



Consolidated Financial Statements

Town of Stewiacke

March 31, 2019

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Management's responsibility for financial reporting

The accompanying consolidated financial statements of The Town of Stewiacke are the responsibility of management and have been approved by the Mayor and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Chartered Professional Accountants of Canada and as such include amounts that are best estimates and judgements of management.

Management is responsible for the integrity and objectivity of these consolidated financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

The Mayor and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external independent auditor's report.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of The Town of Stewiacke and meet when required.

On behalf of The Town of Stewiacke

Mayor

Chief Administrative Officer

Date

Independent auditor's report

To the Mayor and Members of Council of the Town of Stewiacke

Opinion

We have audited the consolidated financial statements of the Town of Stewiacke ("the Town") on pages 4 to 25, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, change in net assets and cash flow 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 financial position of the Town of Stewiacke as at March 31, 2019, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in the schedules on Pages 26 to 33 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of the consolidated financial statements taken as a whole.

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 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 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 a 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.
- 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.



Truro, Canada
September 26, 2019

Chartered Professional Accountants
Licensed Public Accountants

Town of Stewiacke

Consolidated statement of operations and surplus

Year ended March 31	Page reference	2019 Budget (Note 11)	2019 Actual	2018 Actual
Revenues				
Taxes	20	\$ 1,899,810	\$ 1,917,144	\$ 1,896,706
Grants in lieu of taxes	20	5,673	5,444	5,661
Sale of services	20	156,917	157,552	157,164
Other revenue from own sources	21	69,175	122,183	203,712
Unconditional transfers from other governments	21	205,434	205,536	205,434
Conditional transfers from other governments	21	42,500	148,278	1,197,199
Water rates		502,399	528,984	513,232
Total revenues		<u>2,881,908</u>	<u>3,085,121</u>	<u>4,179,108</u>
Expenses				
General government services	22	548,100	504,957	518,193
Protective services	23	434,410	433,015	427,680
Transportation services	23	605,325	549,155	540,525
Environmental health services	24	269,576	260,794	217,207
Environmental development services	24	45,000	27,245	20,532
Recreation and cultural services	24	247,970	255,060	230,451
Water treatment and distribution	24	380,014	343,668	377,334
Fiscal services	25	338,669	342,576	336,444
Total expenses		<u>2,869,064</u>	<u>2,716,470</u>	<u>2,668,366</u>
Annual surplus		\$ <u>12,844</u>	\$ <u>368,651</u>	\$ <u>1,510,742</u>
Accumulated surplus, beginning of year			\$ 9,467,421	\$ 7,956,679
Annual surplus			<u>368,651</u>	<u>1,510,742</u>
Accumulated surplus, end of year			\$ <u>9,836,072</u>	\$ 9,467,421

See accompanying notes to the consolidated financial statements

Town of Stewiacke

Consolidated statement of financial position

March 31

2019

2018

Financial assets

Cash and cash equivalents	\$	1,783,385	\$	1,254,721
Receivables (Note 2)				
Taxes		77,855		129,880
Sewer rates		34,444		37,499
Water rates		66,425		68,974
Due from federal government and its agencies		99,058		279,364
Other		9,336		2,650
		<u>2,070,503</u>		<u>1,773,088</u>

Liabilities

Payables and accruals				
Trade accounts		264,049		311,144
Other liabilities				
Prepayment of taxes		53,740		57,665
Deferred revenue		11,000		-
Short term debt (Note 4)		-		350,000
Long term debt (Note 5)		<u>1,428,170</u>		<u>1,018,296</u>
		<u>1,756,959</u>		<u>1,737,105</u>

Net assets

				<u>313,544</u>
		<u>35,983</u>		

Non-financial assets

Prepays		-		8,533
Tangible capital assets, general capital, net (Page 18)		6,089,629		5,738,080
Tangible capital assets, water utility, net (Page 19)		<u>3,432,899</u>		<u>3,684,825</u>
		<u>9,522,528</u>		<u>9,431,438</u>

Accumulated surplus (Note 6)	\$	<u>9,836,072</u>	\$	<u>9,467,421</u>
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On behalf of The Town of Stewiacke

_____ Mayor

_____ CAO

Town of Stewiacke

Consolidated statement of changes in net assets

Year ended March 31	2019 Budget (Note 11)	2019 Actual	2018 Actual
Annual surplus	\$ 12,844	\$ 368,651	\$ 1,510,742
Acquisition of tangible capital assets	(155,297)	(534,564)	(2,293,823)
Proceeds on sale of tangible capital assets	-	45,449	-
Gain on sale of tangible capital assets	-	(24,505)	-
Amortization of tangible capital assets	417,709	413,997	392,901
	262,412	(99,623)	(1,900,922)
Decrease (increase) in prepaids	-	8,533	(2,929)
Change in net assets	\$ 275,256	277,561	(393,109)
Net assets, beginning of year		35,983	429,092
Net assets, end of year		\$ 313,544	\$ 35,983

See accompanying notes to the consolidated financial statements

Town of Stewiacke

Consolidated statement of cash flows

Year ended March 31

2019

2018

Net inflow (outflow) of cash and cash equivalents related to the following activities:

Operating

Annual surplus	\$	368,651	\$	1,510,742
Gain on sale of tangible capital assets		(24,505)		-
Amortization		413,997		392,901
		<u>758,143</u>		<u>1,903,643</u>

Changes in non-cash working capital

Receivables		231,249		(234,289)
Prepays		8,533		(2,929)
Deferred revenues		11,000		-
Payables and accruals		(47,095)		111,619
Prepayment of taxes		(3,925)		2,259
		<u>957,905</u>		<u>1,780,303</u>

Capital

Proceeds from sale of tangible capital assets		45,449		-
Purchase of tangible capital assets		(534,564)		(2,293,823)
		<u>(489,115)</u>		<u>(2,293,823)</u>

Financing

Repayment of debt		(553,212)		(175,436)
Proceeds of debt		613,086		350,000
		<u>59,874</u>		<u>174,564</u>

Change in cash and cash equivalents		528,664		(338,956)
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Cash and cash equivalents

Beginning of year		<u>1,254,721</u>		<u>1,593,677</u>
End of year	\$	<u>1,783,385</u>	\$	<u>1,254,721</u>

See accompanying notes to the consolidated financial statements

Town of Stewiacke

Notes to the consolidated financial statements

March 31, 2019

1. Summary of significant accounting policies

Principles and basis of consolidation

The consolidated financial statements of the Town of Stewiacke (the "Town") are the representations of management prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

The consolidated statement of financial position includes all of the assets and liabilities of the Town.

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all operations accountable for the administration and resources to the Town and are owned or controlled by the Town.

Interdepartmental and organizational transactions and balances are eliminated.

Segment information

The Town of Stewiacke is a diversified entity that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Town services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General government services

This segment is responsible for the overall local government administration. Its tasks include direction for Town services, such as planning, engineering, finance, and information technology in adherence to the Municipal Government Act.

Protective services

This segment is primarily responsible for police, fire protection and bylaw administration for its residents. The Town engages the services of the volunteer fire department in order to fulfil its fire protection role. The Town collects a rate for the fire department.

Transportation services

The Town is responsible for the maintenance of certain local roads, sidewalks and street lights within its jurisdiction.

Environmental health services

This segment is responsible for the maintenance and operations of waste and sewer services provided to residents and other customers. Its tasks include the provision of waste collection through contract, recycling, and composting.

Environmental development services

This segment is responsible for the issuance of development permits and approving subdivision applications.

Recreation and cultural services

This segment is responsible for promoting and offering recreation opportunities and activities to the Town's residents, specializing in maintaining and assisting recreational facilities within the Town such as recreation facilities and the library.

Water treatment and distribution

This segment manages water treatment and distribution facilities and services within the Town and includes activities such as plant operation and pumping, water treatment, transmission and distribution.

Town of Stewiacke

Notes to the consolidated financial statements

March 31, 2019

1. Summary of significant accounting policies (continued)

Revenue recognition

Tax revenue is property tax billings which are prepared by the Town based on assessment rolls issued by the Province of Nova Scotia. Tax rates are established annually by Town Council. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined.

The Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Revenues from sale of services, water rates and other revenues are recognized when services are performed and/or when earned as long as amounts can be reasonably estimated and collection is reasonably assured.

Unconditional and conditional transfers from other governments for operating and capital purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer is authorized.

All non-government contribution or grant/revenues that are externally restricted such that they might be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally received revenues not yet used for the purpose or purposes specified are reported as deferred revenue.

Interest and other unrestricted revenues are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires the Town's management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Actual results could differ from those reported. Estimates for the Town include amortization on tangible capital assets and the valuation allowances on receivables.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Financial instruments

The Town's financial instruments consist of cash and cash equivalents, receivables, payables and accruals and long term debt and are carried at cost which approximates their fair value.

Town of Stewiacke

Notes to the consolidated financial statements

March 31, 2019

1. Summary of significant accounting policies (continued)

Tangible capital assets

General and other funds

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Buildings	40
Machinery and equipment	3 – 15
Sewers	50
Sidewalks and crosswalks	20 – 25
Streets	30
Land improvements	25
Sewage treatment plant	25
Water storage plant	75
Water utility equipment	5 – 20
Water utility mains	75
Water utility services	50
Water utility meters	20
Water utility hydrants	75
Water treatment plant	50

A full year of amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

Water capital fund

In the Water Capital Fund, depreciation is calculated as noted above. For purposes of the Nova Scotia Utility and Review Board, depreciation is based on a prescribed rate. The depreciation charge is transferred to a special bank account, which is used to help fund replacement of existing plant and equipment or subject to approval by the Nova Scotia Utility and Review Board, to repay principal of capital debt.

Allocation of municipal costs to water utility funds

Where identifiable, costs incurred by The Town of Stewiacke on behalf of the water utility are charged to the utility funds. Salary and wage related costs are allocated in proportion to time spent performing functions on behalf of the water utility.

Town of Stewiacke

Notes to the consolidated financial statements

March 31, 2019

2. Receivables	<u>2019</u>	<u>2018</u>
Taxes receivable	\$ 107,855	\$ 159,880
Less: valuation allowance	<u>(30,000)</u>	<u>(30,000)</u>
	<u>\$ 77,855</u>	<u>\$ 129,880</u>
Sewer rates receivable	\$ 35,635	\$ 38,690
Less: valuation allowance	<u>(1,191)</u>	<u>(1,191)</u>
	<u>\$ 34,444</u>	<u>\$ 37,499</u>
Water rates receivable	\$ 68,261	\$ 70,810
Less: valuation allowance	<u>(1,836)</u>	<u>(1,836)</u>
	<u>\$ 66,425</u>	<u>\$ 68,974</u>

3. Bank line of credit

The Town has an available line of credit facility of \$250,000 with an interest rate at Prime, all of which is unused at March 31, 2019. As security, the Town has signed a security agreement with a first ranking security interest on specific assets.

4. Short term debt

During the year, the Town refinanced the short term loan from the Nova Scotia Municipal Finance Corporation for a long term debenture (Note 5).

5. Long term debt

Principal repayments in each of the next five years are due as follows:

	<u>General</u>	<u>Water Utility</u>	<u>Total</u>
2020	\$ 297,278	\$ 532,388	\$ 829,666
2021	\$ 268,824	\$ 325,574	\$ 594,398
2022	\$ 32,054	\$ 88,804	\$ 120,858
2023	\$ 32,054	\$ 88,804	\$ 120,858
2024	\$ 28,119	\$ 64,369	\$ 92,488

All long term debt outstanding at year end has been properly authorized by Service Nova Scotia and Municipal Relations.

Town of Stewiacke

Notes to the consolidated financial statements

March 31, 2019

5. Long term debt (continued)									
	Year of Issue	Year of Maturity	Interest Rate	Balance March 31, 2018	Repaid	Balance March 31, 2019	Interest 2019		
Sidewalk	2008	2019	5.0-5.1%	\$ 35,000	\$ 35,000	\$ -	\$ 1,783		
Streets	2005	2021	4.7-4.9%	300,000	37,500	262,500	13,682		
Streets	2009	2025	4.1-4.9%	46,770	17,500	29,270	1,586		
Truck	2019	2024	5.89%	-	-	25,086	-		
Truck	2019	2024	4.2%	-	20,188	152,812	4,650		
Generator	2019	2024	4.2%	-	7,588	57,412	1,595		
Sewage	2019	2029	2.1-3.3%	-	-	262,500	1,246		
Water	2019	2029	2.1-3.3%	-	-	87,500	3,739		
Water	2004	2020	5.2-5.3%	197,296	28,186	169,110	10,486		
Water	2009	2025	4.1-4.9%	336,730	36,750	299,980	16,259		
Water	2012	2023	2.6-3.5%	102,500	20,500	82,000	2,948		
Totals				\$ 1,193,732	\$ 203,212	\$ 1,428,170	\$ 57,974		

Town of Stewiacke

Notes to the consolidated financial statements

March 31, 2019

6. Accumulated surplus	<u>2019</u>	<u>2018</u>
Accumulated surplus		
General operating fund	\$ 439,329	\$ 189,557
General capital fund	-	-
Water utility operating fund	442,203	397,310
Water utility capital fund	32,734	25,646
Reserve funds	<u>694,367</u>	<u>723,736</u>
	1,608,633	1,336,249
Investment in capital assets	<u>8,227,439</u>	<u>8,131,172</u>
	\$ 9,836,072	\$ 9,467,421

7. Contributions to boards and commissions

The Town of Stewiacke is required to finance the operations of various boards and commissions, along with other municipal units in Colchester County, to the extent of its participation based on assessment or population formula.

In addition to any budgeted contributions, the municipal units share in the deficits or surpluses of these boards based on their sharing percentages. A municipal unit'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.

Regional housing authority – 12% interest

During the year, the Town contributed \$24,556 (2018 - \$29,877) to the Regional Housing Authority to fund its share of the prior year's deficit.

Regional library – 2% interest

During the year, the Town contributed \$9,326 (2018 - \$9,326) to the regional library.

Chignecto Central Regional Centre for Education

During the year, the Town contributed \$269,904 (2018 - \$258,842) to the regional school board based on uniform assessments.

Provincial corrections

The Town's mandatory contribution to the Province of Nova Scotia for the year was \$17,459 (2018 - \$17,390).

Assessment services

The Town's mandatory assessment services contribution to the Province of Nova Scotia for the year was \$21,331 (2018 - \$21,009).

Truro Colchester Regional Enterprise Network

During the year, the Town contributed \$3,900 (2018 - \$3,900) to the regional enterprise network based on a three year contribution agreement.

Town of Stewiacke

Notes to the consolidated financial statements

March 31, 2019

8. Remuneration

The following amounts were paid on account of remuneration for elected officials and senior staff:

<u>Elected official</u>	<u>Position</u>	<u>Remuneration</u>	
W. Robinson	Mayor	\$	11,642
S. Creelman	Deputy Mayor	\$	9,054
R. Stoddart	Councilor	\$	7,833
C. Ramsey	Councilor	\$	7,833
M. Commo	Councilor	\$	7,833
R. Chapman	Councilor	\$	7,833
R. Rogers-Laing	Councilor	\$	7,833
<u>Employee</u>			
D. Bak	Former CAO	\$	42,616
D. Bogle	CAO	\$	10,769

9. Outstanding inter-fund accounts

The following amounts were due (to) from other funds at March 31, 2019:

General operating fund	\$	353
General capital fund	\$	-
Water utility fund	\$	150,313
Water capital fund	\$	(271,013)
Reserve funds	\$	120,347

These inter-fund balances were eliminated upon consolidation.

10. Pension costs

The Town operates a defined contribution plan for their employees. The assets of the plan are held separately from those of the Town in independently administered funds.

Contributions paid and expensed by the Town in the current year amounted to \$19,785 (2018 - \$24,661).

Town of Stewiacke

Notes to the consolidated financial statements

March 31, 2019

11. Budget figures

The budget figures contained in these consolidated financial statements were approved by the Council on May 24, 2018 in its original fiscal plan. Public Sector Accounting Standards require a comparison of the results for the year with those originally planned on the same basis as that used for the actual results. The fiscal plan presented in the consolidated statement of operations and consolidated statement of changes in net debt has been adjusted to be presented on a basis consistent with the actual results. A reconciliation of the approved and reported budget is set out below:

Approved budgeted revenues – operating	\$ 2,429,638
Approved budgeted revenues – water	<u>502,399</u>
	2,932,037
Less: interfund charges eliminated on consolidation	<u>(50,129)</u>
Revenues	2,881,908
Approved budgeted expenses – operating	2,429,638
Approved budgeted expenses – water	<u>517,079</u>
	2,946,717
Less: interfund charges eliminated on consolidation	(50,129)
Less: capital expenditures	(155,297)
Less: debt repayments	(222,436)
Add: amortization not budgeted	<u>350,209</u>
Expenses	<u>2,869,064</u>
Budgeted annual loss reported	<u>\$ 12,844</u>

Town of Stewiacke

Notes to the consolidated financial statements

March 31, 2019

12. Segment disclosure

	General government services	Protective services	Transportation services	Environmental health services	Environmental development services	Recreation and cultural services	Water treatment and distribution	2019
Revenues								
Taxes	\$ 1,917,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,917,144
Grants in lieu of taxes	5,444	-	-	-	-	-	-	5,444
Sale of services	-	-	-	157,552	-	-	-	157,552
Other revenue from own sources	100,318	-	-	-	-	14,790	7,075	122,183
Unconditional transfers from other governments	205,536	-	-	-	-	-	-	205,536
Conditional transfers from other governments	106,782	-	-	-	-	41,496	-	148,278
Water rates	-	161,665	-	-	-	-	367,319	528,984
	2,335,224	161,665	-	157,552	-	56,286	374,394	3,085,121
Expenses								
Salaries, wages and benefits	340,995	7,176	134,978	19,264	-	111,272	45,183	658,868
Operating materials, supplies and general expenses	139,044	425,839	162,560	150,480	27,245	90,773	198,745	1,194,686
Amortization	7,517	-	210,642	91,050	-	41,000	56,517	406,726
Rents and financial expenses	13,629	-	40,975	-	-	-	34,819	89,423
Other	346,348	-	-	-	-	12,015	8,404	366,767
	847,533	433,015	549,155	260,794	27,245	255,060	343,668	2,716,470
Annual surplus (deficit)	\$ 1,487,691	\$ (271,350)	\$ (549,155)	\$ (103,242)	\$ (27,245)	\$ (198,774)	\$ 30,726	\$ 368,651

Town of Stewiacke

Notes to the consolidated financial statements

March 31, 2019

12. Segment disclosure (continued)

	General government services	Protective services	Transportation services	Environmental health services	Environmental development services	Recreation and cultural services	Water treatment and distribution	2018
Revenues								
Taxes	\$ 1,896,706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,896,706
Grants in lieu of taxes	5,661	-	-	-	-	-	-	5,661
Sale of services	-	-	-	157,164	-	-	-	157,164
Other revenue from own sources	65,274	-	-	-	3,781	133,577	1,080	203,712
Unconditional transfers from other governments	205,434	-	-	-	-	-	-	205,434
Conditional transfers from other governments	1,157,180	-	-	-	-	40,019	-	1,197,199
Water rates	-	161,465	-	-	-	-	361,767	513,232
	3,330,255	161,465	-	157,164	3,781	173,596	362,847	4,179,108
Expenses								
Salaries, wages and benefits	383,251	6,432	132,153	21,408	-	98,971	68,489	710,704
Operating materials, supplies and general expenses	116,062	421,248	189,320	114,871	20,532	96,243	189,595	1,147,871
Amortization	3,920	-	198,110	80,928	-	33,377	76,567	392,902
Rents and financial expenses	11,616	-	20,903	-	-	-	38,020	70,539
Other	339,786	-	41	-	-	1,860	4,663	346,350
	854,635	427,680	540,527	217,207	20,532	230,451	377,334	2,668,366
Annual surplus (deficit)	\$ 2,475,620	\$ (266,215)	\$ (540,527)	\$ (60,043)	\$ (16,751)	\$ (56,855)	\$ (24,487)	\$ 1,510,742

Town of Stewiacke

Schedule of tangible capital assets – general capital

Year ended March 31, 2019

	Land	Buildings	Machinery and Equipment	Sewers	Sidewalks	Streets	Land Improvements	Sewage Treatment Plant	Leasehold Improvements	Perry Lake Development	2019	2018
Cost:												
Balance, opening	\$ 242,817	\$ 781,460	\$ 750,419	\$ 1,963,134	\$ 568,955	\$ 3,957,439	\$ 426,478	\$ 1,069,111	\$ -	\$ 388,000	\$ 10,147,813	\$ 8,425,691
Assets purchased	50,000	-	205,705	5,423	-	132,582	32,939	-	103,058	-	529,707	1,722,122
Assets transferred	-	-	-	200,265	-	-	-	-	-	-	200,265	-
Assets disposed	-	-	(85,264)	-	-	-	-	-	-	-	(85,264)	-
Balance, ending	292,817	781,460	870,860	2,168,822	568,955	4,090,021	459,417	1,069,111	103,058	388,000	10,792,521	10,147,813
Accumulated amortization:												
Balance, opening	-	478,830	487,866	667,798	279,735	1,425,644	163,127	906,733	-	-	4,409,733	4,093,398
Annual amortization	-	17,944	69,072	59,398	20,462	130,068	14,747	41,666	4,122	-	357,479	316,335
Assets disposed	-	-	(64,320)	-	-	-	-	-	-	-	(64,320)	-
Balance, ending	-	496,774	492,618	727,196	300,197	1,555,712	177,874	948,399	4,122	-	4,702,892	4,409,733

Net book value of tangible capital assets	\$ 292,817	\$ 284,686	\$ 378,242	\$ 1,441,626	\$ 268,758	\$ 2,534,309	\$ 281,543	\$ 120,712	\$ 98,936	\$ 388,000	\$ 6,089,629	\$ 5,738,080
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2018 net book value of tangible capital assets	\$ 242,817	\$ 302,630	\$ 262,553	\$ 1,295,336	\$ 289,220	\$ 2,531,795	\$ 263,351	\$ 162,378	-	\$ 388,000		
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Town of Stewiacke

Schedule of tangible capital assets – water utility

Year ended March 31, 2019

	Water Storage Plant	Equipment	Mains	Services	Meters	Hydrants	Water Treatment Plant	2019	2018
Cost:									
Balance, opening	\$ 1,716,814	\$ 347,341	\$ 1,851,143	\$ 51,222	\$ 41,626	\$ 77,718	\$ 405,785	\$ 4,491,649	\$ 3,919,948
Assets purchased	-	-	4,857	-	-	-	-	4,857	571,701
Assets transferred	-	(200,265)	-	-	-	-	-	(200,265)	-
Balance, ending	1,716,814	147,076	1,856,000	51,222	41,626	77,718	405,785	4,296,241	4,491,649
Accumulated amortization:									
Balance, opening	213,710	111,418	275,647	15,324	25,833	18,175	146,717	806,824	730,258
Annual Amortization	22,891	(3,379)	24,747	1,025	2,082	1,036	8,116	56,518	76,566
Balance, ending	236,601	108,039	300,394	16,349	27,915	19,211	154,833	863,342	806,824
Net book value of tangible capital assets	\$ 1,480,213	\$ 39,037	\$ 1,555,606	\$ 34,873	\$ 13,711	\$ 58,507	\$ 250,952	\$ 3,432,899	\$ 3,684,825
2018 net book value of tangible capital assets	\$ 1,503,104	\$ 235,923	\$ 1,575,496	\$ 35,898	\$ 15,793	\$ 59,543	\$ 259,068		

Town of Stewiacke

Schedules to the consolidated statement of operations

Year ended March 31 2019 Budget 2019 Actual 2018 Actual
(Note 11)

Other revenue from own sources

Community center	\$	10,225	\$	9,248	\$	13,294
Fines		1,500		805		1,708
Gasoline rebates		2,800		3,094		3,137
Interest on investments		4,000		25,313		9,141
Interest on taxes		20,000		20,785		22,142
Licenses and permits		2,400		5,430		3,865
Miscellaneous		10,300		12,013		9,087
Recreation		1,150		1,314		120,283
Town days		10,300		10,644		11,210
Sale of assets		-		24,505		-
HST offset revenue		6,500		9,032		9,845
		<u>6,500</u>		<u>9,032</u>		<u>9,845</u>
	\$	<u>69,175</u>	\$	<u>122,183</u>	\$	<u>203,712</u>

Unconditional transfers from other governments

Provincial government						
Municipal Reform Act (equalization)	\$	202,349	\$	202,349	\$	202,349
Farm and acreage grant		<u>3,085</u>		<u>3,187</u>		<u>3,085</u>
	\$	<u>205,434</u>	\$	<u>205,536</u>	\$	<u>205,434</u>

Conditional transfers from other governments

Federal government						
Federal gas tax rebate	\$	-	\$	84,140	\$	81,352
Provincial government						
Other government grant		17,500		22,642		22,049
Joffre Street general capital revenue		-		-		1,058,798
Nova Scotia Health Promotion and Protection						
Recreation		<u>25,000</u>		<u>41,496</u>		<u>35,000</u>
	\$	<u>42,500</u>	\$	<u>148,278</u>	\$	<u>1,197,199</u>

Town of Stewiacke

Schedules to the consolidated statement of operations

Year ended March 31

2019 Budget
(Note 11)

2019 Actual

2018 Actual

General government services

Legislative

Mayor	\$ 11,769	\$ 11,642	\$ 11,642
Council	49,106	48,218	48,573
Other	13,000	10,511	14,250
	<u>73,875</u>	<u>70,371</u>	<u>74,465</u>

General administrative

Administrative	194,266	183,175	222,081
Common services			
Equipment rental	6,200	9,009	8,042
Maintenance agreements	3,000	-	1,494
Postage	4,000	5,031	4,132
Stationery and supplies	8,000	9,013	9,265
Telecommunications	6,775	5,133	7,420
Other	3,000	2,323	3,342
Financial management	65,500	61,890	36,614
Other			
Building maintenance	24,170	24,888	19,721
Employee benefits	76,427	65,286	67,686
Employee pension plans	28,099	19,902	24,769
Union of Nova Scotia Municipalities	3,200	2,806	3,614
	<u>422,637</u>	<u>388,456</u>	<u>408,180</u>

Other general government services

Amortization	7,517	7,517	3,920
Insurance	10,321	13,267	12,125
Interest and bank charges	11,100	6,069	3,576
Town days, lighting, volunteer week and levees	22,650	19,277	15,927
	<u>51,588</u>	<u>46,130</u>	<u>35,548</u>
	\$ 548,100	\$ 504,957	\$ 518,193

Supplementary schedules

Town of Stewiacke Consolidated statement of investment in capital assets

(unaudited)
Year ended March 31

	General	Water Utility	Total 2019	Total 2018
Balance, beginning of year	\$ 5,093,808	\$ 3,037,364	\$ 8,131,172	\$ 6,328,248
Acquisition and disposal of capital assets	709,028	(195,408)	513,620	2,293,823
Payment on long term debt	117,776	85,436	203,212	175,436
Proceeds of long term debt	(263,086)	-	(263,086)	(350,000)
Amortization of capital assets	(357,479)	-	(357,479)	(316,335)
Balance, end of year	\$ 5,300,047	\$ 2,927,392	\$ 8,227,439	\$ 8,131,172

Town of Stewiacke
Schedule of reserve funds

(unaudited)
 Year ended March 31

5 Year

	Restricted for Economic Development	Contributions to Capital Reserve	Gas Tax Reserve	Special Capital	Special Operating	Total 2019	Total 2018
Revenues							
Interest	\$ -	\$ -	\$ 3,450	\$ 1,400	\$ 1,648	\$ 6,498	\$ 3,441
Government grants							
(Nova Scotia Federal Gas Tax Rebate)	-	-	84,140	-	-	84,140	81,352
	-	-	87,590	1,400	1,648	90,638	84,793
Transfer from general operating	-	(125,000)	(118,580)	60,590	62,983	(120,007)	119,258
Transfer to investment in tangible capital assets	-	-	-	-	-	-	(255,828)
Opening fund balances	14,442	125,000	327,884	37,251	219,159	723,736	775,513
Closing fund balances	\$ 14,442	\$ -	\$ 296,894	\$ 99,241	\$ 283,790	\$ 694,367	\$ 723,736

Town of Stewiacke

Schedule of changes in general operating fund

(unaudited) Year ended March 31	2019 Budget (Note 11)	2019 Actual	2018 Actual
Revenues			
Taxes	\$ 1,899,810	\$ 1,917,144	\$ 1,896,706
Grants in lieu of taxes	5,673	5,444	5,661
Sale of services	207,046	207,670	207,293
Other revenue from own sources	69,175	84,081	199,177
Unconditional transfers from other governments	205,434	205,536	205,434
Conditional transfers from other governments	42,500	64,138	1,115,847
Total revenues	<u>2,429,638</u>	<u>2,484,013</u>	<u>3,630,118</u>
Expenses			
General government services	548,100	504,957	518,193
Protective services	434,410	433,015	427,680
Transportation services	605,325	549,155	540,525
Environmental health services	269,576	260,794	217,207
Environmental development services	45,000	27,245	20,532
Recreation and cultural services	244,970	255,060	230,451
Fiscal services	338,669	342,576	336,444
Total expenses	<u>2,489,050</u>	<u>2,372,802</u>	<u>2,291,032</u>
Annual surplus	\$ <u>(59,412)</u>	111,211	1,339,086
Transfer of amortization		357,479	316,335
Transfer to other funds		<u>(218,918)</u>	<u>(1,897,238)</u>
Change in fund balance		249,772	(241,817)
Opening fund balance		<u>189,557</u>	<u>431,374</u>
Closing fund balance		<u>\$ 439,329</u>	<u>\$ 189,557</u>

Town of Stewiacke

Schedule of changes in general capital fund

(unaudited)

Year ended March 31	2019	2018
Revenue		
Gain on disposal of tangible capital assets	\$ 24,505	\$ -
Capital contributions	23	15
Annual surplus	24,528	15
Transfer to other funds	(24,528)	(15)
Change in fund balance	-	-
Opening fund balance	-	-
Closing fund balance	\$ -	\$ -

Town of Stewiacke

Schedule of changes in water utility operating fund

(unaudited) Year ended March 31	2019 Budget (Note 11)	2019 Actual	2018 Actual (restated)
Revenues			
Sale of water	\$ 341,334	\$ 360,811	\$ 346,819
Public fire protection	161,065	161,065	161,065
Other	-	7,108	5,348
Total revenues	<u>502,399</u>	<u>528,984</u>	<u>513,232</u>
Expenses			
Administrative	59,252	58,533	54,792
Amortization	67,500	56,518	76,566
Power and pumping	136,203	111,729	131,515
Taxes	31,559	31,611	31,614
Transmission and distribution	52,591	27,672	42,256
Water treatment	51,200	74,501	57,469
Total expenses	<u>398,305</u>	<u>360,564</u>	<u>394,212</u>
Operating income	104,094	168,420	119,020
Non-operating expenditures			
Repayment of debt			
Principal	-	85,436	85,436
Interest on long term debt	31,838	33,234	33,252
Capital expenditures out of operations	-	4,857	-
Annual surplus	\$ <u>72,256</u>	44,893	332
Opening fund balance		<u>397,310</u>	<u>396,978</u>
Closing fund balance		\$ <u>442,203</u>	\$ <u>397,310</u>

Town of Stewiacke

Schedule of changes in water utility capital fund

(unaudited)

Year ended March 31	2019	2018
Revenue		
Interest	\$ <u>7,088</u>	\$ <u>1,080</u>
Annual surplus	7,088	1,080
Opening fund balance	<u>25,646</u>	<u>24,566</u>
Closing fund balance	\$ <u>32,734</u>	\$ <u>25,646</u>

Town of Stewiacke

Schedule of financial position - water utility operating fund

(unaudited)

March 31	2019	2018
		(restated)
Financial assets		
Cash and cash equivalents	\$ 456,282	\$ 466,181
Receivables		
Rates	66,425	68,975
Due from federal government and its agencies	15,439	16,032
Due from other funds	17,576	-
	<u>555,722</u>	<u>551,188</u>
Liabilities		
Payables and accruals	113,519	115,090
Due to other funds	-	38,790
	<u>113,519</u>	<u>153,878</u>
Net financial assets (Page 30)	\$ 442,203	\$ 397,310

Town of Stewiacke

Schedule of financial position – water utility capital fund

(unaudited)

March 31	2019	2018
		(restated)
Financial assets		
Cash and cash equivalents	\$ 96,835	\$ 97,919
Cash and cash equivalents – depreciation fund	<u>207,262</u>	<u>170,154</u>
	<u>304,097</u>	<u>268,073</u>
Liabilities		
Due to other funds	138,280	165,862
Short term debt	-	87,500
Long term debt	<u>638,590</u>	<u>636,526</u>
	<u>776,870</u>	<u>889,888</u>
Net financial liabilities	<u>(472,773)</u>	<u>(621,815)</u>
Non-financial assets		
Tangible capital assets, net	<u>3,432,899</u>	<u>3,684,825</u>
Accumulated surplus	<u>\$ 2,960,126</u>	<u>\$ 3,063,010</u>
<hr/>		
Fund balance (Page 31)	\$ 32,734	\$ 25,646
Investment in capital assets	<u>2,927,392</u>	<u>3,037,364</u>
	<u>\$ 2,960,126</u>	<u>\$ 3,063,010</u>