

Town of Pictou
Consolidated Financial Statements
March 31, 2021

Independent Auditor's Report

To the Mayor and Council of Town of Pictou:

Opinion

We have audited the consolidated financial statements of Town of Pictou and its subsidiaries (the "Town"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at March 31, 2021, and the results of its consolidated operations 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 the 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the 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.

Auditor's Responsibilities 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 decisions 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.

ACCOUNTING > CONSULTING > TAX
COMMERCE TOWER

PO BOX 1, SUITE 500, 15 DORCHESTER STREET, SYDNEY NS, B1P 6G9
T 902.539.3900 F 902.564.6062 MNP.ca

- 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.

Sydney, Nova Scotia
September 29, 2021

MNP **LLP**
Chartered Professional Accountants

MNP

Town of Pictou
Consolidated Financial Statements
For the year ended March 31, 2021

	Page
Management's Responsibility for Consolidated Financial Statements.....	1
Consolidated Statement of Financial Position.....	2
Consolidated Statement of Operations	3
Consolidated Statement of Change in Net Debt	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6
Schedules	
Schedule of Remuneration of Members of Council and CAO	16
Schedule of Segment Disclosure.....	17
Non-Consolidated Schedule of Operating Fund	18
Non-Consolidated Schedule of Water Utility Operating Fund.....	19
Non-Consolidated Schedule of Capital Fund.....	20
Non-Consolidated Schedule of Water Utility Capital Fund	21
Non-Consolidated Schedule of Reserve Funds.....	22

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 is 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.



Kyle Stainwhite
Chief Administrative Officer

Town Of Pictou
Consolidated Statement of Financial Position

As at March 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash (note 2)	\$ 1,730,775	\$ 142,793
Taxes receivable (note 3)	554,285	706,390
Rates receivable (note 4)	872,441	1,034,709
Other accounts receivable	337,701	414,901
Due from federal government and its agencies	153,940	120,046
Due from provincial government and its agencies	1,000	1,000
	3,650,142	2,419,839
FINANCIAL LIABILITIES		
Demand loans (note 5)	112,798	1,699,144
Accounts payable and accrued liabilities	661,310	552,021
Accrued vacation payable	67,803	85,545
Accrued interest on long-term debt	67,044	36,254
Deferred revenue	1,191,720	1,224,646
Long-term debt (note 6)	5,659,060	2,661,228
	7,759,735	6,258,838
NET DEBT	(4,109,593)	(3,838,999)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	28,372,311	27,826,123
Inventory, prepaid expenses and other	136,400	117,058
	28,508,711	27,943,181
ACCUMULATED SURPLUS	\$ 24,399,118	\$ 24,104,182

Commitments (note 11)

See accompanying notes to consolidated financial statements.

On behalf of the Town of Pictou:




Town of Pictou
Consolidated Statement of Operations

For the year ended March 31, 2021

	2021	2021	2020
	Budget (Unaudited)	Actual	Actual
REVENUES			
Taxes	\$ 3,865,887	\$ 3,790,482	\$ 3,604,100
Grants in lieu of taxes	337,325	325,849	333,031
Services provided to other governments	17,968	28,222	44,151
Sales of services	290,093	173,893	325,275
Revenue from own sources	417,466	426,451	451,488
Unconditional transfers from other governments	575,483	586,055	575,483
Conditional transfer from other governments	-	30,713	-
Capital grants	-	19,187	740,391
Gas tax revenue	217,126	217,126	448,585
Other	-	1,766	207
Water utility revenue	941,322	911,609	814,812
	<u>6,662,670</u>	<u>6,511,353</u>	<u>7,337,523</u>
EXPENSES			
General government services	974,007	932,785	841,544
Protective services	1,344,493	1,010,488	1,305,660
Transportation services	1,188,796	1,094,951	1,049,029
Environmental health services	1,194,462	1,191,928	1,151,087
Public health and welfare services	45,000	60,573	37,112
Environmental development services	113,885	94,635	94,861
Recreation and cultural services	761,441	656,893	734,615
Water utility expense	1,003,532	1,174,164	1,084,635
	<u>6,625,616</u>	<u>6,216,417</u>	<u>6,298,543</u>
ANNUAL SURPLUS	\$ 37,054	294,936	1,038,980
ACCUMULATED SURPLUS, BEGINNING OF YEAR		24,104,182	23,065,202
ACCUMULATED SURPLUS, END OF YEAR		\$ 24,399,118	\$ 24,104,182

See accompanying notes to consolidated financial statements.

Town of Pictou
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2021

	2021	2020
ANNUAL SURPLUS	\$ 294,936	\$ 1,038,980
Other non-financial assets		
Amortization of tangible capital assets	1,310,170	1,226,253
Additions to tangible capital assets	(1,856,358)	(2,126,307)
Decrease (increase) in inventory, prepaid expenses and other	(19,342)	1,539
DECREASE (INCREASE) IN NET DEBT	(270,594)	140,465
NET DEBT, BEGINNING OF YEAR	(3,838,999)	(3,979,464)
NET DEBT, END OF YEAR	\$ (4,109,593)	\$ (3,838,999)

See accompanying notes to consolidated financial statements.

Town of Pictou
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 294,936	\$ 1,038,980
Add amortization of tangible capital assets	1,310,170	1,226,253
Change in non-cash items		
Decrease in taxes and rates receivable	314,373	201,651
Decrease (increase) in other accounts receivable	77,200	(93,720)
Decrease (increase) in government receivables	(33,894)	31,138
Increase (decrease) in accounts payable and accrued liabilities	109,289	(639,444)
Increase in other payables	13,048	9,008
Decrease in deferred revenue	(32,926)	(180,687)
Decrease (increase) in inventory, prepaid expenses and other	(19,342)	1,539
	<u>2,032,854</u>	<u>1,594,718</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(312,655)	(312,656)
Principal payments on demand loans	(1,586,346)	(342,968)
Proceeds from long-term debt	3,310,487	—
	<u>1,411,486</u>	<u>(655,624)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(1,856,358)	(2,126,307)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,587,982</u>	<u>(1,187,213)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	142,793	1,330,006
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,730,775</u>	<u>\$ 142,793</u>

See accompanying notes to consolidated financial statements.

Town of Pictou
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

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
For the year ended March 31, 2021

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.

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
For the year ended March 31, 2021

2. CASH AND CASH EQUIVALENTS

	2021	2020
Cash		
General operating fund	\$ 15,669	\$ (134,221)
Water operating fund	(93,255)	(897,805)
Capital reserve fund	1,317,972	963,547
Water capital fund	480,236	201,291
Trust funds	10,153	9,981
	\$ 1,730,775	\$ 142,793

3. TAXES RECEIVABLE

	2021	2020
Balance, beginning of year	\$ 806,020	\$ 860,099
Current year's levy of property taxes	4,343,995	4,172,201
Interest	133,287	142,985
Subtotal	5,283,302	5,175,285
Less		
Current year's collections	4,377,115	4,222,288
Reduced taxes	261,952	146,977
	4,639,067	4,369,265
Gross taxes receivable, end of year	644,235	806,020
Less		
Allowance for uncollectible taxes	89,950	99,630
Taxes receivable, net	\$ 554,285	\$ 706,390

Town of Pictou
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

4. RATES RECEIVABLE

	2021	2020
Sewer capital charges	\$ 647,254	\$ 826,123
Water rates	269,261	249,584
	916,515	1,075,707
Less: allowance for doubtful accounts	(44,074)	(40,998)
	\$ 872,441	\$ 1,034,709

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

	2021	2020
Municipal Finance Corporation, repayable in annual principal payments of \$31,982, plus interest at 2.68% to 3.55%, maturing in 2033	\$ 350,452	\$ 382,434
Municipal Finance Corporation, repayable in annual principal payments of \$32,000, plus interest at 5.06% to 5.64%, maturing in 2024	128,000	160,000
Municipal Finance Corporation, repayable in annual principal payments of \$163,733, plus interest at 3.87% to 4.41%, maturing in 2025	922,670	1,086,403
Municipal Finance Corporation, repayable in annual principal payments of \$22,140, plus interest at 2.00%, maturing in 2032	243,551	265,691
Municipal Finance Corporation, repayable in annual principal payments of \$9,000, plus interest at 3.17% to 3.48%, maturing in 2022	18,000	27,000
	1,662,673	1,921,528

Town of Pictou
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

6. LONG-TERM DEBT (CONTINUED)

	2021	2020
Carry forward	\$ 1,662,673	\$ 1,921,528
Municipal Finance Corporation, repayable in annual principal payments of \$13,500, plus interest at 2.83% to 3.58%, maturing in 2027	162,000	175,500
Municipal Finance Corporation, repayable in annual principal payments of \$40,300, plus interest at 3.01% to 4.11%, maturing in 2028	523,900	564,200
Municipal Finance Corporation, repayable in annual principal payments of \$225,636, plus interest at 0.68% to 2.38%, maturing in 2035	3,310,487	—
	\$ 5,659,060	\$ 2,661,228

Principal payments required in each of the next five years on debt held as of March 31, 2021 are as follows:

2022	\$ 538,291
2023	538,291
2024	529,291
2025	529,291
2026	497,291

Town of Pictou
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

7. TANGIBLE CAPITAL ASSETS

			2021	2020
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 404,293	\$ -	\$ 404,293	\$ 404,293
Work in progress	215,972	-	215,972	121,468
Buildings				
General government services	1,425,788	804,415	621,373	657,017
Protective services	1,041,958	621,131	420,827	443,902
Transportation services	218,732	161,515	57,217	55,601
Sewer collection and disposal	10,693	4,010	6,683	6,951
Recreational and cultural services	3,243,610	1,998,650	1,244,960	1,113,858
Equipment				
General government services	49,970	49,970	-	2,472
Protective services	764,977	642,311	122,666	131,155
Transportation services	1,440,107	589,919	850,188	705,568
Environmental health services	3,456,037	3,011,890	444,147	661,295
Recreational and cultural services	60,762	60,762	-	-
Other				
General government services	127,608	127,608	-	-
Protective services	16,755	3,016	13,739	14,074
Streets and sidewalks	7,325,104	2,626,674	4,698,430	4,377,293
Sewer collection and disposal	10,222,888	3,016,257	7,206,631	7,411,088
Recreation and culture services	1,281,912	1,170,091	111,821	89,226
Water utility assets	14,314,692	2,361,328	11,953,364	11,630,862
Schools	979,932	979,932	-	-
	\$ 46,601,790	\$18,229,479	\$ 28,372,311	\$ 27,826,123

Town of Pictou
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

8. ACCUMULATED SURPLUS (DEFICIT)

	2021	2020
General operating fund	\$ -	\$ -
Water utility operating fund	(198,990)	(74,604)
General capital fund	13,952,501	13,837,317
Water utility capital fund	9,053,910	8,929,710
	<u>22,807,421</u>	<u>22,692,423</u>
Reserve fund	1,579,629	1,399,853
Trust funds	12,068	11,906
	<u>\$ 24,399,118</u>	<u>\$ 24,104,182</u>

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.

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.

Town of Pictou
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

10. TRANSFERS TO BOARDS AND COMMISSIONS (CONTINUED)

	2021 Contribution	2020 Contribution
Pictou County Shared Services Authority	\$ 232,550	\$ 223,819
Eastern Mainland Housing Authority	103,310	93,888
Pictou-Antigonish Regional Library	32,416	32,416
CHAD - Transit Authority	21,500	21,500
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 \$84,312 (2020 - \$67,040) 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, 2021, the amount transferred was \$112,237 (2020 - \$57,883).

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, 2021, the Town's portion of the estimated deficit was \$42,999 which was paid during the year.

12. IMPACT ON OPERATIONS OF COVID-19

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Town as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, staff shortages, and increased government regulations, all of which will negatively impact the Town's business and financial condition.

Town of Pictou

Schedule of Remuneration and Expenses of Members of Council and CAO

For the year ended March 31, 2021

Name	Title	Remuneration	Expenses
Jim Ryan	Mayor	\$ 20,483	\$ —
Nadine Leblanc	Councillor, Deputy Mayor	13,465	—
Dan Currie	Councillor	12,207	—
Malcolm Houser	Councillor	8,920	—
Eric Daley	Councillor	8,920	—
Melinda MacKenzie	Councillor	3,287	—
Shaun McNamara	Councillor	3,287	—
Dan Troke	CAO	99,098	—

Town of Picton
Schedule of Segment Disclosure
For the year ended March 31, 2021

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 2021 and 2020 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, 2021	General Government Services		Protective Services		Transportation Services		Environmental Services		Public Health Services		Environmental Development Services		Recreation and Cultural Services		Water Utility		Total
	General Government Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utility	General Government Services	Protective Services	Transportation Services	Environmental Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Water Utility	
REVENUES																	
Taxation	\$ 3,276,725	\$ -	\$ -	\$ 513,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,790,482
Grants in lieu of taxes	325,849	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	325,849
Sale of services	282,315	184,136	-	-	-	-	-	-	-	-	-	-	-	-	-	-	466,451
Revenue from own sources	616,768	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	616,768
Capital grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas tax revenue	217,126	1,766	-	-	-	-	-	-	-	-	-	-	-	-	-	-	218,892
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water utility revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services provided to other governments	28,222	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,222
Amortization	38,116	43,069	249,225	556,240	93,162	334,358	1,310,170	-	-	-	-	-	-	-	-	-	2,591,179
Year ended March 31, 2021	\$ 4,728,771	\$ 164,136	\$ 1,084,951	\$ 1,197,928	\$ 94,635	\$ 656,893	\$ 1,174,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,298,543
EXPENSES																	
Salaries, wages and benefits	418,047	118,039	459,151	145,116	205,759	282,574	1,589,886	-	-	-	-	-	-	-	-	-	2,651,451
Interest on long-term debt	18,357	7,435	7,998	47,877	110,426	110,426	191,883	-	-	-	-	-	-	-	-	-	511,475
Other operating expenses	414,611	841,945	350,077	473,895	324,091	2,944,327	2,944,327	465,808	-	-	-	-	-	-	-	-	6,668,780
External transfers and grants	43,654	-	21,500	-	60,573	17,180	33,881	4,553	-	-	-	-	-	-	-	-	143,741
Amortization	38,116	43,069	249,225	556,240	93,162	334,358	1,310,170	-	-	-	-	-	-	-	-	-	2,591,179
Year ended March 31, 2021	\$ 932,785	\$ 1,010,488	\$ 1,084,951	\$ 1,197,928	\$ 94,635	\$ 656,893	\$ 1,174,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,298,543
ANNUAL SURPLUS (DEFICIT)																	
Year ended March 31, 2021	\$ 3,795,986	\$ (846,352)	\$ (1,094,951)	\$ (678,171)	\$ (60,573)	\$ (94,635)	\$ (483,000)	\$ (243,369)	\$ 294,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,936
Year ended March 31, 2020																	
REVENUES																	
Taxation	\$ 3,076,177	\$ -	\$ -	\$ 527,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,604,100
Grants in lieu of taxes	333,031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	333,031
Sale of services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from own sources	259,694	191,794	-	-	-	-	-	-	-	-	-	-	-	-	-	-	451,488
Unconditional transfers from other governments	575,483	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	575,483
Capital grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas tax revenue	448,585	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	448,585
Other	207	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	207
Water utility revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services provided to other governments	44,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,151
Year ended March 31, 2020	\$ 4,737,328	\$ 191,794	\$ -	\$ 527,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,457,045
EXPENSES																	
Salaries, wages and benefits	423,271	102,844	430,347	135,892	257,843	257,843	1,601,942	-	-	-	-	-	-	-	-	-	2,626,600
Interest on long-term debt	22,785	12,657	14,154	45,289	78,205	78,205	173,180	-	-	-	-	-	-	-	-	-	346,829
Other operating expenses	313,863	1,149,469	394,425	437,815	3,131,571	444,392	4,443,992	465,808	-	-	-	-	-	-	-	-	8,999,873
External transfers and grants	43,654	-	21,500	-	17,195	33,881	153,177	4,553	-	-	-	-	-	-	-	-	210,363
Amortization	38,116	40,690	218,803	532,081	93,162	334,358	1,310,170	-	-	-	-	-	-	-	-	-	2,591,179
Year ended March 31, 2020	\$ 841,544	\$ 1,305,690	\$ 1,049,029	\$ 1,151,087	\$ 94,861	\$ 734,615	\$ 1,084,635	\$ 6,298,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,678,849
ANNUAL SURPLUS (DEFICIT)																	
Year ended March 31, 2020	\$ 3,895,784	\$ (1,113,896)	\$ (1,049,029)	\$ (623,164)	\$ (37,112)	\$ (94,861)	\$ (409,340)	\$ 470,588	\$ 1,038,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,038,880

Town of Pictou
Non-Consolidated Schedule of Operating Fund
For the year ended March 31, 2021
(Unaudited)

	2021	2020
REVENUES		
Taxes	\$ 3,790,482	\$ 3,604,100
Grants in lieu of taxes	325,849	333,031
Services provided to other governments	28,222	44,151
Sales of services	173,893	325,275
Revenue from own sources	426,451	451,488
Transfers from other governments	616,768	575,483
	<u>5,361,665</u>	<u>5,333,528</u>
EXPENSES		
General government services	894,058	789,468
Protective services	1,229,788	1,487,088
Transportation services	848,726	830,426
Environmental health services	636,688	619,006
Public health and welfare services	60,573	37,112
Environmental development services	94,635	94,861
Recreation and cultural services	538,731	638,145
	<u>4,303,199</u>	<u>4,496,106</u>
Excess of revenues over expenses before the following	1,058,466	837,422
FINANCING AND TRANSFERS		
Debenture and term loan principal installments	(248,455)	(248,455)
Transfer to capital fund	(548,354)	(482,496)
Transfer to capital reserve	(148,795)	(62,557)
Net financing and transfers	<u>(945,604)</u>	<u>(793,508)</u>
ANNUAL SURPLUS	112,862	43,914
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-
TRANSFER TO OPERATING RESERVE	(112,862)	(43,914)
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

Town of Pictou
Non-Consolidated Schedule of Water Utility Operating Fund
For the year ended March 31, 2021
(Unaudited)

	2021	2020
OPERATING REVENUES		
Sales	\$ 904,048	\$ 791,664
Other	-	3,200
Public fire protection	262,369	222,118
	<u>1,166,417</u>	<u>1,016,982</u>
OPERATING EXPENSES		
Source of supply	-	970
Pumping	113,136	110,940
Water treatment	136,719	145,185
Transmission and distribution	239,493	248,982
Administration and general	290,726	225,249
Depreciation	334,358	310,293
Taxes	59,732	43,016
	<u>1,174,164</u>	<u>1,084,635</u>
Excess (deficiency) of operating revenues over expenses before the following	(7,747)	(67,653)
NON-OPERATING REVENUES		
Miscellaneous and interest	7,561	19,948
NON-OPERATING EXPENSES		
Debt charge, principal	64,200	64,200
Transfer to capital fund, water section	60,000	40,000
	<u>124,200</u>	<u>104,200</u>
ANNUAL DEFICIT	(124,386)	(151,905)
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	(74,604)	77,301
ACCUMULATED DEFICIT, END OF YEAR	\$ (198,990)	\$ (74,604)

Town of Pictou
Non-Consolidated Schedule of Capital Fund
For the year ended March 31, 2021
(Unaudited)

	2021	2020
REVENUES		
Government grants	\$ 19,187	\$ -
EXPENSES		
General government services	38,116	38,116
Protective services	43,069	40,690
Transportation services	246,225	218,603
Environmental health services	555,240	532,081
Recreation and cultural services	93,162	86,470
	<u>975,812</u>	<u>915,960</u>
Deficiency of revenues over expenses before the following	(956,625)	(915,960)
FINANCING AND TRANSFERS		
Transfer from operating fund	548,354	482,496
Transfer from capital reserve fund	275,000	286,744
Debenture and term loan principal installments	248,455	248,455
	<u>1,071,809</u>	<u>1,017,695</u>
ANNUAL SURPLUS	115,184	101,735
ACCUMULATED SURPLUS, BEGINNING OF YEAR	13,837,317	13,735,582
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 13,952,501</u>	<u>\$ 13,837,317</u>

Town of Pictou
Non-Consolidated Schedule of Water Utility Capital Fund
For the year ended March 31, 2021
(Unaudited)

	2021	2020
REVENUES		
Government grants	\$ —	\$ 740,391
FINANCING AND TRANSFERS		
Capital debt retired	64,200	64,200
Capital out of operating	60,000	40,000
	<u>124,200</u>	<u>104,200</u>
ANNUAL SURPLUS	124,200	844,591
ACCUMULATED SURPLUS, BEGINNING OF YEAR	8,929,710	8,085,119
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 9,053,910</u>	<u>\$ 8,929,710</u>

Town of Pictou
Non-consolidated Schedule of Reserve Funds
For the year ended March 31, 2021
(Unaudited)

	2021		2020	
	Capital Reserve	Operating Reserve	Gas Tax Reserve	Total
REVENUES				
Gas tax revenue	\$ -	\$ -	\$ 217,126	\$ 448,585
Other	-	-	1,604	-
			218,730	448,585
EXPENSES				
Transfer from operating fund	(151,376)	2,581	-	(62,557)
Expenditures	25,551	60	-	23,960
Transfer to capital fund	-	-	275,000	286,744
	(125,825)	2,641	275,000	248,147
ANNUAL SURPLUS (DEFICIT)	125,825	(2,641)	(56,270)	200,438
ACCUMULATED SURPLUS, BEGINNING OF YEAR	392,189	559,362	448,302	1,155,501
TRANSFER FROM OPERATING FUND	-	112,862	-	43,914
ACCUMULATED SURPLUS, END OF YEAR	\$ 518,014	\$ 669,583	\$ 392,032	\$ 1,579,629