



## Consolidated Financial Statements

Municipality of the County of Colchester

March 31, 2025

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**Municipality of the County of Colchester**

***Management's Responsibility for the Consolidated Financial Statements***

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these consolidated statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and supplementary schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Audit Committee. Council reviews internal financial statements on a regular basis and external audited consolidated financial statements annually. The Audit Committee also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The external auditors, Doane 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 Administration Officer



Director of Corporate Services

September 25, 2025

# Independent auditor's report

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**Doane Grant Thornton LLP**  
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Truro, NS B2N 5N6

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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") which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and surplus, changes in net assets (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, 2025, and its results of operations, its changes in its net assets(debt), and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Emphasis of matter – restated comparative information

We draw attention to Note 23 which describes that certain comparative information for the year ended March 31, 2024 has been restated. Our opinion is not modified in respect of this matter.

## 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 Matter – Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The schedules starting on page 30 and ending on page 41 are presented for purposes of additional information and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

## 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.

### **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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes 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.

*Doane Grant Thornton LLP*

Chartered Professional Accountant

Truro, Canada  
September 25, 2025

# The Municipality of the County of Colchester

## Consolidated Statement of Operations and Surplus

Year ended March 31	2025 Budget	2025 Actual	2024 Actual
	(Note 16)		Restated - Note 23
<b>Revenues</b>			
Taxes (Page 31)	\$ 38,492,414	\$ 39,070,607	\$ 34,412,766
Grants in lieu of taxes (Page 31)	1,289,352	1,352,030	1,284,300
Services to other governments (Page 31)	783,029	739,486	456,733
Sale of services (Page 32)	1,544,435	1,502,485	1,457,601
Water fire protection (Page 32)	268,504	268,441	242,452
Other revenue from own sources (Page 32)	12,515,976	11,409,357	9,704,501
Unconditional transfers from other governments (Page 32)	607,651	601,237	593,329
Conditional transfers from other governments (Page 33)	1,114,649	1,942,498	1,106,163
Other revenue (Page 33)	1,828,049	4,004,968	3,096,496
Capital revenue	2,153,750	1,527,218	860,030
Interest and other revenue	-	1,063,600	1,096,051
<b>Total revenues</b>	<u>60,597,809</u>	<u>63,481,927</u>	<u>54,310,422</u>
<b>Expenses</b>			
General government services (Page 34)	8,277,460	8,182,947	7,278,931
Protective services (Page 35)	12,754,822	12,423,810	11,987,175
Transportation services (Page 35)	4,540,536	4,269,001	3,637,623
Environmental health services (Page 36)	19,194,658	18,616,573	15,464,152
Public health services (Page 36)	-	169,892	283,372
Environmental development services (Page 36)	3,830,991	2,112,352	1,325,899
Recreation and cultural services (Page 36)	7,711,965	8,356,812	7,340,256
Water treatment and distribution (Page 37)	992,352	1,062,342	747,245
<b>Total expenses</b>	<u>57,302,784</u>	<u>55,193,729</u>	<u>48,064,653</u>
Annual surplus	\$ <u>3,295,025</u>	\$ <u>8,288,198</u>	\$ <u>6,245,769</u>
Accumulated surplus, beginning of the year		\$ 123,772,988	\$ 110,887,313
Prior Period Adjustment (Note 23)		-	6,639,906
		<u>123,772,988</u>	<u>117,527,219</u>
Annual surplus		<u>8,288,198</u>	<u>6,245,769</u>
Accumulated surplus, end of year		\$ <u>132,061,186</u>	\$ <u>123,772,988</u>

# The Municipality of the County of Colchester

## Consolidated Statement of Financial Position

March 31

2025

2024

Restated - Note 23

### Financial assets

Cash and cash equivalents (Note 1)	<u>\$ 46,699,920</u>	<u>\$ 40,802,672</u>
Investment (Note 1)	<u>1,695,543</u>	<u>1,558,955</u>
Receivables		
Taxes, net of allowances (Note 2)	4,039,771	3,438,043
Due from federal government and its agencies	708,654	503,953
Due from other government entities and its agencies	4,790,499	2,908,217
Other		
Trade account, net of allowances of \$40,000 (2024 - \$40,172)	2,602,815	1,723,498
Solar Cozy Colchester	3,644,431	3,563,684
Frontage rates (Note 4)	<u>4,230</u>	<u>5,273</u>
	<u>15,790,400</u>	<u>12,142,668</u>
Loans and advances	<u>123,031</u>	<u>184,549</u>
Land inventory available for sale (Note 1)	<u>242,097</u>	<u>985,798</u>
Total financial assets	<u>64,550,991</u>	<u>55,674,642</u>

### Financial liabilities

Payables and accruals	<u>5,404,557</u>	<u>6,177,102</u>
Other liabilities		
Accrued sick leave benefit liability (Note 11)	245,741	239,313
Asset retirement obligation (Note 9)	14,707,636	9,908,419
Filter replacement	167,699	155,399
Other	<u>39,348</u>	<u>37,198</u>
	<u>15,160,424</u>	<u>10,340,329</u>
Prepayment of taxes	<u>2,738,106</u>	<u>2,387,324</u>
Deferred revenue (Note 5)		
Solar Cozy Colchester	1,084,914	1,357,328
Colchester Park	1,771,930	1,614,311
Debert Business Park	494,166	494,166
The Canada Community Building Fund	4,225,064	1,610,945
Other deferred revenue	<u>3,371,407</u>	<u>3,273,508</u>
	<u>10,947,481</u>	<u>8,350,258</u>
Tax sale surplus (Note 6)	<u>742,998</u>	<u>750,523</u>
Long term debt (Note 8)	<u>14,103,998</u>	<u>15,558,407</u>
Total financial liabilities	<u>49,097,564</u>	<u>43,563,943</u>

### Net financial assets

<u>\$ 15,453,427</u>	<u>\$ 12,110,699</u>
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# The Municipality of the County of Colchester Consolidated Statement of Financial Position

March 31

2025

2024

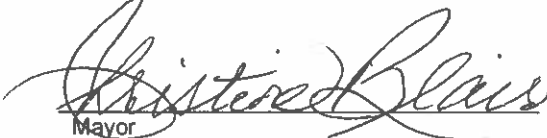
Restated - Note 23

**Non-financial assets (liabilities)**

Tangible capital assets (Note 22)		
Property and equipment	\$ 253,734,239	\$ 243,028,492
Accumulated amortization	<u>(140,424,307)</u>	<u>(134,324,008)</u>
	113,309,932	108,704,484
Prepays	465,693	376,893
Land inventory under development (Note 1)	2,820,568	2,566,502
Other assets	<u>11,566</u>	<u>14,410</u>
	<u>116,607,759</u>	<u>111,662,289</u>
<b>Accumulated surplus</b>	<b>\$ 132,061,186</b>	<b>\$ 123,772,988</b>

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 Assets

Year ended March 31	2025 Budget	2025 Actual	2024 Actual
			Restated - Note 23
Annual surplus	\$ 3,295,025	<b>\$ 8,288,198</b>	\$ 6,245,769
Acquisition of tangible capital assets	(14,003,150)	<b>(7,104,909)</b>	(7,771,092)
Asset retirement obligation asset adjustment	-	<b>(3,934,322)</b>	-
Amortization of tangible capital assets	6,198,766	<b>6,251,601</b>	5,660,233
Disposal of tangible capital assets	<u>-</u>	<b><u>182,182</u></b>	<u>68,810</u>
	(7,804,384)	<b>(4,605,448)</b>	(2,042,049)
Change in land inventory under development	-	<b>(254,066)</b>	959,340
Acquisition of prepaids and other assets, net	<u>-</u>	<b><u>(85,956)</u></b>	<u>(39,460)</u>
Change in financial assets	(4,509,359)	<b>3,342,728</b>	5,123,600
Net assets, beginning of year	<u>(1,355,460)</u>	<b><u>12,110,699</u></b>	<u>6,987,099</u>
Net assets, end of year	<b><u>\$ (5,864,819)</u></b>	<b><u>\$ 15,453,427</u></b>	<b><u>\$ 12,110,699</u></b>

# The Municipality of the County of Colchester

## Consolidated Statement of Cash Flows

Year ended March 31

2025

2024

Restated – Note 23

Increase (decrease) in cash and cash equivalents

### Operating activities

Annual surplus	\$ 8,288,198	\$ 6,245,769
Amortization of tangible capital assets	6,251,601	5,660,233
Accretion of asset retirement obligation	303,199	294,196
Remeasurement loss	561,695	-
Gain on disposal of tangible capital assets	-	(11)
	<u>15,404,693</u>	<u>12,200,187</u>

### Changes in non-cash working capital

Receivables	(3,647,732)	(371,038)
Loans and advances	61,518	61,518
Prepays and other assets	(85,955)	(39,460)
Payables and accruals	(772,545)	2,242,169
Other liabilities	2,961,358	1,086,235
Land inventory available for sale	743,701	(906,420)
Land inventory under development	(254,066)	959,340
	<u>14,410,972</u>	<u>15,232,531</u>

### Investing activities

Gain on sale of tangible capital assets	182,182	68,823
Acquisition of tangible capital assets	(7,104,909)	(7,771,092)
	<u>(6,922,727)</u>	<u>(7,702,269)</u>

### Financing activities

Purchase of investments	(136,588)	-
Repayment of debt, net of refinancing	(1,454,409)	(32,519)
	<u>(1,590,997)</u>	<u>(32,519)</u>

Net increase in cash and cash equivalents	5,897,248	7,497,743
Opening, cash and cash equivalents	<u>40,802,672</u>	<u>33,304,929</u>
Closing, cash and cash equivalents	<u>\$ 46,699,920</u>	<u>\$ 40,802,672</u>

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

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March 31, 2025

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### 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 25, 2024 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.

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

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March 31, 2025

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### 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 streetlights 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.

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

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March 31, 2025

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### 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 \$3,226,804 (2024 - \$2,991,611).

#### 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. When the change in estimates relate to a retired asset the corresponding impact is adjusted through the consolidated statement of operations and surplus.

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

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March 31, 2025

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### 1. Summary of significant accounting policies (continued)

#### **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 \$10,693,663 (2024 – \$10,450,747) and internally designated cash of \$36,006,257 (2024 - \$30,351,925). 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. The investment matures on November 22, 2029.

#### **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 8.9 acres which is expected to be sold in the next 12 months with a cost of \$242,097( 2024-\$985,798). The average cost of land inventory at year-end is \$27,202 (2024 - \$27,202).

Currently Debert Industrial Park land inventory under development consists of a total cost of \$2,820,568 (2024 - \$2,566,502). This consists of 103.69 acres of land. The average cost per acre at year-end is \$27,202. Inventory is recognized at average cost. 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.

No reversal or write-downs have occurred for land inventory in fiscal 2024-2025.

The average cost method is used to measure inventory. In 2024-2025, 18 acres of PID 20465662 were sold and \$489,635 of land inventory was expensed for this transaction.

#### **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 expired.

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

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March 31, 2025

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### 1. Summary of significant accounting policies (continued)

#### **Government transfers**

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

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

#### **Deferred revenue**

Deferred revenue relating to the Colchester, Solar Cozy 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.

#### **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

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.

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

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March 31, 2025

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### 1. Summary of significant accounting policies (continued)

#### Tangible capital assets (continued)

##### Water capital funds

In the Tatamagouche Water Capital Fund and Debert Water Capital Fund, depreciation is also calculated based on approval received from the Nova Scotia Energy and Regulatory Boards Tribunal (NSERBT). 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 NSERBT, 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 10).

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.

##### **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, 2025, there are no known contaminated sites identified.

# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

March 31, 2025

2. Taxes receivable			2025	2024
	Current Year	Prior Years	Total	Total
Balance, beginning of year	\$ -	\$ 3,217,260	\$ 3,217,260	\$ 2,900,740
Current year's tax levy	<u>47,521,317</u>	<u>-</u>	<u>47,521,317</u>	<u>43,162,032</u>
	47,521,317	3,217,260	50,738,577	46,062,772
Deduct:				
Current year's collection	44,323,970	2,108,992	46,432,962	42,328,097
Write-offs	-	1,606	1,606	22,552
Reduced taxes	<u>541,998</u>	<u>-</u>	<u>541,998</u>	<u>494,863</u>
	44,865,968	2,110,598	46,976,566	42,845,512
Balance, end of year	\$ <u>2,655,349</u>	\$ <u>1,106,662</u>	<u>3,762,011</u>	<u>3,217,260</u>
Allowance for uncollectible accounts			(160,000)	(160,000)
Interest receivable, end of year			<u>437,760</u>	<u>380,783</u>
Balance, end of year, including interest			\$ <u>4,039,771</u>	\$ <u>3,438,043</u>

3. Tax collections	2025	2024
Total taxes collected *	\$ <u>44,865,968</u>	\$ <u>40,682,270</u>
Percentage current period's taxes collected	<u>94.4%</u>	<u>94.3%</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>

4. Frontage rates receivable	2025	2024
Street improvements	\$ <u>2,421</u>	\$ <u>3,134</u>
Interest receivable	<u>1,809</u>	<u>2,139</u>
Balance, end of year, including interest	\$ <u>4,230</u>	\$ <u>5,273</u>

### 5. Deferred revenue

In the agreement with the former Colchester Regional Development Agency, the Municipality received funds related to the sale of houses in the Colchester Park. These funds including interest earned, less expenditures total \$1,771,930 (2024 - \$1,614,311) at March 31, 2025. 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 2025, \$Nil (2024 - \$Nil) has been recognized.

# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

March 31, 2025

### 5. Deferred revenue (continued)

The Municipality administers the Solar Cozy Colchester Program to assist property owners in completing energy efficiency upgrades to their homes. The program received total grant funding of \$1,974,495 from the Federation of Canadian Municipalities (FCM) since its inception in 2022. Revenues are recognized annually to offset expenditures incurred to operate the program. As at March 31, 2025, total expenditures since inception amount to \$937,368, interest earned totals \$21,995, and deferred administration fees of \$25,792 remain unrecognized. The deferred balance at year-end is \$1,084,914 (2024 – \$1,357,328).

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 2025, \$146,700 (2024 – \$1,340,222) has been recognized as revenues by the Municipality, of which \$146,700 (2024- \$275,814 I) was transferred to the Village of Bible Hill.

	Solar Cozy Colchester	Colchester Park	Debert Business Park	Canada Community Building Fund	Other	Total
Balance, beginning of year	\$ 1,357,329	\$ 1,614,310	\$ 494,166	\$ 1,610,944	\$ 3,273,509	\$ 8,350,258
Contributions and interest earned	47,787	157,620	-	2,760,820	1,830,488	4,796,715
Amounts recognized as revenue	(320,202)	-	-	(146,700)	(1,732,590)	(2,199,492)
Balance, end of year	<u>\$ 1,084,914</u>	<u>\$ 1,771,930</u>	<u>\$ 494,166</u>	<u>\$ 4,225,064</u>	<u>\$ 3,371,407</u>	<u>\$ 10,947,481</u>

### 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 \$742,998 the following can be transferred:

2026	\$ 84,304	2035	\$ 2,515
2027	\$ 100,052	2036	\$ 355
2028	\$ 1,790	2037	\$ 12,350
2029	\$ 46,256	2039	\$ 12,352
2030	\$ 13,964	2040	\$ 8,901
2031	\$ 63,039	2041	\$ 39,103
2033	\$ 32,669	2042	\$ 276,633
2034	\$ 23,915	2043	\$ 11,915
		2044	\$ 12,885

### 7. Rate of return on rate base

For the year ended March 31, 2025, the Tatamagouche Water Utility had a rate of return on rate base of 20.61% (2024 – (3.25%)).

For the year ended March 31, 2025, the Debert Water Utility had a rate of return on rate base of (0.89%) (2024 – (3.69%)).

# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

March 31, 2025

### 8. Long term debt

	Fiscal Year of <u>Issue</u>	Fiscal Year of <u>Maturity</u>	Interest <u>Rate</u>	Balance <u>March 31/24</u>	Refinanced/ <u>Acquired</u>	<u>Redeemed</u>	<b>Balance <u>March 31/25</u></b>	Interest <u>2025</u>	Serial Instalment <u>2025</u>	Total Debt <u>Charges</u>
<u>Unmatured Debenture and Term Debt</u>										
Brookfield Fire Hall	2017	2032	2.648-3.475%	\$ 184,549	\$ -	\$ 61,518	\$ 123,031	\$ 3,729	\$ 61,518	\$ 65,247
Civic Centre – Phase 1	2022	2032	1.041-2.259%	906,848	-	113,356	793,492	15,012	113,356	128,368
Civic Centre – Phase 2	2023	2033	2.908-3.783%	1,559,730	-	173,303	1,386,427	48,431	173,303	221,734
Civic Centre – Phase 3A	2023	2033	4.042-4.177%	1,080,853	-	270,213	810,640	37,811	270,213	308,024
Civic Centre – Phase 43A1	2024	2029	4.020-4.714%	1,017,150	-	203,430	813,720	31,606	203,430	235,036
Civic Centre – Phase 43B1	2024	2029	4.897-5.460%	642,300	-	128,460	513,840	29,907	128,460	158,367
WWTP Phase 4	2015	2030	3.347-3.792%	1,777,927	-	161,629	1,616,298	60,731	161,629	222,360
Landfill cell and compost facility	2016	2031	2.661-3.205%	1,290,000	-	107,500	1,182,500	37,063	107,500	144,563
Granville Drive sanitary sewer	2016	2031	2.661-3.205%	1,560,000	-	130,000	1,430,000	44,821	130,000	174,821
WWTP Phase 5	2017	2032	2.648-3.475%	1,365,000	-	105,000	1,260,000	41,876	105,000	146,876
FCM Solar 3 FCM-R	2024	2047	0%	1,391,350	-	-	1,391,350	-	-	-
FCM Solar 1 FCM-K	2023	2046	0%	1,391,350	-	-	1,391,350	-	-	-
FCM Solar 2 FCM-L	2023	2046	0%	1,391,350	-	-	1,391,350	-	-	-
Totals				<u>\$ 15,558,407</u>	<u>\$ -</u>	<u>\$ 1,454,409</u>	<u>\$ 14,103,998</u>	<u>\$ 350,987</u>	<u>\$ 1,454,409</u>	<u>\$ 1,805,396</u>

Principal repayments in each of the next five years are due as follows:

2026	\$ 1,454,409
2027	1,663,107
2028	1,601,595
2029	1,331,381
2030	999,491

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

# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

March 31, 2025

### 9. 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. The current capacity of the site is estimated at 4,791,670 cubic meters. At March 31, 2025, 20.40% of the capacity, or 977,281 cubic meters, 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, 2025 was 3.06% (2024 - 3.06%).

#### 2025

	<u>Bale fill</u>	<u>Buildings</u>	<u>Total</u>
Asset retirement obligation			
Opening balance	\$ 7,957,483	\$ 1,950,936	\$ 9,908,419
Asset remeasurement	4,496,018	-	4,496,018
Annual accretion expense	<u>243,499</u>	<u>59,700</u>	<u>303,199</u>
Closing balance	<u>\$ 12,697,000</u>	<u>\$ 2,010,636</u>	<u>\$ 14,707,636</u>

#### 2024 (Restated – Note 23)

	<u>Bale fill</u>	<u>Buildings</u>	<u>Total</u>
Asset retirement obligation			
Opening balance (restated)	\$ 7,721,213	\$ 1,893,010	\$ 9,614,223
Annual accretion expense	<u>236,270</u>	<u>57,926</u>	<u>294,196</u>
Closing balance	<u>\$ 7,957,483</u>	<u>\$ 1,950,936</u>	<u>\$ 9,908,419</u>

See Note 23 for information on prior period adjustment.

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

March 31, 2025

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### 9. Asset retirement obligation (continued)

#### Landfill Asset Retirement Obligation - Remeasurement

The municipality has recognized a liability for the closure and post-closure care of its landfill site in accordance with PS 3280, Asset Retirement Obligations. The liability represents the present value of expected future costs associated with final capping, leachate management, groundwater monitoring, and post-closure monitoring activities.

The total estimated discounted landfill closure and post-closure care costs were \$12,697,000 (2024 – \$7,957,483). These costs were discounted at 3.06% (2024 – 3.06%).

During the year, revised engineering cost estimates were made with the assistance of a qualified engineering firm. This remeasurement resulted in an increase of \$4,496,018 to the liability, an increase of \$3,934,322 to asset values, and a remeasurement loss of \$561,696.

The estimated remaining capacity of the site's existing cells is 11.0% (prior year: 13%), and the existing cells are expected to be closed in 2035. Post-closure monitoring and care is expected to continue for approximately 30 years thereafter. The site currently plans to construct future cells in addition to the existing 5 cells. The site plans to construct a minimum of 6 additional cells in the future. The total site capacity currently used for all cells constructed and future cells not yet constructed is 20.40%. Total site closure is estimated to be in 2085.

Refer also to Note 23 - Prior Period Adjustment – Landfill Asset Retirement Obligation for details of a prior period adjustment relating to the landfill asset retirement obligation.

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.

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### 10. 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, 2025 of \$527,537 (2024 - \$496,617) are included in operating expenses. In addition, during the year employer and employee contributions of \$232,619 were funded by the excess surplus funds generated from the transfer to the PSSP. Remaining surplus funds at March 31, 2025 are \$Nil.

# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

March 31, 2025

### 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, 2024.

#### 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.

<b>Components of benefit expense under PS3250:</b>	<u>2025</u>	<u>2024</u>
Current service cost	\$ 37,551	\$ 5,745
Amortization of gains and losses	<u>-</u>	<u>182,258</u>
Benefit expense	<u>\$ 37,551</u>	<u>\$ 188,003</u>

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

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 239,313	\$ 59,282
Benefit expense	37,551	188,003
Interest expense	12,637	2,074
Municipality contribution and adjustments	<u>(43,760)</u>	<u>(10,046)</u>
Balance, end of year (unfunded)	<u>\$ 245,741</u>	<u>\$ 239,313</u>

#### Assumptions:

Discount rate:	5.35% per annum (2024: 3.63%)
Salary increases:	3.00% per annum (2024: 3.00%)
Termination:	Rates from 12% to 0% (2024: 12% to 0% )
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:	1.5 days per year for Local 3945, Local 4106 and salaried employees.

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

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March 31, 2025

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### 11. Sick leave benefit liability (continued)

#### 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 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.

#### Salaried Employees

Effective January 1, 2023, the Municipality provides eligible employees who are salaried employees with sick leave that accumulates at 18 days per year (1.5 days per month) up to a maximum of 95 days. Active salaried employees on January 1, 2023 were additionally credited with a maximum balance 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.

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### 12. Commitments

- (i) The Municipality has entered into agreements for information technology (IT) equipment for various periods until 2030. Payments for each of the next five years are as follows:

2026	\$ 99,910	2029	\$ 35,781
2027	\$ 89,828	2030	\$ 10,675
2028	\$ 65,030		

- (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, 2025, the loan is \$266,302.
  - guarantee of \$450,000 for the Colchester Ground Search & Rescue Association to finance renovations of the Operations Centre in Debert. As of March 31, 2025, the loan was not active.
- (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, 2024, 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, 2025

### 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 (7 Months)	\$ 33,225	\$ 682	\$ 33,907
Paul Weatherby, Councillor (5 Months)	19,828	616	20,444
Sheldon Richardson, Councillor (5 Months)	19,828	1,739	21,567
Lisa Patton, Councillor	53,053	1,311	54,364
Mike Cooper, Councillor	53,053	4,154	57,207
Tim Johnson, Councillor	53,053	1,739	54,792
Michael Gregory, Councillor (7 Months)	33,225	1,471	34,696
Sherry Martell, Councillor (5 Months)	19,828	5,692	25,520
Marie Beniot, Councillor	53,053	2,298	55,351
Karen MacKenzie, Councillor (7 Months)	33,225	134	33,359
Nigel Leggett, Councillor (5 Months)	19,828	440	20,268
Wade Parker, Councillor (7 Months)	33,225	525	33,750
Al Kennedy, Councillor (5 Months)	19,828	647	20,475
Victoria Lomond, Councillor (7 Months)	33,225	1,447	34,672
Charlene Fletcher, Councillor (5 Months)	19,828	1,918	21,746
Geoff Stewart, Councillor/Deputy Mayor (7 Months)	37,662	2,403	40,065
Laurie Sandeson, Councillor/Deputy Mayor (5 Months)	55,693	2,152	57,845
Christine Blair, Mayor	78,387	6,561	84,948
Dan Troke, CAO	189,761	5,899	195,660

### 14. Trust funds

The Municipality holds trust funds at March 31, 2025, totaling \$983,095 (2024 - \$1,325,902) 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	\$5,000,000
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During 2025, \$Nil (2024 -\$Nil) funds were drawn on the line of credit. Interest is calculated at the Prime Rate minus 0.25% per annum.

# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

March 31, 2025

### 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.

	Original Operating Budget	Adjustments	Fiscal Budget Per Consolidated Financial Statements
<b>REVENUE</b>			
Taxes	\$ 38,273,675	\$ 218,739	\$ 38,492,414
Grants in lieu	1,289,352	-	1,289,352
Own sources, other and capital	1,237,000	17,856,743	19,093,743
Government transfers	<u>1,496,202</u>	<u>226,098</u>	<u>1,722,300</u>
<b>Total revenues</b>	<b><u>\$ 42,296,229</u></b>	<b><u>\$ 18,301,580</u></b>	<b><u>\$ 60,597,809</u></b>
<b>EXPENSE</b>			
General government services	\$ 8,589,500	\$ (312,040)	\$ 8,277,460
Protective services	682,619	12,072,203	12,754,822
Transportation services	2,790,950	1,749,586	4,540,536
Environmental health services	10,798,451	12,227,198	23,025,649
Recreation and cultural services	3,854,321	3,857,644	7,711,965
Transfers to other governments	17,341,207	(17,341,207)	-
Water treatment	-	992,352	992,352
Other transfers	4,185,181	(4,185,181)	-
Amortization	<u>(5,946,000)</u>	<u>5,946,000</u>	<u>-</u>
<b>Total expenses</b>	<b><u>\$ 42,296,229</u></b>	<b><u>\$ 15,006,555</u></b>	<b><u>\$ 57,302,784</u></b>
<b>Annual surplus</b>	<b><u>\$ -</u></b>	<b><u>\$ 3,295,025</u></b>	<b><u>\$ 3,295,025</u></b>

### 17. Contingencies

#### Litigation

As at March 31, 2025, 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.

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

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March 31, 2025

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### 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 41% (2024: 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>2025</u>	<u>2024</u>
Total Assets	\$ 3,396,170	\$ 2,815,804
Total Liabilities	<u>1,364,488</u>	<u>1,544,238</u>
Net Assets	<u>\$ 2,031,682</u>	<u>\$ 1,271,566</u>
Total Revenues	\$ 3,473,823	\$ 2,099,737
Total Expenses	<u>2,823,740</u>	<u>3,121,982</u>
Annual Surplus (Deficit)	<u>\$ 650,083</u>	<u>\$ (1,022,245)</u>

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### 19. Comparative figures

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

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

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March 31, 2025

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### 20. 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 \$200,000 (2024 - \$200,172) 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, 2025

### 21. Segment disclosures – March 31, 2025

	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
<b>Revenues</b>											
Taxes	\$6,423,540	\$9,701,360	\$3,351,127	\$14,613,841	\$133,364	\$1,519,841	\$3,327,535	\$-	\$-	\$-	\$39,070,607
Grants-in-lieu of taxes	222,285	335,714	115,965	505,709	4,615	52,594	115,149	-	-	-	1,352,030
Services to other governments	-	-	-	739,486	-	-	-	-	-	-	739,486
Sale of services	-	-	-	971,307	-	-	-	531,177	-	-	1,502,485
Water fire protection	-	-	-	-	-	-	-	268,441	-	-	268,441
Other revenue from own sources	1,809,491	158,290	-	5,862,746	-	25,192	102,605	-	3,265,942	185,092	11,409,357
Unconditional transfer from other governments	98,849	149,289	51,569	224,885	2,052	23,388	51,206	-	-	-	601,237
Conditional transfers from other governments	42,500	167,843	642,107	751,059	-	23,086	315,903	-	-	-	1,942,498
Other revenue	1,357,726	-	371,900	-	-	2,006,650	-	268,692	-	-	4,004,968
Capital revenue	1,527,218	-	-	-	-	-	-	-	-	-	1,527,218
Interest and other revenue	1,063,600	-	-	-	-	-	-	-	-	-	1,063,600
	<b>\$12,545,208</b>	<b>\$10,512,495</b>	<b>\$4,532,668</b>	<b>\$23,669,032</b>	<b>\$140,031</b>	<b>\$3,650,750</b>	<b>\$3,912,398</b>	<b>\$1,068,310</b>	<b>\$3,265,942</b>	<b>\$185,092</b>	<b>\$63,481,927</b>
<b>Expenses</b>											
Salaries, wages and benefits	\$3,763,890	\$559,643	\$548,638	\$5,463,841	\$-	\$355,649	\$808,897	\$342,579	\$1,356,698	\$45,433	\$13,245,268
Goods and services	1,647,486	5,031,496	1,671,596	9,702,687	-	1,331,481	1,685,694	476,232	2,598,400	130,794	24,275,866
Third party services/transfers	683,979	6,681,023	683,654	-	169,892	-	334,473	-	-	-	8,553,022
Debt Servicing	-	65,247	-	-	-	-	162,767	-	-	-	228,014
Community grants and exemptions	1,916,952	12,108	-	-	-	-	209,492	-	-	-	2,138,552
Amortization and accretion	170,640	74,292	1,365,113	3,450,045	-	248,995	1,200,392	243,531	-	-	6,753,008
	<b>\$8,182,947</b>	<b>\$12,423,810</b>	<b>\$4,269,001</b>	<b>\$18,616,573</b>	<b>\$169,892</b>	<b>\$1,936,125</b>	<b>\$4,401,714</b>	<b>\$1,062,342</b>	<b>\$3,955,098</b>	<b>\$176,227</b>	<b>\$55,193,729</b>

# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

March 31, 2025

### 21. Segment disclosures – March 31, 2024 (Restated – Note 23)

	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
<b>Revenues</b>											
Taxes	\$5,786,720	\$9,476,604	\$2,891,897	\$12,135,553	\$225,280	\$969,261	\$2,927,452	\$-	\$-	\$-	\$34,412,766
Grants-in-lieu of taxes	215,963	353,671	107,927	452,904	8,408	36,173	109,254	-	-	-	1,284,300
Services to other governments	-	-	-	456,733	-	-	-	-	-	-	456,733
Sale of services	-	-	-	895,442	-	-	-	562,159	-	-	1,457,601
Water fire protection	-	-	-	-	-	-	-	242,452	-	-	242,452
Other revenue from own sources	1,710,966	148,829	-	5,630,614	-	-	114,355	-	2,024,208	75,529	9,704,501
Unconditional transfer from other governments	99,772	163,391	49,861	209,236	3,884	16,712	50,474	-	-	-	593,329
Conditional transfers from other governments	46,392	176,881	-	716,894	-	18,318	147,678	-	-	-	1,106,163
Other revenue	2,577,777	-	80,085	-	-	357,580	-	81,054	-	-	3,096,496
Capital revenue	860,030	-	-	-	-	-	-	-	-	-	860,030
Interest and other revenue	1,096,051	-	-	-	-	-	-	-	-	-	1,096,051
	<b>\$12,393,670</b>	<b>\$10,319,376</b>	<b>\$3,129,769</b>	<b>\$20,497,375</b>	<b>\$237,571</b>	<b>\$1,398,043</b>	<b>\$3,349,213</b>	<b>\$885,665</b>	<b>\$2,024,208</b>	<b>\$75,529</b>	<b>\$54,310,422</b>
<b>Expenses</b>											
Salaries, wages and benefits	\$3,489,727	\$414,577	\$514,838	\$5,022,673	\$-	\$262,146	\$739,565	\$316,181	\$896,918	\$31,704	\$11,688,329
Goods and services	1,840,374	4,667,871	1,201,152	7,264,765	-	717,835	1,230,803	464,209	2,563,208	74,993	20,025,210
Third party services/transfers	671,344	6,745,235	661,132	-	283,372	-	332,468	-	-	-	8,693,550
Debt Servicing	-	66,860	-	199,230	-	-	197,782	-	-	-	463,872
Community grants and exemptions	1,113,135	18,390	-	-	-	-	207,626	-	-	-	1,339,151
Amortization and accretion	164,349	74,243	1,260,502	2,977,483	-	239,221	1,171,887	(33,145)	-	-	5,854,540
	<b>\$7,278,929</b>	<b>\$11,987,175</b>	<b>\$3,637,624</b>	<b>\$15,464,151</b>	<b>\$283,372</b>	<b>\$1,219,202</b>	<b>\$3,880,130</b>	<b>\$747,245</b>	<b>\$3,460,126</b>	<b>\$106,697</b>	<b>\$48,064,652</b>

# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

March 31, 2025

### 22. Tangible capital assets

#### General capital

March 31, 2025	<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>
<b>Cost:</b>							
Balance, beginning of year	\$6,985,472	\$4,987,520	\$35,029,495	\$76,958,591	\$1,206,709	\$893,905	\$20,007,337
Acquisition of tangible capital assets	-	708,099	550,100	731,617	45,829	159,414	2,787,415
Disposal of tangible capital assets	(9,105)	-	(283,099)	(5,343)	-	-	(24,056)
Balance, end of year	6,976,367	5,695,619	35,296,496	77,684,865	1,252,538	1,053,319	22,770,696
<b>Accumulated amortization:</b>							
Balance, beginning of year	-	(1,432,037)	(8,347,663)	(57,724,856)	(1,049,933)	(641,334)	(14,453,775)
Annual amortization	-	(199,493)	(852,410)	(1,471,570)	(39,239)	(75,972)	(918,666)
Accumulated amortization on disposals	-	-	42,460	-	-	-	24,056
Balance, end of year	-	(1,631,530)	(9,157,613)	(59,196,426)	(1,089,172)	(717,306)	(15,348,385)
Net book value of tangible capital assets	\$6,976,367	\$4,064,089	\$26,138,883	\$18,488,439	\$163,366	\$336,013	\$7,422,311

March 31, 2025	<u>Vehicles</u>	<u>Roads</u>	<u>Sidewalks</u>	<u>Sewer</u>	<u>Landfill</u>	<u>Total</u>
<b>Cost:</b>						
Balance, beginning of year	\$2,881,880	\$16,693,765	\$21,880,481	\$25,909,176	\$18,241,821	\$231,676,152
Acquisition of tangible capital assets	245,771	772,689	667,274	344,105	4,108,718	11,121,031
Disposal of tangible capital assets	(84,786)	-	(13,750)	-	-	(420,139)
Balance, end of year	3,042,865	17,466,454	22,534,005	26,253,281	22,350,539	\$242,377,044
<b>Accumulated amortization:</b>						
Balance, beginning of year	(2,555,232)	(10,110,406)	(10,517,225)	(10,240,531)	(9,856,640)	(126,929,632)
Annual amortization	(96,802)	(524,195)	(834,936)	(501,335)	(493,452)	(6,008,070)
Accumulated amortization on disposals	84,786	-	-	-	-	151,302
Balance, end of year	(2,567,248)	(10,634,601)	(11,352,161)	(10,741,866)	(10,350,092)	(132,786,400)
Net book value of tangible capital assets	\$475,617	\$6,831,853	\$11,181,844	\$15,511,415	\$12,000,447	\$109,590,644

# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

March 31, 2025

### 22. Tangible capital assets (continued)

#### Debert Water Utility

March 31, 2025	<u>Buildings</u>	<u>Machinery</u>	<u>Water Lines</u>	<u>Vehicles</u>	<u>Total</u>
<b>Cost:</b>					
Balance, beginning of year	\$5,485,372	\$79,527	\$1,580,777	\$116,590	\$7,262,266
Acquisition of tangible capital assets	-	-	4,855	-	4,855
Balance, end of year	5,485,372	79,527	1,585,632	116,590	7,267,121
<b>Accumulated amortization:</b>					
Balance, beginning of year	(2,733,078)	(72,470)	(1,159,274)	(101,072)	(4,065,894)
Annual amortization	(63,730)	(1,127)	(33,259)	(9,585)	(107,701)
Balance, end of year	(2,796,808)	(73,597)	(1,192,533)	(110,657)	(4,173,595)
Net book value of tangible capital assets	\$2,688,564	\$5,930	\$393,099	\$5,933	\$3,093,526

#### Tatamagouche Water Utility

March 31, 2025	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Water Lines</u>	<u>Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
<b>Cost:</b>							
Balance, beginning of year	\$7,097	\$2,997,478	\$117,126	\$893,653	\$70,309	\$4,411	\$4,090,074
Acquisition of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	\$7,097	\$2,997,478	\$117,126	\$893,653	\$70,309	\$4,411	\$4,090,074
<b>Accumulated amortization:</b>							
Balance, beginning of year	-	(2,451,704)	(114,715)	(713,470)	(44,182)	(4,411)	(3,328,482)
Annual amortization	-	(109,452)	(268)	(17,873)	(8,237)	-	(135,830)
Balance, end of year	-	(2,561,156)	(114,983)	(731,343)	(52,419)	(4,411)	(3,464,312)
Net book value of tangible capital assets	\$7,097	\$436,322	\$2,143	\$162,310	\$17,890	\$-	625,762

Total net book value of all tangible capital assets

**\$113,309,932**

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# The Municipality of the County of Colchester

## Notes to the Consolidated Financial Statements

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March 31, 2025

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### 23. Restated comparative information

During the year, the municipality identified that the ARO related to landfill closure and post-closure care had been overstated in prior periods. The calculation of the liability should have been based on the estimated costs associated with the 119,334 m<sup>2</sup> of constructed cells; however, the estimated costs for the entire 262,700 m<sup>2</sup> landfill site was applied in error.

As a result, the following financial statement items as at and for the year ended March 31, 2024 have been increased (decreased) as follows:

<b>March 31, 2024</b>	<b>As presented</b>	<b>Impact of restatement</b>	<b>Restated</b>
Property and equipment	\$248,977,542	\$(5,949,050)	\$243,028,492
Accumulated depreciation	(137,639,657)	(3,315,649)	(134,324,008)
ARO liability	19,720,878	(9,812,459)	9,908,419
Amortization of tangible capital assets	5,823,960	(163,727)	5,660,233
Accretion expense	669,621	(375,425)	294,196
Annual surplus (total)	5,706,617	539,152	6,245,769
Accumulated surplus, end of year	116,593,930	7,179,058	123,772,988

Comparative figures have been restated accordingly. This adjustment does not affect current year operations other than through the change in opening balances.

# **SUPPLEMENTARY SCHEDULES**















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

Year ended March 31	2025 Budget	2025 Actual	2024 Actual
<b>Revenues</b>			
Sale of water	\$ 337,000	\$ 319,312	\$ 347,902
Public fire protection	94,565	94,565	87,769
Other	32,999	260,805	31,780
<b>Total revenues</b>	<u>464,564</u>	<u>674,682</u>	<u>467,451</u>
<b>Expenses</b>			
Source of supply	9,724	9,986	9,311
Power and pumping	48,434	45,567	47,023
Water treatment	143,793	150,726	143,168
Transmission and distribution	98,793	137,371	95,695
Administrative	89,950	89,390	78,125
Filter replacement	12,300	12,300	12,300
Depreciation	73,796	135,830	136,197
Taxes	28,099	28,099	28,067
<b>Total expenses</b>	<u>504,889</u>	<u>609,269</u>	<u>549,886</u>
Annual surplus (deficit)	\$ <u>(40,325)</u>	<u>65,413</u>	<u>(82,435)</u>
Transfers to other funds, net		-	(4,547)
Transfer of depreciation expense		<u>62,034</u>	<u>62,400</u>
Change in surplus		127,447	(24,582)
Opening deficit		<u>(127,447)</u>	<u>(102,865)</u>
Closing deficit		\$ <u>-</u>	\$ <u>(127,447)</u>

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

Year ended March 31	2025 Actual	2024 Actual
<b>Assets</b>		
Receivables	\$ 301,258	\$ 88,236
<b>Liabilities</b>		
Bank indebtedness	260,115	167,411
Payables	17,218	25,497
Other	23,925	22,775
	<u>301,258</u>	<u>215,683</u>
<b>Accumulated deficit</b>	\$ -	\$ (127,447)

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

Year ended March 31	2025 Actual	2024 Actual
<b>Assets</b>		
Cash, depreciation fund	\$ 855,836	\$ 748,640
Utility plant and Equipment	4,090,076	4,090,076
	<u>\$ 4,945,912</u>	<u>\$ 4,838,716</u>
<b>Liabilities</b>		
Filter replacement reserve	\$ 167,699	\$ 155,399
Accumulated allowance for depreciation	3,467,561	3,331,731
	<u>3,635,260</u>	<u>3,487,130</u>
<b>Investment in capital assets</b>	<u>1,310,652</u>	<u>1,351,586</u>
	<u>\$ 4,945,912</u>	<u>\$ 4,838,716</u>

## The Municipality of the County of Colchester

### Schedule of Changes in Debert Water Operating Fund

Year ended March 31	2025 Budget	2025 Actual	2024 Actual
<b>Revenues</b>			
Sale of water	\$ 225,000	\$ 211,866	\$ 214,257
Public fire protection	173,939	173,876	154,683
Other	<u>5,800</u>	<u>7,029</u>	<u>5,162</u>
<b>Total revenues</b>	<u>404,739</u>	<u>392,771</u>	<u>374,102</u>
<b>Expenses</b>			
Source of supply	7,719	7,492	6,847
Power and pumping	57,581	60,868	56,067
Water treatment	65,796	51,022	55,798
Transmission and distribution	159,342	145,551	170,488
Administrative	83,025	80,440	77,501
Depreciation	<u>114,000</u>	<u>107,701</u>	<u>113,546</u>
<b>Total expenses</b>	<u>487,463</u>	<u>453,074</u>	<u>480,247</u>
Annual deficit	<u>\$ (82,724)</u>	<u>(60,303)</u>	<u>(106,145)</u>
Transfers to other funds, net		(4,855)	-
Transfer of depreciation funding (expense)		<u>37,702</u>	<u>(11,958)</u>
Change in surplus		(27,456)	(118,103)
Opening surplus		<u>89,038</u>	<u>207,141</u>
Closing surplus		<u>\$ 61,582</u>	<u>\$ 89,038</u>

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

Year ended March 31	2025 Actual	2024 Actual
<b>Assets</b>		
Cash	\$ 30,361	\$ 56,166
Receivables	<u>46,169</u>	<u>46,821</u>
	<b>76,530</b>	<b>102,987</b>
<b>Liabilities</b>		
Other	<u>14,948</u>	<u>13,949</u>
	<b>14,948</b>	<b>13,949</b>
<b>Accumulated surplus</b>	<b><u>\$ 61,582</u></b>	<b><u>\$ 89,038</u></b>

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

Year ended March 31	2025 Actual	2024 Actual
<b>Assets</b>		
Cash, depreciation fund	\$ 415,854	\$ 345,855
Utility plant and Equipment	<u>7,267,126</u>	<u>7,262,266</u>
	<b><u>\$ 7,682,980</u></b>	<b><u>\$ 7,608,121</u></b>
<b>Liabilities</b>		
Accumulated allowance for depreciation	<u>\$ 4,173,578</u>	<u>\$ 4,065,871</u>
<b>Investment in capital assets</b>	<b><u>3,509,402</u></b>	<b><u>3,542,250</u></b>
	<b><u>\$ 7,682,980</u></b>	<b><u>\$ 7,608,121</u></b>

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