

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

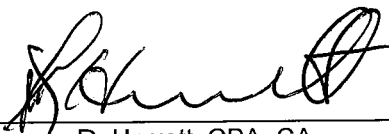
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The consolidated financial statements of the Municipality of the County of Cumberland have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

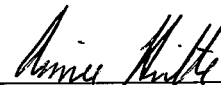
The integrity and reliability of the Municipality of the County of Cumberland's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Mayor and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Mayor and Council carry out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Mayor and Council and meets periodically with management and the Mayor and Council's auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Mayor and Council prior to its approval of the financial statements. The Committee also considers, for review by the Mayor and Council and approval by the Mayor and Council, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the Mayor and Council by McIsaac Darragh Inc. Chartered Professional Accountants. The accompanying Auditor's report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



\_\_\_\_\_  
Gregory D. Herrett, CPA, CA  
Chief Administrative Officer



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Aimee Hirtle, CPA, CA  
Director of Finance

Upper Nappan, Nova Scotia  
October 2, 2024

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## INDEPENDENT AUDITOR'S REPORT

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To the Mayor and Council of The Municipality of the County of Cumberland

### *Opinion*

We have audited the consolidated financial statements of The Municipality of the County of Cumberland (the Municipality), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets (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 consolidated financial position of the Municipality as at March 31, 2024, and the consolidated results of its operations and consolidated 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 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 purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 30-35 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*

The Municipality's administration is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 going concern and using the going concern basis of accounting unless administration 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.

(continues)

*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.

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.

*McIsaac Darragh Inc.*

Amherst, Nova Scotia  
October 2, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**

**Consolidated Statement of Financial Position**

**March 31, 2024**

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| <b>FINANCIAL ASSETS</b>                                |                      |                      |
| Cash and cash equivalents (Note 4)                     | \$ 20,381,686        | \$ 30,214,080        |
| Term deposits  | 1,000,000            | -                    |
| Taxes receivable, net of valuation allowances (Note 6) | 2,035,368            | 1,769,370            |
| Other receivables (Note 7)                             | 9,247,833            | 4,297,030            |
| Inventory held for resale                              | 12,709               | 33,958               |
|  | <u>32,677,596</u>    | <u>36,314,438</u>    |
| <b>FINANCIAL LIABILITIES</b>                           |                      |                      |
| Accounts payable and accrued liabilities (Note 9)      | 6,449,184            | 3,609,441            |
| Other liabilities (Note 10)                            | 1,782,707            | 1,354,299            |
| Prepayment of taxes                                    | 932,024              | 876,838              |
| Asset retirement obligation (Note 11)                  | 201,400              | 193,641              |
| Employee future benefits payable (Note 12)             | 547,588              | 485,078              |
| Deferred revenue (Note 13)                             | 3,930,916            | 3,158,347            |
| Long term debt (Note 14)                               | 18,130,532           | 18,969,008           |
|  | <u>31,974,351</u>    | <u>28,646,652</u>    |
| <b>NET FINANCIAL ASSETS</b>                            | <u>703,245</u>       | <u>7,667,786</u>     |
| <b>NON-FINANCIAL ASSETS</b>                            |                      |                      |
| Prepaid expenses                                       | 177,674              | 153,908              |
| Inventory  | 347,406              | 398,406              |
| Tangible capital assets (Note 15)                      | 124,863,256          | 110,793,699          |
|  | <u>125,388,336</u>   | <u>111,346,013</u>   |
| <b>ACCUMULATED SURPLUS (Note 16)</b>                   | <u>\$126,091,581</u> | <u>\$119,013,799</u> |

COMMITMENTS (Note 17)

CONTINGENT LIABILITIES (Note 18)

SUBSEQUENT EVENT (Note 19)

On Behalf of the Municipality of the County of Cumberland

Mayor

Chief Administrative Officer

See accompanying notes to the financial statements

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2024**

|   | (Note 23)<br>Budget<br>2024 | 2024                       | 2023                |
|---|-----------------------------|----------------------------|---------------------|
| <b>REVENUES</b>   |                             |                            |                     |
| Taxes   | \$ 26,641,756               | \$ <b>26,810,671</b>       | \$ 25,093,855       |
| Grants in lieu of taxes                                     | 2,102,421                   | <b>2,194,937</b>           | 1,974,490           |
| Long term care facilities                                   | 20,956,316                  | <b>24,519,660</b>          | 21,966,975          |
| Other revenue from own sources                              | 1,274,873                   | <b>2,790,122</b>           | 1,833,875           |
| Conditional transfers                                       | 7,004,655                   | <b>6,763,186</b>           | 2,362,784           |
| Unconditional transfers                                     | 1,902,444                   | <b>1,902,977</b>           | 1,882,404           |
| Cumberland Joint Services Management<br>Authority (Note 20) | -                           | <b>2,024</b>               | 112,442             |
| Water utilities   | 1,867,289                   | <b>1,890,285</b>           | 1,741,900           |
| Gain (loss) on disposal of assets                           | -                           | <b>27,234</b>              | (319)               |
|   | <u>61,749,754</u>           | <u><b>66,901,096</b></u>   | <u>56,968,406</u>   |
| <b>EXPENSES</b>   |                             |                            |                     |
| General government  | 6,368,298                   | <b>6,358,746</b>           | 5,058,974           |
| Protective services   | 9,745,260                   | <b>9,410,381</b>           | 8,994,110           |
| Transportation services                                     | 2,801,364                   | <b>2,792,258</b>           | 2,674,638           |
| Environmental health services                               | 6,130,458                   | <b>6,598,975</b>           | 5,504,917           |
| Public health and welfare                                   | 21,040,859                  | <b>23,480,018</b>          | 20,559,090          |
| Environmental development                                   | 1,007,087                   | <b>884,761</b>             | 716,611             |
| Recreation and culture                                      | 2,817,970                   | <b>2,620,355</b>           | 2,096,180           |
| Education   | 5,304,850                   | <b>5,304,852</b>           | 4,981,968           |
| Water utilities   | 2,091,995                   | <b>2,372,968</b>           | 1,942,838           |
|   | <u>57,308,141</u>           | <u><b>59,823,314</b></u>   | <u>52,529,326</u>   |
| <b>ANNUAL SURPLUS</b>                                       | <u>\$ 4,441,613</u>         | <u><b>\$ 7,077,782</b></u> | <u>\$ 4,439,080</u> |

See accompanying notes to the financial statements

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Consolidated Statement of Changes in Accumulated Surplus**  
**Year Ended March 31, 2024**

|  | 2024                        | 2023                 |
|--|-----------------------------|----------------------|
| <b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b> | <b>\$119,013,799</b>        | \$114,969,429        |
| ANNUAL SURPLUS                                 | <u>7,077,782</u>            | 4,439,080            |
|  | <b>126,091,581</b>          | 119,408,509          |
| CHANGE IN CONSOLIDATION RATE <i>(Note 20)</i>  | <u>-</u>                    | (394,710)            |
| <b>ACCUMULATED SURPLUS - END OF YEAR</b>       | <b><u>\$126,091,581</u></b> | <b>\$119,013,799</b> |

See accompanying notes to the financial statements



**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Consolidated Statement of Changes in Net Financial Assets (Debt)**  
**Year Ended March 31, 2024**

|  | (Note 23)<br>Budget<br>2024 | <b>2024</b>                | 2023                |
|--|-----------------------------|----------------------------|---------------------|
| <b>ANNUAL SURPLUS</b>                              | \$ 4,441,613                | \$ <b>7,077,782</b>        | \$ 4,439,080        |
| Acquisition of tangible capital assets             | (21,604,829)                | <b>(18,225,526)</b>        | (6,874,380)         |
| Amortization of tangible capital assets            | 3,578,145                   | <b>4,146,469</b>           | 3,975,038           |
| Proceeds on disposal of tangible capital assets    | -                           | <b>36,734</b>              | 500                 |
| Proceeds on disposal of intangible assets          | -                           | -                          | -                   |
| Loss (gain) on disposal of assets                  | -                           | <b>(27,234)</b>            | 319                 |
| Decrease (increase) in prepaid expenses            | -                           | <b>(23,766)</b>            | (47,749)            |
| Decrease (increase) in inventory                   | -                           | <b>51,000</b>              | (4,071)             |
| Change in consolidation rate                       | -                           | -                          | (394,710)           |
|  | <u>(18,026,684)</u>         | <u><b>(14,042,323)</b></u> | <u>(3,345,053)</u>  |
| <b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b> | (13,585,071)                | <b>(6,964,541)</b>         | 1,094,027           |
| <b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>    | 7,667,787                   | <b>7,667,786</b>           | 6,573,759           |
| <b>NET FINANCIAL ASSETS (DEBT) - END OF YEAR</b>   | <u>\$ (5,917,284)</u>       | <u>\$ <b>703,245</b></u>   | <u>\$ 7,667,786</u> |

See accompanying notes to the financial statements

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2024**

|   | 2024                  | 2023                 |
|---|-----------------------|----------------------|
| <b>OPERATING ACTIVITIES</b>                                     |                       |                      |
| Cash receipts from provincial and federal funding and residents | \$ 55,014,779         | \$ 52,791,553        |
| Cash receipts from sale of services                             | 5,170,619             | 4,152,073            |
| Cash from fundraisers and donations                             | 76,548                | 94,117               |
| Cash paid to suppliers and employees                            | <u>(52,634,900)</u>   | <u>(51,603,680)</u>  |
| Cash flow from operating activities                             | <u>7,627,046</u>      | <u>5,434,063</u>     |
| <b>CAPITAL ACTIVITIES</b>                                       |                       |                      |
| Purchase of tangible capital assets                             | (18,268,215)          | (6,680,739)          |
| Proceeds on disposal of tangible capital assets                 | 36,734                | 500                  |
| Government funding for tangible capital assets                  | 1,527,369             | 472,473              |
| Donations for tangible capital assets                           | <u>4,934</u>          | <u>51,827</u>        |
| Cash flow used by capital activities                            | <u>(16,699,178)</u>   | <u>(6,155,939)</u>   |
| <b>INVESTING ACTIVITIES</b>                                     |                       |                      |
| Purchase of term deposits                                       | (1,000,000)           | -                    |
| Change in restricted cash                                       | (1,000,892)           | 4,583,538            |
| Change in designated cash                                       | (2,565,502)           | 65,793               |
| Net remeasurement gains (losses)                                | <u>(2,128)</u>        | <u>-</u>             |
|   | <u>(4,568,522)</u>    | <u>4,649,331</u>     |
| <b>FINANCING ACTIVITIES</b>                                     |                       |                      |
| Proceeds from capital financing                                 | 893,440               | 870,077              |
| Proceeds from long term financing                               | 710,846               | 3,430,270            |
| Repayment of short term debt                                    | -                     | (995,176)            |
| Repayment of long term debt                                     | (1,549,324)           | (4,652,329)          |
| Cash receipts from Province of NS - debt repayment              | 186,904               | 177,455              |
| Change in consolidation rate                                    | <u>-</u>              | <u>(285,762)</u>     |
| Cash flow from (used by) financing activities                   | <u>241,866</u>        | <u>(1,455,465)</u>   |
| <b>INCREASE (DECREASE) IN CASH FLOW</b>                         | <b>(13,398,788)</b>   | <b>2,471,990</b>     |
| Cash - beginning of year  | <u>7,699,100</u>      | <u>5,227,110</u>     |
| <b>CASH (DEFICIENCY) - END OF YEAR</b>                          | <b>\$ (5,699,688)</b> | <b>\$ 7,699,100</b>  |
| <b>CASH CONSISTS OF:</b>  |                       |                      |
| Unrestricted / undesignated cash                                | \$ (5,699,688)        | \$ 7,699,100         |
| Restricted cash (Note 4)  | 11,612,725            | 10,611,833           |
| Designated cash (Note 4)  | <u>14,468,649</u>     | <u>11,903,147</u>    |
|   | <u>\$ 20,381,686</u>  | <u>\$ 30,214,080</u> |

See accompanying notes to the financial statements

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality of the County of Cumberland ("the Municipality") were prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board.

Basis of accounting

Revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable and expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Fund accounting

Funds within the consolidated financial statements consist of the operating, capital and reserve funds for general operations and water utilities.

Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and change in fund balances of all organizations accountable for the administration of their financial affairs and resources to the Municipal Council and which are owned or controlled by the County. Inter-fund and inter-entity transactions have been eliminated.

Entities included in the consolidated financial statement of the Municipality include the following:

- The Municipality of the County of Cumberland ("the County")
- Cumberland Senior Care Corporation ("CSCC")
- Sunset Community Incorporated ("Sunset")

The County has a partnership agreement in place, and as such the Cumberland Joint Services Management Authority ("CJSMA") is accounted for on a proportionate consolidated basis whereby the County's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-entity balances and transactions have been eliminated. CJSMA is consolidated at a rate of 54.9% (2023 - 54.9%) which is based on the County's use of the facility (Note 20).

Trust funds administered by the Municipality are not included in the financial statements (Note 21).

Financial instruments policy

The Municipality's financial instruments are comprised of cash and cash equivalents, restricted cash, receivables, payables, short term debt, other liabilities, and long term debt. All financial instruments are measured at cost or amortized cost.

It is management's opinion that the Municipality is not exposed to significant currency or market risks from these financial instruments. The Municipality is exposed to interest rate risk due to its short term and long term debt.

As the Municipality has no assets subject to re-measurement, no statement of re-measurement gains and losses has been presented.

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**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and bank balances and does not include restricted or designated cash (Note 4).

Employee future benefits

The contributions to pension plans are expensed when contributions are due. The costs of post-employment benefits are recognized when the event that obligates the Municipality occurs.

- (a) CSCC and Sunset contribute to a multi-employer defined benefit plan, administered by the Nova Scotia Association of Health Organizations, which provides a pension on retirement based on the member's age at retirement and length of service. The most recent actuarial valuation was conducted as at July 1, 2021, which indicated a funded liability. The corporations bear no direct financial responsibility for the liability of the pension plan. The contribution rates are based on salary level and range from 7.82% to 10.18% for the employee from 9.22% to 11.58% for the employer.
- (b) The County contributes to a defined contribution pension plan administered through Sun Life Financial in which the employer and employee contribute between 6% and 18% of eligible income to the pension plan.

The Municipality's total expense for the defined contribution pension plans for 2024 was \$1,329,840 (2023 - \$1,212,429) and is included in salaries and benefits (Schedule 1).

- (c) Employees are provided with sick leave benefits. The cost of vesting sick leave benefits is calculated based on accumulated sick time multiplied by the percentage that vests and applying current salary and benefit rates. The liability for non-vesting sick leave benefits is based on management's best estimate (Note 12).

Asset retirement obligation

The Municipality has adopted PSAS section 3280 outlining the accounting treatment of asset retirement obligations. Management has utilized the transitional provisions under PSAS 3280.72 which allows for prospective application of the standard. The following is the Municipality's accounting policy and the impact of the adoption of this new section can be seen in Note 10.

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

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

The liability for all asset retirement obligations has been recognized based on estimated future expenses.

The liability is discounted using a present value calculation, and adjusted annually for accretion expense. The increase to the tangible capital assets is being amortized in accordance with the tangible capital assets accounting policy.

*(continues)*

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**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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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:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) The Municipality of the County of Cumberland:
  - is directly responsible; or
  - accepts responsibility; and
- d) a reasonable estimate of the amount can be made.

As at March 31, 2024, the Municipality has not identified any contaminated sites for which it is responsible.

Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

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 ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

Inventory

Inventories held for sale are recorded at the lower of cost and net realizable value.

*(continues)*

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**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost, which includes all amounts that are directly attributable to acquisition, construction, design, 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.

Depreciation in the Water Utility Operating fund is calculated based on rates prescribed by the Nova Scotia Utility and Review Board.

|                            |                |
|----------------------------|----------------|
| Land and land improvements | N/A            |
| Landfill cell              | % of usage     |
| Buildings                  | 10 to 40 years |
| Machinery and equipment    | 10 to 25 years |
| Streets and sidewalks      | 20 to 30 years |
| Vehicles                   | 5 to 10 years  |
| Traffic and street lights  | 10 years       |
| Water and sewer systems    | 50 to 75 years |

Tangible capital assets are written down when conditions indicate that they are no longer contributing to the Municipality's ability to provide services. Assets under construction are not amortized until the asset is available for productive use. Amortization is not taken in the year of acquisition.

Interest capitalization

Interest costs relating to construction in progress are capitalized to the cost of the asset. Total interest capitalized in 2024 - \$nil (2023- \$nil). Capitalization of interest ceases when the asset is substantially complete and ready for its intended productive use.

Taxation and related revenue recognition

Property tax billings are prepared by the County based on assessed rolls issued by Property Valuation Services Corporation (PVSC) and adjusted for estimates of appeals and reassessments. Tax rates are established annually by Municipal Council during the budget approval process. Tax revenue is recorded at the time tax billings are issued. Tax adjustments as a result of appeals and reassessments are recorded when the results of the appeal process are known. Valuation allowances are established based on the estimated losses that may be incurred in collecting outstanding receivables. The County includes interest on overdue taxes in other revenue from own sources.

*(continues)*

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**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other revenue recognition

- a) Other revenue from own sources is recognized when services are performed and/or when earned as long as amounts can be reasonably estimated and collection is reasonably assured.
- b) Revenue from long term care facilities, including patient pays and per diems, sales of meals and laundry services, apartment rentals and cafeteria revenue are recognized at the time the service is rendered in the normal course of operations.
- c) Externally restricted contributions are recognized as revenue when the resources are used for their intended purpose. Externally restricted contributions received before this time are reported as deferred revenue.
- d) CJSMA revenue is recognized at the time the service is rendered in the normal course of operations.
- e) The Municipality collected revenue on behalf of the Villages of Pugwash and River Hebert. Revenue collected is not recorded in the consolidated financial statements of the Municipality. The amount collected and remitted to the Villages is \$262,566 (2023 - \$240,458).

Government transfers

Conditional and unconditional government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

Measurement uncertainty

Certain amounts in the consolidated financial statements are subject to measurement uncertainty and are based on management's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- asset retirement obligations;
- estimated useful lives of tangible capital assets and impairment of tangible capital assets;
- asset valuation allowances;
- assumptions used in determining the obligation of accrued sick time;
- salary and benefit rates used in determining the obligation of accrued vacation and holiday pay.

*(continues)*

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**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Segmented information

The Municipality of the County of Cumberland is a diversified municipal government that provides a wide range of municipal programs and services to its constituents, including fire, RCMP, waste and recycling services, water supply and distribution, waste water treatment, libraries, recreation and tourism. Segmented information has been prepared by major functional classification, consistent with the Consolidated Statement of Operations and provincially legislated requirements.

The major segments are as follows:

- General government: Activities that provide for the overall operation of the Municipality and that are common to or affect all of the services provided by the Municipality. This includes the administrative arm of the Municipality (finance, taxation & collection, facilities management (including interest on debt charges), information services, Chief Administrative Officer, human resources) and legislative activities related to Mayor and Council of the Municipality, including their remuneration and expenses.
  - Protective services: Activities that provide for the public safety of the inhabitants of the municipality, such as: RCMP protection, correctional services, bylaw enforcement, building inspectors, emergency measures, fire departments and fire hydrants.
  - Transportation services: Activities, transfers and related debt for roads, sidewalks and LED lighting.
  - Environmental health services: Activities that provide environmentally regulated services, including sewage collection, treatment & disposal, waste management centre operations, multi-stream waste collection and disposal programs and engineering/environmental stewardship.
  - Public health and welfare: Payments made to Housing Nova Scotia to cover the deficits of the public housing authorities in the region, and operation of long term care facilities.
  - Environmental development: Activities that support and control the municipality's economic development including environmental planning and zoning, industrial park development, tourism and community development.
  - Recreational and culture: Activities that provide recreation and cultural services, including recreational facilities, libraries and cultural buildings.
  - Education: Mandatory education transfers to the Chignecto-Central Regional School Board.
  - Water utilities: Activities related to the operations of the Cumberland Water Utility. The Cumberland Water Utility has 2,487 customers. The utility operates water distribution and treatment facilities and related infrastructure.
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**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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2. CONTRIBUTIONS TO BOARDS

The Municipality of the County of Cumberland, along with other municipal units in Cumberland County, is required to finance the operations of various Boards and Commissions to the extent of its participation based on assessment or population formulas.

**Cumberland Regional Housing Authority**

The Municipality of the County of Cumberland is required to finance its share of the operating deficit in the Cumberland Regional Housing Authority out of the current year's operations. The deficit financed for 2024 was \$334,609 (2023 - \$325,381) and is included in the expenses for Public Health & Welfare Services. In addition to any budgeted contributions, the municipal units share in deficits or surpluses of the Authority based on their sharing percentage.

**Cumberland Regional Library**

During the year, the Municipality of the County of Cumberland paid \$186,168 (2023 - \$186,267) to the Cumberland Regional Library and is included in the expenses for Recreation and Culture. The Municipality of the County of Cumberland does not share in any surpluses or deficits.

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3. CONTRIBUTIONS TO PROVINCIAL GOVERNMENT DEPARTMENTS & AGENCIES

The Municipality of the County of Cumberland, along with other municipal units in the province, is required to finance the operations of various provincial government departments and boards, based upon formula defined in legislation

**Education Contribution**

The Municipality of the County of Cumberland is required to contribute to the Chignecto Central Regional School Board based on a formula calculation. For 2024 the education contribution was \$5,304,852 (2023 - \$4,981,965).

**Corrections Contributions**

Municipalities in Nova Scotia are required to make a mandatory contribution to fund the cost of correctional services. The contribution rate is set by the provincial formula. During 2024 the Municipality of the County of Cumberland paid \$307,796 (2023 - \$310,762) to the province for correction services.

**Assessment Services Contributions**

The Municipality of the County of Cumberland is required to contribute to Property Valuation Services Corporation on a formula calculation. During 2024 the Municipality of the County of Cumberland paid \$541,402 (2023 - \$542,268) to the province for assessment services.

**Roads Contributions**

The Municipality of the County of Cumberland is required to contribute to fund the cost of road maintenance of provincial roads. The contribution rate is set by the provincial formula. During 2024 the Municipality of the County of Cumberland paid \$258,130 (2023 - \$242,814) to the province for road maintenance.

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**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

4. CASH AND CASH EQUIVALENTS

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| <b>Restricted cash and cash equivalents</b> |                      |                      |
| Tax sale surplus (Note 10)                  | \$ 998,967           | \$ 275,944           |
| Capital replacement                         | 314,251              | 275,060              |
| Springhill Community Centre                 | 263,609              | 255,557              |
| Gas tax reserves                            | 7,292,963            | 7,702,685            |
| Water Utility depreciation                  | 2,677,430            | 2,053,917            |
| Landfill proceeds (in trust)                | 65,505               | 48,670               |
|   | <b>\$ 11,612,725</b> | <b>\$ 10,611,833</b> |

Restricted cash for capital replacement includes guaranteed investment certificates with maturity dates ranging from April 2024 to January 2026 and interest rates ranging from 4.1% to 5.25% (2023 maturity dates from September 2023 to June 2024 and interest rates ranging from 1.1% to 4.5%).

Funding received through the Gas Tax Grant Program is restricted for use on eligible capital projects, as approved under the Canada - Nova Scotia Gas Tax Agreement. Gas tax reserves are held in cash.

**Designated cash and equivalents**

|                    |                      |                      |
|--------------------|----------------------|----------------------|
| Capital reserves   | \$ 8,975,826         | \$ 5,681,200         |
| Operating reserves | 5,492,823            | 6,221,948            |
|                    | <b>\$ 14,468,649</b> | <b>\$ 11,903,148</b> |

The Municipality has designated assets that are distinct from restricted assets. Unlike restricted assets, the Municipality can readily change the legislation, by-law or resolution and use the designated assets for another purpose if the need arises.

The capital reserves are intended to be used for replacement or repair of tangible capital assets. Included is cash of \$10,851,420 (2023 - \$5,540,786) and guaranteed investment certificates of \$216,208 (2023 - \$211,854) with maturity dates ranging from March 2025 to April 2025 and interest rates of 3.15% (2023 maturity dates from March 2023 to April 2024 and interest rates of 0.45% to 0.90%).

Operating reserves are held in cash and are designated for various purposes as listed in Note 16.

|   |                       |                      |
|---|-----------------------|----------------------|
| <b>Unrestricted / undesignated cash</b> | <b>\$ (5,699,688)</b> | <b>\$ 7,699,099</b>  |
| <b>Total cash and cash equivalents</b>  | <b>\$ 20,381,686</b>  | <b>\$ 30,214,080</b> |

5. TERM DEPOSITS

Term deposits include guaranteed investment certificates with maturity dates ranging from October 2024 to February 2025 and interest rates ranging from 4.2% to 5.25%.

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

6. TAXES RECEIVABLE

|                                     | <b>2024</b>         | <b>2023</b>  |
|-------------------------------------|---------------------|--------------|
| Beginning balance, taxes receivable | <b>\$ 2,998,401</b> | \$ 2,975,962 |
| Tax levy - current year             | <b>25,518,889</b>   | 23,381,753   |
| Cash receipts and adjustments       | <b>(25,159,590)</b> | (23,337,584) |
| Exemptions                          | <b>(607,844)</b>    | (488,340)    |
| Interest                            | <b>488,022</b>      | 466,610      |
|                                     | <b>3,237,878</b>    | 2,998,401    |
| Ending balances, taxes receivable   | <b>(1,202,510)</b>  | (1,229,031)  |
| Valuation allowance                 | <b>\$ 2,035,368</b> | \$ 1,769,370 |
| Net taxes receivable                | <b>\$ 2,035,368</b> | \$ 1,769,370 |

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Municipality is exposed to credit risk from customers. A valuation allowance is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Municipality's receivables are from a significant number of individuals and entities which reduces concentration of credit risk.

7. OTHER RECEIVABLES

|                                    | <b>2024</b>         | <b>2023</b>  |
|------------------------------------|---------------------|--------------|
| Federal Government and agencies    | <b>\$ 4,072,341</b> | \$ 1,145,741 |
| Provincial Government and agencies | <b>3,827,498</b>    | 1,787,114    |
| Other receivables                  | <b>1,472,547</b>    | 1,506,125    |
| Other municipal units              | <b>36,323</b>       | 18,926       |
| Valuation allowance                | <b>(160,876)</b>    | (160,876)    |
|                                    | <b>\$ 9,247,833</b> | \$ 4,297,030 |

Credit risk

Management is of the opinion that the Municipality is not exposed to significant credit risk from other receivables. A valuation allowance is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

8. SHORT TERM DEBT

The Municipality has an overdraft limit on its operating bank account of \$11,500,000. The overdraft is payable on demand and bears interest at prime less 1.72%. It is secured by a borrowing resolution under corporate seal.

The Municipality also has a \$340,000 revolving line of credit. Bank advances on the credit lines are payable on demand and bears interest at prime plus 0.5%. The credit line is secured by a resolution to borrow passed by the Municipality of the County of Cumberland. At year end this line of credit was not in use (2023 - \$nil).

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

|  | <b>2024</b>         | <b>2023</b>  |
|--|---------------------|--------------|
| Accounts payable and accrued liabilities | <b>\$ 4,417,080</b> | \$ 1,816,482 |
| Salaries and benefits                    | <b>923,443</b>      | 841,356      |
| Accrued vacation and holiday pay         | <b>1,108,661</b>    | 951,603      |
|  | <b>\$ 6,449,184</b> | \$ 3,609,441 |

10. OTHER LIABILITIES

|   | <b>2024</b>         | <b>2023</b>  |
|---|---------------------|--------------|
| Due to Provincial Government and agencies | <b>\$ 585,467</b>   | \$ 329,724   |
| Due to Federal Government and agencies    | <b>19,604</b>       | -            |
| Due to other municipal units              | -                   | 23,543       |
| Tax sale surplus                          | <b>1,123,358</b>    | 963,589      |
| Landfill Trust - proceeds of sale         | <b>54,278</b>       | 37,443       |
|   | <b>\$ 1,782,707</b> | \$ 1,354,299 |

**Tax sale surplus** - The Municipality is required to hold any surplus from tax sales for a period of 20 years. This surplus represents excess funds received at tax sale over and above amounts owing to the Municipality at the time a particular property was sold. Surplus proceeds still held after 20 years are to be transferred to the Capital Reserve Fund. Provincial regulations require the tax sale surplus be included on the consolidated financial statements as a liability. Of the tax sale surplus liability, \$2,675 is to be transferred to the capital reserve in 2025 (2024 - \$1,361).

The Municipality holds restricted cash of \$998,967 (2023 - \$275,944) to fund this liability (Note 4). The Municipal Government Act requires that the surplus liability be fully funded. Cash was transferred subsequent to year end to fully fund this liability.

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

11. ASSET RETIREMENT OBLIGATION

The Municipality owns several buildings that potentially have asbestos, which represents a health hazard upon demolition of the buildings and there is a legal obligation to remove it. Following the adoption of PSAS 3280 - Asset Retirement Obligations, the Municipality recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at March 31, 2024. Estimated costs have been discounted to the present value using a discount rate of 3.4% per annum. The transition and recognition of asset retirement obligations involved an accompanying increase to the Municipal Buildings and Other Buildings capital asset carrying value (Note 15).

Asset retirement obligations recognized as at March 31, 2024 include the following:

|  | Years<br>Remaining | <b>2024 Present<br/>Value Cost</b> | 2023 Present<br>Value Cost |
|--|--------------------|------------------------------------|----------------------------|
| <u>Municipal Buildings</u>                   |                    |                                    |                            |
| Municipal Office                             | 10                 | \$ 452                             | \$ 435                     |
| Parrsboro Service Centre                     | 38                 | 1,669                              | 1,563                      |
| Springhill Office/Police Station             | 20                 | 2,023                              | 1,932                      |
|  |                    | <b>4,144</b>                       | 3,930                      |
| <u>Other Buildings</u>                       |                    |                                    |                            |
| Springhill Fire Hall                         | 6                  | 53,004                             | 51,120                     |
| Parrsboro Fire Hall                          | 6                  | 2,362                              | 2,278                      |
| Cape D'Or Lightstation                       | 30                 | 10,771                             | 10,186                     |
| Parrsboro Public Library                     | 6                  | 3,677                              | 3,547                      |
| Parrsboro Park Recreation building           | 4                  | 9,312                              | 8,992                      |
| Parrsboro shower building                    | 4                  | 4,412                              | 4,261                      |
| Comfort stations                             | 4                  | 1,433                              | 1,383                      |
| Springhill Senior Citizens Recreation Centre | 10                 | 17,426                             | 16,763                     |
| Isabel Simpson Heritage Centre               | 23                 | 8,364                              | 7,964                      |
| Old River Hebert School                      | 10                 | 36,849                             | 35,447                     |
| Amherst Court House                          | 25                 | 3,833                              | 3,643                      |
| Parrsboro Equipment Depot                    | 8                  | 44,527                             | 42,890                     |
| Parrsboro Chlorination Building              | 10                 | 1,286                              | 1,237                      |
|  |                    | <b>197,256</b>                     | 189,711                    |
|  |                    | <b>\$ 201,400</b>                  | \$ 193,641                 |

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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12. EMPLOYEE FUTURE BENEFITS PAYABLE

|                    | <b>2024</b>       | <b>2023</b>       |
|--------------------|-------------------|-------------------|
| Accrued sick leave | <b>\$ 547,588</b> | <b>\$ 485,078</b> |

The County's employees earn sick leave per year at a rate of 1.5 days per month. Maximum accumulation of sick leave is 150 working days. Upon termination, the balance is not paid out. The accrued sick leave liability of \$130,000 (2023 - \$130,000) has been estimated based on 10% of non-vested days using current salary and benefit rates.

Sunset's full time employees earn sick leave per year at a rate of 12 hours per month, part time, temporary and term employees earn 1 hour of sick time for every 14.44 hours worked. The maximum accumulation of sick leave is 1,200 hours. Upon termination, the balance is not paid out. The accrued sick leave liability of \$95,600 (2023 - \$95,600) is based on management's estimate of the future use of accumulated sick time at year end.

CSCC's full time employees earn sick leave per year at the rate of 1.5 days per month. Part time employees earn 1.5 days for each 20 shifts worked. Maximum accumulation of sick leave is 150 working days/1,200 hours. Upon termination, unionized employees are paid 25% of accumulated sick leave. Non-union employees are paid at 40% of accumulated sick leave. The accrued sick pay liability of \$321,988 (2023 - \$259,478) has been estimated based on the number of accumulated sick days (100% of vested days and 15% of non-vested days) and current salary and benefit rates.

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**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

13. DEFERRED REVENUE

|   | March 31,<br>2023   | Receipts            | Recognized<br>as revenue | March 31,<br>2024   |
|---|---------------------|---------------------|--------------------------|---------------------|
| Restricted capital contributions - CSCC       | \$ 266,167          | \$ 39,191           | \$ -                     | \$ 305,358          |
| Donations - CSCC and Sunset                   | 319,064             | 263,046             | (259,928)                | 322,182             |
| N.S. Department of Health and Wellness - CSCC | 173,471             | 1,423,546           | (1,278,499)              | 318,518             |
| Sustainable Service Growth Fund               | 1,172,415           | -                   | (3,279)                  | 1,169,136           |
| Federal capital grant - Cape D'Or             | 50,000              | -                   | (50,000)                 | -                   |
| Parrsboro playground                          | 165,761             | -                   | (122,065)                | 43,696              |
| Provincial letter of intent - post transition | 37,833              | -                   | -                        | 37,833              |
| Provincial letter of intent - capital         | 782,810             | -                   | (140,317)                | 642,493             |
| Provincial capital grants - other             | 1,746               | 820,667             | -                        | 822,413             |
| Other   | 189,080             | 507,002             | (426,795)                | 269,287             |
|   | <b>\$ 3,158,347</b> | <b>\$ 3,053,452</b> | <b>\$ (2,280,883)</b>    | <b>\$ 3,930,916</b> |

Restricted capital contributions received by CSCC are set aside for specific purposes as required by agreement.

Deferred donations consist of donations received by CSCC and Sunset that are restricted by the donors to be used on capital projects, long term care resident activities and staff training.

N.S. Department of Health and Wellness funds received by CSCC is capital funding to replace facility components.

The Federal capital grant for the Cape D'Or property was received by the County for future capital improvements.

Sustainable Services Growth Fund (SSGF) is provincial funding to be used towards municipal infrastructure projects that support growing populations, accessibility and active transportation.

Parrsboro playground project consists of grants and donations received for the construction of a playground.

Provincial letter of intent grants to the County are to be used for specific programs and capital projects identified in the letter of intent agreements for the former Towns of Springhill and Parrsboro.

Provincial capital grants are to be used for various projects.

Provincial funding was received for the County's Clear the Deck project, to integrate all aspects of the County.

Included in other are a number of small individual restricted grants and donations.

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

14. LONG TERM DEBT

|  | <u>2024</u>         | <u>2023</u>  |
|--|---------------------|--------------|
| Nova Scotia Municipal Finance Corporation ("NSMFC") loan bearing interest at rates varying from 2.490% to 3.389% over the term of the loan, repayable in 4 annual payments of \$371,650 and one payment of \$4,088,150. The loan matures in November 2028 and is unsecured.  | <b>\$ 5,574,750</b> | \$ 5,946,400 |
| NSMFC loan bearing interest at rates varying from 1.734% to 3.073% over the term of the loan, repayable in 3 annual payments of \$360,000 and one payment of \$3,960,000. The loan matures in November 2027 and is guaranteed by the NS Department of Community Development.   | <b>5,040,000</b>    | 5,400,000    |
| NSMFC loan bearing interest at rates varying from 3.847% to 4.177% over the term of the loan, repayable in 9 annual payments of \$261,980 with interest paid semi-annually. The loan matures in October 2032. \$2,070,000 of the balance is guaranteed by the NS Department of Community Development with the remaining unsecured. | <b>2,357,815</b>    | 2,619,795    |
| Nova Scotia Housing Development Corporation loan bearing interest at 4.42% per annum, repayable in monthly blended payments of \$14,549. The loan matures in September 2036 and is secured by a building with a net book value of \$4,009,266.   | <b>1,631,425</b>    | 1,727,455    |
| NSMFC loan bearing interest at rates varying from 0.678% to 1.879% over the term of the loan, repayable in 2 annual payments of \$181,720 and 5 annual payments of \$159,220 with interest paid semi-annually. The loan matures in July 2030 and is unsecured.   | <b>1,159,540</b>    | 1,341,260    |
| NSMFC loan bearing interest at rates varying from 3.550% to 4.741% over the term of the loan. The loan is repayable in 20 annual payments of \$30,042 with interest paid semi-annually. The loan matures in May 2043 and is unsecured.   | <b>600,846</b>      | -            |
| NSMFC loan bearing interest at rates varying from 2.575% to 3.290% over the term of the loan, repayable in 4 annual payments of \$138,050 with interest paid semi-annually. The loan matures in May 2027 and is unsecured.   | <b>552,200</b>      | 690,250      |
| NSMFC loan bearing interest at rates varying from 0.4% to 2.376% over the term of the loan. The loan is repayable in 7 annual payments of \$24,115 and one payment of \$265,274 with interest paid semi-annually. The loan matures in May 2031 and is guaranteed by the NS Department of Community Development.                    | <b>434,079</b>      | 458,194      |
| Nova Scotia Housing Development Corporation loan bearing interest at 3.72% per annum, repayable in monthly blended payments of \$2,406. The loan matures in March 2040 and is secured by a building with a net book value of \$4,009,266.  | <b>348,401</b>      | 364,091      |
| Micro Home promissory note bearing interest at 8% per annum, repayable in monthly blended payments of \$1,600. The loan matures on January, 2028 and is secured by land and building with a net book value of \$268,280.   | <b>201,439</b>      | 94,347       |

*(continues)*



**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

14. LONG TERM DEBT *(continued)*

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| Nova Scotia Housing Development Corporation loan bearing interest at 8% per annum, repayable in monthly blended payments of \$7,496. The loan matures in November 2025 and is secured by a building with a net book value of \$4,009,266. | 140,334              | 215,515              |
| Scotiabank loan bearing interest at 4.5% per annum, repayable in monthly blended payments of \$1,668. The loan matures in January 2028 and is secured by a building with a net book value of \$111,230.                                   | 70,346               | 86,781               |
| Scotiabank loan bearing interest at 8.99% per annum, repayable in bi-weekly blended payments of \$291. The loan matures in March 2027 and is secured by a vehicle with a net book value of \$18,487.                                      | 19,357               | 24,920               |
| Amounts payable within one year   | -                    | -                    |
|   | <b>\$ 18,130,532</b> | <b>\$ 18,969,008</b> |

Principal repayment terms are approximately:

|      |  |              |
|------|--|--------------|
| 2025 |  | \$ 1,595,400 |
| 2026 |  | 1,613,500    |
| 2027 |  | 1,485,500    |
| 2028 |  | 5,166,500    |
| 2029 |  | 4,810,900    |

15. TANGIBLE CAPITAL ASSETS

| Cost                       | 2023<br>Balance | Additions   | Disposals | 2024<br>Balance |
|----------------------------|-----------------|-------------|-----------|-----------------|
| Land and land improvements | \$ 4,933,552    | \$ 213,880  | \$ 9,500  | \$ 5,137,932    |
| Long term care buildings   | 22,855,456      | 1,474,269   | -         | 24,329,725      |
| Municipal buildings        | 11,481,460      | 2,466,004   | -         | 13,947,464      |
| Joggins Fossil Centre      | 6,020,089       | -           | -         | 6,020,089       |
| Fire protection facilities | 4,439,595       | 832,889     | -         | 5,272,484       |
| Other buildings            | 1,438,497       | 159,980     | -         | 1,598,477       |
| Sanitary sewer systems     | 32,316,982      | 1,460,329   | -         | 33,777,311      |
| Water treatment plant      | 12,589,392      | -           | -         | 12,589,392      |
| Fire protection vehicles   | 5,846,440       | 951,582     | -         | 6,798,022       |
| Vehicles                   | 1,469,337       | 165,315     | 32,840    | 1,601,812       |
| Machinery and equipment    | 8,482,481       | 1,074,961   | -         | 9,557,442       |
| Electronic data equipment  | 1,016,962       | -           | -         | 1,016,962       |
| Streets and sidewalks      | 10,061,455      | 3,912,551   | -         | 13,974,006      |
| Traffic and street lights  | 1,494,675       | -           | -         | 1,494,675       |
| Water mains and meters     | 18,255,723      | 4,447,415   | -         | 22,703,138      |
| Storm sewers               | 4,451,577       | 2,294,629   | -         | 6,746,206       |
| Fire hydrants              | 742,396         | 276,846     | -         | 1,019,242       |
| Assets under construction  | 4,250,196       | (1,505,124) | -         | 2,745,072       |

*(continues)*

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**

**Notes to Consolidated Financial Statements**

**Year Ended March 31, 2024**

15. TANGIBLE CAPITAL ASSETS *(continued)*

| <u>Cost</u> | 2023           |               |           | 2024           |
|-------------|----------------|---------------|-----------|----------------|
|             | Balance        | Additions     | Disposals | Balance        |
|             | \$ 152,146,265 | \$ 18,225,526 | \$ 42,340 | \$ 170,329,451 |

| <u>Accumulated Amortization</u> | 2023          |              | Accumulated               | 2024          |
|---------------------------------|---------------|--------------|---------------------------|---------------|
|                                 | Balance       | Amortization | Amortization on Disposals | Balance       |
| Land and land improvements      | \$ 180,383    | \$ 55,377    | \$ -                      | \$ 235,760    |
| Long term care buildings        | 7,846,262     | 575,626      | -                         | 8,421,888     |
| Municipal buildings             | 3,573,116     | 275,235      | -                         | 3,848,351     |
| Joggins Fossil Centre           | 2,257,532     | 150,502      | -                         | 2,408,034     |
| Fire protection facilities      | 1,050,915     | 118,219      | -                         | 1,169,134     |
| Other buildings                 | 322,869       | 198,946      | -                         | 521,815       |
| Sanitary sewer systems          | 10,292,569    | 838,300      | -                         | 11,130,869    |
| Water treatment plant           | 1,151,761     | 203,924      | -                         | 1,355,685     |
| Fire protection vehicles        | 5,219,362     | 164,141      | -                         | 5,383,503     |
| Vehicles                        | 883,029       | 175,500      | 32,840                    | 1,025,689     |
| Machinery and equipment         | 3,381,172     | 484,861      | -                         | 3,866,033     |
| Electronic data equipment       | 980,307       | 8,585        | -                         | 988,892       |
| Streets and sidewalks           | 2,374,638     | 407,944      | -                         | 2,782,582     |
| Traffic and street lights       | 298,936       | 149,468      | -                         | 448,404       |
| Water mains and meters          | 1,057,226     | 234,141      | -                         | 1,291,367     |
| Storm sewers                    | 381,411       | 92,325       | -                         | 473,736       |
| Fire hydrants                   | 101,078       | 13,375       | -                         | 114,453       |
| Assets under construction       | -             | -            | -                         | -             |
|                                 | \$ 41,352,566 | \$ 4,146,469 | \$ 32,840                 | \$ 45,466,195 |

| <u>Net Book Value</u>      | 2024           | 2023           |
|----------------------------|----------------|----------------|
| Land and land improvements | \$ 4,902,172   | \$ 4,753,169   |
| Long term care buildings   | 15,907,837     | 15,009,194     |
| Municipal buildings        | 10,099,113     | 7,908,344      |
| Joggins Fossil Centre      | 3,612,055      | 3,762,557      |
| Fire protection facilities | 4,103,350      | 3,388,680      |
| Other buildings            | 1,076,662      | 1,115,628      |
| Sanitary sewer systems     | 22,646,442     | 22,024,413     |
| Water treatment plant      | 11,233,707     | 11,437,631     |
| Fire protection vehicles   | 1,414,519      | 627,078        |
| Vehicles                   | 576,123        | 586,308        |
| Machinery and equipment    | 5,691,409      | 5,101,309      |
| Electronic data equipment  | 28,070         | 36,655         |
| Streets and sidewalks      | 11,191,424     | 7,686,817      |
| Traffic and street lights  | 1,046,271      | 1,195,739      |
| Water mains and meters     | 21,411,771     | 17,198,497     |
| Storm sewers               | 6,272,470      | 4,070,166      |
| Fire hydrants              | 904,789        | 641,318        |
| Assets under construction  | 2,745,072      | 4,250,196      |
|                            | \$ 124,863,256 | \$ 110,793,699 |

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

16. ACCUMULATED SURPLUS

|                             | <u>2024</u>          | <u>2023</u>          |
|-----------------------------|----------------------|----------------------|
| <b>Capital reserves</b>     |                      |                      |
| Gas tax                     | \$ 5,366,944         | \$ 6,283,670         |
| Parrsboro sewer             | 2,534,874            | 2,578,636            |
| Unappropriated              | 1,798,647            | 1,444,303            |
| Landfill proceeds           | 2,045,686            | 4,117,329            |
| Springhill Community Centre | 490,848              | 474,992              |
| <b>Capital reserves</b>     | <u>12,236,999</u>    | <u>14,898,930</u>    |
| <b>Operating reserves</b>   |                      |                      |
| Unappropriated              | 3,697,976            | 2,391,654            |
| Springhill area rate        | 34,049               | 1,792,654            |
| Sewer purposes              | 721,896              | 821,123              |
| Economic development        | 355,338              | 333,316              |
| School enhancement          | 259,296              | 243,226              |
| Solid waste                 | 252,513              | 236,863              |
| Street light reserve        | 79,780               | 142,509              |
| Public open space           | 24,202               | 102,821              |
| Springhill streets          | 106,649              | 100,040              |
| Solar reserve               | 113,633              | 82,352               |
| Fire purposes               | 79,252               | 74,340               |
| Parrsboro area rate         | 59,713               | 53,707               |
| Elections                   | 73,766               | 43,898               |
| CSCC donations reserve      | 24,464               | 21,513               |
| Glooscap Park               | 9,867                | 14,844               |
| <b>Operating reserves</b>   | <u>5,892,394</u>     | <u>6,454,860</u>     |
| <b>Total reserves</b>       | <u>18,129,393</u>    | <u>21,353,790</u>    |
| <b>Unreserved</b>           |                      |                      |
| County                      | 100,619,645          | 91,691,323           |
| CJSMA                       | 65,268               | 64,207               |
| Sunset                      | 4,221,519            | 3,778,298            |
| CSCC                        | 3,055,756            | 2,126,181            |
| <b>Total unreserved</b>     | <u>107,962,188</u>   | <u>97,660,009</u>    |
| <b>Accumulated surplus</b>  | <u>\$126,091,581</u> | <u>\$119,013,799</u> |

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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17. COMMITMENTS

- a) The Municipality has entered an agreement for solid waste collection effective April 1, 2023 to March 31, 2028. The Municipality is committed to paying \$12,608,684 plus HST over the life of the contract, with adjustments for increases in fuel costs to an annual maximum of \$1,485 plus HST per 1 cent increase in fuel prices.
  - b) On October 23, 2019 Council passed a borrowing guarantee resolution on behalf of the Pugwash Village Commission in the amount of \$90,000. This guarantee received Ministerial approval on January 24, 2020. The Village Commission borrowed through the sale of debentures of \$58,000 in July 2020.
  - c) On August 21, 2020, The Municipality of the County of Cumberland and the Municipality of the County of Colchester entered into an agreement with Xplornet Communications Inc. in relation for the acquisition of exclusive Indefeasible Right of Use (IRU) on dark optical fibre strands for the entire network fibre build to the Municipalities and acquisition of other valuable community benefits. The initial term for the IRU is twenty years, with options to renew for two additional ten-year terms. The remaining contribution from the Municipality of Cumberland is \$1,709,975 plus HST.
  - d) On November 22, 2023 Council approved a \$300,000 grant to Sunset Community Inc. for their proposed housing development, conditional on other funding being approved.
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18. CONTINGENT LIABILITIES

The Municipality may, from time to time, be involved in legal proceedings, claims and litigation arising in the normal course of operations. As of March 31, 2024, management believes it is not exposed to material, adverse impact on its financial position as a result of any such claims.

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19. SUBSEQUENT EVENT

As of August 21, 2024, the Municipality of the County of Cumberland divested of its interest in Sunset Community Inc. which included the transfer of land and buildings used by Sunset that were previously owned by the Municipality. In the 2024 fiscal year, the following balances from Sunset were included in the consolidated financial statements:

|                       |             |
|-----------------------|-------------|
| Financial assets      | \$1,037,323 |
| Financial liabilities | 9,422,568   |
| Non-financial assets  | 12,606,764  |
| Revenue               | 14,671,763  |
| Expenses              | 14,228,542  |

The full impact of this event on the 2025 financial statement has not yet been determined.

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**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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20. CUMBERLAND JOINT SERVICES MANAGEMENT

**Supplementary information:**

|                       | 2024 CJSMA<br>Total | <b>Proportionate<br/>Consolidation<br/>2024<br/>54.898%</b> | 2023 CJSMA<br>Total | Proportionate<br>Consolidation<br>2023<br>54.898% |
|-----------------------|---------------------|---|---------------------|---|
| Financial assets      | \$ 118,889          | \$ <b>65,268</b>  | \$ 121,343          | \$ 66,615   |
| Financial liabilities | -                   | -   | 4,386               | 2,408   |
| Accumulated surplus   | 118,889             | <b>65,268</b>   | 116,957             | 64,207  |
| Total revenue         | 3,686               | <b>2,024</b>  | 204,820             | 112,442   |
| Total expense         | (1,754)             | <b>(963)</b>  | (142,620)           | (78,296)  |
| Net operating results | 1,932               | <b>1,061</b>  | 347,440             | 190,738   |

Included on the statement of financial position and the statement of operations of CJSMA are receivables of \$nil (2023 - \$nil) and revenue of \$nil (2023 - \$nil) from the Municipality.

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21. TRUSTS UNDER ADMINISTRATION

At March 31, 2024, the balance of funds held in trusts under administration was \$333,652 (2023 - \$301,233).

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22. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

23. BUDGET

The County budgets for rate setting purposes in the general operating fund. Council approved a balanced budget in the general operating fund County-wide operations. Council approves separate area rates which may budget for surplus funds, and water utility budgets which have regulated rates. Council also approves a separate capital budget. The CSCC and CJSMA budgets were approved by their respective Board of Directors and the Sunset Budget was established by the Nova Scotia Department of Community Services.

The following adjustments reconcile the approved budgets to the financial reporting presentation under Canadian Public Sector Accounting Standards.

|  | <b>2024</b>          |
|--|----------------------|
| <b>Revenue</b>   |                      |
| County approved general operating                            | \$ 36,406,661        |
| County approved reserves                                     | 1,256,078            |
| County approved capital                                      | 16,547,413           |
| County approved Cumberland water utility capital             | 5,057,416            |
| County approved Cumberland water utility                     | 2,488,201            |
| Sunset approved operating                                    | 12,679,119           |
| CSCC approved operating                                      | 8,277,197            |
|  | <b>82,712,085</b>    |
| Remove inter-entity and inter-fund transactions              | (1,456,665)          |
| Remove transfers from reserves for operating                 | (2,045,241)          |
| Remove transfers from reserves for capital funding           | (12,861,876)         |
| Remove transfers from revenue for capital funding            | (2,001,485)          |
| Remove debt for capital funding                              | (1,200,000)          |
| Remove tax exemptions  | (519,602)            |
| Remove collections for other governments                     | (263,347)            |
| Remove inter-entity debt repayment                           | (614,115)            |
|  | <b>\$ 61,749,754</b> |
| <b>Revenue budget per consolidated financial statements</b>  |                      |
| <b>Expenses</b>  |                      |
| County approved general operating                            | \$ 36,406,661        |
| County approved Cumberland water utility                     | 2,307,361            |
| Sunset approved operating                                    | 12,682,022           |
| CSCC approved operating                                      | 7,968,047            |
|  | <b>59,364,091</b>    |
| Add amortization for County operating                        | 2,869,608            |
| Remove inter-entity and inter-fund transactions              | (1,333,465)          |
| Remove loan principal repayments                             | (1,337,515)          |
| Remove reserve appropriations                                | (971,629)            |
| Remove capital appropriations                                | (500,000)            |
| Remove tax exemptions  | (519,602)            |
| Remove transmission of taxes collected for other governments | (263,347)            |
|  | <b>\$ 57,308,141</b> |
| <b>Expense budget per consolidated financial statements</b>  |                      |

Budgeted figures are unaudited and have been provided by management for comparison purposes.

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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24. REMUNERATION PAID TO ELECTED OFFICIALS AND CAO

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

|   | Gross<br>Earnings | Expenses  | Hospitality |
|---|-------------------|-----------|-------------|
| Murray Scott - Mayor                      | \$ 41,130         | \$ 1,910  | \$ -        |
| Kathleen Redmond - Councillor             | 24,282            | 3,189     | -           |
| Roderick Gilroy - Councillor/Deputy Mayor | 26,439            | -         | -           |
| Carrie Goodwin - Councillor               | 25,518            | 1,435     | -           |
| Frederick Gould - Councillor              | 26,520            | 63        | -           |
| Jennifer Houghtaling                      | 26,975            | 1,191     | -           |
| Mark Joseph - Councillor/Deputy Mayor     | 27,181            | 250       | -           |
| Angela McCormick - Councillor             | 26,975            | 438       | -           |
| Dale Porter - Councillor                  | 25,518            | 454       | -           |
| Gregory Herrett - CAO                     | 240,533           | 7,869     | -           |
|   | \$ 491,071        | \$ 16,799 | \$ -        |

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**MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Consolidated Statement of Segmented Disclosure**  
*(Schedule 1)*  
**Year ended, March 31, 2024**

|  | Budget             | General Government  | Protective Services  | Transportation Services | Environmental Health Services | Public Health and Welfare | Environmental Development | Recreation and Culture | Education            | Water Utility    | Total | 2024               | 2023               |
|--|--------------------|---------------------|----------------------|-------------------------|-------------------------------|---------------------------|---------------------------|------------------------|----------------------|------------------|-------|--------------------|--------------------|
| <b>Revenue</b>   |                    |                     |                      |                         |                               |                           |                           |                        |                      |                  |       |                    |                    |
| Taxes  | 26,641,756         | 25,494,814          | -                    | 83,290                  | 1,232,568                     | -                         | -                         | -                      | -                    | -                | \$    | 26,810,671         | 25,093,855         |
| Grants in lieu of taxes                                  | 2,102,421          | 2,194,937           | -                    | -                       | -                             | -                         | -                         | -                      | -                    | -                |       | 2,194,937          | 1,974,490          |
| Long term care facilities                                | 20,956,316         | -                   | -                    | -                       | -                             | 24,519,660                | -                         | -                      | -                    | -                |       | 24,519,660         | 21,966,975         |
| Other revenue from own sources                           | 1,274,873          | 2,049,983           | 134,169              | 3,846                   | 207,071                       | -                         | 22,625                    | 254,663                | -                    | 117,764          |       | 2,790,122          | 1,833,875          |
| Conditional transfers                                    | 7,004,655          | 1,654,667           | -                    | 4,031,049               | -                             | -                         | 79,389                    | 293,996                | -                    | 704,084          |       | 6,763,186          | 2,362,784          |
| Unconditional transfers                                  | 1,902,444          | 1,902,977           | -                    | -                       | -                             | -                         | -                         | -                      | -                    | -                |       | 1,902,977          | 1,882,404          |
| Cumberland Joint Services Management Authority (Note 18) | -                  | -                   | -                    | -                       | 2,024                         | -                         | -                         | -                      | -                    | -                |       | 2,024              | 112,442            |
| Water utility  | 1,867,289          | -                   | -                    | -                       | -                             | -                         | -                         | -                      | -                    | 1,890,285        |       | 1,890,285          | 1,741,900          |
| Gain on disposal of assets                               | -                  | 25,734              | -                    | -                       | -                             | 1,500                     | -                         | -                      | -                    | -                |       | 27,234             | (319)              |
|  | <b>61,749,754</b>  | <b>33,323,112</b>   | <b>134,169</b>       | <b>4,118,184</b>        | <b>1,441,663</b>              | <b>24,521,160</b>         | <b>102,014</b>            | <b>548,660</b>         | <b>-</b>             | <b>2,712,133</b> |       | <b>66,901,096</b>  | <b>56,968,406</b>  |
| <b>Expenses</b>  |                    |                     |                      |                         |                               |                           |                           |                        |                      |                  |       |                    |                    |
| Advertising and promotion                                | 74,446             | 47,081              | 2,523                | -                       | -                             | -                         | 939                       | 1,210                  | -                    | -                |       | 51,753             | 62,351             |
| Allowance for Bad debts                                  | 7,200              | 29,843              | -                    | -                       | -                             | -                         | -                         | -                      | -                    | -                |       | 29,843             | 34,200             |
| Amortization   | 3,299,024          | 114,456             | 434,438              | 765,770                 | 1,043,367                     | -                         | 50,033                    | 461,544                | -                    | 525,774          |       | 3,395,382          | 3,266,961          |
| Contracted services                                      | 5,687,744          | 1,382,224           | 465,295              | 30,707                  | 4,039,787                     | -                         | 45,481                    | 120,056                | -                    | 19,767           |       | 6,103,317          | 3,936,803          |
| Goods and service from public sector                     | 12,481,018         | 541,402             | 5,790,475            | 258,130                 | -                             | 334,609                   | -                         | 186,168                | 5,304,852            | -                |       | 12,415,636         | 11,759,775         |
| Grants and transfer to organizations                     | 898,688            | 820,066             | 55,383               | -                       | -                             | -                         | 110,148                   | 17,612                 | -                    | -                |       | 1,003,209          | 1,044,582          |
| Insurance  | 821,557            | 115,871             | 505,102              | 57,414                  | 28,158                        | -                         | 1,349                     | 61,299                 | -                    | 59,521           |       | 828,715            | 653,544            |
| Interest on long term debt                               | 523,880            | 1,620               | -                    | 25,904                  | 210,253                       | 262,248                   | -                         | -                      | -                    | 32,030           |       | 532,054            | 524,586            |
| Interest on short term debt                              | -                  | 471                 | -                    | -                       | -                             | -                         | -                         | -                      | -                    | 10,141           |       | 10,612             | 3,589              |
| Leases   | 26,000             | 27,779              | -                    | -                       | -                             | -                         | -                         | -                      | -                    | -                |       | 27,779             | 24,277             |
| Long-term care facilities                                | 20,386,786         | -                   | -                    | -                       | -                             | 22,883,162                | -                         | -                      | -                    | -                |       | 22,883,162         | 19,974,383         |
| Materials, goods and supplies                            | 2,410,954          | 578,627             | 476,524              | 573,991                 | 275,266                       | -                         | 29,285                    | 213,316                | -                    | 487,067          |       | 2,634,075          | 2,511,371          |
| Other expenses   | 24,230             | 23,615              | 6,347                | 29                      | 38                            | -                         | -                         | 102                    | -                    | 33               |       | 30,164             | 32,443             |
| Professional services                                    | 766,230            | 360,853             | 61,066               | 18,293                  | 46,083                        | -                         | 30,364                    | 2,200                  | -                    | 133,800          |       | 652,660            | 554,420            |
| Salaries and benefits                                    | 8,125,402          | 2,052,729           | 1,098,729            | 894,762                 | 714,769                       | -                         | 608,192                   | 1,304,875              | -                    | 883,918          |       | 7,557,975          | 6,713,564          |
| Solid waste facility                                     | -                  | -                   | -                    | -                       | 963                           | -                         | -                         | -                      | -                    | -                |       | 963                | (78,296)           |
| Travel and professional development                      | 360,277            | 75,593              | 116,828              | 6,646                   | 1,818                         | -                         | 5,522                     | 29,602                 | -                    | 5,155            |       | 241,162            | 205,044            |
| Utilities  | 1,414,705          | 186,515             | 397,670              | 160,613                 | 238,473                       | -                         | 3,449                     | 222,371                | -                    | 215,762          |       | 1,424,853          | 1,305,729          |
| Total  | <b>57,308,141</b>  | <b>6,358,746</b>    | <b>9,410,381</b>     | <b>2,792,258</b>        | <b>6,598,975</b>              | <b>23,480,018</b>         | <b>884,761</b>            | <b>2,620,355</b>       | <b>5,304,852</b>     | <b>2,372,968</b> |       | <b>59,823,314</b>  | <b>52,529,326</b>  |
| <b>Annual Surplus (Deficit)</b>                          | <b>\$4,441,613</b> | <b>\$26,964,366</b> | <b>\$(9,276,212)</b> | <b>\$1,325,927</b>      | <b>\$(5,157,313)</b>          | <b>\$1,041,142</b>        | <b>\$(782,747)</b>        | <b>\$(2,071,695)</b>   | <b>\$(5,304,852)</b> | <b>\$339,165</b> |       | <b>\$7,077,782</b> | <b>\$4,439,080</b> |



**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Cumberland Water Utility Operating Fund Statement of Financial Position**  
*(Schedule 2)*  
**Year Ended March 31, 2024**

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| <b>Assets</b>                            |                     |                     |
| Cash                                     | \$ 2,516,022        | \$ 2,157,039        |
| Receivables                              |                     |                     |
| Water rates                              | 298,898             | 140,511             |
| Due from general capital fund            | 163,191             | 745,934             |
| Due from general operating fund          | -                   | 62,524              |
| Inventory not held for resale            | 96,642              | 144,110             |
| Prepaid expenses                         | 5,000               | 5,000               |
|  | <u>\$ 3,079,753</u> | <u>\$ 3,255,118</u> |
| <b>Liabilities</b>                       |                     |                     |
| Short term debt                          | \$ -                | \$ -                |
| Accounts payable and accrued liabilities | 69,031              | 72,993              |
| Prepaid water rates                      | 48,152              | 56,073              |
| Due to water capital fund                | 2,772,246           | 632,432             |
| Other liabilities                        | 4,194               | -                   |
|  | <u>2,893,623</u>    | <u>761,498</u>      |
| <b>Accumulated surplus</b>               | <u>186,130</u>      | <u>2,493,620</u>    |
|  | <u>\$ 3,079,753</u> | <u>\$ 3,255,118</u> |

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Cumberland Water Utility Operating Fund Statement of Operations**  
*(Schedule 3)*

**Year Ended March 31, 2024**

|   | Budget<br>2024      | Total<br>2024      | Total<br>2023       |
|---|---------------------|--------------------|---------------------|
| <b>Operating revenues</b>                               |                     |                    |                     |
| Flat rate sales   | \$ 962,689          | \$ 964,472         | \$ 1,168,442        |
| Metered sales   | 896,130             | 889,095            | 469,449             |
| Public fire protection                                  | 601,038             | 601,038            | 596,951             |
| Other   | 7,959               | 67,338             | 102,777             |
| Sprinkler service                                       | 8,000               | (4,617)            | 5,600               |
| Interest  | 12,385              | 8,405              | 11,616              |
|   | <u>2,488,201</u>    | <u>2,525,731</u>   | <u>2,354,835</u>    |
| <b>Operating expenditures</b>                           |                     |                    |                     |
| Source of supply  | 8,267               | 9,906              | 6,186               |
| Power and pumping                                       | 43,100              | 38,907             | 42,540              |
| Water treatment   | 792,040             | 914,773            | 717,811             |
| Transmission and distribution                           | 497,340             | 559,759            | 460,963             |
| Administration and general                              | 292,194             | 283,838            | 264,353             |
| Depreciation  | 429,416             | 525,774            | 413,912             |
| Taxes   | 44,380              | 43,810             | 44,392              |
|   | <u>2,106,737</u>    | <u>2,376,767</u>   | <u>1,950,157</u>    |
| <b>Net operating loss</b>                               | <u>381,464</u>      | <u>148,964</u>     | <u>404,678</u>      |
| <b>Non-operating expenditures</b>                       |                     |                    |                     |
| Principal   | 170,030             | 170,030            | 145,650             |
| Interest  | 31,860              | 41,062             | 38,034              |
| Capital expenditures out of revenue                     | -                   | 2,245,362          | 80,464              |
|   | <u>201,890</u>      | <u>2,456,454</u>   | <u>264,148</u>      |
| <b>Excess (deficiency) of revenue over expenditures</b> | <u>179,574</u>      | <u>(2,307,490)</u> | <u>140,530</u>      |
| <b>Surplus, beginning of year</b>                       | <u>2,493,620</u>    | <u>2,493,620</u>   | <u>2,353,090</u>    |
| <b>Surplus, end of year</b>                             | <u>\$ 2,673,194</u> | <u>\$ 186,130</u>  | <u>\$ 2,493,620</u> |

See accompanying notes to the financial statements

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Cumberland Water Utility Capital Fund Statement of Financial Position**  
*(Schedule 4)*  
**Year Ended March 31, 2024**

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| <b>Assets</b>                          |                      |                      |
| Cash                                   | \$ 585,628           | \$ 1,982,477         |
| Receivables                            |                      |                      |
| Due from capital reserves              | 41,669               | -                    |
| Due from general operating             | 911,033              | -                    |
| Due from water operating fund          | 2,774,246            | 632,432              |
| Other                                  | 3,341                | 4,441                |
|  | <u>4,315,917</u>     | <u>2,619,350</u>     |
| Tangible plant and equipment           | <u>41,060,028</u>    | <u>35,249,830</u>    |
|  | <u>\$ 45,375,945</u> | <u>\$ 37,869,180</u> |
| <b>Liabilities</b>                     |                      |                      |
| Accounts payable                       | \$ 72,438            | \$ 4,693             |
| Due to general operating               | -                    | 250,390              |
| Due to general capital                 | 3,492,893            | 260,796              |
| Accumulated allowance for depreciation | 3,016,748            | 2,490,974            |
| Deferred revenue                       | 820,667              | -                    |
| Long term debt                         | 840,015              | 1,010,045            |
|  | <u>8,242,761</u>     | <u>4,016,898</u>     |
| Investment in capital assets           | <u>37,131,184</u>    | <u>33,852,282</u>    |
|  | <u>\$ 45,373,945</u> | <u>\$ 37,869,180</u> |

**Cumberland Water Utility Capital Fund Statement of Utility Plant and Equipment**  
*(Schedule 5)*  
**Year Ended March 31, 2024**

|                                     | 2024                 | 2023                 |
|-------------------------------------|----------------------|----------------------|
| <b>Tangible plant and equipment</b> |                      |                      |
| Land and land rights                | \$ 2,237,442         | \$ 2,237,442         |
| Structures and improvements         | 12,589,392           | 12,397,550           |
| Equipment                           | 1,468,442            | 1,647,466            |
| Mains                               | 21,999,918           | 17,607,158           |
| Services                            | -                    | 332,551              |
| Meters                              | 541,610              | 541,610              |
| Hydrants                            | 1,019,242            | 409,845              |
| Vehicles                            | 152,500              | 76,208               |
| Assets under construction           | 1,051,482            | -                    |
|                                     | <u>\$ 41,060,028</u> | <u>\$ 35,249,830</u> |

**THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND**  
**Cumberland Water Utility Capital Fund Statement of Investment in Capital Assets**  
*(Schedule 6)*  
**Year Ended March 31, 2024**

|                                       | 2024                 | 2023                 |
|---------------------------------------|----------------------|----------------------|
| <b>Balance, beginning of year</b>     | <b>\$ 33,852,282</b> | <b>\$ 33,561,470</b> |
| Water operating fund                  | 2,245,362            | 80,464               |
| Term debt retired                     | 170,030              | 145,650              |
| ICIP Funding                          | 704,084              | -                    |
| Gas tax                               | 41,669               | 15,705               |
| Interest earned on depreciation funds | 117,764              | 49,025               |
| Bank charges                          | (7)                  | (32)                 |
| <b>Balance, end of year</b>           | <b>\$ 37,131,184</b> | <b>\$ 33,852,282</b> |