

**The Corporation of the
Town of Ingersoll
Consolidated Financial Statements
For the year ended December 31, 2009**

**The Corporation of the Town of Ingersoll
Consolidated Financial Statements
For the year ended December 31, 2009**

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Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Ingersoll

We have audited the statement of financial position of the The Corporation of the Town of Ingersoll as at December 31, 2009 and the statements of operations, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation of the Town of Ingersoll's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

BDO Canada LLP

Chartered Accountants, Licenced Public Accountants

Stratford, Ontario
March 31, 2010

**The Corporation of the Town of Ingersoll
Consolidated Statement of Financial Position**

December 31	2009	2008
		Restated (see Note 1)
Financial assets		
Cash and cash equivalents	\$ 3,139,472	\$ 3,233,473
Taxes receivable	766,722	749,879
Accounts receivable	1,539,237	1,265,944
Investment in government business enterprise (Note 2)	9,937,374	10,144,224
	15,382,805	15,393,520
Liabilities		
Accounts payable and accrued liabilities	1,532,708	986,181
Employee benefits liability (Note 3)	417,051	465,119
Deferred revenue (Note 4)	1,304,799	1,715,220
Net long-term debt (Note 5)	3,592,319	1,413,249
	6,846,877	4,579,769
Net financial assets	8,535,928	10,813,751
Non-financial assets		
Tangible capital assets (Note 6)	55,341,699	49,862,025
Prepaid expenses and inventories of supplies	140,599	108,082
	55,482,298	49,970,107
Accumulated surplus (Note 7)	\$ 64,018,226	\$ 60,783,858

Contingent liabilities (Note 12)

_____ Treasurer

_____ Mayor

The Corporation of the Town of Ingersoll
Consolidated Statement of Operations

For the year ended December 31	Budget 2009	2009	2008
	(Note 15)		Restated (see Note 1)
Revenue			
Taxation	\$ 8,634,704	\$ 8,624,169	\$ 8,253,831
Government grants - Federal (Note 8)	464,962	854,455	10,194
Government grants - Provincial (Note 9)	2,408,985	2,553,725	4,009,134
Municipal grants	668,877	516,698	512,680
User fees and service charges	1,199,930	1,049,545	1,043,863
Income (loss) from government business enterprises (Note 2)	-	(206,850)	45,390
Other (Note 10)	1,253,131	3,003,550	1,449,665
	<u>14,630,589</u>	<u>16,395,292</u>	<u>15,324,757</u>
Expenses			
General government	1,802,053	1,775,142	1,803,074
Protection services	3,623,065	3,643,681	3,680,579
Transportation services	2,415,290	2,882,033	4,095,211
Environmental services	216,073	428,745	408,147
Health services	109,932	122,954	100,227
Recreation and cultural services	3,694,199	3,941,363	3,844,301
Planning and development	308,725	367,006	339,183
	<u>12,169,337</u>	<u>13,160,924</u>	<u>14,270,722</u>
Annual surplus	<u>2,461,252</u>	<u>3,234,368</u>	<u>1,054,035</u>
Accumulated surplus, beginning of year, as previously stated	60,783,858	60,783,858	9,365,984
Prior period adjustment (Note 1)	-	-	50,363,839
Accumulated surplus, beginning of year, restated	<u>60,783,858</u>	<u>60,783,858</u>	<u>59,729,823</u>
Accumulated surplus, end of year	<u>\$ 63,245,110</u>	<u>\$ 64,018,226</u>	<u>\$ 60,783,858</u>

The Corporation of the Town of Ingersoll
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2009	2009	2008
	(Note 15)		Restated (see Note 1)
Annual surplus	\$ 2,461,252	\$ 3,234,368	\$ 1,054,035
Acquisition of tangible capital assets	(2,737,904)	(7,656,245)	(1,595,981)
Amortization of tangible capital assets	-	2,109,491	2,080,435
Loss (gain) on disposal of tangible capital assets	-	7,080	(25,514)
Proceeds on sale of tangible capital assets	-	60,000	42,874
	<u>(276,652)</u>	<u>(2,245,306)</u>	<u>1,555,849</u>
Acquisition of prepaid expenses and inventory of supplies	-	(32,517)	(14,982)
	-	(32,517)	(14,982)
Net change in net financial assets	(276,652)	(2,277,823)	1,540,867
Net financial assets, beginning of year	10,813,751	10,813,751	9,272,884
Net financial assets, end of year	\$ 10,537,099	\$ 8,535,928	\$ 10,813,751

The Corporation of the Town of Ingersoll
Consolidated Statement of Cash Flows

For the year ended December 31

2009

2008

		Restated (see Note 1)
Operating transactions		
Annual surplus	\$ 3,234,368	\$ 1,054,035
Items not involving cash		
Change in net equity - ERTH corporation	206,850	(45,390)
Amortization	2,109,491	2,080,435
Loss (gain) on disposal of tangible capital assets	7,080	(25,514)
Changes in non-cash operating balances		
Taxes receivable	(16,843)	(53,571)
Accounts receivable	(273,293)	1,051,859
Prepaid expenses and inventories of supplies	(32,517)	(14,982)
Accounts payable and accrued liabilities	546,527	(32,672)
Employee Benefits Plan liability	(48,068)	28,119
Deferred revenue	(410,421)	850,710
	<u>5,323,174</u>	<u>4,893,029</u>
Capital transactions		
Acquisition of tangible capital assets	(7,656,245)	(1,595,981)
Proceeds on sale of tangible capital assets	60,000	42,874
	<u>(7,596,245)</u>	<u>(1,553,107)</u>
Financing transactions		
Increase (decrease) in bank indebtedness	-	(1,483,486)
Proceeds from issuance of long-term debt	2,377,495	974,249
Repayment of long-term debt	(198,425)	(97,000)
	<u>2,179,070</u>	<u>(606,237)</u>
Net change in cash and cash equivalents	(94,001)	2,733,685
Cash and cash equivalents, beginning of year	<u>3,233,473</u>	<u>499,788</u>
Cash and cash equivalents, end of year	<u>\$ 3,139,472</u>	<u>\$ 3,233,473</u>

The Corporation of the Town of Ingersoll

Summary of Significant Accounting Policies

December 31, 2009

Management's Responsibility for the Financial Statements

The consolidated financial statements of the Corporation of the Town of Ingersoll are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The Corporation of the Town of Ingersoll is a municipality in the Province of Ontario and operates under the provisions of the Community Charter. The Corporation of the Town of Ingersoll provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the Corporation of the Town of Ingersoll.

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The following entities have been [proportionately] consolidated:

Ingersoll Rural Cemetery Board	87.5%
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All inter-entity transactions and balances have been eliminated.

The investments in government business enterprises are accounted for using the modified equity basis of accounting. Under this method, the government business enterprise's accounting policies, which follow Canadian generally accepted accounting principles for publicly accountable enterprises, are not adjusted to conform with Public Sector Accounting Standards and inter-entity transactions and balances are not eliminated. The following government business enterprises are reflected in the consolidated financial statements:

ERTH Corporation

Cash and Cash Equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

The Corporation of the Town of Ingersoll Summary of Significant Accounting Policies

December 31, 2009

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing the year subsequent when the asset is available for productive use as follows:

Land improvements	20 to 25 years
Facilities	25 to 100 years
Infrastructure	11 to 80 years
Vehicles, machinery and equipment	5 to 20 years

County and School Board

The Corporation of the Town of Ingersoll collects taxation revenue on behalf of the school boards and the County of Oxford. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

Trust Funds

Trust funds held in trust by the Corporation of the Town of Ingersoll, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately.

Retirement Benefits and Other Employee Benefit Plans

The Corporation of the Town of Ingersoll's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of other retirement benefits that accumulate over the period of service provided by employees are determined using the projected benefit method prorated on services based on management's best estimate.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Government Transfers

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

The Corporation of the Town of Ingersoll
Summary of Significant Accounting Policies

December 31, 2009

Revenue Recognition

Taxes are recognized as revenue in the year they are levied.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of services and other revenue are recognized on an accrual basis.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

1. Change in Accounting Policy

On January 1, 2009, the Corporation of the Town of Ingersoll adopted revised Public Sector Accounting Standards: Section 1000 - Financial Statement Concepts, Section 1100 - Financial Statement Objectives, Section 1200 - Financial Statement Presentation and Section 3150 - Tangible Capital Assets. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standards require the recognition of all non-financial assets including tangible capital assets, prepaid expenses and inventories of supplies as assets in the financial statements. In addition, revenue from contributed assets, and amortization on tangible capital assets was recorded in the statement of operations. This change in accounting policy has been applied retroactively with the restatement of the prior period. The impact of adopting the tangible capital asset standard was as follows:

	2008
<u>Statement of Financial Position</u>	
Increase in non-financial assets	\$ 50,363,839
Increase in accumulated surplus	\$ 50,363,839
<u>Statement of Operations</u>	
Increase (decrease) in revenue	
Contribution of capital assets from others	13,707
Decrease in other revenue	(29,954)
Total decrease in revenue	(16,247)
Increase (decrease) in expenses	
General government	88,767
Protection services	(290,507)
Transportation services	341,401
Environmental services	224,162
Health services	(8,854)
Recreational and cultural services	130,609
Total increase in expenses	\$ 485,578
Decrease in annual surplus	\$ (501,825)

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

2. Investment in Government Business Enterprise

ERTH Corporation is a corporation incorporated under the laws of the Province of Ontario. The Corporation of the Town of Ingersoll owns 42.32% of the outstanding shares. The investment in ERTH Corporation is comprised of the following:

	2009	2008
Promissory note receivable	\$ 4,543,500	\$ 4,543,500
Class A shares	1	1
Class B shares	4,543,499	4,543,499
Share of equity earnings	850,373	1,057,223
	9,937,373	10,144,223

The promissory note receivable from ERTH Corporation is unsecured and bears interest at 7.25% (2008 - 7.25%). The term of the note is undefined but no principal repayments are expected within the next twelve months. Interest received in the year and included in other income of the current fund is \$324,817 (2008 - \$329,404).

The following summarizes the financial position and operations of ERTH Corporation which have been reported in these financial statements using the modified equity method:

	2009	2008
Financial position		Restated (see Note 1)
Current	\$ 14,798,156	\$ 12,166,004
Capital	25,150,726	24,328,071
Regulatory and other assets	14,986,407	9,699,238
Total assets	\$ 54,935,289	\$ 46,193,313
Current	\$ 11,939,631	\$ 18,383,848
Other	1,491,533	1,323,848
Long-term debt	28,759,343	13,252,005
Total liabilities	\$ 42,190,507	\$ 32,959,701
Net assets		
Equity	\$ 12,744,782	\$ 13,233,612
Total net assets	\$ 12,744,782	\$ 13,233,612
Results of operations		
Revenue	\$ 53,628,712	\$ 49,293,572
Expenses	53,956,542	48,649,549
Net income for the year	\$ (327,830)	\$ 644,023

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

3. Employee Benefits Liability

	Accrued vacation payable	Sick leave benefits	Post employee benefits	Total 2009	Total 2008
Employee benefit liability	<u>20,000</u>	<u>75,850</u>	<u>321,201</u>	<u>417,051</u>	<u>465,119</u>

Post Employment Benefits

The Corporation of the Town of Ingersoll provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age.

Sick Leave Benefits

The Corporation of the Town of Ingersoll provides paid sick leave that can be carried forward up to a maximum defined by the employee group and may become entitled to cash payment when they leave the Town's employment. The Town has established a reserve to provide for past service liability in the amount of \$\$75,518 (2008 - \$65,033)

Pension Agreements

The Corporation of the Town of Ingersoll makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on length of service and rates of pay. The Corporation of the Town of Ingersoll paid \$241,743 (2008 - \$208,760) for employer contributions.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

4. Deferred Revenue

	Opening balance Restated (see Note 1)	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Dedicated gas tax	\$ 349,696	356,677	1,776	(311,221)	\$ 396,928
Development charges	445,806	40,800	1,970	(28,546)	460,030
Recreational land	79,682	1,060	480	(6,370)	74,852
Other restricted grants	764,876	60,566	1,727	(532,084)	295,085
Other	75,160	2,744	-	-	77,904
	<u>\$ 1,715,220</u>	<u>461,847</u>	<u>5,953</u>	<u>(878,221)</u>	<u>\$ 1,304,799</u>

Federal gas tax

Gas tax revenue is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Corporation of the Town of Ingersoll and the Government of Canada. Gas tax funding may be used towards designated environmentally sustainable municipal infrastructure and capacity building projects as specified in the funding agreements.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

5. Net Long-term Debt

Net long term debt reported on the statement of financial position is comprised of the following:

	<u>2009</u>	<u>2008</u>
		Restated (see Note 1)
Long term liabilities issued by the County of Oxford for which the Town has assumed responsibility for repayment	<u>\$ 3,592,319</u>	<u>\$ 1,413,249</u>

Principal repayments relating to net long term debt of \$3,592,319 outstanding are due as follows:

	<u>Principal Repayments</u>
2010	\$ 344,876
2011	355,479
2012	368,306
2013	255,366
2014	261,667
Thereafter	<u>2,006,625</u>
	<u>\$ 3,592,319</u>

The above long-term liabilities have maturity dates and interest rates ranging from 2012 to 2024 and 3.99% and 5.65% respectively.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

6. Tangible Capital Assets

						2009
	Land and Land Improvements	Facilities	Machinery and Equipment	Infrastructure	Total	
Cost, beginning of year	\$ 7,907,357	\$ 14,695,933	\$ 5,369,188	\$ 48,699,942	\$ 76,672,420	
Additions	117,628	32,375	884,470	6,621,771	7,656,244	
Disposals	(10,559)	-	(476,120)	(317,822)	(804,501)	
Cost, end of year	\$ 8,014,426	\$ 14,728,308	\$ 5,777,538	\$ 55,003,891	\$ 83,524,163	
Accumulated amortization, beginning of year						
Amortization	\$ 2,088,928	\$ 3,730,684	\$ 2,512,344	\$ 18,478,439	\$ 26,810,395	
Disposals	151,716	326,037	441,714	1,190,024	2,109,491	
Write-downs	(10,559)	-	(460,518)	(266,345)	(737,422)	
Accumulated amortization, end of year	\$ 2,230,085	\$ 4,056,721	\$ 2,493,540	\$ 19,402,118	\$ 28,182,464	
Net carrying amount, end of year	\$ 5,784,341	\$ 10,671,587	\$ 3,283,998	\$ 35,601,773	\$ 55,341,699	

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$2,302,993 (2008 - \$272,398). \$1,953,519 (2008 - \$13,707) in contributed (nature of capital assets) capital assets were recognized in the financial statements during the year. The Corporation of the Town of Ingersoll holds various historical treasures pertaining to the cheese factory museum. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

6. Tangible Capital Assets (continued)

	Land and land improvements	Facilities	Vehicles, Machinery and Equipment	Infrastructure	Total
Cost, beginning of year	\$ 7,893,109	\$ 14,443,143	\$ 5,234,171	\$ 48,279,029	\$ 75,849,452
Additions	14,248	252,790	825,615	503,328	1,595,981
Disposals		-	(690,598)	(82,415)	(773,013)
Cost, end of year	\$ 7,907,357	\$ 14,695,933	\$ 5,369,188	\$ 48,699,942	\$ 76,672,420
Accumulated amortization, beginning of year	\$ 1,931,681	\$ 3,408,352	\$ 2,777,065	\$ 17,368,515	\$ 25,485,613
Amortization	157,247	322,332	411,987	1,188,869	2,080,435
Disposals		-	(676,708)	(78,945)	(755,653)
Accumulated amortization, end of year	\$ 2,088,928	\$ 3,730,684	\$ 2,512,344	\$ 18,478,439	\$ 26,810,395
Net carrying amount, end of year	\$ 5,818,429	\$ 10,965,249	\$ 2,856,844	\$ 30,221,503	\$ 49,862,025

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

7. Accumulated Surplus

The Corporation of the Town of Ingersoll segregates its accumulated surplus in the following categories:

	2009	2008
		Restated (see Note 1)
Investment in tangible capital assets	\$ 55,341,699	\$ 49,862,025
Current Funds	(2,450,320)	(307,858)
Reserve Funds		
Working funds	192,278	192,278
Current purposes	469,673	420,904
Capital purposes	780,326	784,211
Sick leave	75,518	65,033
Industrial development	88,729	88,160
Investment in government business	9,937,374	10,144,224
Unfunded	(417,051)	(465,119)
	\$ 64,018,226	\$ 60,783,858

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

8. Government Transfers - Federal

	Budget 2009	2009	2008
	(Note 15)		Restated (see Note 1)
Federal Transfers			
Operating			
Unconditional	\$ 35,885	\$ 50,441	\$ 6,728
Federal gas tax revenue	-	675	-
Capital			
Infrastructure stimulus funding	72,400	492,793	3,466
Federal gas tax revenue	356,677	310,546	-
	\$ 464,962	\$ 854,455	\$ 10,194

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

9. Government Transfers - Provincial

	Budget 2009	2009	2008
	(Note 15)		Restated (see Note 1)
Provincial Transfers			
Operating			
Ontario municipal partnership fund	\$ 682,680	\$ 682,680	\$ 1,413,145
Unconditional	816,315	846,168	148,608
Capital			
Infrastructure stimulus funding	300,000	492,793	-
Paratransit fund	-	22,094	-
Other capital funding	609,990	509,990	2,447,381
	<u>\$ 2,408,985</u>	<u>\$ 2,553,725</u>	<u>\$ 4,009,134</u>

10. Other Income

	Budget 2009	2009	2008
	(Note 15)		Restated (see Note 1)
Penalties and interest on taxation	\$ 145,000	\$ 153,601	\$ 134,558
Other fines and penalties	15,900	15,542	18,172
Investment income	186,657	55,168	115,122
Licences, permits and rents	300,339	311,522	347,991
Donations	91,550	2,030,249	72,385
Prepaid special charges	-	68,248	64,986
Sales of publications, equipment, etc.	78,713	35,133	46,486
Government business enterprises	431,204	324,817	556,579
Other	3,768	9,270	93,386
	<u>\$ 1,253,131</u>	<u>\$ 3,003,550</u>	<u>\$ 1,449,665</u>

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

11. Expenses by Object

	Budget 2009	2009	2008
	(Note 15)		Restated (see Note 1)
Salaries, wages and employee benefits	\$ 5,606,993	\$ 5,447,309	\$ 5,545,814
Materials	3,453,587	2,695,268	3,118,679
Contracted services	2,917,488	2,719,236	3,361,303
Rent and financial expenses	40,995	38,817	54,921
Interest on long-term debt	68,924	68,926	28,563
Contributions to others	81,350	81,877	81,007
Amortization	-	2,109,491	2,080,435
	\$ 12,169,337	\$ 13,160,924	\$ 14,270,722

12. Contingent Liabilities

A significant ratepayer of the Town currently has appealed to the Assessment Review Board (ARB) with respect to the taxation years between 2001 to 2008. This same ratepayer has also filed vacancy rebate applications for its property. These appeals could potentially result in a reduction of taxes in the amount of \$9,073,000 which would be distributed between the Town, the County and School Boards. As there is considerable uncertainty surrounding both the hearing process and the potential settlement of reduction in taxation revenue an amount is not determinable at this time. The effect on taxation of the settlement of these appeals will be recorded in the fiscal year in which they can be determined.

13. Operations of School Boards and the County of Oxford

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Oxford:

	2009	2008
School boards	\$ 5,739,914	\$ 6,013,487
County of Oxford	5,665,277	5,581,999
	\$ 11,405,191	\$ 11,595,486

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

14. Funds Held in Trust

The trust funds administered by the municipality amounting to \$212,234 (2008 - \$207,709) have not been included in the consolidated financial statements. Certain assets have been conveyed or assigned to the Corporation of the Town of Ingersoll to be administered as directed by agreement or statute. The Corporation of the Town of Ingersoll holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries. The following trust funds and assets are excluded from the Corporation of the Town of Ingersoll's financial statements:

	2009	2008
		Restated (see Note 1)
Carroll	\$ 5,000	\$ 5,000
Cemetery Care and Maintenance	203,634	199,109
W.J. Bickerton	3,600	3,600
	\$ 212,234	\$ 207,709

15. Budget

The Financial Plan (Budget) By-Law adopted by Council on March 9, 2009 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on March 9, 2009 with adjustments as follows:

	2009
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	2,737,904
Budgeted transfers to accumulated surplus	622,961
Principal payments on debt	198,424
Less:	
Budgeted transfers from accumulated surplus	(1,098,037)
Budget surplus per statement of operations	\$ 2,461,252

The Corporation of the Town of Ingersoll
Notes to Consolidated Financial Statements

December 31, 2009

16. Segmented Information

The Corporation of the Town of Ingersoll is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This category relates to the revenues and expenses of the operations of the Municipality itself and cannot be directly attributed to specific segment.

Protection to Persons and Property

Protection is comprised of police services, fire protection and protective inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. Protective inspection provides services related to the enforcement of building and construction codes.

Transportation

Transportation is responsible for providing the Municipality's transit services.

Environmental

Environmental services provide waste disposal services for the Municipality's citizens.

Health

Health services relate to maintaining the Municipality's cemeteries.

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Municipality's citizens through recreational programs, youth centres and library services.

Planning and Development

This service area is responsible for the economic development of the Municipality and its merchants.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been measured on the basis of the actual cost of services provided. Taxation and grants attributable to a number of segments have been allocated to those segments based on the current fund expenses for the year.

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16. Segmented Information (continued)

For the year ended December 31	General government	Protection to persons and property	Transportation	Environmental	Health services	Recreation and cultural services	Planning and development	2009 Total
Taxation	\$ 1,276,983	\$ 2,567,400	\$ 1,711,539	\$ 153,115	\$ 78,555	\$ 2,617,806	\$ 218,771	\$ 8,624,169
Government grants - Provincial	190,365	1,031,101	2,117,666	112,801	-	455,469	17,477	3,924,879
User fees and service charges	29,307	63,255	45,937	3,691	23,672	853,568	30,115	1,049,545
Other	248,047	189,975	1,940,978	1,652	5,687	209,490	82,903	2,678,732
	<u>1,744,702</u>	<u>3,851,731</u>	<u>5,816,120</u>	<u>271,259</u>	<u>107,914</u>	<u>4,136,333</u>	<u>349,266</u>	<u>16,277,325</u>
Expenses								
Salaries and wages	1,083,860	953,060	986,929	15,457	-	2,253,410	154,593	5,447,309
Goods and services	506,010	2,572,039	710,440	188,811	121,628	1,223,857	212,413	5,535,198
Interest	-	-	-	-	-	68,926	-	68,926
Amortization	185,272	118,582	1,184,664	224,477	1,326	395,170	-	2,109,491
	<u>1,775,142</u>	<u>3,643,681</u>	<u>2,882,033</u>	<u>428,745</u>	<u>122,954</u>	<u>3,941,363</u>	<u>367,006</u>	<u>13,160,924</u>
Net revenues from ERTH Corporation	117,967	-	-	-	-	-	-	117,967
Net surplus (deficit)	\$ 87,527	\$ 208,050	\$ 2,934,087	\$ (157,486)	\$ (15,040)	\$ 194,970	\$ (17,740)	\$ 3,234,368

