315) is net of an allowance for doubtful accounts of \$360,000 (2015 - \$430,000).

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

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### 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 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:

	2016	2015
	\$	\$
Trade accounts payable	1,758,408	1,078,001
Provision for property tax reassessments	320,000	620,000
Payables to other governments	282,087	134,044
Payroll liabilities	455,840	446,902
Accrued liabilities	39,809	51,963
	<b>2,856,144</b>	<b>2,330,910</b>

### 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 valuation was conducted as at December 31, 2014.

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

	2016	2015
	\$	\$
Accrued benefit liability, January 1	239,542	221,686
Current service costs	13,597	13,074
Benefit payments	(4,771)	(4,038)
Amortization of actuarial gains and losses	(144)	(159)
Interest on obligation	9,695	8,979
Accrued benefit liability, December 31	<b>257,919</b>	<b>239,542</b>
Current year benefit expense	13,597	13,074
Interest on accrued benefit obligation	9,695	8,979
Amortization of actuarial gains and losses	(144)	(159)
	<b>23,148</b>	<b>21,894</b>

  

	2016	2015
	\$	\$
Accrued benefits obligation	263,037	237,956
Unamortized actuarial (losses) and gains	(5,118)	1,586
Accrued benefit liability	<b>257,919</b>	<b>239,542</b>

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

### 7. Post-employment benefit liability (continued)

The main assumptions employed for the valuations are as follows:

(a) *General inflation*

A rate of 2.0% per year is used.

(b) *Interest (discount) rate*

A rate of 4% (2015 - 4%) is used to determine liabilities at the beginning of the fiscal period and for extrapolations during the period. A rate of 3.75% (2015 - 4%) is used to determine the liability at the end of the fiscal period.

(c) *Health and dental rate*

Drug costs are presumed to increase 8% after the first year, this rate reducing linearly to 5% after 6 years. Other health and dental costs are presumed to increase 4% per year.

(d) *Mortality Table*

Canadian Institute of Actuaries 2014 Composite Mortality Table.

### 8. Deferred revenue

				2016	2015
	Development charges	Parkland	Gas tax	Total	Total
	\$	\$	\$	\$	\$
Obligatory reserve funds					
Balance, beginning of year	8,600,918	1,398,418	284,966	10,284,302	10,736,170
Developer contributions	1,236,946	386,681	-	1,623,627	1,463,816
Gas tax monies	-	-	627,005	627,005	597,148
Interest earned	154,311	27,327	4,528	186,166	182,590
	9,992,175	1,812,426	916,499	12,721,100	12,979,724
Earned revenue transferred to operations	(1,144,894)	(39,468)	(718,681)	(1,903,043)	(2,695,422)
Balance, end of year	8,847,281	1,772,958	197,818	10,818,057	10,284,302
Other deferred revenue				283,784	365,743
				11,101,841	10,650,045

### 9. Tangible capital assets

i) *Contributed tangible capital assets*

The Township records all tangible capital assets (TCA) 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 and storm sewer lines installed by a developer as part of a subdivision agreement. Transfers of tangible capital assets in 2016 amounted to \$179,538 (2015 - \$536,347).

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 tangible capital assets were older than their estimated expected useful lives, and therefore were fully amortized when tangible capital assets were initially recognized in the Township's accounts.

# The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2016

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## 9. Tangible capital assets (continued)

### *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 tangible capital 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 (2015 - \$Nil) and no interest was capitalized during the year (2015 - \$Nil).

# The Corporation of the Township of Uxbridge

Notes to the consolidated financial statements

December 31, 2016

## 9. Tangible capital assets (continued)

											2016
	Land	Land improvements	Buildings	Vehicles	Machinery & equipment	Computer systems	Roads	Storm sewer	Bridges & structures	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost											
Balance, beginning of year	20,221,877	4,747,127	14,883,802	6,175,653	4,458,799	403,690	60,289,675	26,458,501	7,040,186	1,154,796	145,834,106
Additions	10,624	749,343	46,263	615,122	293,002	-	2,073,079	-	186,932	3,922,318	7,896,683
Less											
Work in progress completed	-	-	-	-	-	-	-	-	-	44,451	44,451
Disposals	81,000	92,590	275,151	155,424	522,209	11,195	99,482	-	17,472	-	1,254,523
Balance, end of year	20,151,501	5,403,880	14,654,914	6,635,351	4,229,592	392,495	62,263,272	26,458,501	7,209,646	5,032,663	152,431,815
Accumulated amortization											
Balance, beginning of year	-	1,927,007	7,433,398	3,344,848	2,320,824	263,523	27,234,813	6,029,276	2,312,847	-	50,866,536
Amortization	-	190,897	415,739	393,897	276,568	30,634	1,972,786	364,176	142,405	-	3,787,102
Less											
Accumulated amortization on disposal	-	74,784	246,211	155,424	428,278	11,195	83,361	-	17,473	-	1,016,726
Balance, end of year	-	2,043,120	7,602,926	3,583,321	2,169,114	282,962	29,124,238	6,393,452	2,437,779	-	53,636,912
Net book value of											
tangible capital assets	20,151,501	3,360,760	7,051,988	3,052,030	2,060,478	109,533	33,139,034	20,065,049	4,771,867	5,032,663	98,794,903



# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

### 9. Tangible capital assets (continued)

	2015										
	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	20,221,875	4,449,353	14,771,370	6,052,884	4,395,176	403,690	58,041,362	25,698,023	6,765,456	472,753	141,271,942
Additions	2	320,274	118,182	301,786	231,457	-	3,036,313	760,478	277,419	734,924	5,780,835
<b>Less</b>											
Work in progress completed	-	-	-	-	-	-	-	-	-	52,881	52,881
Disposals	-	22,500	5,750	179,017	167,834	-	788,000	-	2,689	-	1,165,790
<b>Balance, end of year</b>	<b>20,221,877</b>	<b>4,747,127</b>	<b>14,883,802</b>	<b>6,175,653</b>	<b>4,458,799</b>	<b>403,690</b>	<b>60,289,675</b>	<b>26,458,501</b>	<b>7,040,186</b>	<b>1,154,796</b>	<b>145,834,106</b>
<b>Accumulated amortization</b>											
Balance, beginning of year	-	1,773,840	7,022,047	3,143,340	2,195,738	224,807	26,029,547	5,671,474	2,180,821	-	48,241,614
Amortization	-	175,667	417,101	375,806	288,826	38,716	1,917,113	357,802	134,715	-	3,705,746
<b>Less</b>											
Accumulated amortization on disposal	-	22,500	5,750	174,298	163,740	-	711,847	-	2,689	-	1,080,824
<b>Balance, end of year</b>	<b>-</b>	<b>1,927,007</b>	<b>7,433,398</b>	<b>3,344,848</b>	<b>2,320,824</b>	<b>263,523</b>	<b>27,234,813</b>	<b>6,029,276</b>	<b>2,312,847</b>	<b>-</b>	<b>50,866,536</b>
<b>Net book value of tangible capital assets</b>	<b>20,221,877</b>	<b>2,820,120</b>	<b>7,450,404</b>	<b>2,830,805</b>	<b>2,137,975</b>	<b>140,167</b>	<b>33,054,862</b>	<b>20,429,225</b>	<b>4,727,339</b>	<b>1,154,796</b>	<b>94,967,570</b>

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

### 10. Accumulated surplus

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

	2016	2015
	\$	\$
Invested in tangible capital assets	98,794,903	94,967,570
Other	3,775,783	3,138,084
Post-employment benefits	(257,919)	(239,542)
	<b>102,312,767</b>	<b>97,866,112</b>
<b>Reserves</b>		
Tax stabilization	296,641	296,641
Working capital	971,941	971,941
Insurance	292,794	225,144
Museum administration centre	89	89
Future capital projects	744,794	1,198,105
Election	69,528	44,528
Music Hall	28,925	15,433
Ditching	168,913	163,230
Building reserve	259,793	88,198
Sidewalks	112,153	60,715
Arena	3,333	3,153
Preserve	109,989	114,370
Foster Memorial	3,387	3,387
Sandford Community Hall Improvements	3,057	2,752
Zephyr Hall Improvements	6,557	6,807
Spay and neutering	35,422	31,199
Energy efficiency reserve	35,000	35,000
Cultural reserve	11,747	11,747
Community Halls	30,000	30,000
Uncompleted projects	980,604	1,319,548
Downtown revitalization	62,044	73,040
Community Improvement Plan	64,407	64,407
Strategic plan	57,551	36,548
OMB Hearings	167,271	77,453
Trail reserve	11,868	11,868
New Fire Hall	75,000	1,507,049
Limestone upgrades	1,767	80,194
Snow clearing	300,000	300,000
Fire Calls	500,000	500,000
New Animal Shelter	58,749	57,082
General animal care	53,481	49,259
Asset Preservation Reserve	563,010	288,000
Trestle Bridge Reserve	-	6,660
Parkland Reserve	-	478,882
	<b>6,079,815</b>	<b>8,152,429</b>
<b>Reserve funds set aside by Council for</b>		
Phosphorous removal	164,654	164,654
Library	45,419	45,419
Parking	-	12,269
	<b>210,073</b>	<b>222,342</b>
<b>Total accumulated surplus</b>	<b>108,602,655</b>	<b>106,240,883</b>

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

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### 11. Trust funds

Trust funds administered by the municipality amounting to \$23,362 (2015 - \$23,789) 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 70 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.

OMERS provide pension services to over 470,000 active and retired members and about 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension (the "Plan") by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted as at December 31, 2016. The results of this valuation disclosed total actuarial liabilities as at that date of \$87,554 million in respect of benefits accrued for service with actuarial assets at that date of \$80,577 million indicating an actuarial deficit of \$5,720 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employers. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township contributions to OMERS in 2016 amounted to \$368,611 (2015 - \$390,469).

### 13. Classification of expenses by object

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

	2016	2015
	\$	\$
Salaries, wages and employee benefits	6,869,872	6,708,869
Operating materials and supplies	2,324,377	1,997,411
Contract services	3,304,407	3,715,953
Rents and financial expenses	62,029	100,984
External transfers to others	94,848	85,891
Amortization	3,787,102	3,705,746
	<b>16,442,635</b>	<b>16,314,854</b>

### 14. Budget figures

The approved budget for 2016 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 consolidated financial statements, budget figures have been presented on a basis consistent with the presentation of actuals. Amortization expense was budgeted for in the original approved budget, but was not funded.

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

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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, 2016 and, accordingly, no provision has been made in these financial statements for any liability which may result. Any loss arising from these legal actions, to the extent that they are not covered by insurance, 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 measureable.

#### b) *Settlement of assessment appeals*

- i) A number of appeals of the current value assessment of properties in the Township are currently in process. For most of these appeals, the impact on taxation revenue as a result of settlement of these appeals is not determinable at this time.
- ii) In November of 2015, the Municipal Property Assessment Corporation (MPAC) accepted the settlement framework proposed by Ontario Stone, Sand and Gravel Association (OSSGA) that would resolve gravel pit properties that had been under appeal. During the year, the Township processed most of the gravel pit appeals, which resulted in a total adjustment of \$641,099 relating to years 2011 through to 2016. The Township had previously estimated and provided for the financial impact of these appeals, however any settlement of these gravel pit appeals in excess of the provision, was provided for during the year.

Any adjustments relating to the settlement of assessment appeals in excess of the provision of \$320,000 (2015 - \$620,000 (Note 6)) will be provided for in the year of settlement.

#### c) *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 Councilor, Board Member 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.

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

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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 office. 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. Services provided to Council by the Clerk's Office 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 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, By-law and Animal Control functions 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, 2016

### 16. Segmented information (continued)

									2016	
	General	Fire	Public	Parks		Other	Corporate	Total	Consolidation	Total
	government	services	works	Recreation	Library	services			adjustments	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expense										
Salaries wages and employee benefits	1,532,303	775,331	1,453,579	1,599,712	578,258	849,488	81,201	6,869,872	-	6,869,872
Grants	-	-	-	7,500	-	30,992	56,356	94,848	-	94,848
Internal charges	-	15,132	768,291	66,346	24,052	152,647	-	1,026,468	(1,026,468)	-
Amortization	-	130,535	2,830,747	597,984	96,284	5,246	126,306	3,787,102	-	3,787,102
Other expenses	335,172	383,246	2,429,017	1,687,253	160,428	379,099	316,598	5,690,813	-	5,690,813
	<b>1,867,475</b>	<b>1,304,244</b>	<b>7,481,634</b>	<b>3,958,795</b>	<b>859,022</b>	<b>1,417,472</b>	<b>580,461</b>	<b>17,469,103</b>	<b>(1,026,468)</b>	<b>16,442,635</b>
Revenue										
Tax revenue	-	-	-	-	762,201	106,373	10,475,474	11,344,048	-	11,344,048
Federal grants	1,577	-	730,904	210,601	23,123	1,577	-	967,782	-	967,782
Provincial grants	-	-	107,901	177,123	30,349	14,563	628,397	958,333	-	958,333
Other municipalities	116,048	47,102	-	-	-	170,556	-	333,706	-	333,706
Developer and other contributions earned	-	746,402	429,384	15,923	11,340	3,270	-	1,206,319	-	1,206,319
Contributed TCA	-	-	168,219	-	11,320	-	-	179,539	-	179,539
Other external revenue	90,492	81,100	225,621	1,817,823	43,312	826,522	837,351	3,922,221	-	3,922,221
TCA loss on disposal	-	-	-	-	-	-	(107,541)	(107,541)	-	(107,541)
Internal charges	-	-	842,371	40,647	-	143,450	-	1,026,468	(1,026,468)	-
	<b>208,117</b>	<b>874,604</b>	<b>2,504,400</b>	<b>2,262,117</b>	<b>881,645</b>	<b>1,266,311</b>	<b>11,833,681</b>	<b>19,830,875</b>	<b>(1,026,468)</b>	<b>18,804,407</b>
Net (expenses) revenue										
	<b>(1,659,358)</b>	<b>(429,640)</b>	<b>(4,977,234)</b>	<b>(1,696,678)</b>	<b>22,623</b>	<b>(151,161)</b>	<b>11,253,220</b>	<b>2,361,772</b>	<b>-</b>	<b>2,361,772</b>

# The Corporation of the Township of Uxbridge

## Notes to the consolidated financial statements

December 31, 2016

### 16. Segmented information (continued)

									2015	
	General government	Fire services	Public works	Parks Recreation & Culture	Library	Other services	Corporate	Total	Consolidation adjustments	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expense										
Salaries wages and employee benefits	1,467,824	828,537	1,440,351	1,550,704	549,595	806,918	64,940	6,708,869	-	6,708,869
Grants	-	-	-	5,960	-	39,308	40,623	85,891	-	85,891
Internal charges	-	14,907	804,284	60,339	-	153,248	-	1,032,778	(1,032,778)	-
Amortization	-	139,165	2,739,905	589,251	97,078	5,605	134,742	3,705,746	-	3,705,746
Other expenses	459,378	665,156	2,178,012	1,444,742	189,650	544,061	333,349	5,814,348	-	5,814,348
Loss on disposal of TCA	-	-	-	-	-	-	-	-	-	-
	1,927,202	1,647,765	7,162,552	3,650,996	836,323	1,549,140	573,654	17,347,632	(1,032,778)	16,314,854
Revenue										
Tax revenue	-	-	-	-	735,428	106,686	10,051,860	10,893,974	-	10,893,974
Federal grants	-	-	958,114	5,960	28,546	1,320	-	993,940	-	993,940
Provincial grants	-	-	1,000	248,271	31,008	4,152	851,647	1,136,078	-	1,136,078
Other municipalities	120,128	48,725	-	-	-	145,911	-	314,764	-	314,764
Developer and other contributions earned	-	307,410	1,432,674	-	11,340	2,391	-	1,753,815	-	1,753,815
Contributed TCA	-	-	524,161	-	12,186	-	-	536,347	-	536,347
Other external revenue	92,145	82,156	267,935	1,889,875	53,498	760,093	892,053	4,037,755	-	4,037,755
TCA gain on disposal	-	-	-	-	-	-	312,119	312,119	-	312,119
Internal charges	-	-	851,773	40,505	-	140,500	-	1,032,778	(1,032,778)	-
	212,273	438,291	4,035,657	2,184,611	872,006	1,161,053	12,107,679	21,011,570	(1,032,778)	19,978,792
Net (expenses) revenue										
	(1,714,929)	(1,209,474)	(3,126,895)	(1,466,385)	35,683	(388,087)	11,534,025	3,663,938	-	3,663,938