

Village of New Minas

New Minas, Nova Scotia

Financial Statements

March 31, 2021

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Village of New Minas

New Minas, Nova Scotia

**Consolidated Financial Statements
Section A**

March 31, 2021

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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, 2021, 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, 2021, 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.

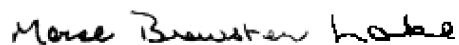
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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 12, 2021



Chartered Professional Accountants
Registered Municipal Auditor

Village of New Minas
Consolidated Statement of Operations
Year Ended March 31, 2021

| | <u>2021</u> Budget | <u>2021</u> Actual | <u>2020</u> Actual |
|--|-----------------------|-----------------------|-----------------------|
| Revenue | | | |
| Taxes | \$ 2,327,914 | \$ 2,327,507 | \$ 2,280,658 |
| Grants in lieu of taxes | 47,865 | 64,918 | 41,993 |
| Sales of services | 669,498 | 698,444 | 670,656 |
| Other revenue from own sources | 352,791 | 235,098 | 418,517 |
| Conditional transfers from other governments | 289,081 | 287,475 | 283,758 |
| Grants and government transfers | - | 460,950 | 350,607 |
| Gain on sale of equipment | - | 5,678 | 4,935 |
| | <u>3,687,149</u> | <u>4,080,070</u> | <u>4,051,124</u> |
| Expenditures | | | |
| General government services | 999,664 | 789,263 | 697,888 |
| Protection | 252,106 | 252,110 | 247,405 |
| Transportation | 131,388 | 95,437 | 88,553 |
| Environmental health | 570,321 | 534,217 | 532,538 |
| Recreational and cultural services | 517,968 | 335,792 | 542,794 |
| Water transmission and purification | 334,667 | 300,696 | 270,124 |
| Amortization | 300,060 | 726,500 | 716,367 |
| Other fiscal services | 288,295 | 287,907 | 292,910 |
| | <u>3,394,469</u> | <u>3,321,922</u> | <u>3,388,579</u> |
| Annual Surplus | <u>\$ 292,680</u> | <u>\$ 758,148</u> | <u>\$ 662,545</u> |

Village of New Minas

Consolidated Statement of Financial Position

March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|--|----------------------|----------------------|
| Financial Assets | | |
| Current | | |
| Cash | \$ 3,364,218 | \$ 5,331,474 |
| Investments (GIC at 0.45%) | 3,100,000 | - |
| Receivables | <u>654,490</u> | <u>909,507</u> |
| | <u>7,118,708</u> | <u>6,240,981</u> |
| Liabilities | | |
| Current | | |
| Payables and accruals | 262,090 | 175,449 |
| Deferred revenue | <u>32,651</u> | <u>97,927</u> |
| | <u>294,741</u> | <u>273,376</u> |
| Net Financial Assets | 6,823,967 | 5,967,605 |
| Non-Financial Assets | | |
| Prepaid expenses and inventory | 76,477 | 72,065 |
| Property and Equipment (note 2) | <u>13,338,792</u> | <u>13,441,418</u> |
| | <u>\$ 20,239,236</u> | <u>\$ 19,481,088</u> |
| Surplus | | |
| Reserve Funds (note 3) | \$ 2,317,591 | \$ 2,138,807 |
| Deferred assistance | 2,245,849 | 2,227,095 |
| Investment in Capital Assets (note 4) | 13,610,984 | 13,475,654 |
| Surplus | <u>2,064,812</u> | <u>1,639,532</u> |
| | <u>\$ 20,239,236</u> | <u>\$ 19,481,088</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, 2021

| | <u>2021</u> <u>Budget</u> | <u>2021</u> <u>Actual</u> | <u>2020</u> <u>Actual</u> |
|--|------------------------------|--------------------------------|--------------------------------|
| Annual Surplus | 292,680 | \$ 758,148 | \$ 662,545 |
| Add (Deduct): | | | |
| Acquisition of tangible capital assets | (878,579) | (634,693) | (710,391) |
| Amortization of tangible capital assets | 300,060 | 726,500 | 716,367 |
| Disposal of assets | - | 10,822 | - |
| Use (acquisition) of prepaid assets | <u>-</u> | <u>(4,415)</u> | <u>(9,417)</u> |
| Increase in net assets | <u><u>(285,839)</u></u> | 856,362 | 659,104 |
| Net Financial Assets, beginning of year | | <u>5,967,605</u> | <u>5,308,501</u> |
| Net Financial Assets, end of year | | \$ <u><u>6,823,967</u></u> | \$ <u><u>5,967,605</u></u> |

Village of New Minas
Consolidated Statement of Cashflow
Year Ended March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Cash flow from operating activities: | | |
| Annual surplus | \$ 758,148 | \$ 662,545 |
| Disposal of assets | 10,822 | - |
| Depreciation and amortization | 726,500 | 716,367 |
| Change in | | |
| Accounts receivable | 255,017 | (250,439) |
| Prepaid expenses | (4,415) | (9,417) |
| Payables and accruals | 86,641 | (196,421) |
| Deferred revenue | <u>(65,276)</u> | <u>89,564</u> |
| | 1,767,437 | 1,012,199 |
| Cash flow from investing activities: | | |
| Purchase of investments | (3,100,000) | - |
| Purchase of tangible capital assets | <u>(634,693)</u> | <u>(710,391)</u> |
| | <u>(3,734,693)</u> | <u>(710,391)</u> |
| Cash Increase | (1,967,256) | 301,808 |
| Cash and Equivalencies, beginning of year | <u>5,331,474</u> | <u>5,029,666</u> |
| Cash and Equivalencies, end of year | <u>\$ 3,364,218</u> | <u>\$ 5,331,474</u> |

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2021

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, 2021

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, 2021

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>2021</u> | <u>2020</u> |
|--------------------------------|----------------------|----------------------|
| Cost | | |
| Land and buildings | \$ 2,059,320 | \$ 1,944,008 |
| Recreation Facility | 3,352,422 | 3,351,317 |
| Leasehold improvements | - | 9,674 |
| Machinery and equipment | 1,681,972 | 1,589,227 |
| Sewer system | 2,422,027 | 2,422,027 |
| Splash park | 161,678 | 161,678 |
| Street improvements and paving | 2,832,684 | 2,830,150 |
| Signs | 62,094 | 62,094 |
| Street lights | 407,185 | 407,185 |
| Water system | 11,593,326 | 11,470,684 |
| Other | <u>562,822</u> | <u>310,092</u> |
| | <u>25,135,530</u> | <u>24,558,136</u> |
| Deduct: | | |
| Accumulated depreciation | <u>11,796,738</u> | <u>11,116,718</u> |
| | <u>\$ 13,338,792</u> | <u>\$ 13,441,418</u> |

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2021

3. Reserve Funds

| | <u>General</u> | <u>Water</u> | <u>2021</u> <u>Total</u> | <u>2020</u> <u>Total</u> |
|----------------------------------|-------------------|------------------|-----------------------------|-----------------------------|
| Equipment | | | | |
| Balance, beginning of year | \$ 306,596 | \$ 17,677 | \$ 324,273 | \$ 227,121 |
| Interest | - | - | - | 20 |
| Transfer to equipment reserve | <u>73,497</u> | <u>29,066</u> | <u>102,563</u> | <u>97,132</u> |
| Balance, end of year | <u>\$ 380,093</u> | <u>\$ 46,743</u> | <u>426,836</u> | <u>324,273</u> |
| Operating Fund | | | | |
| Balance, beginning of year | | | \$ 500,000 | \$ 500,000 |
| Transfer from operating surplus | | | - | - |
| Balance, end of year | | | <u>\$ 500,000</u> | <u>\$ 500,000</u> |
| Capital Fund | | | | |
| Balance, beginning of year | | | 1,314,534 | 1,153,715 |
| Interest | | | - | 819 |
| Transfer from operating fund | | | 190,117 | 252,483 |
| Transfer to capital | | | <u>(113,896)</u> | <u>(92,483)</u> |
| Balance, end of year | | | <u>1,390,755</u> | <u>1,314,534</u> |
| | | | <u>\$ 2,317,591</u> | <u>\$ 2,138,807</u> |

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2021

4. Investment in Capital Assets

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|---------------------|---------------------|
| Balance, beginning of year | \$13,475,654 | \$13,636,204 |
| Add (deduct): | | |
| Donation | - | 1,554 |
| Capital grants | 379,968 | 60,058 |
| Interest | - | 37,687 |
| Amortization of deferred assistance | 62,228 | 59,040 |
| Transfer from reserve | 113,896 | 92,483 |
| Amortization | (426,440) | (416,307) |
| Gain on disposal of assets | <u>5,678</u> | <u>4,935</u> |
| Balance, end of year | <u>\$13,610,984</u> | <u>\$13,475,654</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 (2020 -\$39,825).

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) | \$ 14,022 | \$ - | \$ 14,022 |
| Redmond, James | 13,018 | - | 13,018 |
| Manzer, Cheryl | 10,609 | - | 10,609 |
| Hill, Quentin | 4,165 | - | 4,165 |
| Munroe, Mary | 11,813 | - | 11,813 |
| Staff | | | |
| Morrison, Ian (Clerk) | <u>81,927</u> | <u>-</u> | <u>81,927</u> |
| | <u>\$ 135,554</u> | <u>\$ -</u> | <u>\$ 135,554</u> |

Village of New Minas

New Minas, Nova Scotia

**Non-Consolidated Financial Statements
Section B**

March 31, 2021

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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 12, 2021

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

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

Year Ended March 31, 2021

| | <u>Page</u> | <u>2021 Budget</u> | <u>2021 Actual</u> | <u>2020 Actual</u> |
|---|-------------|------------------------|------------------------|------------------------|
| Revenue | | | | |
| General tax rates | B-6 | \$ 2,327,914 | \$ 2,327,507 | \$ 2,280,658 |
| Grants in lieu of taxes | B-6 | 47,865 | 64,918 | 41,993 |
| Conditional transfers from Federal and Provincial governments and agencies | B-6 | 5,200 | 3,514 | 5,202 |
| Conditional transfers from other governments and agencies | B-6 | 283,881 | 283,961 | 278,556 |
| Other revenue from own sources | B-7 | <u>332,791</u> | <u>235,098</u> | <u>357,249</u> |
| | | <u>2,997,651</u> | <u>2,914,998</u> | <u>2,963,658</u> |
| Expenditures | | | | |
| General government services | B-7 | 999,664 | 789,263 | 697,888 |
| Protective services | B-7 | 514,696 | 497,033 | 509,995 |
| Transportation services | B-8 | 131,388 | 95,437 | 88,553 |
| Environmental health services | B-8 | 570,321 | 534,217 | 532,538 |
| Recreational and cultural services | B-8 | 517,968 | 335,792 | 542,794 |
| Fiscal services | B-8 | <u>263,614</u> | <u>263,614</u> | <u>349,615</u> |
| | | <u>2,997,651</u> | <u>2,515,356</u> | <u>2,721,383</u> |
| Operating Surplus | | <u>\$ -</u> | <u>\$ 399,642</u> | <u>\$ 242,275</u> |

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

March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------|---------------------|---------------------|
| Assets | | |
| Current | | |
| Cash | \$ 1,441,339 | \$ 912,816 |
| Accounts receivable (note 2) | 303,024 | 353,579 |
| Inventory | 1,530 | 2,737 |
| Due from Water Utility operating fund | - | 319,511 |
| Prepaid expenses | <u>64,477</u> | <u>59,597</u> |
| | <u>\$ 1,810,370</u> | <u>\$ 1,648,240</u> |
| Liabilities | | |
| Current | | |
| Payables and accruals | \$ 204,032 | \$ 140,835 |
| Due to Water Utility operating fund | 86,175 | - |
| Due to Capital reserve | 253,302 | 253,302 |
| Due to Equipment reserve | - | 97,152 |
| Due to Water Utility Capital fund | - | 235,748 |
| Due to General Capital Fund | 47 | 54,031 |
| Deferred revenue | <u>8,363</u> | <u>8,363</u> |
| | 551,919 | 789,431 |
| Surplus | | |
| Operating Surplus (note 4) | <u>1,258,451</u> | <u>858,809</u> |
| | <u>\$ 1,810,370</u> | <u>\$ 1,648,240</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, 2021

| | <u>2021</u> | <u>2020</u> |
|--|----------------------|----------------------|
| Assets | | |
| Current | | |
| Accounts receivable | 84,776 | 6,690 |
| HST receivable | 24,435 | 4,861 |
| Due from general operating fund | 47 | 54,031 |
| Due from water capital fund | - | 36,341 |
| Due from capital reserve fund | <u>-</u> | <u>92,483</u> |
| | 109,258 | 194,406 |
| Tangible Capital Assets (note 3) | <u>6,823,934</u> | <u>6,750,833</u> |
| | <u>\$ 6,933,192</u> | <u>\$ 6,945,239</u> |
| Liabilities | | |
| Current | | |
| Bank indebtedness | \$ 25,962 | \$ 90,077 |
| Accounts Payable | 33,020 | - |
| Deferred revenue | 24,288 | 89,564 |
| Due to water capital | <u>20,803</u> | <u>9,581</u> |
| | <u>104,073</u> | <u>189,222</u> |
| Equity | | |
| Investment in Capital Assets (page B-5) | <u>6,829,119</u> | <u>6,756,017</u> |
| | <u>\$ 6,933,192</u> | <u>\$ 6,945,239</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, 2021

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 6,756,017 | \$ 7,002,156 |
| Add (Deduct): | | |
| Capital grants | 379,968 | 60,058 |
| Interest | - | 9,073 |
| Amortization | (426,440) | (416,307) |
| Transfer from reserve | 113,896 | 92,483 |
| Gain (loss) on sale of equipment | 5,678 | 7,000 |
| Donation | <u>-</u> | <u>1,554</u> |
| Balance, end of year | <u>\$ 6,829,119</u> | <u>\$ 6,756,017</u> |

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

Year Ended March 31, 2021

| | <u>2021 Budget</u> | <u>2021 Actual</u> | <u>2020 Actual</u> |
|---|------------------------|------------------------|------------------------|
| Taxes | | | |
| Assessable property | | | |
| Residential | \$ 1,043,597 | \$ 1,043,436 | \$ 1,001,064 |
| Commercial | | | |
| Based on taxable assessment | 869,947 | 864,549 | 858,677 |
| Resource | | | |
| Based on taxable assessment | 7,099 | 7,088 | 7,083 |
| Special assessments | | | |
| Environmental Health Services | <u>407,271</u> | <u>412,434</u> | <u>413,834</u> |
| | <u>\$ 2,327,914</u> | <u>\$ 2,327,507</u> | <u>\$ 2,280,658</u> |
| Grants in Lieu of Taxes | | | |
| Federal government agencies | \$ 22,723 | \$ 39,412 | \$ 16,751 |
| Provincial government agencies | 16,142 | 16,142 | 16,221 |
| HST recovery | <u>9,000</u> | <u>9,364</u> | <u>9,021</u> |
| | <u>\$ 47,865</u> | <u>\$ 64,918</u> | <u>\$ 41,993</u> |
| Conditional Transfers from Federal and Provincial Governments and Agencies | | | |
| Federal government agencies | | | |
| Summer Career Placement | <u>\$ 5,200</u> | <u>\$ 3,514</u> | <u>\$ 5,202</u> |
| | <u>\$ 5,200</u> | <u>\$ 3,514</u> | <u>\$ 5,202</u> |
| Conditional Transfers from other Governments and Agencies | | | |
| Municipality of the County of Kings | | | |
| Fire protection | \$ 252,106 | \$ 252,110 | \$ 247,405 |
| Crosswalk service | 9,600 | 5,616 | 8,976 |
| Recreation | 20,000 | 20,000 | 20,000 |
| Community Parks development grant | <u>2,175</u> | <u>6,235</u> | <u>2,175</u> |
| | <u>\$ 283,881</u> | <u>\$ 283,961</u> | <u>\$ 278,556</u> |

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

Year Ended March 31, 2021

| | 2021 <u>Budget</u> | 2021 <u>Actual</u> | 2020 <u>Actual</u> |
|---|-----------------------|-----------------------|-----------------------|
| Other Revenue from own Sources | | | |
| Facility rentals | \$ 59,069 | \$ 71,571 | \$ 94,827 |
| Interest | 56,200 | 25,204 | 38,072 |
| Miscellaneous | 23,780 | 57,474 | 28,296 |
| Recreation | <u>193,742</u> | <u>80,849</u> | <u>196,054</u> |
| | <u>\$ 332,791</u> | <u>\$ 235,098</u> | <u>\$ 357,249</u> |
| General Government Services | | | |
| Legislative | | | |
| Chairman Stipend | \$ 25,584 | \$ 18,212 | \$ 12,568 |
| Commissioners Stipend | <u>26,400</u> | <u>26,400</u> | <u>26,400</u> |
| | <u>51,984</u> | <u>44,612</u> | <u>38,968</u> |
| General administrative | | | |
| Administrative | 370,556 | 322,683 | 194,762 |
| Financial management | 319,898 | 233,760 | 56,549 |
| Crosswalk guard services | 15,862 | 9,132 | 13,851 |
| Common services | 198,659 | 139,200 | 244,763 |
| Other general administrative services | <u>2,630</u> | <u>826</u> | <u>108,056</u> |
| | <u>907,605</u> | <u>705,601</u> | <u>617,981</u> |
| Other general government services | | | |
| Grants to organizations and individuals | <u>40,075</u> | <u>39,050</u> | <u>40,939</u> |
| | <u>\$ 999,664</u> | <u>\$ 789,263</u> | <u>\$ 697,888</u> |
| Protective Services | | | |
| Fire protection | | | |
| Fire alarm systems | \$ 16,000 | \$ 6,640 | \$ 8,816 |
| Water supply and hydrants | 262,590 | 244,923 | 262,590 |
| Training | 15,000 | 5,975 | 7,588 |
| Fire station | 68,186 | 49,708 | 61,284 |
| Fire fighting equipment | 97,900 | 144,095 | 147,078 |
| Other | <u>55,020</u> | <u>45,692</u> | <u>22,639</u> |
| | <u>\$ 514,696</u> | <u>\$ 497,033</u> | <u>\$ 509,995</u> |

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

Year Ended March 31, 2021

| | <u>2021 Budget</u> | <u>2021 Actual</u> | <u>2020 Actual</u> |
|---|------------------------|------------------------|------------------------|
| Transportation Services | | | |
| Roads and streets | \$ 14,004 | \$ 10,745 | \$ 9,488 |
| Snow Clearing | 19,900 | 12,899 | 24,269 |
| Sidewalks | 72,488 | 46,748 | 30,635 |
| Street lighting | <u>24,996</u> | <u>25,045</u> | <u>24,161</u> |
| | <u>\$ 131,388</u> | <u>\$ 95,437</u> | <u>\$ 88,553</u> |
| Environmental Health Services | | | |
| Sewage collection services | \$ 244,521 | \$ 208,417 | \$ 185,125 |
| Central treatment plant operations | <u>325,800</u> | <u>325,800</u> | <u>347,413</u> |
| | <u>\$ 570,321</u> | <u>\$ 534,217</u> | <u>\$ 532,538</u> |
| Recreational and Cultural Services | | | |
| Administration | \$ 273,315 | \$ 146,554 | \$ 271,534 |
| Parks and playgrounds | <u>244,653</u> | <u>189,238</u> | <u>271,260</u> |
| | <u>\$ 517,968</u> | <u>\$ 335,792</u> | <u>\$ 542,794</u> |
| Fiscal Services | | | |
| Transfer to capital fund | \$ 68,357 | \$ 68,357 | \$ 92,483 |
| Transfer to equipment for sewer | 50,000 | 50,000 | 67,132 |
| Transfer to equipment reserve fund | 23,497 | 23,497 | 30,000 |
| Transfer to Capital reserve fund | <u>121,760</u> | <u>121,760</u> | <u>160,000</u> |
| | <u>\$ 263,614</u> | <u>\$ 263,614</u> | <u>\$ 349,615</u> |

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

March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|----------------------|----------------------|
| Assets | | |
| Cash | \$ 380,093 | \$ 209,444 |
| Due from general operating fund | <u> -</u> | <u> 97,152</u> |
| | <u>\$ 380,093</u> | <u>\$ 306,596</u> |
| Reserve | | |
| Reserve | <u> 380,093</u> | <u> 306,596</u> |
| | <u>\$ 380,093</u> | <u>\$ 306,596</u> |

Statement of Equipment Reserve

March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|----------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 306,596 | \$ 209,444 |
| Add (Deduct): | | |
| Interest (service charge) | - | 20 |
| Transfer from operating | <u> 73,497</u> | <u> 97,132</u> |
| Balance, end of year | <u>\$ 380,093</u> | <u>\$ 306,596</u> |

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

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

March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|---------------------|---------------------|
| Assets | | |
| Cash | \$ 37,453 | \$ 1,153,715 |
| Investment (GIC at 0.45%) | 1,100,000 | - |
| Due from general operating fund | <u>253,302</u> | <u>253,302</u> |
| | <u>\$ 1,390,755</u> | <u>\$ 1,407,017</u> |
| Liabilities | | |
| Due to general capital fund | \$ - | \$ 92,483 |
| Reserve | | |
| Reserve | <u>1,390,755</u> | <u>1,314,534</u> |
| | <u>\$ 1,390,755</u> | <u>\$ 1,407,017</u> |

Statement of Capital Reserve Fund

March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|------------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 1,314,534 | \$ 1,153,715 |
| Add (Deduct): | | |
| Interest | - | 819 |
| Transfer from operating fund | 190,117 | 252,483 |
| Purchase of capital assets | <u>(113,896)</u> | <u>(92,483)</u> |
| Balance, end of year | <u>\$ 1,390,755</u> | <u>\$ 1,314,534</u> |

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

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

March 31, 2021

| | | <u>2021</u> | <u>2020</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>2021</u> | <u>2020</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, 2021

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>2021</u> | <u>2020</u> |
|------------------------------|-------------------|-------------------|
| Sewer accounts receivable | \$ 97,281 | \$ 85,122 |
| Taxes Receivable | 165,250 | 196,162 |
| Government of Canada | 12,136 | 25,567 |
| Department of Transportation | 17,500 | 17,500 |
| Other | <u>10,857</u> | <u>29,228</u> |
| | <u>\$ 303,024</u> | <u>\$ 353,579</u> |

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2021

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 | \$ 3,118 | \$ - | \$ - | \$ 680,382 | \$ - | \$ - | \$ 680,382 |
| Land improvements | 1,124,724 | 351,702 | - | - | 1,476,426 | 58,908 | 820,879 | 655,547 |
| Buildings | 309,000 | 13,078 | - | - | 322,078 | 8,052 | 106,314 | 215,764 |
| Recreation facility | 3,351,317 | 1,104 | - | - | 3,352,421 | 83,811 | 752,771 | 2,599,650 |
| Signs | 62,094 | - | - | - | 62,094 | 3,039 | 23,314 | 38,780 |
| Machinery & equipment | 1,117,215 | 138,825 | (47,627) | - | 1,208,413 | 64,297 | 802,094 | 406,319 |
| Sidewalks | 2,240,308 | 1,341 | - | - | 2,241,649 | 112,080 | 1,295,798 | 945,851 |
| Sewer System | 2,422,027 | - | - | - | 2,422,027 | 48,441 | 1,685,644 | 736,383 |
| Street Lights | 407,185 | - | - | - | 407,185 | 27,146 | 188,976 | 218,209 |
| Parking lot | 313,347 | 1,193 | - | - | 314,540 | 12,582 | 101,408 | 213,132 |
| Splash park | 161,678 | - | - | - | 161,678 | 8,084 | 47,761 | 113,917 |
| Leasehold improvements | <u>9,673</u> | <u>-</u> | <u>(9,673)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 12,195,832</u> | <u>\$ 510,361</u> | <u>\$ (57,300)</u> | <u>\$ -</u> | <u>\$ 12,648,893</u> | <u>\$ 426,440</u> | <u>\$ 5,824,959</u> | <u>\$ 6,823,934</u> |

4. Surplus

| | <u>2021</u> | <u>2020</u> |
|----------------------------|--------------------|-------------------|
| Balance, beginning of year | \$ 858,809 | \$ 616,534 |
| Add (Deduct): | | |
| Operating surplus | <u>399,642</u> | <u>242,275</u> |
| Balance, end of year | <u>\$1,258,451</u> | <u>\$ 858,809</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 \$34,172 (2020 - \$29,262).

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

| | | | | | |
|------|-------|------|-------|------|-------|
| 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, 2021

| Source | <u>2021</u> | <u>2020</u> |
|-------------------------------|-------------------|-------------------|
| Capital funding | | |
| Capital bank | \$ - | \$ 13,321 |
| Capital grants | 379,968 | 60,058 |
| Donation | - | 1,554 |
| Transfer from reserve | 113,896 | 92,483 |
| Proceeds on sale of equipment | <u>16,500</u> | <u>7,000</u> |
| | <u>\$ 510,364</u> | <u>\$ 174,416</u> |
| Application | | |
| Purchase of capital assets | | |
| Sidewalk | \$ 1,341 | \$ - |
| Automotive equipment | 85,973 | 32,221 |
| Buildings | 14,182 | 4,111 |
| Furniture | 6,438 | - |
| Land and land improvements | 103,283 | 68,429 |
| Paving | - | 22,263 |
| New Minas expansion planning | 252,730 | 45,545 |
| Tools and equipment | 1,145 | 1,762 |
| Facility equipment | <u>45,272</u> | <u>85</u> |
| | <u>\$ 510,364</u> | <u>\$ 174,416</u> |

Village of New Minas

New Minas, Nova Scotia

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

March 31, 2021

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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 12, 2021

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

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

Year Ended March 31, 2021

| | Page | <u>2021 Budget</u> | <u>2021 Actual</u> | <u>2020 Actual</u> |
|---------------------------------------|------|------------------------|------------------------|------------------------|
| Revenue | | | | |
| Operating | | | | |
| Metered sales | | \$ 590,000 | \$ 617,160 | \$ 592,315 |
| Public fire protection | | 262,590 | 244,923 | 262,590 |
| Other | | <u>79,498</u> | <u>81,284</u> | <u>78,341</u> |
| | | <u>932,088</u> | <u>943,367</u> | <u>933,246</u> |
| Expenditures | | | | |
| Operating | | | | |
| Source of supply | C-6 | 162,900 | 157,697 | 138,157 |
| Power and pumping | C-6 | 120,000 | 113,461 | 102,272 |
| Transmission and distribution | C-6 | 51,767 | 29,538 | 29,695 |
| Administration | C-6 | 288,295 | 287,907 | 292,910 |
| Depreciation | | <u>300,060</u> | <u>300,060</u> | <u>300,060</u> |
| | | <u>923,022</u> | <u>888,663</u> | <u>863,094</u> |
| Operating profit (loss) | | <u>9,066</u> | <u>54,704</u> | <u>70,152</u> |
| Non-operating revenue | | | | |
| Interest | | <u>20,000</u> | <u>-</u> | <u>22,742</u> |
| Non-operating expenditures | | | | |
| Transfer to reserve | | <u>29,066</u> | <u>29,066</u> | <u>-</u> |
| Operating Surplus For The Year | | <u>\$ -</u> | 25,638 | 92,894 |
| | | | | |
| Surplus, beginning of year | | | <u>780,723</u> | <u>687,829</u> |
| Surplus, end of year | | | <u>\$ 806,361</u> | <u>\$ 780,723</u> |

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

March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|-------------------|--------------------|
| Assets | | |
| Current | | |
| Cash | \$ 510,054 | \$1,191,989 |
| Accounts receivable (note 3) | 224,697 | 206,681 |
| Due from general capital | - | 9,581 |
| Prepaid expenses | 10,470 | 9,731 |
| Due from general operating fund | <u>86,175</u> | <u>-</u> |
| | <u>\$ 831,396</u> | <u>\$1,417,982</u> |
| Liabilities | | |
| Current | | |
| Payables and accruals | \$ 25,035 | \$ 31,767 |
| Due to general operating fund | - | 319,511 |
| Due to water capital fund | <u>-</u> | <u>285,981</u> |
| | 25,035 | 637,259 |
| Surplus | | |
| Operating Surplus | <u>806,361</u> | <u>780,723</u> |
| | <u>\$ 831,396</u> | <u>\$1,417,982</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, 2021

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Assets | | |
| Current | | |
| Cash - Depreciation fund (note 2) | \$ 272,035 | \$ 2,016,975 |
| Investment - Depreciation fund (GIC at 0.45%) | 2,000,000 | - |
| Cash - Water capital fund | 202,463 | - |
| Accounts receivable | <u>17,558</u> | <u>337,696</u> |
| | 2,492,056 | 2,354,671 |
| Due from General Capital | 20,803 | - |
| Due to water operating fund | - | 285,981 |
| Utility Plant in Service (note 4) | 12,486,634 | 12,362,302 |
| Due from General Operating Fund | <u>-</u> | <u>235,751</u> |
| | <u>\$14,999,493</u> | <u>\$15,238,705</u> |
| Liabilities | | |
| Current | | |
| Bank indebtedness - Water capital fund | \$ - | \$ 581,065 |
| Accounts payable | - | 2,848 |
| Due to general capital | <u>-</u> | <u>36,341</u> |
| | <u>-</u> | <u>620,254</u> |
| Deferred Assistance (note 5) | 2,245,849 | 2,227,095 |
| Accumulated Allowance for Depreciation (note 6) | <u>5,971,779</u> | <u>5,671,719</u> |
| | <u>8,217,628</u> | <u>7,898,814</u> |
| | <u>8,217,628</u> | <u>8,519,068</u> |
| Equity | | |
| Investment in Capital Assets (page C-5) | <u>6,781,865</u> | <u>6,719,637</u> |
| | <u>\$14,999,493</u> | <u>\$15,238,705</u> |

On behalf of the Commission

_____, Chairman _____, Commissioner

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

March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 6,719,637 | \$ 6,634,048 |
| Add: | | |
| Amortization deferred assistance | 62,228 | 59,040 |
| Gain (loss) on disposal of equipment | - | (2,065) |
| Interest | <u>-</u> | <u>28,614</u> |
| Balance, end of year | <u>\$ 6,781,865</u> | <u>\$ 6,719,637</u> |

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

Year Ended March 31, 2021

| | <u>2021 Budget</u> | <u>2021 Actual</u> | <u>2020 Actual</u> |
|--------------------------------------|------------------------|------------------------|------------------------|
| Source of supply | | | |
| Maintenance | \$ 59,800 | \$ 45,508 | \$ 29,345 |
| Supplies and expenses | <u>103,100</u> | <u>112,189</u> | <u>108,812</u> |
| | <u>\$ 162,900</u> | <u>\$ 157,697</u> | <u>\$ 138,157</u> |
| | | | |
| Power and Pumping | | | |
| Power | <u>\$ 120,000</u> | <u>\$ 113,461</u> | <u>\$ 102,272</u> |
| | | | |
| Transmission and distribution | | | |
| Maintenance | | | |
| Mains | \$ 8,496 | \$ 3,977 | \$ 3,727 |
| Other | 24,500 | 14,616 | 14,089 |
| Transportation expenses | <u>18,771</u> | <u>10,945</u> | <u>11,879</u> |
| | <u>\$ 51,767</u> | <u>\$ 29,538</u> | <u>\$ 29,695</u> |
| | | | |
| Administration | | | |
| Collection and service charges | \$ 3,000 | \$ 3,895 | \$ 3,754 |
| Salaries and benefits | 209,980 | 215,374 | 234,426 |
| General and office expenses | 27,394 | 25,177 | 26,428 |
| Regulatory expenses | 1,600 | 1,590 | 1,590 |
| Miscellaneous | 14,595 | 13,772 | 10,227 |
| Rent | 10,000 | 10,000 | 10,010 |
| Insurance | <u>21,726</u> | <u>18,099</u> | <u>6,475</u> |
| | <u>\$ 288,295</u> | <u>\$ 287,907</u> | <u>\$ 292,910</u> |

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

March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------|------------------|------------------|
| Assets | | |
| Cash | \$ <u>46,743</u> | \$ <u>17,677</u> |
| Reserve | | |
| Reserve, beginning of year | \$ 17,677 | \$ 17,677 |
| Deduct: | | |
| Transfer from operating | <u>29,066</u> | <u>-</u> |
| Reserve, end of year | \$ <u>46,743</u> | \$ <u>17,677</u> |

On behalf of the Commission

_____, Chairman _____, Commissioner

Village of New Minas
Notes to Non-Consolidated Financial Statements
March 31, 2021

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, 2021

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>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Balance, beginning of year | \$ 2,016,975 | \$ 2,020,350 |
| Add (Deduct): | | |
| Depreciation | 300,060 | 300,060 |
| Transfer to water capital for asset purchases | <u>(45,000)</u> | <u>(303,435)</u> |
| Balance, end of year | <u>\$ 2,272,035</u> | <u>\$ 2,016,975</u> |

3. Receivables

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| Water Rates (net of allowance of \$5,200) | \$ 146,364 | \$ 126,676 |
| Other | 64,919 | 69,602 |
| HST Receivable | <u>13,414</u> | <u>10,403</u> |
| | <u>\$ 224,697</u> | <u>\$ 206,681</u> |

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2021

4. Utility Plant in Service

| | <u>2021</u> | <u>2020</u> |
|-------------------------|---------------------|---------------------|
| Land and buildings | \$ 155,204 | \$ 155,059 |
| Machinery and equipment | 609,012 | 607,467 |
| Water system | 11,457,871 | 11,335,229 |
| Other | <u>264,547</u> | <u>264,547</u> |
| | <u>\$12,486,634</u> | <u>\$12,362,302</u> |

5. Deferred Assistance

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Assistance towards acquisition of fixed assets | \$ 2,773,950 | \$ 2,692,968 |
| Accumulated amortization | <u>528,101</u> | <u>465,873</u> |
| Balance, end of year | <u>\$ 2,245,849</u> | <u>\$ 2,227,095</u> |

6. Accumulated Allowance for Depreciation

| | <u>2021</u> | <u>2020</u> |
|----------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 5,671,719 | \$ 5,418,257 |
| Add (Deduct): | | |
| Depreciation | 300,060 | 300,060 |
| Disposal of assets | <u>-</u> | <u>(46,598)</u> |
| Balance, end of year | <u>\$ 5,971,779</u> | <u>\$ 5,671,719</u> |

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2021

7. Rate of Return on Rate Base

For the year ended March 31, 2021, the Water Utility has a rate of return on rate base of 1.28% (2020 1.57).

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 \$11,739, (2019 \$10,563).

Village of New Minas

Statement of Capital Projects Funding

Year Ended March 31, 2021

| | <u>Total Capital Cost</u> | <u>Capital Fund</u> | <u>Federal Gas Tax Grants</u> | <u>Other Grants</u> |
|-----------------------|-----------------------------------|-------------------------|---------------------------------------|-------------------------|
| Water system | | | | |
| Storage Tank/Facility | \$ 4,291 | \$ 4,291 | \$ - | \$ - |
| Equipment | 1,544 | 1,544 | - | - |
| Meters | 73,608 | 9,834 | 63,774 | - |
| Study | <u>44,888</u> | <u>28,529</u> | <u>-</u> | <u>16,359</u> |
| | <u>\$ 124,331</u> | <u>\$ 44,198</u> | <u>\$ 63,774</u> | <u>\$ 16,359</u> |