

Cape Breton Regional Municipality

Council Meeting

AGENDA

TUESDAY, NOVEMBER 15TH, 2016

10:00 A.M.

Council Chambers
2nd Floor, City Hall
320 Esplanade, Sydney, NS

Cape Breton Regional Municipal Council

Tuesday, November 15th, 2016

10:00 a.m.

AGENDA ITEMS

ROLL CALL

O' Canada

Moment of Silent Reflection

1. Administration of Oath of Office and Allegiance: Earlene MacMullin - Councillor, District 2: His Worship, Mayor Cecil P. Clarke
2. Election of Deputy Mayor: Deborah Campbell, Municipal Clerk (See page 5)
3. APPROVAL OF MINUTES: (Previously Distributed)
 - Special Council – June 8th, 2016
 - Council – July 19th, 2016
4. Election Follow-Up:
 - a) District Reports - Area Councillors
 - b) Mayor's 100 More Positive Changes for CBRM: - His Worship, Mayor Cecil P. Clarke (See page 8)

Lunch Break 12 noon

Continued...

5. BUSINESS ARISING:

5.1 Audit Committee – September 20th, 2016:

a) Draft Audited Financial Statements for Year Ending March 31, 2016: (See page 18)

Committee recommends Council to approve and release the:

- Audit Findings Report for the Year Ending March 31, 2016
(See page 19)
- CBRM Consolidated Financial Statements for the Year Ending March 31, 2016
(See page 41)
- CBRM Water Utility Financial Statements for the Year Ending March 31, 2016
(See page 75)

6. CORPORATE SERVICES ISSUES:

**6.1 Borrowing Resolution, Operating: Marie Walsh, Chief Financial Officer
(See page 91)**

**6.2 Borrowing Resolution – Lease Facility: Marie Walsh, Chief Financial Officer
(See page 92)**

7. REPORTS:

7.1 Flood Update: Michael Merritt, Chief Administrative Officer

**7.2 Appointment of the Nominating Committee: Deborah Campbell,
Municipal Clerk (See page 93)**

**7.3 Financial Statements: Marie Walsh, Chief Financial Officer (See
page 94)**

Adjournment



M·E·M·O

320 Esplanade

Sydney, Nova Scotia, B1P 7B9

902-563-5010

To: Mayor Cecil P. Clarke and Regional Councillors

From: Deborah Campbell, Municipal Clerk

Date: November 8, 2016

Subject: Election of Deputy Mayor

Each year, the CBRM Council elects/selects a Deputy Mayor for a one year term commencing November 1st.

As per the Deputy Mayor Policy (copy attached), all Councillors are eligible to run for the office on an annual basis, however the Deputy Mayor shall serve no more than two consecutive years.

This issue is on the agenda for the November 15th meeting of Council, at which time the Mayor will call for nominations from the floor.

ORIGINAL SIGNED BY

Deborah Campbell
Municipal Clerk

Attachment

Policy Respecting the Deputy Mayor

STATEMENT OF POLICY:

- It is the policy of the Cape Breton Regional Municipality (CBRM) to select a Deputy Mayor on an annual basis.

1.0 TERM OF OFFICE:

- The term of office for the Deputy Mayor shall be for one year running from November 1st to October 31st and all Council members are eligible to run for the office on an annual basis. The Deputy Mayor shall serve no more than two consecutive years (for clarity, an example in a four year term, a Councillor could serve as Deputy Mayor in year one and two, but would be ineligible for the third consecutive year, and would be eligible again thereafter.)

2.0 REMUNERATION:

- The remuneration for the office of Deputy Mayor shall be \$5,000 per year.

3.0 ROLES AND RESPONSIBILITIES:

The Deputy Mayor, in addition to filling in when the Mayor is absent or incapacitated, shall:

- ♦ Be apprised of ongoing labour relations issues;
- ♦ May be Chairman of the Audit Committee;
- ♦ Be responsible for bringing the annual budget forward for Council perusal;
- ♦ Chair special committees as assigned by the Mayor or Council and report findings back to Council;

- ♦ Assume other duties assigned by the Mayor or Council.

Approved by Council: January 20, 1998
Amended by Council: March 11, 2005

The POSITIVE CHANGE Plan, Part II

Section 1: Accessible

1. Council will host a public meeting annually with Members of the Legislature and Members of Parliament to report on progress on the One Nova Scotia (Now or Never) report goals.
2. Applications made by the municipality to the provincial or federal government will be listed online with status updates.
3. All Mayor and Council expense claims will be posted online quarterly. The \$140 weekly allowance will be replaced by a standard mileage system used by the provincial government.
4. Twice annual online updates to the community from the publicly accountable boards of the Port of Sydney Development Corporation and Business Cape Breton.
5. Improvements to CBRM's Public Participation Process and the adoption of a new, clear policy that allows the municipality flexibility in applying an appropriate process to public consultations.
6. A new "Open Data Portal" will allow public access to CBRM databases on transit schedules and stops, zoning boundaries, solid waste collection data, taxation area rates, fire zones, GIS data, etc. Our portal will be similar to Halifax and Province of Nova Scotia.
7. Budget meetings will continue be held in all districts annually. In 2017, the meetings will also include the development of a community "Priority Plan" where the participants articulate the top priorities for their district as well as the broader CBRM.
8. The annual performance goals and strategic plans of each CBRM department will be published with the spring budget and the outcomes reported annually. These goals will reflect the priorities of this document and annual community Priority Plans. All senior management will undergo performance reviews related to the completion of their department's goals.

Section 2: Creative

9. Build careers for the next generation in our creative economy. The CBRM will create a Creative Economy Growth Plan and restructure to make creative industries an economic development priority. The One Nova Scotia report recommends "Expanding Creative Enterprise" and suggests a "need for a more strategic approach to grow the sector".

10. Establish a Major Events and Tourism Task Force with government and industry partners to improve our competitive position for conventions, major sports and entertainment events. Strengthen our working partnership with Destination Membertou for an integrated and coordinated approach.
11. Renew the award-winning ARTirondack chairs project in partnership with Haley Street Adult Services Centre, Artpreneurs, YouthART Connect and Centre for Craft and Design.
12. Renew the SmART Spaces project to temporarily transform empty storefronts into public art spaces across the CBRM.
13. Live music downtown. The municipality will initiate a special student hiring stream for young people with performance skills. These talented young people will provide live music on cruise ship days and other tourism-related events and opportunities across the CBRM.
14. Create a production fund for developing and showcasing local performing arts at public parks. i.e. theatre, dance and music.
15. Expand the Making Waves Concert Series from July only, to July through to October, at venues across CBRM.

Section 3: Responsible

16. A new Annual Report will be produced at the end of each fiscal year, along with the audited financial statements, reporting fully on the municipality's finances with year-over-year comparisons and trends.
17. Expand Council's committee structure for greater engagement and accountability by establishing a separate committee for Corporate Services, Economic Development, and Planning.
18. Debt elimination. We are on track to eliminate CBRM's post-amalgamation debt. This is a significant achievement. CBRM's debt peaked in 2010 at over \$109 million. The next mandate will aim to reduce the debt to \$53.5 million by 2021 (the same amount CBRM started with when amalgamated in 1995).
19. Fair tax rates for residents and businesses under new regulations granted by the province and through a City Charter (currently in development with provincial officials). We will begin a five-year phase in of a revenue-neutral fair tax policy.
20. Sustainability Grant program will be better categorized: Special Events, Capital Projects, Tax Exemptions and Operating Grants. Grant recipient information will be released annually and funding levels and criteria will be clearly identified and voted on as policy by Council.

21. A new partnership agreement between the province and all municipalities is currently being negotiated with the province. Implementing this agreement will forge a new working and funding relationship with the province.
22. Live within our means. No increase to tax rate. We will not increase property tax rates in order to increase revenues for the municipality. We will continue to support new business growth and maintain a balanced budget each and every year.
23. Live within our means. Continue responsible staff/service balance within the CBRM. Retirements lead to reorganization with new staff and new skills.
24. Enhance communications and public engagement capacity to lead the municipality's public engagement activities and communication budgets across all departments and agencies including Port of Sydney and Business Cape Breton. Develop new corporate partnership opportunities for events and initiatives and advertising revenue streams.
25. Public Information Officer: a position working with the CBRM Clerk's Office, finance officials and corporate communications to produce timely and thorough financial reports for the public. (i.e. expense reports, annual report, debt progress, revenues and expenses, open data portal information, etc)
26. Reserve fund. In 2014, the municipality re-established an emergency reserve fund. The fund is currently \$1.1 million. Over the next four years, CBRM will grow the fund to \$2.5 million.
27. Rural water tax cut. Explore a cost savings for rural residents through a new rate structure for wastewater. Changes would reduce costs to rural residents and reward better water conservation efforts underway in urban areas. This will also better position CBRM's Water Utility to lead on wastewater capital infrastructure projects. This will require public consultation in 2017-18.
28. Continue to build a better transit system.
All residents of the municipality benefit from a reliable and affordable transit system. It is an economic driver in our region. Public consultation will continue in 2017-18 on improving our transit service.
29. In partnership with United Way, a summit will be held this fall or winter to develop an action plan to address poverty in our community. The summit will bring together business, government and non-profit sector leaders to commit to specific, positive actions to help citizens living in poverty.

Section 4: Active

30. Multi-sport centre. Explore the opportunity to focus the energy of a dozen sporting organizations in CBRM to develop a sports and recreation hub at former Centennial Arena location. Explore existing capacities, community and corporate support for sport of all ages such as indoor tennis, batting cages, gymnastics, skateboarding, climbing wall, volleyball, basketball, ball hockey, baseball and soccer programs run by CBRM recreation staff with offices on site.
31. March Break Staycation Activities. CBRM Recreation, in partnership with Ski BenEoin, CB Screaming Eagles, Ollie Around and other partners, will offer March break day camps with trained instructors introducing youth to winter sports at no cost. Safe transportation from other communities will be provided daily. Seniors and family programs will also be organized.
32. Water Park Summer Day Camp. Develop a partnership with Two Rivers Wildlife Park to establish a summer water park and all-day camps led by CBRM Recreation. Safe transportation from other communities will be provided daily. Seniors and family programs will be available as well.
33. Free after-school skating and pick up hockey ice time at CBRM arenas. Free play time will be available for youth in our community.
34. We will celebrate our abundance of enjoyable hiking trails by establishing an annual CBRM Trails Festival week starting in the fall of 2017.
35. Big, memorable events have a double value: they strengthen our community and our ties to each other but also attract visitors who want to share these experiences with us.
Major events ahead include:

2017 Canada Day will celebrate Canada's 150th anniversary

Major Tall Ships event in 2017

Winter carnival event in 2018

Outdoor music festival in 2018

New Year's Eve celebration in 2019 to ring in CBRM's 25th anniversary year, 2020

Section 5: Constructive

36. Complete the connection of the Sydney waterfront boardwalk to Wentworth Park in 2017-18. The application for cost-sharing this project is with ACOA and the Province.
37. Centre200 Phase II. Our showcase facility is in need of modernization. CBRM will seek to redevelop the facility and site, exploring private sector development and investment as well as expanded public uses.
38. CBRM will, in partnership with the provincial and federal governments, build a new central library in downtown Sydney. Options put forward include a standalone waterfront location, within a new downtown NSCC campus or as part of the Centre200 revitalization. We will be responsible when considering construction and long term operating costs.
39. East Division Station. A new police station will be built in downtown Glace Bay to replace the Reserve Street location.
40. Upgrades to New Waterford police station. (Danny Nathanson Building)
41. Provide Cape Breton Ground Search and Rescue with a permanent home on Reserve Street when the Glace Bay police relocate.
42. Multicultural wayfinding signage will be developed for Whitney Pier in coordination with community stakeholders.
43. Road work. New investment goals for CBRM maintained streets, roads and sidewalks will be established. CBRM will seek additional cost-sharing opportunities with federal and provincial governments. CBRM Engineering and Public works officials estimate CBRM infrastructure requires a \$16 million annual investment to be maintained properly. In 2016-17, CBRM is investing \$11 million, only half of that total is cost shared with other levels of government.
44. New, expanded transit shelters with wi-fi will be constructed at key locations in Glace Bay, Sydney, New Waterford, Dominion and on the Northside.
45. CBRM will re-commit to wastewater treatment projects pending a new funding formula arrangement with the federal and provincial governments.
46. Building on the success of community-led youth organizations, CBRM will support and seek federal and provincial partners for other community-led youth initiatives.

47. CBRM will commit \$12 million over four years towards a proposed \$36 million downtown revitalization across the CBRM in cost-sharing partnership with the federal and provincial governments.
48. Work with community groups to develop new tourism routes within CBRM to highlight our scenic and historical day trips. The One Nova Scotia report goal #14 is tourism expansion.
49. Develop an active transportation route linking Open Hearth Park to the Sydney Waterfront following the cruise terminal expansion.
50. Coordinate and connect the Trans-Canada Trail with CBRM's Active Transportation system and our community's cultural and museum facilities.
51. Establish a CBRM tourism and culture guide with downtown visitor walking maps similar to the one used by Port of Sydney. Community maps will be developed and made available for distribution by local businesses and organizations.
52. Line painting on our streets will be done twice a year instead of once. The more environmentally-friendly paint used does not last very long. Extra effort will be made to ensure line markings are visible.

Section 6: Modern

53. Establish vendor and open air market space in downtown Sydney as part of the overall CBRM-led downtown revitalization strategy.
54. Explore a partnership with the Province of Nova Scotia to develop Wi-Fi zones in the downtown areas of CBRM.
55. Continue CBRM's lead role in moving forward with a development strategy for Louisbourg.
56. Implement tax system changes to make downtown residential and commercial development more attractive.
57. Make parking improvements in downtown Sydney to support further development opportunities, both residential and commercial, including installing smart meters in high-use areas.
58. Cut red tape around development by certifying pre-qualified contractors as "green ribbon" contractors. Accepted contractors with good records can post a bond and move more quickly through the permit and inspections process, preventing costly delays.

59. Invest in qualifications and training of CBRM building officials to ensure our staff can quickly and efficiently process both commercial and residential applications.

Section 7: Welcoming

60. The municipality will continue to work with partners Destination Cape Breton, Cape Breton University, International Centre for English Academic Preparations, and the provincial and federal Departments of Immigration to introduce the world to Cape Breton and facilitate immigration. We will build upon the *welcometocapebreton.ca* initiative to make it multilingual and a portal for newcomers finding their way forward in Cape Breton.
61. The municipality will participate in orientation programs to introduce newcomers to our municipality such as the successful orientation week at Cape Breton University. Encourage residents to participate in welcoming newcomers to our community, such as participating in Engage Nova Scotia's Share Thanksgiving program.
62. CBRM's economic development agency, Business Cape Breton, will work with local businesses to broaden international business development in Cape Breton, expand to global markets, work with international students and develop international networks, as recommended by the Rural-Urban Immigration Pilot Report.
63. The municipality will work with local newcomer support agencies and produce a multi-lingual citizen handbook.
64. The Port of Sydney will continue to develop our port's relationship with global partners.
65. Mayor's Office will host an annual New Year's Levee and summer Garden Party that all members of the public are welcome to attend. These events celebrate our citizens, their contributions and accomplishments.

Section 8: Smart

66. Smart City Roundtable. Advisory group will be formed to guide CBRM on ways the municipality can better utilize technology and access the talents of local companies while improving services to residents and business.
67. Pending availability of new federal transit funding for capital infrastructure, CBRM will add new buses to the fleet. Our goal is to improve routes and increase frequency.

68. CBRM will continue to develop and grow a partnership with United Way for bus passes for low income residents.
69. Transit: Pilot a 7 stop express transit service: Northside - Sydney River- Regional Hospital - Centre200 - Mayflower Mall - CBU - Glace Bay. Expand connected services in New Waterford and Dominion.
70. Park n' Ride. Work to develop transit hubs with Park n' Ride facilities along express route. Hub facilities will include wi-fi connectivity, LED lighting and security cameras.
71. Extend regular transit service to Membertou. Extend service to Eskasoni for major civic special events.
72. Special transit service to Louisbourg throughout the 2017 tourist season. Admission to the Fortress is free in celebration of Canada's 150th birthday.
73. GPS (Global Positioning System) tracking of all CBRM fleet vehicles to improve fleet management.
74. CBRM will be a leader in energy efficiency efforts. We will surpass over 2,500,000 kWh of annual energy savings, lowering the municipality's annual energy costs by \$1.5 million - a 15% reduction.
75. Develop new incentives to encourage residential development near core transit routes. CBRM will build transit shelters at the sites of new seniors' residential developments on Welton Street and Kings Road.
76. Expand the free trial "Try the Bus" initiative to Christmas holiday season and March Break.
77. Establish formal engagement and cooperation agreements with CBU and NSCC for internships, job training and skills development. Support small business development through these partnerships and with the provincial and federal governments in collaboration with Business Cape Breton, Small Business Centre and other agencies.
78. Consistent community welcome signage transit signage and facility signage throughout the municipality managed in a consistent manner by corporate communications and supported with advertising opportunities and corporate partnerships.
79. Establish a partnership between CBRM's Youth Council and NextGen organization to develop opportunities for youth aged 14-30. CBRM's Youth Council will be supported in seeking a We Day event at Centre200.
80. Career forecast report produced every two years to identify upcoming career opportunities at the municipality. The report has 5, 10 and 15 year outlooks with an analysis of retirement rates and skills required. The municipality will encourage other employers in the region to do the same.

81. Building on the success of achieving a Foreign Trade Zone point for CBRM, we will establish a trade and export program and network to connect local business and services with global opportunities.

Section 9: Strong

82. Strengthen our connection with our First Nations communities of Membertou and Eskasoni through an inter-community planning strategy. Build upon the relationships we forge at our annual tri-council meetings.
83. Provide free festival and event management training for volunteers who assist in making our communities strong.
84. Support the development of a strong volunteer sector by organizing and promoting the availability of free training in food handling safety, CPR/AED training and first aid.
85. Make available professional training for governance and boards of directors to help organizations navigate the complexities and expectations of leadership.

Section 10: Safe

86. Implementing the Fire Services Organizational review recommendations while improving our EMO and Fire and Emergency Service communications capacity.
87. Establish and equip comfort centre locations across CBRM to be used during prolonged power outages or difficult weather conditions.
88. Protecting vulnerable citizens. Fire and Emergency Services Department will establish and maintain a list of voluntarily provided names and addresses of citizens who may need assistance in prolonged power outages or difficult weather conditions. Efforts will be made to check on the individuals on the list during emergencies.
89. Improved community engagement from CBRM's Fire and Emergency Services Department. When it comes to keeping people safe, there is much we can do. A program to provide smoke detectors or carbon monoxide detectors to seniors and low income households. Public information campaigns should regularly inform residents about safety and public training exercises by EMO will be conducted.
90. Continued support of CB Search and Rescue through the \$25,000 annual grant. A total of \$100,000 was provided between 2012-16.

Section 11: Clean

91. Heavy garbage removal program will be continued.
92. Triple the budget for demolition of derelict properties to \$300,000 annually and establish incentives for rebuilding on the site of abandoned or neglected properties.
93. An expanded Trashformers program will see the addition of 60 new public garbage cans placed on our mainstreets and in our recreation areas to discourage litter.
94. Downtown Blossoms program will continue to be an annual program on our mainstreets around CBRM.
95. New project to green vacant lots on CBRM mainstreets in partnership with CBRM Parks & Grounds, greenhouses, garden centres, downtown associations, garden clubs and community volunteers. Three lots will be chosen each year for the project.
96. Great Cape Breton Clean Up event will occur annually in May to prepare for tourism season. Next clean up day is May 6, 2017.

Section 12: Proud

97. The unveiling of the Merchant Mariner Monument on the Sydney waterfront was a long overdue recognition of sacrifice and heroism. We will continue to honour the contributions that shaped our proud island while seeking to diversify those represented.
98. Commemorate important events:
April 2017 marks the 100th anniversary of the battle of Vimy Ridge. CBRM will work with stakeholders and the public to plan the appropriate commemoration for the event.
99. July 25, 1917 marks the 100th anniversary of the No. 12 Colliery explosion in New Waterford. CBRM will work with stakeholders and the public to commemorate the event as part of the Davis Day memoriam.
100. Celebrate our armed forces, veterans and support our Legions and veteran organizations by providing staff and equipment assistance in organizing and hosting Remembrance Day events.

Draft Audited Financial Statements for Year Ending March 31, 2016:

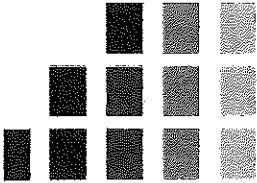
Motion:

Moved by Councillor Cormier, seconded by Councillor Prince, that a recommendation be made to Council to approve and release the:

- Audit Findings Report for the Year Ending March 31, 2016
- CBRM Consolidated Financial Statements for the Year Ending March 31, 2016
- CBRM Water Utility Financial Statements for the Year Ending March 31, 2016

And that until final approval of Council the statements are released to the Province for reporting purposes.

Motion Carried.



Audit Findings Report

Cape Breton Regional Municipality

Year ended March 31, 2016

September 20, 2016

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The Appendices are an integral part of our Audit Findings Report to the Audit Committee

This Audit Findings Report is confidential and intended solely for the use of the Audit Committee, Management and others within the Municipality. It is intended to assist the Audit Committee in carrying out and discharging its responsibilities to review and recommend for approval the financial statements of the Municipality as at and for the year ended March 31, 2016. It should not be used for any other purpose. No responsibility for loss or damages, if any, to any third party is accepted as this report has not been prepared for, and is not intended for, any other purposes.

Overview

Purpose of this report

- We have issued this report to assist members of the Audit Committee in your review of the financial statements.
- We welcome your questions and look forward to discussing our findings with you at this meeting.

Basis for information

- The matters that we raise within this report
 - arise from the financial statement audit
 - are matters that we believe need to be brought to your attention.
- This report may not include all matters of interest to you. Please let us know of other areas you would like to discuss with us.

Audit status: Complete

- We have completed our audit of the Municipality's financial statements in accordance with Canadian auditing standards.
- We expect to be in a position to release our Independent Auditors' Report subject to:
 - completing our discussions with the Audit Committee
 - obtaining Council approval of the financial statements.

Scope of a financial statement audit

- We perform an audit to provide reasonable assurance whether the financial statements are free of misstatements. In auditing, absolute assurance is not attainable because of such factors as (1) the nature of audit evidence (it is based on the use of testing, and much of the evidence available to the auditor is persuasive, rather than conclusive), (2) the inherent limitations of internal control over financial reporting, and (3) the characteristics of fraud. Accordingly, there is a risk that material misstatements, fraud and other illegal acts may exist and not be detected by an audit performed in accordance with professional standards.
- In an audit, we also make specific enquiries of management and obtain a supporting representation letter from management concerning the effectiveness of internal controls and the representations embodied in the financial statements, including the notes.
- In planning and performing a financial statement audit, we consider internal control over financial reporting to determine the nature, extent and timing of audit procedures. A financial statement audit does not provide assurance on the Municipality's internal controls.

Key Responsibilities Regarding Financial Statement Reporting

Management	External Auditors	Audit Committee
■ Prepare financial statements and notes, in accordance with Canadian GAAP for local governments as recommended by the Public Sector Accounting Board. ■ Design, implement and maintain effective internal control over financial reporting processes. ■ Adopt and apply sound accounting principles and apply sound judgment in preparing accounting estimates and disclosures contained in the financial statements. ■ Disclose to external auditors any fraud or suspected fraud and any illegal acts or possibly illegal acts. ■ Assess impact of misstatements discovered during the audit on fair presentation of the financial statements and record all material adjustments.	■ Be independent and communicate independence in accordance with Canadian professional requirements. ■ Conduct an audit in accordance with Canadian Auditing Standards. ■ Express an opinion on the financial statements based on the audit. ■ Communicate openly with the Audit Committee and management.	■ Provide oversight; challenge and influence – “Tone at the Top”. ■ Oversee the control environment and reporting process and encourage continual improvement. ■ Review and approve annual financial statements. ■ Meet with management and external auditors to discuss annual financial statements and effectiveness of internal controls.

Misstatements

Misstatements

- Misstatements generally consist of differences between the amount, classification, or presentation of a reported financial statement element, account, or item and the amount, classification, or presentation that would have been reported under the financial reporting framework.

Evaluating misstatements

- Management is responsible for the financial statements and, accordingly, evaluates the misstatements identified during the audit to determine whether individually, and in the aggregate, these misstatements, in their judgment, are material to the financial statements.
- Management has represented that these audit differences, individually and in the aggregate, are, in their judgment, not material to the financial statements. Refer to draft management representation letter in Appendix 2.

Audit differences

- Audit differences are proposed adjustments of a misstatement in the financial statements that, in our professional judgment, may have not been detected except through our audit procedures performed. We have encouraged management to correct these audit differences.
- Any misstatement identified by management during the audit and subsequently corrected is not considered an audit difference.
- For ease of discussion, audit differences are categorized by
 - Adjusted audit differences – *none were identified during the audit*
 - Unadjusted audit differences – *refer to Appendix 3*
 - Uncorrected and corrected omissions or other errors in financial statement presentation – *none were identified during the audit.*

Matters Pertaining to the Financial Statement Audit

Matters communicated	Comments
Significant unusual transactions	We did not identify, in the course of our financial statement audit, any significant unusual transactions.
Accounting policies	Management describes their critical accounting policies and key estimates that are subject to uncertainty in note 1 to the financial statements. — We identified, during the course of our financial statement audit, no material changes in selection or application of accounting policies were noted. — We identified, during the course of our financial statement audit, no accounting policies in controversial or emerging areas.
Related party transactions	We did not identify, in the course of our financial statement audit, any related party transactions outside the normal course of business that involve significant judgments made by management concerning measurement and disclosure. Refer to draft management representation letter in Appendix 2.
Material weaknesses in internal control over financial reporting	We did not identify, in the course of our financial statement audit, any material weaknesses in the design, implementation or operating effectiveness of internal control over financial reporting, including anti-fraud controls. Our audit has not been designed to determine the adequacy of internal control over financial reporting for management purposes. Refer to draft management representation letter in Appendix 2.

Matters Pertaining to the Financial Statement Audit

Matters communicated	Comments
Illegal and fraudulent activities	We did not identify, during our financial statement audit, any illegal acts or possibly illegal acts. Refer to draft management representation letter in Appendix 2. We did not identify, during our financial statement audit, any: ■ matters that pose questions regarding the honesty and integrity of management ■ fraud or suspected fraud involving management ■ fraud or suspected fraud involving employees who have significant roles in internal control over financial reporting ■ fraud or suspected fraud (whether caused by management or other employees) that results, or may result, in a non-trivial misstatement of the financial statements except as discussed with the audit committee ■ matters that may cause future financial statements to be materially misstated Refer to draft management representation letter in Appendix 2.
Auditors' independence	We are not aware of any relationships between the Municipality and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence, that occurred from September 24 2015 to September 20, 2016.

Matters Pertaining to the Financial Statement Audit

Matters communicated	Comments
<i>Dealings with Management</i>	We received the full cooperation of management and employees of the Municipality and, to our knowledge, had complete access to the accounting records and other documents that we needed in order to carry out our audit. We had no disagreements with management, and we have resolved all auditing, accounting and presentation issues to our satisfaction.
<i>Consultation with other Accountants</i>	We are not aware of any consultations by management with other accountants regarding accounting or auditing matters.
<i>Major issues discussed with Management that influence our audit appointment</i>	We did not engage in discussion with management about any major issues in connection with our appointment as auditors.
<i>Unadjusted Audit Differences</i>	Unadjusted audit differences are presented in Appendix 3.
<i>Adjusted Audit Differences</i>	No adjusted audit differences were identified.

Matters Pertaining to the Financial Statement Audit

Matters communicated	Comments
<i>Involvement with designated public documents and continuous disclosure documents</i>	A designated public document includes: — an annual report — another public document when we have been engaged to read or perform services with respect to that document — Annual Information Form For designated public documents, professional standards require us to: ■ determine whether the financial statements and our Independent Auditors' Report have been accurately reproduced ■ compare the financial statements and our Independent Auditors' Report ultimately posted on the Website to the original ■ read the designated public document and assess whether any of the information appears to be inconsistent with the financial statements or our knowledge obtained in the course of our financial statement audit ■ perform procedures for documents produced in another language ■ discuss with management any information that appears to be inconsistent, a material misstatement of fact or a misrepresentation ■ report any unresolved matters to the Audit Committee Professional standards do not require us to perform, and we have not performed, any procedures to verify any of the information in the designated public document, other than the financial statements and our Independent Auditors' Report.

Appendix 1

Draft Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Council of
Cape Breton Regional Municipality

We have audited the accompanying consolidated financial statements of Cape Breton Regional Municipality which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of financial activities, change 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 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 as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, 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.

Auditors' 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 auditors' 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 auditors consider 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, these consolidated financial statements present fairly, in all material respects, the financial position of Cape Breton Regional Municipality as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Chartered Accountants
Sydney, Canada

INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Council of
Cape Breton Regional Municipality Water Utility

We have audited the accompanying financial statements of Cape Breton Regional Municipality Water Utility which comprise the statements of financial position as at March 31, 2016 and the statements of financial activities, operating fund deficit, reserves and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the Accounting and Reporting Handbook for Water Utilities in Nova Scotia.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting and Reporting Handbook for Water Utilities in Nova Scotia, 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.

Auditors' 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 auditors' 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 auditors consider 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, these financial statements present fairly, in all material respects, the financial position of Cape Breton Regional Municipality Water Utility as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with the Accounting and Reporting Handbook for Water Utilities in Nova Scotia.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared for the Cape Breton Regional Municipality Water Utility to comply with the Accounting and Reporting Handbook for Water Utilities in Nova Scotia. As a result the financial statements may not be suitable for another purpose.

Chartered Accountants
Sydney, Canada

Appendix 2

Draft Management Representation Letter

Cape Breton Regional Municipality

320 Esplanade
Sydney, Nova Scotia
B1P 1A7

November, 2016

MGM & Associates
P. O. Box 1
Sydney, Nova Scotia
B1P 6G9

Dear Sir/Madame:

This representation letter is provided in connection with your audit of the consolidated financial statements of Cape Breton Regional Municipality for the year ended March 31, 2016 for the purpose of expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

We confirm that (to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves):

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated January 5, 2016 for the preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada; in particular, the consolidated financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.
- All events subsequent to the date of the consolidated financial statements and for which Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

Information Provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the consolidated financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the Municipality from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the consolidated financial statements.
- We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the consolidated financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Municipality's consolidated financial statements communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing consolidated financial statements.
- We have disclosed to you the identity of the Municipality's related parties and all the related-party relationships and transactions of which we are aware.
- We have made available to you all financial records and related data and all minutes of the meetings of council and committees of council.
- We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.

Recognition, Measurement and Disclosure

- We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.
- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
- All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- The Municipality has satisfactory title to all assets, and there are no liens or encumbrances on the Municipality's assets.
- We have disclosed to you, and the Municipality has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- There have been no events subsequent to the statement of financial position date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and the related notes.

Yours very truly,

Per:

Marie Walsh, Chief Financial Officer

Cape Breton Regional Municipality Water Utility

320 Esplanade
Sydney, Nova Scotia
B1P 1A7

November, 2016

MGM & Associates
P. O. Box 1
Sydney, Nova Scotia
B1P 6G9

Dear Sir/Madame:

This representation letter is provided in connection with your audit of the financial statements of Cape Breton Regional Municipality Water Utility for the year ended March 31, 2016 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the Accounting and Reporting Handbook for Water Utilities in Nova Scotia.

We confirm that (to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves):

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated January 5, 2016 for the preparation of the financial statements in accordance with the Accounting and Reporting Handbook for Water Utilities in Nova Scotia; in particular, the financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Accounting and Reporting Handbook for Water Utilities in Nova Scotia.
- All events subsequent to the date of the financial statements and for which the Accounting and Reporting Handbook for Water Utilities in Nova Scotia require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

Information Provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the Utility from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Utility's financial statements communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you the identity of the Utility's related parties and all the related-party relationships and transactions of which we are aware.
- We have made available to you all financial records and related data and all minutes of the meetings of council and committees of council.
- We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.

Recognition, Measurement and Disclosure

- We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.
- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
- All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- The Utility has satisfactory title to all assets, and there are no liens or encumbrances on the Utility's assets.
- We have disclosed to you, and the Utility has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

Yours very truly,

Per:

Marie Walsh, Chief Financial Officer

Appendix 3

Unadjusted Audit Differences

CBRM Summary of Unadjusted Audit Differences March 31, 2016	Description	Impact of audit difference on financial statement captions - Increase/(Decrease)					
		Excess of Revenue over Expenses			Statement of Financial Position		
		Audit differences arising in					
		Current Period	Prior Period	Total	Surplus	Current Assets	Non-Current Assets Current Liabilities Non-Current Liabilities
	<u>Effect of prior periods unadjusted audit differences:</u>	-	10,218	-	147,752	-	157,970
	<u>Unadjusted audit differences in the current period</u>						
1	Accrued Liabilities Fund Balance Contract/Agreements To record tipping fees for March 2016 and adjust March 2015 tipping fees not accrued in prior year	- - 18,936	- - -	- - 18,936	- (165,306) -	- - -	- 184,242 -
2	Deferred Charges Accrued Liabilities To adjust deferred charge regarding RELAYS project	- -	- -	- -	- -	(480,000) -	- - (480,000)
3	Capital assets Accumulated depreciation Depreciation Expense Grant expense To expense contribution to volunteer fire department for purchase of firetruck.	- - 125,000 (125,000)	- - - -	- - 125,000 (125,000)	- - - -	- - - -	- - (125,000) 125,000 -
4	Accumulated Depreciation Depreciation Expense To record additional variance in SAP depreciation.	- 239,038	- -	- 239,038	- -	- 239,038	- - -
5	Accrued interest Interest expense To adjust long-term debt interest accrual per confirmation.	- 114,364	- -	- 114,364	- -	- -	- (114,364) -
	<u>Aggregate of unadjusted audit differences</u>	372,338	10,218	372,338	(17,554)	-	(92,992)
							(410,122)

Don't consider
to be material.

Summary of Unadjusted Audit Differences

March 31, 2016

40

Consolidated Financial Statements of

**CAPE BRETON REGIONAL
MUNICIPALITY**

Year ended March 31, 2016

CAPE BRETON REGIONAL MUNICIPALITY

Consolidated Financial Statements

March 31, 2016

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Cape Breton Regional Municipality (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MGM & Associates, Chartered Accountants, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Marie Walsh

CAPE BRETON REGIONAL MUNICIPALITY

Consolidated Statement of Financial Position

March 31, 2016, with comparative figures for 2015

	2016	2015
FINANCIAL ASSETS		
Taxes receivable (note 3)	\$ 15,448,012	\$ 16,113,519
Accounts receivable (note 4)	10,199,867	13,387,750
Net prepaid benefit expense (note 5)	8,433,000	8,932,000
	<u>34,080,879</u>	<u>36,433,269</u>
FINANCIAL LIABILITIES		
Cheques issued in excess of funds on deposit (note 2)	12,514,453	9,710,715
Accounts payable and accrued liabilities (note 8)	13,564,674	11,490,463
Accrued interest on long-term debt	1,471,362	1,471,362
Due to trust funds	290,675	444,870
Deferred revenue	3,662,006	3,771,629
Accrued employee benefits	5,234,078	5,295,119
Solid waste management facilities liabilities (note 9)	41,161,800	41,161,800
Capital lease (note 10)	476,750	-
Long-term debt (note 11)	105,460,729	116,784,771
	<u>183,836,527</u>	<u>190,130,729</u>
NET DEBT	<u>(149,755,648)</u>	<u>(153,697,460)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 12)	375,344,976	359,675,236
Work in progress	7,105,745	9,551,555
Properties acquired at tax sale	1,547,581	1,558,162
Inventory, prepaid expenses and other	2,734,604	2,998,954
	<u>386,732,906</u>	<u>373,783,907</u>
FUND BALANCES (note 7)	<u>\$ 236,977,258</u>	<u>\$ 220,086,447</u>

Contingencies (note 13)

See accompanying notes to consolidated financial statements.

On behalf of the Cape Breton Regional Municipality

Mayor

Clerk

CAPE BRETON REGIONAL MUNICIPALITY

Consolidated Statement of Financial Activities

Year ended March 31, 2016, with comparative figures for 2015

	Budget (Unaudited)	2016	2015
REVENUES			
Taxes	\$ 101,883,955	\$ 102,895,129	\$ 99,622,156
Grants in lieu of taxes	7,966,534	8,407,908	7,588,166
Services provided to other governments	266,427	331,728	463,628
Sales of services	2,383,045	2,563,226	2,552,891
Revenue from own sources	10,874,100	8,287,204	6,714,956
Unconditional transfers from other governments	15,921,458	15,873,396	15,930,930
Conditional transfers from other governments	418,265	355,211	2,272,473
Capital grants	—	9,464,673	9,899,443
Water utility revenue	17,347,000	16,070,569	16,309,297
Investment income	—	103,149	93,602
Port of Sydney Development Corporation	—	7,190,179	—
Gain (loss) on sale of properties	—	(237,175)	40,537
	157,160,784	171,305,197	161,488,079
EXPENSES			
General government services	18,134,582	15,287,745	14,613,776
Protective services	37,882,066	38,886,303	38,253,725
Transportation services	40,125,978	36,672,636	37,042,714
Environmental health services	15,199,604	17,733,882	18,118,277
Public health and welfare services	2,154,692	2,132,337	2,060,487
Environmental development services	939,016	1,304,555	1,080,392
Recreation and cultural services	10,051,875	11,525,031	11,308,027
Planning and development services	302,118	302,118	302,118
Educational services	13,000,000	13,033,828	12,713,730
Port of Sydney Development Corporation	—	2,512,273	—
Water utility expenses	12,525,011	14,896,354	14,958,525
	150,314,942	154,287,062	150,451,771
Excess of revenues over expenses before the following	6,845,842	17,018,135	11,036,308
NET FINANCING AND TRANSFERS			
Amortization of bond discount	(32,000)	(127,324)	(124,430)
CHANGE IN FUND BALANCES	6,813,842	16,890,811	10,911,878
FUND BALANCES, BEGINNING OF YEAR		220,086,447	209,174,569
FUND BALANCES, END OF YEAR		\$236,977,258	\$220,086,447

See accompanying notes to consolidated financial statements.

CAPE BRETON REGIONAL MUNICIPALITY

Consolidated Statement of Change in Net Debt

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
CHANGE IN FUND BALANCES	\$ 16,890,811	\$ 10,911,878
Tangible capital assets		
Acquisition of tangible capital assets	(33,249,113)	(29,274,476)
Amortization of tangible capital assets	17,579,373	15,985,086
	(15,669,740)	(13,289,390)
Other non-financial assets		
Decrease in work in progress	2,445,810	10,870,908
Decrease in property acquired at tax sale	10,581	3,524
Decrease (increase) in inventory, prepaid expenses and other	264,350	(436,926)
	2,720,741	10,437,506
DECREASE IN NET DEBT	3,941,812	8,059,994
NET DEBT, BEGINNING OF YEAR	(153,697,460)	(161,757,454)
NET DEBT, END OF YEAR	\$ (149,755,648)	\$ (153,697,460)

See accompanying notes to consolidated financial statements.

CAPE BRETON REGIONAL MUNICIPALITY

Consolidated Statement of Cash Flows

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in fund balances	\$ 16,890,811	\$ 10,911,878
Items not involving cash		
Amortization of tangible capital assets	17,579,373	15,985,086
Pension expense	1,941,000	3,337,000
Change in non-cash working capital		
Decrease (increase) in taxes receivable	665,507	(1,913,391)
Decrease in accounts receivable	3,187,883	3,921,856
Contributions to defined benefit pension plan	(3,442,000)	(3,909,000)
Decrease (increase) in inventory, prepaid expenses and other	264,350	(436,926)
Increase (decrease) in accounts payable and accrued liabilities	2,074,211	(752,808)
Decrease in deferred revenue	(109,623)	(410,803)
Decrease in accrued employee benefits	(61,041)	(620,027)
	38,990,471	26,112,865
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in due to trust fund	(154,195)	158,024
Issuance of long-term debt	6,200,000	19,300,000
Principal payments on long-term debt	(17,524,042)	(15,794,042)
	(11,478,237)	3,663,982
CASH FLOWS FROM CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(32,772,363)	(29,274,476)
Decrease in work in progress	2,445,810	10,870,908
Decrease in properties acquired at tax sale	10,581	3,524
	(30,315,972)	(18,400,044)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,803,738)	11,376,803
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(9,710,715)	(21,087,518)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ (12,514,453)	\$ (9,710,715)
Supplemental cash flow information		
Assets acquired through capital lease	\$ 476,750	\$ —

See accompanying notes to consolidated financial statements.

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements of the Cape Breton Regional Municipality (the "Municipality") have been prepared, in all material respects, in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

(b) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances of all funds of the Municipality. The Municipality is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and that are owned or controlled by the Municipality. Inter-fund and inter-corporate balances and transactions have been eliminated.

The entities included are as follows:

- Operating, capital and reserve funds of the Cape Breton Regional Municipality
- Operating and capital funds of the Cape Breton Regional Municipality Water Utility
- Port of Sydney Development Corporation

(c) School boards

The assets, liabilities, taxation and other revenues and expenses with respect to the operations of the school boards are not reflected in these consolidated financial statements as they are provincial government entities.

School boards in Nova Scotia were created by the Province under provisions in the Education Act, and, under provincial statute, every municipality is required to make a mandatory contribution to its school board. The mandatory contribution is set at the value of the Education Rate, set by the Province each year, multiplied by the previous year's Uniform Assessment. The funding for this contribution to the Cape Breton-Victoria Regional School Board are recovered by the municipality by an area rate levied on the assessed value of the taxable property and business occupancy assessments and is shown as an expense on the consolidated statement of financial activities.

(d) Trust funds

Trust funds and their related operations administered by the Municipality are not included in the consolidated financial statements, but are reported separately in the Trust Funds financial statements.

(e) Fund accounting

The resources and operations of the Municipality are comprised of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Basis of accounting

Revenues and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures 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.

(g) Cash and cash equivalents

The Municipality considers cash on hand, deposits held in banks net of outstanding cheques and deposits and temporary lines of credit and overdrafts as cash and cash equivalents.

(h) Tangible capital assets

Tangible capital assets acquired since amalgamation on August 1, 1995 are reported in the statement of financial position at cost net of accumulated amortization. All tangible capital assets acquired prior to amalgamation have been written off. They are amortized on a straight-line basis over their estimated useful lives at the following rates:

	Basis	Rate
General Fund		
Buildings	Straight-line	40 years
Equipment	Straight-line	5-10 years
Streets	Straight-line	50 years
Sidewalks	Straight-line	20 years
Traffic lights	Straight-line	20 years
Recreation facilities	Straight-line	5-40 years
Industrial parks	Straight-line	40 years
Waterfront development	Straight-line	50 years
Wharf – Sydney Marine Terminal	Straight-line	25 years
Garbage collection and disposal	Straight-line	25 years
Sewer collection and disposal	Straight-line	50 years
Water fund		
Structures and improvements	Straight-line	75 years
Equipment	Straight-line	5-20 years
Mains	Straight-line	75 years
Services and other	Straight-line	50 years
Meters	Straight-line	20 years
Hydrants	Straight-line	50 years
Port of Sydney Development Corporation		
Equipment and signs	Declining balance	20 – 30%
Building	Declining balance	5%
Compound	Declining balance	5%
Exhibits	Declining balance	20%
Computer equipment	Declining balance	30%

A full year's amortization is taken in the year of acquisition.

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Reserve funds

Certain amounts, as approved by Council of the Municipality, are set aside in reserve funds for future operating and capital purposes. Transfers to and or from reserves funds are an adjustment to the respective fund when approved.

(j) Government transfers

Government transfers are recognized in the consolidated financial statements 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.

(k) Deferred revenue

Deferred revenue represents user charges, prepayment of taxes, and other fees that have been collected, for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(l) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Province. Tax rates are established annually by Council, incorporating amounts to be raised for local services and the requisition made by the Province in respect of education taxes. Taxation revenues are recorded at the time tax billings are due. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known. An allowance for unresolved assessment appeals is also provided.

(m) Port of Sydney Development Corporation revenue recognition

The Port of Sydney Development Corporation follows the deferral method of accounting for contributions. Restricted contributions, including government grants, are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets are recognized in the year in which the capital assets have been purchased and all liabilities relating to the asset have been cleared. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(n) Employee future benefits

The Municipality has a defined benefit pension plan covering its employees.

Pension expense is included in department expenditures on the consolidated statement of financial activities.

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee future benefits (continued)

The Municipality has adopted the following policies:

- (i) The cost of the accrued benefit obligations for pensions earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, salary escalation and retirement ages.
- (ii) For the purpose of calculating expected return on plan assets, those assets are valued at fair value.
- (iii) Past service costs from plan amendments, transitional adjustments and actuarial gains or losses (within the limits prescribed), are deferred and amortized on a straight-line basis over the average remaining service period of active employees.

The cumulative difference between pension expense recognized in the financial statements and the funding contributions is reflected in the statement of financial position as net prepaid benefit expense.

(o) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenues and expenses in the consolidated financial statements and accompanying notes. Significant items subject to management's estimates and assumptions include the valuation of receivables and carrying value of tangible capital assets, as well as the valuation of the employee future benefits. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. CHEQUES ISSUED IN EXCESS OF FUNDS ON DEPOSIT

	2016	2015
Operating funds	\$ (9,626,107)	\$ (9,710,811)
Reserves funds	11,793,489	12,568,517
Capital funds	(15,113,671)	(12,568,421)
Port of Sydney Development Corporation	431,836	—
	<u>\$ (12,514,453)</u>	<u>\$ (9,710,715)</u>

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

3. TAXES RECEIVABLE

	2016	2015
Gross taxes receivable, beginning of year	\$ 17,560,873	\$ 15,484,519
Current year's levy of property taxes	99,562,017	96,532,235
Subtotal	117,122,890	112,016,754
Less		
Current year's collections	100,199,398	94,585,969
Reduced taxes	28,125	32,875
Allowance	(1,598,753)	(162,963)
Gross taxes receivable, end of year	18,474,120	17,560,873
Less		
Allowance for uncollectible taxes	3,026,108	1,447,354
Taxes receivable, net	\$ 15,448,012	\$ 16,113,519

4. ACCOUNTS RECEIVABLE

	2016	2015
Federal government	\$ 1,354,505	\$ 2,482,179
Provincial government	392,127	1,151,711
Other receivables	9,161,219	11,404,932
	10,907,851	15,038,822
Less allowance for doubtful accounts	707,984	1,651,072
	\$ 10,199,867	\$ 13,387,750

5. EMPLOYEE FUTURE BENEFITS

a) Defined benefit plan

The Municipality sponsors a contributory defined benefit pension plan for substantially all of its employees. The plan provides pensions based on length of service and final average earnings. The average age of the 722 active employees covered by the plan is 47.4. There are 16 former employees who are entitled to deferred pension benefits. At present, the plan provides benefits for 359 retirees with benefit payments being \$5,894,000 in 2016.

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

5. EMPLOYEE FUTURE BENEFITS (CONTINUED)

The following summarizes the plan for the fiscal year ended March 31, 2016 and 2015:

	2016	2015
Accrued benefit obligation		
Balance at beginning of year	\$ 146,760,000	\$ 134,404,000
Actuarial losses	—	5,382,000
Current service cost	5,819,000	5,551,000
Benefit payments	(5,894,000)	(5,565,000)
Interest on obligations	7,336,000	6,988,000
Accrued benefit obligation, end of year	154,021,000	146,760,000
Deduct plan assets		
Balance, beginning of year	159,575,000	139,066,000
Employer contributions	3,442,000	3,909,000
Employee contributions	3,511,000	3,353,000
Benefit payments	(5,894,000)	(5,565,000)
Interest on average assets	8,005,000	6,995,000
Actuarial gains (losses)	(8,088,000)	11,817,000
Plan assets, end of year	160,551,000	159,575,000
Funded status – plan surplus	6,530,000	12,816,000
Unamortized actuarial losses (gains)	1,903,000	(5,883,000)
Net prepaid benefit expense	\$ 8,433,000	\$ 6,932,000

The significant actuarial assumptions adopted in measuring the Municipality's accrued benefit obligation are as follows:

	2016	2015
Discount rate	5.0%	5.0%
Expected long-term rate of return on assets	5.0%	5.0%

The Municipality's net benefit plan expense is computed as follows:

	2016	2015
Current service cost	\$ 5,819,000	\$ 5,551,000
Amortization of actuarial losses	302,000	1,146,000
Employee contributions	(3,511,000)	(3,353,000)
Interest on average liabilities	7,336,000	6,988,000
Interest on average assets	(8,005,000)	(6,995,000)
	\$ 1,941,000	\$ 3,337,000

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

5. EMPLOYEE FUTURE BENEFITS (CONTINUED)

The actuarial value of net assets and the actuarial present value of accrued pension benefits are presented on the going concern basis. In accordance with the Nova Scotia Pension Benefits Act ("PBA"), a solvency valuation is performed on the Plan, even though the risk of it being wound up is remote. The values of the Plan's assets and liabilities on a solvency basis are related to the corresponding values calculated as though the Plan were wound up and settled on the valuation date, excluding any provision for future indexing of benefits as provided under PBA regulation 16(1)(a). Further to an amendment to the same Regulation to the PBA effective at the end of 2005, plan sponsors can also exclude from the solvency valuation the value of the benefits provided under Section 79 (commonly referred to as the "grow in" provisions) of the PBA. The contribution requirements consider the exclusion of such benefits in the determination of the solvency special payments schedule for 2005 and beyond.

b) Defined Contribution Plan

The Cape Breton Regional Municipality also provides a defined contribution pension plan. Members of this plan and employees of the former municipalities prior to amalgamation in 1995 and part time employees to which compulsory membership is not directed to the CBRM DB Plan. The contribution rate is funded equally.

The contribution for the year amounts to approximately \$256,971 (2015 - \$303,221).

c) Municipal clerks' pension

The Municipality is required, under provisions of the Municipal Government Act of the Province of Nova Scotia, to provide a non-contributory defined pension plan for Municipal Clerks in respect of years of service to March 31, 1993.

The liability will be periodically adjusted based on triennial actuarial valuation and differences, if any, between the actuarially determined liability and the liability as otherwise determined. This adjustment will be charged to future operations.

Based on the 2013 valuation, the Municipality had a plan surplus of \$59,000 on a going concern basis.

d) Other

The Municipality directly provides pension arrangements in respect of former employees. The cost of such pensions for the year was approximately \$266,400 (2015 - \$306,104).

6. MISCELLANEOUS TRUST FUNDS

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2016 are \$3,427,796 (2015 - \$2,982,613).

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

7. FUND BALANCES

	2016	2015
General operating fund	\$ (39,376,676)	\$ (39,376,676)
Water operating fund	1,228,009	2,771,676
General capital fund	192,832,177	182,815,510
Water capital fund	68,444,765	64,696,931
Port of Sydney Development Corporation	4,516,117	—
	227,644,388	210,907,441
Reserves set aside by council	9,332,870	9,179,006
	\$ 236,977,258	\$ 220,086,447

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade accounts payable	\$ 6,809,673	\$ 6,321,970
Payroll and related	2,851,743	1,492,123
Accrued liabilities	1,321,158	1,151,850
Tax sale trust	2,582,100	2,524,520
	\$ 13,564,674	\$ 11,490,463

9. SOLID WASTE MANAGEMENT FACILITIES LIABILITIES

The Nova Scotia Environmental Protection Act established regulatory requirements for the closure and long-term maintenance of landfill sites. A requirement of the Act is that the Municipality is required to plan and provide closure and post closure maintenance of their landfill sites.

Within the former municipal units of the CBRM, there were six major former municipal landfills operated by these units. The included Sydney landfill, County of Cape Breton landfill & incineration facility, Woodbine landfill operated by the County of Cape Breton, No. 11 landfill in Glace Bay, the Louisbourg landfill, new Waterford landfill operated near Scotchtown and seven other small sites in Dominion, Sydney Mines and Glace Bay.

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

9. SOLID WASTE MANAGEMENT FACILITIES LIABILITIES (CONTINUED)

Two of the larger landfills, Sydney landfill and the No. 11 landfill in Glace Bay were considered properly closed in the 1990's, however, there are still 4 somewhat major landfills and several small sites that require varying degrees of monitoring and/or closure activities as per the regulations.

Activities required for these sites vary and include but are not limited to groundwater monitoring, well installation and monitoring, site delineation, site security, landfill gas delineation, leachate quality monitoring and possible treatment, site capping and general site tidiness.

The assumed estimated cost for proper monitoring, planning, closure and post closure activities for these sites is \$41,161,800 (2015 - \$41,161,800). The estimate is based on the costs per hectare associated with the closure of the Sydney landfill extrapolated over remaining hectares to be closed, adjusted for inflationary considerations. We anticipate this number to grow with potential for interest rate effects on borrowing for completion and fluctuations with cost of living increases in the service markets where this work would be carried out.

10. CAPITAL LEASE

	2016	2015
Police radios, 10.87%, repayable in monthly instalments of principal and interest of \$17,229 commencing April, 2016, maturing November, 2018	\$ 476,750	\$ -
Current portion	206,753	-
	\$ 269,997	\$ -

Minimum lease payments required in the next three years under capital lease are as follows:

Year ended March 31,	
2017	\$ 206,753
2018	206,753
2019	137,835
	551,341
Interest included in minimum payments	74,591
	\$ 476,750

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

11. LONG-TERM DEBT

The schedule attached to the consolidated financial statements details the various terms and conditions related to the long-term debt.

Principal payments required in each of the next five years on debt held as at March 31, 2016 are as follows:

2017	\$ 17,520,068
2018	17,022,572
2019	12,094,041
2020	11,015,269
2021	9,970,069

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

12. TANGIBLE CAPITAL ASSETS

	2016		2015	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 9,964,259	\$ -	\$ 9,964,259	\$ 8,671,159
Buildings				
General government services	7,130,798	2,394,033	4,736,765	4,516,291
Protective services	4,164,858	1,095,380	3,069,478	2,922,339
Transportation services	9,929,777	1,520,455	8,409,322	7,098,829
Environmental services	31,816,510	7,193,930	24,622,580	24,933,139
Recreation and cultural services	15,740,222	3,980,759	11,759,463	12,155,031
Industrial parks	1,084,104	394,097	690,007	717,110
	69,866,269	16,578,654	53,287,615	52,342,739
Equipment				
General government services	2,874,846	2,790,173	84,673	112,898
Protective services	12,183,143	8,826,446	3,356,697	1,445,402
Public works	23,616,652	17,884,884	5,731,768	5,300,582
Environmental health services	13,753,840	13,598,382	155,458	164,095
Recreation and cultural services	1,610,009	1,315,236	294,773	293,840
	54,038,490	44,415,121	9,623,369	7,316,817
Other				
General government services	742,494	742,494	-	-
Road transport	153,857,284	48,800,926	105,056,358	102,898,242
Environmental health services	96,216,638	19,955,961	76,260,677	75,504,965
Recreation and cultural services	16,618,447	13,782,369	2,836,078	3,755,543
Waterfront development	8,861,700	3,393,571	5,468,129	5,645,363
Downtown development	1,433,906	260,223	1,173,683	1,202,416
Wharf – Sydney Marine Terminal	1,726,210	1,044,774	681,436	750,484
Water utility assets	149,303,399	43,826,673	105,476,726	101,587,508
Port of Sydney assets	10,393,360	4,876,714	5,516,646	-
	439,153,438	136,683,705	302,469,733	291,344,521
	\$ 573,022,456	\$ 197,677,480	\$ 375,344,976	\$ 359,675,236

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

13. CONTINGENCIES

- (a) As of March 31, 2016 there are a number of claims against the Municipality and its consolidated entities in varying amounts and for which provisions have been made in these financial statements as appropriate. It is not possible to determine the amounts that may ultimately be assessed against the Municipality with respect to these claims, but management believes that any such amounts would not have a material impact on the financial position of the Municipality.
- (b) The Municipality is the plaintiff in various proceedings, which have arisen, in the normal course of carrying on its operations. It is not possible at this time to determine the amounts the Municipality may receive with respect to these claims.
- (c) The Municipality has guaranteed a number of loans on behalf of various fire departments within CBRM. The total amount outstanding on these loans at March 31, 2016 is \$962,707 (2015 - \$1,236,177).
- (d) Canadian Environmental Guidelines

Per regulations set forth by the Canadian Council of Ministers of the Environment (CCME) and required by the Nova Scotia Environment – Department, the Municipality is currently in the process of performing risk assessments to meet necessary wastewater treatment guidelines. Upon completion, the timeline and estimated cost to meet these guidelines will be more definitive.

14. TRANSFERS TO PROVINCIAL BOARDS AND COMMISSIONS

- (a) Cape Breton Island Housing Authority

The Municipality shared in the operations of the Authority for the year ended March 31, 2016 in the amount of \$2,041,173 (2015 - \$1,969,379).

- (b) Assessment Services

The Municipality is required to pay a share of the cost of operating the provincial assessment system based on the total provincial assessment cost times the average of the Municipality's share of the Uniform Assessment and the Municipality's share of assessment accounts. For the year ended March 31, 2016, the Municipality's share of these costs was \$1,364,588 (2015 - \$1,374,713).

- (c) Correctional Services

Municipalities in Nova Scotia are required to make a mandatory contribution to fund the cost of correctional services. The contribution is set by Provincial formula. For the year ended March 31, 2016, the Municipality's contribution for these costs was \$1,093,969 (2015 - \$1,102,720).

CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

14. TRANSFERS TO PROVINCIAL BOARDS AND COMMISSIONS (CONTINUED)

- (d) The Cape Breton-Victoria Regional School Board

The Municipality provided a mandatory contribution in the amount of \$13,033,828 (2015 - \$12,713,730) to the Cape Breton-Victoria Regional School Board.

15. FINANCIAL INSTRUMENTS

- (a) Fair values

The fair value of the Municipality's financial instruments that are comprised of cash (cheques issued in excess of funds on deposit), taxes receivable, accounts receivable, short term borrowings, accounts payable and accrued liabilities and accrued interest on long-term debt approximate their carrying value due to their short-term nature.

The fair value of long-term debt is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying value.

Unless otherwise noted below, it is management's opinion that the Municipality is not exposed to significant interest, market or credit risks arising from these financial instruments.

- (b) Credit risk

The Municipality is exposed to credit-related losses in the event of non-performance by counterparties to the financial instruments. Credit exposure is minimized by dealing with only credit worthy counterparties.

- (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Municipality's debentures are long term with fixed range of rates thereby mitigating its interest rate risk.

16. COMPARATIVE FIGURES

Certain 2015 comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Long-term Debt

March 31, 2016, with comparative figures for 2015

	Term (years)	Interest rate - %	Matures	Balance March 31/15	Issued	Redeemed	Balance March 31/16
General Fund							
M.F.C.							
22-B-1	15	5.875-6.000	2017	\$ 300,000	\$ —	\$ 100,000	\$ 200,000
25-A-1	10	4.515-4.515	2015	563,976	—	563,976	—
26-A-1	10	4.825-4.880	2016	994,976	—	497,487	497,489
27-B-1	10	4.912-5.010	2017	13,485,600	—	4,495,200	8,990,400
28-B-1	10	4.750-5.095	2018	4,315,100	—	1,078,776	3,236,324
29-A-1	10	3.387-4.329	2019	5,226,000	—	1,045,200	4,180,800
30-B-1	10	2.570-3.870	2020	13,287,600	—	2,214,600	11,073,000
31-A-1	10	2.057-3.645	2021	10,171,800	—	1,453,000	8,718,000
32-B-1	10	1.820-3.160	2022	3,037,600	—	379,700	2,657,900
33-B-1	10	1.463-3.614	2023	4,214,422	—	468,269	3,746,153
34-B-1	10	1.200-3.190	2024	13,300,000	—	1,330,000	11,970,000
35-A-1	15	0.000-3.449	2030	—	6,200,000	—	6,200,000
				68,896,274	6,200,000	13,626,208	61,470,066
Water Fund							
M.F.C.							
22-B-1	15	5.875-6.000	2017	499,997	—	166,667	333,330
27-A-1	15	4.525-4.770	2022	11,888,500	—	914,500	10,974,000
28-A-1	15	4.584-5.088	2023	9,800,000	—	700,000	9,100,000
30-A-1	15	3.430-4.875	2025	12,000,000	—	750,000	11,250,000
32-A-1	5	2.165-2.588	2017	500,000	—	166,667	333,333
33-A-1	10	1.435-2.979	2023	7,200,000	—	800,000	6,400,000
34-A-1	15	1.245-3.792	2029	6,000,000	—	400,000	5,600,000
				47,888,497	—	3,897,834	43,990,663
				\$116,784,771	\$ 6,200,000	\$17,524,042	\$105,460,729

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Operating Fund and Change in Fund Balance

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
REVENUES		
Taxes	\$ 102,895,129	\$ 99,622,156
Grants in lieu of taxes	8,407,908	7,588,166
Services provided to other governments	331,728	463,628
Sales of services	2,563,226	2,552,891
Revenue from own sources	13,400,503	11,666,466
Unconditional transfers from other governments	15,873,396	15,930,930
Conditional transfers from other governments	355,211	372,473
	143,827,101	138,196,710
EXPENSES		
General government services	15,080,103	14,416,473
Protective services	44,295,147	42,537,751
Transportation services	29,936,628	30,773,823
Environmental health services	14,977,755	15,048,367
Public health and welfare services	2,132,337	2,060,487
Environmental development services	1,304,555	1,080,392
Recreation and cultural services	9,536,444	9,363,809
Educational services	13,033,828	12,713,730
	130,296,797	127,994,832
Excess of revenues over expenses before the following	13,530,304	10,201,878
FINANCING AND TRANSFERS		
Debt and term loan principal instalments	(13,626,208)	(12,296,208)
Transfer from special reserve funds	532,983	2,184,460
Transfer to capital fund	(344,055)	—
Amortization of bond discount	(93,024)	(90,130)
	(13,530,304)	(10,201,878)
CHANGE IN FUND BALANCE	—	—
FUND BALANCE, BEGINNING OF YEAR	(39,376,676)	(39,376,676)
FUND BALANCE, END OF YEAR	\$ (39,376,676)	\$ (39,376,676)

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Water Utility Operating Fund and Change in Fund Balance

Year ended March 31, 2016, with comparatives for 2015

	2016	2015
OPERATING REVENUES		
Metered sales	\$ 15,701,440	\$ 16,012,196
Public fire protection	6,965,758	6,965,758
Consumer's interest	360,026	289,848
	<u>23,027,224</u>	<u>23,267,802</u>
OPERATING EXPENSES		
Source of supply	346,400	323,443
Power and pumping	1,759,990	1,882,302
Water treatment	3,819,950	3,708,291
Transmission and distribution	3,664,688	3,646,522
Administration and general	2,624,355	2,788,359
Taxes	2,013,802	2,010,037
	<u>14,229,185</u>	<u>14,358,954</u>
Excess of revenues over expenses before the following	8,798,039	8,908,848
NON-OPERATING REVENUES		
Miscellaneous	9,103	7,253
NON-OPERATING EXPENSES		
Interest on debentures	1,858,906	2,001,608
Amortization of debt discounts	34,300	34,300
Other	135,831	128,561
Transfer to water capital fund	7,671,776	7,068,743
Transfer to general capital fund	650,000	670,000
	<u>10,350,813</u>	<u>9,903,212</u>
CHANGE IN FUND BALANCE	<u>(1,543,671)</u>	<u>(987,111)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>2,771,676</u>	<u>3,758,787</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,228,005</u>	<u>\$ 2,771,676</u>

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Capital Fund and Change in Fund Balance

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
REVENUES		
Capital grants	\$ 2,758,356	\$ 3,170,817
EXPENSES		
General government services	207,642	197,303
Protective services	1,556,914	781,732
Transportation services	6,736,008	6,268,891
Environmental health services	2,756,127	3,069,910
Recreation and cultural services	1,988,587	1,944,218
Planning and development services	302,118	302,118
	13,547,396	12,564,172
Deficiency of revenues over expenses before the following	(10,789,040)	(9,393,355)
FINANCING AND TRANSFERS		
Transfer from reserve funds	6,185,444	2,968,251
Transfer from water operating fund — other	344,055	—
Transfer from water operating fund	650,000	670,000
Debenture and term loan principal instalments	13,626,208	12,296,208
	20,805,707	16,934,459
CHANGE IN FUND BALANCE	10,016,667	6,541,104
FUND BALANCE, BEGINNING OF YEAR	182,815,510	176,274,406
FUND BALANCE, END OF YEAR	\$ 192,832,177	\$ 182,815,510

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Water Utility Capital Fund and Change in Fund Balance

Year ended March 31, 2016, with comparatives for 2015

	2016	2015
REVENUES		
Capital grants	\$ —	\$ —
EXPENSES		
Amortization	3,623,942	3,420,912
Deficiency of revenues over expenses before the following	(3,623,942)	(3,420,912)
FINANCING AND TRANSFERS		
Transfer from water operating fund	7,671,776	7,068,743
Sale of property	(300,000)	—
	7,371,776	7,068,743
CHANGE IN FUND BALANCE	3,747,834	3,647,831
FUND BALANCE, BEGINNING OF YEAR	64,696,931	61,049,100
FUND BALANCE, END OF YEAR	\$ 68,444,765	\$ 64,696,931

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Port of Sydney Development Corporation Operating Fund and Change in Fund Balance

Year ended March 31, 2016

	2016
REVENUES	
Wharfage and berthage	\$ 528,562
Passenger tax	629,488
Events	61,515
Security	129,027
Storage and rental	149,398
Craft market	79,772
Sundry	11,244
Government funding	131,749
Business development	567,231
	<u>2,286,986</u>
EXPENSES	
Advertising and promotion	97,958
Business development harbor	567,231
Cruise activities	36,599
Dues and fees	22,845
Events	11,681
Insurance	52,647
Interest and bank charges	4,123
Interest on long-term debt	16,476
Miscellaneous	7,366
Office and administration	20,058
Professional fees	59,636
Repairs and maintenance	164,929
Security	153,423
Travel	60,688
Utilities	198,020
Wages and benefits	686,548
	<u>2,160,228</u>
Excess of revenues over expenses before the following	127,758
Restructuring transaction	5,391,341
Amortization of capital assets	(408,035)
CHANGE IN FUND BALANCE	<u>5,111,064</u>
FUND BALANCE, BEGINNING OF YEAR	—
FUND BALANCE, END OF YEAR	<u>\$ 5,111,064</u>

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Reserve Funds and Change in Fund Balance

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
REVENUES		
Investment income	\$ 95,009	\$ 82,973
Sale of properties	-	40,537
Grants	6,706,317	6,728,626
	6,801,326	6,852,136
FINANCING AND TRANSFERS		
Transfer to operating fund	(532,983)	(2,184,460)
Transfer to capital funds	(6,185,444)	(2,968,251)
	(6,718,427)	(5,152,711)
CHANGE IN FUND BALANCE	82,899	1,699,425
FUND BALANCE, BEGINNING OF YEAR	7,245,239	5,545,814
FUND BALANCE, END OF YEAR	\$ 7,328,138	\$ 7,245,239

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Water Utility Reserve Funds and Change in Fund Balance

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
REVENUES		
Investment income	\$ 8,140	\$ 10,629
Proceeds from sale of assets	62,825	—
CHANGE IN FUND BALANCE	70,965	10,629
FUND BALANCE, BEGINNING OF YEAR	1,933,767	1,923,138
FUND BALANCE, END OF YEAR	\$ 2,004,732	\$ 1,933,767

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CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Remuneration of Council

Year ended March 31, 2016

Council	Number of Months	Annual Remuneration
C. Clarke, Mayor	12	\$ 107,087
G. MacDonald, Deputy Mayor	12	43,692
L. Cormier	12	38,693
C. Detheridge	12	38,693
I. Doncaster	12	38,693
D. Flynn	12	38,693
C. Keagan	10	31,897
E. MacDonald	12	38,693
J. MacLeod	12	38,693
R. Paruch	12	38,693
C. Prince	12	38,693
M. Rowe	12	38,693
K. Saccary	12	38,693

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Remuneration of Senior Staff

Year ended March 31, 2016

Senior Staff	Annual Remuneration
D. Campbell	\$ 95,364
A. Fleming	108,816
M. Gillis	108,816
D. Kachafanas	108,816
L. MacCormack	123,725
W. MacDonald	116,046
G. MacDougall	68,673
B. MacKinnon	107,271
J. MacKinnon	108,817
P. MacIsaac	138,547
M. Merritt	185,267
W. Murphy	61,870
M. Walsh	154,461

CAPE BRETON REGIONAL MUNICIPALITY

Schedule - Expenses of Council

Year ended March 31, 2016

Council	Number of Months	Travel Expenses
C. Clarke, Mayor	12	\$ 33,899
G. MacDonald, Deputy Mayor	12	25,012
L. Cormier	12	5,067
C. Detheridge	12	17,387
I. Doncaster	12	14,575
D. Flynn	12	5,593
C. Keagan	10	10,781
E. MacDonald	12	15,862
J. MacLeod	12	13,258
R. Paruch	12	7,312
C. Prince	12	12,617
M. Rowe	12	15,357
K. Saccary	12	15,913

CAPE BRETON REGIONAL MUNICIPALITY

Schedule - Expenses of Senior Staff

Year ended March 31, 2016

Senior Staff	Travel Expenses
D. Campbell	\$ 3,967
A. Fleming	2,751
M. Gillis	2,796
D. Kachafanas	5,482
L. MacCormack	6,893
W. MacDonald	9,005
G. MacDougall	733
B. MacKinnon	10,382
J. MacKinnon	7,529
P. MacIsaac	9,195
M. Merritt	25,901
M. Walsh	8,595

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Segment Disclosure

Year ended March 31, 2016

Segment reporting is designed to assist users in identifying the resources allocated to support the major activities of the municipality and to better understand the performance of segments.

The following schedule provides segment information for the 2016 and 2015 fiscal years. Segment results represent the activities of that segment and are based on the same accounting policies as described in the Significant Accounting Policies as described in Note 1. The Municipality has determined that the following segments represent the major activities of government.

Year ended March 31, 2016	General Government Services	Port of Sydney Development Corporation	Protective Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development Services	Educational Services	Water Utility	Total
REVENUES										
Taxation	\$ 66,856,808	\$ -	\$ 15,995,312	\$ 7,009,181	\$ -	\$ -	\$ -	\$ 13,033,828	\$ -	\$ 102,895,129
Grants in lieu of taxes	8,407,908	-	-	-	-	-	-	-	-	8,407,908
Services provided to other governments	-	-	331,728	-	-	-	-	-	-	331,728
Sales of services	28,575	-	-	-	-	1,932,881	-	-	-	2,563,226
Revenue from own sources	4,836,910	6,491,769	1,042,120	601,770	2,351,148	-	57,026	-	-	14,778,403
Unconditional transfers from other governments	15,873,396	-	-	-	-	-	-	-	-	15,873,396
Conditional transfers from other governments	-	698,980	338,336	-	-	15,875	-	-	-	1,054,191
Capital grants	9,484,673	-	-	-	-	-	-	-	-	9,484,673
Metered sales	-	-	-	-	-	-	-	-	15,701,441	15,701,441
Other water revenues	-	-	-	-	-	-	-	-	369,128	369,128
Investment income	103,149	-	-	-	-	-	-	-	-	103,149
Gain (loss) on sale of properties	-	-	-	-	-	-	-	-	(237,175)	(237,175)
	105,571,419	7,190,179	17,707,496	7,610,951	2,351,148	1,948,756	57,026	13,033,828	15,833,394	171,305,197
EXPENSES										
Salaries, wages and benefits	6,114,365	686,548	28,861,408	14,544,924	3,739,859	4,042,961	867,853	-	2,344,841	61,202,429
Interest on long-term debt	531,735	-	103,952	1,556,213	264,196	149,252	-	-	1,858,906	4,464,254
Materials, goods, supplies and utilities	853,904	394,688	1,520,785	5,406,328	2,223,569	2,746,532	17,417	-	2,940,484	16,393,727
Contracted services	839,998	213,059	791,546	5,069,985	7,387,937	287,230	75,552	-	1,160,338	15,835,846
Other operating expenses	5,375,513	849,457	4,957,729	3,359,177	1,362,174	2,250,597	343,733	-	2,068,173	20,566,523
External transfers and grants	3,486,925	-	1,093,969	-	-	658,902	-	13,033,828	-	18,284,524
Amortization	207,642	368,521	1,956,914	6,736,008	2,756,127	1,988,587	302,118	-	3,623,942	17,539,899
	17,420,082	2,512,273	38,886,303	36,672,636	17,733,882	11,525,031	1,606,673	13,033,828	14,896,354	154,287,062
ANNUAL SURPLUS (DEFICIT)	\$ 88,151,337	\$ 4,677,906	\$ (21,178,807)	\$ (29,061,686)	\$ (15,382,734)	\$ (9,575,275)	\$ (1,548,647)	\$ -	\$ 937,040	\$ 17,018,135

CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Segment Disclosure

Year ended March 31, 2016

Year ended March 31, 2015	General Government Services	Protective Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development Services	Educational Services	Water Utility	Total
REVENUES									
Taxation	\$ 64,959,868	\$ 13,459,700	\$ 6,775,857	\$ -	\$ -	\$ -	\$ 12,713,730	\$ -	\$ 99,522,155
Grants in lieu of taxes	7,588,166	-	-	-	-	-	-	-	7,588,166
Services provided to other governments	-	463,628	-	-	-	-	-	-	463,628
Sales of services	30,152	-	935,313	-	1,587,428	-	-	-	2,552,891
Revenue from own sources	3,183,512	1,086,690	-	2,391,742	-	53,012	-	-	6,714,956
Unconditional transfers from other governments	15,930,930	-	-	-	-	-	-	-	15,930,930
Conditional transfers from other governments	-	2,237,113	-	-	35,360	-	-	-	2,272,473
Capital grants	9,899,443	-	-	-	-	-	-	-	9,899,443
Metered sales	-	-	-	-	-	-	-	-	16,019,449
Other water revenues	-	-	-	-	-	-	-	16,019,449	289,848
Investment income	93,602	-	-	-	-	-	-	289,848	93,602
Gain on sale of properties	40,537	-	-	-	-	-	-	-	40,537
	101,426,211	19,257,131	7,714,470	2,391,742	1,622,786	53,012	12,713,730	16,309,297	161,488,079
EXPENSES									
Salaries, wages and benefits	6,882,709	29,271,590	13,919,455	9,672,701	4,182,076	705,547	-	2,247,868	60,891,944
Interest on long-term debt	546,368	74,215	1,856,751	330,026	79,424	-	-	2,001,609	4,788,393
Materials, goods, supplies and utilities	934,504	1,522,800	6,013,639	2,271,715	1,885,526	14,548	-	3,878,004	18,520,796
Contracted services	1,112,265	614,538	4,818,810	7,339,483	198,244	68,855	-	1,229,038	15,371,233
Other operating expenses	3,565,914	4,886,130	4,365,108	1,434,443	2,248,634	301,442	-	2,181,096	18,982,767
External transfers and grants	3,435,200	1,102,720	-	-	659,902	-	12,713,730	-	17,911,552
Amortization	197,304	781,732	6,268,384	3,069,308	1,944,220	382,118	-	3,420,912	15,985,086
	16,674,264	38,253,725	37,042,714	18,118,277	11,308,026	1,382,516	12,713,730	14,968,825	150,451,771
ANNUAL SURPLUS (DEFICIT)	\$ 84,751,947	\$ (18,996,594)	\$ (29,328,544)	\$ (15,726,535)	\$ (9,685,240)	\$ (1,328,498)	\$ -	\$ 1,450,772	\$ 11,036,308

Financial Statements of

**CAPE BRETON REGIONAL
MUNICIPALITY WATER UTILITY**

Year ended March 31, 2016

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CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Financial Statements

Year ended March 31, 2016

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CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Statement of Financial Position – Operating Fund

March 31, 2016, with comparative figures for 2015

	2016	2015
ASSETS		
Water rates receivable (less allowance for doubtful accounts \$615,282; 2015 - \$692,315)	\$ 6,255,954	\$ 6,266,280
Sundry receivables	69,350	75,038
Inventories	295,935	276,607
Prepaid expenses	–	166,872
	<u>\$ 6,621,239</u>	<u>\$ 6,784,797</u>
LIABILITIES		
Bank indebtedness	\$ 3,469,254	\$ 1,526,541
Payables and accruals	4,077,893	4,193,779
Due to Cape Breton Regional Municipality		
General section, operating fund	318,130	404,579
General section, capital fund	–	650,000
Due to water utility, capital fund	3,664,388	3,471,637
	<u>11,529,665</u>	<u>10,246,536</u>
DEFICIT	<u>(4,908,426)</u>	<u>(3,461,739)</u>
	<u>\$ 6,621,239</u>	<u>\$ 6,784,797</u>

See accompanying notes to financial statements.

On behalf of the Cape Breton Regional Municipality:

Mayor

Clerk

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Statement of Financial Activities – Operating Fund

Year ended March 31, 2016, with comparative figures for 2015

	2016		2015
	Budget	Actual	Actual
OPERATING REVENUES			
Metered sales	\$ 17,050,000	\$ 15,701,440	\$ 16,012,196
Public fire protection	6,965,758	6,965,758	6,965,758
Consumer's interest	275,000	360,026	289,848
Service connections	22,000	9,103	7,253
	24,312,758	23,036,327	23,275,055
OPERATING EXPENSES			
Source of supply	458,000	346,400	323,443
Power and pumping	1,957,000	1,759,990	1,882,302
Water treatment	3,685,000	3,819,950	3,708,291
Transmission and distribution	4,432,000	4,314,688	4,316,522
Administration and general	2,854,000	2,624,355	2,788,359
Depreciation	2,598,000	3,623,942	3,420,912
Taxes	2,250,000	2,013,802	2,010,037
	18,234,000	18,503,127	18,449,866
Excess of operating revenues over expenses before the following	6,078,758	4,533,200	4,825,189
NON-OPERATING REVENUES			
Amortization of deferred capital contributions	–	142,178	142,178
NON-OPERATING EXPENSES			
Debt charges			
Provision for principal repayment	3,597,834	3,943,028	3,697,642
Interest on debentures	1,653,521	1,858,906	2,001,608
Amortization of debt discounts	32,000	34,300	34,300
Bank fees/charges	187,000	135,831	128,561
Capital expenditures out of operations	150,000	150,000	150,000
	5,620,355	6,122,065	6,012,111
CHANGE IN FUND BALANCE	\$ 458,403	\$ (1,446,687)	\$ (1,044,744)

See accompanying notes to financial statements.

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Statement of Operating Fund Deficit

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
DEFICIT, BEGINNING OF YEAR	\$(3,461,739)	\$(2,416,995)
Change in fund balance	(1,446,687)	(1,044,744)
DEFICIT, END OF YEAR	\$(4,908,426)	\$(3,461,739)

See accompanying notes to financial statements.

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CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Statement of Cash Flows – Operating Fund

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in fund balance	\$ (1,446,687)	\$ (1,044,744)
Change in non-cash operating working capital		
Decrease in water rates receivable	10,326	684,206
Decrease in sundry receivables	5,688	9,891
Increase in inventories	(19,328)	(28,917)
Decrease (increase) in prepaids	166,872	(166,872)
Increase (decrease) in payables and accruals	(115,886)	582,085
	(1,399,015)	35,649
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in due to Cape Breton Regional Municipality, operating fund	(86,449)	(1,180,196)
Increase (decrease) in due to Cape Breton Regional Municipality, capital fund	(650,000)	649,909
Increase in due to water utility, capital fund	192,751	767,436
	(543,698)	237,149
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,942,713)	272,798
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(1,526,541)	(1,799,339)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ (3,469,254)	\$ (1,526,541)

See accompanying notes to non-consolidated financial statements.

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Statement of Financial Position – Capital Fund

March 31, 2016, with comparative figures for 2015

	2016	2015 (Restated)
ASSETS		
Cash	\$ 4,313,355	\$ 5,247,696
Cash - depreciation reserve (note 2)	480,170	480,170
HST receivable	45,716	148,391
	4,839,241	5,876,257
Due from Cape Breton Regional Municipality General section, operating fund	62,825	—
Due from water utility, operating fund	3,664,388	3,471,637
Unamortized debt discount	259,953	294,253
Capital assets		
Utility plant in service (Schedule A)	149,128,422	141,615,257
Work in progress	2,553,972	5,127,732
Properties adjoining watershed	174,977	174,977
	151,857,371	146,917,966
	\$ 160,683,778	\$ 156,560,113
LIABILITIES		
Accounts and holdbacks payable	\$ 1,060,944	\$ 309,218
Due to Cape Breton Regional Municipality General section, capital fund	122,081	144,731
Due to water utility, reserve fund	62,825	—
Term debt (Schedule B)	43,990,662	47,888,496
	45,236,512	48,342,445
DEFERRED CAPITAL CONTRIBUTIONS	4,071,533	4,213,711
RESERVES		
Accumulated allowance for depreciation of utility plant (note 3)	43,826,673	40,202,731
FUND BALANCE	67,549,060	63,801,226
	\$ 160,683,778	\$ 156,560,113

See accompanying notes to financial statements.

On behalf of the Board:

Chairman

Commissioner

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Statement of Financial Activities – Capital Fund

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
		(Restated)
REVENUES	\$ –	\$ –
EXPENSES		
Capital expenditures	3,623,942	3,420,912
Disposal of land	300,000	–
Deficiency of revenues over expenses before the following	3,923,942	3,420,192
FINANCING AND TRANSFERS		
Transfer from water utility, operating fund	7,671,776	7,068,743
CHANGE IN FUND BALANCE	3,747,834	3,648,551
FUND BALANCE, BEGINNING OF YEAR	63,801,226	60,152,675
FUND BALANCE, END OF YEAR	\$ 67,549,060	\$ 63,801,226

See accompanying notes to non-consolidated financial statements.

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Statement of Financial Position – Special Reserve Fund

March 31, 2016, with comparative figures for 2015

	2016	2015
ASSETS		
Cash	\$ 1,103,801	\$ 1,103,801
Term deposit	838,106	829,966
Due from water utility, capital fund	62,825	–
	<u>\$ 2,004,732</u>	<u>\$ 1,933,767</u>
RESERVE		
Special reserve	<u>\$ 2,004,732</u>	<u>\$ 1,933,767</u>

See accompanying notes to financial statements.

On behalf of the Board:

Chairman

Commissioner

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Statement of Special Reserve

Year ended March 31, 2016, with comparative figures for 2015

					2016	2015
	Non-shareable debt expenditure	Future capital expenditure	Watershed land acquisition	Sysco waterline maintenance	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 53,315	\$ 838,950	\$ 325,257	\$ 716,245	\$ 1,933,767	\$1,923,138
Interest on investments	325	5,535	2,280	—	8,140	10,629
Proceeds on sale of land	—	62,825	—	—	62,825	—
BALANCE, END OF YEAR	\$ 53,640	\$ 907,310	\$ 327,537	\$ 716,245	\$2,004,732	\$1,933,767

See accompanying notes to financial statements.

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CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Notes to Financial Statements

Year ended March 31, 2016

The Cape Breton Regional Municipality Act, assented to by the Province of Nova Scotia on July 30, 1994, legislated the incorporation of the Cape Breton Regional Municipality as of August 1, 1995.

The Cape Breton Regional Municipality Water Utility assumed the operations, as of August 1, 1995, of the following utilities:

Town of Sydney Mines Water Utility
Town of North Sydney Water Utility
Sydney Water Commission
Municipality of the County of Cape Breton Water Utility
Town of Glace Bay Water Utility
Town of Dominion Water Utility
New Waterford and District Water Commission
Town of Louisbourg Water Utility

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These financial statements have been prepared in accordance with generally accepted accounting principles adopted for Water Utilities in Nova Scotia and are intended for the use of the Cape Breton Regional Municipality Water Utility (the Utility), Council and Service Nova Scotia and Municipal Relations.

The basis of accounting used in these financial statements differs materially from generally accepted accounting principles (GAAP) as prescribed by the Chartered Professional Accountants of Canada Handbook (the CPA Handbook). The significant differences between generally accepted accounting principles for Water Utilities in Nova Scotia and the CPA Handbook are that the CPA Handbook requires the:

- Financial statements be prepared on a consolidated basis to reflect the assets, liabilities, revenues and expenses, and changes in fund balances and in financial position of all organizations, commissions and agencies which are owned or controlled by the Water Utility. This would include, at a minimum, the individual funds represented in these financial statements – Operating Fund, Capital Fund and Reserve Funds. The consolidated financial statements prepared in accordance with the CPA Handbook would include a Statement of Financial Position, Statement of Financial Activities and a Statement of Changes in Fund Balances;
- Revenue and expenses be recorded on a full accrual basis;
- Water Utility capitalize all of its capital acquisitions rather than charging some to operations in the year acquired; and
- Principal debt repayments not be recorded as an expense of the Water Utility;

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Notes to Financial Statements (Continued)

Year ended March 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Cash and cash equivalents

Cash and cash equivalents of the operating fund is defined as cash on hand and on deposit at banks net of outstanding cheques and deposits.

(c) Revenue and expenses

Major revenue and expense items are recorded on an accrual basis.

Certain sources of revenue, including forfeited discounts and interest on past due rates, are recorded on a cash basis.

Capital grants and contributions are recorded using the deferral method of accounting and are amortized to revenue at a rate corresponding with the amortization of the related capital asset.

Principal and interest payments relating to long-term debt are recorded as an expenditure when due for payment.

(d) Allowance for doubtful accounts

A valuation allowance is provided for estimated losses that will be incurred in collecting rates receivable outstanding.

(e) Inventories

Inventories are stated at cost.

(f) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation of accounts receivable and carrying amount of capital assets. Actual results could differ from those estimates.

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Notes to Financial Statements (Continued)

Year ended March 31, 2016

2. CASH – DEPRECIATION RESERVE

	2016	2015
Balance, beginning of year	\$ 480,170	\$ 480,170
Depreciation	3,623,942	3,420,912
Amortization of capital contributions	(142,178)	(142,178)
Capital purchases	(3,481,764)	(3,278,734)
Cash, end of year	\$ 480,170	\$ 480,170

3. ACCUMULATION ALLOWANCE FOR DEPRECIATION

	2016	2015
		(Restated)
Balance, beginning of year, as previously recorded	\$ 39,368,360	\$ 36,089,626
Restatement (note 6)	834,371	692,193
As restated	40,202,731	36,781,819
Depreciation for year	3,623,942	3,420,912
Balance, end of year	\$43,826,673	\$40,202,731

4. TRANSACTIONS WITH CAPE BRETON REGIONAL MUNICIPALITY

- In general, and where identifiable, costs incurred by the Cape Breton Regional Municipality on behalf of the water utility are charged to the utility.
- Salary and wage-related costs are allocated in proportion to time spent performing functions on behalf of the water utility.
- As prescribed by the Nova Scotia Utility and Review Board, there is a yearly administration fee charged to the Water Utility by the Cape Breton Regional Municipality, which includes salary, overhead, utilities and other administration charges totaling \$7,303,549 (2015 - \$7,199,376).
- The water utilities provide public fire protection to the municipality. The charge for this service (included in operating revenues) amounted to \$6,695,758 (2015 - \$6,695,758). The charge is governed by the Nova Scotia Utility and Review Board.

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Notes to Financial Statements (Continued)

Year ended March 31, 2016

4. TRANSACTIONS WITH CAPE BRETON REGIONAL MUNICIPALITY (CONTINUED)

- e) The water utility is not exempt from municipal taxation within the Cape Breton Regional Municipality.
- f) The various funds of the Cape Breton Regional Municipality Water Utility and the Municipality include a series of interfund balances as noted in the respective funds. All interfund balances will be settled within the next fiscal period. No interest has been charged or paid on the interfund balances outstanding.

5. RATE OF RETURN ON RATE BASE

For the year ended March 31, 2016, the Cape Breton Regional Municipality Water Utility had a rate of return on rate base of 4.3% (2015 - 4.7%).

6. RESTATEMENT

Management has determined that the prior treatment of accounting for the amortization of capital contributions was not consistent with the guidelines of the Accounting and Reporting Handbook.

These financial statements have been adjusted retrospectively to remove all amortization of the capital contributions in the capital fund in the past.

7. COMPARATIVE FIGURES

Certain 2015 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Schedule A - Utility Plant and Equipment

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
Organization	\$ 4,000	\$ 4,000
Working capital	70,162	70,162
	74,162	74,162
Land and land rights		
Source of supply land	1,083,789	1,383,789
Power and pumping land	343,374	343,374
Transmission land	157,021	157,021
	1,584,184	1,884,184
Structures and improvements		
Source of supply	18,650,748	18,650,748
Power and pumping	6,583,680	6,401,700
Purification structures	2,521,721	2,490,956
Distribution and storage	4,064,202	1,765,186
Shop	299,817	299,817
	32,120,168	29,608,407
Equipment		
Electrical pumping equipment	3,555,183	3,555,183
Diesel pumping equipment	684,015	863,766
Purification equipment	22,739,218	21,448,923
Office furniture and equipment	362,453	362,453
Transportation equipment	309,495	309,495
Meter shop equipment	30,689	30,689
Tools and work equipment	268,949	268,949
Motor operated tools	680,584	680,584
Other	326,466	326,466
	28,957,052	27,846,508
Mains		
Transmission	21,717,881	21,641,230
Distribution	40,385,054	37,889,687
	62,102,935	59,530,917
Services		
Meters	10,902,225	10,439,734
Hydrants	10,401,290	9,339,988
	2,986,406	2,891,357
	\$ 149,128,422	\$ 141,615,257

CAPE BRETON REGIONAL MUNICIPALITY WATER UTILITY

Schedule B - Capital Debt Charges

Year ended March 31, 2016, with comparative figures for 2015

	Date of Issue	Maturity Date	Interest Rate %	Balance March 31, 2015	Issued	Redeemed	Balance March 31, 2016
Municipal Finance Corporation							
22-B-1	2002	2017	5.875 - 6.000	\$ 499,997	\$ -	\$ 166,667	\$ 333,330
27-A-1	2007	2022	4.525 - 4.770	11,888,500	-	914,500	10,974,000
28-A-1	2008	2023	4.584 - 5.088	9,800,000	-	700,000	9,100,000
30-A-1	2010	2025	3.430 - 4.875	12,000,000	-	750,000	11,250,000
32-A-1	2012	2017	2.165 - 2.588	499,999	-	166,667	333,332
33-A-1	2013	2023	1.435 - 2.979	7,200,000	-	800,000	6,400,000
34-A-1	2014	2029	1.245 - 3.792	6,000,000	-	400,000	5,600,000
				\$ 47,888,496	\$ -	\$ 3,897,834	\$ 43,990,662

Principal repayments required during the next five years are as follows:

2017	\$3,897,834
2018	3,897,834
2019	3,564,500
2020	3,564,500
2021	3,564,500

**CBRM***A Community of Communities*

Cape Breton Regional Municipality

M-E-M-O

Date: July 29, 2016
To: Mayor and Council
From: Marie Walsh, Chief Financial Officer
Re: Borrowing Resolution, Operating

CBRM has in place a borrowing resolution for a \$44,000,000 line of credit. The Bank of Montreal requires CBRM to renew this operating line of credit annually. This represents the overdraft that is used to finance short term operations and bridge financing for capital projects. I received notification from the Bank of Montreal that we will need a motion from Council to renew this borrowing resolution for the 2016/2017 fiscal year.

Sincerely,

ORIGINAL SIGNED BY

Maire Walsh, CPA, CGA
Chief Financial Officer

**CBRM***A Community of Communities*

Cape Breton Regional Municipality

M-E-M-O

Date: November 9, 2016
To: Mayor and Council
From: Marie Walsh, Chief Financial Officer
Re: Borrowing Resolution, Lease Facility

CBRM will from time to time, opt to finance equipment purchases through a capital lease agreement that carries a shorter term than borrowing through the traditional debenture process. The Bank of Montreal has a mechanism available to streamline the leasing process going forward by establishing a lease facility, similar to a line of credit. The Lease Facility carries with a maximum limit of \$2,000,000. The Bank of Montreal requires CBRM to approve this Lease Facility on inception and annually thereafter.

Sincerely,

ORIGINAL SIGNED BY

Marie Walsh, CPA, CGA
Chief Financial Officer



M·E·M·O

320 Esplanade

Sydney, Nova Scotia, B1P 7B9

902-563-5010

To: Mayor Cecil P. Clarke and Regional Councillors

From: Deborah Campbell, Municipal Clerk

Date: November 10, 2016

Subject: Appointment of the Nominating Committee

There is an annual requirement to appoint the Nominating Committee in accordance with Section 12 of Policy RC4 Committees. Upon appointment, or soon thereafter, the Nominating Committee shall convene and nominate persons to serve on the standing committees and external agencies/committees.

Thus Council should appoint at least five Councillors to sit on the Nominating Committee with the Mayor. Further, the Committee meeting should be scheduled as soon as possible to allow sufficient time to prepare its report for Council in December.

Recommendation:

It is recommended that Council appoint five Councillors to sit on the Nominating Committee with the Mayor, and that the Committee meet as soon as may be convenient to allow sufficient time to prepare the nomination report for the consideration of Council at its December meeting.

ORIGINAL SIGNED BY

Deborah Campbell
Municipal Clerk

Summary

Statement of Revenue

September 30, 2016

Revenue	Year To Date Assigned	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
Total Taxes	\$ 52,099,506	\$ 51,951,973	\$ 147,533	\$ 103,903,946	\$ 51,804,440
Total Federal Government	1,406,025	1,406,025	-	2,812,050	1,406,025
Total Federal Government Agencies	387,794	387,794	0	775,587	387,794
Total Provincial Government	954,906	954,906	0	1,909,811	954,905
Total Provincial Government Agencies	1,459,442	1,459,442	-	2,918,883	1,459,442
Total Services to Other Local Government	304,257	304,258	(0)	608,515	0
Total Transit	195,537	311,000	(115,463)	622,000	426,463
Total Environmental Development Services	141,671	146,000	(4,329)	292,000	150,329
Total Licenses & Permits	84,289	77,750	6,539	155,500	71,211
Total Fines & Fees	295,601	297,500	(1,899)	595,000	299,399
Total Rentals	340,986	340,040	946	680,079	339,093
Total Concessions & Franchises	203,169	200,000	3,169	400,000	196,831
Total Interest on Taxes	744,177	622,500	121,677	1,245,000	500,823
Total Finance Revenue	15,925	15,250	675	30,500	14,575
Total Solid Waste Revenue	1,208,413	1,100,000	108,413	2,200,000	991,587
Total Recreation & Cultural Service Programs	451,992	522,923	(70,930)	1,685,545	1,233,553
Total Water Utility Charges	2,475,755	2,475,755	(0)	4,951,510	2,475,755
Total Unconditional Transfers	7,917,321	7,917,322	(0)	15,834,643	7,917,322
Total Conditional Transfers	1,913,926	1,913,926	0	4,390,852	2,476,926
Year To Date Assigned	\$ 72,600,691	\$ 72,404,361	\$ 196,332	\$ 146,011,421	\$ 73,106,472

ORIGINAL SIGNED BY

Departmental

ORIGINAL SIGNED BY

Reviewed

Summary

Statement of Expenditures

September 30, 2016

Expenditures	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
Legislative	\$ 677,604	\$ 748,618	\$ 71,014	\$ 1,458,956	\$ 781,352
Administration	563,406	712,875	149,468	1,108,790	545,384
Finance	1,194,782	1,326,196	131,413	2,832,019	1,637,237
Legal	251,723	295,671	43,948	569,072	317,349
Human Resources	749,983	828,225	78,242	1,638,145	888,162
Technology & Communications	439,391	463,049	23,657	1,165,464	726,073
Municipal Clerk	288,283	315,526	27,242	503,017	214,734
Fiscal Services	11,326,261	11,492,790	166,530	35,490,906	24,164,645
Occupational Health & Safety	98,429	109,861	11,433	219,722	121,294
Police Services	13,180,192	13,479,716	299,525	25,701,620	12,521,428
Fire Services (Incl EMO)	8,290,478	9,452,952	1,162,474	17,195,105	8,904,627
Engineering & Public Works	19,438,521	20,835,716	1,397,195	43,447,585	24,009,064
Planning	1,191,427	1,349,226	157,799	2,664,528	1,473,101
Facilities C200 & Arenas	1,529,920	1,427,441	(102,479)	3,042,283	1,512,363
Parks & Grounds	1,456,496	1,430,151	(26,345)	2,636,703	1,180,207
Buildings	1,431,784	1,615,397	183,612	3,324,603	1,892,819
Recreation	2,324,399	2,314,657	(9,742)	3,012,903	688,504
Total expended to date	\$ 64,433,078	\$ 68,198,066	\$ 3,764,987	\$ 146,011,421	\$ 81,578,343

ORIGINAL SIGNED BY

Departmental

ORIGINAL SIGNED BY

Reviewed

Legislative	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 425,401	\$ 454,576	\$ 29,174	\$ 890,924	\$ 465,523
6010 BENEFITS	52,739	71,998	19,259	141,990	89,251
6030 TRAVEL/CONFERENCES	82,315	112,726	30,411	209,000	126,685
6040 PROF MEM/DUES & FEES	27,806	27,809	3	54,867	27,061
6050 OFFICE SUPPLIES	8,653	10,000	1,347	20,000	11,347
6060 OFFICE EQUIPMENT	2,463	3,280	817	6,550	4,087
6080 ADVERTISING	11,235	7,250	(3,985)	14,500	3,265
6100 COURIER	-	188	188	375	375
6110 TELEPHONE/FAX	21,300	22,000	700	44,000	22,700
6120 PUBL./SUBSCRIPTIONS	920	1,042	121	1,750	830
6130 COMPUTER HARDWARE	-	-	-	30,000	30,000
6150 MEETING EXPENSES	13,159	19,250	6,091	23,000	9,841
6170 PROMOTION	18,502	18,500	(2)	22,000	3,498
6180 COST RECOVERY	13,108	-	(13,108)	-	(13,108)
8010 OPERATIONAL MAT/SUPP	-	-	-	-	-
8100 PROFESSIONAL SERVICES	-	-	-	-	-
Total expended to date	\$ 677,604	\$ 748,618	\$ 71,014	\$ 1,458,956	\$ 781,352

ORIGINAL SIGNED BY

Departmental

ORIGINAL SIGNED BY

Finance

Administration	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 141,761	\$ 169,982	\$ 28,221	\$ 339,964	\$ 198,203
6010 BENEFITS	19,531	28,770	9,238	57,539	38,008
6020 TRAINING/EDUCATION	-	2,550	2,550	2,800	2,800
6030 TRAVEL/CONFERENCES	16,313	16,830	517	27,000	10,687
6040 PROF MEM/DUES & FEES	816	816	-	1,000	184
6050 OFFICE SUPPLIES	1,181	781	(400)	1,500	319
6060 OFFICE FURNITURE	-	-	-	-	-
6100 COURIER	21	75	54	150	129
6110 TELEPHONE/FAX	2,357	2,700	343	5,400	3,043
6120 PUBL./SUBSCRIPTIONS	-	-	-	-	-
6130 COMPUTER HARDWARE	-	2,000	2,000	4,000	4,000
6150 MEETING EXPENSES	1,403	960	(443)	1,920	517
6170 PROMOTION	3,721	19,892	16,171	20,000	16,279
8010 OPERATIONAL MAT/SUPP	-	-	-	-	-
8100 PROFESSIONAL SERVICES	48,784	140,000	91,216	280,000	231,216
8150 GRANTS/SUBS TO ORG	327,519	327,519	-	367,517	39,998
Total expended to date	\$ 563,406	\$ 712,875	\$ 149,468	\$ 1,108,790	\$ 545,384

 Departmental

ORIGINAL SIGNED BY

 Finance

Finance	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 884,138	\$ 952,881	\$ 68,742	\$ 1,905,761	\$ 1,021,623
6010 BENEFITS	178,974	183,789	4,815	367,578	188,604
6020 TRAINING/EDUCATION	7,958	10,538	2,581	24,630	16,673
6030 TRAVEL/CONFERENCES	13,562	13,696	134	24,000	10,438
6040 PROF MEM/DUES & FEES	2,489	5,100	2,611	5,100	2,611
6050 OFFICE SUPPLIES	7,495	7,750	255	15,500	8,005
6060 OFFICE EQUIPMENT	3,069	7,000	3,931	14,000	10,931
6080 ADVERTISING	16,995	21,250	4,255	42,000	25,005
6090 POSTAGE	76,805	77,000	195	160,000	83,195
6100 COURIER	9,571	11,350	1,779	22,700	13,129
6110 TELEPHONE/FAX	9,821	9,450	(371)	18,900	9,079
6130 COMPUTER HARDWARE	3,379	14,850	11,471	19,800	16,421
6140 COMPUTER SOFTWARE	-	-	-	57,000	57,000
6160 LIABILITY INSURANCE	149,217	156,885	7,668	299,600	150,383
6180 COST RECOVERY	(227,783)	(218,850)	8,933	(322,150)	(94,367)
8010 OPERATIONAL MAT/SUPP	6,233	4,700	(1,533)	7,000	767
8100 PROFESSIONAL SERVICE	15,643	20,000	4,357	55,000	39,357
8110 CONTRACTS/AGREEMENTS	24,603	31,032	6,429	63,800	39,197
8120 LEASES	4,587	5,900	1,313	11,800	7,213
8165 2016 FLOOD COSTS	-	-	-	-	-
8180 TAX EXEPT/WRITE OFF	8,028	11,875	3,847	40,000	31,972
Total expended to date	\$ 1,194,782	\$ 1,326,196	\$ 131,413	\$ 2,832,019	\$ 1,637,237

ORIGINAL SIGNED BY
 Departmental

ORIGINAL SIGNED BY
 Finance

Legal	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 144,855	\$ 149,598	\$ 4,943	\$ 299,196	\$ 154,541
6010 BENEFITS	28,294	30,038	1,744	60,076	31,782
6020 TRAINING/EDUCATION	63	4,394	4,330	6,500	6,437
6030 TRAVEL/CONFERENCES	5,042	5,050	8	8,500	3,458
6040 PROF MEM/DUES & FEES	4,845	6,648	1,803	7,100	2,255
6050 OFFICE SUPPLIES	2,144	1,750	(394)	3,500	1,356
6060 OFFICE EQUIPMENT	2,682	4,200	1,518	4,200	1,518
6070 PHOTOCOPIER LEASE	1,477	1,550	73	3,100	1,623
6080 ADVERTISING	-	-	-	-	-
6100 COURIER	349	1,000	651	1,000	651
6110 TELEPHONE/FAX	3,345	2,700	(645)	5,400	2,055
6120 PUBL./STATUTES	5,684	6,284	600	10,000	4,316
6130 COMPUTER HARDWARE	768	1,500	732	3,000	2,232
6140 COMPUTER SOFTWARE	-	758	758	2,500	2,500
6150 MEETING EXPENSE	374	250	(124)	500	126
6180 COST RECOVERY	-	-	-	-	-
8100 PROFESSIONAL SERVICE	52,000	79,952	27,953	154,500	102,500
Total expended to date	\$ 251,723	\$ 295,671	\$ 43,948	\$ 569,072	\$ 317,349

 Departmental

ORIGINAL SIGNED BY

 Finance

Human Resources	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 278,564	\$ 292,528	\$ 13,963	\$ 585,055	\$ 306,491
6010 BENEFITS	374,906	375,255	349	744,510	369,604
6020 TRAINING/EDUCATION	874	3,000	2,126	6,000	5,126
6030 TRAVEL/CONFERENCES	5,263	9,286	4,023	16,250	10,987
6040 PROF MEM/DUES & FEES	1,038	1,065	27	1,730	692
6050 OFFICE SUPPLIES	3,028	7,850	4,822	15,700	12,672
6060 OFFICE EQUIPMENT	2,153	2,500	347	2,500	347
6080 ADVERTISING	2,399	3,631	1,233	5,000	2,601
6110 TELEPHONE/FAX	3,808	5,000	1,192	10,000	6,192
6120 PUBL./SUBSCRIPTIONS	72	1,611	1,539	2,400	2,328
6130 COMPUTER HARDWARE	4,041	4,000	(41)	4,000	(41)
6150 MEETING EXPENSE	254	1,000	746	2,000	1,746
8010 OPERATIONAL MAT/SUPP	-	-	-	-	-
8100 PROFESSIONAL SERVICE	70,445	115,250	44,805	230,500	160,055
8110 CONTRACTS/AGREEMENTS	3,139	6,250	3,111	12,500	9,361
Total expended to date	\$ 749,983	\$ 828,225	\$ 78,242	\$ 1,638,145	\$ 888,162

ORIGINAL SIGNED BY

Departmental

ORIGINAL SIGNED BY

Finance

**Technology/
Communications**

Statement of Expenditures

September 30, 2016

Technology/Communications	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 198,202	\$ 204,036	\$ 5,833	\$ 408,071	\$ 209,869
6010 BENEFITS	45,397	45,047	(350)	83,093	37,696
6020 TRAINING/EDUCATION	-	12,600	12,600	18,000	18,000
6030 TRAVEL/CONFERENCES	8,839	10,000	1,161	20,000	11,161
6040 PROF MEM/DUES & FEES	-	500	500	1,000	1,000
6050 OFFICE SUPPLIES	477	1,867	1,390	3,000	2,523
6060 OFFICE EQUIPMENT	4,726	3,000	(1,726)	3,000	(1,726)
6080 ADVERTISING	474	500	26	500	26
6100 COURIER	193	150	(43)	300	107
6110 TELEPHONE/FAX	31,230	35,000	3,770	70,000	38,770
6120 PUBL./SUBSCRIPTIONS	-	500	500	1,000	1,000
6130 COMPUTER HARDWARE	59,716	59,716	-	130,000	70,284
6140 COMPUTER SOFTWARE	89,884	89,884	-	190,000	100,116
6150 MEETING EXPENSE	254	250	(4)	500	246
8110 CONTRACTS/AGREEMENTS	-	-	-	42,000	42,000
8120 LEASES SAP	-	-	-	98,000	98,000
8130 LICENSES/PERMITS	-	-	-	97,000	97,000
Total expended to date	\$ 439,391	\$ 463,049	\$ 23,657	\$ 1,165,464	\$ 726,073

ORIGINAL SIGNED BY
Departmental

ORIGINAL SIGNED BY
Finance

Municipal Clerk	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 127,499	\$ 130,257	\$ 2,758	\$ 260,514	\$ 133,015
6010 BENEFITS	28,818	28,277	(542)	56,553	27,735
6020 TRAINING/EDUCATION	1,916	2,938	1,021	5,500	3,584
6030 TRAVEL/CONFERENCES	1,675	3,692	2,017	6,500	4,825
6040 PROF MEM/DUES & FEES	308	350	42	700	392
6050 OFFICE SUPPLIES	636	4,000	3,364	8,000	7,364
6060 OFFICE EQUIPMENT	7,295	16,750	9,455	16,750	9,455
6070 PHOTOCOPY SUPPLIES	6,569	9,000	2,431	18,000	11,431
6080 ADVERTISING	-	500	500	1,000	1,000
6100 COURIER	123	500	377	1,000	877
6110 TELEPHONE/FAX	1,522	2,250	728	4,500	2,978
6120 PUBL./SUBSCRIPTIONS	1,095	1,113	18	1,800	705
6140 COMPUTER SOFTWARE	9,791	9,600	(191)	9,600	(191)
6150 MEETING EXPENSES	1,036	6,300	5,264	12,600	11,564
8110 CONTRACTS/AGREEMENTS	100,000	100,000	-	100,000	-
Total expended to date	\$ 288,283	\$ 315,526	\$ 27,242	\$ 503,017	\$ 214,734

ORIGINAL SIGNED BY

 Departmental

ORIGINAL SIGNED BY

 Finance

Fiscal Services	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
9010 INT SHRT TERM BORROW	\$ 85,862	\$ 187,500	101,638	\$ 375,000	\$ 289,138
9020 INT ON DEBT	1,034,891	1,034,891	-	2,037,852	1,002,961
9051 PRINC ON DEBT	497,489	497,489	-	13,532,234	13,034,745
9052 DEBT/CAP BOND DISC	47,500	47,500	-	95,000	47,500
9090 BANK CHARGES	37,582	43,000	5,418	86,000	48,418
9200 ALLOWANCE FOR UNCOL. TAXES	200,000	200,000	-	400,000	200,000
9420 APPROP TO CAPITAL FUND	45,000	45,000	-	90,000	45,000
9430 APPROP TO B.I.D.C.	49,422	47,903	(1,519)	95,806	46,384
9600 PROV. CORRECTIONS	545,363	545,363	-	1,090,725	545,363
9610 CB REG. HOUSING	1,007,007	1,068,000	60,993	2,136,000	1,128,993
9620 REGIONAL LIBRARY	335,000	335,000	0	670,000	335,000
9630 CB/VIC. SCHOOL BOARD	6,761,040	6,761,040	-	13,522,080	6,761,040
9640 PROPERTY ASSESSMENT	680,105	680,105	-	1,360,209	680,105
Total expended to date	\$ 11,326,261	\$ 11,492,790	\$ 166,530	\$ 35,490,906	\$ 24,164,645

ORIGINAL SIGNED BY

Departmental

ORIGINAL SIGNED BY

Finance

**Occupational Health /
Safety**

Statement of Expenditures

September 30, 2016

Occupational Health & Safety	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 72,584	\$ 74,799	\$ 2,235	\$ 149,598	\$ 77,034
6010 BENEFITS	16,286	15,432	(854)	30,864	14,578
6020 TRAINING/EDUCATION	467	2,925	2,458	5,850	5,383
6030 TRAVEL/CONFERENCES	4,087	5,500	1,413	11,000	6,913
6040 PROF MEM/DUES & FEES	(343)	268	610	535	878
6050 OFFICE SUPPLIES	294	1,500	1,206	3,000	2,706
6060 OFFICE EQUIPMENT	-	-	-	-	-
6110 TELEPHONE/FAX	1,513	1,688	175	3,375	1,862
6120 PUBL/SUBSCRIPTIDNS	155	1,000	845	2,000	1,845
6130 COMPUTER HARDWARE	-	1,000	1,000	2,000	2,000
6140 COMPUTER SOFTWARE	-	250	250	500	500
6150 MEETING EXPENSES	1,268	1,250	(18)	2,500	1,232
8010 OPERATIONAL MAT/SUPP	-	-	-	-	-
8100 PROFESSIONAL SERVICE	1,059	2,750	1,691	5,500	4,441
8120 LEASES	1,078	1,500	422	3,000	1,922
Total expended to date	\$ 98,429	\$ 109,861	\$ 11,433	\$ 219,722	\$ 121,294

ORIGINAL SIGNED BY

Departmental

ORIGINAL SIGNED BY

Finance

Police Services

Statement of Expenditures

September 30, 2016

Police Services	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
GL 6000, 6010 , & 6011 WAGES & BENEFITS NET OF CQST RECOVERY	11,224,457.77	\$ 11,459,842	\$ 235,385	\$ 21,946,891	\$ 10,722,433
6020 TRAINING/EDUCATION	69,100.46	86,303	17,203	145,927	76,827
6030 TRAVEL/CQNFERENCE	42,923.49	52,500	9,577	106,000	62,077
6040 PROF MEM/DUES & FEES	5,507.39	5,000	(507)	5,000	(507)
6050 OFFICE SUPPLIES	20,335.99	26,725	6,389	53,000	32,664
6060 OFFICE EQUIPMENT	44,399.16	25,000	(19,399)	50,000	5,601
6070 PHOTOCOPY SUPPLIES	8,298.91	9,000	701	18,000	9,701
6080 ADVERTISING	(645.80)	2,500	3,146	5,000	5,646
6090 POSTAGE & 6100 COURIER	3,377.35	3,500	123	7,000	3,623
6110 TELEPHONE/FAX	171,371.92	140,420	(30,952)	280,840	109,468
6120 PUBL./SUBSCRIPTIONS	1,055.66	3,000	1,944	6,000	4,944
6130 COMPUTER HARDWARE	37,777.80	96,000	58,222	200,000	162,222
6140 COMPUTER SOFTWARE	95,563.16	57,500	(38,063)	115,000	19,437
6150 MEETING EXPENSES	9,684.24	8,500	(1,184)	17,000	7,316
6160 LIABILITY INSURANCE	1,800.00	2,000	200	4,000	2,200
6170 PROMOTION	8,311.84	5,500	(2,812)	11,000	2,688
7000 HEAT	12,936.27	25,000	12,064	50,000	37,064
7010 ELECTRICAL	49,829.98	49,825	(5)	99,650	49,820
7020 WATER	1,837.33	4,000	2,163	8,000	6,163
7030 BLDG/FACILITY MAINT	39,408.52	47,570	8,161	71,000	31,591
7040 BLDG/FACILITY REPAIR	9,490.79	24,500	15,009	49,000	39,509
7050 BLDG/FACILITY INS.	7,500.00	8,375	875	12,500	5,000
7060 BLDG/FACILITY RENOV	33,499.73	20,000	(13,500)	20,000	(13,500)
7070 BLDG/FACILITY RENTAL	38,126.70	34,000	(4,127)	68,000	29,873
7110 SECURITY	1,777.04	1,850	73	3,700	1,923
7500 VEH/EQUIP MAINT/GAS/DIESEL	175,157.72	187,500	12,342	375,000	199,842
7510 VEH/EQUIP REPAIRS	158,085.23	143,859	(14,227)	287,717	129,632
7520 VEH/EQUIP INSURANCE	28,722.00	27,500	(1,222)	55,000	26,278
7530 VEH/EQUIP REPLACEMENT	361,035.22	361,035	-	580,000	218,965
7540 VEH/EQUIP RENTAL	2,029.59	4,500	2,470	9,000	6,970
7550 VEH/EQUIP TOWING	4,904.95	2,500	(2,405)	5,000	95
7560 VEH/EQUIP GEN SUPPLY	145.32	5,000	4,855	10,000	9,855
8000 OPERATIONAL EQUIP	225,385.98	96,892	(128,494)	193,784	(31,602)
8010 OPERATIONAL MAT/SUPP	38,825.93	122,764	83,928	181,373	142,547
8020 MAINTENANCE EQUIP	2,940.86	2,321	(620)	3,570	629
8030 MAINTENANCE MAT/SUPP	9,259.16	9,500	241	19,000	9,741
8040 COMM EQUIPMENT LINES	1,410.75	5,000	3,589	10,000	8,589
8090 UNIFORMS/CLOTHING	45,251.00	110,000	64,749	220,000	174,749
8100 PROFESSIONAL SERVICE	36,914.05	43,062	6,148	95,000	58,086
8110 CONTRACTS/AGREEMENTS	91,409.84	58,050	(33,360)	102,000	10,590
8120 LEASES	-	-	-	-	-
8125 MAJOR INVESTIGATIONS	15,021.13	71,834	56,813	143,668	128,647
8130 LICENSES/PERMITS	20,581.85	5,000	(15,582)	10,000	(10,582)
8150 GRANTS/SUBS TO ORG	25,385.34	25,000	(385)	50,000	24,615
Total Expended to date	13,180,192	\$ 13,479,716	\$ 299,525	\$ 25,701,620	\$ 12,521,428

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Police Services Revenue	Year to date Assigned	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
4751 RECORDS INQUIRIES	\$ 6,996	\$ 12,500	\$ (5,504)	\$ 25,000	\$ 18,004
5151 FINES	198,605	195,000	3,605	390,000	191,395
Total Revenue to date	\$ 205,601	\$ 207,500	\$ (1,899)	\$ 415,000	\$ 209,399

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Fire Services
Statement of Expenditures
September 30, 2016

Fire Services Including EMO	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 2,359,300	\$ 2,754,914	\$ 395,614	\$ 5,509,828	\$ 3,150,528
6010 BENEFITS	597,170	518,360	(78,810)	1,036,719	439,549
6011 MISC. BENEFITS	92,772	62,364	(30,408)	123,165	30,394
6020 TRAINING/EDUCATION	18,724	75,354	56,630	146,538	127,814
6030 TRAVEL/CONFERENCES	21,463	30,062	8,598	51,100	29,637
6040 PROF MEM/DUES & FEES	4,898	5,651	753	11,732	6,834
6050 OFFICE SUPPLIES	3,630	6,050	2,420	12,100	8,470
6060 OFFICE EQUIPMENT	497	3,225	2,728	6,450	5,953
6070 PHOTOCOPY SUPPLIES	-	250	250	500	500
6080 ADVERTISING	3,722	2,675	(1,047)	5,350	1,628
6100 COURIER	105	225	120	450	345
6110 TELEPHONE/FAX	21,370	22,500	1,129	44,999	23,629
6120 PUBL./SUBSCRIPTIONS	100	1,350	1,250	2,700	2,600
6130 COMPUTER HARDWARE	1,816	8,757	6,941	14,007	12,191
6140 COMPUTER SOFTWARE	-	5,753	5,753	12,006	12,006
6150 MEETING EXPENSES	2,375	2,201	(174)	4,402	2,027
6160 LIABILITY INSURANCE	-	-	-	-	-
6170 PROMOTION	14,336	19,000	4,664	38,000	23,664
6180 COST RECOVERY	575	-	(575)	-	(575)
7000 HEAT	16,269	43,855	27,585	87,709	71,440
7010 ELECTRICAL	21,562	30,002	8,440	60,004	38,442
7020 WATER	9,641	14,762	5,121	24,523	14,882
7030 BLDG/FACILITY MAINT	22,727	28,999	6,273	57,998	35,272
7040 BLDG/FACILITY REPAIR	23,270	10,663	(12,607)	21,326	(1,944)
7050 BLDG/FACILITY INS	4,966	4,109	(857)	8,217	3,231
7060 BLDG/FACILITY RENOV	-	-	-	-	-
7070 BLDG/FACILITY RENTALS	-	-	-	-	-
7080 PLANT MAINTENANCE	-	200	200	400	400
7500 VEH/EQUIP MAINT.	95,218	67,273	(27,945)	116,822	21,604
7505 GASOLINE/DIESEL	29,618	43,800	14,182	85,000	55,382
7510 VEH/EQUIP REPAIRS	-	2,000	2,000	4,000	4,000
7520 VEH/EQUIP INSURANCE	37,074	26,134	(10,940)	52,268	15,194
7530 VEH/EQUIP REPLACEMENT	(4,654)	45,000	49,654	70,000	74,654
7540 VEH/EQUIP RENTAL	308	204	(104)	204	(104)
7550 VEH/EQUIP TOWING	104	1,000	896	2,000	1,896
7560 VEH/EQUIP GEN SUPPLY	5,266	8,000	2,734	16,000	10,734
8000 OPERATIONAL EQUIP	100,560	168,000	67,440	336,000	235,440
8010 OPERATIONAL MAT/SUPP	27,432	22,974	(4,458)	45,870	18,438
8020 MAINTENANCE EQUIP	10,011	26,300	16,288	52,599	42,588
8040 COMM EQUIPMENT LINES	20,684	19,000	(1,684)	38,000	17,316
8090 UNIFORMS/CLOTHING	18,600	38,726	20,126	77,452	58,852
8100 PROFESSIONAL SERVICE	25,677	1,000	(24,677)	2,000	(23,677)
8110 CONTRACTS/AGREEMENTS	1,619	44,819	43,201	89,638	88,019
8120 LEASES	40,323	47,749	7,426	95,498	55,175
8130 LICENSES/PERMITS	16,502	17,335	833	17,335	833
8135 REGULATORY FEES	-	-	-	-	-
8150 GRANTS/SUBS TO ORG	1,032,995	1,630,527	597,532	1,630,527	597,532
8195 WATER SUPPLY & HYDR	3,591,834	3,591,835	0	7,183,669	3,591,835
Total expended to date	\$ 8,290,478	\$ 9,452,952	\$ 1,162,474	\$ 17,195,105	\$ 8,904,627

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Finance

Fire Services**Statement of Revenue****September 30, 2016**

Fire Services Revenue	Year to date Assigned	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
4776 PROT. SERV. MEMBERTOU	304,256	304,257	0	429,779	125,523
Total Revenue to date	\$ 304,256	\$ 304,257	\$ 0	\$ 429,779	\$ 125,523

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Engineering and Public Works Actuals to September 30, 2016

	Actual & Committed Y-T-D Sept 30, 2016	Budget Y-T-D Sept 30, 2016	Variance Y-T-D Sept 30, 2016	Total Annual Budget	Annual Budget Remaining	% of Annual Budget
REVENUE						
TRANSIT	\$ 191,537.49	\$ 311,000.00	\$ (119,462.51)	\$ 622,000.00	\$ (430,462.51)	30.79%
SOLIDWASTE TIP FEES	\$ 941,146.70	\$ 950,000.00	\$ (8,853.30)	\$ 1,900,000.00	\$ (958,853.30)	49.53%
SOLIDWASTE COST RECOVERIES	\$ 223,585.95	\$ 150,000.00	\$ 73,585.95	\$ 300,000.00	\$ (76,414.05)	74.53%
SEWER PERMIT FEES	\$ 48,545.94	\$ 55,000.00	\$ (6,454.06)	\$ 110,000.00	\$ (61,454.06)	44.13%
BUILDINGS	\$ 340,985.64	\$ 340,039.50	\$ 946.14	\$ 680,079.00	\$ (339,093.36)	50.14%
MISCELLANEOUS REVENUE						
WATER UTILITY ADMIN FEE	\$ 2,475,754.98	\$ 2,475,755.00	\$ (0.02)	\$ 4,951,510.00	\$ (2,475,755.02)	0.00%
TOTAL PW REVENUES	\$ 4,221,556.70	\$ 4,281,794.50	\$ (60,237.80)	\$ 8,563,589.00	\$ (4,342,032.30)	49.30%

EXPENDITURES						
ADMINISTRATION	\$ 1,908,210.59	\$ 2,406,737.69	\$ 498,527.10	\$ 4,825,326.00	\$ 2,917,115.41	39.55%
ENGINEERING	\$ 295,166.32	\$ 365,587.83	\$ 70,421.51	\$ 712,909.00	\$ 417,742.68	41.40%
CENTRAL DIVISION	\$ 2,608,642.48	\$ 2,908,835.38	\$ 300,192.90	\$ 6,509,023.00	\$ 3,900,380.52	40.08%
EAST DIVISION	\$ 2,933,080.12	\$ 2,848,890.34	\$ (84,189.78)	\$ 6,115,643.00	\$ 3,182,562.88	47.96%
NORTH DIVISION	\$ 1,227,653.48	\$ 1,500,084.47	\$ 272,430.99	\$ 3,049,625.00	\$ 1,821,971.52	40.26%
SOLID WASTE	\$ 6,049,292.99	\$ 6,259,075.06	\$ 209,782.07	\$ 12,069,108.00	\$ 6,019,815.01	50.12%
MECHANICAL FLEET	\$ 1,601,703.36	\$ 1,720,446.11	\$ 118,742.75	\$ 4,178,127.00	\$ 2,576,423.64	38.34%
TRANSIT	\$ 1,435,991.75	\$ 1,643,259.38	\$ 207,267.63	\$ 3,289,593.00	\$ 1,853,601.25	43.65%
QUALITY CONTROL	\$ 1,378,780.36	\$ 1,182,800.18	\$ (195,980.18)	\$ 2,698,231.00	\$ 1,319,450.64	51.10%
TOTAL PW EXPENDITURES	\$ 19,438,521.45	\$ 20,835,716.44	\$ 1,397,194.99	\$ 43,447,585.00	\$ 24,009,063.55	44.74%

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Director of Engineering & Public Works

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Chief Financial Officer

Non Operating Revenue	Actual Y-T-D October 31, 2016	Budget Y-T-D October 31, 2016	Variance Y-T-D October 31, 2016	Total Annual Budget 2016-2017
Debt Charge Income				
Interest Income				
Transfer from Depreciation				
Total Non Operating Revenue				
Non Operating Expenses				
Short term interest charges	\$ 72,917.00	\$ 72,917.00	\$ -	125,000.00
Debt Charges				
Principal	\$ 2,221,213.00	\$ 2,061,317.00	\$ (159,896.00)	3,533,687.00
Interest	\$ 968,402.00	\$ 936,135.00	\$ (32,267.00)	1,604,803.00
Amortization of Debt Discount	\$ 18,667.00	\$ 18,667.00	\$ -	32,000.00
Capital Expenditures out of operations			\$ -	
New Debt				
Principal	\$ 64,167.00	\$ 64,167.00	\$ -	110,000.00
Interest	\$ 43,750.00	\$ 43,750.00	\$ -	75,000.00
Appropriation - Rolling stock -Fleet			\$ -	
Total Non Operating Expenses	\$ 3,389,116.00	\$ 3,196,953.00	\$ (192,163.00)	\$ 5,480,490.00
Non- Operating Profit/Loss	\$ 3,389,116.00	\$ 3,196,953.00	\$ (192,163.00)	\$ 5,480,490.00
TOTAL UTILITY REVENUES (OPERATING & NON-OPERAT	\$ 13,472,366.00	\$ 14,018,182.00	\$ 545,816.00	\$ 24,364,515.00
TOTAL UTILITY EXPENSES (OPERATING & NON-OPERAT	\$ 15,884,527.00	\$ 14,212,634.00	\$ (1,671,893.00)	\$ 24,364,515.00
CBRM WATER UTILITY PROFIT/(LOSS)	\$ (2,412,161.00)	\$ (194,452.00)	\$ 2,217,709.00	\$ (333,346.00)

Cape Breton Regional Municipality Water Utility
Statement of Operations to October 31, 2016

	Actual Y-T-D October 31, 2016	Budget Y-T-D October 31, 2016	Variance Y-T-D October 31, 2016	Total Annual Budget 2016-2017
Revenue				
Operating:				
Metered Sales	\$ 8,992,831.00	\$ 9,625,292.00	\$ 632,461.00	16,500,500.00
Public Fire Protection	\$ 4,190,474.00	\$ 4,190,474.00	\$ -	7,183,669.00
Interest on Overdue Accounts	\$ 208,670.00	\$ 189,583.00	\$ (19,087.00)	325,000.00
Other Operating Revenue	\$ 80,391.00	\$ 12,833.00	\$ (67,558.00)	22,000.00
Total Operating Revenue	\$ 13,472,366.00	\$ 14,018,182.00	\$ 545,816.00	24,031,169.00
Expenditures				
Operating Expenses				
Source of Supply	\$ 148,126.00	\$ 267,167.00	\$ 119,041.00	458,000.00
Power and Pumping	\$ 741,331.00	\$ 1,152,083.00	\$ 410,752.00	1,975,800.00
Water Treatment	\$ 2,090,707.00	\$ 2,171,616.00	\$ 80,909.00	3,722,771.00
Transmission & Distribution	\$ 2,320,532.00	\$ 2,595,833.00	\$ 275,301.00	4,450,000.00
Administration & General	\$ 2,237,248.00	\$ 1,681,898.00	\$ (555,350.00)	2,883,254.00
Depreciation	\$ 3,785,831.00	\$ 1,892,917.00	\$ (1,892,914.00)	3,245,000.00
Taxes	\$ 1,171,636.00	\$ 1,254,167.00	\$ 82,531.00	2,150,000.00
Total Operating Expenses	\$ 12,495,411.00	\$ 11,015,881.00	\$ (1,479,730.00)	\$ 18,884,025.00
Operating Profit/(Loss)	\$ 976,955.00	\$ 3,002,501.00	\$ 2,025,546.00	\$ 5,147,144.00

	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
Planning / ByLaw / Fire Inspection					
6000 WAGES/SALARIES	\$ 593,460	\$ 672,607	\$ 79,147	\$ 1,345,213	\$ 751,753
6010 BENEFITS	149,989	140,908	(9,082)	281,815	131,826
6020 TRAINING/EDUCATION	8,388	8,500	112	17,000	8,612
6030 TRAVEL/CONFERENCES	16,698	15,500	(1,198)	31,000	14,302
6040 PROF MEM/DUES & FEES	3,118	3,500	382	7,000	3,882
6050 OFFICE SUPPLIES	6,212	10,500	4,288	21,000	14,788
6060 OFFICE EQUIPMENT	4,582	7,750	3,168	15,500	10,918
6070 PHOTOCOPY SUPPLIES	-	-	-	-	-
6080 ADVERTISING	17,297	21,500	4,203	28,000	10,703
6100 COURIER	272	-	(272)	-	(272)
6110 TELEPHONE/FAX	8,842	11,000	2,158	22,000	13,158
6120 PUBL./SUBSCRIPTIONS	370	650	280	1,300	930
6130 COMPUTER HARDWARE	8,389	7,250	(1,139)	14,500	6,111
6140 COMPUTER SOFTWARE	269	5,000	4,731	10,000	9,731
6150 MEETING EXPENSE	1,586	2,100	514	4,200	2,614
6170 PROMOTION	20,338	20,338	-	30,000	9,662
7130 DEMOLITIONS	1,186	1,186	-	120,000	118,814
7500 VEH/EQUIP MAINT.	4,718	7,000	2,282	14,000	9,282
7505 GASOLINE & DIESEL	4,084	5,000	916	10,000	5,916
8000 OPERATIONAL EQUIPMENT	12,657	11,500	(1,157)	23,000	10,343
8010 OPERATIONAL MAT/SUPP	1,094	2,000	906	4,000	2,906
8090 UNIFORMS / CLOTHING	3,689	4,250	561	8,500	4,811
8100 PROFESSIONAL SERVICE	662	13,000	12,338	26,000	25,338
8110 CONTRACTS/AGREEMENTS	197,766	231,688	33,922	435,000	237,234
8130 LICENSES/PERMITS	74,000	70,500	(3,500)	70,500	(3,500)
8135 REGULATORY FEES	30,266	36,000	5,734	45,000	14,734
8150 GRANTS /SUBS TO ORG	21,495	40,000	18,505	80,000	58,505
Total expended to date	\$ 1,191,427	\$ 1,349,226	\$ 157,799	\$ 2,664,528	\$ 1,473,101

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	Year to date Assigned	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
Bylaw Revenue					
5112 Vendor Licenses	\$ 13,005	\$ 4,250	\$ 8,755	\$ 8,000	\$ (5,005)
5113 Animal Licenses	5,625	3,500	2,125	-	(5,625)
5114 Taxi Licenses	10,144	9,500	644	18,000	7,857
5115 Vending Machine Licenses	7,470	5,500	1,970	10,000	2,530
5301 Parking Meter Revenue	203,169	200,000	3,169	366,517	163,348
Total Bylaw Revenue	\$ 239,413	\$ 222,750	\$ 16,663	\$ 402,517	\$ 163,104
Development / Planning Revenue					
5496 Mapping Sales	1,420	2,600	(1,180)	2,000	580
5495 Other Sales	1,468	2,400	(932)	2,800	1,332
5101 Building Permits	117,713	118,000	(287)	210,595	92,882
5102 Subdivision Fees	21,070	23,000	(1,930)	44,773	23,703
Total Develop / Planning Rev	\$ 141,671	\$ 146,000	\$ (4,329)	\$ 260,168	\$ 118,497
Total Bylaw / Dev / Planning Revenue	\$ 381,084	\$ 368,750	\$ 12,334	\$ 662,685	\$ 281,601

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**Facilities (C200, Statement of Expenditures
County / Centennial Arenas)**

September 30, 2016

	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 674,100	\$ 579,230	\$ (94,870)	\$ 1,158,460	\$ 484,360
6010 BENEFITS	130,811	104,737	(26,074)	209,473	78,662
6020 TRAINING	-	1,250	1,250	2,500	2,500
6030 TRAVEL/CONFERENCES	3,614	3,000	(614)	6,000	2,386
6040 PROF MEM/DUES & FEES	638	1,000	362	1,000	362
6050 OFFICE SUPPLIES	3,034	2,750	(284)	5,500	2,466
6060 OFFICE EQUIPMENT	2,248	2,000	(248)	2,000	(248)
6080 ADVERTISING	17,308	10,000	(7,308)	10,000	(7,308)
6100 COURIER	514	750	236	1,500	986
6110 TELEPHONE/FAX	10,271	12,500	2,229	25,000	14,729
6130 COMPUTER HARDWARE	56	2,000	1,944	4,000	3,944
6140 COMPUTER SOFTWARE	2,229	1,500	(729)	3,000	771
6150 MEETING EXPENSES	254	500	246	1,000	746
6160 LIABILITY INSURANCE	7,746	14,000	6,254	28,000	20,254
7000 HEAT	2,660	20,500	17,840	39,500	36,840
7010 ELECTRICAL	164,091	215,000	50,909	430,000	265,909
7020 WATER	17,220	21,250	4,030	42,500	25,280
7030 BLDG/FACILITY MAINT	20,180	57,500	37,320	115,000	94,820
7040 BLDG/FACILITY REPAIR	21,540	34,900	13,360	65,000	43,460
7050 BLDG/FACILITY INS	12,348	9,650	(2,698)	19,300	6,952
7060 BLDG/FACILITY RENOV	15,453	12,500	(2,953)	25,000	9,547
7080 PLANT MAINTENANCE	23,609	22,500	(1,109)	45,000	21,391
7110 SECURITY	25,830	32,500	6,670	65,000	39,170
7500 VEH/EQUIP MAINT	1,718	1,000	(718)	1,000	(718)
7510 VEH/EQUIP REPAIRS	2,507	6,250	3,743	12,500	9,993
7520 VEH/EQUIP INSURANCE	1,386	1,775	389	3,550	2,164
7540 VEH/EQUIP RENTAL	2,126	2,500	374	2,500	374
8000 OPERATIONAL EQUIPMENT	2,572	2,500	(72)	5,000	2,428
8010 OPERATIONAL MAT/SUPP	77,786	58,400	(19,386)	100,000	22,214
8050 COST OF SALES	265,682	158,999	(106,683)	545,000	279,318
8090 UNIFORMS/CLOTHING	2,376	3,500	1,124	7,000	4,624
8100 PROFESSIONAL SERVICE	12,967	10,000	(2,967)	20,000	7,033
8110 CONTRACTS/AGREEMENTS	5,046	21,000	15,954	42,000	36,954
8130 LICENSES/PERMITS	-	-	-	-	-
Total expended to date	\$ 1,529,920	\$ 1,427,441	\$ (102,479)	\$ 3,042,283	\$ 1,512,363

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**Facilities (C200,
County /
Centennial Arenas)**

Statement of Revenue

September 30, 2016

	Year to date Assigned	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
GL 5001 Ice Rentals	\$ 39,940	\$ 80,000	\$ (40,060)	\$ 516,000	\$ 476,060
GL 5002 Public Skating	278	2,000	(1,722)	18,500	18,222
GL 5004 Arena Rental	11,058	25,000	(13,942)	25,000	13,942
GL 5005 Gym Rental	2,783	6,400	(3,617)	16,000	13,217
GL 5006 Canteen Sales	116,275	83,500	32,775	350,000	233,725
GL 5009 Major Events	4,666	50,000	(45,334)	125,000	120,334
GL 5010 Other Revenue	146,779	125,000	21,779	350,000	203,221
GL 5033 Program Equipment	14,969	24,000	(9,031)	30,000	15,031
GL 5034 Facility Rentals	81,619	52,000	29,619	137,000	55,381
GL 4808 Advertising Revenue	4,000	-	4,000	-	(4,000)
Total Revenue To Date	\$ 422,368	\$ 447,900	\$ (25,532)	\$ 1,567,500	\$ 1,145,132

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**Parks and Grounds
Operations**

Statement of Expenditures

September 30, 2016

Parks & Grounds	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 765,788	\$ 816,951	\$ 51,163	\$ 1,633,902	\$ 868,114
6010 BENEFITS	189,847	169,351	(20,496)	338,701	148,854
6020 TRAINING/EDUCATION	249	1,013	764	2,000	1,751
6030 TRAVEL/CONFERENCES	6,357	5,500	(857)	5,500	(857)
6040 PROF MEM/DUES & FEES	-	80	80	200	200
6050 OFFICE SUPPLIES	1,242	200	(1,042)	200	(1,042)
6060 OFFICE EQUIPMENT	-	250	250	500	500
6080 ADVERTISING	250	200	(50)	200	(50)
6110 TELEPHONE/FAX	3,205	2,108	(1,097)	4,000	795
6130 COMPUTER HARDWARE	52	250	198	500	448
7000 HEAT	794	3,953	3,159	7,500	6,706
7010 ELECTRICAL	40,344	30,017	(10,327)	70,000	29,656
7020 WATER	13,115	7,905	(5,210)	15,000	1,885
7030 BLDG/FACILITY MAINT	3,567	2,000	(1,567)	4,000	433
7040 BLDG/VACILITY REPAIR	1,110	-	(1,110)	10,000	8,890
7060 BLDG/FACILITY RENOV	0	3,953	3,952	7,500	7,500
7080 PLANT MAINTENANCE	913	1,000	87	3,000	2,087
7100 MAINT. TOOLS/EQUIP	-	4,250	4,250	8,500	8,500
7110 SECURITY	-	12,500	12,500	25,000	25,000
7500 VEH/EQUIP MAINT.	-	791	791	1,500	1,500
7505 GASOLINE & DIESEL	-	-	-	-	-
7510 VEH/EQUIP REPAIRS	595	-	(595)	-	(595)
7520 VEH/EQUIP INSURANCE	-	-	-	-	-
7530 VEH/EQUIP REPLACEMENT	-	-	-	-	-
7540 VEH/EQUIP RENTAL	1,415	17,500	16,085	35,000	33,585
8000 OPERATIONAL EQUIP	15,455	4,000	(11,455)	30,000	14,545
8010 OPERATIONAL MAT/SUPP	257,155	225,000	(32,155)	300,000	42,845
8020 MAINTENANCE EQUIP	24,070	18,750	(5,320)	25,000	930
8080 STREET LIGHTS	1,560	-	(1,560)	-	(1,560)
8090 UNIFORMS/CLOTHING	4,142	2,631	(1,512)	9,000	4,858
8100 PROFESSIONAL SERV	322	-	(322)	-	(322)
8110 CONTRACTS & AGRMNT	124,949	100,000	(24,949)	100,000	(24,949)
	\$ 1,456,496	\$ 1,430,151	\$ (26,345)	\$ 2,636,703	\$ 1,180,207

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Buildings	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
6000 WAGES/SALARIES	\$ 631,517	\$ 678,818	\$ 47,301	\$ 1,357,635	\$ 726,118
6010 BENEFITS	160,663	154,409	(6,254)	308,818	148,155
6011 MISC BENEFITS	-	-	-	-	-
6020 TRAINING/EDUCATION	1,022	1,205	183	2,500	1,478
6030 TRAVEL/CONFERENCES	511	1,205	694	2,500	1,989
6040 PROF MEM/DUES & FEES	-	48	48	100	100
6050 OFFICE SUPPLIES	91	395	304	800	709
6060 OFFICE EQUIPMENT	5,607	2,450	(3,157)	2,450	(3,157)
6080 ADVERTISING	198	-	(198)	-	(198)
6110 TELEPHONE/FAX	3,015	4,145	1,130	8,300	5,285
6130 COMPUTER HARDWARE	2,145	1,446	(699)	3,000	855
6140 COMPUTER SOFTWARE	-	2,500	2,500	5,000	5,000
7000 HEAT	16,899	48,200	31,301	100,000	83,101
7010 ELECTRICAL	194,212	212,500	18,288	485,000	290,788
7020 WATER	9,829	10,890	1,061	22,500	12,671
7030 BLDG/FACILITY MAINT	1,484	6,820	5,336	14,000	12,516
7040 BLDG/VACILITY REPAIR	11,278	41,720	30,442	86,500	75,222
7050 BLDG/FACILITY INS	92,346	75,000	(17,346)	150,000	57,654
7060 BLDG/FACILITY RENOV	-	48,200	48,200	100,000	100,000
7070 BLDG/FACILITY RENTAL	92,094	108,900	16,806	225,000	132,906
7080 PLANT MAINTENANCE	9,264	21,780	12,516	45,000	35,736
7100 MAINT. TOOLS/EQUIP	3,144	-	(3,144)	-	(3,144)
7110 SECURITY	37,247	36,150	(1,097)	75,000	37,753
7120 PROPERTY TAX	86	-	(86)	-	(86)
7500 VEH/EQUIP MAINT.	-	-	-	-	-
7505 GASOLINE & DIESEL	-	1,928	1,928	4,000	4,000
7510 VEH/EQUIP REPAIRS	-	1,000	1,000	2,000	2,000
7520 VEH/EQUIP INSURANCE	-	-	-	-	-
7530 VEH/EQUIP REPLACEMEN	-	12,500	12,500	25,000	25,000
7540 VEH/EQUIP RENTAL	-	500	500	1,000	1,000
7570 VEH/EQUIP TOOLS	-	1,750	1,750	3,500	3,500
8000 OPERATIONAL EQUIP	-	1,937	1,937	4,000	4,000
8010 OPERATIONAL MAT/SUPP	46,527	52,682	6,155	125,500	78,973
8020 MAINTENANCE EQUIP	184	2,410	2,226	5,000	4,816
8030 MAINTENANCE MAT/SUPP	6,234	5,000	(1,234)	5,000	(1,234)
8080 STREET LIGHTS	62	-	(62)	-	(62)
8090 UNIFORMS/CLOTHING	4,700	2,500	(2,200)	2,500	(2,200)
8100 PROFESSIONAL SERVICE	1,408	2,410	1,002	5,000	3,592
8110 CONTRACTS/AGREEMENT	100,019	74,000	(26,019)	148,000	47,981
Total expended to date	\$1,431,784	\$1,615,397	\$183,612	\$3,324,603	\$1,892,819

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Recreation Cultural Services

Statement of Expenditures

September 30, 2016

Recreation/Cultural Services	Year to date Expended	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
GL 6000, 6010, & 6011 Wages & Benefits Including Summer Students	710,847	709,273	(1,574)	1,118,161	407,314
6020 TRAINING/EDUCATION	5,690	11,842	6,152	16,965	11,275
6030 TRAVEL/CONFERENCES	7,301	18,000	10,699	36,000	28,699
6040 PROF MEM/DUES & FEES	1,821	3,500	1,679	3,500	1,679
6050 OFFICE SUPPLIES	6,947	6,451	(497)	8,000	1,053
6060 OFFICE EQUIPMENT	2,393	4,000	1,607	8,000	5,607
6080 ADVERTISING	36,604	40,773	4,169	75,000	38,396
6110 TELEPHONE/FAX	10,434	9,500	(934)	19,000	8,566
6120 PUBL./SUBSCRIPTIONS	130	350	219	500	370
6130 COMPUTER HARDWARE	2,229	7,100	4,871	7,100	4,871
6140 COMPUTER SOFTWARE	-	-	-	-	-
6160 LIABILITY INSURANCE	4,386	5,000	614	10,000	5,614
7070 BLDG/FACILITY RENTAL	19,420	22,000	2,580	44,000	24,580
8000 OPERATIONAL MAT/SUPPLY	84,489	87,500	3,011	175,000	90,511
8025 COMMUNITY EVENTS	237,068	232,308	(4,760)	334,615	97,547
8150 SCHOLORSHIPS	20,000	20,000	-	20,000	-
8160 SPECIAL EVENTS & FESTIVALS	336,573	356,562	19,989	356,562	19,989
8170 OPERATING GRANTS POLICY	838,066	780,500	(57,566)	780,500	(57,566)
Total expended to date	\$ 2,324,399	\$ 2,314,657	\$ (9,742)	\$ 3,012,903	\$ 688,504

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**Recreation /
Cultural Services**

Statement of Revenue

September 30, 2016

Recreation/Cultural Services	Year to date Assigned	6 Month Budget	6 Month Budget Variance	Annual Budget	Annual Budget Remaining
5031 PROGRAM REVENUE	\$ 24,000	\$ 44,023	\$ (20,023)	\$ 88,045	\$ 64,045
5034 FACILITY RENTALS	9,625	35,333	(25,709)	-	(9,625)
5526 STUDENT FUNDING	-	30,000	(30,000)	30,000	30,000
Total Revenue To Date	\$ 33,625	\$ 109,356	\$ (75,731)	\$ 118,045	\$ 84,421

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