

TOWN OF STEWIACKE
Consolidated Financial Statements

March 31, 2020

TOWN OF STEWIACKE

Consolidated Financial Statements

Year ended March 31, 2020

	Page
Management's Responsibility for the Consolidated Financial Statements.....	1
Independent Auditors' Report.....	2
Consolidated Statement of Financial Position.....	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Assets.....	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8
Supplementary Schedules	
Schedule A – Details of Revenues	21
Schedule B – Details of Expenditures.....	23
Schedule of Reserves	26
General Operating Fund – Schedule of Changes in Operating Fund.....	27
General Capital Fund – Schedule of Changes in Capital Fund.....	28
Water Operating Fund – Statement of Financial Position.....	29
Water Operating Fund – Schedule of Changes in Operating Fund.....	30
Water Capital Fund – Statement of Financial Position	31
Water Capital Fund – Schedule of Changes in Capital Fund.....	32

STEWIACKE

RIVERS OF OPPORTUNITY



Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Town of Stewiacke (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.



Mr. Dale Bogle
Chief Administrative Officer
2020-09-30

Independent Auditors' Report

To the Mayor and Council of Town of Stewiacke

Opinion

We have audited the consolidated financial statements of Town of Stewiacke on pages 4 – 19 which comprise the consolidated statement of financial position as at March 31, 2020 and the consolidated statements of operations, changes in net financial assets 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 Stewiacke 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 – Supplemental Information

The financial statements of Town of Stewiacke for the year ended March 31, 2019 were audited by another firm of Chartered Professional Accountants who issued an unmodified opinion dated September 26, 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 20 – 32 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.

Sydney, Nova Scotia
September 29, 2020

MNP LLP

Chartered Professional Accountants

TOWN OF STEWIACKE

Consolidated Statement of Financial Position

March 31, 2020, with comparative figures for 2019

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 2,190,558	\$ 1,783,385
Taxes and rates receivable (note 2)	171,496	178,724
Other receivables (note 3)	91,568	108,394
	<u>2,453,622</u>	<u>2,070,503</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	290,475	264,049
Deferred revenue	99,631	64,740
Long-term debt (note 5)	1,200,101	1,428,170
	<u>1,590,207</u>	<u>1,756,959</u>
NET FINANCIAL ASSETS	<u>863,415</u>	<u>313,544</u>
NON-FINANCIAL ASSETS		
Tangible capital assets, general capital (note 6)	5,849,960	6,089,629
Tangible capital assets, water capital (note 7)	3,502,560	3,432,899
	<u>9,352,520</u>	<u>9,522,528</u>
ACCUMULATED SURPLUS (note 8)	<u>\$ 10,215,935</u>	<u>\$ 9,836,072</u>

Contingencies (note 14)

See accompanying notes to consolidated financial statements.

On behalf of the Town of Stewiacke:

Mayor

Chief Administrative Officer

TOWN OF STEWIACKE

Consolidated Statement of Operations

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

	Budget (Unaudited)	2020	2019
REVENUES (Schedule A)			
Taxes	\$ 1,582,884	\$ 1,611,295	\$ 1,605,225
Grants in lieu of taxes	5,673	5,394	5,444
Sale of services	155,660	161,637	157,552
Other revenue from own sources	74,175	114,943	122,183
Unconditional transfers from other governments	205,600	205,600	205,536
Conditional transfers from other governments	42,500	254,517	148,278
Water rates	346,777	386,528	367,919
	2,413,269	2,739,914	2,612,137
EXPENSES (Schedule B)			
General government services	580,523	589,168	526,288
Protective services	281,513	275,071	271,950
Transportation services	462,360	569,229	549,155
Environmental health services	182,599	236,866	260,794
Environmental development services	32,000	35,057	27,245
Recreation and cultural services	215,794	251,779	264,386
Water treatment and distribution	451,115	402,881	343,668
	2,205,904	2,360,051	2,243,486
ANNUAL SURPLUS	207,365	379,863	368,651
ACCUMULATED SURPLUS, BEGINNING OF YEAR		9,836,072	9,467,421
ACCUMULATED SURPLUS, END OF YEAR	\$	\$ 10,215,935	\$ 9,836,072

See accompanying notes to consolidated financial statements.

TOWN OF STEWIACKE

Consolidated Statement of Change in Net Financial Assets

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

	2020	2019
ANNUAL SURPLUS	\$ 379,863	\$ 368,651
Other non-financial assets		
Amortization of tangible capital assets	414,612	413,997
Additions to tangible capital assets	(244,604)	(534,564)
Gain on sale of tangible capital assets	—	(24,505)
Proceeds on sale of tangible capital assets	—	45,449
Decrease in prepaids	—	8,533
INCREASE IN NET FINANCIAL ASSETS	549,871	277,561
NET FINANCIAL ASSETS, BEGINNING OF YEAR	313,544	35,983
NET FINANCIAL ASSETS, END OF YEAR	\$ 863,415	\$ 313,544

See accompanying notes to consolidated financial statements.

TOWN OF STEWIACKE

Consolidated Statement of Cash Flows

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

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 379,863	\$ 368,651
Add		
Amortization of tangible capital assets	414,612	413,997
Gain on sale of tangible capital assets	–	(24,505)
Change in non-cash items		
Decrease in taxes and rates receivable	7,228	57,629
Decrease in other accounts receivable	16,826	173,620
Increase (decrease) in accounts payable and accrued liabilities	26,426	(47,095)
Increase in deferred revenue	34,891	7,075
Decrease in prepaid expenses	–	8,533
	<u>879,846</u>	<u>957,905</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(228,069)	(553,212)
Proceeds of long-term debt	–	613,086
	<u>(228,069)</u>	<u>59,874</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets, net	(244,604)	(534,564)
Proceeds from sale of capital assets	–	45,449
	<u>(244,604)</u>	<u>(489,115)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>407,173</u>	<u>528,664</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,783,385</u>	<u>1,254,721</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,190,558</u>	<u>\$ 1,783,385</u>

See accompanying notes to consolidated financial statements.

TOWN OF STEWIACKE

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 Stewiacke (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

(c) 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 fulfill its fire protection role. The Town collects a rate for the fire department.

TOWN OF STEWIACKE

Notes to Consolidated Financial Statements

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

(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.

TOWN OF STEWIACKE

Notes to Consolidated Financial Statements

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Tangible capital assets

Tangible capital assets are reported in the statement of financial position at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets, net of accumulated amortization. They are amortized on a straight-line basis over their estimated useful lives at the following rates:

	Basis	Rate
Buildings	Straight-line	2.5%
Machinery and equipment	Straight-line	6.67 – 33.33%
Sewers	Straight-line	2%
Sidewalks and crosswalks	Straight-line	4 – 5%
Streets	Straight-line	3.33%
Land improvements	Straight-line	4%
Sewage treatment plant	Straight-line	4%
Water storage plant	Straight-line	1.33%
Water utility equipment	Straight-line	5 - 20%
Water utility mains	Straight-line	1.33%
Water utility services	Straight-line	2%
Water utility meters	Straight-line	5%
Water utility hydrants	Straight-line	1.33%
Water treatment plant	Straight-line	2%

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.

The amortization charge in the water capital fund is required to be transferred to a special bank account which is used to help fund replacement of existing equipment, or subject to approval by the Utility and Review Board, to repay principal of capital debt.

(h) 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.

(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 STEWIACKE

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 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 STEWIACKE

Notes to Consolidated Financial Statements

Year ended March 31, 2020

2. TAXES AND RATES RECEIVABLE

	2020	2019
Taxes receivable	\$ 119,303	\$ 107,855
Less valuation allowance	(30,000)	(30,000)
Subtotal	89,303	77,855
Sewer rates receivable	47,522	35,635
Less valuation allowance	(1,191)	(1,191)
Subtotal	46,331	34,444
Water rates receivable	37,698	68,261
Less valuation allowance	(1,836)	(1,836)
Subtotal	35,862	66,425
Taxes and rates receivable, net	\$ 171,496	\$ 178,724

3. OTHER RECEIVABLES

	2020	2019
Due from federal government and its agencies	\$ 86,259	\$ 99,058
Other	5,309	9,336
	\$ 91,568	\$ 108,394

4. BANK LINE OF CREDIT

The Town has available a line of credit of \$250,000 with an interest rate of prime, balance of \$Nil at March 31, 2020 (\$Nil – 2019). The Town has signed a security agreement with a first ranking security interest on specific assets.

TOWN OF STEWIACKE

Notes to Consolidated Financial Statements

Year ended March 31, 2020

5. LONG-TERM DEBT

	Interest rate - %	Matures	Balance March 31/19	Transferred	Repaid	Balance March 31/20
General Capital Fund						
Royal Bank of Canada						
Truck	4.2%	2024	\$ 152,812	\$ -	\$ (34,608)	\$ 118,204
Generator	4.2%	2024	57,412	-	(13,008)	44,404
			210,224	-	(47,616)	162,608
Scotia Bank						
Truck	5.89%	2024	25,086	(25,086)	-	-
Nova Scotia Municipal Finance Corporation						
Streets	4.7 – 4.9%	2021	262,500	-	(37,500)	225,000
Streets	4.1 – 4.9%	2025	29,270	-	(17,500)	11,770
Sewage	2.1 – 3.3%	2029	262,500	-	(26,250)	236,250
			554,270	-	(81,250)	473,020
			789,580	(25,086)	(128,866)	635,628
Water Capital Fund						
Scotia Bank						
Truck	5.89%	2024	-	25,086	(5,017)	20,069
Nova Scotia Municipal Finance Corporation						
	2.1 – 3.3%	2029	87,500	-	(8,750)	78,750
	5.2 – 5.3%	2025	169,110	-	(28,186)	140,924
	4.1 – 4.9%	2025	299,980	-	(36,750)	263,230
	2.6 – 3.5%	2023	82,000	-	(20,500)	61,500
			638,590	25,086	(99,203)	564,473
			\$ 1,428,170	\$ -	\$ (228,069)	\$ 1,200,101

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

	General	Water	Total
2021	300,043	88,472	388,515
2022	75,043	88,758	163,801
2023	75,043	89,060	164,103
2024	47,187	68,310	115,497
2025	33,312	194,872	228,184

TOWN OF STEWIACKE

Notes to Consolidated Financial Statements

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

6. TANGIBLE CAPITAL ASSETS, GENERAL CAPITAL

	Cost		Disposals and Write-downs		Amortization		Additions		Disposals		Amortization		Net Book Value	
	Beginning of Year	End of Year	Write-downs	End of Year	Beginning of Year	End of Year	Beginning of Year	End of Year	Beginning of Year	End of Year	End of Year	End of Year	Beginning of Year	End of Year
Land	\$ 292,817	\$ 292,817	\$ -	\$ 292,817	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 292,817	\$ 292,817
Buildings	781,460	803,824	-	803,824	496,774	496,774	14,382	14,382	-	-	511,156	511,156	292,668	284,686
Machinery and equipment	870,860	842,265	(28,595)	842,265	492,618	492,618	64,139	64,139	(5,719)	(5,719)	551,038	551,038	291,227	378,242
Sewers	2,168,822	2,168,822	-	2,168,822	727,196	727,196	49,384	49,384	-	-	776,580	776,580	1,392,242	1,441,626
Sidewalks	568,955	568,955	-	568,955	300,197	300,197	20,250	20,250	-	-	320,447	320,447	248,508	268,758
Streets	4,090,021	4,090,021	-	4,090,021	1,555,712	1,555,712	125,168	125,168	-	-	1,680,880	1,680,880	2,409,141	2,534,309
Land improvements	459,417	459,417	-	459,417	177,874	177,874	14,747	14,747	-	-	192,621	192,621	266,796	281,543
Sewage Treatment Plant	1,069,111	1,069,111	-	1,069,111	948,399	948,399	41,666	41,666	-	-	990,065	990,065	79,046	120,712
Leasehold improvements	103,058	154,940	-	154,940	4,122	4,122	6,198	6,198	-	-	10,320	10,320	144,620	98,936
Perry Lake Development	388,000	388,000	-	388,000	-	-	-	-	-	-	-	-	388,000	388,000
Computer software	-	48,102	-	48,102	-	-	3,207	3,207	-	-	3,207	3,207	44,895	-
	\$ 10,792,521	\$ 10,886,274	\$ (28,595)	\$ 10,886,274	\$ 4,702,892	\$ 4,702,892	\$ 339,141	\$ 339,141	\$ (5,719)	\$ (5,719)	\$ 5,036,314	\$ 5,036,314	\$ 5,849,960	\$ 6,089,629

7. TANGIBLE CAPITAL ASSETS, WATER CAPITAL

	Cost		Disposals and Write-downs		Amortization		Additions		Disposals		Amortization		Net Book Value	
	Beginning of Year	End of Year	Write-downs	End of Year	Beginning of Year	End of Year	Beginning of Year	End of Year	Beginning of Year	End of Year	End of Year	End of Year	Beginning of Year	End of Year
Water Storage Plant	\$ 1,716,814	\$ 1,716,814	\$ -	\$ 1,716,814	\$ 236,601	\$ 236,601	\$ 22,891	\$ 22,891	\$ -	\$ -	\$ 259,492	\$ 259,492	\$ 1,457,322	\$ 1,480,213
Equipment	147,076	147,076	-	147,076	108,039	108,039	6,289	6,289	-	-	114,328	114,328	32,748	39,037
Mains	1,856,000	1,856,000	-	1,856,000	300,394	300,394	24,747	24,747	-	-	325,141	325,141	1,530,859	1,555,606
Services	51,222	149,427	-	149,427	16,349	16,349	2,989	2,989	-	-	19,338	19,338	130,089	34,873
Meters	41,626	41,626	-	41,626	27,915	27,915	2,081	2,081	-	-	29,996	29,996	11,630	13,711
Hydrants	77,718	77,718	-	77,718	19,211	19,211	1,036	1,036	-	-	20,247	20,247	57,471	58,507
Water Treatment Plant	405,785	405,785	-	405,785	154,833	154,833	8,116	8,116	-	-	162,949	162,949	242,836	250,952
Trucks	-	28,595	-	28,595	-	-	11,438	11,438	-	-	11,438	11,438	17,157	-
Computer software	-	24,051	-	24,051	-	-	1,603	1,603	-	-	1,603	1,603	22,448	-
	\$ 4,296,241	\$ 4,447,092	\$ -	\$ 4,447,092	\$ 863,342	\$ 863,342	\$ 81,190	\$ 81,190	\$ -	\$ -	\$ 944,532	\$ 944,532	\$ 3,502,560	\$ 3,432,899

TOWN OF STEWIACKE

Notes to Consolidated Financial Statements

Year ended March 31, 2020

8. ACCUMULATED SURPLUS

	2020	2019
General operating fund	\$ 3,203	\$ 439,329
Water operating fund	328,709	442,203
General capital fund	5,214,330	5,300,047
Water capital fund	3,228,501	2,960,126
Reserve funds	1,441,192	694,367
	<u>\$ 10,215,935</u>	<u>\$ 9,836,072</u>

9. DEFINED CONTRIBUTION PENSION PLAN

The Town provides a defined contribution pension 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 amounts to \$28,479 (2019 - \$19,785).

10. TRANSFERS TO PROVINCIAL BOARDS AND COMMISSIONS

The Town of Stewiacke is required to share in financing the operations of various Boards and Commissions, along with other municipal units in Colchester County. 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 Contribution	2019 Contribution
Regional Housing Authority – 12% interest	\$ 31,575	\$ 24,556
Regional Library – 2% interest	9,326	9,326
Chignecto Regional Centre for Education	271,512	269,904
Corrections contribution	17,350	17,459
Assessment services contribution	21,481	21,331
Truro Colchester Regional Enterprise Network	5,730	3,900

TOWN OF STEWIACKE

Notes to Consolidated Financial Statements

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

11. SEGMENT DISCLOSURE

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Culture Services	Water Treatment and Distribution	Total 2020
REVENUES								
Taxes	\$ 1,611,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,611,295
Grants in lieu of taxes	5,394	-	-	-	-	-	-	5,394
Sale of services	-	-	-	161,637	-	-	-	161,637
Other revenue from own sources	85,873	-	-	-	-	16,948	12,122	114,943
Unconditional transfers from other governments	205,600	-	-	-	-	-	-	205,600
Conditional transfers from other governments	181,927	-	-	-	-	41,304	31,286	254,517
Water rates	-	-	-	-	-	-	386,528	386,528
	2,090,089	-	-	161,637	-	58,252	429,936	2,739,914
EXPENSES								
Salaries, wages and benefits	370,036	7,803	146,240	18,444	-	112,514	57,477	712,514
Operating materials, supplies and general expenses	180,011	267,268	193,614	127,372	35,057	97,448	219,880	1,120,650
Amortization	10,724	-	199,157	91,050	-	32,491	81,190	414,612
Rents and financial expenses	4,370	-	30,218	-	-	-	29,288	63,876
Other	24,027	-	-	-	-	9,326	15,046	48,399
	589,168	275,071	569,229	236,866	35,057	251,779	402,881	2,360,051
ANNUAL SURPLUS (DEFICIT)	\$ 1,500,921	\$ (275,071)	\$ (569,229)	\$ (75,229)	\$ (35,057)	\$ (193,527)	\$ 27,055	\$ 379,863

TOWN OF STEWIACKE

Notes to Consolidated Financial Statements

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

11. SEGMENT DISCLOSURE (CONTINUED)

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Culture Services	Water Treatment and Distribution	Total 2019
REVENUES								
Taxes	\$ 1,605,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,605,225
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	-	600	-	-	-	-	367,319	367,919
	2,023,305	600	-	157,552	-	56,286	374,394	2,612,137
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	264,774	162,560	150,480	27,245	90,773	198,745	1,033,621
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	25,103	-	-	-	-	21,341	8,404	54,848
	526,288	271,950	549,155	260,794	27,245	264,386	343,668	2,243,486
ANNUAL SURPLUS (DEFICIT)	\$ 1,497,017	\$ (271,350)	\$ (549,155)	\$ (103,242)	\$ (27,245)	\$ (208,100)	\$ 30,726	\$ 368,651

TOWN OF STEWIACKE

Notes to Consolidated Financial Statements

Year ended March 31, 2020

12. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of the Town's financial instruments that are comprised of cash, taxes receivable, other accounts receivable, and accounts payable and accrued liabilities approximate their carrying value due to their 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.

13. REMUNERATION OF MEMBERS OF COUNCIL AND CHIEF ADMINISTRATIVE OFFICER

The total remuneration paid to the Mayor, Council and Chief Administrative Officer of the Town is as follows:

Name	Title	Annual Remuneration	Travel and Other Expenses	Total
W. Robinson	Mayor	\$ 11,895	\$ 459	\$ 12,354
S. Creelman	Deputy Mayor/Councillor	8,842	112	8,954
R. Stoddart	Councillor	8,021	–	8,021
C. Ramsey	Councillor	8,021	–	8,021
M. Commo	Councillor	8,021	205	8,226
R. Chapman	Councillor	8,431	–	8,431
R. Rogers-Laing	Councillor	8,021	–	8,021
D. Bogle	Chief Administrative Officer	83,846	2,253	86,099
		\$ 145,098	\$ 3,029	\$ 148,127

14. CONTINGENCIES

The Town has guaranteed the borrowing resolution of the Stewiacke Fire Department for \$643,000.

TOWN OF STEWIACKE

Notes to Consolidated Financial Statements

Year ended March 31, 2020

15. COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus, including the announcement of a state of emergency in the Province of Nova Scotia on March 22, 2020. As of the date of issuing the financial statements, the ongoing duration and impact of COVID-19 is unknown and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Town in future fiscal years.

16. COMPARATIVE FIGURES

Certain 2019 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

SUPPLEMENTARY SCHEDULES

TOWN OF STEWIACKE

Schedule A – Details of Revenues

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

	Budget (Unaudited)	2020	2019
Taxes			
Assessable property			
Residential	\$ 1,308,077	\$ 1,310,049	\$ 1,288,262
Commercial	335,682	344,979	351,806
Resource			
Taxable assessments	20,949	21,087	21,768
Forest property tax			
Less than 50,000 acres	–	124	128
More than 50,000 acres	454	247	249
Business property			
Based on revenue – Aliant	6,350	7,862	6,354
Area rates			
Environmental health services	96,114	96,620	95,373
Protective services	90,124	90,128	89,061
Other			
Deed transfer tax	45,000	60,636	64,143
	1,902,750	1,931,732	1,917,144
Expenditures as a reduction to tax revenue			
Appropriations to Regional Centre for Education	271,516	271,512	269,904
Provincial corrections	17,350	17,350	17,459
Nova Scotia Housing Commission	31,000	31,575	24,556
	\$ 1,582,884	\$ 1,611,295	\$ 1,605,225
Grants in lieu of taxes			
Federal government			
Royal Canadian Mounted Police	\$ 3,300	\$ 3,019	\$ 3,069
Provincial property			
Department of Transportation	2,373	2,375	2,375
	\$ 5,673	\$ 5,394	\$ 5,444
Sale of services			
Environmental health services	\$ 154,660	\$ 161,637	\$ 156,552
Sewer connections	1,000	–	1,000
	\$ 155,660	\$ 161,637	\$ 157,552

TOWN OF STEWIACKE

Schedule A – Details of Revenues (Continued)

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

	Budget (Unaudited)	2020	2019
Other revenue from own sources			
Community centre	\$ 12,150	\$ 15,110	\$ 9,248
Fines	1,500	693	805
Gasoline rebates	2,800	2,891	3,094
Interest on investments	4,000	37,567	25,313
Interest on taxes	20,000	19,936	20,785
Licenses and permits	2,700	2,735	5,430
Miscellaneous	10,000	8,330	12,013
Recreation	1,150	(282)	1,314
Town days	10,875	13,618	10,644
Sale of assets	–	–	24,505
HST offset revenue	9,000	14,345	9,032
	\$ 74,175	\$ 114,943	\$ 122,183
Unconditional transfers from other governments			
Provincial government			
Equalization grant	\$ 202,349	\$ 202,349	\$ 202,349
Farm and acreage grant	3,251	3,251	3,187
	\$ 205,600	\$ 205,600	\$ 205,536
Conditional transfers from other governments			
Federal government			
Federal gas tax rebate	\$ –	\$ 163,757	\$ 84,140
Provincial government			
Other government grant	5,500	49,456	22,642
Nova Scotia Health Promotion and Protection			
Recreation	37,000	41,304	41,496
	\$ 42,500	\$ 254,517	\$ 148,278

TOWN OF STEWIACKE

Schedule B – Details of Expenditures

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

	2020		2019
	Budget	Actual	Actual
General government services			
Legislative			
Mayor remuneration and expenses	\$ 15,398	\$ 12,466	\$ 11,642
Council remuneration and expenses	49,357	49,585	48,218
Other	11,000	7,136	10,511
	75,755	69,187	70,371
General administrative			
Administration	259,674	264,057	183,175
Equipment rental	6,200	7,421	9,009
Postage	4,000	3,084	5,031
Stationery and supplies	8,000	11,977	9,013
Telecommunications	6,790	7,575	5,133
Other	3,000	7,420	2,323
Assessment costs	22,000	21,481	21,331
Financial management	21,000	21,897	61,890
Other			
Building maintenance	25,775	21,641	24,888
Employee benefits	80,508	63,302	65,286
Employee pension plans	33,600	28,596	19,902
Union of Nova Scotia Municipalities	3,200	2,546	2,806
	473,747	460,997	409,787
Other general government services			
Amortization	–	10,724	7,517
Insurance	10,321	22,692	13,267
Interest and bank charges	3,600	4,370	6,069
Town days, lighting, volunteer week and levees	17,100	21,198	19,277
	31,021	58,984	46,130
	\$ 580,523	\$ 589,168	\$ 526,288

TOWN OF STEWIACKE

Schedule B – Details of Expenditures (Continued)

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

	2020		2019
	Budget	Actual	Actual
Protective services			
Police protection			
Prosecution services	\$ 100	\$ 38	\$ 313
Royal Canadian Mounted Police	162,100	158,940	157,376
Security services	2,270	2,157	1,643
	164,470	161,135	159,332
Fire protection			
Fire dispatch service	4,000	4,046	3,954
Fire fighting force	86,124	86,124	83,725
	90,124	90,170	87,679
Emergency measures	6,719	4,550	5,704
Other protective services			
Dog control	7,600	6,348	6,959
Ground search and rescue	5,100	5,065	5,100
Other	7,500	7,803	7,176
	20,200	19,216	19,235
	\$ 281,513	\$ 275,071	\$ 271,950
Transportation services			
Common services			
Amortization	\$ –	\$ 53,739	\$ 59,108
Equipment operation and maintenance	48,053	51,551	44,875
Public works wages	107,387	92,892	96,768
Seminars and training	6,500	1,513	2,822
Shop tools and equipment	6,500	3,201	6,746
Workshops, yard and other buildings	22,220	35,921	26,942
	190,660	238,817	237,261
Road transport			
Amortization	–	145,418	151,534
Drainage ditches	6,000	6,373	558
Interest and bank charges	96,366	24,435	35,192
Roadway services	96,884	78,044	52,130
Snow and ice removal	45,000	50,363	44,921
Street lighting	27,450	25,779	27,559
	271,700	330,412	311,894
	\$ 462,360	\$ 569,229	\$ 549,155

TOWN OF STEWIACKE

Schedule B – Details of Expenditures (Continued)

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

	2020		2019
	Budget	Actual	Actual
Environmental health services			
Amortization	\$ –	\$ 91,050	\$ 91,050
Garbage disposal	88,915	86,634	84,484
Sewage collection and disposal			
Sewage collection system	37,934	18,975	21,182
Sewage lift stations	28,250	18,941	41,985
Sewage treatment and disposal	27,500	21,266	22,093
	\$ 182,599	\$ 236,866	\$ 260,794
Environmental development services			
Building inspection	\$ 11,500	\$ 9,965	\$ 10,287
Planning and zoning	9,000	6,967	9,573
Promotional development	7,500	12,395	3,485
Tourism	4,000	5,730	3,900
	\$ 32,000	\$ 35,057	\$ 27,245
Recreational and cultural services			
Recreation facilities			
Amortization	\$ –	\$ 32,491	\$ 41,000
Community Centre	49,760	54,238	50,758
Recreation	155,909	155,143	162,930
Cultural buildings and facilities			
Library	800	581	372
Regional Library	9,325	9,326	9,326
	\$ 215,794	\$ 251,779	\$ 264,386
Water treatment and distribution			
Administration	\$ 11,427	\$ 15,046	\$ 8,404
Amortization	87,238	81,190	56,517
Interest and bank charges	29,169	29,288	33,234
Plant operation and pumping	221,335	140,764	111,729
Taxes	32,506	31,600	31,611
Transmission and distribution	9,854	24,401	27,672
Water treatment	59,586	80,592	74,501
	\$ 451,115	\$ 402,881	\$ 343,668

TOWN OF STEWIACKE

Schedule of Reserves

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

	2020					2019				
	Five Year Restricted for Economic Development	Gas Tax Reserve	Special Capital	Special Operating	Total	Five Year Restricted for Economic Development	Gas Tax Reserve	Special Capital	Special Operating	Total
REVENUES										
Interest	\$ -	\$ -	\$ 5,622	\$ 4,462	\$ 10,084	\$ -	\$ -	\$ -	\$ 4,462	\$ 6,498
Nova Scotia Federal Gas Tax Rebate	-	163,757	-	-	163,757	-	163,757	-	-	84,140
	-	163,757	5,622	4,462	173,841	-	163,757	5,622	4,462	90,638
Transfer from (to) general operating	-	(48,102)	1,933	619,153	572,984	-	(48,102)	1,933	619,153	(120,007)
NET CHANGE IN FUND	-	115,655	7,555	623,615	746,825	-	115,655	7,555	623,615	(29,369)
FUND BALANCE, BEGINNING OF YEAR	14,442	296,894	99,241	283,790	694,367	14,442	296,894	99,241	283,790	723,736
FUND BALANCE, END OF YEAR	\$ 14,442	\$ 412,549	\$ 106,796	\$ 907,405	\$ 1,441,192	\$ 14,442	\$ 412,549	\$ 106,796	\$ 907,405	\$ 694,367

TOWN OF STEWIACKE

General Operating Fund

Schedule of Changes in Operating Fund

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

	2020		2019
	Budget	Actual	Actual
REVENUES			
Taxes	\$ 1,582,884	\$ 1,611,295	\$ 1,605,225
Grants in lieu of taxes	5,673	5,394	5,444
Sale of services	207,293	212,518	207,670
Other revenue from own sources	74,175	90,805	84,081
Unconditional transfers from other governments	205,600	205,600	205,536
Conditional transfers from other governments	42,500	59,474	64,138
	<u>2,118,125</u>	<u>2,185,086</u>	<u>2,172,094</u>
EXPENDITURE			
General government services	580,523	589,168	526,288
Protective services	470,846	450,270	433,015
Transportation services	462,360	569,229	549,155
Environmental health services	182,599	236,866	260,794
Environmental development services	32,000	35,057	27,245
Recreational and cultural services	215,794	251,779	264,386
	<u>1,944,122</u>	<u>2,132,369</u>	<u>2,060,883</u>
ANNUAL SURPLUS	174,003	52,717	111,211
Transfer of amortization		333,422	357,479
Transfer to other funds		(822,265)	(218,918)
NET CHANGE IN FUND BALANCE		(436,126)	249,772
FUND BALANCE, BEGINNING OF YEAR		439,329	189,557
FUND BALANCE, END OF YEAR		<u>\$ 3,203</u>	<u>\$ 439,329</u>

TOWN OF STEWIACKE

General Capital Fund

Schedule of Changes in Capital Fund

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

	2020	2019
REVENUES		
Gain on disposal of tangible capital assets	\$ -	\$ 24,505
Interest	1,933	23
ANNUAL SURPLUS	1,933	24,528
Transfer to other funds	(1,933)	(24,528)
NET CHANGE IN FUND BALANCE	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -
INVESTMENT IN CAPITAL ASSETS, BEGINNING OF YEAR	\$ 5,300,047	\$ 5,093,808
Capital out of revenue	122,348	266,621
Assets transfer from (to) water capital	(28,595)	200,265
Assets retired	-	(20,944)
Repayment of long-term debt	128,866	117,776
Long-term debt transferred	25,086	-
Amortization of capital assets	(333,422)	(357,479)
INVESTMENT IN CAPITAL ASSETS, END OF YEAR	5,214,330	5,300,047
TOTAL FUND BALANCE	\$ 5,214,330	\$ 5,300,047

TOWN OF STEWIACKE

Water Utility Operating Fund

Statement of Financial Position

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

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 209,968	\$ 456,282
Receivables		
Rates	35,862	66,425
Due from federal government and its agencies	15,308	15,439
Due from other funds	96,329	17,576
	357,467	555,722
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	28,758	113,519
NET FINANCIAL ASSETS	\$ 328,709	\$ 442,203

TOWN OF STEWIACKE

Water Utility Operating Fund

Schedule of Changes in Operating Fund

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

	2020		2019
	Budget	Actual	Actual
REVENUES			
Sale of water	\$ 341,227	\$ 383,886	\$ 360,811
Public fire protection	189,333	175,199	161,065
Other	5,550	2,642	7,108
	536,110	561,727	528,984
EXPENDITURE			
Administrative	63,060	65,927	58,533
Amortization	87,238	81,190	56,518
Power and pumping	221,335	140,764	111,729
Taxes	32,506	31,600	31,611
Transmission and distribution	9,854	24,401	27,672
Water treatment	59,586	80,592	74,501
	473,579	424,474	360,564
Operating income	62,531	137,253	168,420
NON-OPERATING EXPENDITURES			
Repayment of debt			
Principal	–	99,203	85,436
Interest on long-term debt	29,169	29,288	33,234
Capital expenditures out of operations	–	122,256	4,857
	29,169	250,747	123,527
ANNUAL SURPLUS (DEFICIT)	33,362	(113,494)	44,893
FUND BALANCE, BEGINNING OF YEAR		442,203	397,310
FUND BALANCE, END OF YEAR	\$	\$ 328,709	\$ 442,203

TOWN OF STEWIACKE

Water Utility Capital Fund

Statement of Financial Position

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

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 98,618	\$ 96,835
Cash and cash equivalents – depreciation fund	284,049	207,262
	382,667	304,097
FINANCIAL LIABILITIES		
Due to other funds	92,253	138,280
Long-term debt	564,473	638,590
	656,726	776,870
NET FINANCIAL LIABILITIES	(274,059)	(472,773)
NON-FINANCIAL ASSETS		
Tangible capital assets, net	3,502,560	3,432,899
ACCUMULATED SURPLUS	\$ 3,228,501	\$ 2,960,126
Fund balance	\$ 44,856	\$ 32,734
Investment in capital assets	3,183,645	2,927,392
	\$ 3,228,501	\$ 2,960,126

TOWN OF STEWIACKE

Water Utility Capital Fund

Schedule of Changes in Capital Fund

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

	2020	2019
REVENUES		
Interest	\$ 12,122	\$ 7,088
ANNUAL SURPLUS	12,122	7,088
FUND BALANCE, BEGINNING OF YEAR	32,734	25,646
FUND BALANCE, END OF YEAR	\$ 44,856	\$ 32,734
INVESTMENT IN CAPITAL ASSETS, BEGINNING OF YEAR	\$ 2,927,392	\$ 3,037,364
Capital out of revenue	122,256	4,857
Province of Nova Scotia	31,285	-
Repayment of long-term debt	99,203	85,436
Long-term debt transferred	(25,086)	-
Assets transferred (to) from general capital	28,595	(200,265)
INVESTMENT IN CAPITAL ASSETS, END OF YEAR	\$ 3,183,645	\$ 2,927,392
TOTAL FUND BALANCE	\$ 3,228,501	\$ 2,960,126