

Consolidated financial statements

Municipality of the County of Colchester

March 31, 2017

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Management's responsibility for financial reporting

The accompanying consolidated financial statements of the [Municipality of the County of Colchester](#) are the responsibility of management and have been approved by the Mayor and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Chartered Professional Accountants of Canada and as such include amounts that are best estimates and judgements of management.

Management is responsible for the integrity and objectivity of these consolidated financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Mayor and Council meet periodically with management, as well as with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external independent auditor's report.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the [Municipality of the County of Colchester](#) and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the [Municipality of the County of Colchester](#)

Chief Administrative Officer

Director of Corporate Services

June 29, 2017

Independent auditor's report

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To the Mayor and Members of Council of the **Municipality of the County of Colchester**

We have audited the accompanying consolidated financial statements of the **Municipality of the County of Colchester** on pages 4-35, which comprise the consolidated statement of financial position as at **March 31, 2017**, the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with **Canadian public sector accounting standards**, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Municipality'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 Municipality'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 qualified audit opinion.

Basis for qualified opinion

The Municipality of the County of Colchester has collected donations from the public on behalf of the Central Nova Scotia Civic Centre Society (operating as “Rath Eastlink Community Centre”), the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Municipality and we were not able to determine whether any adjustments might be necessary to revenues, annual surplus and cash flows from operations for the years ended March 31, 2017 and March 31, 2016, assets and/or liabilities as at March 31, 2017 and March 31, 2016 and accumulated surplus as at April 1, 2016 and April 1, 2015 and March 31, 2017 and March 31, 2016. Our audit opinion on the consolidated financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effect of the matter described in the Basis for qualified opinion paragraph above, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality of the County of Colchester as at March 31, 2017 and the consolidated results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 19 to the consolidated financial statements which explains that the consolidated financial statements as at, and for the year ended March 31, 2016, have been restated from those on which we originally reported on September 29, 2016.

Other matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 36-46 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of consolidated financial statements taken as a whole.



Truro, Canada
June 29, 2017

Chartered Professional Accountants
Licensed Public Accountants

The Municipality of the County of Colchester

Consolidated statement of operations and surplus

Year ended March 31	2017 Budget (Note 17)	2017 Actual	2016 Actual (Restated- Note 19)
Revenues			
Taxes (Page 25)	\$ 24,928,959	\$ 24,979,767	\$ 24,250,675
Grants in lieu of taxes (Page 26)	1,068,974	1,102,894	1,036,639
Services to other governments (Page 26)	1,034,428	999,760	1,058,792
Sale of services (Page 26)	1,050,886	1,000,488	954,207
Water fire protection (Page 26)	175,457	192,136	193,775
Other revenue from own sources (Page 27)	6,516,207	6,300,841	5,502,426
Unconditional transfers from other governments (Page 27)	542,162	545,228	542,069
Conditional transfers from other governments (Page 27)	1,773,875	1,757,057	1,989,711
Other revenue (Page 28)	2,419,401	1,732,223	2,814,806
Interest and other revenue	-	159,231	653,665
Total revenues	<u>39,510,349</u>	<u>38,769,625</u>	<u>38,996,765</u>
Expenses			
General government services (Page 28)	5,321,837	5,440,530	5,277,757
Protective services (Page 29)	9,531,900	9,003,705	9,017,371
Transportation services (Page 29)	2,295,653	2,341,716	2,487,494
Environmental health services (Page 30)	14,726,426	14,252,963	13,906,238
Public health services (Page 30)	247,490	204,085	257,112
Environmental development services (Page 30)	526,985	312,461	356,118
Recreation and cultural services (Page 31)	4,986,513	5,025,662	5,125,488
Water treatment and distribution (Page 31)	657,016	808,176	761,907
Total expenses	<u>38,293,820</u>	<u>37,389,298</u>	<u>37,189,485</u>
Annual surplus	\$ <u>1,216,529</u>	\$ <u>1,380,327</u>	\$ <u>1,807,280</u>
<hr/>			
Accumulated surplus, beginning of year	\$ 95,656,546	\$ 93,849,266	
Annual surplus	<u>1,380,327</u>	<u>1,807,280</u>	
Accumulated surplus, end of year (Note 16)	<u>\$ 97,036,873</u>	<u>\$ 95,656,546</u>	

See accompanying notes to the consolidated financial statements

The Municipality of the County of Colchester

Consolidated statement of financial position

March 31	2017	2016 (Restated- Note 19)
Financial assets		
Cash and cash equivalents	\$ <u>20,495,708</u>	\$ 17,126,499
Receivables		
Taxes, net of allowances (Note 2)	2,464,459	2,038,843
Due from federal government and its agencies	217,257	450,675
Due from other government entities and its agencies	3,570,944	3,493,383
Other		
Trade account, net of allowances of \$62,344 (2016 - \$23,068)	1,648,707	1,565,832
Frontage rates (Note 4)	<u>72,639</u>	<u>77,335</u>
	<u>7,974,006</u>	<u>7,626,068</u>
Loans and advances	<u>2,552,060</u>	<u>2,022,908</u>
	<u>31,021,774</u>	<u>26,775,475</u>
Financial liabilities		
Payables and accruals	<u>4,596,672</u>	6,257,507
Other liabilities		
Accrued pension benefit liability (Note 10)	1,814,523	1,521,723
Accrued sick leave benefit liability (Note 11)	69,720	78,916
Balefill closure liability (Note 9)	1,770,790	1,674,527
Other	<u>137,071</u>	<u>122,325</u>
	<u>3,792,104</u>	<u>3,397,491</u>
Prepayment of taxes	<u>1,497,966</u>	<u>1,432,219</u>
Deferred revenue (Note 5)		
Street improvement rates	100,844	121,329
Colchester Park	4,136,101	4,359,100
Debert Air Industrial Park	494,166	494,166
Gas tax	2,305,865	1,841,391
Other deferred revenue	<u>910,448</u>	<u>872,187</u>
	<u>7,947,424</u>	<u>7,688,173</u>
Tax sale surplus (Note 6)	<u>463,905</u>	451,555
Long term debt (Note 8 and Page 35)	<u>24,274,032</u>	24,355,767
	<u>42,572,103</u>	<u>43,582,712</u>
Net debt	\$ <u>(11,550,329)</u>	\$ <u>(16,807,237)</u>

See accompanying notes to the consolidated financial statements

The Municipality of the County of Colchester

Consolidated statement of financial position

March 31	2017	2016 (Restated- Note 19)
Non-financial assets (liabilities)		
Tangible capital assets (Pages 33 and 34)		
Property and equipment	\$ 195,697,743	\$ 192,341,100
Accumulated amortization	<u>(87,554,942)</u>	<u>(80,886,811)</u>
	108,142,801	111,454,289
Prepays	313,637	860,912
Other assets	<u>130,764</u>	<u>148,582</u>
	108,587,202	112,463,783
Accumulated surplus	\$ 97,036,873	\$ 95,656,546

Commitments (Note 12)

Contingency (Note 18)

On Behalf of The Municipality of the County of Colchester

Mayor

Chief Administrative Officer

Municipality of the County of Colchester

Consolidated statement of changes in net debt

Year ended March 31	2017 Budget	2017 Actual	2016 Actual (Restated- Note 19)
Annual surplus	\$ <u>1,216,529</u>	\$ <u>1,380,327</u>	\$ <u>1,807,280</u>
Acquisition of tangible capital assets	(6,585,000)	(3,422,249)	(9,002,992)
Amortization expense - contributory	70,254	52,789	52,789
Amortization of tangible capital assets	<u>6,241,852</u>	<u>6,680,891</u>	<u>6,555,808</u>
	<u>(272,894)</u>	<u>3,311,431</u>	<u>(2,394,395)</u>
Acquisition of prepaids and other assets, net	<u>-</u>	<u>565,150</u>	<u>(726,394)</u>
Change in net debt	943,635	5,256,908	(1,313,509)
Net debt, beginning of year	<u>(17,364,040)</u>	<u>(16,807,237)</u>	<u>(15,493,728)</u>
Net debt, end of year	\$ <u>(16,420,405)</u>	\$ <u>(11,550,329)</u>	\$ <u>(16,807,237)</u>

See accompanying notes to the consolidated financial statements

The Municipality of the County of Colchester

Consolidated statement of cash flows

Year ended March 31	2017	2016
		(Restated- Note 19)
Increase (decrease) in cash and cash equivalents		
Operating activities		
Annual surplus	\$ 1,380,327	\$ 1,807,280
Amortization expense – contributory	52,789	52,789
Amortization of tangible capital assets	<u>6,680,891</u>	<u>6,555,808</u>
	8,114,007	8,415,877
Changes in non-cash working capital		
Receivables	(347,938)	637,235
Loans and advances	(529,152)	(895,280)
Prepays and other assets	565,150	(726,394)
Payables and accruals	(1,660,835)	1,396,679
Other liabilities	<u>731,961</u>	<u>(96,718)</u>
	6,873,193	8,731,399
Capital		
Purchase of tangible capital assets	<u>(3,422,249)</u>	<u>(9,002,992)</u>
Financing activities		
Proceeds on issuance of debt	3,048,505	4,750,000
Repayment / refinancing of debt	<u>(3,130,240)</u>	<u>(2,323,896)</u>
	(81,735)	2,426,104
Net increase in cash and cash equivalents	3,369,209	2,154,511
Opening, cash and cash equivalents	<u>17,126,499</u>	<u>14,971,988</u>
Closing, cash and cash equivalents	\$ 20,495,708	\$ 17,126,499

See accompanying notes to the consolidated financial statements

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

1. Summary of significant accounting policies

Principles and basis of consolidation

The consolidated financial statements of the Municipality of the County of Colchester are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards as recommended by CPA Canada Public Sector Accounting Board (PSAB).

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all operations accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality. These include the Tatamagouche and Debert water operating and capital funds, and the County's proportionate share of the Central Nova Scotia Civic Centre Society (operating as the "Rath Eastlink Community Centre").

Interdepartmental and organizational transactions and balances are eliminated.

Basis of accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period in which the good and services are acquired and a liability is incurred or transfers are due.

Fund accounting

Funds within the consolidated financial statements consist of the operating, capital and reserve funds for the general operations, water utility and the proportionate share of the Central Nova Scotia Civic Centre Society.

Budget figures

The budget figures contained in these consolidated financial statements were approved by Council on April 28, 2016 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 17 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

Reserves for future expenses

Certain amounts, as approved by Municipal Council, are set aside in reserves and reserve funds for future operating and capital expenses.

Segmented information

The Municipality of the County of Colchester is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal Services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

1. Summary of significant accounting policies (continued)

Segmented information (continued)

General government services - Administration

This segment is responsible for the overall local government administration. Its tasks include direction for Municipality services, such as planning, engineering, finance, and information technology in adherence to the Municipal Government Act.

Protective services

This segment is primarily responsible for police, fire protection and by-law administration for its residents. The Municipality engages the services of various not for profit, volunteer fire departments in order to fulfill its fire protection role. The Municipality collects area rates for each fire department. Other protective services include fees paid to the Province for correctional services.

Transportation services

The Municipality is responsible for the maintenance of certain local roads and street lights within its jurisdiction.

Environmental health services - Public Works and Solid Waste

This segment is responsible for the maintenance and operations of waste and sewer services provided to residents and other customers. Its tasks include the provision of waste collection through contract, recycling, and composting.

Public health services

This segment is to provide financial assistance in the areas of public housing and health services.

Environmental development services

This segment is responsible for the issuance of development permits and approving subdivision applications. This segment also includes municipal contributions to the regional economic development authorities, who are mandated to promote development with our respective communities.

Recreation and cultural services

This segment is responsible for promoting and offering recreation opportunities and activities to the Municipality's residents, specializing in maintaining and assisting recreational facilities within the Municipality such as parks, rinks, swimming pools, trails and libraries.

Water treatment and distribution

This segment manages water treatment and distribution facilities and services within the Municipality and includes activities such as source of supply, power and pumping, water treatment, transmission and distribution.

Revenue recognition

Tax revenues are property tax billings which are prepared by the Municipality based on assessment rolls. Tax rates are established annually by Municipal Council. Taxes are billed based on the assessment rolls provided by the Property Services Valuation Corporation a non-for-profit organization responsible for assessment under the Nova Scotia Assessment Act. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Revenues from services to other governments, sale of services, water fire protection and other revenues are recognized when services are performed and/or when earned as long as amounts can be reasonably estimated and collection is reasonably assured.

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

The Municipality collected revenue on behalf of the Villages of Bible Hill and Tatamagouche. Revenue collected is not recorded in the consolidated financial statements of the Municipality. The amount collected and remitted to the Villages is \$2,265,330 (2016: \$2,231,449).

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires the Municipality's management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the year. Estimates in the consolidated financial statements include the allowance for doubtful accounts, amortization expense based on estimated useful lives of tangible capital assets, accrued pension benefit liability, sick leave liability and balefill closure liability. Actual results could differ from those reported.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net debt for the year.

Cash and cash equivalents

Cash and cash equivalents include unrestricted cash of \$1,787,333 (2016 - (\$445,235)) and internally designated cash of \$18,708,375 (2016 - \$17,571,734). These totals include cash on hand, balances with banks and guarantee investment certificates.

Financial instruments

The Municipality's financial instruments consist of cash and cash equivalents, receivables, prepaids, loans and advances, payables and accruals, other liabilities and long term debt and are carried at cost which approximates their fair value.

Government transfers

Government transfers received are recognized in the consolidated financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

1. Summary of significant accounting policies (continued)

Deferred revenue

Deferred revenue relating to the Colchester and Debert Parks will be recognized in the period that the resources are used for the specified purposes outlined in its agreement and as the Municipality discharges its obligations, in accordance with the terms and conditions of the agreement.

Gas Tax and other deferred grant revenue will be recognized in the period in which any stipulations and eligibility criteria been met.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Land improvements	25
Buildings	20 - 40
Machinery and equipment	5 - 20
Vehicles	5
Sewers	50
Sidewalks	20
Roads	25
Landfill	25

No amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

Contributed capital assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

General and other funds

The Municipality records its capital assets in a separate investment in tangible capital asset fund which consists of the historical asset cost less the related long term debt and accumulated depreciation.

Water capital funds

In the Tatamagouche Water Capital Fund and Debert Water Capital Fund, depreciation is also calculated based on approval received from the Nova Scotia Utilities and Review Board (NSUARB). The depreciation charge is transferred to a special bank account in the Water Capital Fund which is used to help fund replacement of existing plant and equipment or subject to approval by the NSUARB, to repay principal of capital debt.

When conditions indicate that a tangible capital asset no longer contributes to the Municipality's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

1. Summary of significant accounting policies (continued)

Allocation of municipal costs to water utility funds

Where identifiable, costs incurred by the Municipality of the County of Colchester on behalf of the water utilities are charged to the utility funds. Salary and wage related costs are charged directly or allocated in proportion to time spent performing functions on behalf of the water utilities.

Employee benefits plans

For municipal employees, except those employees working at the Materials Recovery Facility under the Collective Agreement, the Municipality accrues its obligation under an employee benefit plan and the related costs, net of plan assets. The Municipality has adopted the following policies:

- The cost of pensions earned by employees is actuarially determined using the accrued benefit (or unit credit) method. The solvency liability is equal to the actuarial present value of all benefits earned by members for service prior to the valuation date assuming the plan is wound up on the valuation date (and treating all members as vested).
- For purposes of calculating the expected return on plan assets, the solvency assets are equal to the sum of the net market value and the solvency asset adjustment, less an allowance for windup expenses.

For municipal employees at the Materials Recovery Facility who became employees of the Municipality on December 1, 2010, or who have been hired to work at the facility since that date, participate in a Registered Retirement Savings Plan (RRSP). The managers at the Materials Recovery Facility were allowed to transfer to the defined benefit plan effective December 1, 2010.

As described above, the Municipality has a defined benefit plan (see Note 10) and registered retirement savings plan covering essentially all of its employees.

Solid waste management facilities liabilities

The Municipality accrues landfill closure and post-closure care requirements that include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability for closure and post-closure care is recognized as the landfill site's capacity is used. Closure costs are included in the annual operating costs as each cell of the landfill site is filled and capped. The PV of the estimated annual post closure costs are being accrued over the remaining life of the landfill site.

Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Municipality of the County of Colchester:
 - is directly responsible; or
 - accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

As at March 31, 2017, there are no known contaminated sites identified.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

2. Taxes receivable	Current Year	Prior Years	2017	2016
			Total	Total
Balance, beginning of year	\$ -	\$ 2,023,919	\$ 2,023,919	\$ 1,670,311
Current year's tax levy	<u>32,843,954</u>	<u>-</u>	<u>32,843,954</u>	<u>32,141,211</u>
	32,843,954	2,023,919	34,867,873	33,811,522
Deduct:				
Current year's collection	30,884,230	1,491,563	32,375,793	31,646,266
Write-offs	1,515	4,166	5,681	10,233
Reduced taxes	<u>146,435</u>	<u>-</u>	<u>146,435</u>	<u>131,104</u>
	<u>31,032,180</u>	<u>1,495,729</u>	<u>32,527,909</u>	<u>31,787,603</u>
Balance, end of year	\$ <u>1,811,774</u>	\$ <u>528,190</u>	2,339,964	2,023,919
Allowance for uncollectible accounts			(160,000)	(200,000)
Interest receivable, end of year			<u>284,495</u>	<u>214,924</u>
Balance, end of year, including interest			\$ 2,464,459	\$ 2,038,843

3. Tax collections	2017	2016
Total taxes collected *	\$ <u>31,032,180</u>	\$ <u>30,423,376</u>
Percentage current period's taxes collected	<u>94.5%</u>	<u>94.7%</u>

* Collections include taxes reduced through granting of exemptions.

The tax levy was as follows:

Residential assessments	\$ <u>.87</u>	\$ <u>0.85</u>
Commercial assessments	\$ <u>2.27</u>	\$ <u>2.25</u>

4. Frontage rates receivable	2017	2016
Street improvements	\$ <u>58,000</u>	\$ <u>64,941</u>
Interest receivable	<u>14,639</u>	<u>12,394</u>
Balance, end of year, including interest	\$ <u>72,639</u>	\$ <u>77,335</u>

5. Deferred revenue

In the agreement with the former Colchester Regional Development Agency, the Municipality received funds related to the sale of houses in the Colchester Park. These funds including interest earned, less expenditures totals \$4,136,101 (2016 - \$4,359,100) at March 31, 2017. The revenue will be recognized as upgrading and maintenance for the Debert Area infrastructure as it occurs.

The Municipality and the Province of Nova Scotia have signed an agreement which initially turned over the water and sewer operations within the Debert Air Industrial Park to the Municipality. As part of this agreement, the province initially turned over \$1,735,000 towards capital upgrades that were in progress at the time of the transfer. The Municipality will recognize these funds as revenue as the related capital upgrades are incurred. During 2017, \$nil (2016 - \$ nil) has been recognized.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

5. Deferred revenue (continued)

The Province of Nova Scotia signed an agreement with the Federal government which would enable the Province to transfer gas tax rebates to municipalities for specific capital improvements. The program was to initially run for five years, but has been extended past this five year time frame. In 2017, \$1,304,731 (2016 – \$2,505,414) has been recognized as revenues by the Municipality.

	Street Improvement Rates	Colchester Park	Debert Air Industrial Park	Gas Tax	Other	Total
Balance, beginning of year	\$ 121,329	\$4,359,100	\$494,166	\$1,841,391	\$872,187	\$ 7,688,173
Contributions and interest earned	-	41,776	-	1,769,205	181,320	1,992,301
Amounts recognized as revenue	(20,485)	(264,775)	-	(1,304,731)	(143,059)	(1,733,050)
Balance, end of year	\$ 100,844	\$4,136,101	\$494,166	\$2,305,865	\$910,448	\$ 7,947,424

6. Tax sale surplus

The Municipality is required to hold these funds in the Operating Fund statement of financial position for 20 years. After the expiry date, the cash will then be transferred to the Capital Reserve Fund. Of the total amount of \$463,905, the following can be transferred:

2021	\$ 11,897	2029	\$ 46,256
2022	\$ 19,663	2030	\$ 13,964
2024	\$ 43,611	2031	\$ 63,039
2025	\$ 7,525	2033	\$ 32,669
2026	\$ 84,304	2034	\$ 23,915
2027	\$ 100,052	2035	\$ 2,515
2028	\$ 1,790	2036	\$ 355
		2037	\$ 12,350

7. Rate of return on rate base

For the year ended March 31, 2017, the Tatamagouche Water Utility had a rate of return on rate base of .69% (2016 – (.53%)).

For the year ended March 31, 2017, the Debert Water Utility had a rate of return on rate base of 14.78% (2016 – 17.50%).

8. Long term debt

Schedule of consolidated debt changes and term debt is detailed on page 35. Principal repayments in each of the next five years are due as follows:

2018	\$ 2,331,774
2019	\$ 2,178,472
2020	\$ 1,994,173
2021	\$ 1,674,417
2022	\$ 2,846,568

All long term debt outstanding at year end has been properly authorized by Service Nova Scotia and Municipal Relations.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

9. Balefill closure liability

The Kempton Balefill facility opened to accept solid waste in July of 1995. The facility's original useful life was estimated by the project consultants at 35 years. A consultant's study completed in 2013 has estimated that the site's useful life is extended to 2086. At that time, the Municipality implemented a closure reserve which would provide funding to remediate the site and to monitor environmental conditions. In 2005, the Municipality recognized the closure as a liability and accordingly, set up the liability in general operations by transferring the reserve fund balance.

The estimated liability for closure and post closure costs at this date is \$12,333,446. At March 31, 2017, the liability balance is 1,770,790 (2016 - \$1,674,527).

Current capacity of the site is estimated at 4,791,670 cubic meters. At March 31, 2017, 14.36% of the capacity, or 687,970 cubic meters of the site has been used. This differs from the prior year capacity calculation.

It is expected that post closure costs will continue for an indefinite time after closure of the site. The \$12,333,446 closure costs are reviewed annually as cells are capped as the capping of the cells impact the estimated liability closure.

The Municipality constructed the third cell and liner in 2006. Eleven cells are expected to be completed and filled at the time of site closure. The fourth cell construction was completed in fiscal 2015.

10. Employee retirement benefits

The Municipality operates a defined benefit pension plan, which provides benefits to employees upon retirement. The most recent actuarial valuation was at December 31, 2013. On a going-concern basis, the value of accrued benefits, at December 31, 2013, exceeded the value of the plan assets by \$33,701. On a wind-up basis, the liabilities exceed the assets by \$988,486. As a result of the December 2010 actuarial valuation, the Municipality made special payments into the plan during fiscal 2015 of \$98,811. This fully funded the going concern deficit of \$33,701, as determined in the December 2013 actuarial valuation. No further special payments will be required.

The next actuarial valuation will be completed as at December 31, 2016. This valuation is expected to be completed in the fall of 2017. The information provided below is based on an extrapolation of the December 31, 2013 valuation report to December 31, 2016.

The assumptions and methods used in the valuation, as selected by management following consultation with the Municipality's Actuary, conform to the requirements of PS 3250.

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Market Value of Assets	\$10,786,265	\$ 9,840,137
Accrued Benefit Obligation	<u>14,694,792</u>	<u>13,449,166</u>
Surplus/ (Deficit)	<u>(\$ 3,908,527)</u>	<u>(\$ 3,609,029)</u>
	EARSL 11 years	EARSL 11 years

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

10. Employee retirement benefits

Components of Pension Expense under PS 3250:

The main components of pension expense under PS 3250 for the year January 1, 2016 to December 31, 2016.

	<u>2016</u>	<u>2015</u>
Employer's Current Service Cost	\$ 673,610	\$ 684,050
Interest Cost on Accrued Benefit Obligation	517,987	461,480
Expected Return on Plan Assets	(652,390)	(586,688)
Amortization of net actuarial loss/ (gain)	<u>213,235</u>	<u>258,279</u>
Pension Expense/(Income)	<u>\$ 752,442</u>	<u>\$ 817,121</u>

In accordance with PS 3250, actuarial gains and losses will be amortized on a straight line basis over EARSL (expected average remaining service lifetime) of the members. For the fiscal 2017 year, the cumulative actuarial gain/loss at the beginning of the year is amortized over EARSL.

Accrued Benefit Liability / (Asset) on the consolidated statement of financial position:

	<u>2016</u>	<u>2015</u>
Balance January 1	\$ 1,521,723	\$ 1,122,086
Pension Expense/(Income)	752,442	817,121
Municipality's Contributions	<u>(459,642)</u>	<u>(417,484)</u>
Balance December 31	<u>\$ 1,814,523</u>	<u>\$ 1,521,723</u>

The significant actuarial assumptions adopted measuring the Municipality's accrued benefit obligations as at December 31, 2016 were as follows:

Expected long-term rate of return on plan assets:	6.50%
Rate of compensation increase:	3.00%
Discount rate used to determine benefit obligation:	3.75% per annum as at December 31, 2016 3.75% per annum as at December 31, 2015
EARSL:	11 years
The Actuarial Cost Method:	Projected Accrued Benefit prorated on Service
Post-retirement mortality:	2014 Canadian Pensioners Mortality Table for Public Sector Employees (CPM 2014 Public) with generational projection using improvement factors from scale B1-2014 at December 31, 2014.

All plan assets are held by various Standard Life Funds.

During the year, the Municipality and employees contributed \$454,361 (including special payments) and \$329,809 respectively, to the plan. Benefit payments for the year totaled \$277,962.

Effective July 1, 2014, members contribute 7.0% of their pensionable earnings up to the YMPE plus 8.5% of pensionable earnings in excess of the YMPE. The Municipality contributes the balance of the cost required to fund the benefits.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

11. Sick leave benefit liability

Section 3255 of the CPA Canada Public Sector Accounting Handbook (PS 3255) requires that a liability and expense be recorded for compensated absences that vest or that accumulate. The Municipality has two unionized workforces that have sick benefits that are accumulating and non-vesting. The Municipality also provides sick leave benefits for its non-union employees. However, because the benefit does not vest or accumulate it is not included in this valuation. The valuation was completed as at March 31, 2017.

Actuarial Method:

The actuarial cost method used was the "Projected Unit Credit" method (also known as the "Projected Accrued Benefit" method) pro - rated on service.

Components of benefit expense under PS3250:

	<u>2017</u>
Current service cost	\$ 6,913
Amortization of gains and losses	-
Benefit expense	<u>\$ 6,913</u>

Accrued benefit liability / (asset) on the consolidated statement of financial position:

	<u>2017</u>
Balance, beginning of year	\$ 78,916
Benefit expense	6,913
Interest expense	1,472
Municipality contribution	<u>(17,581)</u>
Balance, end of year (unfunded)	<u>\$ 69,720</u>

Assumptions:

Discount rate:	2.0% per annum
Salary increases:	3.0% per annum.
Termination:	Ontario Light" termination rate table
Pre-retirement mortality:	Nil
Pre-retirement disability:	Nil
Retirement age:	Age 60 or in one year if currently over 60
Excess sick leave utilization:	1.5 days per year (Local 3945) and 2 days per year (Local 4106)

Plan Provisions:

Local 3945

The Municipality provides eligible employees who are members of Local 3945 with sick leave that accumulates at 18 days per year (1.5 days per month) up to a maximum of 95 days. If an employee is sick more than 18 days in a year, they can draw on their accumulated sick leave. No benefit in respect of accumulated sick leave is payable upon termination, retirement, or death.

Local 4106

The Municipality provides eligible employees who are members of Local 4106 with sick leave that accumulates at 12 days per year (1 day per month) up to a maximum of 100 days. If an employee is sick more than 12 days in a year, they can draw on their accumulated sick leave. No benefit in respect of accumulated sick leave is payable upon termination, retirement, or death.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

12. Commitments

- (i) The Municipality has entered into agreements to lease motor vehicles and information technology (IT) equipment for various periods until 2021. Payments for each of the next four years are as follows:

2018	\$ 48,852
2019	\$ 39,251
2020	\$ 33,523
2021	\$ 4,977

- (ii) Under the terms and conditions of the agreement relating to the transfer of infrastructure system assets of the Debert Air Industrial Park (DAIP) from the Province of Nova Scotia to the Municipality, the Municipality has agreed to incur capital expenditures for infrastructure development in the amount of \$3,000,000 within four years of the asset transfer date of March 31, 2008. As of March 31, 2017, the Municipality has incurred approximately \$1,660,000 in expenditures in a nine year period towards the treatment plant, lift stations, sewer lines, highway entrance and sidewalk. The Province is aware of the delays in the project and the funding has not been recalled.

13. Remuneration

The gross earnings paid during the year and expenses paid on behalf of each member of council and CAO are as follows:

<u>Name and Position</u>	<u>Gross Earnings</u>	<u>Expenses</u>	<u>Total</u>
Eric Boutilier, Councillor (5 months)	\$ 10,524	\$ 37	\$ 10,561
Ronald Cavanaugh, Councillor	\$ 24,439	\$ 1,152	\$ 25,591
Mike Cooper, Councillor	\$ 24,439	\$ 63	\$ 24,502
Lloyd Gibbs, Councillor	\$ 24,439	\$ 693	\$ 25,132
Michael Gregory, Councillor	\$ 24,439	\$ 1,816	\$ 26,255
Doug MacInnes, Councillor	\$ 24,439	\$ 1,541	\$ 25,980
Karen MacKenzie, Councillor	\$ 24,439	\$ 37	\$ 24,476
Bill Masters, Deputy Mayor	\$ 29,907	\$ 1,148	\$ 31,055
Wade Parker, Councillor	\$ 24,439	\$ 37	\$ 24,476
Geoff Stewart, Councillor	\$ 24,439	\$ 1,175	\$ 25,614
Tom Taggart, Councillor, Atlantic Region FCM Representative	\$ 24,439	\$ 9,481	\$ 33,920
Robert Taylor, Mayor (7 months)	\$ 27,479	\$ 6,631	\$ 34,110
Christine Blair, Councillor/Mayor (5 months)	\$ 34,551	\$ 1,462	\$ 36,013
Robert Simonds, CAO	\$ 133,551	\$ 25,172	\$ 158,723

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

14. Trust funds

The Municipality holds trust funds at March 31, 2017, totaling \$451,635 (2016 - \$432,848) for specific purposes. These assets and corresponding liabilities are set out on Page 46 and are not recorded in these consolidated financial statements.

15. Credit facilities

The Municipality has the following credit facilities:

Revolving line of credit	\$	3,900,000
Revolving line of credit	\$	50,000

16. Accumulated surplus

	<u>2017</u>	<u>2016</u> (Restated- Note 19)
General operating fund (Page 40)	\$ 521,167	\$ (3,690,428)
Tatamagouche water operating fund (Page 41)	(199,433)	(210,734)
Tatamagouche water capital fund (Page 42)	300,426	265,607
Debert water operating fund (Page 43)	61,667	(19,890)
Debert water capital fund (Page 44)	313,370	231,063
Reserve funds (Page 37)	9,519,264	8,938,989
Civic Centre consolidated operating fund (Page 45)	<u>81,284</u>	<u>34,991</u>
	10,597,745	5,549,598
Investment in tangible capital assets (Page 36)	<u>86,439,128</u>	<u>90,106,948</u>
	\$ 97,036,873	\$ 95,656,546

17. Budget Figures

The County budgets for rate setting purposes in the general operating fund. Council approves a balanced budget in the general operating fund which is a balanced budget for County wide operations. Council also approves separate area rates which may budget for surplus funds, and water utility budgets which have regulated rates. Council also approves a five year capital budget. The following adjustments reconcile the general operating budget to the financial reporting presentation under Canadian Public Sector Accounting Standards ("PSAB"). These adjustments include adjustments for area rates, water utility budget, Central Nova Scotia Civic Centre Society budget, fiscal transfers between funds, and reclassifications of revenues and expenses between categories.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

17. Budget Figures (continued)

		<u>Original Operating Budget</u>	<u>Adjustments</u>	<u>Fiscal Budget Per Consolidated Financial Statements</u>
REVENUE				
Property Taxes	\$	25,264,179	\$ (335,220)	\$ 24,928,959
Grants in Lieu	\$	1,068,974	\$ -	\$ 1,068,974
Own Sources	\$	733,300	\$ 10,463,079	\$ 11,196,379
Government Transfers	\$	1,628,412	\$ 687,625	\$ 2,316,037
Total Revenue	\$	28,694,865	\$ 10,815,484	\$ 39,510,349
EXPENSE				
General Government Services	\$	5,264,441	\$ 57,396	\$ 5,321,837
Protective Services	\$	526,376	\$ 9,005,524	\$ 9,531,900
Transportation Services	\$	2,085,035	\$ 210,618	\$ 2,295,653
Environmental and Health Services	\$	7,057,234	\$ 8,443,667	\$ 15,500,901
Recreation, Parks, Rinks	\$	3,022,263	\$ 1,964,250	\$ 4,986,513
Transfers to other Govts.	\$	13,932,889	\$ (13,932,889)	\$ -
Water Treatment	\$	-	\$ 657,016	\$ 657,016
Other Transfers	\$	3,048,480	\$ (3,048,480)	\$ -
Amortization	\$	(6,241,853)	\$ 6,241,853	\$ -
Total Expense	\$	28,694,865	\$ 9,598,955	\$ 38,293,820
Net Financial position	\$	-	\$ 1,216,529	\$ 1,216,529

18 Contingency

As at March 31, 2017, there is currently a litigation claim against the Municipality of the County of Colchester and the Town of Truro by PCL Constructors Canada Inc. This is a claim arising out of the construction contract for the Rath Eastlink Community Centre. The claim was filed February 2, 2015. A counter claim was also filed by the Municipality of the County of Colchester and the Town of Truro. The stated value of the PCL claim is \$2.5 million. At this stage in the proceedings, it is not possible to reasonably measure any potential liability or recovery that may exist in the PCL claim or counter claim.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

19. Prior period adjustment

During the year, management determined that tangible capital assets and payables were understated by \$2,072,304. Construction of the Municipality's portion of the Library building, through a joint agreement with the Town of Truro, had not been recorded in the consolidated statement of financial position in the prior year.

In addition, management obtained an actuarial valuation on their non-vesting, accumulating sick leave benefit liability. As a result of the valuation, it was determined that liabilities had been understated and accumulated surplus had been overstated by \$78,916 as of March 31, 2016.

As a result of these errors, the following financial statement items as at March 31, 2016 have been increased (decreased) by the following amounts:

Consolidated statement of financial position at March 31, 2016

Accrued payables	\$ 2,072,304
Accrued sick leave benefit liability	\$ 78,916
Tangible capital assets	\$ 2,072,304
Net Debt	\$ 2,151,220
Accumulated Surplus	\$ (78,916)

Consolidated statement of operations for the year ended March 31, 2016

General government services	\$ 78,916
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20. Government partnerships

Government partnerships entered into or continued by the Municipality during the current year of operations are recorded using the proportionate consolidation method. Government partnerships include:

Partnership with the Town of Truro to maintain and operate the Central Nova Civic Centre Society at 50%

Partnership with the Town of Truro for the construction and operation costs to maintain the building which hosts the Colchester – East Hants Public Library Truro Branch at 40%

Government partnerships accounted for using the proportionate consolidation method have the following impact on the consolidated statement of financial position and operations as at March 31,

	<u>2017</u>	<u>2016</u>
Total Assets	\$ 2,662,837	\$ 2,454,491
Total Liabilities	<u>1,998,951</u>	<u>2,419,500</u>
Net Assets	<u>\$ 663,886</u>	<u>\$ 34,991</u>
Total Revenues	\$ 1,060,696	\$ 1,186,775
Total Expenses	<u>1,624,048</u>	<u>1,749,540</u>
Annual Deficit	<u>\$ (563,352)</u>	<u>\$ (562,765)</u>

21. Comparative figures

Certain of the previous year comparative figures have been reclassified to conform to the current year financial statement presentation.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

22. Segment disclosures – March 31, 2017

	General Government	Protective Services	Transportation Services	Environmental Health	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utilities	Rath Eastlink Community Centre	Consolidated
Expenses										
Salaries, wages and benefits	\$2,277,514	\$ 432,485	\$ 238,520	\$ 4,100,614	\$ -	\$ 237,005	\$ 413,039	\$207,309	\$ 535,584	\$ 8,442,070
Goods and services	1,560,568	3,249,518	551,084	5,769,745	-	70,510	505,470	349,313	1,181,104	13,237,312
Third party services/transfers	660,897	5,160,890	546,607	-	117,669	-	827,815	-	-	7,313,878
Debt Servicing	-	65,336	-	202,641	86,416	-	408,006	1,798	-	764,197
Community grants and exemptions	733,694	41,743	-	-	-	-	122,724	-	-	898,161
Amortization	207,857	53,733	1,005,505	4,179,963	-	4,946	1,031,920	249,756	-	6,733,680
	\$5,440,530	\$9,003,705	\$2,341,716	\$14,252,963	\$ 204,085	\$ 312,461	\$3,308,974	\$808,176	\$1,716,688	\$37,389,298

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2017

22. Segment disclosures – March 31, 2016

	General Government	Protective Services	Transportation Services	Environmental Health	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utilities	Rath Eastlink Community Centre	Consolidated
Expenses										
Salaries, wages and benefits	\$1,943,236	\$ 394,067	\$ 239,322	\$ 3,737,399	\$ -	\$222,830	\$ 355,209	\$169,798	\$ 550,721	\$ 7,612,582
Goods and Services	1,808,509	3,493,923	658,145	5,904,530	-	133,288	950,771	336,600	1,446,313	14,732,079
Third party services/transfers	663,161	4,976,826	537,982	-	141,435	-	235,574	-	-	6,554,978
Debt Servicing	-	76,386	-	168,935	115,677	-	443,724	3,680	-	808,402
Community grants and exemptions	711,769	43,232	-	-	-	-	117,846	-	-	872,847
Amortization	151,082	32,937	1,052,045	4,095,374	-	-	1,025,330	251,829	-	6,608,597
	<u>\$5,277,757</u>	<u>\$9,017,371</u>	<u>\$2,487,494</u>	<u>\$13,906,238</u>	<u>\$257,112</u>	<u>\$356,118</u>	<u>\$3,128,454</u>	<u>\$761,907</u>	<u>\$1,997,034</u>	<u>\$37,189,485</u>

The Municipality of the County of Colchester

Schedule of consolidated tangible capital assets

Year ended March 31, 2017

General capital

	<u>Land</u>	<u>Land Improvements</u>	<u>Municipal Buildings</u>	<u>Buildings/Plants</u>	<u>Electric Data</u>	<u>Office Equipment</u>	<u>Machinery</u>
Cost:							
Balance, beginning of year (Restated)	\$ 7,059,943	\$ 2,286,887	\$ 28,549,948	\$ 72,563,292	\$ 894,540	\$ 289,071	\$ 14,474,362
Acquisition of tangible capital assets	38,879	351,473	392,696	358,959	34,057	23,941	276,476
Disposal of tangible capital assets	-	-	-	-	-	-	(65,606)
Balance, end of year	7,098,822	2,638,360	28,942,644	72,922,251	928,597	313,012	14,685,232
Accumulated amortization:							
Balance, beginning of year	-	(271,294)	(2,088,274)	(41,807,654)	(378,916)	(236,910)	(6,429,481)
Annual amortization	-	(91,467)	(661,833)	(2,684,994)	(114,291)	(24,465)	(1,093,567)
Accumulated amortization on disposals	-	-	-	-	-	-	65,606
Balance, end of year	-	(362,761)	(2,750,107)	(44,492,648)	(493,207)	(261,375)	(7,457,442)
Net book value of tangible capital assets	\$ 7,098,822	\$ 2,275,599	\$ 26,192,537	\$ 28,429,603	\$ 435,390	\$51,637	\$ 7,227,790

	<u>Vehicles</u>	<u>Roads</u>	<u>Sidewalks</u>	<u>Sewer</u>	<u>Landfill</u>	<u>Total</u>
Cost:						
Balance, beginning of year (Restated)	\$ 2,164,629	\$ 14,179,854	\$ 12,259,555	\$ 20,673,481	\$ 9,280,099	\$ 184,675,661
Acquisition of tangible capital assets	162,794	150,603	934,235	633,799	-	3,357,912
Disposal of tangible capital assets	-	-	-	-	-	(65,606)
Balance, end of year	2,327,423	14,330,457	13,193,790	21,307,280	9,280,099	187,967,967
Accumulated amortization:						
Balance, beginning of year	(2,076,293)	(5,689,998)	(5,720,949)	(6,647,174)	(4,262,005)	(75,608,948)
Annual amortization	(30,625)	(548,269)	(453,026)	(410,183)	(371,204)	(6,483,924)
Accumulated amortization on disposals	-	-	-	-	-	65,606
Balance, end of year	(2,106,918)	(6,238,267)	(6,173,975)	(7,057,357)	(4,633,209)	(82,027,266)
Net book value of tangible capital assets	\$ 220,505	\$ 8,092,190	\$ 7,019,815	\$ 14,249,923	\$ 4,646,890	\$ 105,940,701

The Municipality of the County of Colchester

Schedule of consolidated tangible capital assets

Year ended March 31, 2017

Debert Water Utility

	<u>Buildings</u>	<u>Machinery</u>	<u>Water Lines</u>	<u>Vehicles</u>	<u>Total</u>
Cost:					
Balance, beginning of year	\$ 2,417,673	\$ 68,257	\$ 1,321,072	\$ 39,443	\$ 3,846,445
Acquisition of tangible capital assets	61,709	-	2,628	-	64,337
Balance, end of year	<u>2,479,382</u>	<u>68,257</u>	<u>1,323,700</u>	<u>39,443</u>	<u>3,910,782</u>
Accumulated amortization:					
Balance, beginning of year	(2,208,486)	(46,719)	(896,991)	(24,325)	(3,176,521)
Accumulated amortization contributory	-	-	-	-	(94,588)
Annual amortization contributory	-	-	-	-	(17,970)
Annual amortization	(28,169)	(5,817)	(28,064)	(7,889)	(69,939)
Balance, end of year	<u>(2,236,655)</u>	<u>(52,536)</u>	<u>(925,055)</u>	<u>(32,214)</u>	<u>(3,359,018)</u>
Net book value of tangible capital assets	<u>\$ 242,727</u>	<u>\$ 15,721</u>	<u>\$ 398,645</u>	<u>\$ 7,229</u>	<u>\$ 551,764</u>

Tatamagouche Water Utility

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Water Lines</u>	<u>Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
Cost:							
Balance, beginning of year	\$ 7,097	\$ 2,951,530	\$ 114,447	\$ 711,504	\$ 30,005	\$ 4,411	\$ 3,818,994
Acquisition of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	<u>7,097</u>	<u>2,951,530</u>	<u>114,447</u>	<u>711,504</u>	<u>30,005</u>	<u>4,411</u>	<u>3,818,994</u>
Accumulated amortization:							
Balance, beginning of year	-	(1,177,067)	(96,658)	(479,985)	(17,296)	(4,411)	(1,775,417)
Accumulated amortization							
Contributory	-	-	-	-	-	-	(231,394)
Annual amortization contributory	-	-	-	-	-	-	(34,819)
Annual amortization	-	(108,163)	(3,342)	(14,230)	(1,293)	-	(127,028)
Balance, end of year	<u>-</u>	<u>(1,285,230)</u>	<u>(100,000)</u>	<u>(494,215)</u>	<u>(18,589)</u>	<u>(4,411)</u>	<u>(2,168,658)</u>
Net book value of tangible capital assets	<u>\$ 7,097</u>	<u>\$ 1,666,300</u>	<u>\$ 14,447</u>	<u>\$ 217,289</u>	<u>\$ 11,416</u>	<u>\$ -</u>	<u>\$ 1,650,336</u>

Total net book value of all tangible capital assets

\$ 108,142,801

The Municipality of the County of Colchester

Schedule of consolidated debt charges

Year ended March 31, 2017

	Fiscal Year of <u>Issue</u>	Fiscal Year of <u>Maturity</u>	Interest <u>Rate</u>	Balance <u>March 31/16</u>	<u>Acquired</u>	<u>Redeemed</u>	<u>Refinanced</u>	Balance <u>March 31/17</u>	Interest <u>2017</u>	Serial Instalment <u>2017</u>	Total Debt <u>Charges</u>
<u>Unmatured Debenture and Term Debt</u>											
Phase 4B regional sewage plant	2007	2017	4.88%	\$ 225,000	\$ -	\$ 225,000	\$ -	\$ -	\$ 1,576	\$ 225,000	\$ 226,576
Phase 4C/4D regional sewage plant	2007	2017	4.41%	165,000	-	165,000	-	-	4,106	165,000	169,106
Regional Hospital #1	2007	2017	4.88%	399,997	-	66,667	333,330	-	2,069	66,667	68,736
Regional Hospital #1 - refinanced	2017	2032	1.150%-3.475%	-	333,330	-	-	333,330	4,657	-	4,657
Regional Hospital #2	2008	2018	4.560%-4.625%	600,000	-	100,000	-	500,000	23,830	100,000	123,830
Regional Hospital #3	2009	2019	4.684%-4.884%	646,156	-	107,692	-	538,464	27,466	107,692	135,158
Regional Hospital #4	2010	2020	4.038%-4.889%	699,998	-	116,667	-	583,331	28,393	116,667	145,060
Brookfield Fire Hall	2007	2017	4.88%	662,275	-	47,100	615,175	-	6,940	47,100	54,040
Brookfield Fire Hall – - refinanced	2017	2032	1.150%-3.475%	-	615,175	-	-	615,175	11,296	-	11,296
Tatamagouche water utility	2009	2019	4.895%-5.095%	42,000	-	14,000	-	28,000	1,798	14,000	15,798
Civic Centre – Phase 1	2012	2022	2.355%-3.645%	2,213,090	-	164,390	-	2,048,700	73,049	164,390	237,439
Civic Centre – Phase 2	2013	2023	2.355%-3.480%	4,279,576	-	338,249	-	3,941,327	128,724	338,249	466,973
Civic Centre – Phase 3A	2013	2023	2.04%-3.160%	2,732,216	-	181,941	-	2,550,275	77,586	181,941	259,527
Civic Centre – Phase 3A1	2014	2024	1.61%-2.979%	2,365,800	-	155,700	-	2,210,100	59,740	155,700	215,440
Civic Centre – Phase 3B	2014	2024	1.743%-3.610%	1,503,700	-	100,200	-	1,403,500	46,849	100,200	147,049
WWTP Phase 4	2015	2030	1.366%-3.792%	3,070,959	-	161,629	-	2,909,330	93,385	161,629	255,014
Landfill cell and compost facility	2016	2031	1.011%-3.205%	2,150,000	-	107,500	-	2,042,500	53,294	107,500	160,794
Granville Drive sanitary sewer	2016	2031	1.011%-3.205%	2,600,000	-	130,000	-	2,470,000	64,668	130,000	194,668
WWTP Phase 5	2017	2032	1.150%-3.475%	-	2,100,000	-	-	2,100,000	50,280	-	50,280
Totals				\$ 24,355,767	\$ 3,048,505	\$ 2,181,735	\$ 948,505	\$ 24,274,032	\$ 759,706	\$ 2,181,735	\$ 2,941,441

SUPPLEMENTARY SCHEDULES

The Municipality of the County of Colchester

Schedule of investment in tangible capital assets

March 31	General	Tatamagouche Water	Debert Water	Total 2017	Total 2016 (Restated- Note 19)
Balance, beginning of year (Restated – Note 19)	\$ 87,761,273	\$ 1,770,340	\$ 575,335	\$ 90,106,948	\$ 90,574,623
Capital purchases	3,357,912	-	64,337	3,422,249	9,002,992
Acquisition of long term debt	(3,048,505)	-	-	(3,048,505)	(4,750,000)
Payment on long term debt	2,678,116	14,000	-	2,692,116	1,887,930
Amortization of assets (non-contributory)	(6,483,924)	(127,028)	(69,939)	(6,680,891)	(6,555,808)
Amortization of water utility assets (contributory)	-	(34,819)	(17,970)	(52,789)	(52,789)
Balance, end of year	\$ 84,264,872	\$ 1,622,493	\$ 551,763	\$ 86,439,128	\$ 90,106,948

The Municipality of the County of Colchester

Schedule of reserve funds

Year ended March 31, 2017

	Special Capital	Special Operating	Solid Waste Equipment	Vehicle Reserve	RECC Capital	Recreation Reserve	Fire Insurance Reserve	Liner Replacement	Courthouse Reserve
Revenues									
Interest	\$ 5,742	\$ 38,549	\$ 12,263	\$ 1,106	\$ -	\$ 1,034	\$ 3,085	\$ -	\$ 8,493
Insurance proceeds and proceeds on sale of assets	33,079	-	-	18,600	-	-	-	-	-
Grant and grant exchange	-	-	12,805	-	-	-	-	-	-
Net revenues	38,821	38,549	25,068	19,706	-	1,034	3,085	-	8,493
Net transfers (to) from	97,928	(579,938)	(40,160)	86,149	364,442	13,037	(58,847)	169,220	65,943
Change in fund balances	136,749	(541,389)	(15,092)	105,855	364,442	14,071	(55,762)	169,220	74,436
Opening fund balances	567,205	4,218,776	1,182,758	(33,391)	-	61,219	265,092	(293,619)	827,781
Closing fund balances	\$ 703,954	\$ 3,677,387	\$ 1,167,666	\$ 72,464	\$ 364,442	\$ 75,290	\$ 209,330	\$ (124,399)	\$ 902,217

	Trail Reserve	Winter Maintenance	Major Floods	Street Repaving	Balefill Improvements	Municipal Infrastructure and Development Plan	Salmon River School	Total 2017	Total 2016
Revenues									
Interest	\$ 2,223	-	\$ 1,112	\$ 1,008	\$ 1,237	\$ 18,741	\$ 154	\$ 94,747	\$ 81,576
Insurance proceeds and proceeds on sale of assets	-	-	-	-	-	-	-	51,679	25,479
Grant and grant exchange	-	-	-	-	-	-	-	12,805	546,610
Net revenues	2,223	-	1,112	1,008	1,237	18,741	154	159,231	653,665
Net transfers (to) from	142	8,000	65,707	150,000	35,122	60,484	(16,185)	421,044	(624,077)
Change in fund balances	2,365	8,000	66,819	151,008	36,359	79,225	(16,031)	580,275	29,588
Opening fund balances	132,718	-	28,399	17,620	88,753	1,859,647	16,031	8,938,989	8,909,401
Closing fund balances	\$ 135,083	8,000	\$ 95,218	\$ 168,628	\$ 125,112	\$ 1,938,872	\$ -	\$ 9,519,264	\$ 8,938,989

The Municipality of the County of Colchester

Schedule of capital funding

Year ended March 31, 2017

General Operating															
Project	Cost	Gas Tax	Donated Capital	Special Capital	Develop-ment Reserve	Other	COOR	Debert Sale of Homes	Court house Reserve	Public Works Equipment Reserve	Trails Reserve	Fire Insurance Reserve	Parkland Trust	Balefill Equipment Reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Granville Drive	900	-	-	-	-	-	900	-	-	-	-	-	-	-	900
Hub Centre Sewer	150,250	75,125	-	-	-	-	75,125	-	-	-	-	-	-	-	150,250
Tatamagouche Sewer upgrade	154,736	77,368	-	-	-	-	77,368	-	-	-	-	-	-	-	154,736
Wind Tubines Pumping Station #3/#16/	114,937	114,937	-	-	-	-	-	-	-	-	-	-	-	-	114,937
#30 upgrades	327,914	327,914	-	-	-	-	-	-	-	-	-	-	-	-	327,914
WWTP upgrade	111,438	-	-	111,438	-	-	-	-	-	-	-	-	-	-	111,438
Nelson Park	3,786	-	-	-	-	-	3,786	-	-	-	-	-	-	-	3,786
IT infrastructure	34,057	-	-	-	-	-	-	-	34,057	-	-	-	-	-	34,057
DNR Building	240,000	-	-	-	-	-	-	240,000	-	-	-	-	-	-	240,000
Cobequid Trailhead Municipal Park Equipment	38,879	-	-	-	-	-	-	-	-	-	-	-	38,879	-	38,879
Trails Capital	4,029	-	-	-	-	-	4,029	-	-	-	-	-	-	-	4,029
SHRU Fire Equipment	52,408	-	-	-	-	-	-	-	-	-	52,408	-	-	-	52,408
Styrofoam Densifier	122,380	-	-	-	-	-	-	-	-	-	-	122,380	-	-	122,380
Forklift	132,584	-	-	-	-	-	-	-	-	-	-	-	-	132,584	132,584
Palliser Land Development	64,109	-	-	-	-	-	-	-	-	-	-	-	-	64,109	64,109
Tyler Avenue – Donated Capital	119,308	-	-	-	119,308	-	-	-	-	-	-	-	-	-	119,308
Broderick Lane Screener	106,250	-	106,250	-	-	-	-	-	-	-	-	-	-	-	106,250
McClure's Mill's Connector	4,305	-	-	-	-	-	4,305	-	-	-	-	-	-	-	4,305
Robie Street	32,565	-	-	-	-	-	-	-	-	-	-	-	-	32,565	32,565
Brookfield sidewalk	911,752	455,876	-	-	-	-	455,876	-	-	-	-	-	-	-	911,752
Compost containers	20,450	10,225	-	-	-	-	10,225	-	-	-	-	-	-	-	20,450
Airport Pad	2,034	1,017	-	-	-	-	1,017	-	-	-	-	-	-	-	2,034
Debert Roundabout	53,395	-	-	-	-	-	53,395	-	-	-	-	-	-	-	53,395
Public Works Equipment Replacement	171,665	171,665	-	-	-	-	-	-	-	-	-	-	-	-	171,665
Balefill Equipment Replacement	44,353	44,353	-	-	-	-	-	-	-	-	-	-	-	-	44,353
Library	128,944	-	-	-	-	-	-	-	-	128,944	-	-	-	-	128,944
Civic Centre	33,847	-	-	-	-	-	-	-	-	-	-	-	-	33,847	33,847
	152,696	-	-	-	-	-	152,696	-	-	-	-	-	-	-	152,696
	23,941	-	-	-	-	23,941	-	-	-	-	-	-	-	-	23,941
Total	3,357,912	1,278,480	106,250	111,438	119,308	23,941	838,722	240,000	34,057	128,944	52,408	122,380	38,879	263,105	3,357,912

The Municipality of the County of Colchester

Schedule of capital funding (continued)

Year ended March 31, 2017

Debert Water Utility

<u>Project</u>	<u>Cost</u> \$	<u>Debert Sale of Homes</u> \$	<u>Federal/ Provincial Grants</u> \$	<u>Total</u> \$
Dakota Road Water Trans. Line	2,626	2,626	-	2,626
Debert Water Tower	61,711	22,149	39,562	61,711
	<u>64,337</u>	<u>24,775</u>	<u>39,562</u>	<u>64,337</u>

The Municipality of the County of Colchester

Schedules of changes in general operating fund

Year ended March 31	2017 Budget	2017 Actual	2016 Actual (Restated- Note 19)
Revenues			
Taxes	\$ 24,928,959	\$ 24,979,767	\$ 24,250,675
Grants in lieu of taxes	1,068,974	1,102,894	1,036,639
Services to other governments	1,034,428	999,760	1,058,792
Sale of services	557,000	516,792	493,396
Other revenue from own sources	5,293,524	5,240,145	4,315,651
Unconditional transfers from other governments	542,162	545,228	542,069
Conditional transfers from other governments	1,773,875	1,757,057	1,989,711
Other	2,354,167	1,650,426	2,777,013
Total revenues	<u>37,553,089</u>	<u>36,792,069</u>	<u>36,463,946</u>
Expenses			
General government services	5,321,837	5,440,530	5,277,757
Protective services	9,531,900	9,003,705	9,017,371
Transportation services	2,295,653	2,341,716	2,487,494
Environmental health services	14,726,425	14,252,963	13,906,238
Public health services	247,490	204,085	257,112
Environmental development services	526,985	312,461	356,118
Recreation and cultural services	3,763,830	4,031,355	3,973,704
Total expenses	<u>36,414,120</u>	<u>35,586,815</u>	<u>35,275,794</u>
Annual surplus	\$ <u>1,138,969</u>	<u>1,205,254</u>	<u>1,188,152</u>
Debt principal repayment		(2,678,116)	(1,873,930)
Transfer of debenture proceeds		3,048,505	4,750,000
Transfer of depreciation expense		6,480,079	6,356,767
Transfers to other funds, net		(3,844,127)	(8,497,314)
Change in surplus		<u>4,211,595</u>	<u>1,923,675</u>
Opening surplus		<u>(3,690,428)</u>	<u>(5,614,103)</u>
Closing surplus		\$ <u>521,167</u>	\$ <u>(3,690,428)</u>

The Municipality of the County of Colchester

Schedule of changes in Tatamagouche water operating fund

Year ended March 31	2017 Budget	2017 Actual	2016 Actual
Revenues			
Sale of water	\$ 268,138	\$ 259,654	\$ 237,298
Public fire protection	72,099	67,074	65,717
Other	<u>33,072</u>	<u>33,471</u>	<u>30,703</u>
Total revenues	<u>373,309</u>	<u>360,199</u>	<u>333,718</u>
Expenses			
Source of supply	6,461	5,301	3,915
Power and pumping	35,793	34,713	35,288
Water treatment	72,165	84,549	72,123
Transmission and distribution	86,748	80,618	51,376
Administrative	71,472	52,786	64,103
Filter replacement	12,300	12,300	12,300
Depreciation	-	127,028	129,283
Depreciation – NSUARB	52,284	34,819	34,819
Interest on long term debt	2,100	1,798	3,680
Taxes	<u>27,897</u>	<u>28,014</u>	<u>27,758</u>
Total expenses	<u>367,220</u>	<u>461,926</u>	<u>434,645</u>
Annual surplus (deficit)	\$ <u>6,089</u>	<u>(101,727)</u>	<u>(100,927)</u>
Debt principal repayment		(14,000)	(14,000)
Transfer of depreciation expense		127,028	129,283
Transfer of depreciation expense – NSUARB		34,819	34,819
Net transfers to water capital fund, net		<u>(34,819)</u>	<u>(58,239)</u>
Change in surplus		11,301	(9,064)
Opening surplus		<u>(210,734)</u>	<u>(201,670)</u>
Closing surplus		\$ <u>(199,433)</u>	\$ <u>(210,734)</u>

The Municipality of the County of Colchester
Schedule of changes in Tatamagouche water
capital fund

Year ended March 31	2017 Budget	2017 Actual	2016 Actual
Revenues			
Interest	\$ -	\$ -	\$ -
Expenses			
Capital expenses	-	-	-
Annual surplus (deficit)	\$ -	-	-
Net transfers from water operating fund		<u>34,819</u>	<u>58,239</u>
Change in surplus		34,819	58,239
Opening surplus		<u>265,607</u>	<u>207,368</u>
Closing surplus		\$ <u>300,426</u>	\$ <u>265,607</u>

The Municipality of the County of Colchester

Schedule of changes in Debert water operating fund

Year ended March 31	2017 Budget	2017 Actual	2016 Actual
Revenues			
Sale of water	\$ 225,748	\$ 224,042	\$ 223,513
Public fire protection	103,358	125,062	128,059
Other	<u>32,162</u>	<u>48,326</u>	<u>7,090</u>
Total revenues	<u>361,268</u>	<u>397,430</u>	<u>358,662</u>
Expenses			
Source of supply	7,799	5,347	4,628
Power and pumping	67,475	62,991	65,134
Water treatment	31,036	35,985	51,489
Transmission and distribution	98,993	93,159	56,730
Administrative	66,523	60,859	61,553
Depreciation	-	69,939	69,758
Depreciation – NSUARB	<u>17,970</u>	<u>17,970</u>	<u>17,970</u>
Total expenses	<u>289,796</u>	<u>346,250</u>	<u>327,262</u>
Annual surplus	\$ <u>71,472</u>	<u>51,180</u>	<u>31,400</u>
Transfer of depreciation expense		69,939	69,758
Transfer of depreciation expense – NSUARB		17,970	17,970
Net transfers to other funds, net		<u>(57,532)</u>	<u>(17,970)</u>
Change in surplus		81,557	101,158
Opening surplus		<u>(19,890)</u>	<u>(121,048)</u>
Closing surplus		\$ <u>61,667</u>	\$ <u>(19,890)</u>

The Municipality of the County of Colchester

Schedule of financial position – trust funds

March 31, 2017

	Recreation Subdivision Fund	Host Community Fund	North Shore Rink Fund	Total 2017
Assets				
Cash	\$154,730	\$41,818	\$255,087	\$451,635
<hr/>				
Reserve				
Trust fund reserve	\$154,730	\$41,818	\$255,087	\$451,635

The Municipality of the County of Colchester

Schedule of changes in trust funds

Year ended March 31, 2017

	Recreation Subdivision Fund	Host Community Fund	North Shore Rink Fund	Total 2017
Balance, beginning of year	\$188,564	\$41,421	\$202,863	\$432,848
Contributions	3,237	-	50,000	53,237
Interest income	1,808	397	2,224	4,429
Funding	(38,879)	-	-	(38,879)
Balance, end of year	\$154,730	\$41,818	\$255,087	\$451,635
