

**Cape Breton Regional Municipality**

**Special Council Meeting**

**AGENDA**

**MONDAY, JANUARY 26<sup>TH</sup>, 2015**

**3:00 P.M.**

Council Chambers  
2<sup>nd</sup> Floor, Civic Centre  
320 Esplanade, Sydney, NS

**Cape Breton Regional Municipal Council**

**Special Council Meeting**

**AGENDA**

**Monday, January 26<sup>th</sup>, 2015**

**3:00 p.m.**

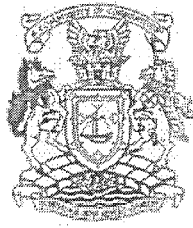
**Council Chambers, 2<sup>nd</sup> Floor – Civic Centre**

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**ROLL CALL**

1. **Funding Request - Two Rivers Wildlife Park:**
  - a) **Letter from Mayor Cecil P. Clarke to Minister Michel Samson**  
(See page 3)
  - b) **Issue Paper:** John Whalley, Manager of Economic Development (See page 5)

**Adjournment**



CAPE BRETON REGIONAL MUNICIPALITY  
OFFICE *of the* MAYOR

January 23, 2015

Honourable Michel P. Samson, Minister  
Department of Economic and Rural  
Development and Tourism  
Suite 600, Centennial Bldg.  
1660 Hollis Street  
PO Box 2311  
Halifax, NS B3J 3C8  
Email: [econmin@gov.ns.ca](mailto:econmin@gov.ns.ca)

Dear Honourable Minister:

A handwritten signature in cursive script that reads "Michel".

Re: Emergency Funding for Two Rivers Wildlife Park

Further to the meeting held on January 8, 2015, in Halifax between you, Minister Geoff MacLellan, Deputy Mayor George MacDonald, and me, I am writing to confirm my understanding of our discussion on Two Rivers Wildlife Park.

Two Rivers Wildlife Park is requesting \$40,000 in emergency funding split equally between the Province and the City. A Special Meeting of the CBRM Council will be held on Monday, January 26, 2015, at 3:00 p.m. to consider the request.

I am writing in advance to request provincial matching dollars as any motion of Council will be tied to an equal or greater matching provincial contribution. My officials would be more than pleased to discuss our analysis with your department or others at the provincial level.

Given the looming crisis of not being able to meet payroll next week, the CBRM is advancing the last two monthly payments of their \$35,000 CBRM grant this year so the Park can maintain operations while we work together as funding partners.

Your understanding of this community asset within Eastern Nova Scotia is truly appreciated.

Kind personal regards,

A handwritten signature in cursive script, appearing to read "Cecil", written in black ink on a white background.

Cecil P. Clarke

CPC/tfd

c: Honourable Geoff MacLellan  
Honourable Zack Churchill  
Deputy Minister Simon d'Entremont  
Mr. Michael Merritt, CAO, CBRM



# ISSUE PAPER

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320 Esplanade

Sydney, Nova Scotia, B1P 7B9

902-563-5514

To: Mayor Cecil Clarke and CBRM Council  
Date: January 23, 2015  
Subject: Funding Request – Two Rivers Wildlife Park

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## Introduction

The Two Rivers Development Association operates the Two Rivers Wildlife Park, which is a five hundred (500) acre wildlife and leisure park located on the Mira River.

The Cape Breton Regional Municipality (CBRM) provides the Two Rivers Wildlife Park with an annual operating grant, through our sustainability program, in the amount of \$35,000.

This is done in recognition of the unique nature of the park and the role that it plays in our region for both residents and visitors.

## Special Funding Request

Earlier this month on behalf of the Park, Mr. Doncaster (President of Two Rivers Development Association) and Mr. Huntington (Manager of the Park), submitted a request for emergency funding to CBRM.

Specifically, in the attached correspondence, they request \$20,000 in emergency funding to enable the Park to continue operations through the balance of the winter season. Their request indicates that they are seeking funding assistance from the provincial government as well.

The most recent financial statement for the Park is attached for information purposes, as well as correspondence that was submitted last year to the sustainability committee.

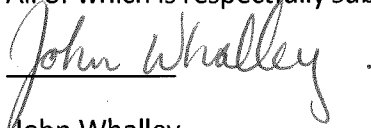
Based upon the information provided, during the peak season the Park has a staff of approximately eighteen (18) individuals and total annual visitation to the facility is approximately 43,000 people.

**Recommendation**

The Park is a vitally important asset within the Cape Breton Regional Municipality and there is every indication that the facility has been consistently well managed.

Based upon the foregoing, I recommend that CBRM Council support the request.

All of which is respectfully submitted,



John Whalley



January 13, 2015

Councillor Ivan Doncaster

Mayor Cecil Clarke

Winter season is upon us here at Two Rivers Wildlife Park, cash flow is low and the coffers are empty. We have enough money to cover this week's payroll and the receiver general, next week though is a big question mark. We are waiting on \$6000.00 from the Fortress of Louisbourg for 2 months boarding of their animals. If it doesn't arrive we are in dire straits. Realizing this we are asking the municipality for \$20,000.00 in emergency funding. We will be seeking further funding from the province to help carry us through until things get busier after April.

Roland Doncaster  
 President TRDA

John Huntington  
 Manager TRWP



TWO RIVERS WILDLIFE PARK  
4581 GRAND MIRA NORTH RD  
HUNTINGTON, NS B1K 3T8  
P: (902) 727.2483  
F: (902) 727-3153  
www.tworiverspark.ca

March 3, 2014

Cape Breton Regional Municipality  
312 Esplanade  
Sydney, NS  
B1P 7B9

**Re: CBRM Sustainability Grant**

**Attention: Mr. Fred Brooks**

Dear Fred,

**Two Rivers Development Association**, a registered not for profit association, has completed its 17<sup>th</sup> year of operating the **Two Rivers Wildlife Park**. We received over 43,000 visitors in 2013. Our visitor count remains stable; the vast majority of visitors from Cape Breton Island, but many tourists from other provinces and countries visited as well. At peak times the Park employs 18 staff.

**Two Rivers Wildlife Park** is a valuable asset to the community and an educational resource for families, student class trips and community groups on our island.

**Two Rivers Wildlife Park** offers a unique opportunity to learn about North American wildlife in a natural setting. Throughout the year we offer many special events; Groundhog Day, Winter Frolic, March Break activities and Trees for Tomorrow Ecumenical Service to name a few. The 11<sup>th</sup> Fright Nights, 3<sup>rd</sup> Ole County Fair, 2<sup>nd</sup> Winter Light-Up and 1<sup>st</sup> Acoustic Roots Festival were all successful in 2013 and we will be continuing each in 2014. These events serve to boost our visitor count and generate much needed revenue to operate year round. We are pleased to offer overnight camping and have been gradually expanding our camping facilities over the last three years as funds allow.

Events are a very important part of fund raising for **Two Rivers Wildlife Park** but our priority remains to operate as a wildlife and leisure park 12 months of the year. In order to do so, we rely on the consistent funding we have received in the past from the *Cape Breton Regional Municipality*. TRWP strives to reach a time where less funding from government sources is required but we are not there yet. The **Two Rivers Development Association** Board of Directors requests that the current funding from CBRM in the amount of \$35,000 be renewed for this coming fiscal year.

The Board of Directors and the Park staff wish to thank CBRM for its past support over many years and hopes that it will continue to provide this vital operational funding once again this year.

Sincerely,

Roland Doncaster  
President, Two Rivers Development Association



Grant Thornton

Financial Statements

(Unaudited)

Two Rivers Development Association

March 31, 2013

Two Rivers Development Association

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## Review Engagement Report

To the Members of

Two Rivers Development Association

Grant Thornton LLP  
Suite 200  
500 George Place  
Sydney, NS  
B1P 1K6  
T (902) 562-5581  
F (902) 562-0073  
www.GrantThornton.ca

We have reviewed the balance sheet of Two Rivers Development Association as at March 31, 2013, March 31, 2012, and April 1, 2011, and the statement of revenue and expenses and changes in net assets for the years ended March 31, 2013, and March 31, 2012. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures, and discussion related to information supplied to us by the Association.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

In common with many not-for-profit organizations, the Association derives revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory review verification. Accordingly, our review of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenditures, assets, and deficit.

As disclosed in Note 2, the Association does not record amortization on capital assets; rather it expenses principal payments on related long term debt as paid. Also, the cost of certain capital assets acquired is charged to expense in the year they are purchased with operating funds. Also, the Association has recorded government contributions restricted for the purchase of capital assets as a reduction in the total cost of the asset purchased. In this respect, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations, which require capital assets to be written off over their estimated useful lives, which may or may not correspond with the repayment terms of any related long term debt, and also require restricted contributions for the purchase of capital assets to be recorded as a direct increase to net assets.

Except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and amortization of capital assets referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Sydney, Canada

October 21, 2013

*Grant Thornton LLP*  
Chartered accountants

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## Two Rivers Development Association Statement of Revenue and Expenses

Year ended March 31  
(Unaudited)

2013

2012

Revenue

Government funding		
Municipal government grant	\$ 35,000	\$ 35,000
Provincial government grant and wage subsidy	116,094	89,236
Enterprise Cape Breton Corporation	2,250	1,500
Admissions	217,130	185,043
Proceeds from trade in of capital assets	-	21,500
Fundraising	10,000	10,000
Programs and events	66,519	68,511
Donations	30,997	36,954
Canteen	45,721	43,810
	<u>523,711</u>	<u>491,554</u>

Operating expenses

Advertising	5,421	436
Capital debt charges – principal	5,489	8,475
Capital expenditures	17,942	31,300
Canteen	31,395	29,510
Fundraising	140	1,100
Insurance	21,666	20,592
Interest and bank charges	5,222	4,191
Office supplies	10,265	9,114
Permits and fees	1,125	6,914
Professional fees	6,288	5,617
Programs and events	80,260	69,940
Repairs and maintenance	28,407	32,405
Salaries and benefits	297,991	257,715
Telephone	5,771	5,939
Utilities	20,714	18,258
Vehicle	7,057	7,853
	<u>545,153</u>	<u>509,359</u>

Excess of expenses over revenue	\$ <u>(21,442)</u>	\$ <u>(17,805)</u>
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See accompanying notes to the financial statements.

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## Two Rivers Development Association Balance Sheet

March 31 (Unaudited)	2013	2012	April 1, 2011
<b>Assets</b>			
Current			
Cash	\$ 9,262	\$ -	\$ -
Commodity taxes receivable	4,565	4,874	-
Receivables	144,385	10,066	-
Inventory	4,260	4,240	4,910
Prepays	-	3,329	-
	<u>162,472</u>	<u>22,509</u>	<u>4,910</u>
Property and equipment (Note 3)	<u>996,105</u>	<u>978,163</u>	<u>989,022</u>
	<b><u>\$ 1,158,577</u></b>	<b><u>\$ 1,000,672</u></b>	<b><u>\$ 993,932</u></b>
<b>Liabilities</b>			
Current			
Bank indebtedness (Note 4)	\$ -	\$ 27,552	\$ 5,412
Payables and accruals	219,600	30,643	26,476
Commodity taxes payable	-	-	10,179
Current portion of long term debt (Note 5)	5,489	5,489	8,475
	<u>225,089</u>	<u>63,684</u>	<u>50,542</u>
Long term debt (Note 5)	<u>8,233</u>	<u>13,722</u>	<u>-</u>
	<b><u>233,322</u></b>	<b><u>77,406</u></b>	<b><u>50,542</u></b>
<b>Association equity</b>			
Deficit (Page 4)	(57,194)	(35,752)	(37,158)
Equity in capital assets (Page 4)	982,449	959,018	980,548
	<u>925,255</u>	<u>923,266</u>	<u>943,390</u>
	<b><u>\$ 1,158,577</u></b>	<b><u>\$ 1,000,672</u></b>	<b><u>\$ 993,932</u></b>

On behalf of the Board

\_\_\_\_\_ Director \_\_\_\_\_ Director

See accompanying notes to the financial statements.

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## Two Rivers Development Association Statement of Changes in Net Assets

Year ended March 31  
(Unaudited)

2013

2012

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	<u>Operating fund</u>	<u>Investment in capital assets</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ (35,752)	\$ 959,018	\$ 923,266	\$ 943,390
Excess of expenses over revenue	(21,442)	-	(21,442)	(17,805)
Purchase of capital assets	-	17,942	17,942	31,300
Repayment of long term debt	-	5,489	5,489	8,475
Disposal of capital assets	-	-	-	(42,094)
Balance, end of year	<u>\$ (57,194)</u>	<u>\$ 982,449</u>	<u>\$ 925,255</u>	<u>\$ 923,266</u>

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See accompanying notes to the financial statements.

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## Two Rivers Development Association Statement of Cash Flows

March 31 2013 2012  
(Unaudited)

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Increase (decrease) in cash and cash equivalents

<b>Operating</b>		
Excess of expenses over revenue	\$ (21,442)	\$ (17,805)
Proceeds from trade in of capital assets	-	(21,500)
Capital expenditures	17,942	31,300
Capital debt charges	<u>5,489</u>	<u>8,475</u>
	1,989	470
Change in non-cash operating working capital (Note 6)	<u>58,256</u>	<u>(23,611)</u>
	<u>60,245</u>	<u>(23,141)</u>
<b>Financing</b>		
New long term debt	-	19,211
Repayment of long term debt	<u>(5,489)</u>	<u>(8,475)</u>
	<u>(5,489)</u>	<u>10,736</u>
<b>Investing</b>		
Government funding received for the purchase disposal of capital assets	144,385	100,660
Proceeds on disposal of capital assets	-	21,500
Purchase of capital assets	<u>(162,327)</u>	<u>(131,895)</u>
	<u>(17,942)</u>	<u>(9,735)</u>
Net increase (decrease) in cash and cash equivalents	36,814	(22,140)
Bank indebtedness, net of cash, beginning of year	<u>(27,552)</u>	<u>(5,412)</u>
Cash (bank indebtedness), end of year	<u>\$ 9,262</u>	<u>\$ (27,552)</u>

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See accompanying notes to the financial statements.

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# Two Rivers Development Association

## Notes to the Financial Statements

March 31, 2013, and 2012  
(Unaudited)

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### 1. Nature of operations

Two Rivers Development Association operates a 500 acre wildlife park on the Mira River in Cape Breton, known as Two Rivers Wildlife Park.

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### 2. Summary of significant accounting policies

#### Basis of accounting

The accounts of the Association are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ANSPO).

#### Inventories

The cost of inventories is comprised of directly attributable costs and includes the purchase price plus other costs incurred in bringing the inventories to their present location and condition, such as freight. Inventories are written down to replacement value when the cost of inventories is not estimated to be recoverable due to obsolescence or damage. When circumstances that previously caused inventories to be written down below cost no longer exist the amount of the write-down previously recorded is reversed. Costs that do not contribute to bringing inventories to their present location and condition, such as storage and administrative overheads, are specifically excluded from the cost of inventories and are expensed in the period incurred.

The cost of inventory recognized as an expense during fiscal 2013 was \$41,910 (2012 - \$36,183). No write-down of inventories below their cost to their net realizable value was made in fiscal 2013. There were no reversals of inventories written down previously that are no longer estimated to sell below cost.

#### Property and equipment

Property and equipment are stated on the balance sheet at cost, less related government contributions, with a corresponding increase in net assets invested in capital assets. It is the Association's policy not to provide for depreciation of property and equipment. Principal and interest payments on long term debt relating to capital assets are expensed when paid.

#### Donated goods and services

A substantial number of individuals have donated significant amounts of their time and services in kind to the Association's fundraising activities. Donated materials and services are not recorded in the financial statements as their fair value cannot reasonably be estimated.

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# Two Rivers Development Association

## Notes to the Financial Statements

March 31, 2013, and 2012  
(Unaudited)

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### 2. Summary of significant accounting policies (continued)

#### Revenue recognition

Unrestricted revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted revenue received for the purchase of capital assets is recorded as a reduction in the value of the capital asset purchased.

#### Use of estimates

In preparing the Association's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

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3. Property and equipment	<u>2013</u>	<u>2012</u>	April 1, <u>2011</u>
Equipment	\$ 207,455	\$ 196,795	\$ 209,899
Pens/cages	112,335	112,335	110,090
Animals	16,895	16,895	16,895
Grounds	246,539	246,539	246,539
Millennium Project	101,633	101,633	101,633
Astro Society	2,347	2,347	2,347
Vehicles	48,658	48,658	48,658
Buildings	<u>260,242</u>	<u>252,961</u>	<u>252,961</u>
	<u>\$ 996,104</u>	<u>\$ 978,163</u>	<u>\$ 989,022</u>

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### 4. Bank indebtedness

The Association has a financing arrangement with a financial institution which provides an available operating line of credit totalling \$45,000. The line of credit bears interest at a rate of prime plus 3%. The balance at March 31, 2013, was \$19,250 (2012 - \$23,750). As security, the Association has provided a general security agreement over all assets as well as a chattel agreement over various equipment.

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## Two Rivers Development Association Notes to the Financial Statements

March 31, 2013, and 2012  
(Unaudited)

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5. Long term debt	<u>2013</u>	<u>2012</u>	April 1, <u>2011</u>
Kubota Canada – RTV 1100			
0% loan repayable in monthly instalments of \$457	\$ 13,722	\$ 19,211	\$ -
0% loan repaid during 2012	-	-	420
0% loan repaid during 2012	-	-	8,055
	<u>13,722</u>	<u>19,211</u>	<u>8,475</u>
Current portion of long term debt	<u>5,489</u>	<u>5,489</u>	<u>8,475</u>
	<u>\$ 8,233</u>	<u>\$ 13,722</u>	<u>\$ -</u>

Principal repayments for the next three (3) years are as follows:

2014	\$5,489
2015	\$5,489
2016	\$2,744

The seller has reserved a security interest in the equipment, as well as the Association being required to provide property damage and third party liability insurance on the equipment until the loan is repaid.

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### 6. Supplemental cash flow information

Change in non-cash operating working capital	<u>2013</u>	<u>2012</u>
Receivables	\$ (134,319)	\$ (10,066)
Inventory	(20)	670
Prepays	3,329	(3,329)
Payables and accruals	188,957	4,167
Commodity taxes payable	<u>309</u>	<u>(15,053)</u>
	<u>\$ 58,256</u>	<u>\$ (23,611)</u>

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# Two Rivers Development Association

## Notes to the Financial Statements

March 31, 2013, and 2012  
(Unaudited)

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### 7. Financial instruments

The book value of bank indebtedness and payables and accruals approximate fair values at March 31, 2013, due to their short term maturity, floating interest rates or fixed interest rates which approximate current market rates.

#### Liquidity risk

The Company actively maintains a committed credit facility to ensure that it has sufficient available funds to meet current and foreseeable future financial requirements at a reasonable cost.

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### 8. Impact of the change in the basis of accounting

These financial statements are the Association's first financial statements prepared using ASNPO. The date of transition to ASNPO is April 1, 2011. The accounting policies presented in Note 2 to the financial statements were used to prepare the financial statements for the year ended March 31, 2013, the comparative information and the opening statement of financial position as at the date of transition.

Section 1501 - First-time Adoption by Not-for-Profit Organizations, contains optional exemptions to full retrospective application of ASNPO which the Association may use upon transition. The Association did not elect to use any of the optional exemptions at the date of transition to ASNPO.

The impact of adopting these standards has not resulted in any material changes to the opening financial statements for the current or previous year end.

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