

Consolidated financial statements

The Municipality of the District of Guysborough

March 31, 2014

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Independent auditor's report

Grant Thornton LLP
Suite 204
220 Main Street
Antigonish, NS
B2G 2C2
T (902) 863-4587
F (902) 863-0917
www.GrantThornton.ca

To the Warden and Council of the
Municipality of the District of Guysborough

We have audited the accompanying consolidated financial statements of the Municipality of the District of Guysborough which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, changes in net financial assets and changes in financial position for the year then ended, and 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.

Auditor's 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 the auditor's 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, the auditor considers 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, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality of the District of Guysborough as at March 31, 2014, and the consolidated results of its operations, changes in net financial assets, and changes in financial position for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on Pages 24 to 37 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

A stylized, handwritten-style signature of "Grant Thornton LLP" in a dark grey or black ink.

Antigonish, Canada
July 16, 2014

Chartered Accountants

The Municipality of the District of Guysborough

Consolidated statement of operations

Year ended March 31

2014

2013

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue				
Taxes	17	\$ 7,466,247	\$ 7,517,005	\$ 7,380,983
Grants in lieu of taxes	18	402,821	404,053	384,341
Sale of services	18	10,752,325	12,305,908	11,275,431
Other revenue from own sources	19	305,090	961,637	244,879
Unconditional transfers from other governments	19	316,000	373,214	315,821
Conditional transfers from other governments and agencies	19	1,002,026	913,592	1,293,646
Interest		560	383,067	211,977
Capital contributions and grants		-	14,998	241,536
Other		-	100,000	40,000
Infrastructure improvement funding	20	170,518	162,620	235,687
Gain on disposal of assets		-	148,270	-
		<u>20,415,587</u>	<u>23,284,364</u>	<u>21,624,301</u>
Expenditures				
General government services	20	2,851,149	2,896,275	2,583,499
Protection services	21	2,708,986	2,655,922	2,362,439
Transportation services	21	393,165	389,018	366,711
Environmental services	22	3,090,722	2,988,080	3,873,302
Rest Home - operations		5,348,808	5,585,131	4,923,787
- interest		74,175	89,059	87,591
Public health and welfare	22	35,700	49,121	39,965
Education, recreation and cultural services	23	2,366,200	2,348,886	2,119,747
Water operating	23	45,910	273,284	240,907
Electric operating	23	-	907,096	680,795
Valuation allowance		15,000	4,128	44,813
Loss on disposal of tangible capital asset		-	-	145,837
Amortization - general		-	2,051,879	1,895,670
- water		6,586	99,863	76,544
- electric		-	24,488	18,366
- rest homes		-	68,011	72,079
		<u>16,936,401</u>	<u>20,422,241</u>	<u>19,532,052</u>
Excess of revenue over expenditures		<u>\$ 3,479,186</u>	<u>\$ 2,862,123</u>	<u>\$ 2,092,249</u>
<hr/>				
Accumulated surplus, beginning of year			\$ 45,575,321	\$ 35,709,403
Former Town of Canso accumulated surplus (note 12)			-	7,773,669
Excess of revenue over expenditures			<u>2,862,123</u>	<u>2,092,249</u>
Accumulated surplus, end of year			<u>\$ 48,437,444</u>	<u>\$ 45,575,321</u>

The Municipality of the District of Guysborough

Consolidated statement of financial position

March 31	2014	2013
Financial assets		
Cash and cash equivalents	\$ 3,399,244	\$ 4,793,227
Receivables: taxes, rates and interest	739,989	784,536
other	1,212,959	1,420,829
Long term investments and restricted funds, at cost	18,277,145	12,421,253
Long term loans receivable - capital reserve	<u>5,928</u>	<u>5,928</u>
Total financial assets	\$ 23,635,265	\$ 19,425,773
Liabilities		
Payables and accruals	\$ 4,177,595	\$ 3,529,044
Valuation allowance - tax accounts	349,042	346,880
Deferred revenue	860,913	693,011
Refundable deposits	30,526	30,821
Long term debt (note 3)	<u>2,037,580</u>	<u>2,244,287</u>
	<u>7,455,656</u>	<u>6,844,043</u>
Net financial assets	<u>16,179,609</u>	<u>12,581,730</u>
Non financial assets		
Tangible capital assets, net of amortization (pages 6 & 7)	31,175,688	32,753,424
Prepays	723,545	91,027
Vested property	1	1
Inventories of materials and supplies	58,158	43,404
Deferred costs	299,383	104,675
Deferred expenses – debenture discount	<u>1,060</u>	<u>1,060</u>
	<u>32,257,835</u>	<u>32,993,591</u>
Net assets	\$ <u>48,437,444</u>	\$ <u>45,575,321</u>
Accumulated surplus (note 13)	\$ <u>48,437,444</u>	\$ <u>45,575,321</u>

Commitments (note 5)

Contingencies (note 8)

Approved on behalf of the Municipality of the District of Guysborough



Warden



CAO

The Municipality of the District of Guysborough
Consolidated statement of changes
in net financial assets

Year ended March 31	2014	2013
Excess of revenue over expenditures	\$ <u>2,862,123</u>	\$ <u>2,092,249</u>
Acquisition of tangible capital assets	(2,461,109)	(2,960,958)
Amortization of tangible capital assets	2,244,241	2,062,659
(Gain) loss on disposal of tangible capital asset	<u>(148,270)</u>	<u>145,837</u>
	<u>(365,138)</u>	<u>(752,462)</u>
Other items	<u>1,100,894</u>	<u>29,974</u>
Change in net financial assets	3,597,879	1,369,761
Net financial assets, beginning of year	<u>12,581,730</u>	<u>11,211,969</u>
Net financial assets, end of year	<u>\$ 16,179,609</u>	<u>\$ 12,581,730</u>

The Municipality of the District of Guysborough

Consolidated statement of changes in financial position

Year ended March 31

2014

2013

Net inflow (outflow) of cash and cash equivalents related to the following activities:

Operating activities

Excess of revenue over expenditures	\$ 2,862,123	\$ 2,092,249
Amortization	2,244,241	2,062,659
(Gain) loss on disposal of tangible capital asset	<u>(148,270)</u>	<u>145,837</u>
	4,958,094	4,300,745

Changes in non-cash working capital

Taxes, rates and interest receivable	44,547	138,714
Other receivables	207,870	(166,695)
Payables and accruals	648,551	738,283
Deferred revenue and deposits	167,902	300,753
Prepays - other	(841,980)	67,488
Valuation allowance	<u>2,162</u>	<u>31,922</u>
	<u>5,187,146</u>	<u>5,411,210</u>

Investing activities

Acquisition of tangible capital assets	(2,461,109)	(2,960,958)
Long term investments and restricted funds	(5,855,892)	396,811
Former Town of Canso working capital, net	-	(134,902)
Proceeds on disposal of capital assets	<u>1,942,579</u>	<u>-</u>
	<u>(6,374,422)</u>	<u>(2,699,049)</u>

Financing activities

Repayment of long term debt, net of refinancing	<u>(206,707)</u>	<u>(199,624)</u>
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Net increase in cash and cash equivalents

(1,393,983) 2,512,537

Cash and cash equivalents

Beginning of year	4,793,227	1,798,914
Former Town of Canso cash	<u>-</u>	<u>481,776</u>
End of year	<u>\$ 3,399,244</u>	<u>\$ 4,793,227</u>

The Municipality of the District of Guysborough Consolidated schedule of tangible capital assets

Year ended March 31, 2014

	Land	Buildings	Machinery and Equipment	Sewers	Sidewalks and Street Lamps	Signage	Cells	Vehicles
Cost:								
Balance, beginning of year	\$ 7,673,382	\$ 6,597,059	\$ 4,454,702	\$ 13,149,295	\$ 1,277,662	\$ 77,801	\$ 11,608,097	\$ 1,101,334
Former Town of Canso assets	-	-	-	-	-	-	-	-
Canso Seaside Manor assets	7,263	60,101	345,216	-	-	8,388	-	38,191
Acquisition of tangible capital assets	-	-	(196,926)	-	-	-	-	-
Disposal of tangible capital assets	(1,774,911)	-	-	-	-	-	-	-
Balance, end of year	<u>5,905,734</u>	<u>6,657,160</u>	<u>4,602,992</u>	<u>13,149,295</u>	<u>1,277,662</u>	<u>86,189</u>	<u>11,608,097</u>	<u>1,139,525</u>
Accumulated amortization:								
Balance, beginning of year	-	-	-	-	-	-	-	-
Former Town of Canso accumulated amortization	-	1,842,159	1,790,229	3,499,053	717,289	15,244	8,248,646	551,325
Canso Seaside Manor accumulated amortization	-	-	-	-	-	-	-	-
Annual amortization	-	161,256	421,509	242,374	49,047	7,780	1,065,690	131,677
Accumulated amortization disposal	-	-	(177,233)	-	-	-	-	-
Balance, end of year	<u>2,003,415</u>	<u>2,003,415</u>	<u>2,034,505</u>	<u>3,741,427</u>	<u>766,336</u>	<u>23,024</u>	<u>9,314,336</u>	<u>683,002</u>
Net book value of tangible capital assets	<u>\$ 5,905,734</u>	<u>\$ 4,653,745</u>	<u>\$ 2,568,487</u>	<u>\$ 9,407,868</u>	<u>\$ 511,326</u>	<u>\$ 63,165</u>	<u>\$ 2,293,761</u>	<u>\$ 456,523</u>
2013 net book value of tangible capital assets	<u>\$ 7,673,382</u>	<u>\$ 4,754,900</u>	<u>\$ 2,664,473</u>	<u>\$ 9,650,242</u>	<u>\$ 560,373</u>	<u>\$ 62,557</u>	<u>\$ 3,359,451</u>	<u>\$ 550,009</u>

The Municipality of the District of Guysborough Consolidated schedule of tangible capital assets

Year ended March 31, 2014

	Wharves and Canals	Land Improvements	Wind Turbines	Office Furnishings	Office Equipment	Lagoons	Roads	2014 Total	2013 Total
Cost:									
Balance, beginning of year	\$ 11,230	\$ 1,162,323	\$ 1,420,628	\$ 297,657	\$ 400,164	\$ 941,382	\$ 1,519,098	\$ 51,691,814	\$ 37,063,232
Former Town of Canso assets	-	-	-	-	-	-	-	-	10,294,432
Canso Seaside Manor assets	-	-	-	-	-	-	-	-	1,616,253
Acquisition of tangible capital assets	140,659	2,342	1,747,479	19,944	489	-	91,037	2,461,109	2,960,958
Disposal of tangible capital assets	-	-	-	-	-	-	-	(1,971,837)	(243,061)
Balance, end of year	151,889	1,164,665	3,168,107	317,601	400,653	941,382	1,610,135	52,181,086	51,691,814
Accumulated amortization:									
Balance, beginning of year	-	1,094,106	-	281,767	237,678	333,556	327,338	18,938,390	12,635,022
Former Town of Canso accumulated amortization	-	-	-	-	-	-	-	-	3,482,177
Canso Seaside Manor accumulated amortization	-	-	-	-	-	-	-	-	855,756
Annual amortization	-	24,706	-	6,048	26,321	47,069	60,764	2,244,241	2,062,659
Accumulated amortization of disposal	-	-	-	-	-	-	-	(177,233)	(97,224)
Balance, end of year	-	1,118,812	-	287,815	263,999	380,625	388,102	21,005,398	18,938,390
Net book value of tangible capital assets	\$ 151,889	\$ 45,853	\$ 3,168,107	\$ 29,786	\$ 136,654	\$ 560,757	\$ 1,222,033	\$ 31,175,688	\$ 32,753,424
2013 net book value of tangible capital assets	\$ 11,230	\$ 68,217	\$ 1,420,628	\$ 15,890	\$ 162,486	\$ 607,826	\$ 1,191,760		

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2014

1. Summary of significant accounting policies

The consolidated financial statements of the Municipality of the District of Guysborough are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality. In addition to general government tax-supported operations, the electric utility and the two water utility operations, they include the following:

Milford Haven Corporation
Canso Seaside Manor

Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period in which the goods and services are acquired and a liability is incurred or transfers are due.

(c) Fund accounting

Funds within the consolidated financial statements consist of the operating, capital, reserve and trust funds for the general operations, the water utilities, the electric utility, Milford Haven Corporation and Canso Seaside Manor.

(d) Reserves for future expenditures

Certain amounts, as approved by Municipal Council, are set aside in reserves and reserve funds for future operating and capital expenditures.

(e) Use of estimates

The preparation of consolidated financial statements in accordance 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 date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(f) Revenue recognition

The Municipality follows the deferral method of accounting for revenues. Revenues are recognized in the year in which the related expenses are incurred.

(g) 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 normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

The Municipality of the District of Guysborough
Notes to the consolidated financial statements
March 31, 2014

1. Summary of significant accounting policies (cont'd)

(h) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Buildings	10 - 40
Cells	Volume
Lagoons	20
Machinery and equipment	3 - 10
Furnishings and fixtures	3 - 40
Office equipment	3 - 5
Vehicles	5 - 20
Roads	25
Sewers	50
Sidewalks	20
Signage	10
Land improvements	20
Street lamps	25
Wharves and canals	25
Wind turbines	20

Assets under construction are not amortized until the asset is available for productive use. A full year of amortization is charged in the year after acquisition and available for productive use.

2nd Generation solid waste facility is amortized as the cell reaches capacity. The first cell reached capacity in 2012.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2014

1. Summary of significant accounting policies (cont'd)

Segmented information

The Municipality of the District of Guysborough is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General government services

This department is responsible for the overall financial and local government administration. Its tasks include tax administration, trade payables and receivables, budgets, financial statements and adherence to the *Municipal Government Act*.

Protective services

The Municipality is primarily responsible for fire protection for its residents. The Municipality engages the services of various not for profit, volunteer fire departments in order to fulfil its fire protection role. The Municipality pays operating grants to the fire departments to assist in the operating cost of the fire departments along with capital expenditure grants for acquisition of certain fire fighting apparatus and vehicles approved by Council.

Transportation services

The Municipality is responsible for the maintenance and construction of roads and sidewalks including snow removal. They are also responsible for the street lighting within the Municipality.

Environmental health services

This department is responsible for the maintenance and operations of waste management and sewer services provided to residents and other customers.

Recreation and cultural services

The recreation department is responsible for promoting and offering opportunities and activities to the Municipality's residents including programs, grants for facility development and programs. The department also provides funding for special municipal recreation initiatives and projects along with assistance for community based projects. The municipality provides a municipal contribution towards the operations of the Eastern Counties Regional Library Board and pays for the operating cost, excluding wages and benefits, for the Cyril Ward Library which is a branch library of the Eastern Counties Regional Library Board.

Cash and cash equivalents

Cash and cash equivalents include unrestricted cash on hand and balances with banks.

Financial instruments

The Municipality's financial instruments comprising of cash and cash equivalents, receivables, investments, payables and accruals, and long term debt are carried at cost which approximates their fair value.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2014

2. Contributions to boards and commissions

Consolidated board

Milford Haven Corporation

The Municipality of the District of Guysborough has undertaken to fund the accumulated operating deficit of the Milford Haven Corporation in relation to an employee payout, paid in 2007, over a 5 year period. The appropriation from the Municipality's general operations is \$24,600 for the year 2013-2014 (maximum total of \$141,012).

Any other operating deficit, other than the above, is the responsibility of the Department of Health.

Non-consolidated boards

The Municipality of the District of Guysborough is required to finance the operations of the various Boards and Commissions, along with the other Municipal Units in Guysborough County to the extent of its participation based on assessment or population formula.

In addition to any budgeted contributions, the Municipal Units share in the deficits or surpluses of these boards based on their sharing percentage. A Municipal Unit's share of the deficit is to be paid in the next fiscal year while a surplus is to be taken into the next year's estimates.

Senior Citizens Housing Authorities

The Municipality has provided \$49,121 (2013 - \$39,965) for its share of deficits of Senior Citizens Housing Authority in the District of Guysborough in 2014.

Eastern Counties Regional Library

During 2013-2014, the Municipality of the District of Guysborough paid \$33,258 (2013 - \$41,563) to the Regional Library.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2014

3. Long term debt	<u>2014</u>	<u>2013</u>
2.271% - 5.644% rest home debenture maturing in fiscal 2025, repayable in yearly principal payments of \$127,900.	\$ 1,406,900	\$ 1,534,800
0.9 - 4.939% rest home debenture maturing in fiscal 2025, repayable in yearly principal payments of \$40,135.	441,486	481,623
Demand loan, repaid during the year.	-	1,458
Prime plus 2.25% demand loan, repayable in monthly payments of \$533 plus interest. The loan matures in fiscal 2016.	7,462	13,857
Prime plus 2.25% demand loan, repayable in monthly payments of \$333 plus interest. The loan matures in fiscal 2016.	6,800	-
Prime plus 1.4% variable rate term loan repayable in monthly payments of \$1,042 plus interest. The loan matures in fiscal 2015.	6,250	18,750
4.695 - 4.88% debenture maturing in fiscal 2017, repayable in yearly principal payments of \$13,450, interest payable semi-annually.	40,350	53,800
2.797 - 4.939% debenture maturing in fiscal 2025, repayable in yearly principal payments of \$11,667, interest payable semi-annually.	<u>128,332</u>	<u>139,999</u>
Total	<u>\$ 2,037,580</u>	<u>\$ 2,244,287</u>

Principal payments required during the next five fiscal years are as follows:

2015	\$ 205,798
2016	\$ 194,218
2017	\$ 193,152
2018	\$ 170,702
2019	\$ 170,702

The Municipality of the District of Guysborough
Notes to the consolidated financial statements
 March 31, 2014

4. Investment in tangible capital assets	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 30,509,137	\$ 22,734,260
Former Town of Canso investment in capital assets	<u> -</u>	<u> 6,822,791</u>
	<u>30,509,137</u>	<u>29,557,051</u>
Acquisition of tangible capital assets	<u>2,461,109</u>	<u>2,960,958</u>
Repayment of long term debt	<u>206,707</u>	<u>199,624</u>
	<u>2,667,816</u>	<u>3,160,582</u>
Disposal of tangible capital asset	<u>(1,971,837)</u>	<u>(243,061)</u>
Accumulated amortization on disposition	<u>177,233</u>	<u>97,224</u>
Amortization of tangible capital assets	<u>(2,244,241)</u>	<u>(2,062,659)</u>
	<u>(4,038,845)</u>	<u>(2,208,496)</u>
Balance, end of year	<u>\$ 29,138,108</u>	<u>\$ 30,509,137</u>
Represented by:		
Tangible capital assets (pages 6 & 7)	\$ 52,181,086	\$ 51,691,814
Accumulated amortization (pages 6 & 7)	<u>(21,005,398)</u>	<u>(18,938,390)</u>
Long term debt (note 3)	<u>(2,037,580)</u>	<u>(2,244,287)</u>
	<u>\$ 29,138,108</u>	<u>\$ 30,509,137</u>

5. Commitments

- (a) The Municipality has made a commitment to the Guysborough Memorial Hospital Foundation of \$800,000 over a 10 year period. \$400,000 remains to be expensed in relation to this commitment.
- (b) The Municipality has made a commitment to bring fire fighting vehicles and fire fighting equipment up to an acceptable standard to provide protection and emergency assistance to the residents of the Municipality of the District of Guysborough. The total amount of funds committed to bring the fire fighting equipment up to an acceptable standard is not known at this time.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2014

6. Landfill closure and post closure costs

The Municipality of the District of Guysborough has estimated landfill closure and post closure costs. During the March 31, 2014 fiscal year the Municipality has transferred \$107,675 to the special reserve as an estimate of the costs related to the fiscal 2014 activity. As at March 31, 2014 a total of \$1,271,156 has been transferred to the special reserve from general operations. The funds have been invested into interest-bearing investments and as at March 31, 2014, the reserve has a balance of \$1,148,394, which includes costs expended to date, which is sufficient to cover engineering estimates of post closing costs for the 1st generation site as well as for the proportionate share of the expired useful life of the 2nd generation site.

7. Remuneration

Total remuneration paid to elected and senior appointed officials of the Municipality are as follows:

<u>Official</u>	<u>Position</u>	<u>Remuneration</u>
Lloyd Hines	Past Warden	\$ 18,955
Vernon Pitts	Deputy-Warden/Warden	29,080
Blair George	Councillor	19,565
Myles MacPherson	Councillor	19,565
Janet Peitzsche	Councillor/Deputy-Warden	20,559
Sheila Pelly	Councillor	19,565
Miles MacDonald	Councillor	6,396
Ricky MacLaren	Councillor	19,565
Fin Armsworthy	Councillor	19,565
Barry Carroll	Chief Administrative Officer	130,154

8. Contingencies

- a) The Municipality has taken expropriation action on a number of Goldboro, Melford and Black Point properties. There are still matters relating to the expropriation claims that have also been referred to the Nova Scotia Utility and Review Board in fiscal 2012. The final cost on these matters is not known at this time and has not been reflected in these financial statements.
- b) The Municipality has guaranteed loans to the following Volunteer Fire Departments to a maximum amount as indicated below:

<u>Fire Department</u>	<u>Amount</u>
Seven Communities Volunteer Fire Department	\$120,000
Erinville and District Volunteer Fire Department	\$130,272
Queensport – Chedabucto Volunteer Fire Department	\$120,000
Milford Haven Fire and Emergency Services	\$163,678

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2014

9. Rate of return on rate base

For the year ended March 31, 2014, the Hazel Hill Water Utility had a rate of return on rate base of -4.5% (2013: -3.2%).

For the year ended March 31, 2014, the Canso Water Utility had a rate of return on rate base of 2.9% (2013: 1.8%).

10. Pension plan

The Municipality's pension plan is a defined contribution funded in amounts of 6%, 7% and 8% depending on years of service with the Municipality.

The Municipality had one defined benefit pension amount for a former Municipal Clerk. The former Municipal Clerk is currently drawing from this pension plan which has been fully funded by the Municipality as of March 31, 2009. No further contributions are anticipated by the Municipality.

In accordance with Provincial Statute-An Act to Authorize the Town of Canso to Provide a Retiring Allowance for Margaret E. MacDougall and in accordance with Section 12 of the January 19, 2012 Order of the Nova Scotia Utility and Review Board-Order for Dissolution, the Municipality is bound to fund this unfunded defined benefit pension liability, indexed annually by an amount not greater than 6%; or percentage increase in the cost of living as measured by the CPI of Canada from the general tax rate of the municipality.

11. Subsequent events

(a) Water Utility

Following the dissolution of the Town of Canso approved by the Nova Scotia Utility and Review Board ("NSUARB") by Order # NSUARB-MB-10-2/M03578 the Municipality of the District of Guysborough was required to take over of the operations of Canso Water Utility effective July 1, 2012. The Municipality now owns and operates both the Hazel Hill Water Utility and the Canso Water Utility. An application was submitted by the Municipality to the NSUARB on October 11, 2013 requesting the amalgamation of the two water utilities to form one new utility. Following a general public hearing held on January 8th, 2014 the NSUARB approved, on February 11, 2014, by order # M05918, the amalgamation into one utility to be known as the Canso-Hazel Hill Water Utility along with a new Schedule of Rates and Charges and Schedule of Rules and Regulations effective April 1st, 2014.

(b) Canso Electric Utility

On March 30, 2014 an ice storm resulted in the Canso Electric Utility being shut down for all customers of the Utility from March 31st, 2014 to April 4th, 2014 affecting over 440 residential and commercial customers of the Utility. This storm caused considerable damage to many of the power poles, transformers and power lines of the Utility as a result of a 2 - 3 inch ice buildup on the electric infrastructure. Nova Scotia Power & Emera had eight crews on site restoring power within and around the Canso area. The Municipality of the District of Guysborough EMO working with the Canso/Hazel Hill Volunteer Fire Department established a comfort station at the Canso Hazel Hill Fire Hall to provide food and lodging and assistance to residents of the affected area. The costs of the damages are still being compiled by Nova Scotia Power & Emera and are unknown at this time. The Municipality's insurance company has been advised of the damages and of a potential insurance claim when the cost is known to the Municipality.

The Municipality of the District of Guysborough
Notes to the consolidated financial statements
 March 31, 2014

12. Former Town of Canso transition

On January 12, 2012, the Nova Scotia Utility and Review Board ordered the dissolution of the Town of Canso effective July 1, 2012. Effective July 1, 2012, all of the former Town of Canso's assets and properties were conveyed to the Municipality of the District of Guysborough. Services and programs of the Town of Canso including the operations of the Seaside Manor, Canso Water Utility and the Canso Electric Utility are now delivered by the Municipality of the District of Guysborough.

The impact on accumulated surplus at July 1, 2012 was as follows:

General operating fund	\$ (201,597)
Reserve funds	\$1,152,475
Investment in capital assets	\$6,822,791

13. Accumulated surplus

	<u>2014</u>	<u>2013</u>
General operating fund	\$ 1,673,354	\$ 1,585,828
Reserve funds	<u>17,625,982</u>	<u>13,480,356</u>
	19,299,336	15,066,184
Investment in capital assets (note 4)	<u>29,138,108</u>	<u>30,509,137</u>
	<u>\$ 48,437,444</u>	<u>\$ 45,575,321</u>

The Municipality of the District of Guysborough
Schedules to consolidated statement of operations

Year ended March 31

	2014		2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
1. Taxes			
Assessable property			
Residential	\$ 1,505,916	\$ 1,497,862	\$ 1,412,589
Commercial	<u>4,979,239</u>	<u>4,944,408</u>	<u>5,029,028</u>
	<u>6,485,155</u>	<u>6,442,270</u>	<u>6,441,617</u>
Resource			
Taxable assessments	186,107	186,588	182,345
Forest property			
Less than 50,000 acres	32,115	32,109	31,874
50,000 acres or more	533	533	760
Farmland acreage tax	<u>11,667</u>	<u>11,677</u>	<u>11,770</u>
	<u>230,422</u>	<u>230,907</u>	<u>226,749</u>
Area rates			
Protective services	580,900	578,567	543,663
Transportation services	78,250	78,291	65,628
Pump house	<u>520</u>	<u>854</u>	<u>637</u>
	<u>659,670</u>	<u>657,712</u>	<u>609,928</u>
Business property			
Business occupancy	-	-	4,954
Based on revenue (Bell-Aliant)	<u>41,000</u>	<u>46,331</u>	<u>40,570</u>
	<u>41,000</u>	<u>46,331</u>	<u>45,524</u>
Other			
Deed transfer taxes	<u>50,000</u>	<u>139,785</u>	<u>57,165</u>
	<u>\$ 7,466,247</u>	<u>\$ 7,517,005</u>	<u>\$ 7,380,983</u>

The Municipality of the District of Guysborough
Schedules to consolidated statement of operations
Year ended March 31

	<u>2014</u>		<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
2. Grants in lieu of taxes			
Federal government	\$ 54,659	\$ 55,058	\$ 49,622
Canada Post	1,788	1,788	2,126
Provincial government			
Crown timber	119,148	119,774	119,147
Property of supported institutions	74,883	73,947	74,406
Fire protection	16,688	16,657	16,237
Nova Scotia Power Inc.	122,000	122,870	110,195
Nova Scotia Liquor Commission	<u>13,655</u>	<u>13,959</u>	<u>12,608</u>
	<u>\$ 402,821</u>	<u>\$ 404,053</u>	<u>\$ 384,341</u>
3. Sale of services			
Sewer rates	<u>\$ 66,892</u>	<u>\$ 70,376</u>	<u>\$ 68,980</u>
Protection			
Province of Nova Scotia	<u>37,000</u>	<u>37,238</u>	<u>37,238</u>
Environmental health services			
Other municipal units	4,362,312	4,391,946	4,240,333
Other	<u>487,688</u>	<u>485,903</u>	<u>527,848</u>
	<u>4,850,000</u>	<u>4,877,849</u>	<u>4,768,181</u>
Recreation and cultural	<u>35,500</u>	<u>35,362</u>	<u>40,819</u>
Inspection and sub-division fees			
Other municipal units	<u>19,000</u>	<u>22,369</u>	<u>32,312</u>
Water	<u>43,500</u>	<u>484,851</u>	<u>354,351</u>
Electric	<u>-</u>	<u>875,814</u>	<u>647,710</u>
Senior citizen care	<u>5,700,433</u>	<u>5,902,049</u>	<u>5,325,840</u>
	<u>\$ 10,752,325</u>	<u>\$ 12,305,908</u>	<u>\$ 11,275,431</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2014		2013
	Budget	Actual	Actual
4. Other revenue from own sources			
Licenses and permits	\$ 11,000	\$ 12,676	\$ 11,400
Fines	5,000	2,064	1,993
Interest on taxes	40,000	62,778	59,434
Miscellaneous	4,690	7,671	1,976
Interest on investments	33,000	61,080	57,665
Rent - office space	21,400	11,500	20,280
- other	-	-	20,250
Easement fees	-	2,500	52,900
Sale of goods	-	4,439	18,981
Recovery of property expenses	-	688,821	-
Wind turbines	190,000	108,108	-
	<u>\$ 305,090</u>	<u>\$ 961,637</u>	<u>\$ 244,879</u>
5. Unconditional transfers from other governments			
Provincial government			
HST offset program	\$ 50,000	\$ 107,214	\$ 52,997
Unconditional funding	266,000	266,000	262,824
	<u>\$ 316,000</u>	<u>\$ 373,214</u>	<u>\$ 315,821</u>
6. Conditional transfers from other governments and agencies			
Federal government agencies			
Work projects	\$ 4,000	\$ 7,426	\$ 7,382
ACOA projects	336,482	288,220	-
Federal gas tax rebate	371,644	370,901	-
	<u>712,126</u>	<u>666,547</u>	<u>7,382</u>
Provincial			
Nova Scotia Health Promotion - operating	20,000	25,000	44,700
Emergencies Measures Organization	2,000	3,289	10,329
Resource Recovery Fund Board	25,250	36,684	20,816
Resource Recovery Fund Board - ERSWMC	193,150	152,429	166,206
FCM - Green municipal fund	19,500	-	-
Guysborough County Regional Development Authority	-	4,643	4,573
Strait Regional School Board	10,000	-	22,000
Service Nova Scotia and Municipal Relations	-	-	1,007,640
Department of Community Service/Recreation	20,000	20,000	10,000
Department of Community Services - Age Friendly Grant	-	5,000	-
	<u>289,900</u>	<u>247,045</u>	<u>1,286,264</u>
	<u>\$ 1,002,026</u>	<u>\$ 913,592</u>	<u>\$ 1,293,646</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	<u>2014</u>		<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
7. Infrastructure improvement funding			
Revenue			
Service Nova scotia and Municipal Relations			
Canso infrastructure	\$ 360,000	\$ 360,000	\$ 360,000
Less: Canso infrastructure expenditures not capitalized	<u>(189,482)</u>	<u>(197,380)</u>	<u>(124,313)</u>
	<u>\$ 170,518</u>	<u>\$ 162,620</u>	<u>\$ 235,687</u>
8. General government services			
Legislative			
Warden stipend	\$ 34,464	\$ 25,352	\$ 33,735
Council stipend	139,127	147,162	132,324
Other legislative services	<u>82,410</u>	<u>64,402</u>	<u>81,370</u>
	<u>256,001</u>	<u>236,916</u>	<u>247,429</u>
General administrative			
Administrative	640,229	705,711	588,209
Financial management	474,000	493,326	428,117
Taxation - reduced taxes	115,836	86,537	87,201
- other	51,800	61,692	50,514
Assessment costs	<u>181,860</u>	<u>178,488</u>	<u>176,810</u>
	<u>1,463,725</u>	<u>1,525,754</u>	<u>1,330,851</u>
Municipal properties			
Common services	<u>822,000</u>	<u>872,456</u>	<u>718,140</u>
Other general government services			
Grants to organizations and individuals	183,500	183,185	179,880
Insurance	50,500	30,506	14,894
Election	3,000	(6,849)	42,122
Dues	12,000	8,147	4,847
Other	<u>60,423</u>	<u>46,160</u>	<u>45,336</u>
	<u>309,423</u>	<u>261,149</u>	<u>287,079</u>
	<u>\$ 2,851,149</u>	<u>\$ 2,896,275</u>	<u>\$ 2,583,499</u>

The Municipality of the District of Guysborough
Schedules to consolidated statement of operations

Year ended March 31

	2014		2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
9. Protective services			
Police protection	\$ 1,079,286	\$ 1,098,836	\$ 1,026,691
Law enforcement			
Transfer to correctional services	103,000	101,822	101,843
Prosecuting attorney	<u>3,500</u>	<u>1,418</u>	<u>2,696</u>
	<u>106,500</u>	<u>103,240</u>	<u>104,539</u>
Fire protection			
Community fire department			
Appropriation of levy	580,900	580,135	544,122
Grants	131,300	131,206	128,653
Fire dispatch	36,600	35,127	28,205
Fire service	648,000	594,595	418,628
Firemen's disability insurance	16,000	13,664	13,969
Interest subsidy (fire loans)	<u>500</u>	<u>-</u>	<u>-</u>
	<u>1,413,300</u>	<u>1,354,727</u>	<u>1,133,577</u>
Emergency measures			
Honorarium and other expenses	<u>9,500</u>	<u>4,094</u>	<u>4,650</u>
Other			
Livestock protection	500	-	-
By-law enforcement	<u>25,400</u>	<u>22,813</u>	<u>23,045</u>
	25,900	22,813	23,045
Protective inspection - building	<u>74,500</u>	<u>72,212</u>	<u>69,937</u>
	<u>100,400</u>	<u>95,025</u>	<u>92,982</u>
	<u>\$ 2,708,986</u>	<u>\$ 2,655,922</u>	<u>\$ 2,362,439</u>
10. Transportation services			
Road transport			
Roads and streets	\$ 257,600	\$ 253,916	\$ 239,087
Street lighting commissions			
Appropriation of levy	57,315	57,097	64,073
Grant	<u>78,250</u>	<u>78,005</u>	<u>63,551</u>
	<u>\$ 393,165</u>	<u>\$ 389,018</u>	<u>\$ 366,711</u>

**The Municipality of the District of Guysborough
Schedules to consolidated statement of operations**

Year ended March 31

	<u>2014</u>		<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
11. Environmental services			
Health services			
Solid waste collection and disposal			
Collection and recyclable disposal/trucking	\$ 301,950	\$ 277,976	\$ 278,723
Operations and maintenance	<u>1,809,750</u>	<u>1,804,699</u>	<u>2,653,272</u>
	<u>2,111,700</u>	<u>2,082,675</u>	<u>2,931,995</u>
Pollution and waste control			
Maintenance	136,372	188,253	124,724
Other	<u>237,550</u>	<u>170,883</u>	<u>229,522</u>
	<u>373,922</u>	<u>359,136</u>	<u>354,246</u>
Development services			
Planning, zoning and economic development	605,100	511,824	398,005
Land assembly	-	34,445	-
Regional Development Authority	<u>-</u>	<u>-</u>	<u>189,056</u>
	<u>605,100</u>	<u>546,269</u>	<u>587,061</u>
	<u>\$ 3,090,722</u>	<u>\$ 2,988,080</u>	<u>\$ 3,873,302</u>
12. Public health and welfare			
Social welfare			
Deficit of Regional Housing Authority	<u>\$ 35,700</u>	<u>\$ 49,121</u>	<u>\$ 39,965</u>

The Municipality of the District of Guysborough
Schedules to consolidated statement of operations

Year ended March 31

	<u>2014</u>		<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
13. Education, recreation and cultural services			
Recreation			
Administration	\$ 288,000	\$ 273,245	\$ 230,359
Programs	350,100	403,902	367,201
Grants	54,000	49,182	35,078
Community projects	<u>221,850</u>	<u>167,910</u>	<u>99,587</u>
	<u>913,950</u>	<u>894,239</u>	<u>732,225</u>
Education			
Appropriation to Regional School Board	<u>1,390,000</u>	<u>1,389,611</u>	<u>1,334,210</u>
Cultural buildings and facilities			
Local library			
Operations	28,250	23,778	11,749
Regional	<u>34,000</u>	<u>33,258</u>	<u>41,563</u>
	<u>62,250</u>	<u>57,036</u>	<u>53,312</u>
	<u>\$ 2,366,200</u>	<u>\$ 2,340,886</u>	<u>\$ 2,119,747</u>
14. Water operating			
Transmission and distribution	\$ 41,850	\$ 238,224	\$ 190,917
Administration	<u>4,060</u>	<u>35,060</u>	<u>49,990</u>
	<u>\$ 45,910</u>	<u>\$ 273,284</u>	<u>\$ 240,907</u>
15. Electric operating			
Transmission and distribution	\$ -	\$ 146,689	\$ 112,247
Electricity purchases	-	730,078	518,129
Administration	<u>-</u>	<u>30,329</u>	<u>50,419</u>
	<u>\$ -</u>	<u>\$ 907,096</u>	<u>\$ 680,795</u>

The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Hazel Hill water utility - operating fund
Statement of operations
Year ended March 31

	<u>2014</u>		<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Operating			
Water	\$ 43,500	\$ 40,478	\$ 43,303
Non-operating			
Other	560	826	860
Interest	<u>-</u>	<u>112</u>	<u>368</u>
	<u>44,060</u>	<u>41,416</u>	<u>44,531</u>
Operating expenditure			
Operating			
Transmission and distribution (page 28)	41,850	40,473	41,321
Administration (page 28)	4,060	3,589	3,314
Depreciation	<u>6,586</u>	<u>6,586</u>	<u>6,586</u>
	<u>52,496</u>	<u>50,648</u>	<u>51,221</u>
Excess of expenditure over revenue	<u>\$ (8,436)</u>	(9,232)	(6,690)
Deficit, beginning of year		<u>(19,361)</u>	<u>(12,671)</u>
Deficit, end of year		<u>\$ (28,593)</u>	<u>\$ (19,361)</u>

**The Municipality of the District of Guysborough
 Supplementary schedules to consolidated financial statements
 Hazel Hill water utility - operating fund
 Statement of financial position**

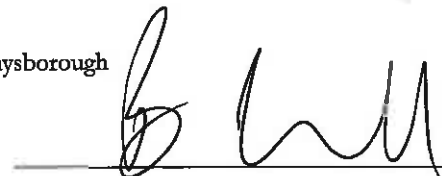
March 31	2014	2013
Financial assets		
Cash	\$ 923	\$ 22,721
Receivables		
Rates (less allowance for doubtful accounts \$457; 2013 - \$457)	<u>8,865</u>	<u>10,139</u>
Total financial assets	<u>\$ 9,788</u>	<u>\$ 32,860</u>
Financial liabilities		
Payables and accruals	\$ 2,000	\$ 2,119
Deferred revenue	<u>762</u>	<u>745</u>
	<u>2,762</u>	<u>2,864</u>
Due to own funds and agencies		
General operating fund	35,619	37,868
Water capital fund	<u>-</u>	<u>11,489</u>
	<u>35,619</u>	<u>49,357</u>
Total financial liabilities	<u>38,381</u>	<u>52,221</u>
Net financial liabilities	<u>\$ (28,593)</u>	<u>\$ (19,361)</u>
Deficit	<u>\$ (28,593)</u>	<u>\$ (19,361)</u>

Subsequent events (note 11)

Approved on behalf of the Municipality of the District of Guysborough



Warden



CAO

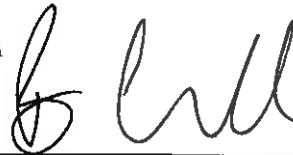
**The Municipality of the District of Guysborough
 Supplementary schedules to consolidated financial statements
 Hazel Hill water utility - capital fund
 Statement of financial position**

March 31	2014	2013
Financial assets		
Depreciation fund		
Cash	\$ 52,338	\$ 33,951
Due from own funds and agencies		
Water operating fund	-	11,489
Total financial assets	\$ 52,338	\$ 45,440
Net financial assets		
	\$ 52,338	\$ 45,440
Non-financial assets		
Utility plant, at 1980 engineering valuation and cost of additions (net of accumulated amortization of \$86,733; 2013 - \$80,147)	226,838	233,424
Net assets	\$ 279,176	\$ 278,864
Investment in capital assets (page 27)		
	\$ 279,176	\$ 278,864

Approved on behalf of the Municipality of the District of Guysborough



Warden



CAO

The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Hazel Hill water utility
Utility plant and equipment

March 31	2014	2013
Tangible plant		
Land	\$ 5,000	\$ 5,000
Pumping equipment	13,227	13,227
Pump house	36,536	36,536
Distribution mains	210,151	210,151
Services	2,000	2,000
Generator	8,278	8,278
Meters	<u>38,379</u>	<u>38,379</u>
	<u>\$ 313,571</u>	<u>\$ 313,571</u>

Hazel Hill Water Utility
Statement of investment in capital assets

Year ended March 31	2014	2013
Balance, beginning of year	<u>\$ 278,864</u>	<u>\$ 278,611</u>
Add:		
Interest earned on capital fund	<u>312</u>	<u>253</u>
Balance, end of year	<u>\$ 279,176</u>	<u>\$ 278,864</u>

The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Hazel Hill water utility - operating fund
Schedules to statement of operations

Year ended March 31	2014	2013
Transmission and distribution		
Supervision and engineering	\$ 5,300	\$ 5,300
Maintenance of mains	8,753	4,721
Purchases	26,420	31,208
Transportation expenses	<u>-</u>	<u>92</u>
	<u>\$ 40,473</u>	<u>\$ 41,321</u>
 Administration		
General office expenses	\$ 747	\$ 500
Insurance	200	184
Professional fees	2,112	2,100
Regulatory expenses	<u>530</u>	<u>530</u>
	<u>\$ 3,589</u>	<u>\$ 3,314</u>

The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Canso water utility - operating fund
Statement of operations

Year ended March 31	2014	2013
Revenue		
Operating		
Metered and flat rate sales	\$ 444,373	\$ 414,131
Sprinkler service	800	600
Public fire protection	<u>64,150</u>	<u>64,161</u>
	<u>509,323</u>	<u>478,892</u>
Operating expenditures		
Source of supply (page 33)	82,619	95,993
Power and pumping (page 33)	34,297	35,002
Water treatment (page 33)	24,958	24,987
Transmission and distribution (page 33)	55,877	43,478
Administration (page 33)	43,878	62,200
Depreciation	93,277	93,277
Taxes	<u>29,935</u>	<u>29,917</u>
	<u>364,841</u>	<u>384,854</u>
Operating income	<u>144,482</u>	<u>94,038</u>
Non-operating revenue		
Interest earned	6,668	6,400
Miscellaneous	<u>2,500</u>	<u>5,301</u>
	<u>9,168</u>	<u>11,701</u>
Non-operating expenditures		
Bank charges and interest	93	35
Allowance for doubtful accounts	(655)	4,134
Capital from revenues	<u>-</u>	<u>1,432</u>
	<u>(562)</u>	<u>5,601</u>
Excess of revenue over expenditures	154,212	100,138
Deficit, beginning of year	<u>(70,106)</u>	<u>(170,244)</u>
Surplus (deficit), end of year	<u>\$ 84,106</u>	<u>\$ (70,106)</u>

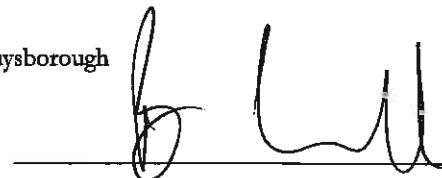
The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Canso water utility - operating fund
Statement of financial position

Year ended March 31	2014	2013
Financial assets		
Cash and cash equivalents	\$ 126,668	\$ 338,132
Receivables		
Rates (less allowance for doubtful accounts \$3,724; 2013 - \$4,379)	83,136	87,979
Non-operating accounts	<u>3,191</u>	<u>3,071</u>
Total financial assets	<u>\$ 212,995</u>	<u>\$ 429,182</u>
 Financial liabilities		
Payables and accruals		
Trade	\$ 31,675	\$ 22,295
Customers' deposits	6,935	7,095
Due to own funds and agencies		
General operating fund	3,591	56,936
Water utility capital fund	93,277	423,894
Electric utility operating fund	<u>4,738</u>	<u>9</u>
Total financial liabilities	<u>140,216</u>	<u>510,229</u>
Net financial liabilities	<u>72,779</u>	<u>(81,047)</u>
 Non-financial assets		
Inventory of supplies	<u>11,327</u>	<u>10,941</u>
Net liabilities	<u>\$ 84,106</u>	<u>\$ (70,106)</u>
 Surplus (deficit)	 <u>\$ 84,106</u>	 <u>\$ (70,106)</u>

Subsequent events (note 11)

Approved on behalf of the Municipality of the District of Guysborough


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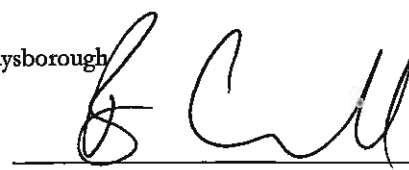

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The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Canso water utility - capital fund
Statement of financial position

Year ended March 31	2014	2013
Financial assets		
Depreciation fund		
Cash and cash equivalents	\$ 485,283	\$ 70,569
Short term investments	10,482	
Due from own funds and agencies		
Water utility operating fund	<u>93,277</u>	<u>423,894</u>
Total financial assets	<u>\$ 589,042</u>	<u>\$ 494,463</u>
<hr/>		
Net financial assets	<u>\$ 589,042</u>	<u>\$ 494,463</u>
Non-financial assets		
Utility plant and equipment (net of accumulated amortization of \$804,277; 2013 - \$711,000)	<u>5,010,470</u>	<u>5,103,747</u>
Net assets	<u>\$ 5,599,512</u>	<u>\$ 5,598,210</u>
<hr/>		
Investment in capital assets (page 32)	<u>\$ 5,599,512</u>	<u>\$ 5,598,210</u>

Approved on behalf of the Municipality of the District of Guysborough


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The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Canso water utility
Utility plant and equipment

March 31	2014	2013
Tangible assets		
Working capital	\$ 1,000	\$ 1,000
Tangible plant and equipment		
Land	1,600	1,600
Building	11,216	11,216
Centennial Street system	8,000	8,000
Distribution mains and valves	400,145	400,145
Services	135,633	135,633
Meters	65,451	65,451
Hydrants	65,043	65,043
Office furniture and equipment	27,142	27,142
Tools and equipment	10,762	10,762
Transportation equipment	72,919	72,919
Water Treatment Plant	<u>5,015,836</u>	<u>5,015,836</u>
	<u>\$ 5,814,747</u>	<u>\$ 5,814,747</u>

Canso water utility
Statement of investment in capital assets

Year ended March 31	2014	2013
Balance, beginning of year	\$ 5,598,210	\$ 5,596,413
Interest earned	<u>1,302</u>	<u>1,797</u>
Balance, end of year	<u>\$ 5,599,512</u>	<u>\$ 5,598,210</u>

The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Canso water utility - operating fund
Schedules to statement of operations

Year ended March 31

2014

2013

1. Source of supply

Maintenance of services	\$ -	\$ 1,024
Maintenance of reservoirs	2,707	1,485
Salaries and training	<u>79,912</u>	<u>93,484</u>
	<u>\$ 82,619</u>	<u>\$ 95,993</u>

2. Power and pumping

Power purchased	<u>\$ 34,297</u>	<u>\$ 35,002</u>
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3. Water treatment

Supervision	\$ -	\$ 3,665
Chemicals	24,831	20,739
Maintenance	<u>127</u>	<u>583</u>
	<u>\$ 24,958</u>	<u>\$ 24,987</u>

4. Transmission and distribution

Maintenance	\$ 10,974	\$ 14,718
Transportation	2,686	2,723
Other	<u>42,217</u>	<u>26,037</u>
	<u>\$ 55,877</u>	<u>\$ 43,478</u>

5. Administration

Consumer accounting and collecting	\$ 831	\$ 1,024
Salaries	-	9,798
Professional fees	8,927	22,230
Administrative supplies and support services	12,500	12,500
Insurance	13,525	14,473
Regulatory expense	905	795
Other	<u>7,190</u>	<u>1,380</u>
	<u>\$ 43,878</u>	<u>\$ 62,200</u>

The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Canso electric utility - operating fund
Statement of operations

Year ended March 31	2014	2013
Revenue		
Operating		
Domestic and commercial light and power	\$ 919,986	\$ 906,154
Street lighting	<u>21,935</u>	<u>22,606</u>
	941,921	928,760
Non-operating		
Miscellaneous	<u>8,914</u>	<u>10,841</u>
Total revenue	<u>950,835</u>	<u>939,601</u>
Expenditures		
Operating		
Power purchased	730,078	690,838
Distribution	146,689	149,662
Administrative	42,794	67,160
Depreciation	24,488	24,489
Taxes	<u>14,534</u>	<u>14,541</u>
	958,583	946,690
Non-operating		
Bank charges	35	64
Provision for doubtful accounts	<u>2,732</u>	<u>2,263</u>
	2,767	2,327
Total expenditures	<u>961,350</u>	<u>949,017</u>
Excess of expenditures over revenue	(10,515)	(9,416)
Surplus, beginning of year	<u>94,944</u>	<u>104,360</u>
Surplus, end of year	<u>\$ 84,429</u>	<u>\$ 94,944</u>

**The Municipality of the District of Guysborough
 Supplementary schedules to consolidated financial statements
 Canso electric utility - operating fund
 Statement of financial position**

Year ended March 31	2014	2013
Financial assets		
Cash and cash equivalents	\$ 78,628	\$ 132,137
Receivables		
Operating accounts	132,747	136,247
Non-operating accounts	17,195	13,235
Due from own funds and agencies		
Water utility operating fund	<u>4,738</u>	<u>9</u>
Total financial assets	<u>\$ 233,308</u>	<u>\$ 281,628</u>
Financial liabilities		
Payables and accruals		
Trade	\$ 116,565	\$ 108,343
Customers' deposits	23,591	23,726
Due to own funds and agencies		
General operating fund	97	50,088
Electric capital fund	<u>98,425</u>	<u>73,932</u>
Total financial liabilities	<u>238,678</u>	<u>256,089</u>
Net financial assets	<u>(5,370)</u>	<u>25,539</u>
Non-financial assets		
Deferred expenses relating to sale of electric utility	55,252	49,226
Inventory of supplies	<u>34,547</u>	<u>20,179</u>
	<u>89,799</u>	<u>69,405</u>
Net assets	<u>\$ 84,429</u>	<u>\$ 94,944</u>
Surplus	<u>\$ 84,429</u>	<u>\$ 94,944</u>

Subsequent events (note 11)

Approved on behalf of the Municipality of the District of Guysborough



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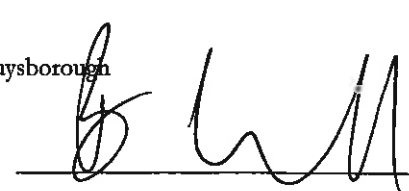
The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Canso electric utility - capital fund
Statement of financial position

Year ended March 31	2014	2013
Financial assets		
Depreciation fund		
Short term investments	\$ 244,251	\$ 241,978
Due from own funds and agencies		
Electric operating fund	<u>98,425</u>	<u>73,932</u>
	<u>\$ 342,676</u>	<u>\$ 315,910</u>
<hr/>		
Net financial assets	<u>\$ 342,676</u>	<u>\$ 315,910</u>
Non-financial assets		
Utility plant and equipment (net of accumulated amortization of \$569,230 2013 - \$544,742)	<u>269,906</u>	<u>294,394</u>
Net assets	<u>\$ 612,582</u>	<u>\$ 610,304</u>
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Investment in capital assets (page 37)	<u>\$ 612,582</u>	<u>\$ 610,304</u>

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The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Canso Electric Utility
Utility plant and equipment

March 31	2014	2013
Tangible assets		
Working capital	<u>\$ 6,000</u>	<u>\$ 6,000</u>
Tangible plant and equipment		
Overhead conductors	142,718	142,718
Poles and fixtures	127,357	127,357
Street and highway lighting	231,260	231,260
Transformers - line and installation	106,843	106,843
Services	84,093	84,093
Meters and installation	44,755	44,755
Land	13	13
Equipment	65,527	65,527
Engineering and superintendence	13,878	13,878
Land	807	807
Interest	767	767
Computer	13,153	13,153
Telephone system	<u>1,965</u>	<u>1,965</u>
	<u>833,136</u>	<u>833,136</u>
	<u>\$ 839,136</u>	<u>\$ 839,136</u>

Canso Electric Utility
Statement of investment in capital assets

Year ended March 31	2014	2013
Balance, beginning of year	\$ 610,304	\$ 607,888
Interest earned	<u>2,278</u>	<u>2,416</u>
Balance, end of year	<u>\$ 612,582</u>	<u>\$ 610,304</u>