

Consolidated financial statements

The Municipality of the District of Guysborough

March 31, 2015

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Independent auditor's report

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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, 2015, 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, 2015, 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 23 to 31 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.

Grant Thornton LLP

Antigonish, Canada
July 15, 2015

Chartered Accountants

The Municipality of the District of Guysborough

Consolidated statement of operations

Year ended March 31

2015

2014

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue				
Taxes	16	\$ 7,102,430	\$ 7,112,209	\$ 7,517,005
Grants in lieu of taxes	17	396,592	392,581	404,053
Sale of services	17	11,422,331	12,598,817	12,305,908
Other revenue from own sources	18	757,468	509,727	961,637
Unconditional transfers from other governments	18	341,000	332,151	373,214
Conditional transfers from other governments and agencies	18	269,500	320,833	913,592
Interest		6,500	197,574	383,067
Capital contributions and grants		-	-	14,998
Other		-	190,000	100,000
Infrastructure improvement funding	19	-	-	162,620
Gain on disposal of assets		-	-	148,270
		<u>20,295,821</u>	<u>21,653,892</u>	<u>23,284,364</u>
Expenditures				
General government services	19	3,030,058	3,249,460	2,896,275
Protection services	20	2,170,515	2,125,806	2,655,922
Transportation services	20	411,265	351,628	389,018
Environmental services	21	3,550,644	2,818,543	2,988,080
Rest Home - operations		5,539,710	5,472,147	5,585,131
- interest		70,000	84,594	89,059
Public health and welfare	21	45,000	71,770	49,121
Education, recreation and cultural services	22	2,272,400	2,087,623	2,340,886
Water operating	22	291,545	291,260	273,284
Electric operating	22	-	879,689	907,096
Infrastructure improvement funding	19	-	118,184	-
Valuation allowance		15,000	54,361	4,128
Loss on disposal of tangible capital asset		-	25,490	-
Amortization - general		-	2,658,627	2,051,879
- water		109,987	88,433	99,863
- electric		-	25,187	24,488
- rest homes		-	70,247	68,011
		<u>17,506,124</u>	<u>20,473,049</u>	<u>20,422,241</u>
Excess of revenue over expenditures		<u>\$ 2,789,697</u>	<u>\$ 1,180,843</u>	<u>\$ 2,862,123</u>
<hr/>				
Accumulated surplus, beginning of year			\$ 48,437,444	\$ 45,575,321
Excess of revenue over expenditures			<u>1,180,843</u>	<u>2,862,123</u>
Accumulated surplus, end of year			<u>\$ 49,618,287</u>	<u>\$ 48,437,444</u>

The Municipality of the District of Guysborough Consolidated statement of financial position

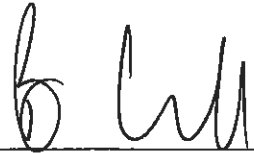
March 31	2015	2014
Financial assets		
Cash and cash equivalents	\$ 2,116,321	\$ 3,399,244
Receivables: taxes, rates and interest	799,961	739,989
other	1,993,964	1,212,959
Long term investments and restricted funds, at cost	9,951,229	18,277,145
Long term loans receivable - capital reserve	-	5,928
Total financial assets	\$ 14,861,475	\$ 23,635,265
Liabilities		
Payables and accruals	\$ 4,774,036	\$ 4,177,595
Valuation allowance - tax accounts	378,625	349,042
Deferred revenue	1,307,972	860,913
Refundable deposits	27,991	30,526
Long term debt (note 3)	1,834,912	2,037,580
	<u>8,323,536</u>	<u>7,455,656</u>
Net financial assets	6,537,939	16,179,609
Non financial assets		
Tangible capital assets, net of amortization (pages 6 & 7)	41,957,166	31,175,688
Prepays	739,514	723,545
Vested property	1	1
Inventories of materials and supplies	35,500	58,158
Deferred costs	348,167	299,383
Deferred expenses – debenture discount	-	1,060
	<u>43,080,348</u>	<u>32,257,835</u>
Net assets	\$ 49,618,287	\$ 48,437,444
Accumulated surplus (note 13)	\$ 49,618,287	\$ 48,437,444

Commitment (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	2015	2014
Excess of revenue over expenditures	\$ <u>1,180,843</u>	\$ <u>2,862,123</u>
Acquisition of tangible capital assets	(13,738,099)	(2,461,109)
Amortization of tangible capital assets	2,842,494	2,244,241
Loss (gain) on disposal of tangible capital asset	<u>25,490</u>	<u>(148,270)</u>
	<u>(10,870,115)</u>	<u>(365,138)</u>
Other items	<u>47,602</u>	<u>1,100,894</u>
Change in net financial assets	(9,641,670)	3,597,879
Net financial assets, beginning of year	<u>16,179,609</u>	<u>12,581,730</u>
Net financial assets, end of year	<u>\$ 6,537,939</u>	<u>\$ 16,179,609</u>

The Municipality of the District of Guysborough

Consolidated statement of changes in financial position

Year ended March 31

2015

2014

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

Operating activities

Excess of revenue over expenditures	\$ 1,180,843	\$ 2,862,123
Amortization	2,842,494	2,244,241
Loss (gain) on disposal of tangible capital asset	<u>25,490</u>	<u>(148,270)</u>
	4,048,827	4,958,094

Changes in non-cash working capital

Taxes, rates and interest receivable	(59,972)	44,547
Other receivables	(781,005)	207,870
Long term loan	5,928	
Payables and accruals	596,441	648,551
Deferred revenue and deposits	444,524	167,902
Prepays and other non-financial assets	(41,032)	(841,980)
Valuation allowance	<u>29,583</u>	<u>2,162</u>
	<u>4,243,294</u>	<u>5,187,146</u>

Investing activities

Acquisition of tangible capital assets	(13,738,099)	(2,461,109)
Long term investments and restricted funds	8,325,916	(5,855,892)
Proceeds on disposal of capital assets	<u>88,634</u>	<u>1,942,579</u>
	<u>(5,323,549)</u>	<u>(6,374,422)</u>

Financing activities

Repayment of long term debt, net of refinancing	<u>(202,668)</u>	<u>(206,707)</u>
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Net decrease in cash and cash equivalents

(1,282,923) (1,393,983)

Cash and cash equivalents

Beginning of year	<u>3,399,244</u>	<u>4,793,227</u>
End of year	<u>\$ 2,116,321</u>	<u>\$ 3,399,244</u>

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

Year ended March 31, 2015

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Sewers</u>	<u>Sidewalks and Street Lamps</u>	<u>Signage</u>	<u>Cells</u>	<u>Vehicles</u>
Cost:								
Balance, beginning of year	\$ 5,905,734	\$ 6,657,160	\$ 4,602,992	\$ 13,149,295	\$ 1,277,662	\$ 86,189	\$ 11,608,097	\$ 1,139,525
Acquisition of tangible capital assets	70,417	-	506,008	-	22,117	8,767	89,360	208,113
Disposal of tangible capital assets	-	-	(190,212)	-	-	-	-	-
Balance, end of year	<u>5,905,734</u>	<u>6,727,577</u>	<u>4,918,788</u>	<u>13,149,295</u>	<u>1,299,779</u>	<u>94,956</u>	<u>11,697,457</u>	<u>1,347,638</u>
Accumulated amortization:								
Balance, beginning of year	-	2,003,415	2,034,505	3,741,427	766,336	23,024	9,314,336	683,002
Annual amortization	-	157,844	430,952	229,364	49,746	8,619	1,561,115	142,607
Accumulated amortization disposal	-	-	(76,085)	-	-	-	-	-
Balance, end of year	<u>-</u>	<u>2,161,259</u>	<u>2,389,372</u>	<u>3,970,791</u>	<u>816,082</u>	<u>31,643</u>	<u>10,875,451</u>	<u>825,609</u>
Net book value of tangible capital assets	<u>\$ 5,905,734</u>	<u>\$ 4,566,318</u>	<u>\$ 2,529,416</u>	<u>\$ 9,178,504</u>	<u>\$ 483,697</u>	<u>\$ 63,313</u>	<u>\$ 822,006</u>	<u>\$ 522,029</u>
2014 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>

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

Year ended March 31, 2015

	Wharves and Canals	Land Improvements	Wind Turbines	Office Furnishings	Office Equipment	Lagoons	Roads	2015 Total	2014 Total
Cost:									
Balance, beginning 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
Acquisition of tangible capital assets	28,248	-	12,751,420	12,272	41,377	-	-	13,738,099	2,461,109
Disposal of tangible capital assets	-	-	-	-	-	-	-	(190,212)	(1,971,837)
Balance, end of year	<u>180,137</u>	<u>1,164,665</u>	<u>15,919,527</u>	<u>329,873</u>	<u>442,030</u>	<u>941,382</u>	<u>1,610,135</u>	<u>65,728,973</u>	<u>52,181,086</u>
Accumulated amortization:									
Balance, beginning of year	-	1,118,812	-	287,815	263,999	380,625	388,102	21,005,398	18,938,390
Annual amortization	6,076	2,796	91,007	9,363	41,531	47,069	64,405	2,842,494	2,244,241
Accumulated amortization of disposal	-	-	-	-	-	-	-	(76,085)	(177,233)
Balance, end of year	<u>6,076</u>	<u>1,121,608</u>	<u>91,007</u>	<u>297,178</u>	<u>305,530</u>	<u>427,694</u>	<u>452,507</u>	<u>23,771,807</u>	<u>21,005,398</u>
Net book value of tangible capital assets	<u>\$ 174,061</u>	<u>\$ 43,057</u>	<u>\$ 15,828,520</u>	<u>\$ 32,695</u>	<u>\$ 136,500</u>	<u>\$ 513,688</u>	<u>\$ 1,157,628</u>	<u>\$ 41,957,166</u>	<u>\$ 31,175,688</u>
2014 net book value of tangible capital assets	<u>\$ 151,889</u>	<u>\$ 45,853</u>	<u>\$ 3,168,107</u>	<u>\$ 29,786</u>	<u>\$ 136,654</u>	<u>\$ 560,757</u>	<u>\$ 1,222,033</u>		

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2015

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 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 utility, 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, 2015

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, 2015

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 of 26.38 km of J class roads under contract with the Province of Nova Scotia Transportation and Infrastructure Renewal including snow removal.

The Municipality is also responsible for sidewalks and for 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, 2015

2. Contributions to boards and commissions

Consolidated board

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 \$71,770 (2014 - \$49,121) for its share of deficits of the Housing Authority in the District of Guysborough in 2015.

Eastern Counties Regional Library:

During 2014-2015, the Municipality of the District of Guysborough paid \$34,588 (2014 - \$33,258) to the Regional Library.

The Municipality of the District of Guysborough
Notes to the consolidated financial statements
March 31, 2015

3. Long term debt	<u>2015</u>	<u>2014</u>
2.271% - 5.644% rest home debenture maturing in fiscal 2025, repayable in yearly principal payments of \$127,900.	\$ 1,279,900	\$ 1,406,900
3.128 - 4.939% rest home debenture maturing in fiscal 2025, repayable in yearly principal payments of \$40,135.	401,351	441,486
Prime plus 2.25% demand loan, repayable in monthly payments of \$533 plus interest. The loan matures in fiscal 2016.	1,066	7,462
Prime plus 2.25% demand loan, repayable in monthly payments of \$333 plus interest. The loan matures in fiscal 2016.	3,050	6,800
Prime plus 2.25% demand loan, repayable in monthly payments of \$260 plus interest. The loan matures in fiscal 2017.	5,980	-
Prime plus 1.4% loan, repaid during the year.	-	6,250
4.695 - 4.88% debenture maturing in fiscal 2017, repayable in yearly principal payments of \$13,450, interest payable semi-annually.	26,900	40,350
2.797 - 4.939% debenture maturing in fiscal 2025, repayable in yearly principal payments of \$11,667, interest payable semi-annually.	<u>116,665</u>	<u>128,332</u>
Total	<u>\$ 1,834,912</u>	<u>\$ 2,037,580</u>

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

2016	\$ 409,178
2017	\$ 196,012
2018	\$ 179,702
2019	\$ 179,702
2020	\$ 179,702

The Municipality of the District of Guysborough
Notes to the consolidated financial statements
March 31, 2015

4. Investment in tangible capital assets	2015	2014
Balance, beginning of year	\$ <u>29,138,108</u>	\$ <u>30,509,137</u>
Acquisition of tangible capital assets	13,738,094	2,461,109
Repayment of long term debt	<u>202,673</u>	<u>206,707</u>
	<u>13,940,767</u>	<u>2,667,816</u>
Disposal of tangible capital asset	(190,212)	(1,971,837)
Accumulated amortization on disposition	76,085	177,233
Temporary financing	(8,867,680)	-
Amortization of tangible capital assets	<u>(2,842,494)</u>	<u>(2,244,241)</u>
	<u>(11,824,301)</u>	<u>(4,038,845)</u>
Balance, end of year	\$ <u>31,254,574</u>	\$ <u>29,138,108</u>
Represented by:		
Tangible capital assets (pages 6 & 7)	\$ 65,728,973	\$ 52,181,086
Accumulated amortization (pages 6 & 7)	(23,771,807)	(21,005,398)
Temporary financing	(8,867,680)	-
Long term debt (note 3)	<u>(1,834,912)</u>	<u>(2,037,580)</u>
	<u>\$ 31,254,574</u>	<u>\$ 29,138,108</u>

5. Commitment

The Municipality has made a commitment to the Guysborough Memorial Hospital Foundation of \$800,000 over a 10 year period. \$80,000 remains to be expensed in relation to this commitment.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2015

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, 2015 fiscal year the Municipality has transferred \$110,906 to the special reserve as an estimate of the costs related to the fiscal 2015 activity. As at March 31, 2015 a total of \$1,382,062 has been transferred to the special reserve from general operations. The funds have been invested into interest-bearing investments and as at March 31, 2015, the reserve has a balance of \$1,273,769, 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>
Vernon Pitts	Warden	\$ 35,098
Blair George	Councillor	19,925
Myles MacPherson	Councillor	16,859
Janet Peitzsche	Deputy Warden	22,139
Sheila Pelly	Councillor	19,925
Miles MacDonald	Councillor	19,925
Ricky MacLaren	Councillor	19,925
Fin Armsworthy	Councillor	19,925
Barry Carroll	Chief Administrative Officer	132,549

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	\$303,500

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2015

9. Rate of return on rate base

For the year ended March 31, 2015, the Canso-Hazel Hill Water Utility had a rate of return on rate base of 0.8%.

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. Accumulated surplus	<u>2015</u>	<u>2014</u>
General operating fund	\$ 1,633,363	\$ 1,673,354
Reserve funds	<u>16,730,350</u>	<u>17,625,982</u>
	18,363,713	19,299,336
Investment in capital assets (note 4)	<u>31,254,574</u>	<u>29,138,108</u>
	<u>\$ 49,618,287</u>	<u>\$ 48,437,444</u>

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

Year ended March 31

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
1. Taxes			
Assessable property			
Residential	\$ 1,599,846	\$ 1,540,457	\$ 1,497,862
Commercial	<u>4,525,486</u>	<u>4,509,428</u>	<u>4,944,408</u>
	<u>6,125,332</u>	<u>6,049,885</u>	<u>6,442,270</u>
Resource			
Taxable assessments	183,140	208,697	186,588
Forest property			
Less than 50,000 acres	31,985	32,014	32,109
50,000 acres or more	260	260	533
Farmland acreage tax	<u>11,928</u>	<u>11,928</u>	<u>11,677</u>
	<u>227,313</u>	<u>252,899</u>	<u>230,907</u>
Area rates			
Protective services	571,765	572,332	578,567
Transportation services	86,500	86,119	78,291
Pump house	<u>520</u>	<u>195</u>	<u>854</u>
	<u>658,785</u>	<u>658,646</u>	<u>657,712</u>
Business property			
Based on revenue (Bell-Aliant)	<u>41,000</u>	<u>45,087</u>	<u>46,331</u>
Other			
Deed transfer taxes	<u>50,000</u>	<u>105,692</u>	<u>139,785</u>
	<u>\$ 7,102,430</u>	<u>\$ 7,112,209</u>	<u>\$ 7,517,005</u>

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

Year ended March 31

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
2. Grants in lieu of taxes			
Federal government	\$ 52,682	\$ 47,244	\$ 55,058
Canada Post	1,803	1,803	1,788
Provincial government			
Crown timber	119,774	121,712	119,774
Property of supported institutions	74,902	74,076	73,947
Fire protection	16,640	16,626	16,657
Nova Scotia Power Inc.	116,900	116,928	122,870
Nova Scotia Liquor Commission	13,891	14,192	13,959
	<u>\$ 396,592</u>	<u>\$ 392,581</u>	<u>\$ 404,053</u>
3. Sale of services			
Sewer rates	\$ 65,818	\$ 71,953	\$ 70,376
Protection			
Province of Nova Scotia	37,000	37,238	37,238
Environmental health services			
Other municipal units	4,740,884	4,749,909	4,391,946
Other	262,220	493,802	485,903
	<u>5,003,104</u>	<u>5,243,711</u>	<u>4,877,849</u>
Recreation and cultural	33,541	31,440	35,362
Inspection and sub-division fees			
Other municipal units	19,000	23,866	22,369
Water	380,671	401,828	484,851
Electric	-	866,504	875,814
Senior citizen care	5,883,197	5,922,277	5,902,049
	<u>\$ 11,422,331</u>	<u>\$ 12,598,817</u>	<u>\$ 12,305,908</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2015		2014
	Budget	Actual	Actual
4. Other revenue from own sources			
Licenses and permits	\$ 11,000	\$ 13,095	\$ 12,676
Fines	5,000	3,820	2,064
Interest on taxes	50,000	62,542	62,778
Miscellaneous	6,800	34,824	7,671
Interest on investments	40,000	33,731	61,080
Rent - office space	16,700	4,200	11,500
Easement fees	-	-	2,500
Sale of goods	-	4,161	4,439
Recovery of property expenses	-	19,988	688,821
Wind turbines	595,000	333,366	108,108
Deferred funding prior year	32,968	-	-
	<u>\$ 757,468</u>	<u>\$ 509,727</u>	<u>\$ 961,637</u>
5. Unconditional transfers from other governments			
Provincial government			
HST offset program	\$ 75,000	\$ 66,151	\$ 107,214
Unconditional funding	266,000	266,000	266,000
	<u>\$ 341,000</u>	<u>\$ 332,151</u>	<u>\$ 373,214</u>
6. Conditional transfers from other governments and agencies			
Federal government agencies			
Work projects	\$ 6,500	\$ 6,064	\$ 7,426
ACOA projects	-	63,461	288,220
Federal gas tax rebate	19,500	11,226	370,901
	<u>26,000</u>	<u>80,751</u>	<u>666,547</u>
Provincial			
Nova Scotia Health Promotion - operating	20,000	25,000	25,000
Emergencies Measures Organization	2,000	2,317	3,289
Resource Recovery Fund Board	4,000	12,545	36,684
Resource Recovery Fund Board - ERSWMC	168,000	157,194	152,429
FCM	19,500	13,721	-
Guysborough County Regional Development Authority	-	-	4,643
Strait Regional School Board	10,000	5,000	-
PCAP funding – Sport and recreation	-	4,305	-
Department of Community Service/Recreation	20,000	20,000	20,000
Department of Community Services - Age Friendly Grant	-	-	5,000
	<u>243,500</u>	<u>240,082</u>	<u>247,045</u>
	<u>\$ 269,500</u>	<u>\$ 320,833</u>	<u>\$ 913,592</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
7. Infrastructure improvement funding			
Revenue			
Service Nova scotia and Municipal Relations			
Canso infrastructure	\$ 328,000	\$ 360,000	\$ 360,000
Less: Canso infrastructure expenditures not capitalized	<u>(328,000)</u>	<u>(478,184)</u>	<u>(197,380)</u>
	<u>\$ -</u>	<u>\$ (118,184)</u>	<u>\$ 162,620</u>
8. General government services			
Legislative			
Warden stipend	\$ 35,098	\$ 19,925	\$ 25,352
Council stipend	141,687	153,794	147,162
Other legislative services	<u>68,216</u>	<u>67,656</u>	<u>64,402</u>
	<u>245,001</u>	<u>241,375</u>	<u>236,916</u>
General administrative			
Administrative	910,400	983,979	705,711
Financial management	498,000	442,379	493,326
Taxation - reduced taxes	76,383	75,406	86,537
- other	89,400	79,490	61,692
Assessment costs	<u>179,960</u>	<u>176,559</u>	<u>178,488</u>
	<u>1,754,143</u>	<u>1,757,813</u>	<u>1,525,754</u>
Municipal properties			
Common services	<u>684,502</u>	<u>734,118</u>	<u>872,456</u>
Other general government services			
Grants to organizations and individuals	183,400	419,019	183,185
Insurance	50,500	37,360	30,506
Election	2,000	644	(6,849)
Dues	12,000	6,826	8,147
Other	<u>98,512</u>	<u>52,305</u>	<u>46,160</u>
	<u>346,412</u>	<u>516,154</u>	<u>261,149</u>
	<u>\$ 3,030,058</u>	<u>\$ 3,249,460</u>	<u>\$ 2,896,275</u>

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

Year ended March 31

	<u>2015</u>		<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
9. Protective services			
Police protection	\$ 1,124,000	\$ 1,130,512	\$ 1,098,836
Law enforcement			
Transfer to correctional services	99,500	99,407	101,822
Prosecuting attorney	<u>3,500</u>	<u>4,206</u>	<u>1,418</u>
	<u>103,000</u>	<u>103,613</u>	<u>103,240</u>
Fire protection			
Community fire department			
Appropriation of levy	572,115	573,052	580,135
Grants	113,100	108,387	131,206
Fire dispatch	31,000	30,434	35,127
Fire service	86,100	42,527	594,595
Firemen's disability insurance	<u>14,000</u>	<u>16,470</u>	<u>13,664</u>
	<u>816,315</u>	<u>770,870</u>	<u>1,354,727</u>
Emergency measures			
Honorarium and other expenses	<u>22,700</u>	<u>25,736</u>	<u>4,094</u>
Other			
Livestock protection	500	-	-
By-law enforcement	<u>26,400</u>	<u>21,767</u>	<u>22,813</u>
	26,900	21,767	22,813
Protective inspection - building	<u>77,600</u>	<u>73,308</u>	<u>72,212</u>
	<u>104,500</u>	<u>95,075</u>	<u>95,025</u>
	<u>\$ 2,170,515</u>	<u>\$ 2,125,806</u>	<u>\$ 2,655,922</u>
10. Transportation services			
Road transport			
Roads and streets	\$ 259,200	\$ 199,446	\$ 253,916
Street lighting commissions			
Appropriation of levy	65,565	64,648	57,097
Grant	<u>86,500</u>	<u>87,534</u>	<u>78,005</u>
	<u>\$ 411,265</u>	<u>\$ 351,628</u>	<u>\$ 389,018</u>

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

Year ended March 31

	<u>2015</u>		<u>2014</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	\$ 336,300	\$ 350,722	\$ 277,976
Operations and maintenance	<u>1,890,950</u>	<u>1,551,075</u>	<u>1,804,699</u>
	<u>2,227,250</u>	<u>1,901,797</u>	<u>2,082,675</u>
Pollution and waste control			
Maintenance	203,694	134,034	188,253
Other	<u>196,100</u>	<u>194,943</u>	<u>170,883</u>
	<u>399,794</u>	<u>328,977</u>	<u>359,136</u>
Development services			
Planning, zoning and economic development	923,600	587,769	511,824
Land assembly	<u>-</u>	<u>-</u>	<u>34,445</u>
	<u>923,600</u>	<u>587,769</u>	<u>546,269</u>
	<u>\$ 3,550,644</u>	<u>\$ 2,818,543</u>	<u>\$ 2,988,080</u>
12. Public health and welfare			
Social welfare			
Deficit of Regional Housing Authority	<u>\$ 45,000</u>	<u>\$ 71,770</u>	<u>\$ 49,121</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
13. Education, recreation and cultural services			
Recreation			
Administration	\$ 194,000	\$ 196,436	\$ 273,245
Programs	408,700	368,298	403,902
Grants	58,500	58,839	49,182
Community projects	<u>152,300</u>	<u>15,188</u>	<u>167,910</u>
	<u>813,500</u>	<u>638,761</u>	<u>894,239</u>
Education			
Appropriation to Regional School Board	<u>1,391,500</u>	<u>1,391,427</u>	<u>1,389,611</u>
Cultural buildings and facilities			
Local library			
Operations	30,000	22,847	23,778
Regional	<u>37,400</u>	<u>34,588</u>	<u>33,258</u>
	<u>67,400</u>	<u>57,435</u>	<u>57,036</u>
	<u>\$ 2,272,400</u>	<u>\$ 2,087,623</u>	<u>\$ 2,340,886</u>
14. Water operating			
Transmission and distribution	\$ 219,311	\$ 248,846	\$ 238,224
Administration	<u>72,234</u>	<u>42,414</u>	<u>35,060</u>
	<u>\$ 291,545</u>	<u>\$ 291,260</u>	<u>\$ 273,284</u>
15. Electric operating			
Transmission and distribution	\$ -	\$ 103,499	\$ 146,689
Electricity purchases	-	724,506	730,078
Administration	-	<u>51,684</u>	<u>30,329</u>
	<u>\$ -</u>	<u>\$ 879,689</u>	<u>\$ 907,096</u>

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

Year ended March 31	Budget	2015
Revenue		
Operating		
Metered and flat rate sales	\$ 380,071	\$ 401,028
Sprinkler service	600	800
Public fire protection	<u>56,861</u>	<u>57,210</u>
	<u>437,532</u>	<u>459,038</u>
Operating expenditures		
Source of supply (page 17)	1,051	24,803
Power and pumping (page 17)	49,152	47,146
Water treatment (page 17)	100,016	108,632
Transmission and distribution (page 17)	69,092	68,265
Administration (page 17)	84,634	50,456
Taxes	30,000	29,950
Depreciation	<u>109,987</u>	<u>88,433</u>
	<u>443,932</u>	<u>417,685</u>
Operating (loss) income	<u>(6,400)</u>	<u>41,353</u>
Non-operating revenue		
Interest earned	3,000	2,567
Miscellaneous	<u>3,500</u>	<u>2,353</u>
	<u>6,500</u>	<u>4,920</u>
Non-operating expenditures		
Bank charges and interest	<u>100</u>	<u>290</u>
Excess of revenue over expenditures		45,983
Surplus, beginning of year	<u>55,513</u>	<u>55,513</u>
Surplus, end of year	<u>\$ 55,513</u>	<u>\$ 101,496</u>

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


March 31

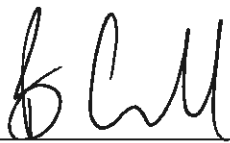
2015

Financial assets	
Cash and cash equivalents	\$ 39,036
Receivables	
Rates (less allowance for doubtful accounts \$6,626)	95,007
Due from own funds and agencies	
General operating fund	<u>25,036</u>
Total financial assets	\$ <u>159,079</u>
Financial liabilities	
Payables and accruals	
Trade	\$ 25,247
Customers' deposits	5,240
Due to own funds and agencies	
Water utility capital fund	<u>38,433</u>
Total financial liabilities	<u>68,920</u>
Net financial liabilities	<u>90,159</u>
Non-financial assets	
Inventory of supplies	<u>11,337</u>
Net liabilities	\$ <u>101,496</u>
Surplus	\$ <u>101,496</u>

Subsequent events (note 12)

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-Hazel Hill water utility
Capital fund statement of financial position

March 31

2015

Financial assets

Depreciation fund

Cash and cash equivalents

\$ 651,428

Short term investments

10,363

Due from own funds and agencies

Water utility operating fund

38,433

Total financial assets

\$ 700,224

Net financial assets

\$ 700,224

Non-financial assets

Utility plant and equipment (net of accumulated amortization of \$979,444)

5,181,802

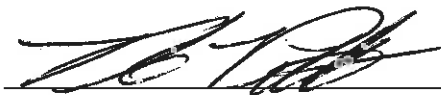
Net assets

\$ 5,882,026

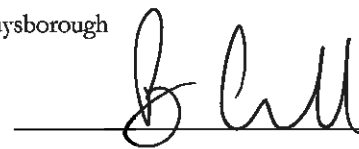
Investment in capital assets (page 16)

\$ 5,882,026

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-Hazel Hill water utility
Utility plant and equipment

March 31	2015
Tangible assets	
Working capital	\$ 1,000
Tangible plant and equipment	
Land	6,600
Building	47,752
Centennial Street system	8,000
Distribution mains and valves	610,297
Services	137,632
Meters	104,377
Hydrants	65,043
Office furniture and equipment	27,142
Tools and equipment	10,762
Transportation equipment	105,294
Water Treatment Plant	5,015,836
Generator	8,278
Pumping equipment	<u>13,233</u>
	<u>\$ 6,161,246</u>

Canso-Hazel Hill water utility
Statement of investment in capital assets

(Unaudited – see advisory to readers)

Year ended March 31	2015
Balance, beginning of year	\$ 5,878,688
Interest earned	<u>3,338</u>
Balance, end of year	<u>\$ 5,882,026</u>

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

Year ended March 31	Budget	2015
1. Source of supply		
Maintenance of reservoirs	\$ 1,051	\$ 75
Salaries and training	-	23,998
Other	-	730
	<u>\$ 1,051</u>	<u>\$ 24,803</u>
2. Power and pumping		
Power purchased	\$ 49,152	\$ 37,484
Supervision	-	5,300
Fuel	-	2,099
Maintenance	-	2,261
Other	-	2
	<u>\$ 49,152</u>	<u>\$ 47,146</u>
3. Water treatment		
Supervision	\$ 5,054	\$ 225
Chemicals	20,169	20,824
Maintenance	4,083	17,520
Salaries and training	54,220	66,696
Supplies	-	873
Other	<u>16,490</u>	<u>2,494</u>
	<u>\$ 100,016</u>	<u>\$ 108,632</u>
4. Transmission and distribution		
Supervision	\$ 5,054	\$ -
Salaries	25,736	-
Shop	525	2,065
Maintenance	24,993	43,092
Transportation	-	100
Other	<u>12,784</u>	<u>23,008</u>
	<u>\$ 69,092</u>	<u>\$ 68,265</u>
5. Administration		
Consumer accounting and collecting	\$ 28,740	\$ 59
Salaries	9,338	16,638
Professional fees	9,000	5,659
Administrative supplies and support services	2,000	2,398
Insurance	18,400	1,717
Regulatory expense	1,365	1,590
Rent	12,500	12,500
Maintenance	-	133
Other	<u>3,291</u>	<u>9,762</u>
	<u>\$ 84,634</u>	<u>\$ 50,456</u>

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

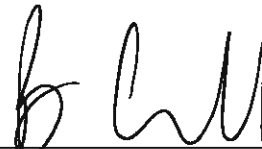
Year ended March 31	2015	2014
Revenue		
Operating		
Domestic and commercial light and power	\$ 914,173	\$ 919,986
Street lighting	<u>22,137</u>	<u>21,935</u>
	936,310	941,921
Non-operating		
Miscellaneous	<u>9,500</u>	<u>8,914</u>
Total revenue	<u>945,810</u>	<u>950,835</u>
Expenditures		
Operating		
Power purchased	724,506	730,078
Distribution	103,499	146,689
Administrative	64,132	42,794
Depreciation	25,187	24,488
Taxes	<u>-</u>	<u>14,534</u>
	<u>917,324</u>	<u>958,583</u>
Non-operating		
Bank charges	52	35
Provision for doubtful accounts	3,932	2,732
Capital expenditures	<u>22,117</u>	<u>-</u>
	<u>26,101</u>	<u>2,767</u>
Total expenditures	<u>943,425</u>	<u>961,350</u>
Excess of expenditures over revenue	2,385	(10,515)
Surplus, beginning of year	<u>84,429</u>	<u>94,944</u>
Surplus, end of year	<u>\$ 86,814</u>	<u>\$ 84,429</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	2015	2014
Financial assets		
Cash and cash equivalents	\$ 203,440	\$ 78,628
Receivables		
Operating accounts	135,387	132,747
Non-operating accounts	130,892	17,195
Due from own funds and agencies		
Water utility operating fund	-	4,738
Total financial assets	\$ 469,719	\$ 233,308
Financial liabilities		
Payables and accruals		
Trade	\$ 128,179	\$ 116,565
Customers' deposits	22,751	23,591
Due to own funds and agencies		
General operating fund		97
Electric capital fund	306,991	98,425
Total financial liabilities	457,921	238,678
Net financial assets	11,798	(5,370)
Non-financial assets		
Deferred expenses relating to sale of electric utility	63,137	55,252
Inventory of supplies	11,879	34,547
	75,016	89,799
Net assets	\$ 86,814	\$ 84,429
Surplus	\$ 86,814	\$ 84,429

Approved on behalf of the Municipality of the District of Guysborough


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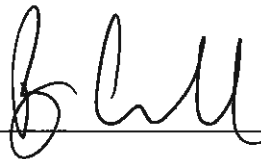

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The Municipality of the District of Guysborough
Supplementary schedules to consolidated financial statements
Canso electric utility - capital fund
Statement of financial position

Year ended March 31	2015	2014
Financial assets		
Depreciation fund		
Short term investments	\$ 63,364	\$ 244,251
Due from own funds and agencies		
Electric operating fund	<u>306,991</u>	<u>98,425</u>
	<u>\$ 370,355</u>	<u>\$ 342,676</u>
Net financial assets		
	<u>\$ 370,355</u>	<u>\$ 342,676</u>
Non-financial assets		
Utility plant and equipment (net of accumulated amortization of \$569,230 2014 - \$544,742)	<u>266,835</u>	<u>269,906</u>
Net assets	<u>\$ 637,190</u>	<u>\$ 612,582</u>
 Investment in capital assets (page 26)	 <u>\$ 637,190</u>	 <u>\$ 612,582</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 Electric Utility
Utility plant and equipment

March 31	2015	2014
Tangible assets		
Working capital	\$ 6,000	\$ 6,000
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	128,960	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	1,965	1,965
	<u>855,253</u>	<u>833,136</u>
	<u>\$ 861,253</u>	<u>\$ 839,136</u>

Canso Electric Utility
Statement of investment in capital assets

(Unaudited – see advisory to readers)

Year ended March 31	2015	2014
Balance, beginning of year	\$ 612,582	\$ 610,304
Capital expenditure from operations	22,117	-
Interest earned	2,491	2,278
Balance, end of year	<u>\$ 637,190</u>	<u>\$ 612,582</u>