

Consolidated Financial Statements of

**THE CORPORATION OF THE
TOWNSHIP OF SEGUIN**

Year ended December 31, 2012

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Financial Statements Index

Year ended December 31, 2012

	Page
Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditors' Report	2 - 3
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 17
Schedules to Note 13 - Segmented Information	18 - 19

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 Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, 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, 2012, 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, 2012 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 Accountants, Licensed Public Accountants

May 6, 2013
Sudbury, Canada

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Financial Position

December 31, 2012, with comparative figures for 2011

	2012	2011
Financial assets:		
Cash	\$ 4,711,017	\$ 4,202,298
Taxes receivable	1,028,567	1,442,304
Accounts receivable	116,753	131,170
Harmonized sales tax rebate	186,815	211,900
Loan receivable (note 3)	47,405	-
Long-term loan (note 4)	48,531	58,955
	<u>6,139,088</u>	<u>6,046,627</u>
Financial liabilities:		
Accounts payable and accrued liabilities	1,043,034	893,736
Other current liabilities	91,892	83,829
Deferred revenue - Obligatory Reserve Funds (note 5)	210,221	390,231
Deferred revenue	51,377	3,847
Long-term liabilities	-	295,069
Solid Waste Landfill closure and post-closure liabilities (note 10)	59,388	58,719
	<u>1,455,912</u>	<u>1,725,431</u>
Net financial assets	4,683,176	4,321,196
Non-financial assets:		
Tangible capital assets (note 12)	42,763,442	42,692,150
Inventories of supplies	23,603	16,306
Prepaid expenses	127,014	50,900
	<u>42,914,059</u>	<u>42,759,356</u>
Accumulated surplus (note 11)	<u>\$ 47,597,235</u>	<u>\$ 47,080,552</u>

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

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Operations

Year ended December 31, 2012, with comparative figures for 2011

	Budget 2012	2012	2011
Revenues:			
Property taxation	\$ 10,276,446	\$ 10,256,663	\$ 10,203,104
Taxation from other governments	32,596	32,517	31,719
User charges	764,764	804,857	794,175
Government transfers:			
Municipal	-	40,273	137,190
Provincial	2,161,371	2,170,296	2,230,868
Park and lot levies earned	468,536	340,904	368,707
Federal Gas Tax earned	263,060	263,060	359,147
Investment income	49,360	71,476	59,706
Donations	7,000	18,977	10,802
Penalties and interest	260,000	239,330	275,559
Contribution from third parties	9,850	9,850	93,693
Fines (POA)	82,780	67,599	76,838
Sale of land	-	78,627	-
Other	-	-	4,538
Total revenue	14,375,763	14,394,429	14,646,046
Expenses:			
General government	1,965,723	1,720,332	1,624,442
Protection to persons and property	2,125,170	2,030,850	1,999,306
Transportation services	4,323,793	4,019,932	4,022,013
Environmental services	900,620	926,588	963,970
Health services	1,057,637	1,057,463	975,758
Social and family services	1,916,930	1,916,930	1,964,745
Recreational and cultural services	1,712,575	1,584,304	1,678,786
Planning and development	634,965	621,347	570,546
Total expenses	14,637,413	13,877,746	13,799,566
Annual surplus (deficit)	(261,649)	516,683	846,480
Accumulated surplus, beginning of the year	47,080,552	47,080,552	46,234,072
Accumulated surplus, end of year (note 11)	\$ 46,818,903	\$ 47,597,235	\$ 47,080,552

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

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Change in Net Financial Assets

December 31, 2012, with comparative figures for 2011

	2012	2011
Annual surplus	\$ 516,683	\$ 846,480
Acquisition of tangible capital assets	(1,910,125)	(1,365,926)
Amortization of tangible capital assets	1,787,200	1,850,126
Loss of sale of tangible capital assets	2,788	13,294
Proceeds on sale of tangible capital assets	48,845	15,500
	445,391	1,359,474
Acquisition of prepaid expenses	(127,014)	(50,900)
Use of prepaid expenses	50,900	20,138
Acquisition of inventories of supplies	(23,603)	(16,306)
Consumption of inventories of supplies	16,306	15,150
Change in net financial assets	361,980	1,327,556
Net financial assets, beginning of the year	4,321,196	2,993,640
Net financial assets, end of the year	\$ 4,683,176	\$ 4,321,196

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, 2012, with comparative figures for 2011

	2012	2011
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 516,683	\$ 846,480
Items not involving cash:		
Amortization of tangible capital assets	1,787,200	1,850,126
Loss on sale of tangible capital assets	2,788	13,294
Change in solid waste landfill closure and post-closure liabilities	669	1,082
	<u>2,307,340</u>	<u>2,710,982</u>
Change in non-cash assets and liabilities:		
Taxes receivable	413,737	(388,020)
Accounts receivable	14,417	232,191
Harmonized sales tax rebate	25,085	(61,252)
Loan receivable	(47,405)	-
Long-term loan	10,424	10,184
Accounts payable and accrued liabilities	149,298	160,724
Other current liabilities	8,063	(8,694)
Deferred revenue - Obligatory Reserve Funds	(180,010)	(258,184)
Deferred revenue	47,530	3,787
Inventories of supplies	(7,297)	(1,156)
Prepaid expenses	(76,114)	(30,762)
Net change in cash from operating activities	2,665,068	2,369,800
Capital activities:		
Proceeds on sale of tangible capital assets	48,845	15,500
Developer contributions of tangible capital assets	(9,850)	(93,693)
Cash used to acquire tangible capital assets	(1,900,275)	(1,272,233)
Net change in cash from capital activities	(1,861,280)	(1,350,426)
Financing activities:		
Principal repayments on long-term liabilities	(295,069)	(802,227)
Net change in financing activities	(295,069)	(802,227)
Net change in cash	508,719	217,147
Cash, beginning of year	4,203,279	3,986,132
Cash, end of year	\$ 4,711,998	4,203,279

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

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2012

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 Canadian Institute of Chartered Accountants. 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 \$145,156 (2011 - \$141,456).

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2012

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, 2011

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 generally accepted accounting principles 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:

	2012	2011
Property taxes	\$ 6,812,059	\$ 6,780,107
Payments in lieu of taxation	12,715	12,650
Amounts levied by Township	\$ 6,824,774	\$ 6,792,757
Amounts requisitioned plus supplementary taxes	\$ 6,824,774	\$ 6,792,757

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2012

3. Loan receivable:

A loan in the amount of \$47,405 (2011 - \$Nil) 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 \$48,531 (2011 - \$58,955) 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 ending in 2014.

5. Deferred revenue – Obligatory Reserve Funds:

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

	Balance at December 31, 2011	Contributions received	Interest earned	Amounts taken to revenue	Balance at December 31, 2012
Parks and Recreation reserves	\$ 388,245	57,210	3,968	(242,431)	206,992
Federal gas tax reserves	1,986	262,332	1,971	(263,060)	3,229
	\$ 390,231	319,542	5,939	(505,491)	210,221

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 2012 of \$208,481 (2011 - \$165,431) is included in the current fund expenditures.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2012

7. Contributions to Unconsolidated Joint Boards:

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

	2012	2011
District of Parry Sound Social Services Administration Board	\$ 1,555,790	\$ 1,571,481
Muskoka Parry Sound Health Unit	111,887	108,786
Belvedere Heights Home for the Aged	361,139	393,264
Parry Sound Area Municipal Airport Commission	41,320	41,200
911 Emergency Services	3,342	3,340
	<u>\$ 2,073,478</u>	<u>\$ 2,118,071</u>

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.

9. Public Sector Salary Disclosure:

During 2012, three 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% (2011 - 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 \$83,257 (2011 - \$82,149). The estimated liability for these expenditures is recognized as the landfill site's capacity is used. At December 31, 2012, an amount of \$59,388 (2011 - \$58,719) 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, 2012

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

The Christie landfill site has a remaining capacity of 28.4% with a remaining life of approximately 20 years. The period for post-closure care is estimated to be 15 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

	2012	2011
Surplus:		
Invested in tangible capital assets	\$ 42,763,442	\$ 42,397,081
Library	398	22,766
Other	100,000	100,000
Unfunded:		
Landfill closure costs	(59,388)	(58,719)
Total surplus	42,804,452	42,461,128
Reserves set aside by Council:		
Working capital	1,515,907	1,514,907
Election	41,175	28,175
Winter control	101,752	101,752
Official Plan review	22,583	45,018
Salary Grid Movement	303,024	178,850
Firefighter compensation	27,675	-
Acquisition of capital assets:		
- Seguin Museum	6,806	8,488
- Cemetery	32,251	32,251
- Other	231,506	202,782
- Library	17,809	17,809
Total reserves	2,300,488	2,130,032
Reserve funds set aside for specific purpose by Council:		
Capital projects	1,978,898	2,030,878
Fire department	269,873	182,186
Equipment	221,435	254,503
Parks - Recreation programs and facilities	22,089	21,825
Total reserve funds	2,492,295	2,489,392
	\$ 47,597,235	\$ 47,080,552

follows:

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2012

12. Tangible capital assets:

Cost	Balance at December 31, 2011	Additions	Disposals	Balance at December 31, 2012
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 December 31, 2011	Disposals	Amortization expense	Balance at December 31, 2012
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	Net book value 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, 2012

12. Tangible capital assets (continued):

Cost	Balance at December 31, 2010	Additions	Disposals	Balance at December 31, 2011
Land	\$ 647,041	\$ -	\$ -	\$ 647,041
Buildings	7,466,241	39,307	-	7,505,548
Furniture, fixtures and equipment	1,821,730	123,486	-	1,945,216
Land improvements	4,187,512	64,886	-	4,252,398
Vehicles and machinery	7,506,476	514,464	(67,592)	7,953,348
Linear assets	46,961,871	623,783	-	47,585,654
Assets under construction	-	-	-	-
Total	\$ 68,590,871	\$ 1,365,926	\$ (67,592)	\$ 69,889,205

Accumulated amortization	Balance at December 31, 2010	Disposals	Amortization expense	Balance at December 31, 2011
Land	\$ -	\$ -	\$ -	\$ -
Buildings	2,239,065	-	185,400	2,424,465
Furniture, fixtures and equipment	1,029,309	-	154,641	1,183,950
Land improvements	504,173	-	110,783	614,956
Vehicles and machinery	3,413,338	(38,798)	410,622	3,785,162
Linear assets	18,199,842	-	988,680	19,188,522
Assets under construction	-	-	-	-
Total	\$ 25,385,727	\$ (38,798)	\$ 1,850,126	\$ 27,197,055

	Net book value December 31, 2010	Net book value December 31, 2011
Land	\$ 647,041	\$ 647,041
Buildings	5,227,176	5,081,083
Furniture, fixtures and equipment	792,421	761,266
Land improvements	3,683,339	3,637,442
Vehicles and machinery	4,093,138	4,168,186
Linear assets	28,762,029	28,397,132
Assets under construction	-	-
Total	\$ 43,205,144	\$ 42,692,150

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2012

12. Tangible capital assets (continued):

a) Assets under construction:

Assets under construction having a value of \$851,624 (2011 - \$Nil) 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 (2011 - \$Nil).

c) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$Nil (2011 - \$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, 2012

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) 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.
- (f) 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, 2012, with comparative figures for 2011

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2012
Revenues:									
Property taxation	\$ 1,271,450	1,500,946	2,971,022	684,816	781,542	1,416,751	1,170,916	459,221	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	249,910	301,545	587,330	229,861	153,616	278,470	279,303	90,262	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	-	-	-	-	-	-	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
	1,992,586	2,329,401	3,826,934	964,665	955,400	1,695,220	1,968,840	661,383	14,394,429
Expenditures:									
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	5,790,323
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
Net revenues (deficit)	\$ 272,253	298,552	(192,998)	38,077	(102,063)	(221,710)	384,537	40,036	516,683

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Schedule to Note 13 - Segmented Information

Year ended December 31, 2012, with comparative figures for 2011

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2011
Revenues:									
Property taxation	\$ 1,202,546	1,480,051	2,964,952	713,610	722,337	1,454,467	1,242,776	422,365	10,203,104
Taxation from other governments	31,719	-	-	-	-	-	-	-	31,719
User charges	32,863	377,104	16,503	107,011	25,233	-	150,067	85,395	794,176
Other Municipalities	-	137,190	-	-	-	-	-	-	137,190
Province of Ontario grants	235,109	314,974	584,823	232,655	141,223	284,361	355,146	82,576	2,230,867
Park and lot levies earned	-	-	-	-	-	-	368,707	-	368,707
Federal Gas Tax earned	-	-	359,147	-	-	-	-	-	359,147
Investment income	59,706	-	-	-	-	-	-	-	59,706
Donations and other	-	-	-	-	-	-	10,802	-	10,802
Penalties and interest on taxes	275,559	-	-	-	-	-	-	-	275,559
Contribution from third parties	-	-	93,693	-	-	-	-	-	93,693
Fines (POA)	-	76,838	-	-	-	-	-	-	76,838
Other	4,538	-	-	-	-	-	-	-	4,538
	1,842,040	2,386,157	4,019,118	1,053,276	888,793	1,738,828	2,127,498	590,336	14,646,046
Expenditures:									
Salaries, wages and benefits	973,602	770,413	814,819	239,224	27,015	-	716,747	317,382	3,859,202
Interest on long-term debt	36,700	-	-	6,769	-	-	-	-	43,469
Materials, services, rents and financial items	544,968	1,005,461	2,005,634	579,422	810,976	-	582,451	198,581	5,727,493
Transfer to other governments and the public	-	66,340	40,000	-	108,786	1,964,745	84,822	54,583	2,319,276
Amortization of tangible capital assets	69,172	157,092	1,161,560	138,555	28,981	-	294,766	-	1,850,126
	1,624,442	1,999,306	4,022,013	963,970	975,758	1,964,745	1,678,786	570,546	13,799,566
Net revenues	\$ 217,598	386,851	(2,895)	89,306	(86,965)	(225,917)	448,712	19,790	846,480