



Consolidated Financial Statements of

TOWN OF PICTOU

Year ended March 31, 2018

TOWN OF PICTOU

Consolidated Financial Statements

Year ended March 31, 2018

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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.

Dan Troke
Chief Administrative Officer



MGM & Associates
Chartered Professional 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, 2018 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, 2018 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
September 24, 2018

TOWN OF PICTOU

Consolidated Statement of Financial Position

March 31, 2018, with comparative figures for 2017

	2018	2017
FINANCIAL ASSETS		
Cash (note 2)	\$ 1,197,768	\$ 1,130,657
Restricted cash (note 2)	201,291	512,742
Taxes receivable (note 3)	770,374	617,544
Rates receivable (note 4)	1,343,244	1,605,998
Other accounts receivable	325,080	745,632
Due from federal government and its agencies	326,131	38,429
Due from provincial government and its agencies	40,999	40,999
	<u>4,204,887</u>	<u>4,692,001</u>
FINANCIAL LIABILITIES		
Bank indebtedness (note 2)	–	834,703
Demand loans (note 5)	904,447	–
Accounts payable and accrued liabilities	1,230,367	1,067,639
Accrued vacation payable	113,702	127,382
Accrued interest on long-term debt	38,586	46,077
Deferred revenue	1,820,998	1,826,130
Long-term debt (note 6)	2,862,640	3,355,813
	<u>6,970,740</u>	<u>7,257,744</u>
NET DEBT	(2,765,853)	(2,565,743)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	23,422,247	21,633,564
Inventory, prepaid expenses and other	132,414	136,299
	<u>23,554,661</u>	<u>21,769,863</u>
ACCUMULATED SURPLUS	\$ 20,788,808	\$ 19,204,120

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, 2018, with comparative figures for 2017

	2018	2018	2017
	Budget (Unaudited)	Actual	Actual
REVENUES			
Taxes	\$ 3,587,855	\$ 3,578,472	\$ 3,618,590
Grants in lieu of taxes	336,591	342,038	328,681
Services provided to other governments	17,874	17,317	15,304
Sales of services	299,357	257,068	265,108
Revenue from own sources	359,650	377,002	367,600
Unconditional transfers from other governments	597,171	600,252	570,827
Capital grants	1,287,966	1,287,966	330,789
Gas tax revenue	218,742	218,742	223,763
Other	12,874	32,152	756
Water utility revenue	747,207	763,198	756,793
	7,465,287	7,474,207	6,478,211
EXPENSES			
General government services	897,648	874,242	875,717
Protective services	1,207,912	1,090,809	1,189,865
Transportation services	1,151,045	1,110,120	1,117,668
Environmental health services	1,196,585	1,184,345	1,160,602
Public health and welfare services	39,912	47,585	19,168
Environmental development services	93,737	100,470	105,086
Recreation and cultural services	807,524	704,863	747,103
Water utility expense	761,954	777,085	759,861
	6,156,317	5,889,519	5,975,070
ANNUAL SURPLUS	1,308,970	1,584,688	503,141
ACCUMULATED SURPLUS, BEGINNING OF YEAR		19,204,120	18,700,979
ACCUMULATED SURPLUS, END OF YEAR		\$ 20,788,808	\$ 19,204,120

See accompanying notes to consolidated financial statements.

TOWN OF PICTOU

Consolidated Statement of Change in Net Debt

Year ended March 31, 2018, with comparative figures for 2017

	2018	2017
ANNUAL SURPLUS	\$ 1,584,688	\$ 503,141
Other non-financial assets		
Amortization of tangible capital assets	1,028,545	1,049,532
Additions to tangible capital assets	(2,817,228)	(677,198)
Decrease in inventory, prepaid expenses and other	3,885	19,142
CHANGE IN NET DEBT	(200,110)	894,617
NET DEBT, BEGINNING OF YEAR	(2,565,743)	(3,460,360)
NET DEBT, END OF YEAR	\$ (2,765,853)	\$ (2,565,743)

See accompanying notes to consolidated financial statements.

TOWN OF PICTOU

Consolidated Statement of Cash Flows

Year ended March 31, 2018, with comparative figures for 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 1,584,688	\$ 503,141
Add amortization of tangible capital assets	1,028,545	1,049,532
Change in non-cash items		
Decrease in taxes and rates receivable	109,924	134,848
Decrease (increase) in other accounts receivable	420,552	(488,281)
Decrease (increase) in government receivables	(287,702)	53,187
Increase (decrease) in accounts payable and accrued liabilities	162,728	(357,333)
Increase (decrease) in other payables	(21,171)	19,071
Decrease in deferred revenue	(5,132)	(147,130)
Decrease in inventory, prepaid expenses and other	3,885	19,142
	<u>2,996,317</u>	<u>786,177</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(493,173)	(377,267)
Proceeds from demand loans	904,447	—
	<u>411,274</u>	<u>(377,267)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(2,817,228)	(677,198)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>590,363</u>	<u>(268,288)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	808,696	1,076,984
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,399,059</u>	<u>\$ 808,696</u>
Cash and cash equivalents consists of		
Cash	\$ 1,197,768	\$ 1,130,657
Restricted cash	201,291	512,742
Bank indebtedness	—	(834,703)
	<u>\$ 1,399,059</u>	<u>\$ 808,696</u>

See accompanying notes to consolidated financial statements.

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2018

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, 2018

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, 2018

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, 2018

2. CASH AND CASH EQUIVALENTS

	2018	2017
Cash		
General operating fund	\$ 355,867	\$ -
Water operating fund	362,953	387,881
Capital reserve fund	469,175	733,197
Trust funds	9,773	9,579
	<u>1,197,768</u>	<u>1,130,657</u>
Restricted cash		
Depreciation fund	201,291	512,742
Bank indebtedness		
General operating fund	-	(834,703)
Cash and cash equivalents	<u>\$ 1,399,059</u>	<u>\$ 808,696</u>

3. TAXES RECEIVABLE

	2018	2017
Balance, beginning of year	\$ 779,109	\$ 710,216
Current year's levy of property taxes	4,132,106	4,173,004
Interest	142,839	137,377
Subtotal	<u>5,054,054</u>	<u>5,020,597</u>
Less		
Current year's collections	3,935,682	4,160,290
Reduced taxes	152,461	146,271
Bad debts	-	(65,073)
	<u>4,088,143</u>	<u>4,241,488</u>
Gross taxes receivable, end of year	965,911	779,109
Less		
Allowance for uncollectible taxes	195,537	161,565
Taxes receivable, net	<u>\$ 770,374</u>	<u>\$ 617,544</u>

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2018

4. RATES RECEIVABLE

	2018	2017
Sewer capital charges	\$ 1,223,912	\$ 1,438,472
Water rates	119,332	167,526
	<u>\$ 1,343,244</u>	<u>\$ 1,605,998</u>

5. DEMAND LOANS

The Royal Bank of Canada (RBC) demand loans are secured by a temporary general borrowing resolution, payments are interest only at RBC prime and mature in February, 2019.

6. LONG-TERM DEBT

	2018	2017
Municipal Finance Corporation, repayable in annual principal payments of \$22,500, plus interest at 4.68%, to 4.88% maturing in 2019	\$ 22,500	\$ 45,000
Municipal Finance Corporation, repayable in annual principal payments of \$32,000, plus interest at 4.04%, to 5.64% maturing in 2024	224,000	256,000
Municipal Finance Corporation, repayable in annual principal payments of \$163,733, plus interest at 2.57%, to 4.41%, maturing in 2025	1,413,869	1,577,602
Municipal Finance Corporation, repayable in annual principal payments of \$22,140, plus interest at 2.00%, maturing in 2032	309,971	332,111
Municipal Finance Corporation, repayable in annual principal payments of \$9,000, plus interest at 2.36% to 3.48%, maturing in 2022	45,000	54,000
	<u>2,015,340</u>	<u>2,264,713</u>

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2018

6. LONG-TERM DEBT (CONTINUED)

	2018	2017
Carry forward	\$ 2,015,340	\$ 2,264,713
Municipal Finance Corporation, repayable in annual principal payments of \$13,500, plus interest at 1.82% to 3.58%, maturing in 2027	202,500	216,000
Municipal Finance Corporation, repayable in annual principal payments of \$40,300, plus interest at 1.46% to 4.11%, maturing in 2028	644,800	685,100
Municipal Finance Corporation, repaid during the year	–	190,000
	<u>\$ 2,862,640</u>	<u>\$ 3,355,813</u>

Principal payments required in each of the next five years on debt held as of March 31, 2018 are as follows:

2019	\$ 303,173
2020	280,673
2021	280,673
2022	280,673
2023	271,673

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2018

7. TANGIBLE CAPITAL ASSETS

			2018	2017
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 391,593	\$ -	\$ 391,593	\$ 391,593
Work in progress	84,903	-	84,903	52,658
Buildings				
General government services	1,397,628	697,739	699,889	716,560
Protective services	1,038,464	550,576	487,888	476,334
Transportation services	209,132	156,088	53,044	54,722
Sewer collection and disposal	10,693	3,208	7,485	7,752
Recreational and cultural services	2,895,325	1,769,262	1,126,063	1,197,285
Equipment				
General government services	49,970	41,982	7,988	11,033
Protective services	692,982	588,740	104,242	22,902
Transportation services	764,575	346,058	418,517	436,572
Environmental health services	3,162,774	2,014,245	1,148,529	1,439,710
Recreational and cultural services	60,762	57,920	2,842	5,685
Other				
General government services	127,608	127,608	-	818
Protective services	16,755	2,011	14,744	15,080
Streets and sidewalks	5,898,832	2,217,367	3,681,465	3,432,246
Sewer collection and disposal	9,747,795	2,403,322	7,344,473	7,539,429
Recreation and culture services	1,247,246	1,136,650	110,596	126,746
Water utility assets	9,251,458	1,513,472	7,737,986	5,706,439
Schools	979,932	979,932	-	-
	\$ 38,028,427	\$14,606,180	\$ 23,422,247	\$ 21,633,564

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2018

8. ACCUMULATED SURPLUS

	2018	2017
General operating fund	\$ -	\$ -
Water utility operating fund	110,636	116,458
General capital fund	13,502,932	13,583,824
Water utility capital fund	6,296,195	4,843,370
	19,909,763	18,543,652
Reserve fund	867,549	649,173
Trust funds	11,496	11,295
	\$ 20,788,808	\$ 19,204,120

9. 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, demand loans, 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, 2018

10. 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.

	2018 Contribution	2017 Contribution
Pictou County Shared Services Authority	\$ 267,694	\$ 259,902
Eastern Mainland Housing Authority	100,500	89,205
Pictou-Antigonish Regional Library	32,416	32,419
CHAD - Transit Authority	20,000	19,500
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 \$54,371 (2017 - \$53,227) on behalf of Active Pictou County.

11. OTHER COMMITMENTS

Pictou County Deed Transfer Tax Trust

The Town of Pictou has implemented a deed transfer tax on all properties sold in town. The proceeds from this tax will be contributed to the Pictou County Deed Transfer Tax Trust. As the beneficiaries of the Trust will benefit all municipalities within Pictou County, a similar tax has been implemented by other municipalities within Pictou County. During the year ending March 31, 2018, the amount transferred was \$64,560 (2017 - \$56,141).

Pictou County Wellness Centre Building Authority

An agreement with the Pictou County Wellness Centre Building Authority stipulates that the Town of Pictou, along with other municipalities within Pictou County, will cover the annual deficit of the Pictou County Wellness Centre. At March 31, 2018, the Town's portion of the estimated deficit was \$36,020 which has been recorded as a liability in the financial statements.

TOWN OF PICTOU

Schedule of Remuneration of Members of Council and CAO

Year ended March 31, 2018

Name	Title	Remuneration
Jim Ryan	Mayor	\$20,740
Dan Currie	Councillor, Deputy Mayor	12,490
Nadine Leblanc	Councillor	11,710
Malcolm Houser	Councillor	11,710
Eric Daley	Councillor	11,710
Dan Troke	CAO	28,000
Scott Conrod, CPA, CMA	CAO	98,176

TOWN OF PICTOU

Non-Consolidated Schedule of Operating Fund

Year ended March 31, 2018, with comparative figures for 2017

	2018	2017
REVENUES		
Taxes	\$ 3,578,472	\$ 3,618,590
Grants in lieu of taxes	342,038	328,681
Services provided to other governments	17,317	15,304
Sales of services	257,068	265,108
Revenue from own sources	377,002	367,600
Unconditional transfers from other governments	600,252	570,827
	<u>5,172,149</u>	<u>5,166,110</u>
EXPENSES		
General government services	835,438	834,809
Protective services	1,240,578	1,326,049
Transportation services	953,620	950,318
Environmental health services	672,844	651,611
Public health and welfare services	47,585	19,168
Environmental development services	100,470	105,086
Recreation and cultural services	613,488	645,653
	<u>4,464,023</u>	<u>4,532,694</u>
Excess of revenues over expenses before the following	708,126	633,416
FINANCING AND TRANSFERS		
Debenture and term loan principal installments	(428,973)	(278,973)
Transfer to capital fund	(197,903)	(163,467)
Transfer from (to) capital reserve	127,099	(14,455)
Net financing and transfers	<u>(499,777)</u>	<u>(456,895)</u>
ANNUAL SURPLUS	208,349	176,521
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-
TRANSFER TO OPERATING RESERVE	(208,349)	(176,521)
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

TOWN OF PICTOU

Non-Consolidated Schedule of Water Utility Operating Fund

Year ended March 31, 2018, with comparatives for 2017

	2018	2017
OPERATING REVENUES		
Metered rate sales	\$ 148,246	\$ 143,573
Flat rate sales	589,882	590,616
Other	3,920	3,920
Public fire protection	185,997	185,997
	<u>928,045</u>	<u>924,106</u>
OPERATING EXPENSES		
Source of supply	482	2,403
Pumping	115,430	110,350
Water treatment	106,827	87,164
Transmission and distribution	184,195	156,601
Administration and general	132,998	179,307
Depreciation	194,137	181,020
Taxes	43,016	43,016
	<u>777,085</u>	<u>759,861</u>
Excess of operating revenues over expenses before the following	150,960	164,245
NON-OPERATING REVENUES		
Miscellaneous and interest	21,150	18,684
NON-OPERATING EXPENSES		
Debt charge, principal	64,200	64,200
Transfer to capital fund, water section	113,732	113,732
	<u>177,932</u>	<u>177,932</u>
ANNUAL SURPLUS (DEFICIT)	(5,822)	4,997
ACCUMULATED SURPLUS, BEGINNING OF YEAR	116,458	111,461
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 110,636</u>	<u>\$ 116,458</u>

TOWN OF PICTOU

Non-Consolidated Schedule of Capital Fund

Year ended March 31, 2018, with comparatives for 2017

	2018	2017
REVENUES		
Grants	\$ 13,073	\$ 330,789
EXPENSES		
General government services	38,804	40,908
Protective services	36,228	49,813
Transportation services	156,500	167,350
Environmental health services	511,501	508,991
Recreation and cultural services	91,375	101,450
	834,408	868,512
Deficiency of revenues over expenses before the following	(821,335)	(537,723)
FINANCING AND TRANSFERS		
Transfer from operating fund	197,903	163,467
Transfer from capital reserve fund	113,567	275,000
Debenture and term loan principal installments	428,973	278,973
	740,443	717,440
ANNUAL SURPLUS (DEFICIT)	(80,892)	179,717
ACCUMULATED SURPLUS, BEGINNING OF YEAR	13,583,824	13,404,107
ACCUMULATED SURPLUS, END OF YEAR	\$ 13,502,932	\$ 13,583,824

TOWN OF PICTOU

Non-Consolidated Schedule of Water Utility Capital Fund

Year ended March 31, 2018, with comparatives for 2017

	2018	2017
REVENUES		
Government grants	\$ 1,274,893	\$ -
FINANCING AND TRANSFERS		
Capital debt retired	64,200	64,200
Capital out of operating	113,732	113,732
	177,932	177,932
ANNUAL SURPLUS	1,452,825	177,932
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,843,370	4,665,438
ACCUMULATED SURPLUS, END OF YEAR	\$ 6,296,195	\$ 4,843,370

TOWN OF PICTOU

Non-consolidated Schedule of Reserve Funds

Year ended March 31, 2018, with comparative figures for 2017

	2018				2017			
	Capital Reserve	Operating Reserve	Gas Tax Reserve	Total	Capital Reserve	Operating Reserve	Gas Tax Reserve	Total
REVENUES								
Gas tax revenue	\$ -	\$ -	\$ 218,742	\$ 218,742	\$ -	\$ -	\$ -	\$ 223,763
Sale proceeds	19,278	-	-	19,278	19,278	-	-	-
Investment income	-	-	2,695	2,695	-	-	-	648
Other	9,978	-	-	9,978	9,978	-	-	-
	29,256	-	221,437	250,693	29,256	-	221,437	224,411
EXPENSES								
Transfer to (from) operating fund	127,099	-	-	127,099	-	-	-	(36,256)
Expenditures	-	-	-	-	-	-	-	21,801
Transfer to capital fund	46,172	-	67,395	113,567	46,172	-	67,395	275,000
	173,271	-	67,395	240,666	173,271	-	67,395	260,545
ANNUAL SURPLUS (DEFICIT)	(144,015)	-	154,042	10,027	(144,015)	-	154,042	(36,134)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	320,110	319,512	9,551	649,173	320,110	319,512	9,551	508,786
TRANSFER FROM OPERATING FUND		208,349	-	208,349		208,349	-	176,521
ACCUMULATED SURPLUS, END OF YEAR	\$ 176,095	\$ 527,861	\$ 163,593	\$ 867,549	\$ 176,095	\$ 527,861	\$ 163,593	\$ 649,173

TOWN OF PICTOU
Schedule of Segment Disclosure

Year ended March 31, 2018, with comparative figures for 2017

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 schedules provide segment information for the 2018 and 2017 fiscal years. 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, 2018	General Government Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utility	Total
REVENUES									
Taxation	\$ 3,038,641	\$ -	\$ -	\$ 539,831	\$ -	\$ -	\$ -	\$ -	\$ 3,578,472
Grants in lieu of taxes	342,038	-	-	-	-	-	-	-	342,038
Sale of services	-	-	-	-	-	-	-	-	257,068
Revenue from own sources	218,690	158,312	-	-	-	-	257,068	-	377,002
Unconditional transfers from— other governments	600,252	-	-	-	-	-	-	-	600,252
Capital grants	218,742	-	-	13,074	-	-	-	1,274,892	1,287,966
Gas tax revenue	32,152	-	-	-	-	-	-	-	218,742
Other	-	-	-	-	-	-	-	-	32,152
Water utility revenue	17,317	-	-	-	-	-	-	763,198	763,198
Services provided to other governments	4,467,832	158,312	-	552,905	-	-	257,068	2,038,090	7,474,207
EXPENSES									
Salaries, wages and benefits	419,895	113,930	593,575	94,398	-	212	311,703	231,892	1,765,605
Interest on long-term debt	14,908	13,264	1,448	58,756	-	-	6,822	39,129	134,327
Other operating expenses	357,406	927,387	338,597	519,690	-	69,518	262,547	311,927	2,787,072
External transfers and grants	43,229	-	20,000	-	47,585	18,175	32,416	-	161,405
Internal transfers	-	-	-	-	-	12,565	-	-	12,565
Amortization	38,804	36,228	156,500	511,501	-	-	91,375	194,137	1,028,545
	874,242	1,090,809	1,110,120	1,184,345	47,585	100,470	704,863	777,085	5,889,519
ANNUAL SURPLUS (DEFICIT)	\$ 3,593,590	\$ (932,497)	\$ (1,110,120)	\$ (631,440)	\$ (47,585)	\$ (100,470)	\$ (447,795)	\$ 1,261,005	\$ 1,584,688

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
Revenue from own sources	213,410	154,190	-	-	-	-	265,108	-	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	15,304	-	-	-	-	-	-	756,793	756,793
Services provided to other governments	4,444,794	154,190	-	857,326	-	-	265,108	756,793	6,478,211
EXPENSES									
Salaries, wages and benefits	453,410	105,184	524,112	65,041	-	835	304,239	222,786	1,675,607
Interest on long-term debt	16,603	15,718	1,677	63,711	-	-	12,440	40,463	150,612
Other operating expenses	321,034	1,019,150	405,029	522,859	-	76,014	296,555	315,592	2,956,233
External transfers and grants	43,762	-	19,500	-	19,168	19,271	32,419	-	134,120
Internal transfers	-	-	-	-	-	8,966	-	-	8,966
Amortization	40,908	49,813	167,350	508,991	-	-	101,450	181,020	1,049,532
	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)	\$ (3,068)	\$ 503,141

