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Grant Thornton

TOWN OF TRENTON
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022

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Town of Trenton

Management's Responsibility for Financial Reporting

March 31, 2022

The accompanying consolidated financial statements of the Town of Trenton are the responsibility of management and have been approved by the Mayor and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Chartered Professional Accountants of Canada and as such include amounts that are best estimates and judgements of management.

Management is responsible for the integrity and objectivity of these consolidated financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

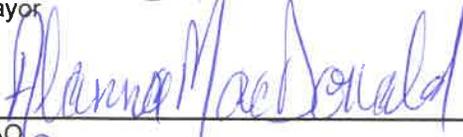
The Mayor and Council meet periodically with management, as well as with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external independent auditor's report.

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 the Town of Trenton and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

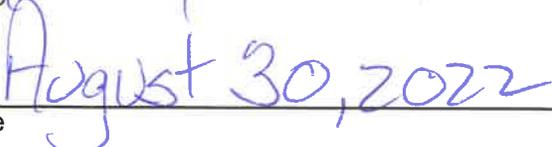
On behalf of the Town of Trenton:



Mayor



CAO



Date

Independent auditor's report

To the Mayor and Council of the Town of Trenton

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Opinion

We have audited the consolidated financial statements of Town of Trenton ("the Town") on pages 4 - 26, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of financial operations, change in net debt and cash flow 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 Town of Trenton as at March 31, 2022, and its results of operations, its changes in its net debt, 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 Town 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 Matters-Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 27 - 30 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of consolidated financial statements 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 Town'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 Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town'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 Town'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 Town'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 Town 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Grant Thornton LLP

New Glasgow, Canada
August 30, 2022

Chartered Professional Accountants

Town of Trenton

Consolidated Statement of Financial Position

March 31

2022

2021

Financial Assets

Cash and cash equivalents (note 1)	\$ 2,019,175	\$ 1,511,664
Receivables		
Taxes (note 2)	162,081	135,376
Water rates (net of allowance - \$5,306; 2021 - \$16,000)	106,619	95,071
Federal / Provincial government capital grants	173,805	280,479
Harmonized sales tax receivable	75,435	126,286
Trade accounts	83,757	64,688
Total Financial Assets	2,620,872	2,213,564

Financial Liabilities

Accounts payable and accrued liabilities	899,402	712,453
Prepaid taxes, user fees and water	115,546	124,662
Deferred revenue (note 11)	475,476	192,886
Long term debt (note 4)	2,554,865	2,837,482
Total Financial Liabilities	4,045,289	3,867,483

Net Debt

(1,424,417) **(1,653,919)**

Non-Financial Assets (Liabilities)

Capital assets, net of accumulated amortization (page 24)	16,680,701	15,218,941
Inventory not held for resale	5,539	8,843
Prepaid expenses	1,749	7,492
Tax sale surplus	(8,793)	(8,793)
	16,679,196	15,226,483

Accumulated Surplus

\$ 15,254,779 **\$ 13,572,564**

Commitments (note 7)
Contingencies (note 8)
Subsequent event (note 9)

On Behalf of the Town of Trenton

Mayor

CAO

Town of Trenton

Consolidated Statement of Operations

Year Ended March 31

2022

2021

	<u>Page</u>	<u>Budget</u> (note 10)	<u>Actual</u>	<u>Actual</u>
Revenue				
Taxes	8	\$ 3,086,651	\$ 3,141,668	\$ 3,012,643
Water rates	8	349,188	355,754	348,109
Grants in lieu of taxes	9	5,200	3,709	5,310
Services provided to other local governments	9	16,500	15,000	56,906
Sales of services	9	192,500	172,915	177,144
Other revenue from own sources	9	71,825	97,007	102,647
Unconditional transfers from other governments	9	420,922	841,844	420,922
Conditional transfers from other governments	9	24,380	31,745	97,677
Capital contributions and grants	10	2,099,000	1,652,882	2,272,454
Total revenue		<u>6,266,166</u>	<u>6,312,524</u>	<u>6,493,812</u>
Expenses				
General government services	11	834,821	825,242	821,108
Protective services	11	750,018	768,327	726,068
Transportation services	12	1,124,128	1,170,512	1,057,126
Environmental health services	12	517,268	501,222	520,862
Environmental development services	12	58,695	61,656	91,081
Recreation and cultural services	13	789,077	774,935	694,907
Water treatment and distribution services	14	535,001	528,415	485,239
Total expenses		<u>4,609,008</u>	<u>4,630,309</u>	<u>4,396,391</u>
Annual surplus		<u>\$ 1,657,158</u>	<u>\$ 1,682,215</u>	<u>\$ 2,097,421</u>
Accumulated surplus, beginning of year			\$ 13,572,564	\$ 11,475,143
Annual surplus			<u>1,682,215</u>	<u>2,097,421</u>
Accumulated surplus, end of year			\$ 15,254,779	\$ 13,572,564

Town of Trenton
Consolidated Statement of Changes in Net Debt

Year Ended March 31	Budget (note 10)	2022	2021
Annual Surplus	\$ 1,657,158	\$ 1,682,215	\$ 2,097,421
Changes in Tangible Capital Assets			
Acquisition of capital assets	(2,382,850)	(2,217,561)	(2,398,248)
Amortization of capital assets	671,000	698,157	617,313
Gain on sale of assets	-	(7,340)	(8,500)
Loss on sale of assets	-	43,657	-
Proceeds on sale of assets	-	11,134	8,500
Writedown on disposition of assets	-	10,193	13,176
	<u>(1,711,850)</u>	<u>(1,461,760)</u>	<u>(1,767,759)</u>
Decrease (increase) in inventory	-	3,304	(1,997)
Decrease (increase) in prepaid expenses	-	5,743	(4,642)
	<u>-</u>	<u>9,047</u>	<u>(6,642)</u>
Change in Net Debt	(54,692)	229,502	323,023
Net Debt, beginning of year	<u>(1,653,919)</u>	<u>(1,653,919)</u>	<u>(1,976,942)</u>
Net Debt, end of year	<u>\$ (1,708,611)</u>	<u>\$ (1,424,417)</u>	<u>\$ (1,653,919)</u>

Town of Trenton

Consolidated Statement of Cash Flows

Year Ended March 31

2022

2021

Net inflow (outflow) of cash and cash equivalents related to the following activities:

Operating		
Annual surplus	\$ 1,682,215	\$ 2,097,421
Amortization	698,157	617,313
Gain on sale of tangible capital assets	(7,340)	(8,500)
Loss on sale of tangible capital assets	43,657	-
Writedown on disposition of tangible capital assets	10,193	13,176
	<u>2,426,882</u>	<u>2,719,410</u>
Change in non-cash working capital		
Receivables	100,203	(196,953)
Payables and accrued liabilities	186,949	205,115
Prepaid taxes, user fees and water	(9,116)	28,713
Deferred revenue	282,590	(84,682)
Inventory	3,304	(1,997)
Prepays	5,743	(4,642)
	<u>2,996,555</u>	<u>2,664,964</u>
Net change in cash from operations		
	<u>2,996,555</u>	<u>2,664,964</u>
Capital		
Purchase of tangible capital assets	(2,217,561)	(2,398,248)
Proceeds from disposal of tangible capital assets	11,134	8,500
	<u>(2,206,427)</u>	<u>(2,389,748)</u>
Financing		
Long term debt repaid	(282,617)	(282,617)
	<u>(282,617)</u>	<u>(282,617)</u>
Change in cash and cash equivalents		
	507,511	(7,401)
Cash and cash equivalents		
Beginning of year	<u>1,511,664</u>	<u>1,519,065</u>
End of year	<u>\$ 2,019,175</u>	<u>\$ 1,511,664</u>

Town of Trenton

Schedules to Consolidated Statement of Operations

Year Ended March 31

2022

2021

	Budget	Actual	Actual
Taxes			
Assessable property			
Residential	\$ 1,737,779	\$ 1,737,137	\$ 1,685,921
Commercial	139,750	141,996	145,186
Resource	19,353	19,215	18,834
	<u>1,896,882</u>	<u>1,898,348</u>	<u>1,849,941</u>
Special assessments			
Solid waste user charges	157,000	157,622	157,563
Hydrant user charges	116,504	119,013	118,290
	<u>273,504</u>	<u>276,635</u>	<u>275,853</u>
Special tax agreements			
Nova Scotia Power Inc - Grant in lieu of taxes	1,292,422	1,292,422	1,259,205
Nova Scotia Power Inc - HST offset	10,000	11,251	12,371
Bell Aliant - based on revenues	8,500	8,539	8,870
	<u>1,310,922</u>	<u>1,312,212</u>	<u>1,280,446</u>
Other			
Deed transfer tax	60,000	114,128	67,322
Total tax levied	<u>3,541,308</u>	<u>3,601,323</u>	<u>3,473,562</u>
Less taxes collected on behalf of others:			
Regional centre for education	(373,502)	(373,500)	(371,508)
Provincial correctional service	(26,155)	(26,155)	(26,590)
Regional housing authority	(55,000)	(60,000)	(62,821)
	<u>(454,657)</u>	<u>(459,655)</u>	<u>(460,919)</u>
	<u>\$ 3,086,651</u>	<u>\$ 3,141,668</u>	<u>\$ 3,012,643</u>

Water rates

Metered sales	\$ 315,000	\$ 323,250	\$ 312,620
Flat rate sales	2,500	2,270	2,469
Public fire protection	20,168	20,168	20,168
Private fire protection	6,520	6,520	6,520
Penalties and interest on water	5,000	3,546	6,332
	<u>\$ 349,188</u>	<u>\$ 355,754</u>	<u>\$ 348,109</u>

Town of Trenton
Schedules to Consolidated Statement of Operations

Year Ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Grants in lieu of taxes			
Federal government agencies	\$ 4,500	\$ 3,618	\$ 4,572
Provincial government	700	91	738
	<u>\$ 5,200</u>	<u>\$ 3,709</u>	<u>\$ 5,310</u>
Other revenue from own sources			
Services provided to other local governments	\$ 16,500	\$ 15,000	\$ 56,906
Sales of services			
General government services	8,000	5,979	8,144
Recreation services	184,500	166,936	169,000
	<u>192,500</u>	<u>172,915</u>	<u>177,144</u>
Other			
Licenses and permits	2,750	4,672	2,760
Fines	100	33	294
Rentals	4,600	5,345	4,600
Gain on sale of assets	-	7,340	8,500
Interest	2,500	8,904	6,981
Penalties and interest on taxes	45,000	39,088	51,113
Miscellaneous	16,875	31,625	28,399
	<u>71,825</u>	<u>97,007</u>	<u>102,647</u>
	<u>\$ 280,825</u>	<u>\$ 284,922</u>	<u>\$ 336,697</u>
Transfers from government			
Unconditional transfers from other governments			
Provincial government			
Municipal Financial Capacity Grant	\$ 420,922	\$ 841,844	\$ 420,922
Conditional transfers from other governments			
Federal government			
Wage grants	\$ 8,200	\$ 10,875	\$ 20,453
Safe restart agreement funding	16,180	16,180	71,716
Provincial government			
Wages and other grants	-	4,690	5,508
	<u>\$ 24,380</u>	<u>\$ 31,745</u>	<u>\$ 97,677</u>

Town of Trenton
Schedules to Consolidated Statement of Operations

Year Ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Capital contributions and grants			
Canada/Nova Scotia ICIP Rural NS Agreement	\$ 1,800,000	\$ 1,602,882	\$ 1,776,134
Canada Community-Building Fund	299,000	-	218,491
Contributions	-	50,000	272,829
Province of Nova Scotia	-	-	5,000
	<u>\$ 2,099,000</u>	<u>\$ 1,652,882</u>	<u>\$ 2,272,454</u>

Town of Trenton

Schedules to Consolidated Statement of Operations

Year Ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative	\$ 70,618	\$ 73,167	\$ 70,322
General administration	183,975	202,794	194,139
Financial management	272,200	235,249	264,772
Insurance	115,000	105,536	93,414
Taxation	12,500	18,714	11,128
Civic building	48,150	61,544	52,123
Elections	-	-	15,096
Grants to organizations	10,150	8,700	13,807
	<u>641,975</u>	<u>632,537</u>	<u>644,479</u>
Assessment services	32,228	32,228	32,997
Valuation allowances	5,000	18,091	-
Interest and service charges	10,000	8,819	9,894
	<u>47,228</u>	<u>59,138</u>	<u>42,891</u>
	759,821	764,842	757,692
Amortization	75,000	60,400	63,416
	<u>\$ 834,821</u>	<u>\$ 825,242</u>	<u>\$ 821,108</u>
Protective services			
Police protection			
Policing services contract	\$ 616,550	\$ 616,422	\$ 598,786
Traffic control	15,000	14,131	13,942
	<u>631,550</u>	<u>630,553</u>	<u>612,728</u>
Fire protection			
Fire fighting force	32,254	45,237	31,357
Fire station and operations	10,200	10,351	8,296
Fire fighting equipment	29,500	41,067	31,842
	<u>71,954</u>	<u>96,655</u>	<u>71,495</u>
Other			
Emergency measures	2,382	2,454	2,820
Animal control	7,300	354	-
Interest on long term debt	6,832	6,657	7,371
	<u>16,514</u>	<u>9,465</u>	<u>10,191</u>
	720,018	736,673	694,414
Amortization	30,000	31,654	31,654
	<u>\$ 750,018</u>	<u>\$ 768,327</u>	<u>\$ 726,068</u>

Town of Trenton
Schedules to Consolidated Statement of Operations

Year Ended March 31

2022

2021

	Budget	Actual	Actual
Transportation services			
Common services			
Wages and benefits	\$ 429,000	\$ 411,350	\$ 411,061
Administration	22,050	28,640	9,602
General equipment	101,000	96,694	107,162
Town barn operating	33,100	35,474	32,278
Road transport			
Street and sidewalk repairs	106,500	85,834	97,097
Snow and ice	70,000	96,861	35,173
Storm sewers	8,500	6,337	12,123
Street lighting	18,500	15,650	25,192
Loss on sale of assets	-	43,657	-
Write-down of assets	-	10,193	-
Other			
Public Transit	9,200	9,200	9,200
Interest on long term debt	26,278	25,153	28,405
	<u>824,128</u>	<u>865,043</u>	<u>767,293</u>
Amortization	300,000	305,469	289,833
	<u>\$ 1,124,128</u>	<u>\$ 1,170,512</u>	<u>\$ 1,057,126</u>

Environmental health services			
Sewage treatment and disposal	\$ 167,961	\$ 167,964	\$ 163,944
Sewer maintenance	18,300	4,248	20,766
Solid waste collection, disposal and recycling	157,110	158,288	163,397
Interest on long term debt	38,897	37,972	40,005
	<u>382,268</u>	<u>368,472</u>	<u>388,112</u>
Amortization	135,000	132,750	132,750
	<u>\$ 517,268</u>	<u>\$ 501,222</u>	<u>\$ 520,862</u>

Environmental development services			
Planning and development	\$ 33,800	\$ 39,535	\$ 73,182
Tourism	1,200	1,134	1,134
Regional economic network	18,195	18,194	16,495
Other economic development	5,500	2,793	270
	<u>\$ 58,695</u>	<u>\$ 61,656</u>	<u>\$ 91,081</u>

Town of Trenton

Schedules to Consolidated Statement of Operations

Year Ended March 31

2022

2021

	Budget	Actual	Actual
Recreation and cultural services			
Recreation facilities			
Administration	\$ 114,800	\$ 116,644	\$ 100,689
Minor sports community centre	289,900	243,791	275,623
Steeltown Park	60,924	48,783	50,133
Pool	3,000	2,584	1,128
Youth/senior centre	17,100	15,255	12,056
Recreation programs and other	19,844	22,092	9,047
Share of Pictou County Wellness Centre	55,000	65,722	73,856
Wellness Centre - Deed Transfer Tax	60,000	114,128	67,322
Cultural buildings and facilities			
Regional library board	26,000	24,257	24,257
Branch library	600	-	-
Other			
Write-down of assets	-	-	13,176
Share of Pictou County Wellness Centre	55,000	65,722	73,856
Wellness Centre - Deed Transfer Tax	60,000	114,128	67,322
Cultural buildings and facilities			
Regional library board	26,000	24,257	24,257
Branch library	600	-	-

Town of Trenton
Schedules to Consolidated Statement of Operations

Year Ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Water treatment and distribution			
Operating expenditures			
Source of supply	18,835	4,534	\$ 16,990
Power and pumping	56,000	39,409	55,585
Purification	305,134	334,491	252,318
Transmission and distribution	75,731	63,610	84,663
Administrative and general	37,200	29,522	32,245
	<u>492,900</u>	<u>471,566</u>	<u>441,801</u>
Amortization	42,101	56,849	43,438
	<u>\$ 535,001</u>	<u>\$ 528,415</u>	<u>\$ 485,239</u>

Town of Trenton

Notes to the Consolidated Financial Statements

March 31, 2022

1. Summary of significant accounting policies

Principles and basis of consolidation

The consolidated financial statements of the Town of Trenton are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants (CPA) Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances and in financial position of the reporting entity. The activities under the control of Council and included in the reporting entity are the General Operating Fund, General Capital Fund, Water Operating Fund, Water Capital Fund, Capital Reserve Fund, and the Operating Reserve Fund.

Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment, which includes costs that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis using the following rates:

	<u>Years</u>
Buildings	10 - 40
Land improvements	5 - 40
Machinery and equipment	5 - 10
Vehicles	3 - 20
Engineered Structures	15 - 50

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

Town of Trenton

Notes to the Consolidated Financial Statements

March 31, 2022

(c) Tangible capital assets (continued)

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

(d) Government transfers

Government transfers received are recognized in the consolidated financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

(e) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates in the consolidated financial statements include the allowance for doubtful accounts, amortization expense based on estimated useful lives of tangible capital assets and sick leave liability. Actual results could differ from those estimates.

(f) Cash and cash equivalents

Cash and cash equivalents includes unrestricted cash of \$1,397,331 (2021 - \$977,016) and internally designated cash of \$621,844 (2021 - \$534,648). These totals include cash on hand and balances with banks.

(g) Revenue recognition

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Town of Trenton

Notes to the Consolidated Financial Statements

March 31, 2022

(h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus or deficit, provides the consolidated change in net debt for the year.

(i) Budget figures

The budget figures contained in these consolidated financial statements were approved by Council on November 9, 2021 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 10 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

(j) Financial instruments

The Town's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities, deferred revenue and long term debt and are carried at cost which approximates their fair value.

(k) Deferred revenue

Deferred revenue relating to operations is recognized as related expenses occur. Deferred revenue relating to capital projects is recognized in the period that the resources are used for the specified purposes outlined in its agreement and as the Town discharges its obligations, in accordance with the terms and conditions of the agreement.

Deferred Canada Community-Building Fund funding and other deferred revenue is recognized in the period in which the resources are used for the purposes specified.

(l) Contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when the following criteria are met:

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

As of March 31, 2022, there are no known contaminated sites identified.

Town of Trenton

Notes to the Consolidated Financial Statements

March 31, 2022

(m) **Segmented information**

The Town of Trenton is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General government services

This department is responsible for the overall financial and local government administration. Its tasks include tax administration, trade payables and receivables, budgets, financial statements and adherence to the *Municipal Government Act*.

Protective services

The Town is primarily responsible for police and fire protection for its residents. The Town pays the operating and capital expenditures for the fire department. As of January 1, 2012, policing services are provided by the Town of New Glasgow for an agreed upon fee as disclosed in Note 7. Other protective services include fees paid to the province for correctional services.

Transportation services

This department is responsible for the maintenance and construction of local roads and sidewalks including snow removal. It is also responsible for the street lighting within the Town.

Environmental health services

This department is responsible for the maintenance and operations of waste management and sewer services provided to the residents and other customers.

Environmental development services

This department is responsible for planning and development of the Town's resources for the benefit of the residents as well as regional economic development activities.

Recreation and cultural services

This department is responsible for promoting and offering recreation opportunities and activities for residents as well as maintaining or assisting recreational and cultural facilities within the Town.

Water treatment and distribution services

This department is responsible for the maintenance and operations of water services provided to residents and other customers.

Town of Trenton

Notes to the Consolidated Financial Statements

March 31, 2022

2. Taxes receivable	2022	2021
Balance, beginning of year	\$ 252,535	\$ 437,421
Current period tax and interest	2,214,071	2,176,907
	<u>2,466,606</u>	<u>2,614,328</u>
Collections	(2,169,275)	(2,361,793)
Balance, end of year	297,331	252,535
Valuation allowance (note 3)	(135,250)	(117,159)
Balance, net of valuation allowance end of year	<u>\$ 162,081</u>	<u>\$ 135,376</u>

3. Valuation allowance - uncollected taxes and rates	2022	2021
Balance, beginning of year	\$ 117,159	117,159
Increase in allowance	18,091	-
Balance, end of year	<u>\$ 135,250</u>	<u>\$ 117,159</u>

4. Long term debt	2022	2021
4.221 - 4.221% Main St revitalization debenture which was fully repaid during fiscal 2022.	\$ -	\$ 20,000
3.35 - 3.48% salt truck debenture maturing in fiscal 2023, repayable in equal annual instalments of \$13,700.	13,700	27,400
3.251 - 4.114% rink floor debenture maturing in fiscal 2029, repayable in equal annual instalments of \$17,500 and one balloon payment of \$105,000 in fiscal 2029.	210,000	227,500
2.004 - 3.475% storm sewer and street light debenture maturing in fiscal 2032, repayable in equal annual instalments of \$80,167 to fiscal 2027 and of \$46,667 in fiscal 2028 to 2032.	634,165	714,332
1.655 - 3.209% storm sewer debenture maturing in fiscal 2033, repayable in equal annual instalments of \$29,250 to fiscal 2032 and a payment of \$175,500 in fiscal 2033.	468,000	497,250
2.582 - 3.501% storm sewer, culvert, vehicles and equipment debenture maturing in fiscal 2034, repayable in equal annual instalments of \$122,000 to fiscal 2029 and equal annual instalments of \$75,000 to fiscal 2034.	1,229,000	1,351,000
	<u>\$ 2,554,865</u>	<u>\$ 2,837,482</u>

Town of Trenton
Notes to the Consolidated Financial Statements

March 31, 2022

4. Long term debt (continued)

Principal repayments required during the next five years are as follows:

	<u>Total</u>
2023	\$ 262,617
2024	248,917
2025	248,917
2026	248,917
2027	248,917

5. Pension Plan

The Town operates a defined contribution savings plan for their employees. The assets of the plan are held separate from those of the Town in independently administered funds.

Contributions paid and expensed by the Town in the current year amounted to \$57,970 (2021 - \$49,982).

6. Other

Total remuneration paid to elected and senior appointed officials of the Town are as follows:

	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
D. Hussler	Mayor	\$ 16,168	\$ -	\$ 16,168
S. Cotter	Councillor	9,639	-	9,639
V.J. Earle	Councillor	10,000	-	10,000
H. Hughes-Head	Councillor / Deputy Mayor	11,167	-	11,167
N. Leblanc	Councillor / Deputy Mayor	10,833	-	10,833
A. MacDonald	CAO	52,397	1,636	54,033
W. Teasdale	Former CAO	5,461	-	5,461

Town of Trenton

Notes to the Consolidated Financial Statements

March 31, 2022

7. Commitments

Policing Services Contract

Effective January 1, 2011, the Town of Trenton entered into a policing services contract with the Town of New Glasgow ending March 31, 2017. The contract was renewed for a further five years upon expiry of the initial term. The contract for subsequent years is currently being negotiated. During the year, \$616,422 was paid to the Town of New Glasgow for policing services.

Glen Haven Manor Corporation

The Town of Trenton, together with the Towns of New Glasgow, Stellarton and Westville, have jointly guaranteed a bank loan of the Corporation to the maximum of \$1,125,000 for the expansion of the Corporation's building. The Municipal Finance Corporation has issued permanent borrowing for \$1,125,000 plus a \$10,513 discount on bond issue. The loan was fully repaid in the year.

Pictou County Wellness Centre Building Authority and Aberdeen Hospital Renovation Project

The Town of Trenton has implemented a deed transfer tax on all properties sold in the town. The proceeds from this tax will be contributed to the Pictou County Wellness Centre project as well as towards the renovations and improvements to the Aberdeen Hospital. Since these projects will benefit all residents of Pictou County, a similar tax has been implemented by other municipalities within the County. During the year ending March 31, 2022 the amount transferred was \$114,128 (2021 - \$67,322).

In addition to the contributions through deed transfer tax, the municipal units have also provided a guarantee for borrowings not exceeding \$11,000,000 for the purpose of constructing the Pictou County Wellness Centre and \$8,700,000 for the Aberdeen Hospital Renovation project. The Town's share of the guarantee of the borrowing is based on the Town's total population of Pictou County.

8. Contingencies

There are claims and litigation in which the Town is involved that arise out of the ordinary course of operations. Many of the claims are being handled by the Town's insurers. The outcome of these actions is not determinable as at the date of reporting. Management believes that any liability which may result from the resolution of these actions will either be covered by the Town's insurers or will not be material to the Town's financial position.

9. Subsequent event

In May 2022, the Town received \$185,000 in debenture funds from Municipal Finance Corporation bearing interest from 2.58% - 3.78%. This debenture is amortized to May 2032 with annual principal payments of \$18,500.

Town of Trenton**Notes to the Consolidated Financial Statements**March 31, 2022

10. Budget figures

Public Sector Accounting Standards ("PSA") require a comparison of the results for the period with those originally planned on the same basis as that used for the actual results. The fiscal plan presented in the Consolidated statement of operations and Consolidated statement of changes in net debt has been adjusted to be presented on a basis consistent with the actual results. A reconciliation of the approved and reported budgets is set out below:

	Budget
Approved budgeted deficit for the year	
General operations	\$ -
Water utility operations	(146,309)
Approved budget deficit	(146,309)
Add:	
Grants for tangible capital assets	2,099,000
Capital debt repayments	282,617
Transfer to general capital	92,850
Less:	
Amortization of tangible capital assets	(671,000)
Net PSA adjustments	1,803,467
PSA adjusted budgeted surplus for the year	\$ 1,657,158

11. Deferred revenue

Deferred revenue is comprised of unearned government funding, donations and user fees. This amount is reported on the consolidated statement of financial position as follows:

	2022	2021
Gas tax funding	\$ 427,351	\$ 121,706
Safe restart funding	-	16,180
Unearned donations	48,125	55,000
	<u>\$ 475,476</u>	<u>\$ 192,886</u>
Balance, beginning of year	\$ 192,886	\$ 277,567
Contributions from:		
Gas tax funding	305,645	149,592
Safe restart funding	-	87,896
	<u>305,645</u>	<u>237,488</u>
Utilized for:		
Gas tax funding	-	(218,491)
Safe restart funding	(16,180)	(71,716)
Donations	(6,875)	(6,875)
User fees	-	(25,087)
	<u>(23,055)</u>	<u>(322,169)</u>
Balance, end of year	<u>\$ 475,476</u>	<u>\$ 192,886</u>

Town of Trenton**Notes to the Consolidated Financial Statements**March 31, 2022

12. Sick leave benefit liability

Section 3255 of the CPA Canada Public Sector Accounting Handbook requires that a liability and expense be recorded for compensated absences that are both accumulating and non-vesting as well as vesting and accumulating. The valuation of the non-vesting accumulating sick leave benefits provided to employees of the Town was completed as at March 31, 2020. The fiscal 2022 amounts were estimated from the March 31, 2020 valuation.

Actuarial Method:

The actuarial cost method used was the "Projected Unit Credit" method pro-rated on service.

Components of benefit expense under PS 3255:

	<u>2022</u>	<u>2021</u>
Current period benefit expense	\$ -	\$ 4,955
Interest expense	-	1,761
Total sick leave benefit expense	<u>\$ -</u>	<u>\$ 6,716</u>

Accrued sick leave benefit liability on the consolidated statement of financial position:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 72,040	\$ 70,629
Benefit expense	-	4,955
Interest expense	-	1,761
Benefit payments	<u>(24,803)</u>	<u>(5,305)</u>
Balance, end of year	<u>\$ 47,237</u>	<u>\$ 72,040</u>

Assumptions:

Discount rate	2.50% per annum
Salary increases	2.0% per annum
Termination	Ontario Light termination rate table
Retirement age	Age 65
Attribution period	Date of hire to date of assumed excess sick leave usage

Plan Provisions:Union employees hired on or before June 10, 2011

The Town provides eligible employees with sick leave that accumulates at 18 days per year (1.5 days per month) up to a maximum of 155 days. If an employee is sick more than 18 days in a year, they can draw on their accumulated sick leave. The accumulated sick leave balance is paid out at termination, retirement, or death provided the employee was not terminated with just cause.

Union employees hired after June 10, 2011

The Town provides eligible employees with sick leave that accumulates at 18 days per year (1.5 days per month) up to a maximum of 120 days. If an employee is sick more than 18 days in a year, they can draw on their accumulated sick leave. No benefit in respect of accumulated sick leave is paid out on retirement, termination or death.

Non-union employees

The Town provides eligible employees with sick leave that accumulates at 18 days per year (1.5 days per month) up to a maximum of 130 days. If an employee is sick more than 18 days in a year, they can draw on their accumulated sick leave. No benefit in respect of accumulated sick leave is paid out on retirement, termination or death.

Town of Trenton Consolidated Schedule of Tangible Capital Assets

March 31, 2022

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	2022	2021
Cost:								
Balance, beginning of year	\$ 483,081	\$ 3,354,898	\$ 4,333,870	\$ 16,842,917	\$ 2,022,168	\$ 1,457,751	\$ 28,494,685	\$ 26,589,017
Acquisition of tangible capital assets	-	13,036	-	175,427	296,020	47,867	532,350	459,877
Disposal of tangible capital assets	(1)	(240,074)	-	(20,246)	(28,820)	(67,786)	(356,927)	(492,580)
Construction-in-process	-	1,685,211	-	-	-	-	1,685,211	1,938,371
Balance, end of year	483,080	4,813,071	4,333,870	16,998,098	2,289,368	1,437,832	30,355,319	28,494,685
Accumulated amortization:								
Balance, beginning of year	-	679,560	2,573,808	7,465,201	1,716,739	840,436	13,275,744	13,137,835
Disposal of tangible capital assets	-	(240,074)	-	(10,053)	(28,820)	(20,336)	(299,283)	(479,404)
Annual amortization	-	49,485	113,669	362,709	92,868	79,426	698,157	617,313
Balance, end of year	-	488,971	2,687,477	7,817,857	1,780,787	899,526	13,674,618	13,275,744
Net book value of tangible capital assets	\$ 483,080	\$ 4,324,100	\$ 1,646,393	\$ 9,180,241	\$ 508,581	\$ 538,306	\$ 16,680,701	\$ 15,218,941
2021 Net book value of tangible capital assets	\$ 483,081	\$ 2,675,338	\$ 1,760,062	\$ 9,377,716	\$ 305,429	\$ 617,315	\$ 15,218,941	

Town of Trenton Consolidated Schedule of Segmented Disclosure

March 31, 2022

March 31, 2022

	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Environmental Development and Cultural Services		Recreation and Cultural Services		Water		Consolidated	
Revenue																
Taxes	\$ 648,084	\$ 620,791	\$ 925,942	\$ 429,429	\$ 48,773	\$ 468,649	\$ -	\$ -	\$ 355,754	\$ 3,141,668						
Water rates	-	-	-	-	-	-	-	-	-	355,754						
Grants in lieu of taxes	839	650	1,199	352	63	607										
Services provided to other local governments	-	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000
Sale of services	5,979	-	-	-	-	166,936										172,915
Other revenue from own sources	64,419	12,800	7,340	-	4,672	5,394										97,007
Unconditional transfers from other governments	190,429	147,440	272,073	79,866	14,331	137,705										841,844
Conditional transfers from other governments	16,180	-	-	-	-	15,565										31,745
Capital contributions and grants	-	-	-	-	-	1,652,882										1,652,882
	<u>\$ 925,930</u>	<u>\$ 796,681</u>	<u>\$ 1,206,554</u>	<u>\$ 509,647</u>	<u>\$ 67,839</u>	<u>\$ 2,447,738</u>				<u>\$ 358,136</u>						<u>\$ 6,312,524</u>
Expenses																
Salaries, wages and benefits	\$ 316,258	\$ 43,448	\$ 411,351	\$ -	\$ 2,334	\$ 262,338				\$ 215,823						\$ 1,251,552
Operating materials and supplies	119,997	51,921	269,025	1,835	3,477	177,811				192,267						816,333
Contracted services	180,630	634,647	105,664	328,665	54,711	213,107				53,526						1,570,950
Rents and financial expenses	132,446	6,657	25,153	37,972	-	10,644				9,950						222,822
Community grants and exemptions	15,511	-	-	-	1,134	-				-						16,645
Amortization & writedowns	60,400	31,654	359,319	132,750	-	111,035				56,849						752,007
	<u>\$ 825,242</u>	<u>\$ 768,327</u>	<u>\$ 1,170,512</u>	<u>\$ 501,222</u>	<u>\$ 61,656</u>	<u>\$ 774,935</u>				<u>\$ 528,415</u>						<u>\$ 4,630,309</u>

Town of Trenton Consolidated Schedule of Segmented Disclosure

March 31, 2022

March 31, 2021

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Cultural Services	Water	Consolidated
Revenue								
Taxes	\$ 659,177	\$ 595,352	\$ 857,151	\$ 452,137	\$ 39,873	\$ 408,953	\$ -	\$ 3,012,643
Water rates	-	-	-	-	-	-	348,109	348,109
Grants in lieu of taxes	1,279	926	1,663	572	77	793	-	5,310
Services provided to other local governments	-	15,000	-	-	41,906	-	-	56,906
Sale of services	8,144	-	-	-	-	169,000	-	177,144
Other revenue from own sources	73,005	9,074	8,500	-	2,760	6,407	2,901	102,647
Unconditional transfers from other governments	101,382	73,373	131,831	45,306	6,132	62,898	-	420,922
Conditional transfers from other governments	71,716	4,417	-	-	-	21,544	-	97,677
Capital contributions and grants	-	200,329	218,491	-	-	1,853,634	-	2,272,454
	<u>\$ 914,703</u>	<u>\$ 898,471</u>	<u>\$ 1,217,636</u>	<u>\$ 498,015</u>	<u>\$ 90,748</u>	<u>\$ 2,523,229</u>	<u>\$ 351,010</u>	<u>\$ 6,493,812</u>
Expenses								
Salaries, wages and benefits	\$ 358,601	\$ 29,435	\$ 411,061	\$ -	\$ 45,089	\$ 303,212	\$ 236,859	\$ 1,384,257
Operating materials and supplies	88,102	39,930	238,409	14,585	3,596	141,464	156,570	682,656
Contracted services	184,864	617,678	89,418	333,522	41,262	169,435	30,849	1,467,028
Rents and financial expenses	103,308	7,371	28,405	40,005	-	11,397	17,523	208,009
Community grants and exemptions	22,817	-	-	-	1,134	-	-	23,951
Amortization & writedowns	63,416	31,654	289,833	132,750	-	69,399	43,438	630,490
	<u>\$ 821,108</u>	<u>\$ 726,068</u>	<u>\$ 1,057,126</u>	<u>\$ 520,862</u>	<u>\$ 91,081</u>	<u>\$ 694,907</u>	<u>\$ 485,239</u>	<u>\$ 4,396,391</u>

SUPPLEMENTARY SCHEDULES

Town of Trenton
Supplementary Schedules
Water Utility Operating Fund
Schedule of Financial Position

March 31	2022	2021
Assets		
Cash	\$ 271,942	\$ 271,838
Receivables		
Rates (less allowance for doubtful accounts - \$5,306; 2021 - \$16,000)	106,619	95,071
Due from own funds and agencies		
General operating fund	-	3,968
	<u>\$ 378,561</u>	<u>\$ 370,877</u>
Liabilities		
Payables and accruals	\$ 44,566	\$ 35,769
Prepaid water rates	27,181	24,376
Due to own funds and agencies		
Water capital fund	46,504	46,304
General operating fund	123,937	-
	<u>242,188</u>	<u>106,449</u>
Equity		
Surplus	136,373	264,428
	<u>\$ 378,561</u>	<u>\$ 370,877</u>

Town of Trenton
Supplementary Schedules
Water Utility Operating Fund
Schedule of Financial Operations

Year ended March 31

	2022		2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenue			
Metered sales	\$ 315,000	\$ 323,250	\$ 312,620
Flat rate sales	2,500	2,270	2,469
Public fire protection	136,672	136,672	136,672
Private fire protection	6,520	6,520	6,520
Penalties and interest on water	5,000	3,546	6,332
Interest	-	593	985
	<u>465,692</u>	<u>472,851</u>	<u>465,598</u>
Operating expenditures			
Source of supply	18,835	4,534	16,990
Power and pumping	56,000	39,409	55,585
Purification	305,134	334,491	252,318
Transmission and distribution	75,731	63,610	84,663
Administration and general	79,200	71,522	73,045
Depreciation	42,101	55,451	42,039
Taxes	35,000	31,889	32,018
	<u>612,001</u>	<u>600,906</u>	<u>556,658</u>
Excess of expenditures over revenue	<u>\$ (146,309)</u>	<u>(128,055)</u>	<u>(91,060)</u>
Surplus, beginning of year		<u>264,428</u>	<u>355,488</u>
Surplus, end of year		<u>\$ 136,373</u>	<u>\$ 264,428</u>

Town of Trenton
Supplementary Schedules
Water Utility Capital Fund
Schedule of Financial Position

March 31	2022	2021
Assets		
Cash	\$ 516,657	\$ 516,459
Due from own funds and agencies		
Water utility operating fund	46,504	46,304
General operating fund	-	1,916
Utility plant and equipment (page 30)	<u>2,674,720</u>	<u>2,432,057</u>
	<u>\$ 3,237,881</u>	<u>\$ 2,996,736</u>
Liabilities		
Payables and accruals	\$ 40,885	\$ 14,292
Due to own funds and agencies		
General operating fund	157,312	-
Accumulated allowance for depreciation	1,294,121	1,237,272
Deferred contributions (net of accumulated amortization of \$6,993; 2021 - \$5,595)	<u>97,791</u>	<u>99,189</u>
	1,590,109	1,350,753
Equity		
Investment in capital assets (page 30)	<u>1,647,772</u>	<u>1,645,983</u>
	<u>\$ 3,237,881</u>	<u>\$ 2,996,736</u>

Town of Trenton
Supplementary Schedules
Water Utility
Schedule of Investment in Plant and Equipment

March 31	2022	2021
Tangible plant and equipment		
Land	\$ 16,584	\$ 16,584
Wells	180,728	180,728
Structures and improvements		
Pumping	354,298	189,779
Distribution reservoirs	342,045	342,045
Treatment	117,720	117,720
Equipment		
Pumping	141,605	141,605
Water treatment	235,909	194,145
Tools and work equipment	111,009	74,629
Other	76,981	76,981
Mains		
Transmission	132,403	132,403
Distribution	761,238	761,238
Meters	170,650	170,650
Hydrants	33,550	33,550
	<u>\$ 2,674,720</u>	<u>\$ 2,432,057</u>

Schedule of Investment in Capital Assets

Year ended March 31	2022	2021
Balance, beginning of year	\$ 1,645,983	\$ 1,644,067
Interest	1,789	1,916
Balance, end of year	<u>\$ 1,647,772</u>	<u>\$ 1,645,983</u>

Schedule of Depreciation Funds

Year ended March 31	2022	2021
Balance, beginning of year	\$ 550,387	\$ 529,923
Interest earned on depreciation funds	1,789	1,916
Assets acquired	(242,663)	(23,491)
Current year's depreciation	55,451	42,039
	<u>(185,423)</u>	<u>20,464</u>
Balance, end of year	<u>\$ 364,964</u>	<u>\$ 550,387</u>
Consisting of:		
Cash in bank	\$ 516,657	\$ 516,459
Due from (to) general operating fund	(157,312)	1,916
Due from water utility operating fund	46,504	46,304
Payables and accruals	(40,885)	(14,292)
	<u>\$ 364,964</u>	<u>\$ 550,387</u>