

**Town of Kentville**

**Annual Financial Report  
Consolidated Financial Statements  
Kentville Water Utility Non-consolidated  
Financial Statements**

March 31, 2022

# Town of Kentville

## Annual Financial Report

### Consolidated Financial Statements

### Kentville Water Utility Non-consolidated Financial Statements

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# **Town of Kentville**

## **Annual Report**

### **March 31, 2022**

354 Main Street  
Kentville NS B4N 1K6  
[www.kentville.ca](http://www.kentville.ca)

# Kentville

at a glance

**6,630**  
Population (2021)

**17.35 km<sup>2</sup>**  
Geographic Area

**0.5° C**  
Average  
Temperature Winter

**23.5° C**  
Average Temperature  
Summer

**\$232,894**  
Average Value of  
Owned Dwelling

**45.2**  
Median Age

**\$68,500**  
Median Household  
Income  
(2021)

**6.1%**  
Unemployment Rate  
(March 2022)



**3,153**  
Dwelling Units  
(2021)



## Town of Kentville Annual Report

This report contains information about the Town of Kentville and its operations. It can be read together with the audited consolidated financial statements of the Town for the year ended March 31, 2022, which directly follow this report.

### Town of Kentville Government

The Town of Kentville was incorporated on May 1, 1886. Kentville, nestled in the centre of the Annapolis Valley in Nova Scotia, has a population of 6,630 (2021 census). As the largest town in the Annapolis Valley, it serves as the professional centre for legal, financial and medical services. A variety of businesses, unique shops and eateries offer a mixture of services to its ever-growing population. Blessed with an incredible quality of life, residents enjoy the benefits of living in a smaller-sized community- yet on the doorstep of such amenities as an internationally-recognized university and the capital city of Nova Scotia. Kentville residents enjoy a safe, vibrant and friendly town, safe drinking water, exemplary community-based protective services, a multitude of recreational facilities, a walking trail system, a public park and a state-of-the-art elementary school complex, among other features.

The Town is governed by a council consisting of a mayor and six councillors, elected “at large” every four years. Council is the policy-forming and decision-making body representing the interests of its residential and corporate citizens. The Town draws its authority from the Nova Scotia **Municipal Government Act** which mandates the Town to provide municipal services within its boundaries. The next municipal election will occur in October 2024.

**Kentville offers programs that serve the interests of the public– such as:**

- ⇒ Legislative services
- ⇒ Administrative, Corporate and Financial services
- ⇒ Protective services
- ⇒ Transportation services
- ⇒ Environmental services
- ⇒ Planning services
- ⇒ Recreation, parks and cultural services

**With our government and community partners Kentville also provides:**

- ⇒ Assessment services\*
- ⇒ Education services\*
- ⇒ Correction services\*
- ⇒ Library services\*
- ⇒ Social housing services\*
- ⇒ Community economic development services
- ⇒ Public transit services
- ⇒ Fire fighting services
- ⇒ Fire and building inspection services
- ⇒ Solid waste management services

\*Provincial mandatory expenditures

## Vision Statement

***"Kentville is a healthy, vibrant, integrated and complete community where citizens can live, work and play in an environment that supports a high quality of life".***

**(Endorsed by Town Council July 15, 2009)**



### Notes of Interest

- The Town bid a fond farewell to several staff this past year. Police Chief Julia Cecchetto retired while Julia Stephenson (Active Living) and Kevin Bennett (Recreation Facility Manger) both moved to other opportunities in Nova Scotia.
- The Town also welcomed several staff to fill the above vacancies– James Butler as Chief of Police, Lydia Broderick (Active Living) and Craig Langille (Recreation Facility Manger).
- Building continues at a great pace at Miner’s Landing and Ryan’s Park. A multi-unit development at Hibou Court is under development.
- On June 28, 2021, the Town was awarded a *Green Infrastructure Grant* part of the ***Investing in Canada Infrastructure Program***. This is a multi-year, multi-million dollar program to partially fund the complete Active Transportation Network, as detailed in the Town’s Active Transportation Plan. Upper levels of government will provide \$2.7 million towards this \$3.7 million project.
- We’ve been living with COVID-19 since March 2020, as several waves flowed through the province. The Provincial State of Emergency was lifted in March 2022. Vaccine uptake has been fairly high, with citizens encouraged to obtain a booster shot to quell seemingly less virulent strains of the virus. While vaccination may not prevent getting the virus, it will prevent severe disease and possible hospitalization.
- Through the continued waves of the virus, Recreation services provided its programs this past year (adhering to any required protocols). People were happy to be nearly “back to normal”. Registrations at the various camps and programs were very high.

## Economic Snapshot– National/Provincial

Over the past year, the Canadian job market has surged back from COVID disruptions. The surge back in employment in early 2022 was led by a bounce-back in the accommodation and services sector, with restaurant dining rooms reopening after the rapid spread of the Omicron variant. Employment also rose in other industries, including the construction sector. Hours of work also bounced back with fewer workers off sick or self-isolating. Even with the rapid spread of Omicron, the economic impact of the pandemic is clearly getting smaller. Employment was above pre-pandemic levels in February. The unemployment rate plunged to 5.5%- the lowest since May 2019. Labour markets remain extremely tight with the number of available workers being outpaced by job openings. This shrinking pool is making it difficult for businesses to hire across industries including the accommodation and food services sector where employment is still below pre-pandemic levels. Other economic uncertainties have emerged with the Russian invasion of the Ukraine intensifying. Inflation pressures have continued to firm and will be a top concern in 2022 from coast to coast. The Bank of Canada announced recent interest rate hikes with the latest occurring in June 2022. Despite all this, provincial economies are expected to grow albeit at a slower pace than in 2021. Capital spending is expected to increase in Nova Scotia, providing a solid base to sustain economic growth. Nova Scotia is riding a wave of in-migration that will sustain population growth in the year ahead. Soaring demand with limited supply makes it challenging for local homebuyers. Strong housing construction is expected in Nova Scotia as a partial solution. COVID restrictions will be lifted, which will spur tourism activity and keep the expansion going<sup>1</sup>.

### Economic indicators<sup>2</sup>

Forecast Detail*– Nova Scotia	2020	2021F	2022F
Real GDP	-3.2	4.7	2.2
Employment	-4.7	6.2	1.9
Unemployment rate (%)	9.8	8.2	7.5
Housing starts (units)	4.8	5.6	4.4
Retail sales	-2.2	10.7	0.9
CPI	0.3	3.5	2.4

<sup>1</sup>RBC Economics Research, Provincial Outlook March 2022

<sup>2</sup>RBC Provincial Outlook– Nova Scotia June 2021 (\* - % change unless otherwise indicated)



### Economic Snapshot– Provincial/Regional

Employment has been on an upward trend in recent months in Nova Scotia. Through the first quarter of 2022, employment rose by 6,200. All of the added employment was in full-time work. The unemployment rate declined from 8.3% in the previous quarter to 6.7%. In March 2022, Nova Scotia's unemployment rate was 6.5%, the lowest rate observed since May 2019. Nova Scotia ended most public health restrictions on March 21, 2022, including gathering limits, mask requirements and proof-of-vaccination. Compared to Q 1 2021, Nova Scotia's labour market has improved significantly, with employment rising by more than 10,000 full time jobs.

The Annapolis Valley economic region experienced large employment gains over the past year of 5,700. As a result of more persons working, the unemployment rate declined to 6.1% - well below the rate of 9.0% observed in the same quarter of 2021. Employment gains in the Valley were widespread among industries. The largest gain occurred in the health care and social assistance industry, up 3,100 over the past year.<sup>3</sup>

### Economic Snapshot– Local

For Kentville, **130 building permits** were issued in 2021/22 and totalled **\$31,060,661** (20/21–135 permits issued; value \$26,498,674).

**Property sales** in assessment dollars (over \$1) **for Kentville** are as follows:<sup>4</sup>

Year	Value in Assessment Dollars
<b>2021</b>	\$77,098,950
<b>2020</b>	\$52,243,787
<b>2019</b>	\$41,530,019
<b>2018</b>	\$30,162,594
<b>2017</b>	\$38,318,020

<sup>3</sup> Labour Market Bulletin Nova Scotia March 2022

<sup>4</sup> Source: PVSC, March 2022

## Financial Management and Control Programs

The major components of the Town's financial management and control programs include the budget process, accounting procedures, independent external audit, capital financing practices, financial and investment policies, some of which are described below.

### The Budget Process

Council has the authority under the Nova Scotia *Municipal Government Act (MGA)* to allocate funds through the budget process. The challenge remains to balance the competing needs for service delivery, our expectation of a high standard of service delivery, fluctuating property assessments and revenue streams, while maintaining stability in the tax rates.

Yearly, Town Council considers a current operating budget along with a 5-year capital investment plan. Town Council formally adopts the operating budget and capital program for the immediate year. The budgets are divided into the various programs which provide service delivery to residential and corporate citizens. The budget process involves elected officials, the Chief Administrative Officer, Department Heads, Town staff and the public.

Council's goal is to provide exemplary services at a reasonable cost to the residential and corporate citizen and, therefore, it sets the standards and guidelines for the budget process after considering Provincial legislation, servicing needs, policy changes and public expectations. Staff make recommendations to revise service levels or to change revenues in order to meet Council's targets on the tax levies. Prior to Council's final ratification, public input is sought and considered in the decision-making process.

Revenue is derived from property taxation, user fees, conditional and unconditional grants from upper levels of government and capital contributions from outside parties. Sufficient revenues must be raised to provide the service delivery as determined by Town Council.

Municipalities, by law, are not permitted to budget for operating surpluses or deficits, and, should a deficit occur through the course of business, it is recovered through the next year's property tax rates when compiling the next year's budget.

Once the budget is finalized, service is provided and revenue is collected. Expenditures are controlled against the budget by formal financial, purchasing and human-resource policies and financial systems designed to prevent budget overruns. Each Director leads the department's service delivery and ensures that the Town's policy statements (as noted above) are followed. Once the budget is ratified, internal financial reporting to Town Council is tabled at the monthly Council Advisory Committee meeting. The reports include an income statement and, for the last six months of the fiscal year, a projection report for the Town's Operating Fund. Reports on the Town's water utility and sanitary sewer area service are tabled quarterly and coincide with each quarterly billing.

### **Financial Management**

The Town's accounting system and internal controls are maintained by management and designed to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorized use or disposition. To that end, Finance personnel are properly trained in their respective job functions and a well-defined separation of duties, responsibilities and accountability exists. The Town of Kentville follows Canadian public sector accounting standards for local governments when recording its financial information, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada (CPA). The outcome furnishes financial records that are reliable for the preparation of financial statements. Kentville continues its tradition of operating a well-managed organization. Management's ability to achieve its

financial outcomes is a result of consistent, dependable budgetary performance and timely financial reporting.

### **External Independent Audit**

On an annual basis, the Town of Kentville is required by the Nova Scotia ***Municipal Government Act*** to engage an external independent municipal audit firm to express an opinion as to whether the consolidated financial statements are free of material misstatement and that the consolidated financial statements present fairly, in all material respects, the operating results and financial position of the Town of Kentville at the end of each fiscal year. The external independent audit firm has free access to all records of the Town and, as required, they meet with Town personnel to discuss any matters that arise during the course of the audit engagement. Annually, the external independent auditor also provides the Town with an ***internal control findings letter***, which speaks to the adequacy of the Town's internal controls. As a minimum, the external independent auditor meets with the Town's Audit Committee yearly when the draft financial statements are presented to the Audit Committee. The Audit Committee is comprised of the Mayor and two councillors, along with two citizen appointees. The Chief Administrative Officer and Director of Finance are ex officio and attend as resource.

While an external opinion is sought, the Town's management is responsible for the preparation of the financial statements and the integrity and objectivity of the financial information and the representations contained in the financial statements.

### **Capital Financing**

Every year, Kentville completes many capital projects which meet not only its growth needs but also its need to renew aging infrastructure. Financing for these initiatives includes a

combination of “pay-as-you-go” via cash reserve funds, contributions from outside interested parties and debt issuances. The Town has adopted a strategy to maintain its annual debt issuances to approximately one million dollars and it has increased funding from its cash reserves to finance capital acquisitions.

The long-term debt-servicing practice of Town Council has been to maintain the 5-year average debt service ratio at approximately 10% of own-source revenue. This self-imposed cap could affect future capital investment plans and the number of projects undertaken each year, but, in the long run, it will ensure that servicing the debt (via the tax rates) is kept at manageable levels while ensuring that infrastructure is acquired or renewed.

### **Perpetual Investment Fund**

The Town is in a “*net financial asset*” position created by funds invested according to the Town’s ***Special Perpetual Reserve Fund Investment Policy***. These funds were derived from the sale of the Kentville Electric Commission to Nova Scotia Power Inc. in 1997. Ten million dollars of the proceeds were sheltered from day-to-day spending by the Nova Scotia Legislature via local Bill. No 20 – *The Town of Kentville and Kentville Electric Commission Sale of Assets Act*, assented to June 29, 1998. The ***Special Perpetual Reserve*** is unique in that it invests in equity stock, fixed income securities and other money-market vehicles. The objectives of the investment fund are preservation of capital, conformance with Federal, Provincial and other legal requirements, diversification to avoid unreasonable risks and attainment of a market rate of return that reflects the risk profile of the portfolio and investment plan. The Town’s ***Special Perpetual Reserve Fund Investment Policy*** was revised in 2021 and received full approval of the Minister for Department of Municipal Affairs & Housing, as per MGA 100 (b) (obtained February 3, 2022). This ***fund*** is managed by an Investment Advisory Committee consisting of two knowledgeable citizen appointees and a mem-

ber of Town Council (a second Council member is appointed as an alternate). The Chief Administrative Officer and the Director of Finance sit ex officio. The Fund is administered by an external financial advisor, whose term is four years. A *Request for Proposals for Investment Advisory Services* is released every four years to the Nova Scotia Provincial Procurement web portal.

As per legislation, interest and dividends earned each year in the fund shall be transferred to the Town Operating fund as revenue. Since 1999, \$11.7 million has been transferred to the Town's operating fund, while \$1.9 million retired long-term debt related to the Electric Commission and \$ 819 thousand was transferred to the Town's capital reserve fund. As at March 31, 2022, the **market value** of the Special Perpetual Reserve Fund was \$14,187,798 (2021- \$13,997,928).

### **The Assessment Process**

**Property Valuation Services Corporation (PVSC)** determines the assessment value of properties, as legislated by the Province of Nova Scotia Assessment Act. This organization is owned by the municipalities of the Province of Nova Scotia and municipalities are mandated to provide its funding. In general, the assessment service and its relationship to property taxation is not understood by the taxpayers. The Town of Kentville must use the assessment records (as provided by PVSC) in its calculation of tax levies. In Nova Scotia, since 2005, residential and resource assessment increases are CAPped each year at the CPI for Nova Scotia for the month of October, as posted by Statistics Canada. The CAP system was imposed to protect property owners from "sudden and dramatic increases" in the market value of their property. For 2021/22, the CAP was 0.3%. The CAP eligibility criteria can be found on the PVSC website at [www.pvsc.ca](http://www.pvsc.ca).

## Results of the Year Ended March 31, 2022

The Town of Kentville provided a variety of services to its residential and corporate citizens through the operating departments and also continued to renew the Town's infrastructure by investing in capital building, some of which included renewal of all infrastructure in Burke subdivision, the purchase of a backhoe for Transportation, storm sewer renewals, the purchase & installation of an art mural, the construction of the skatepark bowl and the purchase of a policing vehicle & equipment.

### *Some key highlights were:*

- ⇒ In 2021/22 the total **Residential tax rate remained stable at \$1.53  $\frac{3}{4}$  cents/100.**
- ⇒ In 2021/22 the total **Commercial tax rate remained flat at \$3.51  $\frac{2}{5}$  cents/100.**
- ⇒ Total **taxable assessment growth** at April 1, 2021 (net of cap and adjustments) was **2.3%.**
- ⇒ The **CAP** on Residential and Resource assessments (set by the Province) was **0.3%.**
- ⇒ **Water rate charges remained stable** for all users of the utility, as authorized by the Nova Scotia Utility and Review Board.
- ⇒ **Sanitary sewer charges** remained stable for all users of the service, as authorized by Town Council.
- ⇒ As at **March 31, 2022**, the Town of Kentville General Operating Fund recorded a **non-consolidated surplus of \$154,300** (2021-\$312,357). This surplus was transferred to the Town's operating reserve fund, as per provincial guidelines.
- ⇒ The Sanitary Sewer Area Service reported a **non-consolidated surplus of \$24,817** (2021-\$106,733), before the surplus was transferred to its operating reserve, as per provincial guidelines, and
- ⇒ The Kentville Water Utility Operating Fund recorded a **non-consolidated surplus of \$8,882** (2021-\$7,534).
- ⇒ **At March 31, 2022**, the consolidated **PSAS-compliant annual surplus is \$596,776** (2021- \$1,087,345).

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

### Financial Reporting Model

The objectives of financial statements are to describe to the reader the organization's financial position, the results of its operations and how the sources for its various activities have been derived and consumed. Our statements provide information about the economic resources, obligations and accumulated surplus of the Town. While similar to financial statements of private sector organizations, the Town's financial statements are different, accounting for its unique aspects. The following are the primary statements prepared by all governments:

Consolidated Statement of Financial Position	Provides information to describe a government's financial position in terms of its assets and liabilities as at the end of the reporting period. Net financial position and accumulated surplus are important factors in determining the government's financial well-being.
Consolidated Statement of Operations and Accumulated Surplus	Provides accountability information for a government's current-period operations and the related government objectives for the reporting period. It also denotes the change in accumulated surplus.
Consolidated Statement of Change in Net Financial Assets (Debt)	Provides accountability information regarding the extent to which expenditures made in the period are met by the revenues recognized in the current period.
Consolidated Statement of Cash Flows	Provides information about the impact of a government's activities on its cash resources for the current period.

As noted in the table above, the Statements are "consolidated", which means, in the Town of Kentville's case, that all resources and operations under the control of the Town are reflected in the data. This includes all departments of the Town, the Sanitary Sewer Area Service, the Kentville Water Utility and Special Reserve Funds. A description of the funds is as follows:

### Funds

A fund is a grouping of self-balancing accounts used to report on resources that have been segregated for a specific purpose. These funds are created and managed to ensure that the Town is compliant with legislation and financial requirements.

The **General Operating Fund** reports on taxation and rate-supported operations— the day-to-day operations of the Town. This includes policing services, fire services, transportation services, planning services, recreational services, sanitary sewer services and legislative and administrative services.



The **General Capital Fund** reports on the acquisition of capital assets such as the building of streets, sidewalks, storm sewers, for example. It also quantifies related short and long-term borrowing as well as amortization of capital assets.

The **Kentville Water Utility Operating Fund** reports on the daily operations of the water utility, as funded by water rates approved by Nova Scotia Utility and Review Board.

The **Kentville Water Utility Capital Fund** cites acquisition of its capital assets (wells, transmission and distribution lines). This fund also accounts for related short and long-term borrowing as well as depreciation of capital assets.

The **Reserve Funds** are separated into Operating Reserves and Capital Reserves. These funds accumulate past operating surpluses of the Town, Sanitary Sewer Area Service and Water Utility.

The **Operating Reserves** (Town, Sanitary Sewer and Water) are akin to “savings” accounts and house the past surpluses of the aforementioned operating entities. These reserves provide stability in property tax rates and utility rates by offsetting unexpected operating expenditures, a current deficit position or to pay for an unexpected opportunity.

The **Capital Reserves** (Town, Sanitary Sewer and Water) are also savings accounts but used for capital acquisition purposes. They can be used to finance current and/or future years’ capital procurements for the Town, Sanitary Sewer Area Service and the Water Utility, thereby reducing reliance on long-term borrowing. Capital reserve funds are also utilized to fund unexpected capital infrastructure needs– such as a substantial water break. Also, contributions from outside sources for capital acquisitions may be contained in the reserve banks until the asset is acquired.



**FINANCIAL STATEMENT DISCUSSION AND ANALYSIS****Consolidated Statement of Financial Position (A-3)**

This statement provides details on the Town's financial position at the end of the fiscal year. This information can be used to evaluate the Town's ability to finance its activities and meet its obligations. The statement also identifies the Town's capacity to provide future services. The Town separates the statement into "net financial assets" and "non-financial assets". The financial assets include cash, receivables, land held for sale and investments. The Town has obligations (liabilities), that use up the financial resources. The difference between financial assets and liabilities is the measure of the Town's "net financial asset" position and describes the Town's ability to meet its obligations at March 31. (A "net debt" position would quantify the future revenues required to pay the liabilities at end of March.)

Non-financial assets include tangible capital assets and prepaid expenses of the Town. Capital assets are acquired to provide service delivery over the course of many years and do not provide revenue for operations (hence "non-financial" in nature). The accumulated surplus is the sum total of all surpluses and deficits of the Town since it was created. It signifies the Town's total economic resources—financial and physical— the amount by which all assets exceed all liabilities and reveals the Town has resources (financial and non-financial) that can be used to provide services to residential and corporate citizens for years to come.

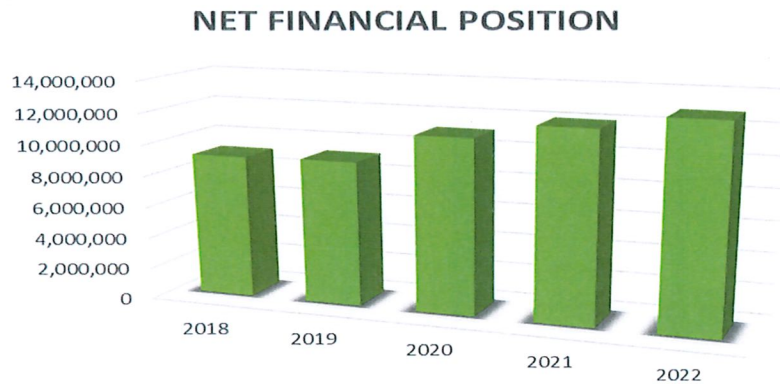
As at **March 31, 2022**, the Town financial statements report:

	2022	2021	Variance
Cash and cash equivalents	<b>8,548,120</b>	7,316,641	1,231,479
Investments	<b><u>13,183,394</u></b>	<u>13,254,790</u>	<u>(71,396)</u>
Financial assets	<b>21,731,514</b>	20,571,431	1,160,083
Liabilities	<b><u>8,823,260</u></b>	<u>8,509,104</u>	<u>314,156</u>
<b>Net (financial) assets</b>	<b>12,908,254</b>	<b>12,062,327</b>	<b>845,927</b>
Non-financial assets	<b>42,204,525</b>	42,453,676	(249,151)
Accumulated surplus	<b>55,112,779</b>	54,516,003	596,776

Fund	Net revenues (expenditure)
	\$
General Operating (before Δ prepaids +\$9,240) (A-33)	817,146
General Capital (A-35)	(1,421,967)
Water Operating (before Δ prepaids +\$1,466) (A-37)	861,547
Water Capital (A-38)	(315,059)
Reserves (A-41)	904,260
<b>Net consolidated expenditure (agrees to increase in Net (financial) assets)</b>	<b>845,927</b>

### Net Financial Asset Position

The net financial asset position is the difference between financial assets and liabilities and provides an indication of the affordability of future spending. As at **March 31, 2022**, the Town was in a net financial asset position of **\$12.9 million** (2021-\$12.1 million). The change is the result of an increase in cash, decreases in receivables, properties for sale and investments offset by an increase in deferred revenue related to Canada Community-Building Funds (aka Gas Tax) coupled with decreases in several liability accounts.



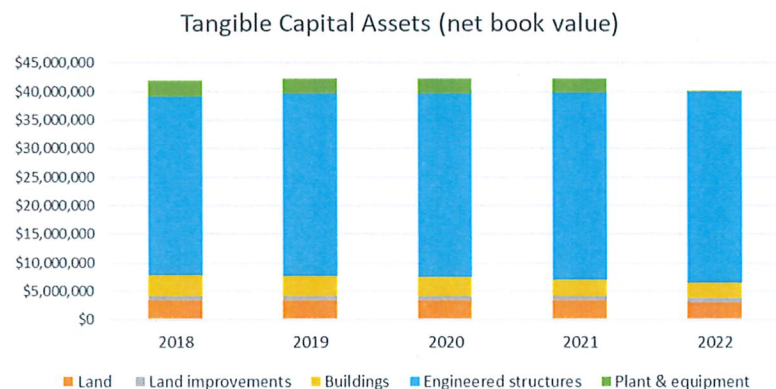
### Non-Financial Assets

Non-financial assets are physical resources used to provide delivery of services to the public. They include purchased, constructed, contributed or developed tangible capital assets and prepaid expenses. Tangible capital assets comprise the majority of the non-financial asset figure.

As shown in the chart below, the Town continues to invest in its infrastructure. Acquisitions of capital assets are the end results of the Town’s and the Water Utility’s capital budgets. As with most levels of government, competing infrastructure needs and scarce financial resources are often at cross purposes creating difficulty in managing legislated environmental requirements with fiscal responsibility.

Town Council and the Kentville Water Commission ratified their respective annual capital budgets. The Town forecasted budgets for the years 2023-2026, which were approved in principle. Kentville Water Commission tabled a three-year capital investment plan, as required by Nova Scotia Utility and Review Board.

For 2022, on a consolidated basis, including amortization and disposals, the Town’s tangible capital assets decreased by \$238,443 (2021-\$153,963).

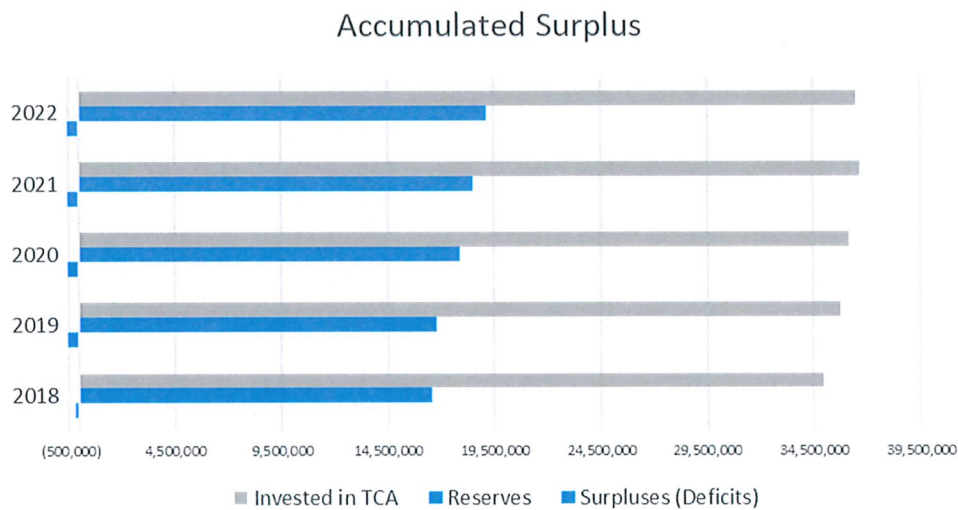


### Accumulated Surplus

The Accumulated Surplus Position is an important financial indicator. This gauge is comprised of all the surpluses and deficits of the Town’s various funds and reserves that are included in the statements, along with the tangible capital assets (TCA).

The yearly change (increase or decrease) in the accumulated surplus is equal to the annual surplus (deficit) for the year.

The Town’s accumulated surplus, through its investment in tangible capital assets, has grown over the period, indicating a strong foundation upon which future services will be delivered.



**In 2022** the **accumulated surplus increased by \$596,776 to \$55.1 million**, due to the increase in net financial assets of \$845,927, the net decrease in tangible capital assets \$(238,443) plus the net decrease of other non-financial assets \$(10,708) (detailed on page 16).

Approximately **76.4%** of the accumulated surplus reflects the Town’s investment in its tangible capital assets (2021– 77.7%). Tangible capital assets cannot be used to pay for the Town’s ongoing operations.



## Breakdown of Consolidated Accumulated Surplus

The *Schedule of Accumulated Surplus* on the following page details the makeup of the accumulated surplus.

It is split into segments:

**Reserve funds**, which are surpluses that have been accumulated in advance of a future need or requirement (similar to a savings account);

**Net ownership in tangible capital assets**, including amortization and other write downs (2022 details are):

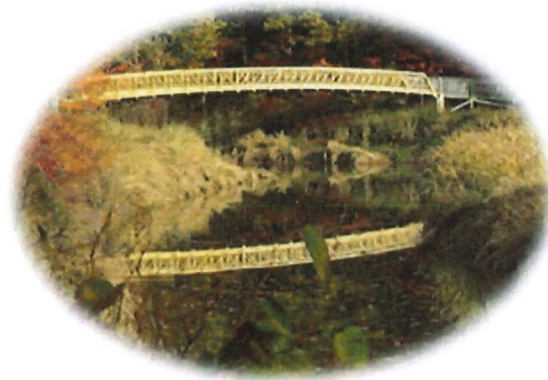
	Town	Water	Total
Tangible capital assets /CWIP*	\$56,492,038	19,314,943	75,806,981
Less: Amortization/Depreciation (Water)	25,666,464	6,423,735	32,090,199
Less: Deprecation (not rated) (Water)		<u>1,576,054</u>	<u>1,576,054</u>
	30,825,574	11,315,154	42,140,728
Less: Short term debt	953,777		953,777
Less: Long term debt	5,242,360	197,000	5,439,360
Add back: Debt to be recovered (other transactions)	744,368		744,368
<b>TOTAL</b>	<b>25,373,805</b>	<b>11,118,154</b>	<b>36,491,959</b>

\* CWIP = Construction work in progress

**Surpluses (Deficits)** of operating and capital funds, which are similar to profits or losses, in that financing has exceeded liabilities and leaves a balance (or vice versa if deficits are reported).



Schedule of Accumulated Surplus	2022	2021
<b>Reserve funds</b>		
Town operating	<b>\$1,230,135</b>	\$1,078,291
Town capital	<b>1,871,447</b>	1,474,589
Sanitary sewer operating	<b>539,796</b>	514,979
Sanitary sewer capital	<b>140,370</b>	140,370
Sanitary sewer depreciation	<b>193,374</b>	100,774
Kentville Water utility operating	<b>170,620</b>	170,620
Kentville Water utility capital	<b>838,810</b>	798,810
Kentville Water utility depreciation	<b>922,427</b>	874,369
Town perpetual capital	<b><u>13,246,695</u></b>	<u>13,327,443</u>
Total reserve funds (A-40)	<b><u>19,153,674</u></b>	<u>18,480,245</u>
<b>Invested in tangible capital assets</b> (net) (page 19 & A-16)	<b><u>36,491,959</u></b>	<u>36,670,469</u>
<b>Fund surplus (deficit)</b> (fund balance)		
Town operating (includes Sanitary Sewer Area Service) (A-33)	<b>0</b>	0
Town capital (A-35)	<b>(865,395)</b>	(998,370)
Kentville Water operating (A-37)	<b>286,439</b>	277,557
Kentville Water capital (A-38)	<b><u>46,102</u></b>	<u>86,102</u>
Total (deficit)	<b><u>(532,854)</u></b>	<u>(634,711)</u>
<b>ACCUMULATED SURPLUS</b>	<b><u>55,112,779</u></b>	<u>\$54,516,003</u>



### Consolidated Statement of Operations (A-4)

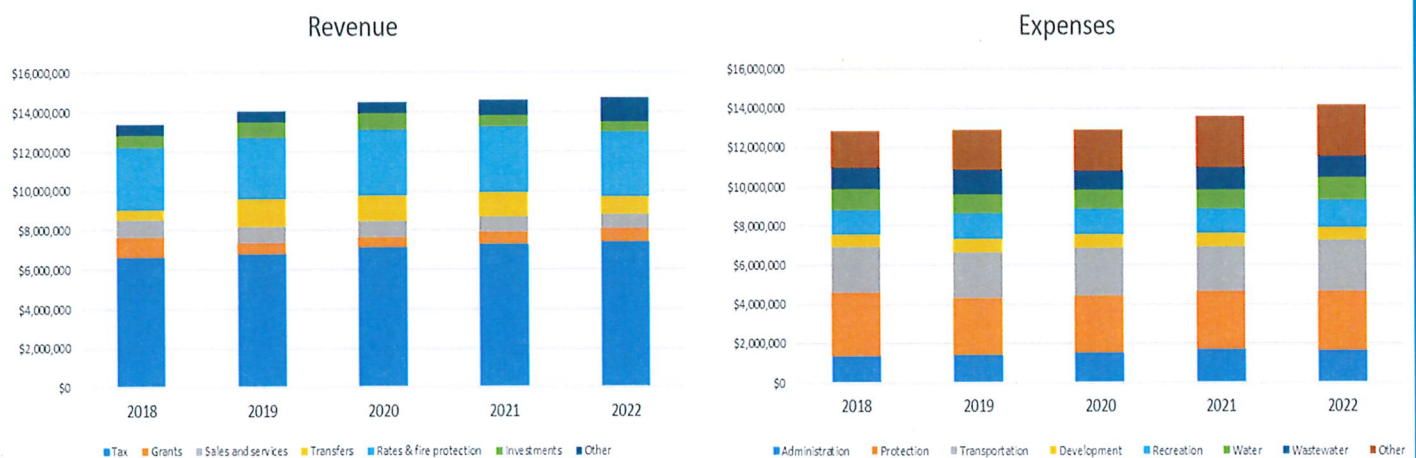
The Consolidated Statement of Operations is a compilation of the schedules of all the Town’s entities including all operating, all capital and all reserve funds (pages A-33 to A-41). This statement lists all sources of revenue, such as taxation, grants, user fees, rates and upper-level government transfer payments. The expenses for the fiscal year are presented by functional activity.

Beyond government transfers, the Town has a good balance of revenue sources with the majority coming from taxation, sales of services, utility & area service rates and perpetual investment fund income. Indicators of a government’s vulnerability include revenue streams over which it has no control. One such indicator is *“Reliance on government transfers”*. The Provincial threshold is 15% of total revenue. The Town’s percentage as cited in the **2021** Financial Condition Index (FCI) is **4.8% (low risk)**.

**Revenue** is over budget \$557,556, primarily due to excess revenue found in unconditional transfers (double Equalization payment) and Proceeds from sale (sale of former CP Rail lands). On the expense side of the ledger, before “Other”, **Expenses** are over budget \$546,281. Overages in Transportation services (snow removal), Net book value of TCA disposed (CP land) and Amortization are offset by savings in Protective services (Police, Law enforcement, Fire services), Recreation services (staffing changes, decreased horticultural & recreation programs). **“Other”** refers to the sales of several lots in the Kentville Business Park for a net gain of \$196,001.

The difference between the revenue and expense sections is shown as the annual surplus for the reporting period. **For 2022**, the Statement of Operations discloses an **annual surplus of \$596,776** (2021-\$1,087,345). The annual surplus is combined with the accumulated surplus position (beginning of the year) to find the end-of-year accumulated surplus. The accumulated surplus indicates the Town has resources (financial and physical) to provide future services. At **March 31, 2022**, the accumulated surplus is **\$55.1 million** (2021-\$54.5 million).

The Consolidated Statement of Operations in chart form is below.

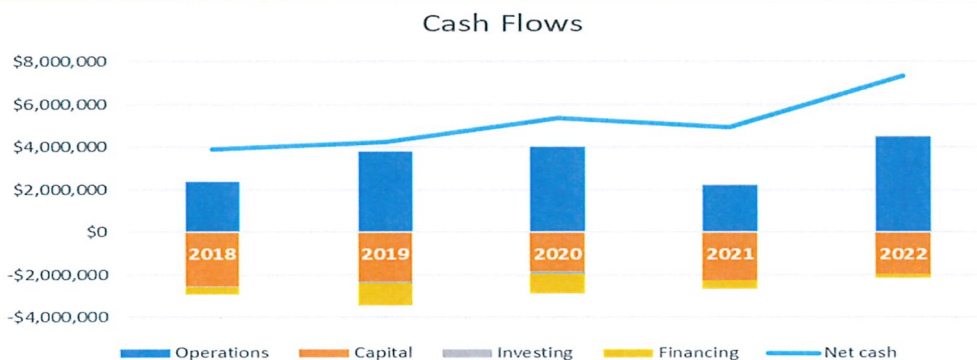


### Consolidated Statement of Cash Flow (A-5)

This statement reports the change in cash and equivalents during the year and shows how the Town financed its activities and met its cash requirements for the same period. The Town generates cash by raising revenue, converting other financial assets to cash and by external borrowing. This statement helps evaluate the Town's liquidity and provides accountability for its use of cash resources. The Town's **liquidity ratio** for **2021** was **3.2** (2021- 2.1), assessed as **"low risk"** in the FCI. (The Provincial Financial Condition Index "low risk" threshold is "above 1.5")

Cash resources are generated and consumed through operating, capital, investing and financing activities. Cash flows from *operating* indicate the Town's ability to maintain its programs and service delivery and repay loans without external sources of financing. There are no future cash flows from the investing in *capital* assets because they are used to provide programs and deliver services. Cash flows from *investing* would include investments made and interest & dividends realized during the year, while cash flows from *financing* would include debt issued and paid during the year. The net cash position **for 2022 is \$7,354,839** (2021-\$4,945,258)- **a increase of \$2,409,581**. Cash held by fund is as follows:

Fund	2022	2021
General operating bank	<b>\$744,442</b>	\$149,688
General capital bank	<b>36,846</b>	
Water operating bank	<b>174,759</b>	91,749
Water capital bank	<b>75,679</b>	104,190
Reserve banks		
General operating	<b>1,067,365</b>	765,893
General capital	<b>2,467,951</b>	1,446,003
Sanitary sewer operating	<b>514,980</b>	408,246
Sanitary sewer capital	<b>140,370</b>	140,370
Sanitary sewer depreciation	<b>193,374</b>	100,774
Water operating	<b>170,620</b>	170,620
Water capital	<b>838,810</b>	710,710
Water depreciation	<b>929,643</b>	857,015
(see Note 3 page A-11)	<b>\$7,354,839</b>	\$4,945,258





### Consolidated Statement of Change in Net Financial Assets (A-6)

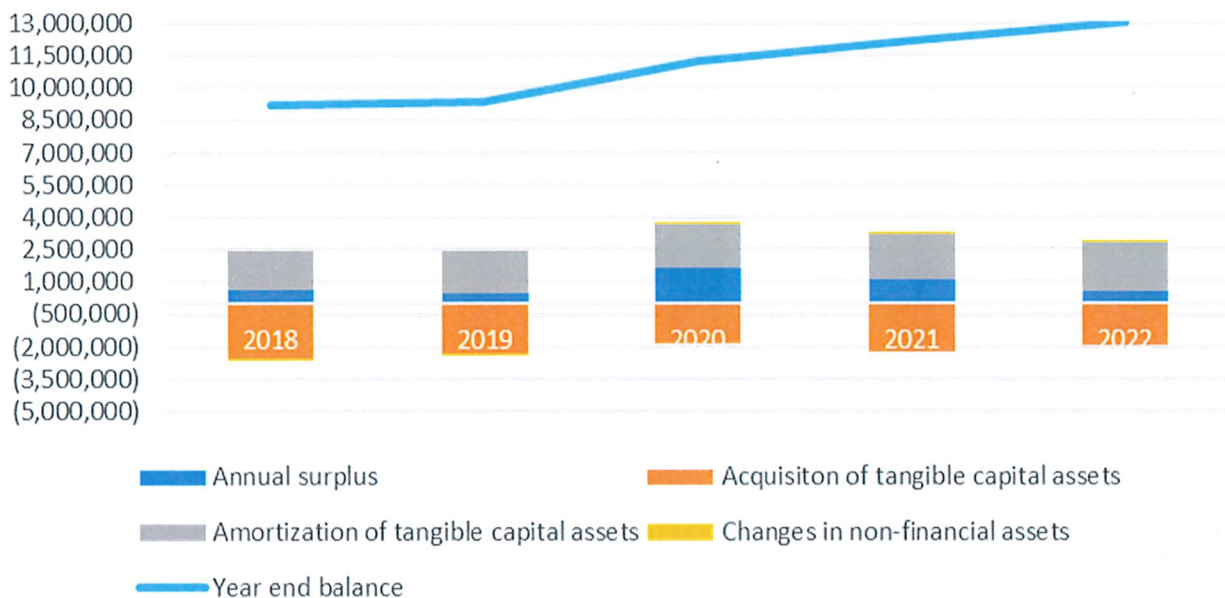
This page explains the difference between the Town’s annual surplus reported on the Statement of Operations- \$596,776 and the increase in Net Financial Assets of \$845,927. The Net Financial Asset position is a key indicator of the Town’s financial position and our ability to provide future services to residential and corporate citizens.

One important aspect in this statement is the difference in the reporting of the acquisition of capital assets during the year. When calculating the annual surplus (on A-4), the Town recognizes the cost of using it assets over their useful lives (known as amortization). When calculating the change in net financial assets (on A-6), the Town recognizes the whole cost of purchasing the assets at the time the assets were acquired.

Budget figures are included on this page, and, when compared to actual figures, they show whether the Town is spending more (or less) on capital purchases than it had planned. Simply put, in the long run, overspending on capital acquisition can affect future service delivery (in possible debt servicing from operations) while underspending may find the Town’s capital assets deteriorating.

The **2022** surplus of **\$596,776** is comprised of (1) a decrease in tangible capital assets (net of amortization & disposals) of \$238,443 , (2) a decrease in prepaid and other expenses \$10,708 and (3) the increase in net financial assets \$845,927.

Consolidated Change in Net Financial Assets



### Schedule of General Operating Fund & Sanitary Sewer Area Service (A 33-34)

This report represents both the Town of Kentville Operating Fund and the Sanitary Sewer Area Service and summarizes the net revenue from operations. Transfers to-and-from our own funds are not included in revenue or expenditures but are identified as "Net transfers". The schedule reveals a combined **operating surplus** of **\$179,117** (2021-\$419,090).

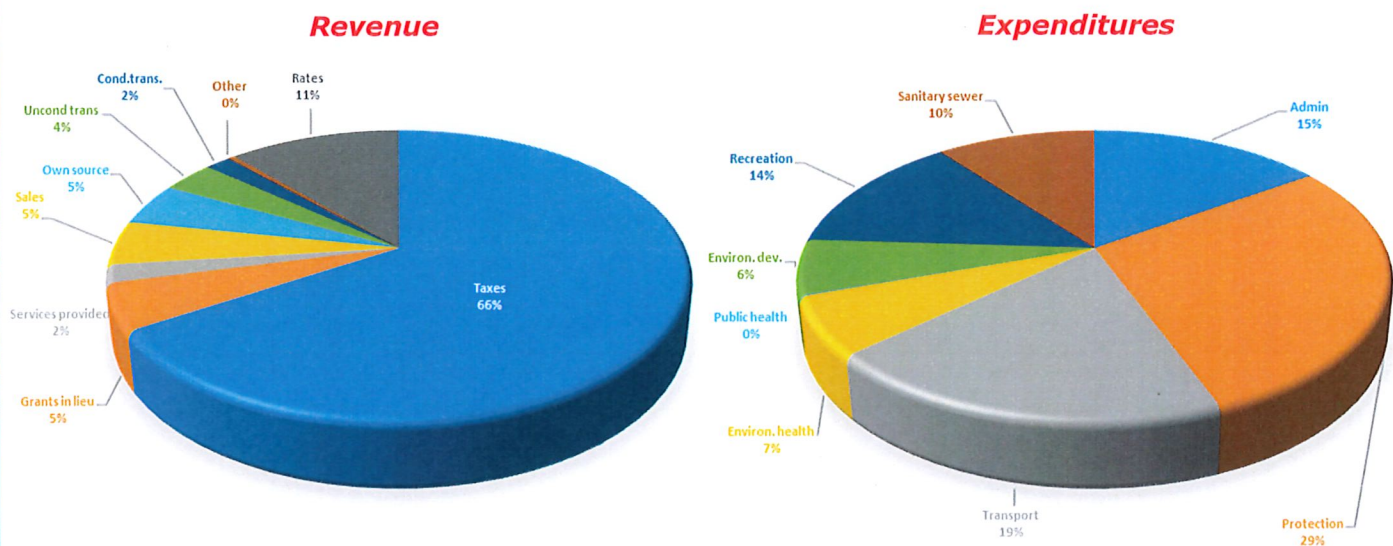
**Revenue** is over budget \$278,615 due to increased Unconditional & Conditional transfers (both from upper levels of government) & Other (wastewater revenue). **Expenditures** are over budget \$48,109 due to General Government services (office expenses-legal) and Transportation services (snow removal) offset by savings in Protective services (sales of service & fire services segments), Recreation services (office expenses, horticultural expense) and Wastewater expenditures (Office expenses- legal, allowance for uncollectible & studies).

After accounting for transfers between our own funds which includes long-term debt recovery, the **annual change in surplus** is **\$179,117** (2021-\$419,090).

Separating the two entities combined on this statement (shown on page A-34), the **2022** surplus for the **Town General Operating Fund** is **\$154,300** (2021-\$312,357), while the **2022** surplus for the **Sanitary Sewer Area Service** is **\$24,817** (2021- \$106,733). The entire 2022 surplus will be transferred to the Town’s Operating Reserve Fund, as per Provincial direction as follows: \$154,300 to the Town Operating Reserve Fund and \$24,817 to the Sanitary Sewer Area Service Operating Reserve Fund.

The following graphs indicate the funding sources and how the funds were spent in the Town Operating fund.

#### TOWN GENERAL OPERATING FUND- 21/22



### Schedule of Town of Kentville General Capital Fund (A 35-36)

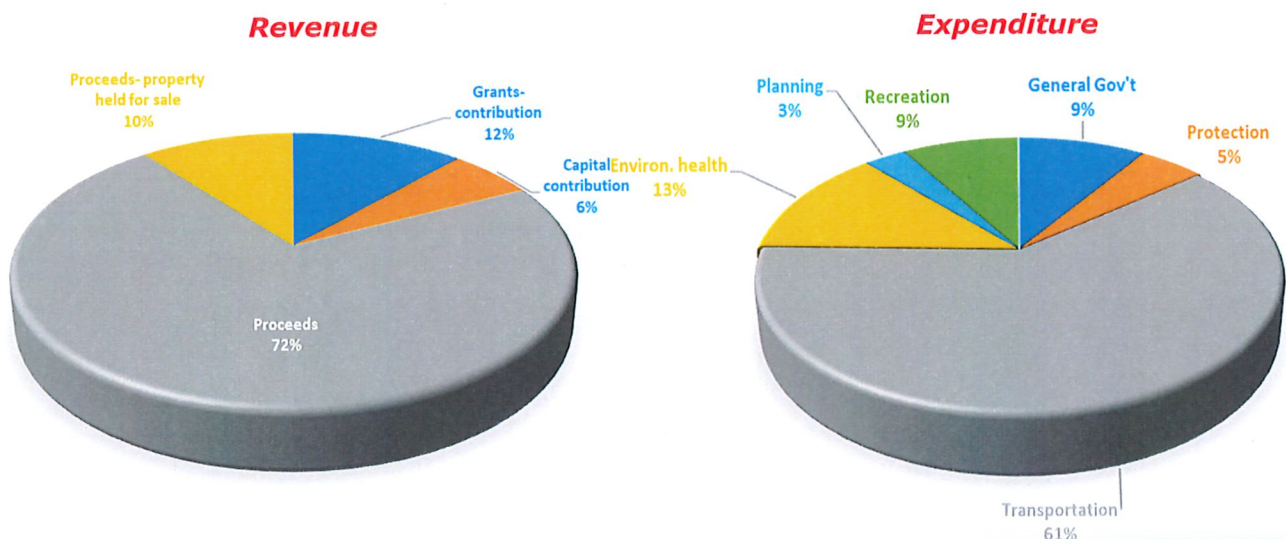
This fund collects the Town’s tangible capital assets and related amortization along with the short and long-term borrowing obtained to partially finance tangible capital asset additions. **Revenue** is comprised of contributions from outside sources, proceeds on sale of tangible capital assets, proceeds from land held for resale, and grants from upper-level governments. **Expenditures** reflect the current investment in the Town’s infrastructure - the capital assets acquired in 2021/2022. New assets totaled **\$2,046,765**, including change in Work-in-Progress assets (\$100,966) (See page A-15). Capital projects were financed by Operations (\$64,526), various Capital Reserves (\$393,226), Contributions (\$6,000), Province NS (\$73,000); Green Infrastructure Grant (\$6,118), Federal Gas Tax Reserve (\$306,608); Authorized Temporary Borrowing (\$952,222) and Cash (\$245,065). Also, a long-standing receivable was written out in 2022 for \$54,112.

Total expenditures in the capital fund decreased from \$2.3 million in 2021 to **\$2.0 million in 2022**. The closing *Fund Balance* for **2022** is **\$ (865,395)** compared to \$(998,370) in 2021.

The Town’s total ownership in its capital assets is itemized on page 19 of this report and on page A-36 of the financial statements and makes up part of the Town of Kentville Capital Fund. The Town’s ownership in capital assets (\$25,373,809) plus the Fund Balance make up the Town Capital fund’s accumulated surplus of **\$24,508,414** (2021-\$24,620,035).

2022 construction projects included street infrastructure renewal in Burke Subdivision funded by **Federal Gas Tax**. Other projects included purchases of Police and Transportation equipment; renewal of storm and sanitary sewers and work for flood mitigation; a mural was commissioned and installed as part of the public art display segment. Under Recreation, the skatepark bowl was completed, significant work was undertaken at the arena, an accessible feature at KCA school was installed. Work began on the long-awaited dog park and several upgrades were completed at Recreation facilities at Memorial Park.

#### TOWN GENERAL CAPITAL FUND– 21/22



### Schedule of Water Operating Fund (A-37)

This page represents the Kentville Water Utility Operating Fund and summarizes its revenue and expenditures from operations along with inter-fund transfers and depreciation. (Transfers to-and-from our own funds are not included in revenue or expenditure but they do make up a portion of "Net transfers").

**Revenue** is comprised primarily of metered rates along with the annual public fire protection charge to the Town of Kentville and the County of Kings, which is mandated by the Nova Scotia Utility and Review Board. This charge supports the oversized underground infrastructure needed to effectively fight fires. **Expenditures** account for the operations and maintenance of the utility and the treatment, transmission and distribution of potable water to Kentville and surrounding areas.

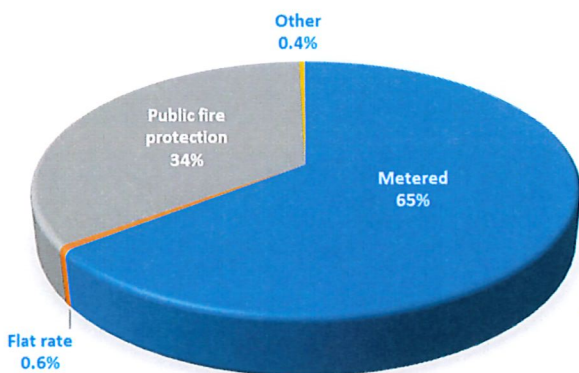
Net revenues are **\$860,081** (2021-\$1,059,718). After including transfers between our own funds and depreciation adjustments, the increase in fund balance is **\$8,882** (2021-\$7,534). Kentville Water Commission pays a dividend to the Town of Kentville Operating Fund (as the owner of the utility). The amount transferred in **2022** was **\$100,000** (2021- \$100,000). Before this transfer, the Utility's surplus was **\$ 108,882** (2021-\$107,534).

The "**Closing fund balance**", which is equivalent to its "accumulated surplus", is **\$286,439** (2021-\$277,557).

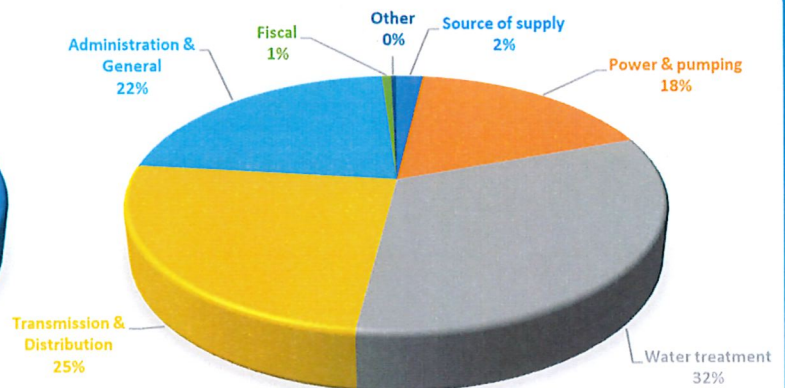
The following graphs indicate the revenue sources and how the funds were spent in the Water Utility Operating fund.

#### WATER UTILITY OPERATING FUND-21/22

**Revenue**



**Expenditures**



## Schedule of Water Capital Fund (A 38-39)

The Water Utility Capital Fund records the tangible capital acquisitions, depreciation and long-term borrowing for the Kentville Water Utility.

**Revenue**– There was no revenue (from outside sources) accounted for in 2022 (2021-\$4,000).

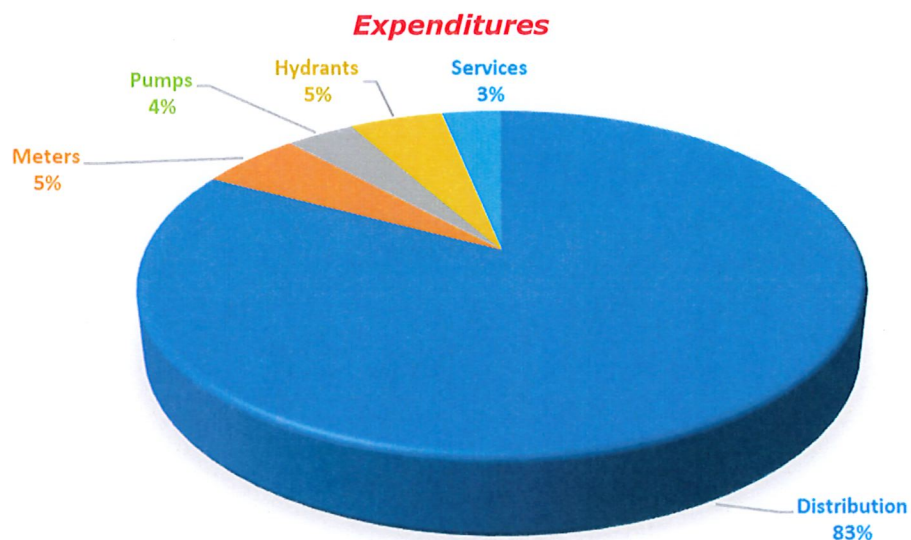
**Expenditures** reflect the current investment in the Utility’s infrastructure - the capital assets acquired in 2021/2022. Acquisitions in **2022** totaled **\$315,059**. Capital projects were financed by the Depreciation Reserve (\$303,347) and Operations (11,712).

Net expenditure in the Water Utility Capital Fund decreased from \$417,787 in 2021 to **\$315,059** in **2022**. For **2022**, the Water Utility’s Capital Fund balance is **\$ 46,102** (2021-\$86,102), as \$40,000 was transferred into the Water Utility’s Capital Reserve for future capital acquisition.

The Utility’s ownership in its tangible capital assets (TCA) is itemized on page 19 of this report and on page A-39 of the financial statements and makes up part of the Water Utility Capital Fund. The Utility’s ownership in its assets is comprised of: total asset acquisitions less total depreciation, amortization and outstanding debt. The sum of the TCA and Fund Balance equates to the total accumulated surplus for the Water Capital Fund of **\$11,164,252** (2021-\$11,138,166).

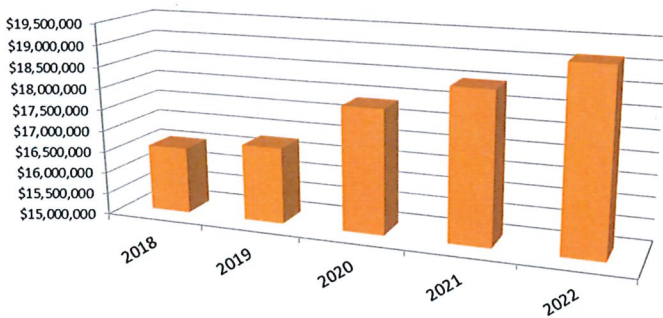
**2022** construction projects included yearly plans such as acquisition of meters, hydrants and pumps, along with the renewal of distribution mains in the Burke Subdivision. In addition, some equipment was purchased– a wellfield variable frequency drive and sine wave filter.

### WATER UTILITY CAPITAL FUND 21/22



### Reserve Funds (A 40-41)

In **2022**, reserve funds increased by \$673,429 to **\$19.2 million**. The increase is due the transfers of **2020-21** surplus funds from the Town and Sanitary Sewer Operating Funds, the receipt of our share of a previous year’s surplus from a joint partner, surplus funds received from land sales, along with **2021-22** budgeted transfers from our operating funds. The Town is committed to maintaining healthy reserve funds for future operating or capital expenditures. Some reserve funds are earmarked for specific capital project financing or for future operating purposes. The Perpetual Reserve Fund adheres to its own set of parameters.

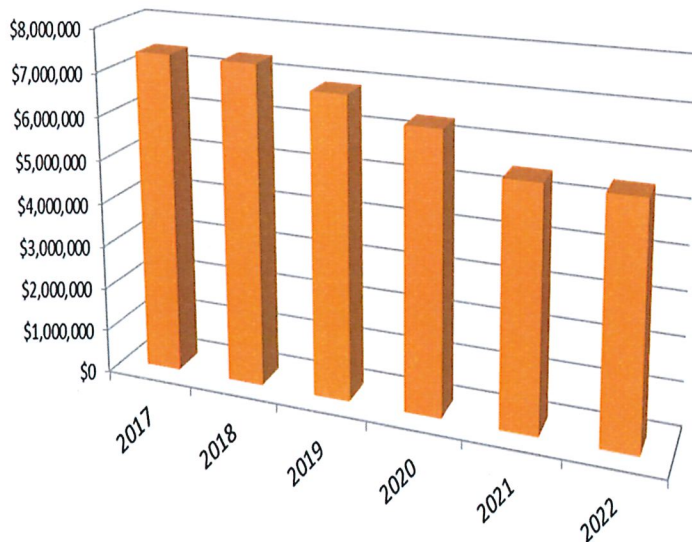


**RESERVE BALANCES  
as at March 31, 2022**

- Town Operating: \$1,230,135
- Town Capital: \$1,871,447
- Perpetual: \$13,246,695
- Sanitary Sewer: \$873,540
- Water: \$1,931,857
- TOTAL: \$19,153,674**

### Long-Term Debt Outstanding (Principal)

Long-Term principal debt levels decreased in **2022** by \$39,400 (see page A-13 Note 7). Below is a chart of outstanding long-term debt issues over the last six (6) years. Town Council prefers to keep its annual long-term borrowing in the \$ 1 million range and its average debt service ratio (DSR) at approximately 10% of own-source revenue over the 5-year capital investment plan.



**2022**

- New Debt Issued: \$1,062,600**
- Principal Repaid: \$(1,102,000)**

**PRINCIPAL OUTSTANDING  
March 31, 2022**

- Town \$4,981,400
- Water \$ 197,000
- Sewer \$ 260,960
- TOTAL: \$5,439,360**

## Operating Budget 2022/23

The COVID-19 pandemic continues to affect our everyday lives, albeit with seemingly milder strains. Wave after wave afflicted the Province over the past year. Approximately 87.8% of Nova Scotians have 2 doses of vaccine while 65.6% of Nova Scotians (18+) have 3 doses. Provincial protocols were eased in March 2022, which enabled the Town to develop its 22/23 budgets to resemble something closer to a “normal” budget. One outcome of the pandemic was the influx of people to the Town from outside the province. Kentville’s population grew to 6,630 (2021 census) from 6,271 (2016 census), an increase of 359 persons (5.7%).

At the end of May, the Kentville hosted a “mini” version of the Apple Blossom Festival for the first time in two years. This summer, Recreation programs are being offered and spaces are filling as quickly as the programs are announced. The swimming pool and splashpad will reopen early July to the delight of many.

Some details on the 22/23 Operating Budget include: the Provincial assessment **CAP** equated to **5.4%** (last year 0.3%) and provided new revenue for 22/23 operations. The Town’s **assessment base increased** overall by **9.0%** (last year 2.3%), partly due to new residential and commercial construction equating to a \$20 million lift in assessments and partly due to 100+ home sales, which equated to \$5 million in increased assessments. The Town’s Operating Fund budget objectives were to maintain the tax rates and preserve our high standards for service delivery.

Directors presented the Operating Fund budget book to Council on April 11, 2022. This meeting culminated in property tax rates, which were forwarded to Town Council for ratification on April 25, 2022. Council was able to **hold** both the ***total Residential tax rate and the total Commercial rate at 21/22 levels.***

## Capital Investment Plan 2022 to 2026

The Town’s Capital Investment Plan encompasses 5 years. This plan was presented to Council on April 25, 2022 and, after discussion, Council recommended it be sent to the April 25, 2022 Council meeting. At that meeting, Council ratified the current year and approved the remaining 4 years in principle. The Capital Program for **2022/23** totals **\$4.5** million. Projects include renewed paving and storm sewer in MacDonald Avenue subdivision funded by the Canada Community-Building Fund (formerly Federal Gas Tax); the continuation of the Active Transportation program funded by Federal Green Initiative Funds including the Harvest Moon Trail Connector & Meadowview Trail; purchases of equipment for Police, Transportation and Recreation; renewals of sidewalks & top lift pavement in Burke subdivision; participation in the Joint Municipal Flood Line Mapping Project funded by the Province of Nova Scotia, repairs on the Visitor Information Centre and 66 Station Lane; continued work on the Dog Park, along with new grandstands for Memorial Park, new ballfield irrigation, upgrades at the Kentville Arena and continued work on the Gorge, Miner’s Marsh Trail and the creation of Miner’s Landing Trail, along with work on several trail bridges. Investment downtown includes the continuation of Centre Square beautification pro-

ject, the purchase of seating and seasonal lighting, the purchase and installation of bike racks and the installation of murals, as part of the Public Art Display programme.

### ***Development Update!***

***Miner's Landing*** development in the east end of town, overlooking Miner's Marsh & the bird sanctuary, is nearing completion. Three of the four buildings are complete, with the fourth building well into construction. This year's capital budget contains a trail connection, which will link the complex with the Town's Harvest Moon Trail system.

***Kentville Business Park***– In 2015, the Town purchased 42.1 acres of vacant land in the Kentville Business Park to actively pursue selling the land to industry and business. The Town expanded the infrastructure creating new lots and continued interest in the park. Since that purchase, many lots have been sold, with 9 lots sold in 2021/2022.

***Ryan's Park***- Enqore Developments continues with its construction on the former Kings County Academy property. This development is a pocket community featuring 22 townhomes circling a centralized courtyard. A community clubhouse completes the facility and encapsulates shared facilities such as a community lounge and fitness centre.

***Hibou Court***– Development here began in 2022. This is an all-ages, all-inclusive townhome community under construction in the north end of Kentville. It is built on a cul-de-sac street with limited access to traffic.

***Other interest***– Developers continue to inquire about vacant lands in the west end of Town and land in the south end of Kentville is scheduled to be available for development in future years.

### ***Finally***

I want to express my gratitude for the support and cooperation of **all** town personnel throughout the past year. This ship needs many deck hands to keep it on course! My thanks also goes to Town Council for its support and direction to all departments over the past year. In particular, I want to thank my co-workers in the Finance Department for their deep commitment to the Town of Kentville and to our residential and corporate citizens.

Respectfully submitted,



**Debra Crowell CMM CLGA**

Director of Finance

**July 25, 2022**



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**Town of Kentville**  
**Management's Report**  
March 31, 2022

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The accompanying consolidated financial statements, notes and schedules contained in the annual financial statement of the Town of Kentville are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA"). The preparation of the consolidated financial statements necessarily includes some amounts which are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded and that the financial records are reliable for the preparation of financial statements.

Town Council fulfils its responsibility through its budget committee and regular review of monthly financial reports. The budget committee consists of the Mayor, all Councillors, the Chief Administrative Officer and all Directors. This committee meets as necessary to deal with budgetary issues. Regular meetings of Town Council deal with all other financial matters including the receipt and approval of the annual audited financial statements.

The consolidated financial statements have been audited by the firm of Kent & Duffett. Their report to the Mayor and Town Council, stating the scope of their examination and opinion of the consolidated financial statements follows.



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Dan Troke  
Chief Administrative Officer



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Debra A. Crowell  
Director of Finance

**Town of Kentville**  
**Consolidated Financial Statements**  
March 31, 2022

**Town of Kentville  
Consolidated Financial Statements**

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## **INDEPENDENT AUDITOR'S REPORT**

### **Town of Kentville**

#### ***Opinion***

We have audited the consolidated financial statements of the Town of Kentville which comprise the consolidated statement of financial position as at March 31, 2022, consolidated statement of financial activities, consolidated change in net assets and consolidated cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Town of Kentville are prepared, in all material respects, in accordance with Canadian public sector accounting standards.

#### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 & Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town of Kentville 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.

**INDEPENDENT AUDITOR'S REPORT (continued)**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town of Kentville to cease to continue as a going concern.

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.

Kentville, Nova Scotia  
July 11, 2022

*Kent & Duffett*

Chartered Professional Accountants

**Town of Kentville**  
**Consolidated Statement of Financial Position**

March 31

2022

2021

**Financial Assets**

Cash (Note 3)	\$ 7,354,839	\$ 4,945,258
Receivables (Note 4)	1,148,431	2,304,426
Properties held for sale (Note 5 & Note 19)	44,850	66,957
	<u>8,548,120</u>	<u>7,316,641</u>
Investments (Note 6)		
Restricted	10,000,000	10,000,000
Unrestricted	3,183,394	3,254,790
	<u>13,183,394</u>	<u>13,254,790</u>
	<u>21,731,514</u>	<u>20,571,431</u>

**Liabilities**

Bank loan	955,342	1,088,374
Payables	1,579,043	1,724,533
Deferred revenue- obligatory reserve fund (Note 8)	596,896	61
Other	240,576	205,333
Long-term debt (Note 7)	5,439,360	5,478,760
Tax sale surplus (Note 9)	12,043	12,043
	<u>8,823,260</u>	<u>8,509,104</u>
<b>NET FINANCIAL ASSETS</b>	<u>12,908,254</u>	<u>12,062,327</u>

**Non-Financial Assets**

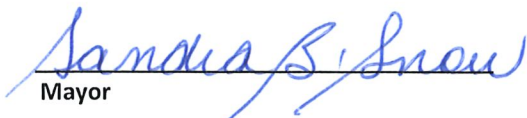
Tangible capital assets (Note 11)	42,140,728	42,379,171
Prepaid expenses	62,902	72,114
Other	895	2,391
	<u>42,204,525</u>	<u>42,453,676</u>

**ACCUMULATED SURPLUS**

\$ 55,112,779	\$ 54,516,003
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*On behalf of the Town*

Commitments	(Note 13)
Contingencies	(Note 16)
Subsequent events	(Note 17)

  
 Mayor

  
 Chief Administrative Officer

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**Town of Kentville****Consolidated Statement of Operations**

Year Ended March 31

**2022****2021**

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	<u>Page</u>	<u>Budget</u> unaudited	<u>Actual</u>	<u>Actual</u>
<b>Revenues</b>				
Taxation revenue	A-25	\$ 7,352,400	\$ 7,402,040	\$ 7,285,694
Grants in lieu	A-25	599,900	568,371	601,299
Services provided	A-26	211,000	228,230	212,167
Sales of services	A-26	523,100	544,396	551,425
Other revenue from own sources	A-26	479,600	438,008	457,920
Unconditional transfers	A-26	221,200	389,911	222,798
Conditional transfers	A-26	125,000	192,682	444,024
Transfer- Federal Gas Tax		444,300	304,937	540,815
Grants		112,900	79,118	48,270
Wastewater rates		1,300,000	1,284,172	1,371,519
Water rates		1,286,100	1,299,980	1,321,218
Public fire protection		673,300	690,755	685,815
Other revenue		7,100	264,536	108,854
Interest and dividends		534,000	537,495	577,482
Capital gains		100,000		
Proceeds from sale of assets			302,825	196,000
		<u>13,969,900</u>	<u>14,527,456</u>	<u>14,625,300</u>
<b>Expenses</b>				
General government services	A-27	1,610,300	1,632,958	1,712,126
Protective services	A-28	3,103,100	2,998,560	2,943,180
Transportation services	A-29	1,839,400	1,982,468	1,660,614
Environmental health services	A-30	664,000	670,227	636,545
Public health services	A-30	6,500	11,500	6,500
Environmental development services	A-30	620,300	634,047	630,420
Recreation and cultural services	A-31	1,451,600	1,408,231	1,298,622
Water		1,099,100	1,137,824	956,674
Wastewater		1,076,600	1,083,330	1,096,245
Net book value of tangible assets disposed			298,000	512,497
Amortization		2,109,500	2,201,303	2,097,924
Capital loss			14,121	6,759
Other			54,112	8,435
		<u>13,580,400</u>	<u>14,126,681</u>	<u>13,566,541</u>
Annual surplus, before <b>Other</b>		389,500	400,775	1,058,759
<b>Other</b>				
Properties held for sale			196,001	28,586
Annual surplus		389,500	596,776	1,087,345
Accumulated surplus, beginning of year		54,119,800	54,516,003	53,428,658
Accumulated surplus, end of year		<u>\$ 54,509,300</u>	<u>\$ 55,112,779</u>	<u>\$ 54,516,003</u>

See accompanying notes to the consolidated financial statements

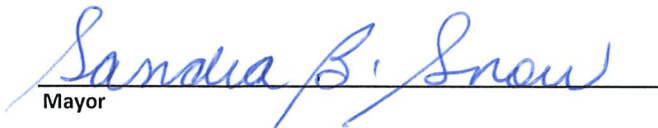
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**Town of Kentville**  
**Consolidated Statement of Cash Flow**

March 31

	2022	2021
	<u>Actual</u>	<u>Actual</u>
<b>Operations</b>		
Annual surplus	\$ 596,776	\$ 1,087,345
Amortization	2,201,303	2,097,924
Changes in non-cash working capital		
Decrease in taxes receivable	33,171	17,702
Decrease (increase) in other receivables	1,122,824	(412,816)
Decrease in properties held for sale	22,107	879
(Decrease) in payables	(145,490)	(316,129)
Increase (decrease) in deferred revenue- obligatory reserve fund	596,835	(99,464)
Increase (decrease) in other liabilities	35,243	(170,027)
Decrease in non-financial assets	10,706	13,218
Cash from operating activities	<u>4,473,475</u>	<u>2,218,632</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(2,260,858)	(2,764,384)
Proceeds from sale of capital assets	302,825	196,000
(Gain) loss on sale of capital assets	(4,825)	316,497
Cash for capital transactions	<u>(1,962,858)</u>	<u>(2,251,887)</u>
<b>Investments</b>		
Decrease in investments	<u>71,396</u>	<u>10,470</u>
<b>Financing</b>		
(Decrease) increase in bank loan	(133,032)	467,571
Proceeds from debt issue	1,062,600	626,100
Long-term debt principal repayment	<u>(1,102,000)</u>	<u>(1,510,210)</u>
Cash from financing activities	<u>(172,432)</u>	<u>(416,539)</u>
Change in net cash	<u>2,409,581</u>	<u>(439,324)</u>
Opening, net cash	4,945,258	5,384,582
Closing, net cash	<u>\$ 7,354,839</u>	<u>\$ 4,945,258</u>

*On behalf of the Town*

  
 Mayor

  
 Chief Administrative Officer



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**Town of Kentville****Consolidated Statement of Change in Net Financial Assets**

March 31

	2022	2021	
	<u>Budget unaudited</u>	<u>Actual</u>	<u>Actual</u>
Excess revenue over expenses	<u>\$ 389,500</u>	<u>\$ 596,776</u>	<u>\$ 1,087,345</u>
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	(3,190,700)	(2,260,858)	(2,764,384)
Proceeds on disposal		302,825	196,000
(Gain) loss on disposal of tangible capital assets		(4,825)	316,497
Amortization	<u>2,109,500</u>	<u>2,201,303</u>	<u>2,097,924</u>
<b>Decrease (increase) in net book value of tangible capital assets</b>	<u>(1,081,200)</u>	<u>238,445</u>	<u>(153,963)</u>
<b>Changes in other non-financial assets</b>			
Acquisition of prepaid and deferred charges (net of usage)		9,211	9,447
Other		<u>1,495</u>	<u>3,771</u>
<b>Decrease in non-financial assets</b>		<u>10,706</u>	<u>13,218</u>
Increase in net financial assets	<u>\$ (691,700)</u>	<u>845,927</u>	<u>946,600</u>
Opening, net financial assets		12,062,327	11,115,727
Closing, net financial assets		<u>\$ 12,908,254</u>	<u>\$ 12,062,327</u>

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See accompanying notes to the consolidated financial statements

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 1. Status of the entity

The incorporated Town of Kentville (the "Town") is a municipal government that was incorporated in 1886 pursuant to the Municipal Government Act. The Town provides or funds municipal services such as police, public works, parks and recreation, planning, economic development and other general government operations. The Town owns one utility, has several designated special-purpose reserves and provides funding support for other financial entities involved in fire fighting, economic development, solid waste management, public transit and library services.

#### 2. Significant accounting policies

The consolidated financial statements of the Town of Kentville are prepared by management in accordance with Canadian Public Sector Accounting Standards for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. 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 fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Town and which are owned or controlled by the Town. Interdepartmental and organizational transactions and balances are eliminated.

The financial activities of certain entities associated with the Town of Kentville are not consolidated. The Town's contributions to these entities are recorded in the Consolidated Statement of Operations. The entities that are not consolidated, along with the Town's percentage contribution, are as follows:

Kings Transit Authority (20%) (2021-20%)
Housing Nova Scotia (25%) (2021-25%)
Regional library – Annapolis Valley (6.09%) (2021-5.8%)
Annapolis Valley Centre for Education (10.041%) (2021-9.88%)
Regional sewer (50.2%) (2021-49.9%)
Valley Waste Resource Management Authority (10.23%) (2021-9.97%)

##### b) Basis of accounting

Revenues and expenditures are reported using the accrual basis of accounting. This basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable because of receipt of goods or services and/or a legal obligation to pay.

##### c) Government transfers

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

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 2. Significant accounting policies (continued)

##### d) Fund accounting

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

##### e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, short-term deposits with original maturities of three months or less. Bank borrowings are financing activities.

##### f) Investments

The Town of Kentville uses the cost method of accounting for its portfolio investments.

##### g) Non-financial assets

Non-financial assets are not available to discharge the existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

##### h) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development, or betterment of the asset. Donated assets are recorded at their estimated fair market value upon acquisition and are recorded as revenue.

Interest paid on projects in progress is capitalized as part of the cost of the project. During the year, \$5,449 (2021-\$3,889) of interest costs were capitalized. The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis over its useful life. Assets under construction are not amortized until the asset is put into use. Amortization is recorded as an expense commencing in the year following acquisition.

The estimated useful lives are as follows:

<u>Asset</u>	<u>Years</u>	<u>Rate</u>
Office equipment	5 years	20%
Motor vehicles	3-5 years	33%-20%
Fixed and moveable equipment	10 years	10%
Sidewalks	20 years	5%
Municipal buildings	40 years	2.5%
Other infrastructure	50 years	2.0%

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 2. Significant accounting policies (continued)

##### i) Revenue recognition

Revenues are recognized as they are earned and measurable. Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made. Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

##### j) Use of estimates

In preparing the Town's consolidated financial statements, management is required to make estimates and use assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

##### k) Valuation allowance

###### *Uncollected receivables*

The Town provides a valuation allowance for estimated losses that will be incurred in collecting receivables outstanding.

##### l) Interest on reserve funds

Interest on operating and capital reserve funds is recorded as income in the Town of Kentville General Operating fund except for interest earned on the funds for the administration pension, which is being accumulated in that reserve, interest earned on KWC Depreciation bank, which is being accumulated in that reserve and interest earned on Federal Gas Tax Funds (Canada Community-Building Fund), which is recognized by that capital reserve.

##### m) Financial instruments- fair values

The estimated fair value of cash and cash equivalents, receivables, inventories, bank indebtedness and payables approximate the carrying values due to the relatively short-term nature of the instruments and /or floating interest rates on the instruments. The estimated fair value of long-term debt also approximates carrying value due to interest rates that are based on the lender's rate.

##### n) Taxes collected for others- education

The Province created regional centres for education under provisions in the Education Act. By Provincial statute, every municipality is required to make a mandatory contribution to education. The Annapolis Valley Regional Centre for Education (AVRCE) encompasses the following regions: Kings County, Kentville, Wolfville, Berwick and the Hantsport area. The total mandatory contribution is set by the Province each year.

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 2. Significant accounting policies (continued)

##### o) Taxes collected for others- education (continued)

The AVRCE has a unique agreement and related formulae, which determines the yearly payment by each partner. Kentville's contribution in 2022 was \$1,609,884 (2021- \$1,535,807). Collection of this mandatory payment is by inclusion in the general tax levy; however, the net effect to the Town's financial results is nil, as amounts collected are forwarded to AVRCE.

##### p) Budget information

Budget information is presented on a basis consistent with that used for actual results.

##### q) Budget process

The budget amounts presented in the consolidated financial statements are based on the 2022 operating and capital budgets approved by Town Council on a cash basis. The following reconciles the approved budget to the budget amounts presented in the consolidated financial statements using the accrual basis of accounting, in accordance with Canadian public-sector standards.

	<b>2022</b>
Budget balance for the year (surplus)	<b>\$12,000</b>
Add back: amortization	<b>(2,109,500)</b>
proceeds new debt	<b>(1,299,100)</b>
transfers to/from own funds	<b>(506,600)</b>
Less: principal payments on debt	<b>1,102,000</b>
capital expenditures per budget	<b>3,190,700</b>
Adjusted annual surplus	<b>\$389,500</b>

##### r) Liability for contaminated site PS3260

In June 2010, the Public Sector Accounting Board issued *PS 3260 Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements. PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The Town has determined that none of its properties meet the criteria to recognize a liability for contaminated sites, therefore it expects no impact from adoption of PS 3260.

##### s) Land held for sale

Land held for sale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

#### 3. Cash

Cash at March 31, 2022 is as follows:

	2022	2021
General operating bank	\$744,442	\$149,688
General capital bank	36,846	
Water operating bank	174,759	91,749
Water capital bank	75,679	104,190
Reserve banks		
General operating	1,067,365	765,893
General capital	2,467,951	1,446,003
Sanitary Sewer operating	514,980	408,246
Sanitary Sewer capital	140,370	140,370
Sanitary Sewer depreciation	193,374	100,774
Water operating	170,620	170,620
Water capital	838,810	710,710
Water depreciation	929,643	857,015
	<u>\$7,354,839</u>	<u>\$4,945,258</u>

#### 4. Receivables

	2022			2021
	Current Year	Prior Years	Total	Total
<b>General Operating:</b>				
Taxes Receivable				
Balance taxes, beginning of year		\$74,745	\$74,745	\$92,448
Current year's levy	\$9,841,732		9,841,732	9,635,551
	<u>9,841,732</u>	<u>74,745</u>	<u>9,916,477</u>	<u>9,727,999</u>
Deduct				
Current year's collection	9,740,679	73,253	9,813,932	9,589,178
Reduced taxes	60,971		60,971	64,076
	<u>9,801,650</u>	<u>73,253</u>	<u>9,874,903</u>	<u>9,653,254</u>
Balance- taxes, end of year	\$40,082	\$1,492	41,574	74,745
<b>Sanitary sewer rates receivable</b>			<b>182,728</b>	200,121
<b>Other receivables</b>			<b>642,077</b>	1,432,121
<b>Total receivables General Operating</b>			<b>866,379</b>	1,706,987
<b>General Capital</b>				86,761
<b>Water rates and other</b>			<b>218,888</b>	433,238
<b>Special Reserves</b>			<b>63,164</b>	77,440
			<u>\$1,148,431</u>	<u>\$2,304,426</u>

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

#### 5. Land held for sale

	Opening Balance	Additions	Disposals at Cost	Balance 2022	Balance 2021
Unsold land	\$66,957	\$15,050	\$(37,157)	\$44,850	\$66,957

#### Comprised of:

	2022	2021
Kentville Business Park	\$44,850	\$66,957

**Kentville Business Park-** As at March 31, 2022, it is not known if the Town will incur any losses on the sale of business park lands. Construction of new infrastructure to expand the Town-owned portion of the park was undertaken in 2018. New lots are being carved out as requests occur.

#### 6. Investments

Pursuant to revised Policy G-26, ratified by Council January 25, 2021 and the Minister for Department of Municipal Affairs & Housing on February 3, 2022 and under the guidance of the Town's Investment Committee, TD Wealth acts as custodian and fund advisor for the perpetual reserve investment fund. Investments include common shares, short-term financial instruments and long-term federal, provincial and corporate fixed-income securities.

Investments are recorded at cost. Investments in publicly-traded shares are recorded at the acquisition cost plus brokerage fees. Investments in long-term bonds are recorded at cost, net of any premium or discount. Declines in market value of investments below amortized cost are temporary in nature. Management fees are paid directly to TD Wealth out of current-period investment earnings. Capital gains can remain within the fund. Realized capital (losses) for the year ended March 31, 2022 are \$(14,121) (2021-(\$6,759)).

Investment instruments include:

	2022		2021
	Cost	Market	Cost
Short-term			
Cash and equivalents	\$1,325,205	\$1,322,196	\$2,012,228
Long-term			
Equity stock	4,442,426	5,723,486	4,766,934
Fixed income securities	7,415,763	7,142,116	6,475,628
	<u>\$13,183,394</u>	<u>\$14,187,798</u>	<u>\$13,254,790</u>

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 7. Long term debt

	<u>2022</u>	<u>2021</u>
Municipal Finance Corporation debenture, bearing interest at 4.221%, repayable in annual instalments of \$256,100 plus interest, maturing in 2021		\$256,100
Municipal Finance Corporation debenture, bearing interest from 3.172%-3.856%, repayable in annual instalments of \$118,560 plus interest, maturing in 2027	<b>\$568,560</b>	687,120
Municipal Finance Corporation debenture, bearing interest from 2.644%-2.979%, repayable in annual instalments of \$62,020 plus interest, maturing in 2023	<b>124,040</b>	186,060
Municipal Finance Corporation debenture, bearing interest from 2.769%-3.347%, repayable in annual instalments of \$92,500 plus interest, maturing in 2024	<b>277,500</b>	370,000
Municipal Finance Corporation debenture, bearing interest from 2.056%-2.786%, repayable in annual instalments of \$104,400 plus interest, maturing in 2025	<b>417,600</b>	522,000
Municipal Finance Corporation debenture, bearing interest from 1.809%-2.925%, repayable in annual instalments of \$109,920 plus interest, maturing in 2026	<b>549,600</b>	659,520
Municipal Finance Corporation debenture, bearing interest from 1.655%-2.653%, repayable in annual instalments of \$115,900 plus interest, maturing in 2027	<b>695,400</b>	811,300
Municipal Finance Corporation debenture, bearing interest from 2.582%-3.2995%, repayable in annual instalments of \$106,850 plus interest, maturing in 2028	<b>595,450</b>	702,300
Municipal Finance Corporation debenture, bearing interest from 1.948%-2.712%, repayable in annual instalments of \$73,140 plus interest, maturing in 2029	<b>585,120</b>	658,260
Municipal Finance Corporation debenture, bearing interest from 0.859%-1.879%, repayable in annual instalments of \$62,610 plus interest, maturing in 2030	<b>563,490</b>	626,100
Municipal Finance Corporation debenture, bearing interest from 0.4%-1.398%, repayable in annual instalments of \$60,000 plus interest, maturing in 2026	<b>300,000</b>	
Municipal Finance Corporation debenture, bearing interest from 0.4%-2.376%, repayable in annual instalments of \$76,260 plus interest, maturing in 2031	<b>762,600</b>	
	<b>\$5,439,360</b>	<b>\$5,478,760</b>



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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 7. Long term debt (continued)

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

	General Capital	Water Capital
2022	\$875,660	\$106,500
2023	\$848,100	\$60,500
2024	\$786,080	\$30,000
2025	\$723,580	
2026	\$619,180	

All long-term debt outstanding at year-end has been properly authorized by the Nova Scotia Department of Municipal Affairs.

Total interest charges for debenture debt reported on the Consolidated Statement of Operations are \$130,594 (2021-\$159,111).

Of the total charges shown above, \$117,730 (2021-\$138,030) relates to general revenues of the Town of Kentville, \$7,524 (2021-\$15,705) was recovered from the water supply operation and \$5,340 (2021-\$5,376) was recovered from the sanitary sewer operation. The amounts are included on the Consolidated Statement of Operations, classified under the appropriate functional expenditure headings.

#### 8. Deferred revenue- obligatory reserve fund

	2022	2021
Federal Gasoline tax revenue	\$596,896	\$61

#### 9. Tax sale surplus

Pursuant to the Municipal Government Act, the Town of Kentville is required to record tax sale surplus funds on the Town of Kentville Operating Fund's Statement of Financial Position for a period of 20 years.

After the expiry date, the cash will be transferred to the Town Capital Reserve fund. Of the total amount, the following will be transferred as follows:

2037- \$12,043

#### 10. Sick pay accrual

The Town of Kentville has a sick leave policy, which entitles employees with five or more years of service to a cash payment of a percentage of their accumulated sick days, on their termination of employment. The total liability at March 31, 2022 is \$569,032 (2021-\$591,189). Of this total liability, \$534,136 (2021-\$557,018) is recorded in the Town of Kentville Operating Fund and \$34,896 (2021-\$34,171) is recorded in the Kentville Water Commission Operating Fund.

**Town of Kentville**  
**Notes to the Consolidated Financial Statements**

March 31, 2022

**11. Tangible capital assets**

General Capital	Cost Beginning of Year	Additions	Disposals	Cost End of year	Amortization 2021/22	Accumulated Amortization on Disposals	Accumulated Amortization End of Year	Net Book Value End of Year
Land	\$3,145,250	\$8,350	\$298,000	\$2,855,600				\$2,855,600
Land improvements	1,369,431	38,697		1,408,128	\$43,022		\$517,602	890,526
Buildings	6,033,749	73,624		6,107,373	207,455		3,448,597	2,658,776
Engineered structures	38,466,225	1,425,782	202,287	39,689,720	922,798	\$202,287	17,523,394	22,166,326
Plant & equipment	6,111,915	500,312	213,558	6,398,669	551,855	213,558	4,176,871	2,221,798
	55,126,570	2,046,765	713,845	56,459,490	1,725,130	415,845	25,666,464	30,793,026
Water Capital								
Land	144,661			144,661				144,661
Infrastructure & equipment	18,855,224	315,059		19,170,283	476,173		7,999,790	11,170,493
	18,999,885	315,059		19,314,944	476,173		7,999,790	11,315,154
	\$74,126,455	\$2,361,824	\$713,845	\$75,774,434	\$2,201,303	\$415,845	\$33,666,254	42,108,180
							Work in progress	32,548
								<u>\$42,140,728</u>

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 12. Investment in capital assets

	2022	2021
Balance, beginning of year	\$36,670,469	\$36,155,927
Capital acquisitions	2,260,858	2,764,384
Debt proceeds	(2,016,376)	(1,588,499)
Repayment of debt	2,160,799	2,033,564
Properties held for sale and propane tank debt repayment	(84,488)	(84,487)
Assets disposed	(713,845)	(737,979)
Accumulated depreciation on disposal	415,845	225,483
Amortization and depreciation	(2,201,303)	(2,097,924)
	(178,510)	514,542
Balance, end of year	\$36,491,959	\$36,670,469

#### 13. Commitments- leases

The Town of Kentville entered into a number of long-term operating leases with varied expiry dates. The following is a compilation of leases as at March 31, 2022 and payments committed for these leases over the next five years.

	2023	2024	2025	2026	2027
	\$	\$	\$	\$	\$
Caterpillar- backhoe	24,892	24,892	24,892	24,892	21,780
KOTI Tractor	8,488	8,488	7,780		
Scag Turf Tiger	4,482	4,482	2,241		
Steiner 450 tractor	5,005	5,005	2,502		
Quadient- folder/mail machine	6,776	6,776	6,776	6,776	5,082
Ricoh-photocopier- TH downstairs	3,183	3,183	2,387		
Ricoh-photocopier- TH upstairs	607				
Kyocera photocopier- Police	3,554	4,077	4,077	4,077	4,077
Sharp photocopier- Library	760				
Library building lease*	86,582	86,582	86,582	86,582	86,582
	144,329	143,485	137,237	122,327	117,521

\*The Municipality of the County of Kings and the Town of Kentville signed a funding agreement on August 19, 2016 in which the Municipality agrees to provide funding for an amount equal to half the lease cost for the Kentville Library. This agreement is in effect if the Kentville Library is housed in its current location.

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 14. Pension plans

Two pension plans are set up for membership of all permanent employees of the Town. Contributions are shared by the Town and the members as follows: employee 8.0% and employer 8.0% of employee's pensionable earnings.

A **defined contribution pension plan** has been set up to conform to the Pension Benefits Act. All permanent employees belong to this plan. Sharing of contributions is as noted above for all employees other than CUPE Local 4403 members. CUPE Local 4403 members contribute 3.0% and the Town contributes 2.5% to this plan on behalf of CUPE Local 4403 members.

A **multi-sector pension plan** has been set up for the members of CUPE Local 4403. This Multi-Sector Pension Plan (MSPP) is offered through the Canadian Union of Public Employees (CUPE) and conforms to the Pension Benefits Act. CUPE employees shall contribute 5.0% to the MSPP and the employer shall contribute 5.5%. The Union acknowledges and agrees that under the current pension legislation, and/or regulations, the employer has no requirement to fund any deficit in the Plan but is required to contribute only that amount as required by the collective agreement in force between the parties.

During the year, on behalf of its employees, contributions were made as follows:

	Defined Contribution	MSPP
Town of Kentville	\$253,928 (2021-\$213,346)	\$47,284 (2021-\$45,566)
Kentville Water Utility	\$3,655 (2021-\$2,739)	\$8,040 (2021-\$7,932)

#### 15. Rate of return on rate base

For the year ended March 31, 2022, the Town of Kentville Water Utility had a rate of return on rate base of 3.33% (2021- 5.32%). The rate of return is calculated using the amortization approved by the Nova Scotia Utility and Review Board.

#### 16. Contingencies

##### a) Kentville Volunteer Fire Department Inc.

###### Inter-municipal Fire Services Agreement

On January 23, 2017, a ten-year agreement between the Town of Kentville, the Municipality of the County of Kings and the Kentville Volunteer Fire Department, Inc. was ratified detailing the obligations of the partners. This agreement is for a 10-year period encompassing March 31, 2015 to March 31, 2025.

##### b) Collective agreements

The collective agreement between the Town of Kentville and Atlantic Police Association (APA) Local 107 was ratified on June 29, 2020 and will expire March 31, 2024. The collective agreement between the Town of Kentville and CUPE Local 4403 was ratified on July 29, 2019. This contract expires March 31, 2023.

##### c) Valley Waste-Resource Management Authority loan guarantees

Kentville Town Council guaranteed its share of several loans taken by Valley Waste-Resource Management Authority (VWRMA). They are as follows:

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 16. Contingencies (continued)

Date of Ratification	Debenture #	Principal	Share	Guarantee Amount	Outstanding
May 25, 2015	36-A-1	\$860,000	7.74%	\$66,564	\$Nil
July 24, 2017	37-A-1	\$1,348,265	7.84%	\$105,637	69,817
July 25, 2016	38-A-1	\$399,000	9.95%	\$39,701	} 30,997
February 20, 2018	38-A-1	\$187,335	9.95%	\$18,640	
January 29, 2018	39-A-1	\$514,000	9.95%	\$51,143	2,398
October 13, 2020		\$945,000	9.99%	\$94,406	
September 27, 2021	41-A-1	\$462,731	10.05%	\$46,504	53,956
<b>Total</b>					<b><u>\$157,168</u></b>

The Town of Kentville is required to make payments on these loans only if Valley Waste-Resource Management Authority defaults. The Minister for the Nova Scotia Department of Municipal Affairs has authorized all loan guarantees.

#### 17. Subsequent events

On May 17, 2022, the Town of Kentville received debenture funds in the amount of \$963,400 from Nova Scotia Municipal Finance Corporation, \$728,400 for general purposes and \$235,000 for sanitary sewer purposes.

#### 18. Other matters

The total remuneration in 2022, including benefits along with expenses, paid to each member of the council and the Chief Administrative Officer is as follows:

	Remuneration	Expenses
Mayor Snow	\$47,419	\$2,774
Gerrard	25,729	751
Huntley	25,729	2,122
Maxwell	25,729	928
Savage	28,164	898
Yorke	25,729	983
Zebian	25,729	1,064
CAO Troke	156,464	4,826
CAO Rice	12,193	
	<u>\$372,885</u>	<u>\$14,346</u>

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 19. Properties held for sale

##### Land sale transactions

On December 28, 2015, the Town of Kentville purchased two lots (42.1 acres) of industrial land contained in the Kentville Business Park. The land was appraised at \$67,000 in 2014. The combined assessment at purchase was \$1,007,800. The cost of the land was \$67,000. This land is to be sold for economic development purposes.

All Kentville Business Park land sales are detailed below with the net proceeds deposited to the Town Capital Reserve.

Date	Details	Acres	Sale Price
October 2016		3.85	\$73,250
December 2016	Lot TOK 3	4.01	100,000
September 2017	Lot TOK 1C	7.4	135,000
March 2018	Lot TOK 2L	.55	13,750
June 2019	Lot TOK 2H	.63	15,750
September 2019	Lots TOK 2A & 2B	1.88	47,000
March 2021	Lot TOK 2D	1.49	37,250
April 2021	Lot TOK 2F	.52	13,000
May 2021	Lot TOK 2E	.54	15,000
June 2021	Parcel Y	.53	13,250
June 2021	Lot TOK 2C	1.8556	46,500
June 2021	Lot TOK 3DEF	2.4579	61,500
July 2021	Lot TOK 2GB	.5936	15,000
December 2021	PID 55545362	1.21425113	30,356
December 2021	Lot TOK 2GC	.61	15,250
December 2021	PID 55539761	1.68805099	42,201
		29.81940212	\$674,057

#### 20. Segmented information

The Town of Kentville is a diversified municipal government institution that provides a wide range of services to its citizens. For management reporting purposes the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Town services are provided by departments and their activities are reported in those segments. The following departments have been separately disclosed in the segmented information along with the services they provide:

##### General Government services

**Legislative-** The Council serves as elected representatives of the Town of Kentville and collectively determines policies to be administered by Town employees, Boards and Commissions; provides the decision-making for the policy formulation and analysis process in the Town of Kentville; interprets the most

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 20. Segmented information (continued)

important needs and aspirations of the citizens of the Town of Kentville; enhances communications between citizens and their local government in the Town of Kentville; establishes the direction and approves appropriate matters in conducting Town affairs.

**General Administration** provides the formulation, evaluation and implementation of Council policies, procedures and directives; recommends the establishment of policy, including the addition, deletion and modification to policy; provides continuing advice, guidance and assistance to Council and related committees and boards; ensures proper management and utilization of financial resources in a legally correct, responsible way following all guidelines as they pertain to municipal finance; provides mandatory transfer for assessment services.

#### Protective services

**Police Protection-** The Kentville Police Service is committed to building a safe community for the citizens through community partnerships, education and crime prevention, social development, excellence in service delivery, and professionalism practices by a commitment to community-based policing. **Law Enforcement** provides Provincial mandatory transfers for correctional services and prosecutorial services, along with by-law enforcement. **Fire Protection** provides services in an emergency capacity for the Town of Kentville; responds to emergency calls - fire, accident; supplies hydrants for firefighting purposes. **Emergency measures** provides central contact for Emergency Measures Organization; provides protection to its citizens in emergency situations; provides control of pests and animals; ensures the safety of citizens; ensures buildings are safe structurally and comply with building code legislation and fire code legislation.

#### Transportation services

**Common Services** provides the administration and provision of engineering and works; provides services to maintain the roadway systems, the wastewater systems and street lighting; preserves and safeguards the investment made in infrastructure and equipment. **Environmental Health services** provide collection of solid waste and recyclables in an efficient and environmentally friendly manner. To provide for the disposal of sewage in an environmentally acceptable manner by building and maintaining appropriate infrastructure. To ensure proper treatment of effluents as a partner in the regional sewage treatment plant.

#### Public Health and Welfare services

**Public Health and Welfare** provides a mandatory transfer to the Regional Housing Authority; provides support for local social programs.

#### Environmental Development services

**Environmental Planning and Zoning** administers policy and enforces codes, bylaws and regulations pertaining to use of land within the Town; administers Municipal Planning Strategy and Land Use Bylaw; provides natural resource development. **Community development** provides funding to the Regional Economic Network (REN 3), Kentville Business Community (KBC) and provides a capacity for promotion of the Town.

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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 20. Segmented Information (continued)

##### Recreation services

**Recreation** provides and facilitates quality leisure services for citizens of all ages in the Town (and County); provides the widest possible variety of constructive leisure pursuits including a pool, a splash pad, an arena, parks, walking and biking trails, passive recreation facilities; provides for cultural facilities such as a library and museum along with a mandatory transfer to the Regional Library.

##### Education services

**Education** provides the mandatory appropriations to Regional Centre for Education for its provision of education services within the Annapolis Valley Region.

##### Water services

**The Kentville Water Utility** provides the delivery of drinking water through the supply, pumping, treatment and distribution of potable water to its users.

##### Methodologies

Certain allocation methodologies are employed in the preparation of the segmented financial information. The General Operating Fund reports on municipal services that are funded primarily by property taxation and rates. The Kentville Water Operating Fund reports on municipal services that are funded primarily by rates.

The accounting policies used in these separate segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2. For additional information, see the Schedules to the Consolidated Statement of Financial Activities (pp. A-25 to A-32).

#### 21. Accumulated surplus

	2022	2021
Surpluses (deficits)		
General operating fund	\$Nil	\$Nil
General capital fund	(865,395)	(998,370)
Water operating fund	286,439	277,557
Water capital fund	46,102	86,102
Reserve funds	19,153,674	18,480,245
	<u>18,620,820</u>	<u>17,845,534</u>
Invested in tangible capital assets (net)	<u>36,491,959</u>	<u>36,670,469</u>
Total accumulated surplus	<u>\$55,112,779</u>	<u>\$54,516,003</u>



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## Town of Kentville

### Notes to the Consolidated Financial Statements

March 31, 2022

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#### 22. Kentville Water Utility- depreciation

On April 1, 2010, the Kentville Water Commission adopted *Section 3042* of the Nova Scotia Utility and Review Board Accounting Manual for Water Utilities- *Capital Asset Useful Life Guidelines*, which cites the recommended depreciation guidelines for a water utility. Kentville Water Commission applies these new depreciation rates on its newly constructed tangible capital assets.

The rates are prescribed as follows:

Classification		Useful life	Annual Depreciation Rate
Structures	Wells	40 years	2.5%
	Pumping	50 years	2.0%
	Distribution reservoirs	75 years	1.3%
	Treatment plant	50 years	2.0%
Equipment	Pumping	20 years	5.0%
	Equipment	5 years	20%
Mains	Transmission/Distribution	75 years	1.3%
Meters		25 years	4.0%
Hydrants		75 years	1.3%
Services		50 years	2.0%

#### 23. Consolidated expenses by object

	2022	2021
Remuneration	\$5,357,590	\$4,945,250
Contracted services	802,133	768,994
Purchased goods & services from the public sector	896,741	882,120
Materials, goods, supplies and utilities	3,667,392	3,519,120
Grants and transfers to organizations	468,890	454,643
Transfers to Province	138,449	130,132
Allowance for doubtful accounts	73,819	58,243
Other expenses	1,530	1,162
Interest on long-term debt	130,594	159,111
Bank charges and short-term interest	22,005	22,150
Amortization, write-downs, net gains/losses	2,567,538	2,625,616
<b>Total consolidated expenses by object</b>	<b>\$14,126,681</b>	<b>\$13,566,541</b>

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**Town of Kentville****Notes to the Consolidated Financial Statements**March 31, 2022

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**24. Amounts contributed for provincially mandated services:**

	Budget	2022	2021
<b>Assessment services</b>	\$90,900	\$90,941	\$91,159
<b>Correctional &amp; prosecutorial services</b>	95,100	91,307	86,912
<b>Housing</b>	90,000	65,264	60,526
<b>Regional library</b>	42,800	42,800	36,948
<b>Education</b>	1,610,000	1,609,884	1,535,807
	<u>\$1,928,800</u>	<u>\$1,900,196</u>	<u>\$1,811,352</u>

**Education**

Provincial statute requires that every municipality make a mandatory contribution to its centre for education. The Annapolis Valley Regional Centre for Education (AVRCE) encompasses the following locales: Kings County, Kentville, Wolfville, Berwick and Hantsport area. The total mandatory contribution is set by the Province each year.

**Assessment services**

The Town is required to pay a share of the cost of operating the Property Valuation Services Corporation based on the total municipal assessment times the average of the Town's share of the Uniform Assessment and the Town's share of assessment accounts. This expense is included in general government services.

**Correctional & prosecution services**

Municipalities in Nova Scotia are required to make a mandatory contribution to fund the cost of correctional and prosecutorial services. The contributions are set by provincial formula and are included in protective services.

**Housing**

The Town is required to pay a share of the costs of the operations of social housing located in Kentville provided by Housing Nova Scotia. This expense is included in public health services.

**Regional library**

The Town is required to pay a share of the costs of operations of the Annapolis Valley Regional Library. This expense is included in recreation services.

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**Town of Kentville****Notes to the Consolidated Financial Statements**March 31, 2022

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**25. Disputes**

The arbitration between the Town of Kentville and the Municipality of County of Kings was held on February 21, 2021 before Craig M. Garson, Q.C. of Garson MacDonald. The arbitration award was released on April 8, 2021. The Town was awarded \$ 598,440, which equated to the amount claimed by Kentville. The arbitrator awarded Kings \$ 96,968, as acknowledged by Kentville. The arbitrator's decision regarding costs arrived June 22, 2021 with Kentville being awarded \$44,848. Payments between the parties were exchanged on October 15, 2021.

The Town and a local developer are in a legal dispute over the development of land in the downtown core. An application was heard in the Supreme Court of Nova Scotia on April 25, 2022. The Town seeks specific performance of an Agreement for Purchase and Sale. The parties amended the agreement three times to extend the deadlines for beginning construction, the last being June 29, 2021. The developer requested a further extension in October 2021, which Town Council voted against in November 2021. As at March 31, 2022, the matter is not resolved. To March 31, 2022, the Town has spent \$26,078 for legal services.

**26. Notices of Intended Action**

The Town received a *Notice of Action* by M & D Davison on March 11, 2020. The matter was sent to the Town's general insurance carrier and a claims officer was assigned. The Town's financial responsibility is the deductible of \$25,000. To March 31, 2022, the Town expended \$25,000, which is included in General Administration.

The Town received a *Notice of Intended Action* by Open Arms Resource Centre Society on March 17, 2021. The matter was forwarded to the Town's general insurance carrier and a claim has been opened. The Town's financial responsibility is the deductible of \$ 25,000. To March 31, 2022, the Town expended \$11,284.

The Town received a Notice of Application in Court on February 3, 2022 regarding conflict of interest allegations against a sitting council member. The matter has been turned over to the Town's general insurance carrier and a claim has been opened. The Town's financial responsibility is the deductible of \$25,000. To March 31, 2022, the Town has expended \$958.

**27. Comparative figures**

In some instances, comparative figures have been reclassified to conform to current year's financial statement presentation.

## Town of Kentville

### Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2022

2021

	<u>Budget</u> unaudited	<u>Actual</u>	<u>Actual</u>
<b>TAXATION REVENUE</b>			
<b>Assessable property</b>			
Residential	\$ 6,316,600	\$ 6,325,312	\$ 6,141,985
Commercial			
Commercial property	1,901,800	1,895,767	1,883,615
Resource			
Taxable assessments	43,500	43,250	41,961
Forest (less than 50,000 acres)	100	73	85
Other assessable property taxes			
Farm property acreage	500	569	565
	<u>8,262,500</u>	<u>8,264,971</u>	<u>8,068,211</u>
<b>Special tax agreements</b>			
Bell Aliant- based on revenue	38,000	36,156	38,022
Business Park- based on Special Tax Legislation	718,000	745,619	741,124
	<u>756,000</u>	<u>781,775</u>	<u>779,146</u>
<b>Subtotal assessable property</b>	<b>9,018,500</b>	<b>9,046,746</b>	<b>8,847,357</b>
<b>Other rates, charges and assessments</b>			
Economic development	113,800	113,654	114,622
Special assessments- betterments	5,000	3,387	4,935
Fire area rate	203,700	203,396	197,482
Fire protection rate	462,600	474,549	471,155
Transfer to volunteer fire department- Fire area rate	(203,700)	(203,396)	(197,482)
Transfer to Kentville water utility- Fire protection rate	(462,600)	(474,549)	(471,155)
	<u>118,800</u>	<u>117,041</u>	<u>119,557</u>
<b>Total taxation revenue levied</b>	<b>9,137,300</b>	<b>9,163,787</b>	<b>8,966,914</b>
<b>Expenditures as a reduction of tax revenue</b>			
Appropriation for education	(1,610,000)	(1,609,884)	(1,535,807)
Transfer to Province, Corrections	(84,900)	(86,599)	(84,887)
Deficit of Housing Nova Scotia	(90,000)	(65,264)	(60,526)
	<u>(1,784,900)</u>	<u>(1,761,747)</u>	<u>(1,681,220)</u>
	<u>\$ 7,352,400</u>	<u>\$ 7,402,040</u>	<u>\$ 7,285,694</u>
<b>GRANTS IN LIEU OF TAXES</b>			
<b>Federal government</b>	<u>\$ 417,800</u>	<u>\$ 386,292</u>	<u>\$ 418,029</u>
<b>Provincial government</b>			
Provincial property	<u>182,100</u>	<u>182,079</u>	<u>183,270</u>
	<u>\$ 599,900</u>	<u>\$ 568,371</u>	<u>\$ 601,299</u>

See accompanying notes to the consolidated financial statements

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## Town of Kentville

### Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2022

2021

	Budget unaudited	Actual	Actual
<b>SERVICES PROVIDED TO OTHER GOVERNMENTS</b>			
Provincial government	\$ 120,000	\$ 137,515	\$ 120,285
Other local government	91,000	90,715	91,882
	<u>\$ 211,000</u>	<u>\$ 228,230</u>	<u>\$ 212,167</u>
<b>SALES OF SERVICES</b>			
Administration	\$ 38,700	\$ 38,535	\$ 37,522
Protective services	480,000	499,878	493,192
Transportation services		1,635	16,363
Recreation services	4,400	4,348	4,348
	<u>\$ 523,100</u>	<u>\$ 544,396</u>	<u>\$ 551,425</u>
<b>OTHER REVENUE FROM OWN SOURCES</b>			
Licenses and permits	\$ 4,800	\$ 6,286	\$ 4,922
Fines	33,000	25,530	22,262
Rentals	397,500	330,006	340,819
Miscellaneous	44,300	76,186	89,917
	<u>\$ 479,600</u>	<u>\$ 438,008</u>	<u>\$ 457,920</u>
<b>UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS</b>			
Provincial government			
Municipal Grants Act- Equalization	\$ 167,800	\$ 335,700	\$ 167,850
NSPI- Grant in lieu of taxes	8,400	8,215	8,390
NSPI- HST offset	45,000	45,996	46,558
	<u>\$ 221,200</u>	<u>\$ 389,911</u>	<u>\$ 222,798</u>
<b>CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS</b>			
Federal government			
Canada summer jobs		\$ 16,313	\$ 10,542
Canadian Parks & Recreation Association		19,501	800
		<u>35,814</u>	<u>11,342</u>
Provincial government			
Administration			189,973
Law enforcement	\$ 100,000	116,368	100,000
Transportation- transit			83,200
Economic development		3,500	15,000
Recreation	25,000	37,000	44,509
	<u>125,000</u>	<u>156,868</u>	<u>432,682</u>
	<u>\$ 125,000</u>	<u>\$ 192,682</u>	<u>\$ 444,024</u>

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**Town of Kentville****Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

**2022****2021**

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	<u>Budget</u> unaudited	<u>Actual</u>	<u>Actual</u>
<b>General government services</b>			
Legislative			
Mayor's remuneration	\$ 48,100	\$ 47,620	\$ 46,648
Mayor's expenses	7,000	2,774	725
Legislative benefits	16,500	16,337	13,737
Council remuneration	159,100	157,410	154,199
Council expense	24,300	6,857	5,126
Election			33,398
	<u>255,000</u>	<u>230,998</u>	<u>253,833</u>
General administration			
Administrative and financial management	870,500	866,280	866,108
Taxation			
Reduced taxes (MGA, Section 69)	12,000	10,680	11,334
Reduced taxes (MGA, Section 71)	50,300	50,291	52,742
Property Valuation Services Corporation	90,900	90,941	91,159
Common services	127,400	124,117	148,290
Other general administrative services	20,000	11,992	17,731
	<u>1,171,100</u>	<u>1,154,301</u>	<u>1,187,364</u>
Debt charges			
Interest on long-term debt	4,300	4,401	4,236
Term loan interest	300	218	
Debenture discount	8,600	6,934	4,429
	<u>13,200</u>	<u>11,553</u>	<u>8,665</u>
Valuation allowances			
Uncollectible receivables	3,000	52,802	(84)
Accrued liability	60,000	21,017	58,327
	<u>63,000</u>	<u>73,819</u>	<u>58,243</u>
Other general government services			
Conventions and travel	9,000	9,149	5,512
Liability insurance	24,000	25,215	20,621
Grants	7,000	2,000	
Legal and audit	30,000	85,979	140,896
Management fees, perpetual investment fund	36,000	37,410	35,391
Other	2,000	2,534	1,601
	<u>108,000</u>	<u>162,287</u>	<u>204,021</u>
	<u>\$ 1,610,300</u>	<u>\$ 1,632,958</u>	<u>\$ 1,712,126</u>

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See accompanying notes to the consolidated financial statements

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**Town of Kentville****Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

**2022****2021**

	<u>Budget</u> unaudited	<u>Actual</u>	<u>Actual</u>
<b>Protective services</b>			
Police protection			
Administration	\$ 626,300	\$ 578,942	\$ 584,933
Crime investigation, prevention and protective services	1,903,100	1,868,026	1,842,006
Training	20,000	17,113	16,321
Police station and buildings	50,700	63,485	46,271
Police automotive equipment	58,900	66,157	46,956
Other	3,200	1,306	3,995
	<u>2,662,200</u>	<u>2,595,029</u>	<u>2,540,482</u>
Law enforcement			
Transfer to Province- Prosecuting attorney	10,200	4,708	2,025
Legal	10,000	3,566	33,241
Other	91,400	83,673	66,402
	<u>111,600</u>	<u>91,947</u>	<u>101,668</u>
Fire protection			
Transfer- Kentville Volunteer Fire Department- Operating	193,800	174,447	165,143
Emergency measures			
Emergency measures	32,800	32,567	32,981
Animal control	12,000		361
Building inspection	32,700	33,280	27,882
Fire inspection	43,000	43,552	56,172
Other	10,000	22,714	5,589
	<u>130,500</u>	<u>132,113</u>	<u>122,985</u>
Debt charges			
Term loan interest	200	904	
Interest on long-term debt	4,800	4,120	12,902
	<u>5,000</u>	<u>5,024</u>	<u>12,902</u>
	<u>\$ 3,103,100</u>	<u>\$ 2,998,560</u>	<u>\$ 2,943,180</u>

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**Town of Kentville****Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

**2022****2021**

	<u>Budget</u> unaudited	<u>Actual</u>	<u>Actual</u>
<b>Transportation services</b>			
Common services			
Administration	\$ 303,800	\$ 288,838	\$ 232,607
Professional services	5,000	10,194	23,771
General equipment	289,400	371,827	288,152
Small tools and equipment	8,500	4,186	5,272
Workshops, yards, buildings	38,700	53,651	43,712
	<u>645,400</u>	<u>728,696</u>	<u>593,514</u>
Road transport			
Roads and streets	496,000	593,644	427,564
Street lighting	160,000	142,450	154,472
Traffic services	60,000	64,357	58,228
Parking	42,400	40,995	38,746
Other road transport	4,400	5,785	4,272
Other transportation			
Private work- other	20,000	11,232	20,159
Private work- water	74,000	74,379	70,549
	<u>856,800</u>	<u>932,842</u>	<u>773,990</u>
Public transit operating contribution	270,400	257,660	218,401
Public transit special contribution	15,500	12,345	15,095
	<u>285,900</u>	<u>270,005</u>	<u>233,496</u>
Debt charges			
Term loan interest	1,200	828	1,533
Interest on long-term debt	50,100	50,097	58,081
	<u>51,300</u>	<u>50,925</u>	<u>59,614</u>
	<u>\$ 1,839,400</u>	<u>\$ 1,982,468</u>	<u>\$ 1,660,614</u>

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See accompanying notes to the consolidated financial statements

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**Town of Kentville****Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

**2022**

2021

	<u>Budget unaudited</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental health services</b>			
Garbage and waste collection and disposal			
Garbage and waste collection	\$ 37,000	\$ 35,841	\$ 27,129
Municipal dumps	5,600	6,700	5,565
Valley Waste Resource Management Authority	621,400	627,686	603,851
Other	-	-	-
	<u>\$ 664,000</u>	<u>\$ 670,227</u>	<u>\$ 636,545</u>
<b>Public health services</b>			
Other	<u>\$ 6,500</u>	<u>\$ 11,500</u>	<u>\$ 6,500</u>
<b>Environmental development services</b>			
Environmental planning and zoning			
Administration	\$ 216,100	\$ 235,154	\$ 217,498
Research and planning	4,000	3,022	2,267
Legal	10,000	7,612	14,446
Other planning and zoning	1,000	31	65
	<u>231,100</u>	<u>245,819</u>	<u>234,276</u>
Community development			
Transfers to Regional Economic Network	29,000	28,414	28,414
Transfer for economic development	88,800	88,000	88,800
Other community development	28,300	47,906	47,629
	<u>146,100</u>	<u>164,320</u>	<u>164,843</u>
Natural resource development	<u>6,500</u>	<u>6,020</u>	<u>3,836</u>
Debt charges			
Term loan interest			634
Interest on long-term debt	31,200	31,230	34,572
	<u>31,200</u>	<u>31,230</u>	<u>35,206</u>
Other environmental development services			
Tourism and other development services	<u>205,400</u>	<u>186,658</u>	<u>192,259</u>
	<u>\$ 620,300</u>	<u>\$ 634,047</u>	<u>\$ 630,420</u>

See accompanying notes to the consolidated financial statements

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## Town of Kentville

### Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2022

2021

	<u>Budget</u> unaudited	<u>Actual</u>	<u>Actual</u>
<b>Recreation and cultural services</b>			
Recreation facilities			
Administration	\$ 538,800	\$ 513,294	\$ 468,007
Swimming pool	16,500	19,766	6,558
Arena	347,600	365,188	368,707
Parks and playgrounds	179,000	203,570	168,454
Recreation centre	43,500	43,095	33,263
Other recreation facilities	24,400	19,002	17,059
	<u>1,149,800</u>	<u>1,163,915</u>	<u>1,062,048</u>
Cultural buildings and facilities			
Library, museum and cultural	90,900	86,867	87,919
Transfer to Province- Regional Library	42,800	42,800	36,948
	<u>133,700</u>	<u>129,667</u>	<u>124,867</u>
Debt charges			
Term loan interest	1,000	599	1,441
Debenture interest	25,300	27,882	28,239
	<u>26,300</u>	<u>28,481</u>	<u>29,680</u>
Other recreational and cultural services			
Recreation grants and programs	75,800	69,306	70,407
Tree maintenance	66,000	16,862	11,620
	<u>141,800</u>	<u>86,168</u>	<u>82,027</u>
	<u>\$ 1,451,600</u>	<u>\$ 1,408,231</u>	<u>\$ 1,298,622</u>
<b>Administration and general</b>			
Supervision	\$ 16,200	\$ 16,170	\$ 15,000
Meter reading	39,700	38,380	36,051
Consumer billing and accounting	26,900	26,950	25,000
Officers' and executives' salaries	19,900	19,900	18,200
Other general office salaries	24,300	24,319	23,821
General office expense	13,900	12,637	11,814
Legal	500		
Audit	7,200	7,292	7,153
Rent	12,000	12,000	12,000
Regulatory expense	3,800	3,785	3,676
Insurance	20,100	23,303	17,518
Employee welfare	38,700	37,596	34,756
Training	5,000	911	98
Transportation	9,600	14,766	5,915
Professional studies	3,000		
Miscellaneous, general expenses	14,900	13,107	11,700
	<u>\$ 255,700</u>	<u>\$ 251,116</u>	<u>\$ 222,702</u>

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**Town of Kentville****Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

2022

2021

	<u>Budget</u> unaudited	<u>Actual</u>	<u>Actual</u>
<b>Supply</b>			
Supervision and engineering	\$ 10,500	\$ 10,575	\$ 9,053
Labor	7,900	7,309	7,210
Supplies and expense		3,926	705
	<u>\$ 18,400</u>	<u>\$ 21,810</u>	<u>\$ 16,968</u>
<b>Pumping</b>			
Supervision and engineering	\$ 10,500	\$ 10,575	\$ 9,053
Labor	7,900	7,309	7,210
Supplies and expense	206,200	182,447	200,611
	<u>\$ 224,600</u>	<u>\$ 200,331</u>	<u>\$ 216,874</u>
<b>Purification</b>			
Supervision and engineering	\$ 14,100	\$ 14,100	\$ 12,071
Labor	63,400	58,471	57,681
Supplies and expense	219,800	297,798	202,076
	<u>\$ 297,300</u>	<u>\$ 370,369</u>	<u>\$ 271,828</u>
<b>Transmission and distribution</b>			
Supervision and engineering	\$ 35,100	\$ 35,250	\$ 30,177
Maps and records	6,000	5,392	4,865
Operation and meters	26,200	22,427	22,330
Maintenance of mains	90,000	52,716	56,400
Maintenance of services	65,000	54,165	56,537
Maintenance of meters	17,000	48,196	789
Maintenance of hydrants	26,500	42,702	33,271
Maintenance of other distribution plant	24,000	21,805	10,488
	<u>\$ 289,800</u>	<u>\$ 282,653</u>	<u>\$ 214,857</u>
<b>Other</b>			
Other	\$ 500	\$ 675	\$ 343
Debt charges			
Interest on long-term debt	7,500	7,524	15,705
Other debt charges	1,500	1,496	3,771
	<u>9,000</u>	<u>9,020</u>	<u>19,476</u>
Valuation allowances			
Allowance for uncollectibles	3,000	1,125	(7,078)
Accrued liability	800	725	703
	<u>3,800</u>	<u>1,850</u>	<u>(6,375)</u>
	<u>\$ 13,300</u>	<u>\$ 11,545</u>	<u>\$ 13,444</u>

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See accompanying notes to the consolidated financial statements

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**Town of Kentville****Schedule of General Operating Fund and Sanitary Sewer Area Service**

Year Ended March 31

**2022****2021**

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		<u>Budget</u> unaudited	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>				
Taxation revenue	A-25	\$ 7,352,400	\$ 7,402,040	\$ 7,285,694
Grants in lieu	A-25	599,900	568,371	601,299
Services provided	A-26	211,000	228,230	212,167
Sales of services	A-26	523,100	544,396	551,425
Other revenue from own sources	A-26	479,600	438,008	457,920
Interest		99,000	94,859	74,614
Unconditional transfers	A-26	221,200	389,911	222,798
Conditional transfers	A-26	125,000	192,682	444,024
Rates		1,300,000	1,284,172	1,371,519
Other		2,000	49,146	2,853
		<u>10,913,200</u>	<u>11,191,815</u>	<u>11,224,313</u>
<b>Expenditures</b>				
General government services		1,574,300	1,595,548	1,676,735
Protective services	A-28	3,103,100	2,998,560	2,943,180
Transportation services	A-29	1,839,400	1,982,468	1,660,614
Environmental health services	A-30	664,000	670,227	636,545
Public health services	A-30	6,500	11,500	6,500
Environmental development services	A-30	620,300	634,047	630,420
Recreation and cultural services	A-31	1,451,600	1,408,231	1,298,622
Wastewater				
Administration		131,300	150,832	204,665
Wastewater maintenance		65,000	56,103	44,337
Pumping stations		60,600	57,579	49,368
Treatment		815,300	813,209	792,501
Other		4,400	5,605	5,375
		<u>10,335,800</u>	<u>10,383,909</u>	<u>9,948,862</u>
Net revenues		577,400	807,906	1,275,451
Net transfers		<u>(575,900)</u>	<u>(628,789)</u>	<u>(856,361)</u>
Change in operating surplus		<u>\$ 1,500</u>	179,117	419,090
Opening fund balance			Nil	Nil
Current year surplus transferred to reserve funds			<u>(179,117)</u>	<u>(419,090)</u>
Ending surplus			<u>\$ Nil</u>	<u>\$ Nil</u>

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See accompanying notes to the consolidated financial statements

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**Town of Kentville****Schedule of General Operating Fund and Sanitary Sewer Area Service**

Year Ended March 31

	<b>2022</b>	2021
	<u>Actual</u>	<u>Actual</u>
Change in operating surplus (page A-33)	<u>\$ 179,117</u>	<u>\$ 419,090</u>
Ending surplus, General Operating	\$ 154,300	\$ 312,357
Ending surplus, Sanitary Sewer Area Service (restricted)	<u>24,817</u>	<u>106,733</u>
Combined ending surplus, before transfers	<u>\$ 179,117</u>	<u>\$ 419,090</u>

**Town of Kentville**  
**Schedule of General Capital Fund**

Year Ended March 31

	<b>2022</b>	<b>2021</b>
	<u>Budget unaudited</u>	<u>Actual</u>
		<u>Actual</u>
<b>Revenue</b>		
Grants- contribution	\$ 112,900	\$ 79,118
Capital contribution		\$ 32,270
Proceeds on sale		16,000
Proceeds on sale- properties held for sale		302,825
		196,000
	<u>112,900</u>	<u>196,001</u>
		<u>28,586</u>
		<u>272,856</u>
<b>Expenditures</b>		
General government service	20,000	10,877
Protective services	118,200	66,075
Transportation services	1,410,000	1,110,379
Environmental health services	325,000	371,949
Environmental development services	54,500	42,317
Recreation and cultural services	673,500	344,202
Other		54,112
	<u>2,601,200</u>	<u>1,999,911</u>
		<u>2,342,598</u>
Net (expenditure)	(2,488,300)	(1,421,967)
Issue of debt	1,299,100	2,016,376
Repayment of debt	(874,800)	(1,933,599)
Recoveries		84,488
		84,488
Net transfers	<u>2,064,000</u>	<u>1,387,677</u>
		<u>2,159,377</u>
Change in fund balance	<u>\$ Nil</u>	132,975
		(43,742)
Opening fund balance		<u>(998,370)</u>
		<u>(954,628)</u>
Closing fund balance		<u>\$ (865,395)</u>
		<u>\$ (998,370)</u>

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**Town of Kentville****Schedule of General Capital Fund Investment in Capital Assets**

Year Ended March 31

	2022	2021
	<u>Actual</u>	<u>Actual</u>
Tangible capital assets	<u>\$ 56,492,041</u>	<u>\$ 55,260,086</u>
Accumulated amortization	(25,666,464)	(24,357,178)
Outstanding debt and loans	(6,196,136)	(6,113,359)
Properties held for sale debt and loans	302,850	347,200
Propane tank debenture	441,518	481,656
	<u>(31,118,232)</u>	<u>(29,641,681)</u>
Investment in capital assets	25,373,809	25,618,405
Fund balance	<u>(865,395)</u>	<u>(998,370)</u>
	<u>\$ 24,508,414</u>	<u>\$ 24,620,035</u>

**Town of Kentville**  
**Schedule of Water Operating Fund**  
Year Ended March 31

		2022	2021
	<u>Budget</u> unaudited	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>			
Metered	\$ 1,276,000	\$ 1,288,744	\$ 1,310,594
Flat rate	10,100	11,236	10,624
Public fire protection	673,300	690,755	685,815
Other	10,100	7,169	9,359
	<u>1,969,500</u>	<u>1,997,904</u>	<u>2,016,392</u>
<b>Expenditures</b>			
Source of supply	18,400	21,810	16,968
Power and pumping	224,600	200,331	216,874
Water treatment	297,300	370,369	271,828
Transmission and distribution	289,800	282,653	214,857
Administration and general	255,700	251,116	222,702
Fiscal	7,500	7,524	15,705
Other	5,800	4,020	(2,260)
	<u>1,099,100</u>	<u>1,137,823</u>	<u>956,674</u>
Net revenues	870,400	860,081	1,059,718
Net transfers and depreciation	<u>(859,900)</u>	<u>(851,199)</u>	<u>(1,052,184)</u>
Change in fund balance	<u>\$ 10,500</u>	<u>8,882</u>	<u>7,534</u>
Opening fund balance		<u>277,557</u>	<u>270,023</u>
Closing fund balance		<u>\$ 286,439</u>	<u>\$ 277,557</u>
<hr/>			
Change in fund balance		\$ 8,882	\$ 7,534
Add: transfer, accumulated surplus		<u>100,000</u>	<u>100,000</u>
Excess revenue		<u>\$ 108,882</u>	<u>\$ 107,534</u>

See accompanying notes to the consolidated financial statements



**Town of Kentville**  
**Schedule of Water Capital Fund**  
Year Ended March 31

	<b>2022</b>	<b>2021</b>
	<u>Budget unaudited</u>	<u>Actual</u>
<b>Revenue</b>		<u>Actual</u>
Other		\$ 4,000
<b>Expenditures</b>		
Capital expenditures	\$ 589,500	\$ 421,787
Net (expenditure)	(589,500)	(417,787)
Repayment of debt	(227,200)	(227,200)
Net transfers	816,700	648,987
Change in fund balance	\$ Nil	4,000
Opening fund balance		82,102
Closing fund balance	\$ 46,102	\$ 86,102

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**Town of Kentville****Schedule of Water Capital Fund Investment in Capital Assets**

Year Ended March 31

	<b>2022</b>	2021
	<u>Actual</u>	<u>Actual</u>
Tangible capital assets	<u>\$ 19,314,943</u>	<u>\$ 18,999,884</u>
Accumulated amortization and depreciation	<b>(7,999,793)</b>	(7,523,620)
Outstanding debt	<u>(197,000)</u>	<u>(424,200)</u>
	<u><b>(8,196,793)</b></u>	<u>(7,947,820)</u>
Investment in capital assets	<b>11,118,150</b>	11,052,064
Fund balance	<u>46,102</u>	<u>86,102</u>
	<u><b>\$ 11,164,252</b></u>	<u>\$ 11,138,166</u>

	2022										2021	
	General			Sanitary Sewer			Water			Total	Actual	
	Operating	Capital	Perpetual	Operating	Capital	Depreciation	Operating	Capital	Depreciation			
Financial Assets												
Cash	\$ 1,067,366	\$ 2,467,951		\$ 514,980	\$ 140,370	\$ 193,374	\$ 170,620	\$ 838,810	\$ 929,643	\$ 6,323,114	\$ 4,599,631	
Receivables	162,769	392	\$ 63,301	24,816		712				251,990	630,012	
	<u>1,230,135</u>	<u>2,468,343</u>	<u>63,301</u>	<u>539,796</u>	<u>140,370</u>	<u>193,374</u>	<u>170,620</u>	<u>838,810</u>	<u>930,355</u>	<u>6,575,104</u>	<u>5,229,643</u>	
Investments (Note 6)	1,230,135	2,468,343	13,183,394	539,796	140,370	193,374	170,620	838,810	930,355	13,183,394	13,254,790	
			<u>13,246,695</u>							<u>19,758,498</u>	<u>18,484,433</u>	
Liabilities												
Payables									7,928	7,928	4,127	
Deferred revenue			596,896							596,896	61	
			<u>596,896</u>						<u>7,928</u>	<u>604,824</u>	<u>4,188</u>	
NET FINANCIAL ASSETS	1,230,135	1,871,447	13,246,695	539,796	140,370	193,374	170,620	838,810	922,427	19,153,674	18,480,245	
FUND BALANCES	\$ 1,230,135	\$ 1,871,447	\$ 13,246,695	\$ 539,796	\$ 140,370	\$ 193,374	\$ 170,620	\$ 838,810	\$ 922,427	\$ 19,153,674	\$ 18,480,245	

See accompanying notes to the consolidated financial statements

**Town of Kentville**  
**Schedule of Reserve Funds**  
Year Ended March 31

	Budget unaudited	2022						2021					
		General		Sanitary Sewer		Water		Total	Actual				
		Operating	Capital	Perpetual	Operating	Capital	Depreciation			Operating	Capital	Depreciation	
Revenue													
Transfer- Federal Gas Tax	\$ 444,300	\$ 486	\$ 304,937										\$ 540,815
Interest/dividends	430,000		1,672	\$ 430,783									499,389
Capital gains	100,000												
Other	974,300	205,843	5,500	430,783									96,121
		206,329	312,109										1,136,325
Expenditures													
Administration	36,000			37,410									35,391
Other	36,000			14,121									15,194
				51,531									50,585
Net revenues	938,300	206,329	312,109	379,252									1,085,740
Net transfers	(938,300)	(54,485)	84,749	(460,000)	\$ 24,817	\$ 92,600	\$ 40,000	41,488	(230,831)				(480,729)
Change in fund balance	\$ Nil	151,844	396,858	(80,748)	24,817	92,600	40,000	48,058	673,429				605,011
Opening fund balance		1,078,291	1,474,589	13,327,443	514,979	140,370	798,810	874,369	18,480,245				17,875,234
Closing fund balance		\$ 1,230,135	\$ 1,871,447	\$ 13,246,695	\$ 539,796	\$ 140,370	\$ 838,810	\$ 922,427	\$ 19,153,674				\$ 18,480,245

See accompanying notes to the consolidated financial statements

**Town of Kentville**  
**Schedule to the Consolidated Financial Statements- Segmented Information**

For the year ended March 31, 2022

	General Government	Protective services	Transportation services	Environmental health services	Public health services	Planning & development	Recreation & culture	Water services	Wastewater services	Total
<b>Revenues</b>	\$ 7,402,040									\$ 7,402,040
Taxation revenue	568,371									568,371
Grants in lieu	\$ 137,515						90,715			228,230
Services provided	38,535	499,878	\$ 1,635				4,348			544,396
Sales of services	90,017	33,409	6,000				283,156			438,008
Other revenue from own sources	389,911					\$ 25,426				389,911
Unconditional transfers		116,368					72,814			192,682
Conditional transfers	304,937									304,937
Transfer- Federal Gas Tax	79,118									79,118
Wastewater rates								\$ 1,284,172		1,284,172
Water rates						\$ 1,299,980				1,299,980
Public fire protection						690,755				690,755
Other revenue	531,608		205,843			5,500		49,143		264,536
Interest and dividends	296,825							3,116		537,495
Proceeds from sale of assets	9,701,362	793,170	213,478			34,426	451,033	1,997,901	1,336,086	302,825
<b>Expenses</b>	939,854	2,266,003	552,251	\$ 30,192		293,044	817,497	329,334	129,415	5,357,590
Salaries, wages and benefits		174,447		627,686						802,133
Contracted services		76,832		6,700						896,741
Purchase of services from public sector	443,059	471,547	1,109,287	5,649		193,358	511,453	797,940	135,099	3,667,392
Materials, goods, supplies and utilities	62,971		270,005			116,414	8,000			468,890
Grants and transfers to organizations	90,941	4,708			\$ 11,500		42,800			138,449
Transfers to Province	73,819									73,819
Allowances for uncollectibles								1,530		1,530
Other expenses	4,401	4,120	50,097			31,230	27,882	7,524	5,340	130,594
Interest on long-term debt	17,913	904	828				599	1,496	265	22,005
Bank charges and short term interest	421,530	121,342	914,038			50,523	384,055	476,173	199,877	2,567,538
Amortization, depreciation, write downs, net gains (losses)	2,054,488	3,119,903	2,896,506	670,227	11,500	684,569	1,792,286	1,613,997	1,283,205	14,126,681
Excess (deficiency) of revenue over expenses, before Other	7,646,874	(2,326,733)	(2,683,028)	(670,227)	(11,500)	(650,143)	(1,341,253)	383,904	52,881	400,775
Other	196,001									196,001
Properties held for sale										
<b>Excess (deficiency) of revenue over expenses</b>	\$ 7,842,875	\$ (2,326,733)	\$ (2,683,028)	\$ (670,227)	\$ (11,500)	\$ (650,143)	\$ (1,341,253)	\$ 383,904	\$ 52,881	\$ 596,776

See accompanying notes to the consolidated financial statements

**Town of Kentville**  
**Schedule to the Consolidated Financial Statements- Segmented Information**

For the year ended March 31, 2021

	General Government	Protective services	Transportation services	Environmental health services	Public health services	Planning & development	Recreation & culture	Water services	Wastewater services	Total
<b>Revenues</b>										
Taxation revenue	\$ 7,285,694									\$ 7,285,694
Grants in lieu	601,299									601,299
Services provided		\$ 120,285	\$ 318				\$ 91,564			212,167
Sales of services	37,522	493,192	16,363				4,348			551,425
Other revenue from own sources	103,090	33,462	6,000			\$ 23,743	291,625			457,920
Unconditional transfers	222,798									222,798
Conditional transfers	189,973									189,973
Transfer- Federal Gas Tax	540,815	115,000	83,200				55,851			1,371,519
Grants	48,270									48,270
Wastewater rates								\$ 1,371,519		1,371,519
Water rates									\$ 1,321,218	1,321,218
Public fire protection									685,815	685,815
Other revenue	570,208		96,121					2,850		1,088,544
Interest and dividends	191,000							3,479		577,482
Proceeds from sale of assets	9,790,669	766,939	202,002			23,743	443,388	2,020,395	1,378,164	14,625,300
<b>Expenses</b>										
Salaries, wages and benefits	862,813	2,173,631	468,410	\$ 23,071		291,258	703,902	307,612	114,553	4,945,250
Contracted services		165,143		603,851						768,994
Purchase of services from public sector		84,054		5,565						882,120
Materials, goods, supplies and utilities	616,830	505,425	899,093	4,057		165,885	515,592	628,421	183,817	3,519,120
Grants and transfers to organizations	64,076		233,496		\$ 6,500	138,071	12,500			454,643
Transfers to Province	91,159	2,025					36,948			130,132
Allowances for uncollectibles	58,243									58,243
Other expenses								1,162		1,162
Interest on long-term debt	4,236	12,902	58,081			34,572	28,239	15,705	5,376	159,111
Bank charges and short term interest	14,771	1,533				634	1,441	3,771		22,150
Amortization, depreciation, write downs, net gains (losses)	634,190	96,088	865,069			38,644	377,078	470,532	144,015	2,625,616
	2,346,318	3,039,268	2,525,682	636,544	6,500	669,064	1,675,700	1,427,203	1,240,262	13,566,541
Excess (deficiency) of revenue over expenses, before Other	7,444,351	(2,272,329)	(2,323,680)	(636,544)	(6,500)	(645,321)	(1,232,312)	593,192	137,902	1,058,759
<b>Other</b>										
Properties held for sale	28,586									28,586
<b>Excess (deficiency) of revenue over expenses</b>	\$ 7,472,937	\$ (2,272,329)	\$ (2,323,680)	\$ (636,544)	\$ (6,500)	\$ (645,321)	\$ (1,232,312)	\$ 593,192	\$ 137,902	\$ 1,087,345

See accompanying notes to the consolidated financial statements

**Town of Kentville Water Utility**  
**Non-consolidated Financial Statements**  
March 31, 2022

# Town of Kentville Water Utility

## Non-consolidated Financial Statements

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### Section B

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## INDEPENDENT AUDITOR'S REPORT

### Town of Kentville Water Utility

#### *Opinion*

We have audited the consolidated financial statements of the Town of Kentville Water Utility which comprise the statements of financial position as at March 31, 2022, statements of financial activities and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Town of Kentville Water Utility are prepared, in all material respects, in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town of Kentville Water Utility in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town of Kentville Water Utility'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 of Kentville Water Utility's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT (continued)

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Kentville Water Utility'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 Water Utility's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town of Kentville Water Utility to cease to continue as a going concern.

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.

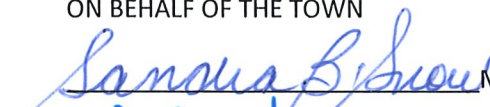
Kentville, Nova Scotia  
July 11, 2022

  
Chartered Professional Accountants  
Registered Municipal Auditor

**Town of Kentville**  
**Water Utility Operating Fund**  
**Statement of Financial Position**

March 31	2022	2021
<b>Assets</b>		
Cash and cash equivalents	\$ 174,759	\$ 91,749
Receivables		
Rates (less: allowance for doubtful accounts \$3,977; 2021- \$3,445)	218,288	215,153
Other (less: allowance for doubtful accounts \$90; 2021- \$12,000)	600	218,085
Due from own funds and agencies (Note 1)		
Water capital fund	1,963	
Depreciation reserve	5,965	
Prepaid expense	1,741	3,208
	<u>\$ 403,316</u>	<u>\$ 528,195</u>
<b>Liabilities</b>		
Payables and accruals		
Trade	\$ 50,594	\$ 46,876
Due to own funds and agencies (Note 1)		
Depreciation reserve		16,794
Water capital reserve		88,100
General operating fund, Town of Kentville	19,550	52,454
Customers' deposits	11,833	12,242
Accrued liability (Note 6)	34,896	34,171
	<u>116,873</u>	<u>250,637</u>
<b>Surplus</b>		
Surplus	<u>286,443</u>	<u>277,558</u>
	<u>\$ 403,316</u>	<u>\$ 528,195</u>

ON BEHALF OF THE TOWN

 MAYOR

 TOWN CLERK

**Town of Kentville**  
**Water Utility Operating Fund**  
**Statement of Financial Activities**

March 31

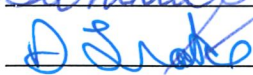
	<u>Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>Operating revenue</b>			
Metered	\$ 1,276,000	\$ 1,288,744	\$ 1,310,594
Public fire protection	673,300	690,755	685,815
Sprinkler service	10,100	11,236	10,624
Other operating revenue	5,000	3,116	3,476
	<u>1,964,400</u>	<u>1,993,851</u>	<u>2,010,509</u>
<b>Operating expenditure</b>			
Source of supply (B-13)	18,400	21,811	16,968
Power and pumping (B-13)	224,600	200,330	216,874
Water treatment (B-13)	297,300	370,368	271,828
Transmission and distribution (B-14)	289,800	282,653	214,857
Transportation	9,600	14,764	5,915
Administration and general (B-14)	249,900	238,069	210,296
Depreciation	350,800	344,835	339,194
Taxes	167,400	167,452	167,690
	<u>1,607,800</u>	<u>1,640,282</u>	<u>1,443,622</u>
<b>Net operating profit</b>	<u>356,600</u>	<u>353,569</u>	<u>566,887</u>
<b>Non-operating revenue</b>			
Other	<u>5,100</u>	<u>4,050</u>	<u>5,883</u>
<b>Non-operating expenditure</b>			
Debt charges			
Principal	227,200	227,200	227,200
Interest	7,500	7,524	15,705
Debenture discount	1,500	1,496	3,771
Private work	500	673	343
Interest on customers' deposits		129	116
Capital from operations	14,500	11,712	
Transfer to Water capital reserve			218,100
Dividend to owner	100,000	100,000	100,000
	<u>351,200</u>	<u>348,734</u>	<u>565,235</u>
Excess revenue	<u>\$ 10,500</u>	<u>8,885</u>	<u>7,535</u>
Surplus, beginning of year		<u>277,558</u>	<u>270,023</u>
Surplus, end of year		<u>\$ 286,443</u>	<u>\$ 277,558</u>

**Town of Kentville**  
**Water Utility Capital Fund**  
**Statement of Financial Position**

March 31	2022	2021
<b>Assets</b>		
Cash and cash equivalents		
Cash	\$ 75,679	\$ 104,190
Depreciation funds	929,643	857,015
Receivables		
Other	711	559
Due from own funds and agencies (Note 1)		
Water Utility operating fund		16,794
Depreciation reserve	1,963	
General operating fund, Town of Kentville		2,114
Utility plant in service (B-7)	19,314,943	18,999,885
	<u>\$ 20,322,939</u>	<u>\$ 19,980,557</u>
<b>Liabilities</b>		
Payables and accruals		
Trade	\$ 29,578	\$ 20,202
Due to other funds and agencies (Note 1)		
Water Utility operating fund	7,928	
Water capital fund	1,963	
Term debt (Note 3)		
Debentures issued (B-15)		
Debentures issued to Provincial government or its agencies		
Municipal Finance Corporation	197,000	424,200
Accumulated depreciation (Note 5)	6,423,735	6,078,901
	<u>6,660,204</u>	<u>6,523,303</u>
<b>Equity</b>		
Investment in capital assets	12,694,208	12,496,784
Fund balance- Water general capital	46,102	86,102
	<u>12,740,310</u>	<u>12,582,886</u>
Fund balance- Water depreciation	922,425	874,368
	<u>13,662,735</u>	<u>13,457,254</u>
	<u>\$ 20,322,939</u>	<u>\$ 19,980,557</u>

ON BEHALF OF THE TOWN

 MAYOR

 TOWN CLERK

**Town of Kentville**  
**Water Utility Capital Fund**  
**Statement of Financial Activities**

March 31

	<u>Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>Revenue</b>			
Other			\$ 4,000
<b>Expenditure</b>			
Capital expenditures	\$ 589,500	\$ 315,059	421,787
<b>Net (expenditure)</b>	<u>(589,500)</u>	<u>(315,059)</u>	<u>(417,787)</u>
<b>Financing and transfers</b>			
Repayment of debt	(227,200)	(227,200)	(227,200)
Transfers from own funds and agencies	816,700	502,259	648,987
	<u>589,500</u>	<u>275,059</u>	<u>421,787</u>
<b>Change in fund balance</b>	<u>\$ Nil</u>	(40,000)	4,000
<b>Beginning fund balance</b>		<u>86,102</u>	<u>82,102</u>
<b>Ending fund balance</b>		<u>\$ 46,102</u>	<u>\$ 86,102</u>

**Town of Kentville**  
**Water Utility Capital Fund**  
**Statement of Investment in Capital Assets**

March 31	2022	2021
<b>Balance, beginning of period</b>	<u>\$ 12,582,886</u>	<u>\$ 12,269,093</u>
Add:		
Term debt retired- debenture principal	227,200	227,200
Depreciation funds	303,347	421,787
Capital from operations	11,712	
Other		4,000
	<u>542,259</u>	<u>652,987</u>
Less:		
Depreciation of tangible capital assets	344,835	339,194
Transfer to Water capital reserve	40,000	
	<u>384,835</u>	<u>339,194</u>
<b>Balance, end of period</b>	<u>\$ 12,740,310</u>	<u>\$ 12,582,886</u>

**Town of Kentville**  
**Water Utility Capital Fund**  
**Schedule of Utility Plant and Equipment**

March 31	2022	2021
<b>Tangible plant</b>		
Land and land rights		
Source of supply land	\$ 51,019	\$ 51,019
Transmission land	74,391	74,391
Transmission land- right-of-way	19,251	19,251
	<u>144,661</u>	<u>144,661</u>
<b>Structure and improvements</b>		
Source of supply		
Collecting and impounding reservoirs- dam	53,275	53,275
Wells	1,195,834	1,195,834
Other water source structure	5,500	5,500
Power and pumping	260,947	260,947
Water treatment	394,186	394,186
Distribution reservoirs and standpipes	122,335	122,335
Water tank- Prospect Avenue	981,408	981,408
Water tank- Belcher Street- 2	859,338	859,338
Water tank- Chester Avenue	697,784	697,784
Water tank- Industrial park	343,781	343,781
	<u>4,914,388</u>	<u>4,914,388</u>
<b>Equipment</b>		
Electric pumping	190,185	190,185
Motor operated tools and equipment	29,747	29,747
Small tools and work equipment	57,030	57,030
Digital mapping	12,105	12,105
Control and monitoring equipment	376,159	376,159
Vehicles	142,017	142,017
Generator	152,515	152,515
	<u>959,758</u>	<u>959,758</u>
Water treatment	236,116	236,116
<b>Mains</b>		
Transmission	1,851,270	1,851,270
Distribution	9,270,866	9,010,026
	<u>11,122,136</u>	<u>10,861,296</u>
<b>Services</b>	<u>400,078</u>	<u>390,114</u>
<b>Meters</b>	<u>470,812</u>	<u>470,812</u>
<b>Software/computers</b>	<u>56,243</u>	<u>56,243</u>
<b>Meter conversion</b>	<u>381,679</u>	<u>364,780</u>
<b>Hydrants</b>	<u>414,711</u>	<u>399,068</u>
<b>Pumps</b>	<u>202,071</u>	<u>190,359</u>
<b>Other</b>	<u>12,290</u>	<u>12,290</u>
	<u>\$ 19,314,943</u>	<u>\$ 18,999,885</u>



**Town of Kentville**  
**Water Utility Reserve Funds**  
**Statement of Financial Position**

March 31			2022	2021
	KWC Operating	KWC Capital	Total	Total
<b>Assets</b>				
Cash	\$ 170,620	\$ 838,810	\$ 1,009,430	\$ 881,330
Due from Water operating				88,100
	<u>170,620</u>	<u>838,810</u>	<u>1,009,430</u>	<u>969,430</u>
<b>Reserves</b>	<u>\$ 170,620</u>	<u>\$ 838,810</u>	<u>\$ 1,009,430</u>	<u>\$ 969,430</u>

**Town of Kentville**  
**Water Utility Reserve Funds**  
**Statement of Financial Activities**

March 31			2022	2021
	KWC Operating	KWC Capital	Total	Total
<b>Opening Balance</b>	<u>\$ 170,620</u>	<u>\$ 798,810</u>	<u>\$ 969,430</u>	<u>\$ 751,330</u>
<b>Additions</b>				
Water operating				218,100
Water capital fund		40,000	40,000	
		<u>40,000</u>	<u>40,000</u>	<u>218,100</u>
<b>Closing Balance</b>	<u>\$ 170,620</u>	<u>\$ 838,810</u>	<u>\$ 1,009,430</u>	<u>\$ 969,430</u>

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## Town of Kentville Water Utility

### Notes to the Non-Consolidated Financial Statements

March 31, 2022

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#### 1. Significant accounting policies

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

##### a) Non consolidation

Non-consolidated financial statements of the Town of Kentville 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. Significant aspects of the accounting policies adopted by the Town of Kentville Water Utility are as follows:

##### b) Reporting entity

The non-consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and financial position of the reporting entity.

##### c) Basis of accounting

Revenues and expenditures are reported using the accrual basis of accounting. This basis of accounting recognizes revenues as they become available 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 to pay.

##### d) Due to/from own funds and agencies

The Water Utility carries inter-fund balances of costs incurred on behalf of the Water Utility. The Water Utility intends to repay all due to/from balances by the date of its next year-end, March 31, 2023.

##### e) Valuation allowance

###### *Uncollected rates*

The Town of Kentville Water Utility provides a valuation allowance for estimated losses that will be incurred in collecting receivables outstanding.

##### f) Capital assets

Capital assets are reported as expenditures in the period they are acquired. Capital assets and projects in progress are recorded at the utility's cost except for donated assets which are recorded at fair market value when obtained. Interest incurred during construction on significant water capital projects is capitalized. Interest is not calculated for projects temporarily funded from operations. Capital assets are depreciated at rates prescribed by the Nova Scotia Utility and Review Board.

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# **Town of Kentville Water Utility**

## **Notes to the Non-Consolidated Financial Statements**

March 31, 2022

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### **1. Significant accounting policies (continued)**

#### **g) Interest on reserve funds**

Interest on operating and capital reserve funds is recorded as income in the Town of Kentville General Operating fund. Interest earned on depreciation funds is recorded in that fund, as required by the Nova Scotia Utility and Review Board.

#### **h) Allocation of municipal costs to Water Utility funds**

Where identifiable, costs incurred by the Town of Kentville 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. Interest is not calculated and recorded on monthly balances due between Water Utility funds and other funds.

#### **i) Debenture discount**

Significant debenture discounts are amortized over the term of the associated debt. To March 31, 2022, three debenture discounts have been treated in this fashion. Issue May 15, 2012 was retired in 2022, issue June 5, 2014 has two years remaining and issue May 30, 2018 has one year remaining.

#### **j) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, short-term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

#### **k) Use of estimates**

In preparing the Town of Kentville Water Utility's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

#### **l) Financial instruments**

##### **Fair values**

The estimated fair value of cash and cash equivalents, receivables, inventories, bank indebtedness and payables approximate carrying values due to the relatively short-term nature of the instruments and /or floating interest rates on the instruments. The estimated fair value of long-term debt also approximates carrying value due to interest rates that are based on the lender's rate.

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**Town of Kentville Water Utility**  
**Notes to the Non-Consolidated Financial Statements**

March 31, 2022

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**2. Asset valuation allowances**

<b>Rates</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Balance, beginning of year	\$3,445	\$10,950
Add: provision for the year	1,125	
Less: write-offs	593	427
provision for the year	<u>      </u>	<u>7,078</u>
Balance, end of year	<b><u>\$3,977</u></b>	<b><u>\$3,445</u></b>
<b>Other</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Balance, beginning of year	\$12,000	\$12,000
Less: write-offs	<u>11,910</u>	
Balance, end of year	<b><u>\$90</u></b>	<b><u>\$12,000</u></b>

**3. Long term debt**

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

	<u>Water Capital</u>
2022	\$106,500
2023	\$60,500
2024	\$30,000
2025	\$NIL
2026	\$NIL

All long-term debt outstanding at year-end has been properly authorized by Nova Scotia Department of Municipal Affairs and Housing.

**4. Depreciation reserve bank account**

	<b><u>2022</u></b>	<b><u>2021</u></b>
Balance, beginning of year	\$857,015	\$962,242
Add: depreciation transfer	367,594	308,559
interest	6,418	8,001
Less: funds used current & prior year's projects	<u>301,384</u>	<u>421,787</u>
Balance, end of year	<b><u>\$929,643</u></b>	<b><u>\$857,015</u></b>

**5. Accumulated allowance for depreciation**

	<b><u>2022</u></b>	<b><u>2021</u></b>
Balance, beginning of year	\$6,078,901	\$5,739,707
Add: current year's depreciation	<u>344,834</u>	<u>339,194</u>
Balance, end of year	<b><u>\$6,423,735</u></b>	<b><u>\$6,078,901</u></b>

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## Town of Kentville Water Utility

### Notes to the Non-Consolidated Financial Statements

March 31, 2022

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#### 6. Sick pay accrual

The Town of Kentville Water Utility has a sick leave policy, which entitles employees with five or more years of service to a cash payment of a percentage of their accumulated sick days, on their termination of employment. The total liability at March 31, 2022 is \$34,896 (2021-\$34,171). This amount is accrued in the Kentville Water Commission Operating Fund.

#### 7. Pension plans

Two pension plans are set up for membership of all permanent employees of the Town of Kentville Water Utility. Contributions are shared by the Town of Kentville Water Utility and the members as follows: employee 8.0% and employer 8.0% of employee's pensionable earnings.

A **defined contribution pension plan** has been set up to conform to the Pension Benefits Act. All permanent employees belong to this plan. Sharing of contributions is as noted above for all employees other than CUPE Local 4403 members. CUPE Local 4403 members contribute 3.0% and the Town of Kentville Water Utility contributes 2.5% to this plan on behalf of CUPE Local 4403 members.

A **multi-sector pension plan** has been set up for the members of CUPE Local 4403. This Multi-Sector Pension Plan (MSPP) is offered through the Canadian Union of Public Employees (CUPE) and conforms to the Pension Benefits Act. CUPE employees shall contribute 5% to the MSPP and the employer shall contribute 5.5%. The Union acknowledges and agrees that under the current pension legislation, and/or regulations, the employer has no requirement to fund any deficit in the Plan but is required to contribute only that amount as required by the collective agreement in force between the parties.

During the year, the Town of Kentville Water Utility made contributions in the amount of \$3,655 (2021-\$2,739) on behalf of its employees to the defined contribution plan and \$8,040 (2021-\$7,932) to the multi-sector pension plan.

#### 8. Rate of return on rate base

For the year ended March 31, 2022, the Kentville Water Utility had a rate of return on rate base of 3.33% (2021-5.32%).

#### 9. Collective agreement

A new collective agreement with CUPE Local 4403 was ratified on July 29, 2019. This agreement is for a four-year term expiring on March 31, 2023.

#### 10. Comparative figures

In some instances, comparative figures have been restated to conform to current year's presentation.

**Town of Kentville**  
**Water Utility Operating Fund**  
**Schedules to Statement of Financial Activities**

March 31

	<u>Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>Source of supply</b>			
Supervision and engineering	\$ 10,500	\$ 10,575	\$ 9,053
Operation labour	7,900	7,309	7,210
Maintenance of plant		3,927	705
	<u>\$ 18,400</u>	<u>\$ 21,811</u>	<u>\$ 16,968</u>
<b>Power and pumping</b>			
Supervision and engineering	\$ 10,500	\$ 10,575	\$ 9,053
Operation labour	7,900	7,309	7,210
Power	178,000	172,767	191,984
Supplies and expenses	1,900	3,961	1,834
Maintenance of plant	26,300	5,718	6,793
	<u>\$ 224,600</u>	<u>\$ 200,330</u>	<u>\$ 216,874</u>
<b>Water treatment</b>			
Supervision and engineering	\$ 14,100	\$ 14,100	\$ 12,071
Operation labour	63,400	58,471	57,681
Supplies and expenses	150,800	205,570	140,920
Maintenance of structures and improvements	17,000	26,791	16,737
Maintenance of equipment	18,000	34,189	17,759
Water testing costs	24,000	19,846	18,753
Heat, light, power and telephone	10,000	11,401	7,907
	<u>\$ 297,300</u>	<u>\$ 370,368</u>	<u>\$ 271,828</u>

**Town of Kentville**  
**Water Utility Operating Fund**  
**Schedules to Statement of Financial Activities**

March 31

	<u>Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>Transmission and distribution</b>			
Supervision and engineering	\$ 35,100	\$ 35,250	\$ 30,177
Maps and records	6,000	5,392	4,865
Operation and meters	26,200	22,427	22,330
Maintenance of distribution reservoirs- standpipes	22,000	21,805	9,328
Maintenance of structures and improvements	2,000		1,160
Maintenance of transmission mains	5,000	2,034	1,911
Maintenance of distribution mains	85,000	50,682	54,489
Maintenance of services	65,000	54,165	56,537
Maintenance of meters	17,000	48,196	789
Maintenance of hydrants	26,500	42,702	33,271
	<u>\$ 289,800</u>	<u>\$ 282,653</u>	<u>\$ 214,857</u>
<b>Collection, administration and general</b>			
Supervision	\$ 16,200	\$ 16,170	\$ 15,000
Meter reading	39,700	38,380	36,051
Consumer billing and accounting	26,900	26,950	25,000
Uncollectible accounts	13,800	11,905	2,922
Other accounting and collection expenses	100	22	28
Officers' and executives' salaries	19,900	19,900	18,200
Other general office salaries	24,300	24,319	23,821
General office expenses and supplies	14,900	12,049	11,128
Legal	500		
Audit	7,200	7,292	7,153
Rent- office	12,000	12,000	12,000
Regulatory expense	3,800	3,785	3,676
Insurance	20,100	23,303	17,518
Employee welfare and pensions	38,700	37,596	34,756
General	3,000	2,762	2,242
Training	5,000	911	98
Professional studies	3,000		
Provision for sick leave	800	725	703
	<u>\$ 249,900</u>	<u>\$ 238,069</u>	<u>\$ 210,296</u>

See accompanying notes to the non-consolidated financial statements

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**Town of Kentville**  
**Water Utility Capital Fund**  
**Schedule of Capital Debt Charges**  
Year Ended March 31

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<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance 2021</u>	<u>Issued 2022</u>	<u>Redeemed 2022</u>	<u>Balance 2022</u>	<u>Interest &amp; Accrued</u>	<u>Interest Rates 2022</u>
2011	2021	\$ 120,700		\$ 120,700		\$ 859	4.221%
2012	2027	92,000		46,000	\$ 46,000	1,797	3.340%
2014	2024	120,000		30,000	90,000	3,014	2.769%
2018	2028	91,500		30,500	61,000	1,854	2.582%
<b>TOTAL DEBENTURE</b>		<u>\$ 424,200</u>		<u>\$ 227,200</u>	<u>\$ 197,000</u>	<u>\$ 7,524</u>	



**Town of Kentville**  
**Water Utility Capital Fund**  
**Schedule of Water Utility Capital Projects Funding**

March 31

2022

	<u>Total Capital Cost</u>	<u>Depreciation Funds</u>	<u>From Operations</u>
Meters & meter conversion	\$ 16,900	\$ 16,900	
Services	9,964	9,964	
Pumps	11,712		\$ 11,712
Hydrants	15,643	15,643	
Distribution mains	<u>260,840</u>	<u>260,840</u>	
Total Water Utility	<u>\$ 315,059</u>	<u>\$ 303,347</u>	<u>\$ 11,712</u>

**Town of Kentville**  
**Water Utility Capital Fund**  
**Statement of Capital Financing**

March 31

2022

2021

**Source**

Funds available from prior year		
Cash	\$ 104,190	\$ 92,911
Depreciation bank account	857,015	962,242
Due from operating fund- Water Utility	16,794	
Due from other funds	2,114	1,111
Other receivables	559	1,226
Transfer from depreciation reserve	303,347	421,787
Transfer from operating fund- Water Utility	11,711	
Transfer from operating funds- Water Utility- depreciation	344,835	339,194
Interest on depreciation funds	6,570	7,334
Other		4,000
Balance temporarily financed at end of period		
Payables- trade	29,578	20,202
Due to Water capital fund	1,963	
Due to operating fund- Water Utility	7,928	
	<u>\$ 1,686,604</u>	<u>\$ 1,850,007</u>

**Application**

Balance temporarily financed at end of previous period		
Payables- trade	\$ 20,202	\$ 11,920
Due to operating fund- Water Utility		13,841
Capital asset acquisitions	315,059	421,787
Transfer to capital fund- Water Utility	303,347	421,787
Transfer to water capital reserve	40,000	
Funds available for application		
Cash	75,679	104,190
Depreciation bank account	929,643	857,015
Due from operating fund- Water Utility		16,794
Due from depreciation reserve	1,963	
Due from other funds		2,114
Other receivables	711	559
	<u>\$ 1,686,604</u>	<u>\$ 1,850,007</u>