

Consolidated Financial Statements of

**THE CORPORATION OF THE
TOWNSHIP OF SEGUIN**

Year ended December 31, 2018

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Financial Statements Index

Year ended December 31, 2018

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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.

Chris Madej
Chief Administrative Officer

Michele C. Fraser
Chief Financial Officer and Treasurer



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of
The Corporation of the Township of Seguin (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations for the year then ended
- the consolidated statement of statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “consolidated financial statements”)

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2018, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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



Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 6, 2019

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Financial assets:		
Cash	\$ 6,391,880	\$ 5,759,625
Taxes receivable	512,872	534,426
Accounts receivable	83,186	147,148
Goods and services tax rebate	147,501	198,350
	<u>7,135,439</u>	<u>6,639,549</u>
Financial liabilities:		
Accounts payable and accrued liabilities	984,042	1,029,663
Other current liabilities	156,229	164,308
Deferred revenue - Obligatory Reserve Funds (note 3)	226,475	86,389
Deferred revenue	248,912	103,601
Solid Waste Landfill closure and post-closure liabilities (note 7)	107,954	106,988
	<u>1,723,612</u>	<u>1,490,949</u>
Net financial assets	5,411,827	5,148,600
Non-financial assets:		
Tangible capital assets (note 9)	42,603,355	43,302,687
Inventories of supplies	23,057	23,734
Prepaid expenses	235,499	119,174
	<u>42,861,911</u>	<u>43,445,595</u>
Accumulated surplus (note 8)	<u>\$ 48,273,738</u>	<u>\$ 48,594,195</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, 2018, with comparative information for 2017

	Budget		
	2018	2018	2017
Revenues:			
Property taxation	\$ 11,729,886	\$ 11,822,203	\$ 11,502,733
Taxation from other governments	26,359	27,800	28,685
User charges	883,925	1,050,521	1,035,508
Government transfers:			
Provincial	2,252,870	2,240,998	2,115,964
Federal	-	1,600	100,000
Park and lot levies earned	180,000	153,092	184,384
Federal Gas Tax earned	254,043	254,043	242,495
Excess building permit fees earned	-	-	-
Investment income	64,250	110,128	74,360
Donations	-	1,693	6,668
Penalties and interest	195,000	182,055	186,917
Gain (loss) on sale of capital assets	-	(28,198)	19,190
Fines (POA)	60,000	50,992	39,617
Sale of land	-	48,695	14,272
Total revenue	15,646,333	15,915,622	15,550,793
Expenses:			
General government	2,000,611	1,851,390	1,705,076
Protection to persons and property	2,998,839	2,842,102	2,807,391
Transportation services	4,622,911	4,690,595	4,704,064
Environmental services	1,034,800	1,131,929	1,068,256
Health services	1,189,246	1,185,167	1,151,384
Social and family services	2,015,496	2,015,497	2,006,995
Recreational and cultural services	2,020,694	1,983,933	1,919,057
Planning and development	631,761	535,466	508,529
Total expenses	16,514,358	16,236,079	15,870,752
Annual deficit	(868,025)	(320,457)	(319,959)
Accumulated surplus, beginning of the year	48,594,195	48,594,195	48,914,154
Accumulated surplus, end of year (note 8)	\$ 47,726,170	\$ 48,273,738	\$ 48,594,195

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

December 31, 2018, with comparative information for 2017

	Budget 2018	2018	2017
Annual deficit	\$ (868,025)	\$ (320,457)	\$ (319,959)
Acquisition of tangible capital assets	(1,648,457)	(1,498,407)	(1,773,986)
Amortization of tangible capital assets	2,134,725	2,134,637	2,114,608
Gain (loss) of sale of tangible capital assets	-	28,198	(19,190)
Proceeds on sale of tangible capital assets	-	34,904	35,264
	(381,757)	378,875	36,737
Acquisition of prepaid expenses	(119,174)	(235,499)	(119,174)
Use of prepaid expenses	119,174	119,174	29,444
Acquisition of inventories	(23,734)	(23,057)	(23,734)
Consumption of inventories	23,734	23,734	18,638
Change in net financial assets	(381,757)	263,227	(58,089)
Net financial assets, beginning of year	5,148,600	5,148,600	5,206,689
Net financial assets, end of year	\$ 4,766,843	\$ 5,411,827	\$ 5,148,600

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, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (320,457)	\$ (319,959)
Items not involving cash:		
Amortization of tangible capital assets	2,134,637	2,114,608
Gain (loss) on sale of tangible capital assets	28,198	(19,190)
Change in landfill liability	966	8,501
	1,843,344	1,783,960
Change in non-cash assets and liabilities:		
Taxes receivable	21,554	234,761
Accounts receivable	63,962	(70,876)
Goods and services tax rebate	50,849	(51,058)
Accounts payable and accrued liabilities	(45,621)	72,669
Other current liabilities	(8,079)	65,834
Deferred revenue - obligatory reserve funds	140,086	39,835
Deferred revenue	145,311	76,035
Inventories of supplies	677	(5,096)
Prepaid expenses	(116,325)	(89,730)
Net change in cash from operating activities	2,095,758	2,056,334
Capital activities:		
Proceeds on sale of tangible capital assets	34,904	35,264
Cash used to acquire tangible capital assets	(1,498,407)	(1,773,986)
Net change in cash from capital activities	(1,463,503)	(1,738,722)
Net change in cash	632,255	317,612
Cash and cash equivalents, beginning of year	5,759,625	5,442,013
Cash and cash equivalents, end of year	\$ 6,391,880	\$ 5,759,625

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, 2018

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 and the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) Reporting entity:

(i) General:

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures 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 expenditures 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, expenditures, 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 \$172,506 (2017 - \$168,156).

(b) Basis of accounting:

(i) Accrual basis of accounting:

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(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.

(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 expenditures (note 7).

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(viii) 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:

	2018	2017
Property taxes	\$ 6,080,442	\$ 6,185,868
Payments in lieu of taxation	6,135	5,011
Amounts levied by Township	\$ 6,086,577	\$ 6,190,879
Amounts requisitioned plus supplementary taxes	\$ 6,086,577	\$ 6,190,879

3. Deferred revenue - obligatory reserve funds:

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

	December 31, 2017	Contributions received	Interest earned	Amounts taken to revenue	December 31, 2018
Parks and recreation reserves	\$ 44,975	117,525	20,827	(38,095)	145,232
Building permits	19,698	36,567	–	–	56,265
Federal gas tax reserves	21,716	254,043	3,262	(254,043)	24,978
	\$ 86,389	408,135	24,089	(292,138)	226,475

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2018

4. 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 2018 of \$313,805 (2017 - \$291,399) is included in the current fund expenditures.

5. Contributions to unconsolidated joint boards:

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

	2018	2017
District of Parry Sound Social Services Administration Board	\$ 1,493,685	\$ 1,490,655
Muskoka Parry Sound Health Unit	123,860	123,860
Belvedere Heights Home for the Aged	521,812	516,340
Parry Sound Area Municipal Airport Commission	41,920	41,920
911 Emergency Services	3,520	3,533
	<u>\$ 2,184,797</u>	<u>\$ 2,176,308</u>

6. Public sector salary disclosure:

During 2018, six employees were paid a salary of \$100,000 or more by the Township, as defined in the Public Sector Salary Disclosure Act, 1996.

7. Solid waste management 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% (2017 - 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 \$134,356 (2017 - \$128,945). The estimated liability for these expenditures is recognized as the landfill site's capacity is used. At December 31, 2018, an amount of \$107,954 (2017 - \$106,988) with respect to landfill closure and post-closure liabilities has been accrued. The Christie landfill site has a remaining capacity of 13.9% with a remaining life of approximately 4-10 years. The period for post-closure care is estimated to be 15 years.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2018

8. Accumulated surplus:

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

	2018	2017
Surplus:		
Invested in tangible capital assets	\$ 42,603,355	\$ 43,302,687
Other	100,000	100,000
Total surplus	42,703,355	43,402,687
Reserves set aside by Council:		
Working capital	1,521,907	1,520,907
Election	36,412	54,542
Severe weather	146,616	100,000
Official plan review	67,563	57,563
Salary grid movement	230,628	255,628
Firefighter compensation	142,152	142,152
Acquisition of capital assets:		
Seguin Museum	5,837	5,947
Cemetery	76,891	67,451
Other	532,874	491,027
Library	62,855	39,591
Total reserves	2,823,735	2,734,808
Reserve funds set aside for specific purpose by Council:		
Capital projects	2,168,450	2,084,120
Fire department	129,008	90,703
Equipment	447,868	280,984
Parks – recreation facilities	1,322	893
Total reserve funds	2,746,648	2,456,700
	\$ 48,273,738	\$ 48,594,195

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2018

9. Tangible capital assets:

Cost	Balance at December 31, 2017	Additions	Disposals	Balance at December 31, 2018
Land	\$ 650,493	-	-	650,493
Buildings	10,387,188	65,122	-	10,452,310
Furniture, fixtures and equipment	3,874,387	83,497	-	3,957,884
Land improvements	4,762,855	183,922	-	4,946,777
Vehicles and machinery	9,837,638	322,473	(1,942,346)	8,217,765
Linear assets	51,222,225	1,070,622	-	52,292,847
Assets under construction	469,902	242,673	(469,902)	242,673
Total	\$ 81,204,688	1,968,309	(2,412,248)	80,760,749

Accumulated Amortization	Balance at December 31, 2017	Disposals	Amortization	Balance at December 31, 2018
Land	\$ -	-	-	-
Buildings	3,635,134	-	234,713	3,869,847
Furniture, fixtures and equipment	2,429,185	-	269,944	2,699,129
Land improvements	1,337,865	-	129,011	1,466,876
Vehicles and machinery	5,104,531	(1,879,244)	424,727	3,650,014
Linear assets	25,395,286	-	1,076,242	26,471,528
Assets under construction	-	-	-	-
Total	\$ 37,902,001	(1,879,244)	2,134,637	38,157,394

	Net book value, December 31, 2017	Net book value, December 31, 2018
Land	\$ 650,493	650,493
Buildings	6,752,054	6,582,463
Furniture, fixtures and equipment	1,445,202	1,258,755
Land improvements	3,424,990	3,479,901
Vehicles and machinery	4,733,107	4,567,751
Linear assets	25,826,939	25,821,319
Assets under construction	469,902	242,673
Total	\$ 43,302,687	42,603,355

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2018

9. Tangible capital assets (continued):

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Land	\$ 616,551	33,942	-	650,493
Buildings	9,613,094	774,094	-	10,387,188
Furniture, fixtures and equipment	3,736,994	137,393	-	3,874,387
Land improvements	4,717,841	45,014	-	4,762,855
Vehicles and machinery	9,756,211	313,641	(232,214)	9,837,638
Linear assets	51,222,225	-	-	51,222,225
Assets under construction	-	469,902	-	469,902
Total	\$ 79,662,916	1,773,986	(232,214)	81,204,688

Accumulated Amortization	Balance at December 31, 2016	Disposals	Amortization	Balance at December 31, 2017
Land	\$ -	-	-	-
Buildings	3,409,718	-	225,416	3,635,134
Furniture, fixtures and equipment	2,153,735	-	275,450	2,429,185
Land improvements	1,211,716	-	126,149	1,337,865
Vehicles and machinery	4,900,420	(216,140)	420,251	5,104,531
Linear assets	24,327,944	-	1,067,342	25,395,286
Assets under construction	-	-	-	-
Total	\$ 36,003,533	(216,140)	2,114,608	37,902,001

	Net book value, December 31, 2016	Net book value, December 31, 2017
Land	\$ 616,551	650,493
Buildings	6,203,376	6,752,054
Furniture, fixtures and equipment	1,583,259	1,445,202
Land improvements	3,506,125	3,424,990
Vehicles and machinery	4,855,791	4,733,107
Linear assets	26,894,281	25,826,939
Assets under construction	-	469,902
Total	\$ 43,659,383	43,302,687

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2018

9. Tangible capital assets (continued):

a) Assets under construction:

Assets under construction having a value of \$242,673 (2017 - \$469,903) 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 (2017 - \$Nil).

c) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$Nil (2017 - \$Nil).

10. Segmented information:

The Township is a municipal government institution that provides a range of services to its citizens, including police, fire, and 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.
- (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 Town of Parry Sound and the West Parry Sound Health Centre.
- (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.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Notes to Consolidated Financial Statements

Year ended December 31, 2018

10. Segmented information (continued):

- (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 10 - Segmented Information

Year ended December 31, 2018, with comparative information for 2017

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2018
Revenues:									
Property taxation	\$ 1,348,080	2,069,459	3,415,428	824,207	862,972	1,467,572	1,444,589	389,896	\$ 11,822,203
Taxation from other governments	27,800	-	-	-	-	-	-	-	27,800
User charges	86,253	530,178	3,461	85,993	18,073	-	214,853	111,710	1,050,521
Province of Ontario grants	225,494	367,512	670,826	246,825	144,349	245,481	275,293	65,218	2,240,998
Canada grants	-	-	-	-	-	-	1,600	-	1,600
Park and lot levies earned	-	-	-	-	-	-	153,092	-	153,092
Federal Gas Tax earned	-	-	254,043	-	-	-	-	-	254,043
Investment income	109,039	-	-	-	-	-	1,089	-	110,128
Donations and other	-	-	-	-	-	-	1,693	-	1,693
Penalties and interest on taxes	182,055	-	-	-	-	-	-	-	182,055
Gain (loss) on sale of equipment	-	1,133	(29,331)	-	-	-	-	-	(28,198)
Fines (POA)	-	50,992	-	-	-	-	-	-	50,992
Sale of land	48,695	-	-	-	-	-	-	-	48,695
	2,027,416	3,019,274	4,314,427	1,157,025	1,025,394	1,713,053	2,092,209	566,824	15,915,622
Expenditures:									
Salaries, wages and benefits	1,140,475	895,401	1,273,077	290,822	31,850	-	910,074	363,478	4,905,177
Materials, services, rents and financial items	644,433	1,717,962	2,060,029	703,350	1,000,251	-	632,674	137,518	6,896,217
Transfer to other governments and the public	-	3,520	40,000	-	123,860	2,015,497	82,701	34,470	2,300,048
Amortization of tangible capital assets	66,482	225,219	1,317,489	137,757	29,206	-	358,484	-	2,134,637
	1,851,390	2,842,102	4,690,595	1,131,929	1,185,167	2,015,497	1,983,933	535,466	16,236,079
Net revenues	\$ 176,026	177,172	(376,168)	25,096	(159,773)	(302,444)	108,276	31,358	\$ (320,457)

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Schedule to Note 10 - Segmented Information

Year ended December 31, 2018, with comparative information for 2017

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2017
Revenues:									
Property taxation	\$ 1,311,649	2,013,537	3,323,134	801,935	839,652	1,427,914	1,405,552	379,360	\$ 11,502,733
Taxation from other governments	28,685	-	-	-	-	-	-	-	28,685
User charges	41,624	504,183	8,811	128,083	17,023	-	216,281	119,503	1,035,508
Province of Ontario grants	218,720	343,936	623,963	219,044	140,013	238,107	268,922	63,259	2,115,964
Government of Canada grants	-	-	-	-	-	-	100,000	-	100,000
Park and lot levies earned	-	-	-	-	-	-	184,384	-	184,384
Federal Gas Tax earned	-	-	242,495	-	-	-	-	-	242,495
Investment income	74,360	-	-	-	-	-	-	-	74,360
Donations and other	-	-	-	-	-	-	6,668	-	6,668
Penalties and interest on taxes	186,917	-	-	-	-	-	-	-	186,917
Gain (loss) on Sale of equipment	-	-	15,000	-	-	-	4,190	-	19,190
Fines (POA)	-	39,617	-	-	-	-	-	-	39,617
Sale of land	14,272	-	-	-	-	-	-	-	14,272
	1,876,227	2,901,273	4,213,403	1,149,062	996,688	1,666,021	2,185,997	562,122	15,550,793
Expenditures:									
Salaries, wages and benefits	1,077,195	861,844	1,130,735	287,384	31,547	-	856,469	361,309	4,606,483
Materials, services, rents and financial items	553,914	1,717,505	2,229,398	647,335	966,638	-	638,502	114,145	6,867,437
Transfer to other governments and the public	-	3,533	40,000	-	123,860	2,006,995	74,761	33,075	2,282,224
Amortization of tangible capital assets	73,967	224,509	1,303,931	133,537	29,339	-	349,325	-	2,114,608
	1,705,076	2,807,391	4,704,064	1,068,256	1,151,384	2,006,995	1,919,057	508,529	15,870,752
Net revenues	\$ 171,151	93,882	(490,661)	80,806	(154,696)	(340,974)	266,940	53,593	\$ (319,959)