

Consolidated Financial Statements of

**THE CORPORATION OF THE  
TOWNSHIP OF NAIRN AND HYMAN**

Year ended December 31, 2012

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Consolidated Financial Statements

Year ended December 31, 2012

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## Consolidated Financial Statements

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## **Management's Responsibility for the Consolidated Financial Statements**

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

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

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

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

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Robert Deschene  
Chief Administrative Officer



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**Chartered Accountants**  
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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of **The Corporation of the Township of Nairn and Hyman** which comprise the consolidated statement of financial position as at December 31, 2012, consolidated statements of operations and accumulated surplus, change 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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Nairn and Hyman as at December 31, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

May 6, 2013  
Sudbury, Canada

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Consolidated Statement of Financial Position

December 31, 2012, with comparative figures for 2011

	2012	2011
<b>Financial assets:</b>		
Cash and short-term investments (note 2)	\$ 1,018,555	\$ 936,063
Accounts receivable (note 3)	83,843	64,997
Taxes receivable	129,197	116,437
	<u>1,231,595</u>	<u>1,117,497</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 4)	60,364	77,503
Deferred revenue	34,372	34,372
Obligatory reserve funds	80,814	73,638
Solid waste management liabilities (note 5)	99,000	91,000
	<u>274,550</u>	<u>276,513</u>
Net financial assets	957,045	840,984
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	2,603,364	2,669,959
Inventory of supplies	14,842	15,770
Prepaid expenses	8,027	9,371
	<u>2,626,233</u>	<u>2,695,100</u>
Commitments (note 13)		
Accumulated surplus (note 6)	<u>\$ 3,583,278</u>	<u>\$ 3,536,084</u>

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

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

## Consolidated Statement of Operations

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

	2012	2011
<b>Revenues:</b>		
Property taxation	\$ 732,571	\$ 680,176
Taxation from other governments	86,430	82,214
Government transfers:		
Province of Ontario grants	305,373	365,515
Government of Canada grants	24,069	-
User charges	134,573	147,260
Other income	43,686	23,626
Penalties and interest on taxes	25,038	24,666
Investment income	5,586	3,721
	<b>1,357,326</b>	<b>1,327,178</b>
<b>Expenses:</b>		
General government	264,325	299,058
Protection to persons and property	292,388	272,798
Transportation services	289,660	330,078
Environmental services	216,015	288,266
Health services	98,924	84,431
Social and family services	27,955	27,952
Social housing	33,098	24,897
Recreation and cultural services	62,671	87,135
Planning and development	25,096	51,906
	<b>1,310,132</b>	<b>1,466,521</b>
<b>Annual surplus (deficit)</b>	<b>47,194</b>	<b>(139,343)</b>
Accumulated surplus, beginning of year	3,536,084	3,675,427
<b>Accumulated surplus, end of year (note 6)</b>	<b>\$ 3,583,278</b>	<b>\$ 3,536,084</b>

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

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

## Consolidated Statement of Change in Net Financial Assets

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

	2012	2011
Annual surplus (deficit)	\$ 47,194	\$ (139,343)
Acquisition of tangible capital assets	(130,466)	(111,319)
Amortization of tangible capital assets	188,005	191,335
Loss on sale of tangible capital assets	2,376	14,183
Proceeds on sale of tangible capital assets	6,680	17,316
	66,595	111,515
Use of inventory	928	110,242
Use of prepaid expenses	1,344	1,437
<b>Change in net financial assets</b>	116,061	83,851
Net financial assets, beginning of year	840,984	757,133
<b>Net financial assets, end of year</b>	<b>\$ 957,045</b>	<b>\$ 840,984</b>

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

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

## Consolidated Statement of Cash Flows

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

	2012	2011
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 47,194	\$ (139,343)
Items not involving cash:		
Amortization of tangible capital assets	188,005	191,335
Loss on disposal of tangible capital assets	2,376	14,183
Change in solid waste management liabilities	8,000	19,000
	245,575	85,175
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	(18,846)	88,961
Decrease (increase) in taxes receivable	(12,760)	14,606
Decrease in inventory	928	110,242
Decrease in prepaid expenses	1,344	1,437
Decrease in accounts payable and accrued liabilities	(17,140)	(39,705)
Decrease in deferred revenue	-	(52,816)
Increase in obligatory reserve funds	7,177	30,246
Net change in cash from operating activities	206,278	238,146
Capital activities:		
Cash used to acquire tangible capital assets	(130,466)	(111,319)
Investing activities:		
Proceeds from disposal of capital assets	6,680	17,316
<b>Increase in cash and short-term investments</b>	<b>82,492</b>	<b>144,143</b>
Cash and short-term investments, beginning of year	936,063	791,920
<b>Cash and short-term investments, end of year</b>	<b>\$ 1,018,555</b>	<b>\$ 936,063</b>

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



# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements

Year ended December 31, 2012

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The Corporation of the Township of Nairn and Hyman (the "Township") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and other related legislation.

## 1. Significant accounting policies:

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

(a) Reporting entity:

(i) Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances and include the activities of all committees of Council.

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

(ii) Non-consolidated entities:

The following joint local boards are not consolidated:

Sudbury & District Health Unit  
Espanola Public Library Board  
Manitoulin Sudbury District Social Services Administrative Board

(iii) Accounting for school board transactions:

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

(iv) 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 financial position and statement of continuity.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

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## 1. Significant accounting policies (continued):

### (b) Basis of accounting:

The Township follows the accrual basis of accounting for revenue and expenses.

Revenues are normally recognized as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and/or the creation of a legal obligation to pay. Amounts applied to specific operating and capital projects are recorded as revenue in the fiscal period in which the funds are expended on these projects.

### (c) Revenue recognition:

The Township prepares property tax billings based on assessment rolls issued by Municipal Property Assessment Corporation, in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized in the period in which the taxes are levied.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

### (d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

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## 1. Significant accounting policies (continued):

### (e) Tangible capital assets:

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

Asset	Useful Life - Years
Buildings	20 - 40
Furniture and equipment	3 - 15
Vehicles	5 - 15
Roads, bridges and culverts	25 - 75
Street lights/signs	10
Waterworks	3 - 50

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

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.

### (i) Contributions of tangible capital assets:

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

### (ii) Natural resources:

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

### (iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

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## 1. Significant accounting policies (continued):

### (f) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowances for taxes and accounts receivable and estimating provisions for accrued liabilities and solid waste management facility liabilities.

In addition, the Township's implementation of the Public Sector Accounting Standards PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

### (g) Solid waste management liabilities:

The liability for closure of operational sites and post-closure care has been recognized based on estimated future expenses estimated inflation and the usage of the site's capacity during the year.

### (h) Pensions and employee benefits:

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

## 2. Cash and short-term investments:

The short-term investments consist of term deposits with varying rates of return ranging from 0.75% to 1.00% per annum.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

### 3. Accounts receivable:

Accounts receivable consist of the following:

	2012	2011
Government of Canada	\$ 17,989	\$ 428
Province of Ontario	14,491	7,516
School Boards	3,886	2,783
Water	31,635	25,219
Other	15,842	29,051
	<b>\$ 83,843</b>	<b>\$ 64,997</b>

### 4. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	2012	2011
Province of Ontario	\$ 4,665	\$ 36,793
Government of Canada	9,125	5,126
Trade and miscellaneous	46,574	35,584
	<b>\$ 60,364</b>	<b>\$ 77,503</b>

### 5. Solid waste management facility liabilities:

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage. Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

## 5. Solid waste management facility liabilities (continued):

Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the Province of Ontario's average long-term borrowing rate of 3.70% (2011 - 3.92%) minus an inflation rate of 2.02% (2011 - 2.01%). The estimated total landfill closure and post-closure care expenditures are calculated to be \$146,000. The estimated liability for these expenditures is recognized as the landfill site's capacity is used. At December 31, 2012 an amount of \$99,000 (2011 - \$91,000) with respect to landfill closure and post-closure liabilities has been accrued. The estimated remaining capacity of the landfill site is 35.5% (14,210 cubic meters) of its total estimated capacity and its estimated remaining life is 18 years, after which the period for post-closure care is estimated to be 25 years.

## 6. Accumulated surplus:

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

	2012	2011
Surplus:		
Invested in tangible capital assets	\$ 2,603,364	\$ 2,669,959
Other	404,402	298,396
Unfunded:		
Landfill closure costs	(99,000)	(91,000)
<b>Total surplus</b>	<b>2,908,766</b>	<b>2,877,355</b>
Reserves set aside by Council for:		
- working capital	100,636	100,636
- water	84,856	84,856
- contingencies	252,824	252,824
- recreation	83,786	83,786
- roads	79,741	69,741
- fire	48,808	46,758
- Solid Waste Management	227	227
	<b>650,878</b>	<b>638,828</b>
Reserve fund set aside by Council for specific purposes:		
- fire equipment	23,634	19,901
<b>Accumulated surplus</b>	<b>\$ 3,583,278</b>	<b>\$ 3,536,084</b>

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

## 7. Tangible capital assets:

Cost	Balance at December 31, 2011	Additions	Disposals	Balance at December 31, 2012
Land	\$ 23,000	\$ -	\$ -	\$ 23,000
Buildings	554,655	-	-	554,655
Furniture and equipment	338,324	47,016	(12,505)	372,835
Vehicles	214,221	57,578	-	271,799
Roads, bridges and culverts	3,001,627	23,581	(323)	3,024,885
Street lights/signs	47,631	2,291	-	49,922
Waterworks	2,146,739	-	-	2,146,739
<b>Total</b>	<b>\$ 6,326,197</b>	<b>\$ 130,466</b>	<b>\$ (12,828)</b>	<b>\$ 6,443,835</b>

Accumulated amortization	Balance at December 31, 2011	Disposals	Amortization expense	Balance at December 31, 2012
Buildings	218,078	-	15,774	233,852
Furniture and equipment	272,856	(3,449)	13,056	282,463
Vehicles	127,881	-	16,201	144,082
Roads, bridges and culverts	2,204,837	(323)	95,830	2,300,344
Street lights/signs	47,631	-	115	47,746
Waterworks	784,955	-	47,029	831,984
<b>Total</b>	<b>\$ 3,656,238</b>	<b>\$ (3,772)</b>	<b>\$ 188,005</b>	<b>\$ 3,840,471</b>

	Net book value December 31, 2011	Net book value December 31, 2012
Land	\$ 23,000	\$ 23,000
Buildings	336,577	320,803
Furniture and equipment	65,468	90,372
Vehicles	86,340	127,717
Roads, bridges and culverts	796,790	724,541
Street lights/signs	-	2,176
Waterworks	1,361,784	1,314,755
<b>Total</b>	<b>\$ 2,669,959</b>	<b>\$ 2,603,364</b>

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

## 7. Tangible capital assets (continued):

Cost	Balance at December 31, 2010	Additions	Disposals	Balance at December 31, 2011
Land	\$ 54,500	\$ -	\$ (31,500)	\$ 23,000
Buildings	547,386	7,269	-	554,655
Furniture and equipment	334,213	9,106	(4,995)	338,324
Vehicles	214,221	-	-	214,221
Roads, bridges and culverts	2,936,409	94,944	(29,726)	3,001,627
Street lights/signs	47,631	-	-	47,631
Waterworks	2,146,739	-	-	2,146,739
<b>Total</b>	<b>\$ 6,281,099</b>	<b>\$ 111,319</b>	<b>\$ (66,221)</b>	<b>\$ 6,326,197</b>

Accumulated amortization	Balance at December 31, 2010	Disposals	Amortization expense	Balance at December 31, 2011
Buildings	202,486	-	15,592	218,078
Furniture and equipment	266,713	(4,995)	11,138	272,856
Vehicles	113,599	-	14,282	127,881
Roads, bridges and culverts	2,131,270	(29,727)	103,294	2,204,837
Street lights/signs	47,631	-	-	47,631
Waterworks	737,926	-	47,029	784,955
<b>Total</b>	<b>\$ 3,499,625</b>	<b>\$ (34,722)</b>	<b>\$ 191,335</b>	<b>\$ 3,656,238</b>

	Net book value December 31, 2010	Net book value December 31, 2011
Land	\$ 54,500	\$ 23,000
Buildings	344,900	336,577
Furniture and equipment	67,500	65,468
Vehicles	100,622	86,340
Roads, bridges and culverts	805,139	796,790
Street lights/signs	-	-
Waterworks	1,408,813	1,361,784
<b>Total</b>	<b>\$ 2,781,474</b>	<b>\$ 2,669,959</b>



# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

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## 7. Tangible capital assets (continued):

### Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

## 8. Operations of school boards:

Further to note 1 (a)(iii), the taxation and other revenues are comprised of the following:

	2012	2011
Taxation and other revenues	\$ 164,251	\$ 165,003

## 9. Trust Funds:

Trust Funds administered by the Township amounting to \$13,165 (2011 - \$12,961) have not been included on the consolidated statement of financial position nor have their operations been included on the consolidated statement of operations and accumulated surplus.

## 10. Pension agreements:

The Township makes contributions to the Ontario Municipal Employee Retirement fund (the "Plan") (OMERS), which is a multi-employer plan, on behalf of two members of its staff. The Plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2012 was \$11,899 (2011 - \$10,550) for current service.

## 11. Budget figures:

Current and capital revenue fund budgets are affected on an ongoing basis, depending on when various government programs become available to the Township. Accordingly, the budgets are not directly comparable with current year actual amounts and therefore, budgets have not been reflected on the consolidated statement of financial activities and changes in fund balances.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

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## 12. Public sector salary disclosure:

During 2012, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Township.

## 13. Commitments:

The Township has entered into an agreement that expires in December 31, 2014 with the Ontario Clean Water Agency to provide water and sewer maintenance service for an annual cost of approximately \$91,000. The cost of the services is adjusted annually for inflation and for any additional items resulting from a change in the scope of services.

## 14. Segmented information:

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

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

- (a) General Government: includes corporate services and governance of the Municipality. General Government is responsible for human resource management. Support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status is provided as well as frontline reception and customer service.
- (b) Protection Services: includes policing, fire protection, protective inspection and control and emergency measures. The mandate of the police services contract is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. Fire protection includes detection, extinguishing and suppression services; emergency medical first response; and prevention education and training programs. Inspection and control includes building inspection, by-law enforcement and dog control services.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

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## 14. Segmented information (continued):

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

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN & HYMAN

## Note 14 - Segmented information (continued)

Year ended December 31, 2012

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2012
<b>Revenues:</b>									
Property taxation	\$ 156,653	200,702	110,511	52,590	70,052	77,548	58,344	6,171	732,571
Taxation from other governments	18,482	23,679	13,038	6,205	8,265	9,149	6,884	728	86,430
Government transfers:									
Province of Ontario grants	67,613	77,145	41,349	37,905	26,211	29,016	23,826	2,309	305,373
Government of Canada grants	1,000	-	23,069	-	-	-	-	-	24,069
User charges	-	-	-	134,573	-	-	-	-	134,573
Other income	4,537	3,302	417	146	400	-	7,719	27,165	43,686
Penalties and interest on taxes	25,038	-	-	-	-	-	-	-	25,038
Investment income	5,586	-	-	-	-	-	-	-	5,586
	278,909	304,828	188,385	231,418	104,928	115,713	96,772	36,372	1,357,326
<b>Expenses:</b>									
Salaries, wages and benefits	160,270	40,308	95,096	281	124	-	15,050	6,106	317,235
Interest on long-term debt	-	-	-	-	-	-	-	-	-
Materials	90,631	52,133	92,481	152,211	40	510	30,402	-	418,408
Contracted services	11,065	181,626	-	14,808	98,070	60,543	1,382	18,990	386,484
Amortization of tangible capital assets	2,359	18,321	102,083	48,715	690	-	15,837	-	188,005
	264,325	292,388	289,660	216,015	98,924	61,053	62,671	25,096	1,310,132
<b>Annual surplus (deficit)</b>	\$ 14,584	12,440	(101,275)	15,403	6,004	54,660	34,101	11,276	47,194

# THE CORPORATION OF THE TOWNSHIP OF NAIRN & HYMAN

## Note 14 - Segmented information (continued)

Year ended December 31, 2011

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2011
<b>Revenues:</b>									
Property taxation	\$ 145,115	186,464	102,671	48,859	65,083	72,047	54,205	5,733	680,176
Taxation from other governments	17,581	22,524	12,402	5,902	7,862	8,703	6,548	693	82,214
Government transfers:									
Province of Ontario grants	72,462	80,380	93,275	38,303	25,647	28,391	24,798	2,259	365,515
User charges	-	-	-	147,260	-	-	-	-	147,260
Other income	6,762	-	717	91	1,040	-	11,353	3,663	23,626
Penalties and interest on taxes	24,666	-	-	-	-	-	-	-	24,666
Investment income	3,721	-	-	-	-	-	-	-	3,721
	270,307	289,368	209,066	240,415	99,631	109,141	96,904	12,348	1,327,178
<b>Expenses:</b>									
Salaries, wages and benefits	168,391	35,581	74,439	13,262	707	60	21,017	6,361	319,818
Materials	120,519	35,509	147,981	196,082	1,782	-	50,300	45,545	597,718
Contracted services	8,125	184,814	-	29,288	81,252	52,789	1,382	-	357,650
Amortization of tangible capital assets	2,023	16,894	107,658	49,634	690	-	14,436	-	191,335
	299,058	272,798	330,078	288,266	84,431	52,849	87,135	51,906	1,466,521
<b>Annual surplus (deficit)</b>	\$ (28,751)	16,570	(121,012)	(47,851)	15,200	56,292	9,769	(39,558)	(139,343)