

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

Year Ended March 31, 2020

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

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

March 31, 2020

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

Statement of Equipment Reserve

March 31, 2020

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

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

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

March 31, 2020

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

Statement of Capital Reserve Fund

March 31, 2020

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

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

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

March 31, 2020

		<u>2020</u>	<u>2019</u>
	Assets		
Cash		\$ <u>500,000</u>	\$ <u>500,000</u>
	Reserve		
Operating Reserve		\$ <u>500,000</u>	\$ <u>500,000</u>

Statement of Operating Reserve Fund

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

On behalf of the Village of New Minas

_____, Chairman _____, Commissioner

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies

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

Revenue and Expenditures

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

Tangible Capital Assets

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

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

Allocation of Municipal Costs to Water Commission Fund

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

2. Accounts receivable

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

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2020

3. Tangible Capital Assets

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

4. Surplus

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

5. Pension and Commitments

The Village contributes 6% of the gross salary of all full time employees to the Municipal Employees Pension Plan, a defined contribution pension plan. Such contributions are refundable if the employee terminates employment prior to vesting. During the year, the Village has contributed \$29,262 (2019 - \$31,257).

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

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

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

Year Ended March 31, 2020

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

Village of New Minas

New Minas, Nova Scotia

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

March 31, 2020

Contents

	Page
Auditors' Report on Supplemental Financial Information	C-1
General Section	
Statement of Operations	C-2
Operating Fund Statement of Financial Position	C-3
Capital Fund Statement of Financial Position	C-4
Statement of Investment in Capital Assets	C-5
Schedules to Statement of Operations	C-6
Special Fund	
Special Reserve Fund - Equipment Reserve	C-7
Notes to Non-Consolidated Financial Statements	C-8 to C-11
Statement of Capital Projects Financing	C-12

Morse Brewster Lake

Chartered Professional Accountants

P.O. Box 718
158 Commercial Street
Berwick, NS
B0P 1E0
Tel: (902) 538-8531
Fax: (902) 538-7610
Email: info@mblcpa.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
July 13, 2020

Morse Brewster Lake

Chartered Professional Accountants
Registered Municipal Auditor

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

Year Ended March 31, 2020

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

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

March 31, 2020

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

Commitment (note 8)

On behalf of the Commission

_____, Chairman _____, Commissioner

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

March 31, 2020

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

On behalf of the Commission

_____, Chairman _____, Commissioner

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

March 31, 2020

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

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

Year Ended March 31, 2020

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

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

March 31, 2020

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

On behalf of the Commission

_____, Chairman _____, Commissioner

Village of New Minas
Notes to Non-Consolidated Financial Statements
March 31, 2020

1. Significant Accounting Policies

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

Non consolidation

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

Basis of Accounting

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

Utility Plant

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

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

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

Amortization

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

Village of New Minas

Notes to Non-Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies (continued)

Allocation of Municipal Costs to Water Utility Funds

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

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

Cash and cash equivalents

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

Use of estimates

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

2. Depreciation Fund

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

3. Receivables

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

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2020

4. Utility Plant in Service

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

5. Deferred Assistance

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

6. Accumulated Allowance for Depreciation

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

Village of New Minas
Notes to Non-Consolidated Financial Statements

March 31, 2020

7. Rate of Return on Rate Base

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

8. Pension

The Village contributes 6% of the gross salary of all full time employees to the Municipal Employees Pension Plan, a defined contribution pension plan. Such contributions are refundable if the employee terminates employment prior to vesting. During the year, the Water Commission has contributed \$10,563, (2019 \$9,234).

Village of New Minas

Statement of Capital Projects Funding

Year Ended March 31, 2020

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