
Consolidated financial statements of The Corporation of the Township of Uxbridge

December 31, 2024

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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, 2024, 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, 2024 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Township as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 16, 2025

The Corporation of the Township of Uxbridge
Consolidated statement of financial position
As at December 31, 2024

	Notes	2024 \$	2023 \$
Assets			
Financial assets			
Cash	4	13,095,847	10,716,992
Investments	4	35,533,024	39,562,120
Taxes receivable	5	5,200,060	3,949,242
Accounts receivable	6	2,760,457	2,429,307
Inventory for resale		219,234	104,131
		56,808,622	56,761,792
Liabilities			
Accounts payable and accrued liabilities	7	9,140,467	8,071,029
Other current liabilities		2,709,243	2,940,975
Long-term liabilities	8	6,247,143	8,994,429
Post-employment benefit liability	9	382,492	367,309
Deferred revenue	10	22,880,403	21,549,050
Asset retirement obligations	11	2,563,447	3,013,047
		43,923,195	44,935,839
Net financial assets		12,885,427	11,825,953
Non-financial assets			
Tangible capital assets	12	127,410,875	125,996,498
Inventories of supplies		125,733	171,722
Prepaid expenses		235,108	115,733
		127,771,716	126,283,953
Accumulated surplus	13	140,657,143	138,109,906

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, 2024

	Notes	Budget \$	2024 Actual \$	2023 Actual \$
		(Note 17)		
Revenue				
Taxation – all classes	1(b)(iii)	17,973,124	18,052,488	16,874,916
User fees and charges		3,281,522	3,173,413	3,580,606
Grants				
Government of Canada		716,000	928,123	901,447
Province of Ontario		1,603,708	734,653	1,655,431
Other municipalities		327,123	756,882	659,083
Investment income		627,603	2,407,611	1,973,588
Penalties and interest on taxes		485,000	673,678	569,515
Developer and other contributions earned		204,500	427,108	392,032
Contributed tangible capital assets	12(i)	—	11,568	7,376
Gain on disposal of tangible capital assets		—	772	37,901
Other		193,720	1,031,878	1,681,429
		25,412,300	28,198,174	28,333,324
Expenses	16			
General government		9,231,964	3,889,983	5,084,738
Protection to persons and property		4,080,746	4,109,822	3,310,317
Transportation services		8,278,109	9,571,200	9,050,121
Environmental services		844,715	278,276	740,456
Health services		34,520	35,396	37,111
Recreation and cultural services		7,122,319	6,474,268	6,111,687
Planning and development		963,310	1,291,992	803,049
		30,555,683	25,650,937	25,137,479
Annual (deficit) surplus		(5,143,383)	2,547,237	3,195,845
Accumulated surplus, beginning of year		138,109,906	138,109,906	134,914,061
Accumulated surplus, end of year		132,966,523	140,657,143	138,109,906

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, 2024

	Budget	2024	2023
	\$	Actual	Actual
	\$	\$	\$
(Note 17)			
Annual (deficit) surplus	(5,143,383)	2,547,237	3,195,845
Acquisition of tangible capital assets	(10,974,835)	(6,512,672)	(4,563,292)
Contributed tangible capital assets	—	(11,568)	(7,376)
Amortization of tangible capital assets	5,143,383	5,029,882	4,854,882
Gain on disposal of tangible capital assets	—	(772)	(37,901)
Proceeds on sale of tangible capital assets	—	80,753	54,685
	(10,974,835)	1,132,860	3,496,843
Use (acquisition) of inventories of supplies (net)	—	45,989	(54,535)
Acquisition of prepaid expenses	—	(235,108)	(115,733)
Use of prepaid expenses	—	115,733	75,436
(Decrease) increase in net financial assets	(10,974,835)	1,059,474	3,402,011
Net financial assets, beginning of year	11,825,953	11,825,953	8,423,942
Net financial assets, end of year	851,118	12,885,427	11,825,953

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, 2024

	2024	2023
	\$	\$
Operating activities		
Annual surplus	2,547,237	3,195,845
Items not involving cash		
Amortization of tangible capital assets	5,029,882	4,854,882
Gain on disposal of tangible capital assets	(772)	(37,901)
Contributed tangible capital assets	(11,568)	(7,376)
Asset retirement obligation liability (excl settlements)	(449,600)	386,057
Change in non-cash assets and liabilities		
Increase in taxes receivable	(1,250,818)	(448,570)
(Increase) decrease in accounts receivable	(331,150)	1,801,089
(Increase) decrease in inventory for resale	(115,103)	115,146
Decrease (increase) in inventories of supplies	45,989	(54,535)
Increase in accounts payable and accrued liabilities	1,069,438	510,975
Decrease in other current liabilities	(231,732)	(191,729)
Increase in post-employment benefit liability	15,183	725
Increase in deferred revenue	1,331,353	2,938,129
Increase in prepaid expenses	(119,375)	(40,298)
	7,528,964	13,022,439
Capital activities		
Acquisition of tangible capital assets		
(net of contributed tangible capital assets)	(6,512,672)	(4,563,291)
Proceeds on disposal of tangible capital assets	80,753	54,685
	(6,431,919)	(4,508,606)
Investing activity		
Change in investments (net)	4,029,096	(1,086,859)
Financing activity		
Debenture repayments	(2,747,286)	(1,035,476)
Increase in cash	2,378,855	6,391,498
Cash, beginning of year	10,716,992	4,325,494
Cash, end of year	13,095,847	10,716,992

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 financial statements.

(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.

(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.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(iv) Financial instruments

Financial instruments reported on the Township's statement of financial position are measured as follows.

Financial instrument	Measurement method
Cash and cash equivalents	Cost
Investments - equity instruments	Fair value
Investments - corporate and government bonds	Amortized cost
Investments - guaranteed investment certificates	Amortized cost
Taxes receivable	Cost
Accounts receivable	Cost
Loan receivable	Amortized cost
Accounts payable and accrued liabilities	Cost
Long-term payable	Cost
Municipal debt	Amortized cost

Financial instruments measured at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Write-downs on financial assets are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

(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.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(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) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique and adjusted yearly for accretion expense. The accretion expense increases the carrying amount of the liability for an Asset Retirement Obligation due to the passage of time.

The recognition of a liability results in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the tangible capital asset accounting policies. For tangible capital assets no longer in productive use or unrecognized tangible capital assets, the retirement costs are expensed.

At remediation, the Township derecognizes the liability. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and the corresponding estimates that were made, with the gains or losses recognized in the statement of operations.

(ix) 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.

(x) 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.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(xi) Developer and other contributions

Developer and other contributions earned are reported as deferred revenue in the consolidated statement of financial position in accordance with PSAS. Amounts applied to qualifying projects are recorded as revenue in the fiscal period in which the funds are expended on qualifying projects.

(xii) 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.

(xiii) 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.

(xiv) 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, asset retirement obligations, and the net book value of tangible capital assets which is based on estimated useful lives of various categories.

2. Adoption of new accounting standards

First time adoption of PS 3160 Public Private Partnerships

Effective January 1, 2024, the Township adopted PS 3160 Public Private Partnerships prospectively. The adoption of the new standard had no impact on the financial statements of the Township, as no Public Private Partnerships were identified.

First time adoption of PS 3400 – Revenue

Effective January 1, 2024, the Township adopted PS 3400 Revenue prospectively. The adoption of the new standard had no impact on the financial statements of the Township, as current practices were identified as being in line with the new standard.

2. Adoption of new accounting standards (continued)

First time adoption of PSG 8 – Purchased Intangibles

Effective January 1, 2024, the Township adopted PSG 8 – Purchased Intangibles prospectively. The adoption of the new standard had no impact on the financial statements of the Township, as there were no purchases of intangible assets that were not previously recognized by the Township under Public Sector Accounting Standards.

3. 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	2024 Total	2023 Total
	\$	\$	\$	\$
Taxation	10,672,970	37,289,960	47,962,930	44,391,209
Grants in lieu	47,628	387,711	435,339	446,173
	47,628	387,711	48,398,269	44,837,382

4. Cash and investments

This represents a consolidation of cash and investments from the operating fund and the reserve funds (including those funds set aside in respect of deferred revenue as detailed in Note 10). The composition is as follows:

	Cash	Temporary investments	2024 Total	Cash	Temporary investments	2023 Total
	\$	\$	\$	\$	\$	\$
Operating Fund	12,754,129	17,267,124	30,021,253	10,530,632	21,616,389	32,147,021
Reserve Funds	341,718	18,265,900	18,607,618	186,360	17,945,731	18,132,091
	13,095,847	35,533,024	48,628,871	10,716,992	39,562,120	50,279,112

Temporary investments are recorded at a cost of \$35,533,024 (\$39,562,120 in 2023) which was the lower of cost or market value.

5. Taxes receivable

	2024	2023
	\$	\$
Current year	3,390,989	2,540,262
Arrears previous years	1,809,071	1,408,980
	5,200,060	3,949,242

6. Accounts receivable

Accounts receivable recorded in the amount of \$2,760,457 (\$2,429,307 as at December 31, 2023) is net of an allowance for doubtful accounts of \$501,000 (\$449,000 as at December 31, 2023).

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 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:

	2024	2023
	\$	\$
Trade accounts payable	7,330,181	5,897,722
Provision for property tax reassessments (Note 18(b))	165,000	162,000
Payables to other governments	879,553	1,167,742
Payroll liabilities	709,207	694,498
Accrued liabilities	56,526	149,067
	<u>9,140,467</u>	<u>8,071,029</u>

8. Long-term liabilities

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

	2024	2023
	\$	\$
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	<u>6,247,143</u>	<u>8,994,429</u>

(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:

	\$
2025	919,095
2026	935,381
2027	953,667
2028	812,000
2029	828,000
Thereafter	<u>1,799,000</u>
	<u>6,247,143</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 \$365,000 (\$509,000 in 2023) which may be refinanced by the issuance of debentures over a period not to exceed 10 years.

8. Long-term liabilities (continued)

- (e) Interest expense recorded in the year relating to these long-term liabilities is \$177,805 (\$196,080 in 2023).

9. 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, 2023 and those results were extrapolated to December 31, 2024.

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

	2024	2023
	\$	\$
Accrued benefit liability, January 1	367,309	366,584
Current service costs	17,207	14,692
Benefit payments	(10,301)	(15,803)
Amortization of actuarial gains and losses	(6,520)	(10,663)
Interest on obligation	14,797	12,499
Accrued benefit liability, December 31	382,492	367,309
Current year benefit expense	17,207	14,692
Interest on accrued benefit obligation	14,797	12,499
Amortization of actuarial gains and losses	(6,524)	(10,663)
	25,480	16,528

	2024	2023
	\$	\$
Accrued benefits obligation	353,506	309,624
Unamortized actuarial gains and losses	28,986	57,685
Accrued benefit liability	382,492	367,309

The main assumptions employed for the valuations are as follows:

(a) *General inflation*

A rate of 2% (2.0% in 2023) per year is used.

(b) *Interest (discount) rate*

A rate of 4.60% (5.0% in 2023) is used to determine the liability at the beginning of the fiscal period and for extrapolations during the period. A rate of 4.60% (5.0% in 2023) is used to determine the liability at the end of the fiscal period.

(c) *Health and dental rate*

Drug costs are presumed to increase 5.5% (5.5% in 2023) after the first year following the December 31, 2023 valuation date, this rate reducing linearly to 4.0% after 15 years (4.0% after 15 years in 2023). Dental costs are presumed to increase 4% per year.

(d) *Mortality table*

Canadian Institute of Actuaries 2014 Composite Mortality Table.

10. Deferred revenue

	Development charges	Parkland	Gas tax	2024 Total	2023 Total
	\$	\$	\$	\$	\$
Obligatory reserve funds					
Balance, beginning of year	10,778,578	2,868,065	1,761,467	15,408,110	15,408,110
Developer contributions	490,933	8,450		499,383	1,240,046
Gas tax contributions			688,186	688,186	700,800
Interest earned	545,639	138,019	87,279	770,937	540,234
	11,815,150	3,014,534	2,536,932	17,366,616	17,889,190
Earned revenue transferred to operations	(427,108)	(250,000)	(692,487)	(1,369,595)	(984,301)
Balance, end of year	11,388,043	2,764,534	1,844,445	15,997,022	16,904,890
Building code	—	—	—	848,465	1,040,843
Other deferred revenue	—	—	—	6,034,916	3,603,317
				22,880,403	21,549,050

11. Asset Retirement Obligations

The Township reports liabilities related to the legal obligations where the Region is obligated to incur costs to retire a tangible capital asset. The Township's asset retirement obligation consists of various obligations as follows:

Asbestos obligation

The Township owns buildings and other infrastructure assets which contain asbestos and is legally required to perform abatement activities upon renovation or demolition of the asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed.

Other obligations

Other asset retirement obligations relate to decommissioning of various assets including wells and storage tanks.

The liability for asset retirement obligations has been estimated using a net present value technique with a discount rate of 4.6% (4.6% in 2023). A reconciliation of the beginning and ending balance of the liability is as follows:

	2024	2023
	\$	\$
Balance, beginning of year	3,013,047	2,626,990
(Decrease) increase in liabilities reflecting changes in the estimate of liabilities	(570,206)	254,837
Increase in liabilities reflecting accretion	112,371	132,564
Estimated liabilities settled & disposed	—	(2,732)
Estimated liability additions	8,235	1,388
	(449,600)	386,057
Balance, end of year	2,563,447	3,013,047

12. 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, 2024, amounted to \$11,568 (\$7,376 in 2023).

(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 \$nil write-downs of an asset (nil in 2023) to reflect the permanent impairment of a tangible capital asset. nil interest was capitalized during the year (nil in 2023).

The Corporation of the Township of Uxbridge
Notes to the consolidated financial statements
December 31, 2024

12. Tangible capital assets (continued)

	Land \$	Land improvements \$	Buildings \$	Vehicles \$	Machinery and equipment \$	Computer systems \$	Roads \$	Storm sewer \$	Bridges and structures \$	Work in progress \$	2024 Total \$
Cost											
Balance, beginning of year	24,594,880	11,060,869	21,721,724	9,639,079	8,238,707	596,993	70,989,745	29,838,321	23,483,941	2,025,585	202,189,844
Additions	2,038	117,553	115,648	1,226,193	1,128,911	78,593	515,971	—	52,192	3,876,675	7,113,774
Less											
Work in progress completed										455,875	455,875
Disposals	114,191	187,349	—	366,407	336,372	36,444	106,438	—	—		1,147,201
Balance, end of year	24,482,727	10,991,073	21,837,372	10,498,865	9,031,246	639,142	71,399,278	29,838,321	23,536,133	5,446,385	207,700,542
Accumulated amortization											
Balance, beginning of year	—	3,847,729	11,407,833	4,344,367	3,764,395	428,278	39,230,878	9,186,297	3,983,569	—	76,193,346
Amortization	—	409,207	516,355	590,087	511,175	46,007	2,170,726	428,262	358,063		5,029,882
Less											
Accumulated amortization on disposals	—	187,349	—	286,427	336,372	36,444	86,969	—	—		933,561
Balance, end of year	—	4,069,587	11,924,188	4,648,027	3,939,198	437,841	41,314,635	9,614,559	4,341,632	—	80,289,667
Net book value of tangible capital assets	24,482,727	6,921,486	9,913,184	5,850,838	5,092,048	201,301	30,084,643	20,223,762	19,194,501	5,446,385	127,410,875
	Land \$	Land improvements \$	Buildings \$	Vehicles \$	Machinery and equipment \$	Computer systems \$	Roads \$	Storm sewer \$	Bridges and structures \$	Work in progress \$	2023 Total \$
Cost											
Balance, beginning of year	24,594,880	10,557,356	20,690,191	10,115,653	7,145,150	448,780	70,799,259	29,714,615	23,393,797	2,189,421	199,649,102
Additions	—	698,689	1,031,533	210,040	1,303,769	148,213	1,209,477	123,706	128,522	1,413,098	6,267,047
Less											
Work in progress completed	—	—	—	—	—	—	—	—	—	1,576,934	1,576,934
Disposals	—	195,176	—	686,614	210,212	—	1,018,991	—	38,378	—	2,149,371
Balance, end of year	24,594,880	11,060,869	21,721,724	9,639,079	8,238,707	596,993	70,989,745	29,838,321	23,483,941	2,025,585	202,189,844
Accumulated amortization											
Balance, beginning of year	—	3,535,188	10,865,922	4,447,934	3,558,779	395,692	38,076,237	8,758,053	3,713,801	—	73,351,606
Amortization	—	388,273	541,911	583,047	411,859	32,586	2,170,027	428,244	298,935	—	4,854,882
Less											
Accumulated amortization on disposals	—	75,732	—	686,614	206,243	—	1,015,386	—	29,167	—	2,013,142
Balance, end of year	—	3,847,729	11,407,833	4,344,367	3,764,395	428,278	39,230,878	9,186,297	3,983,569	—	76,193,346
Net book value of tangible capital assets	24,594,880	7,213,140	10,313,891	5,294,712	4,474,312	168,715	31,758,867	20,652,024	19,500,372	2,025,585	125,996,498

13. Accumulated surplus

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

	2024	2023
	\$	\$
Invested in tangible capital assets	127,410,875	125,996,498
Other	(1,249,158)	(3,640,572)
Post-employment benefits	(382,492)	(367,309)
	125,779,225	121,988,617
Reserves		
Tax stabilization	338,181	296,641
Working capital	971,941	971,941
Insurance	782,631	409,505
Museum administration centre	89	89
Future capital projects	1,018,637	1,863,836
Election	80,784	45,785
Music hall	95,018	90,339
In Lieu of Ditches	177,913	177,913
Parks (formerly Parkland Reserve)	193,176	273,639
In Lieu of Sidewalks	170,804	122,556
In Lieu of Parking	5,500	5,500
Arena	3,458	3,444
Preserve	109,989	109,989
Foster Memorial	206,209	3,387
Sandford Community Hall Improvements	2,071	2,071
Zephyr Hall Improvements	1,706	5,594
Spay and neuturing	52,612	52,612
Energy efficiency	40,902	40,902
Cultural	11,747	11,747
Community Halls	93,625	93,625
Uncompleted projects	3,950,279	5,259,450
Downtown revitalization	—	210,554
Community Improvement Plan	63,027	71,857
Strategic plan	249,255	232,551
OMB Hearings	54,199	67,423
Trail	25,313	23,493
Capital Projects Levy (formerly New Fire Hall)	33,792	54,915
Limestone upgrades	1,767	1,767
Snow clearing	300,000	107,327
Fire Calls	344,972	500,000
New Animal Shelter	69,981	105,481
General animal care	70,672	70,672
Asset Preservation	4,796,827	4,459,977
Trails Parking	219,123	188,350
	14,536,200	15,934,929
Reserve funds set aside by Council for		
Phosphorous removal	176,175	176,175
Library	165,543	10,184
	341,718	186,360
Total accumulated surplus	140,657,143	138,109,906

14. Trust funds

Trust funds administered by the Township amounting to \$20,822 (\$20,758 in 2023) are not included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

15. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, on behalf of 114 (97 in 2023) 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, 2024. The results of this valuation disclosed total actuarial liabilities as at that date of \$138.2 billion in respect of benefits accrued for service with actuarial assets at that date of \$135.3 billion indicating an actuarial deficit of \$2.9 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 2024 amounted to \$697,888 (\$532,330 in 2023).

16. Classification of expenses by object

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

	2024	2023
	\$	\$
Salaries, wages, and employee benefits	11,309,425	9,704,152
Operating materials and supplies	3,667,407	4,361,223
Contract services	5,606,847	4,375,175
Rents and financial expenses	(110,692)	1,736,167
External transfer to others	9,166	12,730
Grants	138,902	93,150
Amortization of tangible capital assets	5,029,882	4,854,882
	25,650,937	25,137,479

17. Budget figures

The approved budget for 2024, totaling \$30,555,683 of budgeted expenses, and \$5,143,383 of budgeted deficit is reflected on the consolidated statement of operations and the consolidated statement of change in net financial assets. The budget was prepared on a basis consistent with that used to report actual results.

18. 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, 2024, 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 \$165,000 (\$162,000 in 2023 (Note 7)) 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.

19. 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 \$240,327, plus HST. In addition, the Township will convey a vacant parcel of Township land to the property owner.

20. Fair value and risk management

Financial instruments are classified as either fair value, cost, or amortized cost. The Township determines the classification of its financial instruments at initial recognition.

The Township is exposed to a variety of financial risks, including credit risk and liquidity risk. The township's overall risk management program seeks to minimize potential adverse effects on financial performance.

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss. The Township is exposed to credit risk with respect to accounts receivable and other investments. The Township assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in Allowance for Doubtful Accounts. The maximum exposure to credit risk of the Township is the carrying value of these assets. Management considers credit risk to be minimal as most of the accounts receivable balance is collected in a timely fashion.

Liquidity risk

Liquidity risk is the risk that the Township will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Township manages its liquidity risk by monitoring its operating requirements, and prepares a budget, as well as cash forecasts, to ensure that it has sufficient funds to fulfill obligations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates. The Township is not subject to significant interest rate risk as its cash and cash equivalents, investments, and long term debt have fixed interest rates and are intended to be carried until maturity. Since cash and cash equivalents are carried at amortized cost, their valuation does not change with changes in fair value.

The Township follows an investment policy approved by Council.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Township is not exposed as amounts are not held in foreign currency.

There have been no significant changes to risk exposure from prior year.

21. 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, 2024

21. Segmented information (continued)

	General Government	Protection of Persons	Transportation Services	Environmental Services	Health Services	Recreational Services	Planning & Development	2024 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Salaries, wages and benefits	2,596,592	2,680,548	2,263,096	5,793	—	3,256,831	506,565	11,309,425
Operating materials & supplies	37,832	426,176	1,773,131	3,889	200	1,316,223	109,956	3,667,407
Contracted services	778,174	565,937	2,531,181	181,677	4,365	887,701	657,812	5,606,847
Rents & financial expenses	280,696	1,052	(16,517)	(335,764)	—	(40,159)	—	(110,692)
External transfers	835	—	—	—	831	7,500	—	9,166
Amortization	115,103	436,109	3,020,309	422,681	—	1,035,680	—	5,029,882
Grants	80,751	—	—	—	30,000	10,492	17,659	138,902
	3,889,983	4,109,822	9,571,200	278,276	35,396	6,474,268	1,291,992	25,650,937
Revenue								
Tax revenue	17,948,107	—	—	—	—	—	104,381	18,052,488
Federal grants	6,957	2,319	773,988	116,056	—	26,600	2,203	928,123
Provincial grants	400,300	49,300	116,520	94,651	—	41,262	32,620	734,653
Other municipalities	153,128	396,721	174,994	—	—	—	32,039	756,882
User fees & charges	366,749	660,942	23,271	—	—	2,386,823	(264,372)	3,173,413
Investment income	2,394,417	—	—	—	—	13,194	—	2,407,611
Penalties and interest on taxes	673,678	—	—	—	—	—	—	673,678
Developer and other contributions earned	25,348	15,000	254,987	—	—	131,773	—	427,108
Contributed TCA	—	—	—	—	—	11,568	—	11,568
Gain (loss) of sale/disposal of tangible capital assets	772	—	—	—	—	—	—	772
Other external revenue	156,635	132,560	481,614	74,894	—	164,865	21,310	1,031,878
	22,126,091	1,256,842	1,825,374	285,601	—	2,776,085	(71,819)	28,198,174
Annual (deficit) surplus, end of year	18,236,108	(2,852,980)	(7,745,826)	7,325	(35,396)	(3,698,183)	(1,363,811)	2,547,237

The Corporation of the Township of Uxbridge
Notes to the consolidated financial statements
December 31, 2024

21. Segmented information (continued)

	General Government \$	Protection of Persons \$	Transportation Services \$	Environmental Services \$	Health Services \$	Recreational Services \$	Planning & Development \$	2023 Total \$
Expenses								
Salaries, wages and benefits	2,268,471	2,085,407	2,092,142	4,490	—	2,857,725	395,917	9,704,152
Operating materials & supplies	591,890	403,750	1,958,761	61	222	1,213,032	193,507	4,361,223
Contracted services	754,799	403,974	2,014,410	110,801	3,889	882,632	204,670	4,375,175
Rents & financial expenses	1,300,474	7,873	27,876	203,248	—	195,399	1,297	1,736,167
External transfers	620	—	—	—	3,000	7,500	1,610	12,730
Amortization	111,382	409,313	2,956,932	421,856	—	955,399	—	4,854,882
Grants	57,102	—	—	—	30,000	—	6,048	93,150
	<u>5,084,738</u>	<u>3,310,317</u>	<u>9,050,121</u>	<u>740,456</u>	<u>37,111</u>	<u>6,111,687</u>	<u>803,049</u>	<u>25,137,479</u>
Revenue								
Tax revenue	16,769,855	—	—	—	—	—	105,061	16,874,916
Federal grants	—	—	592,269	57,666	—	251,512	—	901,447
Provincial grants	811,357	243	732,376	48,050	—	59,194	4,211	1,655,431
Other municipalities	149,479	328,593	180,556	—	—	—	455	659,083
User fees & charges	308,188	813,908	20,200	—	—	2,305,753	132,557	3,580,606
Investment Income	1,972,301	—	—	—	—	1,287	—	1,973,588
Penalties and interest on taxes	569,515	—	—	—	—	—	—	569,515
Developer and other contributions earned	15,560	15,000	143,146	—	—	218,326	—	392,032
Contributed TCA	—	—	—	—	—	7,376	—	7,376
Gain (loss) of sale/disposal of tangible capital assets	37,901	—	—	—	—	—	—	37,901
Other external revenue	<u>1,041,305</u>	<u>126,143</u>	<u>378,350</u>	<u>27,680</u>	<u>—</u>	<u>99,851</u>	<u>8,100</u>	<u>1,681,429</u>
	<u>21,675,461</u>	<u>1,283,887</u>	<u>2,046,897</u>	<u>133,396</u>	<u>—</u>	<u>2,943,299</u>	<u>250,384</u>	<u>28,333,324</u>
Annual (deficit) surplus, end of year	<u>16,590,723</u>	<u>(2,026,430)</u>	<u>(7,003,224)</u>	<u>(607,060)</u>	<u>(37,111)</u>	<u>(3,168,388)</u>	<u>(552,665)</u>	<u>3,195,845</u>

22. Comparative figures

Certain amounts have been reclassified to conform to the current year financial statement presentation.