

TOWN OF STELLARTON
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020



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Town of Stellarton

Management's Responsibility for Financial Reporting


March 31, 2020

The accompanying consolidated financial statements of Town of Stellarton are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of the estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town maintains systems 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 financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

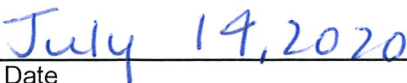
The consolidated financial statements have been audited by Grant Thornton LLP, independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope to their examination and their opinion of the Authority's consolidated financial statements.



Mayor



Town Clerk



Date

Independent auditor's report

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To the Mayor and Council of the Town of Stellarton

Opinion

We have audited the consolidated financial statements of Town of Stellarton ("the Town") on pages 4 - 26, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of financial operations, change in net debt 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 Town of Stellarton as at March 31, 2020, 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.

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.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 14 to the consolidated financial statements which explains that the consolidated financial statements as at, and for the year ended March 31, 2019, have been restated from those that were originally reported on July 8, 2019.

Other Matters

Predecessor auditor

The consolidated financial statements for the year ended March 31, 2019 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on July 8, 2019.

Supplementary Information

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 27 - 30 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.

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Grant Thornton LLP

New Glasgow, Canada
July 13, 2020

Chartered Professional Accountants

Town of Stellarton

Consolidated Statement of Financial Position

March 31

2020

2019

		Restated (note 14)
Financial Assets		
Cash and cash equivalents	\$ 7,159,111	\$ 7,413,871
Receivables		
Taxes (note 2)	366,685	230,382
Water rates (net of allowance - \$18,556; 2019 - \$18,556)	135,464	134,407
Federal / Provincial government capital grants	-	203,206
Harmonized sales tax receivable	82,957	105,393
Trade accounts (net of allowance - \$35,767; 2019 - \$35,767)	51,749	66,165
Land held for resale	2,366,317	2,366,317
Total Financial Assets	10,162,283	10,519,741
Financial Liabilities		
Accounts payable and accrued liabilities	875,252	1,139,050
Deferred revenue (note 12)	421,542	102,978
Sick leave benefit liability (note 15)	296,900	268,500
Long term debt (note 4)	8,724,243	9,150,404
Total Financial Liabilities	10,317,937	10,660,932
Net Debt	(155,654)	(141,191)
Non-Financial Assets (Liabilities)		
Capital assets, net of accumulated amortization (page 24)	33,503,279	33,682,725
Deferred capital contributions, net of accumulated amortization	(313,944)	(324,234)
Prepaid expenses	21,544	27,148
	33,210,879	33,385,639
Accumulated Surplus	\$ 33,055,225	\$ 33,244,448

Commitments (note 8)
Contingencies (note 10)

On Behalf of the Town of Stellarton

Mayor

Town Clerk

Town of Stellarton

Consolidated Statement of Operations

Year Ended March 31

2020

2019

				Restated (note 14)
	Page	Budget (note 11)	Actual	Actual
Revenue				
Taxes	8	\$ 5,842,827	\$ 5,979,950	\$ 5,715,747
Water rates	8	1,440,383	1,451,055	1,446,041
Grants in lieu of taxes	9	171,795	168,909	149,288
Services provided to other local governments	9	106,224	108,404	106,253
Sales of services	9	52,000	31,769	54,718
Other revenue from own sources	9	95,801	242,546	236,312
Unconditional transfers from other governments	9	500,684	500,684	500,684
Conditional transfers from other governments	9	115,000	116,142	126,921
Capital contributions and grants	10	636,275	478,559	1,432,492
Rink	10	-	-	207,610
Total Revenue		<u>8,960,989</u>	<u>9,078,018</u>	<u>9,976,066</u>
Expenses				
General government services	11	959,379	983,174	979,623
Protective services	11	1,917,855	1,846,469	1,881,920
Transportation services	12	1,834,000	2,689,387	2,593,729
Environmental health services	12	796,690	927,973	900,551
Environmental development services	12	229,300	211,650	223,311
Recreation and cultural services	13	611,151	950,918	747,728
Rink	13	50,000	269,808	377,973
Water treatment and distribution services	14	1,525,324	1,387,862	1,460,679
Total Expenses		<u>7,923,699</u>	<u>9,267,241</u>	<u>9,165,514</u>
Annual (Deficit) Surplus		<u>\$ 1,037,290</u>	<u>\$ (189,223)</u>	<u>\$ 810,552</u>
Accumulated Surplus, beginning of year				
As previously reported			33,512,948	32,675,896
Restated (note 14)			<u>(268,500)</u>	<u>(242,000)</u>
As restated			33,244,448	32,433,896
Annual (Deficit) Surplus			<u>(189,223)</u>	<u>810,552</u>
Accumulated surplus, end of year			<u>\$ 33,055,225</u>	<u>\$ 33,244,448</u>

Town of Stellarton
Consolidated Statement of Changes in Net Debt

Year Ended March 31	Budget (note 11)	2020	2019 Restated (note 14)
Annual (Deficit) Surplus	\$ 1,037,290	\$ (189,223)	\$ 810,552
Changes in Tangible Capital Assets			
Acquisition of capital assets	(2,147,280)	(1,790,144)	(2,600,749)
Amortization of capital assets	-	1,691,677	1,768,757
Gain on sale of assets	-	(8,672)	(30,435)
Proceeds on sale of assets	-	9,000	30,435
Writedown on disposition of assets	-	267,295	72,715
	<u>(2,147,280)</u>	<u>169,156</u>	<u>(759,277)</u>
Decrease (increase) in prepaid expenses	<u>-</u>	<u>5,604</u>	<u>(20,074)</u>
Change in Net Debt	(1,109,990)	(14,463)	31,201
Net Debt, beginning of year	<u>(141,191)</u>	<u>(141,191)</u>	<u>(172,392)</u>
Net Debt, end of year	<u>\$ (1,251,181)</u>	<u>\$ (155,654)</u>	<u>\$ (141,191)</u>

Town of Stellarton

Consolidated Statement of Cash Flows

Year Ended March 31

2020

2019

Restated
(note 14)

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

Operating		
Annual (deficit) surplus	\$ (189,223)	\$ 810,552
Amortization	1,691,677	1,768,757
Gain from disposal of tangible capital assets	(8,672)	(30,435)
Writedown on disposition of tangible capital assets	267,295	72,715
	<u>1,761,077</u>	<u>2,621,589</u>
Change in non-cash working capital		
Taxes receivable	(136,303)	33,379
Government capital grants receivable	203,206	307,969
Water rates receivable	(1,057)	2,762
Trade accounts and harmonized sales tax receivables	36,852	63,177
Accounts payable and accrued liabilities	(263,798)	(231,465)
Deferred revenue	318,564	(11,533)
Sick leave benefit liability	28,400	26,500
Prepaid expenses	5,604	(20,074)
	<u>1,952,545</u>	<u>2,792,304</u>
Net change in cash from operations		
	<u>1,952,545</u>	<u>2,792,304</u>
Capital		
Purchase of tangible capital assets	(1,790,144)	(2,600,749)
Proceeds from disposal of tangible capital assets	9,000	30,435
	<u>(1,781,144)</u>	<u>(2,570,314)</u>
Financing		
Long term debt issued	285,000	1,090,000
Long term debt repaid	(711,161)	(634,561)
	<u>(426,161)</u>	<u>455,439</u>
Change in cash and cash equivalents		
	<u>(254,760)</u>	<u>677,429</u>
Cash and cash equivalents		
Beginning of year	<u>7,413,871</u>	<u>6,736,442</u>
End of year	<u>\$ 7,159,111</u>	<u>\$ 7,413,871</u>

Town of Stellarton

Schedules to Consolidated Statement of Operations

Year Ended March 31

2020

2019

	Budget	Actual	Actual
Taxes			
Assessable property			
Residential	\$ 3,304,565	\$ 3,303,577	\$ 3,263,076
Commercial	3,295,474	3,288,361	3,182,399
Resource	13,632	13,632	13,361
Other	94	94	92
	<u>6,613,765</u>	<u>6,605,664</u>	<u>6,458,928</u>
Special tax agreements			
Bell Aliant - based on revenues	24,000	22,603	23,916
Nova Scotia Power Inc - Grant in lieu of taxes	11,481	11,481	16,589
Nova Scotia Power Inc - HST rebate	35,000	38,494	39,008
Other - Heritage Gas	4,500	6,878	4,604
	<u>74,981</u>	<u>79,456</u>	<u>84,117</u>
Other			
Deed transfer tax	60,000	227,133	74,152
Total tax levied	<u>6,748,746</u>	<u>6,912,253</u>	<u>6,617,197</u>
Less taxes collected on behalf of others:			
Regional centre for education	(796,722)	(796,728)	(800,172)
Provincial correctional service	(52,197)	(52,197)	(52,906)
Regional housing authority	(57,000)	(83,378)	(48,372)
	<u>(905,919)</u>	<u>(932,303)</u>	<u>(901,450)</u>
	<u>\$ 5,842,827</u>	<u>\$ 5,979,950</u>	<u>\$ 5,715,747</u>

Water rates

Metered sales	\$ 202,700	\$ 210,654	\$ 202,676
Flat rate sales	905,000	900,650	904,716
Public fire protection	329,963	336,456	335,429
Special services	2,720	3,295	3,220
	<u>\$ 1,440,383</u>	<u>\$ 1,451,055</u>	<u>\$ 1,446,041</u>

Town of Stellarton
Schedules to Consolidated Statement of Operations

Year Ended March 31

2020

2019

	Budget	Actual	Actual
Grants in lieu of taxes			
Federal government	\$ 23,701	\$ 23,560	\$ 24,178
Federal government agencies	8,715	8,715	8,628
Provincial government			
Fire Protection	66,772	66,772	42,900
Department of Mines	72,332	69,587	73,307
Department of Transportation and Industry	275	275	275
	<u>\$ 171,795</u>	<u>\$ 168,909</u>	<u>\$ 149,288</u>

Other revenue from own sources			
Services provided to other local governments	\$ 106,224	\$ 108,404	\$ 106,253
Sales of services			
Police services	28,000	5,712	26,242
Recreation services	15,000	16,746	18,108
Planning and development	9,000	9,311	10,368
	<u>52,000</u>	<u>31,769</u>	<u>54,718</u>
Other			
Licenses and permits	1,250	1,245	1,485
Fines	12,600	19,139	16,250
Sale of assets	-	8,672	30,435
Interest	40,500	160,810	139,117
Penalties and interest on taxes	30,000	35,083	34,485
Miscellaneous	11,451	17,597	14,540
	<u>95,801</u>	<u>242,546</u>	<u>236,312</u>
	<u>\$ 254,025</u>	<u>\$ 382,719</u>	<u>\$ 397,283</u>

Transfers from government			
Unconditional transfers from other governments			
Provincial government			
Equalization grant	\$ 500,684	\$ 500,684	\$ 500,684
Conditional transfers from other governments			
Federal government			
Recreation and wage grants	\$ 5,000	\$ 3,237	\$ 12,561
Provincial government			
Safe communities funding	100,000	100,000	100,000
Wages grants	10,000	12,905	9,360
Planning assistance	-	-	5,000
	<u>\$ 115,000</u>	<u>\$ 116,142</u>	<u>\$ 126,921</u>

Town of Stellarton
Schedules to Consolidated Statement of Operations

Year Ended March 31

2020

2019

	Budget	Actual	Actual
Capital contributions and grants			
Canada/Nova Scotia Gas Tax Agreement	\$ 636,275	\$ 393,914	\$ 344,556
Clean Water & Waste Water Fund	-	84,645	953,093
New Building Canada Fund - Small Communities Fund	-	-	108,070
Provincial Fire Marshall	-	-	20,000
Miscellaneous	-	-	6,773
	<u>\$ 636,275</u>	<u>\$ 478,559</u>	<u>\$ 1,432,492</u>

Rink			
Ice rental	\$ -	\$ -	\$ 85,362
Bingo	-	-	107,166
Canteen	-	-	15,082
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,610</u>

Town of Stellarton
Schedules to Consolidated Statement of Operations

Year Ended March 31

2020

2019

	Budget	Actual	Actual Restated (note 14)
General government services			
Legislative	\$ 121,303	\$ 105,726	\$ 106,723
General administration	442,463	462,897	457,516
Office building maintenance	79,146	87,296	72,819
Professional services	38,500	19,791	25,892
Damage claims	20,000	-	11,862
Insurance	39,200	42,155	38,792
Miscellaneous	6,300	800	2,019
	<u>625,609</u>	<u>612,939</u>	<u>608,900</u>
Grants to other organizations	129,856	126,096	138,506
Community Advisory Board	1,150	1,150	1,150
Interest and service charges	9,000	8,278	8,263
Taxation exemptions	11,200	10,800	10,000
Assessment services	56,631	56,631	56,536
Write-down of assets	-	15,300	-
Valuation allowances	3,500	-	-
Interest on long term debt	1,130	1,076	1,232
	<u>212,467</u>	<u>219,331</u>	<u>215,687</u>
	959,379	937,996	931,310
Sick leave benefit	-	28,400	26,500
Amortization	-	16,778	21,813
	<u>\$ 959,379</u>	<u>\$ 983,174</u>	<u>\$ 979,623</u>

Protective services

Police protection			
Crime investigation, prevention and protection	\$ 1,696,063	\$ 1,614,241	\$ 1,632,400
Traffic control	19,500	19,596	18,476
Animal control	10,500	10,379	9,929
Safe communities	20,000	8,671	15,494
	<u>1,746,063</u>	<u>1,652,887</u>	<u>1,676,299</u>
Fire protection			
Fire fighting force	62,840	62,941	62,815
Fire stations and buildings	98,850	82,108	87,206
	<u>161,690</u>	<u>145,049</u>	<u>150,021</u>
Emergency measures	8,102	6,100	6,484
Joint fire inspector	2,000	-	-
	<u>10,102</u>	<u>6,100</u>	<u>6,484</u>
	1,917,855	1,804,036	1,832,804
Amortization	-	42,433	49,116
	<u>\$ 1,917,855</u>	<u>\$ 1,846,469</u>	<u>\$ 1,881,920</u>

Town of Stellarton
Schedules to Consolidated Statement of Operations

Year Ended March 31

2020

2019

	Budget	Actual	Actual
Transportation services			
Common services			
Salary and wages	\$ 1,083,441	\$ 1,016,353	\$ 925,958
Equipment maintenance	165,007	148,059	148,601
Town barn operating	46,857	64,789	57,525
Road transport			
Salt	95,000	101,394	98,527
Street and sidewalk repairs	135,000	116,029	115,363
Street lighting	66,000	64,927	65,516
Traffic lights	19,000	18,062	22,136
Supplies	68,486	68,487	81,852
Equipment rental	32,000	19,520	33,571
Landscape and beautification	29,000	33,498	23,532
Write-down of assets	-	6,923	72,715
Miscellaneous	39,200	63,344	15,100
Public Transit	20,000	20,000	20,000
Interest on long term debt	35,009	33,466	24,726
	<u>1,834,000</u>	<u>1,774,851</u>	<u>1,705,122</u>
Amortization	-	914,536	888,607
	<u>\$ 1,834,000</u>	<u>\$ 2,689,387</u>	<u>\$ 2,593,729</u>

Environmental health services			
Sewage collection and disposal	\$ 453,592	\$ 453,588	\$ 443,544
Sewer maintenance	60,000	34,878	20,736
Solid waste collection, disposal and recycling	266,502	269,832	268,472
Interest on long term debt	16,596	16,278	13,639
	<u>796,690</u>	<u>774,576</u>	<u>746,391</u>
Amortization	-	153,397	154,160
	<u>\$ 796,690</u>	<u>\$ 927,973</u>	<u>\$ 900,551</u>

Environmental development services			
Planning and development	\$ 93,500	\$ 72,261	\$ 74,314
Tourism	4,700	4,602	4,602
Interest on long term debt	131,100	127,118	136,726
	<u>229,300</u>	<u>203,981</u>	<u>215,642</u>
Amortization	-	7,669	7,669
	<u>\$ 229,300</u>	<u>\$ 211,650</u>	<u>\$ 223,311</u>

Town of Stellarton

Schedules to Consolidated Statement of Operations

Year Ended March 31

2020

2019

	Budget	Actual	Actual
Recreation and cultural services			
Recreation facilities			
Administration and programs	\$ 156,740	\$ 150,796	\$ 157,870
Parks and playgrounds	52,560	54,477	44,367
Community Centres	11,000	11,521	21,139
Share of Pictou County Wellness Centre	249,000	246,073	201,268
Wellness Centre - Deed Transfer Tax	60,000	227,133	74,152
Cultural buildings and facilities			
Regional library board	40,000	41,680	39,928
Branch library	31,351	39,961	23,884
Homecoming committee	10,500	10,700	10,500
	<u>611,151</u>	<u>782,341</u>	<u>573,108</u>
Amortization	-	168,577	174,620
	<u>\$ 611,151</u>	<u>\$ 950,918</u>	<u>\$ 747,728</u>

Rink			
Bingo	-	-	42,114
Canteen	-	-	7,437
Dues and fees	250	133	260
Fuel	5,000	(986)	18,879
Insurance	6,000	5,509	5,163
Maintenance, repairs and supplies	25,000	7,630	79,351
Miscellaneous	1,000	1,000	950
Power and light	5,250	4,774	57,110
Printing and advertising	-	-	100
Professional fees	-	-	1,000
Telephone	500	361	1,397
Wages and benefits	5,000	3,099	129,616
Water	2,000	1,861	9,924
Write-down of assets	-	245,072	-
	<u>50,000</u>	<u>268,453</u>	<u>353,301</u>
Amortization	-	1,355	24,672
	<u>\$ 50,000</u>	<u>\$ 269,808</u>	<u>\$ 377,973</u>

Town of Stellarton
Schedules to Consolidated Statement of Operations

Year Ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Water treatment and distribution			
Operating expenditures			
Source of supply	\$ 20,000	\$ 12,514	\$ -
Power and pumping	186,895	176,361	195,583
Purification	487,177	415,652	394,068
Transmission and distribution	176,775	149,928	162,035
Administrative and general	26,200	25,134	22,817
Interest on long term debt	228,277	221,341	238,075
	<u>1,125,324</u>	<u>1,000,930</u>	<u>1,012,578</u>
Amortization	400,000	386,932	448,101
	<u>\$ 1,525,324</u>	<u>\$ 1,387,862</u>	<u>\$ 1,460,679</u>

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2020

1. Summary of significant accounting policies

Principles and basis of consolidation

The consolidated financial statements of the Town of Stellarton are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants (CPA) Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) 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 organizations and enterprises accountable for the administration of their affairs and resources to the Town and which are owned or controlled by the Town. These include the Town of Stellarton, the Town of Stellarton Water Utility and the Stellarton Memorial Rink Commission.

Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Fund accounting

Funds within the consolidated financial statements consist of the operating, capital and reserve funds for general operations, the water utility and the rink.

(d) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment, which includes costs that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis using the following rates:

	<u>Years</u>
Buildings	10 - 40
Land improvements	5 - 25
Machinery and equipment	5 - 10
Vehicles	3 - 10
Engineered Structures	20 - 50

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2020

(d) **Tangible capital assets (continued)**

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

(e) **Government transfers**

Government transfers received are recognized in the consolidated financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

(f) **Use of estimates**

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates in the consolidated financial statements include the allowance for doubtful accounts, amortization expense based on estimated useful lives of tangible capital assets and sick leave liability. Actual results could differ from those estimates.

(g) **Cash and cash equivalents**

Cash and cash equivalents includes unrestricted cash of \$3,602,338 (2019 - \$3,688,872) and internally designated cash of \$3,556,773 (2019 - \$3,724,999). These totals include cash on hand and balances with banks.

(h) **Revenue recognition**

All non-government contributions or grant revenues that are externally restricted such that they must 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 restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

(i) **Land held for resale**

Costs incurred which are directly attributable to the development of land in the Albion Business Park are capitalized as part of the land cost.

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2020

(j) **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus or deficit, provides the consolidated change in net debt for the year.

(k) **Budget figures**

The budget figures contained in these consolidated financial statements were approved by Council on May 13, 2019 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 11 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

(l) **Financial instruments**

The Town's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities, deferred revenue and long term debt and are carried at cost which approximates their fair value.

(m) **Deferred revenue**

Deferred revenue relating to operations is recognized as related expenses occur.

Deferred revenue relating to capital projects is recognized in the period that the resources are used for the specified purposes outlined in its agreement and as the Town discharges its obligations, in accordance with the terms and conditions of the agreement.

Deferred gas tax funding and other deferred revenue is recognized in the period in which the resources are used for the purposes specified.

(n) **Contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Town of Stellarton is directly responsible; or accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

As of March 31, 2020, there are no known contaminated sites identified.

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2020

(o) **Segmented information**

The Town of Stellarton is a diversified municipal unit 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. Municipal 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 department is responsible for the overall financial and local government administration. Its tasks include tax administration, trade payables and receivables, budgets, financial statements and adherence to the *Municipal Government Act*.

Protective services

This department is primarily responsible for public safety, fire protection and bylaw administration for its residents.

Transportation services

This department is responsible for the maintenance and construction of local roads and sidewalks including snow removal. It is also responsible for the street lighting within the Town.

Environmental health services

This department is responsible for the maintenance and operations of waste management and sewer services provided to the residents and other customers.

Environmental development services

This department is responsible for planning and development of the Town's resources for the benefit of the residents as well as regional economic development activities.

Recreation and cultural services

This department is responsible for promoting and offering recreation opportunities and activities for residents as well as maintaining or assisting recreational and cultural facilities within the Town.

Water treatment and distribution services

This department is responsible for the maintenance and operations of water services provided to residents and other customers.

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2020

2. Taxes receivable	2020	2019
Balance, beginning of year	\$ 332,346	\$ 390,725
Current period tax and interest	6,640,747	6,493,413
	<u>6,973,093</u>	<u>6,884,138</u>
Collections	(6,504,444)	(6,551,792)
Balance, end of year	468,649	332,346
Valuation allowance (note 3)	(101,964)	(101,964)
Balance, net of valuation allowance end of year	<u>\$ 366,685</u>	<u>\$ 230,382</u>

3. Valuation allowance - uncollected taxes and rates	2020	2019
Balance, beginning of year	\$ 101,964	\$ 126,964
Change in allowance	-	(25,000)
Balance, beginning and end of year	<u>\$ 101,964</u>	<u>\$ 101,964</u>

4. Long term debt	2020	2019
4.780 - 4.830% paving, sewer, properties and equipment debenture maturing in fiscal 2021, repayable in equal annual principal instalments of \$31,481, interest payable semi-annually.	\$ 188,881	\$ 220,362
4.530 - 4.590% business park debenture maturing in fiscal 2022, repayable in equal annual principal instalments of \$220,000, interest payable semi-annually.	2,640,000	2,860,000
2.060 - 3.2995% equipment debenture maturing in fiscal 2029, repayable in equal annual principal instalments of \$55,000, interest payable semi-annually.	495,000	550,000
2.490 - 3.551% sewer and paving debenture maturing in fiscal 2034, repayable in equal annual principal instalments of \$21,600, interest payable semi-annually.	518,400	540,000
1.982 - 2.712% equipment debenture maturing in fiscal 2030, repayable in equal annual principal instalments of \$28,500, interest payable semi-annually.	285,000	-
4.530 - 4.590% water capital debenture maturing in fiscal 2022, repayable in equal annual principal instalments of \$383,080, interest payable semi-annually.	4,596,962	4,980,042
	<u>\$ 8,724,243</u>	<u>\$ 9,150,404</u>

Principal repayments required during the next five years are as follows:

	Total
2021	\$ 897,061
2022	6,738,982
2023	105,100
2024	105,100
2025	105,100

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2020

5. Pension Plans

The Town has a defined contribution pension plan for all employees other than police officers.

For police officers, the Town contributes to a defined benefit plan administered by the Police Association of Nova Scotia ("PANS"). These plan assets are administered by PANS and the Town is responsible for contributing its portion of any going concern deficiency. The most recent actuarial valuation for this plan was completed for December 31, 2016 and indicated this plan is fully funded on a going concern basis with assets exceeding the actuarial liabilities by \$9,004,700.

On a solvency basis the actuarial liabilities exceed the value of assets by \$3,812,400. Under changes to the Regulations of the Nova Scotia Pension Benefits Act in 2012, effective January 1, 2013 the Town is exempted from funding on a solvency basis.

The Town recognized pension expense of \$93,680 for the defined contribution plan in the year ending March 31, 2020 (2019 - \$85,730).

The Town's 2020 contribution to the police pension representing current year contributions was \$54,410 (2019 - \$55,210).

6. Contributions to a Commission

Stellarton Memorial Rink Commission (100% interest)

The Town is to finance the deficit of the Stellarton Rink Commission out of operations. At year end the appropriation recorded in the accounts of the Town was \$23,381 (2019 - \$140,691). During the fiscal year the Rink was not operational and at the April 14, 2020 Council meeting the decision was made that the Rink would be demolished.

7. Other

Total remuneration paid to elected and senior appointed officials of the Town are as follows:

	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
MacGillivray	Mayor	\$ 22,887	\$ 1,919	\$ 24,806
Campbell	Councillor / Deputy Mayor	15,629	38	15,667
Knight	Councillor / Deputy Mayor	16,173	1,370	17,543
Lawand	Councillor	15,084	1,338	16,422
Pentz	Councillor	15,084	-	15,084
Higdon	Town Clerk	95,004	2,768	97,772

Town of Stellarton

Notes to the Consolidated Financial Statements

March 31, 2020

8. Commitments

Glen Haven Manor Corporation

The Town of Stellarton, together with the Towns of New Glasgow, Trenton and Westville, have jointly guaranteed a bank loan of the Corporation to the maximum of \$1,125,000 for the expansion of the Corporation's building. The Municipal Finance Corporation has issued permanent borrowing for \$1,125,000 plus a \$10,513 discount on bond issue. The balance outstanding on the loan is \$142,020.

Pictou County Wellness Centre Building Authority and Aberdeen Hospital Renovation Project

The Town of Stellarton has implemented a deed transfer tax on all properties sold in the town. The proceeds from this tax will be contributed to the Pictou County Wellness Centre project as well as towards the renovations and improvements to the Aberdeen Hospital. Since these projects will benefit all residents of Pictou County, a similar tax has been implemented by other municipalities within the County. During the year ending March 31, 2020 the amount transferred was \$227,133 (2019 - \$74,152).

In addition to the contributions through deed transfer tax, the municipal units have also provided a guarantee for borrowings not exceeding \$11,000,000 for the purpose of constructing the Pictou County Wellness Centre and \$8,700,000 for the Aberdeen Hospital Renovation project. The Town's share of the guarantee of the borrowing is based on the Town's total population of Pictou County.

9. Shared service agreement

As a result of the closure of the Planning and Development Division of the Pictou County Shared Service Authority in 2013, the Town of Stellarton entered into a shared service agreement with the Towns of Westville and Trenton. This agreement is to provide planning services to each of the Towns and is administratively managed by the Town of Trenton. The costs will be shared on the following basis: Town of Stellarton 40%; Town of Westville 34% and Town of Trenton 26%.

10. Contingencies

There are claims and litigation in which the Town is involved that arise out of the ordinary course of operations. These claims are being handled by the Town's insurers. The outcome of these actions is not determinable as at the date of reporting. Management believes that any liability which may result from the resolution of these actions will either be covered by the Town's insurers or will not be material to the Town's financial position.

11. Budget figures

Public Sector Accounting Standards ("PSA") require a comparison of the results for the period 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 budgets is set out below:

	<u>Budget</u>
Approved budgeted deficit for the year	
General operations	\$ -
Rink operations	-
Water utility operations	<u>(160,146)</u>
Approved budget deficit	<u>(160,146)</u>
Add:	
Grants for tangible capital assets	636,275
Capital debt repayments	711,161
Less:	
Transfer from depreciation	<u>(150,000)</u>
Net PSA adjustments	<u>1,197,436</u>
PSA adjusted budgeted surplus for the year	<u><u>1,037,290</u></u>

Town of Stellarton**Notes to the Consolidated Financial Statements**March 31, 2020

12. Deferred revenue	<u>2020</u>	<u>2019</u>
Operating grants	\$ 21,635	\$ -
Gas Tax	282,599	-
Other	117,308	102,978
	<u>\$ 421,542</u>	<u>\$ 102,978</u>
 Balance, beginning of year	 \$ 102,978	 \$ 114,511
 Contributions from:		
Operating grants	25,000	-
Gas Tax	676,513	344,556
Other	14,330	-
	<u>715,843</u>	<u>344,556</u>
 Utilized for:		
Operating	(3,365)	-
Gas Tax	(393,914)	(344,556)
Other	-	(11,533)
	<u>(397,279)</u>	<u>(356,089)</u>
 Balance, end of year	 <u>\$ 421,542</u>	 <u>\$ 102,978</u>

13 Comparative figures

Certain of the prior year figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current year.

14 Prior period restatement

During the year management obtained an actuarial valuation on their non-vesting, accumulating sick leave benefit liability. As a result of the valuation, it was determined that liabilities had been understated and accumulated surplus had been overstated by \$242,000 as of March 31, 2018.

As a result of this error, the following financial statement items as at March 31, 2019 have been increased (decreased) by the following amounts:

<u>March 31, 2019</u>	<u>Previously reported</u>	<u>Adjustments</u>	<u>As restated</u>
General government services	953,123	26,500	979,623
Sick leave benefit liability	-	268,500	268,500
Accumulated surplus - opening	32,675,896	(242,000)	32,433,896
Accumulated surplus - closing	33,512,948	(268,500)	33,244,448

Town of Stellarton**Notes to the Consolidated Financial Statements**March 31, 2020

15. Sick leave benefit liability

Section 3255 of the CPA Canada Public Sector Accounting Handbook requires that a liability and expense be recorded for compensated absences that are both accumulating and non-vesting as well as vesting and accumulating. The valuation of the non-vesting accumulating sick leave benefits provided to employees of the Town was completed as at March 31, 2020.

Actuarial Method:

The actuarial cost was determined using the "Projected Unit Credit" method.

Components of benefit expense under PS 3255:

	<u>2020</u>	<u>2019</u>
Current period benefit expense	\$ 50,400	\$ 49,200
Interest expense	7,000	6,300
Total sick leave benefit expense	<u>\$ 57,400</u>	<u>\$ 55,500</u>

Accrued sick leave benefit liability on the consolidated statement of financial position:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 268,500	\$ 242,000
Benefit expense	50,400	49,200
Interest expense	7,000	6,300
Benefit payments	(29,000)	(29,000)
Balance, end of year	<u>\$ 296,900</u>	<u>\$ 268,500</u>

Assumptions:

Discount rate	2.50% per annum
Salary growth rate	Police 3.0%; Other 2.0% per annum
Payroll taxes	20%
Withdrawal prior to retirement	Ontario Medium Table of rates
Retirement age	Police age 62; Other age 65
Current year sick leave utilization	6.3 days each year

Plan Provisions:

The main provisions of the program are as follows.

- Eligible employees are granted 18 sick leave days per year prorated for those employed less than full-time.
- Employees may accumulate 100% of their unused sick days to a maximum of 180 days for police and 175 days for other employees.
- Unused accumulated sick leave at termination or retirement is forfeited.

16. Impact of COVID-19

Since March 31, 2020, the spread of COVID-19 has continued to impact many local economies around the globe, with Nova Scotia extending their state of emergency. The Town has not yet experienced a significant impact on its operations, however it anticipates to see a decline in revenues, particularly in terms of recreation revenue; however, this will be mitigated by a decrease in the corresponding expenses. The Town has determined that no events have taken place that impact the financial results of operations as of and for the year ended March 31, 2020 and accordingly have not made any adjustments to reflect the impact of these events. The duration and impact of the COVID-19 pandemic remains unclear at this time. It is not possible to reliably estimate the duration and severity of the impact the pandemic will have on the financial position and results of the Town for future periods.

Town of Stellarton Consolidated Schedule of Tangible Capital Assets

March 31, 2020

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	2020	2019
Cost:								
Balance, beginning of year	\$ 700,708	\$ 4,663,022	\$ 9,451,049	\$ 39,502,205	\$ 3,160,502	\$ 1,701,441	\$ 59,178,927	\$ 58,042,674
Acquisition of tangible capital assets	25,300	-	-	960,691	251,477	36,964	1,274,432	2,560,297
Disposal of tangible capital assets	(15,628)	(29,051)	(914,455)	(320,715)	(569,098)	-	(1,848,947)	(1,464,496)
Construction-in-process	-	-	515,712	-	-	-	515,712	40,452
Balance, end of year	710,380	4,633,971	9,052,306	40,142,181	2,842,881	1,738,405	59,120,124	59,178,927
Accumulated amortization:								
Balance, beginning of year	-	2,274,533	5,437,313	14,682,085	2,012,357	1,089,914	25,496,202	25,108,933
Disposal of tangible capital assets	-	(28,581)	(673,647)	(313,792)	(565,304)	-	(1,581,324)	(1,391,782)
Annual amortization	-	158,168	252,663	1,027,049	172,112	91,975	1,701,967	1,779,051
Balance, end of year	-	2,404,120	5,016,329	15,395,342	1,619,165	1,181,889	25,616,845	25,496,202
Net book value of tangible capital assets	\$ 710,380	\$ 2,229,851	\$ 4,035,977	\$ 24,746,839	\$ 1,223,716	\$ 556,516	\$ 33,503,279	\$ 33,682,725

2019 Net book value of tangible capital assets

\$ 700,708	\$ 2,388,489	\$ 4,013,736	\$ 24,820,120	\$ 1,148,145	\$ 611,527	\$ 33,682,725
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Town of Stellarton
Consolidated Schedule of Segmented Disclosure

March 31, 2020

March 31, 2020

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development and Cultural Services	Recreation and Cultural Services	Water	Consolidated
Revenue								
Taxes	\$ 768,616	\$ 1,280,507	\$ 2,102,219	\$ 727,953	\$ 158,726	\$ 941,929	\$ -	\$ 5,979,950
Water rates	-	-	-	-	-	-	1,451,055	1,451,055
Grants in lieu of taxes	21,710	36,169	59,379	20,562	4,483	26,606	-	168,909
Services provided to other local governments	-	108,404	-	-	-	-	-	108,404
Sale of services	-	5,712	-	-	9,311	16,746	-	31,769
Other revenue from own sources	138,760	19,139	4,000	-	-	-	80,647	242,546
Unconditional transfers from other governments	64,354	107,213	176,013	60,949	13,290	78,865	-	500,684
Conditional transfers from other governments	3,365	100,000	9,540	-	-	3,237	-	116,142
Capital contributions and grants	-	-	393,914	-	-	-	84,645	478,559
	<u>\$ 996,805</u>	<u>\$ 1,657,145</u>	<u>\$ 2,745,065</u>	<u>\$ 809,464</u>	<u>\$ 185,810</u>	<u>\$ 1,067,382</u>	<u>\$ 1,616,347</u>	<u>\$ 9,078,018</u>
Expenses								
Salaries, wages and benefits	\$ 447,194	\$ 1,189,650	\$ 1,016,353	\$ -	\$ -	\$ 131,247	\$ 341,268	\$ 3,125,712
Operating materials and supplies	126,195	224,885	503,957	34,878	-	126,600	358,694	1,375,209
Contracted services	185,908	373,379	171,464	723,420	72,261	519,420	61,911	2,107,763
Rents and financial expenses	54,903	16,122	76,154	16,278	127,118	13,755	239,057	543,387
Community grants and exemptions	136,896	-	-	-	4,602	14,700	-	156,198
Amortization & writedowns	32,078	42,433	921,459	153,397	7,669	415,004	386,932	1,958,972
	<u>\$ 983,174</u>	<u>\$ 1,846,469</u>	<u>\$ 2,689,387</u>	<u>\$ 927,973</u>	<u>\$ 211,650</u>	<u>\$ 1,220,726</u>	<u>\$ 1,387,862</u>	<u>\$ 9,267,241</u>

Town of Stellarton
Consolidated Schedule of Segmented Disclosure

March 31, 2020

March 31, 2019

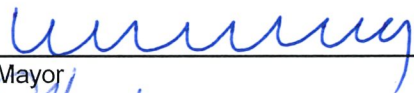
	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development and Cultural Services	Water	Consolidated
Revenue							
Taxes	\$ 754,931	\$ 1,271,103	\$ 1,991,602	\$ 693,995	\$ 164,101	\$ -	\$ 5,715,747
Water rates	-	-	-	-	-	1,446,041	1,446,041
Grants in lieu of taxes	19,718	33,200	52,018	18,126	4,286	-	149,288
Services provided to other local governments	-	106,253	-	-	-	-	106,253
Sale of services	-	26,242	-	-	10,368	-	54,718
Other revenue from own sources	120,792	16,250	30,435	-	-	68,835	236,312
Unconditional transfers from other governments	66,130	111,345	174,459	60,792	14,375	-	500,684
Conditional transfers from other governments	-	100,000	9,360	-	-	-	126,921
Capital contributions and grants	-	20,000	510,642	-	-	895,077	1,432,492
Rink	-	-	-	-	-	-	207,610
	<u>\$ 961,570</u>	<u>\$ 1,684,392</u>	<u>\$ 2,768,516</u>	<u>\$ 772,913</u>	<u>\$ 193,130</u>	<u>\$ 2,409,953</u>	<u>\$ 9,976,066</u>
Expenses							
Salaries, wages and benefits	\$ 459,278	\$ 1,242,418	\$ 925,958	\$ -	\$ -	\$ 302,094	\$ 3,192,266
Operating materials and supplies	115,220	178,065	472,848	20,736	-	388,382	1,495,312
Contracted services	171,458	397,519	152,965	712,016	74,314	68,545	1,893,165
Rents and financial expenses	63,348	14,802	80,636	13,639	136,726	253,557	575,690
Community grants and exemptions	148,506	-	-	-	4,602	-	167,608
Amortization & writedowns	21,813	49,116	961,322	154,160	7,669	448,101	1,841,473
	<u>\$ 979,623</u>	<u>\$ 1,881,920</u>	<u>\$ 2,593,729</u>	<u>\$ 900,551</u>	<u>\$ 223,311</u>	<u>\$ 1,460,679</u>	<u>\$ 9,165,514</u>

SUPPLEMENTARY SCHEDULES

Town of Stellarton
Supplementary Schedules
Water Utility Operating Fund
Schedule of Financial Position

March 31	2020	2019
Assets		
Cash	\$ 1,682,512	\$ 1,490,012
Receivables		
Rates (less allowance for doubtful accounts - \$18,556, 2019 - \$18,556)	135,464	134,407
Due from own funds and agencies		
Water capital fund	3,346	187,131
Prepays	1,343	5,520
	<u>\$ 1,822,665</u>	<u>\$ 1,817,070</u>
Liabilities		
Payables and accruals	\$ 138,011	\$ 143,825
Deferred revenue	17,554	17,752
Due to own funds and agencies		
General operating fund	4,122	32,871
	<u>159,687</u>	<u>194,448</u>
Equity		
Surplus	1,662,978	1,622,622
	<u>\$ 1,822,665</u>	<u>\$ 1,817,070</u>

On behalf of the Town of Stellarton



 Mayor



 Town Clerk

Town of Stellarton
Supplementary Schedules
Water Utility Operating Fund
Schedule of Financial Operations

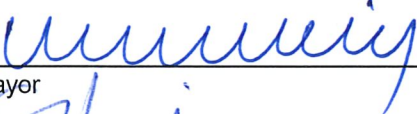
Year ended March 31

	2020		2019
	Budget	Actual	Actual
Operating revenue			
Metered sales	\$ 202,700	\$ 210,654	\$ 202,676
Flat rate sales	905,000	900,650	904,716
Public fire protection	681,920	695,342	693,220
Investment earnings	20,000	33,174	27,455
Special services	2,720	3,295	3,220
	<u>1,812,340</u>	<u>1,843,115</u>	<u>1,831,287</u>
Operating expenditures			
Source of supply	20,000	12,514	-
Power and pumping	186,895	176,361	195,583
Purification	487,177	415,652	394,068
Transmission and distribution	176,775	149,928	162,035
Administration and general	106,200	105,134	82,817
Depreciation	400,000	354,667	416,936
Taxes	134,082	134,082	134,082
	<u>1,511,129</u>	<u>1,348,338</u>	<u>1,385,521</u>
Operating income	<u>301,211</u>	<u>494,777</u>	<u>445,766</u>
Non-operating revenue			
Transfer from depreciation funds	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Non-operating expenditures			
Debt charges			
Interest	228,277	221,341	238,075
Principal	383,080	383,080	383,080
	<u>611,357</u>	<u>604,421</u>	<u>621,155</u>
Excess of revenue over expenditures (expenditures over revenue)	<u>\$ (160,146)</u>	<u>40,356</u>	<u>(25,389)</u>
Surplus, beginning of year		<u>1,622,622</u>	<u>1,648,011</u>
Surplus, end of year		<u>\$ 1,662,978</u>	<u>\$ 1,622,622</u>

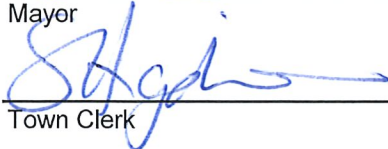
Town of Stellarton
Supplementary Schedules
Water Utility Capital Fund
Schedule of Financial Position

March 31	2020	2019
Assets		
Cash	\$ 2,547,845	\$ 2,750,178
Due from federal and provincial governments	-	119,613
Due from own funds and agencies		
General operating fund	2,306	-
Utility plant and equipment (page 30)	<u>19,055,926</u>	<u>18,624,784</u>
	<u>\$ 21,606,077</u>	<u>\$ 21,494,575</u>
Liabilities		
Due to own funds and agencies		
Water utility operating fund	\$ 3,346	\$ 187,131
Accumulated allowance for depreciation	5,912,316	5,556,592
Deferred contributions (net of accumulated amortization of \$206,552; 2019 - \$163,990)	2,709,496	2,667,406
Debt		
Nova Scotia Municipal Finance Corporation	<u>4,596,962</u>	<u>4,980,042</u>
	<u>13,222,120</u>	<u>13,391,171</u>
Equity		
Investment in capital assets (page 30)	<u>8,383,957</u>	<u>8,103,404</u>
	<u>\$ 21,606,077</u>	<u>\$ 21,494,575</u>

On behalf of the Town of Stellarton



 Mayor



 Town Clerk

Town of Stellarton
Supplementary Schedules
Water Utility
Schedule of Investment in Plant and Equipment

March 31	2020	2019
Land and rights	\$ 68,583	\$ 68,583
Structures and improvements		
Buildings	47,908	47,908
Reservoirs	4,111,833	4,111,833
Water treatment plant	6,011,546	6,011,546
Pumping equipment	159,977	159,977
Purification equipment	446,194	446,194
Transmission mains	1,737,961	1,737,961
Distribution mains	5,452,266	5,078,762
Services	116,666	116,666
Meters	17,853	17,853
Hydrants	187,884	187,884
Small tools	500	500
Equipment	533,269	489,877
Weir	163,486	149,240
	<u>\$ 19,055,926</u>	<u>\$ 18,624,784</u>

Schedule of Investment in Capital Assets

Year ended March 31	2020	2019
Balance, beginning of year	\$ 8,103,404	\$ 7,798,509
Interest earned on depreciation funds	47,473	41,380
Term debt retired	383,080	383,080
Gain on trade in of asset	-	30,435
Depreciation funds utilized for debt service	(150,000)	(150,000)
	<u>280,553</u>	<u>304,895</u>
Balance, end of year	<u>\$ 8,383,957</u>	<u>\$ 8,103,404</u>

Schedule of Depreciation Funds

Year ended March 31	2020	2019
Balance, beginning of year	\$ 2,682,660	\$ 2,873,515
Interest earned on depreciation funds	47,473	41,380
Assets acquired	(387,995)	(529,606)
Current year's depreciation	354,667	416,936
Gain on trade in of asset	-	30,435
Depreciation funds utilized for debt service	(150,000)	(150,000)
	<u>(135,855)</u>	<u>(190,855)</u>
Balance, end of year	<u>\$ 2,546,805</u>	<u>\$ 2,682,660</u>
Consisting of:		
Cash in bank	\$ 2,547,845	\$ 2,750,178
Due from general operating fund	2,306	-
Capital funding receivable	-	119,613
Due to water utility operating fund	(3,346)	(187,131)
	<u>\$ 2,546,805</u>	<u>\$ 2,682,660</u>