

Consolidated Financial Statements of

TOWN OF PICTOU

Year ended March 31, 2017

TOWN OF PICTOU

Consolidated Financial Statements

Year ended March 31, 2017

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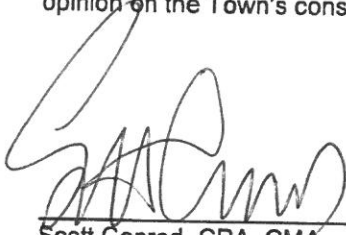
Management's Responsibility for the Consolidated Financial Statements

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. 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 Professional 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.



Scott Conrod, CPA, CMA
Chief Administrative Officer



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Chartered Accountants
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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, 2017 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 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, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants
Licensed Public Accountants

Sydney, Canada
August 30, 2017

TOWN OF PICTOU

Consolidated Statement of Financial Position

March 31, 2017, with comparative figures for 2016

	2017	2016
FINANCIAL ASSETS		
Cash (note 2)	\$ 1,130,657	\$ 1,486,515
Restricted cash (note 2)	512,742	58,888
Taxes receivable (note 3)	617,544	534,937
Rates receivable (note 4)	1,605,998	1,823,453
Other accounts receivable	745,632	257,351
Due from federal government and its agencies	38,429	91,616
Due from provincial government and its agencies	40,999	40,999
	<u>4,692,001</u>	<u>4,293,759</u>
FINANCIAL LIABILITIES		
Bank indebtedness (note 2)	834,703	468,419
Accounts payable and accrued liabilities	1,067,639	1,424,972
Accrued vacation payable	127,382	104,500
Accrued interest on long-term debt	46,077	49,888
Deferred revenue	1,826,130	1,973,260
Long-term debt (note 5)	3,355,813	3,733,080
	<u>7,257,744</u>	<u>7,754,119</u>
NET DEBT	<u>(2,565,743)</u>	<u>(3,460,360)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 6)	21,633,564	22,005,898
Inventory, prepaid expenses and other	136,299	155,441
	<u>21,769,863</u>	<u>22,161,339</u>
ACCUMULATED SURPLUS	<u>\$ 19,204,120</u>	<u>\$ 18,700,979</u>

See accompanying notes to consolidated financial statements.

On behalf of the Town of Pictou:



TOWN OF PICTOU

Consolidated Statement of Operations

Year ended March 31, 2017, with comparative figures for 2016

	2017	2017	2016
	Budget (Unaudited)	Actual	Actual
REVENUES			
Taxes	\$ 3,610,268	\$ 3,618,590	\$ 3,611,492
Grants in lieu of taxes	317,648	328,681	320,348
Services provided to other governments	17,685	15,304	27,872
Sales of services	263,152	265,108	288,770
Revenue from own sources	357,706	367,600	341,886
Unconditional transfers from other governments	570,827	570,827	568,891
Conditional transfers from other governments	—	—	50,910
Capital grants	330,789	330,789	54,418
Gas tax revenue	223,763	223,763	213,161
Other	756	756	1,690
Water utility revenue	747,207	756,793	762,126
	6,439,801	6,478,211	6,241,564
EXPENSES			
General government services	916,274	875,717	985,575
Protective services	1,244,794	1,189,865	1,185,739
Transportation services	1,132,362	1,117,668	1,136,157
Environmental health services	1,237,595	1,160,602	1,181,744
Public health and welfare services	25,829	19,168	30,749
Environmental development services	115,420	105,086	106,380
Recreation and cultural services	743,923	747,103	776,722
Water utility expense	742,207	759,861	828,554
	6,158,404	5,975,070	6,231,620
ANNUAL SURPLUS	281,397	503,141	9,944
ACCUMULATED SURPLUS, BEGINNING OF YEAR		18,700,979	18,691,035
ACCUMULATED SURPLUS, END OF YEAR		\$ 19,204,120	\$ 18,700,979

See accompanying notes to consolidated financial statements.

TOWN OF PICTOU

Consolidated Statement of Change in Net Debt

Year ended March 31, 2017, with comparative figures for 2016

	2017	2016
ANNUAL SURPLUS	\$ 503,141	\$ 9,944
Other non-financial assets		
Amortization of tangible capital assets	1,049,532	1,071,706
Additions to tangible capital assets	(677,198)	(1,246,272)
Decrease (increase) in inventory, prepaid expenses and other	19,142	185
DECREASE (INCREASE) IN NET DEBT	894,617	(164,437)
NET DEBT, BEGINNING OF YEAR	(3,460,360)	(3,295,923)
NET DEBT, END OF YEAR	\$ (2,565,743)	\$ (3,460,360)

See accompanying notes to consolidated financial statements.

TOWN OF PICTOU

Consolidated Statement of Cash Flows

Year ended March 31, 2017, with comparative figures for 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 503,141	\$ 9,944
Add amortization of tangible capital assets	1,049,532	1,071,706
Change in non-cash items		
Decrease in taxes and rates receivable	134,848	365,916
Decrease (increase) in other accounts receivable	(488,281)	150,852
Decrease (increase) in government receivables	53,187	(27,822)
Increase (decrease) in accounts payable and accrued liabilities	(357,333)	597,250
Increase (decrease) in other payables	19,071	(3,256)
Decrease in deferred revenue	(147,130)	(334,985)
Decrease in inventory, prepaid expenses and other	19,142	185
	<u>786,177</u>	<u>1,829,790</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(377,267)	(387,187)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(677,198)	(1,246,272)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(268,288)</u>	<u>196,331</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,076,984</u>	<u>880,653</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 808,696</u>	<u>\$ 1,076,984</u>
Cash and cash equivalents consists of		
Cash	\$ 1,130,657	\$ 1,486,515
Restricted cash	512,742	58,888
Bank indebtedness	(834,703)	(468,419)
	<u>\$ 808,696</u>	<u>\$ 1,076,984</u>

See accompanying notes to consolidated financial statements.

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2017

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.

(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, 2017

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, 2017

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, 2017

2. CASH AND CASH EQUIVALENTS

	2017	2016
Cash		
Water operating fund	\$ 387,881	\$ 438,848
Capital reserve fund	733,197	1,036,490
Trust funds	9,579	11,177
	<u>1,130,657</u>	<u>1,486,515</u>
Restricted cash		
Depreciation fund	512,742	58,888
Bank indebtedness		
General operating fund	(834,703)	(468,419)
Cash and cash equivalents	<u>\$ 808,696</u>	<u>\$ 1,076,984</u>

3. TAXES RECEIVABLE

	2017	2016
Balance, beginning of year	\$ 710,216	\$ 739,886
Current year's levy of property taxes	4,173,004	4,166,009
Interest	137,377	121,806
Subtotal	<u>5,020,597</u>	<u>5,027,701</u>
Less		
Current year's collections	4,160,290	4,142,844
Reduced taxes	146,271	124,729
Bad debts	(65,073)	49,912
	<u>4,241,488</u>	<u>4,317,485</u>
Gross taxes receivable, end of year	<u>779,109</u>	<u>710,216</u>
Less		
Allowance for uncollectible taxes	161,565	175,279
Taxes receivable, net	<u>\$ 617,544</u>	<u>\$ 534,937</u>

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2017

4. RATES RECEIVABLE

	2017	2016
Sewer capital charges	\$ 1,438,472	\$ 1,672,058
Water rates	167,526	151,395
	<u>\$ 1,605,998</u>	<u>\$ 1,823,453</u>

5. LONG-TERM DEBT

	2017	2016
Municipal Finance Corporation, repayable in annual principal payments of \$30,000, plus interest at 5.87%, to 6.00% maturing in 2022	\$ 180,000	\$ 210,000
Municipal Finance Corporation, repayable in annual principal payments of \$10,000, plus interest at 4.56%, to 4.62% maturing in 2017	10,000	20,000
Municipal Finance Corporation, repayable in annual principal payments of \$22,500, plus interest at 4.68%, to 4.88% maturing in 2019	45,000	67,500
Municipal Finance Corporation, repayable in annual principal payments of \$32,000, plus interest at 4.04%, to 5.64% maturing in 2024	256,000	288,000
Municipal Finance Corporation, repayable in annual principal payments of \$163,733, plus interest at 2.57%, to 4.41%, maturing in 2025	1,577,602	1,741,335
Municipal Finance Corporation, repayable in annual principal payments of \$22,140, plus interest at 2.00%, maturing in 2032	332,111	354,251
Municipal Finance Corporation, repayable in annual principal payments of \$9,000, plus interest at 2.36% to 3.48%, maturing in 2022	54,000	63,000
	<u>2,454,713</u>	<u>2,744,086</u>

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2017

5. LONG-TERM DEBT (CONTINUED)

	2017	2016
Carry forward	\$ 2,454,713	\$ 2,744,086
Municipal Finance Corporation, repayable in annual principal payments of \$13,500, plus interest at 1.82% to 3.58%, maturing in 2027	216,000	229,500
Municipal Finance Corporation, repayable in annual principal payments of \$40,300, plus interest at 1.46% to 4.11%, maturing in 2028	685,100	725,400
Royal Bank of Canada, repayable in monthly payments of \$3,819 on principal and interest, 3.11%, maturing in 2017	—	34,094
	<u>\$ 3,355,813</u>	<u>\$ 3,733,080</u>

Principal payments required in each of the next five years on debt held as of March 31, 2017 are as follows:

2018	\$493,173
2019	303,173
2020	280,673
2021	280,673
2022	280,673

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2017

6. TANGIBLE CAPITAL ASSETS

			2017	2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 391,593	\$ -	\$ 391,593	\$ 391,593
Work in progress	52,658	-	52,658	133,593
Buildings				
General government services	1,379,358	662,798	716,560	717,263
Protective services	1,004,517	528,183	476,334	489,684
Transportation services	209,132	154,410	54,722	56,401
Sewer collection and disposal	10,693	2,941	7,752	8,020
Recreational and cultural services	2,894,164	1,696,879	1,197,285	1,262,547
Equipment				
General government services	49,970	38,937	11,033	1,722
Protective services	598,142	575,240	22,902	33,236
Transportation services	745,785	309,213	436,572	491,609
Environmental health services	3,137,678	1,697,968	1,439,710	1,738,324
Recreational and cultural services	60,762	55,077	5,685	9,883
Other				
General government services	127,608	126,790	818	4,197
Protective services	16,755	1,675	15,080	15,414
Streets and sidewalks	5,531,637	2,099,391	3,432,246	2,992,657
Sewer collection and disposal	9,747,795	2,208,366	7,539,429	7,734,385
Recreation and culture services	1,247,246	1,120,500	126,746	151,643
Water utility assets	7,025,774	1,319,335	5,706,439	5,773,727
Schools	979,932	979,932	-	-
	\$ 35,211,199	\$13,577,635	\$ 21,633,564	\$ 22,005,898

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2017

7. ACCUMULATED SURPLUS

	2017	2016
General operating fund	\$ -	\$ -
Water utility operating fund	116,458	111,461
General capital fund	13,583,824	13,404,107
Water utility capital fund	4,843,370	4,665,438
	18,543,652	18,181,006
Reserve fund	649,173	508,786
Trust funds	11,295	11,187
	\$ 19,204,120	\$ 18,700,979

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, 2017

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.

	2017	2016
	Contribution	Contribution
Pictou County Shared Services Authority	\$ 259,902	\$ 267,694
Eastern Mainland Housing Authority	89,205	96,068
Pictou-Antigonish Regional Library	32,419	29,685
CHAD - Transit Authority	19,500	19,000
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 \$53,227 (2016 - \$54,153) on behalf of Active Pictou County.

10. COMPARATIVE FIGURES

Certain 2016 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, 2017

Name	Title	Remuneration
Joe Hawes	Mayor	\$ 10,962
Jim Ryan	Mayor	7,308
Cam Beaton	Councillor, Deputy Mayor	6,892
Bob Naylor	Councillor	6,533
Alta Munroe	Councillor	6,533
Lynn Vigneault	Councillor, Deputy Mayor	6,847
Dan Currie	Councillor, Deputy Mayor	4,759
Nadine Leblanc	Councillor	4,355
Malcolm Houser	Councillor	4,355
Eric Daley	Councillor	4,355
Scott Conrod, CPA, CMA	CAO	108,298

TOWN OF PICTOU

Non-Consolidated Schedule of Operating Fund

Year ended March 31, 2017, with comparative figures for 2016

	2017	2016
REVENUES		
Taxes	\$ 3,618,590	\$ 3,611,492
Grants in lieu of taxes	328,681	320,348
Services provided to other governments	15,304	27,872
Sales of services	265,108	288,770
Revenue from own sources	367,600	341,886
Unconditional transfers from other governments	570,827	568,891
Other transfers	-	50,910
	<u>5,166,110</u>	<u>5,210,169</u>
EXPENSES		
General government services	834,809	925,840
Protective services	1,326,049	1,320,543
Transportation services	950,318	975,339
Environmental health services	651,611	674,269
Public health and welfare services	19,168	30,749
Environmental development services	105,086	106,380
Recreation and cultural services	645,653	657,859
	<u>4,532,694</u>	<u>4,690,979</u>
Excess of revenues over expenses before the following	633,416	519,190
FINANCING AND TRANSFERS		
Debenture and term loan principal installments	(278,973)	(278,973)
Transfer to capital fund	(163,467)	(100,155)
Transfer to capital reserve	(14,455)	(90,185)
Net financing and transfers	<u>(456,895)</u>	<u>(469,313)</u>
ANNUAL SURPLUS	176,521	49,877
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-
TRANSFER TO OPERATING RESERVE	(176,521)	(49,877)
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PICTOU

Non-Consolidated Schedule of Water Utility Operating Fund

Year ended March 31, 2017, with comparatives for 2016

	2017	2016
OPERATING REVENUES		
Metered rate sales	\$ 143,573	\$ 150,405
Flat rate sales	607,398	605,190
Other	3,920	3,920
Public fire protection	185,997	182,653
	<u>940,888</u>	<u>942,168</u>
OPERATING EXPENSES		
Source of supply	2,403	7,209
Pumping	110,350	118,290
Water treatment	87,164	133,179
Transmission and distribution	156,601	210,268
Administration and general	179,307	139,723
Depreciation	181,020	176,968
Taxes	43,016	42,917
	<u>759,861</u>	<u>828,554</u>
Excess of operating revenues over expenses before the following	181,027	113,614
NON-OPERATING REVENUES		
Miscellaneous	1,902	2,610
NON-OPERATING EXPENSES		
Debt charge, principal	64,200	64,200
Transfer to capital fund, water section	113,732	17,616
	<u>177,932</u>	<u>81,816</u>
ANNUAL SURPLUS	4,997	34,408
ACCUMULATED SURPLUS, BEGINNING OF YEAR	111,461	77,053
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 116,458</u>	<u>\$ 111,461</u>

TOWN OF PICTOU

Non-Consolidated Schedule of Capital Fund

Year ended March 31, 2017, with comparatives for 2016

	2017	2016
REVENUES		
Grants	\$ 330,789	\$ -
EXPENSES		
General government services	40,908	59,735
Protective services	49,813	47,849
Transportation services	167,350	160,818
Environmental health services	508,991	507,475
Recreation and cultural services	101,450	118,862
	<u>868,512</u>	<u>894,739</u>
Deficiency of revenues over expenses before the following	(537,723)	(894,739)
FINANCING AND TRANSFERS		
Transfer from operating fund	163,467	100,155
Transfer from capital reserve fund	275,000	716,681
Debenture and term loan principal installments	278,973	278,973
	<u>717,440</u>	<u>1,095,809</u>
ANNUAL SURPLUS	179,717	201,070
ACCUMULATED SURPLUS, BEGINNING OF YEAR	13,404,107	13,203,037
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 13,583,824</u>	<u>\$ 13,404,107</u>

TOWN OF PICTOU

Non-Consolidated Schedule of Water Utility Capital Fund

Year ended March 31, 2017, with comparatives for 2016

	2017	2016
REVENUES		
Government grants	\$ -	\$ 54,418
FINANCING AND TRANSFERS		
Capital debt retired	64,200	64,200
Capital out of operating	113,732	17,616
	177,932	81,816
ANNUAL SURPLUS	177,932	136,234
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,665,438	4,529,204
ACCUMULATED SURPLUS, END OF YEAR	\$ 4,843,370	\$ 4,665,438

TOWN OF PICTOU

Non-consolidated Schedule of Reserve Funds

Year ended March 31, 2017, with comparative figures for 2016

	2017				2016			
	Capital Reserve	Operating Reserve	Gas Tax Reserve	Total	Capital Reserve	Operating Reserve	Gas Tax Reserve	Total
REVENUES								
Gas tax revenue	\$ -	\$ -	\$ 223,763	\$ 223,763	\$ -	\$ -	\$ 213,161	\$ 213,161
Investment income	-	-	648	648	-	-	1,502	1,502
			224,411	224,411			214,663	214,663
EXPENSES								
Transfer from operating fund	36,256	-	-	36,256	-	-	-	36,256
Expenditures	(21,801)	-	-	(21,801)	-	-	-	(21,801)
Transfer to capital fund	-	-	(275,000)	(275,000)	-	-	(716,681)	(716,681)
	14,455	-	(275,000)	(260,545)	-	-	(626,496)	(626,496)
ANNUAL SURPLUS (DEFICIT)	14,455	-	(50,589)	(36,134)	-	-	(411,833)	(411,833)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	305,655	142,991	60,140	508,786				870,742
TRANSFER FROM OPERATING FUND	-	176,521	-	176,521				49,877
ACCUMULATED SURPLUS, END OF YEAR	\$ 320,110	\$ 319,512	\$ 9,551	\$ 649,173	\$ 320,110	\$ 319,512	\$ 9,551	\$ 649,173
								\$ 508,786

TOWN OF PICTOU
Schedule of Segment Disclosure

Year ended March 31, 2017, with comparative figures for 2016

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 2017 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, 2017	General Government Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utility	Total
REVENUES									
Taxation	\$ 3,092,053	\$ -	\$ -	\$ 526,537	\$ -	\$ -	\$ -	\$ -	\$ 3,618,590
Grants in lieu of taxes	328,681	-	-	-	-	-	-	-	328,681
Sale of services	-	-	-	-	-	-	265,108	-	265,108
Revenue from own sources	213,410	154,190	-	-	-	-	-	-	367,600
Unconditional transfers from-									
other governments	570,827	-	-	-	-	-	-	-	570,827
Capital grants	-	-	-	330,789	-	-	-	-	330,789
Gas tax revenue	223,763	-	-	-	-	-	-	-	223,763
Other	756	-	-	-	-	-	-	-	756
Water utility revenue	-	-	-	-	-	-	-	756,793	756,793
Services provided to other governments	15,304	-	-	-	-	-	-	-	15,304
EXPENSES									
Salaries, wages and benefits	4,444,794	154,190	-	857,326	-	-	265,108	756,793	6,478,211
Interest on long-term debt	453,410	105,184	524,112	65,041	-	835	304,239	222,786	1,675,607
Other operating expenses	16,603	15,718	1,677	53,711	-	-	12,440	40,463	150,612
External transfers and grants	321,034	1,019,150	405,029	522,859	-	76,014	296,555	315,592	2,956,233
Internal transfers	43,762	-	19,300	-	19,168	19,271	32,419	-	134,120
Amortization	40,908	49,813	167,350	508,991	-	8,966	101,450	-	8,966
	875,717	1,189,865	1,117,668	1,160,602	19,168	105,086	747,103	759,861	5,975,070
ANNUAL SURPLUS (DEFICIT)	\$ 3,569,077	\$ (1,035,675)	\$ (1,117,668)	\$ (303,276)	\$ (19,168)	\$ (105,086)	\$ (481,995)	\$ (3,058)	\$ 503,141

Year ended March 31, 2016	General Government Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utility	Total
REVENUES									
Taxation	\$ 3,080,435	\$ -	\$ -	\$ 551,057	\$ -	\$ -	\$ -	\$ -	\$ 3,631,492
Grants in lieu of taxes	320,348	-	-	-	-	-	-	-	320,348
Sale of services	-	-	-	-	-	-	288,770	-	288,770
Revenue from own sources	198,570	143,316	-	-	-	-	-	-	341,886
Unconditional transfers from-									
other governments	588,891	-	-	-	-	-	-	-	588,891
Capital grants	-	-	-	-	-	-	-	-	-
Gas tax revenue	213,161	-	-	-	-	-	-	54,418	267,579
Other	52,600	-	-	-	-	-	-	-	52,600
Water utility revenue	-	-	-	-	-	-	-	762,126	762,126
Services provided to other governments	27,872	-	-	-	-	-	-	-	27,872
EXPENSES									
Salaries, wages and benefits	4,441,877	143,316	-	551,057	-	-	288,770	816,544	6,241,564
Interest on long-term debt	472,196	107,270	509,327	79,037	-	517	304,781	297,190	1,770,318
Other operating expenses	17,786	18,037	1,886	66,367	-	-	14,658	41,685	162,419
External transfers and grants	384,653	1,012,583	445,126	526,866	-	74,031	308,736	312,711	3,084,706
Internal transfers	51,205	-	19,000	-	30,749	18,665	29,685	-	149,304
Amortization	59,735	47,849	160,818	507,474	-	13,167	118,862	-	13,167
	985,575	1,185,739	1,136,157	1,181,744	30,749	106,380	776,722	828,554	6,231,620
ANNUAL SURPLUS (DEFICIT)	\$ 3,456,302	\$ (1,042,423)	\$ (1,136,157)	\$ (630,687)	\$ (30,749)	\$ (106,380)	\$ (487,952)	\$ (12,010)	\$ 9,944