

1. CALL TO ORDER

1.1 O' Canada

Warden Al Gillis called the December 13, 2017 Council session of the Municipality of the County of Cumberland to Order at 6:14 p.m. The meeting was held in the council chambers of the E.D. Fullerton Municipal Building, Upper Nappan. O'Canada was sung.

1.2 Roll Call

Municipal Clerk Brenda Moore, called the roll with the following Councillors present: Councillor Porter, Councillor Chase, Deputy Warden van Vulpen, Warden Gillis, Councillor Welton, Councillor Palmer, Councillor Rector, Councillor Gilbert, Councillor McLellan, Councillor Fletcher, Councillor Williams, Councillor Jackson, and Councillor Rafuse

Staff present: Rennie Bugley, CAO; Steve Ferguson, Director of Community Development; Justin Waugh-Cress, Director of Engineering and Operations; Andrew MacDonald, Director of Finance; and Brenda Moore, Municipal Clerk, who recorded the meeting.

2. ADMINISTRATIVE AND PROCEDURAL ISSUES

2.1 The agenda was approved with the following additions:

Additions: 2.4.5 Audited Financial Statements

2.2 Approval of Minutes of November 15, 2017 Council meeting.

IT WAS MOVED by Councillor Gilbert, seconded by Councillor Rafuse to approve the minutes of the November 15, 2017 Council meeting.

MOTION CARRIED #17-358

2.3 Action List from the November 15, 2017 council meeting

The Action List was reviewed and Council was brought up to date on the status of the items.

Councillor Williams left the meeting at 6:50

2.4 Delegations, Presentations, Petitions, Proclamations

i. Parrsboro Band Association

Mr. Rob Bentley, Vice Chair and Johannes Hiesberger, Treasurer of the Parrsboro Band Association introduced themselves and explained their project. They wish to install solar power generating panels on the roof of the band hall. Total projected install cost is \$120,000. Annual projected income is estimated to be \$9,000-\$10,000 per year. They will be requesting funding of \$60,000 from the Municipality and \$10,000 from the Cumberland Energy Authority and the Band association financing \$50,000 for this project.

ii. Parrsboro Creative Strategic Plan

Mr. Michael Fuller, President and Mr. Robert Moore, Executive Director of Parrsboro Creative provided information to Council about the vision of Parrsboro becoming the Art and Cultural Hub of Central Nova Scotia helping to make Cumberland County a world class cultural tourism destination. Current initiatives are to create a piece of Public Art and to create a critical mass of studios with artists working in a wide variety of visual arts disciplines on Parrsboro's Main Street. To support this Art Zone, a new streetscape that would draw visitors from the Maritimes, USA and abroad making Cumberland County a Cultural Tourism Destination.

iii. Heritage

Mr. Joe O'Byrne made a presentation to Council expressing his desire to promote an economic spin off surrounding the heritage of Cumberland County. Mr. O'Byrne would like to see monuments erected at each of the 10 sites of former Acadian settlements in Cumberland County.

2.4.5 Audited Financial Statements

Director of Finance, Andrew MacDonald introduced Susan McIsaac from the firm of McIsaac Darragh the Municipality's Auditors. Ms. McIsaac briefly explained the contents and purpose of the financial statements, the management letter and the audit findings letter, as well as the responsibilities of the auditors.

IT WAS MOVED by Councillor Welton seconded by Councillor Fletcher to approve the draft Consolidated Financial Statements as attached as Appendix A to these minutes.

MOTION CARRIED #17-359

2.5 Public Hearings

- i) Dangerous and Unightly – 3727 Highway 6, Amherst, NS, AAN #00443891, PID #25048810

Warden Gillis called the Public Hearing to order at 7:34 p.m.

Justin Waugh-Cress, Director of Engineering and Operations provided a brief verbal report to accompany a power point presentation.

Warden Gillis asked if there were any comments from the property owner, representatives of the property owner, or Council. Hearing none, Warden Gillis closed the hearing at 7:35 p.m.

IT WAS MOVED by Deputy Warden Van Vulpen seconded by Councillor Fletcher that Council order demolition of the structures as well as the removal of all debris from the property at 3727 Highway 6, Amherst, NS, AAN #00443891, PID #25048810, to an approved facility by January 13, 2018.

MOTION CARRIED #17-360

- ii) Dangerous and Unightly – 1 Elm Street, Springhill, N.S., AAN #03075842, PID #25227794

Warden Gillis called the Public Hearing to order at 7:35 p.m.

Justin Waugh-Cress, Director of Engineering and Operations provided a brief verbal report to accompany a power point presentation.

Warden Gillis asked if there were any comments from the property owner, representatives of the property owner, or Council. Hearing none, Warden Gillis closed the hearing at 7:39 p.m.

IT WAS MOVED by Councillor Jackson seconded by Councillor Welton that Council order demolition of the structure as well as the removal of all debris from the property at 1 Elm Street, Springhill, N.S., AAN #03075842, PID #25227794 to an approved facility by January 3, 2018.

MOTION CARRIED #17-361

Councillor Williams returned to the meeting at 7:39

- iii) Dangerous and Unightly – 31 Hillside Drive, Maccan, N.S., AAN #04716264, PID #25064445

Warden Gillis called the Public Hearing to order at 7:39 p.m.

Justin Waugh-Cress, Director of Engineering and Operations provided a brief verbal report to accompany a power point presentation.

Warden Gillis asked if there were any comments from the property owner, representatives of the property owner, or Council. Hearing none, Warden Gillis closed the hearing at 7:41 p.m.

IT WAS MOVED by Councillor McLellan seconded by Councillor Rector that Council order demolition of all structures as well as the removal of all debris from the property at 31 Hillside Drive, Maccan, N.S., AAN #04716264, PID #25064445 to an approved facility by January 13, 2018.

MOTION CARRIED #17-362

- iv) Dangerous and Unsightly – –59 Elm Street, River Hebert, N.S., AAN #00535982, PID #25056409

Warden Gillis called the Public Hearing to order at 7:41 p.m.

Justin Waugh-Cress, Director of Engineering and Operations provided a brief verbal report to accompany a power point presentation.

Warden Gillis asked if there were any comments from the property owner, representatives of the property owner, or Council. Hearing Councillor Gilbert asked about the condition of the trailer on the property. Warden Gillis closed the hearing at 7:42 p.m.

IT WAS MOVED by Councillor Porter seconded by Councillor Fletcher that Council order demolition of the structure as well as the removal of all debris from the property at 59 Elm Street, River Hebert, N.S., AAN #00535982, PID #25056409 to an approved facility by January 13, 2018

MOTION CARRIED #17-363

3. STRATEGIC PRIORITIES ISSUES

There are no strategic priority issues for today's meeting.

4. MAJOR ORGANIZATIONAL ISSUES

There are no major organizational Issues for this meeting.

5. ORGANIZATIONAL POLICY/BY-LAW ISSUES

5.1 Drugs and Alcohol in the Workplace Policy

IT WAS MOVED by Councillor Fletcher seconded by Councillor Rector to give notice of Council's intention to consider the Drugs and Alcohol in the Workplace Policy for adoption at the January 17, 2018 Council Meeting.

MOTION CARRIED #17-364

6. BUSINESS ISSUES

6.1 Glooscap Campground 2017 Report

Scott Munro, Facilities Manager, provided Council with a report detailing the Glooscap Campground's 2017 season.

6.2 Tax Collection Report(s) October and November

Jen Moore, Revenue Officer, prepared Tax Collection reports for October and November 2017 and they were included in your meeting material.

6.3 Remittals

IT WAS MOVED by Councillor Gilbert seconded by Councillor Rector to approve the remittal in the amount of \$330.21 for Account #602425, AAN 00803421 for interest accumulated.

MOTION CARRIED #17-365

IT WAS MOVED by Councillor Rector seconded by Councillor Fletcher to approve the remittal in the amount of \$45.26 for Account #623328, AAN 10502578 for taxes and interest accumulated on the duplicate account.

MOTION CARRIED #17-366

IT WAS MOVED by Councillor Fletcher seconded by Councillor Williams to approve the remittal in the amount of \$124.09 for Account #614638, AAN 05634067 for taxes and interest accumulated on the account.

MOTION CARRIED #17-367

6.4 Grant Requests

IT WAS MOVED by Councillor Van Vulpen seconded by Councillor Jackson to provide the Pugwash Farmers Market with a grant in the amount of \$38,616.50 conditional on the additional funding be in place to have vendor kiosks installed this fall in order for them to be in place once their season starts in 2018.

MOTION CARRIED #17-368

IT WAS MOVED by Councillor Welton seconded by Councillor Fletcher to provide the Wallace Country Christmas Committee a grant in the amount of \$400 from the Local Grant Funds of District 5 to assist with the cost of their annual "Wallace Country Christmas".

MOTION CARRIED #17-369

IT WAS MOVED by Councillor Rector seconded by Councillor McLellan to provide the Cyrus Eaton Home and School Association a grant in the amount of \$1,000 from the Local Grant Funds of District 4 to assist with the cost of installing an ice rink behind the elementary school for the public.

MOTION CARRIED #17-370

IT WAS MOVED by Councillor Palmer seconded by Councillor Rector to provide the Cumberland Public libraries a grant in the amount of \$450 from the Regional Grant Funds for their "Hackmatack Author Tour".

MOTION CARRIED #17-371

IT WAS MOVED by Councillor Fletcher seconded by Councillor Welton to provide CANSA a grant in the amount of \$1300 from the Regional Grant Funds to assist with the cost of hosting the 2018 Provincial African Nova African Heritage Month "Celebrate, Educate and Unite" on Thursday, February 1, 2018 at the Dr. Carson & Marion Murray Community Centre at noon.

MOTION CARRIED #17-372

IT WAS MOVED by Councillor Porter seconded by Councillor Fletcher to provide the Amherst Golf Club a grant up to a maximum of \$ 2,500 to assist with funding a station for snowmobile club members to rest, get warm and have a place to get meals. These funds will be given at a rate of \$312.50 for each weekend they are in operation this winter up to the maximum of \$2,500. Funds: \$1000 from District 2; \$1,500 from District 1 Local Grant Funds

MOTION CARRIED #17-373

6.5 Nova Scotia Border Committee

IT WAS MOVED by Councillor Gilbert seconded by Councillor Chase to change the name of the Border entrance committee to the Nova Scotia Border Committee and to approve the terms of reference for the NS Border Committee with a change to these TOR to align the term of their citizen appointments with the Municipality's Citizen Appointment Policy.

Municipality of the County of Cumberland Nova Scotia Border Committee Terms of Reference

Mandate

The general mandate of the Nova Scotia Border Committee is to explore options for improving the appearance and attractiveness of the area abutting the old Trunk 2 Highway in Fort Lawrence. The Committee will work with property owners and businesses in the area, as well as the Town of Amherst and other levels of government, to implement the options for improvement identified. Where appropriate, the Committee will also make recommendations to Council to undertake or fund specific projects.

Membership

The membership of the Committee shall be as follows:

- Three Municipal Councillors – appointed annually by Council
- One Town of Amherst Councillor – appointed by Amherst Town Council
- Two citizen representatives appointed by Council. The term for citizen appointments shall be from the date of appointment until the end of the calendar year in which a municipal general election is held.
- Two Trunk 2 (Fort Lawrence) Business Operators – selected by Trunk 2 business operations

Staff Support

The Director of Community Development and the Community Development Administrative Assistant will provide support to the Committee. The CAO and other staff will provide support as required.

Chair and Decision Making

The Committee shall choose its own Chair and Vice Chair. Decisions shall normally be made by consensus. Dissenting opinions will be recorded in the meeting notes.

Priorities

The initial work of the Committee shall focus on addressing the various issues that contribute to the unsightliness and unwelcome nature of the area. These efforts may include removal of structures, signage regulations, ditching, property maintenance, and planting and maintenance of vegetation. Other projects, and attractions that would bring visitors to the area, shall be considered a second level of priority.

Accountability

The Committee shall meet at least once every two months, and notes of the meetings, including decisions, recommendations and actions, shall be submitted to Council for information and feedback.

MOTION CARRIED #17-374

- 6.6 Compost Carts
A memo is included in your meeting material regarding the purchase of compost carts.
 - 6.7 Year in Review-Dangerous and Unsightly 2017 Report
The Dangerous or Unsightly Administrator Ron Moore provided an annual report on activities for the year 2017.
 - 6.8 Canine Control / Dangerous and Unsightly Update
A report from the Canine Control/By-Law Officer was included in your meeting material.
 - 6.9 38th Edge of the Wedge
Tourism Development Officer, Stephanie Moreau, provided a memo regarding a recently completed course she attended at Gros Morne Institute.
 - 6.10 Joint Letter regarding Chignecto Isthmus Infrastructure Risk
A response to joint Councils' letter to the Federal Minister of Infrastructure and Communities regarding the Chignecto Isthmus Infrastructure was included in the meeting material.
 - 6.11 Municipal Affairs Training for Elected Officials
Information regarding training modules for elected officials was provided to Council in the meeting material. Council was in agreement that staff should arrange these training sessions.
 - 6.12 Two Stream Recyclables
An update regarding the Towns of Amherst and Oxford's decision regarding two stream recycling was provided to Council.
 - 6.13 Street Light Petition
The Councillor for District 10 has provided a street light petition for residents of Diligent River. Director of Operations will initiate the process and bring a report back to council.
 - 6.14 Cumberland Connector
Information regarding funding of the Cumberland Connector was provided as an update
- 7. INFORMATION ITEMS**
- 7.1 Nova Scotia Health Authority
Councillor Jackson provided information on behalf of the Councillors who attended the meeting regarding primary health care.
 - 7.2 UNSM Board Report
Included for information.
 - 7.3 Northern Regional Waste Resource Committee Minutes
Minutes of the Northern Region Waste Resource Committee's November 2017 meeting are included for information.

7.4 Joggins Fossil Institute Board

The minutes of the September 14, 2017 meeting are included for information.

7.5 Thank You's

The Cumberland County Genealogical Society and the Advocate District Student Council both sent a thank you for receipt of grant funding

8. ADJOURNMENT

8.1 The Queen

The meeting was adjourned at 8:53 p.m. The Queen was sung.

Warden Alison Gillis

Municipal Clerk Brenda Moore

APPENDIX A

Draft for discussion purposes only

Consolidated Audited Financial Statements
MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Financial Statements
Year Ended March 31, 2017

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
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Year Ended March 31, 2017

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Municipality of the County of Cumberland have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Municipality of the County of Cumberland's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Warden and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Warden and Council carry out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Warden and Council and meets periodically with management and the Warden and Council's auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Warden and Council prior to its approval of the financial statements. The Committee also considers, for review by the Warden and Council and approval by the Warden and Council, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the Warden and Council by McIsaac Darragh Chartered Professional Accountants, in accordance with Canadian public sector accounting standards.

Rennie Bugley, Chief Administrative Officer

Andrew MacDonald, Director of Finance

Amherst, Nova Scotia
December 13, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Warden and Council of Municipality of the County of Cumberland

We have audited the accompanying consolidated financial statements of Municipality of the County of Cumberland, which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of operations, changes in accumulated surplus, changes in net financial debt 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 financial position of Municipality of the County of Cumberland as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Amherst, Nova Scotia
December 11, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Consolidated Statement of Financial Position

March 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash (Note 4)	11,311,642	12,662,135
Taxes receivable, net of valuation allowances (Note 5)	2,595,447	2,321,111
Other receivables (Note 6)	9,945,189	4,895,457
Inventory held for resale	35,703	29,402
Building held for sale -		22,197
	<u>23,887,981</u>	<u>19,930,302</u>
FINANCIAL LIABILITIES		
Short term debt (Note 7)	9,973,949	5,795,836
Accounts payable and accrued liabilities (Note 8)	4,976,774	3,305,991
Other liabilities (Note 9)	3,944,461	3,565,902
Employee future benefits payable (Note 10)	1,059,323	1,091,614
Deferred revenue (Note 11)	810,173	1,038,556
Long term debt (Note 12)	<u>10,306,685</u>	<u>10,769,604</u>
	<u>31,071,365</u>	<u>25,567,503</u>
NET FINANCIAL DEBT	<u>(7,183,384)</u>	<u>(5,637,201)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	81,414	36,452
Inventory	445,897	212,219
Tangible capital assets (Note 13)	<u>84,345,680</u>	<u>68,039,589</u>
	<u>84,872,991</u>	<u>68,288,260</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 77,689,608</u>	<u>\$ 62,651,059</u>
CONTINGENT LIABILITIES (Note 18)		
COMMITMENTS (Note 16)		

On Behalf of the Municipality of the County of Cumberland

_____ Warden
 _____ Councillor

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Consolidated Statement of Operations

Year Ended March 31, 2017

(Note 21)

Budget

2017 2017 2016

REVENUE

Taxes	\$20,405,421	\$19,270,741	\$19,373,290
Grants in lieu of taxes	2,203,119	2,216,420	2,199,424
Long term care facilities	14,903,803	16,757,979	16,918,868
Other revenue from own sources	1,003,763	1,111,473	1,048,033
Conditional transfers	8,251,934	7,832,772	1,934,146
Unconditional transfers	2,374,517	1,479,989	1,470,956
Cumberland Joint Services Management Authority (Note 19)	1,211,474	1,271,235	1,102,030
Dissolution (Note 15)	-	7,878,901	25,782,484
Water utility	<u>1,194,532</u>	<u>1,246,035</u>	<u>1,153,904</u>
	<u>51,548,563</u>	<u>59,065,545</u>	<u>70,983,135</u>

EXPENDITURES

General government	5,176,448	5,077,862	4,994,774
Protective services	7,293,129	7,203,660	6,870,218
Transportation services	1,938,166	2,052,496	1,541,932
Environmental health services	4,965,945	4,945,195	7,146,114
Public health and welfare	15,003,629	16,814,873	17,180,648
Environmental development	1,150,659	512,808	534,019
Recreation and culture	1,791,977	1,853,416	1,728,395
Education	4,385,795	4,468,280	4,172,604
Water utility	<u>1,076,302</u>	<u>1,098,406</u>	<u>956,516</u>
	<u>42,782,050</u>	<u>44,026,996</u>	<u>45,125,220</u>

ANNUAL SURPLUS

	<u>\$ 8,766,513</u>	<u>\$ 15,038,549</u>	<u>\$ 25,857,915</u>
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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Consolidated Statement of Changes in Accumulated Surplus

Year Ended March 31, 2017

	2017	2016
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$62,651,059	\$ 36,793,144
SURPLUS FOR THE YEAR	<u>15,038,549</u>	<u>25,857,915</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$77,689,608</u>	<u>\$62,651,059</u>

MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Consolidated Statement of Changes in Net Financial Assets (Debt)

Year Ended March 31, 2017

	(Note 21)		
	Budget		
	2017	2017	2016
ANNUAL SURPLUS	\$ 8,766,513	\$ 15,038,549	\$ 25,857,915
Aquisition of tangible capital assets	-	(19,304,539)	(34,139,804)
Building held for sale reallocated to tangible capital assets	-	(22,197)	-
Amortization of capital assets	-	3,005,714	2,873,820
Proceeds on disposal of tangible capital assets	-	12,601	6,325
Loss on disposal of assets	-	2,329	2,139,937
Decrease (increase) in prepaid expenses	-	(44,962)	25,641
Decrease (increase) in inventory	-	(233,678)	(212,219)
	-	<u>(16,584,732)</u>	<u>(29,306,300)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	8,766,513	(1,546,183)	(3,448,385)
NET FINANCIAL DEBT - BEGINNING OF YEAR	-	<u>(5,637,201)</u>	<u>(2,188,816)</u>
NET FINANCIAL DEBT - END OF YEAR	<u>\$8,766,513</u>	<u>\$(7,183,384)</u>	<u>\$(5,637,201)</u>

MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Consolidated Statement of Cash Flows

Year Ended March 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Cash receipts from provincial and federal funding and clients	\$48,623,378	\$66,460,037
Cash receipts from sales of service	4,675,787	4,550,367
Cash from fundraisers and donations	50,287	23,244
Cash paid to suppliers and employees	(39,545,805)	(40,636,895)
Cash flow from operating activities	<u>13,803,647</u>	<u>30,396,753</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(19,395,067)	(34,121,595)
Proceeds on sale of tangible capital assets	<u>12,604</u>	<u>6,325</u>
Cash flow used by capital activities	<u>(19,382,463)</u>	<u>(34,115,270)</u>
INVESTING ACTIVITIES		
Change in restricted cash	(125,002)	(1,538,223)
Change in designated cash	<u>989,565</u>	<u>1,487,606</u>
Cash flow from (used by) investing activities	<u>864,563</u>	<u>(50,617)</u>
FINANCING ACTIVITIES		
Cash receipts from capital financing	396,050	402,732
Proceeds from short term debt	4,178,113	526,554
Proceeds from long term debt	447,552	3,975,275
Repayment of short term debt	-	(317,848)
Repayment of long term debt	(910,472)	(889,629)
Cash receipts from Province of N.S -debt repayment	<u>117,080</u>	<u>109,727</u>
Cash flow from financing activities	<u>4,228,323</u>	<u>3,806,811</u>
INCREASE (DECREASE) IN CASH FLOW	(485,930)	37,677
Cash - beginning of year	<u>2,298,817</u>	<u>2,261,140</u>
CASH - END OF YEAR	<u>1,812,887</u>	<u>2,298,817</u>
CASH CONSISTS OF:		
Unrestricted / undesignated cash	\$ 1,812,887	\$ 2,298,817
Restricted cash	1,940,441	1,815,439
Designated cash	<u>7,558,314</u>	<u>8,547,879</u>
	<u>\$ 11,311,642</u>	<u>\$ 12,662,135</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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Draft for discussion purposes only

MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality of the County of Cumberland ("Municipality") were prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board.

Basis of accounting

Revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable and expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Fund accounting

Funds within the consolidated financial statements consist of the operating, capital and reserve funds for the general operations and water utilities.

Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and change in fund balances of all organizations accountable for the administration of their financial affairs and resources to the Municipal Council and which are owned or controlled by the County. Inter-fund and inter-entity transactions have been eliminated.

Entities included in the consolidated financial statement of the Municipality include the following:

- The Municipality of the County of Cumberland ("the County")
- Cumberland Senior Care Corporation ("CSCC")
- Sunset Residential & Rehabilitation Services Incorporated ("Sunset")

The County has a partnership agreement in place, and as such the Cumberland Joint Services Management Authority ("CJSMA") is accounted for on a proportionate consolidated basis whereby the County's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-entity balances and transactions have been eliminated. CJSMA is consolidated at a rate of 60.36% (2016 - 50.6%) which is based on the County's use of the facility (Note 19).

Trust funds administered by the Municipality are not included in the financial statements (Note 20).

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Draft for discussion purposes only

MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments policy

The Municipality's financial instruments are comprised of cash and cash equivalents, restricted cash, receivables, payables, short term debt, other liabilities, and long term debt. All financial instruments are measured at cost or amortized cost.

It is management's opinion that the Municipality is not exposed to significant currency or market risks from these financial instruments. The Municipality is exposed to interest rate risk due to its short term and long term debt.

As the Municipality has no assets subject to re-measurement, no statement of re-measurement gains and losses has been presented.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and bank balances and does not include restricted or designated cash (Note 4).

Employee future benefits

The contributions to pension plans are expensed when contributions are due. The costs of postemployment benefits are recognized when the event that obligates the Municipality occurs.

- (a) CSCC and Sunset contribute to a multi-employer defined benefit plan, administered by the Nova Scotia Association of Health Organizations, which provides a pension on retirement based on the member's age at retirement and length of service. The most recent actuarial valuations for CSCC and Sunset were conducted as at July 1, 2014, which indicated a funded liability. The corporations bear no direct financial responsibility for the liability of the pension plan. CSCC also has a defined contribution plan administered by the Corporation through Open Access Limited in which the employee contributes 7.82% and the employer contributes 9.22% of eligible income to the pension plan.
- (b) The County contributes to a defined contribution pension plan administered through Sun Life Financial in which the employer and employee contribute between 6% and 9% of eligible income to the pension plan.
- (c) CJSMA contributes to a defined contribution pension plan in which the employer and employee contribute 5% of eligible income to the pension plan.

The Municipality's total expense for the defined contribution pension plans for 2017 was \$488,303 (2016 - \$463,665) and is included in salaries and benefits (Schedule 1).

- (d) Employees are provided with sick leave benefits. The cost of vesting sick leave benefits is calculated based on accumulated sick time multiplied by the percentage that vests, and applying current salary and benefit rates. Non-vesting sick leave benefits are not expected to create a liability for the Municipality, based on management's best estimate.

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when all the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) The Municipality of the County of Cumberland:
 - is directly responsible; or
 - accepts responsibility; and
- d) a reasonable estimate of the amount can be made.

As at March 31, 2017, the Municipality has not identified any contaminated sites for which is it responsible.

Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

Inventory

Inventories held for sale are recorded at the lower of cost and net realizable value.

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

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

Land	N/A
Buildings	10 to 40 years
Machinery & equipment	10 to 25 years
Streets and sidewalks	20 to 30 years
Vehicles	5 to 10 years
Water and sewer system	50 to 75 years

Tangible capital assets are written down when conditions indicate that they are no longer contributing to the Municipality's ability to provide services. Assets under construction are not amortized until the asset is available for productive use.

Taxation and related revenue recognition

Property tax billings are prepared by the County based on assessed rolls issued by Property Valuation Services Corporation (PVSC) and adjusted for estimates of appeals and reassessments. Tax rates are established annually by Municipal Council during the budget approval process. Tax revenue is recorded at the time tax billings are issued. Tax adjustments as a result of appeals and reassessments are recorded when the results of the appeal process are known. Valuation allowances are established based on the estimated losses that may be incurred in collecting outstanding receivables. The County includes in interest on overdue taxes in other revenue from own sources.

Other revenue recognition

- a) Other revenue from own sources is recognized when services are performed and/or when earned as long as amounts can be reasonably estimated and collection is reasonably assured.
 - b) Revenue from long term care facilities, including patient pays and per diems, sales of meals and laundry services, apartment rentals and cafeteria revenue are recognized at the time the service is rendered in the normal course of operations.
 - c) Externally restricted contributions are recognized as revenue when the resources are used for their intended purpose. Externally restricted contributions received before this time are reported as deferred revenue.
 - d) CJSMA revenue is recognized at the time the service is rendered in the normal course of operations.
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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government transfers

Conditional and unconditional government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

Measurement uncertainty

Certain amounts in the consolidated financial statements are subject to measurement uncertainty and are based on management's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- liability for closure and post closure costs of solid waste landfill sites;
- estimated useful lives of tangible capital assets and impairment of tangible capital assets;
- asset valuation allowances;
- assumptions used in determining the obligation of accrued sick time;
- salary and benefit rates used in determining the obligation of accrued vacation and holiday pay.

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Draft for discussion purposes only

MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Segmented information

The Municipality of the County of Cumberland is a diversified municipal government that provides a wide range of municipal programs and services to its constituents, including fire, RCMP, waste and recycling services, water supply and distribution, waste water treatment, libraries, recreation and tourism. Segmented information has been prepared by major functional classification, consistent with the Consolidated Statement of Operations and provincially legislated requirements.

The major segments are as follows:

- General government: Activities that provide for the overall operation of the Municipality and that are common to, or affect all of the services provided by the Municipality. This includes the administrative arm of the Municipality (finance, taxation & collection, facilities management (including interest on debt charges), information services, Chief Administrative Officer, human resources) and legislative activities related to Warden and Council of the Municipality, including their remuneration and expenses.
 - Protective services: Activities that provide for the public safety of the inhabitants of the municipality, such as: RCMP protection, correctional services, bylaw enforcement, building inspectors, emergency measures, fire departments and fire hydrants.
 - Education: Mandatory education transfers to the Chignecto-Central Regional School Board.
 - Public health and welfare: Payments made to Housing Nova Scotia to cover the deficits of the public housing authorities in the region, and operation of long term care facilities.
 - Transportation services: Activities, transfers and related debt for roads, sidewalks and LED lighting.
 - Environmental health services: Activities that provide environmentally regulated services, including sewage collection, treatment & disposal, waste management centre operations, multi-stream waste collection and disposal programs and engineering/environmental stewardship.
 - Environmental development: Activities that support and control the municipality's economic development including environmental planning and zoning, industrial park development, tourism and community development.
 - Recreational and culture: Activities that provide recreation and cultural services, including recreational facilities, libraries and cultural buildings.
 - Water utility: Activities related to the operations of the Springhill and Parrsboro Water Utilities. Springhill and Parrsboro have 1,564 and 790 customers respectively. These utilities operate water treatment plants and related infrastructure.
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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

2. CONTRIBUTIONS TO BOARDS

The Municipality of the County of Cumberland, along with other municipal units in Cumberland County, is required to finance the operations of various Boards and Commissions to the extent of its participation based on assessment or population formulas.

In addition to any budgeted contributions, the municipal units share in deficits or surpluses of these boards based on their sharing percentages.

Cumberland Regional Housing Authority

The Municipality of the County of Cumberland is required to finance its share of the operating deficit in the Cumberland Regional Housing Authority out of the current year's operations. The deficit financed for 2017 was \$230,255 (2016 - \$241,678) and is included in the expenses for public health & welfare services.

Cumberland Regional Library

During the year, the Municipality of the County of Cumberland paid \$133,920 (2016 - \$130,120) to the Cumberland Regional Library and is included in the expenses for recreation and culture. The Municipality of the County of Cumberland does not share in any surpluses or deficits.

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

3. CONTRIBUTIONS TO PROVINCIAL GOVERNMENT DEPARTMENTS & AGENCIES

The Municipality of the County of Cumberland, along with other municipal units in the province, is required to finance the operations of various provincial government departments and boards, based upon formula defined in legislation

Education Contribution

The Municipality of the County of Cumberland is required to contribute to the Chignecto Central Regional School Board based on a formula calculation. For 2017 the education contribution was \$4,468,280 (2016 - \$4,172,604).

Corrections Contributions

Municipalities in Nova Scotia are required to make a mandatory contribution to fund the cost of correctional services. The contribution rate is set by the provincial formula. During 2017 the Municipality of the County of Cumberland paid \$316,564 (2016 - \$311,436) to the province for correction services.

Assessment Services Contributions

The Municipality of the County of Cumberland is required to contribute to Property Valuation Services Corporation on a formula calculation. During 2017 the Municipality of the County of Cumberland paid \$522,968 (2016 - \$517,647) to the province for assessment services.

Roads Contributions

The Municipality of the County of Cumberland is required to contribute to fund the cost of road maintenance of provincial roads. The contribution rate is set by the provincial formula. During 2017 the Municipality of the County of Cumberland paid \$213,416 (2016 - \$210,048) to the province for road maintenance.

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

4. CASH AND CASH EQUIVALENTS

	<u>2017</u>	<u>2016</u>
Restricted cash		
Tax sale surplus (Note 9)	\$ 122,193	\$ 98,916
Capital replacement - investment certificates	162,360	217,494
Community Centre capital campaign	217,332	215,309
Water Utility depreciation	<u>1,438,556</u>	<u>1,283,720</u>
	<u>\$ 1,940,441</u>	<u>\$ 1,815,439</u>

Restricted cash for capital replacement includes guaranteed investment certificates with maturity dates ranging from April 2017 to June 2018 and interest rates ranging from 1.02% to 1.35% (2016 maturity dates from September 2016 to December 2017 and rates from 0.90% to 1.26%).

Designated cash

Capital reserves	\$ 329,771	\$ 273,194
Gas tax reserves	1,761,238	3,271,829
Operating reserves	1,381,586	1,869,997
CJSMA	<u>4,085,719</u>	<u>3,132,859</u>
	<u>\$ 7,558,314</u>	<u>\$ 8,547,879</u>

The Municipality has designated assets that are distinct from restricted assets. Unlike restricted assets, the Municipality can readily change the legislation, by-law or resolution and use the designated assets for another purpose if the need arises.

The capital reserves are intended to be used for replacement or repair of tangible capital assets.

Included is cash of \$269,771 (2016 - \$213,194) and Canada Savings Bonds of \$60,000 (2016 - \$60,000) bearing interest at 0.5% (2016 - 0.5%).

Funding received through the Gas Tax Grant Program is designated for use on eligible capital projects, as approved under the Canada - Nova Scotia Gas Tax Agreement. Included is cash of \$1,559,714 (2016 - \$3,072,621) and guaranteed investment certificates of \$201,524 (2016 - \$199,208) with maturity dates ranging from February 2018 to March 2018 and interest rates ranging from 0.55% to 1.5% (2016 maturity dates from September 2016 to March 2017 and interest rates from 0.55% to 1.20%).

Operating reserves are designated for various purposes as listed in Note 14.

CJSMA designated cash includes high interest savings and fixed income investments with maturity dates ranging from April 2017 to March 2027, bearing interest at rate ranging from 1.9% to 5.49%. (2016 maturity dates from May 2016 to March 2027 and rates from 1.5% to 5.49%).

Unrestricted / undesignated cash	<u>\$ 1,812,887</u>	<u>\$ 2,298,817</u>
Total cash	<u>\$ 11,311,642</u>	<u>\$ 12,662,135</u>

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

5. TAXES RECEIVABLE

	2017	2016
Beginning balance, taxes receivable	\$ 4,257,755	\$ 4,208,802
Transfer from Town of Parrsboro	187,402	-
Tax levy - current year	18,352,785	18,254,271
Cash receipts and adjustments	(18,433,973)	(18,450,760)
Exemptions	(287,160)	(275,923)
Interest	590,781	521,365
Ending balances, taxes receivable	4,667,590	4,257,755
Valuation allowance	<u>(2,072,143)</u>	<u>(1,936,644)</u>
Net taxes receivable	<u>\$ 2,595,447</u>	<u>\$ 2,321,111</u>

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Municipality is exposed to credit risk from customers. A valuation allowance is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Municipality's receivables are from a significant number of individuals and entities which reduces concentration of credit risk.

6. OTHER RECEIVABLES

	2017	2016
Federal Government and agencies	\$ 3,820,980	\$ 1,690,766
Provincial Government and agencies	4,885,689	2,129,834
Other municipal units	44,920	83,135
Other receivables	1,402,244	1,193,292
Valuation allowance	(208,644)	(201,570)
	<u>\$ 9,945,189</u>	<u>\$ 4,895,457</u>

Credit risk

Management is of the opinion that the Municipality is not exposed to significant credit risk from other receivables.

Draft for discussion purposes only

MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

7. SHORT TERM DEBT

The Municipality has an overdraft limit on its operating bank account of \$6,000,000. The overdraft is payable on demand and bears interest at prime. It is secured by a borrowing resolution under corporate seal. The balance outstanding at March 31, 2017 under this credit facility is \$2,822,477 (2016 - 795,836).

Municipality also has a \$300,000 revolving line of credit and \$7,200,000 in non-revolving lines of credit. Bank advances on the credit lines are payable on demand and bear interest at prime. The credit lines are unsecured. The balance outstanding at March 31, 2017 under this credit facility is \$7,151,472 (2016 - \$5,000,000)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Accounts payable and accrued liabilities	\$ 3,800,057	\$ 2,164,399
Salaries and benefits	277,232	220,176
N.S. Dept. of Health and Wellness - long term care	46,805	33,910
Accrued vacation and holiday pay	<u>852,680</u>	<u>887,506</u>
	<u>\$ 4,976,774</u>	<u>\$ 3,305,991</u>

Draft for discussion purposes only

MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

9. OTHER LIABILITIES

		2017	2016
Prepaid taxes	\$ 418,836	\$ 313,724	
Due to Provincial Government and agencies	1,605,990	1,656,276	
Due to other municipal units	674	147,228	
Tax sale surplus	136,457	113,937	
Little Forks II landfill closure / post closure	<u>1,782,504</u>	<u>1,334,737</u>	
	<u>\$ 3,944,461</u>	<u>\$ 3,565,902</u>	

The Municipality is required to hold the surplus from tax sales for a period of 20 years. This surplus represents excess funds received at tax sales over and above the original amounts which were owing to the Municipality at the time a particular property was sold. The excess proceeds, if not claimed, are to be transferred to the Capital Reserve fund at the end of the 20 year period. Provincial regulations require the tax sale surplus be included on the consolidated financial statements as a liability. Of the tax sale surplus liability, \$nil is to be transferred to the capital reserve in 2017 (2016 - \$nil). The Municipality holds restricted cash of \$122,193 (2016 - \$98,916) to fund this liability (Note 4).

The Municipality owns and operates, through CJSMA, one open and one closed landfill site. The Municipality has an obligation under Nova Scotia Department of Environment regulations for costs related to the closure and post closure care of the sites once capacity is reached. These costs are shared pro-rata based on use with the other municipalities' party to CJSMA.

As at March 31, 2017, the remaining capacity of the open site is approximated at 15,000 tonnes. The open site is expected to reach its capacity and close in 2018. A new cell design is under construction and will be available for use after the current site has reached full capacity. This new cell is expected to reach capacity by 2030.

The closure and post-closure costs are based upon best estimates by management, \$16.50 per tonne of waste added to the site. The total cost of closure of the open site is estimated to be approximately \$2,700,000 (Municipality's portion - \$1,782,504). The liability is fully funded by designated cash (Note 4). The total cost of post closure monitoring and maintenance is estimated at \$25,000 to \$45,000 per year. Post-closure care is estimated to be required for 20 years from the date of closure.

10. EMPLOYEE FUTURE BENEFITS PAYABLE

	<u>2017</u>	<u>2016</u>
Accrued sick leave	<u>\$ 1,059,323</u>	<u>\$ 1,091,614</u>

Draft for discussion purposes only

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

11. DEFERRED REVENUE

	March 31, 2016	Receipts	Transferred to revenue	March 31 2017
Capital renewal - CSCC	\$ 214,654	\$ 32,512	\$ (137,282)	\$ 109,884
Donations	59,364	39,124	(39,794)	58,694
Federal capital grant - Cape D'Or	50,000	-	-	50,000
Provincial capital grants	691,100	229,363	(361,912)	558,551
CJSMA	<u>23,438</u>	<u>9,606</u>	<u>-</u>	<u>33,044</u>
	<u>\$ 1,038,556</u>	<u>\$ 310,605</u>	<u>\$(538,988)</u>	<u>\$ 810,173</u>

Capital renewal revenues received by CSCC are set aside for specific purposes as required by agreement. Receipts are from the N.S. Department of Health to provide funding to replace facility components or for significant repairs.

Deferred donations consist of donations received by CSCC and Sunset which are restricted by the donors to be used on capital projects, long term care resident activities and staff training.

The federal capital grant for the Cape D'Or property was received by the County for future capital improvements.

Provincial capital grants consist of Letter of Intent capital funding in the amount of \$418,078 which is restricted to infrastructure projects for the former town of Springhill, and capital grants received in advance for wastewater projects - \$112,973, Cape D'Or masterplan - \$12,500 and \$15,000 for physical activity equipment.

12. LONG TERM DEBT

	<u>2017</u>	<u>2016</u>
Nova Scotia Municipal Finance Corporation ("NSMFC") loan bearing interest at rates varying from 1.51% to 3.16% over the term of the loan, repayable in 5 annual payments of \$230,000 and one payment of \$2,530,000. The loan matures in November, 2022 and is unsecured.	\$ 3,680,000	\$ 3,910,000
Nova Scotia Housing Development Corporation loan bearing interest at 4.42% per annum, repayable in monthly blended payments of \$14,549. The loan matures in September, 2036 and is secured by a building.	2,285,596	2,358,383
NSMFC loan bearing interest at rates varying from 4.525% to 4.770% over the term of the loan, repayable in 5 annual payments of \$138,050 and one payment of \$828,300 with interest paid semi-annually. The loan matures in June, 2022 and is unsecured.	1,518,550	1,656,600
		(continues) 20

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

12. LONG TERM DEBT (continued)	2017	2016
NSMFC loan bearing interest at rates varying from 1.82% to 3.16% over the term of the loan, repayable in 6 annual payments of \$155,129 with interest paid semi-annually. The loan matures in November, 2022 and is unsecured.	930,774	1,085,903
Nova Scotia Housing Development Corporation loan bearing interest at 8% per annum, repayable in monthly blended payments of \$7,496. The loan matures in November, 2025 and is secured by a building.	563,452	607,198
Nova Scotia Housing Development Corporation loan bearing interest at 3.72% per annum, repayable in monthly blended payments of \$2,406. The loan matures in March 2040 and is secured by a building.	447,006	-
Federal Government interest free loan, repayable in monthly payments of \$3,861. The loan matured in March 2021 and is unsecured.	219,908	70,898
NSMFC loan bearing interest at rates varying from 2.97% to 4.88% over the term of the loan, repayable in 3 annual payments of \$22,500 and one payment of \$135,000 with interest paid semi-annually. The loan matures in June, 2020 and is unsecured.	202,500	225,000
NSMFC loan bearing interest at rates varying from 1.82% to 2.19%, repayable in 2 annual payments of \$66,123 with interest paid semi-annually. The loan matures in September, 2018 and is unsecured.	132,249	198,372
NSMFC loan bearing interest at rates varying from 5.625% to 5.750% over the term of the loan, repayable in 2 variable payments with interest paid semi-annually. The loan matures in May, 2018 and is unsecured.	95,200	138,700
NSMFC loan bearing interest at rates varying from 4.912% to 5.010% over the term of the loan, repayable in 1 annual payments of \$61,500 with interest paid semi-annually. The loan matures in October, 2017 and is unsecured.	61,500	123,000
NSMFC loan bearing interest at rates varying from 1.55% to 3.87% over the term of the loan, repayable in 3 annual payments of \$13,275 and one payment of \$54,225 with interest paid semi-annually. The loan matures in November 2020 and is unsecured.	94,050	107,325
		(continues)
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Draft for discussion purposes only

MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

12. LONG TERM DEBT (continued)

	2017	2016
NSMFC loan bearing interest at rates varying from 3.50% to 5.75% over the term of the loan, repayable in 1 annual payments of \$12,325 and one payment of \$63,575 with interest paid semi-annually. The loan matures in May, 2018 and is unsecured.	<u>75,900</u>	<u>88,225</u>
	<u>\$10,306,685</u>	<u>\$10,769,604</u>

Principal repayment terms are approximately:

2018	\$ 936,000
2019	936,300
2020	765,400
2021	928,000
2022	693,000

Draft for discussion purposes only

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

13. TANGIBLE CAPITAL ASSETS

Cost	2016			2017
	Balance	Additions	Disposals	Balance
Land	\$ 399,042	\$ 882,590	-	\$ 1,281,632
Land improvements	4,380	157,279	-	161,659
Long term care buildings	18,994,330	2,678,936	-	21,673,266
Municipal buildings	10,225,741	119,119	-	10,344,860
Joggins Fossil Centre	6,020,089	-	-	6,020,089
Fire protection facilities	3,413,349	422,359	-	3,835,708
Other buildings	2,056,115	595,868	-	2,651,983
Sanitary sewer systems	17,965,739	1,355,594	-	19,321,333
Water treatment plant	6,988,532	544,404	-	7,532,936
Septage facility	1,329,676	-	-	1,329,676
Fire protection vehicles	5,021,611	606,379	-	5,627,990
Vehicles	1,092,994	193,713	70,959	1,215,748
Machinery & equipment	3,885,417	581,519	8,500	4,458,436
Electronic data equipment	694,917	286,588	-	981,505
Streets and sidewalks	1,817,507	2,123,248	30,857	3,909,898
Water mains	5,175,968	8,646,776	-	13,822,744
Storm sewers	923,208	11,854	-	935,062
Fire hydrants	603,742	120,510	-	724,252
Water meters	38,045	-	-	38,045
	<u>\$ 86,650,402</u>	<u>\$ 19,326,736</u>	<u>\$ 110,316</u>	<u>\$ 105,866,822</u>

Accumulated Amortization	2016			2017
	Balance	Amortization	Accumulated Amortization on Disposals	Balance
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	-	3,205	-	3,205
Long term care buildings	4,084,123	477,625	-	4,561,748
Municipal buildings	1,536,496	331,151	-	1,867,647
Joggins Fossil Centre	1,204,018	150,502	-	1,354,520
Fire protection facilities	278,822	91,153	-	369,975
Other buildings	428,597	71,974	-	500,571

Sanitary sewer systems	5,392,036	508,776	-	5,900,812
Water treatment plant	98,170	119,399	-	217,569
Septage facility	209,453	57,080	-	266,533
Fire protection vehicles	2,760,559	384,108	-	3,144,667
Vehicles	828,840	67,090	65,548	830,382
Machinery & equipment	808,756	327,245	8,500	1,127,501
Electronic data equipment	386,098	93,954	-	480,052
Streets and sidewalks	462,085	219,687	21,337	660,435
Water mains	98,016	66,142	-	164,158
Storm sewers	21,058	21,910	-	42,968
Fire hydrants	10,494	11,544	-	22,038
Water meters	3,192	3,169	-	6,361

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

13. TANGIBLE CAPITAL ASSETS (continued)

Accumulated Amortization	2016		Accumulated	2017
	Balance	Amortization	Amortization on Disposals	Balance
	<u>\$ 18,610,813</u>	<u>\$ 3,005,714</u>	<u>\$ 95,385</u>	<u>\$ 21,521,142</u>
<u>Net book value</u>			<u>2017</u>	<u>2016</u>
Land			\$ 1,281,632	\$ 399,042
Land improvements			158,454	4,380
Long term care buildings			17,111,518	14,910,207
Municipal buildings			8,477,213	8,689,245
Joggins Fossil Centre			4,665,569	4,816,071
Fire protection facilities			3,465,733	3,134,527
Other buildings			2,151,412	1,627,518
Sanitary sewer systems			13,420,521	12,573,703
Water treatment plant			7,315,367	6,890,362
Septage facility			1,063,143	1,120,223
Fire protection vehicles			2,483,323	2,261,052
Vehicles			385,366	264,154
Machinery & equipment			3,330,935	3,076,661
Electronic data equipment			501,453	308,819
Streets and sidewalks			3,249,463	1,355,422

Water mains	13,658,586	5,077,952
Storm sewers	892,094	902,150
Fire hydrants	702,214	593,248
Water meters	31,684	34,853
	<u>\$ 84,345,680</u>	<u>\$ 68,039,589</u>

14. ACCUMULATED SURPLUS

	2017	2016
Capital reserves		
Gas tax	\$ 4,222,745	\$ 2,852,644
Sewer purposes	211,403	127,453
Unappropriated	316,515	1,065,622
Sunset equipment	60,000	60,000
Springhill Community Centre	432,019	426,144
CJSMA equipment	435,713	367,444
Little Forks II Landfill	<u>1,812,697</u>	<u>1,459,560</u>
Capital reserves	<u>7,491,092</u>	<u>6,358,867</u>

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Notes to Consolidated Financial Statements

Year Ended March 31, 2017

14. ACCUMULATED SURPLUS (continued)

Operating reserves

Fire purpose	438,278	832,368
School enhancement	226,978	226,543
Public open space	57,351	59,138
Solid waste	221,040	220,616
Economic development	411,697	410,908
Unappropriated	1,482,149	1,755,623
Glooscap Park	14,375	-
Parrsboro Sewer	160,770	-
Parrsboro Town Hall	50,000	-
Parrsboro Downtown	41,754	-
Parrsboro Library	7,485	-
Parrsboro signage	6,215	-
CJMSA	130,737	-
CSCC donations reserve	<u>4,936</u>	<u>5,875</u>
Operating reserves	<u>3,253,765</u>	<u>3,511,071</u>
Total reserves	<u>10,744,857</u>	<u>9,869,938</u>
Unreserved		
County	60,680,630	46,961,507
CSCC	1,335,332	1,182,904
Sunset	3,172,767	3,150,896
CJSMA	<u>1,756,022</u>	<u>1,485,814</u>
Total unreserved	<u>66,944,751</u>	<u>52,781,121</u>
Accumulated surplus	<u>\$ 77,689,608</u>	<u>\$ 62,651,059</u>

15. DISSOLUTION OF THE TOWN OF PARRSBORO

In accordance with the order dated June 15, 2016, by the Nova Scotia Utility and Review Board, effective November 1, 2016 the Town of Parrsboro dissolved and was absorbed into the Municipality of the County of Cumberland. As a result, all the assets and liabilities of the Town were transferred to the County at their carrying amounts and the Town ceased to exist as a separate legal entity.

Services and programs of the Town including the Parrsboro Water Utility are now delivered by the Municipality of the County of Cumberland.

A letter of intent between the Municipality of the County of Cumberland and the Province of Nova Scotia was executed on March 17, 2016. Pursuant to the letter of intent, the Province of Nova Scotia will provide the following funding assistance:

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

15. DISSOLUTION OF THE TOWN OF PARRSBORO (continued)

2017

Financial Assets

- Equalization funding shall be paid to the combined municipal unit over the next five (5) fiscal years (2017/18 to 2021/22, inclusive). The amount of equalization funding to be paid to the combined municipal unit shall be no less than the amounts received by the Town and the Municipality in the 2015/16 fiscal year. The total amounts to be paid over the next five (5) fiscal year period shall not be less than \$6,929,449 to be paid in annual amounts of \$1,548,105 for the 2017/18 to 2019/20; then \$1,142,567 for 2020/21 to 2021/22. At the expiry of this period, the equalization allocation for the combined municipal unit will revert to the applicable provincial formula in effect at that time;
- Special capital funding of \$1,550,000 for infrastructure improvement within Parrsboro, \$1,345,000 for a waste water treatment plant in Parrsboro and to expand the collection system to reach 80% of households, and \$205,000 of which to be used for capital purchases to meet the regulatory requirement for its water system as outlined in its infrastructure study. Funding to be paid over five (5) fiscal years beginning in 2017/18. This funding can be used to secure additional financial assistance from other programs that are not already part of the Letter of Intent as outlined in the rules and criteria for each program. Moreover, this provision will not be interpreted, employed, or otherwise exploited, to preclude the Municipality from applying for other funding for its own projects under these programs;
- Funding of \$214,500 annually for five (5) years totaling \$1,072,500 for roads, of which \$825,000 is to be used for capital investments and \$247,500 for operating. This funding is an annual lump sum payment that does not require matching funding from the Municipality; Funding for post-transitional expenses according to criteria agreed to by the Province, and subject to provincial approval, of up to \$90,000 annually to a total commitment by the Province over five (5) years of \$450,000. This funding is for incremental dissolution costs, subject to the reporting requirements outlined under section 5.0 of the Letter of Intent, and not to be used to replace normal operating expenses that would be incurred without dissolution.

The Municipality incurred \$149,382 of pre-dissolution expenses under the Letter of Intent in 2017.

Incremental post dissolution costs of \$120,000 have been incurred. Total revenue to be received as reimbursement is \$269,382 and is recorded as conditional transfers.

The carrying value of the assets and liabilities of the former Town of Parrsboro in the amount of \$7,878,901 is recorded as revenue in the Statement of Financial Activities.

Financial Assets

Cash	\$ 1,095,707
Taxes receivable	209,362
Other receivables	<u>591,666</u>
	<u>1,896,735</u>

Financial Liabilities

Accounts payable and accrued liabilities	139,271
Other liabilities	817,029

Deferred revenue 74,808

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND
 Notes to Consolidated Financial Statements
 Year Ended March 31, 2017

15. DISSOLUTION OF THE TOWN OF PARRSBORO (continued)

	2017
Financial Liabilities	
Long term debt	<u>65,559</u>
	<u>1,096,667</u>
Net financial asset	<u>800,068</u>
Non-financial assets	
Prepaid expenses	75,808
Inventory	102,610
Capital assets	<u>6,380,154</u>
Subtotal	6,558,572
CJSMA rate differential	<u>520,261</u>
Accumulated surplus	<u>\$ 7,878,901</u>

Revenues and expenses related to responsibilities transferred to the Municipality on the dissolution of the former Town of Parrsboro.

Revenue	
Taxes	43,052
Grants in lieu of taxes	4,320
Other revenue from own sources	12,581
Unconditional transfers	1,092
Conditional transfers	647,111
Water utility	<u>106,304</u>
	<u>814,460</u>
Expenses	
General government services	80,230
Protective services	159,808
Transportation services	304,163

Environmental health services	52,729
Public health & welfare services	27,761
Environmental development services	13,418
Recreational & culture services	46,436
Education	81,014
Water utility	<u>95,905</u>

861,464

Annual deficit

\$ (47,004)

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

16. COMMITMENTS

- a. On April 1, 2012, the Municipality entered into a 10 year agreement with PBS Waste Services Ltd. for solid waste collection. The Municipality is committed to paying \$1,647,440 per year with adjustments for increases in fuel costs to a maximum of \$2,773 annually.
- b. On March 20, 2008, the Municipality entered into an agreement with the Town of Amherst for fire protection services until March 31, 2023. The Municipality is committed to paying \$147,000 per year adjusted annually for increases in the Nova Scotia consumer price index.
- c. Commencing April 1, 2008, the Municipality entered into an agreement with the Town of Oxford for fire protection services until March 31, 2023. The Municipality is committed to paying \$48,000 per year adjusted annually for increases in Nova Scotia consumer price index.
- d. On March 4, 2014, the Municipality entered into an agreement with the Cumberland YMCA to provide financial assistance in the amount of \$125,000 per year for a five year period ending March 31, 2019.

17. SUBSEQUENT EVENTS

The following event occurred subsequent to the fiscal year end:

Fire damage to facilities

The recycling facilities at CJSMA were lost to fire subsequent to March 31, 2017. The net book value of the Municipality's share of the building and equipment lost was \$373,300, which is expected to be covered by insurance. The Municipal partners have approved the construction of a new facility, the cost of which is currently unknown. The Municipality's share of lost revenue from recyclables is estimated at \$241,400 annually and additional costs for the storage of recyclables is approximately \$4,200 per month. No provision for these losses have been recorded in these financial statements.

Pugwash Water Utility

The Municipality of the County of Cumberland has made an Application to the Nova Scotia Utility and Review Board for an Order approving the service territory of the proposed Pugwash Water Utility and for approval of an Interim Schedule of Rates and Charges for Water and Water Services and Schedule of Rules and Regulations. The proposed rates are to be effective for water supplied on and after April 1, 2018. The Nova Scotia Utility and Review Board held a public hearing for this application on November 3, 2017. It is anticipated the Board will issue a decision in December, 2017.

18. CONTINGENT LIABILITIES

The Municipality may, from time to time, be involved in legal proceedings, claims and litigation arising in the normal course of operations. As of March 31, 2017, management believes it is not exposed to material, adverse impact on its financial position as a result of any such claims.

A grievance claim was made on behalf of a former employee of the Town of Springhill seeking increased pension benefits. The likelihood of an award under the grievance is unknown; at this time, it is premature to make any evaluation of the possible outcome or possible settlement of this claim. Consequently, no provision for this claim has been made.

Notes to Consolidated Financial Statements
Year Ended March 31, 2017

19. CJSMA SUPPLEMENTARY INFORMATION

	2017 CJSMA Total	Proportionate Consolidation 2017 60.36%	2016 CJSMA Total	Proportionate Consolidation 2016 50.60%
Financial assets	7,604,101	4,567,213	6,906,830	3,469,212
Financial liabilities	3,329,826	1,987,260	2,886,348	1,434,848
Non-financial assets	2,576,573	1,555,220	2,526,589	1,278,454
Accumulated surplus	6,850,848	4,135,173	6,547,071	3,312,818
Total revenue	2,828,154	1,271,235	2,845,771	1,102,030
Total expense	2,570,144	1,121,228	2,703,201	1,029,889
Net operating results	258,010	92,856	142,750	72,141

Included on the statement of financial position and the statement of operations of CJSMA are receivables of \$37,479 (2016 - \$50,678) and revenue of \$617,892 (2016 - \$667,847) from the Municipality. These balances have been eliminated on the above proportionate consolidation.

20. TRUSTS UNDER ADMINISTRATION

At March 31, 2017, the balance of funds held in trust were \$229,666 (2016 - \$239,040).

The Municipality collected revenue in trust for the Pugwash and River Hebert Village Commissions. Revenue collected is not recorded in the consolidated financial statements of the Municipality. The amount collected and remitted to the Villages was \$180,869 (2016 - \$181,668).

21. BUDGET

The County budgets for rate setting purposes in the general operating fund. Council approved a balanced budget in the general operating fund which is a balanced budget for County wide operations. Council also approves separate area rates which may budget for surplus funds, and water utility budgets which have regulated rates. Council also approves a separate capital budget.

The CSCC and CJSMA budgets were approved by their respective Board of Directors and the Sunset Budget was established by the Nova Scotia Department of Community Services.

The following adjustments reconcile the approved budgets to the financial reporting presentation under Canadian Public Sector Accounting Standards.

2017

Revenue	
County approved general operating	25,809,105
County approved capital	14,000,697
County approved Springhill water utility	1,633,887
Sunset approved operating	8,520,781
CSCC approved operating	6,383,022
CJSMA approved operating (60.36%)	<u>1,588,724</u>

57,936,216

(continues)

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

21. BUDGET (continued)

	<u>2017</u>
Remove inter-entity and inter-fund transactions	(971,806)
Remove transfers from reserves for capital funding	(4,165,828)
Remove debt for capital funding	<u>(1,250,000)</u>
Revenue budget per consolidated financial statements	<u>51,548,582</u>
 <u>Expenses</u>	
County approved general operating	25,809,105
County approved Springhill water utility	1,303,219
Sunset approved operating	8,520,781
CSCC approved operating	6,222,848
CJSMA approved operating (60.36%)	<u>1,435,352</u>
	43,291,305
Add amortization for County operating	2,060,969
Remove inter-entity and inter-fund transactions	(971,806)
Remove loan principal repayments	(739,902)
Remove reserve appropriations	(83,950)
Remove deficit amortization	(774,566)
 Expense budget per consolidated financial statements	 42,782,050

Budgeted figures are unaudited and have been provided by management for comparison purposes.

22. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

23. REMUNERATION PAID TO ELECTED OFFICIALS AND C.A.O.

2017

William Baker - Councillor	13,313
Marlon Chase - Councillor	9,459
Donald Fletcher - Councillor / Deputy Warden	23,718
Ernest Gilbert - Councillor/ Deputy Warden	24,104
Allison Gillis - Warden / Councillor	29,335
Keith Hunter - Former Warden	22,550
Maryanne Jackson - Councillor	22,772
John Kellegrew - Councillor	13,313
Michael McLellan - Councillor	22,772
Barbara Palmer - Councillor	9,459
Paul Porter - Councillor	9,459
Norman Rafuse - Councillor	9,459
Daniel Rector - Councillor	22,772
Donald Smith - Councillor	13,313
Joe van Vulpen - Councillor	9,459
Lynne Welton - Councillor	22,772
Douglas Williams - Councillor	22,772
Rennie Bugley - C.A.O.	<u>149,735</u>
	<u>450,536</u>

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
 Schedule 1 - Consolidated Statement of Segmented Disclosure
 Year ended, March 31, 2017

	General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health and Welfare	Environmental Development	Recreation and Culture	Education	Water Utility	Total	
										2017	2016
Revenue											
Taxes	\$ 17,948,370	\$ -	\$ 157,379	\$ 1,163,592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,270,741	\$ 19,373,290
Grants in lieu of taxes	2,216,420	-	-	-	-	-	-	-	-	2,216,420	2,199,424
Long term care facilities	-	-	-	-	16,757,979	-	-	-	-	16,757,979	16,918,868
Other revenue from own sources	744,118	75,668	1,787	100,629	-	29,506	159,765	-	-	1,111,473	1,048,033
Conditional transfers	2,289,344	-	333,339	5,062,348	-	9,071	138,470	-	-	7,832,772	1,934,146
Unconditional transfers	1,479,989	-	-	-	-	-	-	-	-	1,479,989	1,470,956
Cumberland Joint Services Management Authority (Note 20)	-	-	-	1,271,235	-	-	-	-	-	1,271,235	1,102,030
Dissolution	4,400,926	-	-	672,347	-	-	-	-	2,805,628	7,878,901	23,782,484
Water utility	-	-	-	-	-	-	-	-	1,246,035	1,246,035	1,153,904
	29,080,367	75,668	482,903	8,270,151	16,757,979	38,577	298,235	-	4,031,663	59,065,545	70,983,135
Expenses											
Allowance for bad debts	312,413	-	-	-	-	-	-	-	-	312,413	434,029
Amortization	179,635	581,276	274,021	761,742	596,044	1,378	402,871	-	208,727	3,005,714	2,873,822
Advertising and promotion	34,686	5,689	149	1,752	-	9,901	12,254	-	-	64,431	34,826
Community events	7,081	2,127	-	-	-	-	19,725	-	-	28,933	86,854
Contracted services	112,929	4,339,512	4,917	1,448,293	-	35,933	27,151	-	24,204	5,992,939	5,839,839
Contributions to boards (note 2)	-	-	-	-	230,235	84,797	133,920	-	-	448,972	453,116
Contributions to province (note 3)	522,968	316,564	213,416	-	-	-	-	4,468,280	-	5,521,228	5,001,687
Dues and licenses	29,436	23,677	5,010	588	-	3,264	5,521	-	3,732	71,228	40,814
Facility repair and maintenance	83,171	112,295	5,376	73,728	-	-	92,660	-	62,256	431,486	306,675
Fire hydrants	-	81,497	-	-	-	-	-	-	12,531	94,028	87,688
Grants to non-profit	732,690	-	-	-	-	261	41,158	-	-	774,109	728,585
Grants to volunteer fire departments	-	182,331	-	-	-	-	-	-	-	182,331	93,363
Information technology	100,227	12,638	222	814	-	5,577	-	-	814	120,292	77,543
Insurance	50,609	151,960	13,328	13,089	-	-	14,862	-	5,560	249,408	243,407
Interest and service charges	28,609	13,384	7,934	21,449	113,043	-	8,364	-	81,253	274,036	443,078
Leases	29,489	3,675	10,383	-	-	156	-	-	-	43,915	53,699
Long-term care facilities	-	-	-	-	15,875,531	-	-	-	-	15,875,531	16,236,924
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	2,136,218
Materials	17,745	4,830	174,960	108,233	-	31,977	76,390	-	152,495	566,630	539,432
Office supplies	88,043	14,301	3,957	66	-	5,704	8,715	-	1,473	119,461	86,874
Professional services	368,043	16,063	1,797	-	-	1,822	500	-	15,083	403,310	489,874
Salaries and benefits	1,801,440	777,923	788,396	573,681	-	288,434	818,526	-	374,908	5,423,308	4,906,065
Solid waste facility	-	-	-	1,683,599	-	-	-	-	-	1,683,599	1,627,520
Tax exemptions	287,160	-	-	-	-	-	-	-	-	287,160	273,923
Travel and training	117,517	76,633	23,060	14,723	-	14,026	16,136	-	7,877	269,772	281,634
Utilities	172,734	182,083	369,331	183,902	-	25,329	167,382	-	130,044	1,230,807	1,225,452
Vehicle and Equipment	1,403	308,000	156,037	57,536	-	4,249	7,281	-	17,449	551,955	516,279
Total	5,077,862	7,203,660	2,052,496	4,945,195	16,814,873	512,808	1,853,416	4,468,280	1,096,406	44,026,996	45,125,220
Annual Surplus	\$24,002,505	\$7,127,992	\$(1,559,591)	\$3,324,956	\$(56,894)	\$(474,231)	\$(1,555,181)	\$(4,468,280)	\$2,953,257	\$15,038,549	\$25,857,915

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Springhill Water Utility Operating Fund
Statement of Financial Position
(Schedule 2)
As at March 31, 2017

	2017	2016
Assets		
Cash	\$ 14,773	\$ 14,773
Receivables		
Water rates (net of allowance \$70,387; 2016 - \$70,387)	152,869	170,804
Due from water capital fund	351,234	489,622
Inventory not held for resale	142,717	111,193
	\$ 661,593	\$ 766,392
Liabilities		
Accounts payable and accrued liabilities	\$ 37,774	\$ 39,092
Due to general operating funds	63,297	571,341
Depreciation reserve	171,947	171,947
	273,018	782,380
Accumulated surplus (deficit)	388,575	(15,988)
	\$ 661,593	\$ 766,392

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Springhill Water Utility Operating Fund
Statement of Operations
(Schedule 3)
Year Ended March 31, 2017

	2017	2017	2016
Operating revenue			
Metered sales	\$ 306,517	\$ 297,300	\$ 300,507
Flat rate sales	862,235	866,654	845,453
Public fire protection	439,335	439,335	383,083
Other	4,800	3,585	11,180
Interest	15,000	23,096	18,862
	<u>1,627,887</u>	<u>1,629,970</u>	<u>1,559,085</u>
Operating expenditures			
Source of supply	4,111	-	3,494
Water treatment	330,743	346,224	281,137
Transmission and distribution	323,147	321,326	232,179
Administration and general	160,169	70,926	178,596
Depreciation	175,000	183,883	171,947
Taxes	40,267	40,267	40,277
Springhill dissolution	-	-	397,805
	<u>1,033,437</u>	<u>962,626</u>	<u>1,305,235</u>
Operating income	<u>594,450</u>	<u>667,344</u>	<u>253,850</u>
Non-operating revenue			
Machine hire	8,000	6,510	8,000
Non-operating expenditures			
Debt Charges			
Principal	186,650	189,150	186,650
Interest	83,193	80,141	89,188
	<u>269,843</u>	<u>269,291</u>	<u>275,838</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 330,607</u>	<u>\$ 404,563</u>	<u>\$ (15,988)</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Springhill Water Utility Capital Fund
Statement of Financial Position
(Schedule 4)
As at March 31, 2017

	2017	2016
Assets		
Cash	\$ 1,289,909	\$ 1,283,934
Receivables, other	26,104	12,214
Due from general capital fund	7,691	7,891
Due from reserves fund	<u>55,545</u>	<u>-</u>
	1,379,249	1,303,839
Utility and plant	<u>13,938,494</u>	<u>13,853,037</u>
	\$ 15,317,743	\$ 15,156,876
Liabilities		
Due to water operating fund, less depreciation reserve	\$ 143,996	\$ 297,875
Due to general operating fund	54,142	-
Accumulated allowance for depreciation	2,923,120	2,739,239
Long term debt	<u>1,659,350</u>	<u>1,848,500</u>
	4,780,608	4,885,414
Investment in capital assets	<u>10,537,135</u>	<u>10,271,462</u>
	\$ 15,317,743	\$ 15,156,876

Springhill Water Utility Capital Fund
Statement of Utility Plant and Equipment
(Schedule 5)
As at March 31, 2017

	2017	2016
Tangible plant and equipment		
Land and land rights	\$ 2,825	\$ 2,825
Structures & improvements	8,162,611	8,136,979
Equipment	244,142	229,233
Mains	4,684,384	4,639,488
Services	405,842	405,842
Meters	63,372	63,372
Hydrants	<u>375,318</u>	<u>375,318</u>
	\$ 13,938,494	\$ 13,853,037

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Springhill Water Utility Capital Fund
Statement of Investment in Capital Assets
(Schedule 6)
As at March 31, 2017

	2017	2016
Balance, beginning of year	\$ 10,271,462	\$ -
Springhill dissolution	-	10,084,364
Interest earned on depreciation funds	5,976	448
Term debt retired	189,150	188,650
Provincial grant	15,000	-
Gas tax	55,547	-
	<u>265,673</u>	<u>10,271,462</u>
Balance, end of year	<u>\$ 10,537,135</u>	<u>\$ 10,271,462</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Parrsboro Water Utility Operating Fund
Statement of Financial Position
(Schedule 7)
Year Ended March 31, 2017

	2017
Assets	
Cash	\$ 124,226
Receivables	-
Water rates	82,539
Due from water capital fund	113,197
Due from general capital fund	62,524
Prepaid expenses	5,204
Inventory not held for resale	20,113
	\$ 407,803
Liabilities	
Accounts payable and accrued liabilities	\$ 12,932
Due to general operating fund	82,725
	95,657
Accumulated surplus	312,146
	\$ 407,803

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Parrsboro Water Utility Operating Fund
Statement of Operations
(Schedule 8)
Year Ended March 31, 2017

	Budget 2017	Total 2017
Operating revenues		
Flat rate sales	\$ -	\$ 76,638
Public fire protection	-	28,675
Other	-	585
Interest	-	406
Parrsboro dissolution	-	301,747
		408,051
Operating expenditures		
Transmission and distribution	-	57,730
Administration and general	-	13,331
Depreciation	-	24,844
		95,905
Excess of revenue over expenditures	\$ -	\$ 312,146

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Parrsboro Water Utility Capital Fund
Statement of Financial Position
(Schedule 9)
Year Ended March 31, 2017

	2017
Assets	
Cash	\$ 146,527
Due from reserves	172,458
	318,985
Utility and plant	3,451,785
	\$ 3,770,770
Liabilities	
Due to water operating fund	\$ 113,197
Due to general operating fund	4,923
Accumulated allowance for depreciation	1,148,768
	1,266,888
Investment in capital assets	2,503,882
	\$ 3,770,770

Parrsboro Water Utility Capital Fund
Statement of Utility Plant and Equipment
(Schedule 10)
Year Ended March 31, 2017

	2017
Tangible plant and equipment	
Land and land rights	\$ 148,546
Structures and improvements	785,612
Equipment	533,338
Mains	1,768,923
Hydrants	215,366
	\$ 3,451,785

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Parrsboro Water Utility Capital Fund
Statement of Investment in Capital Assets
(Schedule 11)
Year Ended March 31, 2017

	2017
Balance, beginning of year	\$ -
Parrsboro dissolution	<u>2,503,881</u>
Balance, end of year	\$ <u>2,503,881</u>

Draft for discussion purposes only

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS