



Town of Amherst
Audit Committee

Agenda

Date: **Monday, September 14, 2020**
Time: **4:00 pm**
Location: **Zoom Virtual Meeting**

	Pages
1. CALL TO ORDER	
2. APPROVAL OF AGENDA	
3. APPROVAL OF MINUTES	
3.1 August 10, 2020	2 - 3
4. PRESENTATION OF AUDITED FINANCIAL STATEMENTS	
4.1 Town of Amherst	4 - 40
4.2 Amherst Water Utility	41 - 55
4.3 Audit Findings Letter - To be distributed	
5. ACCEPTANCE OF FINANCIAL STATEMENTS	
5.1 Recommendation to Accept Town Statements	56 - 56
5.2 Recommendation to Accept Water Utility Statements	57 - 57
6. OTHER	
6.1 First Quarter Report	58 - 72
6.2 Capital Budget Actuals-to-Date	73 - 75
7. ADJOURN	

**Town of Amherst
Audit Committee
Minutes**

Date: August 10, 2020
Time: 3:30 pm
Location: Zoom Virtual Meeting

Members Present David Kogon, Council representative, Chair
Darrell Jones, Council representative, Vice-Chair
Sheila Christie, Council representative
Wayne MacKenzie, Council representative
Vince Byrne, Council representative
Terry Rhindress, Council representative
Jeff Brennan, Citizen representative

Members Absent Rob Small, Citizen representative

Staff Present Greg Herrett, CAO
Shelley Rector, Chief Financial Officer
Sarah Wilson, Financial Services Manager
Natalie LeBlanc, Deputy Clerk
Kim Jones, Municipal Clerk

Due to the COVID-19 pandemic and the requirement for physical distancing, this was a virtual meeting held via Zoom.

1. Call to Order

Mayor Kogon called the meeting to order at 3:30 p.m.

1.1 Approval of Agenda

**Moved By Deputy Mayor Christie
Seconded By Councillor Rhindress
To approve the agenda as circulated.**

Motion Carried

1.2 Approval of Minutes - February 20, 2020

**Moved By Councillor Rhindress
Seconded By Deputy Mayor Christie
To approve the minutes of the February 20, 2020 Audit Committee meeting
as circulated.**

Motion Carried

2. Audit Engagement and Planning

Auditor Mark Milner reviewed the Audit Engagement Letters for both the Town of Amherst and Amherst Water Utility, included as part of the agenda package. He pointed out that this letter outlines the responsibilities of both the auditors and the Town during the audit process, and will be signed by both parties.

2.1 Town of Amherst – General

Mr. Milner reviewed the Audit Planning Letters for the Town of Amherst, included as part of the agenda package.

2.2 Amherst Water Utility

Mr. Milner further reviewed the Audit Planning Letters for the Amherst Water Utility, also included as part of the agenda package. These letters will ensure effective two-way communication between the auditors and the Town, address the auditor's responsibilities as independent auditors and provide information about the planned scope and timing of the audit.

3. Fourth Quarter Report - Rector

The CFO reviewed the Fourth Quarter Report as included in the agenda package.

4. FCI & Municipal Report - Rector

The CFO reviewed the Province of Nova Scotia Municipal Report and Financial Condition Indicators (FCIs) for the Town of Amherst for the 2018-2019 fiscal year as included in the agenda package.

5. ADJOURN

**Moved by Councillor Jones
Seconded by Councillor Rhindress
To adjourn the meeting.**

Motion Carried

Kimberlee Jones
Municipal Clerk

David Kogon, MD
Mayor



TOWN OF AMHERST
CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

DRAFT



September 9, 2020

**Town of Amherst
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March 31, 2020**

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TOWN OF AMHERST

Consolidated Financial Statements

Year Ended March 31, 2020

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Town of Amherst are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's management maintains a system 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 consolidated financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated 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 Jorgensen & Bickerton Inc., independent external auditors appointed by the Town. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

Amherst, NS
September 14, 2020

Gregory D. Herrett, CPA, CA
Chief Administrative Officer

Shelley G. Rector, CPA, CMA
Treasurer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Amherst

Opinion

We have audited the consolidated financial statements of Town of Amherst (the Town), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at March 31, 2020, and the results of its operations and accumulated surplus, remeasurement gains and losses, change in net debt 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

(continues)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Amherst, Nova Scotia
September 14, 2020

Jorgensen & Bickerton Inc.
Chartered Professional Accountants

Town of Amherst
Consolidated Statement of Financial Position
As at March 31, 2020

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash and cash equivalents (Note 7)	\$ 8,615,672	\$ 8,850,541
Receivables (Note 8)	<u>1,866,219</u>	<u>1,619,310</u>
	<u>10,481,891</u>	<u>10,469,851</u>
Liabilities		
Accounts payable and accrued liabilities (Note 14)	1,988,476	2,539,673
Deferred revenue (Note 15)	361,637	881,208
Long term debt (Note 17)	8,142,995	8,846,708
Pension liability (Note 20)	550,400	629,800
Provision for landfill closure & post closure costs (Note 18)	<u>1,544,818</u>	<u>1,523,681</u>
	<u>12,588,326</u>	<u>14,421,070</u>
Net debt	<u>(2,106,435)</u>	<u>(3,951,219)</u>
Non-financial assets		
Prepaid expenses	68,241	63,365
Inventories of supplies	124,245	104,434
Tangible capital assets, net of accumulated amortization (Note 9)	<u>66,746,666</u>	<u>65,949,790</u>
	<u>66,939,152</u>	<u>66,117,589</u>
Accumulated surplus	<u>\$ 64,832,717</u>	<u>\$ 62,166,370</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 64,825,184	\$ 62,159,998
Accumulated remeasurement gains	<u>7,533</u>	<u>6,372</u>
	<u>\$ 64,832,717</u>	<u>\$ 62,166,370</u>

Town of Amherst
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	<u>Actual 2020</u>	<u>Actual 2019</u>
Revenues		
Taxes	\$ 13,170,224	\$ 13,159,375
Grants in lieu of taxes	301,339	314,628
Service to other governments	192,194	188,379
Sale of services	3,973,964	4,019,261
Other revenue from own sources	673,662	653,918
Unconditional transfers from government	1,260,382	1,260,382
Conditional transfers from government	3,080,272	5,476,289
Other (Note 19)	88,431	111,080
Total revenues	<u>22,740,468</u>	<u>25,183,312</u>
Expenditures		
General government services	2,388,474	2,168,465
Protective services - Police	4,388,351	4,156,347
Protective services - Fire & Inspection	1,189,404	1,207,476
Transportation services	3,076,580	3,004,664
Environmental health services	3,010,175	3,125,174
Public health services	248,767	192,793
Environmental development services	446,848	404,128
Recreation and cultural services	2,020,589	2,111,648
Education	1,599,384	1,600,740
Water utility	1,706,710	1,977,527
Total expenditures	<u>20,075,282</u>	<u>19,948,962</u>
Annual surplus	2,665,186	5,234,350
Accumulated surplus at beginning of year	<u>62,159,998</u>	<u>56,925,648</u>
Accumulated surplus at end of year	<u>\$ 64,825,184</u>	<u>\$ 62,159,998</u>

Town of Amherst
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Accumulated remeasurement gains and (losses) at beginning of year	\$ 6,372	\$ (4,959)
Unrealized gains (losses) attributable to:		
Portfolio investments	1,090	11,851
Amounts reclassified to the statement of operations:		
Portfolio investments	<u>71</u>	<u>(520)</u>
Net remeasurement gains for the year	<u>1,161</u>	<u>11,331</u>
Accumulated remeasurement gains at end of year	<u>\$ 7,533</u>	<u>\$ 6,372</u>

Town of Amherst
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Annual surplus	\$ 2,665,186	\$ 5,234,350
Acquisition of tangible capital assets (Note 10)	(3,403,962)	(4,369,878)
Amortization of tangible capital assets (Note 11)	2,577,753	2,550,546
(Gain) / loss on sale of tangible capital assets (Note 12)	10,169	388,759
Proceeds on sale of tangible capital assets (Note 13)	19,164	109,555
	<u>(796,876)</u>	<u>(1,321,018)</u>
Consumption (acquisition) of supply inventory	(19,811)	6,023
Consumption (acquisition) of prepaid expenses	(4,876)	(10,925)
	<u>(24,687)</u>	<u>(4,902)</u>
Net remeasurement gains	1,161	11,331
Change in net financial assets	1,844,784	3,919,761
Net debt at beginning of year	<u>(3,951,219)</u>	<u>(7,870,980)</u>
Net debt at end of year	<u>\$ (2,106,435)</u>	<u>\$ (3,951,219)</u>

Town of Amherst
Consolidated Statement of Cash Flow
For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Operating transactions		
Annual surplus	\$ 2,665,186	\$ 5,234,350
Change in non-cash items:		
Amortization / depreciation (Note 11)	2,577,753	2,550,546
Decrease (increase) in receivables	(246,909)	2,650,842
Increase (decrease) in payables and accrued liabilities	(551,197)	(191,137)
Increase (decrease) in deferred revenue	(519,571)	(3,200,108)
Increase (decrease) in pension liability	(79,400)	(42,200)
Increase (decrease) in closure/post closure liability	21,137	120,363
Decrease (increase) in prepaid expenses	(4,876)	(10,925)
Decrease (increase) in inventory of supplies	(19,811)	6,023
	<u>3,842,312</u>	<u>7,117,754</u>
Capital transactions		
Acquisition of tangible capital assets (Note 10)	(3,403,962)	(4,369,878)
Proceeds from sale of tangible capital assets (Note 13)	19,164	109,555
(Gain) / loss on sale of tangible capital assets (Note 12)	10,169	388,759
	<u>(3,374,629)</u>	<u>(3,871,564)</u>
Investing transactions		
Net remeasurement gains	<u>1,161</u>	<u>11,331</u>
Financing transactions		
Proceeds from long term debt issued	141,825	916,677
Long term debt repayment	(845,538)	(855,859)
	<u>(703,713)</u>	<u>60,818</u>
Increase / (decrease) in cash and cash equivalents	(234,869)	3,318,339
Cash and cash equivalents beginning of year	<u>8,850,541</u>	<u>5,532,202</u>
Cash and cash equivalents end of year	<u><u>\$ 8,615,672</u></u>	<u><u>\$ 8,850,541</u></u>

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Amherst are the representations of management prepared in accordance with Generally Accepted Accounting Principles for local governments as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

The focus of PSAB financial statements is on the financial position of the Town of Amherst and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Town of Amherst.

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

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable to the Town of Amherst for the administration of their financial affairs and resources and which are owned or controlled by the Town of Amherst, namely:

- General Operating and Capital Funds
- Water Operating and Capital Funds
- Operating and Capital Reserve Funds
- 42.41% of Cumberland Joint Services Management Authority

For consolidation purposes, inter-departmental and inter-organizational transactions have been eliminated.

b) Revenue and Expenditure Recognition

Revenues are recorded using the accrual basis of accounting as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation. Principal payments relating to long term debt are recognized as an expense when paid.

Property tax revenue is based on assessment as determined by Property Valuation Services Corporation. Tax rates are set annually. Taxation revenues are recorded at the time tax billings are issued (twice annually). Assessments are subject to appeal. Penalties on overdue taxes are recorded in the period levied.

c) Financial Instruments

The consolidated financial statements consist of cash, accounts receivable, accounts payable, accruals and long term debt. It is the opinion of management that the Town is not exposed to significant interest or currency risk arising from these financial instruments.

The Town is subject to credit risk with respect to taxes receivable to which the Town provides services. An individual may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk as does the Town's collection policy. As per the 2018/19 Provincial Financial Condition Indicators the Town's Uncollected Taxes Indicator was 2.1%.

The carrying value of the financial instruments approximates fair value.

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and balances with banks, net of bank indebtedness.

e) **Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost being determined on a FIFO basis.

f) **Tangible Capital Assets**

Effective April 1, 2009, the Town adopted Section 3150 – Tangible Capital Assets of the Public Sector Accounting Handbook. Tangible capital assets are recorded at cost. Amortization and depreciation have been recorded as an expense and are calculated on a straight-line basis over an asset's estimated useful life. Assets under construction are not amortized until the asset is put into use. Amortization and depreciation are recorded as an expense commencing in the year following acquisition.

The Town records depreciation in the Water Utility Operating Fund which is calculated based on rates prescribed by the Nova Scotia Utility and Review Board. The annual depreciation amount is transferred to the Water Utility Capital Fund and is used to help fund tangible capital asset additions.

g) **Government Transfers**

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

h) **Investment Income**

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

i) **Use of Estimates**

In preparing the Town's financial statements management is required 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 consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

j) **Budget**

The budget figures contained in the schedules to the Financial Statements were approved by Council on February 25, March 25, April 29, May 15 and May 21, 2019.

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k) Segmented Information

The Town of Amherst 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 and public safety to its residents. The Town pays the operating and capital expenditures for the police and fire departments. Other protective services include building inspection, emergency measures, bylaw enforcement and 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, as well as, 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.

Public health services

This department provides financial assistance to Housing Nova Scotia to cover the deficits of the public housing authorities in the region.

Environmental development services

This department is responsible for the activities that support and control the Town's economic development including environmental planning and zoning, industrial park development, tourism and community development. The Town is a partner in the Cumberland Business Connector which does economic development for Cumberland County.

Recreation and cultural services

This department is responsible for promoting and offering recreation services to the Town's residents, specializing in maintaining and assisting recreational facilities within the Town such as the stadium, parks, trails as well as the library.

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

l) Landfill Closure & Post Closure Liability

The Town accrues landfill closure and post closure requirements that include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions using the best information available to management.

m) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized if all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Town:
 - a. is directly responsible; or
 - b. accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

On April 1, 2014, the Town adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis to March 31, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the Town.

2. CONTRIBUTION TO BOARDS AND COMMISSIONS

The Town of Amherst is required to finance the operations of various boards and commissions, along with other Municipal Units in Cumberland County to the extent of its participation based on assessment or population formula.

Cumberland Business Connector

The Town of Amherst along with other municipal units funds a portion of the Cumberland Business Connector. For 2020 the Town's contribution was \$67,536 (2019 - \$54,029). The Cumberland Business Connector is a business led, not for profit organization. The focus of the Cumberland Business Connector is to foster a strong business environment in order to strengthen Cumberland County by removing barriers to business, and connecting businesses with the resources they need to be successful.

3. CONTRIBUTION TO PROVINCIAL GOVERNMENT DEPARTMENTS & AGENCIES

The Town of Amherst is required to finance the operations of various provincial government departments and boards, along with other municipal units in the province, based upon formulas defined in legislation.

Education Contribution

The Town of Amherst is required to contribute to the Chignecto Central Regional School Board based on a formula calculation. For 2020 the education contribution was \$1,599,384 (2019 - \$1,600,740).

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

3. CONTRIBUTION TO PROVINCIAL GOVERNMENT DEPARTMENTS & AGENCIES (cont'd)

Corrections Contribution

Municipalities in Nova Scotia are required to make a mandatory contribution to fund the cost of correctional services. The contribution is set by Provincial formula. During 2020 the Town of Amherst paid \$112,412 (2019 - \$114,033) to the Province for corrections services.

Assessment Services Contribution

The Town of Amherst is required to contribute to Property Valuation Services Corporation based on a formula calculation. For 2020 the assessment services contribution was \$117,260 (2019 - \$117,012).

Cobequid Regional Housing Authority

The Town of Amherst along with other municipal units is required to finance its share of the operating deficit in the Cobequid Regional Housing Authority out of current year's operations. The deficit financed for 2020 was \$248,767 (2019 - \$192,793).

Cumberland Public Libraries

During the year, the Town of Amherst paid \$61,820 (2019 - \$61,820) to the Cumberland Public Libraries. The Town of Amherst does not share in any surplus or deficits.

4. TRUST FUNDS

The Trust Funds being administered by the Town of Amherst are not consolidated with the accounts of the Town. At March 31, 2020, the equity in the Trust Funds under its trusteeship amounted to \$56,253 (2019 - \$11,844).

	<u>R. H. Smith</u>	<u>W. A. Reid</u>	<u>Total</u>
Beginning balance April 1, 2019	\$ 5,064	\$ 6,780	\$ 11,844
Investment Income	79	484	563
Additional funding	-	43,934	43,934
ARHS scholarship	-	(88)	(88)
	<u> </u>	<u> </u>	<u> </u>
Ending balance March 31, 2020	<u>\$ 5,143</u>	<u>\$ 51,110</u>	<u>\$ 56,253</u>

5. CREDIT FACILITY

The Town of Amherst has an operating line of credit with the Royal Bank of Canada for a maximum amount of \$2,000,000 at the bank's prime rate minus 0.25%. The relevant prime rate was 2.450% at March 31, 2020. No amounts were drawn as at March 31, 2020.

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

6. TAX SALE SURPLUS

The Municipal Government Act requires a twenty year holding period for maintaining these funds in trust. For 2020 the balance of the tax sale surplus is \$38,887 (2019 - \$25,860).

The earliest any of these would be brought into revenue is anticipated to be 2028.

7. CASH AND CASH EQUIVALENTS

	<u>2020</u>	<u>2019</u>
General Operating	\$ 512,044	\$ 1,345,312
General Capital	(579,702)	(213,543)
Water Operating	(39,332)	50,020
Water Capital - Depreciation	625,585	381,664
Cumberland Joint Services Mgmt Authority	2,766,294	2,488,535
Reserve Banks		
General Operating	3,316,864	3,018,840
General Capital	<u>2,013,919</u>	<u>1,779,713</u>
	<u>\$ 8,615,672</u>	<u>\$ 8,850,541</u>

8. RECEIVABLES

	<u>2020</u>	<u>2019</u>
Federal	\$ 195,984	\$ 340,264
Provincial	222,725	156,907
Other local government	6,980	-
Other:		
Taxes & rates - General Operating	1,002,134	424,930
Taxes & rates - Water Operating	344,158	274,712
Miscellaneous	210,685	276,173
Cumberland Joint Services Mgmt Authority	132,976	336,279
Valuation allowance	<u>(249,423)</u>	<u>(189,955)</u>
Total	<u>\$ 1,866,219</u>	<u>\$ 1,619,310</u>

Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020

9. TANGIBLE CAPITAL ASSETS

Category	Useful Life in Years	Tangible Capital Asset Cost March 31, 2019	Additions	Transfers	Disposals	Tangible Capital Asset Cost March 31, 2020	Accumulated Amortization March 31, 2019	Amortization Reduction from Disposal of Asset	Annual Amortization	Accumulated Amortization March 31, 2020	Net Book Value March 31, 2020
General Capital											
Land	-	\$ 1,122,690	\$ 4,513	\$ -	\$ -	\$ 1,127,203	\$ -	\$ -	\$ -	\$ -	\$ 1,127,203
Land Improvements	25	3,120,713	19,411	-	-	3,140,124	1,473,920	-	90,446	1,564,366	1,575,758
Municipal Buildings	40	13,590,237	122,563	-	-	13,712,800	4,080,350	-	310,491	4,390,841	9,321,959
Other Buildings	40	557,752	7,000	-	7,000	557,752	191,183	-	14,007	205,190	352,562
Wastewater Treatment Facility	50	13,992,599	-	-	-	13,992,599	1,741,527	-	298,373	2,039,900	11,952,699
Electronic Data Equipment	5	771,777	178,798	-	25,075	925,500	539,779	25,075	61,186	575,890	349,610
Machinery & Equipment	10	3,262,875	129,586	-	-	3,392,461	2,020,827	-	187,931	2,208,758	1,183,703
Vehicles	5	3,161,289	322,636	641	373,899	3,110,667	2,436,706	373,311	113,729	2,177,124	933,543
Streets	25	10,818,020	706,189	68,274	52,407	11,540,076	4,963,532	52,407	422,612	5,333,737	6,206,339
Sidewalks	25	4,073,882	354,378	68,434	35,689	4,461,005	2,006,479	24,150	133,761	2,116,090	2,344,915
Curbs	25	3,958,015	23,725	15,050	17,180	3,979,610	2,379,785	17,180	116,282	2,478,887	1,500,723
Traffic & Street Lights	30	2,046,343	6,649	-	-	2,052,992	844,873	-	67,298	912,171	1,140,821
Sanitary Sewer Mains	50	6,180,895	47,850	103,063	5,486	6,326,322	3,277,598	5,486	96,208	3,368,320	2,958,002
Sanitary Forcemains	50	1,232,434	-	-	-	1,232,434	474,074	-	24,649	498,723	733,711
Sanitary Lift Stations	25	3,241,154	-	-	-	3,241,154	2,314,958	-	102,248	2,417,206	823,948
Storm Sewers	50	6,898,879	40,359	-	14,655	6,924,583	2,945,180	11,993	115,756	3,048,943	3,875,640
Assets Under Construction	-	255,462	130,158	(255,462)	-	130,158	-	-	-	-	130,158
Total		\$ 78,285,016	\$ 2,093,815	\$ -	\$ 531,391	\$ 79,847,440	\$ 31,690,771	\$ 509,602	\$ 2,154,977	\$ 33,336,146	\$ 46,511,294

Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020

9. TANGIBLE CAPITAL ASSETS (cont'd)

Category	Useful Life in Years	Tangible Capital Asset Cost March 31, 2019	Additions	Transfers	Disposals	Tangible Capital Asset Cost March 31, 2020	Accumulated Depreciation March 31, 2019	Depreciation Reduction from Disposal of Asset	Annual Depreciation	Accumulated Depreciation March 31, 2020	Net Book Value March 31, 2020
<u>Water Capital</u>											
Land	-	\$ 609,525	\$ -	\$ -	\$ -	\$ 609,525	\$ -	\$ -	\$ -	\$ -	\$ 609,525
Land Improvements	-	-	-	-	-	-	-	-	-	-	-
Bldgs, Reservoirs, Wells	40-75	8,141,946	-	-	-	8,141,946	1,218,243	-	125,777	1,344,020	6,797,926
Electronic Data Equip	5	271,294	-	-	-	271,294	266,134	-	1,720	267,854	3,440
Machinery & Equip	20	537,839	150,168	-	-	688,007	305,359	-	24,530	329,889	358,118
Vehicles	5	366,381	49,506	-	31,177	384,710	334,713	31,177	25,621	329,157	55,553
Water Mains -Town	75	5,062,230	1,045,363	763,924	22,608	6,848,909	1,232,743	15,366	66,414	1,283,791	5,565,118
Water Mains -County	75	5,319,279	-	-	-	5,319,279	1,351,194	-	70,206	1,421,400	3,897,879
Meters	20-25	435,103	14,000	-	6,276	442,827	344,635	5,973	7,676	346,338	96,489
Hydrants	75	561,732	10,429	-	-	572,161	160,415	-	7,435	167,850	404,311
Services	50	784,085	-	-	-	784,085	536,996	-	6,695	543,691	240,394
Assets Under Construction	-	763,924	31,071	(763,924)	-	31,071	-	-	-	-	31,071
Total		\$22,853,338	\$1,300,537	\$ -	\$ 60,061	\$24,093,814	\$ 5,750,432	\$ 52,516	\$ 336,074	\$ 6,033,990	\$18,059,824

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

9. TANGIBLE CAPITAL ASSETS (cont'd)

Category	Useful Life in Years	Tangible Capital Asset Cost March 31, 2019	Additions	Disposals	Tangible Capital Asset Cost March 31, 2020	Accumulated Amortization March 31, 2019	Amortization Reduction from Disposal of Asset	Annual Amortization	Accumulated Amortization March 31, 2020	Net Book Value March 31, 2020
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Cumberland Joint Services Management Authority

	% of									
Landfill Cell	usage	\$ 1,349,794	\$ 9,610	\$ -	\$ 1,359,404	\$ 4,826	\$ -	\$ 7,151	\$ 11,977	\$ 1,347,427
Buildings	40	1,196,621	-	-	1,196,621	449,972	-	35,758	485,730	710,891
Equipment	5-15	87,900	-	-	87,900	72,286	-	6,090	78,376	9,524
Vehicles	5-15	489,055	-	-	489,055	343,646	-	37,703	381,349	107,706
Total		\$ 3,123,370	\$ 9,610	\$ -	\$ 3,132,980	\$ 870,730	\$ -	\$ 86,702	\$ 957,432	\$ 2,175,548

Summary

General Capital	\$ 78,285,016	\$ 2,093,815	\$ 531,391	\$ 79,847,440	\$ 31,690,771	\$ 509,602	\$ 2,154,977	\$ 33,336,146	\$ 46,511,294
Water Capital	22,853,338	1,300,537	60,061	24,093,814	5,750,432	52,516	336,074	6,033,990	18,059,824
CJSMA	3,123,370	9,610	-	3,132,980	870,730	-	86,702	957,432	2,175,548
Total	\$ 104,261,724	\$ 3,403,962	\$ 591,452	\$ 107,074,234	\$ 38,311,933	\$ 562,118	\$ 2,577,753	\$ 40,327,568	\$ 66,746,666

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

10. CAPITAL PROJECT ACQUISITIONS & FUNDING

Category	2020 Capital Acquisitions	Sources of Financing						2019 Capital Acquisitions
		General Operating (Capital from Revenue)	Reserves	Reserves - Capital Carryovers	Gas Tax Funding	Bridge Financing	Long Term Debt	
General Capital								
Land	\$ 4,513	\$ 4,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,000
Land Improvements	19,411	-	-	19,411	-	-	-	35,408
Municipal Buildings	122,563	88,706	33,857	-	-	-	-	-
Other Buildings	7,000	-	-	7,000	-	-	-	54,388
Wastewater Treatment Facility	-	-	-	-	-	-	-	-
Electronic Data Equipment	178,798	92,113	27,820	58,865	-	-	-	136,275
Machinery & Equipment	129,586	83,977	-	45,609	-	-	-	417,482
Vehicles	322,636	140,073	-	182,563	-	-	-	82,107
Streets	706,189	-	-	-	521,530	-	184,659	414,993
Sidewalks	354,378	-	-	-	354,378	-	-	80,088
Curbs	23,725	-	-	-	-	-	23,725	66,717
Traffic & Street Lights	6,649	6,649	-	-	-	-	-	-
Sanitary Sewer Mains	47,850	-	-	-	-	-	47,850	141,000
Sanitary Force Mains	-	-	-	-	-	-	-	-
Sanitary Lift Stations	-	-	-	-	-	-	-	-
Storm Sewers	40,359	-	-	-	19,285	-	21,074	89,213
Assets Under Construction	130,158	-	-	-	-	130,158	-	253,794
Capital Project Carry Over to 2020/21	-	95,000	34,500	(129,500)	-	-	-	-
Total	\$ 2,093,815	\$ 511,031	\$ 96,177	\$ 183,948	\$ 895,193	\$ 130,158	\$ 277,308	\$ 1,788,465

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

10. CAPITAL PROJECT ACQUISITIONS & FUNDING (cont'd)

Category	2020 Capital Acquisitions	Sources of Financing						2019 Capital Acquisitions
		Grants - Federal	Grants - Provincial	Bridge Financing	Long Term Debt	Water Capital (Depreciation)	Water Operating	
<u>Water Capital</u>								
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,526
Bldgs, Reservoirs & Wells	-	-	-	-	-	-	-	874,951
Electronic Data Equipment	-	-	-	-	-	-	-	-
Machinery & Equipment	150,168	-	-	-	134,361	-	15,807	39,257
Vehicles	49,506	-	-	-	-	-	49,506	-
Water Mains - Town	1,045,363	384,847	189,551	-	446,033	-	24,932	292,859
Water Mains - County	-	-	-	-	-	-	-	-
Meters	14,000	-	-	-	-	-	14,000	12,394
Hydrants	10,429	-	-	-	-	-	10,429	10,429
Services	-	-	-	-	-	-	-	-
Assets Under Construction	31,071	-	-	31,071	-	-	-	685,657
Total	\$ 1,300,537	\$ 384,847	\$ 189,551	\$ 31,071	\$ 580,394	\$ -	\$ 114,674	\$ 1,953,073

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

10. CAPITAL PROJECT ACQUISITIONS & FUNDING (cont'd)

Category	2020 Capital Acquisitions	Sources of Financing									2019 Capital Acquisitions
		General Operating	Reserves	Gas Tax Funding	Grants - Federal	Grants - Provincial	Bridge Financing	Long Term Debt	Water Operating	CJSMA Operating / Reserves	
<u>Cumberland Joint Services Mgmt Authority</u>											
Landfill Cell	\$ 9,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,610	\$ 525,366
Buildings	-	-	-	-	-	-	-	-	-	-	12,216
Equipment	-	-	-	-	-	-	-	-	-	-	5,830
Vehicles	-	-	-	-	-	-	-	-	-	-	84,928
Total	\$ 9,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,610	\$ 628,340
<u>Summary</u>											
General Capital	\$ 2,093,815	\$ 511,031	\$ 280,125	\$ 895,193	\$ -	\$ -	\$ 130,158	\$ 277,308	\$ -	\$ -	\$ 1,788,465
Water Capital	1,300,537	-	-	-	384,847	189,551	31,071	580,394	114,674	-	1,953,073
CJSMA	9,610	-	-	-	-	-	-	-	-	9,610	628,340
Total	\$ 3,403,962	\$ 511,031	\$ 280,125	\$ 895,193	\$ 384,847	\$ 189,551	\$ 161,229	\$ 857,702	\$ 114,674	\$ 9,610	\$ 4,369,878

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

11. AMORTIZATION OF TANGIBLE CAPITAL ASSETS

	General Capital	Water Capital	Cumb Joint Services Mgmt Auth	Total 2020	2019
General government	\$ 93,652	\$ -	\$ -	\$ 93,652	\$ 91,742
Protective services - Police	153,385	-	-	153,385	173,187
Protective services - Fire	84,868	-	-	84,868	82,583
Transportation services	974,779	-	-	974,779	1,016,707
Environmental health services	535,977	-	-	535,977	564,779
Environmental dev services	3,243	-	-	3,243	8,516
Recreation & cultural services	309,073	-	-	309,073	272,418
Water capital	-	336,074	-	336,074	265,508
Cumb Joint Services Mgmt Auth	-	-	86,702	86,702	75,106
Total	\$ 2,154,977	\$ 336,074	\$ 86,702	\$ 2,577,753	\$ 2,550,546

12. (GAIN) / LOSS ON SALE OF TANGIBLE CAPITAL ASSETS

	General Capital	Water Capital	Cumb Joint Services Mgmt Auth	Total 2020	2019
General government	\$ 7,000	\$ -	\$ -	\$ 7,000	\$ -
Protective services - Police	(3,051)	-	-	(3,051)	-
Protective Services - Fire	(5,264)	-	-	(5,264)	-
Transportation services	11,060	-	-	11,060	(6,391)
Environmental health	-	-	-	-	-
Recreation & Cultural Services	(4,961)	-	-	(4,961)	(8,000)
Water capital	-	5,385	-	5,385	409,783
Cumb Joint Services Mgmt Auth	-	-	-	-	(6,633)
Total	\$ 4,784	\$ 5,385	\$ -	\$ 10,169	\$ 388,759

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

13. PROCEEDS ON SALE OF TANGIBLE CAPITAL ASSETS

	<u>General Capital</u>	<u>Water Capital</u>	<u>Cumb Joint Services Mgmt Auth</u>	<u>Total 2020</u>	<u>2019</u>
General government	\$ -	\$ -	\$ -	\$ -	\$ 64,980
Protective services - Fire	5,264	-	-	5,264	-
Protective services - Police	3,638	-	-	3,638	-
Transportation services	3,141	-	-	3,141	10,000
Recreation & cultural	4,961	-	-	4,961	8,000
Water capital	2,160	-	-	2,160	-
Cumb Joint Services Mgmt Auth	-	-	-	-	26,575
Total	\$ 19,164	\$ -	\$ -	\$ 19,164	\$ 109,555

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2020</u>	<u>2019</u>
Trade accounts payable	\$ 481,978	\$ 1,126,571
Federal government	65,927	20,994
Provincial government	28,103	353
Other local government	31,219	4,208
Accrued wages & benefits	1,100,656	1,081,862
Accrued debenture interest	122,773	132,679
Accrued liabilities	118,933	147,146
Tax sale surplus	38,887	25,860
Total	\$ 1,988,476	\$ 2,539,673

15. DEFERRED REVENUE

	<u>2020</u>	<u>2019</u>
Grants - capital	\$ 87,895	\$ 572,999
Grants - operating	73,270	90,258
Fundraising	146,437	146,437
Other	17,398	39,117
Cumberland Joint Services Mgmt Authority	36,637	32,397
Total	\$ 361,637	\$ 881,208

16. LIABILITY FOR CONTAMINATED SITES

The Town has a garbage disposal site which was abandoned in 1978. There is no indication of ongoing contamination and no provision has been made for possible remediation.

Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020

17. LONG TERM DEBT – PRINCIPAL BALANCE OUTSTANDING

	2020	2019
Municipal Finance Corporation 24A-1 maturing November 25, 2019 - principal payments of \$37,415 yearly plus interest - rates variable 3.195% to 5.325%	-	37,415
Municipal Finance Corporation 26B-1 maturing October 24, 2021 - principal payments of \$86,680 yearly plus interest - rates variable 4.265% to 4.590%	290,860	377,540
Municipal Finance Corporation 27A-1 maturing October 17, 2022 - principal payments of \$35,500 yearly plus interest - rates variable 4.650% to 5.210%	106,499	142,000
Municipal Finance Corporation 28A-1 maturing October 24, 2023 - principal payments of \$146,045 yearly plus interest - rates variable 3.100% to 5.480%	1,126,745	1,272,790
Municipal Finance Corporation 29A-1 maturing October 27, 2024 - principal payments of \$63,122 yearly plus interest - rates variable 0.900% to 4.939%	301,625	364,747
Municipal Finance Corporation 31A-1 maturing May 30, 2026 - principal payments of \$90,316 yearly plus interest - rates variable 1.630% to 4.597%	342,522	432,838
Municipal Finance Corporation 33A-1 maturing November 15, 2028 - principal payments of \$166,700 yearly plus interest - rates variable 1.285% to 4.114%	3,073,595	3,240,295
Municipal Finance Corporation 36A-1 maturing May 16, 2031 - principal payments of \$158,647 yearly plus interest - rates variable 1.150% to 3.475%	1,903,759	2,062,406
Municipal Finance Corporation 38A-1 maturing November 9, 2033 - principal payments of \$61,112 yearly plus interest - rates variable 2.490% to 3.551%	855,565	916,677
Municipal Finance Corporation 39A-1 maturing November 15, 2034 - future principal payments of \$9,455 yearly plus interest - rates variable 2.015% to 2.829%	141,825	-
	\$ 8,142,995	\$ 8,846,708

Principal repayments are:

2021	\$	818,477
2022	\$	940,679
2023	\$	683,459
2024	\$	1,194,624
2025	\$	511,829

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

18. PROVISION FOR LANDFILL CLOSURE & POST CLOSURE COSTS

The Town of Amherst along with the Municipality of the County of Cumberland and the Town of Oxford own and operate through Cumberland Joint Services Management Authority (CJSMA), one open and one closed landfill site. The Town has an obligation under the Nova Scotia Environmental Protection Act for costs related to the closure and post closure care of the sites once capacity is reached. These costs are shared pro rata on use with the other municipalities party to CJSMA, where a reserve has been established to provide for the future costs. The Town's 2020 pro rata share is 42.41% (2019 – 39.84%).

Closure and post closure activities for this site includes final covering and landscaping, pumping of ground water and leachates from the site and ongoing environmental monitoring, site inspections and maintenance.

The estimated liability for the care of the landfill site is the present value of future cash flows associated with closure and post closure costs discounted using a long-term borrowing rate of 3.05% and a forecasted inflation rate of 3%. The liability was adjusted for capacity used of 99.26% (2019 – 97.90%).

The estimated present value of future expenses for closure and post closure care as at March 31, 2020 is \$3,669,636 (2019 - \$3,669,636) of which total expenses of \$27,057 (2019 - \$76,897) are yet to be incurred, resulting in a liability of \$3,642,579 (2019 - \$3,592,739).

The Town of Amherst's 2020 share of the liability is estimated at \$1,544,818 (2019 - \$1,523,681) for closure and post closure costs. These costs have been reported on the consolidated statement of financial position. The Town's share of the cash reserve in CJSMA to fund the liability is \$1,498,865 (2019 - \$1,406,931).

19. OTHER REVENUE

	<u>2020</u>	<u>2019</u>
Contributions for capital projects	\$ -	\$ 68,880
Land dedication	9,031	-
Pension liability adjustment	79,400	42,200
	<u>\$ 88,431</u>	<u>\$ 111,080</u>

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

20. PENSION PLANS

Defined Benefit Pension Plan for Employees of the Town of Amherst

The Town maintains a defined benefit pension plan, which provides benefits to employees upon retirement. The most recent completed actuarial valuation was at March 31, 2019. The annual actuarial valuation as at December 31, 2019 is currently in process.

The following chart outlines the required going-concern unfunded liability payments for the upcoming fiscal year:

Nature of liability or deficiency	Start date	End date	Annual amortization payment	Balance going-concern
	mm-dd-yyyy	mm-dd-yyyy	\$	\$
Going-concern unfunded liability	04-01-2014	03-31-2029	17,100	133,900
Going-concern unfunded liability	04-01-2019	03-31-2034	29,500	309,200
Total			46,600	443,100

An actuarial certification for PSAB accounting purposes was performed as of March 31, 2020 and the calculated liability was \$550,400 (2019 - \$629,800).

	<u>2020</u>	<u>2019</u>
Plan assets, at market value		
Balance, beginning of year	\$ 14,411,800	\$ 13,736,800
Contributions during year	450,100	482,200
Benefit payments during year	(829,300)	(625,600)
Expected return on assets	739,600	696,900
Actual gains / (losses)	(1,388,900)	121,500
Balance, end of year	<u>\$ 13,383,300</u>	<u>\$ 14,411,800</u>
Accrued benefit obligation		
Balance, beginning of year	\$ 14,998,300	\$ 14,690,500
Benefit cost	335,000	345,800
Benefit payments during year	(829,300)	(625,600)
Interest on ABO	775,800	750,900
Actual (gains) / losses	11,000	(163,300)
Balance, end of year	<u>\$ 15,290,800</u>	<u>\$ 14,998,300</u>

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

20. PENSION PLANS (cont'd)

	<u>2020</u>	<u>2019</u>
Retirement benefit liability		
Balance, beginning of year	\$ 629,800	\$ 672,000
Retirement benefit expenses	254,300	321,600
Town contributions	<u>(333,700)</u>	<u>(363,800)</u>
Retirement benefit liability	<u>\$ 550,400</u>	<u>\$ 629,800</u>
Accrued benefit obligation to retirement benefit liability		
Market value	\$ 13,383,300	\$ 14,411,800
Accrued benefit obligation	<u>15,290,800</u>	<u>14,998,300</u>
Deficit	<u>(1,907,500)</u>	(586,500)
Unamortized actuarial (gain) / loss	<u>(1,357,100)</u>	<u>43,300</u>
Retirement benefit liability	<u>\$ (550,400)</u>	<u>\$ (629,800)</u>

Actuarial assumptions

Liability discount rate	5.15%
Inflation rate	2.10%
Salary growth rates	2.75%
Assumed retirement age	62

Defined Contribution Pension Plan for Employees of the Town of Amherst

Effective January 1, 2008 all new full time employees of the Town of Amherst are required to join a defined contribution pension plan. Under this plan the employer is not responsible for any deficiency in the plan.

Pension Plan for the Town of Amherst Members of the Atlantic Police Association

The Town contributes to a multi-employer defined benefit plan administered by the Atlantic Police Association (APA) which covers Police Local 104 who are employees of the Town. The plan assets are administered by APA and the Town is responsible for contributing its portion of any going concern deficiency.

The most recent actuarial valuation for the plan was completed for December 31, 2016 and indicated the plan had a going concern surplus of \$9,004,700 and a solvency deficit of \$3,812,400.

There are no special payments required for the Atlantic Police Association pension plan.

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

21. GOVERNMENT PARTNERSHIP

Generally Accepted Accounting Principles for local governments as established by the Public Sector Accounting Board (PSAB) require a government's pro rata share of each of the assets, liabilities, revenues and expenditures (including capital expenditures) of any government partnership to be combined on a line by line basis with similar items in the government's financial statements. The Town of Amherst has a partnership with Cumberland Joint Services Management Authority (CJSMA) which operates a landfill site in Little Forks. The Town of Amherst's 2020 pro rata share of 42.41% of Cumberland Joint Services Management Authority is included in these financial statements. The 2019 comparative figures for CJSMA have been changed to 42.41% (from 39.84%) for more accurate comparison of figures.

22. COMPARATIVE FIGURES

In some cases, comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

23. UNCERTAINTIES RELATED TO COVID-19

On March 11, 2020 the World Health Organization declared a global pandemic due to the outbreak of the coronavirus, COVID-19. The spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Government and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The impacts of COVID-19 on the consolidated financial statements for the Town of Amherst for the year ended March 31, 2020 were minimal.

24. SUBSEQUENT EVENTS

On June 30, 2020, a formal Request for Proposals (RFP) was issued for the Divestiture of Assets of the Cumberland Joint Services Management Authority (CJSMA). This RFP is structured with two distinct components which include the Facility Divestiture as well as a Long-term Waste/Resource Benefits Agreement. Closing date for the RFP was August 4, 2020.

An estimate for the financial effect of this asset divestiture plan is not currently known, therefore the March 31, 2020 financial statement results for CJSMA have not been adjusted. The impacts will be reported when they are known and may be assessed.

25. CONTINGENCIES

In the normal course of operations, the Town becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at March 31, 2020 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as the Town maintains insurance coverage in amounts considered appropriate.

**Town of Amherst
Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2020**

26. SUMMARY OF REMUNERATION & EXPENSES PAID TO ELECTED OFFICIALS AND CAO

Name	Office	Remuneration	Expenses			Total Remuneration & Expenses Reimbursed
			Travel & Travel Related	Meals	Professional Development / Conference Registration	
David Kogon	Mayor	\$ 41,178	\$ 4,678	\$ 159	\$ 350	\$ 46,365
Jason Blanch*	Councillor	\$ 24,087	\$ 1,809	\$ -	\$ -	\$ 25,896
Vince Byrne	Councillor	\$ 25,050	\$ 5,623	\$ 385	\$ 2,016	\$ 33,074
Sheila Christie	Deputy Mayor	\$ 27,723	\$ 3,435	\$ 105	\$ 580	\$ 31,843
Darrell Jones	Councillor	\$ 25,050	\$ 3,104	\$ 105	\$ 580	\$ 28,839
Wayne MacKenzie	Councillor	\$ 25,050	\$ 4,018	\$ 191	\$ 1,005	\$ 30,264
Terry Rhindress	Councillor	\$ 25,050	\$ 5,796	\$ 389	\$ 1,935	\$ 33,170
Gregory Herrett	Chief Administrative Officer	\$ 134,598	\$ 8,696	\$ 376	\$ 2,454	\$ 146,124
Total Remuneration and Reportable Expenses		\$ 327,786	\$ 37,159	\$ 1,710	\$ 8,920	\$ 375,575

*Councillor Blanch resigned effective February 29, 2020.

27. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

Supplementary Schedules

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Town of Amherst
Schedule of Operations - General Operating Fund
For the year ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019
Revenues			
Taxes	\$ 13,147,513	\$ 13,170,224	\$ 13,159,375
Grants in lieu of taxes	291,397	301,339	314,628
Service to other governments	192,019	192,194	188,379
Sale of services	1,436,917	1,380,790	1,414,189
Other revenue from own sources	662,998	671,998	668,009
Unconditional transfers from government	1,260,382	1,260,382	1,260,382
Conditional transfers from government	370,200	355,144	355,465
Total revenues	<u>17,361,426</u>	<u>17,332,071</u>	<u>17,360,427</u>
Expenditures			
General government services	2,318,101	2,287,822	2,076,723
Protective services - Police	4,263,445	4,238,017	3,983,160
Protective services - Fire & Inspection	1,860,070	1,816,346	1,799,596
Transportation services	2,021,349	2,090,741	1,994,348
Environmental health services	1,492,474	1,396,929	1,408,611
Public health services	230,000	248,767	192,793
Environmental development services	486,075	443,605	395,612
Recreation and cultural services	1,881,391	1,716,477	1,847,230
Education	1,599,384	1,599,384	1,600,740
Total expenditures	<u>16,152,289</u>	<u>15,838,088</u>	<u>15,298,813</u>
Annual surplus	<u>1,209,137</u>	<u>1,493,983</u>	<u>2,061,614</u>
Financing and transfers			
Debt principal repayment	(771,608)	(771,608)	(791,596)
Dividend from Water Utility	135,000	135,000	130,000
Transfers from Reserves	175,000	73,138	24,630
Transfers to Reserves	(240,994)	(231,694)	(465,580)
Transfer to Operating Reserve - surplus	-	(187,788)	(369,068)
Transfers to General Capital	(506,535)	(511,031)	(590,000)
Total financing and transfers	<u>(1,209,137)</u>	<u>(1,493,983)</u>	<u>(2,061,614)</u>
Change in surplus	<u>\$ -</u>	-	-
Accumulated surplus at beginning of year		-	-
Accumulated surplus at end of year		<u>\$ -</u>	<u>\$ -</u>

Town of Amherst
Schedule of Operations - Water Operating Fund
For the year ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019
Revenues			
Metered	\$ 1,226,147	\$ 1,195,042	\$ 1,176,259
Flat	166,320	166,237	160,480
Public fire protection	807,481	807,481	771,089
Private hydrants	14,750	14,500	14,750
Sprinkler service	15,650	15,050	15,150
Bulk water	6,000	7,950	8,700
Sale of services	2,890	14,367	3,524
Sundry	1,700	1,879	1,175
Interest	6,000	4,808	6,213
Total revenues	<u>2,246,938</u>	<u>2,227,314</u>	<u>2,157,340</u>
Expenditures			
Source of supply	35,900	32,159	29,276
Power and pumping	176,500	153,013	145,913
Water treatment	22,100	14,808	9,561
Transmission and distribution	767,340	759,433	737,721
Administrative	640,756	603,538	518,164
Depreciation	355,412	336,074	265,509
Total expenditures	<u>1,998,008</u>	<u>1,899,025</u>	<u>1,706,144</u>
Annual surplus	<u>248,930</u>	<u>328,289</u>	<u>451,196</u>
Financing and transfers			
Debt principal repayment	(73,930)	(73,930)	(64,263)
Dividend to owner	(135,000)	(135,000)	(130,000)
Transfer to Water Capital	(40,000)	(114,674)	(250,000)
Total financing and transfers	<u>(248,930)</u>	<u>(323,604)</u>	<u>(444,263)</u>
Change in surplus	<u>\$ -</u>	<u>4,685</u>	<u>6,933</u>
Accumulated surplus at beginning of year		<u>174,222</u>	<u>167,289</u>
Accumulated surplus at end of year		<u>\$ 178,907</u>	<u>\$ 174,222</u>

Town of Amherst
Schedule of Operations - General Capital Fund
For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Revenues		
Contributed assets	\$ -	\$ 68,880
Total revenues	<u>-</u>	<u>68,880</u>
Expenditures		
Amortization (Note 11)	2,154,977	2,209,932
Loss (gain) on disposal of tangible capital assets (Note 12)	4,784	(14,391)
Total expenditures	<u>2,159,761</u>	<u>2,195,541</u>
Annual (deficit)	<u>(2,159,761)</u>	<u>(2,126,661)</u>
Financing and transfers		
Debt principal payments	771,608	791,596
Transfer from General Operating	511,031	590,000
Transfers from Reserves	1,373,892	1,727,995
Transfers to Reserves	(146,505)	(406,480)
Total financing and transfers	<u>2,510,026</u>	<u>2,703,111</u>
Change in surplus	350,265	576,450
Accumulated surplus at beginning of year	<u>38,031,038</u>	<u>37,454,588</u>
Accumulated surplus at end of year	<u>\$ 38,381,303</u>	<u>\$ 38,031,038</u>

Town of Amherst
Schedule of Operations - Water Capital Fund
For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Revenues		
Interest income	\$ 12,227	\$ 6,217
Grants for Capital Projects - Federal	892,215	2,940,500
Grants for Capital Projects - Provincial	446,108	1,470,250
Total revenues	<u>1,350,550</u>	<u>4,416,967</u>
Expenditures		
Loss on disposal of tangible capital assets (Note 12)	<u>5,385</u>	<u>409,783</u>
Annual surplus	<u>1,345,165</u>	<u>4,007,184</u>
Financing and transfers		
Debt principal payments	73,930	64,263
Transfer from Water Operating	114,674	250,000
Total financing and transfers	<u>188,604</u>	<u>314,263</u>
Change in surplus	1,533,769	4,321,447
Accumulated surplus at beginning of year	<u>16,544,780</u>	<u>12,223,333</u>
Accumulated surplus at end of year	<u>\$ 18,078,549</u>	<u>\$ 16,544,780</u>

Town of Amherst
Schedule of Operations - Reserve Funds

For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Revenues		
Federal gas tax funds	\$ 1,386,805	\$ 710,074
Interest on federal gas tax funds	17,437	7,692
Land dedication / open space fees	9,031	-
Total revenues	<u>1,413,273</u>	<u>717,766</u>
Expenditures		
General government	-	-
Total expenditures	<u>-</u>	<u>-</u>
Annual surplus	<u>1,413,273</u>	<u>717,766</u>
Financing and transfers		
Transfer from General Operating	231,694	465,580
Transfer from General Operating - surplus	187,788	369,068
Transfer from General Capital	146,505	406,480
Transfer to General Operating	(73,138)	(24,630)
Transfer to General Capital	(1,373,892)	(1,727,995)
Total financing and transfers	<u>(881,043)</u>	<u>(511,497)</u>
Change in surplus	532,230	206,269
Accumulated surplus at beginning of year	<u>4,798,553</u>	<u>4,592,284</u>
Accumulated surplus at end of year*	<u>\$ 5,330,783</u>	<u>\$ 4,798,553</u>

* The Reserve funds accumulated surplus at end of year is broken down as follows:

General Capital Reserve	\$ 2,013,919	\$ 1,779,713
General Operating Reserve	3,316,864	3,018,840
	<u>\$ 5,330,783</u>	<u>\$ 4,798,553</u>

Town of Amherst
Schedule of Operations - Cumberland Joint Services Mgmt Authority Fund
For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Revenues		
Solid waste operations	\$ 947,056	\$ 935,653
Compost operations	195,037	180,965
Recycling operations	51,326	57,174
Interest	55,287	59,010
Gain on disposal of tangible capital assets (Note 12)	-	6,633
Total revenues	<u>1,248,706</u>	<u>1,239,435</u>
Expenditures		
Administration	198,067	216,179
Solid waste operations	338,419	405,383
Compost operations	61,204	47,753
Recycling operations	399,477	413,963
Amortization of tangible capital assets (Note 11)	86,702	75,106
Total expenditures	<u>1,083,869</u>	<u>1,158,384</u>
Annual surplus	164,837	81,051
Accumulated surplus at beginning of year	<u>3,241,205</u>	<u>3,160,154</u>
Accumulated surplus at end of year	<u>\$ 3,406,042</u>	<u>\$ 3,241,205</u>

TOWN OF AMHERST WATER UTILITY

**NON-CONSOLIDATED
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

DRAFT

September 8, 2020

**Town of Amherst Water Utility
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March 31, 2020**

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TOWN OF AMHERST WATER UTILITY

Non-consolidated Financial Statements

Year Ended March 31, 2020

Management's Responsibility for the Non-consolidated Financial Statements

The accompanying non-consolidated financial statements of the Town of Amherst Water Utility are the responsibility of the Utility's management and have been prepared in compliance with legislation, and in accordance with the Nova Scotia Utility and Review Board Water Utility Accounting and Reporting Handbook. A summary of the significant accounting policies are described in Note 1 to the non-consolidated financial statements. The preparation of non-consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Utility's management maintains a system 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 non-consolidated financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the non-consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the non-consolidated financial statements.

The non-consolidated financial statements have been audited by Jorgensen & Bickerton Inc., independent external auditors appointed by the Utility. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Utility's non-consolidated financial statements.

Amherst, NS
September 14, 2020

Gregory D. Herrett, CPA, CA
Chief Administrative Officer

Shelley G. Rector, CPA, CMA
Treasurer

INDEPENDENT AUDITOR'S REPORT

To the Members of Town of Amherst Water Utility

Opinion

We have audited the non-consolidated financial statements of Town of Amherst Water Utility (the Organization), which comprise the non-consolidated statement of financial position of the Water Utility Operating and Capital Fund as at March 31, 2019, and the non-consolidated statements of activities for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and the results of its operations for the year then ended in accordance with Nova Scotia Utility and Review Board Regulatory Handbook.

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 Non-consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Nova Scotia Utility and Review Board Regulatory Handbook, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated 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 Organization'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 Organization'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 non-consolidated 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Amherst, Nova Scotia
September 14, 2020

Jorgensen & Bickerton Inc.
Chartered Professional Accountants

Town of Amherst
Water Utility Operating Fund
Non-Consolidated Statement of Financial Position
As at March 31, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Cash	\$ (39,332)	\$ 50,020
Receivables		
Rates (less allowance for doubtful accounts)	284,924	225,315
Inventory not held for resale	57,917	62,590
Prepaid expenses	5,521	1,000
	<u>309,030</u>	<u>338,925</u>
Liabilities		
Payables and accrued liabilities	<u>130,123</u>	<u>164,703</u>
Surplus	<u>\$ 178,907</u>	<u>\$ 174,222</u>

Town of Amherst
Water Utility Operating Fund
Non-Consolidated Statement of Financial Activities
For the Year Ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019
Operating revenue			
Metered	\$ 1,226,147	\$ 1,195,042	\$ 1,176,259
Flat rate	166,320	166,237	160,480
Public fire protection	807,481	807,481	771,089
Private hydrants	14,750	14,500	14,750
Sprinkler service	15,650	15,050	15,150
Bulk water sales	6,000	7,950	8,700
Sale of services	2,890	14,367	3,524
Sundry	1,700	1,879	1,175
Total operating revenue	<u>2,240,938</u>	<u>2,222,506</u>	<u>2,151,127</u>
Operating expenditures			
Source of supply (Schedule - page 8)	35,900	32,159	29,276
Power and pumping (Schedule - page 8)	176,500	153,013	145,913
Water treatment (Schedule - page 8)	22,100	14,808	9,561
Transmission and distribution (Schedule - page 8)	767,340	759,433	737,721
Administrative and general (Schedule - page 8)	574,192	551,812	468,250
Depreciation	355,412	336,074	265,509
Taxes	32,000	31,695	31,383
Total operating expenditures	<u>1,963,444</u>	<u>1,878,994</u>	<u>1,687,613</u>
Net operating revenue	<u>277,494</u>	<u>343,512</u>	<u>463,514</u>
Non-operating revenue			
Interest	<u>6,000</u>	<u>4,808</u>	<u>6,213</u>
Non-operating expenditures			
Debt charges			
Principal	73,930	73,930	64,263
Interest	34,564	20,031	18,531
Transfer to water capital	40,000	114,674	250,000
Dividend to owner	135,000	135,000	130,000
Total non-operating expenditures	<u>283,494</u>	<u>343,635</u>	<u>462,794</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>4,685</u>	<u>6,933</u>
Surplus beginning of year		<u>174,222</u>	<u>167,289</u>
Surplus end of year		<u>\$ 178,907</u>	<u>\$ 174,222</u>

Town of Amherst
Water Utility Capital Fund
Non-Consolidated Statement of Financial Position
As at March 31, 2020

	<u>2020</u>	<u>2019</u>
Assets		
Cash - Depreciation	\$ 625,585	\$ 381,664
Receivables		
Other	-	172,174
Utility plant and equipment (Capital Assets)	<u>24,093,814</u>	<u>22,853,338</u>
	<u>24,719,399</u>	<u>23,407,176</u>
Liabilities		
Deferred revenue	-	572,999
Long term debt - Municipal Finance Corporation (Note 4)	606,860	538,965
Accumulated depreciation	<u>6,033,990</u>	<u>5,750,432</u>
	<u>6,640,850</u>	<u>6,862,396</u>
 Investment in capital assets	 <u>\$ 18,078,549</u>	 <u>\$ 16,544,780</u>

Town of Amherst
Water Utility Capital Fund
Non-Consolidated Statement of Financial Activities
For the Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Revenue		
Interest income	\$ 12,227	\$ 6,217
Grants for capital projects - Federal	892,215	2,940,500
Grants for capital projects - Provincial	446,108	1,470,250
Total revenue	<u>1,350,550</u>	<u>4,416,967</u>
Expenditures		
Loss on disposal of capital asset	<u>5,385</u>	<u>409,783</u>
Net revenue	<u>1,345,165</u>	<u>4,007,184</u>
Financing and transfers		
Debt principal payments	73,930	64,263
Transfer from Water Operating	114,674	250,000
Total financing and transfers	<u>188,604</u>	<u>314,263</u>
Change in fund balance	<u>1,533,769</u>	4,321,447
Beginning fund balance	<u>16,544,780</u>	<u>12,223,333</u>
Ending fund balance	<u>\$ 18,078,549</u>	<u>\$ 16,544,780</u>

Town of Amherst
Water Utility Capital Fund
Schedule of Investment in Water Utility Plant and Equipment
For the Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Land and land rights		
Source of supply	\$ <u>609,525</u>	\$ <u>609,525</u>
Structures and improvements		
Source of supply	1,000,514	1,000,514
Power and pumping structures	491,661	491,661
Water treatment	436,056	436,056
Distribution reservoirs and standpipes	<u>6,213,715</u>	<u>6,213,715</u>
	<u>8,141,946</u>	<u>8,141,946</u>
Equipment		
Electrical pumping	322,909	322,909
Water treatment	295,712	295,712
Transportation	667,907	499,410
Tools and work equipment	<u>57,483</u>	<u>57,483</u>
	<u>1,344,011</u>	<u>1,175,514</u>
Mains		
Transmission	1,834,359	1,834,359
Distribution	<u>10,333,827</u>	<u>8,547,149</u>
	<u>12,168,186</u>	<u>10,381,508</u>
Services	<u>784,085</u>	<u>784,085</u>
Meters	<u>442,828</u>	<u>435,104</u>
Hydrants	<u>572,161</u>	<u>561,732</u>
Assets under construction	<u>31,072</u>	<u>763,924</u>
	<u>\$ 24,093,814</u>	<u>\$ 22,853,338</u>

Town of Amherst
Water Utility Operating Fund
Schedule to Statement of Financial Activities
For the Year Ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019
Source of supply			
Supplies and expenses	\$ 2,500	\$ -	\$ 2,246
Maintenance of plant	35,900	32,159	27,030
	<u>\$ 38,400</u>	<u>\$ 32,159</u>	<u>\$ 29,276</u>
 Power and pumping			
Power	\$ 140,000	\$ 134,887	\$ 123,449
Maintenance	36,500	18,126	22,464
	<u>\$ 176,500</u>	<u>\$ 153,013</u>	<u>\$ 145,913</u>
 Water treatment			
Supplies and expenses	<u>\$ 22,100</u>	<u>\$ 14,808</u>	<u>\$ 9,561</u>
 Transmission and distribution			
Maintenance of mains	\$ 413,689	\$ 430,691	\$ 418,089
Rents	30,000	28,000	28,000
Transportation expenses	53,500	48,632	54,752
Materials / supplies	191,632	190,362	173,605
Other transmission and distribution expenses	78,519	61,748	63,275
	<u>\$ 767,340</u>	<u>\$ 759,433</u>	<u>\$ 737,721</u>
 Administration and general			
Supervision	\$ 204,758	\$ 209,318	\$ 195,264
Employee benefits	55,512	52,288	48,515
Uncollectible accounts	10,000	10,000	2,228
General office expenses	103,772	86,302	87,979
Regulatory expenses	3,500	3,310	3,284
Miscellaneous general expenses	196,700	190,594	130,980
	<u>\$ 574,242</u>	<u>\$ 551,812</u>	<u>\$ 468,250</u>

1. Accounting policies

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

a) Non consolidation

Non-consolidated financial statements of the Town of Amherst Water Utility are prepared by management in accordance with Canadian Generally Accepted Accounting Principles for local governments and the Water Utility Accounting and Reporting handbook of the Nova Scotia Utility and Review Board, as required under Section 4000.

b) Revenue and expenditure

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

Certain sources of revenue, including forfeited discounts or interest on past due rates, are recorded on a cash basis.

Principal and interest payments relating to long term debt are recorded as an expense when paid.

Interest earned on depreciation funds is recorded as revenue in the water utility capital fund.

c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, net of bank indebtedness.

d) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost being determined on a first-in, first-out basis.

e) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

1. Accounting policies (cont'd)

f) Allowance for doubtful accounts

An allowance is provided for estimated losses that will be incurred in collecting outstanding rates receivable.

g) Plant and equipment

Purchased capital assets shall be recorded at historical cost. Constructed capital assets shall include direct material, labour cost and ancillary expenditures.

Capital assets which are partially or totally funded by Federal or Provincial grants shall be recorded at gross cost. The grants shall be credited to equity.

h) Depreciation

Depreciation of capital assets is recorded in the accounts of the Water Capital Fund calculated on a formula provided 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 Nova Scotia Utility and Review Board, to repay principal of capital debt.

i) Utility plant in service

Capital assets and projects in progress are recorded at the Utility's cost. Funds received through capital assistance programs or cost-sharing arrangements are treated as a reduction in the cost of the asset acquired from January 1989 to March 31, 2007. After April 1, 2007 the assets are recorded at gross cost. Any grants received are credited to investment in capital assets. Interest incurred during construction on significant water capital projects is capitalized.

j) Allocation of municipal costs to Water Utility fund

Where identifiable, costs incurred by the Town of Amherst 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.

2. Financial instruments

The Water Utility financial statements consist of cash, accounts receivable, bank indebtedness, accounts payable and accruals. It is in the opinion of management that the Water Utility is not exposed to significant interest or currency risk arising from these financial instruments.

The Utility is subject to credit risk with respect to taxes receivable to which the Utility provides services. An individual may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimize the credit risk.

The carrying value of the financial instruments approximates fair value.

3. Rate base & rate of return

	<u>2020</u>	<u>2019</u>
Net operating revenue		
Operating revenue	\$ 2,222,506	\$ 2,151,127
Operating expenditures	<u>1,878,994</u>	<u>1,687,613</u>
Net operating revenue	<u>\$ 343,512</u>	<u>\$ 463,514</u>
Rate base		
Utility plant and equipment	\$ 24,093,814	\$ 22,853,338
Deferred grant revenue	-	572,999
Accumulated depreciation	<u>6,033,990</u>	<u>5,750,432</u>
Rate base	<u>\$ 18,059,824</u>	<u>\$ 16,529,907</u>

Rate of return on rate base:

$$\frac{\$ 343,512}{\$ 18,059,824} \times 100 = 1.90\%$$

$$\frac{\$ 463,514}{\$ 16,529,907} \times 100 = 2.80\%$$

**Town of Amherst
Water Utility
Notes to the Non-Consolidated Financial Statements
March 31, 2020**

4. Long term debt

	<u>2020</u>	<u>2019</u>
Municipal Finance Corporation 26B-1 maturing October 24, 2021 - principal payments of \$14,467 yearly plus interest - rates variable 4.265% to 4.590%	\$ 28,929	\$ 43,396
Municipal Finance Corporation 27A-1 maturing October 17, 2022 - principal payments of \$19,067 yearly plus interest - rates variable 4.650% to 5.210%	57,196	76,263
Municipal Finance Corporation 29A-1 maturing October 27, 2024 - principal payments of \$17,882 yearly plus interest - rates variable 0.900% to 4.939%	89,418	107,300
Municipal Finance Corporation 36A-1 maturing May 16, 2031 - principal payments of \$12,847 yearly plus interest - rates variable 1.150% to 3.475%	154,159	167,006
Municipal Finance Corporation 38A-1 maturing November 9, 2033 - principal payments of \$9,667 yearly plus interest - rates variable 2.490% to 3.551%	135,333	145,000
Municipal Finance Corporation 39A-1 maturing November 15, 2034 - future principal payments of \$9,455 yearly plus interest - rates variable 2.015% to 2.829%	141,825	-
	<u>\$ 606,860</u>	<u>\$ 538,965</u>

Principal repayment for the next five years are as follows:

2021	\$	83,385
2022	\$	83,380
2023	\$	68,913
2024	\$	49,851
2025	\$	49,859

SYNOPSIS

Accept Town Audited Consolidated Financial Statements

MOTION:

That the Audit Committee recommend to Town Council the acceptance of the Audited Consolidated Financial Statements for the Town of Amherst for the fiscal year ended March 31, 2020, subject to Council approval of the year end funding adjustments, which have been audited by the firm Jorgensen and Bickerton.

SYNOPSIS

Accept Water Utility Non-Consolidated Financial Statements

MOTION:

That the Audit Committee recommend to Town Council the acceptance of the Audited Non Consolidated Financial Statements for the Amherst Water Utility for the fiscal year ended March 31, 2020, subject to Council approval of the year end funding adjustments, which have been audited by the firm Jorgensen and Bickerton.



FIRST QUARTER FINANCIAL REPORT

FOR THE PERIOD ENDED JUNE 30, 2020 (UNAUDITED)

Town of Amherst



INTRODUCTION

Quarterly financial reporting is being prepared by the Town of Amherst as a means of providing the community, council and the organization with a regular overview of financial and statistical information. Quarterly financial reporting is a strategic priority identified by council.

The primary information provided in the quarterly report is a comparison of the year to date budget amounts to actual revenues and expenditures for operating departments. All financial information is based on preliminary, unaudited information reported from the municipal finance system as of the report date. Seasonal variations in municipal operations may affect the proportion of revenues achieved or expenditures incurred to date.

This quarterly report provides information in seven parts:

Organizational Structure, page 3

- ℓ Hierarchy with departmental responsibilities.

Commentary, page 4

- ℓ Charts and comments

Schedules of Operations, pages 5-7

- ℓ Schedule of Operations – General Operating Fund – Revenues & Expenditures
- ℓ Schedule of Operations – General Operating Fund – Departmental & Mandatory Expenditures
- ℓ Schedule of Operations – Water Operating Fund – Revenues & Expenditures

Statement of Financial Position, page 8

- ℓ Consolidated Statement of Financial Position

Capital Budget, pages 9-11

- ℓ 2020/21 Capital budget with actual and committed costs

Tax Rates, pages 12-13

- ℓ General
- ℓ Mandatory Provincial Contribution Area Rate
- ℓ Community Support Area Rate

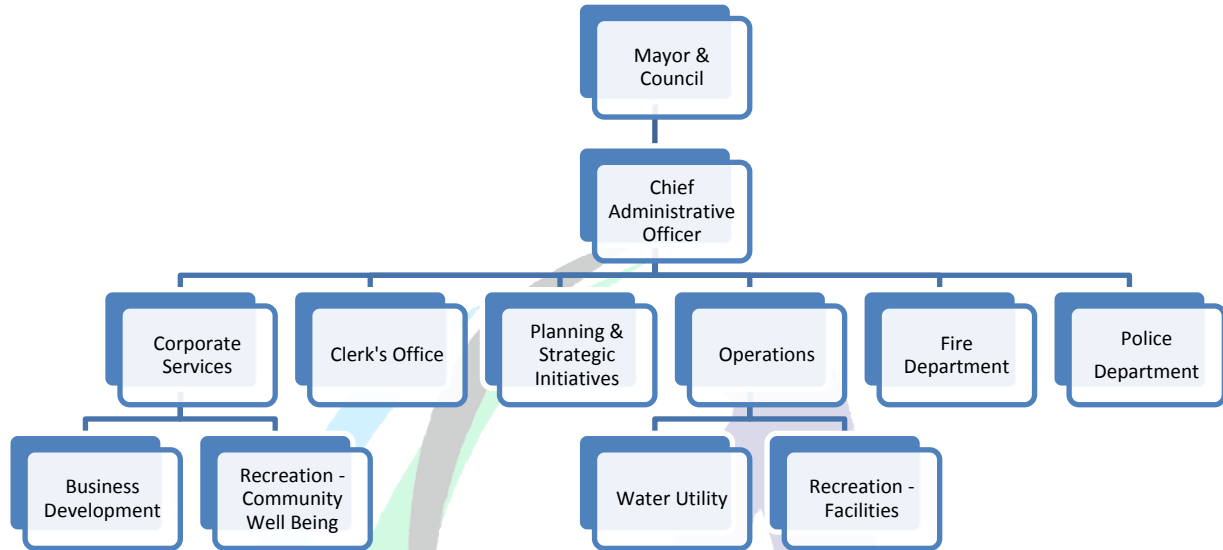
Other Rates, pages 14 - 15

- ℓ Deed Transfer Tax
- ℓ Uniform Charge – Solid Waste
- ℓ Sewer Rates
- ℓ Uniform Charge – Wastewater Treatment Facility
- ℓ Water Utility Rates

Quarterly financial reporting follows the fiscal year of the municipality which is April 1 through March 31.

ORGANIZATIONAL STRUCTURE

Below is the organizational structure of the Town of Amherst with a brief description of each departments responsibilities.



Corporate Services

- / Finance
- / Fiscal Planning
- / Human Resources
- / Tax & Water/Sewer Billing
- / Collections
- / Procurement
- / Information Services

Business Development

- / Investment Attraction
- / Business Retention Expansion

Recreation – Community Well Being

- / Wellness
- / Programming
- / Community Events
- / Tourism

Clerk’s Office

- / Council & Committee Liaison
- / Records Management

Planning & Strategic Initiatives

- / Planning / Development
- / Strategic Initiatives / Projects

Operations

- / Inspections / Permits
- / Solid Waste
- / Engineering
- / Public Works
- / Sewer
- / Water

Recreation - Facilities

- / Stadium
- / Parks / Playgrounds
- / Robbs

Fire Department

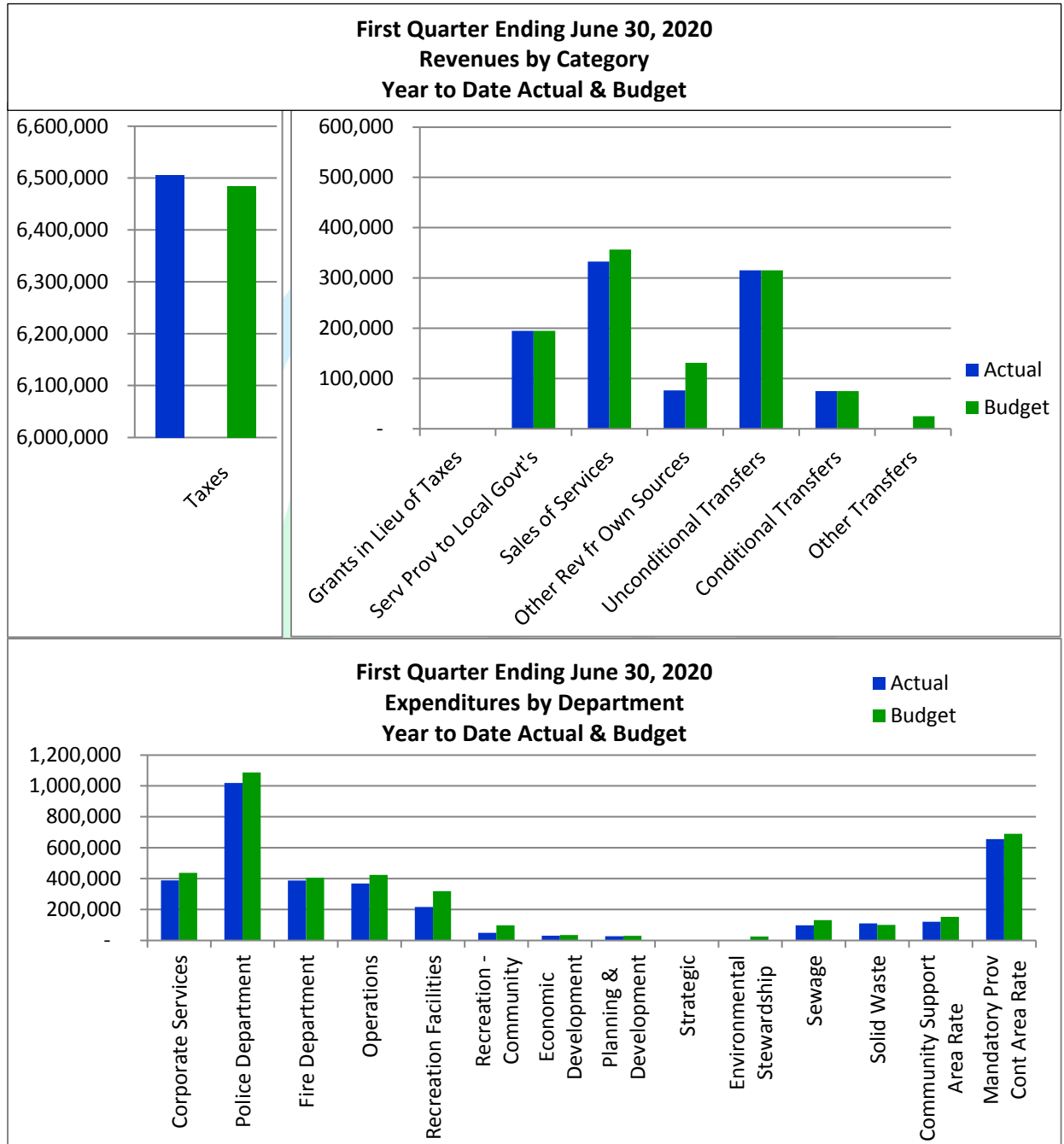
- / Fire Rescue
- / Hazmat

Police Department

- / Crime
- / Major Crime
- / Street Crime
- / Crime Prevention
- / Community Partnerships

COMMENTARY

Three months into the 2020/21 fiscal year the general operating fund has a surplus of \$381,472 compared to budget. The Town's operating revenues are \$7,500,321 compared to the budgeted amount of \$7,582,218. The Town's expenditures at the end of the first quarter are \$3,467,592 compared to the budgeted amount of \$3,930,961.



SCHEDULE OF OPERATIONS

Town of Amherst
Schedule of Operations - General Operating Fund
For the Three Months Ended June 30, 2020

	2019/20 <u>Actual</u>	2020/21 <u>Actual</u>	2020/21 <u>Budget</u>	2020/21 <u>Variance</u>
Revenues				
Taxes	\$ 6,410,774	\$ 6,506,528	\$ 6,484,716	\$ 21,812
Grants in Lieu of Taxes	-	-	-	-
Services Provided to Other Local Govt	192,194	194,851	194,851	-
Sales of Services	359,979	332,576	356,333	- 23,757
Other Revenue from Own Sources	132,042	76,270	131,222	- 54,952
Unconditional Transfers	315,096	315,096	315,096	-
Conditional Transfers	75,000	75,000	75,000	-
Other Transfers	-	-	25,000	- 25,000
Total Revenues	<u>7,485,085</u>	<u>7,500,321</u>	<u>7,582,218</u>	<u>- 81,897</u>
Expenditures				
Wages & Benefits	2,201,519	1,975,767	2,235,183	- 259,416
Administrative Costs	148,651	116,820	164,905	- 48,085
Building & Facility Costs	159,945	127,462	150,736	- 23,274
Vehicle & Equipment Costs	60,971	71,378	83,139	- 11,761
Materials & Supplies	61,148	52,823	67,979	- 15,156
Grants to Organizations	98,183	26,459	43,959	- 17,500
Other Municipal Costs	221,719	170,250	219,741	- 49,491
Fiscal Services	1,130,921	666,416	701,463	- 35,047
Fire Protection Charge	176,637	176,635	176,637	- 2
Tax Exemptions	102,602	96,490	96,490	-
Cost Recovery	- 72,169	- 12,908	- 9,271	- 3,637
Total Expenditures	<u>4,290,127</u>	<u>3,467,592</u>	<u>3,930,961</u>	<u>- 463,369</u>
Surplus	<u>3,194,958</u>	<u>\$ 4,032,729</u>	<u>\$ 3,651,257</u>	<u>\$ 381,472</u>

SCHEDULE OF OPERATIONS (cont'd)

Town of Amherst
Schedule of Operations - General Operating Fund
Departmental and Mandatory Expenditures
For the Three Months Ended June 30, 2020

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance
Departmental Expenditures				
Corporate	\$ 423,671	\$ 388,530	\$ 437,008	-\$ 48,478
Police	1,195,943	1,018,927	1,087,336	-
Fire	397,949	387,708	405,216	-
Operations	575,649	367,667	423,499	-
Recreation Operations	240,503	215,721	318,244	-
Community Well Being	138,658	48,532	97,596	-
Economic Development	48,103	30,251	34,788	-
Planning & Development	32,905	26,744	29,172	-
Environmental Stewardship	-	-	25,000	-
Strategic	-	-	-	-
Sewage	211,905	97,717	131,143	-
Solid Waste	103,923	109,883	99,588	-
Community Support Area Rate	199,432	120,474	152,464	-
Total Departmental Expenditures	<u>3,568,641</u>	<u>2,812,154</u>	<u>3,241,054</u>	<u>- 428,900</u>
Mandatory Expenditures				
Assessment Services	29,315	29,083	29,784	-
Corrections	28,103	-	-	-
Housing	248,767	195,599	230,000	-
Education	399,846	399,846	399,213	633
Regional Library	15,455	30,910	30,910	-
Total Mandatory Expenditures	<u>721,486</u>	<u>655,438</u>	<u>689,907</u>	<u>- 34,469</u>
Grand Total Expenditures	<u>\$ 4,290,127</u>	<u>\$ 3,467,592</u>	<u>\$ 3,930,961</u>	<u>-\$ 463,369</u>

SCHEDULE OF OPERATIONS (cont'd)

Compared to budget, the Water Operating Fund is showing a surplus of \$25,461 at the end of the first quarter. Revenues are over budget by \$1,851 and expenditures are under budget by \$23,610.

Town of Amherst
Schedule of Operations - Water Operating Fund
For the Three Months Ended June 30, 2020

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance
Revenues				
Sale of Services	\$ -	\$ -	\$ -	\$ -
Interest on o/s Water A/R	792	-	1,000	1,000
Misc Rev & Inc fr Other Non Utility	608	-	600	600
Metered Sales	312,083	312,303	310,568	1,735
Flat Rate Sales	41,580	41,497	41,580	83
Bulk Water Sales	3,150	5,550	3,750	1,800
Fire Protection	176,637	176,635	176,636	1
Private Hydrants	-	-	-	-
Sprinkler Service	-	-	-	-
Total Revenues	534,850	535,985	534,134	1,851
Expenditures				
Wages & Benefits	199,680	175,398	192,590	17,192
Administrative Costs	17,672	19,445	22,723	3,278
Building & Facility Costs	64,131	67,240	67,413	173
Vehicle & Equipment Costs	12,207	7,761	8,049	288
Materials & Supplies	13,585	14,187	15,113	926
Other Municipal Costs	62,998	62,030	63,860	1,830
Fiscal Services	22,851	77	-	77
Cost Recovery	8,221	-	-	-
Total Expenditures	384,903	346,138	369,748	23,610
Surplus	\$ 149,947	\$ 189,847	\$ 164,386	\$ 25,461

STATEMENT OF FINANCIAL POSITION

Town of Amherst
Consolidated Statement of Financial Position
As at June 30, 2020

	<u>As at June 30, 2020</u>	<u>As at June 30, 2019</u>
Financial Assets		
Cash and cash equivalents	\$ 10,444,930	\$ 8,887,613
Receivables	1,967,368	1,496,649
	<u>12,412,298</u>	<u>10,384,262</u>
Liabilities		
Accounts payable and accrued liabilities	2,111,232	1,933,334
Deferred revenue	325,000	833,022
Long term debt	8,142,995	8,846,708
	<u>10,579,226</u>	<u>11,613,064</u>
Net assets (debt)	<u>1,833,072</u>	- 1,228,802
Non-financial assets		
Prepaid expenses	33,510	22,200
Inventories of supplies	101,424	100,671
Capital assets (net of accumulated amortization)	64,405,392	62,677,764
Capital work in progress	487,829	1,328,374
	<u>65,028,155</u>	<u>64,129,009</u>
Accumulated surplus	<u>\$ 66,861,226</u>	<u>\$ 62,900,207</u>

Note: The Consolidated Statement of Financial Position does not include Cumberland Joint Services Management Authority.

CAPITAL BUDGET

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at June 30/20	2020/21 Budget
WATER CAPITAL BUDGET		
Monitoring Wells <i>(carry over)</i>	-	40,000
Albion Street ~ Croft to Queen - water main replacement	18,324	433,000
Wellfield Generator	-	240,000
New Truck - 4x4 - 4 Door 1/2 Ton replace 2006 1/2 Ton Service Truck	-	40,000
Spring Street - design	5,801	-
Central Avenue - design	13,132	-
WATER CAPITAL BUDGET TOTAL	37,257	753,000
GENERAL CAPITAL BUDGET		
OPERATIONS (TRANSPORTATION & PUBLIC WORKS)		
EQUIPMENT		
Asphalt Hot Patcher	-	60,000
New Truck - 1 Ton 4x4 4 Door- replace 2011 Ford 1 Ton Service Truck	-	50,000
Subtotal	-	110,000
BUILDINGS / LAND		
Library Heating Issues <i>(carry over)</i>	76,122	100,000
Net Zero Energy - recommendation from feasibility study <i>(carry over)</i>	-	50,000
Solar for Community Buildings - Stadium <i>(carry over)</i>	-	259,491
Town Hall - Server / network storage - replacement	-	23,000
Police Dept - Server / network storage - replacement	-	23,000
Fire Station Bldg Repairs - installation of card access system	-	48,000
Works Garage - Security Doors	-	15,000
Town Hall Council Chamber Upgrades	-	30,000
Works Garage - New Security Gates	-	5,000
Solar for Community Buildings - Fire Hall	-	183,414
Solar for Community Buildings - Police Station	-	184,537
Subtotal	76,122	921,442
LARGE MULTI - CATEGORY PROJECTS		
Albion Street ~ Croft to Queen - Paverize and Pave	-	250,000

CAPITAL BUDGET (cont'd)

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at June 30/20	2020/21 Budget
STREETS		
Academy Street ~ Queen to Spring (pulverize and pave)	-	60,000
West Pleasant Street - Subway - asphalt and storm sewer upgrades	-	40,000
Clifton (Pulverize and Pave)	-	30,000
Pinehurst (Overlay)	9,029	15,000
Edgewood (Overlay)	30,372	30,000
Chamberlain ~ CNR to Newton (Overlay)	25,575	25,000
Tupper ~ Northern Town Boundary to TIR Office Driveway (Overlay)	2,091	100,000
Flemming - Curb and Pave - requires work on other streets	-	155,000
Senator (Overlay)	9,413	18,000
Smith (Overlay)	14,854	30,000
Mission (Overlay)	36,614	50,000
Clifford ~ Rupert to Clarence (Overlay)	8,568	20,000
Agnew ~ Rupert to Clarence (O)	11,051	25,000
Centennial (overlay)	20,161	20,000
Acadia ~ Agnew to Prince Arthur (Overlay)	19,257	25,000
Townsvie (overlay)	20,095	20,000
Subtotal	207,079	663,000
<i>RC = Reconstruction and paving; CM = Cold mill and Paving; P = Pulverize and paving; O = Asphalt Overlay</i>		
STORM / SANITARY SEWER		
Racetrack Road - Pump Station Upgrades (Surcharge Tank) (carry over)	-	50,000
Wastewater Treatment plant and Lift Stations (SLI report) Laplanche River Upgrades to reduce clogging (carry over)	127,080	125,000
Willow Street Trail - East to Abbey (under new trail) - new sanitary sewer main (Town Crew)	-	50,000
Academy Street ~ Spring to Queen - replace corrugated storm sewer (Town Crew)	13,951	10,000
Subtotal	141,031	235,000
SIDEWALKS		
Robert Angus Drive ~ Dairy Queen to Church - widen asphalt sidewalk (Active Transportation Plan) (carry over remaining budget)	7,302	30,941
Academy Street ~ Spring to Queen (Town Crew)	6,517	10,000
Dickey Brook Trail ~ Donald to Charles - Gravel Trail (Active Transportation Plan) (Town Crew)	-	10,000
Upper Church Street ~ Robert Angus to Town Boundary - sidewalk (Active Transportation Plan) (Town Crew)	-	50,000
Willow Street Trail - East to Abbey - Gravel Trail (Active Transportation Plan) (Town Crew)	-	50,000
Hickman Street ~ West Pleasant to Park (Town Crew)	-	50,000
Subtotal	13,819	200,941

CAPITAL BUDGET (cont'd)

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at June 30/20	2020/21 Budget
FIRE DEPARTMENT		
Fire Station Bldg Repairs - Repair floor and wall finishes in south entrance <i>(carry over)</i>	-	7,000
Fire Station Bldg Repairs - Replace the two main exterior entrances <i>(carry over)</i>	899	18,000
New Pumper - replace engine # 2 <i>(carry over)</i>	599,645	600,000
Fire Station Bldg Repairs - concrete ramp and stairs remove & replace <i>(carry over)</i>	-	25,000
Replacement structural firefighting bunker gear (6-9 sets)	-	20,000
Replacement - Self Contained Breathing Apparatus (SCBA) (Qty 8) (HAZMAT OPS)	-	72,000
Subtotal	<u>600,544</u>	<u>742,000</u>
POLICE DEPARTMENT		
Patrol Vehicle # 6 <i>(carry over)</i>	5,945	55,000
Fibre Communications between APD and Town Hall <i>(carry over)</i>	1,974	34,500
SCEU Vehicle	-	45,000
Ballistic Helmets - Carbine	-	10,000
In Car Video - WatchGuard x 2	14,328	18,000
Subtotal	<u>22,247</u>	<u>162,500</u>
RECREATION		
Purchase Outdoor Skating Rink (Victoria Street)	-	65,000
Self Watering Hanging Baskets	-	22,500
Former Tennis Courts - Resurface for Multi Use Recreation Facility	27,878	25,000
Vehicle -Electric Car/SUV plus Charging Station (Replace for Ranger) 35,000 less 10K in rebates	-	25,000
Sprinkler System Back Flow Preventor	-	5,000
Christie Park - Replace Foot Bridge	-	12,500
Decorative Ligthning Phase #3-R#4	-	30,000
Stadium - Ice Compressor Motor Repair	-	8,000
Robbs - Dugout Protective Fence	-	8,000
Robbs - Batting Cage	-	20,000
Subtotal	<u>27,878</u>	<u>221,000</u>
GENERAL CAPITAL BUDGET TOTAL	<u>1,088,720</u>	<u>3,505,883</u>

GRAND TOTAL WATER & GENERAL CAPITAL BUDGETS	1,125,977	4,258,883
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TAX RATES

There are three different tax rates: general, mandatory provincial contribution area rate and the community support area rate. These tax rates are established annually for residential, commercial and resource properties. Tax bills are issued bi-annually. The interim billing is 50% of the total prior year's bill and is due May 29, 2020. The final billing takes into consideration the accounts new assessment, the current year tax rate and uniform charges then deducting the interim billing. The final bill is due September 30, 2020.

Tax Rates

1. General – this rate is used to pay for services provided by the Town to residents of the Town. These services include; fire, police, planning, transportation and public works, economic development, recreation, as well as internal services performed by the Corporate Services department. The general operations rate increased by eight tenths of one cent (\$0.008) for fiscal 2020/21.
2. Mandatory Provincial Contributions Area Rate - the cost for provincial services the province charges the municipality for. Any changes in these costs are mandated by the Province and passed on to the municipalities to collect on their behalf. In 2020/21 the Town decreased the Mandatory Provincial Contribution Area Rate by eight tenths of one cent (\$0.008). This rate includes the following provincial services:
 - Education
 - The Town is required to provide funding to the Chignecto Central Regional Centre for Education under the Education Act. This mandatory education contribution is set by the Province of Nova Scotia and is based on the Town's share of the Uniform Assessment.
 - Property Valuation Services Corporation (Assessment)
 - The Town is required to provide funding to pay a share of the cost of operating the provincial assessment system. The Town pays a portion of the total Property Valuation Services Corporation costs, based on the Town's share of the Uniform Assessment and the Town's share of assessment accounts across the province.
 - Correction Services
 - The Town is required to make a mandatory contribution to the province to fund the cost of correctional services. The contribution is set by the Province of Nova Scotia and is based on the Town's share of the Uniform Assessment and the Town's share of dwelling units across the province.

TAX RATES (cont'd)

🌿 Housing

🌿 The Cobequid Housing Authority administers and manages public non-profit housing for seniors and families on low incomes within the Town. The Town is required to fund a portion of the prior year deficit of the Cobequid Housing Authority annually.

🌿 Regional Library

🌿 The Town is required to fund the Cumberland Public Library pursuant to a formula determined by the Province of Nova Scotia. The Town does not share in any surplus or deficits. In addition, the Town provides funds for the operating and maintenance of the library building which is included in the General Rate.

3. Community Support Area Rate – a rate that provides funding for services that, in the opinion of Council, provide support to the community. In 2020/21 the Community Support Area Rate remained the same as the prior year. These include support to the following organizations/events:

🌿 Grants to Organizations

🌿 'A' Fresh Start Grants

🌿 Youth Free Ice Time

🌿 Cumberland YMCA

🌿 Tax Exemption Policy

🌿 Tax Reduction Policy

🌿 Community Events

In summary, all tax and area rates are per \$100 of Assessment. The rates are as follows:

Residential / Resource	<u>2019/20</u>	<u>2020/21</u>
🌿 Residential / Resource Tax Rate	\$1.179	\$1.187
🌿 Mandatory Provincial Contributions Area Rate	\$0.405	\$0.397
🌿 Community Support Area Rate	\$0.071	\$0.071
Commercial	<u>2019/20</u>	<u>2020/21</u>
🌿 Commercial Tax Rate	\$3.979	\$3.987
🌿 Mandatory Provincial Contributions Area Rate	\$0.405	\$0.397
🌿 Community Support Area Rate	\$0.071	\$0.071

OTHER RATES

1. Deed Transfer Tax

When land/property is sold a Deed Transfer Tax (DTT) may be applicable. The Deed Transfer Tax rate is set by the Town and the DTT payable is calculated based on the sale price of the property. Deed Transfer Tax is collected on behalf of the Town through the Land Registration Office when the deed is registered/recorded.

For the 2020/21 fiscal year the deed transfer tax will remain the same at 1.25%.

2. Uniform Charge

Solid Waste Management Uniform Charge

This uniform charge is levied on each dwelling unit within the boundaries of the Town of Amherst in residential premises with less than four such dwelling units.

The uniform charge for 2020/21 to be levied is \$185 (2019/20 - \$185).

3. Sewer Rates

Effective April 1, 2015 there was a sewer base charge added to the metered quarterly bills. This new base charge was implemented because of the removal of the uniform charge for the wastewater treatment facility. Sewer services in the Town of Amherst are billed through one of the following methods:

Sewer Metered – consumption volume is determined by the Amherst Water Utility

Sewer Consumption Rate (per cubic meter)

Residential - \$0.99 per cubic meter of metered water consumption

Commercial - \$0.49 per cubic meter of metered water consumption

Sewer Base Charges (Quarterly)

Size of Meter	
5/8"	\$ 18.00
¾"	\$ 27.00
1"	\$ 43.75
1.5"	\$ 86.00
2"	\$ 136.25
3"	\$ 271.25
4"	\$ 500.00

Sewer Non-Metered Customers

For non-metered customers in unmetered mobile home parks, the park owner shall pay \$178.53 per dwelling unit per annum.

OTHER RATES (cont'd)

- a. Wastewater Treatment Facility Uniform Charge (this offsets expenses for sewer services for those not charged a sewer base charge).
 - ☞ As of April 1, 2015 the Town has removed the uniform charge for the Wastewater Treatment Facility for all assessments with the exception of unmetered mobile homes within a land leased community and replaced it with a base charge on the quarterly sewer bill.
 - ☞ The uniform charge for unmetered mobile homes within a land leased community for 2020/21 to be levied is \$72 (2019/20 - \$72).

4. Water Utility Rates

The Town of Amherst Water Utility is regulated by the Nova Scotia Utility and Review Board (NSUARB). The most recent water rate study was approved by the NSUARB on June 9, 2017 and expired on March 31, 2020. Special permission was approved by the NSUARB to extend the rates from 2019/20 to 2020/21 until a new water rate study can be completed. In accordance with the NSUARB Order for the 2019/20 fiscal year and extended to the 2020/21 fiscal year, the rates for 2020/21 are as follows:

Water Base Charges (Quarterly)	
☞ Un Metered	\$ 83.16
☞ Size of Meter	
▪ 5/8"	\$ 31.11
▪ 3/4"	\$ 45.35
▪ 1"	\$ 73.83
▪ 1.5"	\$ 145.03
▪ 2"	\$ 230.47
▪ 3"	\$ 458.32
▪ 4"	\$ 714.65
▪ 6"	\$1,426.67
▪ 8"	\$2,565.90

Water Consumption Rate (per cubic meter)
 ☞ \$0.765 per cubic meter

The Town of Amherst bills water and sewer together quarterly. The fiscal year quarters are April to June, July to September, October to December and January to March.

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at September 8/20	2020/21 Budget
WATER CAPITAL BUDGET		
Monitoring Wells <i>(carry over)</i>	-	40,000
Albion Street ~ Croft to Queen - water main replacement	433,247	433,000
Wellfield Generator	-	240,000
New Truck - 4x4 - 4 Door 1/2 Ton replace 2006 1/2 Ton Service Truck	37,309	40,000
Spring Street - design	6,120	-
Central Avenue - design	16,320	-
WATER CAPITAL BUDGET TOTAL	492,996	753,000
GENERAL CAPITAL BUDGET		
OPERATIONS (TRANSPORTATION & PUBLIC WORKS)		
EQUIPMENT		
Asphalt Hot Patcher	-	60,000
New Truck - 1 Ton 4x4 4 Door- replace 2011 Ford 1 Ton Service Truck	46,162	50,000
Subtotal	46,162	110,000
BUILDINGS / LAND		
Library Heating Issues <i>(carry over)</i>	91,596	100,000
Net Zero Energy - recommendation from feasibility study <i>(carry over)</i>	-	50,000
Solar for Community Buildings - Stadium <i>(carry over)</i>	4,224	259,491
Town Hall - Server / network storage - replacement	18,560	23,000
Police Dept - Server / network storage - replacement	13,643	23,000
Fire Station Bldg Repairs - installation of card access system	-	48,000
Works Garage - Security Doors	-	15,000
Town Hall Council Chamber Upgrades	-	30,000
Works Garage - New Security Gates	-	5,000
Solar for Community Buildings - Fire Hall	-	183,414
Solar for Community Buildings - Police Station	-	184,537
Subtotal	128,023	921,442
LARGE MULTI - CATEGORY PROJECTS		
Albion Street ~ Croft to Queen - Paverize and Pave	141,010	250,000

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at September 8/20	2020/21 Budget
STREETS		
Academy Street ~ Queen to Spring (pulverize and pave)	15,809	60,000
West Pleasant Street - Subway - asphalt and storm sewer upgrades	11,361	40,000
Clifton (Pulverize and Pave)	-	30,000
Pinehurst (Overlay)	9,029	15,000
Edgewood (Overlay)	30,372	30,000
Chamberlain ~ CNR to Newton (Overlay)	25,575	25,000
Tupper ~ Northern Town Boundary to TIR Office Driveway (Overlay)	12,090	100,000
Flemming - Curb and Pave - requires work on other streets	102,594	155,000
Senator (Overlay)	9,413	18,000
Smith (Overlay)	14,854	30,000
Mission (Overlay)	36,614	50,000
Clifford ~ Rupert to Clarence (Overlay)	8,568	20,000
Agnew ~ Rupert to Clarence (O)	11,051	25,000
Centennial (overlay)	20,161	20,000
Acadia ~ Agnew to Prince Arthur (Overlay)	19,257	25,000
Townsvie (overlay)	20,095	20,000
Subtotal	<u>346,842</u>	<u>663,000</u>
<i>RC = Reconstruction and paving; CM = Cold mill and Paving; P = Pulverize and paving; O = Asphalt Overlay</i>		
STORM / SANITARY SEWER		
Racetrack Road - Pump Station Upgrades (Surcharge Tank) <i>(carry over)</i>	-	50,000
Wastewater Treatment plant and Lift Stations (SLI report) Laplanche River Upgrades to reduce clogging <i>(carry over)</i>	127,893	125,000
Willow Street Trail - East to Abbey (under new trail) - new sanitary sewer main (Town Crew)	18	50,000
Academy Street ~ Spring to Queen - replace corrugated storm sewer (Town Crew)	13,951	10,000
Subtotal	<u>141,862</u>	<u>235,000</u>
SIDEWALKS		
Robert Angus Drive ~ Dairy Queen to Church - widen asphalt sidewalk <i>(Active Transportation Plan) (carry over remaining budget)</i>	15,798	30,941
Academy Street ~ Spring to Queen (Town Crew)	7,549	10,000
Dickey Brook Trail ~ Donald to Charles - Gravel Trail (Active Transportation Plan) (Town Crew)	18	10,000
Upper Church Street ~ Robert Angus to Town Boundary - sidewalk (Active Transportation Plan) (Town Crew)	14,059	50,000
Willow Street Trail - East to Abbey - Gravel Trail (Active Transportation Plan) (Town Crew)	-	50,000
Hickman Street ~ West Pleasant to Park (Town Crew)	21,905	50,000
Subtotal	<u>59,328</u>	<u>200,941</u>

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at September 8/20	2020/21 Budget
FIRE DEPARTMENT		
Fire Station Bldg Repairs - Repair floor and wall finishes in south entrance <i>(carry over)</i>	-	7,000
Fire Station Bldg Repairs - Replace the two main exterior entrances <i>(carry over)</i>	899	18,000
New Pumper - replace engine # 2 <i>(carry over)</i>	599,645	600,000
Fire Station Bldg Repairs - concrete ramp and stairs remove & replace <i>(carry over)</i>	-	25,000
Replacement structural firefighting bunker gear (6-9 sets)	-	20,000
Replacement - Self Contained Breathing Apparatus (SCBA) (Qty 8) (HAZMAT OPS)	-	72,000
Subtotal	<u>600,544</u>	<u>742,000</u>
POLICE DEPARTMENT		
Patrol Vehicle # 6 <i>(carry over)</i>	5,945	55,000
Fibre Communications between APD and Town Hall <i>(carry over)</i>	9,797	34,500
SCEU Vehicle	-	45,000
Ballistic Helmets - Carbine	-	10,000
In Car Video - WatchGuard x 2	14,328	18,000
Subtotal	<u>30,070</u>	<u>162,500</u>
RECREATION		
Purchase Outdoor Skating Rink (Victoria Street)	-	65,000
Self Watering Hanging Baskets	-	22,500
Former Tennis Courts - Resurface for Multi Use Recreation Facility	27,878	25,000
Vehicle -Electric Car/SUV plus Charging Station (Replace for Ranger) 35,000 less 10K in rebates	-	25,000
Sprinkler System Back Flow Preventor	-	5,000
Christie Park - Replace Foot Bridge	-	12,500
Decorative Ligthing Phase #3-R#4	-	30,000
Stadium - Ice Compressor Motor Repair	-	8,000
Robbs - Dugout Protective Fence	5,885	8,000
Robbs - Batting Cage	-	20,000
Subtotal	<u>33,763</u>	<u>221,000</u>
GENERAL CAPITAL BUDGET TOTAL	<u>1,527,605</u>	<u>3,505,883</u>

GRAND TOTAL WATER & GENERAL CAPITAL BUDGETS	2,020,601	4,258,883
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