

Consolidated Financial Statements of

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

Year ended December 31, 2017

## **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.

---

Robert Deschene  
Chief Administrative Officer



KPMG LLP  
Claridge Executive Centre  
144 Pine Street  
Sudbury Ontario P3C 1X3  
Canada  
Telephone (705) 675-8500  
Fax (705) 675-7586

## **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, 2017, 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, 2017, and its results of operations and accumulated surplus, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

May 14, 2018

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Index to Consolidated Financial Statements

Year ended December 31, 2017

---

## 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 - 18

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Consolidated Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
<b>Financial assets</b>		
Cash	\$ 1,015,127	\$ 890,648
Accounts receivable (note 2)	85,619	81,352
Taxes receivable	140,239	146,838
	<u>1,240,985</u>	<u>1,118,838</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (note 3)	145,490	69,286
Deferred revenue - obligatory reserve funds (note 7)	29,518	-
Solid waste management liabilities (note 4)	40,000	89,000
	<u>215,008</u>	<u>158,286</u>
Net financial assets	1,025,977	960,552
<b>Non-financial assets</b>		
Tangible capital assets (note 6)	3,212,363	3,307,455
Prepaid expenses	8,469	8,373
	<u>3,220,832</u>	<u>3,315,828</u>
Commitments (note 13)		
Accumulated surplus (note 5)	<u>\$ 4,246,809</u>	<u>\$ 4,276,380</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, 2017, with comparative information for 2016

	2017 Budget (note 11)	2017 Actual	2016 Actual
<b>Revenue:</b>			
Property taxation	\$ 860,828	\$ 841,645	\$ 915,990
Taxation from other governments	56,027	59,572	60,848
Government transfers:			
Province of Ontario grants	296,090	293,858	283,986
Government of Canada grants	46,602	43,936	31,240
User charges	150,055	158,228	155,327
Other income	25,619	46,923	39,180
Penalties and interest on taxes	25,000	35,788	37,534
Investment income	5,000	5,815	7,894
	<u>1,465,221</u>	<u>1,485,765</u>	<u>1,531,999</u>
<b>Expenses:</b>			
General government	338,113	350,874	339,534
Protection to persons and property	304,702	263,539	274,101
Transportation services	351,307	362,224	360,399
Environmental services	278,279	265,539	265,780
Health services	107,722	106,576	110,571
Social and family services	25,802	24,384	24,204
Social housing	35,586	32,021	33,350
Recreation and cultural services	52,734	52,691	52,696
Planning and development	87,215	57,488	11,551
	<u>1,581,460</u>	<u>1,515,336</u>	<u>1,472,186</u>
Annual surplus (deficit)	(116,239)	(29,571)	59,813
Accumulated surplus, beginning of year		4,276,380	4,216,567
Accumulated surplus, end of year		<u>\$ 4,246,809</u>	<u>\$ 4,276,380</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, 2017, with comparative information for 2016

	2017 Budget (note 11)	2017 Actual	2016 Actual
Annual surplus (deficit)	\$ (12,007)	\$ (29,571)	\$ 59,813
Acquisition of tangible capital assets	(247,615)	(104,705)	(341,516)
Amortization of tangible capital assets	199,797	199,797	186,304
	(47,818)	95,092	(155,212)
Use of inventory	-	-	8,348
Use of prepaid expenses	-	(96)	(387)
Change in net financial assets	(59,825)	65,425	(87,438)
Net financial assets, beginning of year	960,552	960,552	1,047,990
Net financial assets, end of year	\$ 900,727	\$ 1,025,977	\$ 960,552

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, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (29,571)	\$ 59,813
Items not involving cash:		
Amortization of tangible capital assets	199,797	186,304
Change in solid waste management liabilities	(49,000)	-
	<u>121,226</u>	<u>246,117</u>
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	(4,267)	1,054
Decrease in taxes receivable	6,599	20,795
Decrease in inventory	-	8,348
Increase in prepaid expenses	(96)	(387)
Increase in accounts payable and accrued liabilities	76,204	10,320
Increase (decrease) in deferred revenue - obligatory reserve funds	29,518	(16,353)
Net change in cash from operating activities	<u>229,184</u>	<u>269,894</u>
Capital activities:		
Cash used to acquire tangible capital assets	(104,705)	(341,516)
Net change in cash from capital activities	<u>(104,705)</u>	<u>(341,516)</u>
Increase (decrease) in cash	124,479	(71,622)
Cash, beginning of year	890,648	962,270
Cash, end of year	<u>\$ 1,015,127</u>	<u>\$ 890,648</u>

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

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements

Year ended December 31, 2017

---

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, 2017

---

## 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, 2017

---

## 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, 2017

---

## 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.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

## 2. Accounts receivable:

Accounts receivable consist of the following:

	2017	2016
Government of Canada	\$ 38,230	\$ 27,658
Province of Ontario	14,025	-
School Boards	6,310	5,796
Water	24,386	22,396
Other	2,668	25,502
	<b>\$ 85,619</b>	<b>\$ 81,352</b>

## 3. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities consist of the following:

	2017	2016
Province of Ontario	\$ 5,390	\$ 5,186
Government of Canada	13,778	16,057
Trade and miscellaneous	126,322	48,043
	<b>\$ 145,490</b>	<b>\$ 69,286</b>

## 4. 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, 2017

#### 4. 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 3.61% (2016 - 3.31) minus an inflation rate of 1.58% (2016 - 1.94%). The estimated total landfill closure and post-closure care expenditures are calculated to be \$190,600. The estimated liability for these expenditures is recognized as the landfill site's capacity is used. At December 31, 2017, an amount of \$40,000 (2016 - \$89,000) with respect to landfill closure and post-closure liabilities has been accrued. The estimated remaining capacity of the landfill site is 79.2% or 80,000 cubic meters (2016 - 26.5% or 10,585 cubic meters) of its total estimated capacity and its estimated remaining life is 41 years, after which the period for post-closure care is estimated to be 20 years.

#### 5. Accumulated surplus:

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

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 3,212,363	\$ 3,307,455
Other	560,355	580,620
Unfunded:		
Landfill closure costs	(40,000)	(89,000)
<b>Total surplus</b>	<b>3,732,718</b>	<b>3,799,075</b>
Reserves set aside by Council for:		
- working capital	100,636	100,636
- water	37,050	40,253
- contingencies	141,154	151,344
- recreation	83,786	83,786
- roads	68,741	68,741
- fire	62,435	12,269
- Solid Waste Management	227	227
	494,029	457,256
Reserve fund set aside by Council for specific purposes:		
- fire equipment	20,062	20,049
<b>Accumulated surplus</b>	<b>\$ 4,246,809</b>	<b>\$ 4,276,380</b>

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

## 6. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Land	\$ 37,133	\$ -	\$ -	\$ 37,133
Buildings	554,655	43,341	-	597,996
Furniture and equipment	457,925	31,251	-	489,176
Vehicles	619,908	-	-	619,908
Roads, bridges and culverts	3,557,512	4,783	-	3,562,295
Street lights/signs	108,406	-	-	108,406
Waterworks	2,483,282	25,330	-	2,508,612
<b>Total</b>	<b>\$ 7,818,821</b>	<b>\$ 104,705</b>	<b>\$ -</b>	<b>\$ 7,923,526</b>

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Buildings	293,059	-	13,753	306,812
Furniture and equipment	345,189	-	18,978	364,167
Vehicles	222,423	-	33,286	255,709
Roads, bridges and culverts	2,568,475	-	79,206	2,647,681
Street lights/signs	54,017	-	6,077	60,094
Waterworks	1,028,203	-	48,497	1,076,700
<b>Total</b>	<b>\$ 4,511,366</b>	<b>\$ -</b>	<b>\$ 199,797</b>	<b>\$ 4,711,163</b>

	Net book value December 31, 2016	Net book value December 31, 2017
Land	\$ 37,133	\$ 37,133
Buildings	261,596	291,184
Furniture and equipment	112,736	125,009
Vehicles	397,485	364,199
Roads, bridges and culverts	989,037	914,614
Street lights/signs	54,389	48,312
Waterworks	1,455,079	1,431,912
<b>Total</b>	<b>\$ 3,307,455</b>	<b>\$ 3,212,363</b>



# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

## 6. Tangible capital assets (continued):

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Land	\$ 34,782	\$ 2,351	\$ -	\$ 37,133
Buildings	554,655	-	-	554,655
Furniture and equipment	422,370	35,555	-	457,925
Vehicles	463,052	156,856	-	619,908
Roads, bridges and culverts	3,464,025	93,487	-	3,557,512
Street lights/signs	58,022	50,384	-	108,406
Waterworks	2,480,399	2,883	-	2,483,282
<b>Total</b>	<b>\$ 7,477,305</b>	<b>\$ 341,516</b>	<b>\$ -</b>	<b>\$ 7,818,821</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Buildings	279,878	-	13,181	293,059
Furniture and equipment	328,693	-	16,496	345,189
Vehicles	194,368	-	28,055	222,423
Roads, bridges and culverts	2,491,675	-	76,800	2,568,475
Street lights/signs	50,459	-	3,558	54,017
Waterworks	979,989	-	48,214	1,028,203
<b>Total</b>	<b>\$ 4,325,062</b>	<b>\$ -</b>	<b>\$ 186,304</b>	<b>\$ 4,511,366</b>

	Net book value December 31, 2015	Net book value December 31, 2016
Land	\$ 34,782	\$ 37,133
Buildings	274,777	261,596
Furniture and equipment	93,677	112,736
Vehicles	268,684	397,485
Roads, bridges and culverts	972,350	989,037
Street lights/signs	7,563	54,389
Waterworks	1,500,410	1,455,079
<b>Total</b>	<b>\$ 3,152,243</b>	<b>\$ 3,307,455</b>

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

---

## 6. 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.

## 7. Deferred revenue - obligatory reserve fund:

The township received Federal gas tax revenue which is restricted in its use and is recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the year expended.

## 8. Operations of school boards:

During the year, taxation revenue raised and remitted to the school boards totalled \$169,725 (2016 - \$199,729).

## 9. Trust Funds:

Trust Funds administered by the Township amounting to \$15,828 (2016 - \$15,211) 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 2017 was \$20,158 (2016 - \$20,536) for current service.

# THE CORPORATION OF THE TOWNSHIP OF NAIRN AND HYMAN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

---

## 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:

---

Budget deficit per financial plan:	\$ (114,500)
Less:	
Amortization of tangible capital assets	(199,797)
Net reserve transfers	(49,557)
Add:	
Acquisition of tangible capital assets	247,615
<hr/> Budget per financial statements	<hr/> \$ (116,239)

## 12. Public sector salary disclosure:

During 2017, 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, 2021 with the Ontario Clean Water Agency to provide water and sewer maintenance service for an annual cost of approximately \$99,592. 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, 2017

---

## 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, 2017

---

## **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, 2017

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2017
Revenue:									
Property taxation	\$ 83,516	264,247	229,154	49,981	84,517	47,408	52,576	30,246	841,645
Taxation from other governments	54,077	1,915	1,661	362	613	344	381	219	59,572
Government transfers:									
Province of Ontario grants	26,723	68,761	109,629	32,864	21,993	12,336	13,681	7,871	293,858
Government of Canada grants	42,533	-	-	-	-	-	1,403	-	43,936
User charges	-	-	-	158,228	-	-	-	-	158,228
Other income	5,728	19,321	8,007	-	1,200	-	348	12,319	46,923
Penalties and interest on taxes	35,788	-	-	-	-	-	-	-	35,788
Investment income	5,815	-	-	-	-	-	-	-	5,815
	254,180	354,244	348,451	241,435	108,323	60,088	68,389	50,655	1,485,765
Expenses:									
Salaries, wages and benefits	226,022	50,889	130,903	-	-	-	10,200	5,318	423,332
Materials	109,199	56,626	145,409	179,060	11	535	29,227	47,176	567,243
Contracted services	11,441	130,245	-	15,849	-	-	-	4,994	162,529
External agencies	-	-	-	-	106,565	55,870	-	-	162,435
Amortization of tangible capital assets	4,212	25,779	85,912	70,630	-	-	13,264	-	199,797
	350,874	263,539	362,224	265,539	106,576	56,405	52,691	57,488	1,515,336
Annual surplus (deficit)	\$ (96,694)	90,705	(13,773)	(24,104)	1,747	3,683	15,698	(6,833)	(29,571)

# THE CORPORATION OF THE TOWNSHIP OF NAIRN & HYMAN

## Note 14 - Segmented information (continued)

Year ended December 31, 2017

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Total 2016
Revenue:									
Property taxation	\$ 98,095	210,384	325,831	42,747	82,796	47,617	43,865	64,655	915,990
Taxation from other governments	5,904	14,133	21,888	2,872	5,562	3,199	2,947	4,343	60,848
Government transfers:									
Province of Ontario grants	16,485	56,902	88,127	56,466	22,394	12,879	13,246	17,487	283,986
Government of Canada grants	-	-	29,973	-	-	-	1,267	-	31,240
User charges	-	-	-	155,327	-	-	-	-	155,327
Other income	350	17,452	10,446	-	-	-	2,311	8,621	39,180
Penalties and interest on taxes	37,534	-	-	-	-	-	-	-	37,534
Investment income	7,894	-	-	-	-	-	-	-	7,894
	166,262	298,871	476,265	257,412	110,752	63,695	63,636	95,106	1,531,999
Expenses:									
Salaries, wages and benefits	231,435	45,135	130,168	-	600	-	8,883	8,160	424,381
Materials	93,890	48,843	146,725	181,175	47	1,460	31,843	3,391	507,374
Contracted services	11,516	159,817	-	16,776	-	-	-	-	188,109
External agencies	-	-	-	-	109,924	56,094	-	-	166,018
Amortization of tangible capital assets	2,693	20,306	83,506	67,829	-	-	11,970	-	186,304
	339,534	274,101	360,399	265,780	110,571	57,554	52,696	11,551	1,472,186
Annual surplus (deficit)	\$ (173,272)	24,770	115,866	(8,368)	181	6,141	10,940	83,555	59,813