

REGION OF QUEENS MUNICIPALITY
INDEX TO FINANCIAL STATEMENTS

MARCH 31, 2023

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REGION OF QUEENS MUNICIPALITY
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023

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MARCH 31, 2023

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March 31, 2023

Management's Responsibility for the Consolidated Financial Statements

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

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

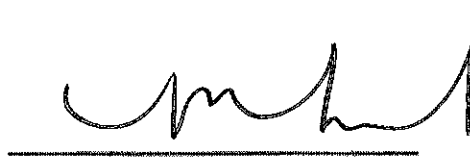
Council is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls, and exercises these responsibilities through the Audit Committee. Council reviews internal financial statements on a regular basis and externally audited financial statements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

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Region of Queens Municipality and meet when required. The accompanying Independent Auditors Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of Region of Queens Municipality



Joanne Veinotte, CPA, CGA
Director of Corporate Services



Mike MacLeod
Acting Chief Administrative Officer

Independent auditor's report

To the member of Council for the Region of Queens Municipality

Opinion

We have audited the consolidated financial statements of Region of Queens Municipality ("the Municipality"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, change 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 financial position of Region of Queens Municipality as at March 31, 2023, and its results of operations, its changes in its net assets, and its 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 the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Supplementary Financial Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in the schedules in Section B and Section C are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal

control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the 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.

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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants

Bridgewater, Canada
September 12, 2023


REGION OF QUEENS MUNICIPALITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED March 31, 2023

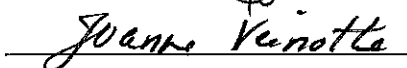
A4

	2023	2022 (Restated Note 2)
Financial Assets		
Cash and Cash Equivalents	\$ 8,091,381	\$ 28,382,352
Investments (Note 3)	22,858,741	-
Receivables (Note 4)		
Taxes net of Valuation Allowance	497,724	486,703
Sewer Rates	152,345	147,854
Water Rates	89,314	63,205
Due from Federal Government and its agencies	215,330	200,137
Due from Provincial Government and its agencies	52,805	143,323
Due from Other Local Governments	2,815	14,782
Pension Asset	209,870	541,347
Other Receivables	617,850	407,619
	<u>1,838,053</u>	<u>2,004,969</u>
Loans Receivable (Note 5)	119,583	174,749
	<u>32,907,758</u>	<u>30,562,070</u>
Liabilities		
Payables and Accruals (Note 6)	1,638,595	1,237,885
Deferred Revenue	1,780,868	714,130
Customer Deposits	379,901	356,610
Long Term Debt (Note 7)	3,667,253	4,342,996
Tax Sale Surplus (Note 8)	1,664,791	1,333,737
Asset Retirement Obligations - Building and Other Assets (Note 2)	544,426	529,341
Asset Retirement Obligations - Landfill (Note 2)	14,444,980	14,050,170
	<u>24,120,813</u>	<u>22,564,870</u>
Net Financial Assets	<u>8,786,945</u>	<u>7,997,200</u>
Non Financial Assets		
Tangible Capital Assets - General (Note 11)	55,352,492	55,768,555
Tangible Capital Assets - Water (Note 11)	6,839,152	6,461,015
	<u>62,191,644</u>	<u>62,229,571</u>
Inventory of Supplies	113,908	185,486
Prepaid Expenses	284,761	118,959
Net Non Financial Assets	<u>62,590,313</u>	<u>62,534,016</u>
Accumulated Surplus	<u>\$ 71,377,258</u>	<u>\$ 70,531,217</u>
Commitments (Note 12)		

See accompanying notes to the consolidated financial statements.

ON BEHALF OF REGION OF QUEENS MUNICIPALITY


 _____ Mayor

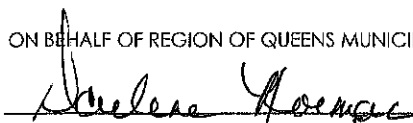

 _____ Acting Municipal Clerk


REGION OF QUEENS MUNICIPALITY
 CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
 FOR THE YEAR ENDED March 31, 2023

A5

	2023		2022
	BUDGET	ACTUAL	ACTUAL (Restated Note 2)
REVENUE			
Taxation	\$ 12,145,936	\$ 12,618,776	\$ 12,545,368
Sales of Services	789,758	831,654	875,391
Water Rates	604,715	614,772	524,108
Water for Fire Protection	196,427	196,427	196,366
Government Transfers	1,314,026	1,469,827	2,662,364
Grants In Lieu of Taxes	316,607	293,371	313,884
Services Provided to Other Governments	2,153,196	2,561,368	2,448,893
Other Revenue from Own Sources	1,016,139	2,467,417	1,378,846
Public Health	1,434,506	1,772,476	1,507,204
Government Transfers Capital Contribution	-	695,617	1,379,408
Gain on Sale of Property	-	97,000	-
	<u>19,971,310</u>	<u>23,618,705</u>	<u>23,831,833</u>
EXPENDITURE			
General government services	2,810,747	2,822,312	2,405,416
Protective services	4,056,128	4,019,707	3,776,934
Transportation services	3,150,683	3,196,626	2,768,759
Environmental health services	5,038,573	5,500,319	5,675,664
Public health	1,500,417	1,802,449	1,438,373
Environmental development services	1,642,406	1,697,164	1,688,279
Recreational and cultural services	2,707,830	2,873,196	2,372,719
Water Treatment and Distribution	780,681	860,891	716,035
	<u>21,687,464</u>	<u>22,772,663</u>	<u>20,842,179</u>
EXCESS REVENUE OVER EXPENDITURES	\$ (1,716,154)	\$ 846,042	\$ 2,989,653
Accumulated Surplus, beginning of the year as previously reported		\$ 70,531,217	\$ 72,415,621
Prior Period Adjustment (Note 2)		\$ -	\$ (4,874,059)
Accumulated Surplus, beginning of the year as restated		<u>\$ 70,531,217</u>	<u>\$ 67,541,562</u>
Annual Surplus		\$ 846,042	\$ 2,989,653
Ending Accumulated Surplus, as restated		<u>\$ 71,377,258</u>	<u>\$ 70,531,217</u>

ON BEHALF OF REGION OF QUEENS MUNICIPALITY


 _____ Mayor

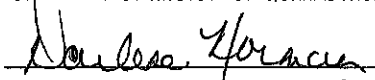

 _____ Acting Municipal Clerk

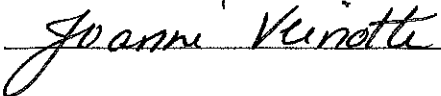
REGION OF QUEENS MUNICIPALITY
 CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED March 31, 2023

A6

	<u>2023</u>	<u>2022</u> (Restated Note 2)
Increase (decrease) in Cash and Cash equivalents		
<i>Operating Activities:</i>		
Net Surplus (deficit)	\$ 846,042	\$ 2,989,653
Amortization - General	2,650,081	2,107,474
Amortization - Water	112,275	108,585
Loss (gain) on Disposal of Capital Assets, Net	(97,000)	-
Accretion Expense - Landfill	394,810	384,019
Accretion Expense - Other	15,085	14,468
	<u>3,921,291</u>	<u>5,604,199</u>
Receivables - Taxes, Rates and Other	(164,561)	12,064
Pension Asset	331,477	(252,365)
Payables, Accruals and Other Liabilities	400,710	419,655
Deferred Revenue	1,066,738	165,662
Inventory of Supplies	73,035	(49,295)
Change in Tax Sale Surplus	331,054	746,630
Customer Deposits	23,291	30,007
Prepaid Expenses	(167,258)	(15,512)
	<u>5,815,776</u>	<u>6,661,045</u>
<i>Capital Activities:</i>		
Acquisition of Tangible Capital Assets - General	(2,235,018)	(1,090,630)
Tangible Capital Asset Adjustment	-	(5,965)
Acquisition of Tangible Capital Assets - Water	(490,411)	(314,923)
Proceeds on sale of Tangible Capital Assets	98,000	-
	<u>(2,627,429)</u>	<u>(1,411,518)</u>
<i>Investing Activities:</i>		
Loans Receivable (net)	55,166	50,966
Investment purchases	(22,858,741)	-
	<u>(22,803,575)</u>	<u>50,966</u>
<i>Financing Activities:</i>		
Issuance of Long Term Debt	-	507,757
Debt Principal Repayment	(675,743)	(418,271)
	<u>(675,743)</u>	<u>89,486</u>
Net Change in cash and cash equivalents	<u>(20,290,970)</u>	<u>5,389,979</u>
Cash and Cash equivalents		
Beginning of Year (restated)	<u>28,382,352</u>	<u>22,992,373</u>
End of Year	<u>\$ 8,091,382</u>	<u>\$ 28,382,352</u>

ON BEHALF OF REGION OF QUEENS MUNICIPALITY

 Mayor

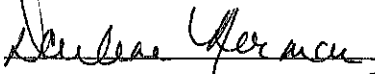
 Acting Municipal Clerk

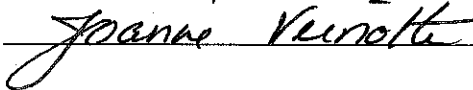
REGION OF QUEENS MUNICIPALITY
 CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
 FOR THE YEAR ENDED March 31, 2023

A7

	2023		2022
	BUDGET	ACTUAL	(Restated Note 2)
Annual Surplus	\$ (1,716,154)	\$ 846,042	\$ 2,989,653
Changes in Tangible Capital Assets			
Acquisition of Tangible Capital Assets - General	(2,476,130)	(2,235,018)	(1,090,630)
Acquisition of Tangible Capital Assets - Water	(140,000)	(490,411)	(314,923)
Tangible Capital Asset Adjustment	-	-	(5,965)
Disposal of Capital Assets	-	1,000	-
Accretion Expense Asset Retirement Obligation			398,487
Amortization of Tangible Capital Assets - General	2,650,081	2,650,081	2,107,474
Amortization of Tangible Capital Assets - Water	109,961	112,275	108,585
	<u>143,912</u>	<u>37,926</u>	<u>1,203,027</u>
Changes in other Non Financial Assets			
Inventory of Supplies	-	73,036	(49,296)
Prepaid Expenses	-	(167,258)	(15,512)
	<u>-</u>	<u>(94,222)</u>	<u>(64,808)</u>
Change in Net Financial Assets	<u>(1,572,243)</u>	<u>789,745</u>	<u>4,127,873</u>
Net Financial Assets - Beginning of Year, as previously stated		7,997,200	14,483,296
Asset Retirement Prior Period Adjustment (Note 2)		-	(10,613,968)
Net Financial Assets, as restated		<u>7,997,200</u>	<u>3,869,328</u>
Net Financial Assets - End of Year	\$ <u>(1,572,243)</u>	\$ <u>8,786,946</u>	\$ <u>7,997,200</u>

ON BEHALF OF REGION OF QUEENS MUNICIPALITY

 Mayor

 Acting Municipal Clerk

MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements are the responsibility of management and have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board and conform to the accounting principles prescribed for Nova Scotia municipalities by the Department of Municipal Affairs and for water utilities by the Nova Scotia Utility and Review Board. Region of Queens Municipality is a municipality in the Province of Nova Scotia and operates under the provisions of the Nova Scotia Municipal Government Act.

Basis of Consolidation

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all operations accountable to the Municipality for the administration of their affairs and resources which are owned or controlled by the Municipality. Interdepartmental transactions and balances are eliminated. Funds included in the financial statements are: general operating fund, general capital fund, water operating, water capital, Hillsview Acres, Queen's Place Emera Centre, and the operating, capital and equipment reserve funds.

The assets, liabilities, taxation and other revenues and expenses with respect to the operations of the South Shore Regional Centre for Education and the Western Regional Housing Authority are not reflected in these consolidated financial statements as they are provincial government entities. The Municipality's contributions to these entities are recorded in the consolidated statement of operations as expenses.

Budget Figures

The budget figures contained in these financial statements were approved by Council on March 22, 2022 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 17 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these financial statements.

Cash and Cash Equivalents

Cash and Cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Investments

Guaranteed income Certificates, both redeemable and non-redeemable with the non-redemption maturity period being no longer than 12 months. All investments are made in compliance with Policy 18 – Investments and valued at cost plus accrued interest.

Financial Instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred. Financial instruments consist of receivables, receivables from Province of Nova Scotia and federal government, bank indebtedness, and payables.

Subsequent measurement

At each reporting date, the Municipality measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Municipality uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are bank indebtedness, receivables, payables and accruals, and loans payable.

MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For financial assets measured at cost or amortized cost, the Municipality regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Municipality determines there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest or credit risk arising from financial instruments.

Inventory of Supplies

The inventory of supplies held for consumption is recorded at the lower of cost or replacement cost.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, less accumulated amortization value. Donated assets are capitalized and recorded at their estimated fair value upon acquisition. The threshold for each category represents the minimum cost an individual asset must have before it is to be recorded as a tangible capital asset on the statement of financial position. Tangible capital asset additions not meeting the threshold of \$50,000 per year are expensed in the year of acquisition.

Amortization

Amortization of tangible capital assets, other than amortization on those forming part of the regulated Water Utility, is recorded in the statement of operations on a straight line basis over an asset's useful life.

Amortization of tangible capital assets of the Water Utility is recorded on a straight line basis over their estimated useful lives as prescribed by the Nova Scotia Utility and Review Board. An amount of cash equal to the amortization expense of the Water Utility is transferred to a special water capital bank account which is used to help fund replacement of existing Water Utility plant and equipment or, on approval by the Nova Scotia Utility and Review Board, to repay the principal of capital debt. No amortization is recorded in the years of acquisition or disposal.

The following table outlines an asset's estimated useful life:

	Years
Land Improvements	20
Buildings and engineered structures	40
Building Improvements	20
Outdoor swimming pools	25
Heavy Equipment	15
Operating Equipment	12
Vehicles	5
Office and Information Technology-system development packaged system	10
Computer Hardware and Software	5
Office Furniture and Equipment	10
Streets/Roads	30
Sidewalks	25
Illumination Structures	15-25
Bridges/Railings-construction	50
Bridges/Railings-upgrades	15
Storm Water Conveyance Structures	35
Airport-runways	30
Airports-navigational aids	15
Sewer Infrastructure	50

MARCH 31, 2023

1. 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 is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Municipality is directly responsible or accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

Management has reviewed potential sites where a material liability may exist and has concluded there is no known material liability at this time.

Asset Retirement Obligation

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

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

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos, lead paint in five of the buildings owned by the Municipality and one potentially contaminated fuel site has also been recognized based on estimated future expenses on closure of the site and post-closure care. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The landfill capital asset is being amortized using the units of production method, while the buildings capital assets affected by the asbestos, lead and fuel contamination liability are being amortized with the building following the depreciation accounting policy:

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.

Solid Waste Management Facility Liability

The Municipality accrues landfill closure and post-closure care requirements that include final covering and landscaping, ongoing environmental monitoring, site inspection and maintenance. The liability is accrued based on the remaining useful life. The reported liability is based on estimates and assumptions using the best information available to management. Future events may result in significant changes to the estimated expenses, total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable. The change in the liability at each reporting period is charged as an expense.

Valuation Allowance

Uncollected Taxes and Rates

MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Region of Queens Municipality provides a valuation allowance for 100% of the value of taxes outstanding for real properties identified as invalid assessments, owner unknown properties, properties whose titles cannot be certified for tax sale and properties not sold at tax sale. The allowance also contains accounts more than three years in arrears.

In the Water Utility, the valuation allowance is provided for estimated losses for outstanding water receivables.

Other Receivables

The Region provides a valuation allowance for all receivables other than taxes and rates that are determined to be uncollectible.

Deferred Revenue

Deferred revenue represents user charges and other fees that have been collected, for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the services are performed. Region of Queens Municipality received Safe Restart funding from the Province of Nova Scotia in the amount of \$590,735. Amounts remaining unspent at March 31, 2023 of \$287,395 have been included in Deferred Revenue.

Government Transfers

Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met and reasonable estimates of the amounts can be made.

Taxation and Related Revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Property Valuation Services Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services. Taxation revenues are recorded at the time they are levied and the tax billings are due. Assessments and the related property taxes are subject to appeal with any resulting tax adjustments being recorded when the results of the appeal process are known.

User Fee Revenue

Sales of service and other user fee revenue are recognized on an accrual basis. Charges for water usage are recorded as Water rates. Charges for sewer usage are recorded in Taxation.

Post-employment Future Benefits

Employees of the Municipality participate in the Nova Scotia Public Service Superannuation Plan (NSPSSP), a contributory pension plan administered by Pension Services Superannuation Plan Trustee Incorporated, which provides pension benefits based on length of service and earnings. The Municipality is not obligated for any unfunded liability, nor is the Municipality entitled to any surplus that may arise in the NSPSSP. Employer contributions are recognized as an expense in the period. The Nova Scotia Public Sector Superannuation Plan is a Multiemployer defined benefit plan for accounting purposes and as such is accounted for as a defined contribution plan by the Municipality.

Use of Estimates

The preparation of financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for valuation allowances, accrued liabilities, asset retirement obligations and in performing actuarial valuations of employee future benefits. Actual results could differ from these estimates.

MARCH 31, 2023

2. CHANGE IN ACCOUNTING POLICY

PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation:

On April 1, 2022, Region of Queens Municipality adopted Public Accounting Standards PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Organization's accounting policy choices (see Note 1 – Significant Accounting Policies). There are no adjustments to financial statements as a result of this policy.

PS 3280 – Asset Retirement Obligations:

Region of Queens Municipality removed the landfill liability that has been recognized to date and recognized an asset retirement obligation upon adoption of PS3280 on April 1, 2021, using the modified retrospective method. The liability represents the required closure and post-closure costs for the Solid Waste Facility site owned and operated by Region of Queens Municipality. The liability was measured as of 2006, when the site became active. The discount rate used to calculate the obligation was 2.81% per annum. The discount rate is a management estimate based on the interest rates of current debt and forecasted change of rates as of March 31, 2023.

On April 1, 2021 Region of Queens Municipality recognized an additional asset retirement obligation related to five buildings owned by the Region. Buildings at high risk for the presence of lead paint and asbestos carry with them a regulatory obligation for remediation and therefore an asset retirement obligation exists. Building useful life calculations are based on forty years.

In accordance with the provisions of this new standard, the financial statements reflect the following adjustments at April 1, 2021:

Landfill Obligation:

A decrease of \$3,965,543 to Landfill Liability to remove the liability recognized to date because 3270 was withdrawn under the old standard, and an accompanying increase of \$3,965,543 to opening Accumulated Surplus.

An increase of \$9,018,116 to the Asset Retirement Obligation Asset Account, representing the original estimate of the obligation as of the date the site became active, and an accompanying increase of \$3,762,172, in Accumulated Amortization, representing the increase of amortization had the liability been originally recognized.

The asset retirement obligation for the Landfill is \$13,666,151, representing the original amount of \$9,018,116 discounted to the present value amount using a rate of 2.81%

A decrease of Opening Accumulated Surplus of \$4,444,664 as a result of the recognition of the liability and an accompanying increase in depreciation expense and accretion expense.

Asbestos and Lead Obligation:

An increase of \$250,485 to the Asset Retirement Obligation Asset Account, representing the original estimate of the obligation and an accompanying increase in Accumulated Amortization of \$165,005 representing the years of amortization had the originally liability been recognized.

An asset retirement obligation in the amount of \$522,157, representing the original obligation of \$250,485 discounted to the present value using a rate of 2.81%

A decrease in Opening Accumulated Surplus of \$429,394, as a result of the recognition of the liability and accompanying increase in depreciation expense and accretion expense.

Net reduction in Accumulated Surplus of \$10,613,968.

MARCH 31, 2023

2. CHANGE IN ACCOUNTING POLICY (CONTINUED)

	2023	2022	PY ADJ	CHANGE
Asset Retirement Obligations - Other Assets	\$ 544,426	\$ 529,341	\$ -	\$ 529,341
Solid Waste Post Closure Asset Retirement Liability	14,444,980	14,050,170	3,965,543	10,084,627
				<u>\$ 10,613,968</u>

3. INVESTMENTS

Redeemable Guaranteed Income Certificates

	Principal	Accrued Interest
\$ 3,600,000.00	\$ 68,295.89	
\$ 400,000.00	5,986.30	
\$ 4,000,000.00	62,728.77	
\$ 1,000,000.00	16,397.26	
\$ 500,000.00	8,198.63	
\$ 500,000.00	8,198.63	
<u>\$ 10,000,000.00</u>	<u>\$ 169,805.48</u>	<u>\$ 10,169,805.48</u>

Non Redeemable Guaranteed Income Certificates

\$ 2,000,000.00	\$ 18,871.23	
\$ 2,000,000.00	37,808.22	
\$ 2,000,000.00	31,894.79	
\$ 2,000,000.00	12,723.29	
\$ 2,000,000.00	41,424.66	
\$ 500,000.00	7,978.36	
\$ 1,000,000.00	9,855.62	
\$ 1,000,000.00	9,855.62	
<u>\$ 12,500,000.00</u>	<u>\$ 170,411.79</u>	<u>\$ 12,670,411.79</u>
<u>\$ 22,500,000.00</u>	<u>\$ 340,217.27</u>	<u>\$ 22,840,217.27</u>

Guaranteed Income Certificates earn interest rates between 4.75% and 6.00%. Balance does not include \$18,524 in cash reinvested in April 2023. Funding for these investments was redirected from deposit accounts in accordance with Policy 18 – Investments.

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4. RECEIVABLES

			2023	2022
	CURRENT YEAR	PRIOR YEARS	TOTAL	TOTAL
Balance – beginning of year	\$ -	648,017	648,017	840,391
Current year's tax levy and interest	13,101,611	-	13,101,611	12,735,534
Collection of area rates	<u>42,032</u>	<u>-</u>	<u>42,032</u>	<u>40,544</u>
	<u>13,143,643</u>	<u>648,017</u>	<u>13,791,660</u>	<u>13,616,469</u>
Current year's collections	12,541,444	507,286	13,048,730	12,863,018
Reduced taxes	103,268	-	103,268	64,892
Transmission of area rates	<u>42,032</u>	<u>-</u>	<u>42,032</u>	<u>40,544</u>
	<u>12,686,744</u>	<u>507,286</u>	<u>13,194,030</u>	<u>12,968,453</u>
Taxes receivable	<u>\$ 456,899</u>	<u>\$ 140,731</u>	597,630	648,017
Valuation allowance – taxes			<u>(99,906)</u>	<u>(161,314)</u>
Net taxes receivable			497,724	486,703
Governments			273,765	373,024
Water rates			89,314	63,205
Sewer rates			152,345	147,854
Pension Asset (Note 14)			209,870	541,347
General, other and accrued interest			615,035	403,820
Valuation allowance – other			<u>-</u>	<u>(10,983)</u>
Total receivables			<u>\$ 1,838,053</u>	<u>\$2,004,969</u>

5. LOANS RECEIVABLE

	2023	2022
Port Medway Fire Department – non interest bearing with annual installments of \$10,000 with final installment of \$5,000, maturing in 2028,	\$ 45,000	\$ 55,000
Liverpool Fire Department – non interest bearing repayable in annual installments of \$4,600 maturing in 2025, two annual installments were made in 2023	9,200	18,400
Mill Village Fire Department – non interest bearing repayable in annual installments of \$20,000 maturing in 2025,	40,000	60,000
Liverpool Fire Fighters Association – non interest bearing repayable in annual installments of \$15,966 maturing in 2024	<u>25,383</u>	<u>41,349</u>
	\$119,583	\$174,749

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6. PAYABLES AND ACCRUALS

	2023	2022
General	\$1,503,899	\$ 965,380
Governments	<u>134,696</u>	<u>272,505</u>
	<u>\$1,638,595</u>	<u>\$ 1,237,885</u>

7. LONG TERM DEBT

The long term debt issued and outstanding (2023 - \$3,667,253; 2022 - \$4,342,996). Principal repayments required during the next five years are as follows:

2023/24	\$ 432,232
2024/25	\$ 434,396
2025/26	\$ 437,632
2026/27	\$ 367,645
2027/28	\$1,043,308

All long term debt outstanding at year end has been properly authorized by the Department of Municipal Affairs.

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 CONSOLIDATED SCHEDULE OF CAPITAL DEBT CHARGES AND TERM DEBT
 March 31, 2023

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7. LONG TERM DEBT (CONTINUED)

	Balance April 1, 2022	Issued	Redeemed	Balance March 31, 2023	Interest	Interest Rate	Debt Number
ENVIRONMENTAL HEALTH - SEWER							
Debtures-Nova Scotia Department of Finance and Treasury Board 2018-2028	\$ 371,000	-	\$ 53,000	\$ 318,000	\$ 10,650	2.06%-3.2995%	38A1
Debtures-Nova Scotia Department of Finance and Treasury Board 2019-2029	358,576	-	44,822	313,754	8,143	1.982%-2.712%	39A1
Debtures-Nova Scotia Department of Finance and Treasury Board 2020-2030	151,164	-	16,796	134,368	2,035	.6780%-1.8790%	40A1
Debtures-Nova Scotia Department of Finance and Treasury Board 2021-2031	158,674	-	15,868	142,807	2,347	.5%-2.259%	41A1
ENVIRONMENTAL HEALTH-LANDFILL							
CMHC 2017-2025	262,819	-	62,494	200,325	7,761	3.35%	cmhc
RECREATION AND COMMUNITY SERVICES							
Debtures-Nova Scotia Department of Finance and Treasury Board 2017-2027	1,079,168	-	67,448	1,011,720	38,822	2.792%-3.856%	32A1
FCM 2017-2032	1,000,148	-	90,921	909,227	18,653	2.00%	GMF
BUILDINGS AND SIDEWALKS							
Debtures-Nova Scotia Department of Finance and Treasury Board 2019-2029	91,688	-	11,461	80,227	2,082	1.982%-2.712%	39A1
Debtures-Nova Scotia Department of Finance and Treasury Board 2020-2030	24,570	-	2,730	21,840	331	.6780%-1.8790%	40A1
Debtures-Nova Scotia Department of Finance and Treasury Board 2021-2031	211,735	-	21,174	190,561	3,132	.5%-2.259%	41A1
	3,709,542	-	386,713	3,322,829	93,957		
WATER UTILITY							
Debtures-Nova Scotia Department of Finance and Treasury Board 2008-2023	245,604	-	245,604	0	7,011	4.955%-5.21%	27A1
Debtures-Nova Scotia Department of Finance and Treasury Board 2019-2029	133,736	-	16,717	117,019	3,037	1.982% - 2.712%	39A1
Debtures-Nova Scotia Department of Finance and Treasury Board 2020-2030	116,766	-	12,974	103,792	1,572	.6780%-1.8790%	40A1
Debtures-Nova Scotia Department of Finance and Treasury Board 2021-2031	137,348	-	13,735	123,613	2,032	.5%-2.259%	41A1
	633,454	-	289,030	344,424	13,653		
	\$ 4,342,996	\$ -	\$ 675,743	\$ 3,667,253	\$ 107,610		

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8. TAX SALE SURPLUS

Proceeds received from a tax sale of property in excess of the taxes and costs outstanding are held In Trust for a period of 20 years, unless withdrawn by the previous owner. If the Supreme Court of Nova Scotia has not issued an order directing the payment of the trust to a person with an interest in the land sold for taxes during this 20 year period, the amount is to be transferred to the Capital Reserve Fund. There were two tax sales in this fiscal year.

In this fiscal year tax surplus activity was:(\$321,693) redemptions, \$50,829 interest and \$601,918 in proceeds from tax sales.

Proceeds from tax sales of properties were received in the following years:

2009	467
2010	10,992
2011	295
2013	68,631
2014	9,293
2015	15,909
2016	30,576
2017	115,197
2018	53,258
2019	207,344
2020	89,770
2021	442,345
2022	620,711
	<u>\$1,664,791</u>

9. Asset Retirement Obligation:

Region of Queens Municipality's retirement obligation consists of several obligations as follows:

Landfill Obligation: Region of Queens Municipality owns and operates a Solid Waste Facility located at 3750 Highway 8. The liability for the closure of operational sites and post closure costs have been recognized under PS 3280 – Asset Retirement Obligation. Costs were based on the presently known obligations that will exist at the estimated year of closure and for thirty years after this date. The landfill has an estimated useful life of twenty six years with ten years remaining. These costs were discounted to March 31, 2023 using a discount rate of 2.81%.

Asbestos/Lead Obligation: Region of Queens Municipality owns five buildings still in use that are considered high risk for the presence of asbestos and/or lead paint. These substances represent a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS3280 an asset retirement obligation was recognized related to the removal and/or remediation of these substances. This obligation was calculated using the remaining useful life of these buildings and a discount rate of 2.81%.

The transition and recognition of the asset retirement obligations involved an accompanying increase to the Asset Retirement Obligations Asset and restatement of prior year's numbers. See note 2.

Asset Retirement Obligation Asset	Landfill	Buildings	Total
Opening Balance	\$ 9,018,116	\$ 250,485	\$ 9,268,601
Accumulated Amortization	(4,012,984)	(171,268)	\$ (4,184,252)
Amortization	(250,812)	(6,262)	\$ (257,074)
Ending Balance	\$ 4,754,321	\$ 72,955	\$ 4,827,276
 Asset Retirement Obligation			
Opening Balance	\$ 14,050,170	\$ 529,341	\$ 14,579,511
Accrellion	394,810	15,085	409,895
Ending Balance	\$ 14,444,980	\$ 544,426	\$ 14,989,406

10. TANGIBLE CAPITAL ASSETS - 2022

	Cost beginning of year	Additions	Disposals	Cost end of year	Amorftzation	Accumulated Amorftzation	NBV
LAND	\$6,401,891	\$ -	\$ -	\$ 6,401,891	\$ -	\$ -	\$ 6,401,891
GENERAL GOVERNMENT SERVICES	1,847,692	-	-	1,847,692	40,770	1,363,741	483,952
ENVIRONMENTAL DEVELOPMENT SERVICES	3,237,893	-	-	3,237,893	61,901	1,665,100	1,572,794
PROTECTIVE SERVICES							
Law Enforcement	731,516	-	-	731,516	21,140	452,806	278,710
Protective Services	555,616	-	-	555,616	7,761	439,268	116,348
ENVIRONMENTAL HEALTH SERVICES							
Sewage Collection and Disposal	16,284,424	234,864	-	16,519,288	324,972	6,339,731	10,179,557
Landfill Site	14,273,740	51,188	5,965	14,330,893	356,125	6,261,328	8,069,565
Materials recovery facility	800,349	-	-	800,349	17,154	382,783	417,566
PUBLIC HEALTH AND WELFARE SERVICES	1,218,512	-	-	1,218,512	16,284	1,131,636	86,876
MAINTENANCE DEPARTMENT	5,525,886	128,232	-	5,654,118	179,019	3,818,946	1,835,172
RECREATION, PLANNING, TOURISM	21,500,962	-	-	21,500,962	596,887	6,088,035	15,412,927
PUBLIC WORKS							
Sidewalks	606,940	-	-	606,940	16,360	465,400	141,540
Traffic Lights	127,110	-	-	127,110	5,084	91,520	35,591
Streets	8,126,790	635,769	-	8,762,559	205,631	3,160,602	5,601,957
Airport	153,597	40,576	-	194,173	1,312	144,413	49,760
UTILITY PLANT AND EQUIPMENT	8,847,489	314,924	-	9,162,413	108,585	2,701,398	6,461,015
ASSET RETIREMENT OBLIGATION	9,268,601	-	-	9,268,601	257,074	4,184,252	5,084,349
	\$99,509,008	\$1,405,553	\$5,965	\$100,920,526	\$2,216,059	\$38,690,959	\$ 62,229,571

11. TANGIBLE CAPITAL ASSETS - 2023

	Cost beginning of year	Additions	Disposal	Cost end of year	Amortization	Accumulated Amortization	NBV
LAND	\$6,401,891	\$ -	\$ 1,000	\$ 6,400,891	\$ -	\$ -	\$ 6,400,891
GENERAL GOVERNMENT SERVICES	1,847,692	-	-	1,847,692	30,188	1,393,939	453,753
ENVIRONMENTAL DEVELOPMENT SERVICES	3,237,893	-	-	3,237,893	61,901	1,727,000	1,510,893
PROTECTIVE SERVICES							
Law Enforcement	731,516	-	-	731,516	21,140	473,946	257,570
Protective Services	555,616	-	-	555,616	7,761	447,029	108,587
ENVIRONMENTAL HEALTH SERVICES							
Sewage Collection and Disposal	16,519,303	244,539	-	16,763,842	312,750	6,652,482	10,111,360
Landfill Site	14,330,879	700,494	-	15,031,373	887,116	7,148,444	7,882,929
Materials recovery facility	800,349	-	-	800,349	17,154	399,937	400,412
PUBLIC HEALTH AND WELFARE SERVICES	1,218,512	59,827	-	1,278,339	16,284	1,147,920	130,419
MAINTENANCE/TRANSPORTATION	5,654,126	413,337	-	6,067,463	191,842	4,010,788	2,056,675
RECREATION, PLANNING, TOURISM	21,500,961	185,771	-	21,686,732	598,406	6,686,441	15,000,291
PUBLIC WORKS							
Sidewalks	606,940	-	-	606,940	16,356	481,756	125,184
Traffic Lights	127,110	-	-	127,110	5,084	96,604	30,506
Streets	8,762,559	631,049	-	9,393,608	225,712	3,386,314	6,007,294
Airport	194,173	-	-	194,173	1,312	145,725	48,448
UTILITY PLANT AND EQUIPMENT	9,162,412	490,411	-	9,652,824	112,275	2,813,697	6,839,127
ASSET RETIREMENT OBLIGATION	9,268,601	-	-	9,268,601	257,074	4,441,325	4,827,276
	\$100,920,534	\$2,725,429	\$1,000	\$103,644,963	\$ 2,762,354	\$41,453,347	\$ 62,191,644

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12. COMMITMENTS

Contract/Leases

As at March 31, 2023, the Region of Queens is committed to making the following payments:

A contract for garbage collection for the subsequent year of \$799,309 plus HST expires March 31, 2026.

A contract for residual waste transfer from transfer stations to the Region of Queens Solid Waste Management Facility expires March 31, 2026.

A contract for the transfer of organic material from the Region of Queens Solid Waste Management Facility to the composting facility expires March 31, 2025.

A contract for fire answering service for the subsequent year of \$27,807 plus HST expires March 31, 2024.

Lease for library space for the subsequent year of \$51,680 plus HST, expires December 31, 2024.

13. REMUNERATION AND EXPENSES OF ELECTED OFFICIALS AND CHIEF ADMINISTRATIVE OFFICER PAID DURING THE YEAR

	Remuneration	Expenses
Councillors		
Mayor – D. Norman	44,526	1398
District 1 – K. Muise	22,777	704
District 2 – R. Gidney	22,263	0
District 3 – M. Charlton	22,263	2253
District 4 – V. Amirault	22,263	89
District 5 – J. Fancy	22,862	1454
District 6 – D. Brown	22,263	5872
District 6 – C. Hawkes	<u>22,263</u>	<u>1439</u>
	201,480	13,209
Chief Administrative Officer		
C. McNeill	<u>143,044</u>	<u>431</u>
	<u>\$ 334,524</u>	<u>\$ 13,640</u>

14. EMPLOYEES' RETIREMENT PENSION PLAN

Region of Queens Defined Benefit Plan

Effective September 30, 2020 all pension assets were transferred to the Nova Scotia Public Service Superannuation Plan (NSPSSP), who are now the administrators of the employee pension plan. A Pension Asset has been recorded as an estimate of the overpayments by plan contributors. There was no difference between the actual over contributions and this estimate.

As per the Public Sector Accounting Board handbook, section 3250-Retirement Benefits, the accounting valuation result for the Region of Queens Pension Plan (the "Plan") as at December 31, 2019 indicated a pension asset of \$288,982 which had been reflected in the financial statements. When the pension transfer to the Nova Scotia Public Service Superannuation Plan was completed and remaining funds transferred, there was a higher than anticipated surplus. This surplus was recognized in revenue in the 21/22 fiscal year with a corresponding receivable. This payment holiday will be drawn down with subsequent payrolls, which is expect to be used by the fall of 2023. The balance as of March 31, 2023 is \$209,870.

Nova Scotia Public Service Superannuation Plan (NSPSSP)

Nova Scotia Public Service Superannuation plan employer contribution formula is 8.4% of the first \$66,600 of gross pay and 10.9 % of the remainder to a maximum of \$198,643. This is matched by the employee. Maximums are based on calendar year 2023

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14. EMPLOYEES' RETIREMENT PENSION PLAN (CONTINUED)

Although, the NSPSSP is a defined benefit pension plan, the Municipality accounts for it as a defined contribution plan as it is a multiemployer plan and contributions are recorded as expenses when they are paid or payable. Contributions to the Plan are required by both the employer and its employees. Total employer contributions for 2023 were \$331,477 and are recognized as an expense in the period as part of salaries, wages and benefits as disclosed in Note 18.

15. SOLID WASTE CLOSURE AND POST CLOSURE LIABILITY

The Municipality owns and operates a Solid Waste Management Facility. It has an obligation under Nova Scotia Department of Environment regulations for costs related to the closure and post closure care of the sites once capacity is reached. The following cost and capacity information is based upon ongoing evaluation and best estimates by management in consultation with internal and external technical consultants.

As at March 31, 2023, based on current Municipal Solid Waste usage and compaction rates, the remaining capacity of the 2nd Generation solid waste cell is approximately 217,083 tonnes. Total closure costs in current period dollars are estimated to be approximately \$7,090,773. The cost estimate is adjusted based on Statistics Canada's CPI average increase over the preceding three years. Costs for post closure care and maintenance of this site in the current period are approximately \$7,354,206 when discounting is applied.

As at March 31, 2023, based on current closure and post closure requirements, estimated total costs would be \$14,444,979 in current period dollars. These costs are expected to be incurred over a period of 30 years subsequent to closure of the current cells.

The municipality has internally restricted assets of \$5,932,812 to fund these future costs which are included in cash and cash equivalents. The determination of required additions to the reserve is based on management's knowledge of the future expected costs to close the site with an additional allowance intended to fund potential changes in environmental regulatory standards. Management's estimates for the reserve include consideration that costs will escalate and attempt to ensure that, should the site be closed; no funds would need to be borrowed to complete the closure. Alternatively, the method used to calculate the solid waste closure and post-closure liability as recorded in the statement of financial position is explicitly outlined by Canadian Public Sector Accounting Standards.

The liability recognized in the financial statements is based on estimates and assumptions using the Municipality's best information and judgment. Future events may result in significant changes to the estimated expenses, total capacity or the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

16. TRUST FUNDS UNDER ADMINISTRATION

Trust Funds administered by the Municipality are reported on separately and not included in the consolidated financial statements.

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17. BUDGET FIGURES

Public Sector Accounting Standards (PSAS) require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the statement of operations and statement of changes in net assets has been adjusted to be on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statement:

	Approved Fiscal Plan	Consolidation (As required by PSAS)*	Fiscal Plan Per Financial Statements
REVENUE			
Taxation	\$ 15,396,999	\$ (3,251,063)	\$ 12,145,936
Sale of services	789,758		789,758
Water rates	-	604,715	604,715
Water for fire protection		196,427	196,427
Government transfers	1,314,026		1,314,026
Grants in lieu of taxes	316,607		316,607
Services provided to other governments	2,153,196		2,153,196
Other revenue from own sources	1,008,139	8,000	1,016,139
Public health	1,434,506		1,434,506
Transfers from own funds	730,111	(730,111)	-
	23,143,342	(3,172,032)	19,971,310
EXPENDITURE			
General government services	5,850,087	(3,039,340)	\$ 2,810,747
Protective services	4,413,298	(357,170)	4,056,128
Transportation services	2,721,836	428,847	3,150,683
Environment health services	3,996,639	1,041,934	5,038,573
Public health	1,592,164	(91,747)	1,500,417
Environmental development services	1,620,505	21,901	1,642,406
Recreation and cultural services	2,359,503	348,327	2,707,830
Water treatment and distribution	-	780,681	780,681
Fiscal services	589,000	(589,000)	-
	23,143,032	(1,455,568)	21,687,464
ANNUAL SURPLUS	310	(1,716,464)	(1,716,154)

* The adjustments above include netting school board appropriations and reduced taxes against tax revenues, reclassification of revenues and expenditures amongst categories, and the elimination of transfers between funds, and amortization of tangible capital assets.

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18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

19. SEGMENT DISCLOSURE

Region of Queens Municipality is a diversified municipal government institution that provides a wide range of services to its citizens. Municipal services are provided by departments and their activities are reported in those segments. Expenses of the following departments have been separately disclosed in segmented information consistent with provincially legislated requirements as follows:

General Government Service

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 activities of the Mayor and Council as well as the following administrative activities: human resources, legal services, facilities management, finance and administration, communications and technology, and the office of the Chief Administrative Officer.

Protective Services

Activities that provide for the public safety of the citizens of the Municipality. This includes police and fire protection and other protective services such as by-law enforcement, building and fire inspections, Ground Search and Rescue and Emergency Measures Organization.

Transportation Services

Activities performed by the Engineering and Public Works Department. This includes management, maintenance and development of a wide variety of municipal infrastructure. Primary activities are road maintenance, sidewalk repair and maintenance and snow removal and salting (within the boundaries of Liverpool only). Activities also included are sewer operations, equipment maintenance, and supervision of water utility.

Environment Health Services

Activities that provide environmentally regulated services. This includes the collection of solid waste materials, the maintenance and operation of a solid waste site, solid waste landfill closure and post-closure costs allocated to the current year, sanitary wastewater collection and treatment, and supervision of solid waste facility.

Public Health Services

Activities related to the operations of Hillsview Acres Residential Care Facility and mandatory transfers to the Regional Housing Authority.

Environmental Development Services

Activities that support and manage the Municipality's physical and economic development. This includes activities related to land use planning, zoning and development, activities related to investment attraction, existing business retention and expansion, business support and promotion to enhance the economy of the Region.

Recreation and Cultural Services

Activities related to the Municipality's recreation facilities, including the operations and maintenance of two outdoor pools, parks, trails, beaches, Queens Place Emera Centre and various cultural facilities including a library. This also includes the expenditures for various recreational programming and special events as well as human, financial, and administrative support of volunteer organizations within the Municipality.

Water Treatment and Distribution

Activities related to the treatment and distribution of drinking water to its users through a comprehensive water treatment facility.

Educational Services

Activities related to the mandatory funding of school boards.

MARCH 31, 2023

19. SEGMENT DISCLOSURE (CONTINUED)

CONSOLIDATED EXPENSES BY OBJECT

	2023	2022 (restated)
Salaries, wages and benefits	\$ 6,106,547	\$ 6,079,602
Interest on long-term debt	106,477	122,333
External transfers and grants	3,517,663	3,256,467
Amortization	2,505,282	2,210,083
Other	10,536,697	9,199,723
	<u>\$22,772,666</u>	<u>\$20,824,139</u>

REGION OF QUEENS MUNICIPALITY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2023

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19. SEGMENT DISCLOSURE (CONT'D)

	General Government Services	Protective Services	Roads & Streets (Public Works) Services	Environment Health Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Treatment and Distribution	2023	2022
Taxation	\$ 10,473,411	\$ 196,427	\$ 1,390,131	\$ 558,807	\$ -	\$ -	\$ -	\$ -	\$ 12,618,776	\$ 12,545,368
Sale of services	14,951	11,491	-	805,211	-	-	-	-	831,654	875,391
Water Rates / Fire Protection	-	-	-	-	-	-	-	811,199	811,199	720,474
Government transfers	1,382,365	-	-	87,462	-	-	-	-	1,469,827	2,662,364
Grants in lieu of taxes	265,865	27,506	-	-	-	-	-	-	293,371	313,884
Services provided other gov't	-	-	-	2,561,368	-	-	-	-	2,561,368	2,448,893
Other revenue own sources	1,356,576	-	-	-	-	-	1,043,128	67,713	2,467,417	1,378,846
Public health	-	-	-	-	1,772,476	-	-	-	1,772,476	1,507,204
Government transfers - capital	-	-	695,617	-	-	-	-	-	695,617	1,379,409
Proceeds from sale of property	97,000	-	-	-	-	-	-	-	97,000	-
Total Revenues	\$ 13,590,169	\$ 235,424	\$ 2,085,748	\$ 4,012,848	\$ 1,772,476	\$ -	\$ 1,043,128	\$ 878,912	\$ 23,618,705	\$ 23,831,833
Salaries, wages and benefits	1,265,499	206,008	1,012,083	709,412	1,189,913	627,363	899,605	196,665	6,106,547	6,079,602
Interest/discount on long-term debt	-	-	5,545	30,937	-	-	57,401	12,594	106,477	122,333
External transfers and grants	485,830	2,423,366	274,190	440,308	1,217,020	16,284	218,278	-	3,517,663	3,212,397
Amortization	30,188	28,901	440,308	1,217,020	16,284	61,901	598,406	112,275	2,505,282	2,210,083
Materials, services and other expenses	1,040,795	1,361,432	1,464,500	3,298,803	480,252	1,007,900	1,099,506	783,507	10,536,696	9,217,763
Total Expenditures	\$ 2,822,312	\$ 4,019,707	\$ 3,196,626	\$ 5,254,715	\$ 1,802,449	\$ 1,697,164	\$ 2,873,196	\$ 1,108,497	\$ 22,772,666	\$ 20,842,179
Surplus / (Deficit) by category	\$ 10,767,857	\$ (3,784,282)	\$ (1,110,879)	\$ (1,241,867)	\$ (29,973)	\$ (1,697,164)	\$ (1,830,069)	\$ (227,585)	\$ 846,041	\$ 2,989,653

(restated Note 2)

REGION OF QUEENS MUNICIPALITY
SUPPLEMENTARY FINANCIAL INFORMATION
NON-CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – See advisory to reader)
March 31, 2023

Advisory to readers

Region of Queens Municipality prepares both consolidated and non-consolidated financial statements.

Non-consolidated financial statements are prepared to provide details of the individual funds managed by the Municipality. In particular, they provide information on the fund performance 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 public sector accounting standards.

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MARCH 31, 2023

Advisory to reader

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REGION OF QUEENS MUNICIPALITY
 SUPPLEMENTARY FINANCIAL INFORMATION
 (Unaudited - See Advisory to Reader)
 NON-CONSOLIDATED OPERATING FUND STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED March 31, 2023

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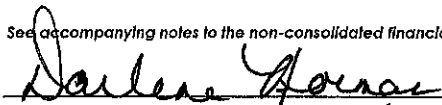
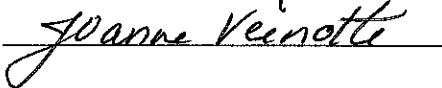
	SCHEDULE	2023		2022
		BUDGET	ACTUAL	ACTUAL
REVENUE				
Taxes	1	\$ 15,396,999	\$ 15,979,267	\$ 15,842,905
Grants in lieu of taxes	2	316,607	293,371	313,884
Services provided to other governments	3	2,153,196	2,188,965	2,133,526
Sales of services	4	789,758	833,263	875,391
Other revenue from own sources	5	1,008,139	1,455,468	1,188,543
Unconditional transfers from other governments	6	1,229,426	1,230,164	2,446,660
Conditional transfers from Federal and Provincial governments or agencies	7	84,600	239,663	215,704
Other transfers	8	730,111	1,239,704	825,334
		<u>21,708,836</u>	<u>23,459,865</u>	<u>23,841,948</u>
EXPENDITURE				
General government services	9	2,780,560	2,419,966	2,364,643
Protective services	10/1	4,413,298	4,370,305	4,188,529
Transportation services	11	2,721,836	2,791,683	2,378,043
Environmental health services	12	3,996,639	4,081,469	3,809,648
Public health/Schools	13/1	3,227,186	3,185,528	3,121,290
Environmental development services	14	1,620,505	1,402,263	1,301,378
Recreational and cultural services	15	2,359,504	2,388,096	2,006,434
Fiscal services	16	589,000	1,151,058	1,202,353
Transfer current year surplus		-	1,669,497	3,469,629
		<u>21,708,526</u>	<u>23,459,864</u>	<u>23,841,947</u>
EXCESS REVENUE OVER EXPENDITURES		<u>\$ 310</u>	<u>\$ 0</u>	<u>\$ 0</u>

REGION OF QUEENS MUNICIPALITY
 SUPPLEMENTARY FINANCIAL INFORMATION
 (Unaudited - See Advisory to Reader)
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION - OPERATING FUND
 March 31, 2023

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	2023	2022
Financial Assets		
Cash and cash equivalents	\$ 4,696,393	\$ 4,691,216
Taxes Receivable	597,630	648,017
Valuation Allowance for Uncollectible Taxes	(99,906)	(161,314)
	<u>497,725</u>	<u>486,703</u>
Other Receivables	830,535	974,731
Valuation Allowance for Doubtful Accounts	-	(10,983)
	<u>830,535</u>	<u>963,748</u>
Due from Federal Government and its agencies	164,032	157,822
Due from Provincial Government and its agencies	52,805	143,323
Due from other local governments	152,345	147,854
Due from own funds:		
Capital Fund	409,438	-
Water Utility Operating Fund	-	-
Trusts	-	-
Special Operating Reserve	-	1,455
	<u>165,142</u>	<u>199,439</u>
	<u>943,761</u>	<u>649,893</u>
	<u>6,968,413</u>	<u>6,791,560</u>
Liabilities		
Payables and Accruals - Trade	1,345,584	856,060
Deferred revenue	1,781,093	714,088
Prepayment of taxes	365,058	340,470
Federal Government and its agencies	1,914	234
Provincial Government and its agencies	31,919	34,425
Other local governments	-	-
Tax sale surplus	1,664,791	1,333,737
Due to Own Funds:		
Capital Fund	-	26,511
Special Water Capital Reserve	7,064	936
Water Utility Operating Fund	6,702	21,471
Trusts	542	-
Special Equipment Reserve	-	-
Special Operating Reserve	1,903,511	3,553,454
Special Capital Reserve	45,798	25,642
	<u>7,153,975</u>	<u>6,907,029</u>
Net Debt	<u>(185,562)</u>	<u>(115,469)</u>
Non Financial Assets		
Prepaid expenses	185,562	115,469
Net Financing	185,562	115,469
Net Assets	<u>0</u>	<u>(0)</u>
Accumulated Surplus	<u>(0)</u>	<u>(0)</u>

See accompanying notes to the non-consolidated financial statements.

 Mayor
 Acting Municipal Clerk

REGION OF QUEENS MUNICIPALITY
 SUPPLEMENTARY FINANCIAL INFORMATION
 (Unaudited - See Advisory to Reader)

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NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CAPITAL FUND

March 31, 2023

	2023	2022
Financial Assets		
Cash and cash equivalents	\$ 62,977	\$ 186,408
Prepaid Expenses	96,417	
Due from Federal government and Its Agencies	42,661	29,946
Due from Operating Fund	-	26,511
Due from Special Operating Reserve	214,540	599,636
Due from Water Capital Reserve	228,884	122,354
Due from Special Capital Reserve	1,000	109,038
	<u>646,479</u>	<u>1,073,893</u>
Liabilities		
Payables and Accruals	42,028	107,691
Asset Retirement Obligation - Building and Other	544,426	529,341
Asset Retirement Obligation - Landfill	14,444,980	14,050,170
Due from Operating Fund	409,438	-
Due from Special Capital Reserve	-	750,000
Due from Water Capital	28,576	-
Long Term Debt (note)	3,667,253	4,097,392
	<u>19,136,701</u>	<u>19,534,595</u>
Net Debt	<u>(18,490,222)</u>	<u>(18,460,701)</u>
Non Financial Assets		
Tangible capital assets, at cost	93,992,139	87,573,869
Less: Amortization	38,639,647	31,805,308
	<u>55,352,492</u>	<u>55,768,561</u>
Net Assets	<u>36,862,271</u>	<u>37,307,854</u>
Accumulated Surplus	<u>36,862,271</u>	<u>37,307,854</u>

NON-CONSOLIDATED CAPITAL FUND STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED March 31, 2023

	2023	2022
Revenue:		
Other	-	-
Financing and Transfers		
Interest	9,073	1,251
Transfer from Special Operating Reserve	1,061,359	911,210
Transfer from Equipment Reserve	1,113,821	179,420
Transfer to Operating	-	-
Transfer to Reserve	-	-
Accretion Landfill Liability	(394,810)	(1,058,403)
Accretion Asset Retirement Obligation	(15,085)	(14,468)
Amortization - Landfill Asset Retirement Obligation	(250,812)	(250,812)
Amortization - Asset Retirement Obligation	(6,262)	(6,262)
Amortization	(2,393,007)	(1,844,424)
Debtenture reimbursement to Special Operating Reserve	-	(507,757)
Principal Payments in Long Term Debt	430,139	377,337
Net Financing and Transfers	<u>(445,583)</u>	<u>(2,212,907)</u>
Annual Surplus (Deficit)	<u>(445,583)</u>	<u>(2,212,907)</u>
BALANCE - BEGINNING OF YEAR	<u>\$ 37,307,854</u>	<u>\$ 44,394,821</u>
Asset Retirement Obligation Equity Adjustment		(4,874,059)
BALANCE-END OF YEAR	<u>\$ 36,862,271</u>	<u>\$ 37,307,854</u>

REGION OF QUEENS MUNICIPALITY
 SUPPLEMENTARY FINANCIAL INFORMATION
 (Unaudited - See Advisory to Reader)

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NON-CONSOLIDATED CAPITAL FUND TANGIBLE CAPITAL ASSET SUMMARY

March 31, 2023

	2023			2022	
	COST	ACCUMULATED AMORTIZATION	NBV	NBV	
LAND	\$ 6,400,891	\$ -	\$ 6,400,891	\$ 6,401,891	
GENERAL GOVERNMENT SERVICES	1,847,692	1,393,939	453,753	483,940	
ENVIRONMENTAL DEVELOPMENT SERVICES	3,237,893	1,727,000	1,510,893	1,572,794	
PROTECTIVE SERVICES					
Law enforcement	731,516	473,946	257,570	278,710	
Protective Services	555,616	447,029	108,587	116,348	
ENVIRONMENTAL HEALTH SERVICES					
Sewage collection and disposal	16,763,842	6,652,482	10,111,361	10,179,572	
Landfill site	15,031,373	7,148,444	7,882,929	8,069,551	
Materials recovery facility	800,349	399,937	400,412	417,566	
PUBLIC HEALTH AND WELFARE SERVICES	1,278,339	1,147,920	130,419	86,876	
MAINTENANCE DEPARTMENT	6,067,463	4,010,784	2,056,679	1,835,180	
RECREATION, PLANNING, TOURISM	21,686,732	6,686,441	15,000,291	15,412,926	
PUBLIC WORKS					
Sidewalks	606,940	481,756	125,184	141,540	
Traffic lights	127,110	96,604	30,506	35,591	
Streets	9,393,608	3,386,314	6,007,293	5,601,957	
AIRPORT	194,173	145,725	48,448	49,770	
ASSET RETIREMENT OBLIGATION	9,268,601	4,441,325	4,827,276	5,084,349	
	<u>\$ 93,992,139</u>	<u>\$ 38,639,647</u>	<u>\$ 55,352,492</u>	<u>\$ 55,768,561</u>	

REGION OF QUEENS MUNICIPALITY
 SUPPLEMENTARY FINANCIAL INFORMATION
 (Unaudited - See Advisory to Reader)
 SCHEDULES TO NON-CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED March 31, 2023

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	2023		2022
	BUDGET	ACTUAL	ACTUAL
1. TAXES			
Assessable property			
Residential	\$ 8,994,891	\$ 9,027,193	\$ 8,560,744
Commercial			
Commercial property	1,545,397	1,549,762	1,646,578
Resource			
Taxable assessments	772,820	772,230	829,297
Forest property tax (less than 50,000 acres)	29,434	29,649	29,945
Forest property tax (50,000 acres or more)	268	143	268
	802,522	802,022	859,510
Area rates			
Protective services	196,427	196,427	196,366
Transportation services	1,391,218	1,390,131	1,351,401
Recreational and cultural	-	-	-
Other	77,618	77,581	76,125
	1,665,263	1,664,139	1,623,892
Special assessment			
Environmental health service	560,600	558,807	554,984
Other			
Deed transfer tax	800,000	1,305,557	1,503,962
Change of use tax	-	-	531
Recovered Taxes	100,000	59,950	162,645
	900,000	1,365,507	1,667,139
Based on revenue:			
Allant	44,000	43,446	42,144
Nova Scotia Power Corporation	829,326	916,495	829,326
Nova Scotia Power Corporation-HST rebate	55,000	51,896	58,589
	928,326	1,011,837	930,059
	\$ 15,396,999	\$ 15,979,267	\$ 15,842,905
Conditional transfers to other government Agencies			
Correctional services	(181,535)	(174,963)	(176,247)
Deficit of Regional Housing Authority	(157,658)	(116,000)	(95,930)
Appropriation to South Shore Regional Centre for Education	(3,069,528)	(3,069,528)	(3,025,360)
	(3,408,721)	(3,360,491)	(3,297,537)
	\$ 11,988,278	\$ 12,618,776	\$ 12,545,368
2. GRANTS IN LIEU OF TAXES			
Federal Government	\$ 60,050	\$ 56,352	\$ 51,204
Federal Government Agency			
Canada Post	-	-	5,676
Provincial Government			
Provincial property	95,339	75,943	94,241
Crown timberlands	133,580	133,571	135,124
Fire protection	27,638	27,506	27,638
	256,557	237,020	257,004
	\$ 316,607	\$ 293,371	\$ 313,884

REGION OF QUEENS MUNICIPALITY
 SUPPLEMENTARY FINANCIAL INFORMATION
 (Unaudited - See Advisory to Reader)
 SCHEDULES TO NON-CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED March 31, 2023

	2023		2022
	BUDGET	ACTUAL	ACTUAL
3. SERVICES PROVIDED TO OTHER GOVERNMENTS			
Local Governments			
Environment health services-landfill	\$ 2,153,196	\$ 2,188,965	\$ 2,133,526
4. SALES OF SERVICES			
Protective services	\$ 12,000	\$ 11,491	\$ 10,435
Environmental health services	762,758	805,211	843,287
Other	15,000	16,560	21,670
	<u>\$ 789,758</u>	<u>\$ 833,263</u>	<u>\$ 875,391</u>
5. OTHER REVENUE FROM OWN SOURCES			
Licenses and permits	\$ 50,500	\$ 59,837	\$ 63,171
Fines	28,000	27,523	23,890
Rentals	251,194	246,724	92,354
Return on Investments	50,400	189,343	50,582
Penalties and Interest	140,000	135,558	134,293
Revenue collected for Other Government Agencies	42,029	42,032	40,544
Less: Transmission of revenue collected for Other Government Agencies	(42,029)	(41,954)	(40,540)
Queens Place	396,745	503,257	388,717
Miscellaneous	91,300	293,147	111,364
Penston Surplus	-	-	324,168
	<u>\$ 1,008,139</u>	<u>\$ 1,455,468</u>	<u>\$ 1,188,543</u>
6. UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS			
Provincial Government			
Service Nova Scotia & Municipal Relations			
Assessment Act, farm property acreage	\$ 12,192	\$ 12,930	\$ 12,192
Municipal Grants Act-equalization	1,217,234	1,217,234	2,434,468
	<u>\$ 1,229,426</u>	<u>\$ 1,230,164</u>	<u>\$ 2,446,660</u>
7. CONDITIONAL TRANSFERS FROM FEDERAL & PROVINCIAL GOVERNMENTS OR AGENCIES			
Federal Government - ACOA Queens Coast Branding		\$ -	\$ 59,526
Provincial Government			
Environmental Health Services			
Garbage & refuse collection & disposal	60,000	87,462	52,029
Other Provincial Funding			
RRFB - Waste Separation Funding	10,000	9,174	9,381
DMA funding - Beautification Façade and Wayfinding		10,000	10,000
Community Culture and Heritage		3,360	
Wayfairer funding			1,472
Civic number grant	4,600	4,619	4,614
Transitional Funding - Accessibility		65,454	
Provincial Funding			
Safe Restart Funding (inc Transf)	10,000	59,596	78,682
	<u>\$ 84,600</u>	<u>\$ 239,663</u>	<u>\$ 215,704</u>

REGION OF QUEENS MUNICIPALITY
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 (Unaudited - See Advisory to Reader)
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 FOR THE YEAR ENDED March 31, 2023

	2023		2022
	BUDGET	ACTUAL	ACTUAL
8. OTHER TRANSFERS			
Transfers from own valuation allowances & equity			
Surplus of prior year	\$ 336,000	\$ 436,000	\$ -
Transfer from other fund			
Capital Fund		-	
Special Operating Reserve	153,000	410,373	514,573
Special Capital Reserve	40,000	219,720	29,636
Special Equipment Reserve	201,111	173,611	281,126
	<u>\$ 730,111</u>	<u>\$ 1,239,704</u>	<u>\$ 825,334</u>

REGION OF QUEENS MUNICIPALITY
 SUPPLEMENTARY FINANCIAL INFORMATION
 (Unaudited - See Advisory to Reader)
 SCHEDULES TO NON-CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED March 31, 2023

	2023		2022
	BUDGET	ACTUAL	ACTUAL
9. GENERAL GOVERNMENT SERVICES			
Legislative			
Remuneration - mayor	\$ 46,890	\$ 44,526	\$ 44,526
Remuneration - council	164,768	156,954	155,841
Other			
Travel	11,700	12,888	4,684
Other	17,000	16,363	22,196
	<u>240,358</u>	<u>230,731</u>	<u>227,247</u>
General administration			
Administration	1,101,594	1,093,011	1,122,285
Financial management	24,000	30,546	40,241
Bank charges	2,500	4,803	11,821
Taxation			
Administration	66,450	66,378	64,106
Tax billings	15,000	14,504	14,163
Assessment Services	310,830	310,830	315,429
Tax rebate or cancellations			
Reduced taxes (Section 69)	90,000	103,268	64,892
Tax sale	22,500	36,464	9,285
Common services	214,802	101,420	117,511
Other	328,397	168,763	49,985
	<u>2,176,073</u>	<u>1,929,986</u>	<u>1,809,718</u>
Other general government services			
Conventions/Elections	17,250	19,300	12,770
Insurance	1,232	1,120	1,120
Grants to organizations	175,000	175,000	175,000
Other	65,646	61,242	53,981
	<u>259,128</u>	<u>256,662</u>	<u>242,870</u>
Valuation allowance			
Uncollectible taxes	105,000	1,385	83,288
Prior years appeals	-	1,201	1,523
	<u>105,000</u>	<u>2,586</u>	<u>84,811</u>
	<u>\$ 2,780,559</u>	<u>\$ 2,419,966</u>	<u>\$ 2,364,646</u>

REGION OF QUEENS MUNICIPALITY
 SUPPLEMENTARY FINANCIAL INFORMATION
 (Unaudited - See Advisory to Reader)
 SCHEDULES TO NON-CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED March 31, 2023

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	2023		2022
	BUDGET	ACTUAL	ACTUAL
10. PROTECTIVE SERVICES			
Police protection			
Administration-prosecution fees/DNA testing	\$ 25,623	\$ 19,024	\$ 22,430
Crime Investigation, prevention and protective services	2,470,295	2,470,198	2,224,689
	<u>2,495,918</u>	<u>2,489,222</u>	<u>2,247,119</u>
Law enforcement			
Building/Fire Inspection	182,068	158,531	163,452
Bylaw	91,434	111,400	86,014
	<u>273,502</u>	<u>269,930</u>	<u>249,466</u>
Fire protection			
Fire fighting force	1,084,089	1,057,607	1,111,492
Fire alarm system	29,981	29,223	28,941
Water supply and hydrants	196,427	196,427	196,366
Fire station building	62,637	75,578	46,540
Other	5,000	4,200	7,376
	<u>1,378,134</u>	<u>1,363,034</u>	<u>1,390,716</u>
Emergency measures	67,616	58,391	111,320
Other-Court House	16,593	14,764	13,662
	<u>\$ 4,231,763</u>	<u>\$ 4,195,341</u>	<u>\$ 4,012,283</u>
11. TRANSPORTATION SERVICES			
Common services			
Administration	\$ 976,645	\$ 924,228	\$ 697,526
Equipment operations	434,711	595,378	454,764
Small tools and equipment	41,000	31,930	38,932
Works/Storage garages	69,272	69,470	90,145
Insurance	2,948	3,008	2,922
Staff training	12,500	10,529	7,151
	<u>1,537,076</u>	<u>1,634,543</u>	<u>1,291,439</u>
Road transport			
Roads and streets	850,977	794,700	743,289
Street lighting	288,600	290,391	314,173
	<u>1,139,577</u>	<u>1,085,090</u>	<u>1,057,462</u>
Debtenture			
Interest	5,449	5,545	5,496
Principal	35,365	35,365	14,191
	<u>40,814</u>	<u>40,910</u>	<u>19,687</u>
Air transportation			
Airport	4,369	31,140	9,456
	<u>\$ 2,721,836</u>	<u>\$ 2,791,683</u>	<u>\$ 2,378,043</u>

REGION OF QUEENS MUNICIPALITY
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 (Unaudited - See Advisory to Reader)
 SCHEDULES TO NON-CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED March 31, 2023

	2023		2022
	BUDGET	ACTUAL	ACTUAL
12. ENVIRONMENTAL HEALTH SERVICES			
Sewage collection and disposal			
Administration	\$ 23,397	\$ 21,290	\$ 22,089
Sewage collection systems	109,552	139,202	105,093
Sewage treatment and disposal	200,074	240,562	253,828
	<u>333,023</u>	<u>401,054</u>	<u>381,011</u>
Debtenture			
Interest	22,300	23,176	24,637
Principal	130,485	130,486	114,618
	<u>152,785</u>	<u>153,662</u>	<u>139,255</u>
Garbage and waste collection and disposal			
Administration	132,227	119,952	127,072
Uncollectible (Recovery) Receivables	-	-	-
Garbage and waste collection	1,429,416	1,473,350	1,330,004
Landfill	801,312	865,312	770,921
Special Capital Reserve - closure costs	307,528	329,966	322,249
Recycling	770,094	667,919	668,848
	<u>3,440,577</u>	<u>3,456,499</u>	<u>3,219,094</u>
Debtenture			
Interest	7,761	7,761	9,820
Principal	62,493	62,494	60,468
	<u>70,254</u>	<u>70,254</u>	<u>70,288</u>
	<u>\$ 3,996,639</u>	<u>\$ 4,081,469</u>	<u>\$ 3,809,648</u>
13. PUBLIC HEALTH AND WELFARE SERVICES			
Hillsview Acres-per statement B16	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>

REGION OF QUEENS MUNICIPALITY
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 SCHEDULES TO NON-CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED March 31, 2023

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	2023		2022
	BUDGET	ACTUAL	ACTUAL
14. ENVIRONMENTAL DEVELOPMENT SERVICES			
Environmental planning and zoning			
Administration	\$ 423,477	\$ 312,787	\$ 319,572
Other	168,137	192,245	40,045
	<u>591,614</u>	<u>505,032</u>	<u>359,617</u>
Other environmental development services			
Tourism and economic development	1,028,891	897,231	941,761
	<u>1,620,505</u>	<u>1,402,263</u>	<u>1,301,378</u>
15. RECREATION AND CULTURAL SERVICES			
Recreational facilities			
Swimming pools	\$ 69,517	\$ 53,418	\$ 52,688
Parks and Playgrounds	312,675	294,295	234,270
Queens Place	1,169,224	1,133,099	1,031,781
	<u>1,551,416</u>	<u>1,480,813</u>	<u>1,318,738</u>
Cultural buildings and facilities			
Historical sites	1,500	1,300	1,289
Museums	108,316	71,602	62,597
Regional Library Funding	92,000	92,000	92,000
TH Raddall Library	73,000	63,216	72,757
	<u>274,816</u>	<u>228,118</u>	<u>228,644</u>
Other recreational & cultural services	317,426	463,395	239,055
Debenture			
Interest	57,475	57,401	61,628
Principal	158,369	158,369	158,369
	<u>215,844</u>	<u>215,770</u>	<u>219,997</u>
	<u>\$ 2,359,503</u>	<u>\$ 2,388,096</u>	<u>\$ 2,006,434</u>
16. FISCAL SERVICES			
Transfers to own reserves, funds and agencies			
Other funds			
Special Capital Reserve	\$ -	\$ 219,720	\$ -
Special Operating Reserve	215,000	1,952,095	4,056,810
Equipment Reserve	374,000	370,000	375,283
Special Operating Reserve - Funding for Special Projects	-	386,773	325,000
	<u>\$ 589,000</u>	<u>\$ 2,928,587</u>	<u>\$ 4,757,093</u>

REGION OF QUEENS MUNICIPALITY
 SUPPLEMENTARY FINANCIAL INFORMATION
 (Unaudited - See Advisory to Reader)

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NON-CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE-HILLSVIEW ACRES
 FOR THE YEAR ENDED March 31, 2023

	2023		2022
	BUDGET	ACTUAL	ACTUAL
REVENUE			
Resident care	\$ 1,434,506	\$ 1,772,476	\$ 1,507,204
EXPENDITURE			
Salaries and benefits	1,166,781	1,189,913	1,149,179
Building	120,700	159,955	123,576
Supplies and equipment	26,825	47,156	39,128
Resident care	109,000	114,469	98,674
Other	11,200	152,953	11,533
	<u>1,434,506</u>	<u>1,664,445</u>	<u>1,422,089</u>
EXCESS OF REVENUE OVER EXPENDITURE OPERATIONS	-	108,031	85,115
AMOUNT TRANSFERRED TO SPECIAL OPERATING RESERVE	-	108,031	85,115
EXCESS REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGION OF QUEENS MUNICIPALITY
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WATER UTILITY - B13

NON-CONSOLIDATED STATEMENT OF OPERATIONS AND SURPLUS
 FOR THE YEAR ENDED March 31, 2023

	2023		2022
	BUDGET	ACTUAL	ACTUAL
OPERATING REVENUE			
Metered sales	\$ 594,445	\$ 571,249	\$ 516,033
Public fire protection	196,427	196,427	196,366
Other	10,270	17,550	8,075
	<u>801,142</u>	<u>785,226</u>	<u>720,474</u>
OPERATING EXPENDITURE			
Source of supply	10,764	2,308	-
Water treatment	323,440	374,253	304,668
Transmission and distribution	240,548	189,368	138,788
Administration	89,296	170,094	139,053
Amortization	109,961	112,275	108,585
	<u>774,009</u>	<u>848,297</u>	<u>691,094</u>
OPERATING (DEFICIT) SURPLUS	<u>27,133</u>	<u>(63,071)</u>	<u>29,380</u>
NON OPERATING REVENUE			
Interest	8,000	25,973	8,478
Other	-	4,629	399
	<u>8,000</u>	<u>30,602</u>	<u>8,877</u>
NON OPERATING EXPENDITURE			
Debtenture			
Interest	6,672	12,594	20,752
Principal	43,425	43,426	70,625
	<u>50,097</u>	<u>56,020</u>	<u>91,377</u>
NON OPERATING (DEFICIT) SURPLUS	<u>(42,097)</u>	<u>(25,417)</u>	<u>(82,500)</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ (14,964)</u>	<u>(88,488)</u>	<u>(53,120)</u>
SURPLUS-BEGINNING OF YEAR		546,037	599,157
SURPLUS-END OF YEAR		<u>\$ 457,549</u>	<u>\$ 546,037</u>

REGION OF QUEENS MUNICIPALITY
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WATER UTILITY - B14

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION WATER UTILITY
 March 31, 2023

ASSETS	2023	2022
Cash and cash equivalents	\$ 305,526	\$ 624,258
RECEIVABLES		
Rates	90,611	63,205
Other	8,637	12,369
DUE FROM OWN FUNDS		
Water Utility Capital Fund	133,329	-
PREPAID EXPENSES	3,007	3,990
DUE FROM OWN FUNDS		
Capital Fund	28,576	-
Operating Fund	6,702	21,471
Special Operating Reserve Fund	-	-
INVENTORIES - at cost	113,908	185,486
	<u>\$ 690,297</u>	<u>\$ 910,778</u>
LIABILITIES AND EQUITY		
ACCOUNTS PAYABLE and ACCRUED LIABILITIES	\$ 31,343	\$ 33,413
RESERVE for SEDIMENT REMOVAL	180,000	180,000
DUE TO OWN FUNDS		
General Operating Fund	-	-
Water Utility Capital Fund	-	108,585
PREPAID ACCOUNTS	16,140	16,140
CUSTOMERS' DEPOSITS	2,475	2,475
	<u>229,958</u>	<u>340,613</u>
EQUITY		
SURPLUS	460,339	570,165
	<u>\$ 690,297</u>	<u>\$ 910,778</u>

See accompanying notes to the non-consolidated financial statements.

REGION OF QUEENS MUNICIPALITY
 SUPPLEMENTARY FINANCIAL INFORMATION
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WATER UTILITY - B15

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION WATER CAPITAL FUND

March 31, 2023

ASSETS	2023	2022
CASH AND CASH EQUIVALENTS		
Amortization (Note 1)	\$ 576,002	\$ 1,066,987
Short Term Investment	508,199	
DUE FROM OWN FUND:		
General Operating Fund	7,064	936
Water Utility Operating Fund	-	108,585
UTILITY PLANT AND EQUIPMENT		
	9,652,824	9,162,412
	<u>\$ 10,744,089</u>	<u>\$ 10,338,920</u>
LIABILITIES AND EQUITY		
DUE TO OWN FUND:		
Capital Fund	\$ 239,015	\$ 122,354
Water Utility Operating Fund	133,329	-
	<u>372,344</u>	<u>122,354</u>
LONG TERM DEBT		
Debentures issued to provincial government or its agencies		
Municipal Finance Corporation	-	245,604
DUE TO OWN FUND:		
Water Utility Operating Fund	-	-
ACCUMULATED ALLOWANCE FOR AMORTIZATION (Note 1)		
	2,813,672	2,701,397
	3,186,016	3,069,355
EQUITY		
INVESTMENT IN UTILITY PLANT AND EQUIPMENT		
	7,558,073	7,269,565
	<u>\$ 10,744,089</u>	<u>\$ 10,338,920</u>

See accompanying notes to the non-consolidated financial statements.

REGION OF QUEENS MUNICIPALITY
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 NON-CONSOLIDATED WATER UTILITY TANGIBLE CAPITAL ASSET SUMMARY
 March 31, 2023

WATER UTILITY - B16

	2023	2022
LAND AND RIGHTS	\$ 853,674	\$ 853,674
STRUCTURES AND IMPROVEMENTS	512,545	512,545
STRUCTURES AND IMPROVEMENTS-BRICK/CONCRETE	152,909	152,909
STRUCTURES AND IMPROVEMENTS-FRAME	116,415	116,415
TREATMENT PLANT	875,736	875,736
DISTRIBUTION RESERVOIR	364,939	364,939
MAINS - DISTRIBUTION	4,474,487	4,223,091
MAINS - TRANSMISSION	882,930	643,915
SERVICES	173,626	173,626
METERS	148,880	148,880
HYDRANTS	43,963	43,963
TRUCKS	69,290	69,290
TOOLS	84,581	84,581
EQUIPMENT	657,484	657,484
EXCAVATOR & LOADER	241,365	241,365
	<u>\$ 9,652,824</u>	<u>\$ 9,162,412</u>

NON-CONSOLIDATED WATER CAPITAL FUND STATEMENT OF INVESTMENT IN TANGIBLE CAPITAL ASSETS
 FOR THE YEAR ENDED March 31, 2023

	2023	2022
BALANCE - BEGINNING OF YEAR	\$ 7,269,565	\$ 7,027,407
Transfers from special reserve	251,396	192,570
Interest	37,111	8,654
Term debt retired	-	40,934
BALANCE-END OF YEAR	<u>\$ 7,558,072</u>	<u>\$ 7,269,565</u>

REGION OF QUEENS MUNICIPALITY
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NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SPECIAL OPERATING RESERVE

March 31, 2023

	Capital	Operating	Equipment	2023	2022
FINANCIAL ASSETS					
Cash	\$ 1,171,793	\$ 2,465,888	\$ 1,753,020	\$ 5,390,700	\$ 21,813,483
Short Term Investments	5,687,167	13,723,157	-	-	-
Due from Own Funds	-	-	-	-	-
Capital Fund	-	-	-	-	785,997
General Operations	45,798	1,903,511	-	1,949,309	3,579,096
Equipment Reserve	-	380,916	-	-	-
Interest Receivable	-	-	-	-	775
Loans Receivables	25,383	94,200	-	119,583	174,749
	<u>6,930,141</u>	<u>18,567,672</u>	<u>1,753,020</u>	<u>27,250,833</u>	<u>26,354,100</u>
LIABILITIES					
Due to Own Funds	-	-	-	-	-
Capital Fund	1,000	204,409	-	205,409	745,446
Equipment	-	-	380,916	-	-
Tax Surplus	-	-	-	-	-
General Operating	-	-	165,142	165,142	199,439
	<u>1,000</u>	<u>204,409</u>	<u>546,058</u>	<u>751,467</u>	<u>944,885</u>
NET FINANCIAL ASSETS	6,929,141	18,363,262	1,206,962	26,499,365	25,409,215
ACCUMULATED SURPLUS					
General	<u>\$ 6,929,141</u>	<u>\$ 18,363,262</u>	<u>\$ 1,206,962</u>	<u>\$ 26,499,365</u>	<u>\$ 25,409,215</u>

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCE
 - SPECIAL OPERATING RESERVE

FOR THE YEAR ENDED March 31, 2023

	Capital	Operating	Equipment	2023	2022
Revenues					
Interest	\$ 229,841	\$ 592,039	\$ 41,256.09	\$ 863,136	\$ 159,402
Proceeds from Disposal of Assets	-	-	-	-	-
Conditional Gas Tax	-	695,617	-	695,617	1,379,409
PC Contribution from Local Governments	329,966	-	-	329,966	303,416
Donations	-	300	-	300	-
Other	-	40,680	-	40,680	16,524
Transfer from Tax Sale Surplus	-	-	-	-	7,545
Debt Proceeds	-	-	-	-	507,757
Gain on sale of Land	97,000	-	-	-	-
Transfer from Own Reserves	-	-	-	-	20,865
Transfer from Operating Fund	98,000	2,061,966	571,374	2,731,340	4,752,193
	<u>754,807</u>	<u>3,390,602</u>	<u>612,630</u>	<u>4,758,039</u>	<u>7,147,111</u>
Financing and Transfers					
Transfer to Own Reserves	-	-	-	-	2,733
Transfer to Operating Fund	219,720	847,981	173,611	1,241,312	825,334
Transfer to Capital	-	1,312,756	1,113,821	2,426,577	1,283,199
Transfer to Special Capital	-	-	-	-	-
Transfer to Own Reserves	-	-	-	-	20,865
	<u>219,720</u>	<u>2,160,737</u>	<u>1,287,432</u>	<u>3,667,889</u>	<u>2,132,131</u>
Annual Surplus	535,087	1,229,865	(674,802)	1,090,150	5,014,980
Accumulated Surplus Beginning of Year	6,394,054	17,133,398	1,881,764	25,409,216	20,394,236
Accumulated Surplus End of Year	6,929,141	18,363,262	1,206,962	26,499,365	25,409,215
	<u>\$ 6,929,141</u>	<u>\$ 18,363,262</u>	<u>\$ 1,206,962</u>	<u>\$ 26,499,365</u>	<u>\$ 25,409,215</u>

MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements are the responsibility of management have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board and to conform to the accounting principles prescribed for Nova Scotia municipalities by the Department of Municipal Affairs and for water utilities by the Nova Scotia Utility and Review Board. The Region of Queens Municipality is a municipality in the Province of Nova Scotia and operated under the provisions of the Nova Scotia Municipal Government Act.

Basis of Consolidation

The consolidated financial statements include the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all operations accountable to the Municipality for the administration of their affairs and resources which are owned or controlled by the Municipality. Interdepartmental transactions and balances are eliminated. Funds included in the financial statements are general operating fund, general capital fund, water operating, water capital, Hillsview Acres, Queen's Place Emera Centre, and the operating, capital, and equipment reserve funds.

The assets, liabilities, taxation and other revenues and expenses with respect to the operations of the South Shore Regional Centre for Education and the Western Regional Housing Authority are not reflected in these consolidated financial statements as they are provincial government entities. The Municipality's contributions to these entities are recorded in the consolidated statement of operations as expenses.

Budget Figures

The budget figures contained in these financial statements were approved by Council on March 22, 2022, in its original fiscal plan.

Cash and Cash Equivalents

Cash and Cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Investments

Guaranteed Income Certificates, both redeemable and non-redeemable with the non-redemption maturity period being no longer than 12 months. All investments are made in compliance with Policy 18 – Investments.

Financial Instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred. Financial instruments consist of receivables, receivables from Province of Nova Scotia and federal government, bank indebtedness, and payables.

Subsequent measurement

At each reporting date, the Municipality measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Municipality uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are bank indebtedness, receivables, payables and accruals, and loans payable.

MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For financial assets measured at cost or amortized cost, the Municipality regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Municipality determines there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest or credit risk arising from financial instruments.

Inventory of Supplies

The inventory of supplies held for consumption is recorded at the lower of cost or replacement cost.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, less accumulated amortization value. Donated assets are capitalized and recorded at their estimated fair value upon acquisition. The threshold for each category represents the minimum cost an individual asset must have before it is to be recorded as a tangible capital asset on the statement of financial position. Tangible capital asset additions not meeting the threshold of \$50,000 per year are expensed in the year of acquisition.

Amortization

Amortization of tangible capital assets, other than amortization on those forming part of the regulated Water Utility, is recorded in the statement of operations on a straight line basis over an asset's useful life.

Amortization of tangible capital assets of the Water Utility is recorded on a straight line basis over their estimated useful lives as prescribed by the Nova Scotia Utility and Review Board. An amount of cash equal to the amortization expense of the Water Utility is transferred to a special water capital bank account which is used to help fund replacement of existing Water Utility plant and equipment or, on approval by the Nova Scotia Utility and Review Board, to repay the principal of capital debt. No amortization is recorded in the years of acquisition or disposal.

The following table outlines an asset's estimated useful life:

	Years
Land Improvements	20
Buildings and engineered structures	40
Building improvements	20
Outdoor swimming pools	25
Heavy Equipment	15
Operating Equipment	12
Vehicles	5
Office and Information Technology-system development packaged system	10
Computer Hardware and Software	5
Office Furniture and Equipment	10
Streets/Roads	30
Sidewalks	25
Illumination Structures	15-25
Bridges/Railings-construction	50
Bridges/Railings-upgrades	15
Storm Water Conveyance Structures	35
Airport-runways	30
Airports-navigational aids	15
Sewer Infrastructure	50

MARCH 31, 2023

1. 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 living organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Municipality is directly responsible or accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

Management has reviewed potential sites where a material liability may exist and has concluded there is no known material liability at this time.

The Municipality follows Public Sector Accounting Standard 3270 for recognizing its current liability.

Asset Retirement Obligation

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

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

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos, lead paint in several of the buildings owned by the Municipality and one potentially contaminated fuel site has also been recognized based on estimated future expenses on closure of the site and post-closure care. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The landfill capital asset is being amortized using the units of production method, while the buildings capital assets affected by the asbestos, lead and fuel contamination liability are being amortized with the building following the depreciation accounting policy:

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.

Solid Waste Management Facility Liability

The Municipality accrues landfill closure and post-closure care requirements that include final covering and landscaping, ongoing environmental monitoring, site inspection and maintenance. The liability is accrued as the landfill site's capacity is used. The reported liability is based on estimates and assumptions using the best information available to management. Future events may result in significant changes to the estimated expenses, total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable. The change in the liability at each reporting period is charged as an expense.

Valuation Allowance

Uncollected Taxes and Rates

The Region of Queens Municipality provides a valuation allowance for 100% of the value of taxes outstanding for real properties identified as invalid assessments, owner unknown properties, properties that titles cannot be certified for tax sale and properties not sold at tax sale. The allowance also contains accounts more than three years in arrears.

In the Water Utility, the valuation allowance is provided for estimated losses for outstanding water receivables.

MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receivables

The Region provides a valuation allowance for all receivables other than taxes and rates that are determined to be uncollectible.

Deferred Revenue

Deferred revenue represents user charges and other fees that have been collected, for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the services are performed. Region of Queens Municipality received Safe Restart funding from the Province of Nova Scotia in the amount of \$590,735. Amounts remaining unspent on March 31, 2023, have been included in Deferred Revenue.

Government Transfers

Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met and reasonable estimates of the amounts can be made.

Taxation and Related Revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Property Valuation Services Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services. Taxation revenues are recorded at the time they are levied and the tax billings are due. Assessments and the related property taxes are subject to appeal with any resulting tax adjustments being recorded when the results of the appeal process are known.

User Fee Revenue

Sales of service and other user fee revenue are recognized on an accrual basis. Charges for water usage are recorded as Water rates. Charges for sewer usage are recorded in Taxation.

Post-employment Future Benefits

Employees of the Municipality participate in the Nova Scotia Public Service Superannuation Plan (NSPSSP), a contributory pension plan administered by Pension Services Superannuation Plan Trustee Incorporated, which provides pension benefits based on length of service and earnings. The Municipality is not obligated for any unfunded liability, nor is the Municipality entitled to any surplus that may arise in the NSPSSP. Employer contributions are recognized as an expense in the period. The Nova Scotia Public Sector Superannuation Plan is a Multiemployer defined benefit plan for accounting purposes and as such is accounted for as a defined contribution plan by the Municipality.

Use of Estimates

The preparation of financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for valuation allowances, accrued liabilities, asset retirement obligations and in performing actuarial valuations of employee future benefits. Actual results could differ from these estimates

MARCH 31, 2023

2. CHANGE IN ACCOUNTING POLICY

PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation:

On April 1, 2022, Region of Queens Municipality adopted Public Accounting Standards PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Organization's accounting policy choices (see Note 1 – Significant Accounting Policies). There are no adjustments to financial statements as a result of this policy.

PS 3280 – Asset Retirement Obligations:

Region of Queens Municipality removed the landfill liability that has been recognized to date and recognized an asset retirement obligation upon adoption of PS3280 on April 1, 2021, using the modified retrospective method. The liability represents the required closure and post-closure costs for the Solid Waste Facility site owned and operated by Region of Queens Municipality. The liability was measured as of 2006, when the site became active. The discount rate used to calculate the obligation was 2.81% per annum.

On April 1, 2021 Region of Queens Municipality recognized an additional asset retirement obligation related to five buildings owned by the Region. Buildings at high risk for the presence of lead paint and asbestos carry with them a regulatory obligation for remediation and therefore an asset retirement obligation exists. Building useful life calculations are based on forty years.

In accordance with the provisions of this new standard, the financial statements reflect the following adjustments at April 1, 2021:

Landfill Obligation:

A decrease of \$3,965,543 to Landfill Liability to remove the liability recognized to date because 3270 was withdrawn under the old standard, and an accompanying increase of \$3,965,543 to opening Accumulated Surplus.

An increase of \$9,018,116 to the Asset Retirement Obligation Asset Account, representing the original estimate of the obligation as of the date the site became active, and an accompanying increase of \$3,762,172, in Accumulated Amortization, representing the increase of amortization had the liability been originally recognized.

The asset retirement obligation for the Landfill is \$13,666,151, representing the original amount of \$9,018,116 discounted to the present value amount using a rate of 2.81%

A decrease of Opening Accumulated Surplus of \$4,444,664 as a result of the recognition of the liability and an accompanying increase in depreciation expense and accretion expense.

Asbestos and Lead Obligation:

An increase of \$250,485 to the Asset Retirement Obligation Asset Account, representing the original estimate of the obligation and an accompanying increase in Accumulated Amortization of \$165,005 representing the years of amortization had the originally liability been recognized.

An asset retirement obligation in the amount of \$522,157, representing the original obligation of \$250,485 discounted to the present value using a rate of 2.81%

A decrease in Opening Accumulated Surplus of \$429,394, as a result of the recognition of the liability and accompanying increase in depreciation expense and accretion expense.

Net reduction in Accumulated Surplus of \$10,613,968.

MARCH 31, 2023

2. CHANGE IN ACCOUNTING POLICY (CONTINUED)

	2023	2022	PY ADJ	CHANGE
Asset Retirement Obligations - Other Assets	\$ 544,426	\$ 529,341	\$ -	\$ 529,341
Solid Waste Post Closure Asset Retirement Liability	14,444,980	14,050,170	3,965,543	10,084,627
				<u>\$ 10,613,968</u>

3. RECEIVABLES

	CURRENT YEAR	2023 PRIOR YEARS	TOTAL	2022 TOTAL
Balance – beginning of year	\$ -	648,017	648,017	840,391
Current year's tax levy and interest	13,101,611	-	13,101,611	12,735,534
Collection of area rates	<u>42,032</u>	<u>-</u>	<u>42,032</u>	<u>40,544</u>
	<u>13,143,643</u>	<u>648,017</u>	<u>13,791,660</u>	<u>13,616,469</u>
Current year's collections	12,541,444	507,286	13,048,730	12,863,018
Reduced taxes	103,268	-	103,268	64,892
Transmission of area rates	42,032	-	42,032	<u>40,544</u>
	<u>12,686,744</u>	<u>507,286</u>	<u>13,194,030</u>	<u>12,968,453</u>
Taxes receivable	\$ <u>456,899</u>	\$ <u>140,731</u>	597,630	648,017
Valuation allowance – taxes			<u>(99,906)</u>	<u>(161,314)</u>
Net taxes receivable			497,724	486,703
Governments			273,765	373,024
Water rates			89,314	63,205
Sewer rates			152,345	147,854
Pension Asset (Note 15)			209,870	541,347
General, other and accrued interest			615,035	403,820
Valuation allowance – other			<u>-</u>	<u>(10,983)</u>
Total receivables			<u>\$ 1,838,053</u>	<u>\$2,004,969</u>

MARCH 31, 2023

4. LOANS RECEIVABLE	2023	2022
SPECIAL OPERATING RESERVE FUND		
Port Medway Fire Department – non interest bearing Repayable in annual installments of \$10,000 with final installment of \$5,000, maturing in 2028,	\$ 45,000	\$ 55,000
Liverpool Fire Department – non interest bearing Repayable in annual installments of \$4,600 maturing in 2025, Two annual payments were made in 2023	9,200	18,400
Mill Village Fire Department – non interest bearing Repayable in annual instalments of \$20,000 maturing in 2025	40,000	60,000
SPECIAL CAPITAL RESERVE FUND		
Liverpool Fire Fighters Association – non interest bearing Repayable in annual installments of \$15,966 maturing in 2024	<u>25,383</u>	<u>41,349</u>
	\$119,583	\$174,749

5. LONG TERM DEBT

The long term debt issued and outstanding (2023-\$3,667,253, 2022 - \$4,342,996). Principal repayments required during the next five years are as follows:

2023/24	\$ 432,232
2024/25	\$ 434,396
2025/26	\$ 437,632
2026/27	\$ 367,645
2027/28	\$1,043,308

All long term debt outstanding at year end has been properly authorized by the Department of Municipal Affairs.

NON CONSOLIDATED SCHEDULE OF CAPITAL DEBT CHARGES AND TERM DEBT
 March 31, 2023

5. LONG TERM DEBT (CONTINUED)

	Balance April 1, 2022	Issued	Redeemed	Balance March 31, 2023	Interest	Interest Rate	Debenture Number
ENVIRONMENTAL HEALTH - SEWER							
Debentures-Nova Scotia Department of Finance and Treasury Board 2018-2028	\$ 371,000	-	\$ 53,000	\$ 318,000	\$ 10,650	2.06%-3.2995%	38A1
Debentures-Nova Scotia Department of Finance and Treasury Board 2019-2029	358,576	-	44,822	313,754	8,143	1.982%-2.712%	39A1
Debentures-Nova Scotia Department of Finance and Treasury Board 2020-2030	151,164	-	16,796	134,368	2,035	.6780%-1.8790%	40A1
Debentures-Nova Scotia Department of Finance and Treasury Board 2021-2031	158,674	-	15,868	142,807	2,347	.5%-2.259%	41A1
ENVIRONMENTAL HEALTH-LANDFILL							
CMHC 2017-2025	262,819	-	62,494	200,325	7,761	3.35%	cmhc
RECREATION AND COMMUNITY SERVICES							
Debentures-Nova Scotia Department of Finance and Treasury Board 2017-2027	1,079,168	-	67,448	1,011,720	38,822	2.792%-3.856%	32A1
FCM 2017-2032	1,000,148	-	90,921	909,227	18,653	2.00%	GMF
BUILDINGS AND SIDEWALKS							
Debentures-Nova Scotia Department of Finance and Treasury Board 2019-2029	91,688	-	11,461	80,227	2,082	1.982%-2.712%	39A1
Debentures-Nova Scotia Department of Finance and Treasury Board 2020-2030	24,570	-	2,730	21,840	331	.6780%-1.8790%	40A1
Debentures-Nova Scotia Department of Finance and Treasury Board 2021-2031	211,735	-	21,174	190,561	3,132	.5%-2.259%	41A1
	3,709,542	-	386,713	3,322,829	93,957		
WATER UTILITY							
Debentures-Nova Scotia Department of Finance and Treasury Board 2008-2023	245,604	-	245,604	0	7,011	4.955%-5.21%	27A1
Debentures-Nova Scotia Department of Finance and Treasury Board 2019-2029	133,736	-	16,717	117,019	3,037	1.982% - 2.712%	39A1
Debentures-Nova Scotia Department of Finance and Treasury Board 2020-2030	116,766	-	12,974	103,792	1,572	.6780%-1.8790%	40A1
Debentures-Nova Scotia Department of Finance and Treasury Board 2021-2031	137,348	-	13,735	123,613	2,032	.5%-2.259%	41A1
	633,454	-	289,030	344,424	13,653		
	\$ 4,342,996	\$ -	\$ 675,743	\$ 3,667,253	\$ 107,610		

MARCH 31, 2023

6. TAX SALE SURPLUS

Proceeds received from a tax sale of property in excess of the taxes and costs outstanding are held In Trust for a period of 20 years, unless withdrawn by the previous owner. If the Supreme Court of Nova Scotia has not issued an order directing the payment of the trust to a person with an interest in the land sold for taxes during this 20 year period, the amount is to be transferred to the Capital Reserve Fund. There were two tax sales in this fiscal year.

In this fiscal year tax surplus activity was;(\$321,693) redemptions, \$50,829 interest and \$601,918 in proceeds from tax sales.

Proceeds from tax sales of properties were received in the following years:

2009	467
2010	10,992
2011	295
2013	68,631
2014	9,293
2015	15,909
2016	30,576
2017	115,197
2018	53,258
2019	207,344
2020	89,770
2021	442,345
2022	620,711
	<u>\$1,664,791</u>

7. Asset Retirement Obligation:

Region of Queens Municipality's retirement obligation consists of several obligations as follows:

Landfill Obligation: Region of Queens Municipality owns and operates a Solid Waste Facility located at 3750 Highway 8. The liability for the closure of operational sites and post closure costs have been recognized under PS 3280 – Asset Retirement Obligation. Costs were based on the presently known obligations that will exist at the estimated year of closure and for thirty years after this date. The landfill has an estimated useful life of twenty six years with ten years remaining. These costs were discounted to March 31, 2023 using a discount rate of 2.81%.

Asbestos/Lead Obligation: Region of Queens Municipality owns several building that are considered high risk for the presence of asbestos and/or lead paint. These substances represent a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS3280 an asset retirement obligation was recognized related to the removal and/or remediation of these substances. This obligation was calculated using the remaining useful life of these buildings and a discount rate of 2.81%.

The transition and recognition of the asset retirement obligations involved an accompanying increase to the Asset Retirement Obligations Asset and restatement of prior year's numbers. See note 20.

Asset Retirement Obligation Asset	Landfill	Buildings	Total
Opening Balance	\$ 9,018,116	\$ 250,485	\$ 9,268,601
Accumulated Amortization	(4,012,984)	(171,268)	\$ (4,184,252)
Amortization	(250,812)	(6,262)	\$ (257,074)
Ending Balance	\$ 4,754,321	\$ 72,955	\$ 4,827,276
Asset Retirement Obligation			
Opening Balance	\$ 14,050,170	\$ 529,341	\$ 14,579,511
Accretion	394,810	15,085	409,895
Ending Balance	\$ 14,444,980	\$ 544,426	\$ 14,989,406

8. TANGIBLE CAPITAL ASSETS - 2023

	Cost beginning of year	Additions	Adjustment	Cost end of year	Amortization	Accumulated Amortization	NBV
LAND	\$6,401,891	\$ -	\$ 1,000	\$ 6,400,891	\$ -	\$ -	\$6,400,891
GENERAL GOVERNMENT SERVICES	1,847,692	-	-	1,847,692	30,188	1,393,939	453,753
ENVIRONMENTAL DEVELOPMENT SERVICES	3,237,893	-	-	3,237,893	61,901	1,727,000	1,510,893
PROTECTIVE SERVICES							
Law Enforcement	731,516	-	-	731,516	21,140	473,946	257,570
Protective Services	555,616	-	-	555,616	7,761	447,029	108,587
ENVIRONMENTAL HEALTH SERVICES							
Sewage Collection and Disposal	16,519,303	244,539	-	16,763,842	312,750	6,652,482	10,111,360
Landfill Site	14,330,879	700,494	-	15,031,373	887,116	7,148,444	7,882,929
Materials recovery facility	800,349	-	-	800,349	17,154	399,937	400,412
PUBLIC HEALTH AND WELFARE SERVICES	1,218,512	59,827	-	1,278,339	16,284	1,147,920	130,419
MAINTENANCE/TRANSPORTATION	5,654,126	413,337	-	6,067,463	191,842	4,010,788	2,056,675
RECREATION, PLANNING, TOURISM	21,500,961	185,771	-	21,686,732	598,406	6,686,441	15,000,291
PUBLIC WORKS							
Sidewalks	606,940	-	-	606,940	16,356	481,756	125,184
Traffic Lights	127,110	-	-	127,110	5,084	96,604	30,506
Streets	8,762,559	631,049	-	9,393,608	225,712	3,386,314	6,007,294
Airport	194,173	-	-	194,173	1,312	145,725	48,448
UTILITY PLANT AND EQUIPMENT	9,162,412	490,411	-	9,652,824	112,275	2,813,697	6,839,127
ASSET RETIREMENT OBLIGATION	9,268,601	-	-	9,268,601	257,074	4,441,325	4,827,276
	\$ 100,920,534	\$ 2,725,429	\$ 1,000	\$ 103,644,963	\$ 2,762,354	\$ 41,453,347	\$62,191,644

9. TANGIBLE CAPITAL ASSETS - 2022

	Cost beginning of year	Additions	Disposals	Cost end of year	Amortization	Accumulated Amortization	NBV
LAND	\$6,401,891	\$ -	\$ -	\$ 6,401,891	\$ -	\$ -	\$ 6,401,891
GENERAL GOVERNMENT SERVICES	1,847,692	-	-	1,847,692	40,770	1,363,741	483,952
ENVIRONMENTAL DEVELOPMENT SERVICES	3,237,893	-	-	3,237,893	61,901	1,665,100	1,572,794
PROTECTIVE SERVICES							
Law Enforcement	731,516	-	-	731,516	21,140	452,806	278,710
Protective Services	555,616	-	-	555,616	7,761	439,268	116,348
ENVIRONMENTAL HEALTH SERVICES							
Sewage Collection and Disposal	16,284,424	234,864	-	16,519,288	324,972	6,339,731	10,179,557
Landfill Site	14,273,740	51,188	5,965	14,330,893	356,125	6,261,328	8,069,565
Materials recovery facility	800,349	-	-	800,349	17,154	382,783	417,566
PUBLIC HEALTH AND WELFARE SERVICES	1,218,512	-	-	1,218,512	16,284	1,131,636	86,876
MAINTENANCE DEPARTMENT	5,525,886	128,232	-	5,654,118	179,019	3,818,946	1,835,172
RECREATION, PLANNING, TOURISM	21,500,962	-	-	21,500,962	596,887	6,088,035	15,412,927
PUBLIC WORKS							
Sidewalks	606,940	-	-	606,940	16,360	465,400	141,540
Traffic Lights	127,110	-	-	127,110	5,084	91,520	35,591
Streets	8,126,790	635,769	-	8,762,559	205,631	3,160,602	5,601,957
Airport	153,597	40,576	-	194,173	1,312	144,413	49,760
UTILITY PLANT AND EQUIPMENT	8,847,489	314,924	-	9,162,413	108,585	2,701,398	6,461,015
ASSET RETIREMENT OBLIGATIONS	9,268,601	-	-	9,268,601	257,074	4,184,252	5,084,349
	\$99,509,008	\$1,405,553	\$5,965	\$100,920,526	\$2,216,059	\$38,690,959	\$ 62,229,571

MARCH 31, 2023

10. COMMITMENTS

Contract/Leases

As at March 31, 2023, the Region of Queens is committed to making the following payments:

A contract for garbage collection for the subsequent year of \$799,309 plus HST expires March 31, 2026.

A contract for residual waste transfer from transfer stations to the Region of Queens Solid Waste Management Facility expires March 31, 2026.

A contract for the transfer of organic material from the Region of Queens Solid Waste Management Facility to the composting facility expires March 31, 2025.

A contract for fire answering service for the subsequent year of \$27,807 plus HST expires March 31, 2024.

Lease for library space for the subsequent year of \$51,680 plus HST, expires December 31, 2024.

11. REMUNERATION AND EXPENSES OF ELECTED OFFICIALS AND CHIEF ADMINISTRATIVE OFFICER PAID DURING THE YEAR

	Remuneration	Expenses
Councillors		
Mayor -- D. Norman	44,526	1398
District 1 -- K. Muise	22,777	704
District 2 -- R. Gidney	22,263	0
District 3 -- M. Charlton	22,263	2253
District 4 -- V. Amirault	22,263	89
District 5 -- J. Fancy	22,862	1454
District 6 -- D. Brown	22,263	5872
District 6 -- C. Hawkes	<u>22,263</u>	<u>1439</u>
	201,480	13,209
Chief Administrative Officer		
C. McNeill	<u>143,044</u>	<u>431</u>
	<u>\$ 334,542</u>	<u>\$ 13,640</u>

12. FIRE DEPARTMENT FUNDING

Each year two cents from the tax rate is dedicated to supporting the capital truck fund for fire departments in Region of Queens Municipality. In this fiscal year that amount was \$201,374. This revenue was used to reimburse the departments for the principal payments of truck loans that the municipality agreed to for the five fire departments.

MARCH 31, 2023

13. RESERVE BALANCES

	2023	2022
Special Operating Reserve Allocations		
2 nd Generation Landfill	\$ 5,047,739	\$ 4,725,886
Sewer projects	\$ 435,425	\$ 1,203,621
Canada Community Building Fund	\$ 1,000,195	\$ 958,227
Organic project	\$ 789,922	\$ 762,821
Hillsview Acres	\$ 767,653	\$ 636,990
Community Investment Fund	\$ 380,363	\$ -
Liverpool Business Development Center	\$ 189,838	\$ 275,710
Post Closure Septage	\$ 261,445	\$ 252,475
Pine Grove	\$ 95,313	\$ 116,573
Parkland Fee	\$ 111,094	\$ 66,924
Computer Equipment	\$ 64,519	\$ 62,306
Fire Department Safety Training/Equipment	\$ 50,917	\$ 50,917
Sidewalk Reserve	\$ 77,501	\$ -
Comfort Center	\$ 45,150	\$ -
Recreation for All	\$ 19,783	\$ 20,403
Fundraising (QP \$1206, SP \$14,379)	\$ 16,241	\$ 15,684
First Responders Training/Equipment	\$ 12,279	\$ 8,279
NS Trip	\$ -	\$ 50,063
Permit Management System	\$ 40,785	\$ -
Special Capital Reserve Allocations		
2 nd Generation Landfill – Post Closure	\$ 5,932,812	\$ 5,513,966
Special Equipment Reserve Allocations		
Landfill Equipment	\$ 882,454	\$ 1,375,399
Public Works Equipment	\$ 165,062	\$ 379,201
Water Equipment	\$ 51,676	\$ 50,543
Airport Equipment	\$ 49,222	\$ 48,143
Fire Department Capital Trucks	\$ 58,549	\$ 28,479
	<u>\$ 16,545,937</u>	<u>\$ 16,602,612</u>

MARCH 31, 2023

14. SCHOOL CAPITAL

On January 1, 1982 the Municipality of the County of Queens joined with the Town of Liverpool to form Queens District School Board (now South Shore Regional Centre for Education). Under the agreement, all school land and buildings on hand as at December 31, 1981 will remain assets of the Region of Queens Municipality, but will be under the operating control of the Regional Centre until such time as they no longer require the assets for school purposes. At that time, the Regional Centre re-conveys the land and buildings to the Region of Queens.

15. EMPLOYEES' RETIREMENT PENSION PLAN

Region of Queens Defined Benefit Plan

Effective September 30, 2020 all pension assets were transferred to the Nova Scotia Public Service Superannuation Plan (NSPSSP), who are now the administrators of the employee pension plan. A Pension Asset has been recorded as an estimate of the overpayments by plan contributors.

As per the Public Sector Accounting Board handbook, section 3250-Retirement Benefits, the accounting valuation result for the Region of Queens Pension Plan (the "Plan") as at December 31, 2019 indicated a pension asset of \$288,982 which had been reflected in the financial statements. When the pension transfer to the Nova Scotia Public Service Superannuation Plan was completed and remaining funds transferred, there was a higher than anticipated surplus, the difference has been recognized in revenue and the pension asset reflects the future payment holiday of \$541,347. This payment holiday will be drawn down with subsequent payrolls, which is expected to be used by the fall of 2023. The balance as of March 31, 2023 is \$209,870.

Nova Scotia Public Service Superannuation Plan (NSPSSP)

Nova Scotia Public Service Superannuation plan employer contribution formula is 8.4% of the first \$66,600 of gross pay and 10.9 % of the remainder to a maximum of \$198,643. This is matched by the employee. Maximums are based on calendar year 2023.

Although, the NSPSSP is a defined benefit pension plan, the Municipality accounts for it as a defined contribution plan as it is a multiemployer plan and contributions are recorded as expenses when they are paid or payable. Contributions to the Plan are required by both the employer and its employees. Total employer contributions for 2023 were \$331,477 and are recognized as an expense in the period as part of salaries, wages and benefits as disclosed in Note 16.

16. SOLID WASTE CLOSURE AND POST CLOSURE LIABILITY

The Municipality owns and operates a Solid Waste Management Facility. It has an obligation under Nova Scotia Department of Environment regulations for costs related to the closure and post closure care of the sites once capacity is reached. The following cost and capacity information is based upon ongoing evaluation and best estimates by management in consultation with internal and external technical consultants.

As at March 31, 2023, based on current Municipal Solid Waste usage and compaction rates, the remaining capacity of the 2nd Generation solid waste cell is approximately 217,083 tonnes. Total closure costs in current period dollars are estimated to be approximately \$7,090,773. The cost estimate is adjusted based on Statistics Canada's CPI average increase over the preceding three years. Costs for post closure care and maintenance of this site in the current period are approximately \$7,354,206 when discounting is applied.

As at March 31, 2023, based on current closure and post closure requirements, estimated total costs would be \$14,444,979 in current period dollars. These costs are expected to be incurred over a period of 30 years subsequent to closure of the current cells.

The municipality has internally restricted assets of \$5,932,812 to fund these future costs which are included in cash and cash equivalents. The determination of required additions to the reserve is based on management's knowledge of the future expected costs to close the site with an additional allowance intended to fund potential changes in environmental regulatory standards. Management's estimates for the reserve include consideration that costs will escalate and attempt to ensure that, should the site be closed; no funds would need to be borrowed to complete the closure. Alternatively, the method used to calculate the solid waste closure and post-closure liability as recorded in the statement of financial position is explicitly outlined by Canadian Public Sector Accounting Standards.

MARCH 31, 2023

16. SOLID WASTE CLOSURE AND POST CLOSURE LIABILITY (CONTINUED)

The liability recognized in the financial statements is based on estimates and assumptions using the Municipality's best information and judgment. Future events may result in significant changes to the estimated expenses, total capacity or the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

17. TRUST FUNDS UNDER ADMINISTRATION

Trust Funds administered by the Municipality are reported on separately and not included in the non - consolidated financial statements.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

March 31, 2023

19. BUDGET FIGURES

Public Sector Accounting Standards (PSAS) require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the statement of operations and statement of changes in net assets has been adjusted to be on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statement:

	Approved Fiscal Plan	Consolidation (As required by PSAS)*	Fiscal Plan Per Financial Statements
REVENUE			
Taxation	\$ 15,396,999	\$ (3,251,063)	\$ 12,145,936
Sale of services	789,758		789,758
Water rates	-	\$ 604,715	604,715
Water for fire protection		\$ 196,427	196,427
Government transfers	1,314,026		1,314,026
Grants in lieu of taxes	316,607		316,607
Services provided to other governments	2,153,196		2,153,196
Other revenue from own sources	1,008,139	\$ 8,000	1,016,139
Public health	1,434,506		1,434,506
Transfers from own funds	730,111	\$ (730,111)	-
	23,143,342	(3,172,032)	19,971,310
EXPENDITURE			
General government services	5,850,087	(3,039,340)	\$ 2,810,747
Protective services	4,413,298	(357,170)	\$ 4,056,128
Transportation services	2,721,836	428,847	\$ 3,150,683
Environment health services	3,996,639	1,041,934	\$ 5,038,573
Public health	1,592,164	(91,747)	\$ 1,500,417
Environmental development services	1,620,505	21,901	\$ 1,642,406
Recreation and cultural services	2,359,503	348,327	\$ 2,707,830
Water treatment and distribution	-	780,681	\$ 780,681
Fiscal services	589,000	(589,000)	\$ -
	23,143,032	(1,455,568)	21,687,464
ANNUAL SURPLUS	310	(1,716,464)	(1,716,154)

* The adjustments above include netting school board appropriations and reduced taxes against tax revenues, reclassification of revenues and expenditures amongst categories, and the elimination of transfers between funds, and amortization of tangible capital assets.

MARCH 31, 2023

20. SEGMENT DISCLOSURE

Region of Queens Municipality is a diversified municipal government institution that provides a wide range of services to its citizens. Municipal services are provided by departments and their activities are reported in those segments. Expenses of the following departments have been separately disclosed in segmented information consistent with provincially legislated requirements as follows:

General Government Service

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 activities of the Mayor and Council as well as the following administrative activities: human resources, legal services, facilities management, finance and administration, communications and technology, and the office of the Chief Administrative Officer.

Protective Services

Activities that provide for the public safety of the citizens of the Municipality. This includes police and fire protection and other protective services such as by-law enforcement and building and fire inspections.

Transportation Services

Activities performed by the Engineering and Public Works Department. This includes management, maintenance and development of a wide variety of municipal infrastructure. Primary activities are road maintenance, sidewalk repair, maintenance and snow removal and salting (within the boundaries of Liverpool only). Activities also included are sewer operations, equipment maintenance, and supervision of water utility.

Environment Health Services

Activities that provide environmentally regulated services. This includes the collection of solid waste materials, the maintenance and operation of a solid waste site, solid waste landfill closure and post-closure costs allocated to the current year, sanitary wastewater collection and treatment, and supervision of solid waste facility.

Public Health Services

Activities related to the operations of Hillview Acres nursing home and mandatory transfers to the Regional Housing Authority.

Environmental Development Services

Activities that support and manage the Municipality's physical and economic development. This includes activities related to land use planning, zoning and development, activities related to investment attraction, existing business retention and expansion, business support and promotion to enhance the economy of the Region.

Recreation and Cultural Services

Activities related to the Municipality's recreation facilities, including the operations and maintenance of two outdoor pools, parks, trails, beaches, and various cultural facilities including a library. This also includes the expenditures for various recreational programming and special events as well as human, financial, and administrative support of volunteer organizations within the Municipality and surrounding area.

Water Treatment and Distribution

Activities related to the treatment and distribution of drinking water to its users through a comprehensive water treatment facility.

Educational Services

Activities related to the mandatory funding of school boards.

CONSOLIDATED EXPENSES BY OBJECT

	2023	2022
Salaries, wages and benefits	\$ 6,106,547	\$ 6,079,602
Interest on long-term debt	106,477	122,333
External transfers and grants	3,517,663	3,256,467
Amortization	2,505,282	1,953,010
Other	<u>10,536,697</u>	<u>8,775,207</u>
	<u>\$22,772,666</u>	<u>\$20,186,619</u>

REGION OF QUEENS MUNICIPALITY
 NOTES TO NON CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2023

20. SEGMENT DISCLOSURE (CONT'D)

	General Government Services	Protective Services	Roads & Streets (Public Works) Services	Environment Health Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Treatment and Distribution	2023	2022
Taxation	\$ 10,473,411	\$ 196,427	\$ 1,390,131	\$ 558,807	\$ -	\$ -	\$ -	\$ -	\$ 12,618,776	\$ 12,545,368
Sale of services	\$ 14,951	\$ 11,491	\$ -	\$ 805,211	\$ -	\$ -	\$ -	\$ -	\$ 831,654	\$ 875,391
Water Rates / Fire Protection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 811,199	\$ 811,199	\$ 720,474
Government transfers	\$ 1,382,365	\$ -	\$ -	\$ 87,462	\$ -	\$ -	\$ -	\$ -	\$ 1,469,827	\$ 2,662,364
Grants in lieu of taxes	\$ 265,865	\$ 27,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,371	\$ 313,884
Services provided other gov't	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,561,368	\$ 2,448,893
Other revenue own sources	\$ 1,356,576	\$ -	\$ -	\$ 2,561,368	\$ -	\$ -	\$ 1,043,128	\$ 67,713	\$ 2,467,417	\$ 1,378,846
Public health	\$ -	\$ -	\$ -	\$ -	\$ 1,772,476	\$ -	\$ -	\$ -	\$ 1,772,476	\$ 1,507,204
Government transfers - capital	\$ -	\$ -	\$ 695,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 695,617	\$ 1,379,409
Proceeds from sale of property	\$ 97,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,000	\$ -
Total Revenues	\$ 13,590,169	\$ 235,424	\$ 2,085,748	\$ 4,012,848	\$ 1,772,476	\$ -	\$ 1,043,128	\$ 878,912	\$ 23,518,705	\$ 23,831,833
Salaries, wages and benefits	1,265,499	206,008	1,012,083	709,412	1,189,913	627,363	899,605	196,665	6,106,547	6,079,602
Interest/discourt on long-term debt	-	-	5,545	30,937	-	-	57,401	12,594	106,477	122,333
External transfers and grants	485,830	2,423,366	274,190	-	116,000	-	218,278	-	3,517,663	3,212,397
Amortization	30,188	28,901	440,308	1,217,020	16,284	61,901	598,406	112,275	2,505,282	1,953,010
Materials, services and other expenses	1,040,795	1,361,432	1,464,500	3,298,803	480,252	1,007,900	1,099,506	783,507	10,536,696	8,819,277
Total Expenditures	\$ 2,822,312	\$ 4,019,707	\$ 3,196,626	\$ 5,254,715	\$ 1,802,449	\$ 1,697,164	\$ 2,873,196	\$ 716,035	\$ 22,772,666	\$ 20,186,619
Surplus / (Deficit) by category	\$ 10,767,857	\$ (3,784,282)	\$ (1,110,879)	\$ (1,241,867)	\$ (29,973)	\$ (1,697,164)	\$ (1,830,069)	\$ 162,877	\$ 846,041	\$ 3,645,214

REGION OF QUEENS MUNICIPALITY
 (Unaudited - See Advisory to Reader)
 NOTES TO NON CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2023

19. CAPITAL PROJECT FUNDING

CAPITAL	Total	Equipment	Reserves		Water Utility	Debtenture
			Operating	Capital		
Church Street - Sewer/Water/Street upgrades	\$ 328,794	\$ -	328,794	CCBF	\$ -	\$ -
Hillsview Acres	59,827					
Beach Meadows Infrastructure	185,771		185,771	CCBF		
Broadband Bell Canada (non owned asset)	175,000		175,000	CCBF		
Main Street - Sewer/Water/Street upgrades	798,190	-	798,190			
Excavator Works	331,689	331,689				
Works - Truck	62,929					
One Tonne Dump Truck (addons to 21/22 purchase)	18,720	18,720				
Compacior	700,494	700,494				
Water Transmission Line (Phase 3)	239,015				239,015	
GRAND TOTAL	\$ 2,900,429	\$ 1,050,902	\$ 1,487,756		\$ 239,015	\$ -

Note: Funding for Main Street will be reimbursed from debenture issue in fall 2023.

REGION OF QUEENS MUNICIPALITY
SUPPLEMENTARY FINANCIAL INFORMATION
TRUST STATEMENTS
(Unaudited – See advisory to reader)
March 31, 2023

REGION OF QUEENS MUNICIPALITY
SUPPLEMENTARY FINANCIAL INFORMATION
 (Unaudited - See Advisory to Reader)
Statement of Financial Position - Trust Bursaries
 March 31, 2023

C1

	2023				2022	
	J. Roy Gordon Award	Gertrude Ford Newcombe Scholarship	V. Harlow Gordon Scholarship	E.H. Ted Harlow Award	Ted Harlow Award	Total:
ASSETS						
CASH	\$ 36,741	\$ 15,967	\$ 14,188	\$ 10,545	\$ 21,317	\$ 98,757
INVESTMENTS - at cost	15,446	2,588	10,247	10,978	14,930	54,189
	<u>52,187</u>	<u>18,555</u>	<u>24,436</u>	<u>21,523</u>	<u>36,247</u>	<u>144,790</u>
Due T/F Operating	52,187	18,555	24,436	21,523	36,247	143,290
RESERVES						
DIVIDENDS	3,696	2,216	2,032	1,815	2,540	12,299
DISBURSEMENTS						
Bank Charges	29	29	29	29	27	141
Scholarships	1,000	500	1,000	1,500	-	4,000
	<u>1,029</u>	<u>529</u>	<u>1,029</u>	<u>1,529</u>	<u>27</u>	<u>4,141</u>
	<u>2,667</u>	<u>1,687</u>	<u>1,003</u>	<u>286</u>	<u>2,513</u>	<u>8,758</u>
Balance Beginning of year:	49,521	16,867	23,432	21,237	33,733	144,790
Balance End of year:	<u>\$ 52,188</u>	<u>\$ 18,555</u>	<u>\$ 24,435</u>	<u>\$ 21,523</u>	<u>\$ 36,247</u>	<u>\$ 143,290</u>

See accompanying notes to the non-consolidated financial statements.

ON BEHALF OF REGION OF QUEENS MUNICIPALITY

Mayor

Municipal Clerk

REGION OF QUEENS MUNICIPALITY
SUPPLEMENTARY FINANCIAL INFORMATION
(Unaudited - See Advisory to Reader)
Statement of Financial Position - Hillsview Acres Trust
March 31, 2023

C2

	2023	2022
Financial Assets		
Cash and cash equivalents	\$ 40,864	\$ 48,655
Reserves		
Increase in Resident's deposits	34,565	103,817
Decrease in Resident's deposits	42,357	102,924
Net Change	(7,791)	893
Balance at Beginning of year	48,655	47,762
Balance at End of year	<u>\$ 40,864</u>	<u>\$ 48,655</u>

See accompanying notes to the non-consolidated financial statements.

ON BEHALF OF REGION OF QUEENS MUNICIPALITY

Mayor

Municipal Clerk

March 31, 2023

NOTE 1 - PURPOSE OF TRUST

Trust funds under administration by the Region of Queens Municipality.

NOTE 2 - FORMER EMPLOYEE PENSION TRUST

A former employee was granted a supplementary retirement plan in addition to his/her regular pension plan. These funds, previously held in trust to be utilized to fulfill the obligation of the supplementary retirement plan, have been depleted.