

Financial Statements of

**NOVA SCOTIA MUNICIPAL
FINANCE CORPORATION**

And Independent Auditors' Report thereon

Year ended March 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Directors of Nova Scotia Municipal Finance Corporation

Opinion

We have audited the financial statements of Nova Scotia Municipal Finance Corporation (the "Corporation"), which comprise:

- the statement of financial position as at end of March 31, 2020;
- the statement of operations and accumulated surplus for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended;
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at end of March 31, 2020, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Report.



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Annual Report as of the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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

Auditors' 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 auditors' 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 the 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants
Halifax, Canada
June 18, 2020

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Financial Statements

Year ended March 31, 2020

Financial Statements

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NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash and cash equivalents (note 5(a))	\$ 7,177,165	\$ 8,135,457
Accrued interest receivable	8,521,548	8,753,125
HST receivable	480	3,043
Accounts receivable	85	106
Loans (note 2)	772,781,665	782,144,831
	788,480,943	799,036,562
Financial liabilities:		
Accounts payable	51,491	50,667
Employee obligation (note 4)	45,078	70,957
Accrued interest payable	8,509,886	8,737,272
Short-term loan due to Province of Nova Scotia (note 7)	80,000	1,128,250
Deposits	39,871	45,854
Due to municipal units	141,216	125,051
Debentures (note 3)	772,703,413	782,113,851
	781,570,955	792,271,902
Net financial assets	6,909,988	6,764,660
Subsequent event (note 9)		
Accumulated surplus	\$ 6,909,988	\$ 6,764,660

See accompanying notes to audited financial statements.

On behalf of the Board:

Director

Director

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Statement of Operations and Accumulated Surplus

Year ended March 31, 2020, with comparative information for 2019

	Budget 2020	Actual 2020	Actual 2019
Revenue:			
Interest on loans	26,176,793	\$ 25,200,360	\$ 26,233,771
Interest on short-term investments	157,110	165,004	175,978
Recovery of issue costs	341,666	312,824	358,783
Administration fee	400,000	387,295	450,386
	27,075,569	26,065,483	27,218,918
Expenses:			
Interest on debenture debt and short-term loans	26,172,471	25,199,092	26,254,007
Debenture issue expenses	341,706	310,950	360,953
Administrative expenses (schedule)	512,911	410,113	444,844
	27,027,088	25,920,155	27,059,804
Annual operating surplus	48,481	145,328	159,114
Accumulated surplus, beginning of year	6,764,660	6,764,660	6,605,546
Accumulated surplus, end of year	\$ 6,813,141	\$ 6,909,988	\$ 6,764,660

See accompanying notes to financial statements.

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Statement of Changes in Net Financial Assets

Year ended March 31, 2020, with comparative information for 2019

		Budget 2020		Actual 2020		Actual 2019
Annual operating surplus	\$	48,481	\$	145,328	\$	159,114
Increase in net financial assets		48,481		145,328		159,114
Net financial assets, beginning of year		6,764,660		6,764,660		6,605,546
Net financial assets, end of year	\$	6,813,141	\$	6,909,988	\$	6,764,660

See accompanying notes to audited financial statements

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual operating surplus	\$ 145,328	\$ 159,114
Item not involving cash:		
Amortization of fair value adjustment on loans	-	(489)
Amortization of fair value adjustment on debenture debt	-	489
Decrease in employee obligations	(25,879)	(15,390)
Change in non-cash operating working capital (note 5(b))	23,764	124,260
	143,213	267,984
Investing activities:		
Issuance of loans to units	(96,807,982)	(112,466,692)
Payments received on loans to units	106,183,638	105,370,206
Due to municipal unit	(18,473)	(122,034)
	9,357,183	(7,218,520)
Financing activities:		
Proceeds of debentures	96,823,000	112,596,000
Principal payments on debenture	(106,233,438)	(105,351,978)
Change in short-term loan due to Province of Nova Scotia	(1,048,250)	(5,543,500)
	(10,458,688)	1,700,522
Change in cash and cash equivalents	(958,292)	(5,250,014)
Cash and cash equivalents, beginning of year	8,135,457	13,385,471
Cash and cash equivalents, end of year	\$ 7,177,165	\$ 8,135,457

Supplemental cash flow information (note 5 (c))

See accompanying notes to audited financial statements.

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements

Year ended March 31, 2020

Nova Scotia Municipal Finance Corporation (the "Corporation") was created by the Municipal Finance Corporation Act which was proclaimed on July 31, 1979. The Corporation began operations on January 1, 1980 and has a March 31 fiscal year-end. The objective of the Corporation is to provide financing of approved capital projects for municipalities, municipal enterprises, regional school boards, and hospitals through a central borrowing authority. The Corporation is not subject to provincial or federal taxes.

1. Significant accounting policies:

(a) Basis of accounting:

The financial statements of the Corporation have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA").

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks, short-term deposits with the Province of Nova Scotia with maturities of three months or less and short-term loans. Cash and cash equivalents are recorded at amortized cost.

(c) Loans:

Loans are recorded at amortized cost less valuation allowances and writeoffs. Periodically loans are assessed for collectibility and risk of loss. To the extent required, a valuation allowance based on past events, current circumstance and all available information at the date of the preparation of the financial statements is recorded to reduce the loans to their expected net realizable value. Losses as a result of a valuation allowance are recorded in the statement of operations.

(d) Employee future benefits:

The Corporation provides certain employee benefits which will require funding in future periods.

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

1. Significant accounting policies (continued):

Public service awards:

Upon retirement, certain employees are eligible for a public service award equal to one week's salary per year of service to a maximum of twenty-six years. Management recognizes compensation expense on an accrual basis based on management's best estimate.

Employee pension plan:

Permanent employees participate in the Nova Scotia Public Service Superannuation Plan (the "Plan"), a contributory defined benefit pension plan, which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. The Corporation is not responsible for any under-funded liability, nor does the Corporation have any access to any surplus that may arise in this Plan. The cost of the Plan is the Corporation's required contributions due to the plan during the period.

(e) Debentures:

Debentures are recorded at amortized cost.

(f) Accumulated surplus:

The accumulated surplus was created from annual accumulated surpluses and interest on funds which had been advanced by the Province of Nova Scotia and interest on other surplus monies. Included in the accumulated surplus is the reserve fund which provides a capital base for the Corporation, as well as funds which may be required for administrative purposes and timing differences. At the February 7, 2019 board meeting, the board amended the reserve fund policy by removing the upper CAP of \$7 million and to have the Audit Committee review the Reserve Fund Fee annually and provide recommendations on its level to the Board.

(g) Revenue recognition:

Interest revenue on loans is recognized on an accrual basis and reported as revenue in the period earned.

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Loans:

- (a) Loans are made on the security of debentures and are due in annual instalments for periods up to a maximum of twenty years. Interest rates on the loans range from 1.475% to 5.940%. Repayment terms are negotiated on specific loans and would normally not exceed twenty years. On March 20, 2020 the Corporation deferred all interest and principle payments from the Units due from April 2020 – June 2020. All amounts owed during the period are required to be repaid by the Units by July 2, 2020.

	2020	2019
Loans	\$772,781,665	\$782,144,831
Less amounts due within 12 months	112,170,599	106,186,922
Remaining balance	\$660,611,066	\$675,957,909

- (b) Principal payments receivable and due on debentures payable in each of the next five years are as follows:

	Loans	Debentures payable
2021	\$112,170,599	\$112,215,639
2022	97,226,524	97,265,612
2023	125,346,272	125,384,252
2024	99,746,582	99,778,197
2025	77,434,674	77,463,197

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

3. Debentures:

The debenture debt outstanding at March 31, 2020 totaling \$772,703,413 (2019 - \$782,113,851) is in Canadian funds and are placed with the Province of Nova Scotia, with the exception of the "FCM" loans which are private placements. Interest is payable semi-annually. On March 20, 2020 the Province of Nova Scotia deferred payments required from the Corporation from April 2020 – June 2020. All amounts owed during this period are required to be repaid by the Corporation by July 2, 2020.

At year-end, the total debentures due to the Province of Nova Scotia was \$765,976,366 (2019 - \$774,592,334).

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

3. Debentures (continued):

				2020
Series	Date issued	Maturity date Calendar Year	Interest rate	Amortized cost of debt outstanding
BB	Jan. 9/03	2020 to 2023	5.913	\$ 2,598,366
BF	Sept. 1/04	2020 to 2024	5.780-5.940	27,500,000
BH	June 1/05	2020	4.880	6,331,000
BI	Nov. 22/05	2020	4.830	8,657,000
BJ	June 1/06	2020 to 2021	5.040-5.080	1,748,000
BK	Oct. 24/06	2020 to 2021	4.570-4.590	13,249,000
BL	June 1/07	2020 to 2022	4.745-4.770	12,586,000
BM	Oct. 17/07	2020 to 2022	5.160-5.210	2,533,000
BN	July 7/08	2020 to 2023	4.949-5.088	7,968,000
BP	Oct. 24/08	2020 to 2023	5.255-5.480	5,465,000
BQ	June 1/09	2020 to 2024	5.059-5.644	11,803,000
BR	Oct. 27/09	2020 to 2024	4.439-4.939	1,106,000
BS	June 29/10	2020 to 2025	4.500-4.875	19,321,000
BT	Nov. 9/10	2020 to 2025	3.870-4.410	7,360,000
BU	May 30/11	2020 to 2026	4.057-4.597	8,515,000
BV	Nov. 9/11	2020 to 2026	3.471-4.026	11,464,000
FCM-D*	Nov 15/11	2020 to 2021	1.750	254,546
FCM-E*	Mar. 26/12	2021 to 2032	2.000	265,691
BW	May 15/12	2020 to 2027	3.172-3.856	16,496,000
FCM-F*	July 3/12	2020 to 2032	2.000	1,181,990
BX	July 6/12	2020 to 2022	2.842-3.156	20,800,000
FCM-G*	Aug. 22/12	2020 to 2032	2.000	2,600,000
BY	Nov. 9/12	2020 to 2027	2.830-3.580	30,082,000
BZ	May 15/13	2020 to 2028	2.454-3.489	40,646,000
CA	Nov. 15/13	2020 to 2028	3.005-4.114	27,699,000
CB	June 5/14	2020 to 2029	2.516-3.792	26,071,000
CC	Nov. 17/14	2020 to 2029	2.455-3.559	43,695,000
CD	June 1/15	2020 to 2030	1.833-3.205	24,860,000
FCM-H*	Oct. 30/15	2020 to 2025	1.750	1,524,820
CE	Nov. 20/15	2020 to 2030	1.902-3.449	50,765,000
CF	May 16/16	2020 to 2031	1.809-3.475	50,276,000
CG	Nov. 15/16	2020 to 2031	1.487-3.108	15,199,000
CH	May 9/17	2020 to 2032	1.475-3.209	30,655,000
CI	Nov. 9/17	2020 to 2032	2.132-3.382	40,732,000
CJ	May 30/18	2020 to 2033	2.367-3.501	47,998,000
FCM-I*	Oct. 31/18	2020 to 2028	2.250	900,000
CK	Nov. 9/18	2020 to 2033	2.677-3.551	54,975,000
CL	May 9/19	2020 to 2034	1.982-3.048	13,932,000
CM	Nov. 15/19	2020 to 2034	2.015-2.829	82,891,000
				\$ 772,703,413

All debt directly placed with the Province of Nova Scotia except:

* Placed with Federation of Canadian Municipalities

Amounts repayable over the next five years are presented in note 2(b).

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

4. Employee obligations:

(a) Public Service Awards:

As at March 31, 2020, the Corporation has recorded a liability in the amount of \$45,078 (2019 - \$70,957) in respect of the provincial public service award ("PSA") for the employees of the Corporation.

On April 7, 2015, the Province announced that the PSA would be discontinued on a go-forward basis for excluded (non-union) employees accrued to August 11, 2015.

(b) Employee pension plan:

Permanent employees of the Corporation participate in the Nova Scotia Public Service Superannuation Plan (the "Plan"), a contributory defined benefit pension plan administered by the Province, which provides pension benefits based on length of service and earnings.

Contributions to the Plan are required by both the employees and the employer. The Corporation's contributions range from 8.4% to 10.9% of employee salary. Total employer contributions for 2020 were \$25,741 (2019 - \$24,082) and are recognized in administrative expenses in the financial statements.

Actuarial valuations of the Province of Nova Scotia's Plan, of which the Corporation's employees are members, are conducted annually, and provide an estimate of the accrued pension obligation (Plan liabilities) calculated using various economic and demographic assumptions, based on membership data as at the valuation date. The Province of Nova Scotia's consulting actuaries, Mercer, performed a valuation as at December 31, 2016 and issued their report in June 2017. The report indicated that the Province of Nova Scotia's Plan had a funding excess of \$160,833,000 (December 31, 2015 – funding excess of \$44,869,000). The December 31, 2019 report is expected to be released in June 2020.

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

5. Supplemental cash flow information:

(a) Cash and cash equivalents include:

	2020	2019
Cash	\$ 7,097,165	\$ 7,007,207
Short-term investments	80,000	1,128,250
	<u>\$ 7,177,165</u>	<u>\$ 8,135,457</u>

(b) Change in non-cash working capital:

	2020	2019
Accrued interest receivable	\$ 231,577	\$ (112,607)
Other receivables	2,584	(2,416)
Accounts payable	824	3,651
Accrued interest payable	(211,221)	235,632
	<u>\$ 23,764</u>	<u>\$ 124,260</u>

(c) Supplemental cash flow information:

	2020	2019
Interest paid	\$ 25,426,478	\$ 26,142,936
Interest received	\$ 25,424,870	\$ 26,119,399

6. Financial instruments:

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. The Corporation's financial instruments are primarily exposed to interest rate volatility, credit and liquidity risk.

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

6. Financial instruments (continued):

(i) Interest rate risk

Interest rate risk is the risk that future earnings or the market value of the Corporation's investments and debt will fluctuate due to changes in market interest rates. Interest rate risk is mitigated due to the fact that the Corporation's mandated rate of interest charged on loans is directly matched to its cost of borrowing, thereby mitigating the risk of equity erosion. Also, interest rates are fixed for longer term loans and borrowings reducing the fluctuation in future cash flows and earnings. As a result, it is management's opinion that the Corporation is not exposed to significant interest rate risk arising from financial instruments.

(ii) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Corporation. Due to the existing statutory provision for the recovery of any defaults by municipalities an allowance for doubtful accounts is not required. Cash deposits are held with tier one Canadian financial institutions to reduce the credit risk. It is management's opinion that the Corporation is not exposed to significant credit risk arising from financial instruments. The maximum exposure to credit risk is equal to the carrying amount of the loans and cash and cash equivalents.

During the year and at year-end, there are no loans which are past due or considered impaired and therefore no allowance for loan losses.

(iii) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity requirements are managed through the receipt of payments on the loans and short-term investments and interest earned on the loans and short-term investments. These sources of funds are used to satisfy debt service requirements on the debentures and short-term loans and to pay expenses. In the normal course of business, the Corporation enters into contracts that give rise to commitments for future payments which may also impact the Corporation's liquidity. The Corporation also maintains cash on hand for liquidity purposes and to pay accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant liquidity risk arising from financial instruments.

The following table summarizes the contractual maturities for all financial liabilities as at March 31, 2020:

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

6. Financial instruments (continued):

	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	March 31, 2020 total
Accounts payable	\$ 51,491	\$ -	\$ -	\$ -	\$ 51,491
Accrued interest payable	8,509,886	-	-	-	8,509,886
Employee obligations	-	-	45,078	-	45,078
Short-term loan	80,000	-	-	-	80,000
Debentures (principal)	112,215,639	399,891,258	206,668,445	53,928,071	772,703,413
Debentures (interest)	24,029,244	60,611,751	24,602,331	4,230,274	113,473,600
	\$ 144,886,260	\$ 460,503,009	\$ 231,315,854	\$ 58,158,345	\$ 894,863,468

7. Short-term loan due to PNS:

The Corporation entered into a Line of Credit Agreement with the Province of Nova Scotia as represented by the Minister of Finance and Treasury Board. The Province has extended a revolving unsecured credit facility of \$50 million. The purpose of this line of credit is to provide short-term financing to municipalities for completed capital projects until long-term financing can be arranged. The current amount outstanding on the Line of Credit is \$80,000 (2019 - \$1,128,250). The balance bears interest at the Canadian Bankers acceptance rate and will be paid off through the bi-annual debenture issuance.

8. Related party transactions:

The Corporation is related to the Province of Nova Scotia as it was created by the Municipal Finance Corporation Act of Nova Scotia and is primarily financed by debentures from the Province of Nova Scotia (note 3). The amount of interest charged in debentures is measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

9. Subsequent events:

On April 28, 2020 the Province of Nova Scotia announced a new operating loan program to help municipalities with reduced cash flow due to COVID-19. The \$380 million loan program, which was developed in collaboration with the Nova Scotia Federation of Municipalities and the Association of Municipal Administrators, will be available through the Corporation.

Municipalities must first determine their revenue shortfall. Then the Department of Municipal Affairs & Housing will analyse the requests and, if approved, will forward the approval to the Corporation. Municipalities requesting financing assistance must do so by March 31, 2021 as there will be no new loans authorized after this date. The operating loans have a 3-year period payback at the provincial 3-year fixed interest rate of 1.1%.

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Schedule of Administrative Expenses

Year ended March 31, 2020, with comparative information for 2019

	2020 Budget	2020 Actual	2019 Actual
Salaries and benefits	\$ 326,436	\$ 328,191	\$ 302,832
Travel	5,000	1,016	305
Equipment and maintenance	52,500	1,581	6,337
Printing	4,100	-	4,291
Postage	1,675	937	973
Telecommunications	1,475	1,618	1,678
Stationary and supplies	400	226	1,222
Professional services	34,770	34,045	48,770
Bank charges	750	(259)	1,179
Directors' fees and expenses	11,600	5,058	7,066
Audit Committee fees and expenses	1,800	1,516	1,022
Professional development	12,300	10,581	6,900
Dues and subscriptions	3,355	3,105	3,065
Insurance	900	918	910
Rent	26,050	-	36,219
Other	500	40	65
Advertising	2,200	2,074	2,294
Special projects	8,100	3,226	3,837
Sponsorship projects	14,000	13,740	13,379
Municipal client training initiatives	5,000	2,500	2,500
	\$ 512,911	\$ 410,113	\$ 444,844