

**THE CORPORATION OF THE  
TOWNSHIP OF PRINCE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

<b>CONTENTS</b>	<b>Page</b>
<b>AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Net Financial Assets (Net Debt)	4
Consolidated Statement of Cash Flows	5
Summary of Significant Accounting Policies	6-9
Notes to Consolidated Financial Statements	10-18
<b>PUBLIC LIBRARY BOARD</b>	
<b>AUDITORS' COMMENTS</b>	20
Statement of Financial Position and Statement of Operations	21
Summary of Significant Accounting Policies	22
<b>MUSEUM BOARD</b>	
<b>AUDITORS' COMMENTS</b>	24
Statement of Financial Position and Statement of Operations	25
Summary of Significant Accounting Policies	26
<b>PARENT/CHILD RESOURCE CENTRE</b>	
<b>AUDITORS' COMMENTS</b>	28
Statement of Financial Position and Statement of Operations	29
Summary of Significant Accounting Policies	30
<b>TRUST FUND</b>	
<b>AUDITORS' REPORTS</b>	32
Statement of Financial Position	33
Statement of Trust Continuity	34
Notes to Financial Statements	35



CALAM+ROSSI  
CHARTERED ACCOUNTANTS LLP  
LICENSED PUBLIC ACCOUNTANTS

ALEXANDER B. CALAM, CPA, CA, Partner  
ANTHONY S. ROSSI, CPA, CA, Partner

369 QUEEN ST. EAST, SUITE 302 • SAULT STE. MARIE, ON • P6A 1Z4

Tel: 705.253.0110 • Fax: 705.253.1771

---

## INDEPENDENT AUDITORS' REPORT

---

To the Members of Council, Inhabitants and Ratepayers of  
the Corporation of the Township of Prince

### Report on the financial statements

We have audited the accompanying statements of the Corporation of the Township of Prince, which comprise of the consolidated statement of financial position as at December 31, 2012, the consolidated statements of operations, consolidated statement of changes in net financial assets (net debt) and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines as necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated statement of financial position of the Corporation as at December 31, 2012, the results of its consolidated operations, consolidated statement of changes in net financial assets (net debt) and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants LLP  
Licensed Public Accountants  
Sault Ste. Marie, Canada  
October 8, 2013

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>AS AT DECEMBER 31,</b>	<b>2012</b>	<b>2011</b>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Restricted \$64,195)	\$ 693,764	\$ -
Taxes receivable	143,793	136,495
Accounts receivable	79,595	578,774
Other assets	2,005	1,530
	<u>919,157</u>	<u>716,799</u>
<b>FINANCIAL LIABILITIES</b>		
Bank indebtedness, caused by outstanding cheques	\$ -	\$ 73,496
Accounts payable and accrued liabilities	81,381	112,889
Deferred revenue (note 7)	151,835	141,660
Employee benefit obligation (note 4)	5,216	5,216
	<u>238,432</u>	<u>333,261</u>
<b>NET FINANCIAL ASSETS</b>	<u>680,725</u>	<u>383,538</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (note 9)	1,422,225	1,357,662
<b>Commitment (note 8)</b>		
<b>ACCUMULATED SURPLUS</b>	<u>\$ 2,102,950</u>	<u>\$ 1,741,200</u>

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_ Mayor

\_\_\_\_\_ CAO

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
CONSOLIDATED STATEMENT OF OPERATIONS**

<b>YEAR ENDED DECEMBER 31, (with comparative figures for the prior year)</b>	<b>Budget (Unaudited) 2012</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
<b>Revenues</b>			
Taxation, net	\$ 931,883	\$ 947,479	\$ 884,987
Province of Ontario	664,701	638,364	740,936
Government of Canada grants	59,570	117,061	117,932
User charges	10,025	42,706	37,304
Licenses, permits and rents	30,450	23,445	23,921
Penalties and interest on taxes	15,000	21,163	19,368
Investment income	2,000	493	2,950
Donations and other	19,840	33,507	47,512
Other municipalities	9,000	2,331	10,892
<b>Total revenues</b>	<b>1,742,469</b>	<b>1,826,549</b>	<b>1,885,802</b>
<b>Expenditures</b>			
General government	387,683	336,257	494,648
Protection to persons and property	219,823	193,485	197,253
Transportation services	150,100	181,462	198,128
Environmental services	63,750	47,541	44,415
Health services	28,714	62,003	53,120
Social and family services	554,700	401,410	456,214
Social housing	-	138,334	105,520
Recreation and cultural services	74,640	103,060	85,479
Planning and development	14,000	1,247	7,412
<b>Total</b>	<b>1,493,410</b>	<b>1,464,799</b>	<b>1,642,189</b>
<b>Annual Surplus</b>	<b>249,059</b>	<b>361,750</b>	<b>243,613</b>
<b>Accumulated Surplus, beginning of year</b>	<b>1,741,200</b>	<b>1,741,200</b>	<b>1,497,587</b>
<b>Accumulated Surplus, end of year</b>	<b>\$ 1,990,259</b>	<b>\$ 2,102,950</b>	<b>\$ 1,741,200</b>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE**

**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)**

<b>YEAR ENDED DECEMBER 31,</b>	<b>2012</b>	<b>2011</b>
<b>Annual Surplus</b>	\$ 361,750	\$ 243,613
Acquisition of Tangible Capital Assets	(122,458)	(165,730)
Amortization of Tangible Capital Assets	57,895	53,132
	(64,563)	(112,598)
<b>Change in Net Financial Assets</b>	<b>297,187</b>	<b>131,015</b>
<b>Net Financial Assets (Net Debt), Beginning of Year</b>	<b>383,538</b>	<b>252,523</b>
<b>Net Financial Assets (Net Debt), End of Year</b>	<b>\$ 680,725</b>	<b>\$ 383,538</b>

# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual Surplus	\$ 361,750	\$ 243,613
Amortization of capital assets	57,895	53,132
<b>Uses and Sources:</b>		
Increase in taxes receivable	(7,298)	(40,281)
Increase in other assets	(475)	593
Decrease in accounts payable and accrued liabilities	(31,508)	(60,600)
Increase in accounts receivable	499,179	(370,893)
Increase in deferred revenue	10,175	10,352
	470,073	(460,829)
Net increase (decrease) in cash from operating activities	889,718	(164,084)
<b>CASH FLOWS FROM FINANCING AND CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(122,458)	(165,730)
Repayment of demand loan	-	(1,055)
	(122,458)	(166,785)
Net increase (decrease) in cash and equivalents	767,260	(330,869)
Cash and cash equivalents, beginning of year	(73,496)	257,373
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 693,764</b>	<b>\$ (73,496)</b>

# **THE CORPORATION OF THE TOWNSHIP OF PRINCE**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2012**

---

The Corporation of the Township of Prince ("the Township") is a municipality in the Province of Ontario, Canada. The Township conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **MANAGEMENT RESPONSIBILITY**

The consolidated financial statements of the Corporation of the Township of Prince are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependant upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment.

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE TOWNSHIP:**

##### **REPORTING ENTITY**

These consolidated statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves and tangible capital assets of the Corporation of the Township of Prince. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of the financial affairs and resources of the Township, and which are owned or controlled by the Corporation of the Township of Prince. The Public Library, Museum and Parent /Child Resource Centre are accordingly consolidated in these financial statements.

All material inter-entity transactions and balances are eliminated on consolidation.

##### **NON-CONSOLIDATED ENTITIES**

The following local boards, joint local boards and municipal enterprises are not consolidated:

Algoma Health Unit  
SSM District Services Administration Board

##### **ACCOUNTING FOR SCHOOL BOARD TRANSACTIONS**

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

##### **TRUST FUNDS**

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Statement of Financial Position."

##### **ACCRUAL 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 PRINCE  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2012**

---

**NON-FINANCIAL ASSETS**

Non-financial assets are not available to discharge liabilities but are held for use in the provision of services. The useful lives of such assets extend 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 accumulated surplus (deficit), provides the Change in Net Financial Assets for the year.

**TANGIBLE CAPITAL ASSETS**

Tangible capital assets are recorded at cost, and include all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost less residual value of all tangible capital assets are amortized on a straight-line basis over their useful lives as follows:

	<u>Useful Life - Years</u>
<b>Non Linear assets</b>	
Land improvements	20-25
Buildings and building components	20-40
Vehicles	4-20
Machinery and equipment	3-20
<b>Linear assets</b>	
- Road bases	40
- Road paved surface	25
- Bridges and structures	25-75

Works of art and historical treasures are property that has cultural, aesthetic, or historical value that is worth preserving perpetually. Works of art and historical treasures would not be recognized as tangible capital assets in government financial statements because a reasonable estimate of the future benefits associated with such property can not be determined. Disclosure of the existence of such property is required under PSAB.

Tangible Capital Assets meeting the aforementioned description for the Township is:

Prince Museum and Display

# **THE CORPORATION OF THE TOWNSHIP OF PRINCE**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2012**

---

### **TANGIBLE CAPITAL ASSETS (CONT'D)**

Township of Prince has a capitalization threshold of \$5,000 for all categories of tangible capital assets. Individual assets below the threshold are expensed, unless they are pooled, because collectively, they have significant value. The Township's threshold for pooled assets is \$5,000.

Contributions of tangible capital assets are recorded a fair value at the date of receipt and that fair value is also recorded as revenue.

Leases are classified as a capital or operating lease. Leases that transfer substantially all the benefits and risks incidental to township of the property are accounted for as a capital lease. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

### **SURPLUS LAND**

The carrying value of surplus land is based on the purchase and development costs and does not reflect any gain that may arise if the land sells for more than the carrying value.

### **DEFERRED REVENUE**

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. From time to time the Township receives development charges under the authority of provincial legislation and Township by-laws.

### **RESERVE AND RESERVE FUNDS**

Amounts that are approved by the Township Council are set aside for reserves and reserve funds for future operating and capital purposes. Transfer to/from reserves and reserve funds are an adjustment to the respective fund when approved.

# **THE CORPORATION OF THE TOWNSHIP OF PRINCE**

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2012**

---

### **FINANCIAL INSTRUMENTS**

The Township's financial instruments consist of cash and term deposits, taxes receivable, accounts receivable and other assets, accounts payable and accrued liabilities, other current liabilities and long term debt. Unless otherwise noted, it is management's opinion that the Township is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### **FUTURE EMPLOYEE BENEFITS**

The municipality participates in the following benefit plans:

#### **(a) Pension Plan**

The municipality provides pension benefits to substantially all employees through the Ontario Municipal Employee Retirement Fund (OMERS), a multi-employer plan. The pension expense to the municipality is equal to the municipality's contributions due to the plan in the period.

#### **(b) Sick Leave**

The municipality's employees may accumulate unused sick days and may become entitled to a cash payment when they leave the municipality's employment. The municipality accrues the cost of these employee future benefits over the periods in which the employees can earn the benefits. The cost of these employee future benefits is determined using management's best estimate.

### **GOVERNMENT GRANTS AND TRANSFERS**

Government transfers include entitlements, transfers under shared cost agreements, and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period of the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

### **BUDGET FIGURES**

The approved operating budget and capital budgets are reflected on the Consolidated Statement of Operations and are unaudited. The budgets established for capital investment in tangible capital assets are on a projected-oriented basis, the costs of which may be carried out over one or more years and therefore, may not be comparable with current year's actual expenditures.

### **COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year financial statement presentation.

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

**1. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS**

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

	2012	2011
Algoma Health Unit	\$ 27,445	\$ 26,908
Sault Ste. Marie District Social Services Administration Board	250,331	251,608
	<b>\$ 277,776</b>	<b>\$ 278,516</b>

The Township is contingently liable for its share of any accumulated deficits of the above boards as well as long term liabilities issued by other Municipalities for these boards.

**2. TAXATION AND PAYMENTS TO SCHOOL BOARDS**

During 2012, the Municipality collected and transferred property taxes in the amount of \$259,604 (2011 - \$246,514).

**3. TRUST FUNDS**

Trust funds administrated by the Township amounting to \$ 45,036 (2011 - \$ 41,249 ) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations".

**4. PENSION AGREEMENTS AND FUTURE EMPLOYEE BENEFITS**

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its full-time 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 the length of service and rates of pay.

The amount contributed to OMERS was \$22,664 (2011 - \$20,998) the current year service and is included as an expenditure on the Consolidated Statement of Financial Activities. No pension liability for this type of plan is included in the municipality's financial statements.

The municipality's employees may accumulate unused sick days and may become entitled to a cash payment when they leave the municipality's employment. The municipality accrues the cost of these employee future benefits over the periods in which the employees can earn the benefits. The cost of these benefits is determined using management's best estimate.

The estimated liability at December 31, 2012 is \$5,216 (2011 - \$5,216).

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**5. BUDGET RECONCILIATION**

The authority of Council is required before monies can be spent by the Township. Approvals are given in the form of an annually approved budget. The budget approved by Council, Library, Museum Boards and Parent/Child Resource Centre differs from the budget in the Consolidated Statement of Operations as a result of numerous factors and material changes due to PSAB reporting requirements.

	<b>Revenues 2012</b>	<b>Expenditures 2012</b>
Council, Library Board, Museum Board, and Parent/Child Resource Centre - approved budgets		
Operating fund	\$ 1,682,898	\$ 1,493,410
Reserves and Reserve funds	-	30,000
	<u>1,682,898</u>	<u>1,523,410</u>
Capital Budget	59,571	212,749
Total Approved by Council, Boards and Resource Centre	<u>1,742,469</u>	<u>1,736,159</u>
Less Reserves and Reserve funds	-	(30,000)
Less Tangible Capital Assets Capitalized	-	(212,749)
Plus: Budgeted amortization expense	NIL	NIL
Budget per Consolidated Statement of Operations	<u>\$ 1,742,469</u>	<u>\$ 1,493,410</u>

**6. ACCUMULATED SURPLUS**

The total accumulated surplus of individual fund surplus and reserves and reserve funds of \$ 2,102,950 (2011 - \$ 1,741,200 ) respectively are made up of the following:

	<b>2012</b>	<b>2011</b>
Surplus		
Invested in Tangible Capital Assets	\$ 1,422,225	\$ 1,357,662
- Library	5,895	5,791
- Museum	(11,389)	(11,322)
- Parent Child Resource Centre	(826)	(1,137)
	<u>1,415,905</u>	<u>1,350,994</u>
Reserves set aside for specific purposes by Council		
- Working capital	437,664	169,343
- Other	21,686	21,686
- Museum restoration	11,899	11,899
- Recreation, current purposes	1,397	1,397
- Roads	86,874	86,874
- Fire	30,000	20,000
- Parks	30,000	20,000
	<u>619,520</u>	<u>331,199</u>
Reserve funds set aside for specific purpose by Council		
- Parks	41,631	33,332
- Fire	25,894	25,675
	<u>67,525</u>	<u>59,007</u>
<b>Accumulated Surplus</b>	<u>\$ 2,102,950</u>	<u>\$ 1,741,200</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

---

**7. DEFERRED REVENUE**

	<b>2012</b>	<b>2011</b>
Other deferred revenue	\$ 14,604	\$ 22,799
Parks - Obligatory	8,050	-
Federal Gas Tax - Obligatory	129,181	118,861
	<u>\$ 151,835</u>	<u>\$ 141,660</u>

The Township of Prince has entered into an agreement with the Association of Municipalities of Ontario for the transfer of Federal Gas Tax Revenues. In order to spend the funding the Township must submit for approval of an eligible project and ensure that the funds will result in net incremental capital spending.

**8. COMMITMENT**

In 2009 the Township entered into a five year agreement with the City of Sault Ste. Marie to provide police services. The agreement expires in 2013 and is payable yearly as follows:

2013	\$130,226
------	-----------

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

**9. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS**

	Cost						Accumulated Amortization			2012	2011
	2012 Opening Balance	Additions and Betterments	Disposals/ Transfers	2012 Closing Balance	2012 Opening Balance	2012 Amortization Expense	Accumulated Amortization on Disposals	2012 Ending Balance	Net Book Value	Net Book Value	
<b>General Capital Assets</b>											
Land	\$ 114,491	\$ -	\$ -	\$ 114,491	\$ -	\$ -	\$ -	\$ -	\$ 114,491	\$ 114,491	
Buildings	179,679	-	(384)	179,295	64,879	4,550	-	69,429	109,866	114,800	
Equipment and machinery	124,516	7,795	-	132,311	11,941	12,302	-	24,243	108,068	112,575	
Technology equipment	7,626	-	-	7,626	6,575	751	-	7,326	300	1,051	
Furniture and fixtures	8,397	4,017	-	12,414	1,399	939	-	2,338	10,076	6,998	
Sign	-	1,052	-	1,052	-	-	-	-	1,052	-	
	434,709	12,864	(384)	447,189	84,794	18,542	-	103,336	343,853	349,915	
<b>Infrastructure Assets</b>											
Buildings	24,634	-	-	24,634	4,311	1,232	-	5,543	19,091	20,323	
Vehicles and machinery	84,291	-	-	84,291	17,014	7,981	-	24,995	59,296	67,277	
Linear	2,122,032	55,083	-	2,177,115	1,201,885	30,140	-	1,232,025	945,090	920,147	
Assets Work-in-process	-	54,895	-	54,895	-	-	-	-	54,895	-	
	2,230,957	109,978	-	2,340,935	1,223,210	39,353	-	1,262,563	1,078,372	1,007,747	
	\$ 2,665,666	\$ 122,842	\$ (384)	\$ 2,788,124	\$ 1,308,004	\$ 57,895	\$ -	\$ 1,365,899	\$ 1,422,225	\$ 1,357,662	

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

**9. TANGIBLE CAPITAL ASSETS - SUMMARY BY ASSET CLASS (Continued)**

	Cost					Accumulated Amortization			2011	2010
	2011 Opening Balance	Additions and Betterments	Disposals/ Transfers	2011 Closing Balance	2011 Opening Balance	2011 Amortization Expense	Accumulated Amortization on Disposals	2011 Ending Balance	Net Book Value	Net Book Value
<b>General Capital Assets</b>										
Land	\$ 114,491	\$ -	\$ -	\$ 114,491	\$ -	\$ -	\$ -	\$ -	\$ 114,491	\$ 114,491
Buildings	152,334	27,345	-	179,679	60,556	4,323	-	64,879	114,800	91,778
Equipment and machinery	31,202	93,314	-	124,516	2,960	8,981	-	11,941	112,575	28,242
Technology equipment	5,824	1,802	-	7,626	5,824	751	-	6,575	1,051	-
Furniture and fixtures	8,397	-	-	8,397	560	839	-	1,399	6,998	7,837
Assets Work-in-process	9,005	-	(9,005)	-	-	-	-	-	-	9,005
	321,253	122,461	(9,005)	434,709	69,900	14,894	-	84,794	349,915	251,353
<b>Infrastructure Assets</b>										
Buildings	24,634	-	-	24,634	3,079	1,232	-	4,311	20,323	21,555
Vehicles and machinery	84,291	-	-	84,291	9,033	7,981	-	17,014	67,277	75,258
Linear	2,069,758	52,274	-	2,122,032	1,172,860	29,025	-	1,201,885	920,147	896,898
	2,178,683	52,274	-	2,230,957	1,184,972	38,238	-	1,223,210	1,007,747	993,711
	\$ 2,499,936	\$ 174,735	\$ (9,005)	\$ 2,665,666	\$ 1,254,872	\$ 53,132	\$ -	\$ 1,308,004	\$ 1,357,662	\$ 1,245,064



# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012

---

### 10. SEGMENTED INFORMATION

The Township of Prince is a diversified municipal government institution that provides a wide range of services to more than 1,031 citizens. Services include water, roads, fire, police, waste management, recreation programs, economic development, land use planning and health and social services. 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.

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

#### **General Government**

General Government consists of Office of the Mayor, Council expenses, Administrative Services (including Clerks, Elections, Communications, Legal and Information Technology Services). Areas within the General Government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues, relating to governance, strategic planning and service delivery.

#### **Protection Services**

This section consists of Fire, Police, Animal Control, Building Services, and Emergency measures. Police Services ensure the safety of the lives and property of citizens; preserve peace and order; prevent crimes from occurring; detect offenders and enforce the law. Fire Services is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection and extinguishment of fires. The Building Services processes permit applications and ensures compliance with the Ontario Building Code and with By-Laws enacted by Council.

#### **Transportation Services**

This area is responsible for management of Roadways including traffic and winter control.

#### **Environmental Services**

This area is responsible for Waste Disposal and Recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements.

# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012

---

### 10. SEGMENTED INFORMATION (Continued)

#### **Health and Social Services**

This section consists of Ambulance Services, Social Services including Housing Services, Childcare, Assistance to aged persons, Cemetery Services as well as the Township's levy contributions to the Health Unit and Hospital. Children Services deliver child care services and assist with costs of child care via the provision of subsidies.

#### **Recreation and Cultural Services**

This section provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and other programs and provides management of arenas and leisure facilities. This section also contributes to the information needs of the Township's citizens through the provision of the library and cultural services and by preserving local history and managing archived data.

#### **Planning and Development Services**

The goal of this section is to offer coordinated development services in order to maximize economic development opportunities. The Planning and Development ensures that the Township of Prince is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles so that Prince is an enjoyable and beautiful community to live, work and play. This section also provides leadership in matters relating to landscape restoration, ecosystem health, biological integrity, energy conservation, air and lake water quality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, certain government grants and other revenue are apportioned to Current Fund services based on a percentage of operations.

**CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

**10. SEGMENTED INFORMATION - SERVICE BUNDLE - 2012 (CONT'D)**

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Total
<b>Revenues</b>								
Taxation (net)	\$ 217,920	\$ 132,647	\$ 113,697	\$ 28,424	\$ 378,992	\$ 66,324	\$ 9,475	\$ 947,479
Government transfers and grants	33,746	118,390	49,251	-	544,276	9,162	600	755,425
User Charges	5,731	-	-	17,896	1,500	13,779	3,800	42,706
Other	39,640	9,413	3,334	635	8,465	19,239	213	80,939
	297,037	260,450	166,282	46,955	933,233	108,504	14,088	1,826,549
<b>Expenditures</b>								
Salaries, wages and benefits	187,839	6,697	59,921	2,957	197,262	10,934	-	465,610
Materials and Contracts	148,418	176,709	84,424	44,584	404,485	75,427	1,247	935,294
Amortization	-	4,079	37,117	-	-	16,699	-	57,895
	336,257	187,485	181,462	47,541	601,747	103,060	1,247	1,458,799
<b>Annual Surplus (deficit)</b>	\$ (39,220)	\$ 72,965	\$ (15,180)	\$ (586)	\$ 331,486	\$ 5,444	\$ 12,841	\$ 367,750

**CORPORATION OF THE TOWNSHIP OF PRINCE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

**10. SEGMENTED INFORMATION - SERVICE BUNDLE - 2011 (CONT'D)**

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Total
<b>Revenues</b>								
Taxation (net)	\$ 168,148	\$ 150,448	\$ 115,048	\$ 17,700	\$ 389,394	\$ 35,399	\$ 8,850	\$ 884,987
Government transfers and grants	-	124,638	93,349	-	568,649	72,232	-	858,868
User Charges	5,731	-	-	14,709	2,341	12,523	2,000	37,304
Other	52,286	25,543	405	-	19,136	7,273	-	104,643
	226,165	300,629	208,802	32,409	979,520	127,427	10,850	1,885,802
<b>Expenditures</b>								
Salaries, wages and benefits	154,125	7,381	70,820	-	198,723	22,144	-	453,193
Materials and Contracts	340,523	185,794	91,306	44,415	416,131	50,283	7,412	1,135,864
Amortization	-	4,078	36,002	-	-	13,052	-	53,132
	494,648	197,253	198,128	44,415	614,854	85,479	7,412	1,642,189
<b>Annual Surplus (deficit)</b>	\$ (268,483)	\$ 103,376	\$ 10,674	\$ (12,006)	\$ 364,666	\$ 41,948	\$ 3,438	\$ 243,613

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
LIBRARY BOARD  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**



CALAM+ROSSI  
CHARTERED ACCOUNTANTS LLP  
LICENSED PUBLIC ACCOUNTANTS

ALEXANDER B. CALAM, CPA, CA, Partner  
ANTHONY S. ROSSI, CPA, CA, Partner

369 QUEEN ST. EAST, SUITE 302 • SAULT STE. MARIE, ON • P6A 1Z4

Tel: 705.253.0110 • Fax: 705.253.1771

---

## AUDITORS' COMMENTS

---

To the Members of Council, Inhabitants and Ratepayers of  
the Corporation of the Township of  
Prince

The audited consolidated financial statements of the Corporation of the Township of Prince as at December 31, 2012 and our report thereon dated October 8, 2013 are presented in the preceding section of this annual report. The financial statements presented hereafter were derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

Chartered Accountants LLP

Licensed Public Accountants  
Sault Ste. Marie, Canada  
October 8, 2013

# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS

**YEAR ENDED DECEMBER 31, 2012** (with comparative figures for the prior year)

	<b>2012</b>	<b>2011</b>
<b>Revenue</b>		
Grants - Province	\$ 2,069	\$ 3,893
Township contribution	3,602	4,257
Calendar	5,107	6,179
Other	3,254	1,095
	<u>14,032</u>	<u>15,424</u>
<b>Expenditures</b>		
Books	5,167	4,030
Fund raising	2,146	2,199
Honorarium	3,380	3,221
Office supplies and equipment and improvements	1,545	1,146
Amortization	1,690	1,590
	<u>13,928</u>	<u>12,186</u>
<b>Annual Surplus</b>	104	3,238
<b>Accumulated Surplus (deficit), beginning of year</b>	5,791	2,553
<b>Accumulated Surplus, end of year</b>	<u>\$ 5,895</u>	<u>\$ 5,791</u>

## STATEMENT OF FINANCIAL POSITION

<b>AS AT DECEMBER 31,</b>	<b>2012</b>	<b>2011</b>
<b>Financial Assets</b>		
Cash	\$ 12,531	\$ 14,440
Accounts receivable	2,093	2,070
	<u>14,624</u>	<u>16,510</u>
<b>Financial Liabilities</b>		
Accounts payable	7,310	7,109
Deferred revenue	11,795	11,660
	<u>19,105</u>	<u>18,769</u>
<b>Net Financial Assets (Net Debt)</b>	(4,481)	(2,259)
<b>Non-Financial Assets</b>		
Tangible capital Assets (note 9 - page 13)	10,376	8,050
<b>Accumulated Surplus (Deficit)</b>		
<b>Surplus (deficit)</b>	(4,481)	(2,259)
<b>Investment in tangible capital assets</b>	10,376	8,050
<b>Accumulated Surplus (Deficit), end of year</b>	<u>\$ 5,895</u>	<u>\$ 5,791</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

---

**BASIS OF ACCOUNTING**

(a) Sources of financing and expenditures are reported on the 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 the receipt of goods or services and the creation of a legal obligation to pay.

(b) Tangible capital assets are recorded at cost, and include all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost less residual value of all tangible capital assets are amortized on a straight-line basis over their useful lives in accordance with the rates and policies disclosed on pages 7 and 8 of this annual report.



**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
MUSEUM BOARD  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**



CALAM+ROSSI  
CHARTERED ACCOUNTANTS LLP  
LICENSED PUBLIC ACCOUNTANTS

ALEXANDER B. CALAM, CPA, CA, Partner  
ANTHONY S. ROSSI, CPA, CA, Partner

369 QUEEN ST. EAST, SUITE 302 • SAULT STE. MARIE, ON • P6A 1Z4

Tel: 705.253.0110 • Fax: 705.253.1771

---

## AUDITORS' COMMENTS

---

To the Members of Council, Inhabitants and Ratepayers of  
the Corporation of the Township of  
Prince

The audited consolidated financial statements of the Corporation of the Township of Prince as at December 31, 2012 and our report thereon dated October 8, 2013 are presented in the preceding section of this annual report. The financial statements presented hereafter were derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

Chartered Accountants LLP

Licensed Public Accountants  
Sault Ste. Marie, Canada  
October 8, 2013

# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## MUSEUM BOARD STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2012 (with comparative figures for the prior year)

	2012	2011
<b>Revenue</b>		
Grants - Province	\$ 2,730	\$ 2,784
Township contribution	1,000	1,000
Other	29	-
	<u>3,759</u>	<u>3,784</u>
<b>Expenditures</b>		
Honorarium	2,749	2,710
Professional fees	1,077	607
	<u>3,826</u>	<u>3,317</u>
<b>Annual Surplus (deficit)</b>	(67)	467
<b>Accumulated Deficit, beginning of year</b>	(11,322)	(11,789)
<b>Accumulated Deficit, end of year</b>	<u>\$ (11,389)</u>	<u>\$ (11,322)</u>

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2012	2011
<b>Financial Assets</b>		
Cash	\$ 2,304	\$ 2,108
Accounts receivable	86	86
	<u>2,390</u>	<u>2,194</u>
<b>Financial Liabilities</b>		
Accounts payable	1,880	1,617
<b>Net Financial Assets</b>	<u>510</u>	<u>577</u>
<b>Accumulated Surplus</b>		
Reserve	11,899	11,899
<b>Accumulated deficit, end of year</b>	<u>(11,389)</u>	<u>(11,322)</u>
	<u>\$ 2,390</u>	<u>\$ 2,194</u>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2012**

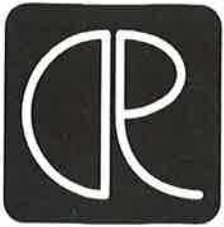
---

**BASIS OF ACCOUNTING**

(a) Sources of financing and expenditures are reported on the 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 the receipt of goods or services and the creation of a legal obligation to pay.

(b) Tangible capital assets are recorded at cost, and include all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost less residual value of all tangible capital assets are amortized on a straight-line basis over their useful lives in accordance with the rates and policies disclosed on pages 7 and 8 of this annual report.

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
PARENT/CHILD RESOURCE CENTRE  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**



CALAM+ROSSI  
CHARTERED ACCOUNTANTS LLP  
LICENSED PUBLIC ACCOUNTANTS

ALEXANDER B. CALAM, CPA, CA, Partner  
ANTHONY S. ROSSI, CPA, CA, Partner

369 QUEEN ST. EAST, SUITE 302 • SAULT STE. MARIE, ON • P6A 1Z4

Tel: 705.253.0110 • Fax: 705.253.1771

---

## AUDITORS' COMMENTS

---

To the Members of Council, Inhabitants and Ratepayers of  
the Corporation of the Township of  
Prince

The audited the consolidated financial statements of the Corporation of the Township of Prince as at December 31, 2012 and our report thereon dated October 8, 2013 are presented in the preceding section of this annual report. The financial statements presented hereafter were derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

Chartered Accountants LLP

Licensed Public Accountants  
Sault Ste. Marie, Canada  
October 8, 2013

# THE CORPORATION OF THE TOWNSHIP OF PRINCE

## PARENT/CHILD RESOURCE CENTRE STATEMENT OF OPERATIONS

**YEAR ENDED DECEMBER 31, 2012** (with comparative figures for the prior year)

	2012	2011
<b>Revenue</b>		
Grants - District Social Services Board	\$ 73,254	\$ 88,376
Grants - Government of Canada	64,535	62,560
Grants - Ontario Early Years Centre	119,678	134,551
Other	10,867	7,596
	268,334	293,083
<b>Expenditures</b>		
Administration	7,890	9,180
Occupancy	7,100	9,642
Postage, stationary and office supplies	945	2,063
Program supplies	54,826	51,659
Wages and benefits	197,262	220,800
	268,023	293,344
<b>Annual Surplus (Deficit)</b>	<b>\$ 311</b>	<b>\$ (261)</b>

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31,	2012	2011
<b>Assets</b>		
Cash	\$ 14,635	\$ 15,950
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable	\$ 3,677	\$ 3,676
Due to township	11,784	5,081
Deferred revenue	-	8,330
	15,461	17,087
<b>Accumulated Surplus (Deficit)</b>		
Deficit, beginning of year	(1,137)	(876)
<b>Annual surplus (deficit)</b>	<b>311</b>	<b>(261)</b>
<b>Accumulated Deficit, end of year</b>	<b>(826)</b>	<b>(1,137)</b>
	<b>\$ 14,635</b>	<b>\$ 15,950</b>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2012**

---

**BASIS OF ACCOUNTING**

(a) Sources of financing and expenditures are reported on the 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 the receipt of goods or services and the creation of a legal obligation to pay.



**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
TRUST FUNDS  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**



CALAM+ROSSI  
CHARTERED ACCOUNTANTS LLP  
LICENSED PUBLIC ACCOUNTANTS

ALEXANDER B. CALAM, CPA, CA, Partner  
ANTHONY S. ROSSI, CPA, CA, Partner

369 QUEEN ST. EAST, SUITE 302 • SAULT STE. MARIE, ON • P6A 1Z4

Tel: 705.253.0110 • Fax: 705.253.1771

---

## INDEPENDENT AUDITORS' REPORT

---

To the Members of Council, Inhabitants and Ratepayers of  
the Corporation of the Township of Prince

### Report on the financial statements

We have audited the accompanying statements of the Corporation of the Township of Prince's Trust Funds, which comprise of the statement of financial position as at December 31, 2012, and the statement of Trust Continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines as necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the statement of financial position of the Corporation's Trust Funds as at December 31, 2012, and the statement of Trust Continuity for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants LLP  
Licensed Public Accountants  
Sault Ste. Marie, Canada  
October 8, 2013

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
STATEMENT OF FINANCIAL POSITION  
TRUST FUNDS**

**AS AT DECEMBER 31, 2012**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Cash	\$ 3,536	\$ 41,249
Term deposit	41,500	-
	<b>\$ 45,036</b>	<b>\$ 41,249</b>
<b>LIABILITIES</b>		
Due to Township	\$ 152	\$ 152
Fund balance		
To be used to offset user charges	44,884	41,097
<b>FUND BALANCE</b>	<b>\$ 45,036</b>	<b>\$ 41,249</b>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
STATEMENT OF TRUST CONTINUITY**

**YEAR ENDED DECEMBER 31, 2012** (with comparative figures for the prior year)

	<b>2012</b>	<b>2011</b>
<b>Balance, beginning of year</b>	\$ 41,097	\$ 38,452
<b>Revenue</b>		
Sale of Plots	3,065	2,618
Monument charge	700	-
Investment income	22	27
	<b>3,787</b>	<b>2,645</b>
<b>Balance, end of year</b>	<b>\$ 44,884</b>	<b>\$ 41,097</b>

**THE CORPORATION OF THE TOWNSHIP OF PRINCE  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2012**

---

**BASIS OF ACCOUNTING**

(a) Sources of financing and expenditures are reported on the 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 the receipt of goods or services and the creation of a legal obligation to pay.