



Town of
East Gwillimbury

Consolidated Financial Statements **December 31, 2009**

Our Town, Our Future

**Town of East Gwillimbury
2009 Consolidated Financial Statements**

*Approved by Council
June 21, 2010*

**Town of East Gwillimbury
19000 Leslie Street
Sharon, ON L0G 1V0
CANADA**

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Mayor James R. Young



Councillor Cathy Morton



Councillor Virginia Hackson



Councillor Marlene Johnston



Councillor Jack Hauseman



CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2009

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Auditors' report

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To the Members of Council, Inhabitants,
And Ratepayers of the Town of East Gwillimbury

We have audited the consolidated statement of financial position of the Town of East Gwillimbury as at December 31, 2009 and the consolidated statements of operations and accumulated surplus, cash flows, and change in net financial assets for the year then ended. These consolidated financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.

Grant Thornton LLP

Markham, Ontario
June 4, 2010

Chartered Accountants
Licensed Public Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2009

	2009	2008
	\$	\$
		(Restated-see note 7)
FINANCIAL ASSETS		
Cash (<i>note 2</i>)	15,254,836	10,594,539
Taxes receivable	3,944,096	3,013,892
User charges receivable	1,058,961	833,020
Accounts receivable (<i>note 3</i>)	1,260,130	704,396
	21,518,023	15,145,847
LIABILITIES		
Accounts payable and accrued liabilities (<i>note 4</i>)	4,332,966	2,982,206
Deposits and deferred revenue	4,731,414	3,891,894
Accrued interest on long-term debt	149,968	151,802
Obligatory reserve funds (<i>note 5</i>)	2,221,838	1,084,831
Net long-term debt with the Region of York (<i>note 6</i>)	203,203	818,713
	11,639,389	8,929,446
Net financial assets	9,878,634	6,216,401
NON FINANCIAL ASSETS		
Prepays	29,076	260,793
Tangible capital assets(<i>note 8</i>)	117,955,170	116,434,771
	117,984,246	116,695,564
Accumulated surplus (<i>note 15</i>)	127,862,880	122,911,965

Commitments and contingencies (notes 10 and 12)

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

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31, 2009

	2009 Budget \$ (Unaudited)	2009 Actual \$	2008 Actual \$ (Restated-see note 7)
REVENUE			
Net taxation charges (<i>note 9</i>)	10,427,800	10,587,375	10,218,702
User charges	6,849,090	5,306,849	5,615,548
Charges to developers	5,799,145	5,844,651	1,444,075
Grants	3,151,726	573,747	550,649
Penalties on taxes	435,000	481,408	443,119
Investment income	228,000	221,141	398,009
Other	2,580,000	2,043,829	4,405,458
Total revenue	29,470,761	25,059,000	23,075,560
EXPENDITURES			
General government	3,393,938	3,507,537	3,312,839
Protection to persons and property	3,025,510	2,830,121	2,845,026
Transportation services	4,871,919	4,803,300	4,098,003
Environmental services	5,809,258	5,151,370	4,515,306
Recreation and cultural services	5,184,916	4,187,951	4,405,131
Planning and development	1,872,000	1,600,870	1,371,619
Total expenditures	24,157,541	22,081,149	20,547,924
NET REVENUES	<u>5,313,220</u>	2,977,851	2,527,636
Gain/(loss) on sale of assets		1,973,064	(7,698)
Annual surplus		4,950,915	2,519,938
Accumulated surplus, beginning of year		122,911,965	120,392,027
Accumulated surplus, ending of year		127,862,880	122,911,965

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2009

	2009 \$	2008 \$ (Restated-see note 7)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	4,950,915	2,519,938
Changes in non-cash items balances		
Amortization	4,612,934	4,392,252
Contributed tangible capital assets	(4,232,115)	(186,023)
(Gain) / loss on sale of tangible capital assets	(1,973,064)	7,698
Prepays	231,717	(260,793)
Taxes receivable	(930,204)	91,807
User charges and accounts receivable	(781,675)	521,822
Accounts payable and accrued liabilities	1,350,760	96,237
Deposits and deferred revenue	839,520	1,543,341
Accrued interest on long-term debt	(1,834)	(1,724)
Obligatory reserve funds	1,137,007	(3,329,359)
	5,203,961	5,395,196
CAPITAL ACTIVITIES		
Proceeds from sale of tangible capital assets	2,207,400	-
Purchase of tangible capital assets	(2,135,554)	(2,570,686)
	71,846	(2,570,686)
FINANCING ACTIVITIES		
Long-term debt with the Region of York	(615,510)	(583,574)
Net increase in cash during the year	4,660,297	2,240,936
Cash, beginning of year	10,594,539	8,353,603
Cash, end of year	15,254,836	10,594,539
Supplementary information:		
Interest paid	337,213	358,295
Interest received	104,614	400,420

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

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

December 31, 2009

	2009 \$	2008 \$
Annual surplus	4,950,915	2,519,938
Acquisition of tangible capital assets	(2,135,554)	(2,570,686)
Transferred tangible capital assets	(4,232,115)	(186,023)
Amortization of tangible capital assets	4,612,934	4,392,252
Proceeds from sale of tangible capital assets	2,207,400	-
(Gains) / loss on sale of tangible capital assets	(1,973,064)	7,698
	3,430,516	4,163,179
Use/(acquisition) of prepaid expenses	231,717	(260,793)
Change in net financial assets	3,662,233	3,902,386
Net financial assets at the beginning of year	6,216,401	2,314,015
Net financial assets at the year	9,878,634	6,216,401

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

NATURE OF OPERATIONS

The Town of East Gwillimbury (the “Town”) is a lower-tier municipality located in York Region within the Greater Toronto Area of the Province of Ontario. It provides essential infrastructure and services to its residents, including local roads, water distribution and sewage collection, recreational facilities, libraries, emergency services, and waste collection. The Town is governed by a municipal council comprised of the Mayor and five Members of Council elected by its residents at large. It conducts its operations guided by the provisions of provincial statutes such as *Municipal Act*, *Municipal Affairs Act* and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (“PSAB”) of The Canadian Institute of Chartered Accountants (“CICA”).

Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures and reserves and reserve funds of the Town which comprises all of the organizations that are accountable for the administration of their financial affairs and resources to Council and are controlled by the Town.

The operations of the East Gwillimbury Public Library Board have been fully consolidated in these consolidated financial statements.

All inter-organizational and inter-fund transactions and balances have been eliminated on consolidation.

The taxation, other revenues, expenditures, assets and liabilities with respect to school boards and the Region of York are not reflected in the Town’s consolidated financial statements except to record any resulting receivable or payable with the Town at year-end.

Basis of accounting

Effective January 1, 2009, the Town adopted CICA Section PS1200 Financial Statement Presentation and Section PS3150 Tangible Capital Assets. As a result of these changes, the Town has recorded its tangible capital assets for 2009 with prior year information restated to conform with the current year presentation. In addition, the statements reflect the new consolidated statement of changes in net assets and no longer reflect the statements of operating, capital and reserve funds.

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Reserves and reserve funds

Reserves and reserve funds comprise of funds set aside for specific purposes by the Town Council and funds which are set aside for specific purposes by legislation, regulation or agreement. For financial reporting purposes, reserve funds set aside by legislation, regulation or agreement are reported as a liability entitled obligatory reserve funds on the consolidated statement of financial position.

Use of estimates

The preparation of these consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Employee future benefits

The present value of providing employees with future benefit programs is expensed as employees earn these entitlements through service. The cost of benefits earned by employees is determined using management's best estimate of retirement ages of employees and expected health care and dental costs. Vacation entitlements are accrued for as entitlements are earned.

Deferred revenue

Funds received for specific purposes are accounted for as deferred revenue until the Town discharges the obligation, which led to the receipt of the funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(i) Tangible capital assets

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

	Useful Life - Years
Transportation infrastructure	25-100
Environmental infrastructure	25-100
Facilities	10-40
Vehicles	7-9
Machinery and equipments	5-11
Land Improvements	25-100

Amortization is pro rated to 6 months in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

(iii) Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. Tangible capital assets conveyed from Developers are recorded at the estimated engineering value at time of registration.

(iv) Interest capitalization

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Budget figures

The operating budget approved by Town Council for 2009 is reflected on the consolidated statement of operations. In compliance with CICA Section PS1200 Financial Statement Presentation and Section PS3150 Tangible Capital Assets, actual expenditures on completed capital projects which produce a tangible capital asset is included in the additions of tangible capital assets on the Statement of Financial Position and not included in the Statement of Operations. Budgeted amounts for tangible capital assets reclassified to the Statement of Financial Position remain on the Statement of Operations as originally approved by Council.

Investment income

Investment income earned is reported as revenue in the period earned. Investment income earned on development charges (obligatory reserve funds) is added to the fund balance and forms part of the deferred revenue balance.

Government transfers

Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

2. CASH

	2009	2008
	\$	\$
Unrestricted cash, held at the bank and petty cash	8,264,859	5,597,419
Restricted cash, held at the bank	6,989,977	4,997,120
Total Cash	15,254,836	10,594,539

3. ACCOUNTS RECEIVABLE

Accounts receivable include amounts due of \$36,910 (2008 - \$44,221) from certain property owners pursuant to loans extended under the Tile Drainage Act.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

4. EMPLOYEE AND ELECTED OFFICIAL FUTURE SALARIES AND BENEFITS PAYABLE

The Town provides certain employee and elected official benefits that will require funding in future periods. The Town pays certain health, dental and life insurance benefits to the age of 65 on behalf of those retired employees that were employed by the Town for 15 years or more.

The Town recognizes the cost of its post retirement non-pension benefit costs, vacation entitlement obligations, in the period in which the employee rendered the services.

The Town has a “pay for performance program” for senior management that is paid in the subsequent fiscal period based on an evaluation of accomplishments for the fiscal year. The cost of the “pay for performance” program is recognized in the period in which the employee rendered the services.

The Town also pays severance to elected officials based on length of continuous service to a maximum of 6 months remuneration. Severance cost obligations for elected officials are recognized in the period in which the elected official rendered the services.

	2009	2008
	\$	\$
Vacation pay and “banked” overtime	200,189	191,148
Council severance	102,806	102,806
Accrued post retirement non-pension benefits	203,477	190,000
Pay for performance program	73,792	29,997
Total Employee future benefits payable	580,264	513,951

Actuarial evaluations for accounting purposes are performed every three years using the projected benefit method prorated on services. The most recent draft actuarial report was prepared at December 31, 2008. The average remaining service period of the active employees covered by the benefit plan is thirteen years for 2008. As there have been no significant changes in staff composition or claims history, nor have there been any major deviations from the assumptions made for the December 31, 2008 valuation, the 2009 benefit liability was estimated extrapolating from the amount of full time salaries and wages.

The actuarial valuation for the year ended December 31, 2009 has not yet been completed, and will be available later in 2010 for disclosure in the 2010 financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

4. EMPLOYEE AND ELECTED OFFICIAL FUTURE SALARIES AND BENEFITS PAYABLE (continued)

General Inflation

Future general inflation levels were assumed to increase at 2.0% per year.

Interest (discount) rate

The present value of the post employment benefit liability was determined using a discount rate of 5.0%.

Health costs

Health costs were assumed to increase at an average increase of 6.7% per year for 2008 and 2009 reducing to 4.0% per year over 11 years.

Dental costs

Dental costs were assumed to increase at an average increase of 4.0% in 2009 and thereafter.

5. OBLIGATORY RESERVE FUNDS

A requirement of PSAB is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Town are summarized below:

	2009	2008
	\$	\$
Development charges	1,611,912	763,103
Parkland	609,926	321,728
Total obligatory reserve funds	2,221,838	1,084,831

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

6. NET LONG-TERM DEBT WITH THE REGION OF YORK

The Town has assumed responsibility for the payment of principal and interest charges on certain long-term debt issued by the Region of York. As at December 31, the outstanding principal amount of this debt is as follows:

	2009 \$	2008 \$
Installment debenture bearing interest at 6.4% payable semi-annually with the principal amount payable in annual installments as set out by the Region of York. The debenture was issued in connection with the East Gwillimbury Community Centre (Sharon Arena) and matured in December 2009.	-	372,000
Installment debenture issued pursuant to the Tile Drainage Act. This debt will be recovered through special annual drainage rates upon lands in respect of which the funds have been borrowed, therefore an equal amount is included within accounts receivable on the consolidated statement of financial position. This debt matures in April 2016.	36,910	44,221
Sinking fund debenture bearing interest at 11.5% per annum payable semi-annually in January and July. In addition, \$104,968 is to be deposited annually into the sinking fund for the payment of the principal of the said debenture. The debenture was issued in connection with the Town Civic Centre and matures in January 2011.	2,700,000	2,700,000
Total value of sinking funds which have been accumulated to year end to retire the outstanding long-term debt	(2,533,707)	(2,297,508)
Total net long-term debt with the Region of York	203,203	818,713

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

6. NET LONG-TERM DEBT WITH THE REGION OF YORK (Continued)

Repayments of the long-term debt are due as follows:

	\$
2010	112,817
2011	66,807
2012	5,804
2013	6,204
2014	3,650
Thereafter	7,921
Net long-term debt with the Region of York	203,203

The Town anticipates future earnings of sinking funds of \$43,592 (2008 - \$87,588) to retire the debt at the end of its term. Total interest charges for the year for net long-term debt included in the consolidated statement of operations are \$337,213 (2008 - \$358,295).

The long-term debt issued on behalf of the Town has received approval of the Ontario Municipal Board for the debt approved on or before December 31, 1992. Debt approved after January 1, 1993 has been approved by by-law. The annual principal and interest payments required to service this debt are within the annual debt repayment limit prescribed by the Ontario Ministry of Municipal Affairs and Housing.

7. CHANGE IN ACCOUNTING POLICIES

The Town has implemented PSAB Sections PS1200 Financial Statement Presentation and PS3150 Tangible Capital Assets. Section PS1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section PS3150 requires governments to record and amortize their tangible capital assets in their financial statements. Prior year figures have been restated on the same basis wherever possible, to be comparable with the current year data.

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

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The Town applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets of which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would prove a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost, either the Non-residential Building Construction Price Index (NRBCPI) or Consumer Price Index (CPI) was used to deflate the replacement or reproduction cost to an estimated historical cost at the year of acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

8. TANGIBLE CAPITAL ASSETS

Cost	Balance as at		Disposals/ Transfers	Balance as at	
	December 31, 2008	Additions		December 31, 2009	
	\$	\$	\$	\$	
Transportation infrastructure	47,842,239	1,330,318	(471,237)	48,701,320	
Environmental infrastructure	75,552,703	3,336,697	(110,932)	78,778,468	
Facilities	13,788,453	9,750	(21,937)	13,776,266	
Vehicles	7,564,487	298,580	(126,194)	7,736,873	
Machinery and equipment	2,902,130	351,613	(540,055)	2,713,688	
Land improvements	5,800,280	337,015	-	6,137,295	
Land	22,210,233	89,100	(175,970)	22,123,363	
	175,660,525	5,753,073	(1,446,325)	179,967,273	
Capital work in progress	274,136	1,042,621	(428,025)	888,732	
	175,934,661	6,795,694	(1,874,350)	180,856,005	
Accumulated amortization					
	Balance as at December 31, 2008	Amortization Charge for the year	Disposals	Balance as at December 31, 2009	
	\$	\$	\$	\$	
Transportation infrastructure	19,332,123	1,476,609	(471,237)	20,337,495	
Environmental infrastructure	26,383,074	1,564,730	(110,932)	27,836,872	
Facilities	7,294,598	382,848	(21,937)	7,655,509	
Vehicles	3,104,256	607,428	(69,805)	3,641,879	
Machinery and equipment	1,560,949	340,591	(538,078)	1,363,462	
Land improvements	1,824,890	240,728	-	2,065,618	
	59,499,890	4,612,934	(1,211,989)	62,900,835	
Net book value					
	December 31, 2008			December 31, 2009	
	\$			\$	
Transportation infrastructure	28,510,116			28,363,825	
Environmental infrastructure	49,169,629			50,941,596	
Facilities	6,493,855			6,120,757	
Vehicles	4,460,231			4,094,994	
Machinery and equipment	1,341,181			1,350,226	
Land improvements	3,975,390			4,071,677	
Land	22,210,233			22,123,363	
	116,160,635			117,066,438	
Capital work in progress	274,136			888,732	
	116,434,771			117,955,170	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

8. TANGIBLE CAPITAL ASSETS (continued)

a) Assets under construction

Assets under construction and other capital work in progress having a value of \$888,732 (2008 - \$274,135) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$4,232,115 (2008 - \$186,024).

9. NET TAXATION CHARGES

Net taxation charges consist of the following:

	2009 \$	2008 \$
Total taxes levied by the Town	36,693,148	34,789,931
Less		
Taxes levied on behalf of the Region of York	14,989,009	14,330,815
Taxes levied on behalf of the School Boards	11,116,764	10,240,414
Total net taxation charges	10,587,375	10,218,702

10. COMMITMENTS

The Town has entered into agreements to lease office equipment and vehicles for various periods until 2011. Minimum lease amounts payable for equipment in aggregate and for each of the next four years is as follows:

Minimum lease amount payable are due as follows:

	\$
2010	22,304
2011	2,933
Total minimum least amount payable	25,237

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

11. PENSION PLAN

The Town makes contributions to the Ontario Municipal Employees' Retirement Fund plan ("OMERS"), a multi-employer pension plan, on behalf of all full-time employees. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all participating Ontario municipalities and their employees. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit. Contributions to the OMERS pension plan amounted to \$456,205 (2008 - \$442,948) for the year in respect of the current service.

12. CONTINGENCIES

The Town is subject to various legal claims arising in the normal course of its operations. The ultimate outcome of these claims cannot be determined at this time; however, the Town's management believes that the ultimate resolution of these matters will not have a material adverse effect on its financial position.

13. INSURANCE COVERAGE

The Town is self insured for insurance claims up to \$10,000 for any individual claim and for any number of claims arising out of a single occurrence.

The Town has made provisions for reserves for self insurance claims under \$10,000 to be used for those claims that exceed the sum provided for in the annual budget. These reserves are included in the Accumulated Surplus under reserves set aside by Council.

The Town was a member of the Ontario Municipal Insurance Exchange which became a licensed group for liability insurance coverage on October 1, 1996. The Town's insurance is now with another carrier. Contributions have been made to the fund for claims in excess of \$10,000 and under \$50,000,000. These contributions have been reported as expenditures on the Consolidated Statement of Operations.

14. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

15. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

	2009	2008
	\$	\$
Town unallocated surplus (deficit)	540,044	(579,542)
Reserves		
General Capital	2,178,886	193,090
Parks Structures	411,951	10,526
Library	79,658	59,190
Public Works Roads	104,887	104,182
Working Capital/Tax Stabilization	2,922,702	4,585,279
Election	92,912	68,404
Vehicle & Equipment Replacement – Tax Levy	572,326	124,814
Vehicle & Equipment Replacement – Water & Sewer	158,622	118,088
Water Rate Stabilization	563,295	554,439
Sewer Rate Stabilization	(9,915)	(15,547)
Emergency Services Training	-	(4,614)
Information Technology	114,874	116,490
Insurance	(23,298)	(42,705)
Buildings	456,016	89,177
Ross Family Banquet	169,177	175,760
Building Code Enforcement	68,695	447,508
Reserve – Planning Act	(339,744)	-
Infrastructure – Water	291,700	344,587
Infrastructure – Sewer	903,245	928,049
CPI Development fees	(83,046)	-
Reserve – Real Estate Legal & Administration	120,005	-
Community Capital Contribution		
- Environment & Watershed Enhancement	31,707	-
- Ineligible Due to Level of Service	246,680	-
- 10% Mandatory DC Reduction	124,016	-
- Parkland Acquisition	160,754	-
- Administration Facilities	150,925	-
- Art & Culture Heritage	77,999	-
Library	25,840	18,733
Total reserves	9,570,869	7,875,450
Investment in tangible capital assets	117,955,170	116,434,770
Less: amount financed by long term debt	(203,203)	(818,713)
	127,862,880	122,911,965

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

16. SEGMENTED INFORMATION

The Town provides a range of services to its citizens. For management reporting and stewardship purposes, all operations are organized and reported by the services they supply.

Town services are provided by departments and their activities are reported. The following departments have been separately disclosed in the segmented information, along with a description of their services. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

(a) *General government*

All support staff and services are included here such as Town Council, the Office of the CAO, Clerks including By-Law, and Treasury.

(b) *Protection*

Protection is comprised of emergency services and Building Code enforcement. These departments are responsible for maintaining and enhancing public safety through emergency management planning, prevention and public education programs, enforcement and emergency response.

(c) *Transportation*

The Transportation department is responsible for the Town's infrastructure. This includes the safety and maintenance of the Town's paved roads, sidewalks, street lights, trees, traffic control devices and the school crossing guard program.

(d) *Environment*

This segment consists of water and waste water and waste/recycling collection.

(e) *Recreation*

The Recreation department is responsible for the planning, administration, operation and maintenance of municipal parks and facilities. Recreation and leisure services are provided through leisure programs as well as parks, playgrounds, open spaces and trail systems.

(f) *Planning*

The Planning and building services department administers and oversees key aspects of the land use and development approval process in the Town.

(g) *Library*

The Library serves the members of the public in their leisure, informational and cultural quests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

15. SEGMENTED INFORMATION (continued)

(h) *Elimination*

Eliminating entries are necessary for consolidation purposes to eliminate transactions which are recorded by both the Library and the Town. Eliminating entries are equal reductions of revenues and expenses which do not change the net income of the consolidated entity.

Certain allocation methodologies are employed in the preparation of segmented financial information. Government grants, user charges, transfers from other funds, and other revenues are allocated to the specific program or service they relate to. Internal and external expenses are allocated. Activity based costing is used to allocate internal support costs to departments. These costs include the net expenditures for departments, such as human resources, information systems, finance and others, commonly referred to as overhead. Measures of activity, or drivers, are used to apportion the support costs.

	2009 \$	2008 \$	2009 \$	2008 \$
	CONSOLIDATED		GENERAL GOVERNMENT	
Expenditures				
Salaries and wages	7,869,404	7,541,605	1,081,123	1,342,246
Materials	3,714,437	3,780,044	1,012,081	940,400
Contracted services	5,884,464	4,834,023	1,154,076	797,072
Amortization	4,612,844	4,392,252	260,257	232,681
	22,081,149	20,547,924	3,507,537	3,312,839
Revenues				
Net taxation charges	(10,587,375)	(10,218,702)	(10,585,275)	(10,218,702)
User charges	(5,306,849)	(5,615,548)	(56,610)	(53,246)
Charges to developers	(5,844,651)	(1,444,075)	(831,333)	(173,930)
Grants	(573,747)	(550,649)	(225,700)	(254,300)
Penalties on taxes	(481,408)	(443,119)	(481,408)	(443,119)
Investment income	(221,141)	(398,009)	(221,141)	(398,009)
Other	(2,043,829)	(4,405,458)	(144,432)	(3,385,030)
	(25,059,000)	(23,075,560)	(12,545,899)	(14,926,336)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

15. SEGMENTED INFORMATION (continued)

	2009 \$	2008 \$	2009 \$	2008 \$
	PROTECTION		TRANSPORTATION	
Expenditures				
Salaries and wages	1,843,652	1,792,873	1,299,469	1,195,937
Materials	282,569	288,133	665,788	670,981
Contracted services	246,691	314,823	1,160,258	654,263
Amortization	457,209	449,197	1,677,785	1,576,822
	2,830,121	2,845,026	4,803,300	4,098,003
Revenues				
Net taxation charges	-	-	(2,100)	-
User charges	(539,449)	(1,191,289)	(3,106,363)	(187,182)
Charges to developers	-	-	(1,368,024)	(410,948)
Grants	-	-	(179,998)	(219,447)
Penalties on taxes	-	-	-	-
Investment income	-	-	-	-
Other	(159,856)	(164,416)	(700,670)	(561,779)
	(699,305)	(1,355,705)	(5,357,155)	(1,379,356)
	ENVIRONMENT		RECREATION	
Expenditures				
Salaries and wages	1,280,231	1,170,109	1,641,922	1,567,849
Materials	171,725	151,386	1,413,286	1,479,283
Contracted services	2,115,574	1,681,726	544,488	764,433
Amortization	1,583,840	1,512,085	555,121	549,881
	5,151,370	4,515,306	4,154,817	4,361,446
Revenues				
Net taxation charges	-	-	-	-
User charges	(6,210)	(2,628,062)	(1,036,517)	(1,015,968)
Charges to developers	(2,960,501)	(30,734)	(249,397)	(274,408)
Grants	-	-	(114,940)	-
Penalties on taxes	-	-	-	-
Investment income	-	-	-	-
Other	(69,008)	(86,168)	(792,618)	(142,178)
	(3,035,719)	(2,744,964)	(2,193,472)	(1,432,554)

SCHEDULE OF SEGMENT DISCLOSURE

Year ended December 31, 2009

15. SEGMENTED INFORMATION (continued)

	2009 \$	2008 \$	2009 \$	2008 \$
	PLANNING		LIBRARY	
Expenditures				
Salaries and wages	961,329	768,992	687,261	627,961
Materials	(23,836)	(18,638)	192,824	268,500
Contracted services	663,377	621,265	-	-
Amortization	-	-	78,632	71,586
	1,600,870	1,371,619	958,717	968,047
Revenues				
Net taxation charges	-	-	-	-
User charges	(561,700)	(539,802)	-	-
Charges to developers	(435,396)	(554,055)	-	-
Grants	(21,250)	(21,055)	(957,442)	(980,208)
Penalties on taxes	-	-	-	-
Investment income	-	-	-	-
Other	(130,855)	(42,000)	(46,391)	(23,887)
	(1,149,201)	(1,156,912)	(1,003,833)	(1,004,095)
	ELIMINATION			
Expenditures				
Salaries and wages	(925,583)	(924,362)		
Materials	-	-		
Contracted services	-	-		
Amortization	-	-		
	(925,583)	(924,362)		
Revenues				
Net taxation charges	-	-		
User charges	-	-		
Charges to developers	-	-		
Grants	925,583	924,362		
Penalties on taxes	-	-		
Investment income	-	-		
Other	-	-		
	925,583	924,362		