

TOWN OF NEW GLASGOW
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

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Town of New Glasgow

Management's Responsibility for Financial Reporting

March 31, 2023

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

March 18, 2024

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, 2023, 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, 2023, 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)

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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
March 18, 2024

MacDonald & Murphy Inc.

Chartered Professional Accountants

Town of New Glasgow

Consolidated Statement of Financial Position

March 31

2023

2022

(in thousands)

FINANCIAL ASSETS

Cash	\$	14,807.5	\$	10,931.0
Receivables				
Taxes (Note 3)		1,220.7		1,275.6
Due from Federal Government and its agencies		221.6		309.8
Due from Provincial Government and its agencies		53.8		32.4
Due from New Scotland Business Park				1,273.6
Due from Town of Westville		3.2		1.6
Due from Town of Trenton		168.3		323.4
Due from Town of Pictou		3.2		2.8
Due from Town of Stellarton		3.2		3.9
Due from Municipality of Pictou County		242.3		10.0
Trade accounts		783.8		647.2
Water rates		502.0		447.3
		<u>18,009.6</u>		<u>15,258.6</u>

FINANCIAL LIABILITIES

Bank indebtedness (Note 6)				3,412.2
Trade payables and accruals (Note 10)		2,924.3		3,148.9
Deferred revenues (Note 12)		3,043.9		219.9
Prepaid taxes		339.1		380.3
Long term debt (Note 7)		10,224.7		8,318.8
Capital lease obligations (Note 8)		413.8		502.6
Term loan obligations (Note 9)		206.8		524.6
Asset retirement obligation (Note 11)		147.7		
		<u>17,300.3</u>		<u>16,507.3</u>

NET FINANCIAL ASSETS (LIABILITIES)

	<u>709.3</u>	<u>(1,248.7)</u>
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NON-FINANCIAL ASSETS

Capital assets - net of accumulated amortization (Page 15)		63,123.0		63,851.9
Investment in New Scotland Business Development				
Incorporated (Note 15)		481.0		412.2
Inventories		461.7		456.4
Unamortized debt discount		29.2		17.5
Prepaid expenses		94.6		157.8
		<u>64,189.5</u>		<u>64,895.8</u>

NET NON-FINANCIAL ASSETS

	<u>64,189.5</u>	<u>64,895.8</u>
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ACCUMULATED SURPLUS

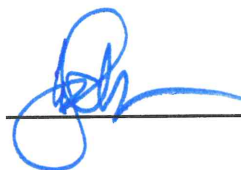
\$	<u>64,898.8</u>	\$	<u>63,647.1</u>
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COMMITMENTS (NOTE 14)

On Behalf of the Council



Mayor



CAO



MacDonald &
Murphy Inc.

Town of New Glasgow

Consolidated Statement of Financial Activities

Year Ended March 31

2023

2022

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Taxes	30	\$ 14,813.1	\$ 15,304.1	\$ 14,780.7
Grants in lieu of taxes	30	60.0	60.7	60.3
Sale of services	31	900.1	888.1	912.0
Other revenue from own sources	31	572.5	840.5	489.4
Transfers from government	31	1,558.5	1,558.6	2,614.0
Water revenues	32	3,565.1	3,608.1	3,555.6
Grants for capital	32	11,019.4	854.4	1,862.7
Other revenue	32	40.0	319.0	46.4
Other proceeds	32		138.7	60.6
Total revenue		<u>32,528.7</u>	<u>23,572.2</u>	<u>24,381.7</u>
Expenditures				
General government services	33	2,515.0	2,702.1	2,312.8
Protective services	33	6,567.9	6,713.9	6,481.2
Transportation services	34	3,682.4	4,981.2	4,546.8
Environmental health services	34	1,809.7	1,869.0	1,826.5
Public health services	34	5.0	5.0	5.0
Community development	35	788.5	1,062.5	829.6
Water treatment and distribution	35	3,734.4	3,672.1	3,143.6
Other transfers and grants	36	866.8	1,266.1	1,394.8
Reserve for taxes and other receivables	36	5.0	17.4	43.1
Annual accretion expense			7.7	
Cost of assets disposed, net			23.5	10.3
Total expenditures		<u>19,974.7</u>	<u>22,320.5</u>	<u>20,593.7</u>
Net surplus		<u>\$ 12,554.0</u>	<u>1,251.7</u>	<u>3,788.0</u>
Accumulated surplus, beginning of year			<u>63,647.1</u>	<u>59,859.1</u>
Accumulated surplus, end of year			<u>\$ 64,898.8</u>	<u>\$ 63,647.1</u>

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

Year Ended March 31

2023

2022

(in thousands)

	<u>Actual</u>	<u>Actual</u>
Net surplus	\$ 1,251.7	\$ 3,788.0
Adjustment for opening asset retirement obligation	(140.0)	
Changes in tangible capital assets		
Acquisition of capital assets	(2,104.9)	(6,805.6)
Amortization of capital assets	2,920.4	2,776.6
Cost of assets sold, net of accumulated amortization	23.5	10.3
Increase in net book value of tangible capital assets	<u>840.5</u>	<u>(4,017.2)</u>
Changes in other non-financial assets		
Acquisition of equity interest in New Scotland Business Park	(68.8)	(75.0)
Acquisition of inventories	(461.7)	(456.4)
Acquisition of prepaid expense	(94.6)	(157.8)
Acquisition of debt discount	18.7	
Amortization of debt discount	(2.6)	(1.4)
Consumption of inventories	456.4	371.8
Use of prepaid expense	157.8	83.5
	<u>5.7</u>	<u>(233.8)</u>
Change in net financial assets (liabilities)	1,957.9	(463.0)
Net financial liabilities, beginning of year	(1,248.7)	(785.8)
Net financial assets (liabilities), end of year	\$ 709.3	\$ (1,248.7)

Town of New Glasgow

Consolidated Statement of Cash Flow

Year Ended March 31

2023

2022

(in thousands)

Increase (decrease) in cash and cash equivalents

Operating activities		
Net surplus	\$ 1,251.7	\$ 3,788.0
Change in taxes receivable	54.9	10.8
Change in water rates receivable	(54.7)	126.0
Change in accounts receivable	1,125.3	(671.7)
Change in other assets	46.2	(157.3)
Change in accounts payable and accrued liabilities	(265.8)	723.1
Change in deferred revenue	2,824.0	11.8
Change in asset obligation liability	147.7	
	<u>5,129.3</u>	<u>3,830.9</u>
Capital activities		
Increase in net book value of capital assets	728.9	(4,018.7)
Investment in New Scotland Business Development	(68.8)	(75.0)
	<u>660.1</u>	<u>(4,093.7)</u>
Financing activities		
Long term debt issued	3,252.3	488.5
Capital lease issued		535.8
Debt principal repayment	(1,346.4)	(1,548.7)
Term loan repayment	(317.8)	(302.9)
Capital lease obligation repayment	(88.8)	(80.4)
	<u>1,499.3</u>	<u>(907.7)</u>
Net change in cash and cash equivalents	7,288.7	(1,170.5)
Cash and cash equivalents		
Beginning of year	<u>7,518.8</u>	<u>8,689.3</u>
End of year	<u>\$ 14,807.5</u>	<u>\$ 7,518.8</u>
Comprised of		
Cash	\$ 14,807.5	\$ 10,931.0
Bank indebtedness		(3,412.2)
	<u>\$ 14,807.5</u>	<u>\$ 7,518.8</u>

Town of New Glasgow

Schedule of General Operating Fund

Year Ended March 31

2023

2022

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Taxes	30	\$ 14,813.1	\$ 15,304.1	\$ 14,780.7
Grants in lieu of taxes	30	60.0	60.7	60.3
Sale of services	31	900.1	888.1	912.0
Other revenue from own sources	31	572.5	840.5	489.4
Transfers from governments	31	1,558.5	1,558.6	2,614.0
Other revenue	32	40.0	294.2	43.1
Total revenue		<u>17,944.2</u>	<u>18,946.2</u>	<u>18,899.5</u>
Expenditures				
General government services	33	2,515.0	2,406.3	2,045.7
Protective services	33	6,567.9	6,393.6	6,123.9
Transportation services	34	3,682.4	3,760.0	3,368.8
Environmental health services	34	1,809.7	1,711.7	1,670.7
Public health services	34	5.0	5.0	5.0
Community development	35	788.5	813.4	581.9
Other transfers and grants	36	866.8	1,266.1	1,394.8
Reserve for taxes and other receivables	36	5.0	17.4	43.1
Total expenditures		<u>16,240.3</u>	<u>16,373.5</u>	<u>15,233.9</u>
Net revenues		<u>1,703.9</u>	<u>2,572.7</u>	<u>3,665.6</u>
Financing and transfers				
Debt principal repayment		(1,171.4)	(1,171.4)	(1,344.2)
Term loan repayment		(342.6)	(253.8)	(224.0)
Capital lease repayment			(88.8)	(80.4)
Transfers from (to) operating fund reserve		500.0		38.4
Transfers from (to) general capital fund				
Capital out of revenue		(100.0)	(68.8)	(126.3)
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>(1,703.9)</u>	<u>(2,174.6)</u>	<u>(2,328.3)</u>
Change in general operating fund			398.1	1,337.3
Transfers from (to) operating fund reserve			(398.1)	(1,337.3)
General operating fund, beginning of year		<u> </u>	<u> </u>	<u> </u>
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

2023

2022

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Water revenue		\$ 3,537.9	\$ 3,575.7	\$ 3,534.1
Other revenue		27.2	32.4	21.5
Total revenue	33	<u>3,565.1</u>	<u>3,608.1</u>	<u>3,555.6</u>
Expenditures				
Transmission and distribution	35	3,094.3	2,863.7	2,495.4
Interest and bank charges	35	115.1	131.7	77.5
Total expenditures		<u>3,209.4</u>	<u>2,995.4</u>	<u>2,572.9</u>
Net revenues		<u>355.7</u>	<u>612.7</u>	<u>982.7</u>
Financing and transfers				
Debt principal repayment		(175.0)	(175.0)	(204.5)
Repayment of term loans		(64.0)	(64.0)	(78.9)
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		(35.0)	(35.0)	(100.0)
Capital out of revenue		(100.0)	(100.0)	(138.8)
Depreciation charge		(525.0)	(676.7)	(570.7)
Net financing and transfers		<u>(309.0)</u>	<u>(458.9)</u>	<u>(501.1)</u>
Change in water operating fund		<u>\$ 46.7</u>	<u>153.8</u>	<u>481.6</u>
Water operating fund, beginning of year			<u>3,854.1</u>	<u>3,372.5</u>
Water operating fund, end of year			<u>\$ 4,007.9</u>	<u>\$ 3,854.1</u>

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

Year Ended March 31

2023

2022

(in thousands)

Assets

Cash	\$	3,283.0	\$	3,510.1
Receivables				
Rates (less allowance for doubtful accounts)		502.0		447.3
Due from own funds and agencies				
Water capital reserve fund		25.2		
Water capital fund		1.9		1.9
General operating fund		390.1		
Prepays		4.4		4.0
Inventories, at cost		23.9		26.9
	\$	<u>4,230.5</u>	\$	<u>3,990.2</u>

Liabilities

Payables and accruals	\$	<u>222.6</u>	\$	<u>136.1</u>
Total financial liabilities		222.6		136.1

Equity

Surplus		<u>4,007.9</u>		<u>3,854.1</u>
	\$	<u>4,230.5</u>	\$	<u>3,990.2</u>

Town of New Glasgow Schedule of General Capital Fund

Year Ended March 31

2023

2022

(in thousands)

	Budget	Actual	Actual
Revenue			
Efficiency Nova Scotia	\$ 266.0	\$ 35.1	\$ 173.2
Provincial accessibility grant	106.0	25.0	122.4
Grant for library retrofit project	6,540.0		
Grant for sewer separation project	881.4		
TransCanada Trail	246.0		
	<u>8,039.4</u>	<u>60.1</u>	<u>295.6</u>
Expenditures			
General government	1,325.1	214.8	1,641.7
Protective services	307.2	95.3	268.1
Transportation services	3,247.9	1,214.1	1,331.4
Environmental health services		17.3	296.9
Recreation services	8,233.6	88.1	194.6
Investment, New Scotland Business Dev. Inc		68.8	75.0
Total expenditures (Page 37)	<u>13,113.8</u>	<u>1,698.4</u>	<u>3,807.7</u>
Net expenditures	<u>(5,074.4)</u>	<u>(1,638.3)</u>	<u>(3,512.1)</u>
Financing and transfers			
Debenture MFC	2,402.5		1,049.4
Temporary borrowing		947.5	
Loan financing	589.6		535.8
Transfers from general operating fund			
Capital out of revenue	100.0	68.8	126.3
Transfers from (to) reserve funds			
Operating reserve	425.0	102.8	150.0
Special reserve			150.0
Canada Community Building Fund reserve	1,540.4	506.2	1,500.6
Equipment reserve	16.9	13.0	
Net financing and transfers	<u>5,074.4</u>	<u>1,638.3</u>	<u>3,512.1</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

2023

2022

	(in thousands)		
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Provincial Capital Assistance Program grant Infrastructure Canada (ICIP Green Stream)	\$ 1,940.0	\$ 11.3	\$
Interest income		19.5	2.7
Total revenue	<u>1,940.0</u>	<u>30.8</u>	<u>2.7</u>
Expenditures (Page 37)			
Water treatment and distribution	<u>3,820.0</u>	<u>475.3</u>	<u>3,072.9</u>
Net expenditures	<u>(1,880.0)</u>	<u>(444.5)</u>	<u>(3,070.2)</u>
Financing and transfers			
Debenture MFC	735.0		1,750.0
Temporary financing			
Capital lease	45.0		
Capital out of revenue	100.0	100.0	138.8
Depreciation charge	525.0	676.7	570.7
Water capital reserve		45.0	328.0
Land reserve		35.0	100.0
Canada Community Building Fund reserve	100.0	28.4	
Net financing and transfers	<u>1,505.0</u>	<u>885.1</u>	<u>2,887.5</u>
Change in water capital fund	<u>\$ (375.0)</u>	440.6	(182.7)
Water capital fund, beginning of year		<u>1,953.6</u>	<u>2,136.2</u>
Water capital fund, end of year		<u>\$ 2,394.3</u>	<u>\$ 1,953.6</u>
Allocation of fund balance			
Land reserve		\$ 653.6	\$ 680.0
Depreciation cash		1,740.7	1,273.6
		<u>\$ 2,394.3</u>	<u>\$ 1,953.6</u>

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

Year Ended March 31	2023	2022
	(in thousands)	
Assets		
Cash		
Water land reserve fund	\$ 653.6	\$ 680.0
Depreciation fund	1,740.7	1,273.6
Due to own funds and agencies		
General Operating fund	835.9	
Unamortized debenture discount	29.2	17.5
Utility plant and equipment (Page 15)	<u>40,837.0</u>	<u>40,424.5</u>
	<u>\$ 44,096.5</u>	<u>\$ 42,395.7</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)	12,032.7	11,395.3
Long term debt	4,221.7	2,646.7
Term debt obligations	<u>50.3</u>	<u>114.3</u>
	<u>16,306.6</u>	<u>15,185.5</u>
Municipal position		
Investment in capital assets	27,136.3	26,530.2
Water land reserve	<u>653.6</u>	<u>680.0</u>
	<u>27,789.9</u>	<u>27,210.2</u>
	<u>\$ 44,096.5</u>	<u>\$ 42,395.7</u>

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

Year Ended March 31	2023	2022
	(in thousands)	
Balance, beginning of year	\$ 26,530.2	\$ 25,251.8
Long term debt repayments	175.0	204.5
Term debt repayments	64.0	79.0
Capital additions out of revenue	100.0	138.8
Disposal of Capital Assets, net	(23.5)	
Capital funding from		
Watershed Reserve	81.0	43.3
Depreciation funds	<u>209.6</u>	<u>812.8</u>
	<u>606.1</u>	<u>1,278.4</u>
Balance, end of year	<u>\$ 27,136.3</u>	<u>\$ 26,530.2</u>

Town of New Glasgow

Schedule of Reserve Funds

Year Ended March 31

2023

2022

(in thousands)

	Budget	Actual	Actual
Revenue			
Investment income	\$	\$ 5.3	\$ 0.6
Parkland transfers		4.9	2.1
Canada Community Building Fund	1,040.0	783.0	1,567.1
Proceeds from sale of assets		133.8	58.5
Total revenue	<u>1,040.0</u>	<u>927.0</u>	<u>1,628.3</u>
Financing and transfers			
Transfers from general operating fund		398.1	1,337.3
General operating fund surplus			(38.4)
General operating	(500.0)		(328.0)
Transfer to water capital fund			
Canada Community Building Fund reserve	(100.0)	(28.4)	
Water capital reserve		(45.0)	
Transfers to (from) general capital fund			
Operating reserve	(425.0)	(102.8)	(150.0)
Special reserve			(150.0)
Canada Community Building Fund reserve	(1,540.4)	(506.2)	(1,500.6)
Equipment reserve	(16.9)	(13.0)	
Net financing and transfers	<u>(2,582.3)</u>	<u>(297.3)</u>	<u>(829.7)</u>
Change in reserve funds balance	<u>\$ (1,542.3)</u>	629.7	798.6
Reserve funds balance			
Beginning of year		<u>5,465.8</u>	<u>4,667.2</u>
End of year		<u>\$ 6,095.5</u>	<u>\$ 5,465.8</u>
Reserves			
Equipment		\$ 86.7	\$ 67.6
Special		201.0	170.9
Power Board		0.8	0.8
Canada Community Building Fund		452.2	200.1
Water capital reserve		104.2	77.7
Central treatment plant		36.7	36.7
Parkland transfers		25.4	20.0
General operating		5,188.5	4,892.0
		<u>\$ 6,095.5</u>	<u>\$ 5,465.8</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 2023	Total 2022
	(in thousands)							
General capital								
Cost:								
Balance, beginning of year	\$ 2,374.0	\$ 2,970.5	\$ 9,662.1	\$ 10,742.7	\$ 30,812.5	\$ 13,850.2	\$ 70,412.0	\$ 67,008.9
Acquisition of capital assets			189.6	910.2	622.6	17.3	1,739.7	3,732.7
Disposition of capital assets				(158.9)			(158.9)	(329.6)
Balance, end of year	<u>2,374.0</u>	<u>2,970.5</u>	<u>9,851.7</u>	<u>11,494.0</u>	<u>31,435.1</u>	<u>13,867.5</u>	<u>71,992.8</u>	<u>70,412.0</u>
Accumulated amortization:								
Balance, beginning of year		1,536.9	4,908.9	6,511.0	19,185.9	3,446.6	35,589.3	33,702.7
Annual amortization		52.2	278.1	813.1	943.0	157.3	2,243.7	2,205.9
Accumulated amortization on disposals				(158.9)			(158.9)	(319.3)
Balance, end of year		<u>1,589.1</u>	<u>5,187.0</u>	<u>7,165.2</u>	<u>20,128.9</u>	<u>3,603.9</u>	<u>37,674.1</u>	<u>35,589.3</u>
Net book value of general capital	<u>\$ 2,374.0</u>	<u>\$ 1,381.4</u>	<u>\$ 4,664.7</u>	<u>\$ 4,328.8</u>	<u>\$ 11,306.2</u>	<u>\$ 10,263.6</u>	<u>\$ 34,318.7</u>	<u>\$ 34,822.7</u>
Water capital								
Cost:								
Balance, beginning of year	\$ 280.9		\$ 12,929.3	\$ 4,913.4		\$ 22,300.9	\$ 40,424.5	\$ 37,351.6
Acquisition of capital assets	81.0		5.4	293.4		95.5	475.3	3,072.9
Disposition of capital assets				(62.8)			(62.8)	-
Balance, end of year	<u>361.9</u>		<u>12,934.7</u>	<u>5,206.8</u>		<u>22,396.4</u>	<u>40,837.0</u>	<u>40,424.5</u>
Accumulated amortization:								
Balance, beginning of year			2,493.2	2,682.4		6,219.7	11,395.3	10,824.6
Annual amortization			116.1	212.4		348.2	676.7	570.7
Accumulated amortization on disposals				(39.3)			(39.3)	-
Balance, end of year			<u>2,609.3</u>	<u>2,894.8</u>		<u>6,567.9</u>	<u>12,032.7</u>	<u>11,395.3</u>
Net book value of water capital	<u>\$ 361.9</u>	<u>\$</u>	<u>\$ 10,325.4</u>	<u>\$ 2,312.0</u>	<u>\$</u>	<u>\$ 15,828.5</u>	<u>\$ 28,804.3</u>	<u>\$ 29,029.2</u>
Total consolidated capital	<u>\$ 2,735.9</u>	<u>\$ 1,381.4</u>	<u>\$ 14,990.1</u>	<u>\$ 6,640.8</u>	<u>\$ 11,306.2</u>	<u>\$ 26,092.1</u>	<u>\$ 63,123.0</u>	<u>\$ 63,851.9</u>

Town of New Glasgow Consolidated Municipal Position

March 31

2023

2022

(in thousands)

Operating and reserve fund balances

General operating fund (Page 8)	\$		\$	
Water operating fund (Page 9)		4,007.9		3,854.1
General capital fund (Page 11)		0.2		0.2
Water capital fund (Page 12)		2,394.3		1,953.6
Reserve funds (Page 14)		6,095.5		5,465.8
		<u>12,497.9</u>		<u>11,273.7</u>

Investment in capital assets

Balance, beginning of year	\$	52,373.5	\$	49,683.0
Capital funding from				
General operations		68.8		126.3
Water operations		100.0		138.8
Canada Community Building Fund reserve		534.7		1,500.6
Depreciation funds		209.6		812.8
Special reserve				150.0
Operating reserve		102.8		150.0
Equipment reserve		13.0		
Water capital reserve		45.0		328.0
Watershed reserve		81.0		43.3
Capital grants		71.4		295.6
Repayment of long term debt		1,346.4		1,548.7
Capital lease obligation repayment		88.8		80.4
Repayment of term loans		317.8		302.9
Amortization expense - general capital		(2,243.7)		(2,205.9)
Amortization expense - water capital		(676.7)		(570.7)
Accretion expense		(7.7)		
Cost of assets disposed, net of accumulated amortization		(23.5)		(10.3)
Balance, end of year	\$	<u>52,400.9</u>	\$	<u>52,373.5</u>
Consolidated municipal position	\$	<u>64,898.8</u>	\$	<u>63,647.1</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2023

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 13.
- (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, 2023

(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, 2023

(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, 2023

(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, IT services, 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, sidewalks and trails 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, storm and sewer services provided to the residents and other customers.

Community development

This department is responsible for promoting the Town of New Glasgow, Town events 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>2023</u>	<u>2022</u>
	(in thousands)	
Cash, beginning of year	\$ 1,273.6	\$ 1,515.7
Add: depreciation	676.7	570.7
Less: funds used for capital projects	<u>(209.6)</u>	<u>(812.8)</u>
Balance, end of year	<u>\$ 1,740.7</u>	<u>\$ 1,273.6</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2023

3. Taxes and rates receivable

			<u>2023</u>	<u>2022</u>
			(in thousands)	
	Current Year	Prior Years	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 15,243.3	\$ 934.1	\$ 934.1	\$ 879.4
Current period tax & rate levy	15,243.3		<u>15,243.3</u>	14,526.3
Collections & write-offs	(14,624.6)	(700.5)	<u>(15,325.1)</u>	(14,471.6)
Balance, end of year	<u>\$ 618.7</u>	<u>\$ 233.6</u>	852.3	934.1
Pollution control receivable			499.9	460.5
Interest receivable			<u>65.1</u>	60.2
			1,417.3	1,454.8
Less: Valuation allowance (Note 4)			<u>(196.6)</u>	(179.2)
			<u>\$ 1,220.7</u>	<u>\$ 1,275.6</u>

4. Valuation allowance - uncollected taxes and rates

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Balance, beginning of year	\$ 179.2	\$ 136.1
Add: Increase in allowance for year	17.4	43.1
Less: Approved write offs/collections		
Balance, end of year	<u>\$ 196.6</u>	<u>\$ 179.2</u>

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.

	<u>2023</u>	<u>2022</u>
	(in thousands)	
General government services	\$ 295.8	\$ 267.1
Protective services	320.3	357.3
Transportation services	1,221.2	1,178.0
Environmental health services	157.3	155.8
Community development	249.1	247.7
	<u>\$ 2,243.7</u>	<u>\$ 2,206.0</u>

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, 2023

7. Long term debt

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Debentures Issued to Provincial Government or its agencies		
NS Municipal Finance Corporation		
Glasgow Square 30-A-1 due 2025	\$ 480.0	\$ 540.0
Equipment 32-A-1 due 2022		221.6
Equipment 32-B-1 due 2022		46.5
Equipment 33-A-1 due 2023	64.1	128.1
Equipment 34-A-1 due 2024	127.3	190.9
Equipment 35-A-1 due 2025	409.0	545.4
Equipment 36-A-1 due 2026	255.5	319.4
Equipment 37-A-1 due 2032	358.9	466.2
Water treatment plant 37-A-1 due 2032	1,050.0	1,120.0
Water 37-B-1 due 2033	675.0	720.0
Equipment 38-A-1 due 2033	538.7	658.8
Water 39-A-1 Due 2034	400.0	433.3
Equipment 39-A-1 Due 2034	568.2	687.9
Equipment 40-A-1 Due 2035	1,260.1	1,378.9
Water 40-A-1 Due 2035	346.7	373.3
Equipment 41-A-1 Due 2036	438.9	488.5
Equipment 42-A-1	1,052.3	
Equipment FCM-N	450.0	
Water 42-A-1	1,750.0	
	<u>\$ 10,224.7</u>	<u>\$ 8,318.8</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
2024	\$ 979.0	\$ 291.7	\$ 1,270.7
2025	865.4	291.7	1,157.1
2026	1,035.0	291.7	1,326.7
2027	548.4	291.7	840.1
2028	477.8	291.7	769.5

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, 2023 for the following purposes:

Transportation	\$ 666.1
Protective services	134.0
General government	147.4
	<u>\$ 947.5</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2023

8. Capital lease obligations

	<u>2023</u>	<u>2022</u>
	(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.	\$ 35.2	\$ 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.	306.5	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.	72.1	101.5
	<u>\$ 413.8</u>	<u>\$ 502.6</u>

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

	General capital
2024	\$ 91.2
2025	71.8
2026	44.9
2027	206.0

9. Term debt obligations

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Term loan, with interest 1.42%, payable in monthly instalments of \$2,005 including interest. The obligation is secured by a 200KWE Generator.	\$ 23.8	\$ 47.4
Term loan, with interest 1.52%, payable in monthly instalments of \$1,343 including interest. The obligation is secured by a 2020 Ford Explorer.	6.7	22.5
Term loan, with interest 1.41%, payable in monthly instalments of \$3,131 including interest. The obligation is secured by Computer Equipment.	37.3	74.0
	<u>\$ 67.8</u>	<u>\$ 143.9</u>

Continues on next page

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2023

9. Term debt obligations (continued)

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Balance forward:	\$ 67.8	\$ 143.9
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.	4.2	12.3
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.	22.3	34.2
Term loan, with interest at 0%, payable in monthly instalments of \$576. The obligation is secured by a 2018 Ford Escape.	2.3	9.2
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.	82.0	119.0
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.	3.8	11.2
Term loan, with interest 4.56%, payable in monthly instalments of \$894 including interest. The obligation is secured by a 2019 Ford Truck.	18.0	27.7
Term loan, with interest 3.24%, payable in monthly instalments of \$366 including interest. The obligation is secured by a Boom Flail.	6.4	10.5
Term loan repaid during the year.		7.2
Term loan repaid during the year.		14.9
Term loan repaid during the year.		3.8
Term loan repaid during the year.		5.2
Term loan repaid during the year.		102.7
Term loan repaid during the year.		1.6
Term loan repaid during the year.		0.5
Term loan repaid during the year.		15.2
Term loan repaid during the year.		5.5
	<u>\$ 206.8</u>	<u>\$ 524.6</u>

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

	General Capital	Water Capital	Total
2024	\$ 144.7	\$ 50.3	\$ 195.0
2025	11.8		11.8



Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2023

10. Trade payables and accruals

	<u>2023</u>	<u>2022</u>
	(in thousands)	
General Operating		
Trade payables	\$ 1,416.2	\$ 1,961.4
Payroll accruals	1,089.6	922.5
Other accruals	<u>195.9</u>	<u>128.9</u>
	<u>2,701.7</u>	3,012.8
Water Operating		
Trade payables	6.1	8.2
Payroll accruals	168.6	104.1
Other accruals	<u>47.9</u>	<u>23.8</u>
	<u>222.6</u>	136.1
	<u><u>\$ 2,924.3</u></u>	<u><u>\$ 3,148.9</u></u>

11. Asset retirement obligation

Effective April 1, 2022 the Town recognized the asset retirement obligation (ARO) identified for the remediation of contaminants present within a number of buildings owned by the Town. The ARO reflected is the expected costs that will be incurred under the current provincial environmental regulations to decommission the buildings identified with contaminants which have a estimated useful life of six to 42 years.

The adjustment to recognize the ARO is the result of the following:

Estimated asset retirement obligation, total	\$ 833.4
Net present value at April 1, 2022 using the discount rate of 5.5%	140.0
Discount to be adjusted over the following 42 years	693.4

Balance of ARO liability:

Opening ARO, April 1, 2022	\$ 140.0
Current year accretion expense	<u>7.7</u>
Ending balance of ARO, March 31, 2023	<u><u>\$ 147.7</u></u>

The adjustment to recognize the opening ARO has been recognized using the modified retroactive application in the Operating fund opening surplus.

The discount rate applied at March 31, 2023 is the Municipal Finance Corporation's 30 year debenture rate as at October, 2022. The annual accretion expense is determined based on the discounted rate applied at each year end.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2023

12. Deferred revenue

	<u>2023</u>	<u>2022</u>
Deferred revenue, beginning of year	\$ 219.9	\$ 208.1
Current year additions	3,073.2	160.9
Current year usage	<u>(249.2)</u>	<u>(149.1)</u>
Deferred revenue, end of year	<u>\$ 3,043.9</u>	<u>\$ 219.9</u>

The deferred revenue is available for community development programs.

13. 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, 2023 was \$49,300 (2022 - \$36,300).

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

<u>Board</u>	<u>Contribution</u>	
	<u>2023</u>	<u>2022</u>
	(in thousands)	
Pictou County Wellness Centre	\$ 324.6	\$ 403.7
Pictou Antigonish Regional Library	83.4	88.1
Pictou County Solid Waste Management	607.4	593.1
East River Environmental Control Centre	1,020.3	956.3
Pictou County Regional Enterprise Network	30.7	30.7
Eastern Mainland Housing Authority	319.1	242.9
Chignecto Central Regional Centre for Education	1,784.1	1,761.0

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2023

14. 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, 2023 the amount transferred was \$511,906 (2022 - \$659,100).

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, 2023, the Town's contribution was \$324,638 (2022 - \$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 \$1,550,701 (21%) with the remaining portion of the total \$7,402,074 being secured by other municipal units located in Pictou County.

15. 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, 2023 is \$4,542,161.

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, 2023 represents capital contributions only. There is no other income or loss recorded from NSBDI up to March 31, 2023.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2023

16. 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, 2022 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	<u>\$ 24,624,200</u>
Pension fund obligation	<u>\$ 18,056,000</u>

The net difference of \$5,580,000 represents a surplus in the plan.

Solvency Financial Position (Valuation method required by the Nova Scotia Pension Benefits Act)	
Pension fund assets	<u>\$ 24,491,200</u>
Pension fund obligation	<u>\$ 23,621,000</u>

The net difference of \$870,200 represents a surplus in the plan.

The Town of New Glasgow realized pension expense of \$390,021 (2022 - \$373,175) for the defined benefit pension plan described above for the year ending March 31, 2023.

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	<u>\$ 64,575,400</u>
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	<u>\$ 66,557,200</u>
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 \$196,779 (2022 - \$223,433) for the defined benefit pension plan described above for the year ending March 31, 2023.

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.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2023

17. 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>Expenses</u>	<u>Reimbursed Total</u>
Nancy Dicks	Mayor	\$ 34,517	\$ 8,377	\$ 42,894
Jocelyn Dorrington	Deputy Mayor/Councillor	23,130	106	23,236
Clyde Fraser	Councillor	21,860	1,764	23,624
Joe MacDonald	Councillor	21,860	688	22,548
Fred El-Haddad	Councillor	21,860	340	22,200
Russell Borden	Councillor	21,860	183	22,043
Dawn Peters	Councillor/Deputy Mayor	22,461	2,584	25,045
Lisa MacDonald	CAO	140,285	4,790	145,075

18. 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

2023

2022

(in thousands)

	Budget	Actual	Actual
Taxes			
Assessable property			
Residential	\$ 8,884.7	\$ 8,884.5	\$ 8,340.0
Commercial	6,189.9	6,196.3	6,014.7
Resource	43.3	43.1	41.9
	<u>15,117.9</u>	<u>15,123.9</u>	<u>14,396.6</u>
Business property			
Based on revenue (Aliant)	49.0	49.0	52.0
Nova Scotia Power Corp.	1.1	1.2	1.1
H.S.T. offset grant	70.0	69.2	76.6
	<u>120.1</u>	<u>119.4</u>	<u>129.7</u>
Special assessments			
Environmental Health Services			
Pollution control	1,130.0	1,138.8	1,088.2
Solid waste disposal	562.5	561.3	561.2
Fire Protection Charges	63.5	63.8	63.1
	<u>1,756.0</u>	<u>1,763.9</u>	<u>1,712.5</u>
Deed transfer tax		<u>511.9</u>	<u>659.1</u>
Total tax levied	<u>16,994.0</u>	<u>17,519.1</u>	<u>16,897.9</u>
Less taxes collected on behalf of others;			
Regional school board	(1,784.1)	(1,784.1)	(1,761.0)
Provincial correctional service	(111.8)	(111.8)	(113.3)
Regional housing authority	(285.0)	(319.1)	(242.9)
	<u>(2,180.9)</u>	<u>(2,215.0)</u>	<u>(2,117.2)</u>
	<u>\$ 14,813.1</u>	<u>\$ 15,304.1</u>	<u>\$ 14,780.7</u>

Grants in lieu of taxes

Federal Government	\$ 50.0	\$ 50.3	\$ 50.3
Provincial Government	10.0	10.4	10.0
	<u>\$ 60.0</u>	<u>\$ 60.7</u>	<u>\$ 60.3</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2023

2022

(in thousands)

	Budget	Actual	Actual
Sales of services			
Parking meters	\$ 70.0	\$ 60.8	\$ 74.4
Sale of IT services	164.1	170.7	134.8
Sale of policing services	641.5	641.5	621.4
Sale of planning and inspection services	2.5		30.6
Sale of power to NSPC	22.0	15.1	24.4
	<u>\$ 900.1</u>	<u>\$ 888.1</u>	<u>\$ 885.6</u>

Other revenue from own sources

Licenses and permits	\$ 45.5	\$ 24.6	\$ 29.0
Fines	65.0	66.3	55.9
Rentals	104.0	108.2	105.2
Interest on taxes and rates	163.0	149.1	159.2
Criminal record checks	80.0	352.8	26.4
HST rebates (gas and diesel)	35.0	36.6	37.0
Mortgage service fees	20.0	19.6	23.2
Recreation revenue	10.0	4.4	6.1
MPAL program funding	25.0	25.0	25.0
Engineering contract work	5.0	5.0	1.9
Miscellaneous	20.0	48.9	46.9
	<u>\$ 572.5</u>	<u>\$ 840.5</u>	<u>\$ 515.8</u>

Transfers from government

Unconditional transfers from Provincial Government	\$ 1,055.4	\$ 1,055.4	\$ 2,110.9
Conditional transfers from Federal and Provincial Governments and agencies			
Department of Justice Policing Program	500.0	500.0	500.0
Civic addressing initiative	3.1	3.2	3.1
	<u>\$ 1,558.5</u>	<u>\$ 1,558.6</u>	<u>\$ 2,614.0</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2023

2022

(in thousands)

	Budget	Actual	Actual
Water revenues			
Metered sales	\$ 3,236.7	\$ 3,281.0	\$ 3,233.4
Flat rate sales	292.7	292.7	292.7
Public fire protection	8.5	2.0	8.0
Other	27.2	32.4	21.5
	<u>\$ 3,565.1</u>	<u>\$ 3,608.1</u>	<u>\$ 3,555.6</u>
Grants for capital			
Canada Community Building Fund	\$ 1,040.0	\$ 783.0	\$ 1,567.1
Efficiency Nova Scotia	266.0	35.1	173.2
Provincial accessibility grant	106.0	25.0	122.4
Provincial Capital Assistance Program		11.3	
Grant for library retrofit project	6,540.0		
Grant for sewer separation project	881.4		
Infrastructure Canada (ICIP Green Stream)	1,940.0		
TransCanada Trail	246.0		
	<u>\$ 11,019.4</u>	<u>\$ 854.4</u>	<u>\$ 1,862.7</u>
Other revenue			
Interest on operating account	\$ 40.0	\$ 294.2	\$ 43.1
Interest on capital and reserve funds		24.8	3.3
	<u>\$ 40.0</u>	<u>\$ 319.0</u>	<u>\$ 46.4</u>
Other proceeds			
Sale of assets, net of net book value	\$	\$ 133.8	\$ 58.5
Parkland transfers		4.9	2.1
	<u>\$</u>	<u>\$ 138.7</u>	<u>\$ 60.6</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2023

2022

(in thousands)

	Budget	Actual	Actual
General government services			
Legislative	\$ 196.0	\$ 184.6	\$ 153.3
General administration	1,266.2	1,215.1	1,034.9
Taxation exemptions	127.5	120.8	95.3
Employee benefits	116.7	79.0	86.3
Computer services	578.9	499.1	466.8
Safety	6.0	5.0	4.3
Public grants	30.0	26.0	1.2
Town owned buildings	92.5	84.7	84.1
Interest and bank charges	53.7	53.5	55.7
Pandemic Planning		0.3	9.4
Other	47.5	138.2	54.4
	<u>2,515.0</u>	<u>2,406.3</u>	<u>2,045.7</u>
Amortization		<u>295.8</u>	<u>267.1</u>
	<u>\$ 2,515.0</u>	<u>\$ 2,702.1</u>	<u>\$ 2,312.8</u>

Protective services

Police protection			
Crime investigation, prevention and protective services	\$ 4,541.5	\$ 4,360.6	\$ 4,112.9
Police station and building	124.2	149.3	126.4
Provincial Police program	500.0	500.0	500.0
Police automotive equipment	166.7	112.4	134.2
	<u>5,332.4</u>	<u>5,122.3</u>	<u>4,873.5</u>
Fire protection			
Fire fighting force	1,013.0	1,058.3	1,027.7
Fire stations and buildings	82.5	98.0	98.7
Fire fighting equipment	65.5	58.0	72.8
Fire inspection	26.0	20.8	14.9
	<u>1,187.0</u>	<u>1,235.1</u>	<u>1,214.1</u>
Animal control			
Administration	24.5	11.1	12.3
Emergency measures			
	<u>13.5</u>	<u>14.6</u>	<u>13.5</u>
Interest and bank charges			
	<u>10.5</u>	<u>10.5</u>	<u>10.5</u>
	6,567.9	6,393.6	6,123.9
Amortization			
		<u>320.3</u>	<u>357.3</u>
	<u>\$ 6,567.9</u>	<u>\$ 6,713.9</u>	<u>\$ 6,481.2</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2023

2022

(in thousands)

	Budget	Actual	Actual
Transportation services			
Common services			
Engineering	\$ 365.2	\$ 366.8	\$ 326.9
Planning and inspection	209.0	211.2	210.8
Equipment	589.5	680.9	673.8
Mechanic shop	242.4	177.5	239.5
Salaries and benefits	515.0	780.8	480.1
Road transport			
Streets	1,170.4	1,006.9	966.4
Street lighting	90.0	60.0	78.4
Storm sewers & catchpits	95.0	71.3	57.4
Traffic activities	160.0	152.1	118.9
Parking	24.6	32.1	6.3
Other	154.7	153.8	143.7
Interest and bank charges	66.6	66.6	66.6
	<u>3,682.4</u>	<u>3,760.0</u>	<u>3,368.8</u>
Amortization		<u>1,221.2</u>	<u>1,178.0</u>
	<u>\$ 3,682.4</u>	<u>\$ 4,981.2</u>	<u>\$ 4,546.8</u>

Environmental health services

Sewage treatment and disposal	\$ 134.0	\$ 53.1	\$ 88.8
Central treatment plant operation	1,020.4	1,020.4	956.2
Garbage and waste collection and disposal			
Municipal collection and disposal	640.6	623.5	611.0
Interest and bank charges	14.7	14.7	14.7
	<u>1,809.7</u>	<u>1,711.7</u>	<u>1,670.7</u>
Amortization		<u>157.3</u>	<u>155.8</u>
	<u>\$ 1,809.7</u>	<u>\$ 1,869.0</u>	<u>\$ 1,826.5</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

2023

2022

(in thousands)

	Budget	Actual	Actual
Community development			
Administration	\$ 373.9	\$ 387.2	\$ 248.7
Recreation instruction and sundry	61.3	56.2	32.3
Marina	10.0	9.8	11.3
Farmers Market	7.5	8.4	11.7
Community centres	43.5	37.1	38.3
Parks and playgrounds	141.0	142.6	108.5
Summer grounds maintenance	85.0	114.9	93.7
Marketing and communications	31.0	21.9	2.1
Interest and bank charges	35.3	35.3	35.3
	788.5	813.4	581.9
Amortization		249.1	247.7
	<u>\$ 788.5</u>	<u>\$ 1,062.5</u>	<u>\$ 829.6</u>

Water treatment and distribution

Operating expenditures			
Source of supply	\$ 179.0	\$ 185.4	\$ 151.4
Pumping	167.1	150.8	126.6
Water treatment	840.5	717.2	784.0
Transmission and distribution	770.5	634.0	530.3
Salaries and benefits	290.0	350.4	286.4
Fleet	232.2	212.2	182.9
Administrative and general	615.0	613.7	433.8
	3,094.3	2,863.7	2,495.4
Interest and bank charges	115.1	131.7	77.5
	3,209.4	2,995.4	2,572.9
Amortization	525.0	676.7	570.7
	<u>\$ 3,734.4</u>	<u>\$ 3,672.1</u>	<u>\$ 3,143.6</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2023

2022

(in thousands)

	Budget	Actual	Actual
Other transfers and grants			
Pictou County Wellness Centre	\$ 413.0	\$ 324.6	\$ 403.8
Deed transfer tax		511.9	659.1
Riverfront - Glasgow Square	58.7	49.3	36.3
Property Valuation Services Corporation	113.3	113.3	115.7
Tourism and education services			
Pictou-Antigonish Regional Library	85.0	83.4	88.1
Destination Eastern & Northumberland Shores	14.3	12.1	9.6
Transportation services - Public Transit	100.0	89.3	
CHAD	41.1	41.1	41.1
Pictou County Partnership (REN)	30.7	30.7	30.7
Citizens for a Healthy Pictou County			
Physician Recruitment	10.7	10.4	10.4
	<u>\$ 866.8</u>	<u>\$ 1,266.1</u>	<u>\$ 1,394.8</u>

Reserves for taxes and appeals

Reserve for uncollectible taxes	<u>\$ 5.0</u>	<u>\$ 17.4</u>	<u>\$ 43.1</u>
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Town of New Glasgow Schedule of Capital Projects Funding

March 31, 2023

	TOTAL CAPITAL COSTS	Temporary Borrowing	Equipment reserve	Depreciation reserve	Operating reserve	Water Capital reserve	Watershed reserve	Capital out of revenue	Canada Community Building Fund	External Funding
GENERAL CAPITAL										
Sidewalks	61,701	61,701								
Street Paving & Curbs	461,050	18,807							442,243	
Police Capital	16,979	16,133			846					
Public Works										
- Traffic lights	99,805	99,805								
- Equipment	505,618	467,538	13,000		25,080					
- Building	85,980	67,734			18,246					
Storm Sewer Separation Project	17,303	17,303								
Recreation Capital	88,144	35,653			23,347				4,144	25,000
Glasgow Square Capital	10,831	10,831								
Fire Capital	78,328	63,329			14,999					
Town office - equipment	50,270	30,000			20,270					
Town hall building upgrades	11,912	11,912								
Energy Efficiency Project	64,955									5,099
EV Charger	75,499	45,499							59,856	30,000
Downtown Development	1,293	1,293								
New Scotland Business Park investment	68,750							68,750		
Sub-total	1,698,418	947,538	13,000		102,788			66,750	506,243	60,099
WATER CAPITAL										
Equipment	276,407									
Source of Supply	64,441			131,407		45,000				
Building	5,420			24,716					28,445	11,280
Watershed land	80,951			5,420			80,951			
Solar Project										
Waterlines	31,084									
Meters	17,017									
Sub-total	475,320			209,644		45,000	80,951	100,000	28,445	11,280
\$ 2,173,738	\$ 947,538	\$ 13,000	\$ 209,644	\$ 102,788	\$ 45,000	\$ 80,951	\$ 168,750	\$ 534,688	\$ 71,379	



TOWN OF NEW GLASGOW
TRUST FUND BALANCE SHEET
YEAR ENDED MARCH 31, 2023

	School Library	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. MacGregor Trust	Ivan Machinis Trust	H. Goodman Trust	War Memorial Trust	2023 Total	2022 Total
Cash	\$ 42,935	\$ 173,622	\$ 3,891	\$ 1,727	\$ 900	\$ 3,355	\$ 1,450	\$ 3,830	\$ 1,107	\$ 1,237	\$ 413	\$ 1,779	\$ 11,612	\$ 2,283	\$ 622	\$ 1,153	\$ 251,916	\$ 243,778
Investments, at cost	87,731																87,731	88,581
	130,666	173,622	3,891	1,727	900	3,355	1,450	3,830	1,107	1,237	413	1,779	11,612	2,283	622	1,153	339,647	332,359

RESERVE

Trust Fund Reserve	\$ 130,666	\$ 173,622	\$ 3,891	\$ 1,727	\$ 900	\$ 3,355	\$ 1,450	\$ 3,830	\$ 1,107	\$ 1,237	\$ 413	\$ 1,779	\$ 11,612	\$ 2,283	\$ 622	\$ 1,153	\$ 339,647	\$ 332,359
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STATEMENT OF TRUST FUND RESERVES
YEAR ENDED MARCH 31, 2023

Balance, begin year	\$ 129,010	\$ 168,574	\$ 3,888	\$ 1,725	\$ 898	\$ 3,353	\$ 1,446	\$ 3,677	\$ 1,075	\$ 1,235	\$ 425	\$ 1,728	\$ 11,299	\$ 2,284	\$ 623	\$ 1,119	\$ 332,359	\$ 332,604
Add:																		
Interest Earned	1,390																	
Investment gain	5,047		118	52	27	102	44	153	32	37	13	51	338	69	19	34	7,526	1,120
Investment allocation	4,820																(850)	19
	134,370	173,621	4,006	1,777	925	3,455	1,490	3,830	1,107	1,272	438	1,779	11,637	2,353	642	1,153	4,820	4,593
Deduct:																		
Transfers	3,703			50	25	100	40			35	25		25	70	20		4,208	5,977
Bank Charges																		
Investment loss																		
	3,703		115	50	25	100	40			35	25		25	70	20		4,208	5,977
	\$ 130,667	\$ 173,621	\$ 3,891	\$ 1,727	\$ 900	\$ 3,355	\$ 1,450	\$ 3,830	\$ 1,107	\$ 1,237	\$ 413	\$ 1,779	\$ 11,612	\$ 2,283	\$ 622	\$ 1,153	\$ 339,647	\$ 332,359

ON BEHALF OF THE TOWN

Mayor

CAO