

Consolidated financial statements

The Municipality of the District of Guysborough

March 31, 2018

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## Management's responsibility for financial reporting

The accompanying consolidated financial statements of the Municipality of the District of Guysborough are the responsibility of management and have been approved by the Warden and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Chartered Professional Accountants of Canada and as such include amounts that are best estimates and judgements of management.

Management is responsible for the integrity and objectivity of these consolidated financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Warden and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Warden and Council meet periodically with management, as well as with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external independent auditor's report.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Municipality of the District of Guysborough and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Municipality of the District of Guysborough

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Chief Administrative Officer

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Director of Finance

July 26, 2018



## Independent auditor's report

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

Grant Thornton LLP  
Suite 204  
220 Main Street  
Antigonish, NS  
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We have audited the accompanying consolidated financial statements of the Municipality of the District of Guysborough on pages 3 - 25 which comprise the consolidated statement of financial position as at March 31, 2018, 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, 2018, 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 26 to 34 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.

Antigonish, Canada  
July 26, 2018

*Grant Thornton LLP*

Chartered Professional Accountants  
Licensed Public Accountants

# The Municipality of the District of Guysborough

## Consolidated statement of operations

Year ended March 31

2018

2017

	<u>Page</u>	<u>Budget</u> (Note 12)	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>				
Taxes	19	\$ 5,536,131	\$ 5,533,775	\$ 5,671,420
Grants in lieu of taxes	20	399,098	415,503	399,733
Sale of services	20	12,746,199	13,015,140	12,934,110
Other revenue from own sources	21	3,200,095	3,905,079	3,686,690
Unconditional transfers from other governments	21	135,000	171,423	312,976
Conditional transfers from other governments and agencies	21	757,347	4,075,958	875,218
Interest		12,900	292,016	218,016
Gain on disposal of tangible capital assets		-	56,653	23,000
Other		-	275,592	252,691
		<u>22,786,770</u>	<u>27,741,139</u>	<u>24,373,854</u>
<b>Expenses</b>				
General government services	22	2,734,069	2,686,751	3,385,122
Protection services	23	2,187,649	2,174,227	2,143,548
Transportation services	23	391,100	594,328	709,321
Environmental services	24	5,763,819	7,231,797	8,579,885
Rest Home - operations		5,668,874	5,841,262	5,623,180
Public health and welfare	24	72,000	45,442	70,548
Recreation and cultural services	25	1,070,343	1,162,286	1,059,189
Water operations	25	393,615	373,564	324,104
Electric operations	25	885,000	890,533	1,032,309
Infrastructure improvement expense	22	-	31,972	-
		<u>19,166,469</u>	<u>21,032,162</u>	<u>22,927,206</u>
<b>Annual surplus</b>		<u>\$ 3,620,301</u>	<u>\$ 6,708,977</u>	<u>\$ 1,446,648</u>
<hr/>				
Accumulated surplus, beginning of year			\$ 48,767,647	\$ 47,320,999
Annual surplus			<u>6,708,977</u>	<u>1,446,648</u>
Accumulated surplus, end of year			<u>\$ 55,476,624</u>	<u>\$ 48,767,647</u>

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

March 31

2018

2017

## Financial assets

Cash and cash equivalents	\$ 22,593,510	\$ 26,662,756
Receivables: taxes, rates and interest, net of valuation allowance	417,931	441,980
other, net of valuation allowance	3,053,786	2,484,620
Investments, at market value	<u>1,135,213</u>	<u>1,133,732</u>

## Total financial assets

\$ 27,200,440      \$ 30,723,088

## Liabilities

Payables and accruals	\$ 3,982,686	\$ 3,552,571
Deferred revenue (note 9)	2,026,456	2,351,279
Refundable deposits	27,001	26,761
Long term debt (note 3)	11,533,479	12,316,283
Prepayment of taxes	95,851	89,574
Closure and post closure liability for landfill	<u>7,001,817</u>	<u>6,406,252</u>
	<u>24,667,290</u>	<u>24,742,720</u>

## Net financial assets

2,533,150      5,980,368

## Non financial assets

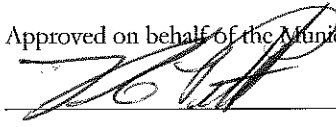
Tangible capital assets, net of amortization (pages 7 & 8)	52,477,102	42,280,222
Prepays	403,898	446,187
Vested property	1	1
Inventories of materials and supplies	<u>62,473</u>	<u>60,869</u>
	<u>52,943,474</u>	<u>42,787,279</u>

## Accumulated surplus

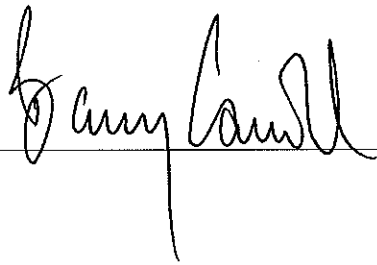
\$ 55,476,624      \$ 48,767,647

Contingencies (note 6)

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	2018	2017
Annual surplus	\$ 3,620,301	\$ 6,708,977	\$ 1,446,648
Acquisition of tangible capital assets	(2,098,800)	(12,375,661)	(3,008,954)
Amortization of tangible capital assets	130,443	2,178,781	3,120,485
Proceeds on disposal of tangible capital assets	-	56,653	23,000
Gain on disposal of tangible capital asset	-	(56,653)	(23,000)
	<u>(1,968,357)</u>	<u>(10,196,880)</u>	<u>111,531</u>
Other items	-	40,685	(44,010)
Change in net financial assets	\$ <u>1,651,944</u>	(3,447,218)	1,514,169
Net financial assets, beginning of year		<u>5,980,368</u>	<u>4,466,199</u>
Net financial assets, end of year		\$ <u>2,533,150</u>	\$ <u>5,980,368</u>

# The Municipality of the District of Guysborough

## Consolidated statement of cash flows

Year ended March 31

2018

2017

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

### Operating activities

Annual surplus	\$ 6,708,977	\$ 1,446,648
Amortization	2,178,781	3,120,485
Amortization of discount on debenture	5,599	5,595
Gain on disposal of tangible capital asset	<u>(56,653)</u>	<u>(23,000)</u>
	8,836,704	4,549,728

### Changes in non-cash working capital

Taxes, rates and interest receivable	24,049	25,932
Other receivables	(569,166)	(249,012)
Payables and accruals	430,115	(160,639)
Deferred revenue, deposits and prepayment of taxes	(318,306)	1,054,205
Prepays and other non-financial assets	<u>40,685</u>	<u>(44,010)</u>
	<u>8,444,081</u>	<u>5,176,204</u>

### Investing activities

Investments	<u>(1,481)</u>	<u>(2,138)</u>
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### Financing activities

Repayment of long term debt	(963,403)	(980,043)
Issuance of long term debt	175,000	-
Closure and post closure liability for landfill	<u>595,565</u>	<u>695,982</u>
	<u>(192,838)</u>	<u>(284,061)</u>

### Capital

Acquisition of tangible capital assets	(12,375,661)	(3,008,954)
Proceeds on disposal of tangible capital assets	<u>56,653</u>	<u>23,000</u>
	<u>(12,319,008)</u>	<u>(2,985,954)</u>

Net (decrease) increase in cash and cash equivalents

(4,069,246) 1,904,051

### Cash and cash equivalents

Beginning of year	<u>26,662,756</u>	<u>24,758,705</u>
End of year	<u>\$ 22,593,510</u>	<u>\$ 26,662,756</u>



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

Year ended March 31, 2018

	Land	Buildings	Machinery and Equipment	Water and Sewers	Sidewalks and Street Lamps	Signage	Cells	Vehicles
<b>Cost:</b>								
Balance, beginning of year	\$ 4,448,239	\$ 7,074,485	\$ 5,000,949	\$ 13,262,036	\$ 1,314,729	\$ 120,436	\$ 15,311,836	\$ 1,475,204
Acquisition of tangible capital assets	-	169,343	250,029	967,402	-	9,618	3,428	166,689
Disposal of tangible capital assets	-	-	-	-	-	-	-	-
Transferred from construction in progress	502,421	-	-	828,775	44,183	24,697	-	-
Balance, end of year	<u>4,950,660</u>	<u>7,243,828</u>	<u>5,250,978</u>	<u>15,058,212</u>	<u>1,358,912</u>	<u>154,751</u>	<u>15,315,264</u>	<u>1,641,893</u>
<b>Accumulated amortization:</b>								
Balance, beginning of year	-	2,461,695	3,013,071	4,427,366	916,520	50,635	12,386,525	1,109,328
Annual amortization	-	160,262	275,022	227,201	50,219	12,044	349,844	113,411
Accumulated amortization disposal	-	-	-	-	-	-	-	-
Balance, end of year	<u>-</u>	<u>2,621,957</u>	<u>3,288,093</u>	<u>4,654,567</u>	<u>966,739</u>	<u>62,679</u>	<u>12,736,369</u>	<u>1,222,739</u>
<b>Net book value of tangible capital assets</b>	<u>\$ 4,950,660</u>	<u>\$ 4,621,871</u>	<u>\$ 1,962,885</u>	<u>\$ 10,403,646</u>	<u>\$ 392,173</u>	<u>\$ 92,072</u>	<u>\$ 2,578,895</u>	<u>\$ 419,154</u>
<b>2017 net book value of tangible capital assets</b>	<u>\$ 4,448,239</u>	<u>\$ 4,612,790</u>	<u>\$ 1,987,878</u>	<u>\$ 8,834,670</u>	<u>\$ 398,209</u>	<u>\$ 69,801</u>	<u>\$ 2,925,311</u>	<u>\$ 365,876</u>

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

Year ended March 31, 2018

	Wharves and Canals	Land Improvements	Wind Turbines	Office Furnishings	Office Equipment	Lagoons	Roads	Construction In Progress	2018 Total	2017 Total
<b>Cost:</b>										
Balance, beginning of year	\$ 180,137	\$ 1,164,665	\$ 16,376,369	\$ 401,313	\$ 494,154	\$ 941,382	\$ 1,610,135	\$ 2,098,081	\$ 71,274,150	\$ 68,339,503
Acquisition of tangible capital assets	-	-	-	7,276	7,179	-	-	10,794,697	12,375,661	3,008,954
Disposals during the year	-	-	-	-	-	-	-	-	-	(74,307)
Transferred from construction in progress	-	-	-	-	-	-	59,302	(1,459,378)	-	-
Balance, end of year	<u>180,137</u>	<u>1,164,665</u>	<u>16,376,369</u>	<u>408,589</u>	<u>501,333</u>	<u>941,382</u>	<u>1,669,437</u>	<u>11,433,400</u>	<u>83,649,811</u>	<u>71,274,150</u>
<b>Accumulated amortization:</b>										
Balance, beginning of year	20,486	1,127,331	1,661,616	327,475	388,731	521,832	581,317	-	28,993,928	25,947,750
Annual amortization	7,205	2,847	818,819	17,431	33,002	47,069	64,405	-	2,178,781	3,120,485
Accumulated amortization of disposals	-	-	-	-	-	-	-	-	-	(74,307)
Balance, end of year	<u>27,691</u>	<u>1,130,178</u>	<u>2,480,435</u>	<u>344,906</u>	<u>421,733</u>	<u>568,901</u>	<u>645,722</u>	<u>-</u>	<u>31,172,709</u>	<u>28,993,928</u>
<b>Net book value of tangible capital assets</b>	<u>\$ 152,446</u>	<u>\$ 34,487</u>	<u>\$ 13,895,934</u>	<u>\$ 63,683</u>	<u>\$ 79,600</u>	<u>\$ 372,481</u>	<u>\$ 1,023,715</u>	<u>\$ 11,433,400</u>	<u>\$ 52,477,102</u>	<u>\$ 42,280,222</u>
<b>2017 net book value of tangible capital assets</b>	<u>\$ 159,651</u>	<u>\$ 37,334</u>	<u>\$ 14,714,753</u>	<u>\$ 75,838</u>	<u>\$ 105,423</u>	<u>\$ 419,550</u>	<u>\$ 1,028,818</u>	<u>\$ 2,098,081</u>		

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# The Municipality of the District of Guysborough

## Notes to the consolidated financial statements

March 31, 2018

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### 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.

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# The Municipality of the District of Guysborough

## Notes to the consolidated financial statements

March 31, 2018

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### 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 annual surplus, 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 and the second and third cells reached capacity in 2017.

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.

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# The Municipality of the District of Guysborough

## Notes to the consolidated financial statements

March 31, 2018

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### 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*.

##### Protection services

The Municipality is primarily responsible for police and 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. The Municipality engages the services of the RCMP to fulfil its policing protective role.

##### 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.

##### Public Health and Welfare services

This department is responsible for supporting programs to help lower income households maintain, acquire or rent safe, adequate and affordable housing.

##### Water operations

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

##### Electric operations

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

##### Rest home operations

This department is responsible for the operations of two long term care facilities.

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# The Municipality of the District of Guysborough

## Notes to the consolidated financial statements

March 31, 2018

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

#### (k) Cash and cash equivalents

Cash and cash equivalents includes unrestricted cash of \$2,853,664 (2017 - \$2,611,266) and internally designated cash of \$19,739,846 (2017 - \$24,051,490). 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 March 22, 2017 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted in accordance with Public Sector requirements. Note 12 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

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### 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 \$45,442 (2017 - \$70,548) for its share of deficits of the Housing Authority in the District of Guysborough in 2018.

#### Eastern Counties Regional Library

During 2017-2018, the Municipality of the District of Guysborough paid \$35,342 (2017 - \$35,341) to the Regional Library.

# The Municipality of the District of Guysborough

## Notes to the consolidated financial statements

March 31, 2018

3. Long term debt	<u>2018</u>	<u>2017</u>
4.388% - 5.644% rcst home debenture maturing in fiscal 2025, repayable in yearly principal payments of \$127,900.	\$ 896,200	\$ 1,024,100
3.902% - 4.939% rest home debenture maturing in fiscal 2025, repayable in yearly principal payments of \$40,135.	280,944	321,081
Prime plus 2.25%, repayable in monthly payments of \$260, plus interest, due on demand.	32,000	35,667
0 - 3.073% debenture maturing in fiscal 2028, repayable in yearly principal payments of \$17,500 interest payable semi-annually.	175,000	-
1.052% - 3.449% debenture maturing in fiscal 2031, repayable in yearly principal payments of \$764,950, interest payable semi-annually.	9,944,354	10,709,304
1.052% - 3.449% debenture maturing in fiscal 2031, repayable in yearly principal payments of \$15,084, interest payable semi-annually.	196,076	211,158
3.902 - 4.939% debenture maturing in fiscal 2025, repayable in yearly principal payments of \$11,667, interest payable semi-annually.	<u>81,664</u>	<u>93,331</u>
Total	11,606,238	12,394,641
Less debenture discount	<u>72,759</u>	<u>78,358</u>
	<u>\$ 11,533,479</u>	<u>\$ 12,316,283</u>

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

2019	\$ 1,009,236
2020	\$ 977,236
2021	\$ 977,236
2022	\$ 977,236
2023	\$ 977,236

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# The Municipality of the District of Guysborough

## Notes to the consolidated financial statements

March 31, 2018

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#### 4. Landfill closure and post closure costs

The Municipality of the District of Guysborough has estimated landfill closure and post closure costs relating to their 1<sup>st</sup> and 2<sup>nd</sup> generation landfill facility. During the March 31, 2018 fiscal year the Municipality has recognized net closure costs of \$629,826 and post closure costs of \$121,190 as an estimate of the costs related to the fiscal 2018 activity. As at March 31, 2018 a total of \$5,335,012 has been recorded as a landfill closure liability while \$1,666,806 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 1<sup>st</sup> generation site as well as for the proportionate share of the expired useful life of the 2<sup>nd</sup> 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 1<sup>st</sup> generation site has been closed while the 2<sup>nd</sup> generation site is currently in operation. In the 2<sup>nd</sup> generation the 1<sup>st</sup> cell has reached its capacity of 240,000 tonnes. The 2<sup>nd</sup> and 3<sup>rd</sup> cells combined have reached 100% of their 460,000 tonne combined capacity. Cell #4 has reached 30% of its 230,000 tonne capacity. The 2<sup>nd</sup> 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.

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#### 5. 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	\$ 39,286
Blair George	Councillor	21,826
Neil DeCoff	Councillor	21,826
Janet Peitzsche	Councillor	21,826
Sheila Pelly	Deputy-Warden	25,536
Miles MacDonald	Councillor	21,826
Ricky MacLaren	Councillor	21,826
Fin Armsworthy	Councillor	21,826
Barry Carroll	Chief Administrative Officer	146,644

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#### 6. 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>
Queensport – Chedabucto Volunteer Fire Department	\$ 20,000
Milford Haven Fire and Emergency Services	\$150,000

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# The Municipality of the District of Guysborough

## Notes to the consolidated financial statements

March 31, 2018

### 7. Segment information

	General Government Services	Protection Services	Transportation Services	Environmental Services	Rest Home Operations	Water Operations
<b>Revenues</b>						
Taxes	\$ 4,802,435	\$ 569,718	\$ 70,330	\$ 91,292	\$ -	\$ -
Grants in lieu of taxes	397,874	17,629	-	-	-	-
Sale of services	-	20,650	-	5,732,549	5,996,640	370,173
Other revenue from own sources	145,662	7,469	-	3,558,776	-	-
Unconditional transfers from other governments	171,423	-	-	-	-	-
Conditional transfers from other governments and agencies	-	2,520	-	982,049	-	-
Interest	263,144	-	-	-	9,339	8,042
Gain on disposal of tangible capital assets	56,653	-	-	-	-	-
Other	-	-	-	275,592	-	-
	<u>5,837,191</u>	<u>617,986</u>	<u>70,330</u>	<u>10,640,258</u>	<u>6,005,979</u>	<u>378,215</u>
<b>Expenditures</b>						
Salaries and benefits	1,766,976	97,642	-	1,425,604	4,754,166	121,758
Goods and services and other	757,867	2,064,299	400,435	3,971,426	964,273	161,530
Amortization	107,227	12,286	193,893	1,570,421	50,154	88,443
Interest	10,734	-	-	264,346	70,786	1,833
Valuation allowance	43,947	-	-	-	1,883	-
	<u>2,686,751</u>	<u>2,174,227</u>	<u>594,328</u>	<u>7,231,797</u>	<u>5,841,262</u>	<u>373,564</u>
<b>Annual surplus</b>	<u>\$ 3,150,440</u>	<u>\$ (1,556,241)</u>	<u>\$ (523,998)</u>	<u>\$ 3,408,461</u>	<u>\$ 164,717</u>	<u>\$ 4,651</u>

# The Municipality of the District of Guysborough

## Notes to the consolidated financial statements

March 31, 2018

### 7. Segment information (continued)

	Infrastructure Improvement Expense	Electric Operations	Public Health and Welfare	Recreation and Cultural Services	2018	2017
<b>Revenues</b>						
Taxes	-	-	-	-	\$ 5,533,775	\$ 5,671,420
Grants in lieu of taxes	-	-	-	-	415,503	399,733
Sale of services	-	873,563	-	21,565	13,015,140	12,934,110
Other revenue from own sources	-	-	-	193,172	3,905,079	3,686,690
Unconditional transfers from other governments	-	-	-	-	171,423	312,976
Conditional transfers from other governments and agencies	-	-	-	3,091,389	4,075,958	875,218
Interest	-	11,491	-	-	292,016	218,016
Gain and disposal of tangible capital assets	-	-	-	-	56,653	23,000
Water rates	-	-	-	-	275,592	252,691
	<u>-</u>	<u>885,054</u>	<u>-</u>	<u>3,306,126</u>	<u>27,741,139</u>	<u>24,373,854</u>
<b>Expenditures</b>						
Salaries and benefits	-	92,031	-	412,954	8,674,131	8,881,713
Goods and services and other	31,972	769,957	45,442	618,635	9,785,836	10,564,421
Amortization	-	25,660	-	130,697	2,178,781	3,120,489
Interest	-	856	-	-	348,555	360,835
Valuation allowance	-	2,029	-	-	47,859	(252)
	<u>31,972</u>	<u>890,533</u>	<u>45,442</u>	<u>1,162,286</u>	<u>21,032,162</u>	<u>22,927,206</u>
<b>Annual surplus</b>	<u>\$ (31,972)</u>	<u>\$ (5,479)</u>	<u>\$ (45,442)</u>	<u>\$ 2,143,840</u>	<u>\$ 6,708,977</u>	<u>\$ 1,446,648</u>

# The Municipality of the District of Guysborough

## Notes to the consolidated financial statements

March 31, 2018

### 8. 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. Milford Haven and Canso Seaside Manor participated in a multi-employer defined benefit pension plan which is accounted for as a defined contribution plan. Total consolidated contributions for the year were \$443,341 (2017 - \$458,235).

In accordance with Provincial Statute-An Act to Authorize the Town of Canso to provide a retiring allowance for a former employee 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.

### 9. Deferred revenue

Deferred revenue is comprised of deferred gas tax revenue and other deferred funding for the Chedabucto Lifestyle Complex. The breakdown of the deferred revenue that is reported on the consolidated statement of financial position is as follows:

	<u>Gas tax</u>	<u>Other</u>	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 1,640,933	\$ 710,346	\$ 2,351,279	\$ 1,297,796
Revenue				
Grants received and interest earned	385,523	-	385,523	1,258,573
Expenditure				
Grants spent	-	710,346	710,346	205,090
Balance, end of year	<u>\$ 2,026,456</u>	<u>\$ -</u>	<u>\$ 2,026,456</u>	<u>\$ 2,351,279</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.

Other deferred revenues represent funds received from federal, provincial, municipal and outside sources specifically for Chedabucto Lifestyle Complex project. These funds have been taken into income as the project is near completion.

### 10. Rate of return on rate base

For the year ended March 31, 2018, the Canso-Hazel Hill Water Utility had a rate of return on rate base of 0.3% (2017 - 0.9%).

### 11. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform with the preparation of the 2018 consolidated financial statements.

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# The Municipality of the District of Guysborough

## Notes to the consolidated financial statements

March 31, 2018

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### 12. 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
<b>Revenue</b>			
Taxes	\$ 6,939,580	\$ (1,403,449)	\$ 5,536,131
Grants in lieu of taxes	399,098	-	399,098
Sales of services	12,900,399	(154,200)	12,746,199
Other revenue from own sources	3,225,095	(25,000)	3,200,095
Unconditional transfers from other governments	135,000	-	135,000
Conditional transfers from other governments and agencies	1,125,249	(367,902)	757,347
Interest	<u>12,900</u>	<u>-</u>	<u>12,900</u>
	<u>24,737,321</u>	<u>(1,950,551)</u>	<u>22,786,770</u>
<b>Expense</b>			
General government services	2,789,018	(54,949)	2,734,069
Protection services	2,251,911	(64,262)	2,187,649
Transportation services	412,700	(21,600)	391,100
Environmental services	5,012,803	751,016	5,763,819
Rest Home – operations	5,737,613	(68,739)	5,668,874
Public health and welfare services	72,000	-	72,000
Recreational and cultural services	2,418,843	(1,348,500)	1,070,343
Water operations	406,115	(12,500)	393,615
Electric operations	897,500	(12,500)	885,000
Fiscal services	<u>4,694,368</u>	<u>(4,694,368)</u>	<u>-</u>
	<u>24,692,871</u>	<u>(5,526,402)</u>	<u>19,166,469</u>
Annual surplus	<u>\$ 44,450</u>	<u>\$ 3,575,851</u>	<u>\$ 3,620,301</u>

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# The Municipality of the District of Guysborough

## Schedules to consolidated statement of operations

Year ended March 31

	2018		2017
	Budget (Note 12)	Actual	Actual
<b>1. Taxes</b>			
Assessable property			
Residential	\$ 1,637,225	\$ 1,637,111	\$ 1,597,241
Commercial	<u>4,122,893</u>	<u>4,121,787</u>	<u>4,197,531</u>
	<u>5,760,118</u>	<u>5,758,898</u>	<u>5,794,772</u>
Resource			
Taxable assessments	231,173	229,154	217,864
Forest property			
Less than 50,000 acres	30,070	30,314	31,254
50,000 acres or more	260	260	260
Farmland acreage tax	<u>12,060</u>	<u>12,617</u>	<u>12,601</u>
	<u>273,563</u>	<u>272,345</u>	<u>261,979</u>
Area rates			
Protective services	562,208	569,718	563,009
Transportation services	70,450	70,330	92,073
Pump house	<u>221</u>	<u>221</u>	<u>221</u>
	<u>632,879</u>	<u>640,269</u>	<u>655,303</u>
Business property			
Based on revenue (Bell-Aliant)	<u>47,000</u>	<u>46,726</u>	<u>45,545</u>
Other			
Deed transfer taxes	80,000	72,657	198,608
Wind farm	<u>91,071</u>	<u>91,071</u>	<u>89,813</u>
	<u>171,071</u>	<u>163,728</u>	<u>288,421</u>
Less: Education	<u>(1,348,500)</u>	<u>(1,348,191)</u>	<u>(1,374,600)</u>
	<u>\$ 5,536,131</u>	<u>\$ 5,533,775</u>	<u>\$ 5,671,420</u>

# The Municipality of the District of Guysborough

## Schedules to consolidated statement of operations

Year ended March 31

	2018		2017
	Budget (Note 12)	Actual	Actual
<b>2. Grants in lieu of taxes</b>			
Federal government	\$ 49,999	\$ 59,383	\$ 46,867
Canada Post	1,863	2,013	2,040
Provincial government			
Crown timber	122,269	122,271	122,269
Property of supported institutions	75,484	72,693	74,785
Fire protection	15,756	17,629	13,710
Nova Scotia Power Inc.	120,000	127,787	126,365
Nova Scotia Liquor Commission	<u>13,727</u>	<u>13,727</u>	<u>13,697</u>
	<u>\$ 399,098</u>	<u>\$ 415,503</u>	<u>\$ 399,733</u>
<b>3. Sale of services</b>			
Sewer rates	\$ <u>75,410</u>	\$ <u>81,525</u>	\$ <u>74,870</u>
Environmental health services			
Other municipal units	4,978,880	5,006,449	4,780,432
Other	<u>281,120</u>	<u>601,020</u>	<u>844,706</u>
	<u>5,260,000</u>	<u>5,607,469</u>	<u>5,625,138</u>
Recreation and cultural	<u>29,500</u>	<u>21,565</u>	<u>30,548</u>
Inspection and sub-division fees			
Other municipal units	<u>116,235</u>	<u>64,205</u>	<u>58,744</u>
Water	<u>366,603</u>	<u>370,173</u>	<u>368,988</u>
Electric	<u>886,400</u>	<u>873,563</u>	<u>888,833</u>
Senior care	<u>6,012,051</u>	<u>5,996,640</u>	<u>5,886,989</u>
	<u>\$ 12,746,199</u>	<u>\$ 13,015,140</u>	<u>\$ 12,934,110</u>

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

	2018		2017
	Budget (Note 12)	Actual	Actual
<b>4. Other revenue from own sources</b>			
Licenses and permits	\$ 10,000	\$ 10,394	\$ 8,394
Fines	5,000	3,908	4,605
Interest on taxes	70,000	81,687	73,558
Miscellaneous	5,143	18,697	105,799
Interest on investments	10,000	39,555	33,252
Rent - office space	3,500	3,515	3,865
Chedabucto Lifestyle Complex fundraising	-	193,172	165,437
Wind turbines	3,009,795	3,468,494	3,174,559
Rent – Sable Wind	86,657	85,657	117,221
	<u>\$ 3,200,095</u>	<u>\$ 3,905,079</u>	<u>\$ 3,686,690</u>
<b>5. Unconditional transfers from other governments</b>			
Provincial government			
HST offset program	\$ 50,000	\$ 86,745	\$ 46,976
Unconditional funding	85,000	84,678	266,000
	<u>\$ 135,000</u>	<u>\$ 171,423</u>	<u>\$ 312,976</u>
<b>6. Conditional transfers from other governments and agencies</b>			
Federal government agencies			
Work projects	\$ 6,000	\$ 7,277	\$ 5,992
ACOA projects	-	-	103,031
	<u>6,000</u>	<u>7,277</u>	<u>109,023</u>
Provincial			
Nova Scotia Health Promotion - operating	25,000	25,000	25,000
Emergencies Measures Organization	2,500	2,520	2,520
Resource Recovery Fund Board	3,000	9,192	952
Resource Recovery Fund Board - ERSWMC	130,514	161,554	168,419
Other – studies and recoveries	-	-	25,000
Chedabucto Lifestyle Complex funding	-	3,259,286	39,653
Socio-Economic Effects Management Plan	-	-	17,992
Strait Regional School Board	5,000	(1,000)	5,000
Nova Scotia Health and Wellness	5,000	4,950	4,995
Department of Community Service/Recreation	20,000	20,000	20,000
Infrastructure funding	560,333	587,179	456,664
	<u>751,347</u>	<u>4,068,681</u>	<u>766,195</u>
	<u>\$ 757,347</u>	<u>\$ 4,075,958</u>	<u>\$ 875,218</u>

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

	2018		2017
	Budget (Note 12)	Actual	Actual
<b>7. Infrastructure improvement expense</b>			
Revenue			
Service Nova Scotia and Municipal Relations			
Canso infrastructure	\$ -	\$ 7,476	\$ 352,524
Less: Canso infrastructure expenses not capitalized	-	(39,448)	(352,524)
	<u>\$ -</u>	<u>\$ (31,972)</u>	<u>\$ -</u>
<b>8. General government services</b>			
Legislative			
Warden stipend	\$ 39,286	\$ 39,286	\$ 38,931
Council stipend	156,493	156,492	155,131
Other legislative services	<u>47,221</u>	<u>42,365</u>	<u>40,542</u>
	<u>243,000</u>	<u>238,143</u>	<u>234,604</u>
General administrative			
Administrative	514,715	373,126	1,077,754
Financial management	402,348	404,986	486,569
Taxation - reduced taxes	76,060	71,175	75,828
- other	79,123	71,252	66,143
Assessment costs	<u>172,595</u>	<u>172,595</u>	<u>172,780</u>
	<u>1,244,841</u>	<u>1,093,134</u>	<u>1,879,074</u>
Municipal properties			
Common services	<u>958,711</u>	<u>959,520</u>	<u>909,163</u>
Amortization	-	<u>107,227</u>	<u>116,170</u>
Valuation allowance	-	<u>43,947</u>	<u>(252)</u>
Other general government services			
Grants to organizations and individuals	130,000	129,750	104,994
Insurance	35,000	36,710	34,162
Election	1,000	-	30,288
Dues	11,900	4,556	7,262
Other	<u>109,617</u>	<u>73,764</u>	<u>69,657</u>
	<u>287,517</u>	<u>244,780</u>	<u>246,363</u>
	<u>\$ 2,734,069</u>	<u>\$ 2,686,751</u>	<u>\$ 3,385,122</u>



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

Year ended March 31

	2018		2017
	Budget (Note 12)	Actual	Actual
<b>9. Protection services</b>			
Police protection	\$ 1,250,000	\$ 1,244,731	\$ 1,198,976
Law enforcement			
Transfer to correctional services	96,000	92,726	94,615
Prosecuting attorney	1,200	4,759	6,784
	<u>97,200</u>	<u>97,485</u>	<u>101,399</u>
Fire protection			
Community fire department			
Appropriation of levy	562,208	562,014	563,009
Grants	107,800	107,772	105,950
Fire dispatch	31,000	28,157	28,158
Fire service	8,091	3,753	5,840
Firemen's disability insurance	22,700	21,096	16,650
	<u>731,799</u>	<u>722,792</u>	<u>719,607</u>
Emergency measures			
Honorarium and other expenses	3,950	2,331	13,705
Amortization	-	12,286	9,563
Other			
By-law enforcement	23,700	20,954	21,997
Protective inspection - building	81,000	73,648	78,301
	<u>104,700</u>	<u>94,602</u>	<u>100,298</u>
	<u>\$ 2,187,649</u>	<u>\$ 2,174,227</u>	<u>\$ 2,143,548</u>
<b>10. Transportation services</b>			
Road transport			
Roads and streets	\$ 270,800	\$ 271,070	\$ 372,375
Amortization	-	193,893	193,244
Street lighting commissions			
Appropriation of levy	49,850	54,360	73,285
Grant	70,450	75,005	70,417
	<u>\$ 391,100</u>	<u>\$ 594,328</u>	<u>\$ 709,321</u>

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

Year ended March 31

	2018		2017
	Budget (Note 12)	Actual	Actual
<b>11. Environmental services</b>			
Health services			
Solid waste collection and disposal			
Collection and recyclable disposal/trucking	\$ 409,500	\$ 379,502	\$ 385,927
Operations and maintenance	<u>1,945,700</u>	<u>1,901,171</u>	<u>1,976,026</u>
	<u>2,355,200</u>	<u>2,280,673</u>	<u>2,361,953</u>
Pollution and waste control			
Maintenance	164,465	154,916	158,632
Other	<u>90,500</u>	<u>191,648</u>	<u>207,243</u>
	<u>254,965</u>	<u>346,564</u>	<u>365,875</u>
Landfill closure and post closure	<u>751,016</u>	<u>595,565</u>	<u>695,982</u>
Amortization	<u>-</u>	<u>1,570,421</u>	<u>2,511,220</u>
Development services			
Planning, zoning and economic development	<u>2,402,638</u>	<u>2,438,574</u>	<u>2,644,855</u>
	<u>\$ 5,763,819</u>	<u>\$ 7,231,797</u>	<u>\$ 8,579,885</u>
<b>12. Public health and welfare</b>			
Social welfare			
Deficit of Regional Housing Authority	<u>\$ 72,000</u>	<u>\$ 45,442</u>	<u>\$ 70,548</u>

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

	2018		2017
	Budget (Note 12)	Actual	Actual
<b>13. Recreation and cultural services</b>			
Recreation			
Administration	\$ 221,800	\$ 241,321	\$ 220,356
Programs	464,755	494,579	426,360
Grants	66,000	62,882	77,066
Community projects	<u>247,588</u>	<u>173,658</u>	<u>149,837</u>
	<u>1,000,143</u>	<u>972,440</u>	<u>873,619</u>
Cultural buildings and facilities			
Local library			
Operations	34,200	23,807	24,538
Regional	<u>36,000</u>	<u>35,342</u>	<u>35,341</u>
	<u>70,200</u>	<u>59,149</u>	<u>59,879</u>
Amortization	<u>-</u>	<u>130,697</u>	<u>125,691</u>
	<u>\$ 1,070,343</u>	<u>\$ 1,162,286</u>	<u>\$ 1,059,189</u>
<b>14. Water operating</b>			
Transmission and distribution	\$ 256,882	\$ 236,683	\$ 191,624
Administration	48,290	48,438	44,037
Amortization	<u>88,443</u>	<u>88,443</u>	<u>88,443</u>
	<u>\$ 393,615</u>	<u>\$ 373,564</u>	<u>\$ 324,104</u>
<b>15. Electric operating</b>			
Transmission and distribution	\$ 68,700	\$ 71,001	\$ 112,291
Electricity purchases	719,000	700,487	716,754
Administration	71,300	93,385	177,604
Amortization	<u>26,000</u>	<u>25,660</u>	<u>25,660</u>
	<u>\$ 885,000</u>	<u>\$ 890,533</u>	<u>\$ 1,032,309</u>

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# **SUPPLEMENTARY INFORMATION**

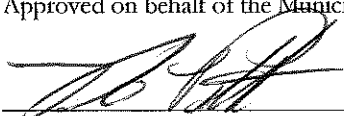
The Municipality of the District of Guysborough  
 Supplementary schedule  
 Canso-Hazel Hill water utility - operating fund  
 Schedule of operations

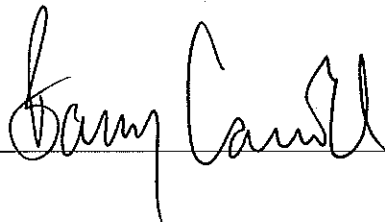
Year ended March 31	Budget	2018	2017
Revenue			
Operating			
Metered and flat rate sales	\$ 365,803	\$ 369,373	\$ 368,988
Sprinkler service	800	800	-
Public fire protection	<u>64,512</u>	<u>64,462</u>	<u>64,262</u>
	<u>431,115</u>	<u>434,635</u>	<u>433,250</u>
Operating expenditures			
Source of supply (page 30)	26,411	25,293	24,968
Power and pumping (page 30)	52,802	39,115	32,330
Water treatment (page 30)	129,501	128,538	100,714
Transmission and distribution (page 30)	48,168	43,737	33,612
Administration (page 30)	60,320	59,610	56,556
Taxes	29,950	29,949	29,949
Depreciation	<u>88,443</u>	<u>88,443</u>	<u>88,443</u>
	<u>435,595</u>	<u>414,685</u>	<u>366,572</u>
Operating income (loss)	<u>(4,480)</u>	<u>19,950</u>	<u>66,678</u>
Non-operating revenue			
Interest earned	1,800	1,819	1,473
Miscellaneous	<u>2,000</u>	<u>2,085</u>	<u>2,136</u>
	<u>3,800</u>	<u>3,904</u>	<u>3,609</u>
Non-operating expenditures			
Bank charges and interest	<u>470</u>	<u>1,833</u>	<u>486</u>
Excess of revenue over expenditures (expenditures over revenue)	<u>\$ (1,150)</u>	22,021	69,801
Surplus, beginning of year		<u>227,346</u>	<u>157,545</u>
Surplus, end of year		<u>\$ 249,367</u>	<u>\$ 227,346</u>

**The Municipality of the District of Guysborough  
 Supplementary schedule  
 Canso-Hazel Hill water utility – operating fund  
 Schedule of financial position**

March 31	2018	2017
<b>Financial assets</b>		
Cash and cash equivalents	\$ 202,337	\$ 145,541
Receivables		
Rates (less allowance for doubtful accounts \$5,374)	85,531	79,294
Due from own funds and agencies		
General operating	<u>44,699</u>	<u>-</u>
<b>Total financial assets</b>	<b><u>\$ 332,567</u></b>	<b><u>\$ 224,835</u></b>
<b>Financial liabilities</b>		
Payables and accruals		
Trade	\$ 28,549	\$ 28,290
Customers' deposits	4,665	4,665
Due to own funds and agencies		
General operating	-	2,991
Water capital	<u>88,443</u>	<u>-</u>
<b>Total financial liabilities</b>	<b><u>121,657</u></b>	<b><u>35,946</u></b>
<b>Net financial assets</b>	<b><u>210,910</u></b>	<b><u>188,889</u></b>
<b>Non-financial assets</b>		
Inventory of supplies	<u>38,457</u>	<u>38,457</u>
<b>Net assets</b>	<b><u>\$ 249,367</u></b>	<b><u>\$ 227,346</u></b>
<b>Surplus</b>	<b><u>\$ 249,367</u></b>	<b><u>\$ 227,346</u></b>

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  
 Schedule of financial position**

March 31 2018 2017

**Financial assets**

Depreciation fund

Cash and cash equivalents	\$ 832,314	\$ 828,254
Short term investments	10,604	10,527
Due from own fund and agencies – water operating	<u>88,443</u>	<u>-</u>

**Total financial assets**

<u>\$ 931,361</u>	<u>\$ 838,781</u>
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**Financial liabilities**

Payables and accruals

Due to own funds and agencies		
General operating	\$ 44,487	\$ -

**Total financial liabilities**

<u>44,487</u>	<u>-</u>
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**Net financial assets**

<u>886,874</u>	<u>838,781</u>
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**Non-financial assets**

Utility plant and equipment net of accumulated amortization of \$1,244,768  
 (2017 - \$1,156,325)

<u>5,004,719</u>	<u>5,048,674</u>
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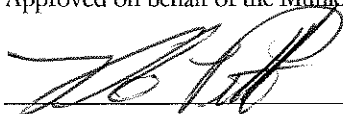
**Net assets**

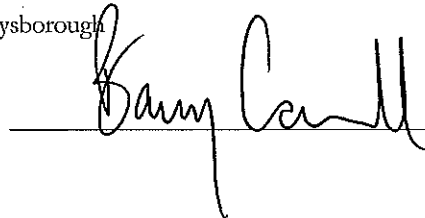
<u>\$ 5,891,593</u>	<u>\$ 5,887,455</u>
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Investment in capital assets (page 29)

<u>\$ 5,891,593</u>	<u>\$ 5,887,455</u>
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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**  
**Utility plant and equipment**

March 31	2018	2017
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	617,076	617,076
Services	137,632	137,632
Meters	104,377	104,377
Hydrants	86,307	80,373
Office furniture and equipment	27,142	27,142
Tools and equipment	10,762	10,762
Transportation equipment	105,294	105,294
Water Treatment Plant	5,054,390	5,015,836
Generator	8,278	8,278
Pumping equipment	<u>34,877</u>	<u>34,877</u>
	<u>\$ 6,249,487</u>	<u>\$ 6,204,999</u>

**Canso-Hazel Hill water utility**  
**Schedule of investment in capital assets**

Year ended March 31	2018	2017
Balance, beginning of year	\$ 5,887,455	\$ 5,884,749
Interest earned	<u>4,138</u>	<u>2,706</u>
Balance, end of year	<u>\$ 5,891,593</u>	<u>\$ 5,887,455</u>



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

Year ended March 31	Budget	2018	2017
<b>Source of supply</b>			
Salaries and training	\$ 25,467	\$ 25,293	\$ 24,968
Other	944	-	-
	<u>\$ 26,411</u>	<u>\$ 25,293</u>	<u>\$ 24,968</u>
<b>Power and pumping</b>			
Power purchased	\$ 42,479	\$ 39,115	\$ 26,272
Supervision	5,504	-	5,396
Fuel	104	-	662
Maintenance	4,715	-	-
	<u>\$ 52,802</u>	<u>\$ 39,115</u>	<u>\$ 32,330</u>
<b>Water treatment</b>			
Chemicals	\$ 24,535	\$ 21,312	\$ 2,728
Maintenance	7,400	23,113	15,032
Salaries and training	78,956	75,543	74,596
Supplies	4,186	1,616	6,411
Other	14,424	6,954	1,947
	<u>\$ 129,501</u>	<u>\$ 128,538</u>	<u>\$ 100,714</u>
<b>Transmission and distribution</b>			
Maintenance	\$ 35,262	\$ 29,187	\$ 18,522
Other	12,906	14,550	15,090
	<u>\$ 48,168</u>	<u>\$ 43,737</u>	<u>\$ 33,612</u>
<b>Administration</b>			
Consumer accounting and collecting	\$ 1,818	\$ -	\$ (598)
Salaries	18,175	20,922	17,235
Professional fees	11,060	10,006	11,873
Administrative supplies and support services	758	-	143
Insurance	1,857	1,862	1,828
Regulatory expense	826	795	795
Rent	13,266	13,005	13,005
Other	12,560	13,020	12,275
	<u>\$ 60,320</u>	<u>\$ 59,610</u>	<u>\$ 56,556</u>

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

Year ended March 31	Budget	2018	2017
Revenue			
Operating			
Domestic and commercial light and power	\$ 937,400	\$ 916,375	\$ 936,137
Street lighting	<u>21,600</u>	<u>21,658</u>	<u>21,559</u>
	959,000	938,033	957,696
Non-operating			
Miscellaneous	<u>9,100</u>	<u>11,032</u>	<u>9,145</u>
Total revenue	<u>968,100</u>	<u>949,065</u>	<u>966,841</u>
Expenditures			
Operating			
Power purchased	719,000	700,487	716,756
Billing adjustment	-	-	111,625
Distribution	68,700	96,661	108,425
Administrative	81,805	79,874	75,273
Depreciation	<u>26,000</u>	<u>25,660</u>	<u>25,660</u>
	<u>895,505</u>	<u>902,682</u>	<u>1,037,739</u>
Non-operating			
Bank charges	700	856	654
Provision for doubtful accounts	1,295	2,029	(252)
Capital expenditures	<u>25,000</u>	<u>-</u>	<u>-</u>
	<u>26,995</u>	<u>2,885</u>	<u>402</u>
Total expenses	<u>922,500</u>	<u>905,567</u>	<u>1,038,141</u>
Excess of revenue over expenditures (expenditures over revenue)	<u>\$ 45,600</u>	43,498	(71,300)
(Deficit) surplus, beginning of year		<u>(23,754)</u>	<u>47,546</u>
Surplus (deficit), end of year		<u>\$ 19,744</u>	<u>\$ (23,754)</u>

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

Year ended March 31

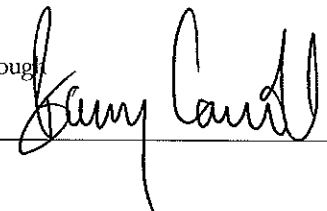
2018

2017

<b>Financial assets</b>		
Cash and cash equivalents	\$ 215,417	\$ 265,204
Receivables		
Operating accounts	125,930	125,979
Non-operating accounts	<u>3,664</u>	<u>9,201</u>
<b>Total financial assets</b>	<b>\$ <u>345,011</u></b>	<b>\$ <u>400,384</u></b>
<b>Financial liabilities</b>		
Payables and accruals		
Trade	\$ 38,090	\$ 151,307
Customers' deposits	22,336	22,096
Due to own funds and agencies		
Electric capital fund	<u>383,969</u>	<u>358,309</u>
<b>Total financial liabilities</b>	<b><u>444,395</u></b>	<b><u>531,712</u></b>
<b>Net financial debt</b>	<b><u>(99,384)</u></b>	<b><u>(131,328)</u></b>
<b>Non-financial assets</b>		
Deferred expenses relating to sale of electric utility	107,375	97,446
Inventory of supplies	<u>11,753</u>	<u>10,128</u>
	<u>119,128</u>	<u>107,574</u>
<b>Net assets (debt)</b>	<b>\$ <u>19,744</u></b>	<b>\$ <u>(23,754)</u></b>
<b>Surplus (deficit)</b>	<b>\$ <u>19,744</u></b>	<b>\$ <u>(23,754)</u></b>

Approved on behalf of the Municipality of the District of Guysborough

 Warden

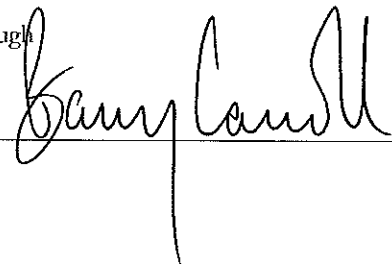
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**The Municipality of the District of Guysborough  
 Supplementary schedule  
 Canso electric utility - capital fund  
 Schedule of financial position**

Year ended March 31	2018	2017
<b>Financial assets</b>		
Depreciation fund		
Short term investments	\$ 64,829	\$ 64,370
Due from own funds and agencies		
Electric operating fund	<u>383,969</u>	<u>358,309</u>
	<u>\$ 448,798</u>	<u>\$ 422,679</u>
<b>Net financial assets</b>		
	<u>\$ 448,798</u>	<u>\$ 422,679</u>
<b>Non-financial assets</b>		
Utility plant and equipment net of accumulated amortization of \$671,397 (2017 - \$645,737)	<u>204,806</u>	<u>230,466</u>
<b>Net assets</b>	<u>\$ 653,604</u>	<u>\$ 653,145</u>
<b>Investment in capital assets (page 34)</b>		
	<u>\$ 653,604</u>	<u>\$ 653,145</u>

Approved on behalf of the Municipality of the District of Guysborough

  
 \_\_\_\_\_ Warden

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

March 31	2018	2017
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	143,910
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>870,203</u>
	<u>\$ 876,203</u>	<u>\$ 876,203</u>

**Canso Electric Utility**  
**Schedule of investment in capital assets**

Year ended March 31	2018	2017
Balance, beginning of year	\$ 653,145	\$ 652,701
Interest earned	<u>459</u>	<u>444</u>
Balance, end of year	<u>\$ 653,604</u>	<u>\$ 653,145</u>