

Non-consolidated financial statements

(Unaudited – see advisory to readers)

Municipality of the County of Richmond

March 31, 2016

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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

2016

2015

Financial assets

Receivables

Taxes (Note 4)	\$ 1,540,316	\$ 1,764,880
Interest on taxes	<u>872,912</u>	<u>771,343</u>

	2,413,228	2,536,223
Less: allowance for doubtful accounts (Note 11)	<u>782,358</u>	<u>715,033</u>

	1,630,870	1,821,190
Sewer - special assessments	208,719	215,785
Due from provincial governments and its agencies (Note 5)	18,291	16,799
Due from federal government and its agencies (Note 5)	894,040	236,936
Due from own funds and agencies (Note 6)	59,091	1,472,962
Due from other local organizations (Note 7)	71,514	39,723
Other	<u>156,702</u>	<u>83,652</u>

	<u>3,039,227</u>	<u>3,887,047</u>
Loans and advances		
Employee loans (Note 3)	<u>5,285</u>	<u>7,468</u>

Total financial assets	<u>\$ 3,044,512</u>	<u>\$ 3,894,515</u>
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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

2016

2015

Financial liabilities

Bank indebtedness	<u>\$ 373,507</u>	<u>\$ 1,376,933</u>
Due to own funds and agencies (Note 8)	327,074	85,622
Due to other local organizations (Note 9)	9,893	375,479
Trade payables	<u>2,470,109</u>	<u>2,575,234</u>
	<u>2,807,076</u>	<u>3,036,335</u>
Other liabilities		
Deferred revenue	31,693	31,693
Prepayment of taxes	159,312	204,876
Tax sale surplus (Note 10)	<u>302,338</u>	<u>278,222</u>
	<u>493,343</u>	<u>514,791</u>
	<u>3,673,926</u>	<u>4,928,059</u>
Net financial liabilities	<u>\$ (629,414)</u>	<u>\$ (1,033,544)</u>

Non-financial assets

Land acquired for special assessments	\$ 418,195	\$ 418,195
Prepaid expense	<u>275,838</u>	<u>290,182</u>
Total non-financial assets	694,033	708,377
Amounts to be recovered from future revenues	<u>470,324</u>	<u>587,904</u>
	<u>1,164,357</u>	<u>1,296,281</u>
Net assets and fund balance (page 5)	<u>\$ 534,943</u>	<u>\$ 262,737</u>

Commitments and contingencies (Note 15)

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

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue (Schedule A)			
Taxes	\$ 8,730,784	\$ 8,748,622	\$ 8,266,246
Grants in lieu of taxes	1,934,877	1,938,361	1,891,104
Other revenue from own sources	598,100	534,620	541,021
Conditional transfers from federal and provincial governments and agencies	62,500	42,231	61,039
Collections for other government	<u>237,023</u>	<u>124,809</u>	<u>228,907</u>
	<u>11,563,284</u>	<u>11,388,643</u>	<u>10,988,317</u>
Expenditures (Schedule B)			
General government services	3,912,749	3,848,170	3,857,323
Protective services	2,742,575	2,634,587	2,499,974
Transportation services	628,253	655,703	685,577
Environmental health services	1,621,374	2,049,473	2,034,524
Public health and welfare services	78,741	70,407	77,890
Environmental development services	1,181,405	1,000,137	1,031,834
Recreation and cultural services	752,707	713,280	708,701
Collections for other government	237,023	124,809	228,907
Extraordinary and special items	<u>10,000</u>	<u>202,155</u>	<u>(89,374)</u>
	<u>11,164,827</u>	<u>11,298,721</u>	<u>11,035,356</u>
Excess of revenue over expenditures (expenditures over revenue)	<u>398,457</u>	<u>89,922</u>	<u>(47,039)</u>
Financing and transfers			
Debenture principal instalment	(352,957)	(352,957)	(329,236)
Transfer from general capital fund	(50,000)	529,637	342,870
Transfer (to) from operating reserve fund	-	-	118,062
Transfer from capital reserve	<u>4,500</u>	<u>5,604</u>	<u>5,604</u>
	<u>(398,457)</u>	<u>182,284</u>	<u>137,300</u>
Change in fund balance	<u>\$ -</u>	<u>\$ 272,206</u>	<u>\$ 90,261</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	2016	2015
Operating fund surplus, beginning of year	\$ 262,737	\$ 172,476
Change in fund balance	<u>272,206</u>	<u>90,261</u>
Operating fund surplus, end of year	<u>\$ 534,943</u>	<u>\$ 262,737</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	2016	2015
Financial liabilities		
Due to general operating fund		
Temporary financing - other	\$ 58,966	\$ 280,776
Temporary financing - tourism project	<u>-</u>	<u>362,974</u>
	<u>58,966</u>	<u>643,750</u>
Long term debt (Note 13) (Schedule D)		
Serial debentures and term debt payable	<u>2,543,244</u>	<u>2,896,201</u>
Net financial liabilities	<u>2,602,210</u>	<u>3,539,951</u>
Non-financial assets		
Tangible assets		
Property acquired at tax sale	99,433	99,433
Plant and equipment (Schedule C)	12,879,318	12,806,684
Work in progress	<u>832,064</u>	<u>797,681</u>
	13,810,815	13,703,798
Other assets		
Unamortized discount on debentures	<u>9,762</u>	<u>11,980</u>
	<u>13,820,577</u>	<u>13,715,778</u>
Net assets	<u>\$ 11,218,367</u>	<u>\$ 10,175,827</u>
Investment in capital assets (page 7)	<u>\$ 11,218,367</u>	<u>\$ 10,175,827</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 investment in capital assets

(Unaudited - see advisory to readers)
Year ended March 31

	2016	2015
Balance, beginning of year	<u>\$ 10,175,827</u>	<u>\$ 8,557,952</u>
Debtures and term debt retired	352,957	329,236
Transfer from capital reserve - gas tax	482,116	1,293,600
Transfer from capital reserve - other	68,468	-
Grant for tangible capital asset additions	381,616	419,107
Grant to repay temporary financing	362,974	-
Prior year projects not previously funded	202,155	-
Capital out of revenue	54,107	200,975
Internal financing recovery	19,655	19,667
Disposal of tangible capital asset – accumulated amortization	<u>22,184</u>	<u>90,788</u>
	<u>1,946,232</u>	<u>2,353,373</u>
Transfer to capital reserve – excess grant funding	(319,556)	(68,468)
Current year amortization	(559,487)	(529,024)
Disposal of tangible capital asset - cost	<u>(24,649)</u>	<u>(138,006)</u>
	<u>(903,692)</u>	<u>(735,498)</u>
Balance, end of year	<u>\$ 11,218,367</u>	<u>\$ 10,175,827</u>

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

		2016	2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Taxes			
Assessable property			
Residential	\$ 4,505,713	\$ 4,507,779	\$ 4,312,247
Commercial			
Based on taxable assessment	4,146,014	4,128,443	4,081,860
Resource			
Based on taxable assessment	941,509	939,504	864,567
Forest property tax (less than 50,000 acres)	13,900	13,112	13,834
Forest property tax (50,000 acres or more)	<u>6,643</u>	<u>6,643</u>	<u>6,521</u>
	<u>9,613,779</u>	<u>9,595,481</u>	<u>9,279,029</u>
Area rates			
Fire protection	728,000	691,191	660,242
Environmental health services	<u>99,900</u>	<u>84,131</u>	<u>84,281</u>
	<u>827,900</u>	<u>775,322</u>	<u>744,523</u>
Business property			
Based on revenue	<u>50,000</u>	<u>48,858</u>	<u>48,523</u>
Other			
Deed transfer tax	<u>165,000</u>	<u>192,718</u>	<u>208,587</u>
Special assessments			
Sewer services by-law	<u>497,335</u>	<u>559,473</u>	<u>505,031</u>
	11,154,014	11,171,852	10,785,693
Education expenditure as a reduction of tax revenue			
Appropriation to regional school board	<u>(2,423,230)</u>	<u>(2,423,230)</u>	<u>(2,519,447)</u>
	<u>\$ 8,730,784</u>	<u>\$ 8,748,622</u>	<u>\$ 8,266,246</u>
Grants in lieu of taxes			
Federal government	\$ 35,000	\$ 28,613	\$ 29,361
Provincial government			
Property	65,000	60,061	60,442
Crown timber lands	40,000	41,921	41,921
Provincial government agencies			
Nova Scotia Liquor Commission	7,000	6,370	6,966
Other			
Nova Scotia Power Incorporated	1,646,977	1,651,118	1,611,021
Windmills	<u>140,900</u>	<u>150,278</u>	<u>141,393</u>
	<u>\$ 1,934,877</u>	<u>\$ 1,938,361</u>	<u>\$ 1,891,104</u>

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

(Unaudited - see advisory to readers)

Year ended March 31

	2016		2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Other revenue from own sources			
Licenses and permits	\$ 11,500	\$ 7,921	\$ 12,693
Rentals	2,500	3,268	9,803
Return on investments	110,000	42,645	55,726
Penalties and interest on taxes and special assessments	243,500	278,303	244,664
Miscellaneous	<u>230,600</u>	<u>202,483</u>	<u>218,135</u>
	<u>\$ 598,100</u>	<u>\$ 534,620</u>	<u>\$ 541,021</u>
Conditional transfers from federal and provincial governments and agencies			
Federal government			
Recreation and cultural services			
Summer student grant	\$ 10,000	\$ 7,685	\$ 10,532
Provincial government			
Environmental health services recycling	<u>52,500</u>	<u>34,546</u>	<u>50,507</u>
	<u>\$ 62,500</u>	<u>\$ 42,231</u>	<u>\$ 61,039</u>
Collections for other government			
Village of St. Peters	<u>\$ 237,023</u>	<u>\$ 124,809</u>	<u>\$ 228,907</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

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Warden			
Stipend	\$ 39,700	\$ 38,248	\$ 37,692
Travel and meeting fees	35,000	13,281	38,107
Council			
Stipend	195,729	188,705	187,086
Travel and meeting fees	<u>60,000</u>	<u>54,672</u>	<u>60,018</u>
	<u>330,429</u>	<u>294,906</u>	<u>322,903</u>
Administrative			
Salaries and wages	648,745	650,545	714,253
Employee benefits	816,083	753,544	707,460
Office buildings	168,200	164,544	168,566
Legal services	50,000	65,660	41,791
Office expenses	152,000	142,237	166,399
Other administrative services	178,334	160,773	168,843
Financial management	23,506	49,336	17,549
Taxation			
Transfer for assessment services	265,893	265,893	271,893
Exemption to halls	327,600	326,589	319,876
Capped assessment	<u>729,691</u>	<u>729,229</u>	<u>719,200</u>
	<u>3,360,052</u>	<u>3,308,350</u>	<u>3,295,830</u>
Debt charges			
Interest on short term debt			
General operations interest	5,000	(5,909)	969
Interest on long term debt			
Debenture interest	<u>32,268</u>	<u>30,209</u>	<u>37,135</u>
	<u>37,268</u>	<u>24,300</u>	<u>38,104</u>
Valuation allowance			
Uncollectible taxes	70,000	29,279	53,288
Uncollectible interest	<u>70,000</u>	<u>64,668</u>	<u>17,313</u>
	<u>140,000</u>	<u>93,947</u>	<u>70,601</u>
Other general services			
Amortization	-	82,860	88,416
Intergovernmental relations	<u>45,000</u>	<u>43,807</u>	<u>41,469</u>
	<u>45,000</u>	<u>126,667</u>	<u>129,885</u>
	<u>\$ 3,912,749</u>	<u>\$ 3,848,170</u>	<u>\$ 3,857,323</u>

Municipality of the County of Richmond

General section

Schedule B - Details of expenditures (Continued)

(Unaudited - see advisory to readers)

Year ended March 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protective services			
Police protection			
Contracted policing	\$ 1,379,521	\$ 1,378,501	\$ 1,348,330
Law enforcement			
County court	39,600	20,248	24,539
Transfer to correctional services	<u>152,454</u>	<u>152,454</u>	<u>158,496</u>
	<u>1,571,575</u>	<u>1,551,203</u>	<u>1,531,365</u>
Fire protection			
Fire fighting force			
Fire services	25,000	25,000	25,000
Area rate levies	728,000	691,191	660,242
Water supply and hydrants	<u>332,000</u>	<u>315,980</u>	<u>223,304</u>
	<u>1,085,000</u>	<u>1,032,171</u>	<u>908,546</u>
Other			
Amortization	-	440	459
Maintenance area rate	46,000	29,873	28,696
Animal and pest control	10,000	3,168	2,886
Emergency measures	<u>30,000</u>	<u>17,732</u>	<u>28,022</u>
	<u>86,000</u>	<u>51,213</u>	<u>60,063</u>
	<u>\$ 2,742,575</u>	<u>\$ 2,634,587</u>	<u>\$ 2,499,974</u>
Transportation services			
Transportation fee	\$ 156,307	\$ 153,079	\$ 154,618
Street lighting	420,000	424,554	450,673
Amortization	-	27,069	27,652
Air transport	36,000	35,413	35,413
Interest on long term debt	<u>15,946</u>	<u>15,588</u>	<u>17,221</u>
	<u>\$ 628,253</u>	<u>\$ 655,703</u>	<u>\$ 685,577</u>

Municipality of the County of Richmond

General section

Schedule B - Details of expenditures (Continued)

(Unaudited - see advisory to readers)

Year ended March 31

		2016	2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Environmental health services			
Administration	\$ 188,231	\$ 177,378	\$ 170,841
Sewage collection and disposal			
Central treatment plant	341,000	430,012	397,817
Garbage collection and disposal			
Garbage and waste collection	350,000	322,361	330,514
Municipal dumps	667,350	623,336	669,638
Amortization	-	421,775	387,886
Debt charges			
Interest on long term debt	<u>74,793</u>	<u>74,611</u>	<u>77,828</u>
	<u>\$ 1,621,374</u>	<u>\$ 2,049,473</u>	<u>\$ 2,034,524</u>
Public health and welfare services			
Public health			
Board of health	\$ 1,000	\$ -	\$ 64
Housing			
Deficit of Cape Breton Island			
Housing Authority (Richmond district)	<u>77,741</u>	<u>70,407</u>	<u>77,826</u>
	<u>\$ 78,741</u>	<u>\$ 70,407</u>	<u>\$ 77,890</u>
Environmental development services			
Transfer to			
Eastern District Planning Commission	\$ 163,000	\$ 162,766	\$ 162,579
Industrial Mall	5,000	-	704
Economic development and tourism	<u>1,013,405</u>	<u>837,371</u>	<u>868,551</u>
	<u>\$ 1,181,405</u>	<u>\$ 1,000,137</u>	<u>\$ 1,031,834</u>
Recreation and cultural services			
Recreation facilities			
Administration	\$ 442,207	\$ 410,107	\$ 388,291
Amortization	-	25,124	22,393
Programs and grants	164,500	133,965	162,414
Canada works program	<u>45,500</u>	<u>47,079</u>	<u>37,861</u>
	652,207	616,275	610,959
Cultural buildings and facilities			
Libraries	34,500	32,003	32,740
Transfer to regional library	<u>66,000</u>	<u>65,002</u>	<u>65,002</u>
	<u>\$ 752,707</u>	<u>\$ 713,280</u>	<u>\$ 708,701</u>

Municipality of the County of Richmond
General section

Schedule B - Details of expenditures (Continued)

(Unaudited - see advisory to readers)

Year ended March 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Collections for other government			
Village of St. Peter's	\$ 237,023	\$ 124,809	\$ 228,907
Extraordinary and special items			
Prior years projects not previously funded	\$ 10,000	\$ 202,155	\$ -
Adjustment of prior years' payable	-	-	(89,374)
	<u>\$ 10,000</u>	<u>\$ 202,155</u>	<u>\$ (89,374)</u>

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			2016	2015
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 719,575	\$ -	\$ 719,575	\$ 719,575
Buildings and land improvements	16,882,462	6,617,622	10,264,840	10,276,567
Machinery and equipment	1,759,522	898,205	861,317	753,346
Vehicles	144,931	79,041	65,890	40,956
Sidewalks	882,350	252,223	630,127	650,742
Landfill	<u>521,647</u>	<u>184,078</u>	<u>337,569</u>	<u>365,498</u>
	<u>\$20,910,487</u>	<u>\$ 8,031,169</u>	<u>\$ 12,879,318</u>	<u>\$ 12,806,684</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	2016	2015
Financial assets (liabilities)		
Cash	\$ 1,062,424	\$ 1,773,284
Receivable from (payable to) operating fund	<u>229,800</u>	<u>(710,860)</u>
	<u>\$ 1,292,224</u>	<u>\$ 1,062,424</u>
<hr/>		
Reserve		
Gas tax	\$ 398,471	\$ 426,634
Landfill closure	354,365	339,365
Capital	473,742	230,779
Water utility	<u>65,646</u>	<u>65,646</u>
	<u>\$ 1,292,224</u>	<u>\$ 1,062,424</u>

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	2016	2015
Gas tax revenue	\$ 449,260	\$ 448,332
Interest earned – gas tax	4,694	13,839
Interest earned – other capital	5,604	5,604
Proceeds on sale of tangible capital assets	2,284	37,102
Excess funding for tangible capital assets	<u>319,556</u>	<u>68,468</u>
	781,398	573,345
Transfer from operating fund	15,000	15,000
Transfer to operating fund	(550,584)	(1,293,600)
Transfer to operating fund – tax sale overage	(10,410)	-
Transfer to operating fund – other capital interest	<u>(5,604)</u>	<u>(5,604)</u>
Change in fund balance	229,800	(710,859)
Balance, beginning of year	<u>1,062,424</u>	<u>1,773,283</u>
Balance, end of year	<u>\$ 1,292,224</u>	<u>\$ 1,062,424</u>

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	2016	2015
Financial assets (liabilities)		
Cash	\$ 3,552,011	\$ 3,670,073
Payable to operating fund	<u>-</u>	<u>(118,062)</u>
	<u>\$ 3,552,011</u>	<u>\$ 3,552,011</u>
Reserve		
Infrastructure reserve	\$ 331,430	\$ 331,430
Tax rate stabilization reserve	<u>3,220,581</u>	<u>3,220,581</u>
	<u>\$ 3,552,011</u>	<u>\$ 3,552,011</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	2016	2015
Financing and transfers		
Transfer to operating fund	\$ <u>-</u>	\$ <u>(118,062)</u>
Change in fund balance	-	(118,062)
Balance, beginning of year	<u>3,552,011</u>	<u>3,670,073</u>
Balance, end of year	<u>\$ 3,552,011</u>	<u>\$ 3,552,011</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, 2016

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 and land improvements	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 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, 2016

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 \$5,285 as at March 31, 2016, represents the cost of computers acquired less any repayments to date.

4. Taxes receivable	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 1,764,880	\$ 1,825,237
Levy	<u>10,370,803</u>	<u>10,575,912</u>
	12,135,683	12,401,149
Collections	<u>10,595,367</u>	<u>10,636,269</u>
	<u>\$ 1,540,316</u>	<u>\$ 1,764,880</u>
Allocation of balance:		
Current	\$ 1,113,464	\$ 1,014,075
Prior year	<u>426,852</u>	<u>750,805</u>
	<u>\$ 1,540,316</u>	<u>\$ 1,764,880</u>

5. Due from governments and agencies	<u>2016</u>	<u>2015</u>
Provincial		
Provincial – Sundry	<u>\$ 18,291</u>	<u>\$ 16,799</u>
Federal		
ACOA grant	744,590	-
Harmonized sales tax	<u>149,450</u>	<u>236,936</u>
	<u>\$ 894,040</u>	<u>\$ 236,936</u>

6. Due from own funds and agencies	<u>2016</u>	<u>2015</u>
Own funds		
Capital fund – temporary financing - other	\$ 58,966	\$ 280,776
Capital fund – temporary financing – tourism project	-	362,974
Operating reserve	-	118,062
Capital reserve	-	710,860
Own agencies		
Richmond County-Port Hawkesbury		
Joint Development Commission	<u>125</u>	<u>290</u>
	<u>\$ 59,091</u>	<u>\$ 1,472,962</u>

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)
 March 31, 2016

7. Due from other local organizations	<u>2016</u>	<u>2015</u>
District 10 Fire Department	\$ 3,136	\$ -
St. Peter's Fire Department	12,634	-
Isle Madame Fire Department	42,184	39,723
Loch Lomond Fire Department	7,105	-
Grand River Fire Department	<u>6,455</u>	<u>-</u>
	<u>\$ 71,514</u>	<u>\$ 39,723</u>

8. Due to own funds and agencies	<u>2016</u>	<u>2015</u>
Own funds		
Capital Reserve	\$ 229,800	\$ -
Water Utility fund	26,866	7,881
Own agencies		
Cape Breton Island Housing Authority	<u>70,408</u>	<u>77,741</u>
	<u>\$ 327,074</u>	<u>\$ 85,622</u>

9. Due to other local organizations	<u>2016</u>	<u>2015</u>
Framboise Fourchu Fire Department	\$ 3,074	\$ 4,682
L'Ardoise Fire Department	1,597	81,987
Loch Lomond Fire Department	-	3,032
Louisdale Fire Department	5,222	125,465
District 10 Fire Department	-	35,431
Grand River Fire Department	-	18,281
St. Peters Village Commission	-	78,907
St. Peters Fire Department	<u>-</u>	<u>27,694</u>
	<u>\$ 9,893</u>	<u>\$ 375,479</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 Capital Reserve Fund.

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)
 March 31, 2016

11. Asset valuation allowances	<u>2016</u>	<u>2015</u>
For uncollected taxes		
Balance, beginning of year	\$ 290,549	\$ 237,261
Provision for the year	13,055	53,288
Less write offs and adjustments	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 303,604</u>	<u>\$ 290,549</u>
For uncollected interest		
Balance, beginning of year	\$ 424,484	\$ 407,171
Provision for the year	54,270	17,313
Less write offs and adjustments	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 478,754</u>	<u>\$ 424,484</u>
	<u>\$ 782,358</u>	<u>\$ 715,033</u>

12. 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, now operating as part of the Straight Regional 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.

13. Long term debt

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

	<u>General capital</u>
2017	\$ 354,672
2018	\$ 356,451
2019	\$ 358,297
2020	\$ 360,213
2021	\$ 235,534

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, 2016

14. 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>2016</u>	<u>2015</u>
Cape Breton Island Housing Authority	\$ 70,407	\$ 77,826
Eastern County Regional Library	65,002	65,002
Eastern District Planning Commission	162,766	162,579
Richmond County – Port Hawkesbury Joint Development Commission	(165)	(165)

The Municipality has no further financial obligations in connection with the operating results of the above-mentioned entities for the year ended March 31, 2016.

- (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 (2015 - \$200,000) on behalf of the Housing Corporation which is indebted to the bank in the amount of Nil as at March 31, 2016, (2015 – Nil).

The Housing Corporation had an accumulated operating deficit of \$854,308 as at March 31, 2016, (2015 - \$858,116 deficit).

- ii) Municipality of the County of Richmond Water Utility

During the year the Municipality paid \$153,628 (2015 - \$157,064) 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 (2015 - \$165,000).

The Utility has an accumulated operating surplus of \$249,603 as at March 31, 2016, (2015 - \$259,316).

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)

March 31, 2016

15. 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 year by the Municipality were \$76,495 (2015 - \$67,000).

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 \$15,000 in its capital reserve in anticipation of these costs.

16. 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.

17. Other

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

<u>Official</u>	<u>Position</u>	<u>Remuneration</u>
Victor David	Warden	\$ 39,474
Rod Sampson	Councillor	\$ 21,055
Stephen MacNeil	Councillor	\$ 21,055
Brian Marchand	Councillor	\$ 21,055
Alvin Martell	Councillor	\$ 21,055
Shirley McNamara	Councillor	\$ 21,055
Steve Sampson	Councillor	\$ 21,055
Malcolm Beaton	Deputy Warden	\$ 26,315
Gilbert Boucher	Councillor	\$ 21,055
Gail Johnson	Councillor	\$ 21,055
Warren Olsen	CAO	\$ 129,988

Municipality of the County of Richmond

Notes to the non-consolidated financial statements

(Unaudited - see advisory to readers)

March 31, 2016

18. Pension agreements

The Municipality provides a defined benefit pension plan for its full time employees. Included in payables is an estimated pension liability of \$969,200. This liability is based on actuarial estimates as of March 31, 2016. The valuation assumes a rate of return of 6.10% with salary increases of 2.60% and an inflation rate of 2.00% post retirement.

The following summarizes the plan for the fiscal year ended March 31, 2016:

	<u>2016</u>	<u>2015</u>
Liability – Statement of financial position		
Accrued benefit obligation end of year	\$ 7,444,300	\$ 7,246,300
Pension fund assets end of year	(6,050,800)	(5,774,000)
Unamortized actuarial (losses) gains	<u>(424,300)</u>	<u>(298,200)</u>
Total liability	<u>\$ 969,200</u>	<u>\$ 1,174,100</u>
Expenses – Statement of operations		
Current service cost	\$ 92,900	\$ 97,900
Amortization of actuarial (gains) losses	2,300	(20,700)
Regular contributions by employees	(59,100)	(62,300)
Interest on average pension liability during the year	<u>83,700</u>	<u>93,800</u>
Total expense	<u>\$ 119,800</u>	<u>\$ 108,700</u>

19. 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.

20. Comparative figures

Certain of the prior year figures have been reclassified to conform to the financial statement presentation adopted for the current year.

Municipality of the County of Richmond

Schedule D - Debt charges and term debt

(Unaudited - see advisory to readers)

Year ended March 31, 2016

	<u>Due date</u>	<u>Interest rate</u>	<u>Loan Continuity</u>			<u>Balance March 31, 2016</u>	<u>Interest</u>
			<u>Balance March 31, 2015</u>	<u>Additions</u>	<u>Redeemed</u>		
Municipal purposes							
Serial debentures							
Building	2019	5.55-5.75%	\$ 633,330	\$ -	\$ 126,667	\$ 506,663	\$ 30,209
Landfill	2021	4.34-4.59%	840,000	-	120,000	720,000	35,515
Sidewalks	2023	4.58-5.09%	344,815	-	38,312	306,503	15,588
Sewer	2029	1.25-3.79%	<u>331,000</u>	<u>-</u>	<u>22,067</u>	<u>308,933</u>	<u>8,922</u>
			2,149,145	-	307,046	1,842,099	90,234
Term debt							
CMHC	2026 – 2031	3.65-3.89%	<u>747,056</u>	<u>-</u>	<u>45,911</u>	<u>701,145</u>	<u>30,174</u>
			<u>\$2,896,201</u>	<u>\$ -</u>	<u>\$ 352,957</u>	<u>\$ 2,543,244</u>	<u>\$ 120,408</u>