THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Consolidated Financial Statements

Year Ended March 31, 2023

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
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Year Ended March 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

Aimee Hirtle, CPA, CA
Director of Finance

Upper Nappan, Nova Scotia

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CHARTERED PROFESSIONAL ACCOUNTANTS
Member of The AC Group of Independent Accounting Firms

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INDEPENDENT AUDITOR'S REPORT

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, 2023, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets 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, 2023, 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 30-40 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.

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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
November 29, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Financial Position
March 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents *(Note 4)*	**$ 37,110,271**	$ 32,391,421
Taxes receivable, net of valuation allowances *(Note 5)*	**1,769,370**	1,758,713
Other receivables *(Note 6)*	**4,297,030**	4,464,545
Inventory held for resale	**33,958**	43,079
	43,210,629	38,657,758
FINANCIAL LIABILITIES		
Short term debt *(Note 7)*	**6,896,191**	995,176
Accounts payable and accrued liabilities *(Note 8)*	**3,609,441**	4,235,161
Other liabilities *(Note 9)*	**1,354,299**	3,420,543
Prepayment of taxes	**876,838**	748,815
Asset retirement obligation *(Note 10)*	**193,641**	-
Employee future benefits payable *(Note 11)*	**485,078**	486,692
Deferred revenue *(Note 12)*	**3,158,347**	2,006,544
Long term debt *(Note 13)*	**18,969,007**	20,191,067
	35,542,842	32,083,998
NET FINANCIAL ASSETS	**7,667,787**	6,573,760
NON-FINANCIAL ASSETS		
Prepaid expenses	**153,908**	106,164
Inventory	**398,406**	394,335
Tangible capital assets *(Note 14)*	**110,793,695**	107,895,171
	111,346,009	108,395,670
ACCUMULATED SURPLUS (Note 15)	**$119,013,795**	$114,969,429

COMMITMENTS *(Note 16)*

CONTINGENT LIABILITIES *(Note 17)*

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, 2023

	(Note 21) Budget 2023	**2023**	2022
REVENUES			
Taxes	$ 24,572,563	**$ 25,093,855**	$ 25,386,866
Grants in lieu of taxes	1,958,570	**1,974,490**	2,349,375
Long term care facilities	19,092,038	**21,966,975**	20,012,836
Other revenue from own sources	1,108,372	**1,833,875**	1,030,325
Conditional transfers	4,007,722	**2,362,784**	2,786,800
Unconditional transfers	1,879,594	**1,882,404**	3,417,536
Cumberland Joint Services Management Authority *(Note 18)*	-	**112,442**	1,077,368
Water utilities	1,575,377	**1,741,900**	1,589,724
Loss on disposal of assets	-	**(319)**	(687,365)
	54,194,236	**56,968,406**	56,963,465
EXPENSES			
General government	6,469,808	**5,058,974**	4,623,022
Protective services	9,239,461	**8,994,110**	8,280,011
Transportation services	2,543,780	**2,674,638**	2,514,216
Environmental health services	5,594,866	**5,504,917**	5,487,009
Public health and welfare	19,283,438	**20,559,090**	20,214,803
Environmental development	791,838	**716,611**	953,480
Recreation and culture	2,445,714	**2,096,180**	2,053,471
Education	4,981,965	**4,981,968**	4,907,052
Water utilities	2,057,704	**1,942,838**	1,892,664
	53,408,574	**52,529,326**	50,925,728
ANNUAL SURPLUS	$ 785,662	**$ 4,439,080**	$ 6,037,737

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, 2023

	2023	2022
ACCUMULATED SURPLUS - BEGINNING OF YEAR	**$114,969,429**	$108,931,692
ANNUAL SURPLUS	**4,439,080**	6,037,737
	119,408,509	114,969,429
CHANGE IN CONSOLIDATION RATE *(Note 18)*	**(394,714)**	-
ACCUMULATED SURPLUS - END OF YEAR	**$119,013,795**	$114,969,429

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2023

	(Note 21) Budget 2023	**2023**	2022
ANNUAL SURPLUS	$ 785,662	**$ 4,439,080**	$ 6,037,737
Acquisition of tangible capital assets *(Note 14)*	(8,711,944)	**(6,874,380)**	(4,365,610)
Amortization of tangible capital assets	3,443,223	**3,975,038**	3,916,871
Proceeds on disposal of tangible capital assets	-	**500**	2,510,856
Proceeds on disposal of intangible assets	-	**-**	603,600
Loss on disposal of assets	-	**319**	687,365
Decrease (increase) in prepaid expenses	-	**(47,744)**	15,674
Decrease (increase) in inventory	-	**(4,071)**	(30,539)
Change in consolidation rate	-	**(394,714)**	-
	(5,268,721)	**(3,345,052)**	3,338,217
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(4,483,059)	**1,094,028**	9,375,954
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR	6,573,759	**6,573,759**	(2,802,195)
NET FINANCIAL ASSETS - END OF YEAR	$ 2,090,700	**$ 7,667,787**	$ 6,573,759

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Cash Flows
Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Cash receipts from provincial and federal funding and residents	**$ 52,791,553**	$ 54,830,638
Cash receipts from sale of services	**4,152,073**	2,453,728
Cash from fundraisers and donations	**94,117**	79,774
Cash paid to suppliers and employees	**(51,603,651)**	(45,702,420)
Cash flow from operating activities	**5,434,092**	11,661,720
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	**(6,680,739)**	(4,365,610)
Proceeds on disposal of tangible capital assets	**500**	2,510,856
Government funding for tangible capital assets	**472,473**	-
Donations for tangible capital assets	**51,827**	-
Cash flow used by capital activities	**(6,155,939)**	(1,854,754)
INVESTING ACTIVITIES		
Change in restricted cash	**4,583,538**	(4,059,695)
Change in designated cash	**(5,648)**	(5,073,825)
	4,577,890	(9,133,520)
FINANCING ACTIVITIES		
Proceeds from capital financing	**870,077**	907,575
Proceeds from short term debt	**5,901,015**	752,904
Proceeds from long term financing	**3,430,270**	482,309
Repayment of short term debt	**-**	(170,356)
Repayment of long term debt	**(4,652,329)**	(1,255,823)
Cash receipts from Province of NS - debt repayment	**177,455**	219,852
Change in consolidation rate	**(285,791)**	-
Cash flow from financing activities	**5,440,697**	936,461
INCREASE IN CASH FLOW	**9,296,740**	1,609,907
Cash - beginning of year	**5,227,110**	3,617,203
CASH - END OF YEAR	**$ 14,523,850**	$ 5,227,110
CASH CONSISTS OF:		
Unrestricted / undesignated cash	**$ 14,523,850**	$ 5,227,110
Restricted cash *(Note 4)*	**10,611,833**	15,195,371
Designated cash *(Note 4)*	**11,974,588**	11,968,940
	$ 37,110,271	$ 32,391,421

See accompanying notes to the financial statements

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 54.90% (2022 - 60.36%) which is based on the County's use of the facility (Note 18).

Trust funds administered by the Municipality are not included in the financial statements (Note 19).

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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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, 2020, 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 2023 was $1,212,429 (2022 - $1,160,325) 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 11).

Asset retirement obligation

During the year the Municipality adopted the new 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)

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, 2023, 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)

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 impairments	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 2023 - $nil (2022- $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)

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 $240,458 (2022 - $216,740).

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)

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 Springhill, Parrsboro and Pugwash Water Utilities. Springhill, Parrsboro and Pugwash have 1,613, 721 and 196 customers respectively. These utilities operate water distribution and treatment facilities and related infrastructure.

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 2023 was $325,381 (2022 - $326,251) 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 $186,267 (2022 - $139,240) 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.

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 2023 the education contribution was $4,981,965 (2022 - $4,907,052).

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 2023 the Municipality of the County of Cumberland paid $310,762 (2022 - $314,337) 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 2023 the Municipality of the County of Cumberland paid $542,268 (2022 - $550,449) 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 2023 the Municipality of the County of Cumberland paid $242,814 (2022 - $231,693) to the province for road maintenance.

4. CASH AND CASH EQUIVALENTS

	2023	2022
Restricted cash and cash equivalents		
Tax sale surplus (Note 9)	**$ 275,944**	$ 268,300
Capital replacement	**275,060**	244,356
Springhill Community Centre	**255,557**	255,442
Gas tax reserves	**7,702,685**	6,313,528
CJSMA	**-**	2,549,459
Water Utility depreciation	**2,053,917**	2,004,902
Landfill proceeds (in trust)	**48,670**	3,559,384
	$ 10,611,833	$ 15,195,371

Restricted cash for capital replacement includes guaranteed investment certificates with maturity dates ranging from September 2023 to June 2024 and interest rates ranging from 1.1% to 4.5% (2022 maturity dates from May 2022 to March 2023 and interest rates ranging from 0.45% to 0.90%).

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	**$ 5,752,640**	$ 5,749,075
Operating reserves	**6,221,948**	6,219,865
	$ 11,974,588	$ 11,968,940

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 $5,540,786 (2022 - $5,538,391) and guaranteed investment certificates of $211,854 (2022 - $208,254) with maturity dates ranging from March 2023 to April 2024 and interest rates of 0.45% to 0.90% (2022 maturity dates from May 2022 to March 2023 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 15.

Unrestricted / undesignated cash	**$ 14,523,850**	$ 5,227,110
Total cash and cash equivalents	**$ 37,110,271**	$ 32,391,421

5. TAXES RECEIVABLE

	2023	2022
Beginning balance, taxes receivable	**$ 2,975,962**	$ 2,887,565
Tax levy - current year	**23,381,753**	22,915,603
Cash receipts and adjustments	**(23,337,584)**	(22,809,208)
Exemptions	**(488,340)**	(468,014)
Interest	**466,610**	450,016
Ending balances, taxes receivable	**2,998,401**	2,975,962
Valuation allowance	**(1,229,031)**	(1,217,249)
Net taxes receivable	**$ 1,769,370**	$ 1,758,713

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.

6. OTHER RECEIVABLES

	2023	2022
Federal Government and agencies	**$ 1,145,741**	$ 1,007,858
Provincial Government and agencies	**1,787,114**	1,998,029
Other receivables	**1,506,125**	1,581,976
Other municipal units	**18,926**	40,110
Valuation allowance	**(160,876)**	(163,428)
	$ 4,297,030	$ 4,464,545

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.

7. 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 balance outstanding at March 31, 2023 under this credit facility is $6,896,191 (2022 - $995,176).

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 (2022 - $nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts payable and accrued liabilities	**$ 1,816,482**	$ 2,300,176
Salaries and benefits	**841,356**	1,027,125
Accrued vacation and holiday pay	**951,603**	907,860
	$ 3,609,441	$ 4,235,161

9. OTHER LIABILITIES

	2023	2022
Due to Provincial Government and agencies	**$ 329,724**	$ 904,445
Due to Federal Government and agencies	**-**	171,113
Due to other municipal units	**23,543**	45
Tax sale surplus	**963,589**	268,300
Little Forks II landfill closure	**-**	665,700
Landfill Trust - proceeds of sale	**37,443**	1,410,940
	$ 1,354,299	$ 3,420,543

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 properly 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, $1,361 is to be transferred to the capital reserve in 2024 (2023 - $558).

The Municipality holds restricted cash of $275,943 (2022 - $268,300) 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.

Little Forks II landfill closure - In 2022 as a result of the sale of CJSMA assets to GFL Environmental Inc., the Municipality no longer has an obligation for post closure costs. The liability reflects only the cost to complete the closure of cells 1, 2A and 2B.

10. 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, 2023. 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 14).

Asset retirement obligations recognized as at March 31, 2023 include the following:

	Years Remaining	**2023 Present Value Cost**
Municipal Buildings		
Municipal Office	10	**$ 435**
Parrsboro Service Centre	38	**1,563**
Springhill Office/Police Station	20	**1,932**
		3,930
Other Buildings		
Springhill Fire Hall	6	**51,120**
Parrsboro Fire Hall	6	**2,278**
Cape D'Or Lightstation	30	**10,186**
Parrsboro Public Library	6	**3,547**
Parrsboro Park Recreation building	4	**8,992**
Parrsboro shower building	4	**4,261**
Comfort stations	4	**1,383**
Springhill Senior Citizens Recreation Centre	10	**16,763**
Isabel Simpson Heritage Centre	23	**7,964**
Old River Hebert School	10	**35,447**
Amherst Court House	25	**3,643**
Parrsboro Equipment Depot	8	**42,890**
Parrsboro Chlorination Building	10	**1,237**
		189,711
		$ 193,641

11. EMPLOYEE FUTURE BENEFITS PAYABLE

	2023	2022
Accrued sick leave	**$ 485,078**	$ 486,692

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 (2022 - $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 (2022 - $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 $259,478 (2022 - $261,092) 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.

12. DEFERRED REVENUE

	March 31, 2022	Receipts	Recognized as revenue	**March 31, 2023**
Restricted capital contributions - CSCC	$ 230,856	$ 35,311	$ -	**$ 266,167**
Donations - CSCC and Sunset	336,004	238,032	(254,972)	**319,064**
Continuing Care Innovation Grant - CSCC	245,405	262,770	(334,704)	**173,471**
Sustainable Service Growth Fund	-	1,172,415	-	**1,172,415**
Federal capital grant - Cape D'Or	50,000	-	-	**50,000**
Parrsboro playground	-	198,000	(32,240)	**165,760**
Provincial letter of intent - post transition	37,834	-	-	**37,834**
Provincial letter of intent - capital	829,971	-	(47,162)	**782,809**
Provincial capital grants - other	53,704	-	(51,958)	**1,746**
Provincial Clear the Deck funding	116,250	-	(116,250)	**-**
Other	106,520	238,875	(156,314)	**189,081**
	$ 2,006,544	$ 2,145,403	$ (993,600)	**$ 3,158,347**

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.

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 capital grant received by CSCC is from the N.S Department of Health for funding to replace facility components or for significant repairs.

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.

13. LONG TERM DEBT

	2023	2022
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 5 annual payments of $371,650 and one payment of $4,088,150. The loan matures in November 2028 and is unsecured.	**$ 5,946,400**	$ 6,318,050
NSMFC loan bearing interest at rates varying from 1.734% to 3.073% over the term of the loan, repayable in 4 annual payments of $360,000 and one payment of $3,960,000. The loan matures in November 2027 and is unsecured.	**5,400,000**	5,760,000
NSMFC loan bearing interest at rates varying from 3.847% to 4.177% over the term of the loan, repayable in 10 annual payments of $261,980 with interest paid semi-annually. The loan matures in October 2032 and is unsecured.	**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 $3,027,151.	**1,727,455**	1,820,168
NSMFC loan bearing interest at rates varying from 0.678% to 1.879% over the term of the loan, repayable in 3 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.	**1,341,260**	1,522,980
NSMFC loan bearing interest at rates varying from 2.575% to 3.290% over the term of the loan, repayable in 5 annual payments of $138,050 with interest paid semi-annually. The loan matures in May 2027 and is unsecured.	**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 8 annual payments of $24,115 and one payment of $265,274 with interest paid semi-annually. The loan matures in May 2031 and is unsecured.	**458,194**	482,309
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 $3,027,151	**364,091**	379,214
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 $3,027,150.	**215,515**	285,134
Micro Home promissory note with a limit of $200,000 bearing interest at 8% per annum, repayable in monthly blended payments of $800. The loan matures on January, 2028 and is secured by land and building with a net book value of $153,600.	**94,347**	-
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 unsecured.	**86,781**	102,502

(continues)

13. LONG TERM DEBT *(continued)*

	2023	2022
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 $22,792.	**24,919**	-
NSMFC loan bearing interest at rates varying from 3.847% to 4.177% was refinanced during the year.	**-**	2,530,000
NSMFC loan refinanced during the year.	**-**	828,300
NSMFC loan was repaid during the year.	**-**	147,529
NSMFC loan was repaid during the year.	**-**	7,600
Scotiabank loan was repaid during the year.	**-**	7,281
Amounts payable within one year	**-**	-
	$ 18,969,007	$ 20,191,067

Principal repayment terms are approximately:

2024	$ 1,551,600
2025	1,564,500
2026	1,582,600
2027	1,454,400
2028	5,135,500

14. TANGIBLE CAPITAL ASSETS

Cost	2022 Balance	Additions	Disposals	**2023 Balance**
Land and land improvements	$ 4,627,104	$ 306,449	$ -	**$ 4,933,553**
Long term care buildings	22,550,605	337,574	32,723	**22,855,456**
Municipal buildings	11,422,072	59,388	-	**11,481,460**
Joggins Fossil Centre	6,020,089	-	-	**6,020,089**
Fire protection facilities	4,439,595	-	-	**4,439,595**
Other buildings	1,248,786	189,711	-	**1,438,497**
Sanitary sewer systems	32,316,982	-	-	**32,316,982**
Water treatment plant	12,589,392	-	-	**12,589,392**
Fire protection vehicles	5,846,441	-	-	**5,846,441**
Vehicles	1,226,471	330,227	87,361	**1,469,337**
Machinery and equipment	7,339,433	1,143,048	-	**8,482,481**
Electronic data equipment	1,016,963	-	-	**1,016,963**
Streets and sidewalks	8,953,140	1,108,314	-	**10,061,454**
Traffic and street lights	1,494,675	-	-	**1,494,675**
Water mains and meters	18,255,720	-	-	**18,255,720**
Storm sewers	3,803,141	648,436	-	**4,451,577**
Fire hydrants	742,396	-	-	**742,396**
Assets under construction	1,498,961	2,751,233	-	**4,250,194**
	$145,391,966	$ 6,874,380	$ 120,084	**$152,146,262**

(continues)

14. TANGIBLE CAPITAL ASSETS *(continued)*

Accumulated Amortization	2022 Balance	Amortization	Accumulated Amortization on Disposals	**2023 Balance**
Land and land improvements	$ 132,501	$ 47,883	$ -	**$ 180,384**
Long term care buildings	7,311,493	566,674	31,905	**7,846,262**
Municipal buildings	3,273,137	299,979	-	**3,573,116**
Joggins Fossil Centre	2,107,030	150,502	-	**2,257,532**
Fire protection facilities	932,696	118,219	-	**1,050,915**
Other buildings	280,340	42,529	-	**322,869**
Sanitary sewer systems	9,454,269	838,300	-	**10,292,569**
Water treatment plant	985,474	166,287	-	**1,151,761**
Fire protection vehicles	4,857,117	362,245	-	**5,219,362**
Vehicles	837,780	132,610	87,361	**883,029**
Machinery and equipment	2,927,548	453,624	-	**3,381,172**
Electronic data equipment	971,792	8,515	-	**980,307**
Streets and sidewalks	2,011,102	363,536	-	**2,374,638**
Traffic and street lights	149,468	149,468	-	**298,936**
Water mains and meters	875,291	181,935	-	**1,057,226**
Storm sewers	302,054	79,357	-	**381,411**
Fire hydrants	87,703	13,375	-	**101,078**
Assets under construction	-	-	-	**-**
	$ 37,496,795	$ 3,975,038	$ 119,265	**$ 41,352,567**

Net Book Value	**2023**	2022
Land and land improvements	**$ 4,753,169**	$ 4,494,603
Long term care buildings	**15,009,194**	15,239,112
Municipal buildings	**7,908,344**	8,148,935
Joggins Fossil Centre	**3,762,557**	3,913,059
Fire protection facilities	**3,388,680**	3,506,899
Other buildings	**1,115,628**	968,446
Sanitary sewer systems	**22,024,413**	22,862,713
Water treatment plant	**11,437,631**	11,603,918
Fire protection vehicles	**627,079**	989,324
Vehicles	**586,308**	388,691
Machinery and equipment	**5,101,309**	4,411,885
Electronic data equipment	**36,656**	45,171
Streets and sidewalks	**7,686,816**	6,942,038
Traffic and street lights	**1,195,739**	1,345,207
Water mains and meters	**17,198,494**	17,380,429
Storm sewers	**4,070,166**	3,501,087
Fire hydrants	**641,318**	654,693
Assets under construction	**4,250,194**	1,498,961
	$110,793,695	$107,895,171

15. ACCUMULATED SURPLUS

	2023	2022
Capital reserves		
Gas tax	**$ 6,283,670**	$ 6,321,848
Parrsboro sewer	**2,578,636**	2,584,335
CJSMA - Little Forks II Landfill	**-**	1,879,283
Unappropriated	**1,444,303**	1,571,914
CJSMA equipment	**-**	563,523
Landfill Proceeds	**4,117,329**	-
Springhill Community Centre	**474,992**	466,050
Sunset equipment	**-**	104,501
Capital reserves	**14,898,930**	13,491,454
Operating reserves		
Unappropriated	**2,391,654**	3,026,993
Springhill area rate	**1,792,654**	2,053,822
Sewer purposes	**821,123**	684,265
Economic development	**333,316**	322,526
School enhancement	**243,226**	235,353
Solid waste	**236,863**	229,196
Street light reserve	**142,509**	54,175
Public open space	**102,821**	73,607
Springhill streets	**100,040**	96,855
Solar Reserve	**82,352**	-
Fire purposes	**74,340**	71,934
Parrsboro area rate	**53,707**	87,992
Elections	**43,898**	21,250
CSCC donations reserve	**21,513**	17,834
Glooscap Park	**14,844**	14,371
CJSMA	**-**	143,053
Operating reserves	**6,454,860**	7,133,226
Total reserves	**21,353,790**	20,624,680
Unreserved		
County	**91,691,323**	88,474,389
CJSMA	**64,207**	1,799,653
Sunset	**3,778,298**	2,423,733
CSCC	**2,126,177**	1,646,974
Total unreserved	**97,660,005**	94,344,749
Accumulated surplus	**$119,013,795**	$114,969,429

16. 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 total contribution from the Municipality of Cumberland is $2,577,530 plus HST.

17. 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, 2023, management believes it is not exposed to material, adverse impact on its financial position as a result of any such claims.

18. CUMBERLAND JOINT SERVICES MANAGEMENT

Supplementary information:

	2023 CJSMA Total	**Proportionate Consolidation 2023 54.898%**	2022 CJSMA Total	Proportionate Consolidation 2022 60.36%
Financial assets	$ 121,343	**$ 66,615**	$ 8,786,537	$ 5,303,554
Financial liabilities	4,386	**2,408**	1,520,944	918,042
Accumulated surplus	116,957	**64,207**	7,265,593	4,385,512
Total revenue	204,820	**112,442**	3,604,916	2,175,927
Total expense	(142,620)	**(78,296)**	4,358,478	2,630,777
Net operating results	347,440	**190,738**	(753,562)	(454,850)

Included on the statement of financial position and the statement of operations of CJSMA are receivables of $nil (2022 - $10,150) and revenue of $nil (2022 - $820,012) from the Municipality. These balances have been eliminated in the above proportionate consolidation.

19. TRUSTS UNDER ADMINISTRATION

At March 31, 2023, the balance of funds held in trusts under administration was $301,233 (2022 - $284,287).

20. COMPARATIVE FIGURES

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

21. 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.

	2023
Revenue	
County approved general operating	$ 33,913,885
County approved reserves	1,208,786
County approved capital	8,711,944
County approved Parrsboro water utility operating	422,405
County approved Parrsboro water utility capital	97,152
County approved Pugwash water utility	1,678,686
Sunset approved operating	11,512,685
CSCC approved operating	7,579,353
	65,124,896
Remove inter-entity and inter-fund transactions	(1,445,970)
Remove transfers from reserves for operating	(1,802,194)
Remove transfers from reserves for capital funding	(5,015,904)
Remove transfers from revenue for capital funding	(590,408)
Remove debt for capital funding	(750,000)
Remove collections for other governments	(470,000)
Remove tax exemptions	(242,069)
Remove inter-entity debt repayment	(614,115)
Revenue budget per consolidated financial statements	**$ 54,194,236**
Expenses	
County approved general operating	$ 33,913,885
County approved Springhill water utility	481,346
County approved Parrsboro water utility	241,057
County approved Pugwash water utility	1,538,603
Sunset approved operating	11,512,685
CSCC approved operating	7,377,040
	55,064,616
Add amortization for County operating	2,809,475
Remove inter-entity and inter-fund transactions	(2,060,083)
Remove loan principal repayments	(726,549)
Remove reserve appropriations	(466,816)
Remove capital appropriations	(500,000)
Remove transmission of taxes collected for other governments	(470,000)
Remove tax exemptions	(242,069)
Expense budget per consolidated financial statements	**$ 53,408,574**

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

22. 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 Earnings	Expenses	Hospitality
Murray Scott - Mayor	$ 43,078	$ 2,320	$ -
Kathleen Redmond - Councillor	24,375	3,663	-
Roderick Gilroy - Councillor	25,577	81	-
Carrie Goodwin - Councillor	25,577	1,200	-
Frederick Gould - Councillor	26,294	180	-
Jennifer Houghtaling - Deputy Mayor/ Councillor	28,291	5,635	-
Mark Joseph - Councillor/ Deputy Mayor	26,655	1,819	-
Angela McCormick - Councillor	27,040	1,564	-
Dale Porter - Councillor	25,577	408	-
Gregory Herrett - CAO	224,644	10,382	-
	$ 477,108	$ 27,252	$ -

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Segmented Disclosure
(Schedule 1)
Year ended, March 31, 2023

	Budget	General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health and Welfare	Environmental Development	Recreation and Culture	Education	Water Utility	Total 2023	Total 2022
Revenue												
Taxes	**24,572,563**	23,776,200	-	83,256	1,234,399	-	-	-	-	-	**$ 25,093,855**	25,386,866
Grants in lieu of taxes	**1,958,570**	1,974,490	-	-	-	-	-	-	-	-	**1,974,490**	2,349,375
Long term care facilities	**19,092,038**	-	-	-	-	21,966,975	-	-	-	-	**21,966,975**	20,012,836
Other revenue from own sources	**1,108,372**	1,378,549	100,743	5,841	67,072	-	29,450	203,196	-	49,023	**1,833,875**	1,030,325
Conditional transfers	**4,007,722**	1,507,430	-	-	-	-	25,770	829,585	-	-	**2,362,784**	2,786,800
Unconditional transfers	**1,879,594**	1,882,404	-	-	-	-	-	-	-	-	**1,882,404**	3,417,536
Cumberland Joint Services Management Authority (Note 18)	**-**	-	-	-	112,442	-	-	-	-	-	**112,442**	1,077,368
Water utility	**1,575,377**	-	-	-	-	-	-	-	-	1,741,900	**1,741,900**	1,589,724
Gain on disposal of assets		-	-	-	-	(319)	-	-	-	-	**(319)**	(687,365)
	54,194,236	30,519,072	100,743	89,097	1,413,914	21,966,656	55,220	1,032,781	-	1,790,923	**56,968,406**	56,963,465
Expenses												
Advertising and promotion	**87,201**	54,665	2,830	319	-	-	3,624	913	-	-	**62,351**	80,122
Bad debts	**187,200**	34,200	-	-	-	-	-	-	-	-	**34,200**	143,323
Amortization	**3,226,009**	85,856	572,398	646,168	1,015,183	-	92,842	440,602	-	413,912	**3,266,961**	3,216,908
Contracted services	**4,829,043**	191,154	419,408	48,057	3,129,560	-	30,706	82,231	-	35,687	**3,936,803**	2,453,460
Goods and service from public sector	**11,567,904**	542,268	5,481,078	242,814	-	325,380	-	186,267	4,981,968	-	**11,759,775**	12,066,288
Grants and transfer to organizations	**915,866**	774,332	143,046	-	-	-	102,464	24,739	-	-	**1,044,582**	1,043,285
Insurance	**615,815**	94,006	390,234	47,657	22,082	-	1,054	45,897	-	52,614	**653,544**	489,119
Interest on long term debt	**528,538**	3,364	-	878	223,877	259,326	-	-	-	37,140	**524,586**	552,605
Interest on short term debt	**5,000**	1,585	-	-	-	-	-	-	-	2,004	**3,589**	64
Leases	**23,000**	24,277	-	-	-	-	-	-	-	-	**24,277**	24,430
Long-term care facilities	**18,889,725**	-	-	-	-	19,974,383	-	-	-	-	**19,974,383**	19,621,396
Materials, goods and supplies	**2,722,364**	492,123	524,737	628,663	258,432	-	29,797	182,734	-	394,886	**2,511,371**	2,085,261
Other expenses	**20,751**	22,098	10,201	-	-	-	-	39	-	105	**32,443**	17,570
Professional services	**636,686**	423,598	35,602	22,944	4,374	-	3,129	3,627	-	61,147	**554,420**	386,703
Salaries and benefits	**7,470,332**	2,064,438	949,056	865,802	714,027	-	445,027	909,633	-	765,581	**6,713,564**	6,794,596
Solid waste facility	**-**	-	-	-	(78,296)	-	-	-	-	-	**- 78,296**	481,014
Travel and professional development	**302,223**	79,670	81,775	14,607	4,841	-	4,922	16,209	-	3,020	**205,044**	131,898
Utilities	**1,380,917**	171,341	383,745	156,729	210,838	-	3,046	203,288	-	176,742	**1,305,729**	1,337,686
Total	**53,408,574**	**5,058,974**	**8,994,110**	**2,674,638**	**5,504,917**	**20,559,090**	**716,611**	**2,096,180**	**4,981,968**	**1,942,838**	**52,529,326**	**50,925,728**
Annual Surplus (Deficit)	**$785,662**	**$25,460,098**	**$(8,893,367)**	**$(2,585,541)**	**$(4,091,003)**	**$1,407,566**	**$(661,391)**	**$(1,063,399)**	**$(4,981,968)**	**$(151,915)**	**$4,439,080**	**$6,037,737**

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Parrsboro Water Utility Operating Fund Statement of Financial Position

(Schedule 2)

Year Ended March 31, 2023

	2023	2022
Assets		
Cash	**$ 538,526**	$ 748,891
Receivables		
Water rates	**12,212**	4,674
Due from General Capital Fund	**62,524**	62,524
Due from General Operating Fund	**45,605**	-
Inventory not held for resale	**7,277**	8,791
	$ 666,144	$ 824,880
Liabilities		
Accounts payable and accrued liabilities	**$ 14,949**	$ 68,456
Prepaid water rates	**14,662**	13,075
Due to General Operating	**-**	107,696
Due to Water Capital Fund	**249,791**	134,684
	279,402	323,911
Accumulated surplus	**386,742**	500,969
	$ 666,144	$ 824,880

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Parrsboro Water Utility Operating Fund Statement of Operations

(Schedule 3)

Year Ended March 31, 2023

	Budget 2023	**Total 2023**	Total 2022
Operating revenues			
Flat rate sales	$ 295,065	**$ 291,499**	$ 295,038
Public fire protection	118,340	**118,340**	118,340
Other	4,100	**19,639**	9,102
Sprinkler service	3,200	**1,000**	2,050
Interest	1,700	**2,461**	1,547
	422,405	**432,939**	426,077
Operating expenditures			
Source of supply	4,000	**2,725**	710
Power and pumping	12,000	**13,891**	11,759
Water treatment	104,962	**96,617**	69,990
Transmission and distribution	156,245	**153,360**	181,705
Administration and general	77,645	**77,976**	139,229
Depreciation	115,104	**115,107**	114,195
Taxes	11,390	**11,283**	11,346
	481,346	**470,959**	528,934
Net operating loss	(58,941)	**(38,020)**	(102,857)
Non-operating expenditures			
Capital expenditures out of revenue	-	76,209	9,032
Deficiency of revenue over expenditures	$ (58,941)	**$ (114,229)**	$ (111,889)

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Parrsboro Water Utility Capital Fund Statement of Financial Position

(Schedule 4)

Year Ended March 31, 2023

	2023	2022
Assets		
Cash	**$ 282,360**	$ 292,461
Due from General Capital Fund	**31,968**	108,177
Due from Water Operating Fund	**249,791**	134,684
	564,119	535,322
Tangible plant and equipment	**4,640,068**	5,645,669
	$ 5,204,187	$ 6,180,991
Liabilities		
Short term debt	**$ 30,341**	$ -
Accounts payable	**4,692**	5,087
Due to General Operating Fund	**422,450**	512,270
Accumulated allowance for depreciation	**595,368**	1,604,185
	1,052,851	2,121,542
Investment in capital assets	**4,151,336**	4,059,449
	$ 5,204,187	$ 6,180,991

Parrsboro Water Utility Capital Fund Statement of Utility Plant and Equipment

(Schedule 5)

Year Ended March 31, 2023

	2023	2022
Tangible plant and equipment		
Land and land rights	**$ 148,546**	$ 148,546
Structures and improvements	**819,621**	1,086,461
Equipment	**228,574**	591,005
Mains	**2,814,137**	3,171,818
Services	**18,143**	18,143
Meters	**414,328**	414,328
Hydrants	**120,511**	215,368
Vehicles	**76,208**	-
	$ 4,640,068	$ 5,645,669

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Parrsboro Water Utility Capital Fund Statement of Investment in Capital Assets

(Schedule 6)

Year Ended March 31, 2023

	2023	2022
Balance, beginning of year	**$ 4,059,450**	$ 3,898,704
Water operating fund	**76,209**	9,035
Gas tax	**15,705**	151,769
Bank charges	**(28)**	(59)
Balance, end of year	**$ 4,151,336**	$ 4,059,449

Pugwash Water Utility Operating Fund Statement of Financial Position

(Schedule 7)

Year Ended March 31, 2023

	2023	2022
Assets		
Cash	**$ -**	$ 19,917
Receivables		
Water rates	**36,010**	4,953
Inventory not held for resale	**7,678**	-
	$ 43,688	$ 24,870
Liabilities		
Short term debt	**$ 101,212**	$ -
Accounts payable and accrued liabilities	**11,061**	8,819
Prepaid water rates	**287**	399
Due to General Operating Fund	**408,187**	427,843
Due to Water Capital	**127,885**	91,694
	648,632	528,755
Accumulated deficit	**(604,944)**	(503,885)
	$ 43,688	$ 24,870

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Pugwash Water Utility Operating Fund Statement of Operations (Schedule 8)
Year Ended March 31, 2023

	Budget 2023	**Actual 2023**	Actual 2022
Operating Revenue			
Metered sales	$ 95,652	**$ 163,024**	$ 94,107
Other	500	**420**	480
Interest	1,000	**643**	931
	97,152	**164,087**	95,518
Operating expenditures			
Source of supply	7,000	**3,461**	7,843
Treatment	134,872	**144,509**	110,174
Transmission and distribution	3,478	**46,971**	25,462
Administration and general	28,715	**25,168**	19,870
Depreciation	38,992	**36,191**	36,191
	213,057	**256,300**	199,540
Non-operating expenditures			
Interest	-	**8,845**	-
Deficiency of revenue over expenditures	$ (115,905)	**$ (101,058)**	$ (104,022)

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Pugwash Water Utility Capital Fund Statement of Financial Position
(Schedule 9)
Year Ended March 31, 2023

	2023	2022
Assets		
Due from Water Operating Fund	**$ 127,885**	$ 91,694
Due from General Operating Fund	**329,674**	9,879
	457,559	101,573
Tangible plant and equipment	**16,869,049**	16,869,049
	$ 17,326,608	$ 16,970,622
Liabilities		
	$ -	$ -
Short term debt	**9,897**	9,893
Due to General Capital Fund	**300,456**	300,456
Accumulated allowance for depreciation	**122,283**	86,093
Long term debt	**319,795**	-
	752,431	396,442
Investment in capital assets	**16,574,177**	16,574,180
	$ 17,326,608	$ 16,970,622

Pugwash Utility Water Capital Fund Statement of Utility Plant and Equipment
(Schedule 10)
Year Ended March 31, 2023

	2023	2022
Tangible plant and equipment		
Land and land rights	**$ 2,086,071**	$ 2,086,071
Structures and improvements	**4,564,104**	4,564,104
Equipment	**1,004,953**	1,004,953
Mains	**9,124,686**	9,124,686
Meters	**89,235**	89,235
	$ 16,869,049	$ 16,869,049

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND

Pugwash Water Utility Capital Fund Statement of Investment in Capital Assets

(Schedule 11)

Year Ended March 31, 2023

	2023	2022
Balance, beginning of year	**$ 16,574,180**	$ 16,568,582
Asset write down	**-**	5,598
Bank charges	**(3)**	-
Gas tax	**-**	-
Balance, end of year	**$ 16,574,177**	$ 16,574,180

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Springhill Water Utility Operating Fund
Statement of Financial Position
(Schedule 12)
As at March 31, 2023

	2023	2022
Assets		
Cash	**$ 1,719,725**	$ 2,222,765
Receivables		
Water rates (net of allowance $nil; 2022 - $nil)	**92,289**	110,865
Due from General Operating Fund	**1,107,616**	13,227
Inventory not held for resale	**129,156**	119,183
Prepaid expenses	**5,000**	-
	$ 3,053,786	$ 2,466,040
Liabilities		
Accounts payable and accrued liabilities	**$ 48,085**	$ 68,390
Prepayment of water rates	**41,124**	35,513
Due to Water Capital Fund	**254,756**	6,132
	343,965	110,035
Accumulated surplus	**2,711,821**	2,356,005
	$ 3,055,786	$ 2,466,040

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Springhill Water Utility Operating Fund
Statement of Operations
(Schedule 13)
Year Ended March 31, 2023

	Budget 2023	**Actual 2023**	Actual 2022
Operating revenue			
Metered sales	$ 306,862	**$ 306,425**	$ 325,919
Flat rate sales	876,569	**876,943**	876,722
Public fire protection	478,611	**478,611**	478,611
Sprinkler service	3,600	**4,600**	4,800
Interest	9,685	**8,512**	9,148
Other	3,359	**82,717**	3,484
	1,678,686	**1,757,808**	1,698,684
Operating expenditures			
Source of Supply	6,000	**-**	-
Power and pumping	31,100	**28,649**	31,040
Water treatment	545,716	**476,685**	468,398
Transmission and distribution	298,745	**260,632**	265,000
Administration and general	169,211	**161,210**	113,230
Depreciation	262,438	**262,614**	263,366
Taxes	45,307	**33,109**	41,531
	1,358,517	**1,222,899**	1,182,565
Net operating income	320,169	**534,909**	516,119
Non-operating expenditures			
Debt Charges			
Principal	145,650	**145,650**	145,650
Interest	34,436	**29,189**	40,971
Capital from revenue	-	**4,255**	49,103
	180,086	**179,094**	235,724
Excess of revenue over expenditures	$ 140,083	**$ 355,815**	$ 280,395

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Springhill Water Utility Capital Fund
Statement of Financial Position
(Schedule 14)
As at March 31, 2023

	2023	2022
Assets		
Cash	**$ 1,771,558**	$ 1,724,163
Receivables, other	**4,441**	5,552
Due from Water Operating Fund	**254,756**	6,132
Due from General Capital Fund	**7,691**	7,691
	2,038,446	1,743,538
Tangible plant and equipment	**13,740,713**	16,297,427
	$ 15,779,159	$ 18,040,965
Liabilities		
Short term debt	**$ 31,203**	$ -
Payable and accrued liabilities	**-**	28,563
Accumulated allowance for depreciation	**1,773,323**	4,078,024
Due to General Operating Fund	**157,614**	170,638
Long term debt	**690,250**	835,900
	2,652,390	5,113,125
Investment in capital assets	**13,126,769**	12,927,840
	$ 15,779,159	$ 18,040,965

Springhill Water Utility Capital Fund
Statement of Utility Plant and Equipment
(Schedule 15)
As at March 31, 2023

	2023	2022
Tangible plant and equipment		
Land and land rights	**$ 2,825**	$ 2,825
Structures and improvements	**7,013,825**	8,162,273
Equipment	**413,939**	573,686
Mains	**5,668,335**	6,714,111
Services	**314,408**	405,842
Meters	**38,047**	63,372
Hydrants	**289,334**	375,318
	$ 13,740,713	$ 16,297,427

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Springhill Water Utility Capital Fund
Statement of Investment in Capital Assets
(Schedule 16)
As at March 31, 2023

	2023	2022
Balance, beginning of year	**$ 12,927,840**	$ 12,730,986
Term debt retired	**145,650**	145,650
Interest earned on depreciation funds	**49,024**	2,101
Transfer from Water Operating	**4,255**	49,103
Transfer from General Operating Reserve	**-**	-
	155,582	104,509
Balance, end of year	**$ 13,126,769**	$ 12,927,840

See accompanying notes to the financial statements