

Consolidated financial statements

Municipality of the County of Colchester

March 31, 2020

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Independent auditor's report

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

Opinion

We have audited the consolidated financial statements of Municipality of the County of Colchester ("the Entity") on pages 4-37, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and surplus, changes in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of Municipality of the County of Colchester as at March 31, 2020, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters – Supplementary Information

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 38-41 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 as a whole.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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.

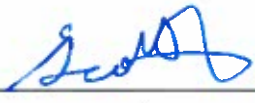
The Mayor and Council meet periodically with management, as well as with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and 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

October 6, 2020

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Truro, Canada
October 6, 2020

Chartered Professional Accountants

The Municipality of the County of Colchester

Consolidated statement of operations and surplus

Year ended March 31	2020 Budget (Note 16)	2020 Actual	2019 Actual
Revenues			
Taxes (Page 27)	\$ 27,101,529	\$ 27,012,704	\$ 25,983,799
Grants in lieu of taxes (Page 28)	1,222,109	1,212,775	1,216,103
Services to other governments (Page 28)	1,055,457	793,313	1,027,847
Sale of services (Page 28)	1,162,695	1,145,223	1,115,706
Water fire protection (Page 28)	203,408	199,305	198,460
Other revenue from own sources (Page 29)	6,854,642	6,495,100	6,825,694
Unconditional transfers from other governments (Page 29)	558,309	558,287	554,683
Conditional transfers from other governments (Page 29)	865,288	1,005,192	1,060,764
Other revenue (Page 30)	6,255,163	1,564,930	1,919,393
Capital revenue	1,968,333	471,054	724,076
Interest and other revenue	-	501,545	252,825
Total revenues	<u>47,246,933</u>	<u>40,959,428</u>	<u>40,879,350</u>
Expenses			
General government services (Page 30)	5,503,589	6,082,924	5,730,219
Protective services (Page 31)	9,641,263	9,491,723	9,258,496
Transportation services (Page 31)	2,993,837	3,000,662	3,217,981
Environmental health services (Page 32)	14,949,527	14,157,700	14,655,702
Public health services (Page 32)	139,075	123,685	136,297
Environmental development services (Page 32)	699,161	2,402,201	522,173
Recreation and cultural services (Page 33)	5,312,757	5,442,077	5,663,029
Water treatment and distribution (Page 33)	760,715	1,005,503	914,341
Total expenses	<u>39,999,924</u>	<u>41,706,475</u>	<u>40,098,238</u>
Annual (deficit) surplus	<u>\$ 7,247,009</u>	<u>\$ (747,047)</u>	<u>\$ 781,112</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 101,077,789	\$ 100,296,677
Annual (deficit) surplus		<u>(747,047)</u>	<u>781,112</u>
Accumulated surplus, end of year		<u>\$ 100,330,742</u>	<u>\$ 101,077,789</u>

The Municipality of the County of Colchester

Consolidated statement of financial position

March 31

2020

2019

Financial assets

Cash and cash equivalents (Note 1)	\$ 23,563,752	\$ 20,372,323
Investment (Note 1)	<u>1,400,000</u>	<u>1,400,000</u>
Receivables		
Taxes, net of allowances (Note 2)	3,379,053	3,027,139
Due from federal government and its agencies	327,964	571,772
Due from other government entities and its agencies	2,841,440	3,049,289
Other		
Trade account, net of allowances of \$57,814 (2019 - \$62,656)	1,576,854	1,296,347
Frontage rates (Note 4)	<u>79,023</u>	<u>33,030</u>
	<u>8,204,334</u>	<u>7,977,577</u>
Loans and advances	<u>430,621</u>	<u>492,139</u>
Land inventory available for sale (Note 1)	<u>318,715</u>	<u>118,800</u>
	<u>33,917,422</u>	<u>30,360,839</u>

Financial liabilities

Payables and accruals	<u>4,175,447</u>	<u>3,663,045</u>
Other liabilities		
Accrued pension benefit liability (Note 10)	2,916,469	2,555,414
Accrued sick leave benefit liability (Note 11)	52,938	49,787
Balefill closure liability (Note 9)	2,164,114	2,038,140
Other	<u>136,497</u>	<u>122,697</u>
	<u>5,270,018</u>	<u>4,766,038</u>
Prepayment of taxes	<u>1,671,571</u>	<u>1,603,273</u>
Deferred revenue (Note 5)		
Street improvement rates	38,353	59,356
Colchester Park	3,120,636	3,096,694
Debert Business Park	494,166	494,166
Gas tax	6,595,952	4,327,661
Other deferred revenue	<u>886,497</u>	<u>687,504</u>
	<u>11,135,604</u>	<u>8,665,381</u>
Tax sale surplus (Note 6)	<u>485,158</u>	<u>476,257</u>
Long term debt (Note 8 and Page 37)	<u>17,769,613</u>	<u>19,763,786</u>
	<u>40,507,411</u>	<u>38,937,780</u>

Net debt \$ (6,589,989) \$ (8,576,941)

The Municipality of the County of Colchester

Consolidated statement of financial position

March 31

2020

2019

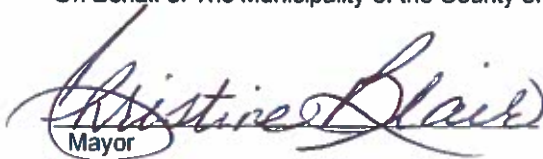
Non-financial assets (liabilities)

Tangible capital assets (Pages 35 and 36)		
Property and equipment	\$ 210,660,970	\$ 205,969,868
Accumulated amortization	<u>(107,671,190)</u>	<u>(101,102,858)</u>
	102,989,780	104,867,010
Prepays	455,178	339,563
Land inventory under development (Note 1)	3,409,985	4,360,394
Other assets	<u>65,788</u>	<u>87,763</u>
	<u>106,920,731</u>	<u>109,654,730</u>
Accumulated surplus	<u>\$ 100,330,742</u>	<u>\$ 101,077,789</u>

Commitments (Note 12)

Contingencies (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	2020 Budget	2020 Actual	2019 Actual
Annual (deficit) surplus	\$ <u>7,247,009</u>	\$ <u>(747,047)</u>	\$ <u>781,112</u>
Acquisition of tangible capital assets	(5,230,000)	(4,776,782)	(4,835,448)
Amortization expense - contributory	91,766	91,766	83,712
Amortization of tangible capital assets	<u>6,699,095</u>	<u>6,562,246</u>	<u>6,819,023</u>
	<u>1,560,861</u>	<u>1,877,230</u>	<u>2,067,287</u>
Change in land inventory under development	-	950,409	(968,159)
Acquisition of prepaids and other assets, net	<u>-</u>	<u>(93,640)</u>	<u>(223,718)</u>
Change in net debt	8,807,870	1,986,952	1,656,522
Net debt, beginning of year	<u>(10,411,597)</u>	<u>(8,576,941)</u>	<u>(10,233,463)</u>
Net debt, end of year	\$ <u>(1,603,727)</u>	\$ <u>(6,589,989)</u>	\$ <u>(8,576,941)</u>

The Municipality of the County of Colchester

Consolidated statement of cash flows

Year ended March 31	2020	2019
Increase (decrease) in cash and cash equivalents		
Operating activities		
Annual (deficit) surplus	\$ (747,047)	\$ 781,112
Amortization expense – contributory	91,766	83,712
Amortization of tangible capital assets	<u>6,562,246</u>	<u>6,819,023</u>
	5,906,965	7,683,847
Changes in non-cash working capital		
Receivables	(226,757)	826,498
Loans and advances	61,518	61,518
Prepays and other assets	(93,640)	(223,718)
Payables and accruals	512,402	(1,515,864)
Other liabilities	3,051,402	980,968
Land inventory available for sale	(199,915)	(118,800)
Land inventory under development	<u>950,409</u>	<u>(968,159)</u>
	9,962,384	6,726,290
Investing activities		
Acquisition of tangible capital assets	<u>(4,776,782)</u>	<u>(4,835,448)</u>
Financing activities		
Repayment of debt	<u>(1,994,173)</u>	<u>(2,178,472)</u>
Net increase (decrease) in cash and cash equivalents	3,191,429	(287,630)
Opening, cash and cash equivalents	<u>20,372,323</u>	<u>20,659,953</u>
Closing, cash and cash equivalents	<u>\$ 23,563,752</u>	<u>\$ 20,372,323</u>

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

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") and Truro/Colchester Regional Enterprise Network.

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, the proportionate share of the Central Nova Scotia Civic Centre Society and the proportionate share of the Truro/Colchester Regional Enterprise Network.

Budget figures

The budget figures contained in these consolidated financial statements were approved by Council on April 25, 2019 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, 2020

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-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 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, 2020

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 \$2,415,893 (2019: \$2,334,963).

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, impairment provisions. 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 (bank indebtedness)

Cash and cash equivalents include unrestricted cash (bank indebtedness) of \$(668,983) (2019 - \$(55,499)) and internally designated cash of \$24,232,735 (2019 - \$20,427,822). 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 and available for sale

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. Land inventory available for sale consists of 12 acres which is expected to be sold in the next 12 months with a cost of \$318,715. The average cost of land inventory at year-end is \$26,559.

Currently Debert Industrial Park land inventory under development consists of a total cost of \$3,409,985. This consists of 128.39 acres of land. The average cost per acre at year-end is \$26,559. Inventory is recognized at lessor of cost and net realizable value ("NRV"). 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.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

1. Summary of significant accounting policies (continued)

Land inventory under development and available for sale (continued)

Land Inventory was tested for impairment during fiscal 2019-20. A market appraisal was obtained to determine the NRV for land inventory. Listed below are the parcels of land held in land inventory with their NRV, the cost per acre and total historical cost, impairment expense recognized during fiscal 2019-20, and the revised asset value for the parcels of land after impairment:

PID#	Acres	NRV	Cost/Acre	Historical cost	Impairment	Carrying Value
20117966	10	18,000	35,672	356,718	176,718	180,000
20117966	17	18,000	35,672	606,420	300,420	306,000
20117966	13	18,000	35,672	463,733	229,733	234,000
20153458	2.28	18,000	35,672	81,332	40,292	41,040
20153466	2.94	18,000	35,672	104,875	51,955	52,920
20153474	3.42	18,000	35,672	121,997	60,437	61,560
20153482	3.44	18,000	35,672	122,711	60,791	61,920
20153490	3.44	18,000	35,672	122,711	60,791	61,920
20153508	5.9	18,000	35,672	210,463	104,263	106,200
20153518	8.9	18,000	35,672	317,479	157,279	160,200
20153649	2.07	18,000	35,672	73,841	36,581	37,260
20464418	10	50,800	35,672	356,718	-	356,718
20465662	20	43,200	35,672	713,435	-	713,435
20465662	18	36,888	35,672	642,092	-	642,092
20465662	20	36,900	35,672	713,435	-	713,435
	<u>140.39</u>			<u>5,007,960</u>	<u>1,279,259</u>	<u>3,728,700</u>

No reversal of write-downs has occurred for land inventory.

The average cost method is used to measure inventory. In 2019-2020, 3.5 acres of PID 20464418 were sold and \$138,188 of land inventory was expensed for this transaction.

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.

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.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

1. Summary of significant accounting policies (continued)

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.

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.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

1. Summary of significant accounting policies (continued)

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, 2020, there are no known contaminated sites identified.

The Municipality of the County of Colchester
Notes to the consolidated financial statements
 March 31, 2020

2. Taxes receivable	<u>Current Year</u>	<u>Prior Years</u>	<u>2020 Total</u>	<u>2019 Total</u>
Balance, beginning of year	\$ -	\$ 2,769,566	\$ 2,769,566	\$ 2,807,498
Current year's tax levy	<u>35,341,231</u>	<u>-</u>	<u>35,341,231</u>	<u>34,267,238</u>
	35,341,231	2,769,566	38,110,797	37,074,736
Deduct:				
Current year's collection	33,228,965	1,638,731	34,867,696	34,137,353
Write-offs	-	22,730	22,730	1,264
Reduced taxes	<u>168,570</u>	<u>-</u>	<u>168,570</u>	<u>166,553</u>
	<u>33,397,535</u>	<u>1,661,461</u>	<u>35,058,996</u>	<u>34,305,170</u>
Balance, end of year	<u>\$ 1,943,696</u>	<u>1,108,105</u>	<u>3,051,801</u>	<u>2,769,566</u>
Allowance for uncollectible accounts			(160,000)	(160,000)
Interest receivable, end of year			<u>487,252</u>	<u>417,573</u>
Balance, end of year, including interest			<u>\$ 3,379,053</u>	<u>\$ 3,027,139</u>

3. Tax collections	<u>2020</u>	<u>2019</u>
Total taxes collected *	<u>\$ 33,397,535</u>	<u>\$ 32,476,828</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>\$.885</u>	<u>\$.88</u>
Commercial assessments	<u>\$ 2.28</u>	<u>\$ 2.28</u>

4. Frontage rates receivable	<u>2020</u>	<u>2019</u>
Street improvements	\$ 18,855	\$ 23,904
Hub Centre Drive	51,563	-
Interest receivable	<u>8,605</u>	<u>9,126</u>
Balance, end of year, including interest	<u>\$ 79,023</u>	<u>\$ 33,030</u>

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

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 \$3,120,636 (2019 - \$3,096,694) at March 31, 2020. 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 Business 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 2020, \$Nil (2019 - \$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 2020, \$1,291,592 (2019 - \$928,457) has been recognized as revenues by the Municipality.

	Street Improvement Rates	Colchester Park	Debert Business Park	Gas Tax	Other	Total
Balance, beginning of year	\$59,356	\$3,096,694	\$494,166	\$4,327,661	\$687,504	\$8,665,381
Contributions and interest earned	-	69,319	-	3,559,883	433,713	4,062,915
Amounts recognized as revenue	(21,003)	(45,377)	-	(1,291,592)	(234,720)	(1,592,692)
Balance, end of year	\$38,353	\$3,120,636	\$494,166	\$6,595,952	\$886,497	\$11,135,604

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 \$485,158, the following can be transferred:

2021	\$ 11,897	2030	\$ 13,964
2022	\$ 19,663	2031	\$ 63,039
2024	\$ 43,611	2033	\$ 32,669
2025	\$ 7,525	2034	\$ 23,915
2026	\$ 84,304	2035	\$ 2,515
2027	\$ 100,052	2036	\$ 355
2028	\$ 1,790	2037	\$ 12,350
2029	\$ 46,256	2039	\$ 12,352
		2040	\$ 8,901

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

7. Rate of return on rate base

For the year ended March 31, 2020, the Tatamagouche Water Utility had a rate of return on rate base of 1.58% (2019: (.13%)).

For the year ended March 31, 2020, the Debert Water Utility had a rate of return on rate base of 1.88% (2019: .45%).

8. Long term debt

Schedule of consolidated debt changes and term debt is detailed on page 37. Principal repayments in each of the next five years are due as follows:

2021	\$ 1,674,417
2022	\$ 2,846,568
2023	\$ 4,544,705
2024	\$ 2,526,447
2025	\$ 565,647

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 \$12,922,885. At March 31, 2020, the liability balance is \$2,164,114 (2019 - \$2,038,140).

Current capacity of the site is estimated at 4,791,670 cubic meters. At March 31, 2020, 16.75% of the capacity, or 802,431 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 \$12,922,885 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, 2017. On a going-concern basis, the value of the plan assets, at December 31, 2017, exceeded the value of the accrued benefits by \$610,408. On a wind-up basis, the liabilities exceed the assets by \$3,252,133. No further special payments will be required.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

10. Employee retirement benefits (continued)

The next actuarial valuation will be completed as at December 31, 2020. The information provided below is based on an extrapolation of the December 31, 2017 valuation report to December 31, 2019.

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, 2019</u>	<u>December 31, 2018</u>
Market Value of Assets	\$14,457,132	\$12,150,046
Accrued Benefit Obligation	<u>20,371,223</u>	<u>16,710,563</u>
Surplus/ (Deficit)	(5,914,091)	(4,560,517)
Unamortized net actual loss	<u>2,997,622</u>	<u>2,005,103</u>
	<u>\$2,916,469</u>	<u>\$2,555,414</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, 2019 to December 31, 2019.

	<u>2019</u>	<u>2018</u>
Employer's current service cost	\$ 744,340	\$ 825,008
Amortization of net actuarial loss	<u>273,090</u>	<u>294,142</u>
Pension expense	<u>\$1,017,430</u>	<u>\$ 1,119,150</u>
	<u>2019</u>	<u>2018</u>
Interest cost on accrued benefit obligation	\$ 682,108	\$ 601,752
Expected return on plan assets	<u>(800,546)</u>	<u>(798,055)</u>
Interest (income)	<u>\$ (118,438)</u>	<u>\$ (196,303)</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 2019 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>2019</u>	<u>2018</u>
Balance January 1	\$2,555,414	\$2,140,858
Pension expense/(Income)	1,017,430	1,119,150
Interest expense/(income)	(118,438)	(196,303)
Municipality's contributions	<u>(537,937)</u>	<u>(508,291)</u>
Balance December 31	<u>\$2,916,469</u>	<u>\$2,555,414</u>

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

10. Employee retirement benefits (continued)

The significant actuarial assumptions adopted measuring the Municipality's accrued benefit obligations as at December 31, 2019 were as follows:

Expected long-term rate of return on plan assets:	6.50% (December 2018 – 6.50%)
Rate of compensation increase:	3.00% (December 2018 – 3.00%)
Discount rate used to determine benefit obligation:	3.25% per annum as at December 31, 2019 4.00% per annum as at December 31, 2018
The Actuarial Cost Method:	Projected Accrued Benefit prorated on Service
Pre-retirement mortality:	Nil
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.
Retirement ages:	100% retire at the earliest date eligible for unreduced retirement (earlier of age 60 or when age plus severance equals 85).

All plan assets are held by various Manulife Funds.

During the year, the Municipality and employees contributed \$539,075 and \$395,501 respectively, to the plan. Benefit payments for the year totaled \$454,742.

Effective July 1, 2014, members contribute 7.0% of their pensionable earnings up to the YMPE (Years maximum pensionable earnings) 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, 2019 and an estimate was provided by the actuary for March 31, 2020.

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>2020</u>	<u>2019</u>
Current service cost	\$ 6,300	\$ 7,334
Amortization of gains and losses	-	-
Benefit expense	\$ 6,300	\$ 7,334

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

11. Sick leave benefit liability (continued)

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

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 49,787	\$ 69,720
Benefit expense	6,300	14,454
Interest expense	1,788	2,372
Municipality contribution and adjustments	<u>(4,937)</u>	<u>(36,759)</u>
Balance, end of year (unfunded)	<u>\$ 52,938</u>	<u>\$ 49,787</u>

Assumptions:

Discount rate:	3.39% per annum (2019: 3.39%)
Salary increases:	3.00% per annum (2019: 3.00%)
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:	1.3 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 2023. Payments for each of the next four years are as follows:

2021	\$ 81,795
2022	\$ 65,402
2023	\$ 43,817
2024	\$ 20,210

- (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, 2020, the loan is \$409,183.
- guarantee of \$100,000 for the Great Village Fire Brigade to finance the fire truck refurbishment. As of March 31, 2020, the loan was not advanced.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

12. Commitments (continued)

- (iii) Under the terms and conditions of the agreement relating to the transfer of infrastructure system assets of the Debert Business Park 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, 2020, 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.
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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	\$ 38,355	\$1,119	\$39,474
Ronald Cavanaugh, Councillor	\$ 38,355	\$1,324	\$39,679
Mike Cooper, Councillor	\$ 38,355	\$ 379	\$38,734
Lloyd Gibbs, Councillor	\$ 38,355	\$1,740	\$40,095
Michael Gregory, Councillor	\$ 38,355	\$4,000	\$42,355
Robert Pash, Councillor	\$ 38,355	\$3,368	\$41,723
Karen MacKenzie, Councillor	\$ 38,355	\$ 900	\$39,255
Bill Masters, Councillor	\$ 38,355	\$1,534	\$39,889
Wade Parker, Councillor	\$ 38,355	\$1,017	\$39,372
Geoff Stewart, Councillor/Deputy Mayor	\$ 45,344	\$4,943	\$50,287
Tom Taggart, Councillor, Atlantic Region FCM Representative	\$ 38,355	\$8,710	\$47,065
Christine Blair, Mayor	\$ 63,404	\$7,955	\$71,359
Robert Simonds, CAO	\$ 162,508	\$4,060	\$166,568

14. Trust funds

The Municipality holds trust funds at March 31, 2020, totaling \$632,340 (2019 - \$557,321) 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, 2020

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, Truro/Colchester Regional Enterprise Network 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	\$ 27,249,044	\$ (147,515)	\$ 27,101,529
Grants in Lieu Own Sources, Other and Capital	\$ 1,222,109	\$ -	\$ 1,222,109
Government Transfers	\$ 1,005,600	\$ 16,494,098	\$ 17,499,698
	<u>\$ 1,271,787</u>	<u>\$ 151,810</u>	<u>\$ 1,423,597</u>
Total Revenue	<u>\$ 30,748,540</u>	<u>\$ 16,498,393</u>	<u>\$ 47,246,933</u>
EXPENSE			
General Government Services	\$ 5,776,313	\$ (272,724)	\$ 5,503,589
Protective Services	\$ 573,375	\$ 9,067,888	\$ 9,641,263
Transportation Services	\$ 2,356,831	\$ 236,806	\$ 2,593,637
Environmental and Health Services	\$ 7,741,182	\$ 8,446,781	\$ 16,187,963
Recreation, Parks, Rinks	\$ 2,952,885	\$ 2,359,872	\$ 5,312,757
Transfers to other Govts.	\$ 14,226,335	\$ (14,226,335)	\$ -
Water Treatment	\$ -	\$ 760,715	\$ 760,715
Other Transfers	\$ 3,748,214	\$ (3,748,214)	\$ -
Amortization	<u>\$ (6,626,595)</u>	<u>\$ 6,626,595</u>	<u>\$ -</u>
Total Expense	<u>\$ 30,748,540</u>	<u>\$ 9,251,384</u>	<u>\$ 39,999,924</u>
Net Financial position	<u>\$ -</u>	<u>\$ 7,247,009</u>	<u>\$ 7,247,009</u>

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

17. Contingencies

Litigation

As at March 31, 2020, 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.

Wastewater treatment services

As of March 31, 2020, there currently remains an outstanding dispute regarding the sale of wastewater treatment services to the Town of Truro. The Municipality of the County of Colchester and the Town of Truro's agreement for wastewater has expired and a replacement agreement has not been renegotiated. The Municipality of Colchester has invoiced Truro based on recommended flow calculations for fiscal year ending 2020. Fiscal year ending 2019 was invoiced on the previously existing agreement which was in place. No formal legal claim has been filed as the parties continue to negotiate a new agreement. It is not expected that any material changes in revenue from the Town for the services will occur as a part of renegotiation of the wastewater agreement.

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 various parties to operate Truro/Colchester Regional Enterprise Network at 33%.

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>2020</u>	<u>2019</u>
Total Assets	\$ 2,696,390	\$ 2,936,644
Total Liabilities	<u>353,655</u>	<u>861,782</u>
Net Assets	\$ <u>2,342,735</u>	\$ <u>2,074,862</u>
Total Revenues	\$ 1,339,791	\$ 1,993,120
Total Expenses	<u>1,663,038</u>	<u>1,809,503</u>
Annual (Deficit) Surplus	\$ <u>(323,247)</u>	\$ <u>183,617</u>

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

19. Impact of COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Municipality of the County of Colchester has not yet experienced a significant impact on its operations and has determined that no events have taken place that impact the financial results of operations as of and for the year ended March 31, 2020.

The Central Nova Scotia Civic Centre Society, which is proportionately consolidated with the Municipality, was required to shut down the operating facility from March 15, 2020 to July 6, 2020. To limit financial exposure, the operating facility laid off much of the workforce and have utilized government programs for business. They are also still receiving financial support from the Municipality of the County of Colchester and the Town of Truro, under the operating agreement between the parties. The operating facility has reopened with reduced activities and will be resuming and establishing functions and activities as they are permitted to do so, in line with Federal and Provincial Public Health guidelines, as well as the individual guidelines for specific functions, such as Hockey NS. In addition to following the Public Health recommendations they are closely monitoring costs associated with each of the functions and will ensure the plans are in place to ensure costs are able to be recovered and do not result in a deficit. The Society has prepared a reforecast for their 2020/2021 year to reflect the changes as a result of COVID-19. This will continue to be closely monitored by management and the Board of the organization.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Municipality and its subsidiaries in future periods, therefore no adjustments have been made to the March 31, 2020 period.

20. Comparative figures

Certain of the prior year figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current year.

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

20. Segment disclosures – March 31, 2020

	General Government	Protective Services	Transportation Services	Environmental Health	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utilities	Rath Eastlink Community Centre	Regional Enterprise Network	Consolidated
Revenues											
Taxes	\$ 4,328,804	\$ 6,703,377	\$ 1,832,859	\$ 10,201,946	\$ 84,029	\$ 1,645,210	\$ 2,216,479	\$ -	\$ -	\$ -	\$ 27,012,704
Grants-in-lieu of taxes	194,348	300,958	82,289	458,031	3,773	73,864	99,512	-	-	-	1,212,775
Services to other governments	-	-	-	793,313	-	-	-	-	-	-	793,313
Sale of services	-	-	-	579,648	-	-	-	565,675	-	-	1,145,223
Water fire protection	-	-	-	-	-	-	-	199,305	-	-	199,305
Other revenue from own sources	820,224	92,442	-	3,810,155	-	-	-	-	1,581,767	96,281	6,495,100
Unconditional transfer from other governments	89,466	138,543	37,881	210,849	1,737	34,003	45,808	-	-	-	558,287
Conditional transfers from other governments	-	160,029	-	642,580	-	41,848	170,735	-	-	-	1,005,192
Other revenue	1,336,969	-	86,080	-	-	100,000	-	41,881	-	-	1,564,930
Capital revenue	471,054	-	-	-	-	-	-	-	-	-	471,054
Interest and other revenue	501,545	-	-	-	-	-	-	-	-	-	501,545
	\$ 7,742,410	\$ 7,385,349	\$ 2,039,109	\$ 16,696,522	\$ 89,539	\$ 1,894,925	\$ 2,626,765	\$ 806,761	\$ 1,581,767	\$ 96,281	\$ 40,959,428
Expenses											
Salaries, wages and benefits	\$ 2,754,739	\$ 443,461	\$ 350,815	\$ 4,742,101	\$ -	\$ 320,413	\$ 482,735	\$ 234,769	\$ 666,380	\$ 14,724	\$ 10,020,137
Goods and services	1,512,114	3,424,591	517,561	5,336,092	-	1,941,906	1,146,584	397,803	1,346,733	75,594	16,297,378
Third party services/transfers	683,968	5,441,507	576,609	-	118,079	-	281,201	-	-	-	7,101,364
Debt Servicing	-	71,999	-	246,807	5,606	-	314,321	-	-	-	638,733
Community grants and exemptions	657,515	35,397	-	-	-	-	101,339	-	-	-	994,251
Amortization	274,688	74,768	1,120,586	3,657,791	-	49,564	1,103,784	372,931	-	-	6,654,012
	\$ 6,082,924	\$ 9,491,723	\$ 2,575,571	\$ 14,582,791	\$ 123,685	\$ 2,311,683	\$ 3,428,964	\$ 1,005,503	\$ 2,013,113	\$ 90,318	\$ 41,706,475

The Municipality of the County of Colchester

Notes to the consolidated financial statements

March 31, 2020

20. Segment disclosures – March 31, 2019

	General Government	Protective Services	Transportation Services	Environmental Health	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utilities	Rath Eastlink Community Centre	Regional Enterprise Network	Consolidated
Revenues											
Taxes	\$ 4,115,390	\$ 6,696,954	\$ 2,031,047	\$ 10,622,126	\$ 78,130	\$ 351,527	\$ 2,185,625	\$ -	\$ -	\$ -	\$ 26,993,799
Grants-in-lieu of taxes Services to other governments	192,610	308,753	95,058	497,141	3,657	16,462	102,432	-	-	-	1,216,103
Sale of services	-	-	-	1,027,847	-	-	-	543,481	-	-	1,027,847
Water fire protection	-	-	-	572,225	-	-	-	198,460	-	-	1,115,706
Other revenue from own sources	833,469	72,427	-	3,809,202	-	-	117,476	-	1,879,450	113,670	6,825,694
Unconditional transfer from other governments	87,652	140,827	43,357	226,753	1,668	7,504	46,722	-	-	-	554,683
Conditional transfers from other governments	-	153,881	-	684,458	-	22,123	200,302	-	-	-	1,060,764
Other revenue	1,619,762	-	261,120	-	-	-	-	38,511	-	-	1,919,393
Capital revenue	724,076	-	-	-	-	-	-	-	-	-	724,076
Interest and other revenue	252,825	-	-	-	-	-	-	-	-	-	252,825
	\$ 7,825,984	\$ 7,272,842	\$ 2,430,582	\$ 17,439,752	\$ 83,455	\$ 397,606	\$ 2,655,557	\$ 780,452	\$ 1,879,450	\$ 113,670	\$ 40,879,350
Expenses											
Salaries, wages and benefits	\$ 2,448,602	\$ 450,528	\$ 375,506	\$ 4,644,286	\$ -	\$ 287,165	\$ 455,270	\$ 229,058	\$ 670,601	\$ 12,696	\$ 9,583,812
Goods and services	1,430,929	3,234,733	815,668	6,064,582	-	170,954	1,121,847	405,182	1,604,045	20,015	14,867,955
Third party services/transfers	673,168	5,391,107	565,326	-	108,788	-	280,019	-	-	-	7,018,408
Debt Servicing	-	72,977	-	255,557	27,509	-	340,969	-	-	-	697,012
Community grants and exemptions	914,639	38,551	-	-	-	-	75,126	-	-	-	1,028,316
Amortization	262,881	70,500	1,071,406	4,081,252	-	31,343	1,105,152	280,101	-	-	6,902,735
	\$ 6,730,219	\$ 9,258,496	\$ 2,828,006	\$ 15,045,677	\$ 136,297	\$ 489,462	\$ 3,380,383	\$ 914,341	\$ 2,274,546	\$ 32,711	\$ 40,098,238

The Municipality of the County of Colchester

Schedules to the consolidated statement of operations

Year ended March 31	2020 Budget	2020 Actual	2019 Actual
1. Taxes			
Assessable property			
Residential	\$ 18,706,714	\$ 18,670,020	\$ 17,968,956
Commercial			
Based on taxable assessments	6,368,564	6,315,184	6,214,454
Resource			
Taxable assessments	580,339	578,696	557,743
Forest property tax			
Less than 50,000 acres	84,063	83,627	84,151
50,000 acres or more	76,880	76,931	76,846
	741,282	739,254	718,740
Area rates			
Protective services	2,683,552	2,687,760	2,583,057
Transportation services	1,515,377	1,518,051	1,478,957
Environmental health services	3,093,098	3,114,361	3,086,741
Recreation and cultural services	54,416	49,478	47,924
	7,346,443	7,369,650	7,196,679
Special assessments			
Frontage rates			
Transportation services	166,663	167,182	21,003
Business property			
Based on revenue (Aliant Telecom)	150,000	136,846	154,108
Nova Scotia Power Corporation	20,000	20,572	19,727
Harmonized sales tax grant	110,000	112,540	98,238
	280,000	269,958	272,073
Other			
Deed transfer tax	1,132,000	1,223,592	1,085,042
Appropriation to regional school board	(7,640,137)	(7,640,136)	(7,493,148)
School enhancement	-	(102,000)	-
	\$ 27,101,529	\$ 27,012,704	\$ 25,983,799

The Municipality of the County of Colchester

Schedules to the consolidated statement of operations

Year ended March 31 2020 Budget 2020 Actual 2019 Actual

2. Grants in lieu of taxes

Federal government	\$	<u>158,072</u>	\$	<u>147,504</u>	\$	<u>158,069</u>
Provincial government						
Property of supported institutions		88,150		88,601		88,060
Forest property		65,382		65,155		65,122
Other property		460,967		461,979		459,130
Fire protection		1,620		1,619		1,620
Wind turbine		447,918		447,917		444,102
		<u>1,064,037</u>		<u>1,065,271</u>		<u>1,058,034</u>
	\$	<u>1,222,109</u>	\$	<u>1,212,775</u>	\$	<u>1,216,103</u>

3. Services to other governments

Other local governments						
STP recovery	\$	1,000,401	\$	724,261	\$	976,298
Solid waste recovery		<u>55,056</u>		<u>69,052</u>		<u>51,549</u>
	\$	<u>1,055,457</u>	\$	<u>793,313</u>	\$	<u>1,027,847</u>

4. Sale of services

Other local governments						
Materials recovery facility	\$	608,695	\$	579,648	\$	572,225
Sale of water - Tatamagouche		335,000		335,084		322,630
Sale of water - Debert		<u>219,000</u>		<u>230,491</u>		<u>220,851</u>
	\$	<u>1,162,695</u>	\$	<u>1,145,223</u>	\$	<u>1,115,706</u>

5. Water fire protection

Tatamagouche public fire protection	\$	76,722	\$	70,407	\$	70,225
Debert public fire protection		<u>126,686</u>		<u>128,898</u>		<u>128,235</u>
	\$	<u>203,408</u>	\$	<u>199,305</u>	\$	<u>198,460</u>

The Municipality of the County of Colchester

Schedules to the consolidated statement of operations

Year ended March 31 2020 Budget 2020 Actual 2019 Actual

13. Environmental health services

Sewage collection and disposal	\$ 3,569,530	\$ 3,426,463	\$ 3,383,558
Garbage and waste disposal	<u>6,955,559</u>	<u>6,886,109</u>	<u>6,996,861</u>
	<u>10,525,089</u>	<u>10,312,572</u>	<u>10,380,419</u>

Fiscal costs

Debt charges - interest	189,453	187,337	194,031
Amortization expense	<u>4,234,985</u>	<u>3,657,791</u>	<u>4,081,252</u>
	<u>4,424,438</u>	<u>3,845,128</u>	<u>4,275,283</u>
	<u>\$ 14,949,527</u>	<u>\$ 14,157,700</u>	<u>\$ 14,655,702</u>

14. Public health services

Fiscal costs

Debt charges - interest	\$ 3,075	\$ 5,606	\$ 27,509
Transfers to regional housing	<u>136,000</u>	<u>118,079</u>	<u>108,788</u>
	<u>\$ 139,075</u>	<u>\$ 123,685</u>	<u>\$ 136,297</u>

15. Environmental development services

Planning and zoning

Administration	\$ 159,030	\$ 171,516	\$ 159,838
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Other environmental development services

Special programs and projects	67,000	55,253	62,065
Debert land preparation	-	453,279	-
Write down of land inventory	-	1,279,259	-
Amortization expense	16,585	49,564	31,343
Economic development	<u>456,546</u>	<u>393,330</u>	<u>268,927</u>
	<u>\$ 699,161</u>	<u>\$ 2,402,201</u>	<u>\$ 522,173</u>

The Municipality of the County of Colchester

Schedules to the consolidated statement of operations

Year ended March 31 2020 Budget 2020 Actual 2019 Actual

16. Recreation and cultural services

Administration	\$ 612,161	\$ 616,991	\$ 599,303
Tourism	3,280	3,828	3,280
Playgrounds and trails	182,377	178,152	243,012
Swimming pools	75,000	75,000	50,000
Parks and rinks	672,402	717,220	643,508
Amortization expense	1,120,095	1,103,783	1,105,152
Debt charges - interest	324,335	314,321	340,969
Civic centre	1,937,921	2,013,113	2,274,646
Fundy Discovery Site	79,577	99,400	87,536
Cultural buildings and facilities			
Branch library	27,988	39,068	35,604
Truro Library	39,692	45,627	44,445
Regional library	237,929	235,574	235,574
	<u>\$ 5,312,757</u>	<u>\$ 5,442,077</u>	<u>\$ 5,663,029</u>

17. Water treatment and distribution

Source of supply	\$ 13,395	\$ 12,355	\$ 11,453
Power and pumping	112,884	105,958	106,288
Water treatment	142,432	173,389	154,128
Transmission and distribution	209,455	160,829	197,101
Administration	149,462	139,729	124,546
Filter replacement	12,300	12,300	12,300
Amortization expense	-	281,165	196,389
Taxes	29,021	28,012	28,019
Interest on long term debt	-	-	405
Depreciation expense – NSUARB	91,766	91,766	83,712
	<u>\$ 760,715</u>	<u>\$ 1,005,503</u>	<u>\$ 914,341</u>

The Municipality of the County of Colchester

Schedules to the consolidated statement of operations

Year ended March 31 2020 Budget 2020 Actual 2019 Actual

18. Capital purchases

Compost containers	\$	13,000	\$	35,614	\$	46,043
Courthouse renovations		-		25,637		107,138
Software		-		4,856		22,972
Debert water utility		1,700,000		401,677		875,588
Landfill equipment		350,000		30,978		57,387
Landfill liner Cell 4		-		2,899		-
Materials recovery facility		140,000		254,725		105,275
Regional STP/Marshland Drive		75,000		30,352		206,064
Rural STP		-		-		2,589
Sewer equipment		-		-		180,844
Sewer lines		-		11,447		-
Sidewalks		1,785,000		1,784,654		681,547
Street equipment		-		-		166,547
Street Improvement		245,000		215,853		135,422
Public Works Building		-		144,127		689,676
Trails		-		97,699		-
Municipal parks		-		121,086		83,931
Fundy Discovery Site land development		722,000		498,167		455,521
Nelson park		-		98,223		56,434
Lift stations		-		13,744		1,338
Broderick park		-		-		5,287
Stewiacke park		-		5,150		7,221
Airport		80,000		80,037		-
Debert Roundabout		-		31,662		521
DAIP Land Improvement		100,000		95,013		-
DNR Building		-		1,149		102,335
SHRU building		-		-		67,009
Fire Services Equipment		20,000		20,196		18,495
Incubator mall		-		203		282,896
County owned roads		-		86,080		261,120
Debert signage		-		-		13,617
Civic Centre capital equipment		-		629,184		39,560
Library		-		25,000		-
Regional Enterprise Network		-		1,082		1,051
Civic Centre		-		30,288		162,020
	\$	<u>5,230,000</u>	\$	<u>4,776,782</u>	\$	<u>4,835,448</u>

The Municipality of the County of Colchester

Schedule of consolidated tangible capital assets

Year ended March 31, 2020

General capital

	Land	Land Improvements	Land	Municipal Buildings	Buildings/ Plants	Electric Data	Office Equipment	Machinery
Cost:								
Balance, beginning of year	\$7,132,472	\$3,442,875	\$30,138,304	\$73,528,679	\$1,010,514	\$537,279	\$15,589,189	
Acquisition of tangible capital assets	-	808,824	577,305	231,896	4,856	31,370	456,899	
Disposal of tangible capital assets	-	-	-	-	-	-	(85,680)	
Balance, end of year	7,132,472	4,251,699	30,715,609	73,760,575	1,015,370	568,649	15,960,408	
Accumulated amortization:								
Balance, beginning of year	-	(581,658)	(4,197,239)	(49,609,081)	(743,025)	(342,342)	(9,527,703)	
Annual amortization	-	(137,707)	(752,772)	(2,029,412)	(137,480)	(65,982)	(1,133,753)	
Accumulated amortization on disposals	-	-	-	-	-	-	85,680	
Balance, end of year	-	(719,365)	(4,950,011)	(51,638,493)	(880,505)	(408,324)	(10,575,776)	
Net book value of tangible capital assets	\$7,132,472	\$3,532,334	\$25,765,598	\$22,122,082	\$134,865	\$160,325	\$5,384,632	

	Vehicles	Roads	Sidewalks	Sewer	Landfill	Total
Cost:						
Balance, beginning of year	\$2,467,288	\$15,074,175	\$14,798,612	\$22,884,438	\$9,327,132	\$195,930,957
Acquisition of tangible capital assets	119,306	333,596	1,784,654	23,500	2,899	4,375,105
Disposal of tangible capital assets	-	-	-	-	-	(85,680)
Balance, end of year	2,586,594	15,407,771	16,583,266	22,907,938	9,330,031	200,220,382
Accumulated amortization:						
Balance, beginning of year	(2,223,595)	(7,347,585)	(7,185,848)	(7,900,106)	(5,376,918)	(95,035,100)
Annual amortization	(76,736)	(573,147)	(546,605)	(454,402)	(373,085)	(6,281,081)
Accumulated amortization on disposals	-	-	-	-	-	85,680
Balance, end of year	(2,300,331)	(7,920,732)	(7,732,453)	(8,354,508)	(5,750,003)	(101,230,501)
Net book value of tangible capital assets	\$286,263	\$7,487,039	\$8,850,813	\$14,553,430	\$3,580,028	\$98,989,881

The Municipality of the County of Colchester

Schedule of consolidated tangible capital assets

Year ended March 31, 2020

Debert Water Utility

	<u>Buildings</u>	<u>Machinery</u>	<u>Water Lines</u>	<u>Vehicles</u>	<u>Total</u>
Cost:					
Balance, beginning of year	\$4,708,853	\$68,257	\$1,332,739	\$68,667	\$6,178,516
Acquisition of tangible capital assets	295,830	8,591	97,256	-	401,677
	5,004,683	76,848	1,429,995	68,667	6,580,193
Accumulated amortization:					
Balance, beginning of year	(2,292,993)	(64,170)	(981,289)	(39,444)	(3,377,896)
Accumulated amortization contributory	-	-	-	-	(148,498)
Annual amortization contributory	-	-	-	-	(17,970)
Annual amortization	(115,153)	(1,363)	(28,298)	(5,845)	(150,659)
Balance, end of year	(2,408,146)	(65,533)	(1,009,587)	(45,289)	(3,695,023)
Net book value of tangible capital assets	\$2,596,537	\$ 11,315	\$ 420,408	\$23,378	\$2,885,170

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	\$2,992,931	\$114,447	\$711,504	\$30,005	\$4,411	\$3,860,395
Acquisition of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	7,097	2,992,931	114,447	711,504	30,005	4,411	3,860,395
Accumulated amortization:							
Balance, beginning of year	-	(1,503,212)	(108,388)	(522,675)	(24,297)	(4,411)	(2,162,983)
Accumulated amortization contributory	-	-	-	-	-	-	(378,381)
Annual amortization contributory	-	-	-	-	-	-	(73,796)
Annual amortization	-	(109,818)	(3,604)	(14,230)	(2,854)	-	(130,506)
Balance, end of year	-	(1,613,030)	(111,992)	(536,905)	(27,151)	(4,411)	(2,745,666)
Net book value of tangible capital assets	\$7,097	\$1,379,901	\$ 2,455	\$174,599	\$ 2,854	\$ -	\$1,114,729
Total net book value of all tangible capital assets							\$102,989,780

The Municipality of the County of Colchester

Schedule of consolidated debt charges

Year ended March 31, 2020

	Fiscal Year of Issue	Fiscal Year of Maturity	Interest Rate	Balance March 31/19	Acquired	Redeemed	Balance March 31/20	Interest 2020	Serial Instalment 2020	Total Debt Charges
<u>Unmatured Debenture and Term Debt</u>										
Regional Hospital #1	2017	2032	1.599%-3.475%	\$ 199,998	\$ -	\$ 66,666	\$ 133,332	\$ 2,676	\$ 66,666	\$ 69,342
Regional Hospital #4	2010	2020	4.889%	349,997	-	349,997	-	2,930	349,997	352,927
Brookfield Fire Hall	2017	2032	1.599%-3.475%	492,139	-	61,518	430,621	10,481	61,518	71,999
Civic Centre – Phase 1	2012	2022	3.256%-3.645%	1,704,585	-	181,315	1,523,270	58,953	181,315	240,268
Civic Centre – Phase 2	2013	2023	2.992%-3.480%	3,242,785	-	362,876	2,879,909	100,183	362,876	463,059
Civic Centre – Phase 3A	2013	2023	2.650%-3.160%	2,173,060	-	196,322	1,976,738	64,811	196,322	261,133
Civic Centre – Phase 3A1	2014	2024	2.266%-2.979%	1,889,650	-	165,550	1,724,100	50,203	165,550	215,753
Civic Centre – Phase 3B	2014	2024	2.744%-3.614%	1,198,000	-	105,800	1,092,200	40,172	105,800	145,972
WWTP Phase 4	2015	2030	2.244%-3.792%	2,586,072	-	161,629	2,424,443	84,781	161,629	246,410
Landfill cell and compost facility	2016	2031	1.626%-3.205%	1,827,500	-	107,500	1,720,000	49,177	107,500	156,677
Granville Drive sanitary sewer	2016	2031	1.626%-3.205%	2,210,000	-	130,000	2,080,000	59,470	130,000	189,470
WWTP Phase 5	2017	2032	1.599%-3.475%	1,890,000	-	105,000	1,785,000	53,378	105,000	158,378
Totals				\$ 19,763,786	\$ -	\$ 1,994,173	\$ 17,769,613	\$ 577,215	\$ 1,994,173	\$ 2,571,388

SUPPLEMENTARY SCHEDULES

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

Year ended March 31	2020 Budget	2020 Actual	2019 Actual
Revenues			
Sale of water	\$ 335,000	\$ 335,084	\$ 322,630
Public fire protection	76,722	70,407	70,225
Other	<u>33,796</u>	<u>35,421</u>	<u>32,453</u>
Total revenues	<u>445,518</u>	<u>440,912</u>	<u>425,308</u>
Expenses			
Source of supply	7,239	6,610	5,739
Power and pumping	41,326	39,368	40,017
Water treatment	105,187	113,383	116,603
Transmission and distribution	85,576	69,147	79,561
Administrative	82,597	80,699	64,662
Filter replacement	12,300	12,300	12,300
Depreciation	-	130,506	130,671
Depreciation – NSUARB	73,796	73,796	65,742
Interest on long term debt	-	-	405
Taxes	<u>29,021</u>	<u>28,012</u>	<u>28,019</u>
Total expenses	<u>437,042</u>	<u>553,821</u>	<u>543,719</u>
Annual surplus (deficit)	\$ <u>8,476</u>	<u>(112,909)</u>	<u>(118,411)</u>
Debt principal repayment		-	(14,000)
Transfer of depreciation expense		130,506	130,671
Transfer of depreciation expense – NSUARB		73,796	65,742
Net transfers to water capital fund, net		<u>(73,796)</u>	<u>(65,742)</u>
Change in surplus		17,597	(1,740)
Opening deficit		<u>(202,692)</u>	<u>(200,952)</u>
Closing deficit		\$ <u>(185,095)</u>	\$ <u>(202,692)</u>

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

Year ended March 31	2020 Budget	2020 Actual	2019 Actual
Revenues			
Capital funding	\$ _____ -	\$ _____ -	\$ _____ -
Expenses			
Capital expenses	_____ -	_____ -	_____ -
Annual surplus (deficit)	\$ _____ -	_____ -	_____ -
Net transfers from water operating fund		<u>73,796</u>	<u>65,742</u>
Change in surplus		73,796	65,742
Opening surplus		<u>412,594</u>	<u>346,852</u>
Closing surplus		\$ <u>486,390</u>	\$ <u>412,594</u>

The Municipality of the County of Colchester

Schedule of changes in Debert water operating fund

Year ended March 31	2020 Budget	2020 Actual	2019 Actual
Revenues			
Sale of water	\$ 219,000	\$ 230,491	\$ 220,851
Public fire protection	126,686	128,898	128,235
Other	<u>4,700</u>	<u>6,460</u>	<u>6,058</u>
Total revenues	<u>350,386</u>	<u>365,849</u>	<u>355,144</u>
Expenses			
Source of supply	6,156	5,745	5,714
Power and pumping	71,558	66,590	66,271
Water treatment	37,245	60,006	37,525
Transmission and distribution	123,879	91,682	117,540
Administrative	66,865	59,030	59,884
Depreciation	-	150,659	65,718
Depreciation – NSUARB	<u>17,970</u>	<u>17,970</u>	<u>17,970</u>
Total expenses	<u>323,673</u>	<u>451,682</u>	<u>370,622</u>
Annual surplus (deficit)	<u>\$ 26,713</u>	<u>(85,833)</u>	<u>(15,478)</u>
Transfer of depreciation expense		150,659	65,718
Transfer of depreciation expense – NSUARB		17,970	17,970
Net transfers to other funds, net		<u>(28,587)</u>	<u>(56,234)</u>
Change in surplus		54,209	11,976
Opening surplus		<u>131,453</u>	<u>119,477</u>
Closing surplus		<u>\$ 185,662</u>	<u>\$ 131,453</u>

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

Year ended March 31	2020 Budget	2020 Actual	2019 Actual
Revenues			
Capital funding	\$ <u>2,050,000</u>	\$ <u>248,630</u>	\$ <u>544,866</u>
Expenses			
Capital expenses	\$ <u>2,062,500</u>	\$ <u>401,677</u>	<u>875,588</u>
Annual deficit	\$ <u>(12,500)</u>	<u>(153,047)</u>	<u>(330,722)</u>
Net transfers from other funds		<u>171,017</u>	<u>348,692</u>
Change in surplus		17,970	17,970
Opening surplus		<u>349,310</u>	<u>331,340</u>
Closing surplus		\$ <u>367,280</u>	\$ <u>349,310</u>