

Consolidated Financial Statements of

**THE CORPORATION OF THE
TOWNSHIP OF SEGUIN**

Year ended December 31, 2013

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Financial Statements Index

Year ended December 31, 2013

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Township of Seguin (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

The Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Township. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

Tom Stockie
Chief Administrative Officer

Michele C. Fraser
Chief Financial Officer and Treasurer



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Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of Seguin

We have audited the accompanying consolidated financial statements of **The Corporation of the Township of Seguin** which comprise the consolidated statement of financial position as at December 31, 2013, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' 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 our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 includes 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, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Township of Seguin as at December 31, 2013 and its consolidated results of operations and the changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

May 5, 2014

Sudbury, Canada

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012
Financial assets:		
Cash	\$ 4,604,719	\$ 4,711,017
Taxes receivable	949,379	1,028,567
Accounts receivable	560,816	116,753
Harmonized sales tax rebate	278,057	186,815
Loan receivable (note 3)	152,646	47,405
Long-term loan (note 4)	45,008	48,531
	<u>6,590,625</u>	<u>6,139,088</u>
Financial liabilities:		
Accounts payable and accrued liabilities	1,332,505	1,043,034
Other current liabilities	60,079	91,892
Deferred revenue - Obligatory Reserve Funds (note 5)	379,338	210,221
Deferred revenue	1,260	51,377
Solid Waste Landfill closure and post-closure liabilities (note 10)	64,782	59,388
	<u>1,837,964</u>	<u>1,455,912</u>
Net financial assets	4,752,661	4,683,176
Non-financial assets:		
Tangible capital assets (note 12)	43,544,527	42,763,442
Inventories of supplies	26,652	23,603
Prepaid expenses	99,599	127,014
	<u>43,670,778</u>	<u>42,914,059</u>
Accumulated surplus (note 11)	<u>\$ 48,423,439</u>	<u>\$ 47,597,235</u>

The accompanying notes are an integral part of this consolidated financial statement.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Operations

Year ended December 31, 2013, with comparative information for 2012

	Budget 2013	Actual 2013	Actual 2012
Revenues:			
Property taxation	\$ 10,466,657	\$ 10,528,915	\$ 10,256,663
Taxation from other governments	29,816	27,861	32,517
User charges	740,456	786,018	804,857
Government transfers			
Municipal	40,000	42,040	40,273
Provincial	2,373,855	2,479,664	2,170,296
Federal	275,000	274,531	-
Park and lot levies earned	277,722	180,909	340,904
Federal Gas Tax earned	263,060	115,446	263,060
Investment income	50,233	76,435	71,476
Donations	7,301	6,677	18,977
Penalties and interest	250,000	215,519	239,330
Contribution from third parties	-	-	9,850
Gain on sale of equipment	-	11,537	-
Fines (POA)	82,780	75,450	67,599
Sale of land	-	60,125	78,627
Total revenue	14,856,880	14,881,127	14,394,429
Expenses:			
General government	1,744,047	1,602,684	1,720,332
Protection to persons and property	2,195,155	2,114,345	2,030,850
Transportation services	4,422,043	4,086,315	4,019,932
Environmental services	954,779	936,383	926,588
Health services	1,052,042	1,036,761	1,057,463
Social and family services	1,883,023	1,883,023	1,916,930
Recreational and cultural services	2,071,762	1,803,866	1,584,304
Planning and development	597,574	591,546	621,347
Total expenses	14,920,425	14,054,923	13,877,746
Annual surplus (deficit)	(63,545)	826,204	516,683
Accumulated surplus, beginning of the year	47,597,235	47,597,235	47,080,552
Accumulated surplus, end of year (note 11)	\$ 47,533,690	\$ 48,423,439	\$ 47,597,235

The accompanying notes are an integral part of this consolidated financial statement.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2013, with comparative information for 2012

	Budget 2013	Actual 2013	Actual 2012
Annual surplus	\$ (63,545)	\$ 826,204	\$ 516,683
Acquisition of tangible capital assets	(2,652,800)	(2,620,195)	(1,910,125)
Amortization of tangible capital assets	1,828,215	1,828,210	1,787,200
Loss (gain) of sale of tangible capital assets	-	(11,537)	2,788
Proceeds on sale of tangible capital assets	-	22,437	48,845
	(888,130)	45,119	445,391
Acquisition of prepaid expenses	(100,000)	(99,599)	(127,014)
Use of prepaid expenses	127,014	127,014	50,900
Acquisition of inventories of supplies	(25,000)	(26,652)	(23,603)
Consumption of inventories of supplies	23,603	23,603	16,306
Change in net financial assets	(862,513)	69,485	361,980
Net financial assets, beginning of the year	4,683,176	4,683,176	4,321,196
Net financial assets, end of the year	\$ 3,820,663	\$ 4,752,661	\$ 4,683,176

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

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 826,204	\$ 516,683
Items not involving cash:		
Amortization of tangible capital assets	1,828,210	1,787,200
Loss (gain) on sale of tangible capital assets	(11,537)	2,788
Change in solid waste landfill closure and post-closure liabilities	5,394	669
	<u>2,648,271</u>	<u>2,307,340</u>
Change in non-cash assets and liabilities:		
Taxes receivable	79,188	413,737
Accounts receivable	(444,063)	14,417
Harmonized sales tax rebate	(91,242)	25,085
Accounts payable and accrued liabilities	289,471	149,298
Other current liabilities	(31,813)	8,063
Deferred revenue - Obligatory Reserve Funds	169,117	(180,010)
Deferred revenue	(50,117)	47,530
Inventories of supplies	(3,049)	(7,297)
Prepaid expenses	27,415	(76,114)
	<u>2,593,178</u>	<u>2,702,049</u>
Capital activities:		
Proceeds on sale of tangible capital assets	22,437	48,845
Developer contributions of tangible capital assets	-	(9,850)
Cash used to acquire tangible capital assets	(2,620,195)	(1,900,275)
	<u>(2,597,758)</u>	<u>(1,861,280)</u>
Financing activities:		
Principal repayments on net long-term liabilities	-	(295,069)
	<u>-</u>	<u>(295,069)</u>
Investing activities:		
Loan receivable	(105,241)	(47,405)
Long-term loan	3,523	10,424
	<u>(101,718)</u>	<u>(36,981)</u>
Net change in cash	(106,298)	508,719
Cash and cash equivalents, beginning of year	4,711,017	4,202,298
Cash and cash equivalents, end of year	\$ 4,604,719	\$ 4,711,017

The accompanying notes are an integral part of this consolidated financial statement.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies:

The consolidated financial statements of the Corporation of the Township of Seguin (the "Township") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) Reporting entity:

(i) Basis of consolidation:

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and fund balances of the reporting entity and include the activities of all committees of Council and the following boards and municipal enterprises which are under the control of Council:

Seguin Public Library Board

All interfund assets, liabilities, revenues and expenses have been eliminated.

(ii) Non-consolidated entities:

The following joint local boards are not consolidated:

District of Parry Sound Social Services Administration Board
Muskoka Parry Sound Health Unit
Belvedere Heights Home for the Aged
Parry Sound Area Municipal Airport Commission
911 Emergency Services

(iii) Accounting for school board transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these consolidated financial statements.

(iv) Trust funds:

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately. These funds amounted to \$149,056 (2012 - \$145,156).

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(b) Basis of accounting:

(i) Accrual basis of accounting:

The accrual basis of accounting recognizes revenues as they become available and measurable; expenses 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.

(ii) Tangible capital assets:

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

Asset	Useful Life - Years
Buildings	40
Furniture, fixtures, equipment and books	5 - 20
Vehicles and machinery	10 - 25
Land improvements	25 - 40
Bridges and culverts	30 - 45
Linear assets, excluding bridges and culverts	40 - 50

Landfill sites are amortized using the units of production method based upon capacity used during the year.

Amortization in the year of acquisition and in the year of disposal is charged at 50% of the annual amortization. Assets under construction are not amortized until the asset is available for productive use.

(iii) Contributions of tangible capital assets:

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

(iv) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(v) Works of art and cultural and historic assets:

Works of arts and cultural and historic assets are not recorded as assets in the financial statements.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(vi) Pensions and employee benefits:

The Township accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS") a multi-employer public sector pension fund, as a defined contribution plan. Vacation entitlements are accrued for as entitlements are earned.

(vii) Solid waste management liabilities:

Solid waste management liabilities are accounted for on the accrual basis as a charge to environmental services expenses (note 10).

(vii) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowances for accounts receivable, loans receivable and solid waste landfill closure and post-closure liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Operations of School Boards:

During the year, requisitions were made by the School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	2013	2012
Property taxes	\$ 6,582,998	\$ 6,812,059
Payments in lieu of taxation	7,295	12,715
Amounts levied by Township	\$ 6,590,293	\$ 6,824,774
Amounts requisitioned plus supplementary taxes	\$ 6,590,293	\$ 6,824,774

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2013

3. Loan receivable:

A loan in the amount of \$152,646 (2012 - \$47,405) is outstanding from the Parry Sound Area Municipal Airport Commission. The loan is unsecured and bears interest at prime less 1% and has no specified terms of repayment.

4. Long-term loan:

A loan in the amount of \$45,008 (2012 - \$48,531) is outstanding from the Parry Sound Area Municipal Airport Commission. The loan is unsecured and bears interest at prime less 1% and is repayable over 15 years. In the current year, payments have been suspended and will resume in January 2016, due in 2017.

5. Deferred revenue – Obligatory Reserve Funds:

The continuity of transactions within the obligatory reserve funds are as described below:

	Balance at December 31, 2012	Contributions received	Interest earned	Amounts taken to revenue	Balance at December 31, 2013
Parks and Recreation reserves	\$ 206,992	53,676	4,206	(115,112)	149,762
Federal gas tax reserves	3,229	262,333	2,058	(115,446)	152,174
Building permits	-	77,402	-	-	77,402
	\$ 210,221	393,411	6,264	(230,558)	379,338

6. Pension agreements:

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employee 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 benefit to be received by the employees based on the length of service and rates of pay.

The contribution required on account of current service for 2013 of \$247,133 (2012 - \$208,481) is included in the current fund expenditures.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2013

7. Contributions to Unconsolidated Joint Boards:

The following contributions were made by the Township to these joint boards:

	2012	2012
District of Parry Sound Social Services Administration Board	\$ 1,498,521	\$ 1,555,790
Muskoka Parry Sound Health Unit	117,630	111,887
Belvedere Heights Home for the Aged	384,502	361,139
Parry Sound Area Municipal Airport Commission	41,380	41,320
911 Emergency Services	3,340	3,342
	\$ 2,045,373	\$ 2,073,478

8. Collateral guarantee:

The Township has provided to the Canadian Imperial Bank of Commerce a guarantee for a portion of the long-term loan of Belvedere Heights Home for the Aged. The Township's guarantee is in the amount of \$1,234,119. The Township does not expect to have to act on this guarantee.

9. Public Sector Salary Disclosure:

During 2012, four employees were paid a salary of \$100,000 or more by the Township, as defined in the Public Sector Salary Disclosure Act, 1996.

10. Solid waste landfill closure and post-closure liabilities:

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill sites based on usage.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability and would be recognized prospectively, as a change in estimate, when applicable.

Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at a rate of 5% (2012 - 5%) minus an inflation rate of 2.0% (10 year average CPI from 1995 to 2004). The estimated total landfill closure and post-closure care expenditures are calculated to be \$90,708 (2012 - \$83,257). The estimated liability for these expenditures is recognized as the landfill site's capacity is used. At December 31, 2013, an amount of \$64,782 (2012 - \$59,388) with respect to landfill closure and post-closure liabilities has been accrued.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2013

10. Solid waste landfill closure and post-closure liabilities (continued):

The Christie landfill site has a remaining capacity of 29.07% with a remaining life of approximately 15-22 years. The period for post-closure care is estimated to be 10 years.

The Humphrey landfill site has been closed. The period for post-closure care is estimated to be 15 years.

11. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as

	2013	2012
Surplus:		
Invested in tangible capital assets	\$ 43,544,527	\$ 42,763,442
Library	(14,623)	398
Other	100,000	100,000
Unfunded:		
Landfill closure costs	(64,782)	(59,388)
Total surplus	43,565,122	42,804,452
Reserves set aside by Council:		
Working capital	1,516,907	1,515,907
Election	54,175	41,175
Winter control	72,904	101,752
Official Plan review	20,083	22,583
Salary Grid Movement	371,230	303,024
Firefighter compensation	83,675	27,675
Acquisition of capital assets:		
- Seguin Museum	7,236	6,806
- Cemetery	32,251	32,251
- Other	247,200	231,506
- Library	17,809	17,809
Total reserves	2,423,470	2,300,488
Reserve funds set aside for specific purpose by Council:		
Capital projects	1,696,447	1,978,898
Fire department	185,990	269,873
Equipment	530,045	221,435
Parks - Recreation programs and facilities	22,365	22,089
Total reserve funds	2,434,847	2,492,295
	\$ 48,423,439	\$ 47,597,235

follows:

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2013

12. Tangible capital assets:

Cost	Balance			Balance at December 31, 2013
	December 31, 2012	Additions	Disposals	
Land	\$ 647,041	\$ -	\$ -	\$ 647,041
Buildings	7,550,691	743,717	-	8,294,408
Furniture, fixtures and equipment	2,241,648	44,309	-	2,285,957
Land improvements	4,332,770	128,306	-	4,461,076
Vehicles and machinery	8,238,736	468,633	(18,551)	8,688,818
Linear Assets	47,730,654	958,927	-	48,689,581
Assets under construction	851,624	1,127,927	(851,624)	1,127,927
Total	\$ 71,593,164	\$ 3,471,819	\$ (870,175)	\$ 74,194,808

Accumulated amortization	Balance			Balance at December 31, 2013
	December 31, 2012	Disposals	Amortization expense	
Land	\$ -	\$ -	\$ -	\$ -
Buildings	2,609,867	-	195,263	2,805,130
Furniture, fixtures and equipment	1,329,766	-	144,605	1,474,371
Land improvements	728,041	-	116,379	844,420
Vehicles and machinery	3,977,273	(7,651)	362,673	4,332,295
Linear Assets	20,184,775	-	1,009,290	21,194,065
Assets under construction	-	-	-	-
Total	\$ 28,829,722	\$ (7,651)	\$ 1,828,210	\$ 30,650,281

	Net book value December 31, 2012	Net book value December 31, 2013
Land	\$ 647,041	\$ 647,041
Buildings	4,940,824	5,489,278
Furniture, fixtures and equipment	911,882	811,586
Land improvements	3,604,729	3,616,656
Vehicles and machinery	4,261,463	4,356,523
Linear Assets	27,545,879	27,495,516
Assets under construction	851,624	1,127,927
Total	\$ 42,763,442	\$ 43,544,527

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2013

12. Tangible capital assets (continued):

Cost	Balance at			Balance at
	December 31, 2011	Additions	Disposals	
Land	\$ 647,041	\$ -	\$ -	\$ 647,041
Buildings	7,505,548	45,143	-	7,550,691
Furniture, fixtures and equipment	1,945,216	296,432	-	2,241,648
Land improvements	4,252,398	80,372	-	4,332,770
Vehicles and machinery	7,953,348	491,554	(206,166)	8,238,736
Linear Assets	47,585,654	145,000	-	47,730,654
Assets under construction	-	851,624	-	851,624
Total	\$ 69,889,205	\$ 1,910,125	\$ (206,166)	\$ 71,593,164

Accumulated amortization	Balance at			Balance at
	December 31, 2011	Disposals	Amortization expense	
Land	\$ -	\$ -	\$ -	\$ -
Buildings	2,424,465	-	185,402	2,609,867
Furniture, fixtures and equipment	1,183,950	-	145,816	1,329,766
Land improvements	614,956	-	113,085	728,041
Vehicles and machinery	3,785,162	(154,533)	346,644	3,977,273
Linear Assets	19,188,522	-	996,253	20,184,775
Assets under construction	-	-	-	-
Total	\$ 27,197,055	\$ (154,533)	\$ 1,787,200	\$ 28,829,722

	Net book value	
	December 31, 2011	December 31, 2012
Land	\$ 647,041	\$ 647,041
Buildings	5,081,083	4,940,824
Furniture, fixtures and equipment	761,266	911,882
Land improvements	3,637,442	3,604,729
Vehicles and machinery	4,168,186	4,261,463
Linear Assets	28,397,132	27,545,879
Assets under construction	-	851,624
Total	\$ 42,692,150	\$ 42,763,442

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2013

12. Tangible capital assets (continued):

a) Assets under construction:

Assets under construction having a value of \$1,127,927 (2012 - \$851,624) 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 \$Nil (2012 - \$Nil).

c) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$Nil (2012 - \$Nil).

13. Segmented information:

The Township is a municipal government institution that provides a range of services to its citizens, including police, fire, transportation, recreational and environmental. For management reporting purposes the Township's operations and activities are organized and reported by department. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Township services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government: includes corporate services and governance of the Township. General Government is responsible for human resource management. Support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status is provided as well as frontline reception and customer service.

(b) Protection to persons and property: includes policing, fire protection, protective inspection and control and emergency measures. The mandate of the police services contract is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. Fire protection includes detection, extinguishing and suppression services; emergency medical first response; and prevention education and training programs. Inspection and control includes building inspection, by-law enforcement and dog control services.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2013

13. Segmented information (continued):

- (c) **Transportation Services:** This department provides the winter and summer maintenance, the repair and the construction of the municipal roads system including bridges and culverts.
- (d) **Environmental Services:** Includes the management and maintenance of the landfill site, transfer stations and waste collection system that serves the municipality.
- (e) **Health Services:** The Township provides ambulance services through the District Social Services Board.
- (f) **Social and Family Services:** The services are provided indirectly by the Township through the District Social Services Board and include family and children's services, as well as senior citizen services provided through Belvedere Heights Home for the Aged.
- (g) **Recreation and cultural services:** Provides recreation and leisure programs and facilities, including community halls, libraries, parks, recreation fields and arena. It also provides building maintenance services to all municipal facilities.
- (h) **Planning and Development:** Manages rural development for business interests, environmental concerns, heritage matters, local neighbourhoods and community development. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of the zoning by-law and official plan, and the provision of geographic information services.

For each segment separately reported in the schedule below, the segment revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These municipal services are funded primarily by taxation such as property tax revenue. Taxation and payments-in-lieu of taxes are apportioned to these services based on the net surplus. Certain government transfers, transfer from other funds, and other revenue have been apportioned based on a percentage of budgeted expenses.

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.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Schedule to Note 13 - Segmented Information

Year ended December 31, 2013, with comparative information for 2012

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2013
Revenues:									
Property taxation	\$ 1,200,613	1,583,912	3,061,167	701,469	776,665	1,410,622	1,351,324	443,143	10,528,915
Taxation from other governments	27,861	-	-	-	-	-	-	-	27,861
User charges	40,854	382,104	2,540	76,772	18,025	-	171,033	94,690	786,018
Other Municipalities	-	42,040	-	-	-	-	-	-	42,040
Province of Ontario grants	233,087	307,407	597,391	240,049	145,745	264,710	608,117	83,158	2,479,664
Government of Canada grants	-	-	-	-	-	-	274,531	-	274,531
Park and lot levies earned	-	-	-	-	-	-	180,909	-	180,909
Federal Gas Tax earned	-	-	115,446	-	-	-	-	-	115,446
Investment income	76,435	-	-	-	-	-	-	-	76,435
Donations and other	-	-	-	-	-	-	6,677	-	6,677
Penalties and interest on taxes	215,519	-	-	-	-	-	-	-	215,519
Contribution from third parties	-	-	-	11,537	-	-	-	-	11,537
Fines (POA)	-	75,450	-	-	-	-	-	-	75,450
Sale of land	60,125	-	-	-	-	-	-	-	60,125
	1,854,494	2,390,913	3,776,544	1,029,827	940,435	1,675,332	2,592,591	620,991	14,881,127
Expenses:									
Salaries, wages and benefits	1,002,385	784,707	1,006,094	273,919	29,505	-	677,052	350,130	4,123,792
Materials, services, rents and financial items	548,874	1,153,530	1,832,725	600,299	861,337	-	712,528	211,156	5,920,449
Transfer to other governments and the public	-	3,340	41,320	-	117,630	1,883,023	106,899	30,260	2,182,472
Amortization of tangible capital assets	51,425	172,768	1,206,176	62,165	28,289	-	307,387	-	1,828,210
	1,602,684	2,114,345	4,086,315	936,383	1,036,761	1,883,023	1,803,866	591,546	14,054,923
Annual surplus (deficit)	\$ 251,810	276,568	(309,771)	93,444	(96,326)	(207,691)	788,725	29,445	826,204

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Schedule to Note 13 - Segmented Information

Year ended December 31, 2013, with comparative information for 2012

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2012
Revenues:									
Property taxation	\$ 1,169,568	1,542,956	2,982,012	683,331	756,582	1,374,147	1,316,382	431,684	10,256,663
Taxation from other governments	32,517	-	-	-	-	-	-	-	32,517
User charges	49,275	419,039	5,522	49,988	20,242	-	153,891	106,900	804,857
Other Municipalities	-	40,273	-	-	-	-	-	-	40,273
Province of Ontario grants	229,885	309,802	589,490	229,569	148,710	270,096	307,895	84,850	2,170,296
Park and lot levies earned	-	-	-	-	-	-	340,904	-	340,904
Federal Gas Tax earned	-	-	263,060	-	-	-	-	-	263,060
Investment income	71,476	-	-	-	-	-	-	-	71,476
Donations and other	-	-	-	-	-	-	13,977	5,000	18,977
Penalties and interest on taxes	239,330	-	-	-	-	-	-	-	239,330
Contribution from third parties	-	-	-	-	-	-	9,850	-	9,850
Fines (POA)	-	67,599	-	-	-	-	-	-	67,599
Sale of land	78,627	-	-	-	-	-	-	-	78,627
	1,870,678	2,379,669	3,840,084	962,888	925,535	1,644,243	2,142,899	628,434	14,394,429
Expenses:									
Salaries, wages and benefits	962,754	811,021	917,627	285,641	26,935	-	728,396	344,349	4,076,724
Interest on long-term debt	4,679	-	-	-	-	-	-	-	4,679
Materials, services, rents and financial items	698,963	1,057,215	1,876,460	582,479	889,782	-	464,686	220,739	5,790,324
Transfer to other governments and the public	-	3,342	40,000	-	111,887	1,916,930	90,399	56,260	2,218,819
Amortization of tangible capital assets	53,936	159,271	1,185,845	58,467	28,859	-	300,822	-	1,787,200
	1,720,332	2,030,850	4,019,932	926,588	1,057,463	1,916,930	1,584,304	621,347	13,877,746
Annual surplus (deficit)	\$ 150,346	348,819	(179,848)	36,301	(131,928)	(272,687)	558,595	7,087	516,683