

Consolidated Financial Statements of

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

Year ended December 31, 2009

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Consolidated Financial Statements

Year ended December 31, 2009

Consolidated Financial Statements

Management's Responsibility for the Consolidated Financial Statements

Auditors' Report

Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Change in Net Financial Assets	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5 - 18

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.

Robert Deschene
Chief Administrative Officer



KPMG LLP
Chartered Accountants
Claridge Executive Centre
144 Pine Street PO Box 700
Sudbury ON P3E 4R6

Telephone (705) 675-8500
Fax (705) 675-7586
In Watts (1-800) 461-3551
Internet www.kpmg.ca

AUDITORS' REPORT

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

We have audited the consolidated statement of financial position of **The Corporation of the Township of Nairn and Hyman** as at December 31, 2009 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2009 and the results of its operations and changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Sudbury, Canada
April 9, 2010

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Consolidated Statement of Financial Position

December 31, 2009, with comparative figures for 2008

	2009	2008
		(Restated - note 2)
Financial assets:		
Cash and short-term investments	\$ 748,630	\$ 937,720
Accounts receivable (note 3)	110,710	61,317
Taxes receivable	152,765	127,089
	1,012,105	1,126,126
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	128,770	85,929
Deferred revenue	161,390	298,772
Solid waste management liabilities (note 5)	67,000	77,000
Long-term debt (note 6)	6,953	23,888
	364,113	485,589
Net financial assets	647,992	640,537
Non-financial assets:		
Tangible capital assets (note 9)	2,927,395	2,966,215
Inventory	131,012	-
Prepaid expenses	10,754	10,568
	3,069,161	2,976,783
Accumulated Surplus (note 7)	\$ 3,717,153	\$ 3,617,320

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, 2009, with comparative figures for 2008

	2009	2008
		(Restated - note 2)
Revenues:		
Property taxation	\$ 560,735	\$ 592,675
Taxation from other governments	77,346	73,954
Government transfers:		
Province of Ontario grants	482,540	361,531
Government of Canada grants	10,817	15,223
User charges	133,587	136,800
Other income	39,945	60,335
Penalties and interest on taxes	14,206	22,380
Investment income	601	16,774
	<u>1,319,777</u>	<u>1,279,672</u>
Expenses:		
Environmental services	255,869	217,201
Transportation services	249,338	305,585
Protection to persons and property	247,641	267,854
General government	204,959	238,595
Health services	85,725	79,165
Recreation and cultural services	78,629	84,835
Social and family services	62,661	59,270
Social housing	30,045	27,005
Planning and development	5,077	6,951
	<u>1,219,944</u>	<u>1,286,461</u>
Annual surplus (deficit)	99,833	(6,789)
Accumulated surplus, beginning of year	3,617,320	3,624,109
Accumulated surplus, end of year (note 7)	<u>\$ 3,717,153</u>	<u>\$ 3,617,320</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 Change in Net Financial Assets

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
Annual surplus (deficit)	\$ 99,833	\$ (6,789)
Acquisition of tangible capital assets	(146,189)	(56,800)
Amortization of tangible capital assets	185,009	186,644
	38,820	129,844
Acquisition of inventory	(131,012)	-
Use (acquisition) of prepaid expenses	(186)	3,837
Change in net financial assets	7,455	126,892
Net financial assets, beginning of year	640,537	513,645
Net financial assets, end of year	\$ 647,992	\$ 640,537

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, 2009, with comparative figures for 2008

	2009	2008
		(Restated - note 2)
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 99,833	\$ (6,789)
Items not involving cash:		
Amortization of tangible capital assets	185,009	186,644
Change in solid waste management liabilities	(10,000)	11,000
	274,842	190,855
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable - government grants	(49,393)	23,680
Decrease (increase) in taxes receivable	(25,676)	46,794
Decrease (increase) in prepaid expenses and deposits	(186)	3,840
Increase in inventory	(131,012)	-
Increase (decrease) in accounts payable and accrued liabilities	42,841	(127,150)
Increase (decrease) in deferred revenue	(137,382)	298,772
Net change in cash from operating activities	(25,966)	436,791
Capital activities:		
Cash used to acquire tangible capital assets	(146,189)	(56,800)
Financing activities:		
Principal repayment of long-term debt	(16,935)	(15,879)
Net change in cash and short-term investments	(189,090)	364,112
Cash and short-term investments, beginning of year	937,720	573,608
Cash and short-term investments, end of year	\$ 748,630	\$ 937,720

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, 2009

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 aspects of the 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 expenditures 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 on these 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, 2009

1. Significant accounting policies (continued):

(b) Basis of accounting:

Sources of financing and expenditures are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Amounts applied to specific operating and capital projects are recorded as revenue in the fiscal period in which the funds are expensed 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, 2009

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

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, 2009

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of 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 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 Section Accounting Handbook 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.

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

2. Change in accounting policies:

The Township has implemented Public Sector Accounting Board ("PSAB") Sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction.

Methods used for determining the cost of each major category of tangible capital assets

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The Township applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital assets. After defining replacement or reproduction cost, the CPI and NRBCPI were used as a resource for determining appropriate indices in order to deflate the replacement or reproduction cost to an estimated historical cost at the year of acquisition.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

Accumulated surplus at January 1, 2008:	
Operating fund balance	\$ 168,791
Reserves and reserve fund	465,027
Amounts to be recovered	(105,768)
Accumulated surplus, as previously reported	528,050
Net book value of tangible capital assets recorded	3,096,059
Accumulated surplus, as restated	\$ 3,624,109
Annual surplus for 2008:	
Net revenues, as previously reported	\$ 123,055
Assets capitalized but previously expensed	56,800
Amortization expense not previously recorded	(186,644)
Annual surplus, as restated	\$ (6,789)

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

3. Accounts receivable:

Accounts receivable consist of the following:

	2009	2008
Government of Canada	\$ 19,027	\$ 16,906
Province of Ontario	15,870	16,139
School Boards	37,545	623
Water	31,803	22,421
Other	6,465	5,228
	<u>\$ 110,710</u>	<u>\$ 61,317</u>

4. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	2009	2008
Province of Ontario	\$ 32,979	\$ 33,697
Government of Canada	3,675	4,093
Trade and miscellaneous	92,116	48,139
	<u>\$ 128,770</u>	<u>\$ 85,929</u>

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, 2009

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 5.00% (2008 - 5.00%) minus an inflation rate of 1.86% (2008 - 1.82%). The estimated total landfill closure and post-closure care expenditures are calculated to be \$118,540. The estimated liability for these expenditures is recognized as the landfill site's capacity is used. At December 31, 2009 an amount of \$67,000 (2008 - \$77,000) with respect to landfill closure and post-closure liabilities has been accrued. The estimated remaining capacity of the landfill site is 31.0% (12,600 cubic meters) of its total estimated capacity and its estimated remaining life is 21 years, after which the period for post-closure care is estimated to be 25 years.

6. Long-term debt:

The balance of long-term debt reported on the consolidated statement of financial position is made up of the following:

	2009	2008
Equipment under capital lease	\$ 6,953	\$ 23,888

Leases are at rates ranging from 6.85% - 7.45% and expire in 2010. Leases are secured by the related equipment. Principal payments are as follows:

2010	\$ 6,953
------	----------

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

7. Accumulated surplus:

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

	2009	2008
Surplus:		
Invested in tangible capital assets	\$ 2,920,442	\$ 2,942,327
Other	283,824	237,106
Unfunded:		
Landfill closure costs	(67,000)	(77,000)
Total surplus	3,137,266	3,102,433
Reserves set aside by Council for:		
- working capital	100,636	100,636
- water	76,463	76,463
- contingencies	196,024	146,024
- recreation	99,786	89,786
- roads	49,153	49,153
- fire	37,759	32,759
- Solid Waste Management	227	227
	560,048	495,048
Reserve fund set aside by Council for specific purposes:		
- fire equipment	19,839	19,839
Accumulated surplus	\$ 3,717,153	\$ 3,617,320

8. Operations of school boards:

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

	2009	2008
Taxation and other revenues	\$ 188,540	\$ 264,830

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

9. Tangible capital assets:

Cost	Balance at December 31, 2008	Additions	Disposals	Balance at December 31, 2009
Land	\$ 54,500	\$ -	\$ -	\$ 54,500
Buildings	547,386	-	-	547,386
Furniture and equipment	294,380	1,597	-	295,977
Vehicles	214,221	-	-	214,221
Roads, bridges and culverts	2,791,817	144,592	-	2,936,409
Street lights/Signs	47,631	-	-	47,631
Waterworks	2,146,739	-	-	2,146,739
Total	\$ 6,096,674	\$ 146,189	\$ -	\$ 6,242,863

Accumulated amortization	Balance at December 31, 2008	Disposals	Amortization expense	Balance at December 31, 2009
Buildings	171,666	-	15,410	187,076
Furniture and equipment	243,984	-	12,420	256,404
Vehicles	85,034	-	14,283	99,317
Roads, bridges and culverts	1,939,633	-	94,510	2,034,143
Street lights/Signs	47,631	-	-	47,631
Waterworks	642,511	-	48,386	690,897
Total	\$ 3,130,459	\$ -	\$ 185,009	\$ 3,315,468

	Net book value December 31, 2008	Net book value December 31, 2009
Land	\$ 54,500	\$ 54,500
Buildings	375,720	360,310
Furniture and equipment	50,396	39,573
Vehicles	129,187	114,904
Roads, bridges and culverts	852,184	902,266
Street lights/Signs	-	-
Waterworks	1,504,228	1,455,842
Total	\$ 2,966,215	\$ 2,927,395

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

9. Tangible capital assets (continued):

Cost	Balance at December 31, 2007	Additions	Disposals	Balance at December 31, 2008
Land	\$ 54,500	\$ -	\$ -	\$ 54,500
Buildings	547,386	-	-	547,386
Furniture and equipment	294,380	-	-	294,380
Vehicles	194,221	20,000	-	214,221
Roads, bridges and culverts	2,755,017	36,800	-	2,791,817
Street lights/Signs	47,631	-	-	47,631
Waterworks	2,146,739	-	-	2,146,739
Total	\$ 6,039,874	\$ 56,800	\$ -	\$ 6,096,674

Accumulated amortization	Balance at December 31, 2007	Disposals	Amortization expense	Balance at December 31, 2008
Buildings	156,256	-	15,410	171,666
Furniture and equipment	226,037	-	17,947	243,984
Vehicles	71,418	-	13,616	85,034
Roads, bridges and culverts	1,848,801	-	90,832	1,939,633
Street lights/Signs	47,631	-	-	47,631
Waterworks	593,672	-	48,839	642,511
Total	\$ 2,943,815	\$ -	\$ 186,644	\$ 3,130,459

	Net book value December 31, 2007	Net book value December 31, 2008
Land	\$ 54,500	\$ 54,500
Buildings	391,130	375,720
Furniture and equipment	68,343	50,396
Vehicles	122,803	129,187
Roads, bridges and culverts	906,216	852,184
Street lights/Signs	-	-
Waterworks	1,553,067	1,504,228
Total	\$ 3,096,059	\$ 2,966,215

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

9. Tangible capital assets (continued):

a) 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.

10. Trust Funds:

Trust Funds administered by the Township amounting to \$12,518 (2008 - \$11,884) have not been included on the consolidated statement of financial position nor have their operations been included on the consolidated statement of financial activities and changes in fund balances.

11. 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 2009 was \$8,139 (2008 - \$7,491) for current service.

12. 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.

13. Public sector salary disclosure:

During 2009, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Township.

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

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.
- (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.

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

14. Segmented information (continued):

- (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, 2009, with comparative figures for 2008

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2009	Total 2008
Revenues:										
Property taxation	\$ 119,908	153,624	84,589	40,254	53,620	59,358	44,658	4,723	560,735	592,675
Taxation from other governments	16,540	21,190	11,668	5,552	7,396	8,188	6,160	652	77,346	73,954
Government transfers:										
Province of Ontario grants	61,500	80,194	208,062	36,364	27,502	30,445	26,851	11,623	482,540	361,531
Government of Canada grants	-	-	-	-	-	-	1,617	9,200	10,817	15,223
User charges	-	-	-	133,587	-	-	-	-	133,587	136,800
Other income	2,707	6,309	2,636	20,695	1,980	-	3,318	2,300	39,945	60,335
Penalties and interest on taxes	14,206	-	-	-	-	-	-	-	14,206	22,380
Investment income	601	-	-	-	-	-	-	-	601	16,774
	215,462	261,317	306,954	236,453	90,499	97,990	82,605	28,497	1,319,777	1,279,672
Expenses:										
Salaries, wages and benefits	132,220	28,533	46,734	12,117	722	-	21,409	4,163	245,898	246,911
Interest on long-term debt	-	-	1,057	-	-	-	-	-	1,057	2,090
Materials	59,223	46,919	102,702	195,397	2,247	60	40,981	914	448,443	530,508
Contracted services	10,381	153,062	-	-	82,066	92,646	1,382	-	339,537	320,308
Amortization	3,135	19,127	98,845	48,355	690	-	14,857	-	185,009	186,644
	204,959	247,641	249,338	255,869	85,725	92,706	78,629	5,077	1,219,944	1,286,461
Annual surplus (deficit)	\$ 10,503	13,676	57,616	(19,416)	4,774	5,284	3,976	23,420	99,833	(6,789)