



Grant Thornton

Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)

Municipality of the District of Argyle

March 31, 2018

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Notice to Reader

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His Worship the Warden and Members of the Council
Municipality of the District of Argyle

On the basis of information provided by management, we have compiled the non-consolidated Operating Fund and Tangible Capital Assets Fund balance sheets of the General Fund and Reserve Funds of the Municipality of the District Argyle as at March 31, 2018 and the non-consolidated statements of operations for the year then ended from information provided by management.

We have not audited, reviewed, or otherwise attempted to verify the accuracy of completeness of such information.

Readers are cautioned that these statements may not be appropriate for their purposes.

Grant Thornton LLP

Yarmouth, Canada
September 25, 2018

Chartered Professional Accountants
Licensed Public Accountants

Municipality of the District of Argyle
General Section
Non-Consolidated Operating Fund Statement of Operations

(Unaudited – See Notice to Reader)

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues			
Taxes, net of mandatory expenditures	\$ 4,932,429	\$ 5,009,515	\$ 4,861,116
Grants in lieu of taxes	150,757	151,040	151,055
Other revenue from own sources	270,995	305,278	306,699
Unconditional transfers from other governments	180,901	185,028	183,117
Conditional transfers from Federal or Provincial government or agencies	68,900	63,710	102,623
Services provided to other governments	32,500	50,371	34,955
Sales of services	<u>45,000</u>	<u>54,705</u>	<u>38,079</u>
	<u>5,681,482</u>	<u>5,819,647</u>	<u>5,677,644</u>
Expenses			
General government services	1,588,474	1,604,886	1,492,281
Protective services	1,558,455	1,542,024	1,488,675
Transportation services	311,007	299,584	311,756
Environmental health services	990,485	936,922	929,419
Public health services	77,500	56,453	36,814
Environmental development services	420,727	390,428	383,760
Recreation and cultural services	<u>632,632</u>	<u>612,026</u>	<u>552,878</u>
	<u>5,579,280</u>	<u>5,442,323</u>	<u>5,195,583</u>
Annual surplus before interfund transfers	102,202	377,324	482,061
Less transfers to own reserves	<u>(102,202)</u>	<u>(240,800)</u>	<u>(242,812)</u>
Annual surplus before transfer	-	136,524	239,249
Transfer of annual surplus to Operating Reserve	<u>-</u>	<u>(136,524)</u>	<u>(239,249)</u>
Annual surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle
General Section
Non-Consolidated Operating Fund Balance Sheet

(Unaudited – See Notice to Reader)

March 31

2018

2017

Assets		
Cash and cash equivalents		
Unrestricted	\$ 2,142,921	\$ 1,950,547
Restricted	<u>310,081</u>	<u>292,082</u>
	<u>2,453,002</u>	<u>2,242,629</u>
Receivables		
Taxes and sewer (Note 1 and 6)	363,635	315,068
Long term taxes receivable (Note 1)	633,739	579,886
Due from Provincial government and its agencies (Note 2)	10,512	10,824
Due from Federal government and its agencies (Note 3)	23,077	25,805
Due from own agencies	-	26,711
Loans receivable and advances	-	1,464
Water supply upgrade lending program (Note 4)	29,386	-
Other receivables	<u>116,523</u>	<u>89,882</u>
	<u>1,176,872</u>	<u>1,049,640</u>
Other assets		
Land held for resale	76,634	88,234
Properties acquired at tax sale	3,279	3,279
Prepaid expenses	<u>14,754</u>	<u>25,448</u>
	<u>94,667</u>	<u>116,961</u>
	<u>\$ 3,724,541</u>	<u>\$ 3,409,230</u>

On Behalf of the Municipality of the District of Argyle

_____ Warden _____ CAO

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle
General Section
Non-Consolidated Operating Fund Balance Sheet

(Unaudited – See Notice to Reader)

March 31

2018

2017

Liabilities

Payables and accruals

Trade accounts

\$ 420,548

\$ 264,912

Due to own funds (Note 5)

2,549,623

2,444,688

2,970,171

2,709,600

Other liabilities

Municipal tax prepayments

128,494

126,826

Deferred revenue

292,751

260,000

Tax sale surplus

333,125

312,804

754,370

699,630

Equity

Accumulated surplus

-

-

\$ 3,724,541

\$ 3,409,230

On Behalf of the Municipality of the District of Argyle

_____ Warden

_____ CAO

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle

General Section

Non-Consolidated Tangible Capital Assets Fund Balance Sheet

(Unaudited – See Notice to Reader)

March 31

2018

2017

Assets

Tangible capital assets, at cost (Page 6)	\$ 15,649,246	\$ 14,286,174
Less: Accumulated amortization (Page 6)	<u>(5,333,661)</u>	<u>(4,945,493)</u>
	<u>\$ 10,315,585</u>	<u>\$ 9,340,681</u>

Liabilities

Federation of Canadian Municipalities – Green Municipal Fund loan bearing interest of 1.75% payable in bi-annual interest payments and annual principal installments of \$127,273, maturing in November 2021	\$ 504,001	\$ 631,273
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Equity

Investment in tangible capital assets (Page 6)	<u>9,811,584</u>	<u>8,709,408</u>
	<u>\$ 10,315,585</u>	<u>\$ 9,340,681</u>

On Behalf of the Municipality of the District of Argyle

_____ Warden

_____ CAO

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle

Non-Consolidated Statement of Tangible Capital Assets

(Unaudited – See Notice to Reader)
March 31

2018 2017

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Total</u>	<u>Total</u>
Land	\$ 480,984	\$ -	\$ 480,984	\$ 311,229
Administrative buildings	412,641	68,458	344,183	106,031
West Pubnico Sewer	8,306,501	3,153,570	5,152,931	5,240,126
Tusket Sewer	2,794,405	895,620	1,898,785	1,968,645
Tusket Business Park Sewer	751,807	167,635	584,172	545,317
Wedgeport Sewer	839,137	27,236	811,901	60,087
Municipal roads	458,860	303,084	155,776	174,130
Sidewalks and trails	144,978	90,243	54,735	49,375
Track and field	420,750	100,780	319,970	336,800
Tennis court	185,930	37,185	148,745	161,140
Organic compost bins	237,970	237,970	-	-
Wind turbines	335,275	33,528	301,747	318,511
Equipment and machinery	164,954	144,652	20,302	14,389
Vehicles	115,054	73,700	41,354	54,901
	<u>\$ 15,649,246</u>	<u>\$ 5,333,661</u>	<u>\$ 10,315,585</u>	<u>\$ 9,340,681</u>

Non-Consolidated Statement of Investment in Tangible Capital Assets

(Unaudited – See Notice to Reader)
Year Ended March 31

2018 2017

Balance, beginning of year	\$ 8,709,408	\$ 8,799,976
Transfer from Operating Fund	133,072	127,273
Transfer from Capital Reserve Fund	1,357,272	167,107
Amortization of tangible capital assets	<u>(388,168)</u>	<u>(384,948)</u>
Balance, end of year	<u>\$ 9,811,584</u>	<u>\$ 8,709,408</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle
General Section
Non-Consolidated Schedules to Statement of Operations

(Unaudited – See Notice to Reader)

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
1. Taxes			
Assessable property			
Residential	\$ 4,454,987	\$ 4,463,436	\$ 4,355,817
Commercial			
Commercial property	1,101,704	1,105,887	1,083,323
Seasonal property	1,127	1,129	6,033
Forest property tax (50,000 acres or more)	<u>1,372</u>	<u>274</u>	<u>1,357</u>
	<u>5,559,190</u>	<u>5,570,726</u>	<u>5,446,530</u>
Resource			
Taxable assessments	362,506	358,473	352,956
Forest property tax (less than 50,000 acres)	<u>10,424</u>	<u>10,863</u>	<u>10,418</u>
	<u>372,930</u>	<u>369,336</u>	<u>363,374</u>
Other assessable property taxes			
Recreation property tax	10,699	11,235	10,699
Farm property tax	7,000	7,016	6,906
Wind farm payment – Province of Nova Scotia	<u>32,773</u>	<u>32,774</u>	<u>32,449</u>
Conservation payment	<u>1,400</u>	<u>1,432</u>	<u>1,408</u>
	<u>51,872</u>	<u>52,457</u>	<u>51,462</u>
Special tax agreements			
Based on revenue (Bell Aliant)	43,000	42,985	46,527
Wind farm developer tax	<u>182,982</u>	<u>182,981</u>	<u>181,170</u>
	<u>225,982</u>	<u>225,966</u>	<u>227,697</u>
Other rates, charges and assessments			
Environmental services, sewer	199,154	199,483	193,980
East Pubnico industrial water system (Note 7)	38,000	35,964	38,833
Fire area rates, tax	222,856	228,900	218,023
Appropriation to regional fire departments	<u>(222,856)</u>	<u>(228,657)</u>	<u>(218,719)</u>
	<u>237,154</u>	<u>235,690</u>	<u>232,117</u>
Other taxes			
Deed transfer tax	125,000	173,100	163,996
Intermunicipal tax sharing agreement – Yarmouth Airport	<u>30,000</u>	<u>29,869</u>	<u>30,471</u>
	<u>155,000</u>	<u>202,969</u>	<u>194,467</u>
Expenses as a reduction of tax revenue			
Appropriation to regional school board	(1,535,299)	(1,535,299)	(1,531,707)
Transfer to correctional services	(105,400)	(105,368)	(106,231)
Deficit of Regional Housing Authority	<u>(29,000)</u>	<u>(6,962)</u>	<u>(16,593)</u>
	<u>(1,669,699)</u>	<u>(1,647,629)</u>	<u>(1,654,531)</u>
	<u>\$ 4,932,429</u>	<u>\$ 5,009,515</u>	<u>\$ 4,861,116</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle

General Section

Non-Consolidated Schedules to Statement of Operations

(Unaudited – See Notice to Reader)

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
2. Grants in lieu of taxes			
Federal government	\$ 10,362	\$ 10,512	\$ 10,658
Provincial government	<u>140,395</u>	<u>140,528</u>	<u>140,397</u>
	<u>\$ 150,757</u>	<u>\$ 151,040</u>	<u>\$ 151,055</u>
3. Other revenue from own sources			
Licenses and permits	\$ 18,800	\$ 16,264	\$ 14,077
Municipal fines	3,500	7,803	3,703
Rentals	5,000	5,000	5,000
Return on investments	94,645	108,463	112,021
Penalties and interest on taxes	65,700	68,746	66,899
Wage recovery and user fees	60,300	62,288	72,856
Miscellaneous	26,550	38,771	32,143
Loss on sale of land – business parks	<u>(3,500)</u>	<u>(2,057)</u>	<u>-</u>
	<u>\$ 270,995</u>	<u>\$ 305,278</u>	<u>\$ 306,699</u>
4. Unconditional transfers from other governments			
Provincial government			
Municipal Grants Act (Equalization)	\$ 154,923	\$ 154,923	\$ 154,923
Power Corporation	13,478	13,478	13,169
Power Corporation (HST rebate)	<u>12,500</u>	<u>16,627</u>	<u>15,025</u>
	<u>\$ 180,901</u>	<u>\$ 185,028</u>	<u>\$ 183,117</u>
5. Conditional transfers from Federal and Provincial governments or agencies			
Community and economic development	\$ 5,600	\$ 10,029	\$ 20,673
EMO 911 grant	2,800	2,859	2,859
Active living and senior safety	60,500	50,822	58,077
Provincial capital assistance program	<u>-</u>	<u>-</u>	<u>21,014</u>
	<u>\$ 68,900</u>	<u>\$ 63,710</u>	<u>\$ 102,623</u>
6. Services provided to other governments			
Services provided to other local governments and agencies	<u>\$ 32,500</u>	<u>\$ 50,371</u>	<u>\$ 34,955</u>
7. Sales of services			
Wind power	<u>\$ 45,000</u>	<u>\$ 54,705</u>	<u>\$ 38,079</u>
Total revenues	<u>\$ 5,681,482</u>	<u>\$ 5,819,647</u>	<u>\$ 5,677,644</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle
General Section
Non-Consolidated Schedules to Statement of Operations

(Unaudited – See Notice to Reader)
Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
8. General government services			
Legislative			
Warden			
Remuneration	\$ 32,145	\$ 31,764	\$ 31,764
Expenses	3,550	3,139	3,235
Council			
Remuneration	160,354	158,452	158,452
Expenses	<u>42,150</u>	<u>38,005</u>	<u>28,513</u>
	<u>238,199</u>	<u>231,360</u>	<u>221,964</u>
General administrative			
Administrative	634,510	596,617	561,999
Bank service charges	5,700	6,467	5,531
Financial audit	<u>25,000</u>	<u>25,418</u>	<u>19,791</u>
	<u>665,210</u>	<u>628,502</u>	<u>587,321</u>
Taxation			
Taxation, administration	100,500	97,564	96,542
Tax rebates or cancellations, by bylaw	127,400	127,133	129,049
Transfers for assessment services	193,435	193,435	193,940
Common services	<u>24,200</u>	<u>24,686</u>	<u>23,665</u>
	<u>445,535</u>	<u>442,818</u>	<u>443,196</u>
Valuation allowance			
Uncollectible taxes	<u>8,000</u>	<u>12,110</u>	<u>7,647</u>
Other general government services			
Conventions and delegations	21,530	12,553	15,802
Municipal elections	-	-	31,874
General accident and damage claims and public liability insurance	25,000	26,715	24,777
Grants to other organizations and individuals	<u>185,000</u>	<u>250,828</u>	<u>159,700</u>
	<u>231,530</u>	<u>290,096</u>	<u>232,153</u>
	<u>\$ 1,588,474</u>	<u>\$ 1,604,886</u>	<u>\$ 1,492,281</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle
General Section
Non-Consolidated Schedules to Statement of Operations

(Unaudited – See Notice to Reader)
Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
9. Protective services			
Police protection	\$ 886,486	\$ 881,080	\$ 850,219
Fire protection			
Operating grant	264,732	264,731	259,541
Training and gear	60,375	60,320	52,518
Administrative and insurance costs	<u>29,470</u>	<u>28,708</u>	<u>28,708</u>
	<u>354,577</u>	<u>353,759</u>	<u>340,767</u>
Other protective services			
Protective and property inspection	269,700	261,785	240,717
Animal, pest and other control	29,742	29,619	29,651
Emergency measures and civic signage	<u>17,950</u>	<u>15,781</u>	<u>27,321</u>
	<u>317,392</u>	<u>307,185</u>	<u>297,689</u>
	<u>\$ 1,558,455</u>	<u>\$ 1,542,024</u>	<u>\$ 1,488,675</u>
10. Transportation services			
Roads and streets	\$ 46,007	\$ 46,007	\$ 45,328
Public transit study	-	-	28,157
Public transportation	1,000	-	-
Bridge assessment	-	-	6,271
Airport operations	<u>264,000</u>	<u>253,577</u>	<u>232,000</u>
	<u>\$ 311,007</u>	<u>\$ 299,584</u>	<u>\$ 311,756</u>
11. Environmental health services			
Sewage collection and disposal	\$ 236,474	\$ 205,797	\$ 210,486
East Pubnico industrial water			
system (Note 7)	38,000	33,981	47,957
Garbage and waste collection contract	362,011	359,870	347,013
Garbage and waste disposal and diversion	307,000	298,508	286,212
Other	<u>47,000</u>	<u>38,766</u>	<u>37,751</u>
	<u>\$ 990,485</u>	<u>\$ 936,922</u>	<u>\$ 929,419</u>
12. Public health services			
Medical Centre deficit funding and			
physician incentives	<u>\$ 77,500</u>	<u>\$ 56,453</u>	<u>\$ 36,814</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle
General Section
Non-Consolidated Schedules to Statement of Operations

(Unaudited – See Notice to Reader)

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
13. Environmental development services			
Environmental planning and zoning			
Transfer to regional planning	\$ 88,000	\$ 81,700	\$ 76,512
Community development			
Regional Enterprise Network and Industrial Commission	132,752	109,376	123,092
Other environmental services			
Tourism	83,625	88,233	75,420
Community development office	59,900	56,415	55,524
Senior safety coordinator	54,100	53,804	52,499
Other	2,350	900	713
	<u>\$ 420,727</u>	<u>\$ 390,428</u>	<u>\$ 383,760</u>
14. Recreation and cultural services			
Administration	\$ 304,544	\$ 299,814	\$ 241,290
Cultural buildings and facilities:			
Historic sites	176,475	149,968	169,171
Mariners Centre	70,000	86,678	64,894
Pubnico Library	27,600	21,553	23,510
Regional Library	54,013	54,013	54,013
	<u>\$ 632,632</u>	<u>\$ 612,026</u>	<u>\$ 552,878</u>
Total expenses before transfers	<u>\$ 5,579,280</u>	<u>\$ 5,442,323</u>	<u>\$ 5,195,583</u>
15. Transfers to (from) own reserves, funds and agencies			
Tangible Capital Assets Fund	\$ 127,272	\$ 133,072	\$ 127,273
Operating Reserve Fund	(950,000)	(1,219,416)	(31,612)
Capital Reserve Fund	135,000	235,000	220,000
Capital Reserve Fund – loan principal repayment	(127,272)	(127,272)	(127,273)
Yarmouth Area Industrial Commission	950,000	1,219,416	54,424
Prior year surplus	(32,798)	-	-
	<u>\$ 102,202</u>	<u>\$ 240,800</u>	<u>\$ 242,812</u>
Total expenses	<u>\$ 5,681,482</u>	<u>\$ 5,683,123</u>	<u>\$ 5,438,395</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle

Non-Consolidated Capital Reserve Fund Balance Sheet

(Unaudited – See Notice to Reader)

March 31

2018

2017

Assets

Cash and cash equivalents	\$ 4,102,945	\$ 4,274,310
Due from Operating Fund	609,573	641,162
HST rebate receivable	54,744	7,263
Due from Province of Nova Scotia	-	3,600
Prepaid expenses	<u>15,432</u>	<u>11,600</u>
	<u>\$ 4,782,694</u>	<u>\$ 4,937,935</u>

Liabilities

Trade payables	\$ -	\$ 41,459
Deferred revenues – grants	1,645	5,539
Deferred revenues – gas tax	<u>1,308,720</u>	<u>1,130,597</u>
	<u>1,310,365</u>	<u>1,177,595</u>

Equity

Capital reserve (Page 13)	<u>3,472,329</u>	<u>3,760,340</u>
	<u>\$ 4,782,694</u>	<u>\$ 4,937,935</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle Non-Consolidated Statement of Capital Reserve Fund

(Unaudited – See Notice to Reader)
March 31

2018 2017

	Admin Building	Post Closure Liability	Gas Tax	General	Total	Total
Balance, beginning of year	\$ 1,369,060	\$ 30,000	\$ -	\$ 2,361,280	\$ 3,760,340	\$ 3,665,252
Revenues						
Transfer from Operating Fund	-	-	-	235,000	235,000	220,000
Federal gas tax revenue	-	-	167,347	-	167,347	103,976
Federal and provincial capital funding	-	-	-	580,521	580,521	4,797
Wedgeport sewer project – user capital fee	-	-	-	186,518	186,518	-
East Pubnico trail project	-	-	-	-	-	19,000
Wedgeport sewer study	-	-	-	-	-	10,353
Interest on investments and savings	23,878	-	28,016	41,184	93,078	81,790
	<u>23,878</u>	<u>-</u>	<u>195,363</u>	<u>1,043,223</u>	<u>1,262,464</u>	<u>439,916</u>
Expenses						
Transfer to Tangible Capital Assets Fund	-	-	195,363	1,161,909	1,357,272	167,107
Transfer to Operating Fund	-	-	-	127,272	127,272	127,273
Administration building condition assessment	-	-	-	-	-	9,386
Hipson Bridge project	-	-	-	35,265	35,265	-
Land consolidation - Wedgeport	-	-	-	6,403	6,403	-
Rural internet upgrade	-	-	-	7,056	7,056	11,539
Tusket wastewater system	-	-	-	-	-	9,594
Yarmouth International Airport capital upgrades	-	-	-	11,600	11,600	17,400
Miscellaneous	-	-	-	5,607	5,607	2,529
	<u>-</u>	<u>-</u>	<u>195,363</u>	<u>1,355,112</u>	<u>1,550,475</u>	<u>344,828</u>
Balance, end of year	\$ 1,392,938	\$ 30,000	\$ -	\$ 2,049,391	\$ 3,472,329	\$ 3,760,340

On Behalf of the Municipality of the District of Argyle

Warden _____

CAO _____

See accompanying notes to the non-consolidated financial statements.

Municipality of the District of Argyle

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)
March 31, 2018

			<u>2018</u>	<u>2017</u>
	<u>Current</u>	<u>Prior</u>	<u>Total</u>	<u>Total</u>
1. Taxes receivable and long term taxes receivable				
Taxes receivable, beginning of year	\$ -	\$ 315,068	\$ 315,068	\$ 378,491
Assessable property taxes				
Residential	4,463,436	-	4,463,436	4,355,817
Commercial	1,107,290	-	1,107,290	1,090,713
Resource	369,336	-	369,336	363,374
Other – recreation property tax	11,235	-	11,235	10,699
Wind farm taxes from developers	182,981	-	182,981	181,170
Area rates, uniform charges and special assessments	35,964	-	35,964	38,833
Sewer rates and charges	199,483	-	199,483	193,980
Taxes and rates collected for other governments and agencies	228,900	-	228,900	218,023
	<u>6,598,625</u>	<u>315,068</u>	<u>6,913,693</u>	<u>6,831,100</u>
Collections	6,173,837	236,024	6,409,861	6,377,209
Write-offs	-	12,110	12,110	7,647
Reduced taxes	127,133	-	127,133	129,049
	<u>6,300,970</u>	<u>248,134</u>	<u>6,549,104</u>	<u>6,513,905</u>
	297,655	66,934	364,589	317,195
Interest on taxes	20,218	3,028	23,246	25,383
Less valuation allowance (Note 6)	-	(24,200)	(24,200)	(27,510)
Taxes receivable, end of year	<u>\$ 317,873</u>	<u>\$ 45,762</u>	<u>\$ 363,635</u>	<u>\$ 315,068</u>

Long term taxes receivable – Tusket sewer

Upon completion of the Tusket sewer capital project, residents in the Tusket Wastewater District were assessed a capital fee for a portion of the project cost. These residents were given the option to pay immediately or over a 20 year period. As at March 31, 2018, the principal balance owed from the Tusket residents is \$147,599 (2017 - \$145,188). Interest is recorded as revenue in the year that it is received, and not included in the Special assessment – Tusket sewer receivable. This receivable is recorded in the Operating Fund.

Long term taxes receivable – West Pubnico sewer

Upon completion of the West Pubnico sewer capital project, residents in the West Pubnico Wastewater District were assessed a capital fee for a portion of the project cost. These residents were given the option to pay immediately or over a 10 year period. As at March 31, 2018, the principal balance owed from the West Pubnico residents is \$363,964 (2017 - \$434,698). Interest is included as revenue in the year that it is received, and not included in the Special assessment receivable.

Long term taxes receivable – Wedgeport sewer

Upon completion of the Wedgeport sewer capital project, residents in the Wedgeport Wastewater District were assessed a capital fee for a portion of the project cost. These residents were given the option to pay immediately or over a 10 year period. As at March 31, 2018, the principal balance owed from the Wedgeport residents is \$122,176 (2017 - \$nil). Interest is included as revenue in the year that it is received, and not included in the Special assessment receivable.

Total long term taxes receivable for Tusket, West Pubnico and Wedgeport is \$633,739 (2017 - \$579,886).

Municipality of the District of Argyle

Notes to Non-Consolidated Financial Statements

(Unaudited – See Notice to Reader)
March 31, 2018

2. Due from Provincial government and its agencies	<u>2018</u>	<u>2017</u>
Aliant Telecom	\$ <u>10,512</u>	\$ <u>10,824</u>

3. Due from Federal government and its agencies	<u>2018</u>	<u>2017</u>
HST receivable	\$ <u>23,077</u>	\$ <u>25,805</u>

4. Water supply upgrade lending program

On January 16, 2017, Council adopted a bylaw which allowed for lending to qualified residents to dig or drill a new well on their property. This bylaw is enabled under legislation through the Municipal Government Act. All loans are considered first liens on the residential property, identical to municipal taxes. The loans are repayable monthly over a period of 10 years, and each individual loan is capped at \$15,000.

5. Due to own funds	<u>2018</u>	<u>2017</u>
Capital Reserve Fund	\$ <u>609,573</u>	\$ <u>641,162</u>
Operating Reserve Fund	<u>1,940,050</u>	<u>1,803,526</u>
	\$ <u>2,549,623</u>	\$ <u>2,444,688</u>

6. Valuation allowance - uncollectible taxes	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ <u>27,510</u>	\$ <u>22,101</u>
Add		
Provision for the year	<u>12,110</u>	<u>7,647</u>
	<u>39,620</u>	<u>29,748</u>
Deduct		
Taxes and interest written off	<u>15,420</u>	<u>2,238</u>
Balance, end of year – see Note 1	\$ <u>24,200</u>	\$ <u>27,510</u>

7. East Pubnico industrial water system	<u>2018</u>	<u>2017</u>
Revenues	\$ <u>35,964</u>	\$ <u>38,833</u>
Expenses	<u>33,981</u>	<u>47,957</u>
Annual surplus (loss)	<u>1,983</u>	<u>(9,124)</u>
Accumulated surplus, beginning of year	<u>64,182</u>	<u>73,306</u>
Accumulated surplus, end of year	\$ <u>66,165</u>	\$ <u>64,182</u>

Municipality of the District of Argyle
Tusket Sewer
Non-Consolidated Statement of Operations

(Unaudited – See Notice to Reader)
Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues			
Levy	\$ 33,930	\$ 34,571	\$ 32,749
Hookup fee	1,000	1,000	2,000
Interest revenue	<u>1,200</u>	<u>1,448</u>	<u>1,502</u>
	<u>36,130</u>	<u>37,019</u>	<u>36,251</u>
Expenses			
Administration			
Administration, contract	3,000	3,032	3,000
Professional fees	<u>200</u>	<u>200</u>	<u>200</u>
	<u>3,200</u>	<u>3,232</u>	<u>3,200</u>
Operating			
Chlorine/Lab testing	1,700	2,501	1,657
Communications	1,100	873	994
General repairs - sewer	8,000	4,456	7,780
Liability insurance	950	936	910
Other	200	27	188
Power	9,000	8,169	8,333
Repairs and maintenance - grounds	200	19	32
Repairs and maintenance - plant	6,780	4,757	5,621
Septic tank services	<u>5,000</u>	<u>3,911</u>	<u>3,742</u>
	<u>32,930</u>	<u>25,649</u>	<u>29,257</u>
Total expenses	<u>36,130</u>	<u>28,881</u>	<u>32,457</u>
Annual surplus	<u>\$ -</u>	8,138	3,794
Accumulated surplus, at beginning of year		<u>31,191</u>	<u>27,397</u>
Accumulated surplus, at end of year		<u>\$ 39,329</u>	<u>\$ 31,191</u>

Note

The above information is included in the general operating fund as it relates to the operation of the sewer system and is provided here for additional information.

Municipality of the District of Argyle
West Pubnico Sewer
Non-Consolidated Statement of Operations

(Unaudited – See Notice to Reader)
Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues			
Levy	\$ 165,224	\$ 164,912	\$ 161,231
Hook-up charges	-	4,000	-
Sale of services	10,000	10,000	10,000
PCAP grant	-	-	8,502
Interest on collections	2,500	3,035	2,987
Interest on capital levy	22,620	23,027	26,509
Interest on investments	4,000	5,080	5,894
	<u>204,344</u>	<u>210,054</u>	<u>215,123</u>
Expenses			
Administration			
Professional fees	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Operating			
Capital repairs and loan	22,000	13,501	2,679
Geotube solution	6,000	6,001	3,976
General maintenance and repairs	23,200	23,544	18,294
Interest	10,306	10,306	12,509
Lab testing	2,200	2,587	1,678
Liability insurance	4,000	3,662	3,567
Office supplies	750	94	64
Other	2,500	1,495	2,433
Plant studies	2,000	2,378	17,005
Power	35,000	36,302	34,941
Professional development	3,000	1,818	259
Salaries and benefits	50,200	49,589	46,340
Scada system	4,000	2,780	3,046
Septic tank services	2,000	-	532
Sludge removal	28,000	17,915	25,906
Travel	3,000	2,944	2,800
	<u>198,156</u>	<u>174,916</u>	<u>176,029</u>
Total expenses	<u>200,156</u>	<u>176,916</u>	<u>178,029</u>
Annual surplus before transfer	4,188	33,138	37,094
Transfer to Capital Reserve Fund	<u>(188)</u>	<u>-</u>	<u>-</u>
Annual surplus	<u>\$ 4,000</u>	33,138	37,094
Accumulated surplus, at beginning of year		<u>125,296</u>	<u>88,202</u>
Accumulated surplus, at end of year		<u>\$ 158,434</u>	<u>\$ 125,296</u>

Note

The above information is included in the general operating fund as it relates to the operation of the sewer system and is provided here for additional information.