

Consolidated Financial Statements of

**THE CORPORATION OF THE
TOWN OF TECUMSEH**

Year ended December 31, 2016

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Financial Statements

Year ended December 31, 2016

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of The Corporation of the Town of Tecumseh, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations and accumulated surplus, 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 an 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 controls 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, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Tecumseh as at December 31, 2016, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 27, 2017

Windsor, Canada

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Financial assets		
Cash and cash equivalents	\$ 28,588,182	\$ 27,585,478
Taxes receivable	2,260,072	2,523,789
Accounts receivable	1,644,429	2,486,729
Other	216	4,477
Promissory note receivable - government business enterprise (note 2)	1,544,408	1,544,408
Due from government business enterprise (note 2)	1,583,629	1,536,675
Accounts receivable - long term (note 3)	817,045	639,574
Investment - government business enterprise (note 4)	10,120,362	9,577,362
Investment - portfolio	400,000	-
	<u>\$ 46,958,343</u>	<u>\$ 45,898,492</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 3,661,347	\$ 4,656,909
Other current liabilities	2,384,483	2,036,688
Deferred revenue (note 5)	845,673	648,394
Employee future benefits payable (note 6)	9,287,461	8,462,408
Landfill post-closure liability (note 7)	598,654	586,608
Municipal debt (note 8)	19,975,762	22,040,611
	<u>36,753,380</u>	<u>38,431,618</u>
Net financial assets	10,204,963	7,466,874
Non-financial assets		
Tangible capital assets (schedule 1)	225,898,326	224,696,121
Inventories of supplies	77,813	148,867
Prepaid expenses	88,963	26,122
	<u>226,065,102</u>	<u>224,871,110</u>
Accumulated surplus (note 9)	<u>\$ 236,270,065</u>	<u>\$ 232,337,984</u>

Contingent liabilities (note 10)
Contractual obligations (note 11)

See accompanying notes to consolidated financial statements.

Approved on behalf of Council:

Mayor

Treasurer

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2016, with comparative information for 2015

	2016 Budget (note 14)	2016 Actual	2015 Actual
Revenues:			
Property taxes	\$ 21,104,554	\$ 21,207,679	\$ 21,222,087
Government transfers	2,469,697	2,730,495	2,902,424
User charges	11,418,193	11,924,551	11,291,188
Capital contributions	3,386,600	1,351,836	2,156,842
Investment income	620,900	711,807	739,044
Penalties and interest on property taxes	435,000	394,809	441,051
Income from government business enterprise (note 4)	746,975	963,660	815,449
Loss on disposal of tangible capital assets	(314,282)	(355,763)	(766,478)
Other	8,000	67,582	181,765
	<u>39,875,637</u>	<u>38,996,656</u>	<u>38,983,372</u>
Expenses:			
General government	4,440,587	4,219,070	4,141,962
Protection to persons and property	6,321,663	6,348,932	6,801,246
Transportation	6,626,954	7,299,032	6,463,460
Environmental	10,235,069	10,464,863	10,312,696
Social and family	42,269	51,100	42,789
Recreational and cultural	4,852,327	4,866,244	4,781,045
Planning and development	1,410,999	1,815,334	1,875,808
	<u>33,929,868</u>	<u>35,064,575</u>	<u>34,419,006</u>
Annual surplus	5,945,769	3,932,081	4,564,366
Accumulated surplus, beginning of year	230,261,060	232,337,984	227,629,839
Adjustment re switch to IFRS			143,779
Accumulated surplus, end of year	\$ 236,206,829	\$ 236,270,065	\$ 232,337,984

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016 Budget (note 14)	2016 Actual	2015 Actual
Annual surplus	\$ 5,945,769	\$ 3,932,081	\$ 4,564,366
Acquisition of tangible capital assets	(10,997,350)	(8,432,082)	(26,634,930)
Change in tangible capital assets WIP	(144,250)	(74,808)	18,142,505
Amortization of tangible capital assets	6,960,384	6,875,558	6,505,779
Loss on disposal of tangible capital assets	314,282	355,762	766,478
Proceeds from sale of tangible capital assets	-	73,365	157,759
OCI from hydro	-	-	143,779
	(3,866,934)	(1,202,205)	(918,630)
Net change in inventories of supplies	(16,000)	71,054	(63,647)
Net change in prepaid expense	-	(62,841)	(322)
	(16,000)	8,213	(63,969)
Change in net financial assets	2,062,835	2,738,089	3,581,767
Net financial assets, beginning of year	4,684,700	7,466,874	3,885,107
Net financial assets, end of year	\$ 6,747,535	\$ 10,204,963	\$ 7,466,874

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 3,932,081	\$ 4,564,366
Items not involving cash:		
Amortization	6,875,558	6,505,779
Income from government business enterprise	(963,660)	(815,449)
Loss on disposal of tangible capital assets	355,762	766,478
Change in non-cash operating working capital:		
Financial assets	1,063,324	(7,686)
Liabilities	386,611	1,652,035
Non-financial assets	8,213	(63,969)
Cash provided from operating transactions	11,657,889	12,601,554
Capital:		
Acquisition of tangible capital assets	(8,432,082)	(26,634,930)
Change in tangible capital assets WIP	(74,808)	18,142,505
Proceeds on sale of tangible capital assets	73,365	157,759
Cash used in capital transactions	(8,433,525)	(8,334,666)
Investing:		
Accounts receivable - long-term - new	(388,993)	(121,160)
Accounts receivable - long-term - repayment	211,522	171,204
Investment portfolio purchases	(400,000)	-
Dividends from government business enterprise	420,660	408,498
Cash (used in) provided from investing activities	(156,811)	458,542
Financing:		
Proceeds from issuance of municipal debt	267,100	68,000
Municipal debt principal repayment	(2,331,949)	(2,471,870)
Cash used in financing activities	(2,064,849)	(2,403,870)
Change in cash and cash equivalents	1,002,704	2,321,560
Cash and cash equivalents, beginning of year	27,585,478	25,263,918
Cash and cash equivalents, end of year	\$ 28,588,182	\$ 27,585,478

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements

Year ended December 31, 2016

The Corporation of the Town of Tecumseh was formed on January 1, 1999, by the amalgamation of the former municipalities of the Village of St. Clair Beach, the Town of Tecumseh and the Township of Sandwich South.

1. Significant accounting policies:

The consolidated financial statements of The Corporation of the Town of Tecumseh (the "Municipality") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada. The Corporation of the Town of Tecumseh is a municipality in the Province of Ontario and operates under the provisions of the Community Charter. The Municipality provides municipal services such as fire, policing, roads, water, wastewater, planning, parks, recreation and other general government services.

The focus of PSAB consolidated financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all the assets and liabilities of the Municipality. Financial assets are those which provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statement reflect the financial assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the Municipality. The following entities have been consolidated:

Tecumseh Business Improvement Area Board
Tecumseh Police Services Board

All inter-entity transactions and balances have been eliminated.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(ii) Non-consolidated entity:

The investment in Essex Power Corporation (“EPC”) is accounted for using the modified equity basis of accounting. Under this method, the government business enterprise’s accounting policies, which follow International Financial Reporting Standards (“IFRS”), are not adjusted to conform with Public Sector Accounting Standards. Inter-entity transactions and balances are not eliminated.

The Municipality recognizes its equity interest in the annual income or loss of EPC in its Consolidated Statement of Operations with a corresponding increase or decrease in its’ investment account. Any dividends that the Municipality receives from EPC are reflected as reductions in the investment account.

(iii) Accounting for County of Essex and School Board transactions:

Taxation and other revenues with respect to the operations of the County of Essex (the “County”) and School Boards are not reflected in the Consolidated Statement of Operations. In addition, the revenues, expenses, assets and liabilities with respect to the operations of the County and School Boards are not reflected in these consolidated financial statements except to the extent that any amounts due to or from are reported on the Consolidated Statement of Financial Position in “accounts receivable” or “accounts payable”.

(iv) Trust funds:

Trust funds and their related operations that are administered by the Municipality are not consolidated.

(v) Municipal debt:

The charges for municipal debt assumed by non-consolidated entities or by individuals, in the case of tile drainage and shoreline property assistance loans, are not reflected in these consolidated financial statements.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(b) Basis of accounting:

(i) Accrual basis of accounting:

Revenues and expenses are reported on the 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) Cash and cash equivalents:

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

(iii) Portfolio investments:

Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

(iv) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They generally have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

(v) Accounts receivable – long term:

Interest is recognized as income in the year that it is earned.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(vi) Tangible capital assets:

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

Asset	Rate
Land improvements	20 – 50 years
Buildings	20 – 50 years
Leasehold improvements	15 – 50 years
Equipment / vehicles	3 – 40 years
Computer	4 – 12 years
Furniture and fixtures	10 years
Linear assets – roads	20 – 50 years
Linear assets – water	20 – 80 years
Linear assets – wastewater	65 years
Linear assets – stormwater	65 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use at which time they are capitalized.

The Municipality has a capitalization threshold of \$5,000 to \$10,000, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have greater than \$100,000 value, or for operational reasons. Examples of pools are desktop computer systems, furniture and fixtures, sidewalks and water meters.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(vii) Contribution of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

(viii) Leased assets:

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Municipality, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

(ix) Inventories:

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

(x) Taxation and related revenue:

Taxes are recognized as revenue in the year they are levied. Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Municipal Council, incorporating amounts to be raised for local services, the requisition made by the County in respect of County services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenue is recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal and write off for physical changes to the property. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known. The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(x) Taxation and related revenue (continued):

Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. Government transfers with eligibility criteria but without stipulations are recognized as revenue when the transfer is authorized and all eligibility criteria have been met. Government transfers with or without eligibility criteria but with stipulations are recognized as revenue in the period the transfer is authorized, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

Sanitary sewer and water operations are funded by various revenues including frontage, connection and usage charges. Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

(xi) Deferred revenue:

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. Government transfers of gas taxes, development charges collected under the Development Charges Act, 1997 and parkland contributions collected under the Planning Act are reported as deferred revenue in the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

(xii) Retirement benefits and other employee benefit plans:

The Municipality accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(xii) Retirement benefits and other employee benefit plans (continued):

Employee benefits include vacation entitlement, sick leave benefits and certain post-employment benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits and other post-employment benefits that accumulate over the period of service provided by employees are subject to actuarial valuations and are accrued in accordance with the projected benefit method, prorated on service and management's best estimate of salary escalation and retirement ages of employees, inflation rates, investment returns, wage and salary escalation, insurance and health care cost trends, employee turnover and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

(xiii) Use of estimates:

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation allowances for receivables, certain accrued liabilities and obligations related to employee future benefits and the landfill post closure liability, the carrying value of tangible capital assets and the evaluation of contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

2. Government business enterprise:

	2016	2015
Note receivable from EPC (note 4), Long-term interest rate of 4.00%, repayable up to 20% of the original balance of \$1,544,408 in each year. The Municipality can request payment in full upon a years notice subject to EPC's ability to make such payment. Term is from January 1, 2013 to December 31, 2017. The Municipality can defer any payment to a subsequent year.	\$ 1,544,408	\$ 1,544,408
Amount due from EPC relates to water and sewer billings collected by EPC on behalf of the Municipality under an ongoing agreement.	1,583,629	1,536,675

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

3. Accounts receivable – long term:

Accounts receivable – long term consists of the following:

	2016	2015
Debentures	\$ 547,252	\$ 447,134
Other	269,793	192,440
	<u>\$ 817,045</u>	<u>\$ 639,574</u>

(a) Debentures:

These accounts receivable are owing from taxpayers and are related to amounts recoverable with regards to infrastructure work completed and paid for by the Municipality but for which the taxpayers are responsible. Due to the work performed being substantial and the related costs being significant, the Municipality provides taxpayers the option to pay when the work is completed or to provide payments over a term of five years. If the taxpayer could prove undue hardship, then the Municipality allows for a term of 10 years.

	2016	2015
Receivable over a five year term in annual instalments of \$157,330 at an interest rate of 2.91% and will mature January 2017	\$ 152,881	\$ 301,439
Receivable over a five year term in annual instalments of \$57,510 at an interest rate of 2.91% and will mature January 2021	\$ 267,100	\$ -
Receivable over a 10 year term in annual instalments of \$24,310 at an interest rate of 4.04% and will mature January 2022	127,271	145,695
	<u>\$ 547,252</u>	<u>\$ 447,134</u>

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

3. Accounts receivable – long term (continued):

(b) Other:

	2016	2015
Lacasse Park Scoreboard donation of \$20,000 repayable at \$4,000 per year	\$ 4,000	\$ 12,000
Municipal Drain receivable over a five year term in annual Installments of \$4,051 at an interest rate of 3.25% and will mature in 2019	11,403	14,967
Municipal Drain receivables over a five year term in annual Installments of \$26,352 at an interest rate of 3.10% and will mature in 2020	98,385	121,160
Municipal Drain receivable over a five year term in annual Installments of \$48,134 at an interest rate of 2.51% and will mature in 2021	105,010	-
Sanitary Sewer receivable over a five year term in annual Installments of \$3,635 at an interest rate of 2.51% and will mature in 2021	16,883	-
Share of Waterfront Park Improvements repayable at \$10,200 per year	34,112	44,312
	<u>\$ 269,793</u>	<u>\$ 192,440</u>

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

4. Investment – Government Business Enterprise:

- (a) Pursuant to the Energy Competition Act, the Municipality incorporated companies created for the purposes of generating, distributing and retailing electricity. The corporations include the former Utilities of the Towns of Amherstburg, Lasalle, Leamington and Tecumseh.

The Corporation of the Town of Tecumseh holds a 26.44% interest in Essex Power Corporation.

- (b) Investment balance at December 31, is comprised of the following:

	2016	2015
2,678,177 Class A voting common shares – EPC	\$ 2,678,177	\$ 2,678,177
2,289,242 Class B non-voting common shares – EPC	2,289,242	2,289,242
373,943 special shares, Class A non-voting – EPC	373,943	373,943
Share of accumulated earnings 26.44%	4,779,000	4,236,000
	<u>\$ 10,120,362</u>	<u>\$ 9,577,362</u>

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

4. Investment – Government Business Enterprise (continued):

(c) Supplementary financial information for EPC:

	(in thousands of dollars)	
	2016	2015
Current assets	\$ 3,359	\$ 5,646
Accounts receivable	9,920	8,705
Unbilled revenue	6,631	6,626
Other current assets	1,560	865
Property, plant and equipment	58,159	55,662
Intangible assets	6,265	5,942
Goodwill	1,769	1,623
Deferred assets	708	1,041
Deferred tax assets	1,069	1,062
Regulatory balances	39,824	42,323
Total assets and regulatory balances	\$ 129,264	\$ 129,495
Current liabilities	\$ 29,573	\$ 26,360
Long-term liabilities	18,265	16,896
Post-employment benefits	3,417	3,289
Deferred tax liabilities	2,975	2,832
Other non-current liabilities	353	397
Total liabilities	54,583	49,774
Share capital	19,667	19,667
Retained earnings	15,609	13,604
Accumulated other comprehensive income (loss)	823	823
Total equity	36,099	34,094
Regulatory balances	38,582	45,627
Total liabilities, equity and regulatory balances	\$ 129,264	\$ 129,495
Total revenues	\$ 93,743	\$ 84,151
Total expenses	(92,802)	(80,741)
Finance income (costs)	(922)	(918)
Income tax expense (recovery)	(1,159)	(90)
Net movement in regulatory balances, net of tax	4,325	969
Other comprehensive income (loss)	-	(227)
Total comprehensive income for the year	\$ 3,185	\$ 3,144
26.44% share of comprehensive income	\$ 842	\$ 831
26.44% share of Green Share Dividend	(16)	(16)
26.44% share of regulatory adjustments	138	0
Income from government business enterprise	\$ 964	\$ 815

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

5. Deferred revenue:

	2016 Opening balance	Contributions received	Externally restricted investments income	Revenue recognized	2016 Ending balance
Development charges	\$ 283,342	\$ 776,491	\$ 6,430	\$ (598,426)	\$ 467,837
Gas tax	-	-	6,703	(6,703)	-
Parkland development fees	365,052	4,500	8,284	-	377,836
	\$ 648,394	\$ 780,991	\$ 21,417	\$ (605,129)	\$ 845,673

6. Employee future benefits payable:

Employee future benefits payable consists of the following:

	2016	2015
Sick leave benefit plan (note 6 (b))	\$ 338,663	\$ 323,415
Health and dental (note 6 (c))	8,948,798	8,138,993
	\$ 9,287,461	\$ 8,462,408

(a) Pension:

Certain employees of the Municipality are eligible to be members of the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of credited service and rates of pay. However, as OMERS does not segregate its pension assets and liabilities information by individual employer, there is not sufficient information to enable the Municipality to account for the plan as a defined benefit plan. At December 31, 2016, the OMERS plan is in a deficit position. Contributions rates for 2016 were 9.0% (2015 – 9.0%) for employee earnings below the year's maximum pensionable earnings and 14.6% (2015 – 14.6%) thereafter. During the year ended December 31, 2016, the Municipality contributed \$570,430 (2015 – \$554,725) to the plan. These contributions are the Municipality's pension benefit expense. No pension liability for this type of plan is included in the Municipality's Consolidated Statement of Financial Position.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

6. Employee future benefits payable (continued):

(b) Sick leave benefit plan:

The Municipality provides paid sick leave that can be carried forward up to a maximum of 65 days and employees may become entitled to a cash payment of one-half of the sick bank balance when they leave the Municipality's employment. The benefit costs and liabilities recorded in 2016 are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2015, with extrapolation of the calculation to December 31, 2016. Information about the Municipality's sick leave benefit plan is as follows:

	2016	2015
Accrued benefit liability, January 1	\$ 323,415	\$ 304,876
Expense for the year:		
Current service cost	26,826	27,117
Interest	9,731	8,287
Amortization of actuarial losses (gains)	(9,276)	1,076
Benefits paid for the year	(12,033)	(17,941)
Accrued benefit liability, December 31	338,663	323,415
Unamortized actuarial losses (gains)	(40,063)	(49,338)
Obligation, December 31	\$ 298,600	\$ 274,077

The main actuarial assumptions employed for the valuations are as follows:

	2016	2015
Discount rate	3.30%	3.30%
Rate of compensation increase	3.00%	3.00%

A sick leave reserve has been established in the amount of \$338,183 (2015 - \$324,183).

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

6. Employee future benefits payable (continued):

(c) Health and dental:

The Municipality pays certain benefits on behalf of its retired employees.

The Municipality provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. In addition, the Municipality provides dental and health care benefits beyond age 65 until death for the union employees hired prior to March 31, 2010 and for management employees hired prior to January 9, 2007. The benefit costs and liabilities related to this plan are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2015, with extrapolation of the calculation to December 31, 2016.

Information about the Municipality's health and dental plan is as follows:

	2016	2015
Accrued benefit liability, January 1	\$ 8,138,993	\$ 6,947,495
Expense for the year:		
Current service cost	570,051	598,186
Interest	330,637	367,026
Amortization of actuarial losses	10,736	333,309
Benefits paid for the year	(101,619)	(107,023)
Accrued benefit liability, December 31	\$ 8,948,798	\$ 8,138,993
Unamortized actuarial losses (gains)	(844,180)	(1,144,985)
Obligation, December 31	\$ 8,104,618	\$ 6,994,008

The main actuarial assumptions employed for the valuations are as follows:

	2016	2015
Discount rate	4.20%	4.40%
Rate of compensation increase:		
Dental	3.00%	3.00%
Health care:		
initial	8.00%	8.00%
ultimate reached in 2022	5.00%	5.00%

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

7. Landfill post-closure liability:

Landfill #3 was closed in 1997 and requires care consisting of hauling and treating leachate for an indefinite period of time. Landfill #3 is the joint responsibility of the Municipality, the Town of Lakeshore and the City of Windsor. The site is administered by the Essex Windsor Solid Waste Authority.

	2016	2015
Landfill post-closure liability, January 1	\$ 586,608	\$ 580,552
Expense for the year:		
Interest	33,939	31,666
Amortization of actuarial losses	4,510	4,252
Amounts paid for the year	(26,403)	(29,862)
Landfill post-closure liability, December 31	598,654	586,608
Unamortized actuarial losses	182,367	234,662
Obligation, December 31	\$ 781,021	\$ 821,270

The main actuarial assumptions employed for the valuations are as follows:

	2016	2015
Discount rate	4.00%	4.20%
Annual growth rate	2.50%	2.50%

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

8. Municipal debt:

- (a) The balance of municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2016	2015
Ontario Infrastructure and Lands Corporation Debenture – repayable in semi-annual installments of \$348,228 including interest at 3.78%, due December 2036	\$ 9,712,333	\$ 10,032,557
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$106,736 including interest at 4.71%, due December 2025	1,551,348	1,686,943
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$129,277 including interest at 3.65%, due December 2020	954,199	1,171,945
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$139,915 including interest at 3.89%, due December 2019	785,181	1,027,379
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$190,267 including interest at 4.76%, due December 2017	367,367	717,853
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$75,229 including interest at 4.76%, due December 2026	1,186,161	1,276,905
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$68,111 including interest at 4.95%, due December 2027	1,144,845	1,221,538
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$188,375 including interest at 4.55%, due December 2016	-	364,273
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$61,485 including interest at 5.62%, due December 2028	1,062,923	1,123,589
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$82,880 including interest at 4.87%, due December 2018	312,282	457,508
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$31,583 including interest at 4.77%, due December 2029	606,738	639,776

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

8. Municipal debt (continued):

- (a) The balance of municipal debt reported on the Consolidated Statement of Financial Position is made up of the following (continued):

	2016	2015
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$76,664 including interest at 2.16%, due December 2017	\$ 150,879	\$ 298,551
Ontario Strategic Infrastructure Financing Authority Debenture – repayable in semi-annual installments of \$26,241 including interest at 4.40%, due December 2030	544,248	571,869
Ontario Infrastructure and Lands Corporation Debenture – repayable in semi-annual installments of \$20,666 including interest at 3.59%, due December 2031	476,164	499,764
Ontario Infrastructure and Lands Corporation Debenture – repayable in semi-annual installments of \$28,680 including interest at 2.69%, due December 2022	315,867	363,762
Ontario Infrastructure and Lands Corporation Debenture – repayable in semi-annual installments of \$11,979 including interest at 3.41%, due December 2032	293,559	307,157
Ontario Infrastructure and Lands Corporation Debenture – repayable in semi-annual installments of \$28,020 including interest at 1.76%, due December 2021	267,100	-
Ontario Infrastructure and Lands Corporation Debenture – repayable in semi-annual installments of \$11,356 including interest at 2.79%, due December 2022	124,680	143,518
Ontario Infrastructure and Lands Corporation Debenture – repayable in semi-annual installments of \$7,084 including interest at 1.50%, due December 2020	54,803	68,000
Ontario Infrastructure and Lands Corporation Debenture – repayable in semi-annual installments of \$2,651 including interest at 3.97% due December 2033	65,086	67,724
Tile Drain Loans – repayable in annual installments including interest from 6% to 8%, due in various amounts to December 2018	9,945	16,945
	19,985,707	22,057,556
The Municipality is contingently liable for the tile drain loans listed above. The responsibility for payment of principal and interest charges has been assumed by individual landowners	(9,945)	(16,945)
Net municipal debt at the end of the year	\$ 19,975,762	\$ 22,040,611

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

8. Municipal debt (continued):

(b) Principal due on municipal debt reported in (a) is summarized as follows:

	Recoverable from taxes	Recoverable from benefiting landowners	Total
2017	\$ 1,865,443	\$ 235,206	\$ 2,100,649
2018	1,561,284	85,985	1,647,269
2019	1,459,442	87,676	1,547,118
2020	1,237,408	89,403	1,326,811
2021	1,028,481	76,946	1,105,427
	7,152,058	575,216	7,727,274
2022 – 2026	5,396,397	22,246	5,418,643
Thereafter	6,829,845	-	6,829,845
	<u>\$ 19,378,300</u>	<u>\$ 597,462</u>	<u>\$19,975,762</u>

(c) The municipal debt in the name of the Municipality has received the approval of the Ontario Municipal Board or has been approved by the Council of the Municipality by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

9. Accumulated surplus:

(a) Accumulated surplus consists of individual fund surplus (deficit) as follows:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 225,898,326	\$ 224,696,121
Inventories	77,813	148,867
To be used to offset user charges and taxation	365,766	1,167,708
To be financed by user charges and municipal debt	(1,774,575)	(1,045,352)
Equity in EPC	9,685,624	9,142,624
Amounts to be recovered:		
Benefitting landowners	547,252	447,134
Vacation pay liability	(314,061)	(321,088)
Employee benefits payable	(9,228,063)	(8,403,010)
Landfill post-closure liability	(598,654)	(586,608)
Accrued interest on net long term liabilities	(56,300)	(61,100)
Municipal debt	(19,975,762)	(22,040,611)
Reserves and reserve funds (note 9 (b))	31,642,699	29,193,299
Total surplus	\$ 236,270,065	\$ 232,337,984

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

9. Accumulated surplus (continued):

(b) Reserves and reserve funds consist of the following

	2016	2015
Reserves set aside for specific purposes by Council:		
Capital / lifecycle	\$ 16,489,801	\$ 15,304,556
Tax rate stabilization	3,185,849	2,452,438
Storm sewer	284,345	284,345
Working capital	218,200	106,900
Business improvement area	50,981	55,150
Sick and vacation leave	652,423	645,223
General	20,543	20,543
Arena program	-	15,000
Fire Education Awareness	8,945	8,945
Community Improvement Plan	151,525	40,000
Total reserves	21,062,612	18,933,100
Reserve funds set aside for specific purposes by Council:		
Water capital	9,999,586	9,327,007
Sanitary sewers	(1,104,902)	(1,073,731)
General capital	-	161,705
Post-retirement benefits	1,685,404	1,650,621
Recreation capital	-	194,597
Total reserve funds	10,580,087	10,260,199
Total reserve and reserve funds	\$ 31,642,699	\$ 29,193,299

10. Contingent liabilities:

During the normal course of operations, the Municipality is subject to various legal actions, including some which could be substantial. The settlement of the actions that can be reasonably estimated is not expected to have a material effect on the consolidated financial statements of the Municipality. Other legal actions may be at an early stage and therefore the likelihood and magnitude of impact cannot be reasonably determined.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

11. Contractual obligations:

- (a) The former municipalities entered into agreements with the City of Windsor (“Windsor”) whereby Windsor provides sewage treatment services to the Municipality at its Little River plant. In exchange for treatment services, the Municipality is responsible to the City of Windsor for a portion of debt charges associated with the Little River plant. Currently, there are no debt charges outstanding.

The Consolidated Statement of Financial Position does not reflect any assets or liabilities related to the Little River plant as the Municipality does not and will not have any ownership interest in the plant.

Included in the Consolidated Statement of Operations, are the following charges from the City of Windsor:

	2016	2015
Sewage treatment	\$ 1,496,318	\$ 1,425,193

- (b) The Municipality has entered into various service agreements. The two largest relate to Waste Collection and The Solicitor General of Ontario (“Police Services”). The obligations under these contracts approximate \$0.6M and \$3.7M respectively in expenditures on an annual basis. The duration of these contracts is five years. The contract with Police Services can be terminated by either party with written notice of one year.

12. Trust funds:

The Municipality does not administer any trust funds and, as such, there are no trust funds included in these consolidated financial statements.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

13. Operations of School Boards and the County of Essex:

The taxation, other revenues and expenditures of the School Boards and the County of Essex are comprised of the following:

	2016	2015
Taxation and share of payments in lieu and rights of way:		
School Boards	\$ 10,648,203	\$ 10,641,129
County	12,908,975	12,614,060
	23,557,178	23,255,189
Requisitions	23,557,178	23,255,189
Over levy (under levy) for the year	\$ -	\$ -

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

14. Budget:

The Financial Plan (Budget) By-Law adopted by Council on February 10, 2016 (public sector accounting standards). The budget was prepared on a modified accrual basis while Canadian public sector accounting standards now require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. Subsequently Council approved a report from the Treasurer restating the Financial Plan (Budget) to conform with PSAB basis of accounting. As a result, the budget figures presented in the Consolidated Statements of Operations and change in net financial assets represent the Financial Plan adopted by Council on February 10, 2016 with adjustments as follows:

	2016	2015
Financial Plan (Budget By-Law surplus (deficit)) for the year	\$ 2,630,796	\$ 1,501,993
Add:		
Share of government business enterprises surplus	700,000	900,000
Employee future benefits expenditures	-	126,300
Landfill post-closure expenditures	32,000	36,000
Loss on sale of tangible capital assets	(314,282)	(906,027)
Capital expenditures	11,157,600	9,191,107
	<u>11,575,318</u>	<u>9,347,380</u>
Less:		
Accrued interest expense	(5,100)	2,400
Dividend from government business enterprise	400,000	400,000
Employee future benefits expense	876,000	1,326,300
Landfill post-closure expense	33,000	36,000
Amortization	6,960,384	6,453,452
	<u>8,264,284</u>	<u>8,218,152</u>
Budget surplus per Consolidated Statement of Operations	<u>\$ 5,941,830</u>	<u>\$ 2,631,221</u>

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

15. Tangible capital assets:

The Consolidated Schedule of Tangible Capital Assets (Schedule 1) provides information on the tangible capital assets of the Town by major assets as well as accumulated amortization of the assets controlled. The reader should be aware of the following relating to tangible capital assets:

(a) Contributed capital assets:

The Town records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. Transfers recorded amounted to \$98,000 (2015 - \$98,740).

(b) Tangible capital assets recognized at nominal value:

Certain assets have been assigned a nominal value of one Canadian Dollar, because of the difficulty of determining a tenable valuation. These assets generally consist of small parcels of land acquired over seventy years ago.

(c) Works of art and historical treasures:

The town has been given and purchased a number of paintings and other pieces of artwork. Altogether, there are 35 pieces that were appraised at \$96,000 in 2005. These pieces are insured for \$100,000. These have not been capitalized.

(d) Capitalization of interest:

The Town has a policy of not capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

15. Tangible capital assets (continued):

	2016	2015
General:		
Land	\$ 22,469,179	\$ 22,469,179
Land improvements	6,790,765	6,382,728
Buildings	27,492,469	28,365,927
Leasehold improvements	673,246	728,383
Equipment and vehicles	6,191,972	6,334,798
Computer	326,556	289,428
Furniture and fixtures	115,449	130,055
Infrastructure:		
Roads	61,787,765	60,844,607
Underground and other networks	94,533,359	93,708,258
Assets under construction	5,517,566	5,442,758
	\$ 225,898,326	\$ 224,696,121

16. Public Sector Salary Disclosure Act:

The Public Sector Salary Disclosure Act requires all municipalities to disclose which, if any, employees or officers received remuneration totaling more than \$100,000 during the year.

Position	Name	Salary paid	Taxable benefits
Chief Administrative Officer	T. Haddad	\$ 224,937	\$ 42,259
Director Corporate Services & Clerk	L. Moy	137,935	1,555
Director Public Works	D. Piescic	137,935	1,555
Director Planning Services	B. Hillman	137,679	1,555
Director Financial Services & Treasurer	L. Gagnon	137,423	1,555
Director Parks & Recreation	P. Anthony	137,935	1,542
Director Information & Com Services	S. Fuerth	117,194	1,451
Manager Planning Services/Senior Planner	C. Jeffery	113,523	1,322
Director Fire Services & Fire Chief	D. Pitre	109,119	1,379
Manager Building Services	M. Voegeli	105,985	1,226
Manager Water Services	D. Berthiaume	104,959	1,225
Manager Roads & Fleet	K. McArdle	104,959	1,225
Deputy Treasurer & Tax Collector	T. Kitsos	101,721	1,195
Manager Engineering Services	P. Bartnik	101,447	1,256

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

17. Segmented information:

The Town of Tecumseh is a diversified local municipal government that provides a wide range of services to its citizens, including police, fire, water, wastewater and parks and recreation. For management reporting purposes the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Town 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:

General government consists of three categories: governance, corporate management and program support. It includes offices of Council, Chief Administrative Officer, Information Technology, Financial and Clerk Services.

(b) Protection to persons and property:

Protection is comprised of Fire, Police, Conservation Authority and Protective Inspection and Control. The mandate of the Police Services department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offender; and enforce the law. Conservation Authority includes the Town's share of the Essex Region Conservation Authority. The Fire Service department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. Protective Inspection and Control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-law for the protection of occupants.

(c) Transportation:

The Public Works department is responsible for the delivery of municipal public works services to the planning, development and maintenance of roadway systems, snow clearing and removal and street lighting.

(d) Environmental:

Includes water, wastewater as well as garbage collection and disposal. The department provides drinking water to citizens of Tecumseh, collecting and treating wastewater, and providing collection and disposal of waste. Recycling is provided at the County level.

THE CORPORATION OF THE TOWN OF TECUMSEH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

17. Segmented information (continued):

(e) Social and Family:

It provides the Town's share of the Golden Age Club operations.

(f) Recreational and cultural:

The department provides public services that responds to citizens' leisure and cultural requirements. Facilities include a wide variety of parks plus a twin pad arena, pool and various community facilities.

(g) Business Improvement Area (BIA):

The BIA, a geographic area of the municipality, has a board of management which is an organization set up to provide business promotion and improvement functions. A BIA allows local business people and property owners to join together and with the support of the municipality, organize, finance and carry out physical improvement and promote economic development in their district. The local municipality is the body responsible for approving the budget of the BIA.

(h) Planning and development:

The Planning and Development department facilitates the orderly growth of the Town through approval to all land development plans in accordance with the Official Plan.

For each reported segment, revenues and expense 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. The General Revenue Fund reports on municipal services that are funded primarily by taxation such as property and business tax revenues. Taxation and payments-in-lieu of taxes are apportioned to General Revenue Fund services based on the Fund's net surplus. Certain government transfers, transfer from other funds, and other revenues 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. For additional information see the Consolidated Schedule of Segmented Disclosure (Schedule 2).

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Schedule of Tangible Capital Assets

Schedule 1

Year ended December 31, 2016

	General						Infrastructure				Totals	
	Land	Land improvements	Buildings	Leasehold improvements	Equipment / vehicles	Computer	Furniture and fixtures	Roads	Underground and other networks	Assets under construction	2016	2015
Cost:												
Balance, beginning of year	\$ 22,469,179	\$ 9,346,556	\$ 39,199,575	\$ 1,206,298	\$ 11,495,611	\$ 1,216,243	\$ 307,981	\$ 110,890,841	\$ 137,456,865	\$ 5,442,758	\$ 339,031,907	\$ 334,053,159
Add: Additions during the year	-	775,946	219,477	-	721,499	134,137	11,225	3,499,988	3,069,813	4,776,570	13,208,655	31,366,214
Less: Disposals during the year	-	4,439	23,863	-	341,038	190,642	109,519	702,927	289,172	-	1,661,600	3,513,676
Other	-	45,269	-	-	-	-	-	(45,269)	-	(4,701,762)	(4,701,762)	(22,873,790)
Balance, end of year	22,469,179	10,163,332	39,395,189	1,206,298	11,876,072	1,159,738	209,687	113,642,633	140,237,506	5,517,566	345,877,200	339,031,907
Accumulated amortization:												
Balance, beginning of year	-	2,963,828	10,833,648	477,915	5,160,813	926,816	177,926	50,046,234	43,748,606	-	114,335,786	110,419,446
Add: amortization	-	412,046	1,088,349	55,138	836,919	92,488	25,831	2,252,568	2,112,220	-	6,875,559	6,505,779
Less: accumulated amortization on disposals	-	4,439	19,277	-	313,632	186,122	109,519	442,802	156,679	-	1,232,470	2,589,439
Other	-	1,132	-	-	-	-	-	(1,132)	-	-	-	-
Balance, end of year	-	3,372,567	11,902,720	533,053	5,684,100	833,182	94,238	51,854,868	45,704,147	-	119,978,875	114,335,786
Net book value of tangible capital assets	\$ 22,469,179	\$ 6,790,765	\$ 27,492,469	\$ 673,245	\$ 6,191,972	\$ 326,556	\$ 115,449	\$ 61,787,765	\$ 94,533,359	\$ 5,517,566	\$ 225,898,325	\$ 224,696,121

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Schedule of Segment Disclosure

Schedule 2

Year ended December 31, 2016

2016	General government	Protection to persons and property	Transportation	Environmental	Social and family services	Recreation and culture	BIA	Planning and development	Totals
Revenues:									
Property taxes	\$ 2,950,552	\$ 5,274,751	\$ 5,383,934	\$ 4,599,750	\$ 18,879	\$ 2,383,930	\$ 106,249	\$ 489,634	\$ 21,207,679
Government transfers	41,852	214,365	1,497,730	304,460	23,810	572,301	1,034	74,943	2,730,495
User charges	203,388	783,111	243,911	8,992,513	1,938	1,597,483	8,664	93,543	11,924,551
Capital contributions	-	6,183	155,025	893,378	-	95,543	-	201,707	1,351,836
Investment income	146,688	162,165	65,132	227,011	1,005	90,493	994	18,319	711,807
Penalties and interest on property taxes	87,113	133,983	53,813	32,817	830	71,118	-	15,135	394,809
Income from government business enterprise	212,627	327,029	131,347	80,102	2,026	173,587	-	36,942	963,660
Gain (loss) on disposal of tangible capital assets	-	(4,874)	(246,880)	(132,493)	-	28,484	-	-	(355,763)
Other	-	35,000	-	-	-	32,582	-	-	67,582
	3,642,220	6,931,713	7,284,012	14,997,538	48,488	5,045,521	116,941	930,223	38,996,656
Expenses:									
Wages and benefits	2,733,763	1,634,581	1,219,653	1,409,405	-	2,027,691	53,522	525,610	9,604,225
Interest on municipal maintenance	-	-	343,868	158,964	-	375,233	-	-	878,065
Office supplies and equipment maintenance	201,995	19,121	6,679	34,481	1,530	15,083	6,161	4,534	289,584
Memberships	17,202	4,961	12,639	1,390	-	3,454	741	3,599	43,986
Conventions and training	55,775	19,895	7,129	29,705	-	15,126	1,143	14,901	143,674
Maintenance materials and supplies	22,515	70,546	818,588	141,165	803	436,706	-	-	1,490,323
Purchases for resale	-	-	-	1,424,208	-	45,089	-	-	1,469,297
Maintenance	9,468	101,629	325,117	286,103	-	182,193	-	-	904,510
Contract services	12,438	4,047,465	1,331,726	3,334,752	1,197	67,752	-	652,846	9,448,176
Professional	664,611	26,731	220,325	252,059	5,505	72,789	814	431,234	1,674,068
Vehicle and equipment leases	1,848	-	-	-	-	720	-	-	2,568
Utilities	35,622	51,820	365,996	213,865	6,907	362,826	-	3,230	1,040,266
Insurance	86,997	55,265	76,898	121,425	5,587	86,621	-	-	432,793
Grants and donations	15,500	-	-	118,603	21,000	-	-	3,470	158,573
Amortization	133,732	286,137	2,546,911	2,878,701	8,570	1,020,842	-	666	6,875,559
Other	84,343	30,781	23,503	55,833	-	135,441	58,729	54,119	442,749
Financial	31,610	48,617	19,527	16,128	301	44,484	-	5,492	166,159
	4,107,419	6,397,549	7,318,559	10,476,788	51,400	4,892,050	121,110	1,699,701	35,064,575
Annual surplus (deficit)	\$ (465,199)	\$ 534,164	(34,547)	\$ 4,520,750	\$ (2,912)	\$ 153,471	\$ (4,169)	\$ (769,478)	\$ 3,932,081

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Schedule of Segment Disclosure

Schedule 2

Year ended December 31, 2016

2015	General government	Protection to persons and property	Transportation	Environmental	Social and family services	Recreation and culture	BIA	Planning and development	Totals
Revenues:									
Property taxes	\$ 3,339,410	\$ 5,864,550	\$ 4,894,952	\$ 4,512,511	\$ 16,514	\$ 2,079,206	\$ 117,836	\$ 397,109	\$ 21,222,088
Government transfers	17,717	182,695	1,449,826	765,265	23,304	75,583	1,140	386,893	2,902,423
User charges	386,076	841,247	144,671	8,297,110	1,352	1,534,835	8,924	76,973	11,291,188
Capital contributions	-	-	201,951	1,231,748	-	132,184	-	590,959	2,156,842
Investment income	184,709	179,472	58,281	217,548	893	79,841	1,144	17,156	739,044
Penalties and interest on property taxes	90,059	172,171	55,911	35,338	857	70,257	-	16,458	441,051
Income from government business enterprise	166,508	318,323	103,372	65,335	1,585	129,897	-	30,429	815,449
Gain (loss) on disposal of tangible capital assets	(5,467)	(7,821)	(309,084)	(319,407)	-	(124,699)	-	-	(766,478)
Other	-	-	98,740	31,454	-	51,571	-	-	181,765
	4,179,012	7,550,637	6,698,620	14,836,902	44,505	4,028,675	129,044	1,515,977	38,983,372
Expenses:									
Wages and benefits	2,673,581	1,492,521	1,317,685	1,434,548	-	1,988,941	59,938	536,695	9,503,909
Interest on municipal debt	-	-	365,213	225,456	-	387,003	-	20,275	997,947
Office supplies and equipment maintenance	185,108	19,066	6,931	30,623	-	9,646	10,486	4,074	265,934
Memberships	16,922	4,953	7,319	1,680	-	3,537	473	2,925	37,809
Conventions and training	62,011	17,366	8,953	15,643	-	16,657	1,292	15,341	137,263
Maintenance materials and supplies	14,045	62,005	333,153	147,998	2,439	417,110	-	-	976,750
Purchases for resale	-	-	-	1,331,628	-	40,544	-	-	1,372,172
Maintenance	4,716	99,542	231,556	326,962	1,939	215,432	-	-	880,147
Contract services	12,438	4,649,804	1,192,385	3,715,078	-	136,698	-	590,168	10,296,571
Professional	566,387	15,959	90,660	108,155	-	31,917	5,778	529,482	1,348,338
Vehicle and equipment leases	1,900	-	-	-	-	720	-	-	2,620
Utilities	32,170	45,901	379,490	165,776	6,188	311,395	-	1,854	942,774
Insurance	72,442	53,724	75,159	113,091	5,354	82,273	-	-	402,043
Grants and donations	10,510	-	-	2,400	21,000	1,916	-	-	35,826
Amortization	138,698	319,270	2,431,860	2,625,175	5,869	983,802	-	1,105	6,505,779
Other	78,067	21,135	23,097	53,190	-	141,635	57,935	37,989	413,048
Financial	55,870	106,492	34,582	37,147	530	55,275	-	10,180	300,076
	3,924,865	6,907,738	6,498,043	10,334,550	43,319	4,824,501	135,902	1,750,088	34,419,006
Annual surplus (deficit)	\$ 254,147	\$ 642,899	200,577	\$ 4,502,352	\$ 1,186	\$ (795,826)	\$ (6,858)	\$ (234,111)	\$ 4,564,366