

Non-consolidated financial statements

(Unaudited – see advisory to readers)

Municipality of the County of Victoria

March 31, 2023

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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

2023

2022

Assets

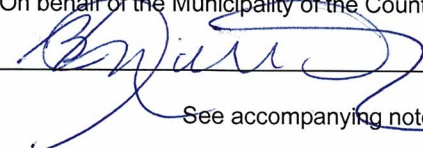
Cash	<u>\$ 4,242,520</u>	<u>\$ 3,271,400</u>
Receivables		
Taxes (note 3)	574,827	735,796
Other (note 4)	434,968	470,439
Due from operating reserve	-	1,252,374
Due from water utility	<u>512,061</u>	<u>1,156,755</u>
	<u>1,521,856</u>	<u>3,615,364</u>
Long-term receivable	<u>914,612</u>	-
Tangible assets		
Properties acquired at tax sale	-	<u>71,964</u>
Deferred charges		
Prepays	<u>855</u>	<u>855</u>
	<u>\$ 6,679,843</u>	<u>\$ 6,959,583</u>

Liabilities and operating equity

Payables		
Due to operating reserve	\$ 611,517	\$ -
Due to capital reserve	1,044,564	1,678,813
Trade accounts and other liabilities	<u>2,191,180</u>	<u>1,984,592</u>
	<u>3,847,261</u>	<u>3,663,405</u>
Other liabilities		
MFC operating loan	1,202,000	2,404,000
Prepayment of taxes	487,303	433,822
Tax sale surplus	<u>1,143,279</u>	<u>458,356</u>
	<u>2,832,582</u>	<u>3,296,178</u>
Operating surplus	-	-
	<u>\$ 6,679,843</u>	<u>\$ 6,959,583</u>

Commitments and contingencies (note 8)

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

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule A)			
Taxes (page 7)	\$ 10,327,600	\$ 10,621,879	\$ 9,918,460
Grants in lieu of taxes (page 8)	2,280,600	2,306,433	2,028,107
Services provided to other governments (page 8)	32,900	56,675	53,454
Other revenue from own sources (page 8)	1,117,500	1,142,879	1,109,024
Transfers from other governments (page 9)	368,600	374,710	630,443
Collections for other governments (page 9)	-	277,838	-
Other revenue	-	-	96,943
	<u>14,127,200</u>	<u>14,780,414</u>	<u>13,836,431</u>
Expenses (Schedule B)			
General government services (page 10)	3,602,400	3,373,295	2,790,920
Protective services (page 11)	3,159,700	3,166,936	2,874,131
Transportation services (page 11)	743,100	496,612	452,313
Environmental health services (page 11)	2,783,400	2,985,199	2,364,478
Economic development services (page 12)	226,000	112,023	110,278
Recreation and cultural services (page 12)	478,600	420,220	288,330
Fiscal services (page 13)	3,067,100	3,324,846	3,081,756
Miscellaneous (page 13)	100,000	39,322	267,778
Transfer to own reserves (page 13)	(33,100)	861,961	1,606,447
	<u>14,127,200</u>	<u>14,780,414</u>	<u>13,836,431</u>
Annual surplus	<u>\$ -</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 2023 2022

Operating fund surplus, beginning of year	\$ -	\$ -
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

2023

2022

Assets

Property and equipment	<u>\$ 6,728,383</u>	<u>\$ 6,148,819</u>
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Liabilities

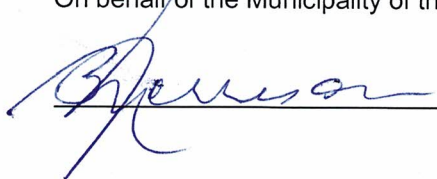
Asset retirement obligation	\$ 238,682	\$ -
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Equity

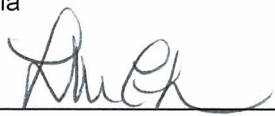
Investment in capital assets (page 6)	<u>\$ 6,489,701</u>	<u>\$ 6,148,819</u>
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	<u>\$ 6,728,383</u>	<u>\$ 6,148,819</u>
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On behalf of the Municipality of the County of Victoria



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 2023 2022

Balance, beginning of year	\$ 6,148,818	\$ 6,148,818
Accretion expense	(11,763)	-
Amortization of asset retirement obligation	(14,927)	-
Capital out of revenue	<u>367,573</u>	<u>-</u>
Balance, end of year	<u>\$ 6,489,701</u>	<u>\$ 6,148,818</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

2023 2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Taxes			
Assessable property			
Residential	\$ 7,434,400	\$ 7,427,243	\$ 6,948,099
Commercial			
Based on taxable assessment	1,263,900	1,273,930	1,266,699
Resource			
Based on taxable assessment	1,158,900	1,149,905	1,110,843
Forest property tax	<u>13,700</u>	<u>14,191</u>	<u>13,836</u>
	<u>9,870,900</u>	<u>9,865,269</u>	<u>9,339,477</u>
Business property			
Based on revenue – Aliant Inc.	<u>56,700</u>	<u>56,744</u>	<u>56,744</u>
Other			
Deed transfer tax	<u>400,000</u>	<u>699,866</u>	<u>522,239</u>
	<u>\$ 10,327,600</u>	<u>\$ 10,621,879</u>	<u>\$ 9,918,460</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

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Grants in lieu of taxes			
Federal government	\$ 253,000	\$ 255,110	\$ 252,527
Provincial government			
Crown timber lands	148,000	148,229	148,191
Provincial property	127,000	151,069	159,401
Farm acreage	14,600	14,614	13,974
Provincial government agencies			
Nova Scotia Liquor Commission	15,000	14,407	14,826
Nova Scotia Power Inc.	<u>1,723,000</u>	<u>1,723,004</u>	<u>1,439,188</u>
	<u>\$ 2,280,600</u>	<u>\$ 2,306,433</u>	<u>\$ 2,028,107</u>
Services provided to other governments			
Solid waste collection and policing services			
- Inverness County	\$ 32,900	\$ 32,650	\$ 29,516
Commission on taxes – Village of Baddeck	<u>-</u>	<u>24,025</u>	<u>23,938</u>
	<u>\$ 32,900</u>	<u>\$ 56,675</u>	<u>\$ 53,454</u>
Other revenue from own sources			
Licenses and permits	\$ 2,000	\$ 1,530	\$ 2,059
Rentals	1,000	-	1,101
Interest on investments	15,000	182,837	14,937
Interest on taxes	105,000	123,138	114,950
Recycling and landfill tipping fees	980,400	827,555	950,048
Miscellaneous	<u>14,100</u>	<u>7,819</u>	<u>25,929</u>
	<u>\$ 1,117,500</u>	<u>\$ 1,142,879</u>	<u>\$ 1,109,024</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

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transfers from other governments			
Provincial government			
Active living program	\$ 15,000	\$ 13,000	15,000
ACOA	30,000	43,912	-
Miscellaneous	-	53,847	302,596
Fuel tax rebate	-	19,695	17,521
Department of Municipal Affairs			
HST offset grant	25,000	23,671	26,988
Canada Community Building Fund	268,600	206,551	251,108
Department of Justice			
Fines	30,000	14,034	17,230
	<u>\$ 368,600</u>	<u>\$ 374,710</u>	<u>\$ 630,443</u>
Collections for other governments			
Village of Baddeck	\$ -	\$ 277,838	\$ -

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

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Council stipend	\$ 227,400	\$ 222,372	\$ 203,841
Other legislative services	<u>47,600</u>	<u>44,531</u>	<u>22,581</u>
	<u>275,000</u>	<u>266,903</u>	<u>226,422</u>
Administrative			
Administrative	958,900	1,172,255	1,040,170
Financial management	297,800	279,018	218,319
Taxation			
Administration	134,200	89,496	137,406
Reduced taxes	95,000	75,089	108,434
Tax sales and other	115,000	68,270	83,050
Common services	<u>278,000</u>	<u>248,690</u>	<u>213,939</u>
	<u>1,878,900</u>	<u>1,932,818</u>	<u>1,801,318</u>
Other general government services			
Memberships and training	40,500	33,508	30,130
Information technology	153,100	75,504	58,267
Grants to organizations	859,900	725,576	470,157
Other	375,000	338,986	199,496
Hospital funding	<u>20,000</u>	<u>-</u>	<u>5,131</u>
	<u>1,448,500</u>	<u>1,173,574</u>	<u>763,181</u>
	<u>\$ 3,602,400</u>	<u>\$ 3,373,295</u>	<u>\$ 2,790,920</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

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protective services			
Fire protection			
Insurance for volunteers	\$ 26,600	\$ 15,947	\$ 23,428
Public fire protection	330,300	330,607	328,519
Fire fighting force	<u>648,100</u>	<u>632,491</u>	<u>565,527</u>
	<u>1,005,000</u>	<u>979,045</u>	<u>917,474</u>
Other protection			
Dog control	36,500	29,837	39,883
Protective inspection	<u>192,700</u>	<u>188,754</u>	<u>188,238</u>
	<u>229,200</u>	<u>218,591</u>	<u>228,121</u>
Law enforcement			
Police protection - RCMP	1,900,200	1,900,152	1,711,299
Prosecutorial services	<u>25,300</u>	<u>69,148</u>	<u>17,237</u>
	<u>1,925,500</u>	<u>1,969,300</u>	<u>1,728,536</u>
	<u>\$ 3,159,700</u>	<u>\$ 3,166,936</u>	<u>\$ 2,874,131</u>
Transportation services			
Road transport			
Transit	\$ 100,000	\$ 75,000	\$ 115
Road contribution	144,000	144,003	137,407
Street lighting	281,900	239,188	268,514
Sidewalks and other	<u>217,200</u>	<u>38,421</u>	<u>46,277</u>
	<u>\$ 743,100</u>	<u>\$ 496,612</u>	<u>\$ 452,313</u>
Environmental health services			
Waste collection and disposal			
Administration	\$ 172,800	\$ 116,104	\$ 158,080
Waste collection operations	1,006,500	1,103,712	872,288
Landfills, transfer stations	<u>1,604,100</u>	<u>1,765,383</u>	<u>1,334,110</u>
	<u>\$ 2,783,400</u>	<u>\$ 2,985,199</u>	<u>\$ 2,364,478</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

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Economic development services			
Community economic development	\$ 226,000	\$ 112,023	\$ 110,278
Recreation and cultural services			
Recreation			
Administration	\$ 145,300	\$ 79,352	\$ 69,335
Recreation programs	52,700	48,770	32,991
Active living program	97,600	75,528	86,918
Tourism	183,000	216,570	94,012
Cultural			
Heritage	-	-	5,074
	<u>\$ 478,600</u>	<u>\$ 420,220</u>	<u>\$ 288,330</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

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Fiscal services			
Debt charge			
Interest on short term borrowings	\$ 8,500	\$ 7,051	\$ 6,364
Debenture interest	<u>-</u>	<u>17,859</u>	<u>30,393</u>
	<u>\$ 8,500</u>	<u>\$ 24,910</u>	<u>\$ 36,757</u>
Conditional transfers to other governments and agencies			
Assessment cost recovery	220,200	220,201	222,425
Protective services			
Municipal corrections contributions	131,300	131,271	132,686
Public health and welfare services			
Cape Breton Island Housing Authority	70,700	96,498	28,410
Recreation, cultural and education services			
Cape Breton-Victoria Regional Centre for Education	2,497,500	2,497,486	2,451,200
Libraries	75,300	69,424	67,726
Transmission of revenues to Village of Baddeck	-	218,522	12,143
Canada Community Building Fund – Village of Baddeck	<u>63,600</u>	<u>66,534</u>	<u>130,409</u>
	<u>3,058,600</u>	<u>3,299,936</u>	<u>3,044,999</u>
	<u>\$ 3,067,100</u>	<u>\$ 3,324,846</u>	<u>\$ 3,081,756</u>
Miscellaneous			
Water project	\$ 100,000	\$ -	\$ -
Emergency storm repairs	<u>-</u>	<u>39,322</u>	<u>267,778</u>
	<u>\$ 100,000</u>	<u>\$ 39,322</u>	<u>\$ 267,778</u>
Transfers to (from) own reserves			
Transfer to (from) capital reserve	\$ 200,000	\$ 250,445	\$ -
Transfer to (from) operating reserve	<u>(233,100)</u>	<u>611,516</u>	<u>1,606,447</u>
	<u>\$ (33,100)</u>	<u>\$ 861,961</u>	<u>\$ 1,606,447</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 2023 2022

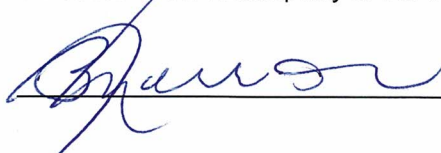
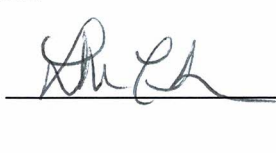
Assets

Cash	\$ 4,239,050	\$ 2,486,956
Due from operating fund	<u>1,044,564</u>	<u>1,678,813</u>
	<u>\$ 5,283,614</u>	<u>\$ 4,165,769</u>

Reserve

Capital reserve	<u>\$ 5,283,614</u>	<u>\$ 4,165,769</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 2023 2022

Balance, beginning of year	\$ 4,165,769	\$ 3,534,505
Interest	73,280	12,980
Canada Community Building Fund revenues (expenses), net	237,007	618,284
Sustainable Services Growth Fund revenue	557,113	-
Transfer from operations	<u>250,445</u>	<u>-</u>
Balance, end of year	<u>\$ 5,283,614</u>	<u>\$ 4,165,769</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 2023 2022

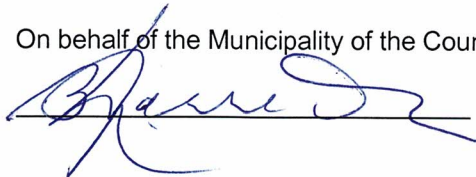
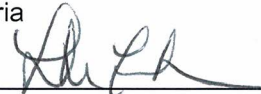
Assets (liabilities)

Cash	\$ 6,727,403	\$ 7,751,524
Due from (to) operating fund	<u>611,517</u>	<u>(1,252,374)</u>
	<u>\$ 7,338,920</u>	<u>\$ 6,499,150</u>

Reserve

Operating reserve	<u>\$ 7,338,920</u>	<u>\$ 6,499,150</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 2023 2022

Balance, beginning of year	\$ 6,499,150	\$ 4,846,218
Interest earned	228,253	46,485
Transfer from operations	<u>611,517</u>	<u>1,606,447</u>
Balance, end of year	<u>\$ 7,338,920</u>	<u>\$ 6,499,150</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, 2023

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.

Municipality of the County of Victoria

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2023

2. Inter-fund balances

The Municipality accounts contained certain inter-fund balances at March 31, 2023, 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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,076,917	\$ 1,184,223
Levy	10,621,879	9,918,460
Collections for other governments	277,838	-
Interest	<u>123,138</u>	<u>114,950</u>
	12,099,772	11,217,633
Collections	<u>11,108,734</u>	<u>10,032,282</u>
	991,038	1,185,351
Write offs, adjustments and exemptions	<u>75,090</u>	<u>108,434</u>
	915,948	1,076,917
Valuation allowance (note 5)	<u>341,121</u>	<u>341,121</u>
	\$ 574,827	\$ 735,796

4. Other receivables	<u>2023</u>	<u>2022</u>
HST receivable	\$ 43,086	\$ 128,872
Water supply lending program	21,630	25,239
Tax receivable instalment program	11,875	75,340
Sundry receivables	<u>358,377</u>	<u>240,988</u>
	\$ 434,968	\$ 470,439

Municipality of the County of Victoria

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2023

5. Asset valuation allowances	<u>2023</u>	<u>2022</u>
For uncollected taxes		
Balance, beginning	\$ 341,121	\$ 318,272
Increase in allowance	<u>-</u>	<u>22,849</u>
Balance, ending	<u>\$ 341,121</u>	<u>\$ 341,121</u>

6. 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 formula.

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>2023</u>	<u>2022</u>
Cape Breton Island Housing Authority	\$ 96,498	\$ 28,410
Cape Breton Regional Library	48,000	48,000
Eastern District Planning Commission	166,132	161,585
Cape Breton-Victoria Regional Centre for Education	2,497,486	2,451,200

The Municipality has no further financial obligations in connection with the operating results of the above-mentioned entities for the year ended March 31, 2023.

Municipality of the County of Victoria

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2023

7. 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 (2021 - \$295,793) and the charge is governed by the Utility and Review Board.
- (d) The water utilities are exempt from municipal taxation by council by-law.

8. Commitments and contingencies

	<u>Amount</u>	<u>Balance</u>
i) The Municipality has the following loan guarantees in place:		
Village of Baddeck	\$ 1,100,000	\$ 100,986

Municipality of the County of Victoria

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)
March 31, 2023

9. 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, 2023 and at that time the pension plan had an accrual benefit surplus of \$134,826. Due to the pensioner's passing, there is no longer any liability associated with the plan.

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 2.3 percent;
- the discount rate used to determine the accrued benefit obligation is 4.75 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 2023 valuation is as follows:

Market value of the pension plan asset	\$ 134,826
Accrued benefit obligation	<u>-</u>
Pension plan deficit	<u>\$ 134,826</u>
