MUNICIPALITY OF THE COUNTY OF CUMBERLAND

REQUEST FOR PROPOSALS

EXTERNAL AUDITING SERVICES

RFP-MCC-1805

December 14, 2018

1395 Blair Lake Road
Upper Nappan
RR 6, Amherst, NS B4H 3Y4

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MUNICIPLAITY OF THE COUNTY OF CUMBERLAND

REQUEST FOR PROPOSALS

EXTERNAL AUDITING SERVICES

INTRODUCTION

The Municipality of the County of Cumberland is requesting external auditing services proposals for the next **five** fiscal years ending March 31, 2019, 2020, 2021, 2022, and 2023.

You are invited to submit a proposal to provide external audit services for the Municipality of the County of Cumberland, Cumberland Senior Care Corporation, and Sunset Residential and Rehabilitation Service Incorporated

This Request for Proposal (RFP) and supporting documents supplied with it define both the form and content required of your proposal. We urge you to structure your response in accordance with the terms of this RFP. It will be by these criteria that we will determine whether a Proposal is complete, appropriate and competitive. **Proposals that do not conform to these terms and conditions may be given lesser weight than others, or may be rejected.**

For that reason, it is important that your Proposal contain sufficient detail to support the services required by the Municipality in the RFP.

This document is not intended to limit the content of your Proposal, but rather, to provide a common framework for the Municipality to assess each Proposal in a professional manner in a demonstrably fair process. You may provide unsolicited information if you consider it to be relevant.

Municipality of the County of Cumberland

REQUEST FOR PROPOSALS

EXTERNAL AUDITING SERVICES

CONFIDENTIALITY NOTICE

The RFP contains confidential information, which is proprietary to the Municipality of the County of Cumberland. The sole purpose of providing this information is to enable the recipient to evaluate the Municipality's external audit services requirements and to prepare and submit a Proposal that satisfies these requirements. The recipient agrees to keep the information in this RFP in confidence and agrees not to reproduce or disclose information to any person or source not providing an audit proposal. The Municipality of the County of Cumberland reserves the right to have this information returned upon conclusion of the evaluation process. Should the recipient of these materials not wish to submit a proposal, all information shall be returned to the Municipality of the County of Cumberland. Proponents must ensure that such information is not released to any third parties or unauthorized individuals, failure to comply may result in criminal or civil charges and/or the Proponent's disqualification from any further invitations issued by the Municipality.

Proposal packages may be subject to disclosure under the Province's "freedom of information" legislation. By submitting a Proposal, the Proponent agrees to the appropriate disclosure of the information supplied, subject to the provisions of the governing law. The Municipality cannot guarantee the confidentiality of the complete content of any Proposal after the procurement has been awarded to the successful Proponent.

SECTION 1 - TERMS AND CONDITIONS

SUBMISSION OF PROPOSALS

The following is to be used in the preparation of a proposal for external audit services to the Municipality of the County of Cumberland. If you wish to include an alternate method of servicing a specific requirement please provide full details and indicate the related charges separately.

1. The Municipal Government Act requires that audit firms/public accountants be registered as Municipal Auditors pursuant to the Act. (MGA 42(1))

2. Completed vendor proposals and other correspondence should be submitted to:

   Andrew MacDonald
   Director of Finance
   Municipality of the County of Cumberland
   1395 Blair Lake Road
   Upper Nappan
   RR 6, Amherst, NS
   B4H 3Y4

3. Proposals must be submitted in a sealed envelope clearly marked **"External Audit Services Proposal"**.

4. Please provide **four (4) unbound paper copies and one (1) electronic copy** of your proposal.

5. **Closing Time and Date:**

   Proposals are due and will not be accepted any later than **1:00 pm on January 17, 2019**.

6. Late proposals will not be accepted and will be returned unopened.

7. Proposals must be submitted on firm letterhead duly signed by an authorized person.

8. Proposals will be opened in public at the E.D. Fullerton Municipal Building, 1395 Blair Lake Road, Upper Nappan, NS commencing at **2:00 pm on January 17, 2019**. The opening of proposals at that time is to publicly record receipt of them. Details of the submissions will not be publicly disclosed at that time.

9. **Terms and Conditions**
   The terms and conditions of the audit services proposal submitted by you are to remain firm and irrevocable from the proposed closing date of January 17, 2019 to February 28, 2019 and, if you receive our letter of acceptance, become part of the contract with the Municipality, expiring at the completion of the audit for the year ended March 31, 2023.

10. **Timing for Selection**

    It is anticipated that the successful Proposal will be selected and the submitter notified no later than January 31, 2019. On the same day, notice shall be sent to all other submitters notifying them that their Proposals have not been selected.

PROPOSAL REGULATIONS

1. Submission of a Proposal indicates acceptance by the submitter of all of the conditions contained in this RFP unless otherwise clearly and specifically noted in the Proposal submitted.

2. **Municipality's Right to Reject**

   The Municipality of the County of Cumberland reserves the right, without prejudice,
   - to accept any Proposal,
   - to reject any or all Proposals,
   - to not be obligated to accept the lowest Proposal,
   - to accept any Proposal that it considers to be in its best interests.
   - to waive formality, informality or technicality in any Proposal.
   - to reject any proposal that it feels incapable of providing the necessary resources to perform the work in a satisfactory manner.

   Proponents may be required to demonstrate financial stability, authorization to provide the services being acquired, and/or regulatory agency approval or registration as needed or otherwise clarify the Proponent's capability to satisfy the invitation requirements.
   Acceptance is subject to the approval of the Municipal Council.

3. No adjustments will be allowed to any submitted Proposals. Proposals, however, may be withdrawn by written request prior to the closing date and time for the submission of proposals.

4. Late proposals will be rejected.

5. The submitter must be prepared to include in the contract for services any oral or written representations, undertakings or guarantees that are made prior to the final

agreement, including the entire response to this RFP, or parts thereof.

6. Proposals not completed in permanent, unalterable form of print will be rejected.

7. The accepted Proposal may be impacted in the event that the structure of the Municipality of the County of Cumberland and/or its related funds changes during the period identified in the ***Introduction***. Any such event may require the alteration and renegotiation of the accepted Proposal to accommodate such change.

8. The Municipality of the County of Cumberland shall pay no fee to any audit firm for the preparation and delivery of its Proposal in response to the Municipality's RFP. The Municipality will not be responsible for any costs, expenses, losses, damages or liability incurred by the Proponent as a result of, or arising out of, the submission of any proposal, or due to the Municipality not accepting or rejecting any proposal. The Municipality reserves the right to retain all Proposals submitted and to use any ideas contained in any Proposal regardless of whether that Proposal is selected.

9. In case of any disputes over the completeness, accuracy and/or interpretation of this RFP, the versions of such documents held by the Municipality will be considered correct. Information, offers commitments or instruction obtained by any source other than the Municipality of Cumberland will not be binding on the Municipality. Inquiries regarding this request for audit services can be directed to:

    Andrew MacDonald, Director of Finance at (902) 667-2313
    Email: amacdonald@cumberlandcounty.ns.ca

    Enquiries and responses given may be recorded and may be distributed to all other Proponents as Addenda. No responses shall be binding on the Municipality unless made in writing. All enquiries regarding the interpretation of these Terms and Conditions, general procurement policy or procedures must be made to the Municipality of Cumberland.

10. It is mandatory to complete **Section 3 - EXTERNAL AUDIT PROPOSAL REQUIREMENTS**.

SECTION 2 - GENERAL INFORMATION

Municipality of the County of Cumberland

The Municipality of the County of Cumberland (Municipality) is incorporated pursuant section 3 of chapter 295 of the Revised States of Nova Scotia 1989, "An Act Respecting Municipalities of Counties and Districts". The Municipality provides or funds a full range of municipal services including policing, fire protection, public works, community economic development, waste water and sewer, governance, finance, administration and human resources. It also operates a Community Centre which includes a rink and ballfields. Additionally the Municipality jointly operates a solid waste landfill facility through the Cumberland Joint Service Management Authority, which is a partnership between the Municipality of Cumberland and the Towns of Amherst and Oxford.

The Municipality operates three water utilities in the communities of Springhill, Parrsboro and Pugwash. The Pugwash water utility was established through the Nova Scotia Utility and Review Board as of April 1, 2018.

The Municipality has 100% ownership in two organizations; Cumberland Senior Care Corporation and Sunset Residential and Rehabilitation Incorporated

Recent statistics (2016) indicate that the Municipality's population is 19,402. The legislative body is comprised of a Warden and twelve Councillors. Municipal elections occur every 4 years with the next election slated for the fall of 2020.

The Municipality of the County of Cumberland levies several rates on its residential and corporate citizens based on current assessment values provided by the Property Valuation Services Corporation (PVSC). The Municipality also charges for water usage in three separate areas, Springhill, Parrsboro and Pugwash. (Pugwash is not yet in operation but it has the potential for 386 additional customers.) The rates are a mix of flat rates and metered rates.

The Municipality of the County of Cumberland employs approximately 75 full-time people along with 12 part time, 2 term and 26 seasonal employees. For 2018/19 the Municipality's operating budget is $ 29.5 million of which $22.9 million is raised from taxation.

- In accordance with Section 42 of the Municipal Government Act, Council is required to appoint a municipal auditor who is registered pursuant to the Act. Despite the five-year appointment, the successful Proponent is subject to reappointment in years two to five, provided Council is satisfied with performance and fees.

- The Municipality's 2017/18 Audited Consolidated Financial Statements and the 2018/2019 Operating and Capital budgets are included in this package.

Municipality of the County of Cumberland, continued

- Regular Council sessions are held on the first and third Wednesday of every month. The Municipality has numerous other boards and committees.

- The Municipality has an Audit Committee comprised of the Warden, four Councillors, and three non-elected citizen appointments.

- The Municipality performs all data processing using in-house facilities. Systems cover a variety of application areas for all departments, including general Financial Services (general ledger, payroll, personnel system, accounts payable/receivable, billings, and cash receipting and budgeting).

- The Municipality's local area network consists of a VMWare Server (ESXi1.mcc.local) running VMWare ESXi v.6.0.0, which houses 6 virtual machines:
    - ESET RA – ESET Endpoint Protection Administration Console
    - CU97 – Currently used as a Wireless Access point Controller
    - MCCDC03 – Domain Controller
    - MCCGP03 – LAMA server
    - MCCRDS – RDS Database (Used by LAMA)
    - MCCRM01 – Laserfiche Server (Records Management)

  The Finance Department currently stores their information in SAP, which is hosted on external servers managed by an IBM Consultant out of Nova Scotia.

  The Municipality has an Information Technology Desktop and Support Administrator on staff in the Administration Department.

  The Municipality of the County of Cumberland currently has nightly and weekly backups running from an Administration Workstation running Veam Backup. The backups are currently stored in three locations on-site (External Hard Disk Drive, NAS Drive and on the hard disk drive of the Administration Workstation) and one remote backup, which is stored on an off-site server in the Springhill location.

- Canadian imperial Bank of Commerce provides the Municipality's banking services. Currently the Municipality is operating fifteen bank accounts; however, the majority of activity is generated through the general operating fund. A line of credit is accessible to the Municipality of the County of Cumberland for operating and capital temporary borrowing purposes. The Municipality has one CIBC Visa Business cards issued to the Chief Administrative Officer.

Municipality of the County of Cumberland, continued

- Billings (information is approximate):
    - Taxes- 28,000 accounts- billed once a year
    - Water – 2,400 accounts – billed quarterly
- Cheques issued (information is approximate):
    - General Operating Fund – 4,500 annually
- Payroll
    - Staff are paid bi-weekly, Council and Committee Members paid monthly
    - Payroll is processed using ADP Canada
    - Direct deposit
    - Employees
        i. 75 full-time (approximately)
        ii. 12 part-time (approximately)
        iii. 28 full time term and/or seasonal(approximately)

- **The Municipality of the County of Cumberland provides the year-end financial statements for external audit.**

Cumberland Senior Care Corporation

- Incorporated pursuant to the Municipal Housing Corporations Act, being Chapter 200 of the Revised Statues of Nova Scotia 1967 on July 27, 1973.

- Is a registered Canadian charity operating under the statutes and regulations of the Canada Revenue Agency-Charity Division. Financially it operates under "non-profit" theory of operation. Annually charitable receipts are less than $10,000. A set of policies relating to Funds Development practices was instituted in 2011.

- Formally registered with the NS Registry of Joint Stock for the name of "East Cumberland Lodge"

The Board of the Cumberland Senior Care Corporation is comprised as follows:

- "Up to seven(7), but not less than six (6) members appointed by the Council at least three (3) of whom shall be appointed from citizens of the Municipality of the County of Cumberland other than Council members."

Government Acts:

- As long-term care facility ECL is governed primarily by the NS Homes of Special Care Act and its related regulations. Subsequent to this it must adhere to all legislative requirements of other provincial acts inclusive of the Persons in Protective Care Act, etc.

- ECL has signed a "Service Level Agreement" with District Health Authority 5 (Cumberland Health Authority) in 2011 as part of an ongoing provincial agreement with all long-term care facilities in the Province.

- Regular Board sessions are held on the third Thursday of every month as per item 4 of its Bylaws however Board meetings have not been normally held in August and December by approval of the Board. The "Annual Meeting" as per item 5 of its Bylaws is set for the third Thursday in May.

Funding:

- For 2018/19 the ECL's operating budget is $6.13 million. The NS Department of Health Wellness is its primary source of revenue; secondary is the Department of Veteran Affairs.
- In accordance with item 18 of its Bylaws, "Auditors, for the Corporation shall be appointed annually at the annual meeting of the Corporation".

Cumberland Senior Care Corporation, continued

Audited Statement Timelines:

- As per item 5 of Bylaws- the third Thursday in May annually.
- Canada Revenue Agency – Charities Division – June 30th annually
- NS Department of Health & Wellness – August 31st annually

Data Systems:

- ECL performs all data processing using in house systems (stand alone). Three of the eight workstations are backed up daily to Bell Aliant (Accountant, Executive Secretary, and Administrator). Investigations are continuing in regards to data storage which is not held outside of Canada. Systems cover a variety of application areas for all departments, including general Financial Services (general ledger, payroll, personnel system, accounts payable/receivable, billing, and cash receipting and budgeting).

- Financial information system software in Simply Accounting. ADP is the payroll processing company.

Banking Systems:

- Bank of Nova Scotia (Pugwash) provides ECL's banking services.

- A small amount of GICs are held at TD Canada Trust (Amherst) and Scotiabank in the approximated value of $148,122 for a period of no more than 24 month increments.

- Currently ECL is operating three bank accounts – however, the majority of activity is generated through the general operating fund.

- ECL has one Scotia VISA Business cards issued to the Administrator. It is normally kept in the ECL safe within the Business Office and may be used by the Accountant for approved on-line purchasing.

- Trust Accounts: ECL operates and manages individuals trust accounts for long term care residents within the facility. Funds are utilized to pay for hair salon services, personal purchases, clothing, etc. A statement of account is available to any resident or acting power of attorney upon request.

- Cheques issued (information is approximate):
    - General Operating Fund – 1,200 annually
    - Trust – 300 annually

Cumberland Senior Care Corporation, continued

Employment:

- ECL employs approximately 110 people within both full and part time capacities;

- Has non-unionized employees governed by a "Management Agreement". Those employees being the Administrator, Accountant, Executive Secretary, 4 Departmental Directors, and all RN Supervisors.

- Has a unionized workforce (CUPE Local) for all other employment categories

- Has a small number of contractual employees specializing in Occupational Therapy, Physiotherapy, OT/PT Aide, Dietician, and Hair Stylist.

- ECL's 2011/12 Audited Consolidated Financial Statements are included in this package.

Payroll

- 26 pay periods (bi-weekly)
- Payroll is prepared (time input) in house but processed externally by ADP Financial Services
- Direct deposit
- Employees
- 40 full time (approximately)
- 70 part time/seasonal (approximately)

The objects of the corporation are:

a) to construct, hold and manage a housing project or housing accommodation of the hostel or dormitory type as defined by the National Housing Act, 1954(Canada);
b) to construct, hold and manage accommodation for the aged, and for those requiring nursing and custodial care;
c) to do such other acts and things as are incidental to the attainment of its objects or the exercise of its power.

East Cumberland Lodge provides the year-end financial statements for external audit.

Sunset Adult Residential and Rehabilitation Centre Inc. (The Sunset Community)

Sunset Residential and Rehabilitation Services Inc. was incorporated pursuant to the Municipal Housing Corporations Act. Sunset ARC is licensed for 66 clients plus one respite and is funded for 109.25.

The Group Home is licensed for 7 clients plus one respite.

Sunset gives support to 13 clients that live in the community. Sunset also operates a social enterprise which provides work for approximately 36 clients (both our own and people from the community). We bill out monthly for vocational services.

The Sunset Residential and Rehabilitation Services Inc. employs approximately 185 full-time, part time and casual staff. For 2018/19 Sunset's operating budget is $7.8 million all of which comes from Department of Community Services and depends on our occupancy levels.

- Sunset's 2017/18 Audited Consolidated Financial Statements are included in this package.

- Regular Board Meetings are held on the third Thursday of every second month.

- Sunset uses Accpac for accounts payable, receivable and general ledger. ADP for payroll and Excel for billings.

- Sunset's local area network consists of one server and approximately 20 computers with full access to the internet.

- Sunset calls in a computer person as needed to help with computer problems.

- Sunset uses an Aliant for daily backup.

- Bank of Nova Scotia-Business Centre, Halifax provides Sunset's banking services. Currently Sunset is operating three bank accounts; however, the majority of activity is generated through the general operating fund. The accounting is set up as three companies – The ARC, Industries/Canteen and Trust Accounts (client money). A line of credit is accessible to Sunset for operating. Sunset has seventeen BNS Visa cards issued to Directors and Management staff.

- Billings (information is approximate):
    - Monthly to DCS- 650,000 monthly

Sunset Adult Residential and Rehabilitation Centre Inc. (The Sunset Community)

- Cheques issued (information is approximate):
    - General Operating Fund – 900 annually
    - Trust – 300 annually
    - Industries/Canteen – 300 annually

- Payroll
    - 26 pay periods (biweekly)
    - Payroll is processed in house
    - Direct deposit
    - Employees – 185 full time/part time and casual (approximately)

The Sunset Residential and Rehabilitation Services Inc. provides the year-end financial statements for external audit.

SECTION 3 - EXTERNAL AUDIT PROPOSAL REQUIREMENTS

Please provide the information requested below.

1. **Audit Firm**

    - Please provide a general description of your audit firm, including the structure and size.
    - Please list your major municipal clients.
    - Please discuss your audit philosophy and methods.
    - Please include municipal references.

2. **Audit Staff**

    - Indicate the size and make-up of the audit team to be assigned to the audits.
    - Detail the extent of their municipal auditing experience.
    - Estimate the number of hours that are anticipated to be required for the annual audit, broken down between the various categories of staff assigned to each of the responsibilities and including details of initial start up and any changes in municipal reporting.
    - Indicate how your firm will manage succession planning and staff continuity.
    - Indicate the firm's quality control procedures and supervisory and review procedures intended to be employed in the conduct of the Municipality's audit.
    - It is expected that the audit senior will be present throughout most of the audit fieldwork and provide regular updates to the Director of Finance as to the status of the audit and issues that may have arisen.

3. **Audit Approach**

    - Indicate how your firm will determine an audit strategy and undertake audit planning.
    - Indicate how your firm will address matters of audit scope and materiality. For example, will you select small numbers of transactions for investigation in depth or will you do broader tests of accuracy?
    - Indicate what you consider critical levels of errors warranting changes to the accounts.
    - Indicate how your firm will control and co-ordinate the audit process.
    - Detail how your firm will identify and respond to critical audit issues.

4. **Public Sector Accounting (PSAB)**

    - Offer your firm's knowledge and experience in municipal government PSAB standards.
    - Indicate any special audit planning required related to PSAB standards.

5. **Ability to Conduct Audit in Computer Environment**

    - What is the extent of computer audit experience for your audit team?
    - Does your firm have access to computer specialists?
    - Does your firm utilize computer-assisted audit techniques?
    - Is your audit software adaptable to the Municipality's current financial package for the electronic extraction of information? The Municipality will not absorb any additional costs in creating special or specific audit reports, as the Municipality feels that all information and reports are currently available and the current software is "auditor friendly".
    - The Municipality IT Administrator requires a data extraction demonstration as part of this tender process.

6. **Ancillary Services**

    - Will your firm provide an Internal Controls letter? Indicate any extra charge for this service.
    - Sections 43 and 44 of the MGA require the auditor to appear before Council and the Audit Committee to discuss matters pertaining to the audit. Detail any extra charge for this service.
    - Indicate the firm's experience in providing auxiliary services such as comprehensive audit services, tax services, etc. to municipal clients.

7. **Special Audit Work**

    - The Municipality requires the Auditor to examine annually the Municipality's compliance with the Gas Tax funding agreement. Indicate any extra charge for this service.
    - The Municipality requires the Auditor to examine periodically the Municipality's compliance with Municipal Rural Infrastructure (MRIF) and Building Canada (BCF) funding agreements. Indicate any extra charge for these services.
    - Both Cumberland Senior Care Corporation and Sunset Residential and Rehabilitation Services Inc. are required to file annual registered charity information returns with Canada Revenue Agency. Indicate any extra charge for these services.

8. Annual Audit Schedule

- **Before January 31st** of each year, the auditors shall meet with the staff of the respective organizations to discuss the planning of the annual audit.
- A list of necessary schedules, working papers, analysis and other information to be prepared by staff will be finalized at this time.

Milestones are:

Municipality of the County of Cumberland

- Auditor's Report and Financial Statement to be presented at the first Council Meeting in September.
- Financial Statements and Auditors' Report have to be filed with Service Nova Scotia and Municipal Relations by September 30th.

East Cumberland Lodge

- Auditors' Report and Financial Statements to be presented to the Board on the third Thursday of May.
- Canada Revenue Agency – Charities Division – June 30th
- NS Department of Health & Wellness – August 31st
- Audit historically has begun in the first week of April

Sunset Residential and Rehabilitation Service Inc.

- Auditors' Report and Financial Statements to be presented to the Board by June 30th.

9. Audit Fees

The proposal should include a firm quotation for the fees to be charged for each audit year ended 2019 to 2023. The proposal must denote separate charges for the Municipality of the County of Cumberland, Cumberland Senior Care Corporation and Sunset Residential and Rehabilitation Service Inc. The fees must include all auditing assignments.

Proposed fees for the next five years should include:

- Fee for Municipality of the County of Cumberland Consolidated Financial Statements, including Auditors' Report on Supplemental Financial Statements
- Fee for the East Cumberland Lodge Consolidated Financial Statements, including Auditor's Report on Supplemental Financial Statements
- Fee for the Sunset Residential and Rehabilitation Service Inc. Consolidated Financial Statements, including Auditor's Report on Supplemental Financial Statements
- Internal controls letters
- Fee for any additional work, as related to the audit

Other Fees:

- Out-of-pocket expenses must be included in the audit fees set out in your Proposal.
- The audit should be considered as a "local" audit and the Municipality shall not be responsible for any disbursement incurred by the firm, caused by using staff from other locations.
- Any additional service outside the audit assignment is to be approved by the Director of Finance and /or the Chief Administrative Officer.

The fee proposal should include:

- **An analysis of hours by grade of staff who will be involved on the audit together with details of hourly charge-out rates**
- **Indicate the basis of charging expenses**
- **Indicate the proposed billing schedule**
- **Can your firm provide detailed itemized invoices?**
- **Indicate how fees will be set in future years.**
- **Please note: the Municipality will not incur any start up costs.**

10. Evaluation Criteria

Each response to this Request for Proposal will be evaluated by the Municipality to determine the degree to which it responds to the requirements as set out. Because this is a Request for Proposal, other factors in addition to price will be considered when submissions are evaluated. Factors to be considered are as follows:

Criteria	Weighting
Qualifications of the Audit team	**20%**
Municipal Auditing/PSAB Experience	**20%**
Audit Approach and Strategy	**25%**
Cost	**35%**

11. Termination

In the event that the Respondent fails to comply with any of the terms and conditions set forth in this document, the Respondent will be notified in writing and will be given fifteen days to comply with the violated sections. At the expiration of the stated period of time, if the Respondent has not complied to same, to the satisfaction of the Municipality, the Contract will be terminated. Any termination of the contract by the Municipality as aforesaid shall be without prejudice to any other rights or remedies the Municipality may have.

12. General

Provide any other information and/or comments which you feel are appropriate for the Municipality to consider in making its decision.

Supporting Documents

The following supporting documents are provided:

Appendix A
Municipality of Cumberland

- Audited Consolidated Financial Statements 2017/2018
- 2018/2019 Budget

Appendix B
Cumberland senior Care Corporation

- Audited Financial Statements 2017/18
- 2018/2019 Budget

Appendix C
Sunset Residential and Rehabilitation Service Incorporated

- Audited Financial Statements 2017/18

Appendix D
Personal information International Disclosure Protection Act

Appendix A

MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Consolidated Financial Statements

Year Ended March 31, 2018

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
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Year Ended March 31, 2018

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of the 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 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. The accompanying Auditor's report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Rennie Bugley, Chief Administrative Officer

Andrew MacDonald, Director of Finance

Upper Nappan, Nova Scotia
September 26, 2018

McISAAC · DARRAGH
CHARTERED PROFESSIONAL ACCOUNTANTS
Member of The AC Group of Independent Accounting Firms

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contact@mcisaacdarragh.ca

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 the Municipality of the County of Cumberland, which comprise the consolidated statement of financial position as at March 31, 2018 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 the Municipality of the County of Cumberland as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

McIsaac Darragh

Amherst, Nova Scotia
September 26, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Financial Position
March 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash *(Note 4)*	$ 8,735,623	$ 11,311,642
Taxes receivable, net of valuation allowances *(Note 5)*	2,409,364	2,595,447
Other receivables *(Note 6)*	18,788,386	9,945,189
Inventory held for resale	41,743	35,703
	29,975,116	23,887,981
FINANCIAL LIABILITIES		
Short term debt *(Note 7)*	13,289,788	9,973,949
Accounts payable and accrued liabilities *(Note 8)*	6,641,717	4,976,774
Other liabilities *(Note 9)*	2,950,215	3,944,461
Employee future benefits payable *(Note 10)*	1,038,145	1,059,323
Deferred revenue *(Note 11)*	684,347	810,173
Long term debt *(Note 12)*	16,585,653	10,306,685
	41,189,865	31,071,365
NET FINANCIAL DEBT	(11,214,749)	(7,183,384)
NON-FINANCIAL ASSETS		
Prepaid expenses	270,260	81,414
Inventory	443,787	445,897
Tangible capital assets *(Note 13)*	103,089,473	84,345,680
	103,803,520	84,872,991
ACCUMULATED SURPLUS (Note 14)	$ 92,588,774	$ 77,689,608

COMMITMENTS *(Note 15)*

CONTINGENT LIABILITIES *(Note 16)*

On Behalf of the Municipality of the County of Cumberland

Warden

Councillor

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Operations
Year Ended March 31, 2018

	(Note 21) Budget 2018	2018	2017
REVENUE			
Taxes	$ 22,168,150	$ 22,221,787	$ 19,270,741
Grants in lieu of taxes	2,223,600	2,274,326	2,216,420
Long term care facilities	14,745,350	17,107,384	16,757,979
Other revenue from own sources	1,184,760	1,128,851	1,111,473
Conditional transfers	14,017,678	14,035,383	7,832,772
Unconditional transfers	1,851,027	2,000,043	1,479,989
Cumberland Joint Services Management Authority *(Note 18)*	1,044,711	1,549,194	1,271,235
Water utility	1,524,319	1,451,228	1,246,035
Dissolution	-	-	7,878,901
	58,759,595	61,768,196	59,065,545
EXPENDITURES			
General government	5,276,443	5,405,189	5,077,862
Protective services	7,761,646	7,722,563	7,203,660
Transportation services	2,497,931	2,657,970	2,052,496
Environmental health services	5,102,792	5,131,695	4,945,195
Public health and welfare	15,094,803	17,261,044	16,814,873
Environmental development	787,243	876,692	512,808
Recreation and culture	2,217,315	2,137,889	1,853,416
Education	4,483,088	4,483,116	4,468,280
Water utility	1,474,480	1,192,872	1,098,406
	44,695,741	46,869,030	44,026,996
ANNUAL SURPLUS	$ 14,063,854	$ 14,899,166	$ 15,038,549

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Changes in Accumulated Surplus
Year Ended March 31, 2018

	2018	2017
ACCUMULATED SURPLUS - BEGINNING OF YEAR	**$ 77,689,608**	$ 62,651,059
SURPLUS FOR THE YEAR	**14,899,166**	15,038,549
ACCUMULATED SURPLUS - END OF YEAR	**$ 92,588,774**	$ 77,689,608

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Changes in Net Financial Debt
Year Ended March 31, 2018

	(Note 21) Budget 2018	2018	2017
ANNUAL SURPLUS	$ 14,063,854	$ 14,899,166	$ 15,038,549
Acquisition of tangible capital assets	(21,797,329)	(22,358,126)	(19,304,539)
Building held for sale reallocated to tangible capital assets	-	-	(22,197)
Amortization of capital assets	2,521,569	3,300,216	3,005,714
Proceeds on disposal of tangible capital assets	-	617,980	12,601
Loss (gain) on disposal of assets	-	(303,863)	2,329
Decrease (increase) in prepaid expenses	-	(188,846)	(44,962)
Decrease (increase) in inventory	-	2,108	(233,678)
	(19,275,760)	(18,930,531)	(16,584,732)
DECREASE IN NET FINANCIAL ASSETS	(5,211,906)	(4,031,365)	(1,546,183)
NET FINANCIAL DEBT - BEGINNING OF YEAR	(7,183,384)	(7,183,384)	(5,637,201)
NET FINANCIAL DEBT - END OF YEAR	$ (12,395,290)	$ (11,214,749)	$ (7,183,384)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Cash Flows
Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Cash receipts from provincial and federal funding	$ 49,548,016	$ 48,623,378
Cash receipts from sale of services	2,306,423	4,675,787
Cash from fundraisers and donations	42,014	50,287
Cash paid to suppliers and employees	(42,885,675)	(39,545,802)
Cash flow from operating activities	9,010,778	13,803,650
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(22,853,358)	(19,395,067)
Proceeds on sale of tangible capital assets	617,980	12,601
Cash flow used by capital activities	(22,235,378)	(19,382,466)
INVESTING ACTIVITIES		
Change in restricted cash	(8,380)	(125,002)
Change in designated cash	2,294,478	989,565
Cash flow from investing activities	2,286,098	864,563
FINANCING ACTIVITIES		
Cash receipts from capital financing	917,844	396,050
Proceeds from short term debt	10,515,839	4,178,113
Proceeds from long term debt	7,200,000	447,552
Repayment of short term debt	(7,200,000)	-
Repayment of long term debt	(921,032)	(910,472)
Cash receipts from Province of N.S. - debt repayment	135,930	117,080
Cash flow from financing activities	10,648,581	4,228,323
DECREASE IN CASH FLOW	(289,921)	(485,930)
Cash - beginning of year	1,812,887	2,298,817
CASH - END OF YEAR	1,522,966	1,812,887
CASH CONSISTS OF:		
Unrestricted / undesignated cash	$ 1,522,966	$ 1,812,887
Restricted cash	1,948,821	1,940,441
Designated cash	5,263,836	7,558,314
	$ 8,735,623	$ 11,311,642

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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% (2017 - 60.36%) which is based on the County's use of the facility (Note 18).

Trust funds administered by the Municipality are not included in the financial statements (Note 19).

(continues)

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 post-employment 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 valuation was conducted as at July 1, 2017, 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 2018 was $929,215 (2017 - $919,162) 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 material liability for the Municipality, based on management's best estimate.

(continues)

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, 2018, 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.

(continues)

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 and equipment	10 to 25 years
Streets and sidewalks	20 to 30 years
Vehicles	5 to 10 years
Water and sewer systems	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.

Interest capitalization

Interest costs relating to construction in progress are capitalized to the cost of the building. Total interest capitalized in 2018 - $100,271 (2017 - $nil). Capitalization of interest ceases when the asset is substantially complete and ready for its intended 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 interest on overdue taxes in other revenue from own sources.

(continues)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

(continues)

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 1,567 and 790 customers respectively. These utilities operate water treatment plants and related infrastructure.

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 2018 was $234,134 (2017 - $230,255) 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 $135,997 (2017 - $133,920) 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.

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 2018 the education contribution was $4,483,116 (2017 - $4,468,280).

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 2018 the Municipality of the County of Cumberland paid $323,309 (2017 - $316,564) 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 2018 the Municipality of the County of Cumberland paid $539,797 (2017 - $522,968) 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 2018 the Municipality of the County of Cumberland paid $216,616 (2017 - $213,416) to the province for road maintenance.

4. CASH AND CASH EQUIVALENTS

	2018	2017
Restricted cash		
Tax sale surplus (Note 9)	$ 123,079	$ 122,193
Capital replacement - investment certificates	156,420	162,360
Community Centre capital campaign	219,267	217,332
Water Utility depreciation	1,450,055	1,438,556
	$ 1,948,821	$ 1,940,441

Restricted cash for capital replacement includes guaranteed investment certificates with maturity dates ranging from April 2018 to April 2019 and interest rates ranging from 1.08% to 1.75% (2017 maturity dates from April 2017 to June 2018 and rates from 1.02% to 1.35%).

Designated cash		
Capital reserves	$ 362,296	$ 329,771
Gas tax reserves	840,247	1,761,238
Operating reserves	885,642	1,381,586
CJSMA	3,175,651	4,085,719
	$ 5,263,836	$ 7,558,314

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 $302,296 (2017 - $269,77) and Canada Savings Bonds of $60,000 (2017 - $60,000) bearing interest at 0.5% (2017 - 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 $634,627 (2017 - $1,559,714) and guaranteed investment certificates of $205,620 (2017 - $201,524) with maturity dates ranging from March 2019 to July 2019 and interest rates of 0.55% (2017 maturity dates from February 2018 to March 2018 and interest rates from 0.55% to 1.50%).

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 2018 to March 2027, bearing interest at rate ranging from 0.98% to 5.00%. (2017 maturity dates from April 2017 to March 2027 and rates from 1.9% to 5.49%).

Unrestricted / undesignated cash	$ 1,522,966	$ 1,812,887
Total cash	$ 8,735,623	$ 11,311,642

5. TAXES RECEIVABLE

	2018	2017
Beginning balance, taxes receivable	$ 4,667,590	$ 4,257,755
Transfer from Town of Parrsboro	-	187,402
Tax levy - current year	19,722,723	18,352,785
Cash receipts and adjustments	(19,793,897)	(18,433,973)
Exemptions	(362,594)	(287,160)
Interest	624,695	590,781
Ending balances, taxes receivable	4,858,517	4,667,590
Valuation allowance	(2,449,153)	(2,072,143)
Net taxes receivable	$ 2,409,364	$ 2,595,447

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

	2018	2017
Federal Government and agencies	$ 7,877,426	$ 3,820,980
Provincial Government and agencies	7,689,961	4,885,689
Other receivables	3,399,017	1,402,244
Other municipal units	40,410	44,920
Valuation allowance	(218,428)	(208,644)
	$ 18,788,386	$ 9,945,189

Credit risk

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

7. SHORT TERM DEBT

The Municipality has an overdraft limit on its operating bank account of $8,000,000. 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, 2018 under this credit facility is $5,289,788 (2017 - $2,822,477).

The Municipality also has two non-revolving term installment loans available of $4,400,000 and $4,200,000, for total available credit of $8,600,000. Bank advances on the term loans are payable on demand and bear interest at prime and are unsecured. The balance outstanding at March 31, 2018 under this credit facility is $8,000,000 (2017 - $nil).

The Municipality also has a $300,000 revolving line of credit. Bank advances on the credit lines are payable on demand and bear interest at prime. The credit line is secured by a resolution to borrow passed by the Municipality of the County of Cumberland. At year end this line of credit was not in use (2017 - $nil).

Two non-revolving lines of credit totaling $7,200,000 were repaid during the year (2017 - $7,151,472).

The operating bank account overdraft and the two non-revolving term installment loans are in breach of reporting requirements. The Bank has waived the reporting requirements for the March 31, 2018 year end.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Accounts payable and accrued liabilities	$ 5,412,929	$ 3,800,057
Salaries and benefits	408,380	277,232
N.S. Dept. of Health and Wellness - long term care	-	46,805
Accrued vacation and holiday pay	820,408	852,680
	$ 6,641,717	$ 4,976,774

9. OTHER LIABILITIES

	2018	2017
Prepaid taxes	$ 412,322	$ 418,836
Due to Provincial Government and agencies	236,829	1,605,990
Due to other municipal units	1,072	674
Tax sale surplus	302,720	136,457
Little Forks II landfill closure / post closure	1,997,272	1,782,504
	$ 2,950,215	$ 3,944,461

Tax sale surplus - The Municipality is required to hold any surplus from tax sales for a period of 20 years. This surplus represents excess funds received at tax sale over and above amounts owing to the Municipality at the time a particular properly was sold. Surplus proceeds still held after 20 years are to be transferred to the Capital Reserve Fund. Provincial regulations require the tax sale surplus be included on the consolidated financial statements as a liability. Of the tax sale surplus liability, $2,677 is to be transferred to the capital reserve in 2019 (2018 - $nil).

The Municipality holds restricted cash of $123,079 (2017 - $122,193) to fund this liability (Note 4). The Municipal Government Act requires that the surplus liability be fully funded. The Municipality is not in compliance with this requirement.

Little Forks II landfill closure / post closure - 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, 2018, the remaining capacity of the open site is approximated at 5,000 tonnes. The open site is expected to reach its capacity and close in fiscal 2019. 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, $31.51 per tonne of waste added to the site. The total cost of closure of the open site is estimated to be approximately $3,300,000 (Municipality's portion - $1,997,272). The liability is fully funded by designated cash (Note 4). The total cost of post closure monitoring and maintenance is estimated at $45,000 to $50,000 per year. Post-closure care is estimated to be required for 20 years from the date of closure.

10. EMPLOYEE FUTURE BENEFITS PAYABLE

	2018	2017
Accrued sick leave	$ 1,038,145	$ 1,059,323

11. DEFERRED REVENUE

	March 31, 2017	Receipts	Transferred to revenue	March 31, 2018
Capital renewal - CSCC	$ 109,884	$ 34,019	$ -	$ 143,903
Donations	58,694	41,375	(50,588)	49,481
Federal capital grant - Cape D'Or	50,000	-	-	50,000
Provincial capital grants	558,551	27,163	(185,224)	400,490
CJSMA	33,044	7,429	-	40,473
	$ 810,173	$ 109,986	$ (235,812)	$ 684,347

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 $391,000 which is restricted to infrastructure projects for the former town of Springhill, and other capital grants totaling $9,490 to be used for various projects.

12. LONG TERM DEBT

	2018	2017
Nova Scotia Municipal Finance Corporation ("NSMFC") loan bearing interest at rates varying from 1.734% to 3.073% over the term of the loan, repayable in 9 annual payments of $360,000 and one payment of $3,960,000. The loan matures in November 2027 and is unsecured.	$ 7,200,000	$ -
NSMFC loan bearing interest at rates varying from 1.51% to 3.16% over the term of the loan, repayable in 4 annual payments of $230,000 and one payment of $2,530,000. The loan matures in November 2022 and is unsecured.	3,450,000	3,680,000
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.	2,209,558	2,285,596

(continues)

12. LONG TERM DEBT *(continued)*

	2018	2017
NSMFC loan bearing interest at rates varying from 4.912% to 5.010% over the term of the loan, repayable in 4 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.	**1,380,500**	1,518,550
NSMFC loan bearing interest at rates varying from 1.82% to 3.16% over the term of the loan, repayable in 5 annual payments of $155,129 with interest paid semi-annually. The loan matures in November 2022 and is unsecured.	**775,645**	930,774
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.	**516,138**	563,452
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.	**434,428**	447,006
NSMFC loan bearing interest at rates varying from 2.97% to 4.88% over the term of the loan, repayable in 2 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.	**180,000**	202,500
Federal Government interest free loan, repayable in monthly payments of $3,861. The loan matures in March 2023 and is unsecured.	**179,908**	219,908
NSMFC loan bearing interest at rates varying from 1.55% to 3.87% over the term of the loan, repayable in 2 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.	**80,775**	94,050
NSMFC loan bearing interest at rates varying from 1.65% to 2.19%, repayable in 1 annual payment of $66,126 with interest paid semi-annually. The loans matures in September, 2018 and is unsecured.	**66,126**	132,249
NSMFC loan bearing interest at rates varying from 3.50% to 5.75% over the term of the loan, repayable in one payment of $63,575 with interest paid semi-annually. The loan matures in May 2018 and is unsecured.	**63,575**	75,900

(continues)

12. LONG TERM DEBT *(continued)*

	2018	2017
NSMFC loan bearing interest at rates varying from 4.350% to 5.750% over the term of the loan, repayable in 1 annual payment with interest paid semi-annually. The loan matures in May 2018 and is unsecured.	**49,000**	95,200
NSMFC loan repaid during the year.	**-**	61,500
	$ 16,585,653	$ 10,306,685

Principal repayment terms are approximately:

2019	$ 1,281,355
2020	1,110,454
2021	1,273,004
2022	1,093,079
2023	4,084,027

13. TANGIBLE CAPITAL ASSETS

Cost	2017 Balance	Additions	Disposals	2018 Balance
Land and land improvements	$ 1,443,291	$ 97,449	$ -	$ 1,540,740
Long term care buildings	21,673,266	340,272	-	22,013,538
Municipal buildings	10,322,824	-	-	10,322,824
Joggins Fossil Centre	6,020,089	-	-	6,020,089
Fire protection facilities	3,835,708	36,396	-	3,872,104
Other buildings	2,646,130	141,138	259,984	2,527,284
Sanitary sewer systems	18,878,903	90,360	-	18,969,263
Water treatment plant	7,507,305	204,150	-	7,711,455
Septage facility	1,329,676	120,516	-	1,450,192
Fire protection vehicles	5,627,990	-	-	5,627,990
Vehicles	1,215,748	247,679	102,225	1,361,202
Machinery & equipment	4,282,442	205,652	114,734	4,373,360
Electronic data equipment	981,505	-	-	981,505
Streets and sidewalks	3,901,373	247,836	-	4,149,209
Water mains	5,185,047	9,028	-	5,194,075
Storm sewers	935,062	-	-	935,062
Fire hydrants	717,884	-	-	717,884
Water meters	38,045	403,011	-	441,056
Assets under construction	9,324,534	20,214,639	-	29,539,173
	$105,866,822	$ 22,358,126	$ 476,943	$127,748,005

Accumulated Amortization	2017 Balance	Amortization	Accumulated Amortization on Disposals	2018 Balance
Land and land improvements	$ 3,205	$ 12,035	$ -	$ 15,240
Long term care buildings	4,561,748	507,168	-	5,068,916
Municipal buildings	1,867,647	303,629	-	2,171,276
Joggins Fossil Centre	1,354,520	150,502	-	1,505,022
Fire protection facilities	369,975	104,032	-	474,007
Other buildings	500,571	77,973	84,658	493,886
Sanitary sewer systems	5,900,812	522,010	-	6,422,822
Water treatment plant	217,569	130,926	-	348,495
Septage facility	266,533	57,080	-	323,613
Fire protection vehicles	3,144,667	425,980	-	3,570,647
Vehicles	830,382	89,391	30,902	888,871
Machinery & equipment	1,127,501	372,767	47,266	1,453,002
Electronic data equipment	480,052	135,469	-	615,521
Streets and sidewalks	660,435	291,388	-	951,823
Water mains	164,158	80,423	-	244,581
Storm sewers	42,968	23,141	-	66,109
Fire hydrants	22,038	13,133	-	35,171
Water meters	6,361	3,169	-	9,530
Assets under construction	-	-	-	-

(continues)

13. TANGIBLE CAPITAL ASSETS *(continued)*

Accumulated Amortization	2017 Balance	Amortization	Accumulated Amortization on Disposals	2018 Balance
	$ 21,521,142	$ 3,300,216	$ 162,826	$ 24,658,532

Net Book Value	2018	2017
Land and land improvements	$ 1,525,500	$ 1,440,086
Long term care buildings	16,944,622	17,111,518
Municipal buildings	8,151,548	8,455,177
Joggins Fossil Centre	4,515,067	4,665,569
Fire protection facilities	3,398,097	3,465,733
Other buildings	2,033,398	2,145,559
Sanitary sewer systems	12,546,441	12,978,091
Water treatment plant	7,362,960	7,289,736
Septage facility	1,126,579	1,063,143
Fire protection vehicles	2,057,343	2,483,323
Vehicles	472,331	385,366
Machinery & equipment	2,920,358	3,154,941
Electronic data equipment	365,984	501,453
Streets and sidewalks	3,197,386	3,240,938
Water mains	4,949,494	5,020,889
Storm sewers	868,953	892,094
Fire hydrants	682,713	695,846
Water meters	431,526	31,684
Assets under construction	29,539,173	9,324,534
	$103,089,473	$ 84,345,680

14. ACCUMULATED SURPLUS

	2018	2017
Capital reserves		
Gas tax	$ 4,619,413	$ 4,222,745
Sewer purposes	295,353	211,403
Unappropriated	188,042	316,515
Sunset equipment	104,201	60,000
Springhill Community Centre	452,491	432,019
CJSMA equipment	460,693	435,713
Little Forks II Landfill	633,225	1,812,697
Capital reserves	6,753,418	7,491,092
Operating reserves		
Fire purpose	-	438,278
School enhancement	227,302	226,978
Public open space	57,433	57,351
Solid waste	221,356	221,040
Economic development	338,854	411,697
Unappropriated	154,815	1,482,149
Glooscap Park	14,375	14,375
Parrsboro Sewer	190,770	160,770
Parrsboro Town Hall	50,000	50,000
Parrsboro Downtown	41,754	41,754
Parrsboro Library	7,485	7,485
Parrsboro signage	6,215	6,215
CJMSA	132,362	130,737
CSCC donations reserve	4,310	4,936
Springhill Area Rate	633,813	-
Operating reserves	2,080,844	3,253,765
Total reserves	8,834,262	10,744,857
Unreserved		
County	75,945,166	60,680,630
CSCC	1,090,155	1,335,332
Sunset	3,454,843	3,172,767
CJSMA	3,264,348	1,756,022
Total unreserved	83,754,512	66,944,751
Accumulated surplus	$ 92,588,774	$ 77,689,608

15. COMMITMENTS

a. The Municipality has entered into agreements with PBS Waste Services Ltd. for solid waste collection. The Municipality is committed to paying $1,485,452 per year with adjustments for increases in fuel costs to an annual maximum of $4,288 per 1 cent increase in fuel prices. These agreements expire in March 2022.

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.

16. 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, 2018, management believes it is not exposed to material, adverse impact on its financial position as a result of any such claims.

17. SUBSEQUENT EVENTS

The following event occurred subsequent to the fiscal year end:

Pugwash Water Utility

The Nova Scotia Utility and Review Board has approved an application by the Municipality of the County of Cumberland for an order approving the service territory for the creation of the Pugwash Water Utility and approved an Interim Schedule of Rates and Charges for Water and Water Services and Schedule of Rules and Regulations as at April 1, 2018.

18. CUMBERLAND JOINT SERVICES MANAGEMENT

Supplementary information:

	2018 CJSMA Total	Proportionate Consolidation 2018 60.36%	2017 CJSMA Total	Proportionate Consolidation 2017 60.36%
Financial assets	$ 6,976,347	**$ 4,196,411**	$ 7,604,101	$ 4,567,213
Financial liabilities	3,622,792	**2,172,205**	3,329,826	1,987,260
Non-financial assets	4,086,188	**2,466,423**	2,576,573	1,555,220
Accumulated surplus	7,439,743	**4,490,629**	6,850,848	4,135,173
Total revenue	3,236,825	**1,549,194**	2,828,154	1,271,235
Total expense	2,647,930	**1,193,737**	2,570,144	1,121,228
Net operating results	628,656	**355,457**	258,010	92,856

Included on the statement of financial position and the statement of operations of CJSMA are receivables of $24,043 (2017 - $37,479) and revenue of $670,234 (2017 - $617,892) from the Municipality. These balances have been eliminated on the above proportionate consolidation.

19. TRUSTS UNDER ADMINISTRATION

At March 31, 2018, the balance of funds held in trust were $219,340 (2017 - $229,666).

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 $181,686 (2017 - $180,869).

20. COMPARATIVE FIGURES

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

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.

	2018
Revenue	
County approved general operating	$ 27,119,404
County approved capital	21,579,030
County approved Springhill water utility	1,712,326
County approved Parrsboro water utility	365,063
Sunset approved operating	8,570,489
CSCC approved operating	6,174,861
CJSMA approved operating (60.36%)	1,437,051
	66,958,224
Remove inter-entity and inter-fund transactions	(1,337,927)
Remove transfers from reserves for capital funding	(2,400,672)
Remove debt for capital funding	(4,460,030)
Revenue budget per consolidated financial statements	**$ 58,759,595**
Expenses	
County approved general operating	$ 27,119,404
County approved Springhill water utility	1,388,526
County approved Parrsboro water utility	365,063
Sunset approved operating	8,570,489
CSCC approved operating	6,214,314
CJSMA approved operating (60.36%)	1,501,322
	45,159,118
Add amortization for County operating	2,342,972
Remove inter-entity and inter-fund transactions	(1,337,927)
Remove loan principal repayments	(565,262)
Remove reserve appropriations	(878,160)
Remove capital appropriations	(25,000)
Expense budget per consolidated financial statements	**$ 44,695,741**

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

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

	2018
Marlon Chase - Councillor	23,045
Donald Fletcher - Councillor / Deputy Warden	24,402
Ernest Gilbert - Councillor	23,045
Allison Gillis - Warden / Councillor	39,036
Maryanne Jackson - Councillor	23,045
Michael McLellan - Councillor	23,045
Barbara Palmer - Councillor	23,045
Paul Porter - Councillor	23,045
Norman Rafuse - Councillor	23,045
Daniel Rector - Councillor	23,045
Joe van Vulpen - Councillor/ Deputy Warden	23,994
Lynne Welton - Councillor	23,045
Douglas Williams - Councillor	23,045
Rennie Bugley - C.A.O.	172,474
	$ 490,356

MUNICIPLAITY OF THE COUNTY OF CUMBERLAND
Schedule 1 - Consolidated Statement of Segmented Disclosure
Year ended, March 31, 2018

	General Government	Protective Services	Education	Transportation Services	Environmental Health Services	Public Health and Welfare	Environmental Development	Recreation and Culture	Water Utility	Total 2018	Total 2017
Revenue											
Taxes	$ 19,386,109	$ -	$ -	$ 158,452	$ 2,677,226	$ -	$ -	$ -	$ -	$ 22,221,787	$ 19,270,741
Grants in lieu of taxes	2,274,326	-	-	-	-	-	-	-	-	2,274,326	2,216,420
Long term care facilities	-	-	-	-	-	17,107,384	-	-	-	17,107,384	16,757,979
Other revenue from own sources	808,323	67,754	-	1,004	4,966	-	18,409	216,896	11,499	1,128,851	1,111,473
Conditional transfers	1,547,582	-	-	-	12,376,517	-	9,071	102,213	-	14,035,383	7,832,772
Unconditional transfers	2,000,043	-	-	-	-	-	-	-	-	2,000,043	1,479,989
Cumberland Joint Services Management Authority (Note 18)	-	-	-	-	1,549,194	-	-	-	-	1,549,194	1,271,235
Water utility	-	-	-	-	-	-	-	-	1,451,228	1,451,228	1,246,035
Dissolution	-	-	-	-	-	-	-	-	-	-	7,878,901
	26,016,383	67,754	-	159,456	16,607,904	17,107,384	27,480	319,109	1,462,727	61,768,196	59,065,545
Expenses											
Advertising and promotion	39,853	3,374	-	311	155	-	47,233	6,451	693	98,070	64,831
Allowance for doubtful accounts	423,726	-	-	-	-	-	-	-	16,857	440,583	312,413
Amortization	195,070	642,946	-	383,813	678,776	625,877	1,378	440,988	249,844	3,218,693	3,005,714
Contracted services	115,108	301,086	-	13,643	1,636,630	-	45,022	3,603	20,010	2,135,101	2,077,654
Goods and service from public sector	539,797	4,714,454	4,483,116	216,616	646,769	234,134	-	135,997	-	10,970,883	10,459,258
Grants and transfer to organizations	773,045	248,080	-	200	-	-	89,236	24,776	-	1,135,337	1,041,237
Insurance	71,779	165,311	-	22,653	14,245	-	-	28,952	9,486	312,426	249,408
Interest on long term debt	1,080	11,774	-	6,486	19,463	186,769	-	3,862	72,182	301,616	249,509
Interest on short term debt	46,259	-	-	-	-	-	-	-	-	46,259	17,416
Leases	34,959	725	-	3,830	-	-	-	-	-	38,064	43,915
Long-term care facilities	-	-	-	-	-	16,214,264	-	-	-	16,214,264	15,875,531
Materials, goods and supplies	303,437	435,779	-	465,810	316,679	-	17,236	269,505	196,699	2,005,145	1,854,344
Other expenses	32,825	-	-	544	59	-	2,445	-	765	36,637	18,512
Professional services	333,384	16,080	-	3,679	6,273	-	18,982	132,877	22,337	533,613	403,310
Salaries and benefits	1,837,495	815,887	-	1,094,233	496,401	-	598,915	859,309	447,327	6,149,567	5,423,308
Solid waste facility	-	-	-	-	1,112,215	-	-	-	-	1,112,215	1,025,029
Tax exemptions	362,594	-	-	-	-	-	-	-	-	362,594	287,160
Travel and professional development	136,062	65,772	-	37,711	13,846	-	38,279	31,355	3,981	327,005	304,491
Utilities	158,716	302,745	-	408,442	190,183	-	17,966	200,214	152,691	1,430,959	1,313,957
Total	5,405,189	7,722,563	4,483,116	2,657,970	5,131,695	17,261,044	876,692	2,137,889	1,192,872	46,869,030	44,026,996
Annual Surplus	$20,611,194	$(7,654,809)	$(4,483,116)	$(2,498,514)	$11,476,208	$(153,660)	$(849,212)	$(1,818,780)	$269,855	$14,899,166	$15,038,549

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Springhill Water Utility Operating Fund
Statement of Financial Position
(Schedule 2)
As at March 31, 2018

	2018	2017
Assets		
Cash	$ 14,905	$ 14,773
Receivables		
Water rates (net of allowance $70,387; 2016 - $70,387)	178,633	152,869
Due from General Operating Fund	604,741	-
Due from Water Capital Fund	-	351,234
Inventory not held for resale	152,440	142,717
	$ 950,719	$ 661,593
Liabilities		
Accounts payable and accrued liabilities	$ 38,697	$ 37,774
Depreciation reserve	-	171,947
Due to Water Capital Fund	44,697	-
Due to General Operating Fund	-	63,297
	83,394	273,018
Accumulated surplus	867,325	388,575
	$ 950,719	$ 661,593

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, 2018

	2018	2018	2017
Operating revenue			
Metered sales	$ 306,060	$ 278,255	$ 297,300
Flat rate sales	892,655	883,015	866,654
Public fire protection	478,611	478,611	439,335
Sprinkler service	6,000	5,900	-
Interest	23,000	24,537	23,096
Other	-	2,047	3,585
	1,706,326	1,672,365	1,629,970
Operating expenditures			
Power and pumping	155,371	121,372	-
Water treatment	277,076	216,445	346,224
Transmission and distribution	392,665	306,741	321,326
Administration and general	87,350	68,926	70,926
Depreciation	175,000	187,583	183,883
Taxes	40,267	36,376	40,267
	1,127,729	937,443	962,626
Net operating income	578,597	734,922	667,344
Non-operating revenue			
Machine hire	6,000	7,860	6,510
Non-operating expenditures			
Debt Charges			
Principal	186,650	191,850	189,150
Interest	74,147	72,182	80,141
	260,797	264,032	269,291
Excess of revenue over expenditures	$ 323,800	$ 478,750	$ 404,563

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, 2018

	2018	2017
Assets		
Cash	$ 1,301,408	$ 1,289,909
Receivables, other	24,993	26,104
Due from General Capital Fund	7,691	7,691
Due from Water Operating Fund	44,697	-
Due from reserves	55,547	55,545
	1,434,336	1,379,249
Utility and plant	14,154,283	13,938,494
	$ 15,588,619	$ 15,317,743
Liabilities		
Accumulated allowance for depreciation	$ 3,110,704	$ 2,923,120
Due to Water Operating Fund, less depreciation reserve	255,340	143,996
Due to General Operating Fund	-	54,142
Long term debt	1,467,500	1,659,350
	4,833,544	4,780,608
Investment in capital assets	10,755,075	10,537,135
	$ 15,588,619	$ 15,317,743

Springhill Water Utility Capital Fund
Statement of Utility Plant and Equipment
(Schedule 5)
As at March 31, 2018

	2018	2017
Tangible plant and equipment		
Land and land rights	$ 2,825	$ 2,825
Structures and improvements	8,136,979	8,162,611
Equipment	448,292	244,142
Mains	4,721,655	4,684,384
Services	405,842	405,842
Meters	63,372	63,372
Hydrants	375,318	375,318
	$ 14,154,283	$ 13,938,494

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, 2018

	2018	2017
Balance, beginning of year	$ 10,537,135	$ 10,271,462
Term debt retired	191,850	189,150
Gas tax	14,591	55,547
Interest earned on depreciation funds	11,499	5,976
Provincial grant	-	15,000
	409,790	454,823
Balance, end of year	$ 10,755,075	$ 10,537,135

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, 2018

	2018	2017
Assets		
Cash	$ 124,226	$ 124,226
Receivables		
Water rates	3,277	82,539
Due from Water Capital Fund	50,936	113,197
Due from General Capital Fund	62,523	62,524
Due from General Operating Fund	195,869	-
Prepaid expenses	5,204	5,204
Inventory not held for resale	13,704	20,113
	$ 455,739	$ 407,803
Liabilities		
Accounts payable and accrued liabilities	$ 6,092	$ 12,932
Due to General Operating Fund	-	82,725
	6,092	95,657
Accumulated surplus	449,647	312,146
	$ 455,739	$ 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, 2018

	Budget 2018	Total 2018	Total 2017
Operating revenues			
Flat rate sales	$ 258,731	$ 266,964	$ 76,638
Public fire protection	99,157	104,202	28,675
Sprinkler service	3,200	3,200	-
Interest	1,175	1,737	406
Other	2,800	2,800	585
Parrsboro dissolution	-	-	301,747
	365,063	378,903	408,051
Operating expenditures			
Source of supply	4,598	664	-
Power and pumping	16,631	21,234	-
Water treatment	50,133	18,012	-
Transmission and distribution	78,807	74,749	57,730
Administration and general	58,913	42,705	13,331
Depreciation	96,830	62,260	24,844
Taxes	11,832	11,193	-
	317,744	230,817	95,905
Net operating income	47,319	148,086	312,146
Non-operating expenditures			
Debt Charges			
Principal	15,360	-	-
Interest	6,959	-	-
Capital expenditures out of revenue	25,000	10,585	-
	47,319	10,585	-
Excess of revenue over expenditures	$ -	$ 137,501	$ 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, 2018

	2018	2017
Assets		
Cash	$ 146,527	$ 146,527
Due from reserves	172,455	172,458
	318,982	318,985
Utility and plant	3,865,382	3,451,785
	$ 4,184,364	$ 3,770,770
Liabilities		
Accumulated allowance for depreciation	$ 1,211,028	$ 1,148,768
Due to Water Operating Fund	50,936	113,197
Due to General Operating Fund	4,923	4,923
	1,266,887	1,266,888
Investment in capital assets	2,917,477	2,503,882
	$ 4,184,364	$ 3,770,770

Parrsboro Water Utility Capital Fund
Statement of Utility Plant and Equipment
(Schedule 10)
Year Ended March 31, 2018

	2018	2017
Tangible plant and equipment		
Land and land rights	$ 148,546	$ 148,546
Structures and improvements	785,612	785,612
Equipment	543,922	533,338
Mains	1,768,923	1,768,923
Meters	403,011	-
Hydrants	215,368	215,366
	$ 3,865,382	$ 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, 2018

	2018	2017
Balance, beginning of year	**$ 2,503,881**	$ -
Water operating fund	**10,585**	-
Gas tax	**403,011**	-
Parrsboro dissolution	-	2,503,882
Balance, end of year	**$ 2,917,477**	$ 2,503,882

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

municipality of cumberland

2018/19 Budget

May 24, 2018

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2018/19 Budget Highlights

The Municipality of the County of Cumberland has approved its 2018/2019 Operations budget in the amount of $29.47 million and its 2018/2019 Capital budget in the amount of $9.99 million. Council's approved 5 Year Capital Investment Plan totals approximately $14.8 million.

"Council was faced significant challenges in balancing its 2018/2019 Operations and Capital budgets" stated Warden Gillis. Council was faced a preliminary shortfall of $1.9 million in the Operations Budget and additional shortfall in revenue to fund approximately $420,000.00 in capital projects. "We did reduce programs and services by $615,000.00 to offset these shortfalls and when all the changes were factored in, we had to increase the residential and commercial tax rates by 13 cents," said Gillis.

This increase not only provides funding for programs and services, but it also allows the Municipality to undertake capital projects and helps to establish operations reserves.

"Most municipalities are facing significant fiscal challenges", stated the Warden. "We have annual increases in costs that exceed our revenues. We have underfunded reserve funds, our assessment increases are less then previous years, and we have to replace our infrastructure, as well as plan for new infrastructure," said Gillis. "Now is the time to deal with challenges."

The Warden also stated that these are ongoing challenges and would not rule out future tax increases. "Two of our issues have been that we have not increased property taxes for years and we have decided to use operating reserves to balance the budget in previous years rather than increase our property taxes" said Gillis.

Based on the average 2018 residential assessment of $93,734, this change in tax rate represents an increase of $121 per year or $10 per month.

municipality of cumberland

2018/19 Rates

		2017/18		2018/19
General Tax Rates				
Residential	$	1.040	$	**1.170**
Commercial	$	2.630	$	**2.760**
Area Rate Springhill (Within Boundaries of Former Town)				
Residential	$	0.860	$	**0.860**
Commercial	$	2.180	$	**2.180**
Area Rate Parrsboro (Within Boundaries of Former Town)				
Residential	$	0.460	$	**0.460**
Commercial	$	1.170	$	**1.170**
Forest Per Acres				
Less Than 50,000 Acres	$	0.250	$	**0.250**
Greater Than 50,000 Acres	$	0.400	$	**0.400**
Village Rates				
Pugwash				
Residential	$	0.300	$	**0.320**
Commercial	$	0.370	$	**0.390**
River Hebert	$	0.050	$	**0.100**
Maintenance and Improvement of Private Roads By-Law(per account)				
Jackson Point Road Association	$	31.67	$	**31.67**
Sewer Rates(per unit)				
Springhill	$	265.00	$	**265.00**
Amherst Marsh	$	415.00	$	**415.00**
Biggs Drive	$	415.00	$	**415.00**
Joggins	$	415.00	$	**415.00**
Joggins Extension	$	535.00	$	**535.00**
Maccan	$	415.00	$	**415.00**
Pugwash	$	415.00	$	**415.00**
River Hebert	$	415.00	$	**415.00**
Wallace	$	415.00	$	**415.00**
Parrsboro	$	300.00	$	**300.00**

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2018/19 Rates

		2017/18		2018/19
Area Street Light Rates				
Advocate	$	42.54	$	**42.54**
Apple River	$	61.05	$	**61.05**
Athol Road	$	35.69	$	**35.69**
Biggs Drive	$	50.62	$	**50.62**
Brookdale	$	68.63	$	**68.63**
Cochrane Road	$	48.86	$	**48.86**
Collingwood	$	56.91	$	**56.91**
Crossroads	$	56.88	$	**56.88**
Dorsay Road	$	52.38	$	**52.38**
Fort Lawrence	$	89.79	$	**89.79**
Fox River	$	48.60	$	**48.60**
Greenville Station	$	76.25	$	**76.25**
Hastings Road	$	65.78	$	**65.78**
Hunter Road	$	45.46	$	**45.46**
Joggins	$	73.46	$	**73.46**
Leamington	$	82.80	$	**82.80**
Maccan	$	88.92	$	**88.92**
New Salem 1	$	77.42	$	**77.42**
New Salem 2	$	88.97	$	**88.97**
Oxford Junction	$	55.23	$	**55.23**
Port Greville	$	68.00	$	**68.00**
Port Howe	$	51.82	$	**51.82**
Pugwash Centre	$	41.19	$	**41.19**
River Hebert	$	75.45	$	**75.45**
River Philip	$	57.97	$	**57.97**
South Pugwash	$	54.55	$	**54.55**
Spencer's Island	$	81.00	$	**81.00**
Wallace	$	47.66	$	**47.66**
Ward's Brook	$	54.09	$	**54.09**
West Advocate	$	48.46	$	**48.46**
West Amherst	$	88.46	$	**88.46**
Westchester	$	65.15	$	**65.15**

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2018/19 Budget
General Operating Fund Summary

	2017/18 Projected Actual	2017/18 Budget	2018/19 Budget	Change in budget Dollar	Change in budget %
Revenue					
Tax	$ 20,801,343	$ 20,770,211	**$ 22,914,382**	$ 2,144,171	10.3%
Grants in Lieu	2,274,326	2,223,600	**2,344,793**	121,193	5.5%
Sale of Service	36,227	46,083	**46,083**	-	0.0%
Own Source Revenue	972,161	1,028,415	**1,027,421**	(994)	-0.1%
Unconditional Grants	2,122,370	1,851,027	**1,852,998**	1,971	0.1%
Conditional Grants	456,904	441,120	**395,870**	(45,250)	-10.3%
Transfers from Own Funds and Agencies	835,455	758,948	**895,301**	136,353	18.0%
Total Revenue	$ 27,498,786	$ 27,119,404	**$ 29,476,848**	$ 2,357,444	8.7%
Expenditures					
General Government	$ 5,740,410	$ 5,709,535	**$ 6,314,902**	$ 605,367	10.6%
Protective	7,734,278	7,749,875	**7,975,858**	225,983	2.9%
Transportation	2,299,386	2,148,148	**2,374,110**	225,962	10.5%
Environmental Health	3,565,948	3,495,957	**3,911,938**	415,981	11.9%
Public Health	691,769	650,262	**1,175,301**	525,039	80.7%
Environmental Development	877,266	977,217	**1,096,905**	119,688	12.2%
Recreation and Culture	1,748,223	1,905,322	**1,998,718**	93,396	4.9%
Education	4,483,116	4,483,088	**4,629,116**	146,028	3.3%
Total Expenditures	$ 27,140,397	$ 27,119,404	**$ 29,476,848**	$ 2,357,444	8.7%
	$ 358,389	$ -	**$ -**	$ -	

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2018/18 Budget
General Operating Fund Schedules

	2017/18 Projected Actual	2017/18 Budget	2018/19 Budget	Change in budget Dollar	%
Taxes					
Residential	$ 13,897,527	$ 13,955,737	**$ 15,738,816**	$ 1,783,079	12.8%
Commercial	3,626,283	3,612,058	**3,731,007**	118,949	3.3%
Resource	433,070	430,580	**489,357**	58,777	13.7%
Forest	194,171	194,226	**194,282**	56	0.0%
Street Light Area Rates	158,452	157,358	**157,180**	(178)	-0.1%
Sewer Area Rates	1,197,365	1,203,417	**1,312,402**	108,985	
Upper Nappan Water Area Rate	12,313	12,600	**12,313**	(287)	-2.3%
Aliant	119,277	108,226	**115,121**	6,895	6.4%
NS Power	20,209	20,209	**20,505**	296	1.5%
HST Offset	83,724	60,000	**80,000**	20,000	33.3%
Wind Turbines	256,600	256,600	**259,166**	2,566	1.0%
Heritage Gas	7,233	7,200	**7,233**	33	0.5%
Deed Transfer Tax	795,118	750,000	**795,000**	45,000	6.0%
Change In Use	-	2,000	**2,000**	-	0.0%
	$ 20,801,343	$ 20,770,211	**$ 22,914,382**	$ 2,144,171	10.3%
Grants In Lieu					
Federal	$ 2,038,774	$ 2,001,000	**$ 2,105,069**	$ 104,069	5.2%
Canada Post	24,856	19,671	**24,856**	5,185	26.4%
Provincial	105,460	103,266	**113,110**	9,844	9.5%
Provincial Forest	82,286	82,180	**82,286**	106	0.1%
Fire Protection Grant	16,605	11,200	**13,063**	1,863	16.6%
Wind Turbines	6,346	6,283	**6,409**	126	2.0%
	$ 2,274,326	$ 2,223,600	**$ 2,344,793**	$ 121,193	5.5%

municipality of cumberland

2018/18 Budget
General Operating Fund Schedules

	2017/18 Projected Actual	2017/18 Budget	2018/19 Budget	Change in budget Dollar	Change in budget %
Sale Of Service					
Regional Emo	$ 25,000	$ 35,000	**$ 35,000**	$ -	0.0%
Administration	2,783	2,783	**2,783**	-	0.0%
Building Inspection	7,000	7,000	**7,000**	-	0.0%
Other	1,444	1,300	**1,300**	-	
	$ 36,227	$ 46,083	**$ 46,083**	$ -	
Own Source Revenue					
Ice Rentals	$ 1,897	$ -	**$ 2,000**	$ 2,000	#DIV/0!
Hockey	45,986	72,000	**46,000**	(26,000)	-36.1%
Concession Revenue	52,536	67,150	**63,826**	(3,324)	-5.0%
Licenses And Permits	36,377	34,620	**34,350**	(270)	-0.8%
Fines	16,276	15,000	**17,000**	2,000	13.3%
Recreation Program Fees	13,460	22,000	**10,000**	(12,000)	-54.5%
Rentals	58,045	91,930	**70,400**	(21,530)	-23.4%
Campground	66,843	72,715	**66,845**	(5,870)	
Investment Income	26,560	-	**20,000**	20,000	#DIV/0!
Interest On Overdue	625,472	580,000	**625,000**	45,000	7.8%
Miscellaneous	28,709	73,000	**72,000**	(1,000)	-1.4%
	$ 972,161	$ 1,028,415	**$ 1,027,421**	$ (994)	-0.1%

municipality of cumberland

2018/18 Budget
General Operating Fund Schedules

	2017/18 Projected Actual	2017/18 Budget	2018/19 Budget	Change in budget Dollar	Change in budget %
Unconditional Grants					
Equalization	$ 1,822,261	$ 1,548,105	**$ 1,548,105**	$ -	0.0%
Farm Acreage	296,922	296,922	**301,706**	4,784	1.6%
Conservation	3,187	6,000	**3,187**	(2,813)	
	$ 2,122,370	$ 1,851,027	**$ 1,852,998**	$ 1,971	0.1%
Conditional Grants					
Provincial MPAL	$ 80,000	$ 75,000	**$ 25,000**	$ (50,000)	-66.7%
Provincial Transition & Dissolution					
Transition Springhill	205,120	205,120	205,120	-	0.0%
Transition Parrsboro	139,500	139,500	139,500	-	
Other	32,284	21,500	26,250		
	$ 456,904	$ 441,120	**$ 395,870**	$ (50,000)	-11.3%
Transfers Form Own Funds And Agencies					
Transfer From Op Reserves	$ 666,117	$ 666,117		$ (666,117)	-100.0%
Transfer From (To)/From Surplus-Springhill	(131,000)	(131,000)		131,000	-100.0%
Transfer From (To)/From Surplus-Parrsboro	(116,431)	(116,431)		116,431	
Sunset Debt Recovery	416,769	340,262	**895,301**	555,039	163.1%
	$ 835,455	$ 758,948	**$ 895,301**	$ 136,353	18.0%
Collection For Village Commissions					
Villages Collections	$ 181,687	$ 181,983	**$ 183,169**	$ 1,186	0.7%
Villages Transmission Of Taxes	(181,687)	(181,983)	(183,169)	$ (1,186)	0.7%
	$ -	$ -	**$ -**	$ -	

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2018/18 Budget
General Operating Fund Schedules

	2017/18 Projected Actual	2017/18 Budget	2018/19 Budget	Change in budget Dollar	Change in budget %
General Government					
Legislative	$ 478,864	$ 499,004	**$ 475,802**	$ (23,202)	-4.9%
General Administration	913,012	892,653	**896,671**	4,018	0.4%
Financial Management	1,049,645	927,990	**888,000**	(39,990)	-4.5%
Taxation	615,333	550,000	**616,000**	66,000	10.7%
Municipal Buildings	310,706	410,468	**362,133**	(48,335)	-13.3%
Information Technology	190,107	181,000	**212,235**	31,235	14.7%
Assessment Services	539,797	539,737	**547,105**	7,368	1.3%
Wellness Initiatives	5,883	9,400	**16,000**	6,600	41.3%
Transition And Dissolution	159,354	241,120	**241,120**	-	0.0%
Grant Programs	775,045	755,500	**540,587**	(214,913)	-39.8%
Springhill Area Rate Reserve Transfer	702,663	702,663	**851,297**	148,634	21.2%
General Operating Reserve Transfer	-	-	**247,640**	247,640	
Capital Out of Revenue	-	-	**420,312**	420,312	
	$ 5,740,410	$ 5,709,535	**$ 6,314,902**	$ 605,367	10.6%

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2018/18 Budget
General Operating Fund Schedules

	2017/18 Projected Actual	2017/18 Budget	2018/19 Budget	Change in budget Dollar	Change in budget %
Protective					
Corrections	$ 323,309	$ 323,309	**$ 322,652**	$ (657)	-0.2%
Policing	4,409,229	4,411,262	**4,461,509**	50,247	1.1%
Fire Protection Administration	199,260	210,697	**189,651**	(21,046)	-10.0%
Fire Protection Departments	1,411,757	1,487,722	**1,484,091**	(3,631)	-0.2%
Fire Protection Hydrant Rental	667,190	530,000	**670,000**	140,000	26.4%
EMO	104,987	148,610	**133,617**	(14,993)	-10.1%
Crossing Guards	56,207	54,096	**53,670**	(426)	-0.8%
Bylaw Enforcement	142,398	143,705	**196,309**	52,604	36.6%
Building Inspection	395,167	415,474	**439,359**	23,885	5.7%
Animal and Pest Control	24,775	25,000	**25,000**	-	0.0%
	$ 7,734,278	$ 7,749,875	**$ 7,975,858**	$ 225,983	2.9%
Transportation					
Parrsboro Public Works	$ 333,083	$ 279,606	**$ 356,649**	$ 77,043	27.6%
Springhill Public Works	619,949	552,155	**685,383**	133,228	24.1%
Engineering	382,972	371,912	**300,191**	(71,721)	-19.3%
Parrsboro Streets and Sidewalks	140,754	77,000	**143,812**	66,812	86.8%
Rural Roads	222,679	223,000	**227,724**	4,724	2.1%
Springhill Street and Sidewalks	221,977	206,563	**225,604**	19,041	9.2%
Street Lighting	349,662	395,500	**395,500**	-	0.0%
Parrsboro Traffic Service	2,232	12,200	**16,097**	3,897	31.9%
Springhill Traffic Service	26,079	30,212	**23,150**	(7,062)	-23.4%
	$ 2,299,386	$ 2,148,148	**$ 2,374,110**	$ 225,962	10.5%

municipality of cumberland

2018/18 Budget
General Operating Fund Schedules

	2017/18 Projected Actual	2017/18 Budget	2018/19 Budget	Change in budget Dollar	Change in budget %
Environmental Health					
Solid Waste					
Solid Waste Other	$ 681	$ 5,000	**$ 5,000**	$ -	0.0%
Construction and Demolition Transfer Stations	155,320	141,896	**161,502**	19,606	13.8%
Solid waste Collection	1,363,151	1,335,166	**1,354,000**	18,834	1.4%
Tipping Fees	670,234	650,000	**793,000**	143,000	22.0%
Sewage Collection and Treatment					
Springhill Sewer	501,081	462,013	**500,267**	38,254	8.3%
Parrsboro Sewer	84,600	35,400	**199,325**	163,925	463.1%
Rural Sewers	612,648	619,238	**612,811**	(6,427)	-1.0%
Septage Facility	95,454	83,031	**91,424**	8,393	10.1%
Springhill Storm Sewer	10,673	13,445	**14,000**	555	4.1%
Other Environmental Health					
Upper Nappan Water	22,507	19,068	**48,770**	29,702	155.8%
Water Fountains	1,995	1,700	**1,839**	139	8.2%
Unsightly	47,604	130,000	**130,000**	-	0.0%
	$ 3,565,948	$ 3,495,957	**$ 3,911,938**	$ 415,981	11.9%
Public Health					
Sunset Residential Long-term Debt	$ 416,769	$ 340,262	**$ 895,301**	$ 555,039	163.1%
Regional Housing Authority Deficit	275,000	310,000	**280,000**	(30,000)	
	$ 691,769	$ 650,262	**$ 1,175,301**	$ 525,039	80.7%
Environmental Development					
Planning and Zoning	$ 214,478	$ 180,822	**$ 208,152**	$ 27,330	15.1%
Community Development Admin	187,825	200,752	**185,119**	(15,633)	-7.8%
Community Economic Development	296,554	328,108	**400,975**	72,867	22.2%
Energy Authority	161,876	246,535	**284,159**	37,624	15.3%
Industrial Parks	16,533	21,000	**18,500**	(2,500)	-11.9%
	$ 877,266	$ 977,217	**$ 1,096,905**	$ 119,688	12.2%

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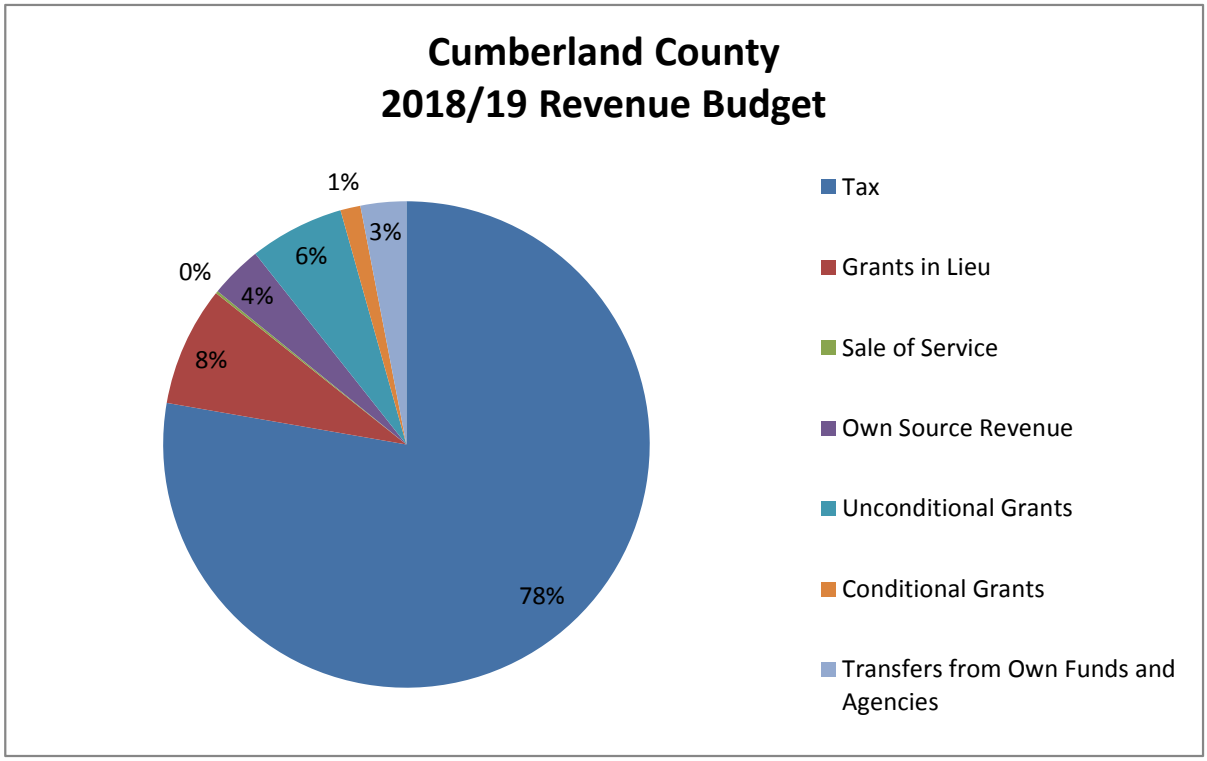
2018/18 Budget
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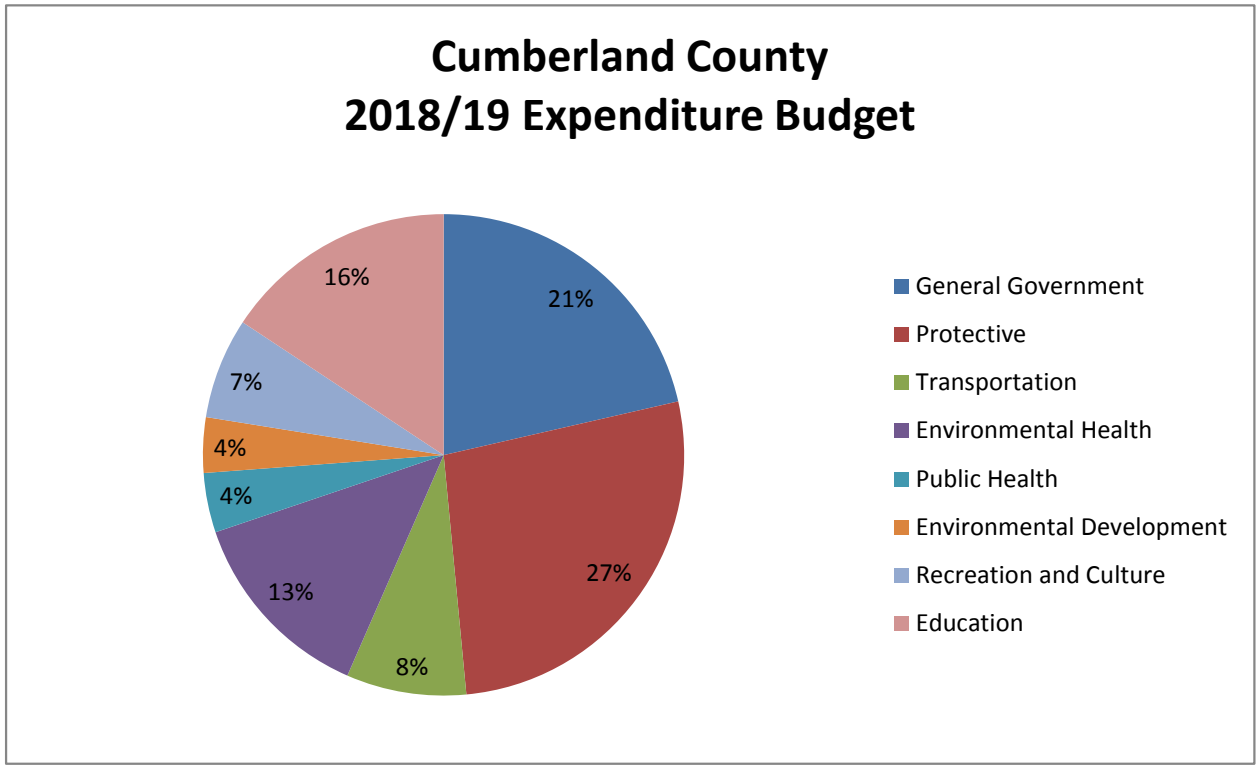
	2017/18 Projected Actual	2017/18 Budget	2018/19 Budget	Change in budget Dollar	Change in budget %
Recreation And Culture					
Recreation Administration and Programs	$ 573,634	$ 598,863	**$ 690,348**	$ 91,485	15.3%
Springhill Arena	791,674	791,350	**738,350**	(53,000)	-6.7%
Halls	18,384	28,344	**33,362**	5,018	17.7%
Parks	26,665	33,110	**81,635**	48,525	146.6%
Glooscap Campground	97,749	103,222	**106,414**	3,192	3.1%
Other Properties				-	#DIV/0!
Joggins Fossil Centre	43,798	124,390	**121,817**	(2,573)	-2.1%
Cape D'Or	3,947	32,149	**32,284**	135	0.4%
Libraries				-	
Regional Library	135,997	139,120	**139,120**	-	0.0%
Branch Libraries	56,374	54,774	**55,388**	614	
	$ 1,748,223	$ 1,905,322	**$ 1,998,718**	$ 93,396	4.9%
Education					
Mandatory Education Contribution	$ 4,483,116	$ 4,483,088	**$ 4,629,116**	$ 146,028	3.3%
	$ 4,483,116	$ 4,483,088	**$ 4,629,116**	$ 146,028	3.3%

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2018/19 Capital Budget

Project	Estimated Cost	Funding: General Revenue	Reserves	Gas Tax	Water Depreciation	Provincial	Federal	Total
General Government Services								
Springhill Former Town Hall - 3rd Floor Renovations	250,000	189,000				61,000		250,000
Springhill Former Town Hall - Roof	140,000					140,000		140,000
Springhill Former Town Hall - Windows	217,000					217,000		217,000
Protective Services								
Fire Dept.'s Bunker Gear	27,312	27,312						27,312
Fire Dept.'s SCBA cylinder replacement	20,000	20,000						20,000
Fire Dept.'s SCBA replacement	40,000	40,000						40,000
Fire Dept.'s Tidnish Fire Hall Parking	18,000	18,000						18,000
Transportation Services								
LED Street Lights	375,000			375,000				375,000
McGee Street Culvert Replacement	144,650					144,650		144,650
Environmental Health Services								
Parrsboro Water - MacKenzie Park and Hawks Rd Waterline	200,000			100,000	100,000			200,000
Springhill Community Main Street Reconstruction	35,000			35,000				35,000
Springhill Downtown Revitalization Project	7,469,291		1,943,700		647,780	2,382,142	2,495,669	7,469,291
Springhill Waste Water Treatment - Surge/Grit Chamber	82,000			82,000				82,000
Springhill Water - Flow Measurement Gauge	50,000			50,000				50,000
Wallace Waste Water Treatment Plant Upgrades	25,000			25,000				25,000
Waste Water - SCADA Upgrades	35,000			35,000				35,000
Environmental Development Services								
Cape d'Or Master Plan (implementation)	150,000			75,000		75,000		150,000
Pugwash Waterfront Development	15,000	6,000					9,000	15,000
Springhill Geothermal Business Park Concept Design	250,000			125,000			125,000	250,000
Tidal Infrastructure Study	50,000	50,000						50,000
Recreation and Cultural Services								
Glooscap Campground Electrical Service Upgrade	50,000			50,000				50,000
Municipal Waste Receptacles -Parks and Open Spaces	20,000	20,000						20,000
Pugwash Multipurpose Centre	185,000			55,500		18,500	111,000	185,000
Pugwash Village Stage	75,000			75,000				75,000
Springhill Seniors Rec Centre Roof Replacement	50,000	50,000						50,000
Springhill Trails	25,000			25,000				25,000
	9,998,253	420,312	1,943,700	1,107,500	747,780	3,038,292	2,740,669	9,998,253


Cumberland County
2018/19 Revenue Budget
1%
3%
0%
6%
4%
8%
78%
Tax
Grants in Lieu
Sale of Service
Own Source Revenue
Unconditional Grants
Conditional Grants
Transfers from Own Funds and Agencies


Cumberland County
2018/19 Expenditure Budget
21%
27%
8%
13%
4%
4%
7%
16%
General Government
Protective
Transportation
Environmental Health
Public Health
Environmental Development
Recreation and Culture
Education

municipality of cumberland

APPENDIX A

2018/19 Springhill Area Rate Calculation

	Budget
Administrative, Finance	
Principal and Interest Payments on Existing Debt	7,965
Fire Protection	
Principal and Interest Payments on Existing Debt	86,908
Other Protective Services	
Crossing Guards	53,670
Roads, Streets & Sidewalks Operations	
Total Roads & Sidewalk Operating Budget	889,987
Less: base amount included in General Rate 37.9 km x $5,145	(197,914)
Less: conditional grant for roads	(54,000)
Street Lights	121,533
Storm Sewer	14,000
Recreation	
Principal and Interest Payments on Existing Debt	66,856
Operating Deficit	-
Reserve Transfer	871,297
Total Area Rated Expenditures	1,860,302
Area Rates	
Residential	0.86
Commercial	2.18
Revenue	
Residential & Resource Taxes	795,982
Commercial Taxes	190,741
Residential - Federal and Provincial Grant	87,386
Commercial - Federal and Provincial Grant	786,193
Total Area Rate Revenue	1,860,302

municipality of cumberland

APPENDIX B

2018/19 Parrsboro Area Rate Calculation

	Budget
Roads, Streets & Sidewalks Operations	
Total Roads & Sidewalk Operating Budget	500,461
Less: base amount included in General Rate 29.7 km x $5,145	(152,865)
Less: conditional grant for roads	(49,500)
Street Lights	41,621
Total	339,717
Area Rates	
Residential	0.46
Commercial	1.17
Revenue	
Residential & Resource Taxes	267,033
Commercial Taxes	69,884
Residential - Federal and Provincial Grant	1,630
Commercial - Federal and Provincial Grant	1,170
Total Area Rate Revenue	339,717

Appendix B

CUMBERLAND SENIOR CARE CORPORATION

Financial Statements

Year Ended March 31, 2018

CUMBERLAND SENIOR CARE CORPORATION
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Year Ended March 31, 2018

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Cumberland Senior Care Corporation have been prepared in accordance with Canadian public sector accounting standards and the integrity and objectivity of the statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information in the financial statements.

Management is also responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Board reviews internal financial statements on a regular basis throughout the year and external audited financial statements yearly.

The external auditors, McIsaac Darragh Chartered Professional Accountants, conducted an independent examination in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Cumberland Senior Care Corporation and meet when required.

On behalf of Cumberland Senior Care Corporation:

Mr. Joseph Gauthier, Administrator

Ms. Patti Porter, Accountant

Pugwash, Nova Scotia
July 19, 2018

McISAAC · DARRAGH
CHARTERED PROFESSIONAL ACCOUNTANTS
Member of The AC Group of Independent Accounting Firms

11 Princess Street
P.O. Box 217
Amherst, N.S.
B4H 3Z2
Tel: 902-661-1027
Fax: 902-667-0884
contact@mcisaacdarragh.ca

INDEPENDENT AUDITOR'S REPORT

To the Directors of Cumberland Senior Care Corporation

We have audited the accompanying financial statements of Cumberland Senior Care Corporation, which comprise the statement of financial position as at March 31, 2018 and the statements of operations and accumulated surplus, changes in net 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Cumberland Senior Care Corporation as at March 31, 2018 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
July 19, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

CUMBERLAND SENIOR CARE CORPORATION
Statement of Financial Position
As at March 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash *(Note 3)*	**$ 817,499**	$ 1,071,511
Restricted cash - capital replacement *(Note 3)*	**156,420**	162,360
Receivables *(Note 4)*	**128,234**	77,010
HST receivable	**62,636**	142,133
	1,164,789	1,453,014
LIABILITIES		
Accounts payable and accrued liabilities *(Note 5)*	**546,266**	577,869
Employee future benefits payable *(Note 6)*	**269,633**	270,745
Deferred donations *(Note 7)*	**26,586**	25,205
Long term debt *(Note 8)*	**3,160,124**	3,296,054
Deferred capital renewal revenue *(Note 9)*	**143,903**	109,884
	4,146,512	4,279,757
NET DEBT	**(2,981,723)**	(2,826,743)
NON-FINANCIAL ASSETS		
Tangible capital assets *(Note 10)*	**4,076,189**	4,167,012
ACCUMULATED SURPLUS *(Note 11)*	**$ 1,094,466**	$ 1,340,269

CONTINGENT LIABILITY *(Note 14)*

On Behalf of the Board

_____ *Director* _____ *Director*

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CUMBERLAND SENIOR CARE CORPORATION
Statement of Operations and Accumulated Surplus
Year Ended March 31, 2018

	(Note 12) Budget	**2018**	2017
REVENUES			
Province of N.S. *(Note 9)*	$ 6,052,044	**$ 4,634,122**	$ 4,774,024
Residents - long term care	-	**1,133,073**	1,099,565
Federal - Veterans Affairs - long term care	-	**252,869**	403,451
	6,052,044	**6,020,064**	6,277,040
Apartment rentals	479	**479**	5,748
Cafeteria	51,500	**43,844**	43,201
Sale of laundry services	8,200	**9,312**	9,074
Sale of meals	17,000	**21,784**	17,600
Donations and fundraising revenue	44,338	**19,453**	27,283
Miscellaneous	1,300	**21,997**	17,363
	6,174,861	**6,136,933**	6,397,309
EXPENSES *(Schedule 1)*			
Administrative	379,872	**388,123**	401,688
Facility *(Note 7)*	832,727	**854,817**	817,728
Dietary	801,987	**826,727**	816,371
Environmental/housekeeping	483,183	**493,062**	484,732
Program support *(Note 7)*	205,406	**230,438**	204,290
Resident care	3,511,139	**3,589,569**	3,511,489
	6,214,314	**6,382,736**	6,236,298
SURPLUS (DEFICIT) FROM OPERATIONS	(39,453)	**(245,803)**	161,011
OTHER EXPENSE			
Loss on disposal of tangible capital assets	-	**-**	(9,521)
ANNUAL SURPLUS (DEFICIT)	(39,453)	**(245,803)**	151,490
ACCUMULATED SURPLUS - BEGINNING OF YEAR	1,340,269	**1,340,269**	1,188,779
ACCUMULATED SURPLUS - END OF YEAR	$ 1,300,816	**$ 1,094,466**	$ 1,340,269

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CUMBERLAND SENIOR CARE CORPORATION
Statement of Changes in Net Debt
Year Ended March 31, 2018

	(Note 12) Budget 2018	**Total 2018**	Total 2017
ANNUAL SURPLUS (DEFICIT)	$ (39,453)	**$ (245,803)**	$ 151,490
Acquisition of tangible capital assets *(Note 10)*	(218,299)	**(103,649)**	(856,735)
Amortization of tangible capital assets *(Note 10)*	178,597	**194,472**	170,104
Loss on disposal of assets	-	**-**	9,521
	(39,702)	**90,823**	(677,110)
Change in net debt	(79,155)	**(154,980)**	(525,620)
Net debt at beginning of year	(2,826,743)	**(2,826,743)**	(2,301,123)
Net debt at end of year	$ (2,905,898)	**$ (2,981,723)**	$ (2,826,743)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CUMBERLAND SENIOR CARE CORPORATION
Statement of Cash Flows
Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Cash receipts from provincial and federal funding and residents	**$ 5,854,900**	$ 6,215,124
Cash receipts from sales of services	**74,940**	69,875
Cash receipts from donations and fundraising revenue	**19,453**	27,283
Cash paid to suppliers and employees	**(6,200,869)**	(6,287,297)
Cash flow from operating activities	**(251,576)**	24,985
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	**(103,649)**	(856,735)
Proceeds from restricted cash	**5,940**	55,134
Cash flow used by investing activities	**(97,709)**	(801,601)
FINANCING ACTIVITIES		
Proceeds from long term debt	**-**	447,552
Cash receipts from capital funding	**95,273**	51,096
Repayment of long term debt	**(135,930)**	(117,080)
Cash receipts from Province of N.S. - debt repayment	**135,930**	117,080
Cash flow from financing activities	**95,273**	498,648
DECREASE IN CASH FLOW	**(254,012)**	(277,968)
Cash - beginning of year	**1,071,511**	1,349,479
CASH - END OF YEAR	**$ 817,499**	$ 1,071,511

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

1. PURPOSE OF THE CORPORATION

Cumberland Senior Care Corporation, operating as East Cumberland Lodge, (the "Corporation") was incorporated in 1974 pursuant to Chapter 200 of the Revised Statutes of Nova Scotia 1967. It operates a long term residential care facility in Pugwash, N.S.

The Corporation is controlled by the County of Cumberland and is a registered charity, as such, it is exempt from income tax. The Corporation is funded and directed by Nova Scotia Department of Health and Wellness.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian public sector accounting standards and include the following significant policies:

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 are recognized 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.

Residents trust funds

Residents' trust funds administered by the Corporation are not included in the financial statements. (Note 13)

Cash and restricted cash

Cash includes cash and short term investments with maturity dates within 12 months of year end.

Financial instruments

The corporation's financial instruments are comprised of cash, restricted cash, receivables, accounts payable, due to N.S. Department of Health and Wellness, and long term debt. These financial instruments are measured at cost or amortized cost.

It is management's opinion that the corporation is not exposed to significant interest, currency, market or credit risks from these financial instruments.

As the corporation has no assets subject to remeasurement, no statement of remeasurement gains and losses has been presented.

Management is of the opinion that the carrying amount of financial instruments approximates fair value.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee future benefits

The contributions to a multi-employer defined benefit pension plan are expensed when contributions are due. The costs of the post-employment benefits are recognized when the event that obligates the corporation occurs.

(a) The corporation contributes to two pension plans on behalf of its employees.

- A multi-employer defined benefit plan, administered by the Nova Scotia Association of Health Organizations, provides a pension on retirement based on the member's age at retirement and length of service. The most recent actuarial valuation was conducted as at July 1, 2014, which indicated a funded liability. The corporation bears no direct financial responsibility for the liability of the plan.
- The second plan is a defined contribution plan (Registered Retirement Savings). The plan is administered by the corporation through Open Access Limited. The pension expense for the period ended March 31, 2018 was $250,309 (2017 - $219,257) and is included in salaries and benefits (Schedule 1).

(b) 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. The cost of non-vesting sick leave benefits are calculated using management's best estimate (Note 6).

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 preformed or when stipulations are met.

Non-financial assets

Non-financial assets do not normally provide resources to discharge the liabilities of the corporation unless they are sold. They are accounted for as assets because they can be used to provide services in future periods.

The change in non-financial assets during the year, together with the annual surplus or deficit, accounts for the change in net financial debt for the year.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are recorded 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 depreciated on a straight line basis over their estimated useful lives as follows:

Building	10 to 40 years
Equipment and furniture	10 to 25 years
Paving	10 to 22 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide services.

Revenue recognition

(a) Revenue from patient pays, sales of meals and laundry services and cafeteria revenue are recognized at the time the service is rendered in the normal course of operations.

(b) Revenue from apartment rentals is recorded monthly as apartments are occupied.

(c) Unrestricted contributions, such as memorial donations, are recognized as revenue when received. Donated goods are recorded at their fair market value at the time of donation, when the goods would have otherwise been purchased. During the year, $nil (2017 - $nil) in donated goods were recorded in fundraising revenue and expenses.

Volunteers contribute a significant amount of their time each year. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Government transfers

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

Examples of significant estimated include:

- the estimated useful lives of tangible capital assets;
- the assumptions used in determining the obligation for accrued sick time;
- the salary and benefit rates used in determining the obligation for accrued vacation, sick time, and holiday pay.

3. CASH AND RESTRICTED CASH

Cash includes $503,159 (2017 - $853,197) at year end in a Business Investment Account bearing interest at 3.5% (2017 - 2.7%).

Restricted cash for capital replacement includes guaranteed investment certificates with maturity dates ranging from April 2018 to April 2019 and interest rates ranging from 1.08% to 1.75% (2017 - 1.02% to 1.35%).

4. RECEIVABLES

	2018	2017
Private pay and Veterans Affairs	**$ 14,484**	$ 44,413
N.S. Dept. of Health and Wellness - long term care	**74,206**	-
N.S. Dept. of Health and Wellness - other	**13,128**	25,230
Other receivables	**26,416**	7,367
	$ 128,234	$ 77,010

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Accounts payable and accrued liabilities	**$ 84,989**	$ 49,345
Salaries and benefits payable	**76,269**	99,306
N.S. Dept. of Health and Wellness - long term care	**-**	46,805
Accrued vacation and holiday pay	**385,009**	382,413
	$ 546,267	$ 577,869

6. EMPLOYEE FUTURE BENEFITS PAYABLE

	2018	2017
Accrued sick pay	**$ 269,633**	$ 270,745

Regular full time employees earn 18 days sick leave per year at the rate of 1.5 days per month. Part time employees earn 1.5 days for each 20 days worked. Maximum accumulation of sick leave is 150 working days. Upon termination, unionized employees are paid 25% of accumulated sick leave. Non-union employees are capped at 40% of accumulated sick leave. The accrued sick pay liability has been estimated based on the number of accumulated sick days (100% of vested days and 15% of non-vested days) and current salary and benefit rates. If the sick pay liability was based on employees using up to 30% of their non-vested sick days prior to leaving employment, the total accrued sick pay would be $333,850 at March 31, 2018 (2017 - $330,985).

7. DEFERRED DONATIONS

Deferred donations consist of donations restricted by donors to be used for one of the Corporation's restricted funds: Activities, Bus, Enhancement, Sparkle of Light, or Fullerton Gardens.

	2018	2017
Deferred donations - opening balance	**$ 25,205**	$ 27,468
Receipts during the year	**18,814**	17,678
Recognized as revenue	**(17,433)**	(19,941)
Deferred donations - closing balance	**$ 26,586**	$ 25,205

Charitable spending from Activities and Bus funds are recorded under Program Support expenses. Charitable spending and fundraising expenses from Enhancement, Sparkle of Light, and Fullerton Gardens are recorded under Facility expenses.

8. LONG TERM DEBT

	2018	2017
Nova Scotia Housing Development Corporation loan bearing interest at 4.42% per annum, repayable in monthly blended payments of $14,549. The loan matures in September, 2036 and is secured by the building.	**$ 2,209,558**	$ 2,285,596
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 the building.	**516,138**	563,452
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 the building.	**434,428**	447,006
	$ 3,160,124	$ 3,296,054

Principal repayment terms are approximately:

2019	$ 143,700
2020	151,500
2021	160,600
2022	169,900
2023	179,700

9. DEFERRED CAPITAL RENEWAL REVENUE

Deferred capital renewal revenue is 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. When approval from the Department is received for expenditures from these reserves, the revenue is recognized as Province of N.S. revenue on the statement of operations.

	Original facility	New 10 bed unit	**2018**
2018			
Opening balance, deferred capital renewal revenue	$ 4,894	$ 104,990	**$ 109,884**
Receipts	6,000	24,305	**30,305**
Interest earned	1,663	2,051	**3,714**
Purchases approved - recognized as revenue	-	-	**-**
	$ 12,557	$ 131,346	**$ 143,903**
2017			
Opening balance, deferred capital renewal revenue	$ 98,030	$ 116,624	**$ 214,654**
Receipts	6,000	24,305	**30,305**
Interest earned	864	1,343	**2,207**
Purchases approved - recognized as revenue	(100,000)	(37,282)	**(137,282)**
Closing balance, deferred capital renewal revenue	$ 4,894	$ 104,990	**$ 109,884**

The original facility deferred capital renewal is funded in the amount of $6,000 per year until the capital portion of the funds has reached $104,100.

The new 10 bed unit deferred capital renewal is funded based on a fixed annual amount of $3.30 per square foot ($24,305 annually) up to and including 2036.

10. TANGIBLE CAPITAL ASSETS

Cost	2017 Balance	Additions	Disposals	**2018 Balance**
Land	$ 12,000	$ -	$ -	**$ 12,000**
Building - improvements	4,909,031	26,218	-	**4,935,249**
Large equipment	726,913	67,964	-	**794,877**
Small equipment & furniture	245,073	8,341	-	**253,414**
Paving	222,784	-	-	**222,784**
Computer	31,609	1,126	-	**32,735**
	$ 6,147,410	$ 103,649	$ -	**$ 6,251,059**

Accumulated Amortization	2017 Balance	Amortization	Accumulated Amortization on Disposals	**2018 Balance**
Land	$ -	$ -	$ -	**$ -**
Building - improvements	1,685,056	124,900	-	**1,809,956**
Large equipment	192,723	34,058	-	**226,781**
Small equipment & furniture	85,453	20,660	-	**106,113**
Paving	9,264	11,580	-	**20,844**
Computer	7,902	3,274	-	**11,176**
	$ 1,980,398	$ 194,472	$ -	**$ 2,174,870**

Net book value	**2018**	2017
Land	**$ 12,000**	$ 12,000
Building - improvements	**3,125,293**	3,223,974
Large equipment	**568,096**	534,190
Small equipment & furniture	**147,301**	159,621
Paving	**201,940**	213,520
Computer	**21,559**	23,707
	$ 4,076,189	$ 4,167,012

11. ACCUMULATED SURPLUS

The accumulated surplus is made up of the following:

	2018	2017
Accumulated surplus	**$ 1,090,155**	$ 1,335,333
Internally restricted memorial donations reserve	**4,310**	4,936
	$ 1,094,465	$ 1,340,269

Included in the internally restricted memorial donations reserve is an allocation o**f** $3,159 (2017 - $3,197) of interest earned on the Business Investment Account and memorial donations received, as approved by the Board.

12. BUDGETED FIGURES

Budgeted figures presented in these financial statements are based upon the internal budget approved by the Board of Directors on June 15, 2017.

13. TRUSTS UNDER ADMINISTRATION

At March 31, 2018, the balance of funds held in residents' trust funds was $71,723 (2017 - $75,675).

14. CONTINGENT LIABILITY

The Corporation may, from time to time, be involved in legal proceedings, claims and litigation arising in the normal course of operations. As of March 31, 2018, management believes it is not exposed to material, adverse impact on its financial position as a result of any such claims.

15. COMPARATIVE FIGURES

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

CUMBERLAND SENIOR CARE CORPORATION

Expenses by Object

Year Ended March 31, 2018

(Schedule 1)

	(Note 12) Budget 2017	Administrative	Facility	Dietary	Environmental/ Laundry	Program Support	Resident Care	Total 2018	Total 2017
EXPENSES									
Advertising	**$ 7,500**	$ 1,430	$ -	$ -	$ -	$ -	$ 3,792	**$ 5,222**	$ 10,254
Amortization of tangible capital assets	**178,597**	-	194,471	-	-	-	-	**194,471**	170,104
Audit and legal fees	**26,750**	34,581	-	-	-	-	-	**34,581**	33,600
Charitable and fundraising expenses	**44,338**	-	-	-	-	19,904	-	**19,904**	18,612
Contractual health services	**71,075**	-	-	15,360	-	27,600	19,100	**62,060**	49,840
Dues and licenses	**12,533**	10,892	-	-	-	-	-	**10,892**	10,452
Food	**200,000**	-	-	207,014	-	-	-	**207,014**	205,744
Insurance	**19,800**	19,756	-	-	-	-	-	**19,756**	20,722
Interactive programs	-	-	-	-	-	4,162	-	**4,162**	-
Interest and service charges	**-**	1,513	-	-	-	-	-	**1,513**	1,946
Interest on long term debt	**157,475**	-	157,474	-	-	-	-	**157,474**	154,673
IT services and supplies	**13,500**	18,808	-	-	-	-	-	**18,808**	20,202
Office expenses	**38,800**	41,507	-	-	-	-	-	**41,507**	38,147
Repairs and maintenance	**139,269**	-	162,363	-	-	-	-	**162,363**	143,193
Salaries and benefits	**4,894,567**	240,426	119,604	590,984	448,186	175,132	3,467,284	**5,041,616**	4,951,382
Staff education	**5,500**	1,648	560	-	-	-	-	**2,208**	7,438
Supplies	**170,100**	-	-	7,382	44,876	3,392	98,976	**154,626**	166,952
Travel	**5,000**	2,069	157	190	-	248	417	**3,081**	3,579
Utensils and china replacement	**4,500**	-	-	5,797	-	-	-	**5,797**	3,943
Telephone and utilities	**225,010**	15,493	220,188	-	-	-	-	**235,681**	225,515
	$ 6,214,314	$ 388,123	$ 854,817	$ 826,727	$ 493,062	$ 230,438	$ 3,589,569	**$ 6,382,736**	$ 6,236,298

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

Nursing Homes and Homes for the Aged
Approved Budget and Per Diem Rate

East Cumberland Lodge

Effective date: April 1, 2018
Released on July 19, 2018

BUDGET SUMMARY

		RFP Beds			Total
		Regular Beds	Protected	Unprotected	
	Salaries (Schedule 7)	$ 3,455,595	$ 489,612	$ 65,850	$ 4,011,057
	Benefits (Schedule 7)	834,719	$ 115,450	15,685	$ 965,854
	Operations *(Schedule 1)*	619,153	45,495	80,733	$ 745,381
	Capital:				$ -
	Mortgage *(Schedule 4)*	89,954		174,582	$ 264,536
	Major Projects *(Schedule 3)*	142,524			$ 142,524
	Depreciation *(Schedule 4)*	-			$ -
	Equipment Allowance *(Schedule 2)*	11,214			$ 11,214
	Profit	-			$ -
	Other Adjustments *(Schedule 5)*	(11,729)			$ (11,729)
					$ -
(a)	**Total Budget Approved**	**$ 5,141,429**	**$ 650,557**	**$ 336,850**	**$ 6,128,836**
	Approved FTE's	**74.21**	**10.90**	**1.86**	**86.97**

Bed License / Occupancy Rate / Resident Days

		NH Beds	RFP beds	Total
	Nursing Care Beds			
(b)	Licensed nursing care beds	63	10	73
(c)	Occupancy rate	99.2%	99.2%	99.2%
(d)	Resident days [(b) x (c) x 365]	22,811	3,621	26,432
	Respite Beds			
(e)	Licensed respite beds			1
(f)	Occupancy rate			70.0%
(g)	Resident days [(e) x (f) x 365]			256

Approved Per Diem Rates

		Average
	Approved Per Diem Rate(s) [(a) / (d) + (g)]	**$ 229.65**

Schedule 1 - Operations

	Annual Funding
Administration	$ 88,163
Resident Care	80,200
Program Support	3,725
Client Recreation Support	13,759
Dietary	155,221
Specialized Diet Requirement	19,856
Environmental Services	44,622
Operations and Maintenance	238,199
Prior Year Base Budget Adjustments	(24,592)
Approved Operations Budget	**$ 619,153**

Schedule 1a - RFP Operations

			Annual Funding
Protected:			
Resident Care/Program Support	$	5.47	$ 19,815
Raw Foods	$	7.09	$ 25,680
Total Protected Operations			**45,495**
Unprotected:			
Operations - Nursing Home beds	$	22.30	$ 80,733
-Residential Care beds			
Total Unprotected Operations			**80,733**
Total Approved Operations Budget			**$ 126,228**

Schedule 2 - Equipment Allowance

	Licensed Beds		Funding per bed	Annual Funding
Equipment allowance	63	$	178	**$ 11,214**

Schedule 3 - Major Projects

	Approval Number	Total * Approved	Funding Start Date	Funding End Date	Annual Funding
2) Replace twenty beds with electric beds	A-04-043	$ 67,920	01-Apr-04	31-Mar-09	$ -
3) Wanderguard system	A-04-168	$ 32,370	01-Nov-04	31-Oct-07	$ -
4) Replace 7 beds & mattresses re bedrails	A-05-187	$ 22,658	01-Apr-05	31-Mar-08	$ -
5) Emergency Funding - Replace existing fire doors	E-07-147	$ 96,482	01-Nov-07	31-Mar-13	$ -
6) Replace elevator's hydraulic cylinder	A-08-119	$ 34,596	01-Apr-08	31-Mar-11	$ -
7) Replace Emergency Generator	A-09-125	$ 313,200	01-Apr-09	31-Mar-24	$ 20,880
8) Upgrade & Replace Fire Alarm Panel/System	E-09-063	$ 30,960	01-Apr-09	31-Mar-12	$ -
9) Replace water softener	A-10-050	$ 14,388	01-Apr-10	31-Mar-11	$ -
10) Upgrade Elevator	A-10-051	$ 79,260	01-Apr-10	31-Mar-15	$ -
11) Install Fire Pump	E-10-038	$ 120,360	01-Apr-11	31-Mar-21	$ 12,036
12) Replace domestic hot water system	A-12-063	$ 63,889	01-Apr-12	31-Mar-17	$ -
13) Upgrade eight (8) work stations and computer equipment	A-12-139	$ 28,053	01-Apr-12	31-Mar-15	$ -
14) Install blue pull stations	E-11-041	$ 7,176	01-Nov-12	31-Mar-13	$ -
15) Replace main electrical breaker	E-11-042	$ 43,776	01-Nov-12	31-Mar-15	$ -
16) Install water filtration in basement	E-11-043	$ 121,020	01-Nov-12	31-Mar-17	$ -
17) Install keypads at elevators	A-13-056	$ 10,620	01-Apr-13	31-Mar-14	$ -
18) Renovate residential tub room	A-13-063	$ 25,056	01-Apr-13	31-Mar-16	$ -
19) IT Server upgrade - Phase II of III	A-14-015	$ 35,424	01-Apr-14	31-Mar-17	$ -
20) Replace 8 beds	A-14-018	$ 25,884	01-Apr-14	31-Mar-17	$ -
21) Replace resident furniture	A-14-098	$ 59,100	01-Apr-14	31-Mar-19	$ 11,820
22) Purchase and install 6 ceiling lifts	A-14-069	$ 25,308	01-Apr-14	31-Mar-17	$ -
23) Replace nurse call system	A-15-015	$ 85,680	01-Apr-15	31-Mar-20	$ 17,136
24) Replace roof	A-15-025	$ 911,400	01-Apr-15	31-Mar-40	$ 36,456
25) Replace Whirlpool Tub and Lift	A-17-045	$ 76,080	1-Apr-17	31-Mar-22	$ 15,216
26) Purchase Bedpan Sanitizer	A-17-055	$ 23,040	1-Apr-17	31-Mar-20	$ 7,680
27) Access municipal water	A-18-019	$ 68,340	1-Apr-18	31-Mar-23	$ 13,668
28) repalce 17 beds	A-18-020	$ 22,896	1-Apr-18	31-Mar-21	$ 7,632
					$ 142,524

* Total approved above includes project costs, financing charges and net HST.

Schedule 4 - Mortgage and Depreciation

	Term (months)	Amount Approved	Renewal Start Date	Renewal End Date	Annual Funding
Mortgage					
Mortgage	n/a	$ 719,826	Apr 30/13	Nov 30/25	$ 89,954
RFP Mortgage addition		$ 2,559,272	Apr 30/13	Sept 30/36	$ 174,582
					$ 264,536
Depreciation					
n/a	n/a	$ -	n/a	n/a	$ -
					$ -

Schedule 5 - Other Adjustments

			Total Approved	Recovery Start Date	Recovery End Date	Annual Funding
Other			$ -	n/a	n/a	$ -
Funding overpayment	A-04-168		$ (22,353)	01-Apr-05	31-Mar-07	$ -
Funding overpayment	A-14-098		$ (3,500)	01-Apr-15	31-Mar-19	$ (875)
Capital Recovery	A-17-055		$ (3,834)	Apr 1/18	Mar 31/20	$ (1,917)
Funding Overpayment		A-15-025	$ (26,812)	01-Apr-17	28-Mar-20	$ (8,937)
						$ (11,729)

Nursing Homes and Homes for the Aged
Approved Budget

East Cumberland Lodge
Effective date: April 1, 2018

Schedule 7a - Staff Complement and Salaries Calculation

	Union	Assigned FTE	Approved Funding	Approved FTE	Base Salary	Approved Budget
Administration						
Administrator	MGT-B	1.00	100%	1.00	$ 101,004	$ 101,004
Accountant	Non-union	1.00	100%	1.00	$ 54,399	$ 54,399
Executive Secretary	Non-union	1.00	100%	1.00	$ 42,421	$ 42,421
		3.00		**3.00**		**$ 197,824**
Resident Care						
D.O.N (Resident Care)	MGT-B	1.00	100%	1.00	$ 89,225	$ 89,225
R.N.'s	Non-union	6.42	100%	6.42	$ 77,356	$ 496,624
L.P.N.'s	CUPE	6.63	100%	6.63	$ 49,408	$ 327,575
CCA / P.C.W.	CUPE	34.02	100%	34.02	$ 36,792	$ 1,251,664
		48.07		**48.07**		**$ 2,165,088**
Program Support						
Occupational Therapist	Non-union	0.15	100%	0.15	$ 75,001	$ 11,250
Physiotherapist	Non-union	0.15	100%	0.15	$ 75,001	$ 11,250
Director / Recreation Planner	MGT-B	1.00	100%	1.00	$ 54,399	$ 54,399
Activity Workers	CUPE	1.00	100%	1.00	$ 38,781	$ 38,781
		2.30		**2.30**		**$ 115,680**
Dietary						
Director Food Services / Maintenance	MGT-B	1.00	100%	1.00	$ 54,399	$ 54,399
Dietician	Non-union	0.20	100%	0.20	$ 75,935	$ 15,187
Journeyman	CUPE	3.42	100%	3.42	$ 44,676	$ 152,792
Food Services Workers	CUPE	5.93	100%	5.93	$ 32,388	$ 192,061
		10.55		**10.55**		**$ 414,439**
Environmental Services						
Director Environmental Services	MGT-B	1.00	100%	1.00	$ 54,399	$ 54,399
Housekeeper	CUPE	3.32	100%	3.32	$ 32,388	$ 107,528
Laundry Workers	CUPE	3.32	100%	3.32	$ 32,388	$ 107,528
Seamstress	CUPE	1.00	100%	1.00	$ 33,629	$ 33,629
		8.64		**8.64**		**$ 303,084**

Schedule 7a - Staff Complement and Salaries Calculation (Cont'd)

	Union	Assigned FTE	Approved Funding	Approved FTE	Base Salary	Approved Budget
Operations & Maintenance						
Maintenance II	CUPE	1.65	100%	1.65	$ 42,034	$ 69,356
		1.65		**1.65**		**$ 69,356**
Other						
Statutory Premium *(Schedule 8a)* & Replacement Time						$ 66,791
						$ 66,791
Total FTE's and Salaries		**74.21**		**74.21**		**$ 3,332,262**
Employee Benefits					15.57%	$ 518,833
Pension Benefits					6.68%	$ 222,595
NSHEPP Pension Benefits - CUPE Only					3.36%	$ 78,477
			Premiums	Benefits		
Shift Differentials *(Schedule 8a)*			$ 63,719	$ 7,266		$ 70,985
Weekend Premiums *(Schedule 8a)*			$ 59,614	$ 7,548		$ 67,162
Total Salaries & Benefits						**$ 4,290,314**

Schedule 8a - Shift Differentials, Weekend Premiums, Education Allowances

Shift Differentials	(per hour) $ 1.75	Qualifying Care Hours	Approved FTE's	Cost / year per FTE	Annual Funding
R.N.'s	$ 1.75	12	6.42	$ 1,548.48	$ 9,941
L.P.N.'s	$ 1.75	12	6.63	$ 1,548.48	$ 10,266
CCA / P.C.W.	$ 1.75	2	34.02	$ 1,078.00	$ 36,674
Activity Workers	$ 1.75	1	1.00	$ 638.75	$ 639
Journeyman	$ 1.75	1	3.42	$ 638.75	$ 2,185
Food Services Workers	$ 1.75	0.5	5.93	$ 319.38	$ 1,894
Housekeeper	$ 1.75	0.5	3.32	$ 319.38	$ 1,060
Laundry Workers	$ 1.75	0.5	3.32	$ 319.38	$ 1,060
					$ 63,719
Weekend Premiums	(per hour)	(total hours)			
R.N.'s	$ 1.75	55	6.42	$ 1,011.11	$ 6,491
L.P.N.'s	$ 1.75	55	6.63	$ 1,011.11	$ 6,704
CCA / P.C.W.	$ 1.75	48	34.02	$ 882.42	$ 30,020
Activity Workers	$ 1.75	16	1.00	$ 882.42	$ 882
Journeyman	$ 1.75	24	3.42	$ 877.11	$ 3,000
Food Services Workers	$ 1.75	24	5.93	$ 877.11	$ 5,201
Housekeeper	$ 1.75	16	3.32	$ 882.42	$ 2,930
Laundry Workers	$ 1.75	16	3.32	$ 882.42	$ 2,930
Seamstress	$ 1.75	16	1.00	$ -	$ -
Maintenance II	$ 1.75	16	1.65	$ 882.42	$ 1,456
					$ 59,614
Statutory Premium					**$ 34,986**
Replacement Time					**$ 31,805**

Schedule 7b - RFP Protected Staff Complement and Salaries Calculation -NH

	Union	Assigned FTE	Approved Funding	Approved FTE	Base Salary	Approved Budget
Resident Care						
R.N.'s	Non-union	0.50	100%	0.50	$ 77,356	$ 38,678
L.P.N.'s	CUPE	1.66	100%	1.66	$ 49,408	$ 82,017
CCA / P.C.W.	CUPE	8.34	100%	8.34	$ 36,792	$ 306,845
		10.50		**10.50**		**$ 427,540**
Program Support						
Physiotherapist	Non-union	0.20	100%	0.20	$ 75,001	$ 15,000
Occupational Therapist	Non-union	0.20	100%	0.20	$ 75,001	$ 15,000
		0.40		**0.40**		**$ 30,000**
Other						
Statutory Premium *(Schedule 8b)* & Replacement Time						$ 10,407
						$ 10,407
Total FTE's and Salaries		**10.90**		**10.90**		**$ 467,947**
Employee Benefits					24.10%	$ 112,775
			Premium	**Benefits**		
Shift Differentials *(Schedule 8b)*			$ 12,335	1,481		$ 13,816
Weekend Premiums *(Schedule 8b)*			$ 9,330	1,194		$ 10,524
Total Protected Salaries & Benefits						**$ 605,062**

Schedule 7b - RFP Unprotected Staff Complement and Salaries Calculation - NH & RCF

	Union	Assigned FTE	Approved Funding	Approved FTE	Base Salary	Approved Budget
Environmental Svs/Dietary						
Food Services Workers	CUPE	0.83	100%	0.83	32,388	$ 26,882
Housekeeper	CUPE	0.83	100%	0.83	32,388	$ 26,882
Maintenance II	CUPE	0.20	100%	0.20	42,034	$ 8,407
		1.86		**1.86**		**$ 62,171**
Other						
Statutory Premium *(Schedule 8b)* & Replacement Time						$ 1,513
						$ 1,513
Total FTE's and Salaries		**1.86**		**1.86**		**$ 63,684**
Employee Benefits					24.10%	$ 15,348
			Premium	**Benefits**		
Shift Differentials *(Schedule 8b)*			$ 530	$ 83		$ 613
Weekend Premiums *(Schedule 8b)*			$ 1,636	$ 255		$ 1,891
Total unprotected Salaries & Benefits						**$ 81,535**

Schedule 8b - Shift Differentials, Weekend Premiums, Education Allowances

Shift Differentials	(per hour) $ 1.75	Qualifying Care Hours	Approved FTE's	Cost / year per FTE	Annual Funding
R.N.'s	$ 1.75	12.00	0.50	$ 1,548.00	$ 774
L.P.N.'s	$ 1.75	12	1.66	$ 1,548.19	$ 2,570
CCA / P.C.W.	$ 1.75	2	8.34	$ 1,078.00	$ 8,991
Food Services Workers	$ 1.75	0.5	0.83	$ 319.38	$ 265
Housekeeper	$ 1.75	0.5	0.83	$ 319.38	$ 265
					$ 12,865

Weekend Premiums	(per hour)	(total hours)			
R.N.'s	$ 1.75	55	0.50	$ 1,011.11	$ 506
L.P.N.'s	$ 1.75	48	1.66	$ 882.42	$ 1,465
CCA / P.C.W.	$ 1.75	48	8.34	$ 882.42	$ 7,359
Food Services Workers	$ 1.75	24	0.83	$ 877.11	$ 728
Housekeeper	$ 1.75	16	0.83	$ 882.42	$ 732
Maintenance II	$ 1.75	16	0.20	$ 882.42	$ 176
					$ 10,966

	Protected	Unprotected	
Statutory Premium	$ 5,451	$ 793	**6,244**
Replacement Time	$ 4,956	$ 720	**5,676**

East Cumberland Lodge

Schedule 7a - Staff Complement and Salaries Calculation

	Union	Approved FTE	Base Salary	Approved Budget	Hours Per Day	Shifts Per Day	Stat Hours Per Year	Hourly Rate	0.50 Statutory Premium
Administration									
Administrator	MGT-B	1.00	$ 101,004	$ 101,004					
Accountant	Non-union	1.00	$ 54,399	$ 54,399					
Executive Secretary	Non-union	1.00	$ 42,421	$ 42,421					
		3.00		**$ 197,824**					
Resident Care									
D.O.N (Resident Care)	MGT-B	1.00	$ 89,225	$ 89,225					
R.N.'s	Non-union	6.42	$ 77,356	$ 496,624	30.96	3.87	340.52	37.19	6,332.09
L.P.N.'s	CUPE	6.63	$ 49,408	$ 327,575	31.97	4.00	351.66	23.75	4,176.67
CCA / P.C.W.	CUPE	34.02	$ 36,792	$ 1,251,664	164.04	20.51	1,804.46	17.69	15,959.04
		48.07		**$ 2,165,088**					
Program Support									
Occupational Therapist	Non-union	0.15	$ 75,001	$ 11,250					
Physiotherapist	Non-union	0.15	$ 75,001	$ 11,250					
Director / Recreation Planner	MGT-B	1.00	$ 54,399	$ 54,399					
Activity Workers	CUPE	1.00	$ 38,781	$ 38,781	4.82	0.60	53.04	18.64	494.47
		2.30		**$ 115,680**					
Dietary									
Director Food Services / Maintenance	MGT-B	1.00	$ 54,399	$ 54,399					
Dietician	Non-union	0.20	$ 75,935	$ 15,187					
Journeyman	CUPE	3.42	$ 44,676	$ 152,792	16.49	2.06	181.40	21.48	1,948.14
Food Services Workers	CUPE	5.93	$ 32,388	$ 192,061	28.59	3.57	314.53	15.57	2,448.83
		10.55		**$ 414,439**					
Environmental Services									
Director Environmental Services	MGT-B	1.00	$ 54,399	$ 54,399					
Housekeeper	CUPE	3.32	$ 32,388	$ 107,528	16.01	2.00	176.10	15.57	1,371.01
Laundry Workers	CUPE	3.32	$ 32,388	$ 107,528	16.01	2.00	176.10	15.57	1,371.01
Seamstress	CUPE	1.00	$ 33,629	$ 33,629					
		8.64		**$ 303,084**					
Operations & Maintenance									
Maintenance II	CUPE	1.65	$ 42,034	$ 69,356	7.96	0.99	87.52	20.21	884.31
		1.65		**$ 69,356**					
Other									
Shift Differentials *(Schedule 8)*				$ -					
Weekend Premiums *(Schedule 8)*				$ 1,855					
Statutory Premium *(Schedule 8)*				$ 34,986					
				$ 36,841					
Total FTE's and Salaries		**74.21**		**$ 3,302,312**					
Employee Benefits			15.57%	$ 514,170					
Total Salaries & Benefits				**$ 3,816,482**	**$ 316.85**	**$ 39.61**	**$ 3,485.33**	**$ 185.68**	**$ 34,985.56**

Schedule 7b -RFP Staff Complement and Salaries Calculation

	Union	Approved FTE	Base Salary	Approved Budget	Hours Per Day	Shifts Per Day	Stat Hours Per Year	Hourly Rate	0.5 Statutory Premium
Resident Care									
R.N.'s		0.50	$ 77,356	$ 38,678	2.41	0.30	26.52	37.19	493.15
L.P.N.'s		1.66	$ 49,408	$ 82,017	8.00	1.00	88.05	23.75	1,045.74
CCA / P.C.W.		8.34	$ 36,792	$ 306,845	40.21	5.03	442.36	17.69	3,912.36
Environmental Svs/Dietary									
Food Services Workers		0.83	$ 32,388	$ 26,882	4.00	0.50	44.02	15.57	342.75
Housekeeper		0.83	$ 32,388	$ 26,882	4.00	0.50	44.02	15.57	342.75
Maintenance II		0.20	$ 42,034	$ 8,407	0.96	0.12	10.61	20.21	107.19
Total Salaries & Benefits				**$ 489,711**	**$ 59.60**	**$ 7.45**	**$ 655.59**	**$ 129.98**	**$ 6,243.95**

East Cumberland Lodge

Schedule 7a - Staff Complement and Salaries Calculation — 5

	Union	Approved FTE	Base Salary	Approved Budget	Hours Per Day	Shifts Per Day	Additional Replacement Hrs Per Year	Hourly Rate	Replacement Premium
Administration									
Administrator	MGT-B	1.00	$ 101,004	$ 101,004					
Accountant	Non-union	1.00	$ 54,399	$ 54,399					
Executive Secretary	Non-union	1.00	$ 42,421	$ 42,421					
		3.00		**$ 197,824**					
Resident Care									
D.O.N (Resident Care)	MGT-B	1.00	$ 89,225	$ 89,225					
R.N.'s	Non-union	6.42	$ 77,356	$ 496,624	30.96	3.87	154.78	37.19	5,756.44
L.P.N.'s	CUPE	6.63	$ 49,408	$ 327,575	31.97	4.00	159.85	23.75	3,796.97
CCA / P.C.W.	CUPE	34.02	$ 36,792	$ 1,251,664	164.04	20.51	820.21	17.69	14,508.22
		48.07		**$ 2,165,088**					
Program Support									
Occupational Therapist	Non-union	0.15	$ 75,001	$ 11,250					
Physiotherapist	Non-union	0.15	$ 75,001	$ 11,250					
Director / Recreation Planner	MGT-B	1.00	$ 54,399	$ 54,399					
Activity Workers	CUPE	1.00	$ 38,781	$ 38,781	4.82	0.60	24.11	18.64	449.52
		2.30		**$ 115,680**					
Dietary									
Director Food Services / Maintenance	MGT-B	1.00	$ 54,399	$ 54,399					
Dietician	Non-union	0.20	$ 75,935	$ 15,187					
Journeyman	CUPE	3.42	$ 44,676	$ 152,792	16.49	2.06	82.45	21.48	1,771.03
Food Services Workers	CUPE	5.93	$ 32,388	$ 192,061	28.59	3.57	142.97	15.57	2,226.21
		10.55		**$ 414,439**					
Environmental Services									
Director Environmental Services	MGT-B	1.00	$ 54,399	$ 54,399					
Housekeeper	CUPE	3.32	$ 32,388	$ 107,528	16.01	2.00	80.04	15.57	1,246.37
Laundry Workers	CUPE	3.32	$ 32,388	$ 107,528	16.01	2.00	80.04	15.57	1,246.37
Seamstress	CUPE	1.00	$ 33,629	$ 33,629					
		8.64		**$ 303,084**					
Operations & Maintenance									
Maintenance II	CUPE	1.65	$ 42,034	$ 69,356	7.96	0.99	39.78	20.21	803.92
		1.65		**$ 69,356**					
Other									
Shift Differentials *(Schedule 8)*				$ -					
Weekend Premiums *(Schedule 8)*				$ 1,855					
Statutory Premium *(Schedule 8)*				$ 31,805					
				$ 33,660					
Total FTE's and Salaries		**74.21**		**$ 3,299,131**					
Employee Benefits			15.57%	$ 513,675					
Total Salaries & Benefits				**$ 3,812,806**	**$ 316.85**	**$ 39.61**	**$ 1,584.24**	**$ 185.68**	**$ 31,805.06**

Schedule 7b -RFP Staff Complement and Salaries Calculation — 0.5

	Union	Approved FTE	Base Salary	Approved Budget	Hours Per Day	Shifts Per Day	Stat Hours Per Year	Hourly Rate	Statutory Premium
Resident Care									
R.N.'s		0.50	$ 77,356	$ 38,678	2.41	0.30	12.05	37.19	448.32
L.P.N.'s		1.66	$ 49,408	$ 82,017	8.00	1.00	40.02	23.75	950.67
CCA / P.C.W.		8.34	$ 36,792	$ 306,845	40.21	5.03	201.07	17.69	3,556.69
Environmental Svs/Dietary									
Food Services Workers		0.83	$ 32,388	$ 26,882	4.00	0.50	20.01	15.57	311.59
Housekeeper		0.83	$ 32,388	$ 26,882	4.00	0.50	20.01	15.57	311.59
Maintenance II		0.20	$ 42,034	$ 8,407	0.96	0.12	4.82	20.21	97.44
Total Salaries & Benefits				**489,711.00**	**59.60**	**7.45**	**297.99**	**129.98**	**5,676.32**

Nova Scotia Department of Health
Continuing Care, Long Term Care
Summary of Capital Renewal Reserve - RFP facilities

Location: East Cumberland Lodge

	(a)	(365-a)=b	(c)	(d)	(d/365 x b) x c
		Days	Sqft	Annual Cost	Funding
Released on Jul'ate:	10-Aug-11	365	7,365	$ 3.30	$ 24,305

Appendix C

SUNSET RESIDENTIAL & REHABILITATION SERVICES INC.

Financial Statements

Year Ended March 31, 2018

SUNSET RESIDENTIAL & REHABILITATION SERVICES INC.
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Year Ended March 31, 2018

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Sunset Residential & Rehabilitation Services Inc. have been prepared in accordance with Canadian public sector accounting standards and the integrity and objectivity of the statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information in the financial statements.

Management is also responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a regular basis throughout the year and external audited financial statements yearly.

The external auditors, McIsaac Darragh Chartered Professional Accountants, conducted an independent examination in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Sunset Residential & Rehabilitation Service Inc. and meet when required.

On behalf of Sunset Residential & Rehabilitation Service Inc.:

Julie Matheson, Executive Director

Carolyn Langille, Coordinator of Financial Services

Pugwash, NS
June 29, 2018

McISAAC · DARRAGH
CHARTERED PROFESSIONAL ACCOUNTANTS
Member of The AC Group of Independent Accounting Firms

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Sunset Residential & Rehabilitation Services Inc.

We have audited the accompanying financial statements of Sunset Residential & Rehabilitation Services Inc., which comprise the statement of financial position as at March 31, 2018 and the statements of operations and 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Sunset Residential & Rehabilitation Services Inc. as at March 31, 2018 and the results of its operations, changes in net financial debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Amherst, Nova Scotia
June 29, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

SUNSET RESIDENTIAL & REHABILITATION SERVICES INC.

Statement of Financial Position

March 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	**$ 261,789**	$ 276,685
Marketable securities *(Note 3)*	**60,000**	60,000
Accounts receivable *(Note 4)*	**1,258,369**	1,373,722
HST receivable	**60,244**	191,260
Inventory for re-sale	**41,743**	35,703
	1,682,145	1,937,370
LIABILITIES		
Short term debt *(Note 5)*	**-**	7,151,472
Accounts payable and accrued liabilities *(Note 6)*	**757,788**	1,133,513
Employee future benefits *(Note 7)*	**724,033**	746,552
Deferred contributions *(Note 8)*	**22,895**	33,489
Capital project loans *(Note 9)*	**10,650,000**	3,680,000
	12,154,716	12,745,026
NET FINANCIAL DEBT	**(10,472,571)**	(10,807,656)
NON-FINANCIAL ASSETS		
Prepaid expenses	**10,260**	10,260
Tangible capital assets *(Note 10)*	**14,021,355**	14,030,163
	14,031,615	14,040,423
ACCUMULATED SURPLUS *(Note 11)*	**$ 3,559,044**	$ 3,232,767

CONTINGENT LIABILITY *(Note 12)*

On Behalf of the Board

_____ *Director*

_____ *Director*

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

SUNSET RESIDENTIAL & REHABILITATION SERVICES INC.
Statement of Operations and Accumulated Surplus
Year Ended March 31, 2018

	Budget *(Note 14)* 2018	**2018**	2017
REVENUES			
Per Diems	$ 8,570,489	**$ 8,405,079**	$ 8,379,084
Wage reimbursements	-	**1,240,678**	1,179,235
Additional funding	-	**19,349**	50,637
Independent living services	-	**176,857**	152,766
Total - N.S. Department of Community Services	8,570,489	**9,841,963**	9,761,722
Sunset Industries	-	**175,743**	139,721
Vocational fees	-	**47,270**	50,015
Donations and fundraising *(Note 8)*	-	**33,155**	21,410
Apartment rentals	-	**25,145**	19,260
Other revenue	-	**24,604**	13,855
	8,570,489	**10,147,880**	10,005,983
EXPENSES *(Schedule 1)*			
Client services	4,578,112	**5,577,310**	5,469,516
Administration *(Note 8)*	583,843	**809,204**	873,328
Dietary	1,045,634	**1,078,483**	1,073,937
Housekeeping/Laundry	592,720	**593,777**	599,657
Facilities	711,951	**674,104**	637,294
Sunset Industries	358,549	**594,468**	581,844
Community residential services	559,680	**488,315**	422,469
Independent living services	-	**154,421**	139,860
	8,430,489	**9,970,082**	9,797,905
ANNUAL SURPLUS BEFORE OTHER REVENUE AND EXPENSE	140,000	**177,798**	208,078
OTHER REVENUE AND EXPENSE			
Renovation grant - N.S. Department of Community Services	$ -	**$ 822,571**	$ 344,954
Gain (loss) on disposal of tangible capital assets	-	**(106)**	9,733
Amortization *(Note 10)*	-	**(431,405)**	(425,940)
Interest on long term debt	(140,000)	**(242,581)**	(114,954)
	(140,000)	**148,479**	(186,207)
ANNUAL SURPLUS	-	**326,277**	21,871
ACCUMULATED SURPLUS - BEGINNING OF YEAR	-	**3,232,767**	3,210,896
ACCUMULATED SURPLUS - END OF YEAR	$ -	**$ 3,559,044**	$ 3,232,767

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

SUNSET RESIDENTIAL & REHABILITATION SERVICES INC.
Statement of Changes in Net Financial Debt
Year Ended March 31, 2018

	Budget 2018	**2018**	2017
ANNUAL SURPLUS	$ -	**$ 326,277**	$ 21,871
Purchase of tangible capital assets	-	**(457,703)**	(2,113,216)
Building held for sale reallocated to tangible capital assets	-	**-**	(22,197)
Loss (gain) on disposal of assets	-	**106**	(9,733)
Proceeds on disposal of tangible capital assets	-	**35,000**	12,000
Amortization of tangible capital assets	-	**431,405**	425,940
	-	**8,808**	(1,707,206)
CHANGE IN NET FINANCIAL DEBT	-	**335,085**	(1,685,335)
NET FINANCIAL DEBT - BEGINNING OF YEAR	-	**(10,807,656)**	(9,122,321)
NET FINANCIAL DEBT - END OF YEAR	$ -	**$ (10,472,571)**	$ (10,807,656)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

SUNSET RESIDENTIAL & REHABILITATION SERVICES INC.

Statement of Cash Flows

Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Cash receipts from government funding and clients	**$ 9,959,035**	$ 9,873,945
Cash receipts from sales of services	**270,954**	222,367
Cash receipts from donations and fundraising	**22,561**	23,003
Cash paid to suppliers and employees	**(9,748,027)**	(10,036,304)
Interest paid	**(242,581)**	(114,954)
Cash flow from operating activities	**261,942**	(31,943)
INVESTING ACTIVITIES		
Purchase of tangible capital assets	**(952,937)**	(2,203,742)
Proceeds on disposal of tangible capital assets	**35,000**	12,000
Cash flow used by investing activities	**(917,937)**	(2,191,742)
FINANCING ACTIVITIES		
Cash receipts from provincial capital funding	**822,571**	344,954
Proceeds from short term debt	**48,528**	2,151,472
Repayment of short term debt	**(7,200,000)**	-
Proceeds from long term debt	**7,200,000**	-
Repayment of long term debt	**(230,000)**	(230,000)
Cash flow from financing activities	**641,099**	2,266,426
INCREASE (DECREASE) IN CASH FLOW	**(14,896)**	42,741
Cash - beginning of year	**276,685**	233,944
CASH - END OF YEAR	**$ 261,789**	$ 276,685

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF OPERATIONS

Sunset Residential & Rehabilitation Services Inc. (the "Corporation") was incorporated by the Municipality of the County of Cumberland under the Business Corporations Act of Nova Scotia. It operates a residential care facility, sheltered workshop, group home and provides support to adults with disabilities living in the community through the Independent Living Support Program (ILS).

The corporation is controlled by the County of Cumberland and is a registered charity, as such, it is exempt from income tax. The corporation receives substantially all of its funding from the Nova Scotia Department of Community Services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board and include the following significant accounting policies.

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 are recognized 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.

Client trust funds

Client trust funds administered by the Corporation are not included in the financial statements (Note 13).

Cash and cash equivalents

Cash includes cash and short term investments with maturity dates within 12 months of year end.

Financial instruments policy

The corporation's financial instruments are comprised of cash, marketable securities, receivables, payables, short term and long term debt. All financial instruments are measured at cost or amortized cost.

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

As the corporation has no assets subject to remeasurement, no statement of remeasurement gains and losses has been presented.

Management is of the opinion the carrying amount of financial instruments approximates fair value.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee future benefits

The contributions to a multi-employer defined benefit pension plan are expensed when contributions are due. The costs of post-employment benefits are recognized when the event that obligates the corporation occurs.

(a) On behalf of its employees the corporation contributes to a multi-employer defined benefit plan, administered by the Nova Scotia Association of Health Organizations, that provides a pension on retirement based on the member's age at retirement and length of service. The most recent actuarial valuation was conducted as at July 1, 2017 and indicated a funded liability. The corporation bears no direct financial responsibility for the liability of the plan. The contribution rates are based on salary level and range from 7.82% to 10.18% for the employee and 9.22% to 11.58% for the employer. The total pension expense for the year is $429,722 (2017 - $430,859) and is included in salaries and benefits (Schedule 1).

(b) 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 benefits rates. Non-vesting sick leave benefits are not expected to create a liability for the corporation, based on management's best estimate.

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 do not normally provide resources to discharge liabilities to the corporation unless they are sold. They are accounted for as assets because they can be used to provide services in future periods.

The change in non-financial assets during the year, together with the annual surplus or deficit, accounts for the change in net financial assets for the year.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts, except loan interest, 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 depreciated on a straight-line basis over the estimated useful life as follows:

Buildings and improvements	10 to 40 years
Furniture and equipment	5 to 20 years
Motor vehicles	10 years
Paving	10 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the corporation's ability to provide services.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

(a) Revenue from per diems, sale of meals and revenue from Sunset Industries is recognized at the time the service is rendered in the normal course of operations.

(b) Revenue from apartment rentals is recorded monthly as apartments are occupied.

(c) Unrestricted contributions are recognized as revenue when received.

(d) 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.

Government transfers

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

Examples of significant estimates include:

- the estimated useful lives of assets;
- the assumptions used in determining the obligation for accrued sick time;
- the salary and benefit rates used in determining the obligation for accrued vacation and holiday pay.

3. MARKETABLE SECURITIES

Marketable securities, internally restricted for equipment replacement, are comprised of Canada Savings Bonds bearing interest at 0.5% (2017 - 0.5%).

4. ACCOUNTS RECEIVABLE

	2018	2017
Receivable from N.S. Dept. of Community Services	**$ 1,152,767**	$ 1,336,839
Receivable from Municipality of the County of Cumberland	**67,000**	-
Other receivables	**38,602**	36,883
	$ 1,258,369	$ 1,373,722

5. SHORT TERM DEBT

The Corporation has available a $300,000 revolving line of credit. Bank advances on the credit line are payable on demand and bear interest at prime. The credit line is secured by a resolution to borrow passed by the Municipality of the County of Cumberland. At year end this line of credit was not in use.

Two non-revolving lines of credit totaling $7,200,000 were repaid during the year.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Accounts payable and accrued liabilities	**$ 396,668**	$ 828,938
Salaries and benefits payable	**179,557**	163,976
Accrued vacation and holiday pay	**181,563**	140,599
	$ 757,788	$ 1,133,513

7. EMPLOYEE FUTURE BENEFITS

	2018	2017
Accrued sick leave	**$ 724,033**	$ 746,552

Full time employees earn 144 hours of sick leave per year at the rate of 12 hours per month. Part time employees earn a pro-rated number of sick leave hours. Maximum accumulation of sick leave is 1,200 working hours. Upon termination, unionized employees are paid 75% of accumulated sick leave. Non-union employees receive 100% of accumulated sick leave. The accrued sick pay liability has been estimated based on the number of accumulated sick days with an accrued liability recorded for 75% of the unionized accumulated sick time and 100% of the non-unionized accumulated sick time.

8. DEFERRED CONTRIBUTIONS

Deferred contributions consist of donations restricted by donors to be used by the corporation for staff training and enhancement of client experiences.

	2018	2017
Deferred donations - opening balance	**$ 33,489**	$ 31,896
Receipts during the year	**22,561**	23,003
Transferred to revenue	**(33,155)**	(21,410)
Deferred donations - closing balance	**$ 22,895**	$ 33,489

Spending from deferred contributions is recorded under administration expenses.

9. CAPITAL PROJECT LOANS

	2018	2017
Municipality of the County of Cumberland loan bearing interest at rates varying from 1.734% to 3.073% over the term of the loan. The loan is repayable in annual payments of $360,000 until 2028 and then one payment of $3,960,000, with interest paid semi-annually. The loan matures in November, 2027 and is unsecured.	**$ 7,200,000**	$ -
Municipality of the County of Cumberland loan bearing interest at rates varying from 2.25% to 3.16% over the term of the loan. The loan is repayable in annual payments of $230,000 until 2022 and then one payment of $2,530,000, with interest paid semi-annually. The loan matures in November, 2022 and is unsecured.	**3,450,000**	3,680,000
	$ 10,650,000	$ 3,680,000

Principal repayment terms are approximately:

2019	$ 590,000
2020	590,000
2021	590,000
2022	590,000
2023	2,890,000

10. TANGIBLE CAPITAL ASSETS

Cost	2017 Balance	Additions	Disposals	**2018 Balance**
Land	$ 11,600	$ -	$ -	**$ 11,600**
Buildings	16,764,235	314,054	-	**17,078,289**
Equipment	168,726	98,946	-	**267,672**
Motor vehicles	228,377	44,703	43,882	**229,198**
Paving	308,813	-	-	**308,813**
	$ 17,481,751	$ 457,703	$ 43,882	**$ 17,895,572**

Accumulated Amortization	2017 Balance	Amortization	Accumulated Amortization on Disposals	**2018 Balance**
Buildings	$ 2,876,692	$ 382,268	$ -	**$ 3,258,960**
Equipment	107,102	16,294	-	**123,396**
Motor vehicles	174,421	17,403	8,776	**183,048**
Paving	293,373	15,440	-	**308,813**
	$ 3,451,588	$ 431,405	$ 8,776	**$ 3,874,217**

Net book value	**2018**	2017
Land	**$ 11,600**	$ 11,600
Buildings	**13,819,329**	13,887,543
Equipment	**144,276**	61,624
Motor vehicles	**46,150**	53,956
Paving	**-**	15,440
	$ 14,021,355	$ 14,030,163

Land and the original Adult Residential Centre buildings are owned by the Municipality of the County of Cumberland and are not included in the above schedule.

11. ACCUMULATED SURPLUS

The accumulated surplus is made up of the following:

	2018	2017
Accumulated surplus	**$ 3,454,843**	$ 3,128,866
Internally restricted equipment reserve	**104,201**	103,901
	$ 3,559,044	$ 3,232,767

Included in the internally restricted equipment reserve is an allocation of $300 (2017 - $300) of interest earned on the Canada Savings Bonds, as approved by the Board.

12. CONTINGENT LIABILITY

The Corporation may, from time to time, be involved in legal proceedings, claims and litigation arising in the normal course of operations. As of March 31, 2018, management believes it is not exposed to material, adverse impact on its financial position as a result of any such claims.

13. TRUSTS UNDER ADMINISTRATION

At March 31, 2018, the balance of funds held in clients' trust funds was $124,179 (2017 - $131,437).

14. BUDGETED FIGURES

Budgeted figures are presented for comparison and were established by the Nova Scotia Department of Community Services.

15. COMPARATIVE FIGURES

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

SUNSET RESIDENTIAL & REHABILITATION SERVICES INC.

Expenses by Object ***(Schedule 1)***

Year Ended March 31, 2018

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

Appendix D

PERSONAL INFORMATION INTERNATIONAL DISCLOSURE PROTECTION ACT

The Supplier acknowledges and confirms that it is a "service provided" as defined in the Personal Information International Disclosure Protection Act, SNS 2003 c. 3 ("PIIDPA"), that it has read and understands its obligations as a service provider thereunder and that as a service provider it is legally bound by the obligations imposed on it by PIIDPA. It is a condition precedent to the Minister entering into the Agreement with the Supplier that the Supplier irrevocably undertakes, covenants and agrees to be bound by and comply with the obligations imposed on it as a service provider under PIIDPA.

The Supplier further covenants, warrants and represents to the Minister that it will not at any time provide or allow the release of personal information to which it has access in its capacity as a service provider to the Minister in response to any "foreign demand for disclosure" or permit or allow the "unauthorized disclosure of personal information" as each of those terms are defined in PIIDPA.

The Supplier shall implement and strictly enforce security arrangements that will ensure that all personal information that it collects or uses on behalf of the Minister is protected at all times from unauthorized access or disclosure and shall confirm in writing to the Minister, upon request, the details of such security arrangements. The Supplier also agrees to implement and enforce any additional security procedures as may be required by the Minister from time to time to protect the personal information that the Supplier collects or uses on behalf of the Minister. The Minister shall be authorized, upon giving prior written notice to the Supplier, to enter the premises of the Supplier during normal business hours for the purpose of conducting an audit of the security arrangements referenced herein.

All personal information that the Supplier obtains or becomes aware of while providing services to the Minister is not and shall not be or be deemed to be the property of the Supplier. The Supplier acknowledges and agrees that it will not, either directly or indirectly, acquire any rights to use or own any such personal information other than the right to use it for the sole purpose of fulfilling its obligations to the Minister under the Agreement.

The Supplier expressly confirms that the laws of the Province of Nova Scotia shall apply to its obligations as a service provider to the Minister, notwithstanding the laws or the order of any court outside Canada.