



Village of New Minas
Finance & Audit Committee
June 5, 2024 @ 3:00 PM
Commission Room, LMCC
New Minas, Nova Scotia
APPROVED MINUTES

Members Present:

- Dave Chaulk, Commission Member & Chair
- Quentin Hill, Commission Member (via Zoom)
- Valerie Kneen-Teed, Citizen Member
- Bruce MacArthur, Citizen Member

Members Absent:

- None

Staff Present:

- Tim Bouter, Clerk Treasurer/CAO
- Shelly Palmer, Manager of Finance

Others Present:

- James Redmond, Commission Member
- Mary Munroe, Commission Member
- Debra Windle-Smith, Commission Member
- Lawrence Lake, Village Auditor

1. Call to Order:

The Chair called the meeting to order at 3:03pm, welcoming those in attendance.

2. Approval of the Agenda:

Motion:

THAT the Agenda for the June 5, 2024 Finance & Audit Committee Meeting be approved as circulated.

M/Quentin Hill

S/Valerie Kneen-Teed

Motion Carried

3. Approval of Minutes:

- a. May 1, 2024 Finance & Audit Committee Meeting

Motion:

THAT the Minutes for the May 1, 2024 Finance & Audit Committee Meeting be approved as circulated.

M/Quentin Hill

S/Valerie Kneen-Teed

Motion Carried

4. Business Arising from Minutes:

- a. May 1, 2024 Finance & Audit Committee Meeting

There was no business arising from the May 1, 2024 minutes.

5. Comments from the Chair:

There were no comments from the Chair.

6. Presentations:

- a. Financial Statements for Year Ending March 31, 2024

The auditor, Lawrence Lake, presented the draft financial statements for the year ending March 31, 2024 for the Village of New Minas and the New Minas Water Commission (included in Appendix A). Each section was reviewed in detail, with Committee members and Village Commissioners having the opportunity to ask questions. Updates will be made to some of the interest allocations prior to final approval by the Village Commission. Mr. Lake commented that the Village is currently in a strong financial position with a healthy tax base. The annual surplus for 2023/24 shown in the Consolidated Statement of Operations totals \$961,481. A request was made by Valerie Kneen-Teed for hard copies of the financial statements during the meeting (which was not possible) and for the future.

Motion:

THAT the draft Financial Statements for Year Ending March 31, 2024 be forwarded to the Village Commission for final approval.

M/Quentin Hill

S/Bruce MacArthur

Motion Carried

7. Next Meeting Date:

- a. June 5, 2024

The next meeting is scheduled for Wednesday October 16, 2024 @ 3:00 pm at the Commission Room of the LMCC.

8. Public Input:

There was no public input.

9. Adjournment:

There being no further business, the Chair called for a motion to adjourn at 4:17pm.

Motion:

THAT the meeting be adjourned.

M/Valerie Kneen-Teed

S/Quentin Hill

Motion Carried

**Appendix A —
Draft Financial Statements for Year Ending March 31, 2024**

Draft

Village of New Minas

New Minas, Nova Scotia

Financial Statements

March 31, 2024

Draft

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Draft

Village of New Minas

New Minas, Nova Scotia

**Consolidated Financial Statements
Section A**

March 31, 2024

Draft

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Draft

Morse Brewster Lake

Chartered Professional Accountants

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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, 2024, 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, 2024, 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.

Draft

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.

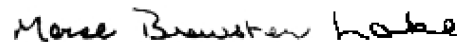
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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
Date



Chartered Professional Accountants
Registered Municipal Auditor

Village of New Minas Consolidated Financial Statements Year Ended March 31, 2024

Management's Responsibility for the Consolidated Financial Statements

The management of the **Village of New Minas** (the "Village") is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying financial statements. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). A summary of the significant accounting policies is described in Note 2 to the consolidated financial statements.

The Village's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

These systems are monitored and evaluated by management. The Audit Committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the approval of the consolidated financial statements.

The consolidated financial statements have been audited by Morse Brewster Lake Chartered Professional Accountants, independent external auditors appointed by the Village. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

Clerk Treasurer/Chief Administrative Officer

Chairperson

Draft

Village of New Minas
Consolidated Statement of Operations

Year Ended March 31, 2024

	2024 <u>Budget</u>	2024 <u>Actual</u>	2023 <u>Actual</u>
Revenue			
Taxes	\$ 2,888,967	\$ 2,958,638	\$ 2,763,500
Grants in lieu of taxes	69,965	70,168	65,974
Sales of services	728,915	759,720	768,110
Other revenue from own sources	668,904	1,184,612	679,897
Conditional transfers from other governments	345,124	343,305	309,839
Grants and government transfers	755,525	260,229	136,648
Gain (loss) on sale of equipment	<u>-</u>	<u>(31,974)</u>	<u>14,464</u>
	<u>5,457,400</u>	<u>5,544,698</u>	<u>4,738,432</u>
Expenditures			
General government services	1,239,913	1,127,509	1,026,353
Protection	282,976	282,975	262,745
Transportation	307,314	251,404	250,736
Environmental health	619,875	609,493	588,239
Recreational and cultural services	680,402	632,821	529,550
Water transmission and purification	438,455	418,055	356,758
Amortization	328,500	816,488	787,019
Other fiscal services	<u>379,543</u>	<u>444,472</u>	<u>318,265</u>
	<u>4,276,978</u>	<u>4,583,217</u>	<u>4,119,665</u>
Annual Surplus	<u>\$ 1,180,422</u>	<u>\$ 961,481</u>	<u>\$ 618,767</u>

Draft

Village of New Minas
Consolidated Statement of Financial Position

March 31, 2024

	<u>2024</u>	<u>2023</u>
Financial Assets		
Current		
Cash	\$ 4,358,010	\$ 4,681,834
Investments (GIC at 5.40%, 4.00% -2023)	5,000,000	3,600,000
Receivables	<u>790,364</u>	<u>753,189</u>
	<u>10,148,374</u>	<u>9,035,023</u>
Liabilities		
Current		
Payables and accruals	380,465	363,344
Deferred revenue	<u>2,050</u>	<u>8,363</u>
	<u>382,515</u>	<u>371,707</u>
Net Financial Assets	9,765,859	8,663,316
Non-Financial Assets		
Prepaid expenses and inventory	107,000	99,628
Property and Equipment (note 2)	<u>13,733,553</u>	<u>13,881,987</u>
	<u>\$ 23,606,412</u>	<u>\$ 22,644,931</u>
Surplus		
Accumulated Surplus (note 3)	<u>\$ 23,606,412</u>	<u>\$ 22,644,931</u>

Commitments (note 8)

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

Draft

Village of New Minas

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2024

	<u>2024</u> <u>Budget</u>	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Annual Surplus	1,180,422	\$ 961,481	\$ 618,767
Add (Deduct):			
Acquisition of tangible capital assets	(808,714)	(726,517)	(389,219)
Amortization of tangible capital assets	328,500	816,488	787,019
Disposal of assets	-	31,974	(14,464)
Proceeds on sale of assets	-	26,500	34,095
Use (acquisition) of prepaid assets	<u>-</u>	<u>(7,383)</u>	<u>(21,147)</u>
Increase in net assets	<u>700,208</u>	1,102,543	1,015,051
Net Financial Assets, beginning of year		<u>8,663,316</u>	<u>7,648,265</u>
Net Financial Assets, end of year		<u>\$ 9,765,859</u>	<u>\$ 8,663,316</u>

Draft

Village of New Minas
Consolidated Statement of Cashflow
Year Ended March 31, 2024

	<u>2024</u>	<u>2023</u>
Cash flow from operating activities:		
Annual surplus	\$ 961,481	\$ 618,767
Loss (Gain) on disposal of assets	31,974	(14,464)
Depreciation and amortization	816,488	787,019
Change in		
Accounts receivable	(37,175)	585,779
Prepaid expenses	(7,383)	(21,147)
Payables and accruals	17,121	10,512
Deferred revenue	<u>(6,313)</u>	<u>-</u>
	1,776,193	1,966,466
Cash flow from investing activities:		
Proceeds on sale of assets	26,500	34,095
Purchase of investments	(1,400,000)	(500,000)
Purchase of tangible capital assets	<u>(726,517)</u>	<u>(389,219)</u>
	<u>(2,100,017)</u>	<u>(855,124)</u>
Cash (Decrease) Increase	(323,824)	1,111,342
Cash and Equivalencies, beginning of year	<u>4,681,834</u>	<u>3,570,492</u>
Cash and Equivalencies, end of year	<u>\$ 4,358,010</u>	<u>\$ 4,681,834</u>

March 31, 2024

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 determining values for asset retirement obligations 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.

March 31, 2024

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.

Asset Retirement Obligation

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

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

Any liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability would result in an accompanying increase to the respective tangible capital assets. Any increase to the tangible capital assets would be amortized in accordance with the depreciation accounting policies.

The Village has assessed their assets and does not currently have any material asset retirement obligations and as such no increase in asset value or liability has been recognized at this time.

March 31, 2024

1. Significant Accounting Policies (continued)**Deferred Revenue**

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

Investments

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

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>2024</u>	<u>2023</u>
Cost		
Land and buildings	\$ 2,417,078	\$ 2,238,008
Recreation Facility	3,400,379	3,354,551
Machinery and equipment	1,947,674	1,858,170
Sewer system	2,518,538	2,453,691
Splash park	161,678	161,678
Street improvements and paving	2,956,204	2,900,003
Signs	75,513	62,094
Street lights	407,185	407,185
Water system	13,183,195	13,042,258
Other	677,147	677,147
	<u>27,744,591</u>	<u>27,154,785</u>
Deduct: Accumulated depreciation	<u>14,011,038</u>	<u>13,272,798</u>
	<u>\$ 13,733,553</u>	<u>\$ 13,881,987</u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2024

3. Accumulated Surplus

	2024	2023
Reserve Funds (note 4)	\$ 3,712,291	\$ 2,800,648
Deferred assistance (see page C-10)	3,386,756	3,439,998
Investment in Capital Assets (note 6)	14,022,079	13,596,192
Surplus (note 5)	<u>2,485,286</u>	<u>2,808,093</u>
	<u>\$ 23,606,412</u>	<u>\$ 22,644,931</u>

4. Reserve Funds

			2024 <u>General</u> <u>Total</u>	2023 <u>Water</u> <u>Total</u>
Equipment				
Balance, beginning of year	\$ 633,242	\$ 46,743	\$ 679,985	\$ 550,627
Proceeds on sale	15,500	11,000	26,500	1,821
Interest	36,702	-	36,702	-
Transfer to equipment reserve	220,988	-	220,988	127,537
Transfer to capital fund	<u>(168,803)</u>	<u>(57,743)</u>	<u>(226,546)</u>	<u>-</u>
Balance, end of year	<u>\$ 737,629</u>	<u>\$ -</u>	<u>737,629</u>	<u>679,985</u>

Operating Fund

Balance, beginning of year	\$ 500,000	\$ 500,000
Transfer from operating	483,836	-
Interest earned	<u>51,035</u>	<u>-</u>
Balance, end of year	<u>\$ 1,034,871</u>	<u>\$ 500,000</u>

Capital Fund

Balance, beginning of year	1,620,663	1,500,034
Interest	100,321	3,756
Grants	-	9,500
Transfer from operating fund	415,469	261,055
Transfer to capital	<u>(196,662)</u>	<u>(153,682)</u>
Balance, end of year	<u>1,939,791</u>	<u>1,620,663</u>
	<u>\$ 3,712,291</u>	<u>\$ 2,800,648</u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2024

5. Surplus

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 2,808,092	\$ 2,365,889
Surplus (Deficit) - General operating	(186,915)	398,391
Surplus (Deficit) - Water Operating	<u>(135,892)</u>	<u>43,812</u>
Balance, end of year	<u>\$ 2,485,285</u>	<u>\$ 2,808,092</u>

6. Investment in Capital Assets

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$13,596,192	\$13,657,960
Add (deduct):		
Canada Community Building Fund (CCBF)	170,285	40,114
Capital grants	49,830	16,034
Interest	235,669	80,302
Amortization of deferred assistance	93,356	92,155
Transfer from reserve	423,209	153,682
Amortization	(487,988)	(458,519)
Gain (loss) on disposal of assets	<u>(58,474)</u>	<u>14,464</u>
Balance, end of year	<u>\$14,022,079</u>	<u>\$13,596,192</u>

7. Pension

The Village contributes 5.5% of the gross salary for union full time employees to the Pension Plan (a defined contribution pension plan), and 0.5% to a group RRSP Plan. The Village contributes 6-9% of the gross salary for non-union full time employees to a group RRSP Plan. Such contributions are refundable if the employee terminates employment prior to vesting. During the year, the village has contributed \$73,531 (2023 -\$79,511).

8. Commitments

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

2025	\$	3,477	2026	2,608
2027		2,608		

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2024

9. Other Matters

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

Commissioners	Compensation	Expenses	Total
Chauk, Dave (Chair)	\$ 16,272	\$ -	\$ 16,272
Redmond, James	15,695	-	15,695
Windle-Smith, Debra	13,286	-	13,286
Hill, Quentin	13,286	-	13,286
Munroe, Mary	14,491	940	15,431
Staff			
Bouter, Tim (Clerk)	<u>110,999</u>	<u>1,838</u>	<u>112,837</u>
	<u>\$ 184,029</u>	<u>\$ 2,778</u>	<u>\$ 186,807</u>

10. Comparative figures

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

Draft

Village of New Minas

New Minas, Nova Scotia

**Non-Consolidated Financial Statements
Section B**

March 31, 2024

Draft

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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
Date

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

Draft

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

Year Ended March 31, 2024

	<u>Page</u>	<u>2024 Budget</u>	<u>2024 Actual</u>	<u>2023 Actual</u>
Revenue				
General tax rates	B-6	\$ 2,888,967	\$ 2,958,638	\$ 2,763,500
Grants in lieu of taxes	B-6	69,965	70,168	65,974
Conditional transfers from Federal and Provincial governments and agencies	B-6	27,500	25,000	12,482
Conditional transfers from other governments and agencies	B-6	317,624	318,305	297,357
Other revenue from own sources	B-7	<u>646,404</u>	<u>731,119</u>	<u>564,664</u>
		<u>3,950,460</u>	<u>4,103,230</u>	<u>3,703,977</u>
Expenditures				
General government services	B-7	1,239,913	1,127,509	1,026,353
Protective services	B-7	548,626	548,625	523,016
Transportation services	B-8	307,314	251,404	250,736
Environmental health services	B-8	619,875	609,493	588,239
Recreational and cultural services	B-8	680,402	632,821	529,550
Fiscal services	B-8	<u>554,330</u>	<u>1,120,293</u>	<u>387,692</u>
		<u>3,950,460</u>	<u>4,290,145</u>	<u>3,305,586</u>
Operating Surplus (Deficit)		<u>\$ -</u>	<u>\$ (186,915)</u>	<u>\$ 398,391</u>

Draft

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

March 31, 2024

	<u>2024</u>	<u>2023</u>
Assets		
Current		
Cash	\$ 1,496,357	\$ 1,666,736
Accounts receivable (note 2)	417,266	442,660
Inventory	1,375	1,375
Due from Water Utility operating fund	161,078	171,693
Prepaid expenses	<u>90,028</u>	<u>84,562</u>
	<u>\$ 2,166,104</u>	<u>\$ 2,367,026</u>
Liabilities		
Current		
Payables and accruals	\$ 260,410	\$ 332,823
Due to Capital reserve	18,000	20,072
Due to Water Utility Capital fund	52,819	28,238
Due to General Capital Fund	71,639	29,429
Deferred revenue	<u>2,050</u>	<u>8,363</u>
	404,918	418,925
Surplus		
Operating Surplus (note 4)	<u>1,761,186</u>	<u>1,948,101</u>
	<u>\$ 2,166,104</u>	<u>\$ 2,367,026</u>

Commitments (note 5)

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

Draft

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

March 31, 2024

	<u>2024</u>	<u>2023</u>
Assets		
Current		
Cash	\$ 34,453	\$ -
Investments (GIC at 5.40%)	400,000	-
Accounts receivable	15,045	5,460
HST receivable	23,919	12,473
Due from general operating fund	71,640	29,429
Due from capital reserve fund	<u>-</u>	<u>153,682</u>
	545,057	201,044
 Tangible Capital Assets (note 3)	 <u>6,650,481</u>	 <u>6,582,768</u>
	<u><u>\$ 7,195,538</u></u>	<u><u>\$ 6,783,812</u></u>
Liabilities		
Current		
Bank indebtedness	\$ -	\$ 106,983
Accounts Payable	7,231	1,200
Due to water capital	84,398	60,229
Due to capital reserve	<u>399,656</u>	<u>-</u>
	<u>491,285</u>	<u>168,412</u>
Equity		
 Investment in Capital Assets (page B-5)	 <u>6,704,253</u>	 <u>6,615,400</u>
	<u><u>\$ 7,195,538</u></u>	<u><u>\$ 6,783,812</u></u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

Draft

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

March 31, 2024

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 6,615,400	\$ 6,811,432
Add (Deduct):		
Capital grants	49,830	33,483
Interest	21,140	38,193
Amortization	(487,988)	(458,519)
Transfer from reserves	365,465	153,682
Canada Community Building Fund	170,285	22,665
Gain (loss) on sale of equipment	<u>(29,879)</u>	<u>14,464</u>
Balance, end of year	<u>\$ 6,704,253</u>	<u>\$ 6,615,400</u>

Draft

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

Year Ended March 31, 2024

	<u>2024 Budget</u>	<u>2024 Actual</u>	<u>2023 Actual</u>
Taxes			
Assessable property			
Residential	\$ 1,269,195	\$ 1,268,019	\$ 1,134,860
Commercial			
Based on taxable assessment	904,256	903,373	865,250
Resource			
Based on taxable assessment	8,130	8,116	8,153
Special assessments			
Environmental Health Services	<u>707,386</u>	<u>779,130</u>	<u>755,237</u>
	<u>\$ 2,888,967</u>	<u>\$ 2,958,638</u>	<u>\$ 2,763,500</u>
Grants in Lieu of Taxes			
Federal government agencies	\$ 41,700	\$ 41,916	\$ 37,308
Provincial government agencies	16,265	15,699	15,790
HST recovery	<u>12,000</u>	<u>12,553</u>	<u>12,876</u>
	<u>\$ 69,965</u>	<u>\$ 70,168</u>	<u>\$ 65,974</u>
Conditional Transfers from Federal and Provincial Governments and Agencies			
Federal government agencies			
Summer Career Placement	\$ <u>27,500</u>	\$ <u>25,000</u>	\$ <u>12,482</u>
Conditional Transfers from other Governments and Agencies			
Municipality of the County of Kings			
Fire protection	\$ 282,976	\$ 282,975	\$ 262,745
Crosswalk service	9,648	9,840	9,072
Recreation	20,000	20,000	20,000
Community Parks development grant	<u>5,000</u>	<u>5,490</u>	<u>5,540</u>
	<u>\$ 317,624</u>	<u>\$ 318,305</u>	<u>\$ 297,357</u>

Draft

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

Year Ended March 31, 2024

	<u>2024 Budget</u>	<u>2024 Actual</u>	<u>2023 Actual</u>
Other Revenue from own Sources			
Facility rentals	\$ 65,500	\$ 56,356	\$ 72,780
Interest	76,200	99,988	62,793
Sewer shared services	129,929	129,929	135,009
Miscellaneous	33,225	24,977	23,361
Recreation	<u>341,550</u>	<u>419,869</u>	<u>270,721</u>
	<u>\$ 646,404</u>	<u>\$ 731,119</u>	<u>\$ 564,664</u>
 General Government Services			
Legislative			
Commissioners Stipend	\$ 62,964	\$ 63,257	\$ 57,425
Committee Honorariums	2,000	1,750	-
Grants, Festivals and donations	59,688	58,623	49,790
Other	<u>13,010</u>	<u>7,690</u>	<u>15,216</u>
	<u>137,662</u>	<u>131,320</u>	<u>122,431</u>
 General administrative			
Administrative	520,168	467,698	400,245
Financial management	334,920	288,211	287,099
Crosswalk guard services	18,558	17,913	16,084
Common services	225,975	222,367	200,494
Other general administrative services	<u>2,630</u>	<u>-</u>	<u>-</u>
	<u>1,102,251</u>	<u>996,189</u>	<u>903,922</u>
	<u>\$1,239,913</u>	<u>\$1,127,509</u>	<u>\$1,026,353</u>
 Protective Services			
Fire protection			
Fire alarm systems	\$ 7,000	\$ 9,272	\$ 5,667
Water supply and hydrants	265,650	265,650	260,271
Training	8,000	21,640	6,693
Fire station	108,858	100,093	96,101
Fire fighting equipment	94,475	91,951	100,160
Other	<u>64,643</u>	<u>60,019</u>	<u>54,124</u>
	<u>\$ 548,626</u>	<u>\$ 548,625</u>	<u>\$ 523,016</u>

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

Year Ended March 31, 2024

	<u>2024 Budget</u>	<u>2024 Actual</u>	<u>2023 Actual</u>
Transportation Services			
Public Works	\$ 186,465	\$ 148,124	\$ 154,438
Snow Clearing	78,013	58,876	69,636
Sidewalks	14,600	14,570	4,300
Street lighting	<u>28,236</u>	<u>29,834</u>	<u>22,362</u>
	<u>\$ 307,314</u>	<u>\$ 251,404</u>	<u>\$ 250,736</u>
Environmental Health Services			
Sewage collection services	\$ 249,975	\$ 239,864	\$ 240,029
Central treatment plant operations	<u>369,900</u>	<u>369,629</u>	<u>348,210</u>
	<u>\$ 619,875</u>	<u>\$ 609,493</u>	<u>\$ 588,239</u>
Recreational and Cultural Services			
Administration	\$ 424,314	\$ 424,215	\$ 310,196
Parks and playgrounds	<u>256,088</u>	<u>208,606</u>	<u>219,354</u>
	<u>\$ 680,402</u>	<u>\$ 632,821</u>	<u>\$ 529,550</u>
Fiscal Services			
Transfer to capital fund	\$ 149,382	\$ 149,382	\$ 93,862
Transfer to equipment reserve for sewer	87,511	169,638	84,872
Transfer to operating reserve	-	483,836	-
Transfer to equipment reserve fund	51,350	51,350	32,265
Transfer to Capital reserve fund	<u>266,087</u>	<u>266,087</u>	<u>176,693</u>
	<u>\$ 554,330</u>	<u>\$1,120,293</u>	<u>\$ 387,692</u>

Draft

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

March 31, 2024

	<u>2024</u>	<u>2023</u>
	Assets	
Cash	\$ <u>737,629</u>	\$ <u>633,242</u>
	Reserve	
Reserve	\$ <u>737,629</u>	\$ <u>633,242</u>

Statement of Equipment Reserve

March 31, 2024

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 633,242	\$ 503,884
Add (Deduct):		
Interest	36,702	1,821
Proceeds on sale of equipment	15,500	-
Transfer from operating	220,988	127,537
Transfer to capital fund	<u>(168,803)</u>	<u>-</u>
Balance, end of year	\$ <u>737,629</u>	\$ <u>633,242</u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

Draft

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

March 31, 2024

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 380,750	\$ 654,273
Investment (GIC at 5.40%, 4.00% -2023)	1,100,000	1,100,000
Accrued interest	41,385	-
Due from general capital fund	399,656	-
Due from general operating fund	<u>18,000</u>	<u>20,072</u>
	<u><u>\$ 1,939,791</u></u>	<u><u>\$ 1,774,345</u></u>
Liabilities		
Due to general capital fund	\$ -	\$ 153,682
Reserve		
Reserve	<u>1,939,791</u>	<u>1,620,663</u>
	<u><u>\$ 1,939,791</u></u>	<u><u>\$ 1,774,345</u></u>

Statement of Capital Reserve Fund

March 31, 2024

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,620,663	\$ 1,500,034
Add (Deduct):		
Grants	-	9,500
Interest	100,321	3,756
Transfer from operating fund	415,469	261,055
Purchase of capital assets	<u>(196,662)</u>	<u>(153,682)</u>
Balance, end of year	<u><u>\$ 1,939,791</u></u>	<u><u>\$ 1,620,663</u></u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

Draft

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

March 31, 2024

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 215	\$ -
Accrued interest	34,656	-
Investment (GIC at 5.40% - 4.00 - 2023)	<u>1,000,000</u>	<u>500,000</u>
	<u>\$ 1,034,871</u>	<u>\$ 500,000</u>
 Reserve		
Operating Reserve	<u>\$ 1,034,871</u>	<u>\$ 500,000</u>

Statement of Operating Reserve Fund

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 500,000	\$ 500,000
Add (Deduct):		
Interest	51,035	-
Transfer from operating	<u>483,836</u>	<u>-</u>
Balance, end of year	<u>\$1,034,871</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, 2024

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>2024</u>	<u>2023</u>
Sewer accounts receivable	\$ 163,269	\$ 205,306
Taxes Receivable	117,390	158,625
Government of Canada	6,931	9,775
Department of Transportation	22,500	17,500
Other	<u>107,176</u>	<u>51,454</u>
	<u>\$ 417,266</u>	<u>\$ 442,660</u>

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Village of New Minas Notes to Non-Consolidated Financial Statements March 31, 2024

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	\$ 680,382	\$ -	\$ -	\$ -	\$ 680,382	\$ -	\$ -	\$ 680,382
Land improvements	1,755,817	179,070	-	-	1,934,887	76,114	1,029,794	905,093
Buildings	337,832	-	-	-	337,832	8,393	131,492	206,340
Recreation facility	3,352,421	45,829	-	-	3,398,250	85,009	1,005,455	2,392,795
Signs	62,094	13,420	-	-	75,514	3,575	32,967	42,547
Machinery & equipment	1,427,799	226,215	(70,287)	-	1,583,727	98,456	970,183	613,544
Sidewalks	2,308,969	56,201	-	-	2,365,170	118,258	1,641,745	723,425
Sewer System	2,453,691	64,847	-	-	2,518,538	50,371	1,834,008	684,530
Street Lights	407,185	-	-	-	407,185	27,146	270,413	136,772
Parking lot	314,540	-	-	-	314,540	12,582	139,153	175,387
Splash park	161,678	-	-	-	161,678	8,084	72,012	89,666
	<u>\$ 13,262,408</u>	<u>\$ 585,582</u>	<u>\$ (70,287)</u>	<u>\$ -</u>	<u>\$ 13,777,703</u>	<u>\$ 487,988</u>	<u>\$ 7,127,222</u>	<u>\$ 6,650,481</u>

4. Surplus

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$1,948,101	\$1,549,710
Add (Deduct):		
Operating surplus (deficit)	<u>(186,915)</u>	<u>398,391</u>
Balance, end of year	<u>\$1,761,186</u>	<u>\$1,948,101</u>

5. Pension and Commitments

The Village contributes 5.5% of the gross salary for union full time employees to the Pension Plan (a defined contribution pension plan), and 0.5% to a group RRSP Plan. The Village contributes 6% of the gross salary for non-union full time employees to a group RRSP Plan. Such contributions are refundable if the employee terminates employment prior to vesting. During the year, the Village has contributed \$51,470 (2023 - \$51,470).

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

2024	\$ 3,477	2025	2,608	2026	2,608
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**Village of New Minas
General Section
Statement of Capital Financing**

Year Ended March 31, 2024

	<u>2024</u>	<u>2023</u>
Source		
Capital funding		
Capital grants	49,830	56,148
Transfer from reserve	349,965	153,682
CCBF Funding	170,285	-
Proceeds on sale of equipment	<u>15,500</u>	<u>34,095</u>
	<u>\$ 585,580</u>	<u>\$ 243,925</u>
 Application		
Purchase of capital assets		
Sidewalk	\$ 56,201	\$ 64,169
Automotive equipment	194,093	133,008
Buildings	45,829	2,129
Furniture and office equipment	13,918	5,530
Land and land improvements	179,070	30,427
Sewer	64,847	7,712
Signs	13,419	-
Tools and equipment	5,943	950
Facility equipment	<u>12,260</u>	<u>-</u>
	<u>\$ 585,580</u>	<u>\$ 243,925</u>

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Village of New Minas

New Minas, Nova Scotia

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

March 31, 2024

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Morse Brewster Lake

Chartered Professional Accountants

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Email: info@mblecpa.ca

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
Date

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

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

Year Ended March 31, 2024

	Page	<u>2024 Budget</u>	<u>2024 Actual</u>	<u>2023 Actual</u>
Revenue				
Operating				
Metered sales		\$ 648,000	\$ 677,114	\$ 686,098
Public fire protection		265,650	265,650	260,025
Other		<u>80,915</u>	<u>82,606</u>	<u>82,012</u>
		<u>994,565</u>	<u>1,025,370</u>	<u>1,028,135</u>
Expenditures				
Operating				
Source of supply	C-6	271,410	252,672	191,628
Power and pumping	C-6	129,840	136,809	125,677
Transmission and distribution	C-6	37,205	28,574	39,453
Administration	C-6	379,543	444,472	318,265
Depreciation		<u>328,500</u>	<u>328,500</u>	<u>328,500</u>
		<u>1,146,498</u>	<u>1,191,027</u>	<u>1,003,523</u>
Operating profit (loss)		<u>(151,933)</u>	<u>(165,657)</u>	<u>24,612</u>
Non-operating revenue				
Interest		<u>22,500</u>	<u>29,765</u>	<u>19,200</u>
Non-operating expenditures				
Operating Surplus (Deficit) For The Year		<u>\$ (129,433)</u>	(135,892)	43,812
Surplus, beginning of year			<u>859,992</u>	<u>816,180</u>
Surplus, end of year			<u>\$ 724,100</u>	<u>\$ 859,992</u>

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

March 31, 2024

	<u>2024</u>	<u>2023</u>
Assets		
Current		
Cash	\$ 724,981	\$ 790,473
Accounts receivable (note 3)	157,943	209,084
Due from water capital fund	47,700	47,700
Prepaid expenses	<u>15,597</u>	<u>13,691</u>
	<u>\$ 946,221</u>	<u>\$3,705,879</u>
Liabilities		
Current		
Payables and accruals	\$ 61,043	\$ 29,263
Due to general operating fund	<u>161,078</u>	<u>171,693</u>
	222,121	200,956
Surplus		
Operating Surplus	<u>724,100</u>	<u>859,992</u>
	<u>\$ 946,221</u>	<u>\$1,060,948</u>
Commitment (note 8)		

On behalf of the Commission

_____, Chairman _____, Commissioner

Draft

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

March 31, 2024

	<u>2024</u>	<u>2023</u>
Assets		
Current		
Cash - Depreciation fund (note 2)	\$ 812,203	\$ 893,559
Investment - Depreciation fund (GIC at 5.40%, 4.00% -2023)	2,500,000	2,000,000
Cash - Water capital fund	171,422	103,791
Accounts receivable	<u>100,150</u>	<u>83,512</u>
	3,583,775	3,080,862
 Due from General Capital	 84,398	 60,229
Utility Plant in Service (note 4)	13,966,887	13,892,376
Due from General Operating Fund	<u>52,819</u>	<u>28,238</u>
	<u><u>\$17,687,879</u></u>	<u><u>\$17,061,705</u></u>
 Liabilities		
Current		
Accounts payable	\$ 51,771	\$ 57
Due to water operating fund	47,700	47,700
	<u>99,471</u>	<u>47,757</u>
 Deferred Assistance (note 5)	 3,386,756	 3,439,998
Accumulated Allowance for Depreciation (note 6)	<u>6,883,826</u>	<u>6,593,158</u>
	<u>10,270,582</u>	<u>10,033,156</u>
	<u>10,370,053</u>	<u>10,080,913</u>
 Equity		
 Investment in Capital Assets (page C-5)	 <u>7,317,826</u>	 <u>6,980,792</u>
	<u><u>\$17,687,879</u></u>	<u><u>\$17,061,705</u></u>

On behalf of the Commission

_____, Chairman _____, Commissioner

Draft

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

March 31, 2024

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 6,980,792	\$ 6,846,528
Add:		
Amortization deferred assistance	93,356	92,155
Gain (loss) on disposal of equipment	(28,595)	-
Interest	214,529	42,109
Capital additions paid from Equipment reserve	<u>57,744</u>	<u>-</u>
Balance, end of year	\$ <u><u>7,317,826</u></u>	\$ <u><u>6,980,792</u></u>

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**Village of New Minas
Water Commission
Schedules to Statements of Operations
Year Ended March 31, 2024**

	<u>2024 Budget</u>	<u>2024 Actual</u>	<u>2023 Actual</u>
Source of supply			
Maintenance	\$ 50,610	\$ 54,916	\$ 17,899
Supplies and expenses	<u>220,800</u>	<u>197,756</u>	<u>173,729</u>
	<u>\$ 271,410</u>	<u>\$ 252,672</u>	<u>\$ 191,628</u>
 Power and Pumping			
Power	<u>\$ 129,840</u>	<u>\$ 136,809</u>	<u>\$ 125,677</u>
 Transmission and distribution			
Maintenance			
Mains	\$ 7,725	\$ 5,466	\$ 14,603
Other	15,400	8,623	15,411
Transportation expenses	<u>14,080</u>	<u>14,485</u>	<u>9,439</u>
	<u>\$ 37,205</u>	<u>\$ 28,574</u>	<u>\$ 39,453</u>
 Administration			
Collection and service charges	\$ 3,600	\$ 5,038	\$ 5,348
Salaries and benefits	241,663	257,772	242,882
General and office expenses	26,828	26,673	23,061
Professional fees	53,000	83,524	-
Regulatory expenses	1,600	1,690	1,640
Miscellaneous	15,152	14,419	14,456
Rent	5,500	5,500	5,500
Insurance	<u>32,200</u>	<u>49,856</u>	<u>25,378</u>
	<u>\$ 379,543</u>	<u>\$ 444,472</u>	<u>\$ 318,265</u>

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

March 31, 2024

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ -	\$ 46,743
Due from General Capital	-	-
	<u>\$ -</u>	<u>\$ 46,743</u>
Reserve		
Reserve, beginning of year	\$ 46,743	\$ 46,743
Deduct:		
Proceeds on sale of equipment	11,000	-
Capital purchases	<u>(57,743)</u>	<u>-</u>
Reserve, end of year	<u>\$ -</u>	<u>\$ 46,743</u>

On behalf of the Commission

_____, Chairman _____, Commissioner

Village of New Minas Notes to Non-Consolidated Financial Statements March 31, 2024

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, 2024

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>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 2,890,129	\$ 2,600,035
Add (Deduct):		
Depreciation	328,500	328,500
Interest	93,574	-
Transfer to water capital for asset purchases	<u>-</u>	<u>(38,406)</u>
Balance, end of year	<u>\$ 3,312,203</u>	<u>\$ 2,890,129</u>

3. Receivables

	<u>2024</u>	<u>2023</u>
Water Rates (net of allowance of \$5,200)	\$ 140,454	\$ 196,305
HST Receivable	<u>17,489</u>	<u>12,779</u>
	<u>\$ 157,943</u>	<u>\$ 209,084</u>

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Village of New Minas Notes to Non-Consolidated Financial Statements

March 31, 2024

4. Utility Plant in Service

	<u>2024</u>	<u>2023</u>
Land and buildings	\$ 155,204	\$ 155,204
Machinery and equipment	497,091	563,517
Water system	13,050,045	12,909,108
Other	<u>264,547</u>	<u>264,547</u>
	<u>\$13,966,887</u>	<u>\$13,892,376</u>

5. Deferred Assistance

	<u>2024</u>	<u>2023</u>
Assistance towards acquisition of fixed assets	\$ 4,174,665	\$ 4,134,551
Accumulated amortization	<u>787,909</u>	<u>694,553</u>
Balance, end of year	<u>\$ 3,386,756</u>	<u>\$ 3,439,998</u>

6. Accumulated Allowance for Depreciation

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 6,593,158	\$ 6,284,658
Add (Deduct):		
Depreciation	328,500	328,500
Disposal of assets	<u>(37,832)</u>	<u>(20,000)</u>
Balance, end of year	<u>\$ 6,883,826</u>	<u>\$ 6,593,158</u>

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Village of New Minas Notes to Non-Consolidated Financial Statements

March 31, 2024

7. Rate of Return on Rate Base

For the year ended March 31, 2024, the Water Utility has a rate of return on rate base of (4.48)% (2023 0.64%).

8. Pension

The Village contributes 5.5% of the gross salary for union full time employees to the Pension Plan (a defined contribution pension plan), and 0.5% to a group RRSP Plan. The Village contributes 6% of the gross salary for non-union full time employees to a group RRSP Plan. Such contributions are refundable if the employee terminates employment prior to vesting. During the year, the Water Commission has contributed \$5,703, (2023 \$4,774).

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Village of New Minas
Statement of Capital Projects Funding
Year Ended March 31, 2024

	<u>Total Capital Cost</u>	<u>Capital Fund</u>	<u>CCBF Grants</u>	<u>Other Grants</u>
Water system				
Storage Tank/Facility	\$ 4,396	\$ 4,396	\$ -	\$ -
Equipment	29,324	29,234	-	-
Meters	15,009	7,056	7,953	-
Wells	67,527	35,366	32,161	-
Water lines	<u>24,681</u>	<u>24,681</u>	<u>-</u>	<u>-</u>
	<u>\$ 140,937</u>	<u>\$ 100,733</u>	<u>\$ 40,114</u>	<u>\$ -</u>