



Town of Amherst  
Audit Committee

Agenda

Date: July 20, 2021  
Time: 4:00 pm  
Location: Zoom Virtual Meeting

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	Pages
1. CALL TO ORDER	
2. APPROVAL OF AGENDA	
3. APPROVAL OF MINUTES - March 29, 2021	2 - 3
4. AUDIT ENGAGEMENT AND PLANNING - Milner	
4.1. Town of Amherst General	4 - 15
4.2. Amherst Water Utility	16 - 26
5. FOURTH QUARTER REPORT - Hunter	27 - 36
6. ADJOURN	

**Town of Amherst  
Audit Committee  
Minutes**

Date: March 29, 2021  
Time: 4:00 pm  
Location: Hybrid Cumberland Credit Union Business Innovation Centre and Zoom

Members Present David Kogon, Mayor, Chair  
Hal Davidson, Deputy Mayor  
George Baker, Council representative  
Sheila Christie, Council representative  
Lisa Emery, Council representative  
Dale Fawthrop, Council representative  
Leon Landry, Council representative  
Rob Small, Citizen representative

Members Absent Jeff Brennan, Citizen representative

Staff Present Greg Herrett, CAO  
Michael Hunter, Chief Financial Officer  
Sarah Wilson, Senior Accountant  
Kim Jones, Municipal Clerk  
Emily Wainwright, Administrative Assistant

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Due to the COVID-19 pandemic, this was a hybrid zoom meeting.

**1. CALL TO ORDER**

Mayor Kogon called the meeting to order at 4:02p.m.

**2. APPROVAL OF AGENDA**

**Moved By Deputy Mayor Davidson**

**Seconded By Councillor Christie**

**To approve the agenda as circulated.**

**Motion Carried**

**3. APPROVAL OF MINUTES**

**Moved By Councillor Emery**

**Seconded By Councillor Baker**

**To approve the minutes of the January 7, 2021 Audit Committee meeting as circulated.**

**Motion Carried**

**4. THIRD QUARTER FINANCIAL REPORT**

The Chief Financial Officer presented his report included as part of the agenda package summarizing the third quarter results.

**5. CAPITAL BUDGET - ACTUALS TO DATE**

The Chief Financial Officer presented the capital budget actuals-to-date as included in the agenda package.

**6. ADJOURN**

**Moved By Councillor Christie**

**Seconded By Councillor Emery**

**To adjourn the meeting at 4:47p.m.**

**Motion Carried**

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David Kogon, MD  
Mayor

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Kimberlee Jones  
Municipal Clerk

March 17, 2021

Town of Amherst  
P.O. Box 516  
98 East Victoria Street  
Amherst Nova Scotia B4H 4A1

Attention: Mayor and Council

Dear Mayor and Council:

Re: Engagement letter

### **The Objective and Scope of the Audit**

You have requested that we audit the consolidated financial statements of Town of Amherst, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, 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).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audit 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.

### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. 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:

- a. 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.
- b. 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the consolidated financial statements that we have identified during the audit.

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 entity'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 entity to cease to continue as a going concern.
- e. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

### **Form and Content of Audit Opinion**

Unless unanticipated difficulties are encountered, our report will be substantially in the following form contained in Appendix A to this letter.

If we conclude that a modification to our opinion on the consolidated financial statements is necessary, we will discuss the reasons with you in advance.

### **The Responsibilities of Management**

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the consolidated financial statements in accordance with PSAS;
- b. For the design and implementation of 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; and
- c. To provide us with timely:
  - i. Access to all the information of which management is aware that is relevant to the preparation and fair presentation of the consolidated financial statements, such as records, documentation and other matters;
  - ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
  - iii. Additional information that we may request from management for the purpose of the audit; and
    - A. Copies of all minutes of meetings of councilors, directors and committees of directors;
    - B. Information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
    - C. Information relating to any illegal or possibly illegal acts, and all facts related thereto;
    - D. A listing of all related parties and related-party transactions and information pertaining to the measurement and disclosure of transactions with those related parties;
    - E. An assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the financial statements;
    - F. Any plans or intentions that may affect the carrying value or classification of assets or liabilities;

- G. An assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with *MEASUREMENT UNCERTAINTY, Section 1508* of the CPA Canada Handbook - Accounting, Part II;
  - H. Information relating to claims and possible claims, whether or not they have been discussed with Town of Amherst's legal counsel;
  - I. Information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which Town of Amherst is contingently liable;
  - J. Information on whether Town of Amherst has satisfactory title to assets, whether liens or encumbrances on assets exist, and whether assets are pledged as collateral;
  - K. Information relating to compliance with aspects of contractual agreements that may affect the consolidated financial statements; and
  - L. Information concerning subsequent events.
- iv. Unrestricted access to persons within Town of Amherst from whom we determine it necessary to obtain audit evidence.

As part of the audit process:

- a. We will make inquiries of management about the representations contained in the consolidated financial statements. At the conclusion of the audit, we will request from management [and, where appropriate, those charged with governance] written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- b. We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

### **Confidentiality**

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each practitioner must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Town of Amherst unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the *Nova Scotia Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

### **Communications**

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

### **Use of Information**

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

### **Use and Distribution of Our Report**

The examination of the consolidated financial statements and the issuance of our audit report are solely for the use of Town of Amherst and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these consolidated financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than Town of Amherst.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond Town of Amherst) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

If you require our consent in this regard, management agrees to provide, on a timely basis, a draft of the other information for our review prior to the issuance of the audit report.

### **Reproduction of Auditor's Report**

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Should some of the information in the annual report not be available until after the date of the auditor's report, we will request management to provide a written representation that the final version of the document(s) will be provided to us when available (and prior to its issuance) so we can complete our required procedures.

Management is responsible for the accurate reproduction of the consolidated financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized consolidated financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information in the electronic site with the original document.

### **Preparation of Schedules**

We understand that your employees will prepare certain schedules and locate specified documents for our use before our Engagement is planned to commence.

The requested schedules and documents are as follows:

- a. Schedules and analyses; and
- b. Other electronic files as specified.

This assistance will facilitate our work and help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or even withdraw from the Engagement.

## **Ownership**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

## **File Inspections**

In accordance with professional regulations (and by our firm policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm standards. File reviewers are required to maintain confidentiality of client information.

## **Governing Legislation**

This engagement letter is subject to, and governed by, the laws of the Province of Nova Scotia. The Province of Nova Scotia will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

## **Dispute Resolution**

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

## **Indemnity**

Town of Amherst hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by Town of Amherst, or its directors, officers, agents or employees, of any of the covenants or obligations of Town of Amherst herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the consolidated financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or Council members.

## **Time Frames**

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by Town of Amherst of its obligations.

## **Fees at Regular Billing Rate**

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable HST, and are due when rendered. Fees for any additional services will be established separately.

## **Billing**

Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 2.00% per month or 24.00% (APR) per annum. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

## **Costs of Responding to Government or Legal Processes**

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable HST) incurred.

## **Termination**

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party [*not less than 30 calendar days before the effective date of termination*]. If early termination takes place, Town of Amherst shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the audit or are unable to come to a conclusion on the consolidated financial statements, we may withdraw from the audit before issuing an auditor's report, or we may issue a denial of assurance on the consolidated financial statements. If this occurs, we will communicate the reasons and provide details.

## **Survival of Terms**

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

## **Third Parties**

The financial documents are prepared solely for the use of the client with whom we have entered into a contract and there are no representations of any kind made by us to any party with whom we have not entered into a written contract.

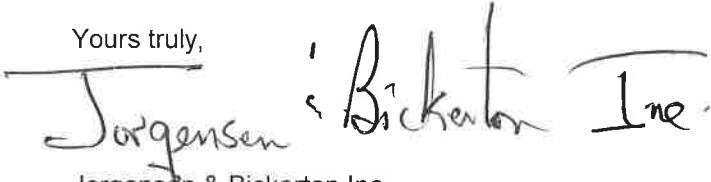
## **Conclusion**

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your Town.

Yours truly,

A handwritten signature in cursive script that reads "Jorgensen & Bickerton Inc." with a horizontal line above the signature.

Jorgensen & Bickerton Inc.  
Chartered Professional Accountants

Acknowledged and agreed to on behalf of Town of Amherst by:

_____	_____
CAO	Mayor
_____	_____
Date signed	Date signed

## Appendix A - Expected Form of 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, 2021, and the consolidated statements of operations and accumulated surplus, 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 consolidated financial position of the Town as at March 31, 2021 and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### 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 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the 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.

**Appendix A** *(continued)*

- 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.

July 16, 2021

Town of Amherst  
P.O. Box 516  
98 East Victoria Street  
Amherst Nova Scotia B4H 4A1

Dear Audit Committee:

Re: Audit planning

We are writing this letter in connection with our audit of the financial statements for the year ending March 31, 2021.

Our purpose in writing is to ensure effective two-way communication between us in our role as auditors and yourselves with the role of overseeing the financial reporting process. In this letter we will:

- a. Address our responsibilities as independent auditors and provide information about the planned scope and timing of our audit.
- b. Request a response to some audit questions and any additional information you may have that could be relevant to our audit.

### **Auditor Responsibilities**

The respective responsibilities of ourselves and of management in relation to the audit of financial statements are set out in the engagement letter that was signed by management dated March 17, 2021.

### **Planned Scope and Timing of Our Audit**

Our objective as auditors is to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with Canadian Public Sector accounting principles.

In developing our audit plan, we worked with management to understand the nature of Town of Amherst and to identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error. Our audit plan has been designed to focus on the identified areas of risk.

### **Materiality**

For the current year, we have determined an overall materiality amount of \$360,000. This amount will be used to:

- a. plan and perform the audit; and,
- b. evaluate the effects of identified and uncorrected misstatements on the audit procedures performed as well as on the financial statements.

The materiality amount will be reassessed prior to the end of the engagement to ensure it remains appropriate.

## Internal Control

To help identify and assess the risks of material misstatement in the financial statements, we obtain an understanding of internal control relevant to the audit. This understanding is used in the design of appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control. Should we identify any significant deficiencies in the internal control and accounting systems, we will communicate them to you in our audit findings letter.

## Uncorrected Misstatements

Where we identify uncorrected misstatements during our audit, we will communicate them to management and request that they be corrected. If not corrected by management, we will then request that you correct them. If not corrected by you, we will also communicate the effect that they may have individually, or in aggregate, on our audit opinion.

## Timing

The proposed timing of our audit (as discussed with management) is as follows:

Action	Planned Date
Planning meeting with <i>[directors-audit committee]</i>	July 20, 2021
Start of audit field work	July 26, 2021
End of audit field work	August 20, 2021
Present audit findings letter to <i>[directors-audit committee]</i>	August 27, 2021
Approval of financial statements by Council	September 10, 2021
Provide the audit opinion on financial statements	September 10, 2021

## Engagement Team

Our engagement team for this audit will consist of the following personnel:

Name	Role	Contact Details
Mark Milner	Partner, Senior auditor	mark.milner@jorgensenbickerton.ca
Denise Smith	Partner, Senior Auditor	denise.smith@jorgensenbickerton.ca
Dylan Cormier	Staff Accountant	dcormier@jorgensenbickerton.onmic rosoft.com

## Audit Findings

At the conclusion of our audit, we will prepare an audit findings letter to assist you with your review of the financial statements. This letter will include our views and comments on matters such as:

- a. significant matters, if any, arising from the audit that were discussed with management;

**Audit Findings** (continued)

- b. significant difficulties, if any, encountered during the audit;
- c. qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- d. uncorrected misstatements; and
- e. any other audit matters of governance interest.

**Audit Questions and Requests**

**Fraud**

To help us in identifying and responding to the risks of fraud within the town, we would appreciate your responses to the following questions:

1. What oversight, if any, do you provide over management's processes for identifying and responding to fraud risks? Management's processes could include policies, procedures, programs or controls that serve to prevent, detect and deter fraud.
2. Do you have any knowledge of any actual, suspected or alleged fraud, including misappropriation of assets or manipulation of the financial statements, affecting the entity? If so, please provide details and how the fraud or allegations of fraud were addressed.

**Other Matters**

Would you please bring to our attention any significant matters or financial reporting risks, of which you are aware, that may not have been specifically addressed in our proposed audit plan. This could include such matters as future plans, contingencies, events, decisions, non-compliance with laws and regulations, potential litigation, specific transactions (such as with related parties or outside of the normal course of business) and any additional sources of audit evidence that might be available.

This letter was prepared for the sole use of those charged with governance of Town of Amherst to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,



Jorgensen & Bickerton Inc.  
Chartered Professional Accountants

Agreed to on behalf of Town of Amherst by:

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date signed

March 17, 2021

Town of Amherst Water Utility  
P.O. Box 516  
98 Victoria Street  
Amherst Nova Scotia B4H 4A1

Attention: Mayor and Council

Dear Mayor and Council:

Re: Engagement letter

### **The Objective and Scope of the Audit**

You have requested that we audit the non-consolidated financial statements of Town of Amherst Water Utility, which comprise the non-consolidated statement of financial position, of the Operating and Capital Funds as at March 31, 2021, and the non-consolidated statement of financial activities for the year then ended, and notes to the non-consolidated financial statements (including a summary of significant accounting policies).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audit 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.

### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. 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:

- a. 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.
- b. 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the non-consolidated financial statements that we have identified during the audit.

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 entity'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 entity to cease to continue as a going concern.
- e. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

### **Form and Content of Audit Opinion**

Unless unanticipated difficulties are encountered, our report will be substantially in the following form contained in Appendix A to this letter.

If we conclude that a modification to our opinion on the non-consolidated financial statements is necessary, we will discuss the reasons with you in advance.

### **The Responsibilities of Management**

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the non-consolidated financial statements in accordance with ;
- b. For the design and implementation of 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; and
- c. To provide us with timely:
  - i. Access to all the information of which management is aware that is relevant to the preparation and fair presentation of the non-consolidated financial statements, such as records, documentation and other matters;
  - ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
  - iii. Additional information that we may request from management for the purpose of the audit; and
    - A. Copies of all minutes of meetings of shareholders, directors and committees of directors;
    - B. Information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
    - C. Information relating to any illegal or possibly illegal acts, and all facts related thereto;
    - D. A listing of all related parties and related-party transactions and information pertaining to the measurement and disclosure of transactions with those related parties;
    - E. An assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the financial statements;
    - F. Any plans or intentions that may affect the carrying value or classification of assets or liabilities;

- G. An assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with *MEASUREMENT UNCERTAINTY, Section 1508* of the CPA Canada Handbook - Accounting, Part II;
  - H. Information relating to claims and possible claims, whether or not they have been discussed with Town of Amherst Water Utility's legal counsel;
  - I. Information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which Town of Amherst Water Utility is contingently liable;
  - J. Information on whether Town of Amherst Water Utility has satisfactory title to assets, whether liens or encumbrances on assets exist, and whether assets are pledged as collateral;
  - K. Information relating to compliance with aspects of contractual agreements that may affect the non-consolidated financial statements; and
  - L. Information concerning subsequent events.
- iv. Unrestricted access to persons within Town of Amherst Water Utility from whom we determine it necessary to obtain audit evidence.

As part of the audit process:

- a. We will make inquiries of management about the representations contained in the non-consolidated financial statements. At the conclusion of the audit, we will request from management [and, where appropriate, those charged with governance] written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- b. We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

### **Confidentiality**

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each practitioner must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Town of Amherst Water Utility unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the *Nova Scotia Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

### **Communications**

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

### **Use of Information**

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

### **Use and Distribution of Our Report**

The examination of the non-consolidated financial statements and the issuance of our audit report are solely for the use of Town of Amherst Water Utility and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these non-consolidated financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than Town of Amherst Water Utility.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond Town of Amherst Water Utility) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

If you require our consent in this regard, management agrees to provide, on a timely basis, a draft of the other information for our review prior to the issuance of the audit report.

### **Reproduction of Auditor's Report**

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Should some of the information in the annual report not be available until after the date of the auditor's report, we will request management to provide a written representation that the final version of the document(s) will be provided to us when available (and prior to its issuance) so we can complete our required procedures.

Management is responsible for the accurate reproduction of the non-consolidated financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized non-consolidated financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information in the electronic site with the original document.

### **Preparation of Schedules**

We understand that your employees will prepare certain schedules and locate specified documents for our use before our Engagement is planned to commence.

The requested schedules and documents are as follows:

- a. Schedules and analyses; and
- b. Other electronic documents as specified.

This assistance will facilitate our work and help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or even withdraw from the Engagement.

## **Ownership**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

## **File Inspections**

In accordance with professional regulations (and by our firm policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm standards. File reviewers are required to maintain confidentiality of client information.

## **Governing Legislation**

This engagement letter is subject to, and governed by, the laws of the Province of Nova Scotia. The Province of Nova Scotia will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

## **Dispute Resolution**

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

## **Indemnity**

Town of Amherst Water Utility hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by Town of Amherst Water Utility, or its directors, officers, agents or employees, of any of the covenants or obligations of Town of Amherst Water Utility herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the non-consolidated financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or board of directors.

## **Time Frames**

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by Town of Amherst of its obligations.

## **Fees at Regular Billing Rate**

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable HST, and are due when rendered. Fees for any additional services will be established separately.

**Billing**

Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 2.00% per month or 24.00% (APR) per annum. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

**Costs of Responding to Government or Legal Processes**

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable HST) incurred.

**Survival of Terms**

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

**Third Parties**

The financial documents are prepared solely for the use of the client with whom we have entered into a contract and there are no representations of any kind made by us to any party with whom we have not entered into a written contract.

**Conclusion**

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your organization.

Yours truly,

  
Jorgensen & Bickerton Inc.  
Chartered Professional Accountants

Acknowledged and agreed to on behalf of Town of Amherst Water Utility by:

\_\_\_\_\_  
CAO  
\_\_\_\_\_  
Date signed

\_\_\_\_\_  
Mayor  
\_\_\_\_\_  
Date signed

## Appendix A - Expected Form of 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, 2021, and the non-consolidated statement of financial 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 non-consolidated financial position of the Organization as at March 31, 2021 and the non-consolidated results of its operations and non-consolidated cash flow 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 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with , 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 related 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.

### 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:

## Appendix A (continued)

- 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.

July 16, 2021

Town of Amherst Water Utility  
P.O. Box 516  
98 Victoria Street  
Amherst Nova Scotia B4H 4A1

Dear Audit Committee:

Re: Audit planning

We are writing this letter in connection with our audit of the financial statements for the year ending March 31, 2021.

Our purpose in writing is to ensure effective two-way communication between us in our role as auditors and yourselves with the role of overseeing the financial reporting process. In this letter we will:

- a. Address our responsibilities as independent auditors and provide information about the planned scope and timing of our audit.
- b. Request a response to some audit questions and any additional information you may have that could be relevant to our audit.

### **Auditor Responsibilities**

The respective responsibilities of ourselves and of management in relation to the audit of financial statements are set out in the engagement letter that was signed by management dated March 17, 2021.

### **Planned Scope and Timing of Our Audit**

Our objective as auditors is to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with the Nova Scotia Utility and Review Board Regulatory Handbook.

In developing our audit plan, we worked with management to understand the nature of Town of Amherst Water Utility and to identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error. Our audit plan has been designed to focus on the identified areas of risk.

### **Materiality**

For the current year, we have determined an overall materiality amount of \$44,000. This amount will be used to:

- a. plan and perform the audit; and,
- b. evaluate the effects of identified and uncorrected misstatements on the audit procedures performed as well as on the financial statements.

The materiality amount will be reassessed prior to the end of the engagement to ensure it remains appropriate.

## Internal Control

To help identify and assess the risks of material misstatement in the financial statements, we obtain an understanding of internal control relevant to the audit. This understanding is used in the design of appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control. Should we identify any significant deficiencies in the internal control and accounting systems, we will communicate them to you in our audit findings letter.

## Uncorrected Misstatements

Where we identify uncorrected misstatements during our audit, we will communicate them to management and request that they be corrected. If not corrected by management, we will then request that you correct them. If not corrected by you, we will also communicate the effect that they may have individually, or in aggregate, on our audit opinion.

## Timing

The proposed timing of our audit (as discussed with management) is as follows:

Action	Planned Date
Planning meeting with <i>[directors-audit committee]</i>	July 20, 2021
Start of audit field work	July 26, 2021
End of audit field work	August 20, 2021
Present audit findings letter to <i>[directors-audit committee]</i>	August 27, 2021
Approval of financial statements by Council	September 10, 2021
Provide the audit opinion on financial statements	September 10, 2021

## Engagement Team

Our engagement team for this audit will consist of the following personnel:

Name	Role	Contact Details
Mark Milner	Partner, Senior auditor	mark.milner@jorgensenbickerton.ca
Denise Smith	Partner, Senior auditor	denise.smith@jorgensenbickerton.ca
Dylan Cormier	Staff Accountant	dcormier@jorgensenbickerton.onmic rosoft.com

## Audit Findings

At the conclusion of our audit, we will prepare an audit findings letter to assist you with your review of the financial statements. This letter will include our views and comments on matters such as:

- a. significant matters, if any, arising from the audit that were discussed with management;

**Audit Findings** *(continued)*

- b. significant difficulties, if any, encountered during the audit;
- c. qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- d. uncorrected misstatements; and
- e. any other audit matters of governance interest.

**Audit Questions and Requests**

***Fraud***

To help us in identifying and responding to the risks of fraud within the town, we would appreciate your responses to the following questions:

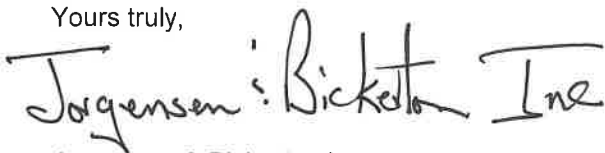
1. What oversight, if any, do you provide over management's processes for identifying and responding to fraud risks? Management's processes could include policies, procedures, programs or controls that serve to prevent, detect and deter fraud.
2. Do you have any knowledge of any actual, suspected or alleged fraud, including misappropriation of assets or manipulation of the financial statements, affecting the entity? If so, please provide details and how the fraud or allegations of fraud were addressed.

***Other Matters***

Would you please bring to our attention any significant matters or financial reporting risks, of which you are aware, that may not have been specifically addressed in our proposed audit plan. This could include such matters as future plans, contingencies, events, decisions, non-compliance with laws and regulations, potential litigation, specific transactions (such as with related parties or outside of the normal course of business) and any additional sources of audit evidence that might be available.

This letter was prepared for the sole use of those charged with governance of Town of Amherst Water Utility to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,



Jorgensen & Bickerton Inc.  
Chartered Professional Accountants

Agreed to on behalf of Town of Amherst Water Utility by:

\_\_\_\_\_

Chairperson

\_\_\_\_\_

Date signed



# **FOURTH QUARTER FINANCIAL REPORT**

## **FOR THE PERIOD ENDED MARCH 31, 2021 (UNAUDITED)**

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**Town of Amherst**



## INTRODUCTION

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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 Surplus / (Deficit)
- ℓ Schedule of Operations – Water Operating Fund – Revenues & Expenditures

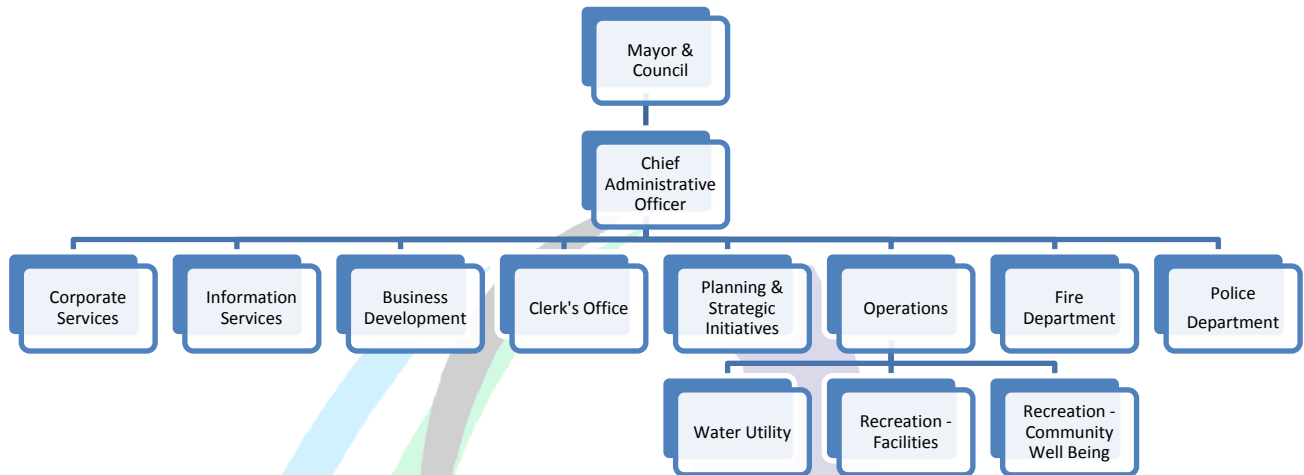
*Capital Budget, pages 8-10*

- ℓ 2020/21 Capital budget with actual costs

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

- ✔ Information Services Management

Business Development

- ✔ Investment Attraction
- ✔ Business Retention Expansion

Clerk's Office

- ✔ Council & Committee Liaison
- ✔ Records Management

Planning & Strategic Initiatives

- ✔ Planning / Development
- ✔ Strategic Initiatives / Projects

Fire Department

- ✔ Fire Rescue
- ✔ Hazmat

Operations

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

Recreation - Facilities

- ✔ Stadium
- ✔ Parks / Playgrounds
- ✔ Robbs

Recreation – Community Well Being

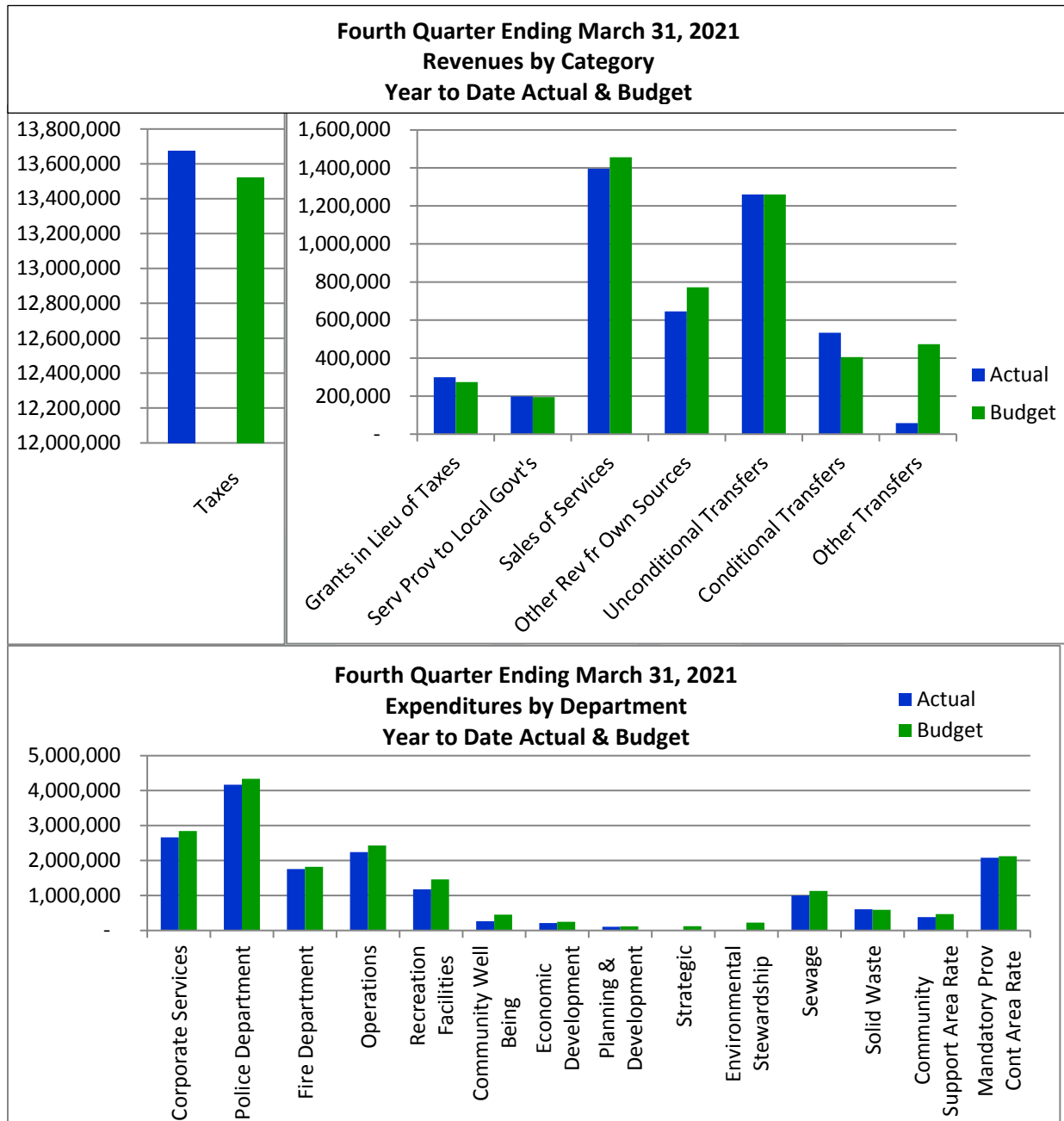
- ✔ Wellness
- ✔ Programming
- ✔ Community Events
- ✔ Tourism

Police Department

- ✔ Crime
- ✔ Major Crime
- ✔ Street Crime
- ✔ Crime Prevention
- ✔ Community Partnerships

COMMENTARY

At the end of the 2020/21 fourth quarter the general operating fund had a surplus of \$1,403,502 compared to budget. The Town’s operating revenues are \$18,063,883 compared to the budgeted amount of \$18,358,712. The Town’s expenditures at the end of the fourth quarter were \$16,660,381 compared to the budgeted amount of \$18,358,712.



SCHEDULE OF OPERATIONS

**Town of Amherst**  
**Schedule of Operations - General Operating Fund**  
**For the Year Ended March 31, 2021**

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance
<b>Revenues</b>				
Taxes	\$ 13,170,224	\$ 13,674,157	\$ 13,523,419	\$ 150,738
Grants in Lieu of Taxes	301,340	298,776	274,059	24,717
Services Provided to Other Local Governments	192,194	198,300	194,851	3,449
Sales of Services	1,380,790	1,396,010	1,455,787	(59,777)
Other Revenue from Own Sources	806,998	645,423	772,072	(126,649)
Unconditional Transfers	1,260,382	1,260,382	1,260,382	-
Conditional Transfers	355,144	532,842	405,000	127,842
Other Transfers	73,138	57,993	473,142	(415,149)
<b>Total Revenues</b>	<b>17,540,210</b>	<b>18,063,883</b>	<b>18,358,712</b>	<b>(294,829)</b>
<b>Expenditures</b>				
Wages & Benefits	8,472,149	8,028,410	8,510,832	(482,422)
Administrative Costs	680,121	588,285	826,340	(238,055)
Building & Facility Costs	893,034	757,865	912,678	(154,813)
Vehicle & Equipment Costs	371,015	300,257	428,001	(127,744)
Materials & Supplies	482,586	502,722	492,624	10,098
Grants to Organizations	279,317	230,705	289,004	(58,299)
Other Municipal Costs	1,346,947	1,166,748	1,667,692	(500,944)
Fiscal Services	4,244,818	4,353,713	4,413,950	(60,237)
Fire Protection Charge	706,546	706,546	706,546	-
Tax Exemptions	127,802	144,582	134,440	10,142
Cost Recovery	(251,914)	(119,452)	(23,395)	(96,057)
<b>Total Expenditures</b>	<b>17,352,421</b>	<b>16,660,381</b>	<b>18,358,712</b>	<b>(1,698,331)</b>
<b>Surplus</b>	<b>\$ 187,789</b>	<b>\$ 1,403,502</b>	<b>\$ -</b>	<b>\$ 1,403,502</b>

<b>Provided for Information Purposes</b>			
<b>2020/21 Surplus derived from:</b>	Surplus	Covid Surplus	Total Surplus
Sewage	\$ 108,812	+ \$ 47,750	= \$ 156,562
Solid Waste (deficit)	(14,378)	+	= (14,378)
Community Support Area Rate including Poverty	11,327	+ 121,300	= 132,627
Mandatory Provincial Contribution Area Rate	41,184	+	= 41,184
General Operating	439,092	+ 648,415	= 1,087,507
	<u>\$ 586,037</u>	<u>+ \$ 817,465</u>	<u>= \$ 1,403,502</u>

SCHEDULE OF OPERATIONS (cont'd)

**Town of Amherst**  
**Schedule of Operations - General Operating Fund**  
**Departmental Surplus / (Deficit)**  
**For the Year Ended March 31, 2021**

	2020/21 Revenues - Actual	2020/21 Expenditures - Actual	2020/21 Surplus / (Deficit)
<b>Departments</b>			
Corporate	\$ 3,030,580	\$ 2,662,264	\$ 368,316
Police	4,257,566	4,164,963	92,603
Fire	1,818,962	1,757,090	61,872
Operations	2,415,869	2,241,328	174,541
Recreation Facilities	1,405,558	1,177,017	228,541
Community Well Being	388,471	264,364	124,107
Economic Development	234,065	212,107	21,958
Planning & Development	120,006	104,437	15,569
Strategic	-	-	-
Environmental Stewardship	7,530	7,530	-
Sewage	1,155,487	998,925	156,562
Solid Waste	591,814	606,192	(14,378)
Community Support Area Rate	515,957	383,330	132,627
Mandatory Prov Contr Area Rate	2,122,017	2,080,833	41,184
<b>Total Departmental Surplus</b>	<b>\$ 18,063,882</b>	<b>\$ 16,660,380</b>	<b>\$ 1,403,502</b>

SCHEDULE OF OPERATIONS (cont'd)

Compared to budget, the Water Operating Fund is showing a surplus of \$4,801 at the end of the fourth quarter. Revenues are over budget by \$23,992 and expenditures are over budget by \$19,191.

**Town of Amherst**  
**Schedule of Operations - Water Operating Fund**  
**For the Year Ended March 31, 2021**

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance
<b>Revenues</b>				
Sale of Services	\$ 14,367	\$ 15,118	\$ 3,000	\$ 12,118
Interest on o/s Water A/R	4,808	5,226	5,000	226
Misc Rev & Inc fr Other Non Utility	1,879	1,175	1,200	(25)
Metered Sales	1,195,042	1,231,239	1,221,615	9,624
Flat Rate Sales	166,237	166,869	166,320	549
Bulk Water Sales	7,950	9,300	7,500	1,800
Fire Protection	807,481	807,481	807,481	-
Private Hydrants	14,500	14,750	14,750	-
Sprinkler Service	15,050	15,050	15,350	(300)
<b>Total Revenues</b>	<b>2,227,314</b>	<b>2,266,208</b>	<b>2,242,216</b>	<b>23,992</b>
<b>Expenditures</b>				
Wages & Benefits	702,046	670,672	675,051	(4,379)
Administrative Costs	79,537	89,384	107,779	(18,395)
Building & Facility Costs	231,511	236,973	242,589	(5,616)
Vehicle & Equipment Costs	52,123	41,492	43,504	(2,012)
Materials & Supplies	212,271	241,579	211,500	30,079
Other Municipal Costs	264,143	265,429	288,167	(22,738)
Fiscal Services	690,748	717,372	673,626	43,746
Cost Recovery	(9,750)	(1,494)	-	(1,494)
<b>Total Expenditures</b>	<b>2,222,629</b>	<b>2,261,407</b>	<b>2,242,216</b>	<b>19,191</b>
<b>Surplus</b>	<b>\$ 4,685</b>	<b>\$ 4,801</b>	<b>\$ -</b>	<b>\$ 4,801</b>

CAPITAL BUDGET

Town of Amherst Capital Budget - 2020/21 Projects	Actual Cost at March 31, 2021	2020/21 Budget
<b>WATER CAPITAL BUDGET</b>		
Monitoring Wells <i>(carry over)</i>	1,439	40,000
Albion Street ~ Croft to Queen - water main replacement	433,949	433,000
Wellfield Generator	-	240,000
New Truck - 4x4 - 4 Door 1/2 Ton replace 2006 1/2 Ton Service Truck	37,495	40,000
Spring Street - design	5,868	-
Central Avenue - design	15,649	-
Land Purchase - Hwy 366	2,086	-
Well 1 Pump & Motor	33,053	
<b>WATER CAPITAL BUDGET TOTAL</b>	<b>529,539</b>	<b>753,000</b>
<b>GENERAL CAPITAL BUDGET</b>		
<b>OPERATIONS (TRANSPORTATION &amp; PUBLIC WORKS)</b>		
<b>EQUIPMENT</b>		
Asphalt Hot Patcher	58,296	60,000
New Truck - 1 Ton 4x4 4 Door- replace 2011 Ford 1 Ton Service Truck	46,348	50,000
Subtotal	<b>104,644</b>	<b>110,000</b>
<b>BUILDINGS / LAND</b>		
Library Heating Issues <i>(carry over)</i>	93,024	100,000
Net Zero Energy - recommendation from feasibility study <i>(carry over)</i> - project on hold	-	50,000
Solar for Community Buildings - Stadium <i>(carry over)</i>	271,372	259,491
Town Hall - Server / network storage - replacement	18,250	23,000
Police Dept - Server / network storage - replacement	13,025	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	8,419	5,000
Solar for Community Buildings - Fire Hall	-	183,414
Solar for Community Buildings - Police Station	-	184,537
Subtotal	<b>404,090</b>	<b>921,442</b>
<b>LARGE MULTI - CATEGORY PROJECTS</b>		
Albion Street ~ Croft to Queen - Paverize and Pave	<b>141,994</b>	<b>250,000</b>

All projects colour blocked in yellow are not complete and have been carried over and included in the 2021/22 capital budget.

CAPITAL BUDGET (cont'd)

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at March 22, 2021	2020/21 Budget
<b>STREETS</b>		
Academy Street ~ Queen to Spring (pulverize and pave)	61,141	60,000
West Pleasant Street - Subway - asphalt and storm sewer upgrades	38,114	40,000
Clifton (Pulverize and Pave)	29,081	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)	148,988	100,000
Flemming - Curb and Pave - requires work on other streets	183,461	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	<b>665,774</b>	<b>663,000</b>
<i>RC = Reconstruction and paving; CM = Cold mill and Paving; P = Pulverize and paving; O = Asphalt Overlay</i>		
<b>STORM / SANITARY SEWER</b>		
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>	127,475	125,000
Willow Street Trail - East to Abbey (under new trail) - new sanitary sewer main (Town Crew)	2,990	50,000
Academy Street ~ Spring to Queen - replace corrugated storm sewer (Town Crew)	13,951	10,000
Subtotal	<b>144,416</b>	<b>235,000</b>
<b>SIDEWALKS</b>		
Robert Angus Drive ~ Dairy Queen to Church - widen asphalt sidewalk <i>(Active Transportation Plan) (carry over remaining budget)</i>	26,298	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)	58,146	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)	25,096	50,000
Park Street ~ Patterson to Mission (Town Crew)	12,656	15,000
Subtotal	<b>129,762</b>	<b>215,941</b>

All projects colour blocked in yellow are not complete and have been carried over and included in the 2021/22 capital budget.

CAPITAL BUDGET (cont'd)

Town of Amherst Capital Budget - 2020/21 Projects	Total Actual Committed & WIP Costs at March 22, 2021	2020/21 Budget
<b>FIRE DEPARTMENT</b>		
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>	591,716	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)	19,241	20,000
Replacement - Self Contained Breathing Apparatus (SCBA) (Qty 8) (HAZMAT OPS)	-	72,000
Subtotal	<u>611,856</u>	<u>742,000</u>
<b>POLICE DEPARTMENT</b>		
Patrol Vehicle # 6 <i>(carry over)</i>	5,945	55,000
Fibre Communications between APD and Town Hall <i>(carry over)</i>	17,694	34,500
SCEU Vehicle	43,744	45,000
Ballistic Helmets - Carbine	-	10,000
In Car Video - WatchGuard x 2	13,218	18,000
Subtotal	<u>80,600</u>	<u>162,500</u>
<b>RECREATION</b>		
Land Purchase - Corner of Victoria and Havelock Streets	62,485	65,000
Self Watering Hanging Baskets	17,082	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 - project on hold	-	12,500
Decorative Lighting Phase #3-R#4	27,270	30,000
Stadium - Ice Compressor Motor Repair - project moved to operating budget	-	8,000
Robbs - Dugout Protective Fence	5,885	8,000
Robbs - Batting Cage	18,344	20,000
Robbs - Installation of grass infields at all three fields	17,727	30,000
Outdoor Furniture - tables & benches - from operating budget	31,018	-
Subtotal	<u>207,688</u>	<u>251,000</u>
<b>GENERAL CAPITAL BUDGET TOTAL</b>		
	<u>2,490,824</u>	<u>3,550,883</u>

<b>GRAND TOTAL WATER &amp; GENERAL CAPITAL BUDGETS</b>	<b>3,020,363</b>	<b>4,303,883</b>
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