

Non-consolidated financial statements

(Unaudited – see advisory to readers)

Municipality of the County of Richmond

March 31, 2014

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Advisory to readers

The Municipality of the County of Richmond prepares both consolidated and non-consolidated financial statements.

Non-consolidated financial statements are prepared to show the details of the individual funds managed by the Municipality. In particular, they provide information as to how each of the funds performed compared to the approved Operating Budget of the Municipality. For all other purposes, readers are advised to refer to the consolidated financial statements that have been audited.

These non-consolidated financial statements have **not** been audited. The non-consolidated financial statements are **not** presented in full accordance with Canadian generally accepted accounting principles.

Municipality of the County of Richmond

General section

Operating fund statement of financial position

(Unaudited - see advisory to readers)

March 31	2014	2013
Financial assets		
Cash	\$ <u> -</u>	\$ <u>963,012</u>
Receivables		
Taxes (Note 4)	1,825,237	2,507,207
Interest on taxes	<u>707,184</u>	<u>655,950</u>
	2,532,421	3,163,157
Less: allowance for doubtful accounts (Note 12)	<u>644,432</u>	<u>657,465</u>
	1,887,989	2,505,692
Special assessments	226,601	233,700
Due from provincial government and its agencies (Note 5)	16,591	18,825
Due from Nova Scotia Power Incorporated	325,875	295,179
Due from own funds and agencies (Note 6)	1,522,090	662,208
Due from other local governments (Note 7)	148,439	298,690
Other	<u>576,169</u>	<u>353,683</u>
	<u>4,703,754</u>	<u>4,367,977</u>
Loans and advances		
Employee loans (Note 3)	<u>8,714</u>	<u>816</u>
Total financial assets	<u>\$ 4,712,468</u>	<u>\$ 5,331,805</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond

General section

Operating fund statement of financial position

(Unaudited - see advisory to readers)

March 31

2014

2013

Liabilities and operating equity

Bank indebtedness	<u>\$ 1,663,831</u>	<u>\$ 397,402</u>
Due to own funds and agencies (Note 8)	167,420	595,524
Due to other local governments (Note 9)	46,235	60,556
Trade payables	<u>3,504,623</u>	<u>5,063,575</u>
	<u>3,718,278</u>	<u>5,719,655</u>
Other liabilities		
Deferred revenue	31,693	31,693
Prepayment of taxes	25,725	100,860
Tax sale surplus (Note 10)	<u>160,657</u>	<u>160,657</u>
	<u>218,075</u>	<u>293,210</u>
	<u>5,600,184</u>	<u>6,410,267</u>
Net financial liabilities	<u>\$ (887,716)</u>	<u>\$ (1,078,462)</u>
Non-financial assets		
Land acquired for special assessments	\$ 418,195	\$ 418,195
Prepaid expense	<u>262,388</u>	<u>272,844</u>
Total non-financial assets	680,583	691,039
Amounts to be recovered from future revenues	<u>705,484</u>	<u>823,064</u>
	<u>1,386,067</u>	<u>1,514,103</u>
Net assets and fund balance	<u>\$ 498,351</u>	<u>\$ 435,641</u>

Commitments and contingencies (Note 16)

On behalf of the Municipality of the County of Richmond

_____ Warden _____ CAO

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond

General section

Operating fund statement of financial activities

(Unaudited - see advisory to readers)

Year ended March 31

2014

2013

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue (Schedule A)			
Taxes	\$ 7,857,977	\$ 7,933,791	\$ 8,724,597
Grants in lieu of taxes	1,633,969	1,661,155	1,534,083
Other revenue from own sources	584,300	612,506	769,070
Conditional transfers from federal and provincial governments and agencies	69,100	54,563	57,547
Collections for other government	<u>195,000</u>	<u>199,943</u>	<u>192,996</u>
	<u>10,340,346</u>	<u>10,461,958</u>	<u>11,278,293</u>
 Expenditures (Schedule B)			
General government services	3,816,229	3,983,246	3,825,471
Protective services	2,485,714	2,474,451	2,461,438
Transportation services	585,312	623,082	596,273
Environmental health services	1,577,877	2,036,374	1,907,591
Public health and welfare services	61,000	73,096	60,724
Environmental development services	1,180,644	1,038,429	1,035,287
Recreation and cultural services	697,100	798,448	778,145
Collections for other government	195,000	199,943	192,996
Extraordinary and special items	<u>10,000</u>	<u>(63,921)</u>	<u>(4,948)</u>
	<u>10,608,876</u>	<u>11,163,148</u>	<u>10,852,977</u>
 Excess of (expenditures over revenue) revenue over expenditures	<u>(268,530)</u>	<u>(701,190)</u>	<u>425,316</u>
 Financing and transfers			
Debenture principal instalment	(327,642)	(327,642)	(326,106)
Transfer from general capital fund	(50,000)	444,423	510,251
Transfer (to) from operating reserve fund	641,672	641,672	(520,000)
Transfer from capital reserve	<u>4,500</u>	<u>5,447</u>	<u>5,227</u>
	<u>268,530</u>	<u>763,900</u>	<u>(330,628)</u>
 Change in fund balance	<u>\$ -</u>	<u>\$ 62,710</u>	<u>\$ 94,688</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond
General section
Operating fund statement of fund balance

(Unaudited - see advisory to readers)

Year ended March 31 2014 2013

Operating fund surplus, beginning of year	\$ 435,641	\$ 340,953
Change in fund balance	<u>62,710</u>	<u>94,688</u>
Operating fund surplus, end of year	<u>\$ 498,351</u>	<u>\$ 435,641</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond

General section

Capital fund statement of financial position

(Unaudited - see advisory to readers)

March 31

2014

2013

Financial assets	\$ -	\$ -
Liabilities		
Accounts payable	4,300	100,000
Due to general operating fund	<u>879,964</u>	<u>574,265</u>
	884,264	674,265
Long term debt (Note 14) (Schedule D)		
Serial debentures and term debt payable	<u>2,894,437</u>	<u>3,222,080</u>
Net liabilities	<u>(3,778,701)</u>	<u>(3,896,345)</u>
Non-financial assets		
Tangible assets		
Property acquired at tax sale	99,433	99,433
Plant and equipment (Schedule C)	11,970,190	11,935,457
Work in progress	<u>252,832</u>	<u>23,179</u>
	12,322,455	12,058,069
Other assets		
Unamortized discount on debentures	<u>14,198</u>	<u>16,416</u>
	12,336,653	12,074,485
Net assets	<u>\$ 8,557,952</u>	<u>\$ 8,178,140</u>
Fund balance	\$ 1,586,133	\$ 1,280,404
Investment in capital assets	<u>6,971,819</u>	<u>6,897,736</u>
	<u>\$ 8,557,952</u>	<u>\$ 8,178,140</u>

On behalf of the Municipality of the County of Richmond

_____ Warden _____ CAO

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond

General section

Capital fund statement of financial activities

(Unaudited - see advisory to readers)

Year ended March 31	2014		2013
	Budget	Actual	Actual
Revenue			
Government grants	\$ 400,000	\$ 418,462	\$ 30,000
Recovery of under financing	<u>20,000</u>	<u>19,655</u>	<u>19,655</u>
	420,000	438,117	49,655
Expenditures			
Capital additions and work in progress	700,000	811,350	197,991
Amortization of other assets and depreciation	<u>(500,000)</u>	<u>(532,449)</u>	<u>(523,014)</u>
	200,000	278,901	(325,023)
Net revenue	220,000	159,216	374,678
Financing and transfers			
Capital expenditures from operations	<u>90,000</u>	<u>146,513</u>	<u>161,027</u>
Change in fund balance	\$ 310,000	305,729	\$ 535,705
Beginning fund balance	-	1,280,404	744,699
Ending fund balance	\$ -	1,586,133	\$ 1,280,404

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond

General section

Schedule A - Details of revenue

(Unaudited - see advisory to readers)

Year ended March 31

2014

2013

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Taxes			
Assessable property			
Residential	\$ 4,184,600	\$ 4,187,340	\$ 3,861,723
Commercial			
Based on taxable assessment	4,098,300	4,087,927	5,189,357
Resource			
Based on taxable assessment	832,700	830,452	752,135
Forest property tax			
(less than 50,000 acres)	13,200	13,170	13,198
Forest property tax			
(50,000 acres or more)	<u>7,300</u>	<u>7,216</u>	<u>6,383</u>
	<u>9,136,100</u>	<u>9,126,105</u>	<u>9,822,796</u>
Area rates			
Fire protection	598,000	637,962	613,374
Environmental health services	<u>98,800</u>	<u>85,311</u>	<u>86,146</u>
	<u>696,800</u>	<u>723,273</u>	<u>699,520</u>
Business property			
Business occupancy	-	-	17,049
Based on revenue	<u>60,000</u>	<u>50,144</u>	<u>58,969</u>
	<u>60,000</u>	<u>50,144</u>	<u>76,018</u>
Other			
Deed transfer tax	<u>160,000</u>	<u>197,664</u>	<u>176,113</u>
Special assessments			
Sewer services by-law	<u>456,400</u>	<u>487,928</u>	<u>484,888</u>
	<u>10,509,300</u>	<u>10,585,114</u>	<u>11,259,335</u>
Education expenditure as a			
Reduction of tax revenue			
Appropriation to regional school board	<u>(2,651,323)</u>	<u>(2,651,323)</u>	<u>(2,534,738)</u>
	<u>\$ 7,857,977</u>	<u>\$ 7,933,791</u>	<u>\$ 8,724,597</u>
Grants in lieu of taxes			
Federal government	\$ 35,000	\$ 32,290	\$ 32,702
Provincial government			
Property	60,869	60,073	58,974
Crown timber lands	42,000	41,650	41,103
Provincial government agencies			
Nova Scotia Liquor Commission	7,600	7,201	7,375
Other			
Nova Scotia Power Incorporated	1,348,500	1,379,654	1,261,505
Windmills	<u>140,000</u>	<u>140,287</u>	<u>132,424</u>
	<u>\$ 1,633,969</u>	<u>\$ 1,661,155</u>	<u>\$ 1,534,083</u>

Municipality of the County of Richmond
General section
Schedule A - Details of revenue (Continued)

(Unaudited - see advisory to readers)

Year ended March 31

2014

2013

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Other revenue from own sources			
Licenses and permits	\$ 21,500	\$ 12,791	\$ 19,761
Rentals	9,800	9,803	9,803
Return on investments	100,000	104,349	100,013
Penalties and interest on taxes and special assessments	267,500	289,623	432,257
Miscellaneous	<u>185,500</u>	<u>195,940</u>	<u>207,236</u>
	<u>\$ 584,300</u>	<u>\$ 612,506</u>	<u>\$ 769,070</u>
Conditional transfers from federal and provincial governments and agencies			
Federal government			
Recreation and cultural services Canada Works Program	\$ 4,100	\$ 9,012	\$ 8,518
Provincial government			
Environmental health services recycling	<u>65,000</u>	<u>45,551</u>	<u>49,029</u>
	<u>\$ 69,100</u>	<u>\$ 54,563</u>	<u>\$ 57,547</u>
Collections for other government			
Village of St. Peters	<u>\$ 195,000</u>	<u>\$ 199,943</u>	<u>\$ 192,996</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond

General section

Schedule B - Details of expenditures

(Unaudited - see advisory to readers)

Year ended March 31

2014

2013

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Warden			
Stipend	\$ 36,000	\$ 36,763	\$ 35,190
Travel and meeting fees	15,000	45,744	12,128
Council			
Stipend	185,000	182,749	178,967
Travel and meeting fees	65,000	42,229	59,527
	<u>301,000</u>	<u>307,485</u>	<u>285,812</u>
Administrative			
Salaries and wages	754,500	817,110	752,492
Employee benefits	679,900	816,598	808,186
Office buildings	149,400	165,376	172,047
Legal services	50,000	47,106	84,361
Office expenses	146,200	136,632	127,052
Other administrative services	148,000	147,328	131,486
Financial management	18,000	19,182	16,789
Taxation			
Transfer for assessment services	280,434	280,434	281,470
Exemption to halls	298,000	300,389	288,956
Capped assessment	697,700	716,300	602,600
	<u>3,222,134</u>	<u>3,446,455</u>	<u>3,265,439</u>
Debt charges			
Interest on short term debt			
General operations interest	5,000	2,053	5,344
Interest on long term debt			
Debenture interest	44,095	44,095	50,677
	<u>49,095</u>	<u>46,148</u>	<u>56,021</u>
Valuation allowance			
Uncollectible taxes	100,000	10,605	51,660
Uncollectible interest	100,000	30,227	(26,789)
	<u>200,000</u>	<u>40,832</u>	<u>24,871</u>
Other general services			
Amortization	-	100,512	114,039
Intergovernmental relations	44,000	41,814	41,757
Municipal election	-	-	37,532
	<u>44,000</u>	<u>142,326</u>	<u>193,328</u>
	<u>\$ 3,816,229</u>	<u>\$ 3,983,246</u>	<u>\$ 3,825,471</u>

Municipality of the County of Richmond

General section

Schedule B - Details of expenditures (Continued)

(Unaudited - see advisory to readers)

Year ended March 31

2014

2013

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protective services			
Police protection			
Contracted policing	\$ 1,316,000	\$ 1,307,573	\$ 1,288,041
Law enforcement			
County court	60,100	48,813	69,460
Transfer to correctional services	167,114	166,475	168,276
Other	-	-	-
	<u>1,543,214</u>	<u>1,522,861</u>	<u>1,525,777</u>
Fire protection			
Fire fighting force			
Fire services	25,000	25,000	25,000
Area rate levies	598,000	637,962	613,374
Water supply and hydrants	247,000	243,679	248,220
	<u>870,000</u>	<u>906,641</u>	<u>886,594</u>
Other			
Amortization	-	478	498
Maintenance area rate	41,500	27,992	27,085
Animal and pest control	16,000	3,370	4,704
Emergency measures	15,000	13,109	16,780
	<u>72,500</u>	<u>44,949</u>	<u>49,067</u>
	<u>\$ 2,485,714</u>	<u>\$ 2,474,451</u>	<u>\$ 2,461,438</u>
Transportation services			
Transportation fee	\$ 155,312	\$ 147,208	\$ 151,661
Street lighting	390,000	412,088	380,674
Amortization	-	28,373	29,556
Air transport	40,000	35,413	34,382
	<u>\$ 585,312</u>	<u>\$ 623,082</u>	<u>\$ 596,273</u>

Municipality of the County of Richmond

General section

Schedule B - Details of expenditures (Continued)

(Unaudited - see advisory to readers)

Year ended March 31

2014

2013

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Environmental health services			
Administration	\$ 178,600	\$ 168,771	\$ 148,750
Sewage collection and disposal			
Central treatment plant	319,750	378,628	361,266
Garbage collection and disposal			
Garbage and waste collection	320,000	328,942	320,654
Municipal dumps	663,450	682,793	614,043
Amortization	-	381,163	358,504
Debt charges			
Interest on long term debt	<u>96,077</u>	<u>96,077</u>	<u>104,374</u>
	<u>\$ 1,577,877</u>	<u>\$ 2,036,374</u>	<u>\$ 1,907,591</u>
Public health and welfare services			
Public health			
Board of health	\$ 1,000	\$ 11,859	\$ 3,236
Housing			
Deficit of Cape Breton Island			
Housing Authority (Richmond district)	<u>60,000</u>	<u>61,237</u>	<u>57,488</u>
	<u>\$ 61,000</u>	<u>\$ 73,096</u>	<u>\$ 60,724</u>
Environmental development services			
Transfer to			
Eastern District Planning Commission	\$ 170,000	\$ 165,900	\$ 170,659
Industrial Mall	5,000	7,561	5,266
Economic development and tourism	<u>1,005,644</u>	<u>864,968</u>	<u>859,362</u>
	<u>\$ 1,180,644</u>	<u>\$ 1,038,429</u>	<u>\$ 1,035,287</u>
Recreation and cultural services			
Recreation facilities			
Administration	\$ 384,700	\$ 415,771	\$ 352,566
Amortization	-	19,705	18,198
Programs and grants	189,800	230,143	265,107
Canada works program	<u>24,000</u>	<u>36,362</u>	<u>39,167</u>
	598,500	701,981	675,038
Cultural buildings and facilities			
Libraries	34,500	32,367	41,504
Transfer to regional library	<u>64,100</u>	<u>64,100</u>	<u>61,603</u>
	<u>\$ 697,100</u>	<u>\$ 798,448</u>	<u>\$ 778,145</u>

Municipality of the County of Richmond

General section

Schedule B - Details of expenditures (Continued)

(Unaudited - see advisory to readers)

Year ended March 31

	2014	2013	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Collections for other government			
Village of St. Peter's	\$ 195,000	\$ 199,943	\$ 192,996
Extraordinary and special items			
Adjustment of prior year's revenue and expenditures	\$ 10,000	\$ (63,921)	\$ (4,948)

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond
General section
Schedule C – Details of plant and equipment

(Unaudited - see advisory to readers)

Year ended March 31

2014

2013

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 710,711	\$ -	\$ 710,711	\$ 710,711
Buildings	15,557,890	5,863,725	9,694,165	9,937,425
Machinery and equipment	1,524,252	762,854	761,398	529,787
Vehicles	120,629	99,171	21,458	30,654
Sidewalks	856,167	199,399	656,768	684,133
Landfill	<u>260,617</u>	<u>134,927</u>	<u>125,690</u>	<u>42,747</u>
	<u>\$19,030,266</u>	<u>\$ 7,060,076</u>	<u>\$ 11,970,190</u>	<u>\$ 11,935,457</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond

Reserve funds section

Capital reserve statement of financial position

(Unaudited - see advisory to readers)

March 31	2014	2013
Assets		
Cash	\$ 1,758,283	\$ 1,541,044
Receivable from operating fund	15,000	15,000
Receivable from Province of Nova Scotia	<u>-</u>	<u>242,893</u>
	\$ 1,773,283	\$ 1,798,937

Reserve		
Gas tax	\$ 1,258,062	\$ 1,298,716
Landfill closure	324,365	309,365
Capital	125,210	125,210
Water utility	<u>65,646</u>	<u>65,646</u>
	\$ 1,773,283	\$ 1,798,937

On behalf of the Municipality of the County of Richmond

_____ Warden _____ CAO

Reserve funds section

Capital reserve statement of financial activities

(Unaudited - see advisory to readers)

Year ended March 31	2014	2013
Gas tax revenue	\$ 478,198	\$ 485,786
Interest earned	<u>11,088</u>	<u>9,426</u>
	489,286	495,212
Transfer from operating fund	15,000	15,000
Transfer to operating fund	<u>(529,940)</u>	<u>(36,527)</u>
Change in fund balance	(25,654)	473,685
Balance, beginning of year	<u>1,798,937</u>	<u>1,325,252</u>
Balance, end of year	\$ 1,773,283	\$ 1,798,937

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond

Reserve funds section

Operating reserve statement of financial position

(Unaudited - see advisory to readers)

March 31	2014	2013
Financial assets		
Cash	\$ 4,311,745	\$ 3,791,745
Due (to) from general section, operating fund	<u>(641,672)</u>	<u>520,000</u>
	<u>\$ 3,670,073</u>	<u>\$ 4,311,745</u>

Reserve		
Infrastructure reserve	\$ 331,430	\$ 331,430
Tax rate stabilization reserve	<u>3,338,643</u>	<u>3,980,315</u>
	<u>\$ 3,670,073</u>	<u>\$ 4,311,745</u>

On behalf of the Municipality of the County of Richmond

_____ Warden _____ CAO

Reserve funds section

Operating reserve statement of financial activities

(Unaudited - see advisory to readers)

Year ended March 31	2014	2013
Financing and transfers		
Transfer (to) from operating fund	\$ <u>(641,672)</u>	\$ <u>520,000</u>
Change in fund balance	(641,672)	520,000
Balance, beginning of year	<u>4,311,745</u>	<u>3,791,745</u>
Balance, end of year	<u>\$ 3,670,073</u>	<u>\$ 4,311,745</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)

March 31, 2014

1. Summary of significant accounting policies

Operating funds

- i) Properties acquired at tax sale

Properties acquired at tax sale are stated at cost.

- ii) Revenue and expenditures

Major revenue and expenditure items are recorded on the accrual basis.

Tangible capital assets

Tangible assets are recorded at cost using the declining balance method at the following rates:

Buildings	2.5% - 4%
Office equipment	20%
Machinery & equipment	20%
Computer equipment	30%
Vehicles	30%
Sidewalks	4%

One-half year's amortization is taken in the year of acquisition.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles for municipal governments requires that management 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 financial statements, and the reported amounts of revenues and expenditures during the reporting period. Where estimation uncertainty exists the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

2. Inter-fund balances

The various funds of the Municipality and its Water Utility include a series of inter-fund balances as noted in the respective funds. It is anticipated that all inter-fund balances will be settled within the next fiscal year, except where noted or where there is a longer term plan in place to fund such balances.

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)

March 31, 2014

3. Loans and advances, employees, and elected officials

Municipal Council has approved a computer purchase program which is available to all elected officials and full time employees. The Municipality provides a three year, interest free loan up to a maximum of \$4,000 per employee or elected official towards the purchase of a personal computer. The amount outstanding of \$ 8,714 as at March 31, 2014, represents the cost of computers acquired less any repayments to date.

4. Taxes receivable	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 2,507,207	\$ 2,502,178
Levy	<u>10,278,937</u>	<u>10,955,909</u>
	12,786,144	13,458,087
Collections	<u>10,960,907</u>	<u>10,950,880</u>
	<u>\$ 1,825,237</u>	<u>\$ 2,507,207</u>
Allocation of balance:		
Current	\$ 942,825	\$ 1,447,421
Prior year	<u>882,412</u>	<u>1,059,786</u>
	<u>\$ 1,825,237</u>	<u>\$ 2,507,207</u>

5. Due from provincial government and its agencies	<u>2014</u>	<u>2013</u>
Sundry	<u>\$ 16,591</u>	<u>\$ 18,825</u>

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)

March 31, 2014

6. Due from own funds and agencies	<u>2014</u>	<u>2013</u>
Own funds		
Capital fund	\$ 879,964	\$ 574,265
Operating reserve	641,672	-
Water Utility fund	-	87,318
Own agencies		
Richmond County-Port Hawkesbury Joint Development Commission	454	625
	\$ 1,522,090	\$ 662,208

7. Due from other local governments	<u>2014</u>	<u>2013</u>
Framboise – Forchu Fire Department	\$ -	\$ 5,683
District 10 Fire Department	5,781	-
St. Peter's Fire Department	24,074	106,584
Isle Madame Fire Department	118,584	186,423
	\$ 148,439	\$ 298,690

8. Due to own funds and agencies	<u>2014</u>	<u>2013</u>
Own funds –		
Operating Reserve	\$ -	\$ 520,000
Capital Reserve Section	15,000	15,000
Water Utility fund	87,420	-
Own agencies		
Cape Breton Island Housing Authority	65,000	60,524
	\$ 167,420	\$ 595,524

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)

March 31, 2014

9. Due to other local governments	<u>2014</u>	<u>2013</u>
Framboise Fourchu Fire Department	\$ 2,905	\$ -
L'Ardoise Fire Department	5,970	9,887
Loch Lomond Fire Department	2,019	1,156
Louisdale Fire Department	22,858	88
District Ten Fire Department	-	9,011
Grand River Fire Department	12,483	6,690
St. Peters Village Commission	<u>-</u>	<u>33,724</u>
	<u>\$ 46,235</u>	<u>\$ 60,556</u>

10. Tax sale surplus

There is a twenty year period of holding these funds in trust, after which cash must be transferred to the Special Reserve Fund.

11. Extraordinary and special items

	<u>2014</u>	<u>2013</u>
Prior year receivables	\$ (8,929)	\$ (20,024)
Prior year payables	<u>(54,992)</u>	<u>15,076</u>
	<u>\$ (63,921)</u>	<u>\$ (4,948)</u>

During the current year the above items were classified as extraordinary and special items as they related to prior years.

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)

March 31, 2014

12. Asset valuation allowances	<u>2014</u>	<u>2013</u>
For uncollected taxes		
Balance, beginning of year	\$ 248,875	\$ 238,338
Provision for the year	10,605	51,660
Less write offs and adjustments	<u>(22,219)</u>	<u>(41,123)</u>
Balance, end of year	<u>\$ 237,261</u>	<u>\$ 248,875</u>
For uncollected interest		
Balance, beginning of year	\$ 408,590	\$ 471,459
Provision for the year	30,227	(26,789)
Less write offs and adjustments	<u>(31,646)</u>	<u>(36,080)</u>
Balance, end of year	<u>\$ 407,171</u>	<u>\$ 408,590</u>
	<u>\$ 644,432</u>	<u>\$ 657,465</u>

13. Schools

On January 1, 1982, the Municipality of the County of Richmond joined with the Town of Port Hawkesbury to form the Richmond District School Board. Under the agreement, all school buildings on hand at December 31, 1981, will remain assets of the Municipality but will be under the operational control of the District School Board until such time as the Board no longer requires the asset for school purposes. At that time, control will revert back to the Municipality.

14. Long term debt

Principal repayments required during the next five years on long term debt are approximately as follows:

	<u>General capital</u>
2015	\$ 329,200
2016	\$ 330,900
2017	\$ 332,600
2018	\$ 334,400
2019	\$ 336,200

All existing long term debt has been approved by the Minister of Municipal Affairs.

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)

March 31, 2014

15. Contributions to Boards and Commissions

- (a) Boards and commissions in which the Municipality has less than a 100% interest:

The Municipality is required to finance the operations of various boards and commissions, along with the other local municipal units to the extent of its participation based on assessment, population, or prescribed formulae.

In addition to any budgeted contributions, the municipal units share in the deficits or surpluses of these boards based on their sharing percentages. A municipal unit's share of any deficit must be paid in the next fiscal year while a surplus may be taken into the next year's estimates. Alternatively, the Municipality may provide for its share of the surplus or deficit in the current year.

Details of contributions to these boards and commissions are as follows:

	<u>2014</u>	<u>2013</u>
Cape Breton Island Housing Authority	\$ 61,237	\$ 57,488
Eastern County Regional Library	64,100	61,603
Eastern District Planning Commission	165,900	170,659
Strait Highlands Regional Development Agency	-	69,961
Richmond County – Port Hawkesbury Joint Development Commission	(171)	(172)

The Municipality has no further financial obligations in connection with the operating results of the above-mentioned entities for the year ended March 31, 2014.

- (b) Boards and commissions in which the Municipality has a 100% interest:

- i) Richmond Housing Corporation (Richmond Villa)

The Municipality has guaranteed a line of credit in the amount of \$200,000 (2013 - \$150,000) on behalf of the Housing Corporation which is indebted to the bank in the amount of NIL as at March 31, 2014, (2013 – NIL).

The Housing Corporation had an accumulated operating deficit of \$XXX,XXX as at March 31, 2014, (2013 - \$641,469 deficit).

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)

March 31, 2014

15. Contributions to Boards and Commissions (continued)

ii) Municipality of the County of Richmond Water Utility

During the year the Municipality paid \$171,097 (2013 - \$179,274) in respect of public fire protection. The annual utility charge is determined under a formula as set out in the utility rate structure which has been approved by the Board of Public Utilities.

The Municipality, through its public works department, provided water maintenance services for the Utility during the year, in the amount of \$165,000 (2013 - \$165,000).

The Utility has an accumulated operating surplus of \$211,902 as at March 31, 2014, (2013 - \$166,355).

16. Commitments and contingencies

Pension costs and obligations

During the year the Municipality contributed to the registered pension plan for full time employees to a maximum of 9% of each employee's gross pay. Total contributions during the period by the Municipality were \$432,900 (2013 - \$297,400).

Landfill closure costs

The Municipality is required to properly close and monitor its old landfill sites. As of the year end the amount of this liability is not known nor is it reasonably estimated. As a result, no amount is reported in the financial statements. The Municipality has set aside \$324,365 in its capital reserve in anticipation of these costs.

17. Retirement benefits

The Municipality has a policy to pay a retirement benefit to employees upon retirement or termination due to disability, or to the employee's estate in the case of death, for employees who have been employed with the Municipality for at least ten years. The benefit is graduated based on years of service.

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)

March 31, 2014

18. Other

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

<u>Official</u>	<u>Position</u>	<u>Remuneration</u>
Steve Sampson	Warden	\$ 37,941
Rod Sampson	Councillor	\$ 20,237
Stephen MacNeil	Councillor	\$ 20,237
Brian Marchand	Councillor	\$ 20,237
Alvin Martell	Councillor	\$ 20,237
Shirley McNamara	Councillor	\$ 20,237
Victor David	Councillor	\$ 20,237
Malcolm Beaton	Councillor	\$ 20,237
Gilbert Boucher	Councillor	\$ 20,237
Gail Johnson	Deputy-Warden	\$ 25,293
Warren Olsen	CAO	\$ 121,894

19. Operating fund expenditures by object

	<u>2014</u>	<u>2013</u>
Salaries, wages and benefits	\$ 2,437,762	\$ 2,276,151
Materials and services	3,172,216	3,112,503
External transfers	2,893,400	2,800,197
Contracted services	1,946,482	1,958,065
Amortization	530,231	520,795
Interest on long term debt	140,172	155,051
Financial and other	<u>42,885</u>	<u>30,215</u>
	<u>\$ 11,163,148</u>	<u>\$10,852,977</u>

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)
March 31, 2014

20. Pension agreements

As mentioned in Note 16 the Municipality provides a defined benefit pension plan for its full time employees. Included in payables is an estimated pension liability of \$1,393,300. This liability is based on actuarial estimates as of March 31, 2014. The valuation assumes a rate of return of 5.75% with salary increases of 3.5% and an inflation rate of 2% post retirement.

The following summarizes the plan for the fiscal year ended March 31, 2014:

	<u>2014</u>	<u>2013</u>
Liability – Statement of financial position		
Accrued benefit obligation end of year	\$ 7,087,500	\$ 6,928,800
Pension fund assets end of year	(5,451,300)	(4,861,800)
Unamortized actuarial (losses) gains	<u>(242,900)</u>	<u>(559,400)</u>
	<u>\$ 1,393,300</u>	<u>\$ 1,507,600</u>
Expenses – Statement of operations		
Current service cost	\$ 257,400	\$ 243,400
Amortization of actuarial (gains) losses	10,500	12,800
Regular contributions by employees	(81,700)	(82,700)
Interest on average pension liability during the year	<u>119,200</u>	<u>113,600</u>
Total expense:	<u>\$ 305,400</u>	<u>\$ 287,100</u>

21. Other matters

During 2013, the Province of Nova Scotia passed Bill No. 155 which amended the 2006 Richmond Stora Enso Taxation Act. The effect of the amendment is as follows:

- a) Reduce the taxation revenue from paper mill by \$200,000 in the 2013 fiscal year. In addition, \$450,000 of the revenues will be paid over a four year period commencing in September of 2013.
 - b) Tax revenue from the paper mill will be set at \$1,300,000 in each of the fiscal years 2014, 2015, and 2016.
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Municipality of the County of Richmond

Schedule D - Debt charges and term debt

(Unaudited - see advisory to readers)

Year ended March 31, 2014

	<u>Due date</u>	<u>Interest rate</u>	<u>Loan Continuity</u>			<u>Balance March 31, 2014</u>	<u>Interest</u>
			<u>Balance March 31, 2013</u>	<u>Additions</u>	<u>Redeemed</u>		
Municipal purposes							
Serial debentures							
Building	2019	5.39%	\$ 886,664	\$ -	\$ 126,667	\$ 759,997	\$ 44,095
Landfill	2021	4.50%	1,080,000	-	120,000	960,000	45,695
Sidewalks	2023	4.42%	<u>421,439</u>	<u>-</u>	<u>38,312</u>	<u>383,127</u>	<u>19,007</u>
			2,388,103	-	284,979	2,103,124	108,797
Term debt							
CMHC	2026 - 2031	3.75%	<u>833,977</u>	<u>-</u>	<u>42,664</u>	<u>791,313</u>	<u>31,375</u>
			<u>\$3,222,080</u>	<u>\$ -</u>	<u>\$ 327,643</u>	<u>\$ 2,894,437</u>	<u>\$ 140,172</u>