

Consolidated Financial Statements of

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

Year ended December 31, 2014

## **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 Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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 Independent 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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## 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, 2014, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Nairn and Hyman as at December 31, 2014, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

May 11, 2015  
Sudbury, Canada

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Consolidated Financial Statements

Year ended December 31, 2014

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## Consolidated Financial Statements

Management's Responsibility for the Consolidated Financial Statements

Independent Auditors' Report

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# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Consolidated Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets:</b>		
Cash and short-term investments (note 2)	\$ 985,750	\$ 1,010,280
Accounts receivable (note 3)	190,965	101,745
Taxes receivable	131,309	125,678
	1,308,024	1,237,703
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 4)	343,211	207,351
Deferred revenue	23,227	39,303
Solid waste management liabilities (note 5)	89,000	99,000
	455,438	345,654
Net financial assets	852,586	892,049
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	3,089,096	2,756,348
Inventory of supplies	8,348	12,755
Prepaid expenses	6,607	9,394
	3,104,051	2,778,497
Commitments (note 13)		
Accumulated surplus (note 6)	\$ 3,956,637	\$ 3,670,546

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, 2014, with comparative information for 2013

	2014 Budget (note 11)	2014 Actual	2013 Actual
<b>Revenues:</b>			
Property taxation	\$ 918,499	\$ 866,119	\$ 704,125
Taxation from other governments	56,027	61,228	60,670
Government transfers:			
Province of Ontario grants	538,420	494,550	358,501
Government of Canada grants	27,623	28,432	111,060
User charges	134,030	142,816	143,231
Other income	21,053	19,809	42,433
Penalties and interest on taxes	16,000	30,275	21,058
Investment income	-	7,099	7,501
	1,711,652	1,650,328	1,448,579
<b>Expenses:</b>			
General government	257,921	275,676	276,850
Protection to persons and property	354,143	320,828	290,630
Transportation services	313,989	284,543	277,176
Environmental services	223,232	232,434	247,496
Health services	103,436	102,932	98,531
Social and family services	59,528	20,895	31,410
Social housing	-	30,146	28,849
Recreation and cultural services	105,068	83,605	74,959
Planning and development	47,427	13,178	35,410
	1,464,744	1,364,237	1,361,311
<b>Annual surplus</b>	246,908	286,091	87,268
Accumulated surplus, beginning of year		3,670,546	3,583,278
<b>Accumulated surplus, end of year</b>		\$ 3,956,637	\$ 3,670,546

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, 2014, with comparative information for 2013

	2013 Budget	2014 Actual	2013 Actual
Annual surplus	\$ 246,908	\$ 286,091	\$ 87,268
Acquisition of tangible capital assets	(415,273)	(499,067)	(307,223)
Amortization of tangible capital assets	154,239	166,319	154,239
	(261,034)	(332,748)	(152,984)
Use of inventory	-	4,407	2,087
Use of prepaid expenses	-	2,787	(1,367)
<b>Change in net financial assets</b>	<b>(14,126)</b>	<b>(39,463)</b>	<b>(64,996)</b>
Net financial assets, beginning of year	892,079	892,049	957,045
<b>Net financial assets, end of year</b>	<b>\$ 877,953</b>	<b>\$ 852,586</b>	<b>\$ 892,049</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, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 286,091	\$ 87,268
Items not involving cash:		
Amortization of tangible capital assets	166,319	154,239
Change in solid waste management liabilities	(10,000)	-
	<u>442,410</u>	<u>241,507</u>
Change in non-cash assets and liabilities:		
Increase in accounts receivable	(89,220)	(17,902)
Decrease (increase) in taxes receivable	(5,631)	3,519
Decrease in inventory	4,407	2,087
Decrease (increase) in prepaid expenses	2,787	(1,367)
Increase in accounts payable and accrued liabilities	135,860	146,987
Increase (decrease) in deferred revenue	(16,076)	4,931
Decrease in obligatory reserve funds	-	(80,814)
Net change in cash from operating activities	<u>474,537</u>	<u>298,948</u>
Capital activities:		
Cash used to acquire tangible capital assets	(499,067)	(307,223)
<b>Decrease in cash and short-term investments</b>	<u>(24,530)</u>	<u>(8,275)</u>
Cash and short-term investments, beginning of year	1,010,280	1,018,555
<b>Cash and short-term investments, end of year</b>	<u>\$ 985,750</u>	<u>\$ 1,010,280</u>

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, 2014

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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 Chartered Professional Accountants of Canada. 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, expenses, 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, 2014

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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, 2014

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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, 2014

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## 1. Significant accounting policies (continued):

### (f) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards 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 0.80% to 1.00% per annum.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

### 3. Accounts receivable:

Accounts receivable consist of the following:

	2014	2013
Government of Canada	\$ 47,416	\$ 12,475
Province of Ontario	60,762	41,011
School Boards	54,088	8,917
Water	14,546	15,504
Other	14,153	23,838
	<b>\$ 190,965</b>	<b>\$ 101,745</b>

### 4. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	2014	2013
Province of Ontario	\$ 6,394	\$ 5,652
Government of Canada	10,514	11,020
Trade and miscellaneous	326,303	190,679
	<b>\$ 343,211</b>	<b>\$ 207,351</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, 2014

## 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 3.31% (2013 - 3.95%) minus an inflation rate of 1.81% (2013 - 1.83%). 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, 2014 an amount of \$89,000 (2013 - \$99,000) with respect to landfill closure and post-closure liabilities has been accrued. The estimated remaining capacity of the landfill site is 31.2% (12,498 cubic meters) of its total estimated capacity and its estimated remaining life is 16 years, after which the period for post-closure care is estimated to be 5 years.

## 6. Accumulated surplus:

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

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 3,089,096	\$ 2,756,348
Other	389,251	345,728
Unfunded:		
Landfill closure costs	(89,000)	(99,000)
<b>Total surplus</b>	<b>3,389,347</b>	<b>3,003,076</b>
Reserves set aside by Council for:		
- working capital	100,636	100,636
- water	33,148	48,769
- contingencies	178,225	262,824
- recreation	83,786	83,786
- roads	68,741	68,741
- fire	78,808	78,808
- Solid Waste Management	227	227
	<b>543,571</b>	<b>643,791</b>
Reserve fund set aside by Council for specific purposes:		
- fire equipment	23,719	23,679
<b>Accumulated surplus</b>	<b>\$ 3,956,637</b>	<b>\$ 3,670,546</b>

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

## 7. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Land	\$ 23,000	\$ 11,782	\$ -	\$ 34,782
Buildings	589,166	-	-	589,166
Furniture and equipment	395,902	39,400	-	435,302
Vehicles	237,479	200,024	-	437,503
Roads, bridges and culverts	3,221,018	81,966	-	3,302,984
Street lights/signs	55,731	-	-	55,731
Waterworks	2,228,762	165,895	-	2,394,657
<b>Total</b>	<b>\$ 6,751,058</b>	<b>\$ 499,067</b>	<b>\$ -</b>	<b>\$ 7,250,125</b>

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Buildings	249,626	-	15,774	265,400
Furniture and equipment	297,393	-	15,277	312,670
Vehicles	162,203	-	20,762	182,965
Roads, bridges and culverts	2,357,501	-	63,138	2,420,639
Street lights/signs	48,380	-	1,039	49,419
Waterworks	879,607	-	50,329	929,936
<b>Total</b>	<b>\$ 3,994,710</b>	<b>\$ -</b>	<b>\$ 166,319</b>	<b>\$ 4,161,029</b>

	Net book value December 31, 2013	Net book value December 31, 2014
Land	\$ 23,000	\$ 34,782
Buildings	339,540	323,766
Furniture and equipment	98,509	122,632
Vehicles	75,276	254,538
Roads, bridges and culverts	863,517	882,345
Street lights/signs	7,351	6,312
Waterworks	1,349,155	1,464,721
<b>Total</b>	<b>\$ 2,756,348</b>	<b>\$ 3,089,096</b>

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

## 7. Tangible capital assets (continued):

Cost	Balance at December 31, 2012	Additions	Disposals	Balance at December 31, 2013
Land	\$ 23,000	\$ -	\$ -	\$ 23,000
Buildings	589,166	-	-	589,166
Furniture and equipment	395,902	-	-	395,902
Vehicles	237,479	-	-	237,479
Roads, bridges and culverts	3,003,918	217,100	-	3,221,018
Street lights/signs	47,631	8,100	-	55,731
Waterworks	2,146,739	82,023	-	2,228,762
<b>Total</b>	<b>\$ 6,443,835</b>	<b>\$ 307,223</b>	<b>\$ -</b>	<b>\$ 6,751,058</b>

Accumulated amortization	Balance at December 31, 2012	Disposals	Amortization expense	Balance at December 31, 2013
Buildings	233,852	-	15,774	249,626
Furniture and equipment	282,463	-	14,930	297,393
Vehicles	144,082	-	18,121	162,203
Roads, bridges and culverts	2,300,344	-	57,157	2,357,501
Street lights/signs	47,746	-	634	48,380
Waterworks	831,984	-	47,623	879,607
<b>Total</b>	<b>\$ 3,840,471</b>	<b>\$ -</b>	<b>\$ 154,239</b>	<b>\$ 3,994,710</b>

	Net book value December 31, 2012	Net book value December 31, 2013
Land	\$ 23,000	\$ 23,000
Buildings	355,314	339,540
Furniture and equipment	113,439	98,509
Vehicles	93,397	75,276
Roads, bridges and culverts	703,574	863,517
Street lights/signs	(115)	7,351
Waterworks	1,314,755	1,349,155
<b>Total</b>	<b>\$ 2,603,364</b>	<b>\$ 2,756,348</b>



# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

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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:

	2014	2013
Taxation and other revenues	\$ 182,456	\$ 177,716

## 9. Trust Funds:

Trust Funds administered by the Township amounting to \$14,127 (2013 - \$13,961) 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 2014 was \$17,525 (2013 - \$14,915) for current service.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

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## 11. Budget figures:

The budget data presented in these consolidated financial statements is based upon the 2014 operating and capital budgets approved by Council. The reconciliation of the approved budget to the budget figures reported in these consolidated financial statements is listed below.

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Approved budget:	
Total expenses per budget	\$ 1,737,015
Less:	
Capital	(415,273)
Transfers to reserves	(11,237)
	<hr/>
	1,310,505
Amortization	154,239
	<hr/>
Budget per financial statements	\$ 1,464,744

## 12. Public sector salary disclosure:

During 2014, 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, 2016 with the Ontario Clean Water Agency to provide water and sewer maintenance service for an annual cost of approximately \$100,000. The cost of the services is adjusted annually for inflation and for any additional items resulting from a change in the scope of services.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

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## 14. Segmented information:

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

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

- (a) **General Government:** includes corporate services and governance of the Township. General Government is responsible for human resource management. Support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status is provided as well as frontline reception and customer service.
- (b) **Protection 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.
- (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 Township 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 Township 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.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

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## **14. Segmented information (continued):**

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, 2014

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2014
<b>Revenues:</b>									
Property taxation	\$ 175,020	203,685	180,649	147,566	65,349	32,405	53,079	8,366	866,119
Taxation from other governments	12,373	14,399	12,771	10,432	4,620	2,291	3,752	591	61,228
Government transfers:									
Province of Ontario grants	81,213.64	70,622	62,634.47	204,318.08	22,658	11,235	38,968.39	2,901	494,550
Government of Canada grants	-	-	28,432	-	-	-	-	-	28,432
User charges	-	-	-	142,816	-	-	-	-	142,816
Other income	432	4,233	417	60	200	-	2,861	11,606	19,809
Penalties and interest on taxes	30,275	-	-	-	-	-	-	-	30,275
Investment income	7,099	-	-	-	-	-	-	-	7,099
	306,412	292,939	284,903	505,192	92,826	45,931	98,660	23,465	1,650,328
<b>Expenses:</b>									
Salaries, wages and benefits	168,018	43,350	114,777	-	-	-	34,536	6,748	367,429
Materials	93,870	60,222	98,455	157,451	732	385	31,883	-	442,998
Contracted services	11,250	200,330	-	15,242	-	-	1,382	6,430	234,634
External agencies	-	-	-	-	102,200	50,656	-	-	152,856
Amortization of tangible capital assets	2,538	16,926	71,311	59,741	-	-	15,804	-	166,320
	275,676	320,828	284,543	232,434	102,932	51,041	83,605	13,178	1,364,237
<b>Annual surplus (deficit)</b>	<b>\$ 30,736</b>	<b>(27,889)</b>	<b>360</b>	<b>272,758</b>	<b>(10,106)</b>	<b>(5,110)</b>	<b>15,055</b>	<b>10,287</b>	<b>286,091</b>

# THE CORPORATION OF THE TOWNSHIP OF NAIRN & HYMAN

## Note 14 - Segmented information (continued)

Year ended December 31, 2013

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2013
<b>Revenues:</b>									
Property taxation	\$ 150,570	192,909	106,220	50,548	67,332	74,537	56,078	5,931	704,125
Taxation from other governments	12,974	16,622	9,152	4,355	5,802	6,422	4,832	511	60,670
Government transfers:									
Province of Ontario grants	78,800	74,657	59,126	63,670	26,058	28,846	25,049	2,295	358,501
Government of Canada grants	-	-	111,060	-	-	-	-	-	111,060
User charges	-	-	-	143,231	-	-	-	-	143,231
Other income	2,835	2,806	14,006	166	2,450	-	3,657	16,513	42,433
Penalties and interest on taxes	21,058	-	-	-	-	-	-	-	21,058
Investment income	7,501	-	-	-	-	-	-	-	7,501
	273,738	286,993	299,564	261,970	101,642	109,805	89,616	25,251	1,448,579
<b>Expenses:</b>									
Salaries, wages and benefits	157,707	45,619	107,482	607	1,003	-	13,923	8,483	334,824
Materials	105,677	43,978	103,730	182,612	503	-	44,203	-	480,703
Contracted services	11,218	181,470	-	15,083	-	500	-	26,927	235,198
External agencies	-	-	-	-	96,588	59,759	-	-	156,347
Amortization of tangible capital assets	2,248	19,563	65,964	49,194	437	-	16,833	-	154,239
	276,850	290,630	277,176	247,496	98,531	60,259	74,959	35,410	1,361,311
<b>Annual surplus (deficit)</b>	\$ (3,112)	(3,637)	22,388	14,474	3,111	49,546	14,657	(10,159)	87,268