

Consolidated Financial Statements of

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

Year ended December 31, 2015

## **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, 2015, 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, 2015, and its results of operations and accumulate surplus, 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

April 18, 2016  
Sudbury, Canada

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Consolidated Financial Statements

Year ended December 31, 2015

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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, 2015, with comparative information for 2014

	2015	2014
<b>Financial assets:</b>		
Cash and short-term investments (note 2)	\$ 962,270	\$ 985,750
Accounts receivable (note 3)	82,406	190,965
Taxes receivable	167,633	131,309
	<u>1,212,309</u>	<u>1,308,024</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 4)	58,965	343,208
Deferred revenue	16,353	23,227
Solid waste management liabilities (note 5)	89,000	89,000
	<u>164,318</u>	<u>455,435</u>
Net financial assets	1,047,991	852,589
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	3,152,243	3,089,096
Inventory of supplies	8,348	8,348
Prepaid expenses	7,986	6,607
	<u>3,168,577</u>	<u>3,104,051</u>
Commitments (note 13)		
Accumulated surplus (note 6)	<u>\$ 4,216,568</u>	<u>\$ 3,956,640</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 and Accumulated Surplus

Year ended December 31, 2015, with comparative information for 2014

	2015 Budget (note 11)	2015 Actual	2014 Actual
<b>Revenue:</b>			
Property taxation	\$ 933,153	\$ 916,884	\$ 866,119
Taxation from other governments	56,027	61,024	61,228
Government transfers:			
Province of Ontario grants	410,164	354,829	494,550
Government of Canada grants	27,623	27,623	28,432
User charges	143,932	155,320	142,816
Other income	5,650	24,008	19,809
Penalties and interest on taxes	20,000	33,167	30,275
Investment income	-	6,007	7,099
	<u>1,596,549</u>	<u>1,578,862</u>	<u>1,650,328</u>
<b>Expenses:</b>			
General government	308,773	316,614	275,676
Protection to persons and property	319,401	265,218	320,828
Transportation services	300,606	264,974	284,543
Environmental services	240,407	229,221	232,434
Health services	107,654	107,045	102,932
Social and family services	64,167	33,360	20,895
Social housing	-	31,435	30,146
Recreation and cultural services	76,488	61,594	83,605
Planning and development	36,735	9,473	13,178
	<u>1,454,231</u>	<u>1,318,934</u>	<u>1,364,237</u>
<b>Annual surplus</b>	<b>142,318</b>	<b>259,928</b>	<b>286,091</b>
Accumulated surplus, beginning of year		3,956,640	3,670,549
<b>Accumulated surplus, end of year</b>		<b>\$ 4,216,568</b>	<b>\$ 3,956,640</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, 2015, with comparative information for 2014

	2015 Budget (note 11)	2015 Actual	2014 Actual
Annual surplus	\$ 223,386	\$ 259,928	\$ 286,091
Acquisition of tangible capital assets	(374,263)	(249,177)	(499,067)
Amortization of tangible capital assets	166,320	175,032	166,319
Loss on sale of tangible capital assets	-	3,987	-
Proceeds on sale of tangible capital assets	-	7,011	-
	(207,943)	(63,147)	(332,748)
Use of inventory	-	-	4,407
Use of prepaid expenses	-	(1,379)	2,787
<b>Change in net financial assets</b>	15,443	195,402	(39,463)
Net financial assets, beginning of year	852,589	852,589	892,052
<b>Net financial assets, end of year</b>	\$ 868,032	\$ 1,047,991	\$ 852,589

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, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 259,928	\$ 286,091
Item not involving cash:		
Amortization of tangible capital assets	175,032	166,319
Loss on disposal of tangible capital assets	3,987	-
Change in solid waste management liabilities	-	(10,000)
	438,947	442,410
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	108,559	(89,220)
Increase in taxes receivable	(36,324)	(5,631)
Decrease in inventory	-	4,407
Decrease (increase) in prepaid expenses	(1,379)	2,787
Increase (decrease) in accounts payable and accrued liabilities	(284,243)	135,860
Decrease in deferred revenue	(6,874)	(16,076)
Net change in cash from operating activities	218,686	474,537
Capital activities:		
Proceeds on sale of tangible capital assets	7,011	-
Cash used to acquire tangible capital assets	(249,177)	(499,067)
Net change in cash from capital activities	(242,166)	(499,067)
<b>Decrease in cash and short-term investments</b>	(23,480)	(24,530)
Cash and short-term investments, beginning of year	985,750	1,010,280
<b>Cash and short-term investments, end of year</b>	\$ 962,270	\$ 985,750

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, 2015

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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, expenses 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, 2015

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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, 2015

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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, 2015

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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 0.70% to 1.00% per annum.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 3. Accounts receivable:

Accounts receivable consist of the following:

	2015	2014
Government of Canada	\$ 20,953	\$ 47,416
Province of Ontario	30,571	60,762
School Boards	4,187	54,088
Water	19,486	14,546
Other	7,209	14,153
	<b>\$ 82,406</b>	<b>\$ 190,965</b>

### 4. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	2015	2014
Province of Ontario	\$ 2,373	\$ 6,394
Government of Canada	16,374	10,514
Trade and miscellaneous	40,219	326,300
	<b>\$ 58,966</b>	<b>\$ 343,208</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, 2015

## 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% (2014 - 3.31%) minus an inflation rate of 1.70% (2014 - 1.81%). The estimated total landfill closure and post-closure care expenditures are calculated to be \$150,000 to \$200,000. The estimated liability for these expenditures is recognized as the landfill site's capacity is used. At December 31, 2015, an amount of \$89,000 (2014 - \$89,000) with respect to landfill closure and post-closure liabilities has been accrued. The estimated remaining capacity of the landfill site is 29.2% (11,664 cubic meters) of its total estimated capacity and its estimated remaining life is 15 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:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 3,152,243	\$ 3,089,096
Other	513,090	389,254
Unfunded:		
Landfill closure costs	(89,000)	(89,000)
<b>Total surplus</b>	<b>3,576,333</b>	<b>3,389,350</b>
Reserves set aside by Council for:		
- working capital	100,636	100,636
- water	149,763	33,148
- contingencies	133,580	178,225
- recreation	83,786	83,786
- roads	68,741	68,741
- fire	83,458	78,808
- Solid Waste Management	227	227
	<b>620,191</b>	<b>543,571</b>
Reserve fund set aside by Council for specific purposes:		
- fire equipment	20,044	23,719
<b>Accumulated surplus</b>	<b>\$ 4,216,568</b>	<b>\$ 3,956,640</b>

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

## 7. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Land	\$ 34,782	\$ -	\$ -	\$ 34,782
Buildings	554,655	-	-	554,655
Furniture and equipment	412,238	10,132	-	422,370
Vehicles	471,823	13,229	(22,000)	463,052
Roads, bridges and culverts	3,323,951	140,074	-	3,464,025
Street lights/signs	58,022	-	-	58,022
Waterworks	2,394,657	85,742	-	2,480,399
<b>Total</b>	<b>\$ 7,250,128</b>	<b>\$ 249,177</b>	<b>\$ (22,000)</b>	<b>\$ 7,477,305</b>

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Buildings	265,400	-	14,478	279,878
Furniture and equipment	312,670	-	16,023	328,693
Vehicles	182,965	(11,002)	22,405	194,368
Roads, bridges and culverts	2,420,670	-	71,005	2,491,675
Street lights/signs	49,419	-	1,040	50,459
Waterworks	929,908	-	50,081	979,989
<b>Total</b>	<b>\$ 4,161,032</b>	<b>\$ (11,002)</b>	<b>\$ 175,032</b>	<b>\$ 4,325,062</b>

	Net book value December 31, 2014	Net book value December 31, 2015
Land	\$ 34,782	\$ 34,782
Buildings	289,255	274,777
Furniture and equipment	99,568	93,677
Vehicles	288,858	268,684
Roads, bridges and culverts	903,281	972,350
Street lights/signs	8,603	7,563
Waterworks	1,464,749	1,500,410
<b>Total</b>	<b>\$ 3,089,096</b>	<b>\$ 3,152,243</b>

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

## 7. Tangible capital assets (continued):

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Land	\$ 23,000	\$ 11,782	\$ -	\$ 34,782
Buildings	554,655	-	-	554,655
Furniture and equipment	372,838	39,400	-	412,238
Vehicles	271,799	200,024	-	471,823
Roads, bridges and culverts	3,241,985	81,966	-	3,323,951
Street lights/signs	58,022	-	-	58,022
Waterworks	2,228,762	165,895	-	2,394,657
<b>Total</b>	<b>\$ 6,751,061</b>	<b>\$ 499,067</b>	<b>\$ -</b>	<b>\$ 7,250,128</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	2,357,532	-	63,138	2,420,670
Street lights/signs	48,380	-	1,039	49,419
Waterworks	879,579	-	50,329	929,908
<b>Total</b>	<b>\$ 3,994,713</b>	<b>\$ -</b>	<b>\$ 166,319</b>	<b>\$ 4,161,032</b>

	Net book value December 31, 2013	Net book value December 31, 2014
Land	\$ 23,000	\$ 34,782
Buildings	305,029	289,255
Furniture and equipment	75,445	99,568
Vehicles	109,596	288,858
Roads, bridges and culverts	884,453	903,281
Street lights/signs	9,642	8,603
Waterworks	1,349,183	1,464,749
<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, 2015

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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:

During the year, taxation revenue raised and remitted to the school boards totalled \$188,884 (2014 - \$182,456).

## 9. Trust Funds:

Trust Funds administered by the Township amounting to \$14,675 (2014 - \$14,127) 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 2015 was \$18,327 (2014 - \$17,525) for current service.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

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## 11. Budget figures:

The budget was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). As a result, the budget figures presented in the statement of operations and accumulated surplus required the following adjustments:

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Budget deficit per financial plan:	\$ (30,000)
Less:	
Amortization of tangible capital assets	(166,320)
Net reserve transfers	(28,925)
Add:	
Acquisition of tangible capital assets	367,563
<hr/> Budget per financial statements	<hr/> \$ 142,318

## 12. Public sector salary disclosure:

During 2015, 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, 2015

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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, 2015

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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, 2015

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2015
<b>Revenues:</b>									
Property taxation	\$ 163,573	233,713	276,489	45,135	80,331	46,109	44,072	27,462	916,884
Taxation from other governments	10,419	15,700	18,574	3,032	5,396	3,097	2,961	1,845	61,024
Government transfers:									
Province of Ontario grants	46,953	63,212	74,781	110,738	21,727	12,471	17,518	7,428	354,828
Government of Canada grants	-	-	27,623	-	-	-	-	-	27,623
User charges	-	-	-	155,320	-	-	-	-	155,320
Other income	645	10,131	1,744	1,269	1,400	-	3,772	5,048	24,009
Penalties and interest on taxes	33,167	-	-	-	-	-	-	-	33,167
Investment income	6,007	-	-	-	-	-	-	-	6,007
	260,764	322,756	399,211	315,494	108,854	61,677	68,323	41,783	1,578,862
<b>Expenses:</b>									
Salaries, wages and benefits	199,140	45,481	124,094	-	-	-	19,888	7,413	396,016
Materials	103,450	34,285	63,169	145,974	189	500	27,071	2,060	376,698
Contracted services	11,405	170,762	-	16,489	-	-	1,382	-	200,038
External agencies	-	-	-	-	106,856	64,295	-	-	171,151
Amortization of tangible capital assets	2,619	14,690	77,711	66,758	-	-	13,253	-	175,031
	316,614	265,218	264,974	229,221	107,045	64,795	61,594	9,473	1,318,934
<b>Annual surplus (deficit)</b>	\$ (55,850)	57,538	134,237	86,273	1,809	(3,118)	6,729	32,310	259,928

# 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	\$ 106,038	253,667	286,480	25,246	76,045	22,309	70,363	25,971	866,119
Taxation from other governments	9,700	17,197	19,421	1,712	5,155	1,512	4,770	1,761	61,228
Government transfers:									
Province of Ontario grants	102,945	72,717	82,123	160,391	21,799	6,395	40,735	7,445	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
	256,489	347,814	416,873	330,225	103,199	30,216	118,729	46,783	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>	\$ (19,187)	26,986	132,330	97,791	267	(20,825)	35,124	33,605	286,091