

Village of New Minas

New Minas, Nova Scotia

Financial Statements

March 31, 2018

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Village of New Minas

New Minas, Nova Scotia

**Consolidated Financial Statements
Section A**

March 31, 2018

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Morse Brewster Lake

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INDEPENDENT AUDITOR'S REPORT

To the Chairman and Commissioners of the Village of New Minas

We have audited the accompanying financial statements of the Village of New Minas, which comprise the consolidated statement of financial position as at March 31, 2018, the consolidated statement of financial activities and the consolidated statement of changes in financial position for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion these financial statements present fairly, in all material respects, the financial position of the Village of New Minas as at March 31, 2018 and the results of its operations for the year then ended, in accordance with Canadian accounting standards for the public sector.

Berwick, Nova Scotia
June 21, 2018

Morse Brewster Lake

Chartered Professional Accountants
Licensed Public Accountants
Registered Municipal Auditor

Village of New Minas

Consolidated Statement of Operations

Year Ended March 31, 2018

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Revenue			
Taxes	\$ 2,168,070	\$ 2,152,215	\$ 2,130,337
Grants in lieu of taxes	39,800	41,574	38,642
Sales of services	718,006	670,428	723,735
Other revenue from own sources	281,150	331,503	287,910
Conditional transfers from other governments	300,738	305,373	298,884
Grants and government transfers	-	460,262	348,531
Gain on sale of equipment	-	130,472	855
	<u>3,507,764</u>	<u>4,091,827</u>	<u>3,828,894</u>
Expenditures			
General government services	682,576	661,678	693,862
Protection	242,698	242,935	239,583
Transportation	105,770	94,260	72,905
Environmental health	528,325	566,443	501,594
Recreational and cultural services	567,409	563,213	548,043
Water transmission and purification	348,785	300,027	264,502
Amortization	300,060	710,837	748,908
Other fiscal services	291,144	299,282	288,848
	<u>3,066,767</u>	<u>3,438,675</u>	<u>3,358,245</u>
Annual Surplus	<u>\$ 440,997</u>	<u>\$ 653,152</u>	<u>\$ 470,649</u>

Village of New Minas

Consolidated Statement of Financial Position

March 31, 2018

	<u>2018</u>	<u>2017</u>
Financial Assets		
Current		
Cash	\$ 4,066,953	\$ 2,774,304
Receivables	<u>1,019,642</u>	<u>894,838</u>
	<u>5,086,595</u>	<u>3,669,142</u>
Liabilities		
Current		
Payables and accruals	554,089	38,263
Deferred revenue	<u>12,529</u>	<u>11,366</u>
	<u>566,618</u>	<u>49,629</u>
Net Financial Assets	4,519,977	3,619,513
Non-Financial Assets		
Prepaid expenses and inventory	69,495	63,442
Property and Equipment (note 2)	<u>13,660,756</u>	<u>13,914,121</u>
	<u>\$18,250,228</u>	<u>\$17,597,076</u>
Surplus		
Reserve Funds (note 3)	\$ 1,510,077	\$ 1,304,409
Deferred assistance	1,771,762	1,709,107
Investment in Capital Assets (note 4)	13,896,479	13,546,431
Surplus	<u>1,071,910</u>	<u>1,037,129</u>
	<u>\$18,250,228</u>	<u>\$17,597,076</u>

Commitments (note 5)

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

Village of New Minas

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2018

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Annual Surplus	440,997	\$ 653,152	\$ 470,649
Add (Deduct):			
Acquisition of tangible capital assets	(340,350)	(681,057)	(573,672)
Amortization of tangible capital assets	300,060	710,837	748,908
Gain on sale of assets	-	(130,472)	(855)
Proceeds on sale of assets	-	354,054	14,000
Use (acquisition) of prepaid assets	<u>-</u>	<u>(6,050)</u>	<u>(1,499)</u>
Increase (decrease) in net assets	<u>400,707</u>	900,464	657,531
Net Financial Assets, beginning of year		<u>3,619,513</u>	<u>2,961,982</u>
Net Financial Assets, end of year		<u>\$ 4,519,977</u>	<u>\$ 3,619,513</u>

Village of New Minas
Consolidated Statement of Cashflow
Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
Cash flow from operating activities:		
Annual surplus	\$ 653,152	\$ 470,649
Gain on disposal of assets	(130,472)	(855)
Depreciation and amortization	710,837	748,908
Change in		
Accounts receivable	(124,804)	(470,321)
Prepaid expenses	(6,050)	(1,499)
Payables and accruals	515,826	(34,030)
Deferred revenue	<u>1,163</u>	<u>11,366</u>
	1,619,652	724,218
 Cash flow from investing activities:		
Proceeds on sale of assets	354,054	14,000
Purchase of tangible capital assets	<u>(681,057)</u>	<u>(573,672)</u>
	<u>(327,003)</u>	<u>(559,672)</u>
 Cash Increase	1,292,649	164,546
 Cash and Equivalencies, beginning of year	<u>2,774,304</u>	<u>2,609,758</u>
 Cash and Equivalencies, end of year	<u>\$ 4,066,953</u>	<u>\$ 2,774,304</u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2018

1. Significant Accounting Policies

Principles and basis of consolidation

The consolidated financial statements are presented to provide the reader with an overview of the Village of New Minas' total financial operations. It is recommended that for a detailed review and analysis, the reader refer to the separate financial statements for each of the various funds.

The consolidated financial statements of the Village of New Minas are prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and with accounting principles prescribed for water utilities by the Nova Scotia Utility and Review Board.

The consolidated accounts include the New Minas Water Commission in which the Village has a 100% interest.

Basis of accounting

The financial statements have been prepared using the accrual basis of accounting.

Financial Instruments

The Village's financial instruments consist of cash, short term deposits, accounts receivables, accounts payables and accrued liabilities. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, 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 reporting period. Actual results may differ from those estimates. The most significant accounting estimates in these financial statements include allowance for doubtful accounts and estimated useful life of tangible capital assets.

Government transfers

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

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2018

1. Significant Accounting Policies (continued)

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.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital asset are amortized on a straight line basis over their estimated useful life as follows:

General		Water	
Land improvements	20 to 50 years	Wells	25 to 40 years
Buildings	40 years	Pumping stations	50 years
Machinery and equipment	5 to 10 years	Water mains	75 years
Sidewalks	20 years	Hydrants	75 years
Sewer system	50 years		
Skateboard Park	20 years		
Leasehold improvements	20 years		

The Water Commission's depreciation is calculated based on rates prescribed by the Nova Scotia Utility and Review Board. The depreciation charge in the Water and Sewer Operating Fund less amortization of deferred assistance is transferred to a special bank account in the Water and Sewer Capital Fund which is used to help fund replacement of existing plant and equipment.

Deferred Contribution

Assistance towards the acquisition of fixed assets by the Water and Sewer Commission received prior to January 1, 1985, and subsequent to April 1, 2007, is amortized to income on the same basis as the related fixed asset. Approval has been obtained from the Nova Scotia Utility and Review Board to exempt the Commission from adjusting for any other assistance received prior to January 1, 1985.

Deferred Revenue

Deferred revenue relates to funding received for projects that have not been completed.

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2018

2. Tangible Capital Assets

	<u>2018</u>	<u>2017</u>
Cost		
Land and buildings	\$ 1,869,799	\$ 1,989,011
Recreation Facility	3,351,317	3,351,317
Leasehold improvements	9,674	9,674
Machinery and equipment	1,512,105	1,507,096
Sewer system	2,447,567	2,447,567
Skateboard park	-	80,565
Splash park	161,678	161,678
Street improvements and paving	2,751,580	2,438,723
Signs	46,868	46,868
Street lights	407,185	407,185
Water system	10,596,958	10,455,475
Other	<u>264,547</u>	<u>264,547</u>
	<u>23,419,278</u>	<u>23,159,706</u>
Deduct:		
Accumulated depreciation	<u>9,758,522</u>	<u>9,245,585</u>
	<u>\$13,660,756</u>	<u>\$13,914,121</u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2018

3. Reserve Funds

	<u>General</u>	<u>Water</u>	<u>2018</u> <u>Total</u>	<u>2017</u> <u>Total</u>
Equipment				
Balance, beginning of year	\$ 139,875	\$ 17,677	\$ 157,552	\$ 75,389
Transfer to equipment reserve	-	-	-	30,000
Transfer to capital fund	-	-	-	10,000
Balance, end of year	<u>\$ 139,875</u>	<u>\$ 17,677</u>	<u>157,552</u>	<u>115,389</u>
 Operating Fund				
Balance, beginning of year			\$ 500,000	\$ -
Transfer from operating surplus			-	500,000
Balance, end of year			<u>\$ 500,000</u>	<u>\$ 500,000</u>
 Capital Fund				
Balance, beginning of year			689,020	610,771
Transfer from operating fund			163,505	156,990
Transfer to capital			-	(78,741)
Balance, end of year			<u>852,525</u>	<u>689,020</u>
			<u>\$1,510,077</u>	<u>\$1,304,409</u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2018

4. Investment in Capital Assets

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$13,546,431	\$13,654,592
Add (deduct):		
Capital grants	50,000	40,512
Federal Gas Tax	302,192	104,886
Amortization of deferred assistance	45,415	50,562
Transfer from operating	232,746	65,131
Amortization	(410,777)	(448,848)
Gain on disposal of assets	130,472	855
Transfer from capital reserve fund	<u>-</u>	<u>78,741</u>
Balance, end of year	<u>\$13,896,479</u>	<u>\$13,546,431</u>

5. Commitments

The Village contributes 6% of the gross salary of all full time employees to the Municipal Employees Pension Plan, a defined contribution pension plan. Such contributions are refundable if the employee terminates employment prior to vesting. During the year, the Village has contributed \$35,431 (2017 -\$35,616).

The Village has the following lease commitments per year for office equipment leases:

2019	5,012
2020	851
2021	851

6. Other Matters

The total remuneration and expenses paid to each commissioner and the senior management official are as follows:

Village and water commissioners	\$ 35,895
Clerk/Treasurer	<u>89,203</u>
	<u>\$ 125,098</u>

7. Comparative figures

The comparative figures have been adjusted to conform to the financial statement presentation adopted in the current year.

Village of New Minas

New Minas, Nova Scotia

**Non-Consolidated Financial Statements
Section B**

March 31, 2018

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Morse Brewster Lake

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**Auditors' Report on
Supplemental Financial Information**

**To the Chairman and Commissioners of
Village of New Minas**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Berwick, Nova Scotia
June 21, 2018

Morse Brewster Lake

Chartered Professional Accountants
Licensed Public Accountants
Registered Municipal Auditor

**Village of New Minas
General Section
Statement of Operations**

Year Ended March 31, 2018

	<u>Page</u>	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Revenue				
General tax rates	B-6	\$ 2,168,070	\$ 2,152,215	\$ 2,130,337
Grants in lieu of taxes	B-6	39,800	41,574	38,642
Conditional transfers from Federal and Provincial governments and agencies	B-6	5,040	5,040	4,815
Conditional transfers from other governments and agencies	B-6	295,698	300,333	294,069
Other revenue from own sources	B-7	<u>278,050</u>	<u>320,476</u>	<u>284,768</u>
		<u>2,786,658</u>	<u>2,819,638</u>	<u>2,752,631</u>
Expenditures				
General government services	B-7	682,576	661,678	693,862
Protective services	B-7	485,396	485,870	479,166
Transportation services	B-8	105,770	94,260	72,905
Environmental health services	B-8	528,325	566,443	501,594
Recreational and cultural services	B-8	567,409	563,213	548,043
Fiscal services	B-8	<u>417,182</u>	<u>438,414</u>	<u>252,121</u>
		<u>2,786,658</u>	<u>2,809,878</u>	<u>2,547,691</u>
Operating Surplus		<u>\$ -</u>	<u>\$ 9,760</u>	<u>\$ 204,940</u>

**Village of New Minas
General Section
Operating Fund Statement of Financial Position**

March 31, 2018

	<u>2018</u>	<u>2017</u>
Assets		
Current		
Cash	\$ 1,581,665	\$ 1,391,481
Accounts receivable (note 2)	296,979	270,606
Inventory	1,500	-
Due from Water Utility capital fund	-	4,625
Prepaid expenses	<u>53,821</u>	<u>48,935</u>
	<u>\$ 1,933,965</u>	<u>\$ 1,715,647</u>
Liabilities		
Current		
Payables and accruals	\$ 160,408	\$ 27,225
Due to Water Utility operating fund	52,962	424,029
Due to Capital reserve	320,495	156,990
Due to Equipment reserve	69,096	26,933
Due to Water Utility Capital fund	10,029	-
Due to General Capital Fund	415,350	185,768
Due to Operating reserve	500,000	500,000
Deferred revenue	<u>12,529</u>	<u>11,366</u>
	1,540,869	1,332,311
Surplus		
Operating Surplus (note 4)	<u>393,096</u>	<u>383,336</u>
	<u>\$ 1,933,965</u>	<u>\$ 1,715,647</u>

Commitments (note 5)

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

**Village of New Minas
General Section
Capital Fund Statement of Financial Position**

March 31, 2018

	<u>2018</u>	<u>2017</u>
Assets		
Current		
Accounts receivable	\$ 312,706	\$ 109,302
Hst receivable	52,918	6,533
Due from general operating fund	415,350	185,768
Due from capital reserve fund	<u>78,741</u>	<u>78,741</u>
	859,715	380,344
Tangible Capital Assets (note 3)	<u>7,309,445</u>	<u>7,430,438</u>
	<u>\$ 8,169,160</u>	<u>\$ 7,810,782</u>
Liabilities		
Current		
Bank indebtedness	\$ 292,737	\$ 800,606
Accounts Payable - General capital	346,259	-
Due to water capital	<u>214,757</u>	<u>33,208</u>
	<u>853,753</u>	<u>833,814</u>
Equity		
Investment in Capital Assets (page B-5)	<u>7,315,407</u>	<u>6,976,968</u>
	<u>\$ 8,169,160</u>	<u>\$ 7,810,782</u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

**Village of New Minas
General Section
Statement of Investment in Capital Assets**

March 31, 2018

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 6,976,968	\$ 7,139,245
Add (Deduct):		
Capital grants	50,000	40,512
Amortization	(410,777)	(448,848)
Transfer from capital reserve fund	-	78,741
Federal Gas Tax	302,192	104,886
Gain (loss) on sale of equipment	164,278	(2,699)
Transfer from operating	<u>232,746</u>	<u>65,131</u>
Balance, end of year	<u>\$ 7,315,407</u>	<u>\$ 6,976,968</u>

**Village of New Minas
General Section
Schedules to Statement of Operations**

Year Ended March 31, 2018

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Taxes			
Assessable property			
Residential	\$ 962,811	\$ 962,342	\$ 949,590
Commercial			
Based on taxable assessment	854,853	850,371	838,102
Resource			
Based on taxable assessment	7,137	7,053	7,305
Special assessments			
Environmental Health Services	<u>343,269</u>	<u>332,449</u>	<u>335,340</u>
	<u>\$ 2,168,070</u>	<u>\$ 2,152,215</u>	<u>\$ 2,130,337</u>
Grants in Lieu of Taxes			
Federal government agencies	\$ 9,000	\$ 8,801	\$ 8,819
Provincial government agencies	16,800	16,787	16,772
HST recovery	<u>14,000</u>	<u>15,986</u>	<u>13,051</u>
	<u>\$ 39,800</u>	<u>\$ 41,574</u>	<u>\$ 38,642</u>
Conditional Transfers from Federal and Provincial Governments and Agencies			
Federal government agencies			
Summer Career Placement	<u>\$ 5,040</u>	<u>\$ 5,040</u>	<u>\$ 4,815</u>
	<u>\$ 5,040</u>	<u>\$ 5,040</u>	<u>\$ 4,815</u>
Conditional Transfers from other Governments and Agencies			
Municipality of the County of Kings			
Fire protection	\$ 242,698	\$ 242,935	\$ 239,583
Crosswalk service	8,500	8,352	9,552
Recreation	37,000	37,773	36,800
Community Parks development grant	<u>7,500</u>	<u>11,273</u>	<u>8,134</u>
	<u>\$ 295,698</u>	<u>\$ 300,333</u>	<u>\$ 294,069</u>

**Village of New Minas
General Section
Schedules to Statement of Operations**

Year Ended March 31, 2018

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Other Revenue from own Sources			
Facility rentals	\$ 75,000	\$ 76,673	\$ 69,412
Interest	16,000	19,682	13,386
Miscellaneous	15,700	24,686	13,117
Recreation	<u>171,350</u>	<u>199,435</u>	<u>188,853</u>
	<u>\$ 278,050</u>	<u>\$ 320,476</u>	<u>\$ 284,768</u>
 General Government Services			
Legislative			
Chairman Stipend	\$ 8,800	\$ 8,800	\$ 8,800
Commissioners Stipend	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>
	<u>35,200</u>	<u>35,200</u>	<u>35,200</u>
 General administrative			
Administrative	152,809	142,902	193,372
Financial management	93,123	77,314	77,984
Crosswalk guard services	15,445	12,944	12,810
Common services	248,149	259,001	240,251
Other general administrative services	<u>99,350</u>	<u>98,907</u>	<u>97,298</u>
	<u>608,876</u>	<u>591,068</u>	<u>621,715</u>
 Other general government services			
Grants to organizations and individuals	<u>38,500</u>	<u>35,410</u>	<u>36,947</u>
	<u>\$ 682,576</u>	<u>\$ 661,678</u>	<u>\$ 693,862</u>
 Protective Services			
Fire protection			
Fire alarm systems	\$ 8,000	\$ 7,421	\$ 12,283
Water supply and hydrants	242,698	242,935	239,583
Training	18,000	6,456	6,676
Fire station	67,000	65,083	73,770
Fire fighting equipment	127,548	141,145	124,447
Other	<u>22,150</u>	<u>22,830</u>	<u>22,407</u>
	<u>\$ 485,396</u>	<u>\$ 485,870</u>	<u>\$ 479,166</u>

**Village of New Minas
General Section
Schedules to Statement of Operations**

Year Ended March 31, 2018

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Transportation Services			
Roads and streets	\$ 8,785	\$ 8,458	\$ 7,155
Snow Clearing	22,086	30,553	19,691
Sidewalks	59,899	33,551	31,845
Street lighting	<u>15,000</u>	<u>21,698</u>	<u>14,214</u>
	<u>\$ 105,770</u>	<u>\$ 94,260</u>	<u>\$ 72,905</u>
Environmental Health Services			
Sewage collection services	\$ 199,725	\$ 237,843	\$ 191,594
Central treatment plant operations	<u>328,600</u>	<u>328,600</u>	<u>310,000</u>
	<u>\$ 528,325</u>	<u>\$ 566,443</u>	<u>\$ 501,594</u>
Recreational and Cultural Services			
Administration	\$ 322,606	\$ 317,401	\$ 292,883
Parks and playgrounds	<u>244,803</u>	<u>245,812</u>	<u>255,160</u>
	<u>\$ 567,409</u>	<u>\$ 563,213</u>	<u>\$ 548,043</u>
Fiscal Services			
Transfer to capital fund	\$ 232,746	\$ 232,746	\$ 65,131
Transfer to equipment for sewer	(9,069)	12,163	-
Transfer to equipment reserve fund	30,000	30,000	30,000
Transfer to Capital reserve fund	<u>163,505</u>	<u>163,505</u>	<u>156,990</u>
	<u>\$ 417,182</u>	<u>\$ 438,414</u>	<u>\$ 252,121</u>

**Village of New Minas
Special Reserve Fund - Equipment Reserve Section
Statement of Financial Position**

March 31, 2018

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ 70,780	\$ 70,780
Due from general operating fund	<u>69,095</u>	<u>26,932</u>
	<u>\$ 139,875</u>	<u>\$ 97,712</u>
Liabilities		
Reserve		
Reserve	<u>139,875</u>	<u>97,712</u>
	<u>\$ 139,875</u>	<u>\$ 97,712</u>

Statement of Equipment Reserve

March 31, 2018

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 97,712	\$ 67,712
Add (Deduct):		
Transfer from operating	<u>42,163</u>	<u>30,000</u>
Balance, end of year	<u>\$ 139,875</u>	<u>\$ 97,712</u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

**Village of New Minas
Capital Reserve Fund
Statement of Financial Position**

March 31, 2018

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ 610,771	\$ 610,771
Due from general operating fund	<u>320,495</u>	<u>156,990</u>
	<u>\$ 931,266</u>	<u>\$ 846,502</u>
Liabilities		
Due to general capital fund	\$ 78,741	\$ 78,741
Reserve		
Reserve	<u>852,525</u>	<u>689,020</u>
	<u>\$ 931,266</u>	<u>\$ 767,761</u>

Statement of Capital Reserve Fund

March 31, 2018

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 689,020	\$ 610,771
Add (Deduct):		
Transfer from operating fund	163,505	156,990
Purchase of capital assets	<u>-</u>	<u>(78,741)</u>
Balance, end of year	<u>\$ 852,525</u>	<u>\$ 689,020</u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

**Village of New Minas
Operating Reserve Fund
Statement of Financial Position**

March 31, 2018

	<u>2018</u>	<u>2017</u>
Assets		
Due from operating	\$ <u>500,000</u>	\$ <u>500,000</u>
Reserve		
Operating Reserve	\$ <u>500,000</u>	\$ <u>500,000</u>

Statement of Operating Reserve Fund

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 500,000	\$ -
Add (Deduct):		
Transfer from operating	<u>-</u>	<u>500,000</u>
Balance, end of year	\$ <u>500,000</u>	\$ <u>500,000</u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2018

1. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

Revenue and Expenditures

Major revenue and expenditures items are recorded on an accrual basis.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital asset are amortization on a straight line basis over their estimated useful life as follows:

Land improvements	20 to 50 years
Buildings	40 years
Machinery and equipment	5 to 10 years
Sidewalks	20 years
Sewer system	50 years
Skateboard Park	20 years
Splash Park	20 years
Leasehold improvements	20 years

Allocation of Municipal Costs to Water Commission Fund

Costs incurred, which benefit both the municipal unit and the Water Commission, are allocated on the basis of relative benefits. Interest is recorded on balances due between the municipal unit and the Water Commission at an annual rate of 8% on the outstanding balance at the end of each month.

2. Accounts receivable

	<u>2018</u>	<u>2017</u>
Sewer accounts receivable	\$ 73,718	\$ 78,809
Taxes Receivable	41,678	50,926
Government of Canada	90,088	49,717
Department of Transportation	17,500	17,500
Other	<u>73,995</u>	<u>73,654</u>
	<u>\$ 296,979</u>	<u>\$ 270,606</u>

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2018

3. Tangible Capital Assets

	Cost Opening	Additions	Disposals	Write Downs	Cost Closing	Amortization	Accum Amort	Net Book Value
Land	\$ 677,264	\$ -	\$ -	\$ -	\$ 677,264	\$ -	\$ -	\$ 677,264
Land improvements	950,489	31,913	-	-	982,402	49,120	657,475	324,927
Buildings	456,014	17,682	(168,807)	-	304,889	7,622	82,915	221,974
Recreation facility	3,351,317	-	-	-	3,351,317	83,783	501,395	2,849,922
Signs	46,868	-	-	-	46,868	2,429	13,792	33,076
Machinery & equipment	1,065,133	97,108	(105,684)	-	1,056,557	76,195	679,370	377,187
Sidewalks	1,927,451	312,857	-	-	2,240,308	96,373	959,685	1,280,623
Sewer System	2,422,027	-	-	-	2,422,027	48,441	1,540,323	881,704
Street Lights	407,185	-	-	-	407,185	27,146	107,539	299,646
Parking lot	289,602	-	-	-	289,602	11,584	64,649	224,953
Skateboard park	80,565	-	(80,565)	-	-	-	-	-
Splash park	161,678	-	-	-	161,678	8,084	23,509	138,169
Leasehold improvements	9,673	-	-	-	9,673	-	9,673	-
	<u>\$ 11,845,266</u>	<u>\$ 459,560</u>	<u>\$ (355,056)</u>	<u>\$ -</u>	<u>\$ 11,949,770</u>	<u>\$ 410,777</u>	<u>\$ 4,640,325</u>	<u>\$ 7,309,445</u>

4. Surplus

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 383,336	\$ 678,396
Add (Deduct):		
Transfer to operating reserve	-	(500,000)
Operating surplus (deficit)	<u>9,760</u>	<u>204,940</u>
Balance, end of year	<u>\$ 393,096</u>	<u>\$ 383,336</u>

5. Pension and Commitments

The Village contributes 6% of the gross salary of all full time employees to the Municipal Employees Pension Plan, a defined contribution pension plan. Such contributions are refundable if the employee terminates employment prior to vesting. During the year, the Village has contributed \$27,029 (2017 - \$26,712).

The Village has the following lease commitments per year for office equipment leases:

2018	\$ 5,012
2019	5,012
2020	851
2021	851

**Village of New Minas
General Section
Statement of Capital Financing**

Year Ended March 31, 2018

Source	<u>2018</u>	<u>2017</u>
Capital funding		
Transfer from operating	\$ 157,368	\$ 65,131
Federal gas tax	302,192	145,398
Transfer from capital reserve fund	<u>-</u>	<u>78,741</u>
	<u>\$ 459,560</u>	<u>\$ 289,270</u>
 Application		
Purchase of capital assets		
Automotive equipment	\$ 64,247	\$ 43,303
Buildings	17,682	57,162
Signs	-	10,083
Land and land improvements	31,913	25,533
Generator	-	122,611
Sidewalks	312,857	5,794
Tools and equipment	11,555	9,933
Facility equipment	21,306	-
Splash park	<u>-</u>	<u>14,851</u>
	<u>\$ 459,560</u>	<u>\$ 289,270</u>

Village of New Minas

New Minas, Nova Scotia

**Water Commission
Non-Consolidated Financial Statements
Section C**

March 31, 2018

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Morse Brewster Lake

Chartered Professional Accountants

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**Auditors' Report on Supplemental
Financial Statements**

**To the Chairman and Commissioners of
Village of New Minas Water Commission**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Berwick, Nova Scotia
June 21, 2018

Morse Brewster Lake

Chartered Professional Accountants
Licensed Public Accountants
Registered Municipal Auditor

**Village of New Minas
Water Commission
Statement of Operations**

Year Ended March 31, 2018

	Page	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Revenue				
Operating				
Metered sales		\$ 642,500	\$ 598,869	\$ 647,564
Public fire protection		239,538	242,935	239,583
Other		<u>75,506</u>	<u>71,559</u>	<u>76,171</u>
		<u>957,544</u>	<u>913,363</u>	<u>963,318</u>
Expenditures				
Operating				
Source of supply	C-6	187,500	143,515	110,356
Power and pumping	C-6	110,000	117,177	108,854
Transmission and distribution	C-6	51,285	39,335	45,292
Administration	C-6	291,144	299,282	288,848
Depreciation		<u>300,060</u>	<u>300,060</u>	<u>300,060</u>
		<u>939,989</u>	<u>899,369</u>	<u>853,410</u>
Operating profit		<u>17,555</u>	<u>13,994</u>	<u>109,908</u>
Non-operating revenue				
Interest		<u>3,100</u>	<u>11,027</u>	<u>3,142</u>
Non-operating expenditures				
Capital expenditure out of operations		-	-	10,000
Deficit of prior year		<u>20,655</u>	<u>-</u>	<u>-</u>
		<u>20,655</u>	<u>-</u>	<u>10,000</u>
Operating Surplus For The Year		<u>\$ -</u>	25,021	103,050
Surplus, beginning of year			<u>653,793</u>	<u>550,743</u>
Surplus, end of year			<u>\$ 678,814</u>	<u>\$ 653,793</u>

**Village of New Minas
Water Commission
Operating Fund Statement of Financial Position**

March 31, 2018

	<u>2018</u>	<u>2017</u>
Assets		
Current		
Cash	\$ 912,773	\$ 215,741
Accounts receivable (note 3)	280,523	269,164
Prepaid expenses	14,174	14,507
Due from general operating fund	<u>52,962</u>	<u>424,029</u>
	<u>\$1,260,432</u>	<u>\$ 923,441</u>
Liabilities		
Current		
Payables and accruals	\$ 22,943	\$ 11,033
Due to water equipment reserve	10,000	10,000
Due to water capital fund	<u>548,675</u>	<u>248,615</u>
	581,618	269,648
Surplus		
Operating Surplus	<u>678,814</u>	<u>653,793</u>
	<u>\$1,260,432</u>	<u>\$ 923,441</u>
Commitment (note 8)		

On behalf of the Commission

_____, Chairman _____, Commissioner

**Village of New Minas
Water Commission
Capital Fund Statement of Financial Position**

March 31, 2018

	<u>2018</u>	<u>2017</u>
Assets		
Current		
Cash - Depreciation fund (note 2)	\$ 1,471,675	\$ 1,471,675
Accounts receivable	<u>76,516</u>	<u>239,233</u>
	1,548,191	1,710,908
Due from General Capital	214,757	33,208
Due to water operating fund	548,675	248,615
Utility Plant in Service (note 4)	11,469,508	11,314,437
Due from General Operating Fund	<u>10,029</u>	<u>-</u>
	<u>\$13,791,160</u>	<u>\$13,307,168</u>
Liabilities		
Current		
Bank indebtedness -Water capital fund	\$ 295,651	\$ 193,215
Accounts payable	24,478	-
Due to general operating fund	<u>-</u>	<u>4,625</u>
	<u>320,129</u>	<u>197,840</u>
Deferred Assistance (note 5)	1,771,762	1,709,107
Accumulated Allowance for Depreciation (note 6)	<u>5,118,197</u>	<u>4,830,758</u>
	<u>6,889,959</u>	<u>6,539,865</u>
	<u>7,210,088</u>	<u>6,737,705</u>
Equity		
Investment in Capital Assets (page C-5)	<u>6,581,072</u>	<u>6,569,463</u>
	<u>\$13,791,160</u>	<u>\$13,307,168</u>

On behalf of the Commission

_____, Chairman _____, Commissioner

**Village of New Minas
Water Commission
Statement of Investment in Capital Assets**

March 31, 2018

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 6,569,463	\$ 6,515,347
Add:		
Amortization deferred assistance	45,415	50,562
Gain (loss) on disposal of equipment	<u>(33,806)</u>	<u>3,554</u>
Balance, end of year	<u>\$ 6,581,072</u>	<u>\$ 6,569,463</u>

**Village of New Minas
Water Commission
Schedules to Statements of Operations**

Year Ended March 31, 2018

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Source of supply			
Maintenance	\$ 100,000	\$ 45,203	\$ 21,761
Supplies and expenses	<u>87,500</u>	<u>98,312</u>	<u>88,595</u>
	<u>\$ 187,500</u>	<u>\$ 143,515</u>	<u>\$ 110,356</u>
Power and Pumping			
Power	<u>\$ 110,000</u>	<u>\$ 117,177</u>	<u>\$ 108,854</u>
Transmission and distribution			
Maintenance			
Mains	\$ 7,680	\$ 3,031	\$ 3,372
Other	27,140	23,288	30,204
Transportation expenses	<u>16,465</u>	<u>13,016</u>	<u>11,716</u>
	<u>\$ 51,285</u>	<u>\$ 39,335</u>	<u>\$ 45,292</u>
Administration			
Collection and service charges	\$ 3,000	\$ 2,774	\$ 2,948
Salaries and benefits	227,164	242,183	228,064
General and office expenses	26,590	22,145	27,616
Regulatory expenses	1,000	1,590	1,590
Miscellaneous	16,030	14,040	11,886
Rent	10,010	10,012	10,010
Insurance	<u>7,350</u>	<u>6,538</u>	<u>6,734</u>
	<u>\$ 291,144</u>	<u>\$ 299,282</u>	<u>\$ 288,848</u>

**Village of New Minas
Water Commission
Special Reserve Fund - Equipment Reserve Section**

March 31, 2018

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ 7,677	\$ 7,677
Due from Water operating	<u>10,000</u>	<u>10,000</u>
	<u>\$ 17,677</u>	<u>\$ 17,677</u>
Reserve		
Reserve, beginning of year	\$ 17,677	\$ 7,677
Deduct:		
Transfer from operating	<u>-</u>	<u>10,000</u>
Reserve, end of year	<u>\$ 17,677</u>	<u>\$ 17,677</u>

On behalf of the Commission

_____, Chairman _____, Commissioner

Village of New Minas
Notes to Non-Consolidated Financial Statements
March 31, 2018

1. Significant Accounting Policies

The financial statements have been prepared to conform in all material respects to the accounting principles prescribed for water utilities by the Nova Scotia Utility and Review Board.

Non consolidation

Non-consolidated financial statements of the Village of New Minas Water and Sewer Commission are prepared by management in accordance with Canadian generally accepted accounting principles for local governments and the Water Utility Accounting and Reporting handbook of the Nova Scotia Utility and Review Board, as required under Section 4000. Significant aspects of the accounting policies adopted by the Village of New Minas are as follows;

Basis of Accounting

Major revenue and expenditures items are recorded on an accrual basis. Interest earned on the depreciation fund is recorded as non-operating revenue in the Water Commission Operating Fund. Principal and interest payments relating to long term debt are recorded as an expense when paid.

Utility Plant

Utility plant and projects in progress are recorded at the utility's gross cost. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness prior to January 1, 1985, and subsequent to April 1, 2007 are treated as additions to deferred assistance.

The Commission charges depreciation based on rates prescribed by the Nova Scotia Utility and Review Board. The depreciation charge in the Water Operating Fund less amortization of deferred assistance is transferred to a special bank account in the Water and Sewer Capital Fund which is used to help fund replacement of the existing plant.

Depreciation is not recorded on fixed assets donated to the Water and Sewer Commission after January 1, 1985. Approval has been obtained from the Nova Scotia Utility and Review Board to continue recording depreciation on fixed assets donated prior to January 1, 1985.

Amortization

Assistance towards the acquisition of fixed assets, received prior to January 1, 1985, and subsequent to April 1, 2007, is amortized to income on the same basis as the related fixed asset. Approval has been obtained from the Nova Scotia Utility and Review Board to exempt the Commission from adjusting for any other assistance received prior to January 1, 1985.

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2018

1. Significant Accounting Policies (continued)

Allocation of Municipal Costs to Water Utility Funds

Costs incurred which benefit both the municipal unit and the Water Commission are allocated on the basis of relative benefits.

Interest is recorded on the balances due between Water Commission funds and other funds during the year at an annual rate of 8% on the outstanding balance at the end of the month.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and bank overdrafts. Bank borrowings are considered to be financing activities.

Use of estimates

In preparing the Village's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. The most significant accounting estimates in these financial statements include allowance for doubtful accounts and estimated useful life of tangible capital assets

2. Depreciation Fund

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 1,471,675	\$ 1,471,675
Add (Deduct):		
Depreciation	300,060	300,060
Transfer to water capital for asset purchases	-	(20,892)
Paid to operating fund	-	(30,553)
Due from operating fund	<u>(300,060)</u>	<u>(248,615)</u>
Balance, end of year	<u>\$ 1,471,675</u>	<u>\$ 1,471,675</u>

3. Receivables

	<u>2018</u>	<u>2017</u>
Rates (net of allowance of \$5,200)	\$ 146,281	\$ 166,615
Other	65,506	65,506
Goods and Service Tax	<u>68,736</u>	<u>37,043</u>
	<u>\$ 280,523</u>	<u>\$ 269,164</u>

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2018

4. Utility Plant in Service

	<u>2018</u>	<u>2017</u>
Land and buildings	\$ 152,453	\$ 152,453
Machinery and equipment	515,641	441,962
Water system	10,536,867	10,455,475
Other	<u>264,547</u>	<u>264,547</u>
	<u>\$11,469,508</u>	<u>\$11,314,437</u>

5. Deferred Assistance

	<u>2018</u>	<u>2017</u>
Assistance towards acquisition of fixed assets	\$ 2,125,619	\$ 2,017,549
Accumulated amortization	<u>353,857</u>	<u>308,442</u>
Balance, end of year	<u>\$ 1,771,762</u>	<u>\$ 1,709,107</u>

6. Accumulated Allowance for Depreciation

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 4,830,758	\$ 4,550,404
Add (Deduct):		
Depreciation	300,060	300,060
Disposal of assets	<u>(12,621)</u>	<u>(19,706)</u>
Balance, end of year	<u>\$ 5,118,197</u>	<u>\$ 4,830,758</u>

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2018

7. Rate of Return on Rate Base

For the year ended March 31, 2018, the Water Utility has a rate of return on rate base of 0.31 % (2017 - (2.30%)).

8. Pension

The Village contributes 6% of the gross salary of all full time employees to the Municipal Employees Pension Plan, a defined contribution pension plan. Such contributions are refundable if the employee terminates employment prior to vesting. During the year, the Water Commission has contributed \$8,402, (2017-\$8,904).

Village of New Minas

Statement of Capital Projects Funding

Year Ended March 31, 2018

	<u>Total Capital Cost</u>	<u>Capital Fund</u>	<u>Federal Gas Tax Grants</u>	<u>Clean Water & Wastewater Fund</u>
Water system				
Storage Tank/Facility	\$ 37,423	\$ 9,356	\$ -	\$ 28,067
Equipment	93,672	24,581	69,091	-
Meters	60,094	60,094	-	-
Wells	16,347	5,435	-	10,912
PRV Station	<u>13,961</u>	<u>13,961</u>	<u>-</u>	<u>-</u>
	<u>\$ 221,497</u>	<u>\$ 113,427</u>	<u>\$ 69,091</u>	<u>\$ 38,979</u>