

Consolidated Financial Statements of

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

Year ended December 31, 2011



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

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, 2011, consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Nairn and Hyman as at December 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

April 18, 2012
Sudbury, Canada

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

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Consolidated Financial Statements

Year ended December 31, 2011

Consolidated Financial Statements

Management's Responsibility for the Consolidated Financial Statements

Independent 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 - 17

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Consolidated Statement of Financial Position

December 31, 2011, with comparative figures for 2010

	2011	2010
Financial assets:		
Cash and short-term investments (note 2)	\$ 936,063	\$ 791,920
Accounts receivable (note 3)	64,997	153,958
Taxes receivable	116,437	131,043
	<u>1,117,497</u>	<u>1,076,921</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	77,503	117,208
Deferred revenue	34,372	87,188
Obligatory reserve funds	73,638	43,392
Solid waste management liabilities (note 5)	91,000	72,000
	<u>276,513</u>	<u>319,788</u>
Net financial assets	840,984	757,133
Non-financial assets:		
Tangible capital assets (note 7)	2,669,959	2,781,474
Inventory of supplies	15,770	126,012
Prepaid expenses	9,371	10,808
	<u>2,695,100</u>	<u>2,918,294</u>
Commitments (note 13)		
Accumulated surplus (note 6)	<u>\$ 3,536,084</u>	<u>\$ 3,675,427</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, 2011, with comparative figures for 2010

	2011	2010
Revenues:		
Property taxation	\$ 680,176	\$ 629,949
Taxation from other governments	82,214	79,199
Government transfers:		
Province of Ontario grants	365,515	351,565
Government of Canada grants	-	14,967
User charges	147,260	142,365
Other income	23,626	28,030
Penalties and interest on taxes	24,666	24,444
Investment income	3,721	2,653
	1,327,178	1,273,172
Expenses:		
General government	299,058	288,344
Protection to persons and property	272,798	267,539
Transportation services	330,078	253,195
Environmental services	288,266	249,103
Health services	84,431	90,358
Social and family services	27,952	45,741
Recreation and cultural services	87,135	79,840
Social housing	24,897	26,465
Planning and development	51,906	14,313
	1,466,521	1,314,898
Annual surplus (deficit)	(139,343)	(41,726)
Accumulated surplus, beginning of year	3,675,427	3,717,153
Accumulated surplus, end of year (note 6)	\$ 3,536,084	\$ 3,675,427

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, 2011, with comparative figures for 2010

	2011	2010
Annual surplus (deficit)	\$ (139,343)	\$ (41,726)
Acquisition of tangible capital assets	(111,319)	(38,236)
Amortization of tangible capital assets	191,335	184,157
Loss on sale of tangible capital assets	14,183	-
Proceeds on sale of tangible capital assets	17,316	-
	111,515	145,921
Use of inventory	110,242	5,000
Use (acquisition) of prepaid expenses	1,437	(54)
Change in net financial assets	83,851	109,141
Net financial assets, beginning of year	757,133	647,992
Net financial assets, end of year	\$ 840,984	\$ 757,133

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, 2011, with comparative figures for 2010

	2011	2010
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (139,343)	\$ (41,726)
Items not involving cash:		
Amortization of tangible capital assets	191,335	184,157
Loss on disposal of tangible capital assets	14,183	-
Change in solid waste management liabilities	19,000	5,000
	85,175	147,431
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	88,961	(43,248)
Decrease in taxes receivable	14,606	21,722
Decrease in inventory	110,242	5,000
Decrease (increase) in prepaid expenses	1,437	(54)
Decrease in accounts payable and accrued liabilities	(39,705)	(11,562)
Decrease in deferred revenue	(52,816)	(46,820)
Increase in obligatory reserve funds	30,246	16,010
Net change in cash from operating activities	238,146	88,479
Capital activities:		
Cash used to acquire tangible capital assets	(111,319)	(38,236)
Financing activities:		
Principal repayment of long-term debt	-	(6,953)
Investing activities:		
Proceeds from disposal of capital assets	17,316	-
Net change in cash and short-term investments	144,143	43,290
Cash and short-term investments, beginning of year	791,920	748,630
Cash and short-term investments, end of year	\$ 936,063	\$ 791,920

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, 2011

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

1. Significant accounting policies:

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

(a) Reporting entity:

(i) Consolidated entities:

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

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

(ii) Non-consolidated entities:

The following joint local boards are not consolidated:

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

(iii) Accounting for school board transactions:

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

(iv) Trust funds:

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the Trust Funds statement of financial position and statement of continuity.

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

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, 2011

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, 2011

1. Significant accounting policies (continued):

(f) Use of estimates:

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

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

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

(g) Solid waste management liabilities:

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

(h) Pensions and employee benefits:

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

2. Cash and short-term investments:

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

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

3. Accounts receivable:

Accounts receivable consist of the following:

	2011	2010
Government of Canada	\$ 428	\$ 22,145
Province of Ontario	7,516	81,295
School Boards	2,783	11,684
Water	25,219	29,155
Other	29,051	9,679
	\$ 64,997	\$ 153,958

4. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	2011	2010
Province of Ontario	\$ 36,793	\$ 34,363
Government of Canada	5,126	3,196
Trade and miscellaneous	35,584	79,649
	\$ 77,503	\$ 117,208

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, 2011

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 3.92% (2010 - 5.00%) minus an inflation rate of 2.01% (2010 - 1.90%). 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, 2011 an amount of \$91,000 (2010 - \$72,000) with respect to landfill closure and post-closure liabilities has been accrued. The estimated remaining capacity of the landfill site is 37.0% (15,000 cubic meters) of its total estimated capacity and its estimated remaining life is 19 years, after which the period for post-closure care is estimated to be 25 years.

6. Accumulated surplus:

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

	2011	2010
Surplus:		
Invested in tangible capital assets	\$ 2,669,959	\$ 2,781,474
Other	298,396	336,067
Unfunded:		
Landfill closure costs	(91,000)	(72,000)
Total surplus	2,877,355	3,045,541
Reserves set aside by Council for:		
- working capital	100,636	100,636
- water	84,856	76,463
- contingencies	252,824	246,024
- recreation	83,786	89,786
- roads	69,741	59,153
- fire	46,758	37,758
- Solid Waste Management	227	227
	638,828	610,047
Reserve fund set aside by Council for specific purposes:		
- fire equipment	19,901	19,839
Accumulated surplus	\$ 3,536,084	\$ 3,675,427

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

7. Tangible capital assets:

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

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

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

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

7. Tangible capital assets (continued):

Cost	Balance at December 31, 2009	Additions	Disposals	Balance at December 31, 2010
Land	\$ 54,500	\$ -	\$ -	\$ 54,500
Buildings	547,386	-	-	547,386
Furniture and equipment	295,977	38,236	-	334,213
Vehicles	214,221	-	-	214,221
Roads, bridges and culverts	2,936,409	-	-	2,936,409
Street lights/Signs	47,631	-	-	47,631
Waterworks	2,146,739	-	-	2,146,739
Total	\$ 6,242,863	\$ 38,236	\$ -	\$ 6,281,099

Accumulated amortization	Balance at December 31, 2009	Disposals	Amortization expense	Balance at December 31, 2010
Buildings	187,076	-	15,410	202,486
Furniture and equipment	256,404	-	10,309	266,713
Vehicles	99,317	-	14,282	113,599
Roads, bridges and culverts	2,034,143	-	97,127	2,131,270
Street lights/Signs	47,631	-	-	47,631
Waterworks	690,897	-	47,029	737,926
Total	\$ 3,315,468	\$ -	\$ 184,157	\$ 3,499,625

	Net book value December 31, 2009	Net book value December 31, 2010
Land	\$ 54,500	\$ 54,500
Buildings	360,310	344,900
Furniture and equipment	39,573	67,500
Vehicles	114,904	100,622
Roads, bridges and culverts	902,266	805,139
Street lights/Signs	-	-
Waterworks	1,455,842	1,408,813
Total	\$ 2,927,395	\$ 2,781,474

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

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:

	2011	2010
Taxation and other revenues	\$ 165,003	\$ 161,203

9. Trust Funds:

Trust Funds administered by the Township amounting to \$12,801 (2010 - \$12,609) 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 2011 was \$10,550 (2010 - \$8,941) for current service.

11. Budget figures:

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

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

12. Public sector salary disclosure:

During 2011, 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:

- (a) The Township has entered into an agreement that expires in December 31, 2014 with the Ontario Clean Water Agency to provide water and sewer maintenance service for an annual cost of approximately \$91,000. The cost of the services is adjusted annually for inflation and for any additional items resulting from a change in the scope of services.
- (b) On September 23, 2011 the Township signed a vehicle purchase agreement to purchase a new public works vehicle in the amount of \$63,940. The Township took possession of the vehicle in March 2012.

14. Segmented information:

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

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

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

THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

14. Segmented information (continued):

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

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

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

THE CORPORATION OF THE TOWNSHIP OF NAIRN & HYMAN

Note 14 - Segmented information (continued)

Year ended December 31, 2011

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2011
Revenues:									
Property taxation	\$ 145,115	186,464	102,671	48,859	65,083	72,047	54,205	5,733	680,176
Taxation from other governments	17,581	22,524	12,402	5,902	7,862	8,703	6,548	693	82,214
Government transfers:									
Province of Ontario grants	72,462	80,380	93,275	38,303	25,647	28,391	24,798	2,259	365,515
User charges	-	-	-	147,260	-	-	-	-	147,260
Other income	6,762	-	717	91	1,040	-	11,353	3,663	23,626
Penalties and interest on taxes	24,666	-	-	-	-	-	-	-	24,666
Investment income	3,721	-	-	-	-	-	-	-	3,721
	270,306	289,368	209,066	240,415	99,631	109,141	96,904	12,348	1,327,178
Expenses:									
Salaries, wages and benefits	168,391	35,581	74,439	13,262	707	60	21,017	6,361	319,818
Materials	120,519	35,509	147,981	196,082	1,782	-	50,300	45,545	597,718
Contracted services	8,125	184,814	-	29,288	81,252	52,789	1,382	-	357,650
Amortization	2,023	16,894	107,658	49,634	690	-	14,436	-	191,335
	299,058	272,798	330,078	288,266	84,431	52,849	87,135	51,906	1,466,521
Annual surplus (deficit)	\$ (28,752)	16,570	(121,012)	(47,851)	15,200	56,292	9,769	(39,558)	(139,343)

THE CORPORATION OF THE TOWNSHIP OF NAIRN & HYMAN

Note 14 - Segmented information (continued)

Year ended December 31, 2010

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2010
Revenues:									
Property taxation	\$ 134,708	172,587	95,030	45,223	60,239	66,685	50,171	5,306	629,949
Taxation from other governments	16,936	21,698	11,947	5,686	7,573	8,384	6,308	667	79,199
Government transfers:									
Province of Ontario grants	57,437	88,033	87,427	35,000	25,685	28,433	26,554	2,995	351,565
Government of Canada grants	-	-	14,235	-	-	-	-	732	14,967
User charges	-	-	-	142,365	-	-	-	-	142,365
Other income	26,697	1,333	-	-	-	-	-	-	28,030
Penalties and interest on taxes	24,444	-	-	-	-	-	-	-	24,444
Investment income	2,653	-	-	-	-	-	-	-	2,653
	262,876	283,651	208,640	228,273	93,497	103,502	83,032	9,700	1,273,172
Expenses:									
Salaries, wages and benefits	137,677	31,123	52,564	13,998	1,171	-	30,803	4,611	271,947
Interest on long-term debt	-	-	1,533	-	-	-	-	-	1,533
Materials	135,159	55,592	97,637	173,864	2,133	85	33,171	9,702	507,343
Contracted services	13,266	164,033	-	12,752	86,364	72,121	1,382	-	349,918
Amortization	2,242	16,791	101,461	48,489	690	-	14,484	-	184,157
	288,344	267,539	253,195	249,103	90,358	72,206	79,840	14,313	1,314,898
Annual surplus (deficit)	\$ (25,468)	16,112	(44,555)	(20,830)	3,139	31,296	3,192	(4,613)	(41,726)