
Consolidated financial statements

Municipality of the County of Colchester

March 31, 2018

Contents

Management's responsibility for financial reporting	1
Independent auditor's report	2
Consolidated statement of operations and surplus	4
Consolidated statement of financial position	5
Consolidated statement of changes in net debt	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9
Schedules to the consolidated statement of operations	25
Schedule of consolidated tangible capital assets	33
Schedule of consolidated debt charges	35
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Supplementary schedules	
Schedule of changes in Tatamagouche water operating fund	36
Schedule of changes in Tatamagouche water capital fund	37
Schedule of changes in Debert water operating fund	38
Schedule of changes in Debert water capital fund	39

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, 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, 2018 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.

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 36-39 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
August 9, 2018

Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

The Municipality of the County of Colchester

Consolidated statement of operations and surplus

Year ended March 31	2018 Budget	2018 Actual	2017 Actual
	(Note 16)		
Revenues			
Taxes (Page 25)	\$ 25,836,078	\$ 25,756,801	\$ 24,979,767
Grants in lieu of taxes (Page 26)	1,088,631	1,219,922	1,102,894
Services to other governments (Page 26)	1,140,008	1,124,849	999,760
Sale of services (Page 26)	1,139,081	1,058,920	1,000,488
Water fire protection (Page 26)	197,488	194,659	192,136
Other revenue from own sources (Page 27)	6,641,992	6,623,361	6,300,841
Unconditional transfers from other governments (Page 27)	546,802	548,517	545,228
Conditional transfers from other governments (Page 27)	1,275,203	956,162	1,757,057
Other revenue (Page 28)	1,996,211	1,288,252	1,732,223
Capital revenue	4,646,382	2,345,653	-
Interest and other revenue	-	151,227	159,231
Total revenues	<u>44,507,876</u>	<u>41,268,123</u>	<u>38,769,625</u>
Expenses			
General government services (Page 28)	4,960,893	5,259,106	5,440,530
Protective services (Page 29)	9,441,620	9,160,388	9,003,705
Transportation services (Page 29)	2,535,702	2,383,928	2,341,716
Environmental health services (Page 30)	14,944,938	14,687,888	14,252,963
Public health services (Page 30)	185,238	188,092	204,085
Environmental development services (Page 30)	457,113	413,896	312,461
Recreation and cultural services (Page 31)	4,982,017	5,066,432	5,025,662
Water treatment and distribution (Page 31)	658,549	848,589	808,176
Total expenses	<u>38,166,070</u>	<u>38,008,319</u>	<u>37,389,298</u>
Annual surplus	<u>\$ 6,341,806</u>	<u>\$ 3,259,804</u>	<u>\$ 1,380,327</u>
<hr/>			
Accumulated surplus, beginning of year	\$ 97,036,873	\$ 95,656,546	
Annual surplus	<u>3,259,804</u>	<u>1,380,327</u>	
Accumulated surplus, end of year	<u>\$ 100,296,677</u>	<u>\$ 97,036,873</u>	

See accompanying notes to the consolidated financial statements

**The Municipality of the County of Colchester
Consolidated statement of financial position**

March 31

2018

2017

Financial assets

Cash and cash equivalents (Note 1)	\$ <u>20,659,953</u>	\$ <u>20,495,708</u>
Investment (Note 1)	<u>1,400,000</u>	-
Receivables		
Taxes, net of allowances (Note 2)	3,044,403	2,464,459
Due from federal government and its agencies	388,567	217,257
Due from other government entities and its agencies	3,657,823	3,570,944
Other		
Trade account, net of allowances of \$71,299 (2017 - \$62,344)	1,666,065	1,648,707
Frontage rates (Note 4)	<u>47,217</u>	<u>72,639</u>
	<u>8,804,075</u>	<u>7,974,006</u>
Loans and advances	<u>553,657</u>	<u>615,175</u>
	<u>31,417,685</u>	<u>29,084,889</u>

Financial liabilities

Payables and accruals	<u>5,178,909</u>	<u>4,596,672</u>
Other liabilities		
Accrued pension benefit liability (Note 10)	2,140,858	1,814,523
Accrued sick leave benefit liability (Note 11)	69,720	69,720
Balefill closure liability (Note 9)	1,907,422	1,770,790
Other	<u>108,972</u>	<u>137,071</u>
	<u>4,226,972</u>	<u>3,792,104</u>
Prepayment of taxes	<u>1,517,260</u>	<u>1,497,966</u>
Deferred revenue (Note 5)		
Street improvement rates	80,359	100,844
Colchester Park	3,711,603	4,136,101
Debert Air Industrial Park	494,166	494,166
Gas tax	3,415,230	2,305,865
Other deferred revenue	<u>620,486</u>	<u>910,448</u>
	<u>8,321,844</u>	<u>7,947,424</u>
Tax sale surplus (Note 6)	<u>463,905</u>	<u>463,905</u>
Long term debt (Note 8 and Page 35)	<u>21,942,258</u>	<u>24,274,032</u>
	<u>41,651,148</u>	<u>42,572,103</u>
Net debt	\$ <u>(10,233,463)</u>	\$ <u>(13,487,214)</u>

See accompanying notes to the consolidated financial statements

The Municipality of the County of Colchester
Consolidated statement of financial position

March 31 2018 2017

Non-financial assets (liabilities)		
Tangible capital assets (Pages 33 and 34)		
Property and equipment	\$ 201,239,194	\$ 195,697,743
Accumulated amortization	<u>(94,304,897)</u>	<u>(87,554,942)</u>
	106,934,297	108,142,801
Prepays	99,175	313,637
Land inventory under development (Note 1)	3,392,235	1,936,885
Other assets	<u>104,433</u>	<u>130,764</u>
	<u>110,530,140</u>	<u>110,524,087</u>
Accumulated surplus	\$ 100,296,677	\$ 97,036,873

Commitments (Note 12)

Contingency (Note 17)

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	2018 Budget	2018 Actual	2017 Actual
Annual surplus	\$ <u>6,341,806</u>	\$ <u>3,259,804</u>	\$ <u>1,380,327</u>
Acquisition of tangible capital assets	(11,975,000)	(5,636,434)	(3,422,249)
Amortization expense - contributory	68,076	64,396	52,789
Amortization of tangible capital assets	<u>6,241,852</u>	<u>6,780,542</u>	<u>6,680,891</u>
	<u>(5,665,072)</u>	<u>1,208,504</u>	<u>3,311,431</u>
Change in land inventory under development	-	(1,455,350)	(576,253)
Acquisition of prepaids and other assets, net	-	<u>240,793</u>	<u>565,150</u>
Change in net debt	676,734	3,253,751	4,680,655
Net debt, beginning of year	<u>(13,487,214)</u>	<u>(13,487,214)</u>	<u>(18,167,869)</u>
Net debt, end of year	\$ <u>(12,810,480)</u>	\$ <u>(10,233,463)</u>	\$ <u>(13,487,214)</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	2018	2017
Increase (decrease) in cash and cash equivalents		
Operating activities		
Annual surplus	\$ 3,259,804	\$ 1,380,327
Amortization expense – contributory	64,396	52,789
Amortization of tangible capital assets	<u>6,780,542</u>	<u>6,680,891</u>
	10,104,742	8,114,007
Changes in non-cash working capital		
Receivables	(830,069)	(347,938)
Loans and advances	61,518	47,101
Prepays and other assets	240,793	565,150
Payables and accruals	582,237	(1,660,835)
Other liabilities	828,582	731,961
Land inventory under development	<u>(1,455,350)</u>	<u>(576,253)</u>
	9,532,453	6,873,193
Capital		
Acquisition of tangible capital assets	<u>(5,636,434)</u>	<u>(3,422,249)</u>
Financing activities		
Proceeds on issuance of debt	-	3,048,505
Purchase of investment	(1,400,000)	-
Repayment / refinancing of debt	<u>(2,331,774)</u>	<u>(3,130,240)</u>
	(3,731,774)	(81,735)
Net increase in cash and cash equivalents	164,245	3,369,209
Opening, cash and cash equivalents	<u>20,495,708</u>	<u>17,126,499</u>
Closing, cash and cash equivalents	\$ 20,659,953	\$ 20,495,708

See accompanying notes to the consolidated financial statements

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2018

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 27, 2017 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 16 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:

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.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2018

1. Summary of significant accounting policies (continued)

Segmented information (continued)

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-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 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.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2018

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

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 \$2,348,753 (2017: \$2,265,330).

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 \$1,464,365 (2017 - \$1,787,333) and internally designated cash of \$19,195,588 (2017 - \$18,708,375). These totals include cash on hand, balances with banks and guarantee investment certificates.

Investment

The Municipality accounts for their current investment at cost. The investment held is in the form of principal protected note which is a fixed income security that guarantees a minimum return equal to the Municipality's initial investment.

Land inventory under development

Since 2012, the Debert Industrial Park has been under development with the intention of selling commercial building lots to developers. The primary object of this venture is to increase commercial tax-based revenues for the Municipality. The development of this land is expected to extend beyond the next 12 months and has been recorded as a non-financial asset.

Currently Debert Industrial Park land inventory consists of a total cost of \$3,392,235. This consists of 117.5 acres of land. The average cost per acre is \$28,870. Inventory is recognized at lessor of cost and net realizable value. Inventories held for consumption or use are written down when a reduction in the value of their service potential can be measured and the reduction is expected to be permanent. During the current fiscal year, no land inventory under development was expensed.

Financial instruments

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

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2018

1. Summary of significant accounting policies (continued)

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.

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.

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.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2018

1. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

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.

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.

The Municipality of the County of Colchester
Notes to the consolidated financial statements
March 31, 2018

1. Summary of significant accounting policies (continued)

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, 2018, there are no known contaminated sites identified.

2. Taxes receivable	<u>Current Year</u>	<u>Prior Years</u>	<u>2018 Total</u>	<u>2017 Total</u>
Balance, beginning of year	\$ -	\$ 2,339,964	\$ 2,339,964	\$ 2,023,919
Current year's tax levy	<u>33,796,121</u>	<u>2,339,964</u>	<u>33,796,121</u>	<u>32,843,954</u>
	33,796,121	2,339,964	36,136,085	34,867,873
Deduct:				
Current year's collection	31,721,521	1,448,255	33,169,776	32,375,793
Write-offs	995	6,810	7,805	5,681
Reduced taxes	<u>151,006</u>	<u>-</u>	<u>151,006</u>	<u>146,435</u>
	<u>31,873,522</u>	<u>1,455,065</u>	<u>33,328,587</u>	<u>32,527,909</u>
Balance, end of year	<u>\$ 1,922,599</u>	<u>\$ 884,899</u>	2,807,498	2,339,964
Allowance for uncollectible accounts			(160,000)	(160,000)
Interest receivable, end of year			<u>396,905</u>	<u>284,495</u>
Balance, end of year, including interest			<u>\$ 3,044,403</u>	<u>\$ 2,464,459</u>

3. Tax collections	<u>2018</u>	<u>2017</u>
Total taxes collected *	\$ <u>31,873,522</u>	\$ <u>31,032,180</u>
Percentage current period's taxes collected	<u>94.3%</u>	<u>94.5%</u>

* Collections include taxes reduced through granting of exemptions.

The tax levy was as follows:

Residential assessments	\$ <u>.88</u>	\$ <u>.87</u>
Commercial assessments	\$ <u>2.28</u>	\$ <u>2.27</u>

The Municipality of the County of Colchester
Notes to the consolidated financial statements
March 31, 2018

4. Frontage rates receivable	2018	2017
Street improvements	\$ 34,574	\$ 58,000
Interest receivable	<u>12,643</u>	<u>14,639</u>
Balance, end of year, including interest	\$ <u>47,217</u>	\$ <u>72,639</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 \$3,711,603 (2017 - \$4,136,101) at March 31, 2018. 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 2018, \$nil (2017 - \$ nil) has been recognized.

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 2018, \$638,153 (2017 - \$1,304,731) 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	\$100,844	\$4,136,101	\$494,166	\$2,305,865	\$910,448	\$7,947,424
Contributions and interest earned	-	57,090	-	1,747,518	231,018	2,035,626
Amounts recognized as revenue	(20,485)	(481,588)	-	(638,153)	(520,980)	(1,661,206)
Balance, end of year	\$80,359	\$3,711,603	\$494,166	\$3,415,230	\$620,486	\$8,321,844

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

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2018

7. Rate of return on rate base

For the year ended March 31, 2018, the Talamagouche Water Utility had a rate of return on rate base of (.10%) (2017: .69%).

For the year ended March 31, 2018, the Debert Water Utility had a rate of return on rate base of 3.11% (2017: 14.78%).

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:

2019	\$ 2,178,472
2020	\$ 1,994,173
2021	\$ 1,674,417
2022	\$ 2,846,568
2023	\$ 4,544,705

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

9. Balefill closure liability

The Kemptown 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 \$12,618,348. At March 31, 2018, the liability balance is \$1,907,422 (2017 - \$1,770,790).

Current capacity of the site is estimated at 4,791,670 cubic meters. At March 31, 2018, 15.12% of the capacity, or 724,321 cubic meters of the site has been used.

It is expected that post closure costs will continue for an indefinite time after closure of the site. The \$12,618,348 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, 2016. On a going-concern basis, the value of the plan assets, at December 31, 2016, exceeded the value of the accrued benefits by \$308,960. On a wind-up basis, the liabilities exceed the assets by \$4,020,632. No further special payments will be required.

The Municipality of the County of Colchester
Notes to the consolidated financial statements
 March 31, 2018

10. Employee retirement benefits (continued)

The next actuarial valuation will be completed as at December 31, 2019. The information provided below is based on an extrapolation of the December 31, 2016 valuation report to December 31, 2017. The December 31, 2016 information, presented below, was based on an extrapolation of the December 31, 2013 funding valuation due to the timing of completion of the December 31, 2016 funding valuation. Any changes to the value of the assets or accrued benefit obligation were captured in the extrapolation for December 31, 2017.

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, 2017</u>	<u>December 31, 2016</u>
Market Value of Assets	\$12,090,977	\$10,786,265
Accrued Benefit Obligation	<u>16,762,650</u>	<u>14,694,792</u>
Surplus/ (Deficit)	<u>(\$ 4,671,673)</u>	<u>(\$ 3,908,527)</u>
	EARSL 11 years	EARSL 11 years

Components of Pension Expense under PS 3250:

The main components of pension and interest expense under PS 3250 for the year January 1, 2017 to December 31, 2017.

	<u>2017</u>	<u>2016</u>
Employer's current service cost	\$ 747,323	\$ 673,610
Amortization of net actuarial loss/(gain)	<u>233,229</u>	<u>213,235</u>
Pension expense/(income)	<u>\$ 980,552</u>	<u>\$ 886,845</u>
	<u>2017</u>	<u>2016</u>
Interest cost on accrued benefit obligation	\$ 565,492	\$ 517,987
Expected return on plan assets	<u>(713,098)</u>	<u>(652,390)</u>
Interest expense/(income)	<u>\$ (147,606)</u>	<u>\$ (134,403)</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 2018 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>2017</u>	<u>2016</u>
Balance January 1	\$1,814,523	\$1,521,723
Pension expense/(Income)	980,552	886,845
Interest expense/(Income)	<u>(147,606)</u>	<u>(134,403)</u>
Municipality's contributions	<u>(506,611)</u>	<u>(459,642)</u>
Balance December 31	<u>\$2,140,858</u>	<u>\$1,814,523</u>

The Municipality of the County of Colchester
Notes to the consolidated financial statements
 March 31, 2018

10. Employee retirement benefits (continued)

The significant actuarial assumptions adopted measuring the Municipality's accrued benefit obligations as at December 31, 2017 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:	3.50% per annum as at December 31, 2017 3.75% per annum as at December 31, 2016
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 CPM-B.

All plan assets are held by various Manulife Funds.

During the year, the Municipality and employees contributed \$481,212 (including special payments) and \$361,307 respectively, to the plan. Benefit payments for the year totaled \$345,677.

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.

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 the valuation. The valuation was completed as at March 31, 2017. The amount of sick leave liability recorded for March 31, 2018 remained at the March 31, 2017 balance given no significant changes in sick leave policy and estimates used in determining the sick leave liability.

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>2018/2017</u>
Current service cost	\$ 6,913
Amortization of gains and losses	<u>-</u>
Benefit expense	<u>\$ 6,913</u>

The Municipality of the County of Colchester
Notes to the consolidated financial statements
 March 31, 2018

11. Sick leave benefit liability (continued)

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

	<u>2018/2017</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.

12. Commitments

- (i) The Municipality has entered into agreements to lease motor vehicles and information technology (IT) equipment for various periods until 2022. Payments for each of the next four years are as follows:

2019	\$ 58,951
2020	\$ 53,222
2021	\$ 20,803
2022	\$ 4,410

- (ii) The Municipality by resolution provided guarantees as follows:
- guarantee of \$449,949 for the North River Fire Brigade to finance construction of a New Fire Station. As of March 31, 2018, the loan is \$450,000.
 - guarantee of \$100,000 for the Great Village Fire Brigade to finance the fire truck refurbishment. As of March 31, 2018, the loan was not advanced.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2018

12. Commitments (continued)

- (iii) 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, 2018, the Municipality has incurred approximately \$1,660,000 in expenditures in a ten 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 Boutlier, Councillor	\$ 24,727	\$ 1,105	\$ 25,832
Ronald Cavanaugh, Councillor	\$ 24,727	\$ 988	\$ 25,715
Mike Cooper, Councillor	\$ 24,727	\$ 83	\$ 24,810
Lloyd Gibbs, Councillor	\$ 24,727	\$ 1,608	\$ 26,335
Michael Gregory, Councillor	\$ 24,727	\$ 3,140	\$ 27,867
Doug MacInnes, Councillor (5 months)	\$ 8,742	\$ -	\$ 8,742
Robert Pash, Councillor (4 months)	\$ 9,518	\$ 375	\$ 9,893
Karen MacKenzie, Councillor	\$ 24,727	\$ 900	\$ 25,627
Bill Masters, Deputy Mayor	\$ 30,259	\$ 2,898	\$ 33,157
Wade Parker, Councillor	\$ 24,727	\$ 900	\$ 25,627
Geoff Stewart, Councillor	\$ 24,727	\$ 1,724	\$ 26,451
Tom Taggart, Councillor, Atlantic Region FCM Representative	\$ 24,727	\$ 8,210	\$ 32,937
Christine Blair, Mayor	\$ 48,514	\$ 4,542	\$ 53,056
Robert Simonds, CAO	\$ 154,260	\$ 2,790	\$ 157,050

14. Trust funds

The Municipality holds trust funds at March 31, 2018, totaling \$491,343 (2017 - \$451,635) for specific purposes. These assets and corresponding liabilities 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
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The Municipality of the County of Colchester
Notes to the consolidated financial statements
 March 31, 2018

16. Budget figures

The County budgets for rate setting purposes in the general operating fund. Council approves a budget in the general operating fund which is a 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.

	<u>Original Operating Budget</u>	<u>Adjustments</u>	<u>Fiscal Budget Per Consolidated Financial Statements</u>
REVENUE			
Property Taxes	\$ 26,086,813	\$ (250,735)	\$ 25,836,078
Grants In Lieu	\$ 1,088,631	\$ -	\$ 1,088,631
Own Sources	\$ 796,700	\$ 14,964,462	\$ 15,761,162
Government Transfers	<u>\$ 1,212,531</u>	<u>\$ 609,474</u>	<u>\$ 1,822,005</u>
Total Revenue	<u>\$ 29,184,675</u>	<u>\$ 15,323,201</u>	<u>\$ 44,507,876</u>
EXPENSE			
General Government Services	\$ 5,219,259	\$ (258,366)	\$ 4,960,893
Protective Services	\$ 509,240	\$ 8,932,380	\$ 9,441,620
Transportation Services	\$ 2,206,731	\$ 328,971	\$ 2,535,702
Environmental and Health Services	\$ 6,965,016	\$ 8,622,273	\$ 15,587,289
Recreation, Parks, Rinks	\$ 3,050,289	\$ 1,931,728	\$ 4,982,017
Transfers to other Govts.	\$ 14,181,081	\$ (14,181,081)	\$ -
Water Treatment	\$ -	\$ 658,549	\$ 658,549
Other Transfers	\$ 3,288,731	\$ (3,288,731)	\$ -
Amortization	<u>\$ (6,241,852)</u>	<u>\$ 6,241,852</u>	<u>\$ -</u>
Total Expense	<u>\$ 29,178,495</u>	<u>\$ 8,987,575</u>	<u>\$ 38,166,070</u>
Net Financial position	<u>\$ 6,180</u>	<u>\$ 6,335,626</u>	<u>\$ 6,341,806</u>

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2018

17 Contingency

As at March 31, 2018, there remains 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.

18. 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>2018</u>	<u>2017</u>
Total Assets	\$ 2,807,340	\$ 2,662,837
Total Liabilities	<u>1,492,907</u>	<u>1,998,951</u>
Net Assets	<u>\$ 1,314,433</u>	<u>\$ 663,886</u>
Total Revenues	\$ 1,478,107	\$ 1,060,696
Total Expenses	<u>2,026,458</u>	<u>1,624,048</u>
Annual Deficit	<u>\$ (548,351)</u>	<u>\$ (563,352)</u>

19. 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, 2018

20. Segment disclosures – March 31, 2018

	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
Revenues										
Taxes	\$ 3,862,766	\$ 6,856,711	\$ 1,746,441	\$ 10,587,473	\$ 97,870	\$ 303,216	\$ 2,532,324	\$ -	\$ -	\$ 25,756,801
Grants-in-lieu of taxes	182,479	315,282	82,717	600,508	4,635	14,362	119,939	-	-	1,219,922
Services to other governments	-	-	-	1,124,649	-	-	-	-	-	1,124,649
Sale of services	-	-	-	557,445	-	-	-	491,475	-	1,058,920
Water fire protection	-	-	-	-	-	-	-	194,659	-	194,659
Other revenue from own sources	990,367	66,678	-	4,086,408	-	-	122,117	-	1,357,792	6,623,361
Unconditional transfer from other governments	82,049	141,761	37,192	225,045	2,084	6,456	53,928	-	-	548,517
Conditional transfers from other governments	-	152,605	-	604,109	-	20,000	179,448	-	-	956,162
Other revenue	1,119,741	-	131,350	-	-	-	-	37,161	-	1,288,252
Capital revenue	2,345,853	-	-	-	-	-	-	-	-	2,345,853
Interest and other revenue	151,227	-	-	-	-	-	-	-	-	151,227
	\$ 8,724,282	\$ 7,333,037	\$ 1,997,700	\$ 17,676,637	\$ 104,589	\$ 344,036	\$ 3,007,766	\$ 723,295	\$ 1,357,792	\$ 41,269,123
Expenses										
Salaries, wages and benefits	\$ 2,241,088	\$ 482,875	\$ 352,860	\$ 4,269,728	\$ -	\$ 278,168	\$ 448,564	\$ 211,237	\$ 612,135	\$ 8,908,653
Goods and services	1,376,451	3,172,273	414,811	6,020,888	-	119,145	940,976	377,371	1,263,467	13,685,392
Third party services/transfers	663,898	5,321,449	554,804	-	133,594	-	271,978	-	-	6,945,723
Debt Servicing	-	73,841	-	263,073	54,498	-	365,500	-	-	758,912
Community grants and exemptions	706,599	39,725	-	-	-	-	122,377	-	-	868,701
Amortization	271,060	70,225	1,051,453	4,134,199	-	16,585	1,041,435	259,961	-	6,844,538
	\$ 5,256,106	\$ 9,160,388	\$ 2,383,928	\$ 14,687,888	\$ 168,092	\$ 413,896	\$ 3,190,830	\$ 646,569	\$ 1,675,602	\$ 38,006,319

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2018

20. 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
REVENUES										
Taxes	\$ 3,992,765	\$ 6,559,802	\$ 1,718,568	\$ 10,263,966	\$ 86,356	\$ 229,312	\$ 2,128,998	\$ -	\$ -	\$ 24,979,767
Grants-in-lieu of taxes	176,286	289,625	75,877	453,170	3,813	10,124	93,999	-	-	1,102,894
Services to other governments	-	-	-	999,760	-	-	-	-	-	999,760
Sale of services	-	-	-	516,792	-	-	-	483,696	-	1,000,488
Water fire protection from own sources	-	-	-	-	-	-	-	192,136	-	192,136
Other revenue	647,746	71,793	-	4,386,904	-	-	123,702	-	1,080,696	6,300,841
Unconditional transfer from other governments	87,149	143,179	37,511	224,029	1,885	5,006	46,469	-	-	545,228
Conditional transfers from other governments	98,122	240,286	-	706,341	-	20,000	692,308	-	-	1,757,057
Other revenue	1,544,176	-	106,250	-	-	-	-	81,797	-	1,732,223
Capital revenue	-	-	-	-	-	-	-	-	-	-
Interest and other revenue	159,231	-	-	-	-	-	-	-	-	159,231
	\$ 6,705,475	\$ 7,304,685	\$ 1,938,206	\$ 17,560,962	\$ 92,054	\$ 284,442	\$ 3,085,476	\$ 757,629	\$ 1,080,696	\$ 38,769,625
Expenses										
Salaries, wages and benefits	\$ 2,277,514	\$ 432,465	\$ 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	5,705,077	-	70,510	1,067,970	349,313	1,181,104	13,735,144
Third party services/transfers	680,897	5,160,890	546,607	-	117,669	-	265,315	-	-	6,751,378
Debt Servicing	-	65,336	-	267,309	86,416	-	408,006	1,798	-	828,865
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	\$ 9,003,706	\$ 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

Schedules to the consolidated statement of operations

Year ended March 31	2018 Budget	2018 Actual	2017 Actual
1. Taxes			
Assessable property			
Residential	\$ 17,635,665	\$ 17,630,245	\$ 17,004,299
Commercial			
Based on taxable assessments	6,175,572	6,163,247	6,138,856
Resource			
Taxable assessments	539,649	539,947	506,371
Forest property tax			
Less than 50,000 acres	84,314	84,648	84,077
50,000 acres or more	76,629	76,946	76,954
	<u>700,592</u>	<u>701,541</u>	<u>667,402</u>
Area rates			
Protective services	2,528,122	2,533,493	2,390,757
Transportation services	1,460,998	1,464,075	1,442,364
Environmental health services	3,043,274	3,058,835	3,035,373
Recreation and cultural services	51,583	46,938	46,008
	<u>7,083,977</u>	<u>7,103,341</u>	<u>6,914,502</u>
Special assessments			
Frontage rates			
Transportation services	20,485	20,446	20,485
Business property			
Based on revenue (Aliant Telecom)	142,000	140,605	142,649
Nova Scotia Power Corporation	20,500	19,424	19,894
Harmonized sales tax grant	155,000	131,981	170,331
	<u>317,500</u>	<u>292,010</u>	<u>332,874</u>
Other			
Deed transfer tax	1,110,000	1,056,254	1,008,412
Inter-municipal tax sharing	67,000	64,597	65,397
	<u>1,177,000</u>	<u>1,120,851</u>	<u>1,073,809</u>
Appropriation to regional school board	(7,274,713)	(7,274,880)	(7,172,460)
	<u>\$ 25,836,078</u>	<u>\$ 25,756,801</u>	<u>\$ 24,979,767</u>

The Municipality of the County of Colchester

Schedules to the consolidated statement of operations

Year ended March 31	2018 Budget	2018 Actual	2017 Actual
18. Capital purchases			
Compost containers	\$ 60,000	\$ -	\$ 53,395
Courthouse renovations	90,000	27,251	-
Software	10,000	10,877	34,057
Tatamagouche water utility	-	41,401	-
Debert water utility	3,500,000	1,392,146	64,337
Landfill equipment	743,000	100,576	33,847
Landfill liner	-	74,729	-
Materials recovery facility	-	23,303	196,693
Compost system	-	-	32,565
Regional STP/Marshland Drive	245,000	203,876	111,438
Rural STP	7,000	24,054	-
Sewer equipment	257,000	25,258	128,944
Sewer lines	599,500	489,051	305,886
Sidewalks	1,275,000	923,274	934,236
Street equipment	175,000	145,158	-
Public Works Building	-	2,395	-
Trails	103,000	56,949	52,408
Municipal parks	67,000	43,754	42,908
Land	-	33,650	-
Palliser land development	465,000	117,613	119,308
Nelson park	85,000	13,057	3,786
Stewiacke park	12,000	-	-
Lift stations	1,000,000	1,086,162	327,914
Broderick park	12,000	7,649	4,305
Airport	590,500	101,045	171,665
Debert Roundabout	2,400,000	215,305	44,353
DNR Building	-	-	240,000
Incubator Mall	250,000	-	-
Salmon River School	9,000	-	-
SHRU fleet	-	-	122,380
Fire Services Equipment	20,000	16,926	-
Wind turbines	-	-	114,937
County owned roads	-	131,350	106,250
Truro Library	-	-	152,696
Civic Centre capital equipment	-	276,377	-
Civic Centre	-	53,248	23,941
	<u>\$ 11,975,000</u>	<u>\$ 5,636,434</u>	<u>\$ 3,422,249</u>

The Municipality of the County of Colchester

Schedule of consolidated tangible capital assets

Year ended March 31, 2018

General capital

	Land	Land Improvements	Municipal Buildings	Buildings/Plants	Electric Data	Office Equipment	Machinery
Cost:							
Balance, beginning of year	\$7,098,822	\$2,639,360	\$28,942,644	\$72,922,251	\$828,597	\$313,012	\$14,685,232
Acquisition of tangible capital assets	33,650	196,120	-	305,053	38,128	61,196	885,802
Disposal of tangible capital assets	-	-	-	-	-	-	(94,983)
Balance, end of year	7,132,472	2,834,480	28,942,644	73,227,304	966,725	374,208	15,256,051
Accumulated amortization:							
Balance, beginning of year	-	(362,761)	(2,750,107)	(44,492,648)	(493,207)	(261,375)	(7,457,442)
Annual amortization	-	(105,526)	(723,566)	(2,586,746)	(121,096)	(31,026)	(1,115,828)
Accumulated amortization on disposals	-	-	-	-	-	-	94,983
Balance, end of year	-	(468,287)	(3,473,673)	(47,079,394)	(614,303)	(292,401)	(8,478,287)
Net book value of tangible capital assets	\$7,132,472	\$2,366,193	\$25,468,971	\$26,147,910	\$352,422	\$81,807	\$6,777,764

	Vehicles	Roads	Sidewalks	Sewer	Landfill	Total
Cost:						
Balance, beginning of year	\$2,327,423	\$14,330,457	\$13,193,790	\$21,307,280	\$9,280,099	\$187,967,967
Acquisition of tangible capital assets	25,258	346,655	923,275	1,575,213	32,537	4,202,887
Disposal of tangible capital assets	-	-	-	-	-	(94,983)
Balance, end of year	2,352,681	14,677,112	14,117,065	22,882,493	9,312,636	192,076,871
Accumulated amortization:						
Balance, beginning of year	(2,106,918)	(6,238,267)	(6,173,975)	(7,057,357)	(4,633,209)	(82,027,266)
Annual amortization	(62,862)	(552,032)	(498,587)	(416,484)	(371,204)	(6,584,957)
Accumulated amortization on disposals	-	-	-	-	-	94,983
Balance, end of year	(2,169,780)	(6,790,299)	(6,672,562)	(7,473,841)	(5,004,413)	(88,517,240)
Net book value of tangible capital assets	\$182,901	\$7,886,813	\$7,444,503	\$15,408,652	\$4,308,223	\$103,558,631

The Municipality of the County of Colchester

Schedule of consolidated tangible capital assets

Year ended March 31, 2018

Debert Water Utility

	<u>Buildings</u>	<u>Machinery</u>	<u>Water Lines</u>	<u>Vehicles</u>	<u>Total</u>
Cost:					
Balance, beginning of year	\$2,479,382	\$68,257	\$1,323,700	\$39,443	\$3,910,782
Acquisition of tangible capital assets	1,392,146	-	-	-	1,392,146
Balance, end of year	<u>3,871,528</u>	<u>68,257</u>	<u>1,323,700</u>	<u>39,443</u>	<u>5,302,928</u>
Accumulated amortization:					
Balance, beginning of year	(2,236,655)	(52,536)	(925,055)	(32,214)	(3,246,460)
Accumulated amortization contributory	-	-	-	-	(112,558)
Annual amortization contributory	-	-	-	-	(17,970)
Annual amortization	(28,169)	(5,817)	(28,117)	(3,615)	(65,718)
Balance, end of year	<u>(2,264,824)</u>	<u>(58,353)</u>	<u>(953,172)</u>	<u>(35,829)</u>	<u>(3,442,706)</u>
Net book value of tangible capital assets	<u>\$1,606,704</u>	<u>\$9,904</u>	<u>\$370,528</u>	<u>\$3,614</u>	<u>\$1,860,222</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	-	41,401	-	-	-	-	41,401
Balance, end of year	<u>7,097</u>	<u>2,992,931</u>	<u>114,447</u>	<u>711,504</u>	<u>30,005</u>	<u>4,411</u>	<u>3,860,395</u>
Accumulated amortization:							
Balance, beginning of year	-	(1,285,230)	(100,000)	(494,215)	(18,589)	(4,411)	(1,902,445)
Accumulated amortization contributory	-	-	-	-	-	-	(266,213)
Annual amortization contributory	-	(108,163)	(4,620)	(14,230)	(2,854)	-	(46,426)
Annual amortization	-	(1,393,393)	(104,620)	(508,445)	(21,443)	(4,411)	(129,867)
Balance, end of year	<u>-</u>	<u>(1,393,393)</u>	<u>(104,620)</u>	<u>(508,445)</u>	<u>(21,443)</u>	<u>(4,411)</u>	<u>(2,344,951)</u>
Net book value of tangible capital assets	<u>\$7,097</u>	<u>\$1,599,538</u>	<u>\$9,827</u>	<u>\$203,059</u>	<u>\$8,562</u>	<u>\$-</u>	<u>\$1,515,444</u>
Total net book value of all tangible capital assets							<u><u>\$106,934,297</u></u>

SUPPLEMENTARY SCHEDULES

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

Year ended March 31	2018 Budget	2018 Actual	2017 Actual
Revenues			
Sale of water	\$ 259,654	\$ 273,959	\$ 259,654
Public fire protection	72,100	68,656	67,074
Other	33,211	32,310	33,471
Total revenues	<u>364,965</u>	<u>374,925</u>	<u>360,199</u>
Expenses			
Source of supply	6,710	5,286	5,301
Power and pumping	35,234	38,646	34,713
Water treatment	74,161	77,753	84,549
Transmission and distribution	73,681	77,511	80,618
Administrative	63,264	75,392	52,786
Filter replacement	12,300	12,300	12,300
Depreciation	-	129,867	127,028
Depreciation – NSUARB	50,106	46,426	34,819
Interest on long term debt	1,415	1,111	1,798
Taxes	28,036	28,019	28,014
Total expenses	<u>344,907</u>	<u>492,311</u>	<u>461,926</u>
Annual surplus (deficit)	<u>\$ 20,058</u>	<u>(117,386)</u>	<u>(101,727)</u>
Debt principal repayment		(14,000)	(14,000)
Transfer of depreciation expense		129,867	127,028
Transfer of depreciation expense – NSUARB		46,426	34,819
Net transfers to water capital fund, net		<u>(46,426)</u>	<u>(34,819)</u>
Change in surplus		(1,519)	11,301
Opening surplus		<u>(199,433)</u>	<u>(210,734)</u>
Closing surplus		<u>\$ (200,952)</u>	<u>\$ (199,433)</u>

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

Year ended March 31	2018 Budget	2018 Actual	2017 Actual
Revenues			
Capital funding	\$ _____ -	\$ <u>41,401</u>	\$ _____ -
Expenses			
Capital expenses	<u>5,000</u>	<u>41,401</u>	_____ -
Annual surplus (deficit)	\$ <u>(5,000)</u>	_____ -	_____ -
Net transfers from water operating fund		<u>46,426</u>	<u>34,819</u>
Change in surplus		46,426	34,819
Opening surplus		<u>300,426</u>	<u>265,607</u>
Closing surplus		\$ <u>346,852</u>	\$ <u>300,426</u>

The Municipality of the County of Colchester
Schedule of changes in Debert water operating fund

Year ended March 31	2018 Budget	2018 Actual	2017 Actual
Revenues			
Sale of water	\$ 225,000	\$ 217,516	\$ 224,042
Public fire protection	125,388	126,003	125,062
Other	<u>7,000</u>	<u>4,851</u>	<u>48,326</u>
Total revenues	<u>357,388</u>	<u>348,370</u>	<u>397,430</u>
Expenses			
Source of supply	6,333	5,276	5,347
Power and pumping	84,667	71,452	62,991
Water treatment	44,640	43,325	35,985
Transmission and distribution	102,105	92,407	93,159
Administrative	57,927	60,130	60,859
Depreciation	-	65,718	69,939
Depreciation – NSUARB	<u>17,970</u>	<u>17,970</u>	<u>17,970</u>
Total expenses	<u>313,642</u>	<u>356,278</u>	<u>346,250</u>
Annual surplus (deficit)	\$ <u>43,746</u>	<u>(7,908)</u>	<u>51,180</u>
Transfer of depreciation expense		65,718	69,939
Transfer of depreciation expense – NSUARB		17,970	17,970
Net transfers to other funds, net		<u>(17,970)</u>	<u>(57,532)</u>
Change in surplus		57,810	81,557
Opening surplus		<u>61,667</u>	<u>(19,890)</u>
Closing surplus	\$	<u>119,477</u>	\$ <u>61,667</u>

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

Year ended March 31	2018 Budget	2018 Actual	2017 Actual
Revenues			
Capital funding	\$ <u>1,500,000</u>	\$ <u>910,558</u>	\$ <u>-</u>
Expenses			
Capital expenses	\$ <u>1,517,500</u>	\$ <u>1,392,146</u>	\$ <u>-</u>
Annual deficit	\$ <u>(17,500)</u>	<u>(481,588)</u>	<u>-</u>
Net transfers from other funds		<u>499,558</u>	<u>82,307</u>
Change in surplus		<u>17,970</u>	<u>82,307</u>
Opening surplus		<u>313,370</u>	<u>231,063</u>
Closing surplus		\$ <u>331,340</u>	\$ <u>313,370</u>

