

TOWN OF NEW GLASGOW
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021



Contents

	<u>Page</u>
Management's Responsibility for Financial Reporting	1
Independent Auditors' Report	2, 3
Consolidated Statement of Financial Position	4
Consolidated Statement of Financial Activities	5
Consolidated Statement of Change in Net Financial Liabilities	6
Consolidated Statement of Cash Flow	7
Schedule of General Operating Fund	8
Schedules of Water Operating Fund	9, 10
Schedule of General Capital Fund	11
Schedules of Water Capital Fund	12, 13
Schedule of Reserve Funds	14
Consolidated Statement of Property and Equipment	15
Consolidated Municipal Position	16
Notes to the Consolidated Financial Statements	17-29
Schedules to Consolidated Statement of Financial Activities	30-36
Schedule of Capital Projects Funding	37
Statement of Trust Funds	38



Town of New Glasgow

Management's Responsibility for Financial Reporting

March 31, 2021

The accompanying consolidated financial statements of Town of New Glasgow are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of the estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town maintains systems of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MacDonald & Murphy Inc., independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope to their examination and their opinion of the Town's consolidated financial statements.



Audit Committee Chairperson



Chief Administrative Officer



Date

Independent Auditors' Report

To the Mayor and Council of the
Town of New Glasgow
New Glasgow, Nova Scotia

Opinion

We have audited the financial statements of Town of New Glasgow (the Town), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of financial activities, changes in net financial liabilities and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at March 31, 2021, and its results of operations and its cash flows 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 Town 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 the 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 Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

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

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:

(continues)



Independent Auditors Report to the Members of Town of New Glasgow (continued)

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 Town'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 Town'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 Town 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.

New Glasgow, Nova Scotia
September 20, 2021

MacDonald & Murphy Inc.

Chartered Professional Accountants

Town of New Glasgow

Consolidated Statement of Financial Position

March 31

2021

2020

(in thousands)

FINANCIAL ASSETS

Cash	\$	9,707.9	\$	6,897.4
Receivables				
Taxes (Note 3)		1,286.4		1,450.8
Due from Federal Government and its agencies		147.0		199.0
Due from Provincial Government and its agencies		438.6		234.3
Due from New Scotland Business Park		1,101.8		130.0
Due from Town of Westville		1.9		2.8
Due from Town of Trenton		14.5		10.9
Due from Town of Pictou		18.6		21.7
Due from Town of Stellarton		1.9		6.3
Due from Municipality of Pictou County		86.5		135.0
Trade accounts		122.2		63.4
Water rates		573.3		663.7
		<u>13,500.6</u>		<u>9,815.1</u>

FINANCIAL LIABILITIES

Bank indebtedness (Note 6)		1,018.6		708.9
Trade payables		2,714.3		2,596.5
Prepaid taxes		299.9		232.9
Long term debt (Note 7)		9,378.9		9,602.1
Capital lease obligations (Note 8)		47.2		93.4
Term loan obligations (Note 9)		827.5		937.7
		<u>14,286.4</u>		<u>14,171.5</u>

NET FINANCIAL LIABILITIES

<u>(785.8)</u>	<u>(4,356.4)</u>
----------------	------------------

NON-FINANCIAL ASSETS

Capital assets - net of accumulated amortization (Page 15)		59,833.2		61,692.9
Investment in New Scotland Business Development				
Incorporated (Note 14)		337.2		262.2
Inventories		371.8		414.1
Unamortized debt discount		19.1		18.1
Prepaid expenses		83.5		109.2

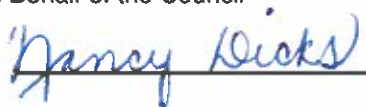
NET NON-FINANCIAL ASSETS

<u>60,644.9</u>	<u>62,496.5</u>
-----------------	-----------------

ACCUMULATED SURPLUS

<u>\$ 59,859.1</u>	<u>\$ 58,140.1</u>
--------------------	--------------------

On Behalf of the Council

 Mayor

 CAO

Town of New Glasgow

Consolidated Statement of Financial Activities

Year Ended March 31

2021

2020

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Taxes	30	\$ 14,039.2	\$ 14,649.9	\$ 14,335.3
Grants in lieu of taxes	30	65.5	63.1	65.2
Sale of services	31	836.6	828.5	858.2
Other revenue from own sources	31	574.1	544.4	672.8
Transfers from government	31	1,558.8	2,062.7	1,558.7
Water revenues	32	3,624.2	3,542.2	3,576.3
Grants for capital	32		798.9	2,112.2
Other revenue	32	35.0	49.2	139.3
Other proceeds	32		107.7	33.4
Total revenue		<u>20,733.4</u>	<u>22,646.6</u>	<u>23,351.4</u>
Expenditures				
General government services	33	2,016.7	2,174.4	2,198.4
Protective services	33	6,298.0	6,256.1	6,744.2
Transportation services	34	3,558.3	4,167.6	4,363.8
Environmental health services	34	1,684.3	1,822.9	1,747.1
Public health services	34	5.0	5.0	5.0
Marketing and communications	35	30.5	4.5	21.2
Community development	35	594.8	839.6	957.1
Water treatment and distribution	36	3,600.1	2,918.6	2,908.3
Other transfers and grants	36	711.9	1,374.3	1,081.8
Reserve for taxes and other receivables	36	42.5	92.0	1.3
Cost of assets disposed, net			1,272.6	5.1
Total expenditures		<u>18,542.1</u>	<u>20,927.6</u>	<u>20,033.3</u>
Net surplus		<u>\$ 2,191.3</u>	<u>1,719.0</u>	<u>3,318.1</u>
Accumulated surplus, beginning of year			<u>58,140.1</u>	<u>54,822.0</u>
Accumulated surplus, end of year			<u>\$ 59,859.1</u>	<u>\$ 58,140.1</u>

Town of New Glasgow**Consolidated Statement of Change in Net Financial Liabilities**

Year Ended March 31

2021

2020

(in thousands)

	Actual	Actual
Net surplus	\$ 1,719.0	\$ 3,318.1
Changes in tangible capital assets		
Acquisition of capital assets	(2,118.4)	(4,055.1)
Amortization of capital assets	2,705.6	2,672.0
Cost of assets sold, net of accumulated amortization	1,272.6	5.1
Increase in net book value of tangible capital assets	1,859.8	(1,378.0)
Changes in other non-financial assets		
Acquisition of equity interest in New Scotland Business Park	(75.0)	(68.8)
Acquisition of inventories	(371.8)	(414.1)
Acquisition of prepaid expense	(83.5)	(113.0)
Amortization of debt discount	(1.3)	(0.6)
Consumption of inventories	414.1	334.8
Use of prepaid expense	109.2	153.7
	(8.3)	(108.0)
Change in net financial liabilities	3,570.5	1,832.1
Net financial liabilities, beginning of year	(4,356.4)	(6,188.5)
Net financial liabilities, end of year	\$ (785.8)	\$ (4,356.4)

Town of New Glasgow

Consolidated Statement of Cash Flow

Year Ended March 31

2021

2020

(in thousands)

Increase (decrease) in cash and cash equivalents

Operating activities

Net surplus	\$ 1,719.0	\$ 3,318.1
Change in taxes receivable	164.4	139.2
Change in water rates receivable	90.4	(43.7)
Change in accounts receivable	(1,129.7)	117.8
Change in other assets	67.0	(35.4)
Change in accounts payable and accrued liabilities	184.8	211.9
	<u>1,095.8</u>	<u>3,707.9</u>

Capital activities

Increase in net book value of capital assets	1,859.7	(1,381.8)
Investment in New Scotland Business Development	(75.0)	(68.8)
	<u>1,784.7</u>	<u>(1,450.6)</u>

Financing activities

Long term debt issued	1,447.1	1,541.5
Term debt issued	228.1	
Debt principal repayment	(1,670.2)	(1,766.0)
Term loan repayment	(338.3)	(351.5)
Capital lease obligation repayment	(46.3)	(50.4)
	<u>(379.6)</u>	<u>(626.4)</u>

Net change in cash and cash equivalents

2,500.9 1,630.9

Cash and cash equivalents

Beginning of year	<u>6,188.4</u>	<u>4,557.5</u>
End of year	<u>\$ 8,689.3</u>	<u>\$ 6,188.4</u>

Comprised of

Cash	\$ 9,707.9	\$ 6,897.4
Bank indebtedness	(1,018.6)	(708.9)
	<u>\$ 8,689.3</u>	<u>\$ 6,188.4</u>

Town of New Glasgow

Schedule of General Operating Fund

Year Ended March 31

2021

2020

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Taxes	30	\$ 14,039.2	\$ 14,649.9	\$ 14,335.3
Grants in lieu of taxes	30	65.5	63.1	65.2
Sale of services	31	836.6	828.5	858.2
Other revenue from own sources	31	574.1	544.4	672.8
Transfers from governments	31	1,558.8	2,062.7	1,558.7
Other revenue	32	35.0	46.0	127.4
Total revenue		<u>17,109.2</u>	<u>18,194.6</u>	<u>17,617.6</u>
Expenditures				
General government services	33	2,016.7	1,927.9	1,916.0
Protective services	33	6,298.0	5,979.6	6,416.1
Transportation services	34	3,558.3	2,961.8	3,236.4
Environmental health services	34	1,684.3	1,667.6	1,591.2
Public health services	34	5.0	5.0	5.0
Marketing and communications	35	30.5	4.5	21.2
Community development	35	594.8	568.2	678.1
Other transfers and grants	36	711.9	1,374.3	1,081.8
Reserve for taxes and other receivables	36	42.5	92.0	1.3
Total expenditures		<u>14,941.9</u>	<u>14,580.9</u>	<u>14,947.1</u>
Net revenues		<u>2,167.3</u>	<u>3,613.7</u>	<u>2,670.5</u>
Financing and transfers				
Debt principal repayment		(1,293.6)	(1,292.4)	(1,421.5)
Term loan repayment		(260.7)	(260.7)	(259.0)
Capital lease repayment		(46.3)	(46.3)	(50.4)
Transfers from (to) operating fund reserve		198.30	(411.8)	
Transfers from (to) general capital fund				
Capital out of revenue		(75.0)	(128.5)	(83.9)
Transfers from (to) water operating fund				
Administration			100.0	
Fire protection charge		(825.0)	(825.0)	(825.0)
Tax levy		135.0	133.2	133.2
Net financing and transfers		<u>(2,167.3)</u>	<u>(2,731.5)</u>	<u>(2,506.6)</u>
Change in general operating fund			882.2	163.9
Transfers from (to) operating fund reserve			(882.2)	(163.9)
General operating fund, beginning of year				
General operating fund, end of year		<u>\$</u>	<u>\$</u>	<u>\$</u>

Town of New Glasgow
Schedule of Water Operating Fund
Statement of Changes in Fund Balance

Year Ended March 31

2021

2020

		(in thousands)		
	Page	Budget	Actual	Actual
Revenue				
Water revenue		\$ 3,600.4	\$ 3,518.7	\$ 3,556.0
Other revenue		23.8	23.5	20.3
Total revenue	33	<u>3,624.2</u>	<u>3,542.2</u>	<u>3,576.3</u>
Expenditures				
Transmission and distribution	36	2,983.9	2,288.4	2,311.6
Interest and bank charges	36	86.2	80.2	97.3
Total expenditures		<u>3,070.1</u>	<u>2,368.6</u>	<u>2,408.9</u>
Net revenues (expenditures)		<u>554.1</u>	<u>1,173.6</u>	<u>1,167.4</u>
Financing and transfers				
Debt principal repayment		(377.8)	(377.8)	(344.5)
Repayment of term loans			(77.5)	(92.5)
Transfers from (to) general operating fund				
Administration			(100.0)	
Fire protection charge		825.0	825.0	825.0
Tax levy		(135.0)	(133.2)	(133.2)
Transfers to water capital fund				
Land reserve		(35.0)	(35.0)	(35.0)
Capital out of revenue		(100.0)	(123.8)	(195.6)
Depreciation charge		(530.0)	(550.0)	(499.2)
Net financing and transfers		<u>(352.8)</u>	<u>(572.3)</u>	<u>(475.0)</u>
Change in water operating fund		<u>\$ 201.3</u>	<u>601.3</u>	<u>692.4</u>
Water operating fund, beginning of year			<u>2,771.2</u>	<u>2,078.8</u>
Water operating fund, end of year			<u>\$ 3,372.5</u>	<u>\$ 2,771.2</u>

Town of New Glasgow
Schedule of Water Operating Fund
Statement of Financial Position

Year Ended March 31

2021

2020

(in thousands)

Assets

Cash	\$ 2,904.3	\$ 1,812.0
Receivables		
Rates (less allowance for doubtful accounts)	569.4	664.0
Other		
Due from own funds and agencies		
Water capital fund	1.9	375.4
Prepays	0.6	1.6
Inventories, at cost		6.7
	<u>\$ 3,476.2</u>	<u>\$ 2,859.7</u>

Liabilities

Payables and accruals	\$ 103.7	\$ 88.5
Total financial liabilities	103.7	88.5

Equity

Surplus	3,372.5	2,771.2
	<u>\$ 3,476.2</u>	<u>\$ 2,859.7</u>

Town of New Glasgow

Schedule of General Capital Fund

Year Ended March 31

2021

2020

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Federal accessibility grant	\$	\$	\$ 2.0
Provincial accessibility grant			18.0
Provincial beautification grant			9.7
Library Revitalization Grant			5.0
Provincial emergency response grant		20.0	
TransCanada Trail		8.4	4.0
		<u>28.4</u>	<u>38.7</u>
Expenditures			
General government	163.3	148.6	97.6
Protective services	273.9	206.5	829.1
Transportation services	1,401.1	1,223.6	1,408.0
Environmental health services			36.4
Recreation services	116.9	134.6	304.0
Investment, New Scotland Business Dev. Inc		75.0	68.8
Total expenditures (Page 38)	<u>1,955.2</u>	<u>1,788.3</u>	<u>2,743.9</u>
Net expenditures	<u>(1,955.2)</u>	<u>(1,759.9)</u>	<u>(2,705.2)</u>
Financing and transfers			
Debenture MFC	611.9	488.5	1,047.1
Temporary borrowing			24.0
Loan financing	148.7	157.5	90.4
Transfers from general operating fund			
Capital out of revenue	75.0	128.5	83.9
Transfers from (to) reserve funds			
Operating reserve			(24.0)
Equipment reserve	4.1		48.7
Special reserve	64.9	48.7	102.3
Gas tax reserve	1,125.6	936.7	1,299.9
Parkland reserve			33.0
Net financing and transfers	<u>2,030.2</u>	<u>1,759.9</u>	<u>2,705.2</u>
Change in general capital fund	<u>\$ 75.0</u>		
General capital fund, beginning of year		<u>0.2</u>	<u>0.2</u>
General capital fund, end of year		<u>\$ 0.2</u>	<u>\$ 0.2</u>
Cash - unrestricted		<u>\$ 0.2</u>	<u>\$ 0.2</u>

Town of New Glasgow
Schedule of Water Capital Fund
Statement of Changes in Fund Balance

Year Ended March 31

2021

2020

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Federal government funding CWWF program	\$	\$	\$ 480.8
Interest income		2.4	10.7
Total revenue		<u>2.4</u>	<u>491.5</u>
Expenditures (Page 37)			
Water treatment and distribution	2,273.0	<u>405.1</u>	<u>1,416.8</u>
Net expenditures	<u>(2,273.0)</u>	<u>(402.7)</u>	<u>(925.3)</u>
Financing and transfers			
Debenture MFC	1,651.0		70.3
Loan financing	72.0	70.6	
Capital out of revenue	100.0	123.8	195.6
Depreciation charge	530.0	550.0	499.2
Land reserve	35.0	35.0	35.0
Net financing and transfers	<u>2,388.0</u>	<u>779.4</u>	<u>800.2</u>
Change in water capital fund	<u>\$ 115.0</u>	<u>376.7</u>	<u>(125.1)</u>
Water capital fund, beginning of year		<u>1,759.4</u>	<u>1,884.5</u>
Water capital fund, end of year		<u>\$ 2,136.2</u>	<u>\$ 1,759.4</u>
Allocation of fund balance			
Land reserve		\$ 620.5	\$ 583.1
Depreciation cash		1,515.7	1,176.3
		<u>\$ 2,136.2</u>	<u>\$ 1,759.4</u>

Town of New Glasgow
Schedule of Water Capital Fund
Statement of Financial Position

Year Ended March 31	2021	2020
	(in thousands)	
Assets		
Cash		
Water land reserve fund	\$ 620.5	\$ 583.1
Depreciation fund	1,515.7	1,176.3
Due to own funds and agencies		
General Operating fund	236.2	
Unamortized debenture discount	19.1	18.1
Utility plant and equipment (Page 15)	37,351.6	37,231.3
	<u>\$ 39,743.2</u>	<u>\$ 39,008.9</u>
Liabilities		
Due to own funds and agencies		
Water operating fund	\$ 1.9	\$ 375.4
Accumulated allowance for depreciation (Page 15)	10,824.6	10,280.2
Long term debt	2,851.1	2,828.9
Term debt obligations	193.3	200.1
	<u>13,870.9</u>	<u>13,684.6</u>
Municipal position		
Investment in capital assets	25,251.8	24,741.2
Water land reserve	620.5	583.1
	<u>25,872.3</u>	<u>25,324.3</u>
	<u>\$ 39,743.2</u>	<u>\$ 39,008.9</u>

Town of New Glasgow
Schedule of Water Capital Fund
Statement of Investment in Capital Assets

Year Ended March 31	2021	2020
	(in thousands)	
Balance, beginning of year	\$ 24,741.2	\$ 23,285.9
Long term debt repayments	377.8	344.5
Federal funding CWWF waterline replacement		480.8
Term debt repayments	77.5	92.5
Capital additions out of revenue	123.8	195.6
Disposal of Capital Assets, net	(279.2)	
Capital funding from		
Watershed Reserve		18.2
Depreciation funds	210.7	323.6
	<u>510.6</u>	<u>1,455.3</u>
Balance, end of year	<u>\$ 25,251.8</u>	<u>\$ 24,741.2</u>

Town of New Glasgow

Schedule of Reserve Funds

Year Ended March 31

2021

2020

(in thousands)

	Budget	Actual	Actual
Revenue			
Investment income	\$	\$ 0.8	\$ 1.2
Parkland transfers		4.1	11.5
Canada/NS Gas tax agreement		770.5	1,592.7
Proceeds from sale of assets		103.6	25.7
Total revenue		879.0	1,631.0
Financing and transfers			
Transfers from general operating fund			
General operating fund surplus		882.3	163.9
General operating	(198.3)	411.8	
Transfer from water capital fund			328.2
Transfers to (from) general capital fund			
Operating reserve			24.0
Equipment reserve	(4.1)		(48.7)
Special reserve	(64.9)	(48.7)	(102.3)
Rink Reserve			
Gas tax reserve	(1,125.6)	(936.7)	(1,299.9)
Parkland reserve			(33.0)
Net financing and transfers	(1,392.9)	308.6	(967.8)
Change in reserve funds balance	\$ (1,392.9)	1,187.6	663.3
Reserve funds balance			
Beginning of year		3,479.6	2,816.3
End of year		\$ 4,667.2	\$ 3,479.6
Reserves			
Equipment		\$ 9.0	\$ 8.1
Special		324.9	274.7
Power Board		0.8	0.8
Canada/NS Gas Tax		133.1	298.6
Water capital reserve		405.9	402.3
Central treatment plant		36.7	36.7
Parkland transfers		17.8	13.7
General operating		3,739.0	2,444.7
		\$ 4,667.2	\$ 3,479.6

Town of New Glasgow
Consolidated Statement of Property and Equipment

March 31

	Land	Land improvements	Buildings	Equipment	Roads and transportation services	Engineered structures	Total 2021	Total 2020
	(in thousands)							
General capital								
Cost:								
Balance, beginning of year	\$ 2,462.0	\$ 2,869.9	\$ 10,617.3	\$ 10,274.0	\$ 28,275.7	\$ 13,553.3	\$ 68,252.3	\$ 65,928.1
Acquisition of capital assets		100.6	77.5	330.1	1,205.2		1,713.4	2,642.1
Disposition of capital assets	(88.0)		(1,814.4)	(1,054.4)			(2,956.8)	(317.9)
Balance, end of year	2,374.0	2,970.5	9,080.4	9,549.7	29,480.9	13,553.3	67,008.9	68,252.3
Accumulated amortization:								
Balance, beginning of year		1,439.3	5,264.2	6,313.5	17,382.1	3,111.4	33,510.5	31,650.5
Annual amortization		47.4	283.0	763.3	882.5	179.4	2,155.6	2,172.8
Accumulated amortization on disposals			(909.0)	(1,054.4)			(1,963.4)	(312.8)
Balance, end of year		1,486.7	4,638.2	6,022.4	18,264.6	3,290.8	33,702.7	33,510.5
Net book value of general capital	\$ 2,374.0	\$ 1,483.8	\$ 4,442.2	\$ 3,527.3	\$ 11,216.3	\$ 10,262.5	\$ 33,306.1	\$ 34,741.7
Water capital								
Cost:								
Balance, beginning of year	\$ 237.6		\$ 12,782.0	\$ 3,312.2		\$ 20,899.6	\$ 37,231.3	\$ 35,814.5
Acquisition of capital assets			90.6	249.6		64.9	405.1	1,416.8
Disposition of capital assets			(5.6)	(279.2)			(284.8)	
Balance, end of year	237.6		12,872.6	3,561.8		20,964.5	37,351.6	37,231.3
Accumulated amortization:								
Balance, beginning of year			2,196.7	2,366.6		5,716.9	10,280.2	9,781.0
Annual amortization			186.1	177.8		186.1	550.0	499.2
Accumulated amortization on disposals			(5.6)				(5.6)	
Balance, end of year			2,382.8	2,544.4		5,903.0	10,824.6	10,280.2
Net book value of water capital	\$ 237.6	\$	\$ 10,489.8	\$ 1,017.4	\$	\$ 15,061.6	\$ 26,527.1	\$ 26,951.1
Total consolidated capital	\$ 2,611.6	\$ 1,483.8	\$ 14,932.1	\$ 4,544.7	\$ 11,216.3	\$ 25,324.1	\$ 59,833.2	\$ 61,692.9

Town of New Glasgow

Consolidated Municipal Position

March 31

2021

2020

(in thousands)

Operating and reserve fund balances

General operating fund (Page 8)	\$		\$	
Water operating fund (Page 9)		3,372.5		2,771.2
General capital fund (Page 11)		0.2		0.2
Water capital fund (Page 12)		2,136.2		1,759.4
Reserve funds (Page 14)		4,667.2		3,479.6
		<u>10,176.1</u>		<u>8,010.4</u>

Investment in capital assets

Balance, beginning of year	\$	50,129.7	\$	48,042.2
Capital funding from				
General operations		128.5		83.9
Water operations		123.8		195.6
Gas tax reserve		936.7		1,299.9
Depreciation funds		210.7		323.6
Special reserve		48.7		102.3
Equipment reserve				48.7
Watershed reserve				18.2
Capital grants		28.4		524.6
Repayment of long term debt		1,670.2		1,766.0
Capital lease obligation repayment		46.3		50.4
Repayment of term loans		338.2		351.5
Amortization expense - general capital		(2,155.6)		(2,172.8)
Amortization expense - water capital		(550.0)		(499.2)
Cost of assets disposed, net of accumulated amortization		(1,272.6)		(5.1)
Balance, end of year	\$	<u>49,683.0</u>	\$	<u>50,129.7</u>
Consolidated municipal position	\$	<u>59,859.1</u>	\$	<u>58,140.1</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

1. Significant accounting policies

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

Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

- (i) The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The operating funds, capital funds and reserve funds include the activities of all committees of Council. Interdepartmental and organization transactions and balances are eliminated.
- (ii) The financial activities of certain entities associated with the Town are not consolidated. The Town's contributions to these entities are recorded in the Consolidated Statements of Financial Activities as disclosed in Note 10.
- (iii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school board are not reflected in the municipal fund balances of the financial statements.

(b) Basis of accounting

Revenues are recorded on the accrual basis of accounting, whereby revenues are recognized as they are earned and measurable. Certain sources of revenue are recorded on a cash basis. Expenditures are recognized in the period goods and services are acquired and a liability is incurred or transfers are due.

(c) Fund accounting

Funds within the consolidated financial statements consist of the operating funds, capital funds and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

The operating funds reflects the financial activities associated with the provision of municipal government services for general, water and stadium operations.

The capital funds reflects the financial activities associated with the acquisition, construction and funding of capital assets.

The reserve funds reflects funds authorized by Council to be set aside for the funding of future operations, capital assets or the retirement of long term debt.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

(d) Capital assets

General and Other Funds

Capital assets and projects in progress are recorded at cost. Funds received through capital assistance programs, cost-sharing arrangements or loan forgiveness are treated as additions to the Investment in Capital Assets. Interest incurred during construction on significant capital projects is capitalized.

For years beginning on or after January 1, 2009, municipalities are required to adopt Public Sector Accounting Standards Section PS 3150 Tangible Capital Assets. This section requires amortization of tangible capital assets recorded in the General Capital Fund be recorded each year based on rates that represent the assets useful economic life.

The Town of New Glasgow has established a policy of straight line amortization, 1/2 in year of acquisition, at the following rates:

Sewer lines	50 years
Buildings	40 years
Sidewalks	30 years
Land improvements	25 years
Streets	20 years
Bridges	20 years
Traffic and street lights	20 years
Playground structures	20 years
Machinery and heavy equipment	10 years
Vehicles	5 years
Equipment	5 years
Computer equipment	3 years

Water capital fund

Capital assets and projects in progress are recorded at the utility's net cost on a non-consolidated basis. Funds received through capital assistance programs or cost-sharing arrangements are treated as a reduction in the cost of the asset acquired for amortization calculation purposes. The capital assistance program funds are added to the investment in capital assets for consolidation purposes.

Amortization - water capital fund

Amortization of fixed assets is recorded in the water capital fund calculated on a straight line basis over their estimated lives as prescribed by the Nova Scotia Utility and Review Board.

The depreciation charge in the water operating fund is transferred to a special bank account in the water capital fund which is used to help fund replacement of existing plant and equipment or, subject to approval by the NS Utility and Review Board, to repay principal of capital debt.

(e) Allocation of municipal costs to water utility funds

Where identifiable, costs incurred by the Town general operating fund on behalf of the water utility are charged to the utility funds. Salary and wage related costs are allocated in proportion to time spent performing functions on behalf of the water utility. Administration and general expenses incurred for the benefit of both the municipal units and water utility are allocated on a percentage basis to each fund.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

(f) **Unamortized deferred charges**

The discounts on the water capital fund debentures are being amortized to the water operating fund on a straight line basis over the term of the debenture.

(g) **Inventory**

Inventory is valued at the lower of cost and net realizable value.

(h) **Government transfers**

Government transfers are recognized in the financial statements as revenues in the period in which the events giving rise to the transfer occur, provided the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

(i) **Investment income**

Investment income earned on operating, capital and reserve funds are reported as revenue in the period earned.

(j) **Valuation allowances**

Uncollected taxes

The Town is required to provide a valuation allowance in accordance with the requirements of the NS Financial Reporting and Accounting Manual, based on an estimate of future losses on taxes, rates and interest outstanding at fiscal year end.

Other receivables

In the water utility, a valuation allowance is provided for estimated losses that will be incurred on rates receivable outstanding.

(k) **Use of estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles for municipal governments required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Where estimation uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(l) **Cash**

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

(m) **Segmented information**

The Town of New Glasgow is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General government services

This department is responsible for the overall financial and local government administration. Its tasks include tax administration, trade payables and receivables, budgets, financial statements and adherence to the *Municipal Government Act*.

Protective services

The Town is primarily responsible for fire protection for its residents. The Town pays the operating and capital expenditures for the police and fire departments. Other protective services include fees paid to the province for correctional services.

Transportation services

The Town is responsible for the maintenance and construction of local roads and sidewalks including snow removal. They are also responsible for the street lighting within the Town.

Environmental health services

This department is responsible for the maintenance and operations of waste and sewer services provided to the residents and other customers.

Marketing and communications

This department is responsible for promoting the Town of New Glasgow, Town events and works with the mayor and all departments to communicate Town activities to the residents.

Community development

This department is responsible for promoting and offering recreation opportunities and activities to the Town's residents. This department is also responsible for the maintenance and operations of parks and recreation facilities for the benefit of all residents.

2. Depreciation fund

	2021	2020
	(in thousands)	
Cash, beginning of year	\$ 1,176.3	\$ 999.6
Add: depreciation	550.0	499.2
Less: funds used for capital projects	(210.7)	(322.5)
Balance, end of year	<u>\$ 1,515.7</u>	<u>\$ 1,176.3</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

3. Taxes and rates receivable

			2021	2020
			(in thousands)	
	Current Year	Prior Years	Total	Total
Balance, beginning of year	\$	\$ 984.5	\$ 984.5	\$ 1,211.2
Current period tax & rate levy	16,599.6		16,599.6	16,290.3
	16,599.6	984.5	17,584.1	17,501.5
Collections & write-offs	(15,954.9)	(749.8)	(16,704.7)	(16,517.0)
Balance, end of year	\$ 644.7	\$ 234.7	879.4	984.5
Pollution control receivable			494.2	460.8
Interest receivable			48.9	49.9
			1,422.5	1,495.2
Less: Valuation allowance (Note 4)			(136.1)	(44.4)
			\$ 1,286.4	\$ 1,450.8

4. Valuation allowance - uncollected taxes and rates

	2021	2020
	(in thousands)	
Balance, beginning of year	\$ 44.4	\$ 158.4
Add: Increase in allowance for year	92.0	16.3
Less: Approved write offs/collections	0.3	130.3
Balance, end of year	\$ 136.1	\$ 44.4

5. Segmented amortization

The following are the current year amortization amounts recognized in the General Capital fund as a result of PS 3150 of the Public Sector Accounting Standards.

	2021	2020
	(in thousands)	
General government services	\$ 246.5	\$ 282.4
Protective services	276.5	328.1
Transportation services	1,205.8	1,127.4
Environmental health services	155.4	155.9
Community development	271.4	278.9
	\$ 2,155.6	\$ 2,172.8

6. Bank indebtedness

The Town has a consolidated operating line of credit with The Bank of Nova Scotia to an approved consolidated limit of \$4,000,000. The line of credit limit has been approved by the bank based on a resolution of the Town's Council authorizing the borrowing limit. The bank does not hold security on this debt and charges interest at prime minus 0.60% per annum.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

7. Long term debt

	2021	2020
	(in thousands)	
Debentures Issued to Provincial Government or its agencies		
NS Municipal Finance Corporation		
Streets 25-A-1 due 2021	\$	\$ 32.2
Equipment 26-A-1 due 2021	88.0	102.6
Water treatment plant 30-A-1 due 2020		200.0
Water 31-A-1 due 2021	29.5	58.9
Equipment 30-A-1 due 2020		558.7
Glasgow Square 30-A-1 due 2025	600.0	660.0
Equipment 31-A-1 due 2021	122.6	245.1
Equipment 32-A-1 due 2022	443.1	664.7
Equipment 32-B-1 due 2022	93.0	139.6
Equipment 33-A-1 due 2023	192.2	256.2
Equipment 34-A-1 due 2024	254.6	318.3
Equipment 35-A-1 due 2025	681.7	818.1
Equipment 36-A-1 due 2026	395.3	471.1
Equipment 37-A-1 due 2032	573.4	680.6
Water treatment plant 37-A-1 due 2032	1,190.0	1,260.0
Water 37-B-1 due 2033	765.0	810.0
Equipment 38-A-1 due 2033	778.8	898.9
Water 39-A-1 Due 2034	466.7	500.0
Equipment 39-A-1 Due 2034	807.3	927.1
Equipment 40-A-1 Due 2035	1,497.7	
Water 40-A-1 Due 2035	400.0	
	<u>\$ 9,378.9</u>	<u>\$ 9,602.1</u>

The above debentures bear interest at rates that range between 0.678% and 4.56%.

Principal repayments required during the next five years, assuming rates and terms remain the same on renewal, are as follows:

	General Capital	Water Capital	Total
2022	\$ 1,344.2	\$ 204.5	\$ 1,548.7
2023	1,121.7	175.0	1,296.7
2024	818.2	175.0	993.2
2025	704.6	175.0	879.6
2026	874.2	175.0	1,049.2

A temporary borrowing resolution has been issued until permanent financing is secured with the NS Municipal Finance Corporation. A debenture will be floated to finance capital acquisitions incurred to March 31, 2021 for the following purposes:

Transportation	\$ 326.6
Recreation	51.2
Protective services	33.9
General government	76.8
	<u>\$ 488.5</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

8. Capital lease obligations

	2021	2020
	(in thousands)	
Capital lease obligation repaid during the year.	\$	\$ 28.7
Capital lease obligation, with interest of 2.79% implicit in the lease payments, payable in monthly instalments of \$1,584. The obligation is secured by a 2016 backhoe.	47.2	64.7
	<u>\$ 47.2</u>	<u>\$ 93.4</u>
Principal repayments required during the next two years are as follows:		

	General Capital	Total
2022	47.2	47.2

9. Term debt obligations

	2021	2020
	(in thousands)	
Term loan, with interest at 4.36%, payable in monthly instalments of \$1,314 including interest. The obligation is secured by a 2012 Trackless.	15.4	30.2
Term loan repaid during the year.		22.4
Term loan repaid during the year.		53.2
Term loan repaid during the year.		2.5
Term loan, with interest at 3.04%, payable in monthly instalments of \$370 including interest. The obligation is secured by a 2016 Dodge Grand Caravan.	3.6	7.9
Term loan, with interest at 3.04%, payable in monthly instalments of \$657 including interest. The obligation is secured by a 2016 Dodge Ram truck.	6.5	14.1
Term loan, with interest at 3.44%, payable in monthly instalments of \$697 including interest. The obligation is secured by a 2018 Dodge Ram truck.	13.5	21.3
	<u>\$ 39.0</u>	<u>\$ 151.6</u>
	Continues on next page	

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

9. Term debt obligations (continued)

	2021	2020
	(in thousands)	
Balance forward:	\$ 39.0	\$ 151.6
Term loan, with interest at 3.44%, payable in monthly instalments of \$657 including interest. The obligation is secured by a 2017 Dodge Ram truck.	12.7	20.0
Term loan, with interest at 3.60%, payable in monthly instalments of \$2,495 including interest. The obligation is secured by a 2017 sidewalk plow.	128.4	153.3
Term loan, with interest at 3.66%, payable in monthly instalments of \$1,488 including interest. The obligation is secured by computer equipment.	4.4	21.8
Term loan, with interest at 3.66%, payable in monthly instalments of \$1,014 including interest. The obligation is secured by a 2017 Ford Explorer.	3.0	14.9
Term loan, with interest at 2.75%, payable in monthly instalments of \$521 including interest. The obligation is secured by a 2017 Mazda car.	7.7	13.6
Term loan repaid during the year.		5.5
Term loan, with interest at 2.99%, payable in monthly instalments of \$504 including interest. The obligation is secured by a 2017 Ford Escape.	6.4	12.2
Term loan, with interest at 1.99%, payable in monthly instalments of \$2,559 including interest. The obligation is secured by a 2017 Excavator.	44.5	73.7
Term loan, with interest at 4.31%, payable in monthly instalments of \$704 including interest. The obligation is secured by a 2018 Promaster Meter Van.	20.0	27.4
Term loan, with interest at 4.56%, payable in monthly instalments of \$1,105 including interest. The obligation is secured by a 2018 Dodge Ram.	45.5	56.5
Term loan, with interest at 0%, payable in monthly instalments of \$576. The obligation is secured by a 2018 Ford Escape.	16.1	23.0
	\$ 327.7	\$ 573.5
	Continues on next page	

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

9. Term debt obligations (continued)

	2021	2020
	(in thousands)	
Balance forward	\$ 327.7	\$ 573.5
Term loan, with interest at 4.11%, payable in monthly instalments of \$3,429 including interest. The obligation is secured by a 2018 Plow Truck.	154.4	188.5
Term loan, with interest at 4.31%, payable in monthly instalments of \$642 including interest. The obligation is secured by a 2016 Dodge Ram 2500.	18.2	25.0
Term loan, with interest 4.56%, payable in monthly instalments of \$894 including interest. The obligation is secured by a 2019 Ford Mechanic Truck.	36.8	45.7
Term loan, with interest 3.24%, payable in monthly instalments of \$366 including interest. The obligation is secured by a Boom Flail.	14.5	18.4
Term loan, with interest 2.91%, payable in monthly instalments of \$665 including interest. The obligation is secured by a 2015 GMC Truck.	14.9	22.3
Term loan, with interest 2.91%, payable in monthly instalments of \$1,372 including interest. The obligation is secured by a 2020 Ford Explorer.	30.7	46.0
Term loan, with interest 3.80%, payable in monthly instalments of \$639 including interest. The obligation is secured by Computer Equipment.	11.2	18.3
Term loan, with interest 1.42%, payable in monthly instalments of \$2,005 including interest. The obligation is secured by a 200KWE GENSET Generator.	70.6	
Term loan, with interest 1.52%, payable in monthly instalments of \$1,343 including interest. The obligation is secured by a 2020 Ford Explorer.	38.2	
Term loan, with interest 1.41%, payable in monthly instalments of \$3,131 including interest. The obligation is secured by Computer Equipment.	110.3	
	<u>\$ 827.5</u>	<u>\$ 937.7</u>

Principal repayments required during the next five years are as follows:

	General Capital	Water Capital	Total
2022	\$ 224.7	\$ 79.4	\$ 304.1
2023	255.0	63.7	318.7
2024	144.7	50.1	194.8
2025	9.9		9.9
2026			

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

10. Contributions to Boards and Commissions

(a) Glasgow Square - 100% interest

The Town is to finance the operations of Glasgow Square out of its current operations. Contributions from the Town of New Glasgow for operational purposes during the fiscal year ended March 31, 2021 was \$47,929.

(b) The Town of New Glasgow provides contributions for operations to the following:

<u>Board</u>	<u>Contribution</u>	
	<u>2021</u>	<u>2020</u>
	(in thousands)	
Pictou County Wellness Centre	\$ 416.7	\$ 357.5
Pictou Antigonish Regional Library	83.4	83.4
Pictou County Solid Waste Management	583.9	563.6
East River Environmental Control Centre	933.4	916.3
Eastern Mainland Housing Authority (a)	222.7	230.8
District School Board (b)	1,749.6	1,753.7

(a) The Town is charged 25% of the operating deficit of all Section 43 and 12 - 1/2% of the deficit of all Section 40 projects located in the Town.

(b) The amount paid by the Town to the Board to finance its operations is based on an approved budget. The Town does not share in any deficit nor receive credit for any surplus.

11. Contingencies

Glen Haven Manor Corporation

The Town of New Glasgow, together with the Towns of Stellarton, Trenton and Westville, have jointly guaranteed a bank loan of the Corporation to the maximum of \$1,125,000 for the expansion of the Corporation's building. The Municipal Finance Corporation has issued a borrowing for a loan in the amount of \$1,125,000 plus a \$10,513 discount on bond issue. The outstanding balance of this bank loan at March 31, 2021 is \$71,010.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

12. Other

Total remuneration and reimbursed expenses paid to elected and senior appointed officials of the Town of New Glasgow are as follows:

		<u>Position</u>	<u>Remuneration</u>	<u>Reimbursed Expenses</u>	<u>Total</u>
Nancy Dicks		Mayor	\$ 30,351	\$ 1,840	\$ 32,191
Jocelyn Dorrington		Councillor	19,222	194	19,416
Jack Lewis	Former	Deputy Mayor/Councillor	12,651	31	12,682
Clyde Fraser		Councillor	19,222	481	19,703
John Guthro	Former	Councillor	9,130	47	9,176
Joe MacDonald		Councillor	19,222	735	19,957
Frank Proudfoot	Former	Councillor	11,865	356	12,222
Fred El-Haddad		Deputy Mayor	8,216	161	8,377
Russell Borden		Councillor	7,615	175	7,790
Dawn Peters		Councillor	7,615	174	7,789
Lisa MacDonald		CAO	130,568	703	131,271

13. Other Commitments

Pictou County Wellness Centre Building Authority and Aberdeen Hospital Renovation Project

The Town of New Glasgow has implemented a deed transfer tax on all properties sold in the town. The proceeds from this tax will be contributed to the new Pictou County Wellness Centre project as well as towards the renovations and improvements to the Aberdeen Hospital. Since these projects will benefit all residents of Pictou County, a similar tax has been implemented by other municipalities within the County. During the year ending March 31, 2021 the amount transferred was \$616,412 (2020 - \$359,867).

The agreement with the Pictou County Wellness Centre also stipulates that the Town of New Glasgow, along with the other municipalities within the County, will provide an annual contribution for operations. At March 31, 2021, the Town's contribution was \$416,685 which has been recorded as a liability in the financial statements.

The Town of New Glasgow has provided security for two debentures for the Aberdeen Hospital Renovation project that is being administered by the Pictou County Shared Services Authority in the amount of \$1,640,239 with the remaining portion of the total \$7,810,662 being secured by other municipal units located in Pictou County.

At March 31, 2021 the balance of the loans outstanding for this project is \$7,810,662; of which the Town provides security for \$1,640,239 (21% of the total).

Crombie Developments Limited

The Town of New Glasgow has entered into a twelve month lease agreement with Crombie Developments Limited to lease space located at the Aberdeen Shopping Centre on East River Road at a monthly commitment of \$4,799. The lease expires on September 30, 2022.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

14. Investment in New Scotland Business Development Incorporated

The New Scotland Business Development Incorporated (NSBDI) was incorporated December 31, 2014 pursuant to Section 60 of the Municipal Government Act. The Town of New Glasgow and the Municipality of the County of Pictou entered into an inter-municipal services agreement representing equal ownership of NSBDI.

As a result of this agreement, the Town of New Glasgow, together with the Municipality of the County of Pictou have jointly guaranteed a bank loan for New Scotland Business Development Inc. to a maximum of \$6,250,000 for purchase of land for a business park. The outstanding balance of the mortgage loan at March 31, 2021 is \$2,790,318.

The method of accounting for the investment is the modified equity approach which results in the Town of New Glasgow recognizing the carrying value of capital contributions and 50% of the net assets of NSBDI.

The value of the investment at March 31, 2021 represents capital contributions only. There is no other income or loss generated from NSBDI up to March 31, 2021.

15. Pension Plans

Pension Plan for Employees of the Town of New Glasgow

The Town of New Glasgow sponsors a contributory defined benefit pension plan for substantially all employees. The most recent actuarial valuation at December 31, 2019 provided the value of the pension fund assets and the present value of the pension obligations as follows:

Going Concern Financial Position

Pension fund assets	\$ 21,506,600
Pension fund obligation	\$ 17,005,200

The net difference of \$3,622,100 represents a surplus in the plan.

Solvency Financial Position (Valuation method required by the Nova Scotia Pension Benefits Act)

Pension fund assets	\$ 21,390,600
Pension fund obligation	\$ 25,740,600

The net difference of \$4,350,000 represents a deficit in the plan.

The Town of New Glasgow realized pension expense of \$159,100 (2020 - \$139,234) for the defined benefit pension plan described above for the year ending March 31, 2021.

Continues on next page

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2021

15. Pension Plans (continued)

Atlantic Police Association Pension Plan

The Town of New Glasgow sponsors a contributory defined benefit pension plan for its Police employees. The most recent actuarial valuation at December 31, 2019 provided the value of the pension fund assets and the present value of the pension obligations as follows:

Going Concern Financial Position	
Pension fund assets	\$ 64,575,400
Pension fund obligation	<u>\$ 49,603,300</u>

The net difference of \$12,938,000 represents a surplus in the plan.

Solvency Financial Position (Valuation method required by the Nova Scotia Pension Benefits Act)	
Pension fund assets	\$ 66,557,200
Pension fund obligation	<u>\$ 73,618,200</u>

The net difference of \$7,061,000 represents a deficit in the plan.

The Town of New Glasgow realized pension expense of \$198,347 (2020 - \$228,540) for the defined benefit pension plan described above for the year ending March 31, 2021.

Both Plans have a going concern surplus and an unfunded liability on a solvency basis. Both Plans satisfy the definition of a Municipality Pension Plan in the regulations of the Nova Scotia Pension Benefits Act and therefore are exempt from solvency special payments after December 31, 2012. The going concern surplus and exemption under the Pension Benefits Act means no special payments are required.

16. Other

The outbreak of a novel strain of coronavirus resulted in the global declaration of a pandemic by the World Health Organization. Government measures in place to combat the health threat of the virus have caused material disruption to businesses and organizations globally resulting in an economic slowdown. The duration and impact of the outbreak are unknown at this time, as are the efficacy of government and central bank interventions. It is not possible to reliably estimate the length and severity of the measures nor their impact on the future financial results and conditions of the Town.

17. Comparative figures

The statement of financial position for the Water Capital Fund (page 13) has been revised comparatively to reflect the amount due to own funds as the amount that is due to the Water Operating fund as \$375.4 and not \$1,196.9 due to General Operating fund. The correction has also been reflected through the balance of the investment in capital assets of the Water Capital Fund (page 13).

There has been no change to the consolidated position of the Town resulting from the adjustment to the comparative figures.

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2021

2020

(in thousands)

	Budget	Actual	Actual
Taxes			
Assessable property			
Residential	\$ 8,180.2	\$ 8,186.4	\$ 8,127.8
Commercial	5,958.9	5,997.4	5,987.3
Resource	42.2	41.6	41.5
	<u>14,181.3</u>	<u>14,225.4</u>	<u>14,156.6</u>
Business property			
Based on revenue (Aliant)	54.0	55.1	54.2
Nova Scotia Power Corp.	1.1	1.1	1.1
H.S.T. offset grant	100.0	81.0	90.8
	<u>155.1</u>	<u>137.2</u>	<u>146.1</u>
Special assessments			
Environmental Health Services			
Pollution control	1,150.0	1,132.1	1,106.5
Solid waste disposal	564.0	562.2	562.2
Fire Protection Charges	53.0	63.5	105.1
	<u>1,767.0</u>	<u>1,757.8</u>	<u>1,773.8</u>
Deed transfer tax		<u>616.4</u>	<u>359.9</u>
Total tax levied	<u>16,103.4</u>	<u>16,736.8</u>	<u>16,436.4</u>
Less taxes collected on behalf of others;			
Regional school board	(1,749.6)	(1,749.6)	(1,753.7)
Provincial correctional service	(114.6)	(114.6)	(116.6)
Regional housing authority	(200.0)	(222.7)	(230.8)
	<u>(2,064.2)</u>	<u>(2,086.9)</u>	<u>(2,101.1)</u>
	<u>\$ 14,039.2</u>	<u>\$ 14,649.9</u>	<u>\$ 14,335.3</u>

Grants in lieu of taxes

Federal Government	\$ 55.0	\$ 52.8	\$ 54.7
Provincial Government	10.5	10.3	10.5
	<u>\$ 65.5</u>	<u>\$ 63.1</u>	<u>\$ 65.2</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2021

2020

(in thousands)

	Budget	Actual	Actual
Sales of services			
Parking meters	\$ 56.0	\$ 58.7	\$ 56.9
Sale of IT services	120.6	123.0	115.1
Sale of policing services	635.0	608.8	611.4
Sale of planning and inspection services	25.0	38.0	36.9
	<u>\$ 836.6</u>	<u>\$ 828.5</u>	<u>\$ 820.3</u>

Other revenue from own sources

Licenses and permits	\$ 35.5	\$ 29.6	\$ 38.4
Fines	110.0	65.9	139.8
Rentals	135.0	107.2	152.1
Interest on taxes and rates	135.0	157.0	177.4
HST rebates (gas and diesel)	40.0	34.6	41.4
Mortgage service fees	23.6	22.9	14.2
Recreation revenue	10.0	4.3	18.9
MPAL program funding	25.0	25.0	25.0
Engineering contract work	30.0	11.2	27.7
Sale of power to NSPC	20.0	20.3	17.4
Marina operations		29.2	36.3
Miscellaneous	10.0	37.2	22.1
	<u>\$ 574.1</u>	<u>\$ 544.4</u>	<u>\$ 710.7</u>

Transfers from government

Unconditional transfers from Provincial Government	\$ 1,055.4	\$ 1,055.4	\$ 1,055.4
Conditional transfers from Federal and Provincial Governments and agencies			
Department of Justice Policing Program	500.0	500.0	500.0
Provincial grant - Safe Restart Funding		504.1	
Civic addressing initiative	3.1	3.2	3.2
Prisoner's board	0.3		0.1
	<u>\$ 1,558.8</u>	<u>\$ 2,062.7</u>	<u>\$ 1,558.7</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2021

2020

(in thousands)

	Budget	Actual	Actual
Water revenues			
Metered sales	\$ 3,300.0	\$ 3,217.9	\$ 3,254.8
Flat rate sales	293.4	292.7	292.7
Public fire protection	7.0	8.1	8.5
Other	23.8	23.5	20.3
	<u>\$ 3,624.2</u>	<u>\$ 3,542.2</u>	<u>\$ 3,576.3</u>
Grants for capital			
Canada/Nova Scotia Gas Tax Agreement	\$	\$ 770.5	\$ 1,592.7
Infrastructure Renewal -Clean Water			
Wastewater Funds			480.8
Library revitalization grant			5.0
Trail design grant		8.4	4.0
Federal accessibility grant			2.0
Provincial accessibility grant			18.0
Provincial emergency response grant		20.0	
Provincial beautification grant			9.7
	<u></u>	<u>\$ 798.9</u>	<u>\$ 2,112.2</u>
Other revenue			
Interest on operating account	\$ 35.0	\$ 46.0	\$ 127.4
Interest on capital and reserve funds		3.2	11.9
	<u>\$ 35.0</u>	<u>\$ 49.2</u>	<u>\$ 139.3</u>
Other proceeds			
Sale of assets, net of net book value	\$	\$ 103.6	\$ 25.7
Parkland transfers		4.1	11.5
	<u>\$</u>	<u>\$ 107.7</u>	<u>\$ 37.2</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2021

2020

(in thousands)

	Budget	Actual	Actual
General government services			
Legislative	\$ 210.6	\$ 194.9	\$ 177.8
General administration	828.3	829.4	881.1
Taxation exemptions	103.6	101.4	107.5
Employee benefits	110.2	129.5	106.2
Computer services	472.0	423.5	428.1
Safety	10.0	3.6	7.8
Public grants	11.6	8.6	17.3
Town owned buildings	82.9	84.1	93.2
Interest and bank charges	118.0	68.4	70.3
Pandemic Planning	25.0	39.2	13.9
Other	44.5	45.3	12.8
	<u>2,016.7</u>	<u>1,927.9</u>	<u>1,916.0</u>
Amortization		<u>246.5</u>	<u>282.4</u>
	<u>\$ 2,016.7</u>	<u>\$ 2,174.4</u>	<u>\$ 2,198.4</u>

Protective services

Police protection			
Crime investigation, prevention and protective services	\$ 4,385.9	\$ 3,957.5	\$ 4,322.8
Police station and building	112.4	118.9	133.8
Provincial Police program	500.0	631.0	597.5
Police automotive equipment	146.1	136.7	168.2
	<u>5,144.4</u>	<u>4,844.1</u>	<u>5,222.3</u>
Fire protection			
Fire fighting force	961.0	952.4	961.2
Fire stations and buildings	68.6	66.2	82.2
Fire fighting equipment	53.4	57.5	52.5
Fire inspection	25.0	12.2	48.3
	<u>1,108.0</u>	<u>1,088.3</u>	<u>1,144.2</u>
Animal control			
Administration	19.5	19.5	18.8
Emergency measures	13.5	15.1	13.2
Interest and bank charges	12.6	12.6	17.6
	<u>6,298.0</u>	<u>5,979.6</u>	<u>6,416.1</u>
Amortization		<u>276.5</u>	<u>328.1</u>
	<u>\$ 6,298.0</u>	<u>\$ 6,256.1</u>	<u>\$ 6,744.2</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2021

2020

(in thousands)

	Budget	Actual	Actual
Transportation services			
Common services			
Engineering	\$ 391.0	\$ 296.2	\$ 369.9
Planning and inspection	171.5	158.4	176.7
Equipment	564.6	517.5	370.2
Mechanic shop	218.4	215.5	226.5
Employee benefits	588.4	420.1	526.6
Road transport			
Streets	985.0	799.2	975.9
Street lighting	80.4	72.1	67.3
Storm sewers & catchpits	147.0	52.8	63.0
Traffic activities	155.0	134.7	115.6
Parking	73.0	35.1	91.7
Other	103.7	179.9	157.6
Interest and bank charges	80.3	80.3	95.4
	<u>3,558.3</u>	<u>2,961.8</u>	<u>3,236.4</u>
Amortization		<u>1,205.8</u>	<u>1,127.4</u>
	<u>\$ 3,558.3</u>	<u>\$ 4,167.6</u>	<u>\$ 4,363.8</u>

Environmental health services

Sewage treatment and disposal	\$ 152.0	\$ 108.5	\$ 64.1
Central treatment plant operation	933.4	933.4	916.3
Garbage and waste collection and disposal			
Municipal collection and disposal	576.8	603.6	582.9
Interest and bank charges	22.1	22.1	27.9
	<u>1,684.3</u>	<u>1,667.6</u>	<u>1,591.2</u>
Amortization		<u>155.3</u>	<u>156.5</u>
	<u>\$ 1,684.3</u>	<u>\$ 1,822.9</u>	<u>\$ 1,747.7</u>

Public health services

VON Canada	<u>\$ 5.0</u>	<u>\$ 5.0</u>	<u>\$ 5.0</u>
------------	---------------	---------------	---------------

Town of New Glasgow**Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

2021

2020

(in thousands)

Marketing and communications

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Festivals and events	\$ 1.5	\$ 0.5	\$ 7.8
Salaries and benefits		1.4	1.5
Communication and event marketing	29.0	2.6	11.9
	<u>\$ 30.5</u>	<u>\$ 4.5</u>	<u>\$ 21.2</u>

Community development

Administration	\$ 258.9	\$ 234.7	\$ 268.5
Recreation instruction and sundry	26.8	16.5	37.8
Marina	25.0	58.4	66.4
Farmers Market	8.5	6.7	10.3
Community centres	37.0	28.5	38.0
Parks and playgrounds	112.0	101.4	114.3
Summer grounds maintenance	85.0	80.4	95.0
Interest and bank charges	41.6	41.6	47.8
	<u>594.8</u>	<u>568.2</u>	<u>678.1</u>
Amortization		271.4	279.0
	<u>\$ 594.8</u>	<u>\$ 839.6</u>	<u>\$ 957.1</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2021

2020

(in thousands)

	Budget	Actual	Actual
Water treatment and distribution			
Operating expenditures			
Source of supply	\$ 78.3	\$ 77.0	\$ 48.7
Pumping	144.0	118.4	156.2
Water treatment	774.1	680.2	706.8
Transmission and distribution	719.0	586.7	502.4
Employee benefits	445.0	286.5	326.7
Fleet	303.0	132.0	138.1
Administrative and general	520.5	407.6	432.7
	<u>2,983.9</u>	<u>2,288.4</u>	<u>2,311.6</u>
Interest and bank charges	86.2	80.2	97.2
	<u>3,070.1</u>	<u>2,368.6</u>	<u>2,408.8</u>
Amortization	530.0	550.0	499.5
	<u>530.0</u>	<u>550.0</u>	<u>499.5</u>
	<u>\$ 3,600.1</u>	<u>\$ 2,918.6</u>	<u>\$ 2,908.3</u>

Other transfers and grants

Pictou County Wellness Centre	\$ 325.0	\$ 416.7	\$ 357.5
Deed transfer tax		616.4	359.9
Riverfront - Glasgow Square	91.7	47.9	83.9
Property Valuation Services Corporation	118.6	118.6	119.6
Tourism and education services			
Pictou-Antigonish Regional Library	83.5	83.4	83.4
Destination Eastern & Northumberland Shores	9.6	9.6	9.6
Construction Engineering Flight	1.2	1.2	1.2
Transportation services			
Public Transit - CHAD	37.0	41.1	37.0
Regional Enterprise Networks (REN)	34.6	29.0	19.3
Citizens for a Healthy Pictou County			
Physician Recruitment	10.7	10.4	10.4
	<u>\$ 711.9</u>	<u>\$ 1,374.3</u>	<u>\$ 1,081.8</u>

Reserves for taxes and appeals

Reserve for uncollectible taxes	<u>\$ 42.5</u>	<u>\$ 92.0</u>	<u>\$ 1.3</u>
---------------------------------	----------------	----------------	---------------

Town of New Glasgow Schedule of Capital Projects Funding

March 31, 2021

	TOTAL CAPITAL COSTS	Term financing	Depreciation reserve	Special reserve	Debtenture	Capital out of revenue	Gas Tax Revenue	External Funding
GENERAL CAPITAL								
Schools transferred to Town	\$ 987	\$	\$	\$ 987	\$	\$	\$	\$
Sidewalks	158,507				88,845		69,662	
Street Paving & Curbs	975,880				166,912		808,967	
Police Capital	61,853	59,299				2,555		
Public Works								
- Traffic	70,842				70,842			
- Equipment	18,380					18,380		
Storm Sewer								
Recreation Capital	129,337			3,698	51,195	7,992	58,079	8,373
Glasgow Square Capital	5,291			5,291				
Fire Capital	144,634	24,557		38,771	60,253	1,053		20,000
Land								
Town office - equipment	97,261	73,674				23,549		
Town hall building upgrades	50,488				50,488			
Trenton Park revitalization								
New Scotland Business Park investment	75,000					75,000		
Sub-total	1,788,460	157,530		48,747	488,535	128,529	936,708	28,373
WATER CAPITAL								
Equipment	249,615	70,615	71,636			107,363		
Source of Supply	64,957		56,632			8,326		
Building	90,550		82,434			8,116		
Sub-total	405,122	70,615	210,702			123,805		
	\$ 2,193,582	\$ 228,145	\$ 210,702	\$ 48,747	\$ 488,535	\$ 252,334	\$ 936,708	\$ 28,373



TOWN OF NEW GLASGOW
TRUST FUND BALANCE SHEET
YEAR ENDED MARCH 31, 2021

ASSETS	A.E. Fraser Trust	James Roy Trust	Margaret C. Cameron Trust	W.G. Matheson Bursary	George Sylvester Trust	Lincoln Fraser Memorial	Carmichael Scholarship Trust	Graduation Class Trust	Graduation Class 95 Trust	Bruce Stewart Trust	Eric Doucette Trust	J.D. McGregor Trust	Ivan Macdonia Trust	H. Goodman Trust	Philip Grant Trust	War Memorial Trust	2020 Total	2021 Total
Cash	\$ 38,119	\$ 167,817	\$ 3,985	\$ 1,767	\$ 919	\$ 3,437	\$ 1,479	\$ 1,070	\$ 1,264	\$ 448	\$ 1,720	\$ 11,284	\$ 2,943	\$ 640	\$ -	\$ 1,114	\$ 244,042	\$ 226,322
Investments, at cost	88,562																88,562	88,562
	126,681	167,817	3,985	1,767	919	3,437	1,479	1,070	1,264	448	1,720	11,284	2,943	640	-	1,114	332,604	324,870
RESERVE																		
Trust Fund Reserve	\$ 126,681	\$ 167,817	\$ 3,985	\$ 1,767	\$ 919	\$ 3,437	\$ 1,479	\$ 1,070	\$ 1,264	\$ 448	\$ 1,720	\$ 11,284	\$ 2,943	\$ 640	\$ -	\$ 1,114	\$ 332,604	\$ 324,870

STATEMENT OF TRUST FUND RESERVES
YEAR ENDED MARCH 31, 2021

Balance, begin year	\$ 113,802	\$ 167,065	\$ 4,081	\$ 1,809	\$ 940	\$ 3,521	\$ 1,513	\$ 1,065	\$ 1,293	\$ 470	\$ 1,712	\$ 11,265	\$ 2,402	\$ 657	\$ -	\$ 1,109	\$ 324,870	\$ 335,098
Add:																		
Interest Earned	172	752	19	8	4	16	6	5	6	3	8	51	11	3	-	5	1,095	4,770
Investment gain	10,867							464									11,331	432
Investment allocation	4,558																4,558	4,159
	129,399	167,817	4,100	1,817	944	3,537	1,519	12,656	1,299	473	1,720	11,316	2,413	660	-	1,114	341,854	344,453
Deduct:																		
Transfers	2,718		115	50	25	100	40	6,000	35	25	-	25	70	20			9,223	14,369
Bank Charges								20				7					27	
Investment loss																		
	2,718		115	50	25	100	40	6,020	35	25		32	70	20			9,250	19,582
	\$ 126,681	\$ 167,817	\$ 3,985	\$ 1,767	\$ 919	\$ 3,437	\$ 1,479	\$ 6,636	\$ 1,264	\$ 448	\$ 1,720	\$ 11,284	\$ 2,343	\$ 640	\$ -	\$ 1,114	\$ 332,604	\$ 324,870

ON BEHALF OF THE TOWN

Mary E. Doherty
Mayor
[Signature]
CAO