

Consolidated financial statements

The Municipality of the District of Guysborough

March 31, 2016

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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 on pages 2 - 24 which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, changes in net financial assets and cash flows 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, 2016, and the consolidated results of its operations, changes in net financial assets and cash flows 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 25 to 33 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
August 9, 2016

Chartered Accountants

The Municipality of the District of Guysborough

Consolidated statement of operations

Year ended March 31

2016

2015
(Restated
See Note 13)

	<u>Page</u>	<u>Budget</u> (Note 15)	<u>Actual</u>	<u>Actual</u>
Revenue				
Taxes	18	\$ 5,624,881	\$ 5,724,021	\$ 5,720,782
Grants in lieu of taxes	19	396,376	398,194	392,581
Sale of services	19	12,348,594	12,663,791	12,598,817
Other revenue from own sources	20	3,205,158	3,575,712	509,727
Unconditional transfers from other governments	20	331,000	314,687	332,151
Conditional transfers from other governments and agencies	20	1,353,091	366,050	320,833
Interest		11,245	124,905	197,574
Gain on disposal of tangible capital assets		-	819,661	-
Other		-	500,000	190,000
		<u>23,270,345</u>	<u>24,487,021</u>	<u>20,262,465</u>
Expenses				
General government services	21	3,244,171	3,490,367	3,359,757
Protection services	22	2,161,112	2,173,019	2,135,369
Transportation services	22	424,098	526,171	528,430
Environmental services	23	5,774,495	7,215,487	5,773,977
Rest Home - operations		5,485,544	5,877,579	5,626,988
Public health and welfare	23	450,000	51,256	71,770
Recreation and cultural services	24	988,850	1,148,551	818,164
Water operating	24	408,675	384,854	379,693
Electric operating	24	955,350	945,817	904,876
Infrastructure improvement funding	21	-	-	118,184
Valuation allowance		18,000	4,004	54,361
Loss on disposal of tangible capital asset		-	-	25,490
		<u>19,910,295</u>	<u>21,817,105</u>	<u>19,797,059</u>
Excess of revenue over expenses		<u>\$ 3,360,050</u>	<u>2,669,916</u>	<u>465,406</u>
Accumulated surplus, beginning of year, as previously reported			49,618,287	48,437,444
Less prior period adjustment (note 13)			<u>(4,967,204)</u>	<u>(4,251,767)</u>
Accumulated surplus, beginning of year as restated			<u>44,651,083</u>	<u>44,185,677</u>
Accumulated surplus, end of year			<u>\$ 47,320,999</u>	<u>\$ 44,651,083</u>

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

March 31

2016

2015

(Restated
See Note 13)

Financial assets

Cash and cash equivalents	\$ 24,758,705	\$ 11,174,943
Receivables: taxes, rates and interest, net of valuation allowance	435,534	421,336
other	2,267,986	2,278,994
Investments, at cost	<u>1,131,594</u>	<u>892,607</u>

Total financial assets

\$ 28,593,819 \$ 14,767,880

Liabilities

Payables and accruals	\$ 3,744,032	\$ 5,097,238
Deferred revenue (note 11)	1,267,614	903,861
Refundable deposits	27,491	27,991
Long term debt (note 3)	13,290,731	1,834,912
Prepayment of taxes	87,482	80,909
Closure and post closure liability for landfill	<u>5,710,270</u>	<u>4,967,204</u>

24,127,620 12,912,115

Net financial assets

4,466,199 1,855,765

Non financial assets

Tangible capital assets, net of amortization (pages 6 & 7)	42,391,753	41,957,166
Prepays	368,548	802,651
Vested property	57,362	1
Inventories of materials and supplies	<u>37,137</u>	<u>35,500</u>

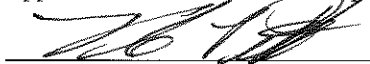
42,854,800 42,795,318

Accumulated surplus (note 10)

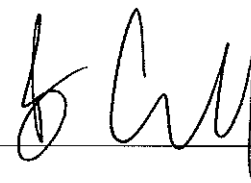
\$ 47,320,999 \$ 44,651,083

Contingencies (note 7)

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	Budget	2016	2015 (Restated See Note 13)
Excess of revenue over expenses	\$ 3,360,050	\$ 2,669,916	\$ 465,406
Acquisition of tangible capital assets	(7,955,500)	(5,255,816)	(13,738,099)
Amortization of tangible capital assets	113,543	2,487,532	2,842,494
Proceeds on disposal of tangible capital assets	-	3,153,105	88,634
(Gain) loss on disposal of tangible capital asset	-	(819,661)	25,490
	<u>(7,841,957)</u>	<u>(434,840)</u>	<u>(10,781,481)</u>
Other items	-	<u>375,358</u>	<u>243,998</u>
Change in net financial assets	<u>\$ (4,481,907)</u>	2,610,434	(10,072,077)
Net financial assets, beginning of year		<u>1,855,765</u>	<u>11,927,842</u>
Net financial assets, end of year		<u>\$ 4,466,199</u>	<u>\$ 1,855,765</u>

The Municipality of the District of Guysborough

Consolidated statement of cash flows

Year ended March 31

2016

2015

(Restated
See Note 13)

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

Operating activities

Excess of revenue over expenses	\$ 2,669,916	\$ 465,406
Amortization	2,487,532	2,842,494
(Gain) loss on disposal of tangible capital asset	<u>(819,661)</u>	<u>25,490</u>
	4,337,787	3,333,390

Changes in non-cash working capital

Taxes, rates and interest receivable	(14,198)	(30,389)
Other receivables	11,008	(1,066,035)
Payables and accruals	(1,353,206)	596,441
Deferred revenue deposits, prepayment of taxes	369,826	444,524
Prepays and other non-financial assets	<u>375,358</u>	<u>243,998</u>
	<u>3,726,575</u>	<u>3,521,929</u>

Investing activities

Investments	(238,987)	213,160
Long term loan	<u>-</u>	<u>5,928</u>
	<u>(238,987)</u>	<u>219,088</u>

Financing activities

Repayment of long term debt	(200,723)	(202,668)
Issuance of long term debt, net of debenture discount	11,656,542	-
Closure and post closure liability for landfill	<u>743,066</u>	<u>715,437</u>
	<u>12,198,885</u>	<u>512,769</u>

Capital

Acquisition of tangible capital assets	(5,255,816)	(13,738,099)
Proceeds on disposal of tangible capital assets	<u>3,153,105</u>	<u>88,634</u>
	<u>(2,102,711)</u>	<u>(13,649,465)</u>

Net increase (decrease) in cash and cash equivalents

13,583,762 (9,395,679)

Cash and cash equivalents

Beginning of year	<u>11,174,943</u>	<u>20,570,622</u>
End of year	<u>\$ 24,758,705</u>	<u>\$ 11,174,943</u>

The Municipality of the District of Guysborough

Consolidated schedule of tangible capital assets

Year ended March 31, 2016

	Land	Buildings	Machinery and Equipment	Sewers	Sidewalks and Street Lamps	Signage	Cells	Vehicles
Cost:								
Balance, beginning of year	\$ 5,905,734	\$ 6,727,577	\$ 4,918,788	\$ 13,149,295	\$ 1,299,779	\$ 94,956	\$ 11,697,457	\$ 1,347,638
Acquisition of tangible capital assets	11,635	330,318	575,529	105,962	14,950	-	3,033,557	70,371
Disposal of tangible capital assets	(1,753,742)	(268,365)	(623,179)	-	-	-	-	-
Balance, end of year	4,163,627	6,789,530	4,871,138	13,255,257	1,314,729	94,956	14,731,014	1,418,009
Accumulated amortization:								
Balance, beginning of year	-	2,161,259	2,389,372	3,970,791	816,082	31,643	10,875,451	825,609
Annual amortization	-	145,737	470,448	229,374	50,219	9,496	475,466	177,645
Accumulated amortization disposal	-	-	(311,589)	-	-	-	-	-
Balance, end of year	-	2,306,996	2,548,231	4,200,165	866,301	41,139	11,350,917	1,003,254
Net book value of tangible capital assets	\$ 4,163,627	\$ 4,482,534	\$ 2,322,907	\$ 9,055,092	\$ 448,428	\$ 53,817	\$ 3,380,097	\$ 414,755
2015 net book value of tangible capital assets	\$ 5,905,734	\$ 4,566,318	\$ 2,529,416	\$ 9,178,504	\$ 483,697	\$ 63,313	\$ 822,006	\$ 522,029

The Municipality of the District of Guysborough

Consolidated schedule of tangible capital assets

Year ended March 31, 2016

	Wharves and Canals	Land Improvements	Wind Turbines	Office Furnishings	Office Equipment	Lagoons	Roads	Construction In Progress	2016 Total	2015 Total
Cost:										
Balance, beginning of year	\$ 180,137	\$ 1,164,665	\$ 15,919,527	\$ 329,873	\$ 442,030	\$ 941,382	\$ 1,610,135	-	\$ 65,728,973	\$ 52,181,086
Acquisition of tangible capital assets	-	-	456,842	34,558	18,241	-	-	603,853	5,255,816	13,738,099
Disposals during the year	-	-	-	-	-	-	-	-	(2,645,286)	(190,212)
Balance, end of year	<u>180,137</u>	<u>1,164,665</u>	<u>16,376,369</u>	<u>364,431</u>	<u>460,271</u>	<u>941,382</u>	<u>1,610,135</u>	<u>603,853</u>	<u>68,339,503</u>	<u>65,728,973</u>
Accumulated amortization:										
Balance, beginning of year	6,076	1,121,608	91,007	297,178	305,530	427,694	452,507	-	23,771,807	21,005,398
Annual amortization	7,205	2,866	751,790	14,927	40,885	47,069	64,405	-	2,487,532	2,842,494
Accumulated amortization of disposals	-	-	-	-	-	-	-	-	(311,589)	(76,085)
Balance, end of year	<u>13,281</u>	<u>1,124,474</u>	<u>842,797</u>	<u>312,105</u>	<u>346,415</u>	<u>474,763</u>	<u>516,912</u>	<u>-</u>	<u>25,947,750</u>	<u>23,771,807</u>
Net book value of tangible capital assets	<u>\$ 166,856</u>	<u>\$ 40,191</u>	<u>\$ 15,533,572</u>	<u>\$ 52,326</u>	<u>\$ 113,856</u>	<u>\$ 466,619</u>	<u>\$ 1,093,223</u>	<u>\$ 603,853</u>	<u>\$ 42,391,753</u>	<u>\$ 41,957,166</u>
2015 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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2016

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 Chartered Professional Accountants (CPA) Canada. 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, expenses 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 expenses 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 expenses

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

(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 expenses during the reporting period. Actual results could differ from those estimates.

(f) Revenue recognition

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2016

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

(g) Government transfers

Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

(h) 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.

(i) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment, 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.

When conditions indicate that a tangible capital asset no longer contributes to the Municipality's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2016

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

(j) 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 26.28 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 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.

(k) Cash and cash equivalents

Cash and cash equivalents includes unrestricted cash of \$3,119,278 (2015 - \$2,116,321) and internally designated cash of \$21,639,427 (2015 - \$9,058,622). These totals include cash on hand and balances with banks.

(l) Investments

Investments include guarantee investment certificates and a term deposit.

(m) Budget figures

The budget figures contained in these consolidated financial statements were approved by Council on April 6, 2015 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 15 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2016

2. Contributions to boards and commissions

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 year while a surplus is to be taken into income.

Senior Citizens Housing Authorities

The Municipality has provided \$51,256 (2015 - \$71,770) for its share of deficits of the Housing Authority in the District of Guysborough in 2016.

Eastern Counties Regional Library

During 2015-2016, the Municipality of the District of Guysborough paid \$35,341 (2015 - \$34,588) to the Regional Library.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2016

3. Long term debt	<u>2016</u>	<u>2015</u>
3.666% - 5.644% rest home debenture maturing in fiscal 2025, repayable in yearly principal payments of \$127,900.	\$ 1,152,000	\$ 1,279,900
3.387 - 4.939% rest home debenture maturing in fiscal 2025, repayable in yearly principal payments of \$40,135.	361,214	401,351
Prime plus 2.25% demand loan, repaid during the year.	-	1,066
Prime plus 2.25% demand loan, repaid during the year.	-	3,050
Prime plus 2.25%, repayable in monthly payments of \$333, plus interest, maturing in fiscal 2026.	39,667	-
Prime plus 2.25% demand loan, repayable in monthly payments of \$260 plus interest. The loan matures in fiscal 2017.	2,860	5,980
0 - 3.449% debenture maturing in fiscal 2031, repayable in yearly principal payments of \$764,950, interest payable semi-annually.	11,474,254	-
4.82 - 4.88% debenture maturing in fiscal 2017, repayable in yearly principal payments of \$13,450, interest payable semi-annually.	13,450	26,900
0% - 3.449% debenture maturing in fiscal 2031, repayable in yearly principal payments of \$15,084, interest payable semi-annually.	226,241	-
3.39 - 4.939% debenture maturing in fiscal 2025, repayable in yearly principal payments of \$11,667, interest payable semi-annually.	<u>104,998</u>	<u>116,665</u>
Total	13,374,684	1,834,912
Less debenture discount	<u>83,953</u>	-
	<u>\$ 13,290,731</u>	<u>\$ 1,834,912</u>

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

2017	\$ 980,046
2018	\$ 963,736
2019	\$ 963,736
2020	\$ 963,736
2021	\$ 963,736

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2016

4. Investment in tangible capital assets

The Municipality has allocated a portion of its accumulated surplus as investment in tangible capital assets. The continuity of this allocation is as follows:

	2016	2015
Balance, beginning of year	\$ 31,254,574	\$ 29,138,108
Acquisition of tangible capital assets	5,255,816	13,738,099
Repayment of long term debt	<u>200,723</u>	<u>202,668</u>
	<u>5,456,539</u>	<u>13,940,767</u>
Disposal of tangible capital asset	(2,645,286)	(190,212)
Accumulated amortization on disposition	311,589	76,085
Temporary financing	8,867,680	(8,867,680)
Issuance of long term debt, net debenture discount	(11,656,542)	-
Amortization of tangible capital assets	<u>(2,487,532)</u>	<u>(2,842,494)</u>
	<u>(7,610,091)</u>	<u>(11,824,301)</u>
Balance, end of year (note 10)	<u>\$ 29,101,022</u>	<u>\$ 31,254,574</u>
Represented by:		
Tangible capital assets (pages 6 & 7)	\$ 68,339,503	\$ 65,728,973
Accumulated amortization (pages 6 & 7)	(25,947,750)	(23,771,807)
Temporary financing	-	(8,867,680)
Long term debt (note 3)	<u>(13,290,731)</u>	<u>(1,834,912)</u>
	<u>\$ 29,101,022</u>	<u>\$ 31,254,574</u>

5. Landfill closure and post closure costs

The Municipality of the District of Guysborough has estimated landfill closure and post closure costs relating to their 1st and 2nd generation landfill facility. During the March 31, 2016 fiscal year the Municipality has recognized net closure costs of \$616,928 and post closure costs of \$126,138 as an estimate of the costs related to the fiscal 2016 activity. As at March 31, 2016 a total of \$4,310,363 has been recorded as a landfill closure liability while \$1,399,907 has been recorded as a landfill post closure liability. The liability is sufficient to cover engineering estimates of landfill closure and post closure costs for the 1st generation site as well as for the proportionate share of the expired useful life of the 2nd generation site. \$320,000 in assets have been designated and invested into interest-bearing instruments while the Municipality has set aside in a restricted bank account the remaining funds required to fund the liability.

The 1st generation site has been closed while the 2nd generation site is currently in operation. In the 2nd generation the 1st cell has reached its capacity of 240,000 tonnes. The 2nd and 3rd cells combined have reached 97% of their 460,000 tonne combined capacity. Cell #4 is near completion and will become operational in the coming fiscal year. The 2nd generation site is anticipated to have eight cells with a total capacity of 1,400,000 tonnes and has an anticipated remaining life of 10 years. Engineering estimates that post closure care will be performed until 2046 on the site.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2016

6. 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	\$ 36,459
Blair George	Councillor	20,691
Neil DeCoff	Councillor	17,793
Janet Peitzsche	Deputy Warden	23,009
Sheila Pelly	Councillor	20,691
Miles MacDonald	Councillor	20,691
Ricky MacLaren	Councillor	20,691
Fin Armsworthy	Councillor	20,691
Barry Carroll	Chief Administrative Officer	135,425

7. 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	\$54,000
Queensport – Chedabucto Volunteer Fire Department	\$120,000
Milford Haven Fire and Emergency Services	\$303,500

8. Expenses by object

	<u>2016</u>
Salaries and benefits	\$ 8,350,661
Goods and services	6,195,430
Amortization	2,487,532
Interest	177,261
Other	<u>4,606,221</u>
	<u>\$ 21,817,105</u>

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2016

9. Pension plan

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

10. Accumulated surplus	<u>2016</u>	<u>2015</u> (Restated See Note 13)
General operating fund	\$ 814,804	\$ 2,537,224
Reserve funds	<u>17,405,173</u>	<u>10,859,285</u>
	18,219,977	13,396,509
Investment in tangible capital assets (note 4)	<u>29,101,022</u>	<u>31,254,574</u>
	<u>\$ 47,320,999</u>	<u>\$ 44,651,083</u>

11. Deferred revenue

Deferred revenue is comprised of deferred gas tax revenue and is reported on the consolidated statement of financial position as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 903,861	\$ 540,827
Revenue		
Federal gas tax grants received and interest earned	363,753	374,260
Expenditure		
Federal gas tax grants spent	<u>-</u>	<u>(11,226)</u>
Balance, end of year	<u>\$ 1,267,614</u>	<u>\$ 903,861</u>

Deferred gas tax revenue represents gas tax funding received but not spent in accordance with *PS 3410 – Government Transfers*, which the Municipality applied prospectively beginning April 1, 2012. Since PS 3410 was applied prospectively, any gas tax funding received prior to April 1, 2012 remains in the Municipality's accumulated surplus, regardless if it has been spent or not. Gas tax funding is required to be spent on certain eligible projects in accordance with the Canada-Nova Scotia Federal Gas Tax agreement.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2016

12. Rate of return on rate base

For the year ended March 31, 2016, the Canso-Hazel Hill Water Utility had a rate of return on rate base of 0.7% (2015 - 0.8%).

13. Prior period adjustment

During the year, the Municipality determined that it had not recorded a solid waste landfill closure and post-closure liability. As a result, it has retroactively restated its consolidated financial statements to correct the issue. As a result of the correction, the following financial statement items for the year ended March 31, 2015 have been increased (decreased) by the following amounts:

Accumulated surplus as at April 1, 2014	\$ (4,251,767)
Consolidated statement of financial position at March 31, 2015	
Closure and post closure landfill liability	\$ 4,967,204
Accumulated surplus	\$ (4,967,204)
Consolidated statement of financial activities for the year ended March 31, 2015	
Expenses: Environmental services	\$ 715,437
Excess of revenue over expenses	\$ (715,437)
Accumulated surplus as at April 1, 2015	\$ (4,967,204)

14. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform with the preparation of the 2016 financial statements.

The Municipality of the District of Guysborough

Notes to the consolidated financial statements

March 31, 2016

15. Budget figures

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the statement of operations and statement of changes in net assets has been adjusted to be on a consistent basis as actual results. The adjustments below include netting school board appropriations against tax revenues, reclassification of revenues and expenses amongst categories, and the elimination of revenues and expenses between the Municipality and its consolidated entities. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the consolidated financial statement:

	Approved Fiscal Plan	Adjustments	Fiscal Plan Per Financial Statements
Revenue			
Taxes	\$ 7,045,381	\$ (1,420,500)	\$ 5,624,881
Grants in lieu of taxes	396,376	-	396,376
Sales of services	12,501,928	(153,334)	12,348,594
Other revenue from own sources	3,217,658	(12,500)	3,205,158
Unconditional transfers from other governments	331,000	-	331,000
Conditional transfers from Federal and Provincial governments and agencies	1,720,993	(367,902)	1,353,091
Interest	<u>11,245</u>	<u>-</u>	<u>11,245</u>
	<u>25,224,581</u>	<u>(1,954,236)</u>	<u>23,270,345</u>
Expense			
General government services	3,299,774	(55,603)	3,244,171
Protective services	2,218,322	(57,210)	2,161,112
Transportation services	446,500	(22,402)	424,098
Environmental services	5,774,495	-	5,774,495
Rest Home – operations and interest	5,555,544	(70,000)	5,485,544
Public health and welfare services	450,000	-	450,000
Recreational and cultural services	2,354,350	(1,365,500)	988,850
Water operating	421,175	(12,500)	408,675
Electric Operating	967,850	(12,500)	955,350
Valuation Allowance	18,000	-	18,000
Fiscal services	<u>3,765,071</u>	<u>(3,765,071)</u>	<u>-</u>
	<u>25,271,081</u>	<u>(5,360,786)</u>	<u>19,910,295</u>
Annual surplus before the undernoted	<u>\$ (46,500)</u>	<u>\$ 3,406,550</u>	<u>\$ 3,360,050</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2016		2015
	Budget (Note 15)	Actual	Actual
1. Taxes			
Assessable property			
Residential	\$ 1,593,999	\$ 1,576,980	\$ 1,540,457
Commercial	<u>4,386,817</u>	<u>4,406,032</u>	<u>4,509,428</u>
	<u>5,980,816</u>	<u>5,983,012</u>	<u>6,049,885</u>
Resource			
Taxable assessments	207,935	214,076	208,697
Forest property			
Less than 50,000 acres	32,050	32,074	32,014
50,000 acres or more	260	260	260
Farmland acreage tax	<u>12,258</u>	<u>12,503</u>	<u>11,928</u>
	<u>252,503</u>	<u>258,913</u>	<u>252,899</u>
Area rates			
Protective services	565,862	565,163	572,332
Transportation services	90,000	89,756	86,119
Pump house	<u>200</u>	<u>197</u>	<u>195</u>
	<u>656,062</u>	<u>655,116</u>	<u>658,646</u>
Business property			
Based on revenue (Bell-Aliant)	<u>41,000</u>	<u>47,293</u>	<u>45,087</u>
Other			
Deed transfer taxes	60,000	107,923	105,692
Wind farm	<u>-</u>	<u>37,015</u>	<u>-</u>
	<u>60,000</u>	<u>144,938</u>	<u>105,692</u>
Less: Education	<u>(1,365,500)</u>	<u>(1,365,251)</u>	<u>(1,391,427)</u>
	<u>\$ 5,624,881</u>	<u>\$ 5,724,021</u>	<u>\$ 5,720,782</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2016		2015
	<u>Budget</u> (Note 15)	<u>Actual</u>	<u>Actual</u>
2. Grants in lieu of taxes			
Federal government	\$ 49,056	\$ 47,384	\$ 47,244
Canada Post	1,840	1,840	1,803
Provincial government			
Crown timber	121,712	121,712	121,712
Property of supported institutions	76,311	76,189	74,076
Fire protection	16,655	16,618	16,626
Nova Scotia Power Inc.	116,900	120,549	116,928
Nova Scotia Liquor Commission	<u>13,902</u>	<u>13,902</u>	<u>14,192</u>
	<u>\$ 396,376</u>	<u>\$ 398,194</u>	<u>\$ 392,581</u>
3. Sale of services			
Sewer rates	\$ 67,392	\$ 72,572	\$ 71,953
Protection			
Province of Nova Scotia	<u>37,000</u>	<u>20,376</u>	<u>37,238</u>
Environmental health services			
Other municipal units	4,849,767	4,812,506	4,749,909
Other	<u>250,233</u>	<u>472,853</u>	<u>493,802</u>
	<u>5,100,000</u>	<u>5,285,359</u>	<u>5,243,711</u>
Recreation and cultural	<u>32,000</u>	<u>32,524</u>	<u>31,440</u>
Inspection and sub-division fees			
Other municipal units	<u>16,000</u>	<u>31,367</u>	<u>23,866</u>
Water	<u>386,096</u>	<u>417,203</u>	<u>401,828</u>
Electric	<u>865,103</u>	<u>861,402</u>	<u>866,504</u>
Senior citizen care	<u>5,845,003</u>	<u>5,942,988</u>	<u>5,922,277</u>
	<u>\$ 12,348,594</u>	<u>\$ 12,663,791</u>	<u>\$ 12,598,817</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2016		2015
	Budget (Note 15)	Actual	Actual
4. Other revenue from own sources			
Licenses and permits	\$ 9,000	\$ 11,068	\$ 13,095
Fines	5,000	3,526	3,820
Interest on taxes	55,000	72,659	62,542
Miscellaneous	4,984	89,301	34,824
Interest on investments	40,000	36,568	33,731
Rent - office space	16,700	4,473	4,200
Sale of goods	-	-	4,161
Sale of land	-	77,355	19,988
Wind turbines	2,983,760	3,252,179	333,366
Deferred funding prior year	5,000	-	-
Rent - Sable Wind	85,714	28,583	-
	<u>\$ 3,205,158</u>	<u>\$ 3,575,712</u>	<u>\$ 509,727</u>
5. Unconditional transfers from other governments			
Provincial government			
HST offset program	\$ 65,000	\$ 48,687	\$ 66,151
Unconditional funding	266,000	266,000	266,000
	<u>\$ 331,000</u>	<u>\$ 314,687</u>	<u>\$ 332,151</u>
6. Conditional transfers from other governments and agencies			
Federal government agencies			
Work projects	\$ 6,500	\$ 3,302	\$ 6,064
ACOA projects	-	63,224	63,461
Federal gas tax rebate	-	-	11,226
	<u>6,500</u>	<u>66,526</u>	<u>80,751</u>
Provincial			
Nova Scotia Health Promotion - operating	20,000	30,000	25,000
Emergencies Measures Organization	2,000	2,563	2,317
Resource Recovery Fund Board	3,000	2,862	12,545
Resource Recovery Fund Board - ERSWMC	196,591	172,755	157,194
FCM	-	7,612	13,721
Other	-	20,000	-
Strait Regional School Board	5,000	5,000	5,000
PCAP funding - Sport and recreation	-	-	4,305
Department of Community Service/Recreation	20,000	20,000	20,000
Infrastructure funding	1,100,000	38,732	-
	<u>1,346,591</u>	<u>299,524</u>	<u>240,082</u>
	<u>\$ 1,353,091</u>	<u>\$ 366,050</u>	<u>\$ 320,833</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2016		2015
	Budget (Note 15)	Actual	Actual
7. Infrastructure improvement funding			
Revenue			
Service Nova Scotia and Municipal Relations			
Canso infrastructure	\$ 360,000	\$ 360,000	\$ 360,000
Less: Canso infrastructure expenses not capitalized	<u>(360,000)</u>	<u>(360,000)</u>	<u>(478,184)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (118,184)</u>
8. General government services			
Legislative			
Warden stipend	\$ 35,863	\$ 36,459	\$ 19,925
Council stipend	144,775	144,255	153,794
Other legislative services	<u>72,362</u>	<u>42,954</u>	<u>67,656</u>
	<u>253,000</u>	<u>223,668</u>	<u>241,375</u>
General administrative			
Administrative	752,687	984,954	983,979
Financial management	511,000	513,625	442,379
Taxation - reduced taxes	76,183	74,193	75,406
- other	95,505	78,536	79,490
Assessment costs	<u>177,595</u>	<u>174,195</u>	<u>176,559</u>
	<u>1,612,970</u>	<u>1,825,503</u>	<u>1,757,813</u>
Municipal properties			
Common services	<u>1,026,731</u>	<u>1,029,923</u>	<u>734,118</u>
Amortization	<u>-</u>	<u>118,217</u>	<u>110,297</u>
Other general government services			
Grants to organizations and individuals	185,000	175,150	419,019
Insurance	30,750	32,856	37,360
Election	9,000	5,480	644
Dues	9,600	6,403	6,826
Other	<u>117,120</u>	<u>73,167</u>	<u>52,305</u>
	<u>351,470</u>	<u>293,056</u>	<u>516,154</u>
	<u>\$ 3,244,171</u>	<u>\$ 3,490,367</u>	<u>\$ 3,359,757</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2016		2015
	<u>Budget</u> (Note 15)	<u>Actual</u>	<u>Actual</u>
9. Protection services			
Police protection	\$ 1,167,000	\$ 1,154,376	\$ 1,130,512
Law enforcement			
Transfer to correctional services	101,400	96,459	99,407
Prosecuting attorney	<u>2,000</u>	<u>5,569</u>	<u>4,206</u>
	<u>103,400</u>	<u>102,028</u>	<u>103,613</u>
Fire protection			
Community fire department			
Appropriation of levy	565,862	565,163	573,052
Grants	108,200	108,154	108,387
Fire dispatch	31,000	30,434	30,434
Fire service	51,700	77,756	42,527
Firemen's disability insurance	<u>16,800</u>	<u>16,650</u>	<u>16,470</u>
	<u>773,562</u>	<u>798,157</u>	<u>770,870</u>
Emergency measures			
Honorarium and other expenses	<u>12,450</u>	<u>7,010</u>	<u>25,736</u>
Amortization	<u>-</u>	<u>9,563</u>	<u>9,563</u>
Other			
Veterinary assistance board	500	-	-
By-law enforcement	25,600	23,671	21,767
Protective inspection - building	<u>78,600</u>	<u>78,214</u>	<u>73,308</u>
	<u>104,700</u>	<u>101,885</u>	<u>95,075</u>
	<u>\$ 2,161,112</u>	<u>\$ 2,173,019</u>	<u>\$ 2,135,369</u>
10. Transportation services			
Road transport			
Roads and streets	\$ 265,500	\$ 174,820	\$ 199,446
Amortization	-	197,551	176,802
Street lighting commissions			
Appropriation of levy	68,598	69,074	64,648
Grant	<u>90,000</u>	<u>84,726</u>	<u>87,534</u>
	<u>\$ 424,098</u>	<u>\$ 526,171</u>	<u>\$ 528,430</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2016		2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 15)		
11. Environmental services			
Health services			
Solid waste collection and disposal			
Collection and recyclable disposal/trucking	\$ 351,400	\$ 332,678	\$ 350,722
Operations and maintenance	<u>1,737,500</u>	<u>1,658,052</u>	<u>1,551,075</u>
	<u>2,088,900</u>	<u>1,990,730</u>	<u>1,901,797</u>
Pollution and waste control			
Maintenance	178,125	199,434	134,034
Other	<u>227,991</u>	<u>241,167</u>	<u>194,943</u>
	<u>406,116</u>	<u>440,601</u>	<u>328,977</u>
Landfill closure and post closure	<u>707,905</u>	<u>743,066</u>	<u>715,437</u>
Amortization	-	<u>1,879,331</u>	<u>2,239,997</u>
Development services			
Planning, zoning and economic development	<u>2,571,574</u>	<u>2,161,759</u>	<u>587,769</u>
	<u>\$ 5,774,495</u>	<u>\$ 7,215,487</u>	<u>\$ 5,773,977</u>
12. Public health and welfare			
Social welfare			
Deficit of Regional Housing Authority	\$ 50,000	\$ 51,256	\$ 71,770
Property assessed clean energy	<u>400,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 450,000</u>	<u>\$ 51,256</u>	<u>\$ 71,770</u>

The Municipality of the District of Guysborough

Schedules to consolidated statement of operations

Year ended March 31

	2016		2015
	Budget (Note 15)	Actual	Actual
13. Recreation and cultural services			
Recreation			
Administration	\$ 213,600	\$ 206,010	\$ 196,436
Programs	470,050	445,620	368,298
Grants	46,000	78,990	58,839
Community projects	<u>191,400</u>	<u>236,110</u>	<u>15,188</u>
	<u>921,050</u>	<u>966,730</u>	<u>638,761</u>
Cultural buildings and facilities			
Local library			
Operations	30,400	24,512	22,847
Regional	<u>37,400</u>	<u>35,341</u>	<u>34,588</u>
	<u>67,800</u>	<u>59,853</u>	<u>57,435</u>
Amortization	-	<u>121,968</u>	<u>121,968</u>
	<u>\$ 988,850</u>	<u>\$ 1,148,551</u>	<u>\$ 818,164</u>
14. Water operating			
Transmission and distribution	\$ 275,664	\$ 250,321	\$ 248,846
Administration	44,568	46,090	42,414
Amortization	<u>88,443</u>	<u>88,443</u>	<u>88,433</u>
	<u>\$ 408,675</u>	<u>\$ 384,854</u>	<u>\$ 379,693</u>
15. Electric operating			
Transmission and distribution	\$ 154,500	\$ 150,620	\$ 103,499
Electricity purchases	719,500	708,971	724,506
Administration	56,250	60,566	51,684
Amortization	<u>25,100</u>	<u>25,660</u>	<u>25,187</u>
	<u>\$ 955,350</u>	<u>\$ 945,817</u>	<u>\$ 904,876</u>

SUPPLEMENTARY SCHEDULES

The Municipality of the District of Guysborough
Supplementary schedule
Canso-Hazel Hill water utility - operating fund
Statement of operations

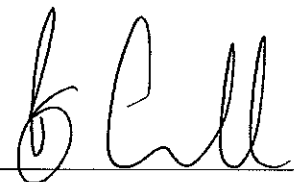
Year ended March 31	Budget	2016	2015
Revenue			
Operating			
Metered and flat rate sales	\$ 385,296	\$ 414,803	\$ 401,028
Sprinkler service	800	2,400	800
Public fire protection	<u>60,932</u>	<u>60,932</u>	<u>57,210</u>
	<u>447,028</u>	<u>478,135</u>	<u>459,038</u>
Operating expenses			
Source of supply (page 29)	25,521	25,431	24,803
Power and pumping (page 29)	49,016	50,892	47,146
Water treatment (page 29)	112,591	127,282	108,632
Transmission and distribution (page 29)	88,536	46,716	68,265
Administration (page 29)	56,668	58,138	50,456
Taxes	30,603	29,949	29,950
Depreciation	<u>88,443</u>	<u>88,443</u>	<u>88,433</u>
	<u>451,378</u>	<u>426,851</u>	<u>417,685</u>
Operating income (loss)	<u>(4,350)</u>	<u>51,284</u>	<u>41,353</u>
Non-operating revenue			
Interest earned	2,500	2,396	2,567
Miscellaneous	<u>2,250</u>	<u>2,821</u>	<u>2,353</u>
	<u>4,750</u>	<u>5,217</u>	<u>4,920</u>
Non-operating expenses			
Bank charges and interest	<u>400</u>	<u>452</u>	<u>290</u>
Excess of revenue over expenses	<u>\$ -</u>	<u>56,049</u>	<u>45,983</u>
Surplus, beginning of year		<u>101,496</u>	<u>55,513</u>
Surplus, end of year		<u>\$ 157,545</u>	<u>\$ 101,496</u>

**The Municipality of the District of Guysborough
 Supplementary schedule
 Canso-Hazel Hill water utility
 Operating fund statement of financial position**

March 31	2016	2015
Financial assets		
Cash and cash equivalents	\$ 123,289	\$ 39,036
Receivables		
Rates (less allowance for doubtful accounts \$5,972)	80,734	95,007
Due from own funds and agencies		
General operating fund	-	25,036
Total financial assets	\$ 204,023	\$ 159,079
Financial liabilities		
Payables and accruals		
Trade	\$ 38,819	\$ 25,247
Customers' deposits	4,875	5,240
Due to own funds and agencies		
Water utility capital fund	-	38,433
General operating	15,694	-
Total financial liabilities	59,388	68,920
Net financial liabilities	144,635	90,159
Non-financial assets		
Inventory of supplies	12,910	11,337
Net liabilities	\$ 157,545	\$ 101,496
Surplus	\$ 157,545	\$ 101,496

Approved on behalf of the Municipality of the District of Guysborough

 Warden

 CAO

**The Municipality of the District of Guysborough
 Supplementary schedule
 Canso-Hazel Hill water utility
 Capital fund statement of financial position**

March 31 2016 2015

Financial assets

Depreciation fund

Cash and cash equivalents	\$ 743,957	\$ 651,428
Short term investments	10,454	10,363
Due from own funds and agencies		
Water utility operating fund	-	38,433

Total financial assets	\$ 754,411	\$ 700,224
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Net financial assets	\$ 754,411	\$ 700,224
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Non-financial assets

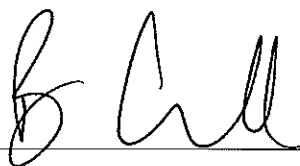
Utility plant and equipment net of accumulated amortization of \$1,067,882 (2015 - \$979,439)	5,130,338	5,181,802
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Net assets	\$ 5,884,749	\$ 5,882,026
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Investment in capital assets (page 28)	\$ 5,884,749	\$ 5,882,026
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Approved on behalf of the Municipality of the District of Guysborough

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The Municipality of the District of Guysborough
Supplementary schedule
Canso-Hazel Hill water utility
Utility plant and equipment

March 31	2016	2015
Tangible assets		
Working capital	\$ 1,000	\$ 1,000
Tangible plant and equipment		
Land	6,600	6,600
Building	47,752	47,752
Centennial Street system	8,000	8,000
Distribution mains and valves	610,297	610,297
Services	137,632	137,632
Meters	104,377	104,377
Hydrants	80,373	65,043
Office furniture and equipment	27,142	27,142
Tools and equipment	10,762	10,762
Transportation equipment	105,294	105,294
Water Treatment Plant	5,015,836	5,015,836
Generator	8,278	8,278
Pumping equipment	34,877	13,233
	<u>\$ 6,198,220</u>	<u>\$ 6,161,246</u>

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

Year ended March 31	2016	2015
Balance, beginning of year	\$ 5,882,026	\$ 5,878,688
Interest earned	<u>2,723</u>	<u>3,338</u>
Balance, end of year	<u>\$ 5,884,749</u>	<u>\$ 5,882,026</u>

The Municipality of the District of Guysborough
 Supplementary schedule
 Canso-Hazel Hill water utility
 Schedules to statement of operations - operating fund

Year ended March 31	Budget	2016	2015
1. Source of supply			
Maintenance of reservoirs	\$ -	\$ -	\$ 75
Salaries and training	24,521	24,521	23,998
Other	<u>1,000</u>	<u>910</u>	<u>730</u>
	<u>\$ 25,521</u>	<u>\$ 25,431</u>	<u>\$ 24,803</u>
2. Power and pumping			
Power purchased	\$ 39,000	\$ 40,900	\$ 37,484
Supervision	5,416	5,300	5,300
Fuel	2,200	100	2,099
Maintenance	2,400	4,592	2,261
Other	<u>-</u>	<u>-</u>	<u>2</u>
	<u>\$ 49,016</u>	<u>\$ 50,892</u>	<u>\$ 47,146</u>
3. Water treatment			
Supervision	\$ 230	\$ -	\$ 225
Chemicals	22,000	23,624	20,824
Maintenance	18,772	7,194	17,520
Salaries and training	68,150	78,366	66,696
Supplies	3,439	4,030	873
Other	<u>-</u>	<u>14,068</u>	<u>2,494</u>
	<u>\$ 112,591</u>	<u>\$ 127,282</u>	<u>\$ 108,632</u>
4. Transmission and distribution			
Shop	\$ 2,200	\$ 7	\$ 2,065
Maintenance	62,500	34,311	43,092
Transportation	100	-	100
Other	<u>23,736</u>	<u>12,398</u>	<u>23,008</u>
	<u>\$ 88,536</u>	<u>\$ 46,716</u>	<u>\$ 68,265</u>
5. Administration			
Consumer accounting and collecting	\$ 1,100	\$ 1,809	\$ 59
Salaries	17,001	17,549	16,638
Professional fees	9,500	10,650	5,659
Administrative supplies and support services	2,451	681	2,398
Insurance	1,754	1,788	1,717
Regulatory expense	1,623	795	1,590
Rent	12,773	12,773	12,500
Maintenance	150	-	133
Other	<u>10,316</u>	<u>12,093</u>	<u>9,762</u>
	<u>\$ 56,668</u>	<u>\$ 58,138</u>	<u>\$ 50,456</u>

The Municipality of the District of Guysborough
Supplementary schedule
Canso electric utility - operating fund
Statement of operations

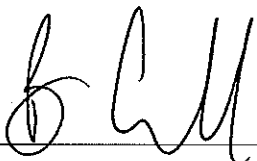
Year ended March 31	2016	2015
Revenue		
Operating		
Domestic and commercial light and power	\$ 915,103	\$ 906,582
Street lighting	<u>22,402</u>	<u>21,616</u>
	937,505	936,310
Non-operating		
Miscellaneous	<u>6,495</u>	<u>9,805</u>
	<u>944,000</u>	<u>945,810</u>
Expenses		
Operating		
Power purchased	719,500	708,971
Distribution	154,500	150,620
Administrative	68,700	72,748
Depreciation	<u>25,100</u>	<u>25,660</u>
	<u>967,800</u>	<u>917,324</u>
Non-operating		
Bank charges	50	52
Provision for doubtful accounts	3,000	3,932
Capital expenses	<u>19,650</u>	<u>22,117</u>
	<u>22,700</u>	<u>26,101</u>
	<u>990,500</u>	<u>943,425</u>
Total expenses	<u>990,500</u>	<u>943,425</u>
Excess of (expenses over revenue) revenue over expenses	<u>\$ (46,500)</u>	2,385
Surplus, beginning of year	<u>86,814</u>	<u>84,429</u>
Surplus, end of year	<u>\$ 47,546</u>	<u>\$ 86,814</u>

The Municipality of the District of Guysborough
Supplementary schedule
Canso electric utility - operating fund
Statement of financial position

Year ended March 31	2016	2015
Financial assets		
Cash and cash equivalents	\$ 347,334	\$ 203,440
Receivables		
Operating accounts	121,905	135,387
Non-operating accounts	<u>15,705</u>	<u>130,892</u>
Total financial assets	<u>\$ 484,944</u>	<u>\$ 469,719</u>
Financial liabilities		
Payables and accruals		
Trade	\$ 182,500	\$ 128,179
Customers' deposits	22,616	22,751
Due to own funds and agencies		
Electric capital fund	<u>332,650</u>	<u>306,991</u>
Total financial liabilities	<u>537,766</u>	<u>457,921</u>
Net financial (liabilities) assets	<u>(52,822)</u>	<u>11,798</u>
Non-financial assets		
Deferred expenses relating to sale of electric utility	88,425	63,137
Inventory of supplies	<u>11,943</u>	<u>11,879</u>
	<u>100,368</u>	<u>75,016</u>
Net assets	<u>\$ 47,546</u>	<u>\$ 86,814</u>
Surplus	<u>\$ 47,546</u>	<u>\$ 86,814</u>

Approved on behalf of the Municipality of the District of Guysborough

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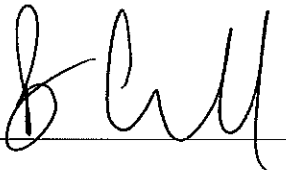
**The Municipality of the District of Guysborough
 Supplementary schedule
 Canso electric utility - capital fund
 Statement of financial position**

Year ended March 31	2016	2015
Financial assets		
Depreciation fund		
Short term investments	\$ 63,926	\$ 63,364
Due from own funds and agencies		
Electric operating fund	<u>332,650</u>	<u>306,991</u>
	<u>\$ 396,576</u>	<u>\$ 370,355</u>
Net financial assets		
	<u>\$ 396,576</u>	<u>\$ 370,355</u>
Non-financial assets		
Utility plant and equipment net of accumulated amortization of \$620,078 (2015 - \$594,418)	<u>256,125</u>	<u>266,835</u>
Net assets	<u>\$ 652,701</u>	<u>\$ 637,190</u>
Investment in capital assets (page 33)		
	<u>\$ 652,701</u>	<u>\$ 637,190</u>

Approved on behalf of the Municipality of the District of Guysborough



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The Municipality of the District of Guysborough
Supplementary schedule
Canso electric utility
Utility plant and equipment

March 31	2016	2015
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	143,910	128,960
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>870,203</u>	<u>855,253</u>
	<u>\$ 876,203</u>	<u>\$ 861,253</u>

Canso electric utility
Statement of investment in capital assets

Year ended March 31	2016	2015
Balance, beginning of year	\$ 637,190	\$ 612,582
Interest earned	561	2,491
Capital expenditure from operations	<u>14,950</u>	<u>22,117</u>
Balance, end of year	<u>\$ 652,701</u>	<u>\$ 637,190</u>