

Consolidated Financial Statements of

**CAPE BRETON REGIONAL  
MUNICIPALITY**

Year ended March 31, 2013

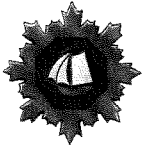
# CAPE BRETON REGIONAL MUNICIPALITY

Consolidated Financial Statements

March 31, 2013

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# **CBRM**

*A Community of Communities*

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Cape Breton Regional Municipality

## **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 Canadian Institute of Chartered Accountants. 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.

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Marie Walsh  
Acting Chief Administrative Officer

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Nancy Dove  
Manager – Financial Services



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**Chartered Accountants**  
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## INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Council  
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, 2013 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 as at March 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Sydney, Canada

September 25, 2013

# CAPE BRETON REGIONAL MUNICIPALITY

## Consolidated Statement of Financial Position

March 31, 2013, with comparative figures for 2012

	2013	2012
<b>FINANCIAL ASSETS</b>		
Taxes receivable (note 3)	\$ 13,650,041	\$ 11,650,445
Accounts receivable (note 4)	16,637,914	19,260,720
Net prepaid benefit expense (note 5)	6,016,000	6,786,000
Due from trust fund	272,420	—
	<u>36,576,375</u>	<u>37,697,165</u>
<b>FINANCIAL LIABILITIES</b>		
Cheques issued in excess of funds on deposit (note 2)	27,929,099	13,486,104
Accounts payable and accrued liabilities (note 8)	12,969,867	11,509,710
Accrued interest on long-term debt	1,471,362	1,471,362
Due to trust funds	—	407,522
Deferred revenue	3,930,274	3,893,085
Accrued employee benefits	5,959,006	5,776,153
Solid waste management facilities liabilities (note 9)	41,161,800	41,161,800
Long-term debt (note 10)	115,864,393	128,955,966
	<u>209,285,801</u>	<u>206,661,702</u>
<b>NET DEBT</b>	<u>(172,709,426)</u>	<u>(168,964,537)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 11)	352,562,020	339,362,427
Work in progress	8,061,611	3,027,205
Properties acquired at tax sale	1,577,115	1,592,165
Inventory, prepaid expenses and other	2,888,640	3,089,933
	<u>365,089,386</u>	<u>347,071,730</u>
<b>FUND BALANCES</b> (note 7)	<u>\$ 192,379,960</u>	<u>\$ 178,107,193</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, 2013, with comparative figures for 2012

	Budget (Unaudited)	2013	2012
<b>REVENUES</b>			
Taxes	\$ 92,420,959	\$ 92,353,433	\$ 87,797,712
Grants in lieu of taxes	7,585,127	7,876,533	8,092,695
Services provided to other governments	240,000	240,000	239,970
Sales of services	2,330,115	2,280,971	2,476,755
Revenue from own sources	11,744,781	11,009,765	10,858,463
Unconditional transfers from other governments	16,545,755	16,425,813	16,601,736
Conditional transfers from other governments	2,147,353	2,229,391	2,159,230
Capital grants	3,982,825	13,019,642	12,912,151
Water utility revenue	23,425,115	22,908,024	19,906,420
Investment income	—	92,858	117,013
Gain on sale of properties	—	516,189	47,500
	162,422,030	168,952,619	161,209,645
<b>EXPENSES</b>			
General government services	15,155,131	15,779,861	17,059,881
Protective services	41,529,130	42,959,094	38,571,328
Transportation services	34,982,868	33,082,240	33,343,884
Environmental health services	17,231,087	17,898,978	25,994,753
Public health and welfare services	2,109,384	1,887,209	84,590
Environmental development services	1,134,538	963,809	1,030,364
Recreation and cultural services	10,784,250	10,910,008	10,814,178
Planning and development services	300,751	300,751	300,751
Educational services	11,132,028	11,588,280	11,132,028
Water utility expenses	23,425,115	19,173,511	18,162,503
	157,784,282	154,543,741	156,494,260
Excess of revenues over expenses before the following	4,637,748	14,408,878	4,715,385
<b>NET FINANCING AND TRANSFERS</b>			
Amortization of bond discount	—	(136,111)	(127,408)
<b>CHANGE IN FUND BALANCES</b>	4,637,748	14,272,767	4,587,977
<b>FUND BALANCES, BEGINNING OF YEAR</b>	178,107,193	178,107,193	173,519,216
<b>FUND BALANCES, END OF YEAR</b>	\$ 182,744,941	\$ 192,379,960	\$ 178,107,193

See accompanying notes to consolidated financial statements.

# CAPE BRETON REGIONAL MUNICIPALITY

## Consolidated Statement of Change in Net Debt

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Change in fund balances	\$ 14,272,767	\$ 4,587,977
Decrease in amounts to be recovered from future revenue	–	8,985,194
	14,272,767	13,573,171
Tangible capital assets		
Acquisition of tangible capital assets	(27,997,593)	(46,321,983)
Amortization of tangible capital assets	14,798,000	13,022,410
	(13,199,593)	(33,299,573)
Other non-financial assets		
Decrease (increase) in work in progress	(5,034,406)	25,731,457
Decrease in property acquired at tax sale	15,050	53,065
Decrease (increase) in inventory, prepaid expenses and other	201,293	(43,111)
	(4,818,063)	25,741,411
<b>DECREASE (INCREASE) IN NET DEBT</b>	<b>(3,744,889)</b>	<b>6,015,009</b>
<b>NET DEBT, BEGINNING OF YEAR</b>	<b>(168,964,537)</b>	<b>(174,979,546)</b>
<b>NET DEBT, END OF YEAR</b>	<b>\$ (172,709,426)</b>	<b>\$ (168,964,537)</b>

See accompanying notes to consolidated financial statements.

# CAPE BRETON REGIONAL MUNICIPALITY

## Consolidated Statement of Cash Flows

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in fund balances	\$ 14,272,767	\$ 4,587,977
Items not involving cash		
Amortization of tangible capital assets	14,798,000	13,022,410
Amortization of amounts to be recovered	—	8,985,194
Pension expense	5,629,000	4,188,000
Change in non-cash working capital		
Decrease (increase) in taxes receivable	(1,999,596)	62,608
Decrease in accounts receivable	2,622,806	5,323,463
Contributions to defined benefit pension plan	(4,859,000)	(2,408,000)
Decrease (increase) in inventory, prepaid expenses and other	201,293	(43,111)
Increase (decrease) in accounts payable and accrued liabilities	1,460,157	(1,071,040)
Increase in deferred revenue	37,189	554,142
Increase (decrease) in accrued employee benefits	182,853	(160,247)
	<u>32,345,469</u>	<u>33,041,396</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease (increase) in due from trust fund	(272,420)	4,362,121
Increase (decrease) in due to trust fund	(407,522)	407,522
Issuance of long-term debt	4,630,333	14,530,000
Principal payments on long-term debt	(17,721,906)	(15,435,572)
	<u>(13,771,515)</u>	<u>3,864,071</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(27,997,593)	(46,321,983)
Decrease (increase) in work in progress	(5,034,406)	25,731,457
Decrease in properties acquired at tax sale	15,050	53,065
	<u>(33,016,949)</u>	<u>(20,537,461)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(14,442,995)</u>	<u>16,368,006</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>(13,486,104)</u>	<u>(29,854,110)</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ (27,929,099)</u>	<u>\$ (13,486,104)</u>

See accompanying notes to consolidated financial statements.



# CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2013

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## 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, expenditures 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

### (c) School boards

The assets, liabilities, taxation and other revenues and expenditures 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 on the consolidated statement of financial activities as a reduction of taxation revenues.

### (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, 2013

## 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

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, 2013

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## 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) 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.

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, retirement ages and expected health care costs.

# CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2013

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## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (m) Employee future benefits (continued)

- (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.

### (n) 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

	2013	2012
Operating funds	\$ (8,536,185)	\$ (3,950,226)
Reserves funds	6,457,284	7,299,614
Capital funds	(25,850,198)	(16,835,492)
	<u>\$ (27,929,099)</u>	<u>\$ (13,486,104)</u>

# CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2013

## 3. TAXES RECEIVABLE

	2013	2012
Gross taxes receivable, beginning of year	\$ 13,329,161	\$13,480,283
Current year's levy of property taxes	89,685,338	84,947,140
Subtotal	103,014,499	98,427,423
Less		
Current year's collections	87,637,242	84,956,623
Reduced taxes	48,500	53,125
Allowance	456,269	88,514
Gross taxes receivable, end of year	14,872,488	13,329,161
Less		
Allowance for uncollectible taxes	1,222,447	1,678,716
Taxes receivable, net	\$ 13,650,041	\$11,650,445

## 4. ACCOUNTS RECEIVABLE

	2013	2012
Federal government	\$ 5,122,297	\$ 8,310,610
Provincial government	964,024	434,048
Other receivables	12,235,932	12,237,860
	18,322,253	20,982,518
Less allowance for doubtful accounts	1,684,339	1,721,798
	\$ 16,637,914	\$19,260,720

## 5. EMPLOYEE FUTURE BENEFITS

### a) Retirement costs

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 632 active employees covered by the plan is 47. There are 17 former employees who are entitled to deferred pension benefits. At present, the plan provides benefits for 255 retirees with benefit payments being \$4,992,000 in 2013.

# CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2013

## 5. EMPLOYEE FUTURE BENEFITS (CONTINUED)

The following summarizes the plan for the fiscal year ended March 31, 2013 and 2012:

	2013	2012
<b>Accrued benefit obligation</b>		
Balance at beginning of year	\$ 121,843,000	\$ 116,424,000
Current service cost	5,551,000	4,305,000
Benefit payments	(4,992,000)	(4,697,000)
Interest on obligations	6,106,000	5,811,000
Accrued benefit obligation, end of year	128,508,000	121,843,000
<b>Deduct plan assets</b>		
Balance, beginning of year	108,905,000	109,839,000
Employer contributions	4,859,000	2,408,000
Employee contributions	2,343,000	1,836,000
Benefit payments	(4,992,000)	(4,697,000)
Interest on average assets	5,500,000	5,481,000
Actuarial gains (losses)	4,900,000	(5,962,000)
Plan assets, end of year	121,515,000	108,905,000
<b>Funded status – plan deficit</b>	<b>(6,993,000)</b>	<b>(12,938,000)</b>
Unamortized actuarial losses	13,009,000	19,724,000
<b>Net prepaid benefit expense</b>	<b>\$ 6,016,000</b>	<b>\$ 6,786,000</b>

### b) Defined Benefit Plan

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

	2013	2012
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:

	2013	2012
Current service cost	\$ 5,551,000	\$ 4,305,000
Amortization of actuarial losses	1,815,000	1,389,000
Employee contributions	(2,343,000)	(1,836,000)
Interest on average liabilities	6,106,000	5,811,000
Interest on average assets	(5,500,000)	(5,481,000)
	<b>\$ 5,629,000</b>	<b>\$ 4,188,000</b>

# CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2013

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## 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.

### c) 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 \$230,074 (2012 - \$240,130).

### d) Other

The Municipality directly provides pension arrangements in respect of former employees. The cost of such pensions for the year was approximately \$315,879 (2012 - \$325,127).

Employee Future Benefits – Retiring Allowances and Other Future Benefits:

The Municipality continues to pay its share of the contributions to the CBRM Defined Benefit and Defined Contribution Plans for members in receipt of benefits from a long-term disability plan sponsored and recognized by the Municipality.

### e) 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 accrued obligation in respect of service rendered to March 31, 1993 was estimated at \$1,449,473.

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.

The current solvency liability adjustment (per the 2012 valuation) is \$502,000 (2009 - \$589,072).

# CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2013

## 6. MISCELLANEOUS TRUST FUNDS

Miscellaneous Trust Funds administered by the Municipality are reported on separately. The total trust assets under administration at March 31, 2013 are \$3,035,684 (2012 - \$3,222,747).

## 7. FUND BALANCES

	2013	2012
General operating fund	\$ (39,404,221)	\$ (37,528,072)
Water operating fund	3,406,623	3,770,280
General capital fund	163,712,242	148,218,084
Water capital fund	58,201,266	54,786,767
	185,915,910	169,247,059
Reserves set aside by council	6,464,050	8,860,134
	\$ 192,379,960	\$ 178,107,193

## 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
Trade accounts payable	\$ 8,048,656	\$ 5,355,970
Payroll and related	1,078,715	2,226,296
Accrued liabilities	1,531,036	1,902,108
Tax sale trust	2,311,460	2,025,336
	\$12,969,867	\$11,509,710

## 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, 2013

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## 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 (2012 - \$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. 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, 2013 are as follows:

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2014	\$ 15,268,000
2015	14,526,000
2016	14,526,000
2017	13,962,000
2018	13,464,000

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# CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2013

## 11. TANGIBLE CAPITAL ASSETS

	2013		2012	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 7,687,317	\$ –	\$ 7,687,317	\$ 1,680,423
Buildings				
General government services	5,885,214	1,885,241	3,999,973	3,905,686
Protective services	3,835,899	797,504	3,038,395	2,978,213
Transportation services	8,300,758	851,499	7,449,259	5,311,902
Environmental services	26,329,765	4,940,021	21,389,744	22,045,049
Recreation and cultural services	13,901,500	2,840,177	11,061,323	11,344,954
Industrial parks	1,084,104	312,789	771,315	798,417
	59,337,240	11,627,231	47,710,009	46,384,221
Equipment				
General government services	2,669,353	2,669,353	–	–
Protective services	8,115,977	6,063,268	2,052,709	527,907
Public works	18,842,793	12,644,738	6,198,055	6,461,668
Environmental health services	13,678,850	12,750,114	928,736	1,335,436
Recreation and cultural services	1,214,949	896,374	318,575	72,416
	44,521,922	35,023,847	9,498,075	8,397,427
Other				
General government services	742,494	742,494	–	–
Road transport	143,488,756	35,655,988	107,832,768	103,606,723
Environmental health services	83,346,707	14,441,405	68,905,302	69,421,987
Recreation and cultural services	12,015,793	9,671,303	2,344,490	2,233,688
Waterfront development	8,861,700	2,861,869	5,999,831	6,177,065
Downtown development	1,368,289	174,025	1,194,264	1,221,630
Wharf – Sydney Marine Terminal	1,726,210	837,629	888,581	957,629
Water utility assets	134,031,422	33,530,039	100,501,383	99,281,634
	385,581,371	97,914,752	287,666,619	282,900,356
	\$ 497,127,850	\$ 144,565,830	\$ 352,562,020	\$ 339,362,427

# CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2013

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## 12. CONTINGENCIES

- (a) As of March 31, 2013 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, 2013 is \$1,449,354.
- 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.

## 13. 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, 2013 in the amount of \$1,802,619 (2012 - \$Nil).
- (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, 2013, the Municipality's share of these costs was \$1,394,533 (2012 - \$1,434,533).
- (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, 2013, the Municipality's contribution for these costs was \$1,111,696 (2012 - \$842,815).

# CAPE BRETON REGIONAL MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended March 31, 2013

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## 13. 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 \$11,588,280 (2012 - \$11,132,028) to the Cape Breton-Victoria Regional School Board.

## 14. 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, due to/from Cape Breton Regional Municipality Water Utility, 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.

# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule of Long-term Debt

March 31, 2013, with comparative figures for 2012

	Term (years)	Interest rate - %	Matures	Balance March 31/12	Issued	Redeemed	Balance March 31/13
<b>General Fund</b>							
M.F.C.							
22-A-1	10	5.375-6.125	2012	\$ 1,266,666	\$ -	\$ 1,266,666	\$ -
22-B-1	15	4.625-6.000	2017	1,600,000	-	1,100,000	500,000
23-A-1	10	3.750-5.000	2013	1,485,000	-	742,500	742,500
25-A-1	10	3.760-4.515	2015	2,255,904	-	563,976	1,691,928
26-A-1	10	4.285-4.880	2016	2,487,437	-	497,487	1,989,950
27-B-1	10	4.577-5.010	2017	26,971,200	-	4,495,200	22,476,000
28-B-1	10	3.100-5.095	2018	7,551,428	-	1,078,776	6,472,652
29-A-1	10	1.679-4.329	2019	8,361,601	-	1,045,201	7,316,400
30-B-1	10	1.550-3.870	2020	19,931,400	-	2,214,600	17,716,800
31-A-1	10	1.219-3.645	2021	14,530,000	-	1,453,000	13,077,000
32-B-1	10	0.000-3.160	2022	-	3,797,000	-	3,797,000
				86,440,636	3,797,000	14,457,406	75,780,230
<b>Water Fund</b>							
M.F.C.							
22-A-1	10	3.895-6.125	2012	733,332	-	733,332	-
22-B-1	15	3.250-6.000	2017	999,998	-	166,668	833,330
27-A-1	15	4.385-4.770	2022	14,632,000	-	914,500	13,717,500
28-A-1	15	3.750-5.088	2023	11,900,000	-	700,000	11,200,000
30-A-1	15	1.510-4.875	2025	14,250,000	-	750,000	13,500,000
32-A-1	5	1.636-2.588	2017	-	833,333	-	833,333
				42,515,330	833,333	3,264,500	40,084,163
				\$ 128,955,966	\$ 4,630,333	\$ 17,721,906	\$ 115,864,393

# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule of Operating Fund and Change in Fund Balance

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
<b>REVENUES</b>		
Taxes	\$ 92,353,433	\$ 87,797,712
Grants in lieu of taxes	7,876,533	8,092,695
Services provided to other governments	240,000	239,970
Sales of services	2,280,971	2,476,755
Revenue from own sources	11,009,765	10,858,463
Unconditional transfers from other governments	16,425,813	16,601,732
Conditional transfers from other governments	2,229,391	2,159,230
	<u>132,415,906</u>	<u>128,226,557</u>
<b>EXPENSES</b>		
General government services	15,632,423	16,918,989
Protective services	42,140,050	38,102,465
Transportation services	27,122,211	28,273,966
Environmental health services	15,167,100	23,222,302
Public health and welfare services	1,887,209	84,590
Environmental development services	963,809	1,030,364
Recreation and cultural services	9,316,157	9,430,799
Educational services	11,588,280	11,132,028
	<u>123,817,239</u>	<u>128,195,503</u>
Excess of revenues over expenses before the following	8,598,667	31,054
<b>FINANCING AND TRANSFERS</b>		
Debenture and term loan principal instalments	(14,457,406)	(12,737,739)
Transfer from special reserve funds	4,085,029	2,866,427
Amortization of bond discount	(102,439)	(99,449)
	<u>(10,474,816)</u>	<u>(9,970,761)</u>
<b>CHANGE IN FUND BALANCE</b>	(1,876,149)	(9,939,707)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(37,528,072)	(27,588,365)
<b>FUND BALANCE, END OF YEAR</b>	\$ (39,404,221)	\$ (37,528,072)

# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule of Water Utility Operating Fund and Change in Fund Balance

Year ended March 31, 2013, with comparatives for 2012

	2013	2012
<b>OPERATING REVENUES</b>		
Metered sales	\$ 16,351,779	\$ 14,452,966
Public fire protection	6,184,751	5,133,178
Consumer's interest	358,876	303,749
	<u>22,895,406</u>	<u>19,889,893</u>
<b>OPERATING EXPENSES</b>		
Source of supply	624,842	683,622
Power and pumping	1,777,957	1,683,753
Water treatment	3,316,927	3,052,668
Transmission and distribution	3,574,226	3,347,835
Administration and general	2,641,212	2,453,884
Taxes	1,947,934	1,934,921
	<u>13,883,098</u>	<u>13,156,683</u>
Excess of revenues over expenses before the following	9,012,308	6,733,210
<b>NON-OPERATING REVENUES</b>		
Miscellaneous	12,618	16,527
<b>NON-OPERATING EXPENSES</b>		
Interest on debentures	1,868,465	2,004,608
Amortization of debt discounts	33,672	27,959
Other	176,937	115,058
Transfer to water capital fund	6,659,509	5,733,988
Transfer to general capital fund	650,000	650,000
	<u>9,388,583</u>	<u>8,531,613</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(363,657)</u>	<u>(1,781,876)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	3,770,280	5,552,156
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 3,406,623</u>	<u>\$ 3,770,280</u>

# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule of Capital Fund and Change in Fund Balance

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
<b>REVENUES</b>		
Capital grants	\$ 6,198,874	\$ 5,999,914
<b>EXPENSES</b>		
General government services	147,438	140,892
Protective services	819,044	468,863
Transportation services	5,960,029	5,069,918
Environmental health services	2,731,878	2,772,451
Recreation and cultural services	1,593,851	1,383,381
Planning and development services	300,751	300,751
	11,552,991	10,136,256
Deficiency of revenues over expenses before the following	(5,354,117)	(4,136,342)
<b>FINANCING AND TRANSFERS</b>		
Transfer from reserve funds	5,740,869	5,327,308
Transfer from water utility fund	650,000	650,000
Debenture and term loan principal instalments	14,457,406	12,737,739
	20,848,275	18,715,047
<b>CHANGE IN FUND BALANCE</b>	15,494,158	14,578,705
<b>FUND BALANCE, BEGINNING OF YEAR</b>	148,218,084	133,639,379
<b>FUND BALANCE, END OF YEAR</b>	\$ 163,712,242	\$ 148,218,084



# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule of Water Utility Capital Fund and Change in Fund Balance

Year ended March 31, 2013, with comparatives for 2012

	2013	2012
<b>REVENUES</b>		
Capital grants	\$ -	\$ 44,614
<b>EXPENSES</b>		
Amortization	3,245,010	2,886,154
Deficiency of revenues over expenses before the following	(3,245,010)	(2,841,540)
<b>FINANCING AND TRANSFERS</b>		
Transfer from operating fund	6,659,509	5,733,988
<b>CHANGE IN FUND BALANCE</b>	3,414,499	2,892,448
<b>FUND BALANCE, BEGINNING OF YEAR</b>	54,786,767	51,894,319
<b>FUND BALANCE, END OF YEAR</b>	\$ 58,201,266	\$ 54,786,767

# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule of Reserve Funds and Change in Fund Balance

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
<b>REVENUES</b>		
Investment income	\$ 81,937	\$ 105,512
Sale of properties	516,189	47,500
Grants	6,815,324	6,919,742
	<u>7,413,450</u>	<u>7,072,754</u>
<b>FINANCING AND TRANSFERS</b>		
Transfer to operating fund	(4,085,029)	(2,866,427)
Transfer to capital funds	(5,740,869)	(5,327,308)
	<u>(9,825,898)</u>	<u>(8,193,735)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(2,412,448)</u>	<u>(1,120,981)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	6,964,413	8,085,394
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 4,551,965</u>	<u>\$ 6,964,413</u>

# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule of Water Utility Reserve Funds and Change in Fund Balance

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
<b>REVENUES</b>		
Investment income	\$ 10,921	\$ 11,501
Grants received	5,443	(52,113)
<b>CHANGE IN FUND BALANCE</b>	16,364	(40,612)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	1,895,721	1,936,333
<b>FUND BALANCE, END OF YEAR</b>	\$ 1,912,085	\$ 1,895,721

# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule of Remuneration of Council

Year ended March 31, 2013

Council	Number of Months	Annual Remuneration
C. Clarke, Mayor	5	\$ 49,466
J. Morgan, Former Mayor	7	60,120
K. Saccary, Deputy Mayor	12	38,031
C. Prince, Former Deputy Mayor	12	39,377
D. Bruckschwaiger	12	36,204
L. Cormier	5	14,621
K. Deveaux	7	21,255
C. Detheridge	12	36,204
I. Doncaster	5	14,482
C. Keagan	5	14,482
B. Lahey	7	21,722
D. LeBlanc	7	21,722
E. MacDonald	5	14,621
G. MacDonald	12	36,204
G. MacLeod	7	21,722
J. MacLeod	12	36,204
L. McNeil	7	21,722
D. Mombourquette	7	21,722
R. Paruch	12	36,204
M. Rowe	12	36,204
W. Stubbart	7	21,722
T. Wilson	7	21,722

# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule of Remuneration of Senior Staff

Year ended March 31, 2013

Senior Staff	Annual Remuneration
R. Campbell	\$ 97,376
A. Fleming	97,376
D. Foster	24,344
L. MacCormack	117,938
W. MacDonald	105,945
P. McIsaac	123,945
B. MacKinnon	105,463
B. McNeil	97,376
J. Ryan	138,253
B. White	97,376
M. Walsh	107,438
M. Gillis	89,598

# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule - Expenses of Council

Year ended March 31, 2013

Council	Number of Months	Travel Expenses
C. Clarke, Mayor	5	\$ 17,131
J. Morgan, Former Mayor	7	30,051
K. Saccary, Deputy Mayor	12	15,525
C. Prince, Former Deputy Mayor	12	15,004
D. Bruckschwaiger	12	8,732
L. Cormier	5	100
K. Deveaux	7	-
C. Detheridge	12	15,239
I Doncaster	5	1,923
C. Keagan	5	1,835
B. Lahey	7	12,326
D. LeBlanc	7	6,340
E. MacDonald	5	1,875
G. MacDonald	12	11,480
G. MacLeod	7	14,371
J. MacLeod	12	14,523
L. McNeil	7	11,857
D. Mombourquette	7	8,376
R. Paruch	12	7,511
M. Rowe	12	12,208
W. Stubbart	7	6,924
T. Wilson	7	9,062

# CAPE BRETON REGIONAL MUNICIPALITY

## Schedule - Expenses of Senior Staff

Year ended March 31, 2013

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Senior Staff	Travel Expenses
A. Fleming	\$ 2,817
D. Foster	3,277
L. MacCormack	7,642
W. MacDonald	3,983
P. McIsaac	8,934
B. MacKinnon	1,917
B. McNeil	5,131
J. Ryan	2,411
M. Walsh	13,763
B. White	6,206
M. Gillis	2,649

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# CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Segment Disclosure

Year ended March 31, 2013

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 2013 and 2012 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, 2013	General Government Services	Protective Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development Services	Educational Services	Water Utility	Total
<b>REVENUES</b>									
Taxation	\$ 60,111,569	\$ 14,357,036	\$ 6,296,548	\$ -	\$ -	\$ -	\$ 11,588,280	\$ -	\$ 92,353,433
Grants in lieu of taxes	7,876,533	-	-	-	-	-	-	-	7,876,533
Services provided to other governments	-	240,000	-	-	-	-	-	-	240,000
Sales of services	28,056	-	716,701	-	1,536,214	-	-	-	2,280,971
Revenue from own sources	3,210,400	928,209	-	6,788,152	-	85,004	-	-	11,009,765
Unconditional transfers from other governments	16,425,813	-	-	-	-	-	-	-	16,425,813
Conditional transfers from other governments	-	2,186,831	-	-	42,560	-	-	-	2,229,391
Capital grants	13,019,642	-	-	-	-	-	-	-	13,019,642
Metered sales	-	-	-	-	-	-	-	16,351,779	16,351,779
Public fire protection	-	-	-	-	-	-	-	6,184,751	6,184,751
Other water revenues	-	-	-	-	-	-	-	371,494	371,494
Investment income	92,858	-	-	-	-	-	-	-	92,858
Gain on sale of properties	516,189	-	-	-	-	-	-	-	516,189
	101,281,060	17,712,076	7,013,249	6,786,152	1,578,774	85,004	11,588,280	22,908,024	168,952,619
<b>EXPENSES</b>									
Salaries, wages and benefits	8,575,239	27,180,423	14,452,918	3,037,493	3,848,212	684,824	-	6,373,184	64,152,293
Interest on long-term debt	508,915	72,013	1,691,782	878,244	135,670	5,779	-	1,868,465	5,160,868
Materials, goods, supplies and utilities	1,026,613	1,659,154	6,063,732	784,777	1,910,740	-	-	3,894,147	15,339,163
Contracted services	1,136,988	576,565	4,061,116	6,327,527	161,844	76,854	-	1,187,899	13,528,793
Other operating expenses	1,878,440	12,651,895	852,663	4,139,059	2,609,871	196,352	-	2,604,806	24,933,086
External transfers and grants	4,393,438	-	-	-	649,820	-	11,588,280	-	16,631,538
Amortization	147,437	819,044	5,960,029	2,731,878	1,593,851	300,751	-	3,245,010	14,798,000
	17,667,070	42,959,094	33,082,240	17,898,978	10,910,008	1,264,560	11,588,280	19,173,511	154,543,741
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 83,613,990	\$ (25,247,018)	\$ (26,068,991)	\$ (11,112,826)	\$ (9,331,234)	\$ (1,179,556)	\$ -	\$ 3,734,513	\$ 14,408,878



# CAPE BRETON REGIONAL MUNICIPALITY

Schedule of Segment Disclosure (continued)

Year ended March 31, 2013

Year ended March 31, 2012	General Government Services	Protective Services	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development Services	Educational Services	Water Utility	Total
<b>REVENUES</b>									
Taxation	\$ 58,034,883	\$ 12,673,085	\$ 5,957,716	\$ —	\$ —	\$ —	\$ 11,132,028	\$ —	\$ 87,797,712
Grants in lieu of taxes	8,092,695	—	—	—	—	—	—	—	8,092,695
Services provided to other governments	—	239,970	—	—	—	—	—	—	239,970
Sales of services	32,190	—	684,652	—	1,779,913	—	—	—	2,476,755
Revenue from own sources	3,008,834	911,493	—	6,837,510	—	100,626	—	—	10,858,463
Unconditional transfers from other governments	16,601,736	—	—	—	—	—	—	—	16,601,736
Conditional transfers from other governments	—	2,120,590	—	—	38,640	—	—	—	2,159,230
Capital grants	12,912,151	—	—	—	—	—	—	—	12,912,151
Metered sales	—	—	—	—	—	—	—	14,452,966	14,452,966
Public fire protection	—	—	—	—	—	—	—	5,133,178	5,133,178
Other water revenues	—	—	—	—	—	—	—	320,276	320,276
Investment income	117,013	—	—	—	—	—	—	—	117,013
Gain on sale of properties	47,500	—	—	—	—	—	—	—	47,500
	98,847,002	15,945,138	6,622,368	6,837,510	1,818,553	100,626	11,132,028	19,906,420	161,209,645
<b>EXPENSES</b>									
Salaries, wages and benefits	8,398,133	25,114,399	13,409,511	2,951,214	3,657,904	748,746	—	6,004,927	60,284,834
Interest on long-term debt	278,386	95,625	2,722,123	184,630	156,604	—	—	2,004,608	5,441,976
Materials, goods, supplies and utilities	1,014,150	1,688,487	6,211,951	898,435	1,893,942	22,395	—	3,722,414	15,451,774
Contracted services	920,732	602,069	4,334,518	6,063,295	138,638	58,176	—	1,048,571	13,165,999
Other operating expenses	4,030,240	10,601,885	1,595,863	13,124,728	2,933,889	201,047	—	2,216,673	34,704,325
External transfers and grants	2,361,938	—	—	—	649,820	—	—	—	14,143,786
Amortization	140,892	468,863	5,069,918	2,772,451	1,383,381	300,751	—	3,165,310	13,301,566
	17,144,471	38,571,328	33,343,884	25,994,753	10,814,178	1,331,115	11,132,028	18,162,503	156,494,260
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 81,702,531</b>	<b>\$ (22,626,190)</b>	<b>\$ (26,721,516)</b>	<b>\$ (19,157,243)</b>	<b>\$ (8,995,625)</b>	<b>\$ (1,230,489)</b>	<b>\$ —</b>	<b>\$ 1,743,917</b>	<b>\$ 4,715,385</b>