

Statement of Compensation Required Pursuant to the Public Sector
Compensation Disclosure Act

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Year ended March 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Nova Scotia Minister of Finance and Treasury

Opinion

We have audited the Statement of Compensation Required Pursuant to the Public Sector Compensation Disclosure Act for the Nova Scotia Municipal Finance Corporation (the "Entity") for the year ended March 31, 2020 and notes to the schedule, including a summary of significant accounting policies (Hereinafter referred to as the "schedule").

In our opinion, the accompanying schedule for the year ended March 31, 2020 of the Entity is prepared, in all material respects, in accordance with the financial reporting provisions in section 3 of the Public Sector Compensation Disclosure Act dated December 10, 2010.

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 Schedule***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the schedule 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.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 1 in the schedule, which describes the applicable financial reporting framework and the purpose of the schedule.

The schedule is prepared to meet the requirements of the Public Sector Compensation Disclosure Act dated December 10, 2010. As a result, the schedule may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.



Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation of the schedule in accordance with the financial reporting provisions in section 3 of the Public Sector Compensation Disclosure Act dated December 10, 2010. This includes determining that the applicable financial reporting framework is an acceptable basis for the preparation of the schedule in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a schedule that is free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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 schedule.

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 schedule, 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 Entity's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

KPMG LLP

Chartered Professional Accountants
Halifax, Canada
June 18, 2020

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Statement of Compensation Required Pursuant to the Public Sector Compensation Act

Year ended March 31, 2020

| Name | Compensation |
|------------|--------------|
| Paul Wills | \$117,056 |

NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Statement of Compensation Required Pursuant to the Public Sector Compensation Act

Year ended March 31, 2020

1. Basis of accounting:

The Statement of Compensation Required Pursuant to the Public Sector Compensation Act has been prepared in accordance with the financial reporting provisions in section 3 of the Public Sector Compensation Disclosure Act dated December 10, 2010 (the "Act"). The Act includes a definition of compensation in Section 2(b) as follows:

"Compensation" is defined as the total amount or value of all cash and non-cash salary, wages, payments, allowances, bonuses, commissions and perquisites, other than a pension, pursuant to any arrangement, including an employment contract. Compensation includes, without restricting the generality of the foregoing,

- a) all overtime payments, retirement or severance payments, lump-sum payments and vacation payouts;
- b) the value of loan or loan-interest obligations that have been extinguished and of imputed-interest benefits from loans;
- c) long-term incentive plan earnings and payouts;
- d) the value of the benefit derived from vehicles or allowances with respect to vehicles;
- e) the value of the benefit derived from living accommodation provided or any subsidy with respect to living accommodation;
- f) payments made for exceptional benefits not provided to the majority of employees;
- g) payments for memberships in recreational clubs or organizations, and
- h) the value of any other payment or benefit prescribed in the regulations.

Significant interpretations of the financial reporting provisions of the Act include:

- a) An employee is considered to be anyone to whom the Nova Scotia Municipal Finance Corporation issues a T4 slip and also includes contractors or consultants that are sole proprietors or incorporated individuals.

2. Significant accounting policy:

Compensation:

Compensation is determined in accordance with Section 3 of the Act and is recognized on a cash basis.