

Consolidated financial statements of

**The Corporation of the
Town of Richmond Hill**

December 31, 2010

The Corporation of the Town of Richmond Hill

December 31, 2010

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Independent Auditor's Report

To the Members of Council, Inhabitants and
Ratepayers of the Corporation of the Town of Richmond Hill

We have audited the accompanying consolidated financial statements of the Corporation of the Town of Richmond Hill, which comprise the consolidated statement of financial position as at December 31, 2010, and the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Town of Richmond Hill as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
November 14, 2011

The Corporation of the Town of Richmond Hill

Consolidated statement of financial position

as at December 31, 2010


(In thousands of dollars)

	2010	2009 (Restated - Note 7)
	\$	\$
Financial assets		
Cash and cash equivalents	70,199	19,253
Investments (Note 2)	266,572	318,420
Taxes and payments-in-lieu receivable (Note 4)	29,279	31,307
Accounts receivable	88,553	84,641
	454,603	453,621
Liabilities		
Accounts payable and accrued liabilities	51,067	35,546
Other liabilities	6,488	5,939
Deferred revenue (Note 5)	120,883	140,589
Employee future benefits (Note 6)	8,838	8,088
	187,276	190,162
Net financial assets	267,327	263,459
Non-financial assets		
Tangible capital assets (Note 17)	640,795	579,230
Inventory	288	272
Prepaid expenses	490	310
	641,573	579,812
Accumulated surplus (Note 8)	908,900	843,271


Commitments (Note 14)

Contingency (Note 15)

Approved by Council



Dave Darrow
Mayor



The accompanying summary of significant accounting policies
and notes are an integral part of these financial statements.

The Corporation of the Town of Richmond Hill

Consolidated statement of operations

year ended December 31, 2010

(In thousands of dollars)

		2010	2009
	Budget (Unaudited - Note 16)	Actual	Actual (Restated - Note 7)
	\$	\$	\$
Revenues			
Taxation (Note 9)	309,385	320,786	305,399
Less amounts received for Region and School Boards	(235,365)	(245,696)	(232,621)
	74,020	75,090	72,777
User charges	53,503	56,230	53,296
Grants (Note 10)	4,493	17,742	1,849
Permits, penalties, rents and other	14,891	15,998	12,371
Investment income	17,813	18,521	18,007
Revenue recognized on contributed tangible capital assets	9,000	26,811	8,678
Developer and other contributions earned	4,634	30,157	19,229
Total revenues	178,354	240,549	186,207
Expenses (Note 12)			
General government	27,592	26,457	26,560
Protection to persons and property	22,757	23,768	23,230
Transportation services	12,679	11,662	13,499
Environmental services	42,583	43,986	37,573
Recreation and cultural services	35,576	35,966	35,875
Planning and development	6,496	5,981	4,181
Community grants	181	187	223
Amortization of tangible capital assets	24,997	26,913	24,996
Total expenses	172,861	174,920	166,137
Annual surplus	5,493	65,629	20,070
Accumulated surplus, beginning of year	843,271	843,271	823,201
Accumulated surplus, end of year	848,764	908,900	843,271

The accompanying summary of significant accounting policies
and notes are an integral part of these financial statements.

The Corporation of the Town of Richmond Hill

Consolidated statement of change in net financial assets

year ended December 31, 2010

(In thousands of dollars)

	2010		2009
	Budget (Unaudited - Note 16)	Actual	Actual (Restated - Note 7)
	\$	\$	\$
Annual surplus	5,493	65,629	20,070
Acquisition of tangible capital assets	(26,812)	(88,863)	(45,695)
Amortization of tangible capital assets	24,997	26,913	24,996
(Gain) loss on disposal of tangible capital assets	-	(257)	154
Proceeds from sale of tangible capital assets	-	642	161
Change in prepaid expenses	-	(180)	77
Change in inventory	-	(16)	(55)
Change in net financial assets	3,679	3,868	(292)
Net financial assets, beginning of year	263,459	263,459	263,751
Net financial assets, end of year	267,138	267,327	263,459

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Town of Richmond Hill

Consolidated statement of cash flows

year ended December 31, 2010

(In thousands of dollars)

	2010	2009 (Restated - Note 7)
	\$	\$
Operating activities		
Annual surplus	65,629	20,070
Items not involving cash:		
Amortization of tangible capital assets	26,913	24,996
Revenue recognized on contributed capital assets	(26,811)	(8,678)
(Gain) loss on disposal of tangible capital assets	(257)	154
Change in non-cash assets and liabilities		
Change in taxes and payments-in-lieu receivable	2,028	(8,766)
Change in inventory	(16)	(55)
Change in prepaid expenses	(180)	77
Change in accounts receivable	(3,912)	(23,349)
Change in accounts payable and accrued liabilities	15,521	(623)
Change in other liabilities	549	(1,145)
Change in deferred revenue	(19,706)	20,530
Change in employee future benefits liability	750	2,056
	60,508	25,267
Capital activities		
Acquisition of tangible capital assets	(62,052)	(37,017)
Proceeds from sale of tangible capital assets	642	161
	(61,410)	(36,856)
Investing activity		
Change in investments	51,848	(721)
Net change in cash during the year	50,947	(12,310)
Cash, beginning of year	19,253	31,563
Cash, end of year	70,199	19,253

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

1. Summary of significant accounting policies

The consolidated financial statements of The Corporation of The Town of Richmond Hill (the "Town") are the representations of management prepared in accordance with accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Significant accounting policies adopted include:

(a) *i) Reporting entity*

These consolidated financial statements reflect the assets, liabilities, accumulated surplus, revenues, expenses and annual surplus of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees controlled by the Town, including the following:

Richmond Hill Public Library Board

Village of Richmond Hill Business Improvement Area

All material inter-entity and interfund transactions and balances are eliminated on consolidation.

ii) Accounting for region and school boards

The taxation, other revenues, expenses, assets, and liabilities with respect to the operations of The York Region District School Board, The York Catholic District School Board, and The Region of York are not reflected in the municipal fund balances of these consolidated financial statements.

iii) Trust Funds

Trust funds and their related operations administered by the Town are not included in the consolidated financial statements.

(b) *Basis of accounting*

i) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and bankers acceptances, all of which are highly liquid, subject to insignificant risk of changes in value and have a short-term maturity of less than 90 days.

ii) Investments

Investments are recorded at the lower of cost or market value.

iii) Revenues and expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

iv) 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 lives extending beyond the current year and are not intended for sale in the ordinary course of operations. Tangible capital assets and other non-financial assets are accounted for as assets by the Town because they can be used to provide services in future periods.

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

1. Summary of significant accounting policies (continued)

(b) Basis of accounting (continued)

iv) 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 assets. The costs, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Asset subcategory	Useful life - (years)
General assets		
Land		Indefinite
Land improvement	Parks and parkettes	10 - 40
	Parking lots	15
Buildings	Structural and architectural	40
	Mechanical	25
	Electrical	20
Vehicles	Vehicles	3 - 10
Machinery and equipment	Fire equipment	5 - 15
	Arena and fitness equipment	4 - 20
	Hardware and software	4 - 15
Other	Library collection	4 - 12
Infrastructure		
Transportation network	Traveled roads	20
	Sidewalks and walkways	40 - 80
	Bridges and culverts	30 - 100
Water network	Water main	50 - 100
	Valves	35
	Water meter	20
Waste water	Sanitary sewers	75 - 100
	Pump and lift station	10 - 50
Storm Water	Storm sewer	30 - 100

Amortization

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives. One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value as the date of receipt and also are recorded as revenue.

Intangible assets

Intangible assets are not recognized as assets in the financial statements

Interest capitalization

The Town's tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of tangible capital assets.

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

1. Summary of significant accounting policies (continued)

(b) Basis of accounting (continued)

iv) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v) Deferred revenue

Deferred revenue represents government transfers, user charges, development charges and other 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.

vi) Employee future benefits

The present value of the cost of providing employees with future benefits programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.

Actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of all employees covered.

vii) Investment income

Investment income earned on operating funds, capital funds, reserves and reserve funds (other than obligatory reserve funds) is reported as revenue in the period earned.

Investment income earned on development charges and parkland obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

viii) Government transfers

Government transfers are recognized in the financial statements as revenue in the financial period in which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be determined.

ix) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenditures during the period. Actual results could differ from these amounts. Significant estimates include employee future benefits and amortization of tangible capital assets.

2. Investments

Investments in the consolidated statement of financial position are reported at cost. Investments had a market value of \$307,278 (2009 - \$356,835) at the end of the year. They consist of investments pursuant to provisions of the Town's investment policy and comprise government and corporate bonds, debentures and long-term instruments of various financial institutions.

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

3. Trust Funds

Trust funds administered by the Town amount to \$22 (2009 - \$65). As the Town holds these funds in trust for the benefit of others, they are not presented as part of the Town's financial position or operations.

4. Taxes and payments-in-lieu receivable

The balance in taxes and payments-in-lieu receivable, including penalties and interest, is comprised of the following:

	2010	2009
	\$	\$
Current year	17,407	19,384
Previous years	9,722	9,811
Penalties and interest	2,150	2,112
	29,279	31,307

5. Deferred revenue

Deferred revenue represents government transfers, 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. The following is the current status of the deferred revenues:

	2010	2009
	\$	\$
Obligatory Reserve Funds		
Development charges	86,669	108,008
Parkland	18,570	19,029
Government transfers	12,633	9,954
Other	1,322	1,678
Deferred revenue - general	1,689	1,920
Total	120,883	140,589

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

5. Deferred revenue (continued)

Continuity of deferred revenue is as follows:

	2010	2009
	\$	\$
Balance, beginning of year	140,589	120,059
Developer and other contributions collected	15,609	13,244
General deferred revenues collected	1,689	1,920
Federal gas tax grant collected	5,005	4,290
Roads and bridges grant collected	-	650
Stimulus funds and Recreational Infrastructure Canada grant collected	-	17,588
Other conditional grants collected	-	130
Interest earned	2,705	2,324
	25,008	40,146
Less		
Developer and other contributions recognized in capital operations	25,084	12,882
Federal gas tax grant recognized in capital operations	2,036	3,993
Stimulus funds and Recreational Infrastructure Canada grant recognized	14,842	-
Developer and other contributions recognized in current operations	833	1,154
General deferred revenues recognized	1,920	1,587
	44,715	19,616
Balance, end of year	120,883	140,589

6. Employee future benefits

(a) Employee future benefits

Health and dental benefits

Employee future benefits include health and dental benefits that the Town of Richmond Hill pays on behalf of its current and retired employees. The Town recognizes these post-retirement costs as they are earned during the employees' tenure of service.

Vested sick leave benefit

Under the sick leave benefit plan available only to the Town's firefighters, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Town's employment, provided they have ten years of service.

The benefit liability at December 31, 2010 of \$7,338 (2009 - \$6,898) was determined by actuarial update. The accrued benefit liability and the expense for the year ended December 31, 2010 were based on an actuarial update of the December 31, 2008 actuarial valuation.

An actuarial loss is being amortized on a straight-line basis over the expected average remaining service life, estimated to be 14 years.

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

6. Employee future benefits (continued)

(a) Employee future benefits (continued)

The significant actuarial assumptions employed in the actuarial valuations are as follows:

i) General inflation

Future general inflation levels were assumed to be 2.0% in 2010 and thereafter.

ii) Interest (discount) rate

The present value as at December 31, 2010 of the future benefits was determined using a discount rate of 5%. This corresponds to the assumed inflation rate plus an assumed rate of return of 3%.

iii) Health costs

Utilization weighted average health costs were assumed to increase at 7.8% rate for 2008 and gradually reduce to a 4.5% increase in 2029 and remain at that level thereafter.

iv) Dental costs

Dental costs were assumed to increase at 4.5% for 2010 and thereafter.

(b) Workplace Safety and Insurance Board Liability

Effective January 1, 1994, the Corporation of the Town of Richmond Hill became a Schedule II employer under the Workplace Safety and Insurance Act and follows a policy of self insurance for all its employees.

The Workplace Safety and Insurance Board (WSIB) liability at December 31, 2010 of \$1,500 (2009 - \$1,190) was determined by an actuarial update for the year ended December 31, 2010.

Information about the Town's employee future benefits liability is as follows:

	Retirees	WSIB	2010	2009
	\$	\$	\$	\$
Accrued future benefits liability,				
beginning of year	6,898	1,190	8,088	6,032
Current service costs	425	331	756	688
Interest accrued	366	115	481	424
Benefits paid during the period	(385)	(252)	(637)	(568)
Plan amendments	20	-	20	1,379
Amortization of actuarial loss	14	116	130	133
Employee future benefits liability,				
end of year	7,338	1,500	8,838	8,088
Accrued benefit obligations	7,508	2,292	9,800	9,195
Unamortized actuarial loss	(169)	(793)	(962)	(1,107)
Employee future benefits liability,				
end of year	7,339	1,499	8,838	8,088

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

7. Prior period adjustment

During 2010, the Richmond Hill Library Board completed an analysis of library materials that had either been lost or discarded in 2009 and prior years. As a result of this analysis, the Library has prepared a retroactive adjustment to restate the carrying value of library materials as reported in prior years. The effect of these changes on the 2009 comparative figures is as follows:

Financial statement item	Previously reported	Change	Balance as restated
	\$	\$	\$
Statement of financial position			
Tangible capital assets	580,311	(1,081)	579,230
Accumulated surplus	844,352	(1,081)	843,271
Statement of operations			
Amortization	25,352	(356)	24,996
Annual surplus	20,426	(356)	20,070
Statement of change in net financial assets			
Amortization of tangible capital assets	25,352	(356)	24,996
Acquisition of tangible capital assets	46,382	(687)	45,695
Statement of cash flows			
Amortization of tangible capital assets	25,352	(356)	24,996
Acquisition of tangible capital assets	37,704	(687)	37,017

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

8. Accumulated surplus

Accumulated surplus consists of the following:

	2010	2009 (Restated - Note 7)
	\$	\$
Surplus		
Operating funds	365	435
Unspent capital funds	27,835	35,897
Invested in tangible capital assets	640,795	579,230
Unfunded employees future benefits	(8,838)	(8,088)
Unfunded vacation pay	(40)	(28)
	660,117	607,446
Reserves set aside for special purposes by Council		
Elections	-	325
Contingencies	18,700	18,500
Acquisition of tangible capital assets	3,698	5,522
Operations and special purposes	11,872	12,182
Total Reserves	34,270	36,529
Reserve funds set aside for special purposes by Council		
Acquisition of tangible capital assets	144,809	136,498
Insurance	1,282	1,243
WSIB	4,453	3,551
Fire fighters' sick leave	1,480	1,506
Operations and special purposes	62,489	56,497
Total reserve funds	214,513	199,296
Total accumulated surplus	908,900	843,271

9. Taxation

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Municipal Council establishes the tax rates annually, incorporating amounts to be raised for local services, the requisitions made by the Region of York in respect to Regional services and amounts the Town is required to collect on behalf of the School Board(s) in respect of education taxes. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessments can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the Town upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose no collection risk.

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

10. Grants

	2010	2009
	\$	\$
Government of Canada	9,615	968
Province of Ontario	8,127	881
	17,742	1,849

11. Segment information

The Town of Richmond Hill is a diversified municipal government that provides a wide range of services to its residents, including water, fire, library, and arena. For management reporting purposes the municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to accomplish certain objectives in accordance with special regulations, restrictions or limitations. Town services are provided by departments/divisions and their activities are reported in these funds. Divisions that have been separately disclosed in the segmented information are as follows:

General government

Corporate and Financial services department is primarily responsible for the provision of internal services that support the work of management and staff across all municipal departments as well as for the provision of external services to the public. These services are provided through governance and corporate management divisions that include Council, Town Clerk, Information Technology, Human Resources, Taxation, and Corporate Finance.

Protection to person and property

Protection is comprised of the Fire service and Regulatory Services divisions. The Fire Service is responsible to provide fire suppression service; fire prevention, training and other emergency services to the Town of Richmond Hill. The Fire Services responds to a variety of calls including fires, medical assistance, rescue, auto extrication, public assistance, spills, and release of materials hazardous to the environment.

The Regulatory Services division ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards, parking, and by-law for the protection of occupants.

Transportation services

The Environment & Infrastructure Service (EIS) department provides the majority of the capital transportation services, such as roads design construction, maintenance, and assessment of infrastructure. The roads section of Community Services (CS) department is responsible for the maintenance for all municipal roads, sidewalks, storm sewers, road and sidewalk snow clearing and winter control.

Environmental services

The EIS department and Public Works Operations of the Community Services department provide environmental services. The EIS department is responsible for the capital design and construction of water, wastewater, and sewer infrastructure. The operation and maintenance of the Town's water, wastewater, and sewage infrastructure is the responsibility of the Public Works Operations Division of the Community Services Department.

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

11. Segment information (continued)

Recreation and cultural services

The Community Services department provides public services that contribute to neighborhood development and sustainability through the provision of parks operations, recreation, and leisure services such as fitness, skating, and aquatic programs. The department also contributes towards information and cultural needs of the Town's residents through the provision of theater services and special events. Library services provided by the Richmond Hill Library Board are also included.

Planning and development

The Planning and Regulatory Services department manages urban development, local neighborhood planning, community development and heritage matters. It deals with planning from a broad policy perspective, formulating and promoting long-term planning policy. The Heritage Richmond Hill (HRH) Committee provides advice on Heritage matters, as well as recommendations to Council under the Ontario Heritage Act with respect to the heritage designation of properties. The Development Section processes and makes recommendations on development applications. Such applications include Official Plan and zoning by-law amendments, plans of subdivisions and site plans. The Committee of Adjustment processes applications related for minor variances and consents to sever parcels of land

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements. See Schedule 1 for additional disclosure of segment information.

12. Classification of expenses by object

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

	2010	2009 (Restated - Note 7)
	\$	\$
Salaries, wages and employee benefits	76,194	72,274
Operating materials and supplies	25,899	25,356
Contracted services	41,797	38,413
Rents and financial expenses	3,925	4,870
External transfers to others	192	228
Amortization of tangible capital assets	26,913	24,996
Total expenses by object	174,920	166,137

13. Pension agreements

The Town is required to participate in and make contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The contribution rate for 2010 was 6.4% (2009 – 6.3%) up to CPP earnings limit and 9.7 % above CPP earnings limit (2009 – 9.5%). The amount contributed to OMERS for 2010 was \$3,840 (2009- \$3,750) for current service and is included as an expense on the consolidated statement of operations.

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

14. Commitments

- (a) The term of the Town of Richmond Hill Public Library leases extends for a period of four (4) years and expires March 31, 2015. The fixed annual obligations over the next four years are as follows:

	\$
2011	87
2012	90
2013	93
2014 to 2015	96
	<u>366</u>

- (b) The Town leases land under agreement for Elvis Stojko Arena that expires December 31, 2015. The obligations over the remaining life of the lease are as follows:

	\$
2011	39
2012	40
2013	41
2014 to 2015	85
	<u>205</u>

- (c) The Town of Richmond Hill has entered into various contracts for maintenance and repairs of the Town's infrastructure. The obligations over the remaining life of these contracts are as follows:

	\$
2011	5,752
2012	3,432
2013	2,006
2014 to 2016	1,100
	<u>12,290</u>

- (d) The Town of Richmond Hill continues to be in a contract for the handling of garbage, recycling materials, and snow removal. The obligations over the remaining life of this contract are as follows:

	\$
2011	7,911
2012	8,105
2013	7,714
2014	1,940
	<u>25,670</u>

- (e) The Town of Richmond Hill has entered into contracts for the construction of major tangible capital assets. The unpaid portion of these contracts amounted to \$36,857 as at December 31, 2010 (2009- \$31,220).

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

15. Contingency

The Town is the defendant in several legal actions claiming personal, property and other damages. Many of these claims are being handled by the Town's insurers. The outcome of these actions is not determinable as at the date of reporting and accordingly, to the extent not covered by insurance or inclusion in the financial statements, management is of the opinion that no liability would be material to the Town's financial position.

16. Budget figures

The budgets originally approved by Town Council for 2010, adjusted as noted below, are reflected on the consolidated statement of operations and consolidated statement of change in net financial assets.

- a) An amount for amortization expense has been added and is based on management's best estimate of amortization expense determined at the beginning of the year. Amortization expense was not included in the original council approved budget.
- b) Amounts for the cost of contributed tangible capital assets and the related revenue have been added and are based on management's best estimate of the value of contributed tangible capital assets determined at the beginning of the year. Neither the cost of the contributed tangible capital assets nor the revenue was included in the original council approved budget.
- c) Amounts included in the original council approved capital budget which are not recognized as tangible capital assets are included in consolidated statement of operations under the appropriate functional expense category, while those recognized as tangible capital assets are include in the consolidated statement of change in net financial assets.

Budget figures have been reclassified for purposes of these consolidated financial statements to comply with PSAB reporting requirements and are not audited.

The Corporation of the Town of Richmond Hill

Notes to the consolidated financial statements

December 31, 2010

(In thousands of dollars)

17. Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, or betterment of the asset.

	2010	2010 (Restated - Note 7)
	Net book value	Net book value
	\$	\$
General		
Land	70,432	63,948
Land improvements	48,940	47,482
Buildings	139,378	143,447
Vehicles	6,429	6,821
Machinery and equipment	8,751	8,223
Other	5,911	5,918
Total general	279,841	275,839
Infrastructure		
Land	8,440	6,817
Roads network	115,514	102,039
Water network	46,205	42,152
Wastewater network	41,656	38,071
Storm water network	116,012	101,787
Total infrastructure	327,827	290,866
Work in progress	33,127	12,525
Total	640,795	579,230

a) Contributed Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and this amount is also recorded as revenue.

The value of contributed tangible assets received during the year is \$ 26,811 (2009 - \$8,678) comprised of roads infrastructure in the amount of \$8,413 (2009 - \$6,544), water and wastewater infrastructure in the amount of \$7,023 (2009 - \$2,134), storm water \$10,114 (2009 - \$nil), and land \$1,261 (2009 - \$nil).

b) Capital Work in Progress (WIP)

Tangible capital assets under construction are not amortized until the assets are available for productive use. The value of WIP at the end of year is \$ 33,127 (2009 - \$ 12,525).

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 2).

Consolidated schedule of segment disclosure - Schedule 1
year ended December 31, 2010

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Town of Richmond Hill

Consolidated schedule of segment disclosure - Schedule 1
year ended December 31, 2009

2009
(Restated
- Note 7)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health and Social Services	Recreation and Culture	Planning and Development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Salaries, wages and employees benefits	15,741	21,126	7,831	2,445	-	21,951	3,180	72,274
Operating materials and supplies	5,222	1,448	1,944	4,445	-	11,296	1,001	25,356
Contracted services	1,674	587	3,581	30,309	-	2,262	-	38,413
Rents and financial expenses	3,923	69	143	374	-	361	-	4,870
External transfer to others	-	-	-	-	223	5	-	228
Amortization expenses	2,352	813	8,817	3,893	-	9,121	-	24,996
Total expenses	28,912	24,043	22,316	41,466	223	44,996	4,181	166,137
Revenues								
Tax revenues	13,365	11,970	6,647	20,183	115	18,322	2,175	72,777
User charges	1,218	1,004	414	37,128	-	11,894	1,638	53,296
Grants	293	-	897	366	-	293	-	1,849
Permits, penalties, rents and other	1,497	554	-	-	-	1,876	3,250	7,177
Fines and Penalties	3,283	562	1,349	-	-	-	-	5,194
Investment income	7,303	-	2,552	7,883	-	269	-	18,007
Developers contribution	3,238	643	7,375	809	-	6,777	387	19,229
Contributed tangible capital assets	-	-	4,543	4,135	-	-	-	8,678
Total revenues	30,197	14,733	23,777	70,504	115	39,431	7,450	186,207
Annual surplus (deficit)	1,285	(9,310)	1,461	29,038	(108)	(5,565)	3,269	20,070

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Town of Richmond Hill

Consolidated schedule of tangible capital assets - Schedule 2
year ended December 31, 2010

	General					Infrastructure						WIP		Total
	Land	Improvements	Land	Buildings	Vehicles	Machinery & Equipment	Other (Infrastructure)	Land	Roads Network	Water Network	Wastewater Network	Storm Water Network		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost														
Balance, beginning of year	63,948	74,882		211,106	14,661	17,129	13,713	6,817	253,449	59,416	48,956	137,814	12,525	914,416
Add: Additions during the year	6,484	4,856		2,122	1,023	1,718	1,608	1,623	17,789	5,331	4,235	14,457	27,817	88,863
WIP completed	-	267		10	-	725	-	-	3,887	203	-	1,923	(7,016)	-
Contributed assets	-	-		-	-	-	-	1,261	8,413	3,499	3,524	10,114	-	-
Less: Disposals during the year	-	(648)		-	(1,095)	(712)	(476)	-	(745)	(221)	(15)	(48)	-	(3,960)
Balance, end of year	70,432	79,357		213,238	14,589	18,860	14,845	8,440	274,380	64,729	53,176	154,146	33,127	999,319
Accumulated amortization														
Balance, beginning of the year	-	27,400		67,659	7,840	8,908	7,795	-	151,410	17,264	10,885	36,027	-	335,186
Add: Amortization during the year	-	3,549		6,201	1,324	1,895	1,614	-	8,148	1,425	640	2,117	-	26,913
Less: Accumulated amortization on disposals	-	(532)		-	(1,004)	(692)	(475)	-	(592)	(165)	(5)	(10)	-	(3,575)
Balance, end of year	-	30,417		73,860	8,160	10,109	8,934	-	158,866	18,524	11,520	38,134	-	358,524
Net book value of tangible capital assets	70,432	48,940		139,378	6,429	8,751	5,911	8,440	115,514	46,205	41,656	116,012	33,127	640,795

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Town of Richmond Hill

Consolidated schedule of tangible capital assets - Schedule 2
year ended December 31, 2009

	General					Infrastructure					WIP		Total 2009 (Restated - Note 7)
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Other	Land (Infrastructure)	Roads	Water Network	Wastewater Network	Storm Water Network		
Cost													
Balance, beginning of year	52,342	68,381	162,467	13,842	15,744	12,637	4,320	246,994	54,198	47,618	134,938	46,204	871,185
Add: Additions during the year	1,606	687	602	1,265	2,129	1,623	1,997	6,716	4,367	1,399	2,875	20,488	45,695
WIP completed	-	5,232	48,037	-	-	-	-	-	898	-	-	(54,167)	-
Less: Disposals during the year	-	(418)	-	(446)	(744)	(547)	-	(261)	(47)	(1)	-	-	(2,464)
Less: Discards	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	53,948	74,882	211,106	14,661	17,129	13,713	6,317	263,449	59,416	48,966	137,814	12,525	914,416
Accumulated amortization													
Balance, beginning of the year	-	24,398	62,168	7,162	7,547	6,794	-	143,832	15,988	10,279	34,181	-	312,339
Add: Amortization during the year	-	3,395	5,491	1,074	1,905	1,519	-	7,839	1,321	607	1,846	-	24,987
Less: Accumulated amortization on disposals	-	(393)	-	(396)	(546)	(508)	-	(261)	(45)	(1)	-	-	(2,159)
Balance, end of year	-	27,400	67,659	7,840	8,906	7,795	-	151,410	17,264	10,885	36,027	-	335,186
Net book value of tangible capital assets	53,948	47,482	143,447	6,821	8,223	5,918	6,317	102,039	42,152	38,071	101,787	12,525	579,230

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.