



Consolidated Financial Statements

Municipality of the County of Colchester

March 31, 2023

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Management's responsibility for financial reporting

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

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

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

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

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

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

On behalf of the Municipality of the County of Colchester



Chief Administrative Officer



Director of Corporate Services

September 28, 2023

Independent auditor's report

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 Municipality") on pages 4-35, which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and surplus, changes in net debt and cash flows 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, 2023, 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 Municipality 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 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 the 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

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 Municipality'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 Municipality'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 Municipality 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 Municipality 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.

Truro, Canada
September 28, 2023

Chartered Professional Accountants

The Municipality of the County of Colchester

Consolidated Statement of Operations and Surplus

Year ended March 31	2023 Budget (Note 17)	2023 Actual	2022 Actual (Note 2)
Revenues			
Taxes (Page 26)	\$ 30,682,769	\$ 31,200,244	\$ 29,323,856
Grants in lieu of taxes (Page 26)	1,235,940	1,226,649	1,214,785
Services to other governments (Page 27)	972,398	836,209	873,246
Sale of services (Page 27)	1,437,220	1,381,238	1,145,615
Water fire protection (Page 27)	211,153	218,704	209,208
Other revenue from own sources (Page 27)	7,938,905	9,101,376	7,878,102
Unconditional transfers from other governments (Page 27)	576,645	576,512	860,565
Conditional transfers from other governments (Page 28)	1,280,845	1,568,773	1,245,667
Other revenue (Page 28)	1,525,705	2,490,187	6,374,290
Capital revenue	5,418,000	326,320	74,476
Interest and other revenue	-	684,192	130,649
Total revenues	<u>51,279,580</u>	<u>49,610,404</u>	<u>49,330,459</u>
Expenses			
General government services (Page 29)	6,561,762	7,162,780	5,992,705
Protective services (Page 30)	11,331,992	11,160,224	10,091,207
Transportation services (Page 30)	3,612,381	3,449,253	3,210,609
Environmental health services (Page 31)	14,614,095	15,047,657	14,113,184
Public health services (Page 31)	144,282	200,000	237,799
Environmental development services (Page 31)	2,551,408	1,775,853	972,507
Recreation and cultural services (Page 31)	5,660,601	6,355,937	5,038,758
Water treatment and distribution (Page 32)	817,424	1,011,445	864,997
Total expenses	<u>45,293,945</u>	<u>46,163,149</u>	<u>40,521,766</u>
Annual surplus	<u>\$ 5,985,635</u>	<u>\$ 3,447,255</u>	<u>\$ 8,808,693</u>
<hr/>			
Accumulated surplus, beginning of year, as previously reported		\$ 117,927,201	\$ 108,543,502
Adjustment for adoption of asset retirement obligation standard (Note 2)		<u>(10,487,143)</u>	<u>(9,912,137)</u>
Accumulated surplus, beginning of year		107,440,058	98,631,365
Annual surplus		<u>3,447,255</u>	<u>8,808,693</u>
Accumulated surplus, end of year		<u>\$ 110,887,313</u>	<u>\$ 107,440,058</u>

The Municipality of the County of Colchester

Consolidated Statement of Financial Position

March 31
2023
2022

(Note 2)

Financial assets		
Cash and cash equivalents (Note 1)	\$ <u>33,304,929</u>	\$ 26,811,854
Investment (Note 1)	<u>1,558,955</u>	<u>1,558,955</u>
Receivables		
Taxes, net of allowances (Note 3)	3,090,256	2,725,409
Due from federal government and its agencies	425,124	1,180,934
Due from other government entities and its agencies	2,451,057	2,474,546
Other		
Trade account, net of allowances of \$52,758 (2022 - \$41,227)	2,073,508	2,071,848
Solar & Cozy Colchester	3,718,614	801,224
Frontage rates (Note 5)	<u>13,071</u>	<u>22,113</u>
	<u>11,771,630</u>	<u>9,276,074</u>
Loans and advances	<u>246,067</u>	<u>307,585</u>
Land inventory available for sale (Note 1)	<u>79,378</u>	<u>492,468</u>
	<u>46,960,959</u>	<u>38,446,936</u>
Financial liabilities		
Payables and accruals	<u>3,934,933</u>	<u>3,219,140</u>
Other liabilities		
Accrued sick leave benefit liability (Note 12)	59,282	51,618
Asset retirement obligation (Note 10)	19,051,257	18,485,619
Filter replacement	143,099	130,799
Other	<u>35,973</u>	<u>650,723</u>
	<u>19,289,611</u>	<u>19,318,759</u>
Prepayment of taxes	<u>2,139,900</u>	<u>1,988,765</u>
Deferred revenue (Note 6)		
Solar Colchester	940,803	5,720
Colchester Park	2,898,708	3,007,013
Debert Business Park	494,166	494,166
Gas tax	1,126,116	1,634,117
Other deferred revenue	<u>2,214,484</u>	<u>1,135,557</u>
	<u>7,674,277</u>	<u>6,276,573</u>
Tax sale surplus (Note 7)	<u>781,249</u>	<u>794,524</u>
Long term debt (Note 9 and Page 35)	<u>15,590,926</u>	<u>14,382,188</u>
	<u>49,410,896</u>	<u>45,979,949</u>
Net debt	\$ <u>(2,449,937)</u>	\$ <u>(7,533,013)</u>

The Municipality of the County of Colchester Consolidated Statement of Financial Position

March 31

2023

2022

(Note 2)

Non-financial assets (liabilities)

Tangible capital assets (Pages 33 and 34)

Property and equipment

\$ 241,384,006 \$ 237,244,402

Accumulated amortization

(131,924,441) (125,650,229)

109,459,565 111,594,173

Prepays

335,101 244,276

Land inventory under development (Note 1)

3,525,842 3,112,752

Other assets

16,742 21,870

113,337,250 114,973,071

Accumulated surplus

\$ 110,887,313 \$ 107,440,058

Commitments (Note 13)

Contingencies (Note 18)

On Behalf of The Municipality of the County of Colchester



Mayor



Chief Administrative Officer

Municipality of the County of Colchester

Consolidated Statement of Changes in Net Debt

Year ended March 31	2023 Budget	2023 Actual	2022 Actual (Note 2)
Annual surplus	\$ 5,985,635	\$ 3,447,255	\$ 8,808,693
Acquisition of tangible capital assets	(11,696,625)	(4,163,071)	(9,549,054)
Amortization of tangible capital assets	5,704,200	6,297,679	6,372,970
Loss on disposal of tangible capital assets	-	-	51,600
	<u>(5,992,425)</u>	<u>2,134,608</u>	<u>(3,124,484)</u>
Change in land inventory under development	-	(413,090)	(121,638)
Acquisition of prepaids and other assets, net	-	<u>(85,697)</u>	<u>(560)</u>
Change in financial assets (debt)	(6,790)	5,083,076	5,562,011
Net financial assets (debt), beginning of year, as previously reported	(3,581,014)	8,346,288	2,507,375
Adjustment for adoption of asset retirement obligation standard (Note 2)	-	<u>(15,879,301)</u>	<u>(15,602,399)</u>
Net debt, beginning of year	<u>(3,581,014)</u>	<u>(7,533,013)</u>	<u>(13,095,024)</u>
Net debt, end of year	<u>\$ (3,587,804)</u>	<u>\$ (2,449,937)</u>	<u>\$ (7,533,013)</u>

The Municipality of the County of Colchester

Consolidated Statement of Cash Flows

Year ended March 31

2023

2022

(Note 2)

Increase (decrease) in cash and cash equivalents

Operating activities

Annual surplus	\$	3,447,255	\$	8,808,693
Amortization of tangible capital assets		6,297,679		6,372,970
Accretion of asset retirement obligation		565,638		548,844
Loss on disposal of tangible capital assets		-		51,600
		<u>10,310,572</u>		<u>15,782,107</u>

Changes in non-cash working capital

Receivables	(2,495,556)	(1,071,653)
Loans and advances	61,518	61,518
Prepays and other assets	(85,697)	(560)
Payables and accruals	715,793	(204,117)
Other liabilities	940,778	(1,966,133)
Land inventory available for sale	413,090	183,558
Land inventory under development	(413,090)	(121,638)
	<u>9,447,408</u>	<u>12,663,082</u>

Investing activities

Acquisition of tangible capital assets	<u>(4,163,071)</u>	<u>(9,549,054)</u>
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Financing activities

Purchase of investment	-	(158,955)
Repayment of debt, net of refinancing	<u>1,208,738</u>	<u>(1,713,008)</u>
	<u>1,208,738</u>	<u>(1,871,963)</u>

Net increase in cash and cash equivalents 6,493,075 1,242,065

Opening, cash and cash equivalents 26,811,854 25,569,789

Closing, cash and cash equivalents \$ 33,304,929 \$ 26,811,854

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

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 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 28, 2022 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 17 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

Reserves for future expenses

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

Segmented information

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

General government services - administration

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

Protective services

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

Transportation services

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

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of significant accounting policies (continued)

Segmented information (continued)

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.

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 \$2,704,343 (2022 - \$2,534,022).

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of significant accounting policies (continued)

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, sick leave liability, asset retirement obligations, and impairment provisions.

The Municipality's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from these estimates.

Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- ii) The past transaction or event giving rise to the liability has occurred;
- iii) It is expected that future economic benefits will be given up; and
- iv) A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos and other contaminants in several of the buildings and structures owned by the Municipality has also been recognized based on estimated future expenses on closure of the site and post-closure care.

The liability is adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization accounting policies of the tangible capital asset to which the obligation relates.

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 \$7,218,966 (2022 - \$4,513,274) and internally designated cash of \$26,085,963 (2022 - \$22,298,580). These totals include cash on hand, balances with banks and guaranteed 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 2.94 acres which is expected to be sold in the next 12 months with a cost of \$79,378. The average cost of land inventory at year-end is \$26,999 (2022 - \$26,999).

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

1. Summary of significant accounting policies (continued)

Land inventory under development and available for sale (continued)

Currently Debert Industrial Park land inventory under development consists of a total cost of \$3,525,842 (2022 - \$3,112,752). This consists of 115.29 acres of land. The average cost per acre at year-end is \$26,999. Inventory is recognized at the lesser 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.

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 2019-2020, and the current asset value for the parcels of land.

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
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
20153516	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	51,000	35,672	356,718	-	356,718
20465662	20	43,300	35,672	713,435	-	713,435
20465662	18	37,000	35,672	642,092	-	642,092
20465662	20	37,000	35,672	713,435	-	713,435
	<u>133.53</u>			<u>4,763,251.45</u>	<u>1,158,031.09</u>	<u>3,605,220</u>

No reversal or write-downs have occurred for land inventory in fiscal 2022-2023.

The average cost method is used to measure inventory. In 2022-2023, no land inventory was sold and expensed.

Financial instruments

The Municipality's financial instruments consist of cash and cash equivalents, investments, receivables, prepaids, loans and advances, payables and accruals, other liabilities and long-term debt and are carried at cost or amortized cost. Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

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.

Canada Community Building Fund and other deferred grant revenues are recognized as revenues in the period in which any stipulations and eligibility criteria are met.

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

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 amortization.

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

Employees of the Municipality participate in the Public Service Superannuation Plan ("PSSP"), a contributory pension plan administered by the Pension Services Superannuation Plan Trustee Incorporated, which provides pension benefits based on length of service and earnings. Employer contributions are recognized as an expense in the period (Note 11).

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 participate in the PSSP.

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

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, 2023, there are no known contaminated sites identified.

2. Change in accounting policy

Asset retirement obligations

On April 1, 2021, the Municipality adopted Public Sector Accounting Standard PS 3280 – Asset retirement obligations ("PS 3280"). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, including the removal and remediation of contaminants in retired buildings by public sector entities. The standard was adopted on the modified retrospective basis at the date of adoption as this standard includes solid waste landfill sites and post-closing obligations resulting in PS3270 *Solid waste landfill closure and post closure liability* section being withdrawn. The comparative financial statements have been restated to reflect the change in accounting policy under the modified retrospective basis of adoption measured using a discount rate and assumptions as of the date of the adoption of the standard.

The Municipality recognized an asset retirement obligation upon adoption of PS3280 on April 1, 2021. The liability represents the required remediation of contaminants by the Municipality within a number of buildings and structures owned by the Municipality and the closure and monitoring of landfill cells at the Kemptown bale fill facility. These facilities have a remaining expected useful life up to 25 years each. As of the date of adoption of the standard the relevant discount rate on tangible capital assets held was approximately 3.06%.

In accordance with the provisions of this new standard, the Municipality has reflected the following adjustments as at April 1, 2021:

Bale fill closure obligation

A decrease of \$2,334,376 to remove the bale fill closure liability recognized to April 1, 2021 under the old accounting standard, and an accompanying increase of \$2,334,276 to opening net debt.

An increase of \$16,154,477 to the asset retirement obligation account at April 1, 2021, representing the estimate of the obligation.

An increase of \$10,816,453 to asset retirement obligation tangible capital asset account, representing the original estimate of the obligation as of the date the site became active, and an accompanying increase of \$5,135,393 to the asset retirement obligation accumulated amortization account, representing the estimated accumulated amortization to April 1, 2021 from the date the site became active had the asset retirement obligation been originally recognized. Amortization expense totalling \$297,686 has been recognized during the year ended March 31, 2022.

A net decrease of opening net debt of \$10,473,417 as a result of the recognition of the liability, asset, accumulated amortization and annual accretion expense prior to April 1, 2021.

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

2. Change in accounting policy (continued)

Asset retirement obligations (continued)

Buildings and structures obligation

An increase of \$1,782,297 to the asset retirement obligation account at April 1, 2021, representing the estimate of the obligation.

An increase of \$287,118 to asset retirement obligation tangible capital asset account, representing the original estimate of the obligation as of the date the site became active, and an accompanying increase of \$277,916 to the asset retirement obligation accumulated amortization account, representing the estimated accumulated amortization to April 1, 2021 from the date the sites became active had the asset retirement obligation been originally recognized. Amortization expense totalling \$418 has been recognized during the year ended March 31, 2022.

A net decrease of opening net debt of \$1,773,096 as a result of the recognition of the liability, asset, accumulated amortization and annual accretion expense prior to April 1, 2021.

3. Taxes receivable	Current Year	Prior Years	2023	2022
			Total	Total
Balance, beginning of year	\$ -	\$ 2,570,837	\$ 2,570,837	\$ 2,765,660
Current year's tax levy	<u>39,023,734</u>	<u>-</u>	<u>39,023,734</u>	<u>36,828,915</u>
	39,023,734	2,570,837	41,594,571	39,594,575
Deduct:				
Current year's collection	36,599,344	1,671,944	38,271,288	36,629,151
Write-offs	-	4,299	4,299	20,352
Reduced taxes	<u>418,244</u>	<u>-</u>	<u>418,244</u>	<u>374,235</u>
	<u>37,017,588</u>	<u>1,676,243</u>	<u>38,693,831</u>	<u>37,023,738</u>
Balance, end of year	\$ <u>2,006,146</u>	\$ <u>894,594</u>	<u>2,900,740</u>	<u>2,570,837</u>
Allowance for uncollectible accounts			(160,000)	(160,000)
Interest receivable, end of year			<u>349,516</u>	<u>314,572</u>
Balance, end of year, including interest			\$ <u>3,090,256</u>	\$ <u>2,725,409</u>

4. Tax collections	2023	2022
Total taxes collected *	\$ <u>37,017,588</u>	\$ <u>35,170,518</u>
Percentage current period's taxes collected	<u>94.9%</u>	<u>95.5%</u>

* Collections include taxes reduced through granting of exemptions.

The tax levy was as follows:

Residential assessments	\$ <u>0.885</u>	\$ <u>0.885</u>
Commercial assessments	\$ <u>2.28</u>	\$ <u>2.28</u>

5. Frontage rates receivable	2023	2022
Street improvements	\$ 7,883	\$ 10,078
Hub Centre Drive	-	5,267
Interest receivable	<u>5,188</u>	<u>6,768</u>
Balance, end of year, including interest	\$ <u>13,071</u>	\$ <u>22,113</u>

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

6. 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 total \$2,898,708 (2022 - \$3,007,013) at March 31, 2023. 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 2023, \$Nil (2022 - \$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 Canada Community Building Fund was to initially run for five years but has been extended past this five-year time frame. In 2023, \$2,265,540 (2022 - \$6,416,067) has been recognized as revenues by the Municipality, of which \$Nil (2022- \$265,510) was transferred to the Village of Bible Hill.

The Federal government, through the provincial government has provided Covid-19 relief through the means of the Safe Restart funding. This funding was provided for items such as lost revenue and personal protective equipment. In 2023, \$457,998 (2022 - \$86,823) has been recognized as revenues by the Municipality and no deferred revenues remain.

	Solar Colchester	Colchester Park	Debert Business Park	Canada Community Building Fund	Other	Total
Balance, beginning of year	\$5,720	\$3,007,013	\$494,166	\$1,634,117	\$1,135,557	\$6,276,573
Contributions and interest earned	1,466,510	6,589	-	1,757,539	1,720,929	4,951,567
Amounts recognized as revenue	(531,427)	(114,894)	-	(2,265,540)	(642,002)	(3,553,863)
Balance, end of year	\$940,803	\$2,898,708	\$494,166	\$1,126,116	\$2,214,484	\$7,674,277

7. 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 \$781,249, the following can be transferred:

2024	\$ 43,611	2034	\$ 23,915
2025	\$ 7,525	2035	\$ 2,515
2026	\$ 84,304	2036	\$ 355
2027	\$ 100,052	2037	\$ 12,350
2028	\$ 1,790	2039	\$ 12,352
2029	\$ 46,256	2040	\$ 8,901
2030	\$ 13,964	2041	\$ 39,103
2031	\$ 63,039	2042	\$276,633
2033	\$ 32,669	2043	\$ 11,915

8. Rate of return on rate base

For the year ended March 31, 2023, the Tatamagouche Water Utility had a rate of return on rate base of -4.62% (2022 - 1.12%).

For the year ended March 31, 2023, the Debert Water Utility had a rate of return on rate base of 6.58% (2022 - 3.10%).

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

9. 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:

2024	\$ 3,083,319
2025	1,122,519
2026	1,122,519
2027	1,261,649
2028	1,200,137

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

10. Asset retirement obligation

The Municipality's retirement obligation consists of several obligations as follows:

Bale fill obligation: The Municipality owns and operates a solid waste facility in Kemptown, Nova Scotia. The liability for the closure of the operational cells, and associated post closure monitoring costs, have been recognized under PS 3280 – Asset Retirement Obligations. Costs were based on the presently known obligations that will exist at the estimated year of closure and for the subsequent monitoring period. The Municipality implemented a closure reserve which will provide funding to remediate the site and to monitor environmental conditions. Current capacity of the site is estimated at 4,791,670 cubic metres. At March 31, 2023, 19.18% of the capacity, or 919,042 cubic metres, of the site has been used.

Buildings and structures obligation: The Municipality owns and operates a number of buildings, structures, and fuel tanks that are considered high risk for the presence of asbestos, mercury, lead paint and other high risk contaminants. The presence of these substances represents a health hazard upon demolition of the building or structure and there is a legal obligation to remove the contaminants when the buildings and structures are demolished or substantially altered. The obligation was calculated using management's best estimate of the likely cost and timeline for removal of the contaminants.

Both obligations are periodically reviewed and adjusted when management determines a significant change in the obligations estimated inputs or assumptions has occurred. The discount rate used at March 31, 2023 was 3.06% (2022 - 3.06%).

2023

	<u>Bale fill</u>	<u>Buildings</u>	<u>Total</u>
Asset retirement obligation			
Opening balance	\$ 16,648,799	\$ 1,836,820	\$ 18,485,619
Annual accretion expense	<u>509,448</u>	<u>56,190</u>	<u>565,638</u>
Closing balance	<u>\$ 17,158,247</u>	<u>\$ 1,893,010</u>	<u>\$ 19,051,257</u>

2022

	<u>Bale fill</u>	<u>Buildings</u>	<u>Total</u>
Asset retirement obligation			
Opening balance	\$ -	\$ -	\$ -
Adjustment on adoption of accounting standard (Note 2)	<u>16,154,477</u>	<u>1,782,298</u>	<u>17,936,775</u>
Opening balance, as restated	16,154,477	1,782,298	17,936,775
Annual accretion expense	<u>494,322</u>	<u>54,522</u>	<u>548,844</u>
Closing balance	<u>\$ 16,648,799</u>	<u>\$ 1,836,820</u>	<u>\$ 18,485,619</u>

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

10. Asset retirement obligation (continued)

Costs associated with the asset retirement obligations are recognized at management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The Municipality develops estimates for their asset retirement obligation with input from engineers and experts. Estimates are reviewed at least annually and consideration given to the inputs and assumptions used in making the estimate. Accordingly, the Municipality estimates the retirement obligations using present value techniques that consider and incorporate assumptions marketplace participants would use in the determination of these estimates, including inflation, markups, inherent uncertainties due to the timing of work performed, information obtained from third parties, quoted and actual prices paid for similar work and engineering estimates. Actual results could differ from these estimates.

11. Employee retirement benefits

In March 2021, the Municipality and the Public Service Superannuation Plan Trustee Incorporated entered into an agreement (the "Transfer Agreement") to transfer the assets and liabilities of the Colchester Plan into the Nova Scotia Public Service Superannuation Plan (the "PSSP") effective April 1, 2021.

The PSSP is a contributory multi-employer defined benefit pension plan administered by the Public Service Superannuation Plan Trustee Inc.(PSSPTI).

The PSSP is accounted for as a defined contribution plan as the obligation to pay retirement obligations does not reside with the Municipality.

The PSSP provides pension benefits based on length of service and earnings. The PSSP is funded by equal employee and employer contributions at rates set by PSSPTI. Employer contributions as of March 31, 2023 of \$306,290 (2022 - \$478,571) are included in operating expenses. In addition, during the year employer and employee contributions of \$507,208 were funded by the excess surplus funds generated from the transfer to the PSSP.

12. 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, 2023.

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>2023</u>	<u>2022</u>
Current service cost	\$ 5,578	\$ 6,975
Amortization of gains and losses	-	-
Benefit expense	<u>\$ 5,578</u>	<u>\$ 6,975</u>

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

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 51,618	\$ 51,417
Benefit expense	5,578	6,975
Interest expense	2,150	1,498
Municipality contribution and adjustments	<u>(64)</u>	<u>(8,272)</u>
Balance, end of year (unfunded)	<u>\$ 59,282</u>	<u>\$ 51,618</u>

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

12. Sick leave benefit liability (continued)

Assumptions:

Discount rate:	3.63% per annum (2022: 3.63%)
Salary increases:	3.00% per annum (2022: 3.00%)
Termination:	Rates from 12% to 0% (2022: Ontario Light termination rate table)
Pre-retirement mortality:	Nil
Pre-retirement disability:	Nil
Retirement age:	10% at age 59, 20% at age 60, 10% at each year from age 61-64, 50% at each year from age 65-69, 100% at age 70 If greater than age-based rate it is assumed that 20% will retire at each year after achieving a combined score of 80 or more when calculating age plus years of service. It is assumed 40% of eligible employees will retire at 35 years of service if younger than 65.

Excess sick leave utilization: 1.7 days per year (Local 3945) and 1 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.

13. Commitments

(i) The Municipality has entered into agreements to lease motor vehicles and information technology (IT) equipment for various periods until 2028. Payments for each of the next five years are as follows:

2024	\$82,409	2027	\$29,034
2025	\$55,441	2028	\$10,311
2026	\$39,163		

(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, 2023, the loan is \$325,914.

(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, 2023, 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.

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

14. 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 Boutillier, Councillor	\$ 46,252	\$ 1,207	\$ 47,459
Lisa Patton, Councillor	46,252	1,538	47,790
Mike Cooper, Councillor	46,252	2,421	48,673
Tim Johnson, Councillor	46,252	1,484	47,736
Michael Gregory, Councillor	46,252	3,520	49,772
Marie Beniot, Councillor	46,252	2,033	48,285
Karen MacKenzie, Councillor	46,252	346	46,598
Laurie Sandeson, Councillor	46,252	4,036	50,288
Wade Parker, Councillor	46,252	900	47,152
Victoria Lomond, Councillor	46,252	2,221	48,473
Geoff Stewart, Councillor/Deputy Mayor	53,330	10,118	63,448
Christine Blair, Mayor	71,587	11,616	83,203
Robert Simonds, CAO	203,470	6,078	209,548

15. Trust funds

The Municipality holds trust funds at March 31, 2023, totaling \$1,238,014 (2022 - \$944,736) for specific purposes. These assets and corresponding liabilities are not recorded in these consolidated financial statements.

16. Credit facilities

The Municipality has the following credit facilities:

Revolving line of credit	\$ 9,550,000
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The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

17. 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			
Taxes	\$ 30,791,028	\$ (108,259)	\$ 30,682,769
Grants in lieu	1,235,940	-	1,235,940
Own sources, other and capital	953,000	16,550,381	17,503,381
Government transfers	<u>2,113,478</u>	<u>(255,988)</u>	<u>1,857,490</u>
Total revenues	<u>\$ 35,093,446</u>	<u>\$ 16,186,134</u>	<u>\$ 51,279,580</u>
EXPENSE			
General government services	\$ 6,701,518	\$ (139,756)	\$ 6,561,762
Protective services	579,067	10,752,925	11,331,992
Transportation services	2,582,700	1,029,681	3,612,381
Environmental health services	8,424,171	8,885,614	17,309,785
Recreation and cultural services	3,011,173	2,649,428	5,660,601
Transfers to other governments	15,684,252	(15,684,252)	-
Water treatment	-	817,424	817,424
Other transfers	3,814,765	(3,814,765)	-
Amortization	<u>(5,704,200)</u>	<u>5,704,200</u>	<u>-</u>
Total expenses	<u>\$ 35,093,446</u>	<u>\$ 10,200,499</u>	<u>\$ 45,293,945</u>
Annual surplus	<u>\$ -</u>	<u>\$ 5,985,635</u>	<u>\$ 5,985,635</u>

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

18. Contingencies

Litigation

As at March 31, 2023, 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, 2023, 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 years ending 2020, 2021, 2022 and 2023. Fiscal year ending 2019 was invoiced on the previously existing agreement which was in place. 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.

19. 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>2023</u>	<u>2022</u>
Total Assets	\$ 2,503,673	\$ 2,802,553
Total Liabilities	<u>368,536</u>	<u>325,239</u>
Net Assets	\$ <u>2,135,137</u>	\$ <u>2,477,314</u>
Total Revenues	\$ 1,929,480	\$ 1,151,308
Total Expenses	<u>2,223,191</u>	<u>1,210,649</u>
Annual Deficit	\$ <u>(293,711)</u>	\$ <u>(59,341)</u>

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, 2023

21. Financial instruments

The Municipality is exposed to various risks through its financial instruments. The following analysis provides a measure of the Municipality's risk exposure and concentrations at the statement of financial position date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Municipality's main credit risks relate to its accounts receivable. Accounts receivable is primarily due from government, corporations, and individuals. Credit risk is mitigated by the highly diversified nature of the debtors. The Municipality measures its exposure to credit risk based on how long the amounts have been outstanding. An allowance of \$212,758 (2022 - \$201,227) is set up based on historical experience regarding collections. There were no changes in exposures to risk during the year.

Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet all cash outflow obligations as they come due. The Municipality mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash if unexpected cash outflows arise. There have been no significant changes from the prior year in exposure to risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Municipality is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk on its fixed and floating interest rate financial instruments. The fixed-rate instruments subject the Municipality to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

21. Segment disclosures – March 31, 2023

	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	\$5,420,868	\$8,413,131	\$2,616,604	\$10,627,374	\$151,720	\$1,262,605	\$2,707,942	\$-	\$-	\$-	\$31,200,244
Grants-in-lieu of taxes Services to other governments	213,123	330,765	102,873	417,819	5,965	49,640	106,464	-	-	-	1,226,649
Sale of services	-	-	-	836,209	-	-	-	-	-	-	836,209
Water fire protection Other revenue from own sources	-	-	-	814,364	-	-	-	566,874	-	-	1,381,238
Unconditional transfer from other governments	1,363,273	141,544	-	5,473,609	-	-	89,174	218,704	1,947,743	86,033	218,704
Conditional transfers from other governments	100,166	155,456	48,349	196,371	2,803	23,330	50,037	-	-	-	576,512
Other revenue	472,998	215,283	-	703,154	-	18,597	158,741	-	-	-	1,568,773
Capital revenue	2,380,435	-	60,000	-	-	12,600	-	37,152	-	-	2,490,187
Interest and other revenue	326,320	-	-	-	-	-	-	-	-	-	326,320
	684,192	-	-	-	-	-	-	-	-	-	684,192
	\$10,961,375	\$9,256,179	\$2,827,826	\$19,068,900	\$160,488	\$1,366,772	\$3,112,358	\$822,730	\$1,947,743	\$86,033	\$49,610,404
Expenses											
Salaries, wages and benefits	\$3,257,308	\$358,094	\$375,573	\$4,641,328	\$-	\$245,811	\$625,213	\$295,985	\$836,312	\$23,886	\$10,659,510
Goods and services Third party services/transfers	2,069,696	4,216,237	1,188,348	6,505,508	-	1,227,561	1,359,322	399,608	1,733,652	68,591	18,768,523
Debt Servicing Community grants and exemptions	671,864	6,415,856	621,924	-	200,000	-	329,142	-	-	-	8,238,786
Amortization and accretion	-	68,345	-	212,599	-	-	215,880	-	-	-	496,824
	1,003,699	27,499	-	-	-	-	106,039	-	-	-	1,137,237
	160,213	74,193	1,263,408	3,688,222	-	210,004	1,150,376	315,852	-	-	6,862,268
	\$7,162,780	\$11,160,224	\$3,449,253	\$15,047,657	\$200,000	\$1,683,376	\$3,785,972	\$1,011,445	\$2,569,964	\$92,477	\$46,163,148

The Municipality of the County of Colchester

Notes to the Consolidated Financial Statements

March 31, 2023

21. Segment disclosures – March 31, 2022 (Note 2)

	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	\$4,750,845	\$ 7,965,373	\$ 2,552,262	\$ 10,612,388	\$ 188,901	\$ 665,863	\$ 2,568,224	\$ -	\$ -	\$ -	\$ 29,323,856
Grants-in-lieu of taxes	196,811	329,978	105,731	439,634	7,826	28,412	106,393	-	-	-	1,214,785
Services to other governments	-	-	-	873,246	-	-	-	-	-	-	873,246
Sale of services	-	-	-	609,955	-	-	-	535,660	-	-	1,145,615
Water fire protection	-	-	-	-	-	-	-	209,208	-	-	209,208
Other revenue from own sources	878,905	123,555	-	5,642,490	-	-	82,344	-	1,047,524	103,284	7,878,102
Unconditional transfer from other governments	139,423	233,759	74,901	311,441	5,544	20,128	75,369	-	-	-	860,565
Conditional transfers from other governments	86,823	167,726	-	758,368	-	15,150	217,600	-	-	-	1,245,667
Other revenue	6,150,557	-	33,750	-	-	147,752	-	42,231	-	-	6,374,290
Capital revenue	74,476	-	-	-	-	-	-	-	-	-	74,476
Interest and other revenue	130,649	-	-	-	-	-	-	-	-	-	130,649
	\$ 12,408,489	\$ 8,820,391	\$ 2,766,644	\$ 19,247,522	\$ 202,271	\$ 897,305	\$ 3,049,930	\$ 787,099	\$ 1,047,524	\$ 103,284	\$ 49,330,459
Expenses											
Salaries, wages and benefits	\$ 2,965,363	\$ 297,405	\$ 359,852	\$ 4,567,724	\$ -	\$ 301,525	\$ 556,811	\$ 239,767	\$ 530,567	\$ 32,450	\$ 9,851,464
Goods and services	1,227,848	3,808,193	1,019,617	5,479,390	-	426,669	1,099,351	321,884	1,027,845	58,853	14,469,650
Third party services/transfers	680,526	5,811,720	593,400	-	237,628	-	320,448	-	-	-	7,643,722
Debt Servicing	-	69,693	-	225,109	171	-	249,233	-	-	-	544,206
Community grants and exemptions	952,483	32,448	-	-	-	-	105,979	-	-	-	1,090,910
Amortization and accretion	166,845	71,748	1,237,740	3,840,961	-	153,010	1,148,524	303,346	-	-	6,921,814
	\$ 5,992,705	\$ 10,091,207	\$ 3,210,609	\$ 14,113,184	\$ 237,799	\$ 881,204	\$ 3,480,346	\$ 864,997	\$ 1,558,412	\$ 91,303	\$ 40,521,766

The Municipality of the County of Colchester

Schedules to the Consolidated Statement of Operations

Year ended March 31 2023 Budget 2023 Actual 2022 Actual

1. Taxes

Assessable property			
Residential	\$ <u>21,078,066</u>	\$ <u>21,132,271</u>	\$ <u>19,556,258</u>
Commercial			
Based on taxable assessments	<u>6,573,115</u>	<u>6,576,067</u>	<u>6,519,420</u>
Resource			
Taxable assessments	668,069	666,356	617,305
Forest property tax			
Less than 50,000 acres	83,728	83,679	84,373
50,000 acres or more	<u>76,912</u>	<u>75,146</u>	<u>75,146</u>
	<u>828,709</u>	<u>825,181</u>	<u>776,824</u>
Area rates			
Protective services	3,123,544	3,126,889	2,912,342
Transportation services	1,667,687	1,670,822	1,571,480
Environmental health services	3,215,875	3,321,414	3,255,187
Recreation and cultural services	<u>90,546</u>	<u>84,991</u>	<u>77,617</u>
	<u>8,097,652</u>	<u>8,204,116</u>	<u>7,816,626</u>
Special assessments			
Frontage rates			
Transportation services	<u>15,138</u>	<u>15,138</u>	<u>21,003</u>
Business property			
Based on revenue (Aliant Telecom)	125,000	116,587	124,754
Nova Scotia Power Corporation	21,000	21,805	21,436
Harmonized sales tax grant	<u>100,000</u>	<u>88,589</u>	<u>87,373</u>
	<u>246,000</u>	<u>226,981</u>	<u>233,563</u>
Other			
Deed transfer tax	<u>2,050,000</u>	<u>2,426,402</u>	<u>2,450,122</u>
Appropriation to regional school board	<u>(8,205,911)</u>	<u>(8,205,912)</u>	<u>(8,049,960)</u>
	<u>\$ 30,682,769</u>	<u>\$ 31,200,244</u>	<u>\$ 29,323,856</u>

2. Grants in lieu of taxes

Federal government	\$ <u>133,050</u>	\$ <u>136,360</u>	\$ <u>130,496</u>
Provincial government			
Property of supported institutions	90,880	88,848	88,663
Forest property	65,300	65,392	65,282
Other property	483,611	472,928	471,816
Fire protection	1,610	1,610	1,610
Wind turbine	<u>461,489</u>	<u>461,511</u>	<u>456,918</u>
	<u>1,102,890</u>	<u>1,090,289</u>	<u>1,084,289</u>
	<u>\$ 1,235,940</u>	<u>\$ 1,226,649</u>	<u>\$ 1,214,785</u>

The Municipality of the County of Colchester

Schedules to the Consolidated Statement of Operations

Year ended March 31 2023 Budget 2023 Actual 2022 Actual
(Note 2)

10. General government services

Legislative			
Mayor	\$ 71,679	\$ 71,587	\$ 68,946
Council	532,160	541,313	501,850
Other	58,150	52,710	37,615
	<u>661,989</u>	<u>665,610</u>	<u>608,411</u>
General administrative			
Administrative	1,679,479	2,395,697	1,682,150
Employee retirement benefits (Note 11)	-	-	(11,416)
Financial management	398,438	412,667	357,250
Taxation	962,528	956,164	890,999
Common services	1,622,328	1,537,064	1,259,679
Newsletter	40,000	36,104	33,996
Other	44,000	35,446	93,998
	<u>4,746,773</u>	<u>5,373,142</u>	<u>4,306,656</u>
Other general government services			
Conventions	20,000	28,686	6,468
Grants to other organizations and individuals	260,000	213,265	174,159
	<u>280,000</u>	<u>241,951</u>	<u>180,627</u>
Fiscal costs			
Transfers to assessment services	673,000	671,864	680,526
Transfer to North Shore Rink Trust	50,000	50,000	50,000
Accretion expense	-	16,898	16,396
Amortization expense	150,000	143,315	150,089
	<u>873,000</u>	<u>882,077</u>	<u>897,011</u>
	<u>\$ 6,561,762</u>	<u>\$ 7,162,780</u>	<u>\$ 5,992,705</u>

The Municipality of the County of Colchester

Schedules to the Consolidated Statement of Operations

Year ended March 31 2023 Budget 2023 Actual 2022 Actual
(Note 2)

13. Environmental health services

Sewage collection and disposal	\$ 4,133,158	\$ 4,105,078	\$ 3,598,555
Garbage and waste disposal	<u>7,291,181</u>	<u>7,093,241</u>	<u>6,503,012</u>
	<u>11,424,339</u>	<u>11,198,319</u>	<u>10,101,567</u>

Fiscal costs

Debt charges - interest	164,356	161,116	170,656
Accretion expense	-	527,767	512,097
Amortization expense	<u>3,025,400</u>	<u>3,160,455</u>	<u>3,328,864</u>
	<u>3,189,756</u>	<u>3,849,338</u>	<u>4,011,617</u>
	<u>\$ 14,614,095</u>	<u>\$ 15,047,657</u>	<u>14,113,184</u>

14. Public health services

Fiscal costs

Debt charges - interest	\$ -	\$ -	\$ 171
Transfers to regional housing	<u>144,282</u>	<u>200,000</u>	<u>237,628</u>
	<u>\$ 144,282</u>	<u>\$ 200,000</u>	<u>\$ 237,799</u>

15. Environmental development services

Planning and zoning

Administration	\$ 99,172	\$ 103,476	\$ 157,212
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Other environmental development services

Special programs and projects	120,000	345,707	231,894
Debert land preparation	150,000	-	62,170
Loss on disposal of tangible capital asset	-	-	51,600
Accretion expense	-	18,989	18,426
Amortization expense	134,000	191,015	134,584
Economic development	511,606	415,629	316,621
Broadband Internet	<u>1,536,630</u>	<u>701,037</u>	<u>-</u>

	<u>\$ 2,551,408</u>	<u>\$ 1,775,853</u>	<u>\$ 972,507</u>
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16. Recreation and cultural services

Administration	\$ 707,421	\$ 594,242	\$ 631,659
Tourism	68,280	68,280	68,280
Playgrounds and trails	235,226	259,724	183,899
Swimming pools	75,000	75,000	75,000
Parks and rinks	824,939	935,489	656,643
Accretion expense	-	437	424
Amortization expense	1,156,750	1,149,939	1,148,100
Debt charges - interest	209,983	215,880	249,233
Civic Centre	1,908,880	2,569,963	1,558,412
Fundy Discovery Site	109,787	124,737	111,416
Cultural buildings and facilities			
Branch library	37,607	33,104	35,244
Truro library	40,000	53,442	44,748
Regional library	<u>286,728</u>	<u>275,700</u>	<u>275,700</u>
	<u>\$ 5,660,601</u>	<u>\$ 6,355,937</u>	<u>\$ 5,038,758</u>

The Municipality of the County of Colchester

Schedule of Consolidated Tangible Capital Assets

Year ended March 31, 2023

General capital

	<u>Land</u>	<u>Land Improvements</u>	<u>Municipal Buildings</u>	<u>Buildings/Plants</u>	<u>Electric Data</u>	<u>Office Equipment</u>	<u>Machinery</u>
Cost:							
Balance, beginning of year (Note 2)	\$7,029,572	\$4,499,241	\$34,600,792	\$74,533,204	\$1,022,336	\$647,620	\$18,240,381
Acquisition of tangible capital assets	-	168,759	92,733	123,369	163,735	89,768	733,735
Disposal of tangible capital assets	-	-	-	-	-	-	(23,467)
Balance, end of year	7,029,572	4,668,000	34,693,525	74,656,573	1,186,071	737,388	18,950,649
Accumulated amortization:							
Balance, beginning of year	-	(1,065,364)	(6,661,476)	(54,914,604)	(987,316)	(538,206)	(12,655,811)
Annual amortization	-	(179,961)	(842,143)	(1,408,225)	(18,748)	(53,881)	(984,427)
Accumulated amortization on disposals	-	-	-	-	-	-	23,467
Balance, end of year	-	(1,245,325)	(7,503,619)	(56,322,829)	(1,006,064)	(592,087)	(13,616,771)

Net book value of tangible capital assets	\$7,029,572	\$3,422,675	\$27,189,906	\$18,333,744	\$180,007	\$145,301	\$5,333,878
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	<u>Vehicles</u>	<u>Roads</u>	<u>Sidewalks</u>	<u>Sewer</u>	<u>Landfill</u>	<u>Total</u>
Cost:						
Balance, beginning of year (Note 2)	\$2,688,822	\$15,908,060	\$18,708,819	\$24,038,507	\$24,100,543	\$226,017,897
Acquisition of tangible capital assets	-	173,333	959,045	1,446,095	90,328	4,040,900
Disposal of tangible capital assets	-	-	-	-	-	(23,467)
Balance, end of year	2,688,822	16,081,393	19,667,864	25,484,602	24,190,871	230,035,330

Accumulated amortization:						
Balance, beginning of year	(2,485,142)	(9,079,430)	(9,030,277)	(9,276,929)	(11,827,527)	(118,522,082)
Annual amortization	(72,280)	(533,152)	(730,251)	(470,758)	(688,001)	(5,981,827)
Accumulated amortization on disposals	-	-	-	-	-	23,467
Balance, end of year	(2,557,422)	(9,612,582)	(9,760,528)	(9,747,687)	(12,515,528)	(124,480,442)

Net book value of tangible capital assets	\$131,400	\$6,468,811	\$9,907,336	\$15,736,915	\$11,675,343	\$105,554,888
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The Municipality of the County of Colchester Schedule of Consolidated Tangible Capital Assets

Year ended March 31, 2023

Debert Water Utility

	<u>Buildings</u>	<u>Machinery</u>	<u>Water Lines</u>	<u>Vehicles</u>	<u>Total</u>
Cost:					
Balance, beginning of year	\$5,370,478	\$76,848	\$1,580,636	\$116,590	\$7,144,552
Acquisition of tangible capital assets	114,894	2,679	141	-	117,714
Balance, end of year	5,485,372	79,527	1,580,777	116,590	7,262,266
Accumulated amortization:					
Balance, beginning of year	(2,821,820)	(70,484)	(1,092,762)	(70,214)	(4,055,280)
Annual amortization	(130,415)	(859)	(33,256)	(15,429)	(179,959)
Balance, end of year	(2,952,235)	(71,343)	(1,126,018)	(85,643)	(4,235,239)
Net book value of tangible capital assets	\$2,533,137	\$8,184	\$454,759	\$30,947	\$3,027,027

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	\$891,875	\$71,192	\$ 4,411	\$4,081,953
Acquisition of tangible capital assets	-	-	2,679	1,778	-	-	4,457
Balance, end of year	7,097	2,992,931	117,126	893,653	71,192	4,411	4,086,410
Accumulated amortization:							
Balance, beginning of year	-	(2,232,066)	(114,447)	(677,760)	(44,183)	(4,411)	(3,072,867)
Annual amortization	-	(109,819)	-	(17,837)	(8,237)	-	(135,893)
Balance, end of year	-	(2,341,885)	(114,447)	(695,597)	(52,420)	(4,411)	(3,208,760)
Net book value of tangible capital assets	\$7,097	\$651,046	\$2,679	\$198,056	\$18,772	\$ -	\$877,650

Total net book value of all tangible capital assets

\$110,559,041

The Municipality of the County of Colchester

Schedule of Consolidated Debt Charges

Year ended March 31, 2023

	Fiscal Year of Issue	Fiscal Year of Maturity	Interest Rate	Balance March 31/22	Refinanced/ Acquired	Redeemed	Balance March 31/23	Interest 2023	Serial Instalment 2023	Total Debt Charges
<u>Unmatured Debenture and Term Debt</u>										
Brookfield Fire Hall	2017	2032	2.218-3.475%	\$ 307,585	\$ -	\$ 61,518	\$ 246,067	\$ 6,827	\$ 61,518	\$ 68,345
Civic Centre – Phase 1	2022	2032	0.5-2.259%	1,133,560	-	113,356	1,020,204	16,769	113,356	130,125
Civic Centre – Phase 2	2013	2023	3.48%	2,120,325	-	2,120,325	-	9,400	2,120,325	2,129,725
Civic Centre – Phase 2 (refinanced)	2023	2033	2.575-3.783%	-	1,733,033	-	1,733,033	49,780	-	49,780
Civic Centre – Phase 3A	2013	2023	3.160%	1,565,933	-	1,565,933	-	30,232	1,565,933	1,596,165
Civic Centre – Phase 3A (refinanced)	2023	2033	0-4.177%	-	1,351,066	-	1,351,066	23,190	-	23,190
Civic Centre – Phase 3A1	2014	2024	2.812-2.979%	1,380,500	-	179,000	1,201,500	36,434	179,000	215,434
Civic Centre – Phase 3B	2014	2024	3.469-3.614%	873,100	-	113,800	759,300	29,918	113,800	143,718
WWTP Phase 4	2015	2030	3.003-3.792%	2,101,185	-	161,629	1,939,556	71,379	161,629	233,008
Landfill cell and compost facility	2016	2031	2.33-3.205%	1,505,000	-	107,500	1,397,500	42,573	107,500	150,073
Granville Drive sanitary sewer	2016	2031	2.33-3.205%	1,820,000	-	130,000	1,690,000	51,483	130,000	181,483
WWTP Phase 5	2017	2032	2.218-3.475%	1,575,000	-	105,000	1,470,000	47,164	105,000	152,164
FCM Solar 1 FCM-K	2023	2046	0%	-	1,391,350	-	1,391,350	-	-	-
FCM Solar 1 FCM-L	2023	2046	0%	-	1,391,350	-	1,391,350	-	-	-
Totals				\$ 14,382,188	\$ 5,866,799	\$ 4,658,061	\$ 15,590,926	\$ 415,149	\$ 4,658,061	\$ 5,073,210



SUPPLEMENTARY SCHEDULES

The Municipality of the County of Colchester
Schedule of Changes in Tatamagouche Water
Operating Fund

Year ended March 31	2023 Budget	2023 Actual	2022 Actual
Revenues			
Sale of water	\$ 337,000	\$ 344,565	\$ 337,301
Public fire protection	74,500	78,304	73,562
Other	32,905	31,990	35,711
Total revenues	<u>444,405</u>	<u>454,859</u>	<u>446,574</u>
Expenses			
Source of supply	8,879	8,327	6,451
Power and pumping	40,439	37,170	39,262
Water treatment	109,028	153,193	105,370
Transmission and distribution	97,028	81,154	56,879
Administrative	74,500	67,319	61,971
Filter replacement	12,300	12,300	12,300
Depreciation	73,796	135,893	125,058
Taxes	28,050	28,005	28,005
Total expenses	<u>444,020</u>	<u>523,361</u>	<u>435,296</u>
Annual (deficit) surplus	\$ <u>385</u>	\$ <u>(68,502)</u>	\$ <u>11,278</u>
Transfers to other funds, net		(4,457)	-
Transfer of depreciation expense		<u>113,359</u>	-
Change in surplus		40,400	11,278
Opening deficit		<u>(143,265)</u>	<u>(154,543)</u>
Closing deficit		\$ <u>(102,865)</u>	\$ <u>(143,265)</u>

**The Municipality of the County of Colchester
Tatamagouche Water Operating Fund
Schedule of Financial Position**

Year ended March 31	2023 Actual	2022 Actual
Assets		
Receivables	\$ <u>84,000</u>	\$ <u>74,145</u>
Liabilities		
Bank indebtedness	135,447	131,337
Due to Tatamagouche water capital fund	-	51,262
Payables	29,568	13,661
Other	<u>21,850</u>	<u>21,150</u>
	<u>186,865</u>	<u>217,410</u>
Accumulated deficit	\$ <u>(102,865)</u>	\$ <u>(143,265)</u>

**Tatamagouche Water Capital Fund
Schedule of Financial Position**

Year ended March 31	2023 Actual	2022 Actual
Assets		
Cash, depreciation fund	\$ 610,074	\$ 510,320
Due from Tatamagouche water operating fund	-	51,262
Utility plant and Equipment	<u>4,086,410</u>	<u>4,081,953</u>
	\$ <u>4,696,484</u>	\$ <u>4,643,535</u>
Liabilities		
Filter replacement reserve	\$ 143,099	\$ 130,799
Accumulated allowance for depreciation	<u>3,208,759</u>	<u>3,072,867</u>
	3,351,858	3,203,666
Investment in capital assets	<u>1,344,626</u>	<u>1,439,869</u>
	\$ <u>4,696,484</u>	\$ <u>4,643,535</u>

The Municipality of the County of Colchester

Schedule of Changes in Debert Water Operating Fund

Year ended March 31	2023 Budget	2023 Actual	2022 Actual
Revenues			
Sale of water	\$ 225,000	\$ 222,309	\$ 198,359
Public fire protection	136,653	140,400	135,646
Other	<u>5,800</u>	<u>5,162</u>	<u>6,520</u>
Total revenues	<u>367,453</u>	<u>367,871</u>	<u>340,525</u>
Expenses			
Source of supply	7,071	6,472	5,913
Power and pumping	48,598	45,955	43,561
Water treatment	56,218	65,675	53,178
Transmission and distribution	172,429	120,208	83,127
Administrative	71,118	69,815	65,636
Depreciation	<u>17,970</u>	<u>179,959</u>	<u>178,288</u>
Total expenses	<u>373,404</u>	<u>488,084</u>	<u>429,703</u>
Annual deficit	\$ <u>(5,951)</u>	<u>(120,213)</u>	<u>(89,178)</u>
Transfers to other funds, net		(2,820)	(6,653)
Transfer of depreciation expense		<u>322,307</u>	<u>-</u>
Change in surplus		199,274	(95,831)
Opening surplus		<u>7,867</u>	<u>103,698</u>
Closing surplus		\$ <u>207,141</u>	\$ <u>7,867</u>

The Municipality of the County of Colchester
Debert Water Operating Fund
Schedule of Financial Position

Year ended March 31	2023 Actual	2022 Actual
Assets		
Cash	\$ 168,527	\$ 134,264
Receivables	<u>52,262</u>	<u>46,470</u>
	220,789	180,734
Liabilities		
Due to Debert water capital fund	-	160,318
Other	<u>13,648</u>	<u>12,549</u>
	13,648	172,867
Accumulated surplus	\$ <u>207,141</u>	\$ <u>7,867</u>

Debert Water Capital Fund
Schedule of Financial Position

Year ended March 31	2023 Actual	2022 Actual
Assets		
Cash, depreciation fund	\$ 220,378	\$ 202,408
Due from Debert water operating fund	-	160,318
Utility plant and Equipment	<u>7,262,266</u>	<u>7,144,552</u>
	\$ <u>7,482,644</u>	\$ <u>7,507,278</u>
Liabilities		
Accumulated allowance for depreciation	<u>\$ 4,235,239</u>	<u>\$ 4,055,280</u>
Investment in capital assets	<u>3,247,405</u>	<u>3,451,998</u>
	\$ <u>7,482,644</u>	\$ <u>7,507,278</u>