

Village of New Minas

New Minas, Nova Scotia

Financial Statements

March 31, 2019

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Village of New Minas

New Minas, Nova Scotia

**Consolidated Financial Statements
Section A**

March 31, 2019

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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, 2019, 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, 2019, 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.

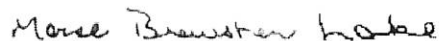
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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
June 24, 2019



Chartered Professional Accountants
Licensed Public Accountants
Registered Municipal Auditor

Village of New Minas
Consolidated Statement of Operations
Year Ended March 31, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Revenue			
Taxes	\$ 2,173,551	\$ 2,215,030	\$ 2,152,215
Grants in lieu of taxes	39,600	35,142	41,574
Sales of services	655,219	667,189	670,428
Other revenue from own sources	282,318	375,565	331,503
Conditional transfers from other governments	310,083	269,802	305,373
Grants and government transfers	-	353,469	460,262
Gain on sale of equipment	-	-	130,472
	<u>3,460,771</u>	<u>3,916,197</u>	<u>4,091,827</u>
Expenditures			
General government services	686,406	650,980	661,678
Protection	243,083	243,085	242,935
Transportation	119,172	78,508	94,260
Environmental health	569,339	526,167	566,443
Recreational and cultural services	567,193	532,665	563,213
Water transmission and purification	312,503	319,425	300,027
Amortization	300,060	688,426	710,837
Other fiscal services	292,091	308,626	299,282
	<u>3,089,847</u>	<u>3,347,882</u>	<u>3,438,675</u>
Annual Surplus	<u>\$ 370,924</u>	<u>\$ 568,315</u>	<u>\$ 653,152</u>

Village of New Minas

Consolidated Statement of Financial Position

March 31, 2019

	<u>2019</u>	<u>2018</u>
Financial Assets		
Current		
Cash	\$ 5,029,666	\$ 4,066,953
Receivables	<u>659,068</u>	<u>1,019,642</u>
	<u>5,688,734</u>	<u>5,086,595</u>
Liabilities		
Current		
Payables and accruals	371,870	554,089
Deferred revenue	<u>8,363</u>	<u>12,529</u>
	<u>380,233</u>	<u>566,618</u>
Net Financial Assets	5,308,501	4,519,977
Non-Financial Assets		
Prepaid expenses and inventory	62,649	69,495
Property and Equipment (note 2)	<u>13,447,393</u>	<u>13,660,756</u>
	<u>\$18,818,543</u>	<u>\$18,250,228</u>
Surplus		
Reserve Funds (note 3)	\$ 1,880,836	\$ 1,510,077
Deferred assistance	1,997,140	1,771,762
Investment in Capital Assets (note 4)	13,636,204	13,896,479
Surplus	<u>1,304,363</u>	<u>1,071,910</u>
	<u>\$18,818,543</u>	<u>\$18,250,228</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, 2019

	<u>2019 Budget</u>		<u>2019 Actual</u>		<u>2018 Actual</u>
Annual Surplus	370,924	\$	568,315	\$	653,152
Add (Deduct):					
Acquisition of tangible capital assets	(1,077,961)		(475,063)		(681,057)
Amortization of tangible capital assets	300,060		688,426		710,837
Gain on sale of assets	-		-		(130,472)
Proceeds on sale of assets	-		-		354,054
Use (acquisition) of prepaid assets	<u>-</u>		<u>6,846</u>		<u>(6,050)</u>
Increase in net assets	<u>(406,977)</u>		788,524		900,464
Net Financial Assets, beginning of year			<u>4,519,977</u>		<u>3,619,513</u>
Net Financial Assets, end of year		\$	<u><u>5,308,501</u></u>	\$	<u><u>4,519,977</u></u>

Village of New Minas

Consolidated Statement of Cashflow

Year Ended March 31, 2019

	<u>2019</u>	<u>2018</u>
Cash flow from operating activities:		
Annual surplus	\$ 568,315	\$ 653,152
Gain on disposal of assets	-	(130,472)
Depreciation and amortization	688,426	710,837
Change in		
Accounts receivable	360,574	(124,804)
Prepaid expenses	6,846	(6,050)
Payables and accruals	(182,219)	515,826
Deferred revenue	<u>(4,166)</u>	<u>1,163</u>
	1,437,776	1,619,652
Cash flow from investing activities:		
Proceeds on sale of assets	-	354,054
Purchase of tangible capital assets	<u>(475,063)</u>	<u>(681,057)</u>
	<u>(475,063)</u>	<u>(327,003)</u>
Cash Increase	962,713	1,292,649
Cash and Equivalencies, beginning of year	<u>4,066,953</u>	<u>2,774,304</u>
Cash and Equivalencies, end of year	<u><u>\$ 5,029,666</u></u>	<u><u>\$ 4,066,953</u></u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2019

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, 2019

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, 2019

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>2019</u>	<u>2018</u>
Cost		
Land and buildings	\$ 1,898,147	\$ 1,869,799
Recreation Facility	3,351,317	3,351,317
Leasehold improvements	9,674	9,674
Machinery and equipment	1,541,914	1,512,105
Sewer system	2,447,567	2,447,567
Splash park	161,678	161,678
Street improvements and paving	2,753,061	2,751,580
Signs	62,094	46,868
Street lights	407,185	407,185
Water system	10,997,157	10,596,958
Other	264,547	264,547
	<u>23,894,341</u>	<u>23,419,278</u>
Deduct:		
Accumulated depreciation	<u>10,446,948</u>	<u>9,758,522</u>
	<u>\$13,447,393</u>	<u>\$13,660,756</u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2019

3. Reserve Funds

	<u>General</u>	<u>Water</u>	<u>2019 Total</u>	<u>2018 Total</u>
Equipment				
Balance, beginning of year	\$ 139,875	\$ 17,677	\$ 157,552	\$ 157,552
Transfer to equipment reserve	<u>69,569</u>	<u>-</u>	<u>69,569</u>	<u>-</u>
Balance, end of year	<u>\$ 209,444</u>	<u>\$ 17,677</u>	<u>227,121</u>	<u>157,552</u>
 Operating Fund				
Balance, beginning of year			\$ 500,000	\$ 500,000
Transfer from operating surplus			<u>-</u>	<u>-</u>
Balance, end of year			<u>\$ 500,000</u>	<u>\$ 500,000</u>
 Capital Fund				
Balance, beginning of year			852,525	689,020
Transfer from operating fund			301,190	163,505
Balance, end of year			<u>1,153,715</u>	<u>852,525</u>
			<u>\$1,880,836</u>	<u>\$1,510,077</u>

Village of New Minas

Notes to the Consolidated Financial Statements

March 31, 2019

4. Investment in Capital Assets

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$13,896,479	\$13,546,431
Add (deduct):		
Capital grants	75,115	50,000
Federal Gas Tax	-	302,192
Amortization of deferred assistance	52,976	45,415
Transfer from operating	-	232,746
Amortization	(388,366)	(410,777)
Gain on disposal of assets	<u>-</u>	<u>130,472</u>
Balance, end of year	<u>\$13,636,204</u>	<u>\$13,896,479</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 \$40,491 (2018 -\$35,431).

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

2020	\$	851
2021		851

6. Other Matters

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

Commissioners	Compensation	Expenses	Total
Chauk, Dave (Chair)	\$ 9,256	\$ -	\$ 9,256
Stevens, Maynard	6,939	-	6,939
Redmond, James	6,939	-	6,939
Pineo, Ken	6,939	604	7,543
Munroe, Mary	6,939	148	7,087
Staff			
Ernest, April (Clerk)	<u>76,502</u>	<u>788</u>	<u>77,290</u>
	<u>\$ 113,514</u>	<u>\$ 1,540</u>	<u>\$ 115,054</u>

7. Comparative figures

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

Village of New Minas

New Minas, Nova Scotia

**Non-Consolidated Financial Statements
Section B**

March 31, 2019

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Morse Brewster Lake

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Auditors' Report on Supplemental Financial Information

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

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

Berwick, Nova Scotia
June 24, 2019

Morse Brewster Lake

Chartered Professional Accountants
Licensed Public Accountants
Registered Municipal Auditor

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

Year Ended March 31, 2019

	<u>Page</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Revenue				
General tax rates	B-6	\$ 2,173,551	\$ 2,215,030	\$ 2,152,215
Grants in lieu of taxes	B-6	39,600	35,142	41,574
Conditional transfers from Federal and Provincial governments and agencies	B-6	6,600	6,600	5,040
Conditional transfers from other governments and agencies	B-6	303,483	263,202	300,333
Other revenue from own sources	B-7	<u>275,818</u>	<u>348,729</u>	<u>320,476</u>
		<u>2,799,052</u>	<u>2,868,703</u>	<u>2,819,638</u>
Expenditures				
General government services	B-7	686,406	650,980	661,678
Protective services	B-7	486,166	486,169	485,870
Transportation services	B-8	119,172	78,508	94,260
Environmental health services	B-8	569,339	526,167	566,443
Recreational and cultural services	B-8	567,193	532,665	563,213
Fiscal services	B-8	<u>370,776</u>	<u>370,776</u>	<u>438,414</u>
		<u>2,799,052</u>	<u>2,645,265</u>	<u>2,809,878</u>
Operating Surplus		\$ <u>-</u>	\$ <u>223,438</u>	\$ <u>9,760</u>

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

March 31, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Current		
Cash	\$ 555,327	\$ 1,581,665
Accounts receivable (note 2)	250,969	296,979
Inventory	1,500	1,500
Due from Capital Fund	101,791	-
Due from Water Utility operating fund	269,322	-
Prepaid expenses	<u>51,943</u>	<u>53,821</u>
	<u>\$ 1,230,852</u>	<u>\$ 1,933,965</u>

Liabilities		
Current		
Payables and accruals	\$ 137,004	\$ 160,408
Due to Water Utility operating fund	-	52,962
Due to Capital reserve	301,190	320,495
Due to Equipment reserve	69,586	69,096
Due to Water Utility Capital fund	98,175	10,029
Due to General Capital Fund	-	415,350
Due to Operating reserve	-	500,000
Deferred revenue	<u>8,363</u>	<u>12,529</u>
	614,318	1,540,869

Surplus		
Operating Surplus (note 4)	<u>616,534</u>	<u>393,096</u>
	<u>\$ 1,230,852</u>	<u>\$ 1,933,965</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, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Current		
Cash	\$ 7,728	\$ -
Accounts receivable	24,963	312,706
Hst receivable	6,357	52,918
Due from general operating fund	-	415,350
Due from water capital fund	72,174	-
Due from capital reserve fund	<u>-</u>	<u>78,741</u>
	111,222	859,715
Tangible Capital Assets (note 3)	<u>6,992,725</u>	<u>7,309,445</u>
	<u>\$ 7,103,947</u>	<u>\$ 8,169,160</u>
Liabilities		
Current		
Bank indebtedness	\$ -	\$ 292,737
Accounts Payable - General capital	-	346,259
Due to general operating fund	101,791	-
Due to water capital	<u>-</u>	<u>214,757</u>
	101,791	853,753
Equity		
Investment in Capital Assets (page B-5)	<u>7,002,156</u>	<u>7,315,407</u>
	<u>\$ 7,103,947</u>	<u>\$ 8,169,160</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, 2019

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 7,315,407	\$ 6,976,968
Add (Deduct):		
Capital grants	75,115	50,000
Amortization	(388,366)	(410,777)
Federal Gas Tax	-	302,192
Gain (loss) on sale of equipment	-	164,278
Transfer from operating	<u>-</u>	<u>232,746</u>
Balance, end of year	<u>\$ 7,002,156</u>	<u>\$ 7,315,407</u>

Village of New Minas
General Section
Schedules to Statement of Operations

Year Ended March 31, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Taxes			
Assessable property			
Residential	\$ 962,810	\$ 969,520	\$ 962,342
Commercial			
Based on taxable assessment	857,268	867,563	850,371
Resource			
Based on taxable assessment	7,137	7,091	7,053
Special assessments			
Environmental Health Services	<u>346,336</u>	<u>370,856</u>	<u>332,449</u>
	<u>\$ 2,173,551</u>	<u>\$ 2,215,030</u>	<u>\$ 2,152,215</u>
Grants in Lieu of Taxes			
Federal government agencies	\$ 8,800	\$ 8,801	\$ 8,801
Provincial government agencies	16,800	16,589	16,787
HST recovery	<u>14,000</u>	<u>9,752</u>	<u>15,986</u>
	<u>\$ 39,600</u>	<u>\$ 35,142</u>	<u>\$ 41,574</u>
Conditional Transfers from Federal and Provincial Governments and Agencies			
Federal government agencies			
Summer Career Placement	<u>\$ 6,600</u>	<u>\$ 6,600</u>	<u>\$ 5,040</u>
	<u>\$ 6,600</u>	<u>\$ 6,600</u>	<u>\$ 5,040</u>
Conditional Transfers from other Governments and Agencies			
Municipality of the County of Kings			
Fire protection	\$ 243,083	\$ 243,084	\$ 242,935
Crosswalk service	8,400	8,928	8,352
Recreation	40,000	11,190	37,773
Community Parks development grant	<u>12,000</u>	<u>-</u>	<u>11,273</u>
	<u>\$ 303,483</u>	<u>\$ 263,202</u>	<u>\$ 300,333</u>

Village of New Minas
General Section
Schedules to Statement of Operations

Year Ended March 31, 2019

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Other Revenue from own Sources			
Facility rentals	\$ 65,500	\$ 96,975	\$ 76,673
Interest	18,200	46,174	19,682
Miscellaneous	15,700	22,290	24,686
Recreation	<u>176,418</u>	<u>183,290</u>	<u>199,435</u>
	<u>\$ 275,818</u>	<u>\$ 348,729</u>	<u>\$ 320,476</u>
General Government Services			
Legislative			
Chairman Stipend	\$ 10,590	\$ 10,613	\$ 8,800
Commissioners Stipend	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>
	<u>36,990</u>	<u>37,013</u>	<u>35,200</u>
General administrative			
Administrative	161,961	137,379	142,902
Financial management	81,353	68,167	77,314
Crosswalk guard services	14,423	13,706	12,944
Common services	248,229	259,379	259,001
Other general administrative services	<u>101,750</u>	<u>93,841</u>	<u>98,907</u>
	<u>607,716</u>	<u>572,472</u>	<u>591,068</u>
Other general government services			
Grants to organizations and individuals	<u>41,700</u>	<u>41,495</u>	<u>35,410</u>
	<u>\$ 686,406</u>	<u>\$ 650,980</u>	<u>\$ 661,678</u>
Protective Services			
Fire protection			
Fire alarm systems	\$ 12,500	\$ 8,242	\$ 7,421
Water supply and hydrants	243,083	243,084	242,935
Training	9,000	21,600	6,456
Fire station	76,500	87,679	65,083
Fire fighting equipment	118,933	105,059	141,145
Other	<u>26,150</u>	<u>20,505</u>	<u>22,830</u>
	<u>\$ 486,166</u>	<u>\$ 486,169</u>	<u>\$ 485,870</u>

Village of New Minas
General Section
Schedules to Statement of Operations

Year Ended March 31, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Transportation Services			
Roads and streets	\$ 8,925	\$ 7,546	\$ 8,458
Snow Clearing	27,643	22,150	30,553
Sidewalks	59,604	23,901	33,551
Street lighting	<u>23,000</u>	<u>24,911</u>	<u>21,698</u>
	<u>\$ 119,172</u>	<u>\$ 78,508</u>	<u>\$ 94,260</u>
Environmental Health Services			
Sewage collection services	\$ 234,739	\$ 198,607	\$ 237,843
Central treatment plant operations	<u>334,600</u>	<u>327,560</u>	<u>328,600</u>
	<u>\$ 569,339</u>	<u>\$ 526,167</u>	<u>\$ 566,443</u>
Recreational and Cultural Services			
Administration	\$ 309,654	\$ 291,127	\$ 317,401
Parks and playgrounds	<u>257,539</u>	<u>241,538</u>	<u>245,812</u>
	<u>\$ 567,193</u>	<u>\$ 532,665</u>	<u>\$ 563,213</u>
Fiscal Services			
Transfer to capital fund	\$ 141,190	\$ 141,190	\$ 232,746
Transfer to equipment for sewer	39,586	39,586	12,163
Transfer to equipment reserve fund	30,000	30,000	30,000
Transfer to Capital reserve fund	<u>160,000</u>	<u>160,000</u>	<u>163,505</u>
	<u>\$ 370,776</u>	<u>\$ 370,776</u>	<u>\$ 438,414</u>

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

March 31, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 139,858	\$ 70,780
Due from general operating fund	<u>69,586</u>	<u>69,095</u>
	<u>\$ 209,444</u>	<u>\$ 139,875</u>
Liabilities		
Reserve		
Reserve	<u>209,444</u>	<u>139,875</u>
	<u>\$ 209,444</u>	<u>\$ 139,875</u>

Statement of Equipment Reserve

March 31, 2019

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 139,875	\$ 97,712
Add (Deduct):		
Service charge	(17)	-
Transfer from operating	<u>69,586</u>	<u>42,163</u>
Balance, end of year	<u>\$ 209,444</u>	<u>\$ 139,875</u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

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

March 31, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 852,525	\$ 610,771
Due from general operating fund	<u>301,190</u>	<u>320,495</u>
	<u>\$ 1,153,715</u>	<u>\$ 931,266</u>
Liabilities		
Due to general capital fund	\$ -	\$ 78,741
Reserve		
Reserve	<u>1,153,715</u>	<u>852,525</u>
	<u>\$ 1,153,715</u>	<u>\$ 931,266</u>

Statement of Capital Reserve Fund

March 31, 2019

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 852,525	\$ 689,020
Add (Deduct):		
Transfer from operating fund	<u>301,190</u>	<u>163,505</u>
Balance, end of year	<u>\$ 1,153,715</u>	<u>\$ 852,525</u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

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

March 31, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 500,000	\$ -
Due from operating	<u>-</u>	<u>500,000</u>
	<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>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 500,000	\$ -
Add (Deduct):		
Transfer from operating	<u>-</u>	<u>500,000</u>
Balance, end of year	<u>\$ 500,000</u>	<u>\$ 500,000</u>

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2019

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>2019</u>	<u>2018</u>
Sewer accounts receivable	\$ 76,285	\$ 73,718
Taxes Receivable	92,883	41,678
Government of Canada	17,127	90,088
Department of Transportation	17,500	17,500
Other	<u>47,174</u>	<u>73,995</u>
	<u>\$ 250,969</u>	<u>\$ 296,979</u>

Village of New Minas

Notes to Non-Consolidated Financial Statements

March 31, 2019

3. Tangible Capital Assets

	Cost Opening	Additions	Disposals	Write Downs	Cost Closing	Amortization	Accum Amort	Net Book Value
Land	\$ 677,264	\$ -	\$ -	\$ -	\$ 677,264	\$ -	\$ -	\$ 677,264
Land improvements	982,402	28,348	-	-	1,010,750	50,538	708,012	302,738
Buildings	304,889	-	-	-	304,889	7,622	90,537	214,352
Recreation facility	3,351,317	-	-	-	3,351,317	83,783	585,178	2,766,139
Signs	46,868	15,226	-	-	62,094	3,444	17,237	44,857
Machinery & equipment	1,056,557	26,590	-	-	1,083,147	35,650	715,020	368,127
Sidewalks	2,240,308	-	-	-	2,240,308	112,015	1,071,700	1,168,608
Sewer System	2,422,027	-	-	-	2,422,027	48,441	1,588,763	833,264
Street Lights	407,185	-	-	-	407,185	27,146	134,685	272,500
Parking lot	289,602	1,482	-	-	291,084	11,643	76,293	214,791
Splash park	161,678	-	-	-	161,678	8,084	31,593	130,085
Leasehold improvements	<u>9,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,673</u>	<u>-</u>	<u>9,673</u>	<u>-</u>
	<u>\$ 11,949,770</u>	<u>\$ 71,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,021,416</u>	<u>\$ 388,366</u>	<u>\$ 5,028,691</u>	<u>\$ 6,992,725</u>

4. Surplus

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 393,096	\$ 383,336
Add (Deduct):		
Operating surplus (deficit)	<u>223,438</u>	<u>9,760</u>
Balance, end of year	<u>\$ 616,534</u>	<u>\$ 393,096</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 \$31,257 (2018 - \$27,029).

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

2020	\$ 851
2021	851

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

Year Ended March 31, 2019

Source	<u>2019</u>	<u>2018</u>
Capital funding		
Capital bank	\$ 71,645	\$ -
Transfer from operating	-	157,368
Federal gas tax	-	302,192
	<u>\$ 71,645</u>	<u>\$ 459,560</u>
 Application		
Purchase of capital assets		
Automotive equipment	\$ 4,635	\$ 64,247
Buildings	-	17,682
Signs	15,226	-
Land and land improvements	29,829	31,913
Sidewalks	-	312,857
Tools and equipment	13,853	11,555
Facility equipment	8,102	21,306
	<u>\$ 71,645</u>	<u>\$ 459,560</u>

Village of New Minas

New Minas, Nova Scotia

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

March 31, 2019

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Morse Brewster Lake

Chartered Professional Accountants

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Auditors' Report on Supplemental Financial Statements

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

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

Berwick, Nova Scotia
June 24, 2019

Morse Brewster Lake

Chartered Professional Accountants
Licensed Public Accountants
Registered Municipal Auditor

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

Year Ended March 31, 2019

	Page	2019 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
Revenue				
Operating				
Metered sales		\$ 583,719	\$ 590,832	\$ 598,869
Public fire protection		242,935	243,084	242,935
Other		<u>71,500</u>	<u>76,357</u>	<u>71,559</u>
		<u>898,154</u>	<u>910,273</u>	<u>913,363</u>
Expenditures				
Operating				
Source of supply	C-6	149,133	172,652	143,515
Power and pumping	C-6	118,500	107,238	117,177
Transmission and distribution	C-6	44,870	39,535	39,335
Administration	C-6	292,091	308,609	299,282
Depreciation		<u>300,060</u>	<u>300,060</u>	<u>300,060</u>
		<u>904,654</u>	<u>928,094</u>	<u>899,369</u>
Operating profit		<u>(6,500)</u>	<u>(17,821)</u>	<u>13,994</u>
Non-operating revenue				
Interest		<u>6,500</u>	<u>26,836</u>	<u>11,027</u>
Non-operating expenditures				
Operating Surplus For The Year		<u>\$ -</u>	9,015	25,021
Surplus, beginning of year			<u>678,814</u>	<u>653,793</u>
Surplus, end of year			<u>\$ 687,829</u>	<u>\$ 678,814</u>

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

March 31, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Current		
Cash	\$1,067,636	\$ 912,773
Accounts receivable (note 3)	209,088	280,523
Prepaid expenses	9,206	14,174
Due from general operating fund	<u>-</u>	<u>52,962</u>
	<u><u>\$1,285,930</u></u>	<u><u>\$1,260,432</u></u>
Liabilities		
Current		
Payables and accruals	\$ 31,299	\$ 22,943
Due to water equipment reserve	-	10,000
Due to general operating fund	269,322	-
Due to water capital fund	<u>297,480</u>	<u>548,675</u>
	598,101	581,618
Surplus		
Operating Surplus	<u>687,829</u>	<u>678,814</u>
	<u><u>\$1,285,930</u></u>	<u><u>\$1,260,432</u></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, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Current		
Cash - Depreciation fund (note 2)	\$ 2,020,350	\$ 1,471,675
Accounts receivable	<u>167,691</u>	<u>76,516</u>
	2,188,041	1,548,191
 Due from General Capital	 -	 214,757
Due to water operating fund	297,480	548,675
Utility Plant in Service (note 4)	11,872,925	11,469,508
Due from General Operating Fund	<u>98,178</u>	<u>10,029</u>
	<u>\$14,456,624</u>	<u>\$13,791,160</u>
Liabilities		
Current		
Bank indebtedness - Water capital fund	\$ 131,435	\$ 295,651
Accounts payable	203,570	24,478
Due to general capital	<u>72,174</u>	<u>-</u>
	407,179	320,129
 Deferred Assistance (note 5)	 1,997,140	 1,771,762
Accumulated Allowance for Depreciation (note 6)	<u>5,418,257</u>	<u>5,118,197</u>
	<u>7,415,397</u>	<u>6,889,959</u>
	<u>7,822,576</u>	<u>7,210,088</u>
Equity		
 Investment in Capital Assets (page C-5)	 <u>6,634,048</u>	 <u>6,581,072</u>
	<u>\$14,456,624</u>	<u>\$13,791,160</u>

On behalf of the Commission

_____, Chairman _____, Commissioner

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

March 31, 2019

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 6,581,072	\$ 6,569,463
Add:		
Amortization deferred assistance	52,976	45,415
Gain (loss) on disposal of equipment	<u>-</u>	<u>(33,806)</u>
Balance, end of year	\$ <u>6,634,048</u>	\$ <u>6,581,072</u>

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

Year Ended March 31, 2019

	2019 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
Source of supply			
Maintenance	\$ 45,500	\$ 56,026	\$ 45,203
Supplies and expenses	<u>103,633</u>	<u>116,626</u>	<u>98,312</u>
	<u>\$ 149,133</u>	<u>\$ 172,652</u>	<u>\$ 143,515</u>
 Power and Pumping			
Power	<u>\$ 118,500</u>	<u>\$ 107,238</u>	<u>\$ 117,177</u>
 Transmission and distribution			
Maintenance			
Mains	\$ 7,000	\$ 4,584	\$ 3,031
Other	22,640	19,940	23,288
Transportation expenses	<u>15,230</u>	<u>15,011</u>	<u>13,016</u>
	<u>\$ 44,870</u>	<u>\$ 39,535</u>	<u>\$ 39,335</u>
 Administration			
Collection and service charges	\$ 2,800	\$ 3,417	\$ 2,774
Salaries and benefits	230,311	242,870	242,183
General and office expenses	25,130	23,854	22,145
Regulatory expenses	1,600	1,590	1,590
Miscellaneous	15,240	15,162	14,040
Rent	10,010	10,012	10,012
Insurance	<u>7,000</u>	<u>11,704</u>	<u>6,538</u>
	<u>\$ 292,091</u>	<u>\$ 308,609</u>	<u>\$ 299,282</u>

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

March 31, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 17,677	\$ 7,677
Due from Water operating	<u>-</u>	<u>10,000</u>
	<u>\$ 17,677</u>	<u>\$ 17,677</u>
Reserve		
Reserve, beginning of year	\$ 17,677	\$ 7,677
Deduct:		
Transfer from operating	<u>-</u>	<u>10,000</u>
Reserve, end of year	<u>\$ 17,677</u>	<u>\$ 17,677</u>

On behalf of the Commission

_____, Chairman _____, Commissioner

Village of New Minas
Notes to Non-Consolidated Financial Statements
March 31, 2019

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, 2019

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>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 1,471,675	\$ 1,471,675
Add (Deduct):		
Depreciation	300,060	300,060
Due from operating fund	<u>248,615</u>	<u>(300,060)</u>
Balance, end of year	<u>\$ 2,020,350</u>	<u>\$ 1,471,675</u>

3. Receivables

	<u>2019</u>	<u>2018</u>
Water Rates (net of allowance of \$5,200)	\$ 130,394	\$ 146,281
Other	65,989	65,506
HST Receivable	<u>12,705</u>	<u>68,736</u>
	<u>\$ 209,088</u>	<u>\$ 280,523</u>

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2019

4. Utility Plant in Service

	<u>2019</u>	<u>2018</u>
Land and buildings	\$ 152,453	\$ 152,453
Machinery and equipment	587,000	515,641
Water system	10,868,925	10,536,867
Other	<u>264,547</u>	<u>264,547</u>
	<u>\$11,872,925</u>	<u>\$11,469,508</u>

5. Deferred Assistance

	<u>2019</u>	<u>2018</u>
Assistance towards acquisition of fixed assets	\$ 2,403,973	\$ 2,125,619
Accumulated amortization	<u>406,833</u>	<u>353,857</u>
Balance, end of year	<u>\$ 1,997,140</u>	<u>\$ 1,771,762</u>

6. Accumulated Allowance for Depreciation

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 5,118,197	\$ 4,830,758
Add (Deduct):		
Depreciation	300,060	300,060
Disposal of assets	<u>-</u>	<u>(12,621)</u>
Balance, end of year	<u>\$ 5,418,257</u>	<u>\$ 5,118,197</u>

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2019

7. Rate of Return on Rate Base

For the year ended March 31, 2019, the Water Utility has a rate of return on rate base of (0.40)% (2018 - (0.31%)).

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 \$9,234, (2018-\$8,402).

Village of New Minas

Statement of Capital Projects Funding

Year Ended March 31, 2019

	<u>Total Capital Cost</u>	<u>Capital Fund</u>	<u>Federal Gas Tax Grants</u>	<u>Clean Water & Wastewater Fund</u>
Water system				
Storage Tank/Facility	\$ 85,327	\$ 24,539	\$ -	\$ 60,788
Equipment	3,219	3,219	-	-
Meters	68,141	10,065	58,076	-
Wells	245,178	90,494	-	154,684
Water lines	<u>1,553</u>	<u>1,553</u>	<u>-</u>	<u>-</u>
	<u>\$ 403,418</u>	<u>\$ 129,870</u>	<u>\$ 58,076</u>	<u>\$ 215,472</u>