

Consolidated Financial Statements of

**TOWN OF PICTOU**

Year ended March 31, 2016

# TOWN OF PICTOU

## Consolidated Financial Statements

Year ended March 31, 2016

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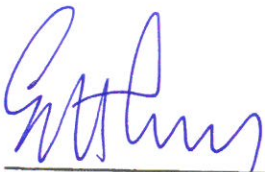
### **Management's Responsibility for the Consolidated Financial Statements**

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

The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

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

The consolidated financial statements have been audited by MGM & Associates, Chartered Accountants, independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.



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Scott Conrod, CPA, CMA  
Chief Administrative Officer



**MGM & Associates**  
**Chartered Accountants**  
Commerce Tower  
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Sydney NS B1P 6G9

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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of  
Town of Pictou

We have audited the accompanying consolidated financial statements of Town of Pictou which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Town of Pictou as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

*MGM & Associates*

Chartered Accountants

Sydney, Canada

July 29, 2016

# TOWN OF PICTOU

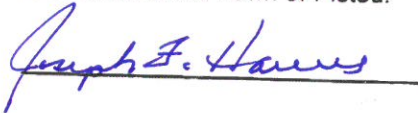
## Consolidated Statement of Financial Position

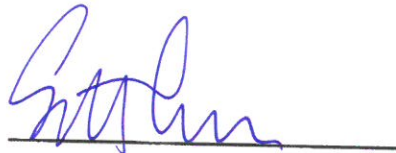
March 31, 2016, with comparative figures for 2015

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	\$ 881,004	\$ 409,807
Restricted cash (note 2)	664,399	653,527
Taxes receivable (note 3)	534,937	590,266
Rates receivable (note 4)	1,823,453	2,134,040
Other accounts receivable	257,351	408,203
Due from federal government and its agencies	91,616	63,794
Due from provincial government and its agencies	40,999	40,999
	<u>4,293,759</u>	<u>4,300,636</u>
<b>FINANCIAL LIABILITIES</b>		
Bank indebtedness (note 2)	468,419	182,681
Accounts payable and accrued liabilities	1,424,972	827,722
Accrued vacation payable	104,500	104,300
Accrued interest on long-term debt	49,888	53,344
Deferred revenue	1,973,260	2,308,245
Long-term debt (note 5)	3,733,080	4,120,267
	<u>7,754,119</u>	<u>7,596,559</u>
<b>NET DEBT</b>	<u>(3,460,360)</u>	<u>(3,295,923)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 6)	22,005,898	21,831,332
Inventory, prepaid expenses and other	155,441	155,626
	<u>22,161,339</u>	<u>21,986,958</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 18,700,979</u>	<u>\$ 18,691,035</u>

See accompanying notes to consolidated financial statements.

On behalf of the Town of Pictou:

  
\_\_\_\_\_  
Joseph F. Harvey

  
\_\_\_\_\_  
Stephen

# TOWN OF PICTOU

## Consolidated Statement of Operations

Year ended March 31, 2016, with comparative figures for 2015

	2016	2016	2015
	Budget (Unaudited)	Actual	Actual
<b>REVENUES</b>			
Taxes	\$ 4,264,938	\$ 4,276,100	\$ 4,181,288
Grants in lieu of taxes	314,608	320,348	309,932
Sales of services	289,168	288,770	261,072
Revenue from own sources	387,860	369,757	395,449
Unconditional transfers from other governments	545,695	536,506	545,715
Capital grants	54,418	54,418	183,125
Gas tax revenue	213,161	213,161	210,362
Other	16,502	52,600	11,094
Water utility revenue	748,459	762,125	751,013
	6,834,809	6,873,785	6,849,050
<b>EXPENSES</b>			
General government services	887,071	985,575	821,709
Protective services	1,242,199	1,226,965	1,198,916
Transportation services	1,171,826	1,136,157	1,212,070
Environmental health services	1,219,898	1,181,744	1,070,087
Public health and welfare services	162,299	126,817	144,777
Environmental development services	119,947	106,380	106,325
Recreation and cultural services	763,208	776,721	771,939
Education	494,932	494,928	488,844
Water utility expense	756,110	828,554	853,978
	6,817,490	6,863,841	6,668,645
<b>ANNUAL SURPLUS</b>	17,319	9,944	180,405
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	18,691,035	18,691,035	18,510,630
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 18,708,354	\$ 18,700,979	\$ 18,691,035

See accompanying notes to consolidated financial statements.

# TOWN OF PICTOU

## Consolidated Statement of Change in Net Debt

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
<b>ANNUAL SURPLUS</b>	\$ 9,944	\$ 180,405
Other non-financial assets		
Amortization of tangible capital assets	1,071,706	979,074
Additions to tangible capital assets	(1,246,272)	(845,053)
Decrease (increase) in inventory, prepaid expenses and other	185	(84,183)
<b>DECREASE (INCREASE) IN NET DEBT</b>	(164,437)	230,243
<b>NET DEBT, BEGINNING OF YEAR</b>	(3,295,923)	(3,526,166)
<b>NET DEBT, END OF YEAR</b>	\$ (3,460,360)	\$ (3,295,923)

See accompanying notes to consolidated financial statements.

# TOWN OF PICTOU

## Consolidated Statement of Cash Flows

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual surplus	\$ 9,944	\$ 180,405
Add amortization of tangible capital assets	1,071,706	979,074
Change in non-cash items		
Decrease in taxes and rates receivable	365,916	130,505
Decrease (increase) in other accounts receivable	150,852	(123,901)
Decrease (increase) in government receivables	(27,822)	24,784
Increase (decrease) in accounts payable and accrued liabilities	597,250	(50,792)
Increase (decrease) in other payables	(3,256)	15,615
Decrease in deferred revenue	(334,985)	(164,982)
Decrease (increase) in inventory, prepaid expenses and other	185	(84,183)
	1,829,790	906,525
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(387,187)	(385,844)
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Additions to tangible capital assets	(1,246,272)	(845,053)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	196,331	(324,372)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	880,653	1,205,025
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 1,076,984	\$ 880,653

See accompanying notes to consolidated financial statements.

# TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2016

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## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of presentation

These consolidated financial statements of Town of Pictou (the "Town") have been prepared, in all material respects, in accordance with Canadian public sector accounting standards for local governments as established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

### (b) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenue, expenses and changes in fund balances of all resources of the Town. The Town is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and that are owned or controlled by the Town. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

- General Operating and Capital Funds
- Water Operating and Capital Funds
- Reserve Funds
- Trust Funds

### (c) School boards

The assets, liabilities, taxation and other revenue and expenses with respect to the operations of the school boards are not reflected in these consolidated financial statements as they are provincial government entities.

School boards in Nova Scotia were created by the Province under provisions in the Education Act, and, under provincial statute, every Town is required to make a mandatory contribution to its school board. The mandatory contribution is set at the value of the Education Rate, set by the Province each year, multiplied by the previous year's Uniform Assessment. The funding for this contribution to the Chignecto Regional School Board are recovered by the Town by an area rate levied on the assessed value of the taxable property and business occupancy assessments and is shown on the consolidated statement of financial activities as a reduction of taxation revenue.

### (d) Fund accounting

The resources and operations of the Town are comprised of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

# TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2016

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Basis of accounting

Revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

### (f) Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand and on deposit at banks net of any outstanding cheques or deposits.

### (g) Short-term investments

Short-term investments are recorded at the lower of cost and net realizable value. A permanent decline in value would result in a write down.

### (h) Tangible capital assets

Tangible capital assets are reported in the consolidated statement of financial position at cost net of accumulated amortization. They are amortized on a straight-line basis over their estimated useful lives at the following rates:

General Fund	Basis	Rate
Buildings	Straight-line	40 years
Equipment	Straight-line	5 - 10 years
Streets	Straight-line	50 years
Sewer collection and disposal	Straight-line	50 years
Recreational and cultural facilities	Straight-line	25 - 40 years

### Water capital fund

Amortization is recorded in accordance with the Nova Scotia Utility and Review Board prescribed rates.

A full year's amortization is taken in the year of acquisition.

### (i) Government transfers

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

# TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2016

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## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Deferred revenue

Deferred revenue represents user charges, prepayment of taxes, and other fees that have been collected, for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

### (k) Reserve funds

Certain amounts, as approved by Council of the Town, are set aside in reserve funds for future operating and capital purposes. Transfers to and or from reserves funds are an adjustment to the respective fund when approved.

### (l) Taxation and related revenues

Property tax billings are prepared by the Town based on assessment rolls issued by the Property Valuation Services Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services and the requisition made by the Province in respect of education taxes and other mandatory contributions. Taxation revenues are recorded at the time tax billings are due. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known. An allowance for unresolved assessment appeals is also provided.

### (m) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenue and expenses in the consolidated financial statements and accompanying notes. Significant items subject to management's estimate and assumptions include the valuation of receivables and carrying amount of tangible capital assets. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

# TOWN OF PICTOU

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 2. CASH AND CASH EQUIVALENTS

	2016	2015
Cash		
General operating fund	\$ -	\$ 99,516
Water operating fund	438,848	-
Capital reserve fund	372,091	156,115
Water capital fund	58,888	143,177
Trust funds	11,177	10,999
	<u>881,004</u>	<u>409,807</u>
Restricted cash		
Gas tax reserve	664,399	653,527
Bank indebtedness		
General operating fund	(468,419)	-
Water operating fund	-	(182,681)
	<u>(468,419)</u>	<u>(182,681)</u>
Cash and cash equivalents	<u>\$ 1,076,984</u>	<u>\$ 880,653</u>

### 3. TAXES RECEIVABLE

	2016	2015
Balance, beginning of year	\$ 739,886	\$ 687,964
Current year's levy of property taxes	4,166,009	4,077,331
Interest	121,806	134,023
Subtotal	<u>5,027,701</u>	<u>4,899,318</u>
Less		
Current year's collections	4,142,844	3,995,759
Reduced taxes	124,729	106,225
Bad debts	49,912	57,448
	<u>4,317,485</u>	<u>4,159,432</u>
Gross taxes receivable, end of year	<u>710,216</u>	<u>739,886</u>
Less		
Allowance for uncollectible taxes	175,279	149,620
Taxes receivable, net	<u>\$ 534,937</u>	<u>\$ 590,266</u>

# TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2016

## 4. RATES RECEIVABLE

	2016	2015
Sewer capital charges	\$ 1,672,058	\$ 1,908,339
Water rates	151,395	225,701
	<u>\$ 1,823,453</u>	<u>\$ 2,134,040</u>

## 5. LONG-TERM DEBT

	2016	2015
Municipal Finance Corporation, repayable in annual principal payments of \$30,000, plus interest at 5.87%, to 6.00% maturing in 2017	\$ 210,000	\$ 240,000
Municipal Finance Corporation, repayable in annual principal payments of \$10,000, plus interest at 4.56%, to 4.62% maturing in 2017	20,000	30,000
Municipal Finance Corporation, repayable in annual principal payments of \$22,500, plus interest at 4.68%, to 4.88% maturing in 2019	67,500	90,000
Municipal Finance Corporation, repayable in annual principal payments of \$32,000, plus interest at 4.04%, to 5.64% maturing in 2024	288,000	320,000
Municipal Finance Corporation, repayable in annual principal payments of \$163,733, plus interest at 2.57%, to 4.41%, maturing in 2025	1,741,335	1,905,068
Municipal Finance Corporation, repayable in annual principal payments of \$22,140, plus interest at 2.00%, maturing in 2032	354,251	376,391
Municipal Finance Corporation, repayable in annual principal payments of \$9,000, plus interest at 2.36% to 3.48%, maturing in 2022	63,000	72,000
	<u>2,744,086</u>	<u>3,033,459</u>

# TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2016

## 5. LONG-TERM DEBT (CONTINUED)

	2016	2015
Carry forward	\$ 2,744,086	\$ 3,033,459
Municipal Finance Corporation, repayable in annual principal payments of \$13,500, plus interest at 1.82% to 3.58%, maturing in 2027	229,500	243,000
Municipal Finance Corporation, repayable in annual principal payments of \$40,300, plus interest at 1.46% to 4.11%, maturing in 2028	725,400	765,700
Royal Bank of Canada, repayable in monthly payments of \$3,819 on principal and interest, 3.11%, maturing in 2017	34,094	78,108
	<u>\$ 3,733,080</u>	<u>\$ 4,120,267</u>

Principal payments required in each of the next five years on debt held as of March 31, 2016 are as follows:

2017	\$ 377,000
2018	493,000
2019	303,000
2020	281,000
2021	281,000

# TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2016

## 6. TANGIBLE CAPITAL ASSETS

	2016		2015	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 391,593	\$ -	\$ 391,593	\$ 391,593
Work in progress	133,593	-	133,593	140,964
<b>Buildings</b>				
General government services	1,345,577	628,314	717,263	750,903
Protective services	996,322	506,638	489,684	511,024
Transportation services	209,132	152,731	56,401	58,078
Sewer collection and disposal	10,693	2,673	8,020	8,287
Recreational and cultural services	2,887,073	1,624,526	1,262,547	1,334,726
<b>Equipment</b>				
General government services	37,613	35,891	1,722	2,295
Protective services	580,543	547,307	33,236	53,565
Transportation services	745,783	254,174	491,609	83,007
Recreational and cultural services	60,762	50,879	9,883	14,081
<b>Other</b>				
General government services	127,608	123,411	4,197	29,718
Protective services	16,755	1,341	15,414	15,750
Streets and sidewalks	4,981,415	1,988,758	2,992,657	2,937,994
Sewer collection and disposal	12,870,319	3,397,610	9,472,709	9,485,073
Recreation and culture services	1,247,245	1,095,602	151,643	194,129
Water utility assets	6,912,042	1,138,315	5,773,727	5,820,145
Schools	979,932	979,932	-	-
	<b>\$ 34,534,000</b>	<b>\$12,528,102</b>	<b>\$ 22,005,898</b>	<b>\$ 21,831,332</b>

# TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2016

## 7. ACCUMULATED SURPLUS

	2016	2015
Operating fund	\$ -	\$ -
Water utility operating fund	111,461	77,053
Capital fund	13,404,107	13,203,037
Water utility capital fund	4,665,438	4,529,204
	18,181,006	17,809,294
Reserve fund	508,786	870,742
Trust funds	11,187	10,999
	\$ 18,700,979	\$ 18,691,035

## 8. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of the Town's financial instruments that are comprised of cash, taxes, rates and other receivables, due from federal and provincial governments and its agencies, bank indebtedness, accounts payable and accrued liabilities, and accrued interest on long-term debt approximate their carrying value due to their short-term nature.

The market value of short-term investments, consisting of guaranteed investment certificates, approximates cost due to its short-term nature.

The fair value of long-term debt is based on rates currently available to the Town with similar terms and maturities and approximates its carrying value.

Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risks arising from these financial instruments.

# TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2016

## 9. TRANSFERS TO BOARDS AND COMMISSIONS

The Town of Pictou is required to share in financing the operations of various Boards and Commissions. In addition to any budgeted contributions, the Town shares in the deficits or surpluses of these Boards based on their sharing percentages. The Town's share of the deficit is to be paid in the next fiscal year, while a surplus is to be taken into the next year's estimates.

	2016 Contribution	2015 Contribution
Pictou County Shared Services Authority	\$ 267,694	\$ 257,158
Eastern Mainland Housing Authority	96,068	101,323
Pictou-Antigonish Regional Library	29,685	29,685
CHAD - Transit Authority	19,000	18,540
Active Pictou County (a)	3,333	3,333

(a) The services and programs of Active Pictou County are governed through an Inter-municipal Services Agreement, s. 60 Municipal Government Act, dated March 23, 2014 among the Towns of New Glasgow, Pictou, Stellarton, Trenton, Westville and the Municipality of Pictou County. The program is currently an administrative unit of the Town. At year end, the Town held \$54,153 (2015 - \$108,237) on behalf of Active Pictou County.

## 10. COMPARATIVE FIGURES

Certain 2015 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

# TOWN OF PICTOU

## Schedule of Remuneration of Members of Council and CAO

Year ended March 31, 2016

Name	Title	Remuneration
Joe Hawes	Mayor	\$ 18,415
Cam Beaton	Councillor	10,974
Bob Naylor	Councillor	10,974
Alta Munroe	Councillor/Deputy Mayor	11,998
Lynn Vigneault	Councilor	11,082
Scott Conrod, CPA, CMA	CAO	107,058

# TOWN OF PICTOU

## Non-Consolidated Schedule of Operating Fund

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
<b>REVENUES</b>		
Taxes	\$ 4,276,100	\$ 4,181,288
Grants in lieu of taxes	320,348	309,932
Sales of services	288,770	261,072
Revenue from own sources	369,757	395,449
Unconditional transfers from other governments	536,506	545,715
Other transfers	50,910	8,182
	<u>5,842,391</u>	<u>5,701,638</u>
<b>EXPENSES</b>		
General government services	925,840	761,359
Protective services	1,361,769	1,329,693
Transportation services	975,339	1,071,443
Environmental health services	674,269	607,673
Public health and welfare services	126,817	144,777
Environmental development services	106,380	106,325
Recreation and cultural services	657,859	646,033
Education	494,928	488,844
	<u>5,323,201</u>	<u>5,156,147</u>
Excess of revenues over expenses before the following	519,190	545,491
<b>FINANCING AND TRANSFERS</b>		
Debenture and term loan principal installments	(278,973)	(278,973)
Transfer to capital fund	(100,155)	(127,620)
Transfer to capital reserve	(90,185)	(69,699)
Net financing and transfers	<u>(469,313)</u>	<u>(476,292)</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	49,877	69,199
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	-	23,915
<b>TRANSFER TO OPERATING RESERVE</b>	(49,877)	(93,114)
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>

# TOWN OF PICTOU

## Non-Consolidated Schedule of Water Utility Operating Fund

Year ended March 31, 2016, with comparatives for 2015

	2016	2015
<b>OPERATING REVENUES</b>		
Metered rate sales	\$ 150,405	\$ 138,103
Flat rate sales	609,110	611,860
Public fire protection	182,653	178,041
	<u>942,168</u>	<u>928,004</u>
<b>OPERATING EXPENSES</b>		
Source of supply	7,209	8,112
Pumping	118,290	133,681
Water treatment	133,179	133,512
Transmission and distribution	210,268	216,670
Administration and general	139,723	176,573
Depreciation	176,968	142,513
Taxes	42,917	42,917
	<u>828,554</u>	<u>853,978</u>
Excess of operating revenues over expenses before the following	113,614	74,026
<b>NON-OPERATING REVENUES</b>		
Miscellaneous	2,610	1,050
<b>NON-OPERATING EXPENSES</b>		
Debt charge, principal	64,200	64,200
Transfer to capital fund, water section	17,616	4,570
	<u>81,816</u>	<u>68,770</u>
<b>ANNUAL SURPLUS</b>	<u>34,408</u>	<u>6,306</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	77,053	70,747
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 111,461</u>	<u>\$ 77,053</u>

# TOWN OF PICTOU

## Non-Consolidated Schedule of Capital Fund

Year ended March 31, 2016, with comparatives for 2015

	2016	2015
<b>REVENUES</b>		
Grants	\$ -	\$ 65,028
<b>EXPENSES</b>		
General government services	59,735	60,350
Protective services	47,849	47,264
Transportation services	160,818	140,627
Environmental health services	507,475	462,414
Recreation and cultural services	118,862	125,906
	894,739	836,561
Deficiency of revenues over expenses before the following	(894,739)	(771,533)
<b>FINANCING AND TRANSFERS</b>		
Transfer from operating fund	100,155	127,620
Transfer from capital reserve fund	716,681	52,363
Debenture and term loan principal installments	278,973	278,973
	1,095,809	458,956
<b>ANNUAL SURPLUS (DEFICIT)</b>	201,070	(312,577)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	13,203,037	13,515,614
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 13,404,107	\$ 13,203,037

# TOWN OF PICTOU

Non-Consolidated Schedule of Water Utility Capital Fund

Year ended March 31, 2016, with comparatives for 2015

	2016	2015
<b>REVENUES</b>		
Government grants	\$ 54,418	\$ 118,097
<b>FINANCING AND TRANSFERS</b>		
Capital debt retired	64,200	64,200
Capital out of operating	17,616	4,570
Transfer from reserve funds	-	52,782
	81,816	121,552
<b>ANNUAL SURPLUS</b>	136,234	239,649
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	4,529,204	4,289,555
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 4,665,438	\$ 4,529,204

# TOWN OF PICTOU

## Non-consolidated Schedule of Reserve Funds

Year ended March 31, 2016, with comparative figures for 2015

	2016				2015	
	Capital Reserve	Operating Reserve	Gas Tax Reserve	Total	Total	Total
<b>REVENUES</b>						
Gas tax revenue	\$ -	\$ -	\$ 213,161	\$ 213,161	\$ 210,362	
Investment income	-	-	1,502	1,502	2,793	
			214,663	214,663	213,155	
<b>EXPENSES</b>						
Transfer from operating fund	90,185	-	-	90,185	69,699	
Transfer to capital fund	(5,845)	-	(710,836)	(716,681)	(52,363)	
Transfer to water utility capital fund	-	-	-	-	(52,782)	
	84,340	-	(710,836)	(626,496)	(35,446)	
<b>ANNUAL SURPLUS (DEFICIT)</b>	84,340	-	(496,173)	(411,833)	177,709	
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	221,315	93,114	556,313	870,742	599,919	
<b>TRANSFER FROM OPERATING FUND</b>	-	49,877	-	49,877	93,114	
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 305,655	\$ 142,991	\$ 60,140	\$ 508,786	\$ 870,742	

**TOWN OF PICTOU**  
Schedule of Segment Disclosure

Year ended March 31, 2016, with comparative figures for 2015

Segment reporting is designed to assist users in identifying the resources allocated to support the major activities of the Town and to better understand the performance of segments.

The following schedule provides segment information for the 2016 fiscal year. Segment results represent the activities of that segment and are based on the same accounting policies as described in the Significant Accounting Policies as described in Note 1. The Town has determined that the following segments represent the major activities of government.

Year ended March 31, 2016	General Government Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Educational Services	Water Utility	Total
<b>REVENUES</b>										
Taxation	\$ 3,230,115	\$ -	\$ -	\$ 551,057	\$ -	\$ -	\$ -	\$ 494,928	\$ -	\$ 4,276,100
Grants in lieu of taxes	320,348	-	-	-	-	-	-	-	-	320,348
Sale of services	226,441	143,316	-	-	-	-	288,770	-	-	288,770
Revenue from own sources	-	-	-	-	-	-	-	-	-	-
Unconditional transfers from-	-	-	-	-	-	-	-	-	-	-
other governments	536,506	-	-	-	-	-	-	-	-	536,506
Capital grants	213,161	-	-	-	-	-	-	-	54,418	213,161
Gas tax revenue	52,600	-	-	-	-	-	-	-	-	52,600
Other	-	-	-	-	-	-	-	-	-	-
Water utility revenue	-	-	-	-	-	-	-	-	762,125	762,125
	4,579,171	143,316	-	551,057	-	-	288,770	494,928	816,543	6,873,785
<b>EXPENSES</b>										
Salaries, wages and benefits	472,196	107,270	509,327	79,037	-	517	304,781	-	297,190	1,770,318
Interest on long-term debt	17,786	18,037	1,866	68,367	-	-	14,658	-	41,685	162,419
Other operating expenses	384,653	1,053,809	445,126	526,866	-	74,031	308,735	-	312,711	3,105,931
External transfers and grants	51,205	-	19,000	-	30,749	18,665	29,685	494,928	-	644,232
Internal transfers	-	-	-	-	96,068	13,167	-	-	-	109,235
Amortization	59,735	47,849	160,818	507,474	-	-	118,862	-	176,968	1,071,706
	985,575	1,226,965	1,136,157	1,181,744	126,817	106,380	776,721	494,928	828,554	6,863,841
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 3,593,596	\$ (1,083,649)	\$ (1,136,157)	\$ (630,687)	\$ (126,817)	\$ (106,380)	\$ (487,951)	\$ -	\$ (12,011)	\$ 9,944
<b>Year ended March 31, 2015</b>										
<b>REVENUES</b>										
Taxation	\$ 3,161,977	\$ -	\$ -	\$ 530,467	\$ -	\$ -	\$ -	\$ 488,844	\$ -	\$ 4,181,288
Grants in lieu of taxes	309,932	-	-	-	-	-	-	-	-	309,932
Sale of services	254,890	140,559	-	-	-	-	261,072	-	-	261,072
Revenue from own sources	-	-	-	-	-	-	-	-	-	-
Unconditional transfers from-	-	-	-	-	-	-	-	-	-	-
other governments	545,715	-	-	-	-	-	-	-	-	545,715
Capital grants	65,028	-	-	-	-	-	-	-	118,097	183,125
Gas tax revenue	210,362	-	-	-	-	-	-	-	-	210,362
Other	11,094	-	-	-	-	-	-	-	-	11,094
Water utility revenue	-	-	-	-	-	-	-	-	751,013	751,013
	4,558,998	140,559	-	530,467	-	-	261,072	488,844	869,110	6,849,050
<b>EXPENSES</b>										
Salaries, wages and benefits	404,741	120,508	522,594	85,741	-	24,105	298,364	-	332,994	1,785,047
Interest on long-term debt	20,025	20,135	1,866	72,402	-	-	16,470	-	42,629	171,661
Other operating expenses	291,831	1,011,009	530,309	449,530	-	52,599	301,514	-	335,842	2,972,634
External transfers and grants	44,762	-	18,540	-	43,454	13,569	29,685	488,844	-	638,874
Internal transfers	-	-	-	-	101,323	16,032	-	-	-	117,355
Amortization	60,350	47,264	140,627	462,414	-	-	125,906	-	142,513	979,074
	821,709	1,198,916	1,212,070	1,070,087	144,777	106,325	771,939	488,844	853,978	6,668,645
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 3,737,289	\$ (1,058,357)	\$ (1,212,070)	\$ (539,620)	\$ (144,777)	\$ (106,325)	\$ (510,867)	\$ -	\$ 15,132	\$ 180,405