

Non-consolidated financial statements

(Unaudited – see advisory to readers)

Municipality of the County of Victoria

March 31, 2020

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Advisory to readers

The Municipality of the County of Victoria prepares both consolidated and non-consolidated financial statements.

Non-consolidated financial statements are prepared to show the details of the individual funds managed by the Municipality. In particular, they provide information as to how each of the funds performed compared to the approved Operating Budget of the Municipality. For all other purposes, readers are advised to refer to the consolidated financial statements that have been audited.

These non-consolidated financial statements have not been audited. The non-consolidated financial statements are not presented in full accordance with Canadian generally accepted accounting principles.

Municipality of the County of Victoria

General section

Non-consolidated operating fund balance sheet

(Unaudited – see advisory to readers)

March 31 2020 2019

Assets

Cash	<u>\$ 2,386,589</u>	<u>\$ 3,028,913</u>
Receivables		
Taxes (note 3)	1,104,310	1,250,042
Other (note 4)	<u>1,139,588</u>	<u>1,554,381</u>
	<u>2,243,898</u>	<u>2,804,423</u>
Tangible assets		
Properties acquired at tax sale	<u>71,964</u>	<u>71,964</u>
Deferred charges		
Prepays	<u>76,772</u>	<u>855</u>
	<u>\$ 4,779,223</u>	<u>\$ 5,906,155</u>

Liabilities and operating equity

Payables		
Due to operating reserve	\$ 885,580	\$ 2,369,125
Due to capital reserve	1,013,441	974,733
Trade accounts	<u>2,408,795</u>	<u>1,918,372</u>
	<u>4,307,816</u>	<u>5,262,230</u>
Other liabilities		
Due to the Village of Baddeck (note 6)	-	126,233
Prepayment of taxes	340,416	300,692
Tax sale surplus	<u>130,991</u>	<u>217,000</u>
	<u>471,407</u>	<u>643,925</u>
Operating surplus	<u>-</u>	<u>-</u>
	<u>\$ 4,779,223</u>	<u>\$ 5,906,155</u>

Commitments and contingencies (note 9)

On behalf of the Municipality of the County of Victoria

_____ Warden _____ CAO

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

General section

Non-consolidated statement of operations

(Unaudited – see advisory to readers)

Year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule A)			
Taxes (page 7)	\$ 9,257,453	\$ 9,163,496	\$ 9,044,689
Grants in lieu of taxes (page 8)	1,844,639	1,847,677	1,718,335
Services provided to other governments (page 8)	51,438	58,898	56,899
Other revenue from own sources (page 8)	880,100	869,590	958,584
Transfers from other governments (page 9)	733,304	369,690	232,458
Collections for other governments (page 9)	<u>254,381</u>	<u>238,217</u>	<u>234,622</u>
	<u>13,021,315</u>	<u>12,547,568</u>	<u>12,245,587</u>
Expenses (Schedule B)			
General government services (page 10)	2,789,895	2,620,118	2,618,709
Protective services (page 11)	2,744,885	2,758,102	2,671,865
Transportation services (page 11)	403,815	399,282	384,258
Environmental health services (page 11)	2,618,104	2,872,558	2,511,245
Economic development services (page 12)	127,000	116,691	128,250
Recreation and cultural services (page 12)	548,640	354,680	309,141
Fiscal services (page 13)	3,531,221	3,186,995	3,176,537
Water utility (page 13)	40,000	8,686	2,101
Transfer to own reserves (page 13)	<u>217,000</u>	<u>230,456</u>	<u>443,481</u>
	<u>13,020,560</u>	<u>12,547,568</u>	<u>12,245,587</u>
Annual surplus	<u>\$ 755</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

General section

Non-consolidated statement of operating fund surplus

(Unaudited – see advisory to readers)

Year ended March 31 2020 2019

Operating fund surplus, beginning of year	\$ -	\$ -
Transfer to current operations	-	-
Annual surplus	<u>-</u>	<u>-</u>
Operating fund surplus, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria
General section
Non-consolidated general capital fund balance
sheet

(Unaudited – see advisory to readers)

March 31

2020

2019

Assets

Property and equipment

\$ 6,161,580

\$ 5,924,419

Equity

Investment in capital assets (page 6)

\$ 6,161,580

\$ 5,924,419

On behalf of the Municipality of the County of Victoria

_____ Warden _____ CAO

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria
General section
Non-consolidated statement of investment in
capital assets

(Unaudited – see advisory to readers)

Year ended March 31 2020 2019

Balance, beginning of year	\$ 5,924,419	\$ 5,329,273
Repayment of long term debt	-	75,000
Decrease in debt charges receivable	-	(44,000)
Transfer from capital out of revenue	-	232,000
Capital out of revenue	<u>237,161</u>	<u>332,146</u>
Balance, end of year	<u>\$ 6,161,580</u>	<u>\$ 5,924,419</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

General section

Schedule A - details of revenue

(Unaudited – see advisory to readers)

Year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Taxes			
Assessable property			
Residential	\$ 6,665,183	\$ 6,647,034	\$ 6,382,586
Commercial			
Based on taxable assessment	1,211,301	1,127,982	1,265,966
Resource			
Based on taxable assessment	1,112,269	1,100,338	1,102,408
Forest property tax	<u>13,700</u>	<u>13,761</u>	<u>13,051</u>
	<u>9,002,453</u>	<u>8,889,115</u>	<u>8,764,011</u>
Business property			
Based on revenue – Aliant Inc.	<u>65,000</u>	<u>54,598</u>	<u>68,770</u>
Other			
Deed transfer tax	<u>190,000</u>	<u>219,783</u>	<u>211,908</u>
	<u>\$ 9,257,453</u>	<u>\$ 9,163,496</u>	<u>\$ 9,044,689</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

General section

Schedule A - details of revenue (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Grants in lieu of taxes			
Federal government	\$ 275,887	\$ 249,657	\$ 197,124
Provincial government			
Crown timber lands	148,124	148,148	148,124
Provincial property	114,057	143,027	124,123
Farm acreage	13,496	13,496	13,447
Provincial government agencies			
Nova Scotia Liquor Commission	15,000	15,274	15,691
Nova Scotia Power Inc.	1,278,075	1,278,075	1,219,826
	<u>\$ 1,844,639</u>	<u>\$ 1,847,677</u>	<u>\$ 1,718,335</u>
Services provided to other governments			
Solid waste collection and policing services			
- Inverness County	\$ 26,000	\$ 32,900	\$ 31,700
Commission on taxes – Village of Baddeck	25,438	25,998	25,199
	<u>\$ 51,438</u>	<u>\$ 58,898</u>	<u>\$ 56,899</u>
Other revenue from own sources			
Licenses and permits	\$ 2,000	\$ 1,100	\$ 1,375
Rentals	5,000	1,005	9,423
Debt charge recoveries	-	-	45,074
Interest on investments	36,000	94,090	74,214
Interest on taxes	160,000	146,364	150,496
Recycling and landfill tipping fees	669,600	624,476	651,056
Miscellaneous	7,500	2,555	26,946
	<u>\$ 880,100</u>	<u>\$ 869,590</u>	<u>\$ 958,584</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

General section

Schedule A - details of revenue (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transfers from other governments			
Provincial government			
Active living program	\$ 27,000	\$ 5,000	\$ 29,930
Access facilities	12,000	-	4,930
Physical activity initiatives	-	-	3,215
Tourism initiatives	174,004	109,000	42,000
Miscellaneous	35,000	60,334	6,023
PCAP funding	-	-	15,071
ASTP funding	9,000	-	10,000
Special events	2,300	1,770	1,550
Fuel tax rebate	15,000	-	-
Department of Municipal Affairs			
HST offset grant	25,000	27,988	28,252
Gas tax revenue	440,000	130,359	66,696
Department of Justice			
Fines	<u>6,000</u>	<u>35,239</u>	<u>29,721</u>
	<u>\$ 733,304</u>	<u>\$ 369,690</u>	<u>\$ 232,458</u>
Collections for other governments			
Village of Baddeck	<u>\$ 254,381</u>	<u>\$ 238,217</u>	<u>\$ 234,622</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

General section

Schedule B - details of expenses

(Unaudited – see advisory to readers)

Year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Council stipend	\$ 207,993	\$ 228,290	\$ 191,281
Other legislative services	<u>55,850</u>	<u>43,525</u>	<u>59,713</u>
	<u>263,843</u>	<u>271,815</u>	<u>250,994</u>
Administrative			
Administrative	873,622	962,799	970,285
Financial management	175,270	188,784	163,767
Taxation			
Administration	188,120	198,273	178,539
Reduced taxes	112,000	98,527	119,083
Tax sales and other	72,000	110,195	94,192
Common services	<u>250,040</u>	<u>257,700</u>	<u>235,641</u>
	<u>1,671,052</u>	<u>1,816,278</u>	<u>1,761,507</u>
Other general government services			
Memberships and training	43,000	39,522	44,130
Election expenses	-	516	-
Information technology	60,000	58,592	56,285
Grants to organizations	377,000	370,743	352,026
Other	205,000	56,717	131,058
Hospital funding	20,000	5,935	22,709
Broadband funding	<u>150,000</u>	<u>-</u>	<u>-</u>
	<u>855,000</u>	<u>532,025</u>	<u>606,208</u>
	<u>\$ 2,789,895</u>	<u>\$ 2,620,118</u>	<u>\$ 2,618,709</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

General section

Schedule B - details of expenses (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protective services			
Fire protection			
Insurance for volunteers	\$ 14,025	\$ 36,284	\$ 14,025
Public fire protection	372,329	371,000	307,500
Fire fighting force	<u>526,370</u>	<u>532,300</u>	<u>541,061</u>
	<u>912,724</u>	<u>939,584</u>	<u>862,586</u>
Other protection			
Dog control	43,630	40,794	47,393
Protective inspection	<u>183,136</u>	<u>182,092</u>	<u>181,996</u>
	<u>226,766</u>	<u>222,886</u>	<u>229,389</u>
Law enforcement			
Police protection - RCMP	1,589,395	1,589,396	1,573,764
Prosecutorial services	<u>16,000</u>	<u>6,236</u>	<u>6,126</u>
	<u>1,605,395</u>	<u>1,595,632</u>	<u>1,579,890</u>
	<u>\$ 2,744,885</u>	<u>\$ 2,758,102</u>	<u>\$ 2,671,865</u>
Transportation services			
Road transport			
Road contribution	\$ 133,515	\$ 133,515	\$ 130,902
Street lighting	240,000	229,942	213,724
Sidewalks and other	<u>30,300</u>	<u>35,825</u>	<u>39,632</u>
	<u>\$ 403,815</u>	<u>\$ 399,282</u>	<u>384,258</u>
Environmental health services			
Waste collection and disposal			
Administration	\$ 235,842	\$ 227,438	\$ 149,742
Waste collection operations	707,827	872,798	669,988
Landfills, transfer stations	<u>1,674,435</u>	<u>1,772,322</u>	<u>1,691,515</u>
	<u>\$ 2,618,104</u>	<u>\$ 2,872,558</u>	<u>\$ 2,511,245</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

General section

Schedule B - details of expenses (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Economic development services			
Community economic development	\$ 127,000	\$ 116,691	\$ 128,250
Recreation and cultural services			
Recreation			
Administration	\$ 72,500	\$ 64,429	\$ 70,587
Recreation programs	50,500	34,529	50,719
Active living program	92,566	50,147	91,767
Tourism	299,980	173,906	63,440
Cultural			
Heritage	33,094	31,669	32,628
	<u>\$ 548,640</u>	<u>\$ 354,680</u>	<u>\$ 309,141</u>
Fiscal services			
Debt charge			
Interest on short term borrowings	\$ 13,000	\$ 6,027	\$ 12,862
Debenture interest	-	-	1,831
Debenture principal	-	-	75,000
	<u>13,000</u>	<u>6,027</u>	<u>89,693</u>
Transfers to own allowances, funds, and agencies			
Baddeck sewer upgrade	<u>21,113</u>	<u>-</u>	<u>21,113</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

General section

Schedule B - details of expenses (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Fiscal services (continued)			
Conditional transfers to other governments and agencies			
Assessment cost recovery	223,076	223,075	219,798
Protective services			
Municipal corrections contributions	134,204	134,204	134,683
Public health and welfare services			
Cape Breton Island Housing Authority	45,000	38,623	36,493
Recreation, cultural and education services			
Cape Breton-Victoria Regional Centre for Education	2,326,347	2,326,347	2,286,976
Libraries	70,100	68,382	69,095
Transmission of revenues to Village of Baddeck	254,381	259,978	251,990
Gas tax revenue - Village of Baddeck	<u>444,000</u>	<u>130,359</u>	<u>66,696</u>
	<u>3,497,108</u>	<u>3,180,968</u>	<u>3,065,731</u>
	<u>\$ 3,531,221</u>	<u>\$ 3,186,995</u>	<u>\$ 3,176,537</u>
Water utility			
Water projects	<u>\$ 40,000</u>	<u>\$ 8,686</u>	<u>\$ 2,101</u>
Transfers to (from) own reserves			
Transfer to capital reserve	\$ 200,000	\$ 214,000	\$ 200,000
Transfer to (from) operating reserve	<u>17,000</u>	<u>16,456</u>	<u>243,481</u>
	<u>\$ 217,000</u>	<u>\$ 230,456</u>	<u>\$ 443,481</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

Reserve funds section

Non-consolidated capital reserve balance sheet

(Unaudited – see advisory to readers)

March 31 2020 2019

Assets

Cash	\$ 2,100,974	\$ 1,097,827
Due from operating fund	<u>1,013,441</u>	<u>974,733</u>
	<u>\$ 3,114,415</u>	<u>\$ 2,072,560</u>

Reserve

Capital reserve	<u>\$ 3,114,415</u>	<u>\$ 2,072,560</u>
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On behalf of the Municipality of the County of Victoria

_____ Warden _____ CAO

Reserve funds section

Non-consolidated statement of capital reserve

(Unaudited – see advisory to readers)

Year ended March 31 2020 2019

Balance, beginning of year	\$ 2,072,560	\$ 1,723,330
Transfer from operations	214,000	200,000
Interest	3,146	3,288
Gas tax funds revenues (expenses), net	738,700	377,942
Purchase from capital reserve	-	(232,000)
Recognize tax sale surplus	<u>86,009</u>	<u>-</u>
Balance, end of year	<u>\$ 3,114,415</u>	<u>\$ 2,072,560</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

Reserve funds section

Non-consolidated operating reserve balance sheet

(Unaudited – see advisory to readers)

March 31 2020 2019

Assets

Cash	\$ 2,635,197	\$ 1,132,159
Due from operating fund	<u>885,580</u>	<u>2,369,125</u>
	<u>\$ 3,520,777</u>	<u>\$ 3,501,284</u>

Reserve

Operating reserve	<u>\$ 3,520,777</u>	<u>\$ 3,501,284</u>
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On behalf of the Municipality of the County of Victoria

_____ Warden _____ CAO

Reserve Funds Section

Non-consolidated statement of operating reserve

(Unaudited – see advisory to readers)

Year ended March 31 2020 2019

Balance, beginning of year	\$ 3,501,284	\$ 3,254,413
Interest earned	3,037	3,390
Transfer from operations	16,456	292,000
Transfer to operations	<u>-</u>	<u>(48,519)</u>
Balance, end of year	<u>\$ 3,520,777</u>	<u>\$ 3,501,284</u>

See accompanying notes to the non-consolidated financial statements.

Municipality of the County of Victoria

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)
March 31, 2020

1. Summary of significant accounting policies

Operating funds

- i) **Properties acquired at tax sale.**
Properties acquired at tax sale are stated at cost.
- ii) **Valuation allowances**
Uncollected taxes and interest
The Municipality provides a valuation allowance for uncollected taxes equal to, at minimum, the combined following, which it feels represents a reasonable estimate of potential losses:
 - 80% of specific accounts deemed uncollectible;
 - 15% of balances outstanding for greater than three years
- iii) **Other receivables**
The Municipality provides a valuation allowance for all other receivables which are outstanding for more than one year.
- iv) **Revenue and expenses**
Major revenue and expense items are recorded on the accrual basis.

Principal and interest payments relating to long term debt are recorded as an expense when due for payment.

Property and equipment acquired with operating funds are recorded as an expense when incurred.

Capital funds

- i) **General purpose assets**
Capitalized debt expense
The Municipality capitalizes interest incurred on funds borrowed for construction in progress activity.

Property and equipment
Property, equipment, furnishings and projects in progress are recorded at cost. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as deductions from the cost of the related assets. The Municipality does not record amortization on its property and equipment in the non-consolidated financial statements.
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Municipality of the County of Victoria

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2020

2. Inter-fund balances

The Municipality accounts contained certain inter-fund balances at March 31, 2020, which under public sector accounting standards adopted for Nova Scotia municipalities were required to be repaid or a portion thereof included in current operations. Any additional unauthorized transfers are required under those principles to be repaid or included in the estimates in the following year.

3. Taxes receivable	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 1,550,784	\$ 1,789,352
Levy	9,163,496	9,044,689
Collections for other governments	238,217	234,622
Interest	<u>146,364</u>	<u>150,496</u>
	11,098,861	11,219,159
Collections	<u>9,591,024</u>	<u>9,549,292</u>
	1,507,837	1,669,867
Write offs, adjustments and exemptions	<u>98,527</u>	<u>119,083</u>
	1,409,310	1,550,784
Valuation allowance (note 5)	<u>305,000</u>	<u>300,742</u>
	\$ 1,104,310	\$ 1,250,042

4. Other receivables	<u>2020</u>	<u>2019</u>
Staff computer plan	\$ 155	\$ 339
HST receivable	121,219	63,503
Water utilities	670,268	1,236,472
Victoria County Trails Federation	1,588	-
Water supply lending program	28,025	-
Sundry receivables	<u>318,333</u>	<u>254,067</u>
	\$ 1,139,588	\$ 1,554,381

5. Asset valuation allowances	<u>2020</u>	<u>2019</u>
For uncollected taxes		
Balance, beginning	\$ 300,742	\$ 300,742
Increase in allowance	<u>4,258</u>	<u>-</u>
Balance, ending	\$ 305,000	\$ 300,742

Municipality of the County of Victoria

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2020

6. Baddeck sewage treatment plant

During the year ending March 31, 2004, the new sewage treatment plant for the Village of Baddeck was completed and commissioned. The Municipality and the Village entered into an agreement whereby each party will contribute 50% of the net costs of the project after any assistance from other levels of government.

The Municipality provided interim financing of the project through temporary borrowings from its authorized line of credit. The Village of Baddeck subsequently borrowed \$1,009,860 from the Municipal Finance Corporation to fund the municipal portion of the project and these funds were received by the Municipality to pay the remainder of the project costs. Under the agreement the Municipality paid to the Village of Baddeck 50% of the principal charges on this loan over fifteen years. The loan was repaid in full during fiscal 2019, however the remaining payable to the Village was not repaid until the current year, fiscal 2020.

The Municipality has recognized, to March 31, 2004, contributions to this project of \$195,251. The remaining \$316,697 was recognized equally over fifteen years in relation to the debt payments noted above.

7. Contributions to boards and commissions

The Municipality is required to finance the operations of various boards and commissions, along with the other local municipal units to the extent of its participation based on assessment, population or prescribed formulae.

In addition to any budgeted contributions, the municipal units share in the deficits or surpluses of these boards based on their sharing percentages. A municipal unit's share of any deficit must be paid in the next fiscal year while a surplus may be taken into the next year's estimates. Alternatively, the Municipality may provide for its share of the surplus or deficit in the current year.

Details of contributions to these boards and commissions are as follows:

	<u>2020</u>	<u>2019</u>
Cape Breton Island Housing Authority	\$ 38,623	\$ 36,493
Cape Breton Regional Library	\$ 46,998	\$ 46,998
Eastern District Planning Commission	\$ 158,392	\$ 156,918
Cape Breton-Victoria Regional Centre for Education	\$ 2,326,347	\$ 2,286,976

The Municipality has no further financial obligations in connection with the operating results of the above-mentioned entities for the year ended March 31, 2020.

Municipality of the County of Victoria

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)
March 31, 2020

8. Transactions between the Municipality of the County of Victoria and the Victoria County Water Utility

- (a) In general, and where identifiable, costs incurred by the Municipality of the County of Victoria on behalf of the water utility are charged to the Utility.
- (b) Salary and wage related costs are allocated in proportion to time spent performing functions on behalf of the water utility.
- (c) The water utility provides public fire protection to the Municipality. The charge for this service, included in operating expenses, amounted to \$275,829 (2019 - \$263,178) and the charge is governed by the Utility and Review Board.
- (d) The water utilities are exempt from municipal taxation by council by-law.

9. Commitments and contingencies

	<u>Amount</u>	<u>Balance</u>
i) The Municipality has the following loan guarantees in place:		
Village of Baddeck (note 6)	\$ 1,100,000	\$ 201,972
ii) The Municipality entered into a two year project with the Province of Nova Scotia and ACOA to fund the construction of public washroom facilities. The total project is \$292,000, with total funding from both partners of \$227,000. As of March 31, 2020, \$203,720 was spent.		

10. Operating line of credit

To finance its day to day operations, the Municipality holds an operating line of credit of \$1,700,000 of which \$1,700,000 is unused at March 31, 2020.

Municipality of the County of Victoria

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)
March 31, 2020

11. Defined benefit pension plan

The Municipality of the County of Victoria sponsors a contributory defined benefit pension plan for a retired Municipal CAO. The plan provides pension benefits for services which are determined using a final average salary formula in which the benefit is calculated as a specified percentage of the member's average salary over the last five years of membership in the plan.

Actuarial valuations for accounting purposes are performed triennially using the going concern method. The most recent actuarial valuation was prepared at March 31, 2017 and at that time the pension plan had an accrual benefit obligation of \$7,219. The next actuarial valuation will be completed in the fall of 2020.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the Municipalities' best estimates.

The following summarizes the major assumptions in the valuation:

- the expected inflation rate is 2.0 percent;
- the discount rate used to determine the accrued benefit obligation is 4.5 percent;
- the expected rate of return is 5 percent; and
- Retirement age is 65.

Pension fund assets are valued at market values. A result of the 2017 valuation is as follows:

Market value of the pension plan asset	\$ 299,195
Accrued benefit obligation	<u>(306,414)</u>
Pension plan deficit	<u>\$ (7,219)</u>

Under Nova Scotia Pension Plan regulations, the Municipality has 12 years to fund the deficit arising from the valuation.
