

Village of New Minas

New Minas, Nova Scotia

Financial Statements

March 31, 2020

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Village of New Minas

New Minas, Nova Scotia

**Consolidated Financial Statements
Section A**

March 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of **Village of New Minas**, which comprise the statement of financial position as at March 31, 2020, and the statement of operations, statement of net financial assets and statement of cash flows for the years then ended, and notes to the 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 the **Village of New Minas**, as at March 31, 2020, and the results of operations and changes in net financial assets 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 Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Entity's internal control.

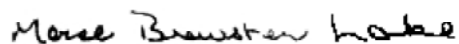
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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 Entity'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 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 Entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Berwick, Nova Scotia
July 13, 2020



Chartered Professional Accountants
Registered Municipal Auditor

Village of New Minas

Consolidated Statement of Operations

Year Ended March 31, 2020

	2020 <u>Budget</u>	2020 <u>Actual</u>	2019 <u>Actual</u>
Revenue			
Taxes	\$ 2,221,299	\$ 2,280,658	\$ 2,215,030
Grants in lieu of taxes	54,400	41,993	35,142
Sales of services	661,500	670,656	667,189
Other revenue from own sources	336,694	418,517	375,565
Conditional transfers from other governments	297,770	283,758	269,802
Grants and government transfers	-	350,607	353,469
Gain on sale of equipment	-	4,935	-
	<u>3,571,663</u>	<u>4,051,124</u>	<u>3,916,197</u>
Expenditures			
General government services	733,735	697,888	650,980
Protection	247,405	247,405	243,085
Transportation	130,074	88,553	78,508
Environmental health	594,116	532,538	526,167
Recreational and cultural services	587,813	542,794	532,665
Water transmission and purification	324,895	270,124	319,425
Amortization	300,060	716,367	688,426
Other fiscal services	292,186	292,910	308,626
	<u>3,210,284</u>	<u>3,388,579</u>	<u>3,347,882</u>
Annual Surplus	\$ <u>361,379</u>	\$ <u>662,545</u>	\$ <u>568,315</u>

Village of New Minas

Consolidated Statement of Financial Position

March 31, 2020

	<u>2020</u>	<u>2019</u>
Financial Assets		
Current		
Cash	\$ 5,331,474	\$ 5,029,666
Receivables	<u>909,507</u>	<u>659,068</u>
	<u>6,240,981</u>	<u>5,688,734</u>
Liabilities		
Current		
Payables and accruals	175,449	371,870
Deferred revenue	<u>97,927</u>	<u>8,363</u>
	<u>273,376</u>	<u>380,233</u>
Net Financial Assets	5,967,605	5,308,501
Non-Financial Assets		
Prepaid expenses and inventory	72,065	62,649
Property and Equipment (note 2)	<u>13,441,418</u>	<u>13,447,393</u>
	<u>\$19,481,088</u>	<u>\$18,818,543</u>
Surplus		
Reserve Funds (note 3)	\$ 2,138,807	\$ 1,880,836
Deferred assistance	2,227,095	1,997,140
Investment in Capital Assets (note 4)	13,475,654	13,636,204
Surplus	<u>1,639,532</u>	<u>1,304,363</u>
	<u>\$19,481,088</u>	<u>\$18,818,543</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, 2020

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Annual Surplus	361,379	\$ 662,545	\$ 568,315
Add (Deduct):			
Acquisition of tangible capital assets	(1,069,204)	(710,391)	(475,063)
Amortization of tangible capital assets	300,060	716,367	688,426
Use (acquisition) of prepaid assets	<u>-</u>	<u>(9,417)</u>	<u>6,846</u>
Increase in net assets	<u>(407,765)</u>	659,104	788,524
Net Financial Assets, beginning of year		<u>5,308,501</u>	<u>4,519,977</u>
Net Financial Assets, end of year		\$ <u>5,967,605</u>	\$ <u>5,308,501</u>

Village of New Minas
Consolidated Statement of Cashflow
Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Cash flow from operating activities:		
Annual surplus	\$ 662,545	\$ 568,315
Depreciation and amortization	716,367	688,426
Change in		
Accounts receivable	(250,439)	360,574
Prepaid expenses	(9,417)	6,846
Payables and accruals	(196,421)	(182,219)
Deferred revenue	<u>89,564</u>	<u>(4,166)</u>
	1,012,199	1,437,776
 Cash flow from investing activities:		
Purchase of tangible capital assets	<u>(710,391)</u>	<u>(475,063)</u>
	<u>(710,391)</u>	<u>(475,063)</u>
 Cash Increase	301,808	962,713
 Cash and Equivalencies, beginning of year	<u>5,029,666</u>	<u>4,066,953</u>
 Cash and Equivalencies, end of year	<u>\$ 5,331,474</u>	<u>\$ 5,029,666</u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Village of New Minas are prepared in accordance with Canadian accounting standards for the public sector.

Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures and changes in fund balances and in financial position of the reporting entity. The activities under the control of Commission and included in the reporting entity are the general operating fund, general capital fund, water operating fund, water capital fund, capital reserve fund, equipment reserve fund and operating reserve fund. Interdepartmental transactions and balances have been eliminated on the consolidated

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

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 managements'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, 2020

1. Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, short term borrowing with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Revenue recognition

Taxation and related revenue: Property tax billings are prepared based on the assessment rolls issued by Property Valuation Services Corporation. Tax rates are established annually by the Commission, incorporating amounts to be raised for local services. Water rates are established by water rate study and approved by the URB. Taxation revenues, water revenues and sewer revenues are recorded at the time billings are due.

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.

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, 2020

1. Significant Accounting Policies (continued)

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.

2. Tangible Capital Assets

	<u>2020</u>	<u>2019</u>
Cost		
Land and buildings	\$ 1,944,008	\$ 1,898,147
Recreation Facility	3,351,317	3,351,317
Leasehold improvements	9,674	9,674
Machinery and equipment	1,589,227	1,541,914
Sewer system	2,422,027	2,447,567
Splash park	161,678	161,678
Street improvements and paving	2,830,150	2,753,061
Signs	62,094	62,094
Street lights	407,185	407,185
Water system	11,470,684	10,997,157
Other	<u>310,092</u>	<u>264,547</u>
	<u>24,558,136</u>	<u>23,894,341</u>
Deduct:		
Accumulated depreciation	<u>11,116,718</u>	<u>10,446,948</u>
	<u>\$13,441,418</u>	<u>\$13,447,393</u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2020

3. Reserve Funds

	<u>General</u>	<u>Water</u>	<u>2020</u> <u>Total</u>	<u>2019</u> <u>Total</u>
Equipment				
Balance, beginning of year	\$ 209,444	\$ 17,677	\$ 227,121	\$ 157,552
Interest	20	-	20	-
Transfer to equipment reserve	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>69,569</u>
Balance, end of year	<u>\$ 239,464</u>	<u>\$ 17,677</u>	<u>257,141</u>	<u>227,121</u>
 Operating Fund				
Balance, beginning of year			\$ 500,000	\$ 500,000
Transfer from operating surplus			<u>-</u>	<u>-</u>
Balance, end of year			<u>\$ 500,000</u>	<u>\$ 500,000</u>
 Capital Fund				
Balance, beginning of year			1,153,715	852,525
Interest			819	-
Transfer from operating fund			252,483	301,190
Transfer to capital			<u>(92,483)</u>	<u>-</u>
Balance, end of year			<u>1,314,534</u>	<u>1,153,715</u>
			<u>\$2,071,675</u>	<u>\$1,880,836</u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2020

4. Investment in Capital Assets

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$13,636,204	\$13,896,479
Add (deduct):		
Donation	1,554	-
Capital grants	60,058	75,115
Interest	37,687	-
Amortization of deferred assistance	59,040	52,976
Transfer from reserve	92,483	-
Amortization	(416,307)	(388,366)
Gain on disposal of assets	<u>4,935</u>	<u>-</u>
Balance, end of year	<u>\$13,475,654</u>	<u>\$13,636,204</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 \$39,825 (2019 -\$40,491).

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

2021	\$	3,477	2022	3,477
2023		3,477	2024	3,477
2025		2,608		

6. Other Matters

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

	Compensation	Expenses	Total
Commissioners			
Chauk, Dave (Chair)	\$ 10,916	\$ -	\$ 10,916
Stevens, Maynard	798	-	798
Redmond, James	9,391	-	9,391
Manzer, Cheryl	6,739	464	7,203
Pineo, Ken	7,352	-	7,352
Munroe, Mary	8,279	506	8,785
Staff			
Morrison, Ian (Clerk)	45,073	662	45,735
Ernest, April (Clerk)	<u>23,359</u>	<u>-</u>	<u>23,359</u>
	<u>\$ 111,907</u>	<u>\$ 1,632</u>	<u>\$ 113,539</u>

Village of New Minas

New Minas, Nova Scotia

**Non-Consolidated Financial Statements
Section B**

March 31, 2020

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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
July 13, 2020

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

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

Year Ended March 31, 2020

	<u>Page</u>	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Revenue				
General tax rates	B-6	\$ 2,221,299	\$ 2,280,658	\$ 2,215,030
Grants in lieu of taxes	B-6	54,400	41,993	35,142
Conditional transfers from Federal and Provincial governments and agencies	B-6	7,400	5,202	6,600
Conditional transfers from other governments and agencies	B-6	290,370	278,556	263,202
Other revenue from own sources	B-7	<u>321,694</u>	<u>357,249</u>	<u>348,729</u>
		<u>2,895,163</u>	<u>2,963,658</u>	<u>2,868,703</u>
Expenditures				
General government services	B-7	733,735	697,888	650,980
Protective services	B-7	494,810	509,995	486,169
Transportation services	B-8	130,074	88,553	78,508
Environmental health services	B-8	594,116	532,538	526,167
Recreational and cultural services	B-8	587,813	542,794	532,665
Fiscal services	B-8	<u>349,615</u>	<u>349,615</u>	<u>370,776</u>
		<u>2,890,163</u>	<u>2,721,383</u>	<u>2,645,265</u>
Operating Surplus		<u>\$ 5,000</u>	<u>\$ 242,275</u>	<u>\$ 223,438</u>

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

March 31, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Current		
Cash	\$ 912,816	\$ 555,327
Accounts receivable (note 2)	353,579	250,969
Inventory	2,737	1,500
Due from Capital Fund	-	101,791
Due from Water Utility operating fund	319,511	269,322
Prepaid expenses	<u>59,597</u>	<u>51,943</u>
	<u>\$ 1,648,240</u>	<u>\$ 1,230,852</u>
Liabilities		
Current		
Payables and accruals	\$ 140,835	\$ 137,004
Due to Capital reserve	253,302	301,190
Due to Equipment reserve	97,152	69,586
Due to Water Utility Capital fund	235,748	98,175
Due to General Capital Fund	54,031	-
Deferred revenue	<u>8,363</u>	<u>8,363</u>
	789,431	614,318
Surplus		
Operating Surplus (note 4)	<u>858,809</u>	<u>616,534</u>
	<u>\$ 1,648,240</u>	<u>\$ 1,230,852</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, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Current		
Cash	\$ -	\$ 7,728
Accounts receivable	6,690	24,963
HST receivable	4,861	6,357
Due from general operating fund	54,031	-
Due from water capital fund	36,341	72,174
Due from capital reserve fund	<u>92,483</u>	<u>-</u>
	194,406	111,222
Tangible Capital Assets (note 3)	<u>6,750,833</u>	<u>6,992,725</u>
	<u>\$ 6,945,239</u>	<u>\$ 7,103,947</u>
Liabilities		
Current		
Bank indebtedness	\$ 90,077	\$ -
Deferred revenue	89,564	-
Due to general operating fund	-	101,791
Due to water capital	<u>9,581</u>	<u>-</u>
	<u>189,222</u>	<u>101,791</u>
Equity		
Investment in Capital Assets (page B-5)	<u>6,756,017</u>	<u>7,002,156</u>
	<u>\$ 6,945,239</u>	<u>\$ 7,103,947</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, 2020

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 7,002,156	\$ 7,315,407
Add (Deduct):		
Capital grants	60,058	75,115
Interest	9,073	-
Amortization	(416,307)	(388,366)
Transfer from reserve	92,483	-
Gain (loss) on sale of equipment	7,000	-
Donation	<u>1,554</u>	<u>-</u>
Balance, end of year	<u>\$ 6,756,017</u>	<u>\$ 7,002,156</u>

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

Year Ended March 31, 2020

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Taxes			
Assessable property			
Residential	\$ 1,001,299	\$ 1,001,064	\$ 969,520
Commercial			
Based on taxable assessment	864,189	858,677	867,563
Resource			
Based on taxable assessment	7,095	7,083	7,091
Special assessments			
Environmental Health Services	<u>348,716</u>	<u>413,834</u>	<u>370,856</u>
	<u>\$ 2,221,299</u>	<u>\$ 2,280,658</u>	<u>\$ 2,215,030</u>
Grants in Lieu of Taxes			
Federal government agencies	\$ 27,600	\$ 16,751	\$ 8,801
Provincial government agencies	16,800	16,221	16,589
HST recovery	<u>10,000</u>	<u>9,021</u>	<u>9,752</u>
	<u>\$ 54,400</u>	<u>\$ 41,993</u>	<u>\$ 35,142</u>
Conditional Transfers from Federal and Provincial Governments and Agencies			
Federal government agencies			
Summer Career Placement	<u>\$ 7,400</u>	<u>\$ 5,202</u>	<u>\$ 6,600</u>
	<u>\$ 7,400</u>	<u>\$ 5,202</u>	<u>\$ 6,600</u>
Conditional Transfers from other Governments and Agencies			
Municipality of the County of Kings			
Fire protection	\$ 247,405	\$ 247,405	\$ 243,084
Crosswalk service	8,900	8,976	8,928
Recreation	30,065	20,000	11,190
Community Parks development grant	<u>4,000</u>	<u>2,175</u>	<u>-</u>
	<u>\$ 290,370</u>	<u>\$ 278,556</u>	<u>\$ 263,202</u>

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

Year Ended March 31, 2020

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Other Revenue from own Sources			
Facility rentals	\$ 101,000	\$ 94,827	\$ 96,975
Interest	30,500	38,072	46,174
Miscellaneous	24,986	28,296	22,290
Recreation	<u>165,208</u>	<u>196,054</u>	<u>183,290</u>
	<u>\$ 321,694</u>	<u>\$ 357,249</u>	<u>\$ 348,729</u>
 General Government Services			
Legislative			
Chairman Stipend	\$ 12,890	\$ 12,568	\$ 10,613
Commissioners Stipend	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>
	<u>39,290</u>	<u>38,968</u>	<u>37,013</u>
General administrative			
Administrative	170,478	194,762	137,379
Financial management	81,353	56,549	68,167
Crosswalk guard services	15,566	13,851	13,706
Common services	277,542	244,763	259,379
Other general administrative services	<u>105,706</u>	<u>108,056</u>	<u>93,841</u>
	<u>650,645</u>	<u>617,981</u>	<u>572,472</u>
Other general government services			
Grants to organizations and individuals	<u>43,800</u>	<u>40,939</u>	<u>41,495</u>
	<u>\$ 733,735</u>	<u>\$ 697,888</u>	<u>\$ 650,980</u>
 Protective Services			
Fire protection			
Fire alarm systems	\$ 8,310	\$ 8,816	\$ 8,242
Water supply and hydrants	247,405	262,590	243,084
Training	15,000	7,588	21,600
Fire station	75,792	61,284	87,679
Fire fighting equipment	124,174	147,078	105,059
Other	<u>24,129</u>	<u>22,639</u>	<u>20,505</u>
	<u>\$ 494,810</u>	<u>\$ 509,995</u>	<u>\$ 486,169</u>

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

Year Ended March 31, 2020

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Transportation Services			
Roads and streets	\$ 9,881	\$ 9,488	\$ 7,546
Snow Clearing	33,793	24,269	22,150
Sidewalks	60,487	30,635	23,901
Street lighting	<u>25,913</u>	<u>24,161</u>	<u>24,911</u>
	<u>\$ 130,074</u>	<u>\$ 88,553</u>	<u>\$ 78,508</u>
Environmental Health Services			
Sewage collection services	\$ 255,716	\$ 185,125	\$ 198,607
Central treatment plant operations	<u>338,400</u>	<u>347,413</u>	<u>327,560</u>
	<u>\$ 594,116</u>	<u>\$ 532,538</u>	<u>\$ 526,167</u>
Recreational and Cultural Services			
Administration	\$ 321,919	\$ 271,534	\$ 291,127
Parks and playgrounds	<u>265,894</u>	<u>271,260</u>	<u>241,538</u>
	<u>\$ 587,813</u>	<u>\$ 542,794</u>	<u>\$ 532,665</u>
Fiscal Services			
Transfer to capital fund	\$ 92,483	\$ 92,483	\$ 141,190
Transfer to equipment for sewer	67,132	67,132	39,586
Transfer to equipment reserve fund	30,000	30,000	30,000
Transfer to Capital reserve fund	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>
	<u>\$ 349,615</u>	<u>\$ 349,615</u>	<u>\$ 370,776</u>

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

March 31, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Cash	\$ 209,444	\$ 139,858
Due from general operating fund	<u>97,152</u>	<u>69,586</u>
	<u>\$ 306,596</u>	<u>\$ 209,444</u>
Liabilities		
Reserve		
Reserve	<u>306,596</u>	<u>209,444</u>
	<u>\$ 306,596</u>	<u>\$ 209,444</u>

Statement of Equipment Reserve

March 31, 2020

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 209,444	\$ 139,875
Add (Deduct):		
Interest (service charge)	20	(17)
Transfer from operating	<u>97,132</u>	<u>69,586</u>
Balance, end of year	<u>\$ 306,596</u>	<u>\$ 209,444</u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

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

March 31, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Cash	\$ 1,153,715	\$ 852,525
Due from general operating fund	<u>253,302</u>	<u>301,190</u>
	<u>\$ 1,407,017</u>	<u>\$ 1,153,715</u>
Liabilities		
Due to general capital fund	\$ 92,483	\$ -
Reserve		
Reserve	<u>1,314,534</u>	<u>1,153,715</u>
	<u>\$ 1,407,017</u>	<u>\$ 1,153,715</u>

Statement of Capital Reserve Fund

March 31, 2020

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 1,153,715	\$ 852,525
Add (Deduct):		
Interest	819	-
Transfer from operating fund	252,483	301,190
Purchase of capital assets	<u>(92,483)</u>	<u>-</u>
Balance, end of year	<u>\$ 1,314,534</u>	<u>\$ 1,153,715</u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

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

March 31, 2020

		<u>2020</u>	<u>2019</u>
	Assets		
Cash		\$ <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>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 500,000	\$ 500,000
Add (Deduct):		
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, 2020

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>2020</u>	<u>2019</u>
Sewer accounts receivable	\$ 85,122	\$ 76,285
Taxes Receivable	196,162	92,883
Government of Canada	25,567	17,127
Department of Transportation	17,500	17,500
Other	<u>29,228</u>	<u>47,174</u>
	<u>\$ 353,579</u>	<u>\$ 250,969</u>

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2020

3. Tangible Capital Assets

	Cost <u>Opening</u>	<u>Additions</u>	<u>Disposals</u>	Write <u>Downs</u>	Cost <u>Closing</u>	<u>Amortization</u>	Accum <u>Amort</u>	Net Book <u>Value</u>
Land	\$ 677,264	\$ -	\$ -	\$ -	\$ 677,264	\$ -	\$ -	\$ 677,264
Land improvements	1,010,750	113,974	-	-	1,124,724	53,959	761,971	362,753
Buildings	304,889	4,111	-	-	309,000	7,725	98,262	210,738
Recreation facility	3,351,317	-	-	-	3,351,317	83,783	668,961	2,682,356
Signs	62,094	-	-	-	62,094	3,039	20,276	41,818
Machinery & equipment	1,083,147	34,068	-	-	1,117,215	59,581	774,602	342,613
Sidewalks	2,240,308	-	-	-	2,240,308	112,015	1,183,716	1,056,592
Sewer System	2,422,027	-	-	-	2,422,027	48,441	1,637,204	784,823
Street Lights	407,185	-	-	-	407,185	27,146	161,831	245,354
Parking lot	291,084	22,263	-	-	313,347	12,534	88,826	224,521
Splash park	161,678	-	-	-	161,678	8,084	39,677	122,001
Leasehold improvements	<u>9,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,673</u>	<u>-</u>	<u>9,673</u>	<u>-</u>
	<u>\$ 12,021,416</u>	<u>\$ 174,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,195,832</u>	<u>\$ 416,307</u>	<u>\$ 5,444,999</u>	<u>\$ 6,750,833</u>

4. Surplus

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 616,534	\$ 393,096
Add (Deduct):		
Operating surplus (deficit)	<u>242,275</u>	<u>223,438</u>
Balance, end of year	<u>\$ 858,809</u>	<u>\$ 616,534</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 \$29,262 (2019 - \$31,257).

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

2021	\$ 3,477	2022	3,477
2023	3,477	2024	3,477
2025	2,608		

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

Year Ended March 31, 2020

Source	<u>2020</u>	<u>2019</u>
Capital funding		
Capital bank	\$ 13,321	\$ 71,645
Capital grants	60,058	-
Donation	1,554	-
Transfer from reserve	92,483	-
Proceeds on sale of equipment	<u>7,000</u>	<u>-</u>
	<u>\$ 174,416</u>	<u>\$ 71,645</u>
 Application		
Purchase of capital assets		
Automotive equipment	\$ 32,221	\$ 4,635
Buildings	4,111	-
Signs	-	15,226
Land and land improvements	68,429	29,829
Paving	22,263	-
New Minas expansion planning	45,545	-
Tools and equipment	1,762	13,853
Facility equipment	<u>85</u>	<u>8,102</u>
	<u>\$ 174,416</u>	<u>\$ 71,645</u>

Village of New Minas

New Minas, Nova Scotia

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

March 31, 2020

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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
July 13, 2020

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

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

Year Ended March 31, 2020

	Page	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Revenue				
Operating				
Metered sales		\$ 590,000	\$ 592,315	\$ 590,832
Public fire protection		242,935	262,590	243,084
Other		<u>71,500</u>	<u>78,341</u>	<u>76,357</u>
		<u>904,435</u>	<u>933,246</u>	<u>910,273</u>
Expenditures				
Operating				
Source of supply	C-6	158,500	138,157	172,652
Power and pumping	C-6	118,500	102,272	107,238
Transmission and distribution	C-6	47,895	29,695	39,535
Administration	C-6	292,186	292,910	308,609
Depreciation		<u>300,060</u>	<u>300,060</u>	<u>300,060</u>
		<u>917,141</u>	<u>863,094</u>	<u>928,094</u>
Operating profit (loss)		<u>(12,706)</u>	<u>70,152</u>	<u>(17,821)</u>
Non-operating revenue				
Interest		<u>15,000</u>	<u>22,742</u>	<u>26,836</u>
Non-operating expenditures				
Capital expenditure out of operations		<u>2,294</u>	<u>-</u>	<u>-</u>
Operating Surplus For The Year		<u>\$ -</u>	<u>92,894</u>	<u>9,015</u>
Surplus, beginning of year			<u>687,829</u>	<u>678,814</u>
Surplus, end of year			<u>\$ 780,723</u>	<u>\$ 687,829</u>

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

March 31, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Current		
Cash	\$1,191,989	\$1,067,636
Accounts receivable (note 3)	206,681	209,088
Due from general capital	9,581	-
Prepaid expenses	<u>9,731</u>	<u>9,206</u>
	<u>\$1,417,982</u>	<u>\$1,285,930</u>
Liabilities		
Current		
Payables and accruals	\$ 31,767	\$ 31,299
Due to general operating fund	319,511	269,322
Due to water capital fund	<u>285,981</u>	<u>297,480</u>
	637,259	598,101
Surplus		
Operating Surplus	<u>780,723</u>	<u>687,829</u>
	<u>\$1,417,982</u>	<u>\$1,285,930</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, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Current		
Cash - Depreciation fund (note 2)	\$ 2,016,975	\$ 2,020,350
Accounts receivable	<u>337,696</u>	<u>167,691</u>
	2,354,671	2,188,041
Due to water operating fund	285,981	297,480
Utility Plant in Service (note 4)	12,362,302	11,872,925
Due from General Operating Fund	<u>235,751</u>	<u>98,178</u>
	<u>\$15,238,705</u>	<u>\$14,456,624</u>
Liabilities		
Current		
Bank indebtedness -Water capital fund	\$ 581,065	\$ 131,435
Accounts payable	2,848	203,572
Due to general capital	<u>36,341</u>	<u>72,174</u>
	<u>620,254</u>	<u>407,181</u>
Deferred Assistance (note 5)	2,227,095	1,997,140
Accumulated Allowance for Depreciation (note 6)	<u>5,671,719</u>	<u>5,418,257</u>
	<u>7,898,814</u>	<u>7,415,397</u>
	<u>8,519,068</u>	<u>7,822,578</u>
Equity		
Investment in Capital Assets (page C-5)	<u>6,719,637</u>	<u>6,634,048</u>
	<u>\$15,238,705</u>	<u>\$14,456,626</u>

On behalf of the Commission

_____, Chairman _____, Commissioner

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

March 31, 2020

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 6,634,048	\$ 6,581,072
Add:		
Amortization deferred assistance	59,040	52,976
Gain (loss) on disposal of equipment	(2,065)	-
Interest	<u>28,614</u>	<u>-</u>
Balance, end of year	<u>\$ 6,719,637</u>	<u>\$ 6,634,048</u>

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

Year Ended March 31, 2020

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Source of supply			
Maintenance	\$ 58,500	\$ 29,345	\$ 56,026
Supplies and expenses	<u>100,000</u>	<u>108,812</u>	<u>116,626</u>
	<u>\$ 158,500</u>	<u>\$ 138,157</u>	<u>\$ 172,652</u>
Power and Pumping			
Power	<u>\$ 118,500</u>	<u>\$ 102,272</u>	<u>\$ 107,238</u>
Transmission and distribution			
Maintenance			
Mains	\$ 8,000	\$ 3,727	\$ 4,584
Other	23,100	14,089	19,940
Transportation expenses	<u>16,795</u>	<u>11,879</u>	<u>15,011</u>
	<u>\$ 47,895</u>	<u>\$ 29,695</u>	<u>\$ 39,535</u>
Administration			
Collection and service charges	\$ 2,800	\$ 3,754	\$ 3,417
Salaries and benefits	228,906	234,426	242,870
General and office expenses	25,190	26,428	23,854
Regulatory expenses	1,600	1,590	1,590
Miscellaneous	16,680	10,227	15,162
Rent	10,010	10,010	10,012
Insurance	<u>7,000</u>	<u>6,475</u>	<u>11,704</u>
	<u>\$ 292,186</u>	<u>\$ 292,910</u>	<u>\$ 308,609</u>

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

March 31, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Cash	\$ <u>17,677</u>	\$ <u>17,677</u>
Reserve		
Reserve, beginning of year	\$ 17,677	\$ 17,677
Deduct:		
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, 2020

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, 2020

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>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 2,020,350	\$ 1,471,675
Add (Deduct):		
Depreciation	300,060	300,060
Transfer to water capital for asset purchases	(303,435)	-
Due from operating fund	<u>-</u>	<u>248,615</u>
Balance, end of year	<u>\$ 2,016,975</u>	<u>\$ 2,020,350</u>

3. Receivables

	<u>2020</u>	<u>2019</u>
Water Rates (net of allowance of \$5,200)	\$ 126,676	\$ 130,394
Other	69,602	65,989
HST Receivable	<u>10,403</u>	<u>12,705</u>
	<u>\$ 206,681</u>	<u>\$ 209,088</u>

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2020

4. Utility Plant in Service

	<u>2020</u>	<u>2019</u>
Land and buildings	\$ 155,059	\$ 152,453
Machinery and equipment	607,467	587,000
Water system	11,335,229	10,868,925
Other	<u>264,547</u>	<u>264,547</u>
	<u>\$12,362,302</u>	<u>\$11,872,925</u>

5. Deferred Assistance

	<u>2020</u>	<u>2019</u>
Assistance towards acquisition of fixed assets	\$ 2,692,968	\$ 2,403,973
Accumulated amortization	<u>465,873</u>	<u>406,833</u>
Balance, end of year	<u>\$ 2,227,095</u>	<u>\$ 1,997,140</u>

6. Accumulated Allowance for Depreciation

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 5,418,257	\$ 5,118,197
Add (Deduct):		
Depreciation	300,060	300,060
Disposal of assets	<u>(46,598)</u>	<u>-</u>
Balance, end of year	<u>\$ 5,671,719</u>	<u>\$ 5,418,257</u>

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2020

7. Rate of Return on Rate Base

For the year ended March 31, 2020, the Water Utility has a rate of return on rate base of 1.57 % (2019 (0.40)).

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 \$10,563, (2019 \$9,234).

Village of New Minas

Statement of Capital Projects Funding

Year Ended March 31, 2020

	<u>Total Capital Cost</u>	<u>Capital Fund</u>	<u>Federal Gas Tax Grants</u>	<u>Small Communities Fund</u>
Water system				
Storage Tank/Facility	\$ 173,043	\$ 2,581	\$ 170,462	\$ -
Equipment	50,987	50,987	-	-
Meters	68,851	693	68,158	-
Wells	<u>254,429</u>	<u>187,690</u>	<u>32,257</u>	<u>34,482</u>
	<u>\$ 547,310</u>	<u>\$ 241,951</u>	<u>\$ 270,877</u>	<u>\$ 34,482</u>