
Consolidated financial statements of The Corporation of the Township of Uxbridge

December 31, 2022

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Independent Auditor's Report

To the Members of Council of the
Corporation of the Township of Uxbridge

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Uxbridge (the "Township"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2022 and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 19, 2023

The Corporation of the Township of Uxbridge

Consolidated statement of financial position

As at December 31, 2022

	Notes	2022 \$	2021 \$
Assets			
Financial assets			
Cash	3	4,325,494	18,468,968
Temporary investments	3	38,475,261	20,473,456
Taxes receivable	4	3,500,672	3,092,726
Accounts receivable	5	4,230,396	3,653,014
Inventory for resale		219,277	218,766
		50,751,100	45,906,930
Liabilities			
Accounts payable and accrued liabilities	6	7,560,054	7,370,513
Other current liabilities		3,132,704	2,743,475
Long-term liabilities	7	10,029,905	11,053,048
Post-employment benefit liability	8	366,584	353,106
Deferred revenue	9	18,610,921	16,116,670
		39,700,168	37,636,812
Net financial assets		11,050,932	8,270,118
Non-financial assets			
Tangible capital assets	10	125,877,908	121,476,545
Inventories of supplies		117,187	190,989
Prepaid expenses		75,436	71,255
		126,070,531	121,738,789
Accumulated surplus	11	137,121,463	130,008,907

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

The Corporation of the Township of Uxbridge
Consolidated statement of operations
Year ended December 31, 2022

	Notes	Budget (Note 15) \$	2022 Actual \$	2021 Actual \$
Revenue				
Taxation – all classes	1 (a)(iii)	15,551,385	15,700,661	14,873,516
User fees and charges		2,238,019	2,930,320	1,958,249
Grants				
Government of Canada		1,909,000	2,139,227	920,384
Province of Ontario		2,800,350	3,482,601	1,568,136
Other municipalities		235,718	788,943	1,902,769
Investment income		110,700	684,274	233,002
Penalties and interest on taxes		485,000	522,706	521,326
Developer and other contributions earned		470,573	462,675	1,094,916
Contributed tangible capital assets	10(i)	—	2,857,415	607,916
Gain (loss) on disposal of tangible capital assets		—	432,424	(221,668)
Other		968,058	1,556,333	1,074,123
		24,768,803	31,557,579	24,532,669
Expenses				
General government	14	1,859,836	4,443,473	3,061,613
Protection to persons and property		3,038,467	4,086,921	2,868,793
Transportation services		7,807,941	9,193,723	9,396,660
Environmental services		529,166	492,197	476,435
Health services		34,000	33,616	34,954
Recreation and cultural services		4,633,513	5,375,543	4,375,785
Planning and development		622,299	819,550	493,463
		18,525,222	24,445,023	20,707,703
Annual surplus		6,243,581	7,112,556	3,824,966
Accumulated surplus, beginning of year		120,593,777	130,008,907	126,183,941
Accumulated surplus, end of year		126,837,358	137,121,463	130,008,907

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

The Corporation of the Township of Uxbridge
Consolidated statement of change in net financial assets
Year ended December 31, 2022

	Budget (Note 15) \$	2022 Actual \$	2021 Actual \$
Annual surplus	6,243,581	7,112,556	3,824,966
Acquisition of tangible capital assets	(11,945,188)	(9,275,644)	(9,064,554)
Amortization of tangible capital assets	4,364,903	4,874,278	4,528,137
(Gain) loss on disposal of tangible capital assets	—	(432,424)	221,668
Proceeds on sale of tangible capital assets	—	432,427	41,442
	(1,336,704)	2,711,193	(448,341)
Use (acquisition) of inventories of supplies (net)	—	73,802	(14,086)
Acquisition of prepaid expenses	—	(75,436)	(71,255)
Use of prepaid expenses	—	71,255	58,022
Increase (decrease) in net financial assets	(1,336,704)	2,780,814	(475,660)
Net financial assets, beginning of year	(2,248,664)	8,270,118	8,745,778
Net financial assets, end of year	(3,585,368)	11,050,932	8,270,118

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

The Corporation of the Township of Uxbridge
Consolidated statement of cash flows
Year ended December 31, 2022

	2022	2021
	\$	\$
Operating activities		
Annual surplus	7,112,556	3,824,966
Items not involving cash		
Amortization	4,874,278	4,528,137
(Gain) loss on disposal of tangible capital assets	(432,424)	221,668
Contributed tangible capital assets	(7,415)	(607,916)
Change in non-cash assets and liabilities		
(Increase) decrease in taxes receivable	(407,946)	428,727
(Increase) decrease in accounts receivable	(577,382)	62,462
(Increase) decrease in inventory for resale	(511)	940
Decrease (increase) in inventories of supplies	73,802	(14,086)
Increase in accounts payable and accrued liabilities	189,541	425,496
Increase in other current liabilities	389,229	427,220
Increase in post-employment benefit liability	13,478	18,933
Increase in deferred revenue	2,494,251	1,598,686
Increase in prepaid expenses	(4,181)	(13,233)
	13,717,276	10,902,000
Capital activities		
Acquisition of tangible capital assets (net of contributed tangible capital assets)	(9,268,229)	(8,456,638)
Proceeds on disposal of tangible capital assets	432,427	41,442
	(8,835,802)	(8,415,196)
Investing activity		
Change in temporary investments (net)	(18,001,805)	11,734,113
Financing activities		
Proceeds from debenture issued	—	1,500,000
Debenture repayments	(1,023,143)	(864,285)
	(1,023,143)	635,715
(Decrease) increase in cash	(14,143,474)	14,856,632
Cash, beginning of year	18,468,968	3,612,336
Cash, end of year	4,325,494	18,468,968

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

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 that are controlled by the Township, including the following:

- Uxbridge Library Board
- Uxbridge Business Improvement Area
- Uxbridge Historical Centre
- Leaskdale Community Park and Centre Association
- Sandford Community Hall Association
- Seniors Centre
- 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 Regional Municipality of Durham (the "Region") are not reflected in these financial statements.

(iii) Trust funds

Trust funds and their related operations administered by the Township 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.

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) Inventories 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 Regional Municipality of Durham.

(iv) Temporary investments

Temporary investments are comprised of short-term fixed income, medium term fixed income and a high interest savings account and are recorded at the lower of cost and market value.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(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.

(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.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(x) Tax revenue (continued)

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) Impairment of long-lived assets

When conditions indicate a tangible capital asset no longer contributes to the Township's ability to provide services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset will be reduced to reflect the decline in the asset's value.

(xii) 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.

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:

	School boards	Region	2022 Total	2021 Total
	\$	\$	\$	\$
Taxation	10,433,858	31,570,431	42,004,289	40,374,697
Grants in lieu	78,369	332,255	410,624	403,936
	10,512,227	31,902,686	42,414,913	40,778,633

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 9). The composition is as follows:

	Cash	Temporary investments	2022 Total	Cash	Temporary investments	2021 Total
	\$	\$	\$	\$	\$	\$
Operating Fund	4,128,036	22,358,300	26,486,336	18,247,537	6,481,047	24,728,584
Reserve Funds	197,458	16,116,961	16,314,419	221,431	13,992,409	14,213,840
	4,325,494	38,475,261	42,800,755	18,468,968	20,473,456	38,942,424

Temporary investments are recorded at a cost of \$38,475,261 (\$20,473,456 in 2021) which was the lower of cost or market value.

The Corporation of the Township of Uxbridge
Notes to the consolidated financial statements
December 31, 2022

4. Taxes receivable

	2022	2021
	\$	\$
Current year	2,200,550	1,889,442
Arrears previous years	1,300,122	1,203,284
	3,500,672	3,092,726

5. Accounts receivable

Accounts receivable recorded in the amount of \$4,230,396 (\$3,653,014 as at December 31, 2021) is net of an allowance for doubtful accounts of \$375,000 (\$258,000 as at December 31, 2021).

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 December 31. 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:

	2022	2021
	\$	\$
Trade accounts payable	6,439,096	6,252,987
Provision for property tax reassessments (Note 16(b))	185,000	210,000
Payables to other governments	134,654	113,043
Payroll liabilities	703,047	715,654
Accrued liabilities	98,257	78,829
	7,560,054	7,370,513

7. Long-term liabilities

(a) The balance of long-term liabilities is made up of the following:

	2022	2021
	\$	\$
The Township is responsible for the payment of principal and interest charges on the long-term liabilities issued by the Regional Municipality of Durham on the Township's behalf. As at December 31, the outstanding principal amount of this liability is	10,029,905	11,053,048

7. Long-term liabilities (continued)

- (b) The long-term liabilities have maturity dates of October 13, 2027, November 29, 2029, November 26, 2031 and November 2, 2040; with interest rates ranging from 0.45% to 3.0%.

Principal repayments for the next five years and thereafter are as follows:

	\$
2023	1,035,476
2024	1,087,686
2025	1,103,495
2026	1,119,781
2027	1,138,067
Thereafter	4,545,400
	<u>10,029,905</u>

- (c) The above long-term liabilities have been approved by Council by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (d) Long-term liabilities include a principal sum of \$508,000 (\$1,844,000 in 2021) which may be refinanced by the issuance of debentures over a period not to exceed 10 years.
- (e) Interest expense recorded in the year relating to these long-term liabilities is \$212,400 (\$199,523 in 2021).

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.

The last actuarial valuation was conducted as at December 31, 2020 and those results were extrapolated to December 31, 2022.

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

	2022 \$	2021 \$
Accrued benefit liability, January 1	353,106	334,173
Current service costs	19,698	20,985
Benefit payments	(9,728)	(6,694)
Amortization of actuarial gains and losses	(5,440)	(3,062)
Interest on obligation	8,948	7,704
Accrued benefit liability, December 31	366,584	353,106
Current year benefit expense	19,698	20,985
Interest on accrued benefit obligation	8,948	7,704
Amortization of actuarial gains and losses	(5,440)	(3,062)
	23,206	25,627

The Corporation of the Township of Uxbridge
Notes to the consolidated financial statements
December 31, 2022

8. Post-employment benefit liability (continued)

	2022	2021
	\$	\$
Accrued benefits obligation	243,188	293,733
Unamortized actuarial gains and losses	123,396	59,373
Accrued benefit liability	366,584	353,106

The main assumptions employed for the valuations are as follows:

(a) *General inflation*

A rate of 2.0% (2.0% in 2021) per year is used.

(b) *Interest (discount) rate*

A rate of 2.9% (2.4% in 2021) is used to determine the liability at the beginning of the fiscal period and for extrapolations during the period. A rate of 5.0% (2.9% in 2021) is used to determine the liability at the end of the fiscal period.

(c) *Health and dental rate*

Health costs are presumed to increase 6.5% (6.5% in 2021) after the first year, this rate reducing linearly to 5.0% after 3 years (5% after 3 years in 2021). Dental costs are presumed to increase 4% per year.

(d) *Mortality Table*

Canadian Institute of Actuaries 2014 Composite Mortality Table.

9. Deferred revenue

	Development charges	Parkland	Gas tax	2022 Total	2021 Total
	\$	\$	\$	\$	\$
Obligatory reserve funds					
Balance, beginning of year	9,014,378	2,433,830	1,962,236	13,410,444	12,448,003
Developer contributions	2,008,826	376,002	—	2,384,828	1,222,085
Gas tax contributions	—	—	671,600	671,600	1,317,228
Interest earned	218,049	58,233	41,320	317,602	195,419
	11,241,253	2,868,065	2,675,156	16,784,474	15,182,735
Earned revenue transferred to operations	(462,675)	—	(913,689)	(1,376,364)	(1,772,291)
Balance, end of year	10,778,578	2,868,065	1,761,467	15,408,110	13,410,444
Building code	—	—	—	712,179	582,293
Other deferred revenue	—	—	—	2,490,632	2,123,933
	18,610,921	16,116,670			

10. 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 to the Township. Typical examples are land, roadways and storm sewer lines installed by a developer as part of a subdivision agreement. Transfers of contributed tangible capital assets to the Township for the year ended December 31, 2022, amounted to \$2,857,415 (\$607,916 in 2021).

(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.

(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 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 \$0 write-downs of an asset (\$0 in 2021) to reflect the permanent impairment of a tangible capital asset. \$0 interest was capitalized during the year (\$0 in 2021).

The Corporation of the Township of Uxbridge
Notes to the consolidated financial statements
December 31, 2022

10. Tangible capital assets (continued)

	Land	Land improvements	Buildings	Vehicles	Machinery and equipment	Computer systems	Roads	Storm sewer	Bridges and structures	Work in progress	2022 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost											
Balance, beginning of year	21,744,883	9,417,086	20,006,819	7,542,536	6,879,483	448,780	68,880,028	29,372,083	23,308,381	2,183,668	189,783,747
Additions	2,850,000	1,080,146	272,753	2,732,972	329,373	—	1,919,231	—	85,416	1,595,509	10,865,400
Less											
Work in progress completed										1,589,756	1,589,756
Disposals	3	—	—	159,855	21,610	—	—	—	—	—	181,468
Balance, end of year	24,594,880	10,497,232	20,279,572	10,115,653	7,187,246	448,780	70,799,259	29,372,083	23,393,797	2,189,421	198,877,923
Accumulated amortization											
Balance, beginning of year	—	3,132,516	10,094,348	4,088,623	3,184,161	373,704	35,876,645	8,256,336	3,300,869	—	68,307,202
Amortization	—	368,017	478,428	519,166	451,725	21,988	2,199,592	422,430	412,932	—	4,874,278
Less											
Accumulated amortization on disposals	—	—	—	159,855	21,610	—	—	—	—	—	181,465
Balance, end of year	—	3,500,533	10,572,776	4,447,934	3,614,276	395,692	38,076,237	8,678,766	3,713,801	—	73,000,015
Net book value of tangible capital assets	24,594,880	6,996,699	9,706,796	5,667,719	3,572,970	53,088	32,723,022	20,693,317	19,679,996	2,189,421	125,877,908

The Corporation of the Township of Uxbridge
Notes to the consolidated financial statements
December 31, 2022

10. Tangible capital assets (continued)

	Land	Land improvements	Buildings	Vehicles	Machinery and equipment	Computer systems	Roads	Storm sewer	Bridges and structures	Work in progress	2021 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost											
Balance, beginning of year	21,744,880	7,303,732	19,940,604	7,204,852	6,449,882	448,780	67,718,057	29,508,577	8,120,887	13,535,022	181,975,273
Additions	3	2,160,579	66,215	337,684	542,213	—	2,077,435	44,286	15,187,494	1,714,603	22,130,512
Less											
Work in progress completed	—	—	—	—	—	—	—	—	—	13,065,957	13,065,957
Disposals	—	47,225	—	—	112,612	—	915,464	180,780	—	—	1,256,081
Balance, end of year	21,744,883	9,417,086	20,006,819	7,542,536	6,879,483	448,780	68,880,028	29,372,083	23,308,381	2,183,668	189,783,747
Accumulated amortization											
Balance, beginning of year	—	2,876,676	9,548,398	3,645,305	2,885,014	344,701	34,515,558	7,907,718	3,048,665	—	64,772,035
Amortization	—	303,065	545,950	443,318	409,235	26,591	2,124,433	423,341	252,204	—	4,528,137
Less											
Accumulated amortization on disposals	—	47,225	—	—	110,088	(2,412)	763,346	74,723	—	—	992,970
Balance, end of year	—	3,132,516	10,094,348	4,088,623	3,184,161	373,704	35,876,645	8,256,336	3,300,869	—	68,307,202
Net book value of tangible capital assets	21,744,883	6,284,570	9,912,471	3,453,913	3,695,322	75,076	33,003,383	21,115,747	20,007,512	2,183,668	121,476,545

The Corporation of the Township of Uxbridge
Notes to the consolidated financial statements
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11. Accumulated surplus

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

	2022	2021
	\$	\$
Invested in tangible capital assets	125,877,908	121,476,545
Other	(3,524,276)	(4,813,719)
Post-employment benefits	(366,584)	(353,106)
	121,987,048	116,309,720
Reserves		
Tax stabilization	296,641	296,641
Working capital	971,941	971,941
Insurance	350,286	350,286
Museum administration centre	89	89
Future capital projects	1,863,836	1,767,778
Election	15,785	80,528
Music Hall	63,495	49,799
Ditching	177,913	177,913
Parks (formerly Parkland Reserve)	568,293	622,237
Sidewalks	126,556	126,556
Arena	3,363	3,363
Preserve	109,989	109,989
Foster Memorial	3,387	3,387
Sandford Community Hall Improvements	2,071	2,071
Zephyr Hall Improvements	5,403	4,950
Spay and neuturing	52,612	52,612
Energy efficiency	35,000	35,000
Cultural	11,747	11,747
Community Halls	93,625	93,625
Uncompleted projects	4,847,510	4,285,343
Downtown revitalization	108,566	87,044
Community Improvement Plan	71,857	79,407
Strategic plan	207,551	182,551
OMB Hearings	167,271	167,271
Trail	15,933	11,599
Capital Projects Levy (formerly New Fire Hall)	95,841	152,684
Limestone upgrades	1,767	1,767
Snow clearing	158,239	300,000
Fire Calls	500,000	500,000
New Animal Shelter	69,981	69,981
General animal care	70,671	70,671
Asset Preservation	3,819,694	2,808,763
Trails Parking	50,045	—
	14,936,957	13,477,593
Reserve funds set aside by Council for		
Phosphorous removal	176,175	176,175
Library	21,283	45,419
	197,458	221,594
Total accumulated surplus	137,121,463	130,008,907

12. Trust funds

Trust funds administered by the Township amounting to \$20,910 (\$21,275 in 2021) 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 77 (71 in 2021) 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 half a million active and retired members and about 1,000 participating 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, 2022. The results of this valuation disclosed total actuarial liabilities as at that date of \$119.3 billion in respect of benefits accrued for service with actuarial assets at that date of \$116.2 billion indicating an actuarial deficit of \$3.1 billion. 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 2022 amounted to \$499,083 (\$462,692 in 2021).

14. Classification of expenses by object

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

	2022	2021
	\$	\$
Salaries, wages, and employee benefits	8,942,407	7,476,672
Operating materials and supplies	3,633,537	3,096,673
Contract services	5,515,327	5,179,547
Rents and financial expenses	1,390,982	332,191
External transfer to others	88,492	94,483
Amortization of tangible capital assets	4,874,278	4,528,137
	24,445,023	20,707,703

15. Budget figures

The approved budget for 2022 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.

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, 2022, and, accordingly, no provision has been made in these financial statements for any liability that 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 measurable.

(b) Settlement of assessment appeals

The Township has a number of properties where the current assessment value of the property is under appeal. Each year, a provision is identified to cover the estimated amount of revenue loss attributable to assessment appeals, based on managements' best information and judgment. However, actual appeal settlements may differ significantly from the estimate provided, and therefore any settlement of these assessment appeals in excess of the provision of \$185,000 (\$210,000 in 2021 (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 consolidated statement of financial position with respect to these agreements.

17. Commitments

In May 2018, the Township entered into an agreement with a property owner, in order to obtain access to a property, which was required in order to complete the construction of a capital project. As part of compensation for this agreement, the Township has committed to making future cash payments of up to \$559,000, plus HST. In addition, the Township will convey a vacant parcel of Township land to the property owner.

18. 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.

18. Segmented information (continued)

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, 2022

18. Segmented information (continued)

	General government	Fire services	Public works	Parks Recreation & Culture	Library	Other services	Corporate	Total	Consolidation adjustments	2022 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expense										
Salaries wages and employee benefits	1,810,069	1,086,952	1,953,623	2,002,383	546,846	1,365,542	176,992	8,942,407	—	8,942,407
Grants	—	—	—	7,500	—	36,950	44,042	88,492	—	88,492
Internal charges	—	14,206	573,300	1,071,148	—	410,368	(888,808)	1,180,214	(1,180,214)	—
Amortization	—	363,927	3,485,363	797,490	104,335	5,963	117,200	4,874,278	—	4,874,278
Other expenses	562,679	516,928	4,137,548	1,679,989	236,999	1,719,704	1,685,999	10,539,846	—	10,539,846
	2,372,748	1,982,013	10,149,834	5,558,510	888,180	3,538,527	1,135,425	25,625,237	(1,180,214)	24,445,023
Revenue										
Tax revenue	—	—	—	—	816,994	102,272	14,781,395	15,700,661	—	15,700,661
Federal grants	—	—	1,591,501	542,324	5,402	—	—	2,139,227	—	2,139,227
Provincial grants	108,805	144,013	1,302,824	447,265	24,176	210,623	1,244,895	3,482,601	—	3,482,601
Other municipalities Developer and other contributions earned	136,536	35,109	382,609	—	—	234,689	—	788,943	—	788,943
Contributed TCA	1,899	50,371	392,405	—	18,000	—	—	462,675	—	462,675
Other external revenue	88,540	97,707	498,071	1,846,526	7,415	1,486,369	1,660,958	5,693,633	—	5,693,633
TCA gain on disposal	—	—	—	—	—	—	432,424	432,424	—	432,424
Internal charges	—	—	946,304	69,410	—	164,500	—	1,180,214	(1,180,214)	—
	335,780	327,200	5,113,714	2,905,525	887,449	2,198,453	20,969,672	32,737,793	(1,180,214)	31,557,579
Net (expenses) revenue	(2,036,968)	(1,654,813)	(5,036,120)	(2,652,985)	(731)	(1,340,074)	19,834,247	7,112,556	—	7,112,556

The Corporation of the Township of Uxbridge
Notes to the consolidated financial statements
December 31, 2022

18. Segmented information (continued)

	General government	Fire services	Public works	Parks Recreation & Culture	Library	Other services	Corporate	Total	Consolidation adjustments	2021 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expense										
Salaries wages and employee benefits	1,606,709	939,950	1,881,927	1,412,422	432,440	1,080,815	122,409	7,476,672	—	7,476,672
Grants	—	—	—	15,000	—	42,938	36,545	94,483	—	94,483
Internal charges	—	14,300	986,018	117,569	—	173,684	—	1,291,571	(1,291,571)	—
Amortization	—	306,886	3,224,487	774,477	86,603	4,407	131,277	4,528,137	—	4,528,137
Other expenses	515,518	600,833	4,768,185	1,351,095	303,748	419,878	649,154	8,608,411	—	8,608,411
	<u>2,122,227</u>	<u>1,861,969</u>	<u>10,860,617</u>	<u>3,670,563</u>	<u>822,791</u>	<u>1,721,722</u>	<u>939,385</u>	<u>21,999,274</u>	<u>(1,291,571)</u>	<u>20,707,703</u>
Revenue										
Tax revenue	—	—	—	—	769,147	106,129	13,998,240	14,873,516	—	14,873,516
Federal grants	—	—	680,375	230,131	9,878	—	—	920,384	—	920,384
Provincial grants	16,941	—	276,200	72,780	25,711	118,049	1,058,455	1,568,136	—	1,568,136
Other municipalities	136,971	37,067	1,527,047	—	—	201,684	—	1,902,769	—	1,902,769
Developer and other contributions earned	—	15,000	964,331	97,585	18,000	—	—	1,094,916	—	1,094,916
Contributed TCA	—	—	151,485	451,000	5,431	—	—	607,916	—	607,916
Other external revenue	117,352	292,428	467,324	1,003,550	18,669	1,132,652	754,725	3,786,700	—	3,786,700
TCA loss on disposal	—	—	—	—	—	—	(221,668)	(221,668)	—	(221,668)
Internal charges	—	—	1,066,831	66,040	—	158,700	—	1,291,571	(1,291,571)	—
	<u>271,264</u>	<u>344,495</u>	<u>5,133,593</u>	<u>1,921,086</u>	<u>846,836</u>	<u>1,717,214</u>	<u>15,589,752</u>	<u>25,824,240</u>	<u>(1,291,571)</u>	<u>24,532,669</u>
Net (expenses) revenue	<u>(1,850,963)</u>	<u>(1,517,474)</u>	<u>(5,727,024)</u>	<u>(1,749,477)</u>	<u>24,045</u>	<u>(4,508)</u>	<u>14,650,367</u>	<u>3,824,966</u>	<u>—</u>	<u>3,824,966</u>