

TOWN OF PICTOU
Consolidated Financial Statements

March 31, 2020

Independent Auditors' Report

To the Mayor and Council of Town of Pictou

Opinion

We have audited the consolidated financial statements of Town of Pictou on pages 4 – 18 which comprise the consolidated statement of financial position as at March 31, 2020 and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Town of Pictou as at March 31, 2020 and the results of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of Town of Pictou for the year ended March 31, 2019 were audited by MGM & Associates, Chartered Professional Accountants of Sydney, Nova Scotia, Canada, prior to its merger with MNP LLP. MGM & Associates, Chartered Professional Accountants expressed an unmodified opinion on those statements on September 16, 2019.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 19 – 23 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of consolidated financial statements as a whole.

Responsibility of Management and Those Charged with Governance 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.

In preparing consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Sydney, Nova Scotia
October 19, 2020

Chartered Professional Accountants

TOWN OF PICTOU

Consolidated Financial Statements

Year ended March 31, 2020

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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 MNP LLP, 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

TOWN OF PICTOU

Consolidated Statement of Financial Position

March 31, 2020, with comparative figures for 2019

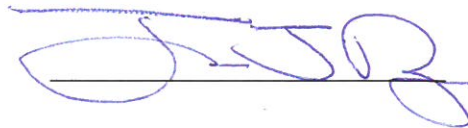
	2020	2019
FINANCIAL ASSETS		
Cash (note 2)	\$ 142,793	\$ 1,330,006
Taxes receivable (note 3)	706,390	748,919
Rates receivable (note 4)	1,034,709	1,193,831
Other accounts receivable	414,901	321,181
Due from federal government and its agencies	120,046	131,185
Due from provincial government and its agencies	1,000	20,999
	<u>2,419,839</u>	<u>3,746,121</u>
FINANCIAL LIABILITIES		
Demand loans (note 5)	1,699,144	2,042,112
Accounts payable and accrued liabilities	552,021	1,191,465
Accrued vacation payable	85,545	76,064
Accrued interest on long-term debt	36,254	36,727
Deferred revenue	1,224,646	1,405,333
Long-term debt (note 6)	2,661,228	2,973,884
	<u>6,258,838</u>	<u>7,725,585</u>
NET DEBT	<u>(3,838,999)</u>	<u>(3,979,464)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	27,826,123	26,926,069
Inventory, prepaid expenses and other	117,058	118,597
	<u>27,943,181</u>	<u>27,044,666</u>
ACCUMULATED SURPLUS	<u>\$ 24,104,182</u>	<u>\$ 23,065,202</u>

Commitments (note 11)

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, 2020, with comparative figures for 2019

	2020	2020	2019
	Budget (Unaudited)	Actual	Actual
REVENUES			
Taxes	\$ 3,743,623	\$ 3,604,100	\$ 3,584,470
Grants in lieu of taxes	325,821	333,031	347,549
Services provided to other governments	19,085	44,151	16,829
Sales of services	265,700	325,275	267,219
Revenue from own sources	400,333	451,488	414,443
Unconditional transfers from other governments	566,494	575,483	563,175
Capital grants	–	740,391	1,862,810
Gas tax revenue	448,585	448,585	229,535
Other	–	207	19,163
Sale proceeds	–	–	418,995
Water utility revenue	852,227	814,812	739,307
	6,621,868	7,337,523	8,463,495
EXPENSES			
General government services	857,609	841,544	891,550
Protective services	1,319,076	1,305,660	1,317,073
Transportation services	1,147,559	1,049,029	1,084,241
Environmental health services	1,173,782	1,151,087	1,157,319
Public health and welfare services	46,422	37,112	42,208
Environmental development services	99,414	94,861	111,563
Recreation and cultural services	759,723	734,615	707,748
Water utility expense	991,299	1,084,635	875,399
	6,394,884	6,298,543	6,187,101
ANNUAL SURPLUS	\$ 226,984	1,038,980	2,276,394
ACCUMULATED SURPLUS, BEGINNING OF YEAR		23,065,202	20,788,808
ACCUMULATED SURPLUS, END OF YEAR		\$ 24,104,182	\$ 23,065,202

See accompanying notes to consolidated financial statements.

TOWN OF PICTOU

Consolidated Statement of Change in Net Debt

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

	2020	2019
ANNUAL SURPLUS	\$ 1,038,980	\$ 2,276,394
Other non-financial assets		
Amortization of tangible capital assets	1,226,253	1,086,877
Additions to tangible capital assets	(2,126,307)	(4,590,699)
Decrease in inventory, prepaid expenses and other	1,539	13,817
DECREASE (INCREASE) IN NET DEBT	140,465	(1,213,611)
NET DEBT, BEGINNING OF YEAR	(3,979,464)	(2,765,853)
NET DEBT, END OF YEAR	\$ (3,838,999)	\$ (3,979,464)

See accompanying notes to consolidated financial statements.

TOWN OF PICTOU

Consolidated Statement of Cash Flows

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

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 1,038,980	\$ 2,276,394
Add amortization of tangible capital assets	1,226,253	1,086,877
Change in non-cash items		
Decrease in taxes and rates receivable	201,651	170,868
Decrease (increase) in other accounts receivable	(93,720)	3,899
Decrease in government receivables	31,138	214,946
Decrease in accounts payable and accrued liabilities	(639,444)	(38,902)
Increase (decrease) in other payables	9,008	(39,497)
Decrease in deferred revenue	(180,687)	(415,665)
Decrease in inventory, prepaid expenses and other	1,539	13,817
	<u>1,594,718</u>	<u>3,272,737</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(312,656)	(303,172)
Principal payments on demand loans	(342,968)	(267,000)
Proceeds from long-term debt	–	414,416
Proceeds from demand loans	–	1,404,665
	<u>(655,624)</u>	<u>1,248,909</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(2,126,307)	(4,590,699)
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,187,213)</u>	<u>(69,053)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,330,006	1,399,059
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 142,793</u>	<u>\$ 1,330,006</u>

See accompanying notes to consolidated financial statements.

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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, 2020

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:

	Basis	Rate
General Fund		
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 Fund		
Structures and improvements	Straight-line	75 years
Equipment	Straight-line	5-20 years
Mains	Straight-line	75 years
Services and other	Straight-line	50 years
Meters	Straight-line	20 years
Hydrants	Straight-line	50 years

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, 2020

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, 2020

2. CASH AND CASH EQUIVALENTS

	2020	2019
Cash		
General operating fund	\$ (134,221)	\$ 279,296
Water operating fund	(897,805)	(27,746)
Capital reserve fund	963,547	867,392
Water capital fund	201,291	201,291
Trust funds	9,981	9,773
Cash and cash equivalents	\$ 142,793	\$ 1,330,006

3. TAXES RECEIVABLE

	2020	2019
Balance, beginning of year	\$ 860,099	\$ 965,911
Current year's levy of property taxes	4,172,201	4,149,253
Interest	142,985	150,478
Subtotal	5,175,285	5,265,642
Less		
Current year's collections	4,222,288	4,265,083
Reduced taxes	146,977	140,460
	4,369,265	4,405,543
Gross taxes receivable, end of year	806,020	860,099
Less		
Allowance for uncollectible taxes	99,630	111,180
Taxes receivable, net	\$ 706,390	\$ 748,919

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2020

4. RATES RECEIVABLE

	2020	2019
Sewer capital charges	\$ 826,123	\$ 1,010,708
Water rates	249,584	224,121
	1,075,707	1,234,829
Less: allowance for doubtful accounts	(40,998)	(40,998)
	\$ 1,034,709	\$ 1,193,831

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.

6. LONG-TERM DEBT

	2020	2019
Municipal Finance Corporation, repayable in annual principal payments of \$31,982, plus interest at 2.49% to 3.55%, maturing in 2033	\$ 382,434	\$ 414,416
Municipal Finance Corporation, repayable in annual principal payments of \$32,000, plus interest at 4.89% to 5.64%, maturing in 2024	160,000	192,000
Municipal Finance Corporation, repayable in annual principal payments of \$163,733, plus interest at 3.69% to 4.41%, maturing in 2025	1,086,403	1,250,137
Municipal Finance Corporation, repayable in annual principal payments of \$22,140, plus interest at 2.00%, maturing in 2032	265,691	287,831
Municipal Finance Corporation, repayable in annual principal payments of \$9,000, plus interest at 2.99% to 3.48%, maturing in 2022	27,000	36,000
	1,921,528	2,180,384

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2020

6. LONG-TERM DEBT (CONTINUED)

	2020	2019
Carry forward	\$ 1,921,528	\$ 2,180,384
Municipal Finance Corporation, repayable in annual principal payments of \$13,500, plus interest at 2.65% to 3.58%, maturing in 2027	175,500	189,000
Municipal Finance Corporation, repayable in annual principal payments of \$40,300, plus interest at 2.74% to 4.11%, maturing in 2028	564,200	604,500
	<hr/> \$ 2,661,228	<hr/> \$ 2,973,884

Principal payments required in each of the next five years on debt held as of March 31, 2020 are as follows:

2021	\$ 312,655
2022	312,655
2023	312,655
2024	303,655
2025	303,655

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2020

7. TANGIBLE CAPITAL ASSETS

			2020	2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 404,293	\$ –	\$ 404,293	\$ 397,743
Work in progress	121,468	–	121,468	66,390
Buildings				
General government services	1,425,788	768,771	657,017	682,360
Protective services	1,041,958	598,056	443,902	466,977
Transportation services	215,197	159,596	55,601	51,366
Sewer collection and disposal	10,693	3,742	6,951	7,218
Recreational and cultural services	3,031,418	1,917,560	1,113,858	1,058,717
Equipment				
General government services	49,970	47,498	2,472	4,943
Protective services	753,808	622,653	131,155	128,496
Transportation services	1,197,683	492,115	705,568	668,460
Environmental health services	3,322,669	2,661,374	661,295	863,717
Recreational and cultural services	60,762	60,762	–	–
Other				
General government services	127,608	127,608	–	–
Protective services	16,755	2,681	14,074	14,409
Streets and sidewalks	6,857,465	2,480,172	4,377,293	3,939,746
Sewer collection and disposal	10,222,888	2,811,800	7,411,088	7,593,796
Recreation and culture services	1,247,245	1,158,019	89,226	99,912
Water utility assets	13,657,832	2,026,970	11,630,862	10,881,819
Schools	979,932	979,932	–	–
	\$ 44,745,432	\$16,919,309	\$ 27,826,123	\$ 26,926,069

TOWN OF PICTOU

Notes to Consolidated Financial Statements

Year ended March 31, 2020

8. ACCUMULATED SURPLUS (DEFICIT)

	2020	2019
General operating fund	\$ –	\$ –
Water utility operating fund	(74,604)	77,301
General capital fund	13,837,317	13,735,582
Water utility capital fund	8,929,710	8,085,119
	22,692,423	21,898,002
Reserve fund	1,399,853	1,155,501
Trust funds	11,906	11,699
	\$ 24,104,182	\$ 23,065,202

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, 2020

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.

	2020	2019
	Contribution	Contribution
Pictou County Shared Services Authority	\$ 223,819	\$ 220,443
Eastern Mainland Housing Authority	93,888	90,719
Pictou-Antigonish Regional Library	32,416	32,416
CHAD - Transit Authority	21,500	20,000
Active Pictou County (a)	4,000	4,000

(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 \$67,040 (2019 - \$50,344) on behalf of Active Pictou County.

11. 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, 2020, the amount transferred was \$57,883 (2019 - \$68,028).

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, 2020, the Town's portion of the estimated deficit was \$36,821 which has been recorded as a liability in the financial statements.

TOWN OF PICTOU

Schedule of Remuneration and Expenses of Members of Council and CAO

Year ended March 31, 2020

Name	Title	Remuneration	Expenses
Jim Ryan	Mayor	\$ 20,483	\$ 4,339
Nadine Leblanc	Councillor, Deputy Mayor	12,932	1,103
Dan Currie	Councillor	12,206	150
Malcolm Houser	Councillor	12,739	2,013
Eric Daley	Councillor	12,206	–
Dan Troke	CAO	115,385	–

TOWN OF PICTOU

Schedule of Segment Disclosure

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

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 2020 and 2019 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, 2020	General Government Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utility	Total
REVENUES									
Taxation	\$ 3,076,177	\$ -	\$ -	\$ 527,923	\$ -	\$ -	\$ -	\$ -	\$ 3,604,100
Grants in lieu of taxes	333,031	-	-	-	-	-	-	-	333,031
Sale of services	-	-	-	-	-	-	325,275	-	325,275
Revenue from own sources	259,694	191,794	-	-	-	-	-	-	451,488
Unconditional transfers from other governments	575,483	-	-	-	-	-	-	-	575,483
Capital grants	-	-	-	-	-	-	-	740,391	740,391
Gas tax revenue	448,585	-	-	-	-	-	-	-	448,585
Other	207	-	-	-	-	-	-	-	207
Water utility revenue	-	-	-	-	-	-	-	814,812	814,812
Services provided to other governments	44,151	-	-	-	-	-	-	-	44,151
	4,737,328	191,794	-	527,923	-	-	325,275	1,555,203	7,337,523
EXPENSES									
Salaries, wages and benefits	423,271	102,844	430,347	135,892	-	-	257,843	251,745	1,601,942
Interest on long-term debt	22,785	12,657	14,154	45,299	-	-	-	78,205	173,100
Other operating expenses	313,863	1,149,469	364,425	437,815	-	65,166	356,441	444,392	3,131,571
External transfers and grants	43,509	-	21,500	-	37,112	17,195	33,861	-	153,177
Internal transfers	-	-	-	-	-	12,500	-	-	12,500
Amortization	38,116	40,690	218,603	532,081	-	-	86,470	310,293	1,226,253
	841,544	1,305,660	1,049,029	1,151,087	37,112	94,861	734,615	1,084,635	6,298,543
ANNUAL SURPLUS (DEFICIT)	\$ 3,895,784	\$ (1,113,866)	\$ (1,049,029)	\$ (623,164)	\$ (37,112)	\$ (94,861)	\$ (409,340)	\$ 470,568	\$ 1,038,980

Year ended March 31, 2019	General Government Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utility	Total
REVENUES									
Taxation	\$ 3,036,444	\$ -	\$ -	\$ 548,026	\$ -	\$ -	\$ -	\$ -	\$ 3,584,470
Grants in lieu of taxes	347,549	-	-	-	-	-	-	-	347,549
Sale of services	-	-	-	-	-	-	267,219	-	267,219
Revenue from own sources	236,847	177,596	-	-	-	-	-	-	414,443
Unconditional transfers from other governments	563,175	-	-	-	-	-	-	-	563,175
Capital grants	-	-	-	158,086	-	-	-	1,704,724	1,862,810
Gas tax revenue	229,535	-	-	-	-	-	-	-	229,535
Other	438,158	-	-	-	-	-	-	-	438,158
Water utility revenue	-	-	-	-	-	-	-	739,307	739,307
Services provided to other governments	16,829	-	-	-	-	-	-	-	16,829
	4,868,537	177,596	-	706,112	-	-	267,219	2,444,031	8,463,495
EXPENSES									
Salaries, wages and benefits	436,843	109,853	521,352	115,609	-	-	263,643	251,745	1,699,045
Interest on long-term debt	25,641	11,438	1,294	55,366	-	-	-	78,205	171,944
Other operating expenses	347,325	1,154,410	347,829	462,282	-	78,446	325,649	342,244	3,058,185
External transfers and grants	43,309	-	20,000	-	42,208	15,575	32,416	-	153,508
Internal transfers	-	-	-	-	-	17,542	-	-	17,542
Amortization	38,432	41,372	193,766	524,062	-	-	86,040	203,205	1,086,877
	891,550	1,317,073	1,084,241	1,157,319	42,208	111,563	707,748	875,399	6,187,101
ANNUAL SURPLUS (DEFICIT)	\$ 3,976,987	\$ (1,139,477)	\$ (1,084,241)	\$ (451,207)	\$ (42,208)	\$ (111,563)	\$ (440,529)	\$ 1,568,632	\$ 2,276,394

TOWN OF PICTOU

Non-Consolidated Schedule of Operating Fund

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

	2020	2019
REVENUES		
Taxes	\$ 3,604,100	\$ 3,584,470
Grants in lieu of taxes	333,031	347,549
Services provided to other governments	44,151	16,829
Sales of services	325,275	267,219
Revenue from own sources	451,488	414,443
Unconditional transfers from other governments	575,483	563,175
	<u>5,333,528</u>	<u>5,193,685</u>
EXPENSES		
General government services	789,468	853,118
Protective services	1,487,088	1,462,659
Transportation services	830,426	890,475
Environmental health services	619,006	633,259
Public health and welfare services	37,112	42,208
Environmental development services	94,861	111,563
Recreation and cultural services	638,145	621,708
	<u>4,496,106</u>	<u>4,614,990</u>
Excess of revenues over expenses before the following	837,422	578,695
FINANCING AND TRANSFERS		
Debenture and term loan principal installments	(248,455)	(238,973)
Transfer to capital fund	(482,496)	(280,806)
Transfer to capital reserve	(62,557)	(43,284)
Net financing and transfers	<u>(793,508)</u>	<u>(563,063)</u>
ANNUAL SURPLUS	43,914	15,632
ACCUMULATED SURPLUS, BEGINNING OF YEAR	–	–
TRANSFER TO OPERATING RESERVE	(43,914)	(15,632)
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ –</u>	<u>\$ –</u>

TOWN OF PICTOU

Non-Consolidated Schedule of Water Utility Operating Fund

Year ended March 31, 2020, with comparatives for 2019

	2020	2019
OPERATING REVENUES		
Sales	\$ 791,664	\$ 717,898
Other	3,200	2,888
Public fire protection	222,118	186,957
	<u>1,016,982</u>	<u>907,743</u>
OPERATING EXPENSES		
Source of supply	970	1,042
Pumping	110,940	138,356
Water treatment	145,185	104,602
Transmission and distribution	248,982	190,318
Administration and general	225,249	194,857
Depreciation	310,293	203,206
Taxes	43,016	43,018
	<u>1,084,635</u>	<u>875,399</u>
Excess (deficiency) of operating revenues over expenses before the following	(67,653)	32,344
NON-OPERATING REVENUES		
Miscellaneous and interest	19,948	18,521
NON-OPERATING EXPENSES		
Debt charge, principal	64,200	64,200
Transfer to capital fund, water section	40,000	20,000
	<u>104,200</u>	<u>84,200</u>
ANNUAL DEFICIT	(151,905)	(33,335)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	77,301	110,636
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ (74,604)	\$ 77,301

TOWN OF PICTOU

Non-Consolidated Schedule of Capital Fund

Year ended March 31, 2020, with comparatives for 2019

	2020	2019
REVENUES		
Grants	\$ -	\$ 158,086
EXPENSES		
General government services	38,116	38,432
Protective services	40,690	41,372
Transportation services	218,603	193,766
Environmental health services	532,081	524,061
Recreation and cultural services	86,470	86,040
	<u>915,960</u>	<u>883,671</u>
Deficiency of revenues over expenses before the following	(915,960)	(725,585)
FINANCING AND TRANSFERS		
Transfer from operating fund	482,496	280,806
Transfer from capital reserve fund	286,744	438,456
Debenture and term loan principal installments	248,455	238,973
	<u>1,017,695</u>	<u>958,235</u>
ANNUAL SURPLUS	101,735	232,650
ACCUMULATED SURPLUS, BEGINNING OF YEAR	13,735,582	13,502,932
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 13,837,317</u>	<u>\$ 13,735,582</u>

TOWN OF PICTOU

Non-Consolidated Schedule of Water Utility Capital Fund

Year ended March 31, 2020, with comparatives for 2019

	2020	2019
REVENUES		
Government grants	\$ 740,391	\$ 1,704,724
FINANCING AND TRANSFERS		
Capital debt retired	64,200	64,200
Capital out of operating	40,000	20,000
	104,200	84,200
ANNUAL SURPLUS	844,591	1,788,924
ACCUMULATED SURPLUS, BEGINNING OF YEAR	8,085,119	6,296,195
ACCUMULATED SURPLUS, END OF YEAR	\$ 8,929,710	\$ 8,085,119

TOWN OF PICTOU

Non-consolidated Schedule of Reserve Funds

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

				2020	2019
	Capital Reserve	Operating Reserve	Gas Tax Reserve	Total	Total
REVENUES					
Gas tax revenue	\$ -	\$ -	\$ 448,585	\$ 448,585	\$ 229,535
Sale proceeds	-	-	-	-	418,995
Other	-	-	-	-	18,962
	-	-	448,585	448,585	667,492
EXPENSES					
Transfer from operating fund	(62,557)	-	-	(62,557)	(43,284)
Expenditures	23,960	-	-	23,960	-
Transfer to capital fund	15,288	28,045	243,411	286,744	438,456
	(23,309)	28,045	243,411	248,147	395,172
ANNUAL SURPLUS (DEFICIT)	23,309	(28,045)	205,174	200,438	272,320
ACCUMULATED SURPLUS, BEGINNING OF YEAR	368,880	543,493	243,128	1,155,501	867,549
TRANSFER FROM OPERATING FUND	-	43,914	-	43,914	15,632
ACCUMULATED SURPLUS, END OF YEAR	\$ 392,189	\$ 559,362	\$ 448,302	\$ 1,399,853	\$ 1,155,501