

TOWN OF NEW GLASGOW
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022



MacDonald &
Murphy Inc.

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Town of New Glasgow

Management's Responsibility for Financial Reporting

March 31, 2022

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

November 21, 2022

Date



MacDonald &
Murphy Inc.

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, 2022, 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, 2022, 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
November 21, 2022

MacDonald & Murphy Inc.

Chartered Professional Accountants

Town of New Glasgow

Consolidated Statement of Financial Position

March 31

2022

2021

(in thousands)

FINANCIAL ASSETS

Cash	\$	10,931.0	\$	9,707.9
Receivables				
Taxes (Note 3)		1,275.6		1,286.4
Due from Federal Government and its agencies		309.8		147.0
Due from Provincial Government and its agencies		32.4		438.6
Due from New Scotland Business Park		1,273.6		1,101.8
Due from Town of Westville		1.6		1.9
Due from Town of Trenton		323.4		14.5
Due from Town of Pictou		2.8		18.6
Due from Town of Stellarton		3.9		1.9
Due from Municipality of Pictou County		10.0		86.5
Trade accounts		647.2		122.2
Water rates		447.3		573.3
		<u>15,258.6</u>		<u>13,500.6</u>

FINANCIAL LIABILITIES

Bank indebtedness (Note 6)	3,412.2	1,018.6
Trade payables and accruals (Note 10)	3,148.9	2,506.2
Deferred revenues (Note 11)	219.9	208.1
Prepaid taxes	380.3	299.9
Long term debt (Note 7)	8,318.8	9,378.9
Capital lease obligations (Note 8)	502.6	47.2
Term loan obligations (Note 9)	524.6	827.5
	<u>16,507.3</u>	<u>14,286.4</u>

NET FINANCIAL LIABILITIES

(1,248.7) (785.8)

NON-FINANCIAL ASSETS

Capital assets - net of accumulated amortization (Page 15)	63,851.9	59,833.2
Investment in New Scotland Business Development		
Incorporated (Note 16)	412.2	337.2
Inventories	456.4	371.8
Unamortized debt discount	17.5	19.1
Prepaid expenses	157.8	83.5

NET NON-FINANCIAL ASSETS

64,895.8 60,644.9

ACCUMULATED SURPLUS

\$ 63,647.1 \$ 59,859.1

COMMITMENTS (NOTE 15)

On Behalf of the Council

 Mayor

 CAO

Town of New Glasgow

Consolidated Statement of Financial Activities

Year Ended March 31

2022

2021

(in thousands)

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue				
Taxes	30	\$ 14,059.9	\$ 14,780.7	\$ 14,649.9
Grants in lieu of taxes	30	65.5	60.3	63.1
Sale of services	31	860.8	912.0	828.5
Other revenue from own sources	31	582.1	489.4	544.4
Transfers from government	31	1,558.8	2,614.0	2,062.7
Water revenues	32	3,529.5	3,555.6	3,542.2
Grants for capital	32	1,627.0	1,862.7	798.9
Other revenue	32	40.0	46.4	49.2
Other proceeds	32		60.6	107.7
Total revenue		<u>22,323.6</u>	<u>24,381.7</u>	<u>22,646.6</u>
Expenditures				
General government services	33	2,128.6	2,312.8	2,174.4
Protective services	33	6,390.9	6,481.2	6,256.1
Transportation services	34	3,424.2	4,546.8	4,167.6
Environmental health services	34	1,705.5	1,826.5	1,822.9
Public health services	34	5.0	5.0	5.0
Marketing and communications	35	29.0	2.1	4.5
Community development	35	618.3	827.5	839.6
Water treatment and distribution	36	3,698.8	3,143.6	2,918.6
Other transfers and grants	36	687.9	1,394.8	1,374.3
Reserve for taxes and other receivables	36	10.0	43.1	92.0
Cost of assets disposed, net			10.3	1,272.6
Total expenditures		<u>18,698.2</u>	<u>20,593.7</u>	<u>20,927.6</u>
Net surplus		<u>\$ 3,625.4</u>	<u>3,788.0</u>	<u>1,719.0</u>
Accumulated surplus, beginning of year			<u>59,859.1</u>	<u>58,140.1</u>
Accumulated surplus, end of year			<u>\$ 63,647.1</u>	<u>\$ 59,859.1</u>

Town of New Glasgow

Consolidated Statement of Change in Net Financial Liabilities

Year Ended March 31

2022

2021

(in thousands)

	Actual	Actual
Net surplus	\$ 3,788.0	\$ 1,719.0
Changes in tangible capital assets		
Acquisition of capital assets	(6,805.6)	(2,118.4)
Amortization of capital assets	2,776.6	2,705.6
Cost of assets sold, net of accumulated amortization	10.3	1,272.6
Increase in net book value of tangible capital assets	(4,017.2)	1,859.8
Changes in other non-financial assets		
Acquisition of equity interest in New Scotland Business Park	(75.0)	(75.0)
Acquisition of inventories	(456.4)	(371.8)
Acquisition of prepaid expense	(157.8)	(83.5)
Amortization of debt discount	(1.4)	(1.3)
Consumption of inventories	371.8	414.1
Use of prepaid expense	83.5	109.2
	(233.8)	(8.3)
Change in net financial liabilities	(463.0)	3,570.5
Net financial liabilities, beginning of year	(785.8)	(4,356.4)
Net financial liabilities, end of year	\$ (1,248.7)	\$ (785.8)

Town of New Glasgow

Consolidated Statement of Cash Flow

Year Ended March 31

2022

2021

(in thousands)

Increase (decrease) in cash and cash equivalents

Operating activities

Net surplus	\$ 3,788.0	\$ 1,719.0
Change in taxes receivable	10.8	164.4
Change in water rates receivable	126.0	90.4
Change in accounts receivable	(671.7)	(1,129.7)
Change in other assets	(157.3)	67.0
Change in accounts payable and accrued liabilities	723.1	(23.3)
Changed in deferred revenue	11.8	208.1
	<u>3,830.9</u>	<u>1,095.8</u>

Capital activities

Increase in net book value of capital assets	(4,018.7)	1,859.7
Investment in New Scotland Business Development	(75.0)	(75.0)
	<u>(4,093.7)</u>	<u>1,784.7</u>

Financing activities

Long term debt issued	488.5	1,447.1
Term debt issued		228.1
Capital lease issued	535.8	
Debt principal repayment	(1,548.7)	(1,670.2)
Term loan repayment	(302.9)	(338.3)
Capital lease obligation repayment	(80.4)	(46.3)
	<u>(907.7)</u>	<u>(379.6)</u>

Net change in cash and cash equivalents

(1,170.5) 2,500.9

Cash and cash equivalents

Beginning of year	<u>8,689.3</u>	<u>6,188.4</u>
End of year	<u>\$ 7,518.8</u>	<u>\$ 8,689.3</u>

Comprised of

Cash	\$ 10,931.0	\$ 9,707.9
Bank indebtedness	(3,412.2)	(1,018.6)
	<u>\$ 7,518.8</u>	<u>\$ 8,689.3</u>



Town of New Glasgow

Schedule of General Operating Fund

Year Ended March 31

2022

2021

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Taxes	30	\$ 14,059.9	\$ 14,780.7	\$ 14,649.9
Grants in lieu of taxes	30	65.5	60.3	63.1
Sale of services	31	860.8	912.0	828.5
Other revenue from own sources	31	582.1	489.4	544.4
Transfers from governments	31	1,558.8	2,614.0	2,062.7
Other revenue	32	40.0	43.1	46.0
Total revenue		<u>17,167.1</u>	<u>18,899.5</u>	<u>18,194.6</u>
Expenditures				
General government services	33	2,128.6	2,045.7	1,927.9
Protective services	33	6,390.9	6,123.9	5,979.6
Transportation services	34	3,424.2	3,368.8	2,961.8
Environmental health services	34	1,705.5	1,670.7	1,667.6
Public health services	34	5.0	5.0	5.0
Marketing and communications	35	29.0	2.1	4.5
Community development	35	618.3	579.8	568.2
Other transfers and grants	36	687.9	1,394.8	1,374.3
Reserve for taxes and other receivables	36	10.0	43.1	92.0
Total expenditures		<u>14,999.4</u>	<u>15,233.9</u>	<u>14,580.9</u>
Net revenues		<u>2,167.7</u>	<u>3,665.6</u>	<u>3,613.7</u>
Financing and transfers				
Debt principal repayment		(1,270.9)	(1,344.2)	(1,292.4)
Term loan repayment		(257.2)	(224.0)	(260.7)
Capital lease repayment		(47.2)	(80.4)	(46.3)
Transfers from (to) operating fund reserve		72.6	38.4	(411.8)
Transfers from (to) general capital fund				
Capital out of revenue		(75.0)	(126.3)	(128.5)
Transfers from (to) water operating fund				
Administration		100.0	100.0	100.00
Fire protection charge		(825.0)	(825.0)	(825.0)
Tax levy		135.0	133.2	133.2
Net financing and transfers		<u>(2,167.7)</u>	<u>(2,328.3)</u>	<u>(2,731.5)</u>
Change in general operating fund			1,337.3	882.2
Transfers from (to) operating fund reserve			(1,337.3)	(882.2)
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

2022

2021

(in thousands)

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue				
Water revenue		\$ 3,502.9	\$ 3,534.1	\$ 3,518.7
Other revenue		26.6	21.5	23.5
Total revenue	33	<u>3,529.5</u>	<u>3,555.6</u>	<u>3,542.2</u>
Expenditures				
Transmission and distribution	36	3,119.7	2,495.4	2,288.4
Interest and bank charges	36	79.1	77.5	80.2
Total expenditures		<u>3,198.8</u>	<u>2,572.9</u>	<u>2,368.6</u>
Net revenues (expenditures)		<u>330.7</u>	<u>982.7</u>	<u>1,173.6</u>
Financing and transfers				
Debt principal repayment		(204.5)	(204.5)	(377.8)
Repayment of term loans			(78.9)	(77.5)
Transfers from (to) general operating fund				
Administration		(100.0)	(100.0)	(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		(100.0)	(100.0)	(35.0)
Capital out of revenue		(100.0)	(138.8)	(123.8)
Depreciation charge		(500.0)	(570.7)	(550.0)
Net financing and transfers		<u>(314.5)</u>	<u>(501.1)</u>	<u>(572.3)</u>
Change in water operating fund		<u>\$ 16.2</u>	481.6	601.3
Water operating fund, beginning of year			<u>3,372.5</u>	<u>2,771.2</u>
Water operating fund, end of year			<u>\$ 3,854.1</u>	<u>\$ 3,372.5</u>



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

Year Ended March 31	2022	2021
	(in thousands)	
Assets		
Cash	\$ 3,510.1	\$ 2,904.3
Receivables		
Rates (less allowance for doubtful accounts)	447.3	569.4
Due from own funds and agencies		
Water capital fund	1.9	1.9
Prepays	4.0	0.6
Inventories, at cost	26.9	
	<u>\$ 3,990.2</u>	<u>\$ 3,476.2</u>
Liabilities		
Payables and accruals	\$ 136.1	\$ 103.7
Total financial liabilities	136.1	103.7
Equity		
Surplus	<u>3,854.1</u>	<u>3,372.5</u>
	<u>\$ 3,990.2</u>	<u>\$ 3,476.2</u>

Town of New Glasgow

Schedule of General Capital Fund

Year Ended March 31

2022

2021

(in thousands)

	Budget	Actual	Actual
Revenue			
Efficiency Nova Scotia	\$ 100.0	\$ 173.2	\$
Provincial accessibility grant	50.0	122.4	
Provincial emergency response grant			20.0
TransCanada Trail			8.4
	<u>150.0</u>	<u>295.6</u>	<u>28.4</u>
Expenditures			
General government	1,917.0	1,641.7	148.6
Protective services	304.4	268.1	206.5
Transportation services	2,198.1	1,331.4	1,223.6
Environmental health services		296.9	
Recreation services	308.0	194.6	134.6
Investment, New Scotland Business Dev. Inc		75.0	75.0
Total expenditures (Page 38)	<u>4,727.5</u>	<u>3,807.7</u>	<u>1,788.3</u>
Net expenditures	<u>(4,577.5)</u>	<u>(3,512.1)</u>	<u>(1,759.9)</u>
Financing and transfers			
Debenture MFC	1,911.3	1,049.4	488.5
Temporary borrowing			
Loan financing	584.2	535.8	157.5
Transfers from general operating fund			
Capital out of revenue	75.0	126.3	128.5
Transfers from (to) reserve funds			
Operating reserve	380.0	150.0	
Special reserve	150.0	150.0	48.7
Gas tax reserve	1,477.0	1,500.6	936.7
Parkland reserve			
Net financing and transfers	<u>4,577.5</u>	<u>3,512.1</u>	<u>1,759.9</u>
Change in general capital fund	<u>\$</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

2022

2021

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Interest income	\$	\$ 2.7	\$ 2.4
Total revenue		<u>2.7</u>	<u>2.4</u>
Expenditures (Page 37)			
Water treatment and distribution	2,165.0	<u>3,072.9</u>	405.1
Net expenditures	<u>(2,165.0)</u>	<u>(3,070.2)</u>	<u>(402.7)</u>
Financing and transfers			
Debenture MFC	1,137.0		
Temporary financing		1,750.0	
Loan financing			70.6
Capital out of revenue	100.0	138.8	123.8
Depreciation charge	500.0	570.7	550.0
Water capital reserve	328.0	328.0	
Land reserve	100.0	100.0	35.0
Net financing and transfers	<u>2,165.0</u>	<u>2,887.5</u>	<u>779.4</u>
Change in water capital fund	<u>\$</u>	<u>(182.7)</u>	376.7
Water capital fund, beginning of year		<u>2,136.2</u>	<u>1,759.4</u>
Water capital fund, end of year		<u>\$ 1,953.6</u>	<u>\$ 2,136.2</u>
Allocation of fund balance			
Land reserve		\$ 680.0	\$ 620.5
Depreciation cash		1,273.6	1,515.7
		<u>\$ 1,953.6</u>	<u>\$ 2,136.2</u>



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

Year Ended March 31	2022	2021
	(in thousands)	
Assets		
Cash		
Water land reserve fund	\$ 680.0	\$ 620.5
Depreciation fund	1,273.6	1,515.7
Due to own funds and agencies		
General Operating fund		236.2
Unamortized debenture discount	17.5	19.1
Utility plant and equipment (Page 15)	40,424.5	37,351.6
	<u>\$ 42,395.7</u>	<u>\$ 39,743.2</u>
Liabilities		
Due to own funds and agencies		
Water operating fund	\$ 1.9	\$ 1.9
General operating fund	1,027.3	
Accumulated allowance for depreciation (Page 15)	11,395.3	10,824.6
Long term debt	2,646.7	2,851.1
Term debt obligations	114.3	193.3
	<u>15,185.5</u>	<u>13,870.9</u>
Municipal position		
Investment in capital assets	26,530.2	25,251.8
Water land reserve	680.0	620.5
	<u>27,210.2</u>	<u>25,872.3</u>
	<u>\$ 42,395.7</u>	<u>\$ 39,743.2</u>

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

Year Ended March 31	2022	2021
	(in thousands)	
Balance, beginning of year	\$ 25,251.8	\$ 24,741.2
Long term debt repayments	204.5	377.8
Term debt repayments	79.0	77.5
Capital additions out of revenue	138.8	123.8
Disposal of Capital Assets, net		(279.2)
Capital funding from		
Watershed Reserve	43.3	
Depreciation funds	812.8	210.7
	<u>1,278.4</u>	<u>510.6</u>
Balance, end of year	<u>\$ 26,530.2</u>	<u>\$ 25,251.8</u>



Town of New Glasgow

Schedule of Reserve Funds

Year Ended March 31

2022

2021

(in thousands)

	Budget	Actual	Actual
Revenue			
Investment income	\$	\$ 0.6	\$ 0.8
Parkland transfers		2.1	4.1
Canada/NS Gas tax agreement	1,477.0	1,567.1	770.5
Proceeds from sale of assets		58.5	103.6
Total revenue	<u>1,477.0</u>	<u>1,628.3</u>	<u>879.0</u>
Financing and transfers			
Transfers from general operating fund			
General operating fund surplus		1,337.3	882.3
General operating	(72.6)	(38.4)	411.8
Transfer to water capital fund	(328.0)	(328.0)	
Transfers to (from) general capital fund			
Operating reserve	(500.0)	(150.0)	
Special reserve	(150.0)	(150.0)	(48.7)
Gas tax reserve	(1,477.0)	(1,500.6)	(936.7)
Parkland reserve			
Net financing and transfers	<u>(2,527.6)</u>	<u>(829.7)</u>	<u>308.7</u>
Change in reserve funds balance	<u>\$ (1,050.6)</u>	<u>798.6</u>	<u>1,187.6</u>
Reserve funds balance			
Beginning of year		4,667.2	3,479.6
End of year		<u>\$ 5,465.8</u>	<u>\$ 4,667.2</u>
Reserves			
Equipment		\$ 67.6	\$ 9.0
Special		170.9	324.9
Power Board		0.8	0.8
Canada/NS Gas Tax		200.1	133.1
Water capital reserve		77.7	405.9
Central treatment plant		36.7	36.7
Parkland transfers		20.0	17.8
General operating		4,892.0	3,739.0
		<u>\$ 5,465.8</u>	<u>\$ 4,667.2</u>

Town of New Glasgow
Consolidated Statement of Property and Equipment

March 31

	Land	Land improvements	Buildings	Equipment	Roads and transportation services	Engineered structures	Total 2022	Total 2021
	(in thousands)							
General capital								
Cost:								
Balance, beginning of year	\$ 2,374.0	\$ 2,970.5	\$ 9,080.4	\$ 9,549.7	\$ 29,481.0	\$ 13,553.3	\$ 67,008.9	\$ 68,252.3
Acquisition of capital assets			581.7	1,522.6	1,331.5	296.9	3,732.7	1,713.4
Disposition of capital assets				(329.6)			(329.6)	(2,956.8)
Balance, end of year	<u>2,374.0</u>	<u>2,970.5</u>	<u>9,662.1</u>	<u>10,742.7</u>	<u>30,812.5</u>	<u>13,850.2</u>	<u>70,412.0</u>	<u>67,008.9</u>
Accumulated amortization:								
Balance, beginning of year		1,486.7	4,638.2	6,022.4	18,264.6	3,290.8	33,702.7	33,510.5
Annual amortization		50.2	270.7	807.9	921.3	155.8	2,205.9	2,155.6
Accumulated amortization on disposals				(319.3)			(319.3)	(1,963.4)
Balance, end of year		<u>1,536.9</u>	<u>4,908.9</u>	<u>6,511.0</u>	<u>19,185.9</u>	<u>3,446.6</u>	<u>35,589.3</u>	<u>33,702.7</u>
Net book value of general capital	<u>\$ 2,374.0</u>	<u>\$ 1,433.6</u>	<u>\$ 4,753.2</u>	<u>\$ 4,231.7</u>	<u>\$ 11,626.6</u>	<u>\$ 10,403.6</u>	<u>\$ 34,822.7</u>	<u>\$ 33,306.1</u>
Water capital								
Cost:								
Balance, beginning of year	\$ 237.6		\$ 12,867.0	\$ 3,282.5		\$ 20,964.5	\$ 37,351.6	\$ 37,231.3
Acquisition of capital assets	43.3		62.3	1,630.9		1,336.4	3,072.9	405.1
Disposition of capital assets							-	(284.8)
Balance, end of year	<u>280.9</u>		<u>12,929.3</u>	<u>4,913.4</u>		<u>22,300.9</u>	<u>40,424.5</u>	<u>37,351.6</u>
Accumulated amortization:								
Balance, beginning of year			2,377.2	2,544.4		5,903.0	10,824.6	10,280.2
Annual amortization			116.0	138.0		316.7	570.7	550.0
Accumulated amortization on disposals							-	(5.6)
Balance, end of year			<u>2,493.2</u>	<u>2,682.4</u>		<u>6,219.7</u>	<u>11,395.3</u>	<u>10,824.6</u>
Net book value of water capital	<u>\$ 280.9</u>	<u>\$</u>	<u>\$ 10,436.1</u>	<u>\$ 2,231.0</u>	<u>\$</u>	<u>\$ 16,081.2</u>	<u>\$ 29,029.2</u>	<u>\$ 26,527.1</u>
Total consolidated capital	<u>\$ 2,654.9</u>	<u>\$ 1,433.6</u>	<u>\$ 15,189.3</u>	<u>\$ 6,462.7</u>	<u>\$ 11,626.6</u>	<u>\$ 26,484.8</u>	<u>\$ 63,851.9</u>	<u>\$ 59,833.2</u>

Town of New Glasgow

Consolidated Municipal Position

March 31

2022

2021

(in thousands)

Operating and reserve fund balances

General operating fund (Page 8)	\$		\$	
Water operating fund (Page 9)		3,854.1		3,372.5
General capital fund (Page 11)		0.2		0.2
Water capital fund (Page 12)		1,953.6		2,136.2
Reserve funds (Page 14)		5,465.8		4,667.2
		<u>11,273.7</u>		<u>10,176.1</u>

Investment in capital assets

Balance, beginning of year	\$	49,683.0	\$	50,129.7
Capital funding from				
General operations		126.3		128.5
Water operations		138.8		123.8
Gas tax reserve		1,500.6		936.7
Depreciation funds		812.8		210.7
Special reserve		150.0		48.7
Operating reserve		150.0		
Water capital reserve		328.0		
Watershed reserve		43.3		
Capital grants		295.6		28.4
Repayment of long term debt		1,548.7		1,670.2
Capital lease obligation repayment		80.4		46.3
Repayment of term loans		302.9		338.2
Amortization expense - general capital		(2,205.9)		(2,155.6)
Amortization expense - water capital		(570.7)		(550.0)
Cost of assets disposed, net of accumulated amortization		(10.3)		(1,272.6)
Balance, end of year	\$	<u>52,373.5</u>	\$	<u>49,683.0</u>
Consolidated municipal position	\$	<u>63,647.1</u>	\$	<u>59,859.1</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2022

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 12.
- (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, 2022

(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, 2022

(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, 2022

(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

	<u>2022</u>	<u>2021</u>
	(in thousands)	
Cash, beginning of year	\$ 1,515.7	\$ 1,176.3
Add: depreciation	570.7	550.0
Less: funds used for capital projects	<u>(812.8)</u>	<u>(210.7)</u>
Balance, end of year	<u>\$ 1,273.6</u>	<u>\$ 1,515.7</u>



Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2022

3. Taxes and rates receivable

			2022	2021
			(in thousands)	
	Current Year	Prior Years	Total	Total
Balance, beginning of year	\$	\$ 879.4	\$ 879.4	\$ 984.5
Current period tax & rate levy	14,526.3		14,526.3	14,362.6
	14,526.3	879.4	15,405.7	15,347.1
Collections & write-offs	(13,895.0)	(576.6)	(14,471.6)	(14,467.7)
Balance, end of year	\$ 631.3	\$ 302.8	934.1	879.4
Pollution control receivable			460.5	494.2
Interest receivable			60.2	48.9
			1,454.8	1,422.5
Less: Valuation allowance (Note 4)			(179.2)	(136.1)
			\$ 1,275.6	\$ 1,286.4

4. Valuation allowance - uncollected taxes and rates

	2022	2021
	(in thousands)	
Balance, beginning of year	\$ 136.1	\$ 44.4
Add: Increase in allowance for year	43.1	92.0
Less: Approved write offs/collections		0.3
Balance, end of year	\$ 179.2	\$ 136.1

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.

	2022	2021
	(in thousands)	
General government services	\$ 267.1	\$ 246.5
Protective services	357.3	276.5
Transportation services	1,178.0	1,205.8
Environmental health services	155.8	155.4
Community development	247.7	271.4
	\$ 2,205.9	\$ 2,155.7

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, 2022

7. Long term debt

	2022	2021
	(in thousands)	
Debentures Issued to Provincial Government or its agencies		
NS Municipal Finance Corporation		
Equipment 26-A-1 due 2021	\$	\$ 88.0
Water 31-A-1 due 2021		29.5
Glasgow Square 30-A-1 due 2025	540.0	600.0
Equipment 31-A-1 due 2021		122.6
Equipment 32-A-1 due 2022	221.6	443.1
Equipment 32-B-1 due 2022	46.5	93.0
Equipment 33-A-1 due 2023	128.1	192.2
Equipment 34-A-1 due 2024	190.9	254.6
Equipment 35-A-1 due 2025	545.4	681.7
Equipment 36-A-1 due 2026	319.4	395.3
Equipment 37-A-1 due 2032	466.2	573.4
Water treatment plant 37-A-1 due 2032	1,120.0	1,190.0
Water 37-B-1 due 2033	720.0	765.0
Equipment 38-A-1 due 2033	658.8	778.8
Water 39-A-1 Due 2034	433.3	466.7
Equipment 39-A-1 Due 2034	687.9	807.3
Equipment 40-A-1 Due 2035	1,378.9	1,497.7
Water 40-A-1 Due 2035	373.3	400.0
Equipment 41-A-1 Due 2036	488.5	
	<u>\$ 8,318.8</u>	<u>\$ 9,378.9</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
2023	\$ 1,171.4	\$ 175.0	\$ 1,346.4
2024	867.9	175.0	1,042.9
2025	754.3	175.0	929.3
2026	923.9	175.0	1,098.9
2027	416.9	175.0	591.9

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, 2022 for the following purposes:

Transportation	\$ 327.9
Recreation	18.6
Protective services	79.1
General government	612.8
Environmental	11.0
Water	1,750.0
	<u>\$ 2,799.4</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2022

8. Capital lease obligations

	2022	2021
	(in thousands)	
Capital lease obligation, with interest of 2.52% implicit in the lease payments, payable in monthly instalments of \$2,385. The obligation is secured by two police vehicles.	\$ 62.5	\$
Capital lease obligation, with interest of 2.22% implicit in the lease payments, payable in monthly instalments of \$3,271. The obligation is secured by a street sweeper.	338.6	
Capital lease obligation, with interest of 2.97% implicit in the lease payments, payable in monthly instalments of \$2,667. The obligation is secured by computer equipment and a public works vehicle.	101.5	
Capital lease obligation repaid during the year.		47.2
	<u>\$ 502.6</u>	<u>\$ 47.2</u>

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

	General capital
2023	\$ 88.8
2024	91.1
2025	71.8
2026	44.9
2027	206.0

9. Term debt obligations

	2022	2021
	(in thousands)	
Term loan repaid during the year.	\$	15.4
Term loan repaid during the year.		3.6
Term loan repaid during the year.		6.5
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.	5.5	13.5
	<u>\$ 5.5</u>	<u>\$ 13.5</u>

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Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2022

9. Term debt obligations (continued)	2022	2021
	(in thousands)	
Balance forward:	\$ 5.5	\$ 39.0
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.	5.2	12.7
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.	102.7	128.4
Term loan repaid during the year.		4.4
Term loan repaid during the year.		3.0
Term loan, with interest at 2.75%, payable in monthly instalments of \$521 including interest. The obligation is secured by a 2017 Mazda car.	1.6	7.7
Term loan, with interest at 2.99%, payable in monthly instalments of \$504 including interest. The obligation is secured by a 2017 Ford Escape.	0.5	6.4
Term loan, with interest at 1.99%, payable in monthly instalments of \$2,559 including interest. The obligation is secured by a 2017 Excavator.	15.2	44.5
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.	12.3	20.0
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.	34.2	45.5
Term loan, with interest at 0%, payable in monthly instalments of \$576. The obligation is secured by a 2018 Ford Escape.	9.2	16.1
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.	119.0	154.4
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.	11.2	18.2
Term loan, with interest 4.56%, payable in monthly instalments of \$894 including interest. The obligation is secured by a 2019 Ford Truck.	27.7	36.8
Term loan, with interest 3.24%, payable in monthly instalments of \$366 including interest. The obligation is secured by a Boom Flail.	10.5	14.5
	\$ 354.8	\$ 551.6

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Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2022

9. Term debt obligations (continued)

	2022	2021
	(in thousands)	
Balance forward	\$ 354.8	\$ 551.6
Term loan, with interest 2.91%, payable in monthly instalments of \$665 including interest. The obligation is secured by a 2015 GMC Truck.	7.2	14.9
Term loan, with interest 2.91%, payable in monthly instalments of \$1,372 including interest. The obligation is secured by a 2020 Ford Explorer.	14.9	30.7
Term loan, with interest 3.80%, payable in monthly instalments of \$639 including interest. The obligation is secured by Computer Equipment.	3.8	11.2
Term loan, with interest 1.42%, payable in monthly instalments of \$2,005 including interest. The obligation is secured by a 200KWE Generator.	47.4	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.	22.5	38.2
Term loan, with interest 1.41%, payable in monthly instalments of \$3,131 including interest. The obligation is secured by Computer Equipment.	74.0	110.3
	<u>\$ 524.6</u>	<u>\$ 827.5</u>

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

	General Capital	Water Capital	Total
2023	\$ 255.5	\$ 64.0	\$ 319.5
2024	144.7	50.3	195.0
2025	10.1		10.1

10. Trade payables and accruals

	2022	2021
	(in thousands)	
General Operating		
Trade payables	\$ 1,961.4	\$ 1,221.6
Payroll accruals	922.5	1,004.0
Other accruals	128.9	176.9
	<u>3,012.8</u>	<u>2,402.5</u>
Water Operating		
Trade payables	8.2	5.1
Payroll accruals	104.1	72.8
Other accruals	23.8	25.8
	<u>136.1</u>	<u>103.7</u>
	<u>\$ 3,148.9</u>	<u>\$ 2,506.2</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2022

11. Deferred revenue

	2022	2021
Deferred revenue, beginning of year	\$ 208.1	\$ 303.0
Current year additions	160.9	160.1
Current year usage	(149.1)	(255.0)
Deferred revenue, end of year	<u>\$ 219.9</u>	<u>\$ 208.1</u>

The deferred revenue is available for community development programs.

12. 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, 2022 was \$36,300 (2021 - \$47,929).

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

<u>Board</u>	Contribution	
	2022	2021
	(in thousands)	
Pictou County Wellness Centre	\$ 403.7	\$ 416.7
Pictou Antigonish Regional Library	88.1	83.4
Pictou County Solid Waste Management	593.1	583.9
East River Environmental Control Centre	956.3	933.4
Pictou County Regional Enterprise Network	30.7	29.0
Eastern Mainland Housing Authority (a)	242.9	222.7
District School Board (b)	1,761.0	1,749.6

(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.

13. 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 loan was fully repaid during the year.



Macdonald &
Murphy Inc.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2022

14. 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	\$ 1,223	\$ 31,574
Jocelyn Dorrington	Councillor/Deputy Mayor	19,412	686	20,098
Clyde Fraser	Councillor	19,222	678	19,900
Joe MacDonald	Councillor	19,222	988	20,210
Fred El-Haddad	Deputy Mayor/Councillor	20,171	1,255	21,426
Russell Borden	Councillor	19,222	326	19,548
Dawn Peters	Councillor	19,222	290	19,512
Lisa MacDonald	CAO	134,384	703	135,087

15. 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, 2022 the amount transferred was \$659,100 (2021 - \$616,412).

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, 2022, the Town's contribution was \$403,702.

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 \$1,593,499 (21%) with the remaining portion of the total \$7,606,368 being secured by other municipal units located in Pictou County.

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 expired during the year.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2022

16. 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, 2022 is \$2,526,657.

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, 2022 represents capital contributions only. There is no other income or loss recorded from NSBDI up to March 31, 2022.

17. 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	<u>\$ 17,005,200</u>

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	<u>\$ 25,740,600</u>

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

The Town of New Glasgow realized pension expense of \$131,736 (2021 - \$159,100) for the defined benefit pension plan described above for the year ending March 31, 2022.

Continues on next page

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2022

18. 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	\$ 49,603,300

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	\$ 73,618,200

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

The Town of New Glasgow realized pension expense of \$223,433 (2021 - \$198,347) for the defined benefit pension plan described above for the year ending March 31, 2022.

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.

19. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2022

2021

(in thousands)

	Budget	Actual	Actual
Taxes			
Assessable property			
Residential	\$ 8,330.7	\$ 8,340.0	\$ 8,186.4
Commercial	5,962.5	6,014.7	5,997.4
Resource	41.9	41.9	41.6
	<u>14,335.1</u>	<u>14,396.6</u>	<u>14,225.4</u>
Business property			
Based on revenue (Aliant)	52.0	52.0	55.1
Nova Scotia Power Corp.	1.1	1.1	1.1
H.S.T. offset grant	90.0	76.6	81.0
	<u>143.1</u>	<u>129.7</u>	<u>137.2</u>
Special assessments			
Environmental Health Services			
Pollution control	1,130.0	1,088.2	1,132.1
Solid waste disposal	562.5	561.2	562.2
Fire Protection Charges	63.5	63.1	63.5
	<u>1,756.0</u>	<u>1,712.5</u>	<u>1,757.8</u>
Deed transfer tax		<u>659.1</u>	<u>616.4</u>
Total tax levied	<u>16,234.2</u>	<u>16,897.9</u>	<u>16,736.8</u>
Less taxes collected on behalf of others;			
Regional school board	(1,761.0)	(1,761.0)	(1,749.6)
Provincial correctional service	(113.3)	(113.3)	(114.6)
Regional housing authority	(300.0)	(242.9)	(222.7)
	<u>(2,174.3)</u>	<u>(2,117.2)</u>	<u>(2,086.9)</u>
	<u>\$ 14,059.9</u>	<u>\$ 14,780.7</u>	<u>\$ 14,649.9</u>

Grants in lieu of taxes

Federal Government	\$ 55.0	\$ 50.3	\$ 52.8
Provincial Government	10.5	10.0	10.3
	<u>\$ 65.5</u>	<u>\$ 60.3</u>	<u>\$ 63.1</u>



Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2022

2021

(in thousands)

	Budget	Actual	Actual
Sales of services			
Parking meters	\$ 65.0	\$ 74.4	\$ 58.7
Sale of IT services	135.0	134.8	123.0
Sale of policing services	636.3	647.8	608.8
Sale of planning and inspection services	2.5	30.6	38.0
Sale of power to NSPC	22	24.4	20.3
	<u>\$ 860.8</u>	<u>\$ 912.0</u>	<u>\$ 848.8</u>

Other revenue from own sources

Licenses and permits	\$ 55.5	\$ 29.0	\$ 29.6
Fines	95.0	55.9	65.9
Rentals	120.0	105.2	107.2
Interest on taxes and rates	173.0	159.2	157.0
HST rebates (gas and diesel)	40.0	37.0	34.6
Mortgage service fees	23.6	23.2	22.9
Recreation revenue	10.0	6.1	4.3
MPAL program funding	25.0	25.0	25.0
Engineering contract work	15.0	1.9	11.2
Marina operations			29.2
Miscellaneous	25.0	46.9	37.2
	<u>\$ 582.1</u>	<u>\$ 489.4</u>	<u>\$ 524.1</u>

Transfers from government

Unconditional transfers from Provincial Government	\$ 1,055.4	\$ 2,110.9	\$ 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	3.1	3.2
Prisoner's board	0.3		
	<u>\$ 1,558.8</u>	<u>\$ 2,614.0</u>	<u>\$ 2,062.7</u>

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

Year Ended March 31

2022

2021

(in thousands)

	Budget	Actual	Actual
Water revenues			
Metered sales	\$ 3,201.7	\$ 3,233.4	\$ 3,217.9
Flat rate sales	292.7	292.7	292.7
Public fire protection	8.5	8.0	8.1
Other	26.6	21.5	23.5
	<u>\$ 3,529.5</u>	<u>\$ 3,555.6</u>	<u>\$ 3,542.2</u>

Grants for capital

Canada/Nova Scotia Gas Tax Agreement	\$ 1,477.0	\$ 1,567.1	\$ 770.5
Efficiency Nova Scotia	100.0	173.2	
Trail design grant			8.4
Provincial accessibility grant	50.0	122.4	
Provincial emergency response grant			20.0
	<u>\$ 1,627.0</u>	<u>\$ 1,862.7</u>	<u>\$ 798.9</u>

Other revenue

Interest on operating account	\$ 40.0	\$ 43.1	\$ 46.0
Interest on capital and reserve funds		3.3	3.2
	<u>\$ 40.0</u>	<u>\$ 46.4</u>	<u>\$ 49.2</u>

Other proceeds

Sale of assets, net of net book value	\$	\$ 58.5	\$ 103.6
Parkland transfers		2.1	4.1
	<u>\$</u>	<u>\$ 60.6</u>	<u>\$ 107.7</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2022

2021

(in thousands)

	Budget	Actual	Actual
General government services			
Legislative	\$ 166.6	\$ 153.3	\$ 194.9
General administration	1,020.4	1,034.9	829.4
Taxation exemptions	102.6	95.3	101.4
Employee benefits	83.4	86.3	129.5
Computer services	512.5	466.8	423.5
Safety	5.0	4.3	3.6
Public grants	18.0	1.2	8.6
Town owned buildings	90.0	84.1	84.1
Interest and bank charges	83.1	55.7	68.4
Pandemic Planning		9.4	39.2
Other	47.0	54.4	45.3
	<u>2,128.6</u>	<u>2,045.7</u>	<u>1,927.9</u>
Amortization		<u>267.1</u>	<u>246.5</u>
	<u>\$ 2,128.6</u>	<u>\$ 2,312.8</u>	<u>\$ 2,174.4</u>

Protective services

Police protection			
Crime investigation, prevention and protective services	\$ 4,447.0	\$ 4,112.9	\$ 3,957.5
Police station and building	119.2	126.4	118.9
Provincial Police program	500.0	500.0	631.0
Police automotive equipment	130.2	134.2	136.7
	<u>5,196.4</u>	<u>4,873.5</u>	<u>4,844.1</u>
Fire protection			
Fire fighting force	993.0	1,027.7	952.4
Fire stations and buildings	69.5	98.7	66.2
Fire fighting equipment	62.0	72.8	57.5
Fire inspection	26.0	14.9	12.2
	<u>1,150.5</u>	<u>1,214.1</u>	<u>1,088.3</u>
Animal control			
Administration	20.0	12.3	19.5
Emergency measures	13.5	13.5	15.1
Interest and bank charges	10.5	10.5	12.6
	<u>6,390.9</u>	<u>6,123.9</u>	<u>5,979.6</u>
Amortization		<u>357.3</u>	<u>276.5</u>
	<u>\$ 6,390.9</u>	<u>\$ 6,481.2</u>	<u>\$ 6,256.1</u>



Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2022

2021

(in thousands)

	Budget	Actual	Actual
Transportation services			
Common services			
Engineering	\$ 345.2	\$ 326.9	\$ 296.2
Planning and inspection	206.5	210.8	158.4
Equipment	538.3	673.8	517.5
Mechanic shop	209.4	239.5	215.5
Employee benefits	533.0	480.1	420.1
Road transport			
Streets	1,025.5	966.4	799.2
Street lighting	85.0	78.4	72.1
Storm sewers & catchpits	102.0	57.4	52.8
Traffic activities	155.0	118.9	134.7
Parking	20.0	6.3	35.1
Other	137.7	143.7	179.9
Interest and bank charges	66.6	66.6	80.3
	<u>3,424.2</u>	<u>3,368.8</u>	<u>2,961.8</u>
Amortization		<u>1,178.0</u>	<u>1,205.8</u>
	<u>\$ 3,424.2</u>	<u>\$ 4,546.8</u>	<u>\$ 4,167.6</u>

Environmental health services

Sewage treatment and disposal	\$ 137.0	\$ 88.8	\$ 108.5
Central treatment plant operation	956.2	956.2	933.4
Garbage and waste collection and disposal			
Municipal collection and disposal	597.6	611.0	603.6
Interest and bank charges	14.7	14.7	22.1
	<u>1,705.5</u>	<u>1,670.7</u>	<u>1,667.6</u>
Amortization		<u>155.8</u>	<u>155.3</u>
	<u>\$ 1,705.5</u>	<u>\$ 1,826.5</u>	<u>\$ 1,822.9</u>

Public health services

VON Canada	<u>\$ 5.0</u>	<u>\$ 5.0</u>	<u>\$ 5.0</u>
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Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2022

2021

(in thousands)

	Budget	Actual	Actual
Marketing and communications			
Salaries and benefits	\$	\$ 1.0	\$ 1.4
Communication and event marketing	29.0	1.1	2.6
	<u>\$ 29.0</u>	<u>\$ 2.1</u>	<u>\$ 4.0</u>
Community development			
Administration	\$ 288.5	\$ 248.7	\$ 235.2
Recreation instruction and sundry	45.0	32.3	16.5
Marina	10.0	11.3	58.4
Farmers Market	7.5	11.7	6.7
Community centres	36.0	38.3	28.5
Parks and playgrounds	116.0	108.5	101.4
Summer grounds maintenance	80.0	93.7	80.4
Interest and bank charges	35.3	35.3	41.6
	<u>618.3</u>	<u>579.8</u>	<u>568.7</u>
Amortization		247.7	271.4
	<u>\$ 618.3</u>	<u>\$ 827.5</u>	<u>\$ 840.1</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2022

2021

(in thousands)

	Budget	Actual	Actual
Water treatment and distribution			
Operating expenditures			
Source of supply	\$ 160.5	\$ 151.4	\$ 77.0
Pumping	157.0	126.6	118.4
Water treatment	814.7	784.0	680.2
Transmission and distribution	763.5	530.3	586.7
Employee benefits	350.0	286.4	286.5
Fleet	300.0	182.9	132.0
Administrative and general	574.0	433.8	407.6
	<u>3,119.7</u>	<u>2,495.4</u>	<u>2,288.4</u>
Interest and bank charges	79.1	77.5	80.2
	<u>3,198.8</u>	<u>2,572.9</u>	<u>2,368.6</u>
Amortization	500.0	570.7	550.0
	<u>\$ 3,698.8</u>	<u>\$ 3,143.6</u>	<u>\$ 2,918.6</u>

Other transfers and grants

Pictou County Wellness Centre	\$ 352.0	\$ 403.8	\$ 416.7
Deed transfer tax		659.1	616.4
Riverfront - Glasgow Square	41.9	36.3	47.9
Property Valuation Services Corporation	115.7	115.7	118.6
Tourism and education services			
Pictou-Antigonish Regional Library	85.0	88.1	83.4
Destination Eastern & Northumberland Shores	9.6	9.6	9.6
Construction Engineering Flight	1.2		1.2
Transportation services			
Public Transit - CHAD	41.1	41.1	41.1
Regional Enterprise Networks (REN)	30.7	30.7	29.0
Citizens for a Healthy Pictou County			
Physician Recruitment	10.7	10.4	10.4
	<u>\$ 687.9</u>	<u>\$ 1,394.8</u>	<u>\$ 1,374.3</u>

Reserves for taxes and appeals

Reserve for uncollectible taxes	<u>\$ 10.0</u>	<u>\$ 43.1</u>	<u>\$ 92.0</u>
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Town of New Glasgow Schedule of Capital Projects Funding

March 31, 2022

	TOTAL CAPITAL COSTS	Capital lease financing	Depreciation reserve	Special reserve	Operating reserve	Water Capital reserve	Watershed reserve	Debtenture	Capital out of revenue	Gas Tax Revenue	External Funding
GENERAL CAPITAL											
Sidewalks	124,773							60,330		64,443	
Street Paving & Curbs	1,206,581							111,726		1,094,855	
Police Capital	189,038	82,603						70,970	35,465		
Public Works											
- Traffic	80,723							80,723			
- Equipment	395,046	375,766						4,185	15,075		
Storm Sewer	33,204							10,988			
Storm Sewer Separation Project	263,711							16,785		22,216	
Recreation Capital	194,594							1,820		263,711	
Glasgow Square Capital	1,820							79,111		55,372	
Fire Capital	79,111							183,760			122,437
Town office - equipment	261,892	77,399						281,720	733		
Town hall building upgrades	581,720			150,000	150,000			147,324			173,169
Energy Efficiency Project	320,493										
New Scotland Business Park investment	75,000								75,000		
Sub-total	3,807,706	535,788		150,000	150,000			1,049,442	126,273	1,500,597	295,606
WATER CAPITAL											
Equipment	276,007					137,248			138,759		
Source of Supply	633,291		316,645					316,646			
Building	62,317					62,317					
Watershed land	43,304						43,304				
Solar Project	30,203					30,203					
Waterlines	672,912		336,456					336,456			
Meters	1,354,857		159,726			98,232		1,096,899			
Sub-total	3,072,891	-	812,827			328,000	43,304	1,750,001	138,759		
	\$ 6,880,597	\$ 535,788	\$ 812,827	\$ 150,000	\$ 150,000	\$ 328,000	\$ 43,304	\$ 2,799,443	\$ 265,032	\$ 1,500,597	\$ 295,606



ASSETS

Cash
Investments, at cost

Trust Fund Reserve

Balance, begin year
Add:
Interest Earned
Investment gain
Investment allocation

Deduct:

Nancy Dick
MAY 2011
CAC