
TOWN OF MULGRAVE

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019



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Town of Mulgrave

Consolidated Financial Statements

March 31, 2019

Management's Responsibility for the Consolidated Financial Statements

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and supplementary schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are 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.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Audit Committee. Council reviews internal financial statements on a regular basis and external audited consolidated financial statements annually. The Audit Committee also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian Auditing Standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Town of Mulgrave and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Town of Mulgrave



Darlene Berthier Sampson, CIA, CPA, CMA

Darlene Berthier Sampson
Chief Administration Officer
October 21, 2019

Independent auditor's report

His Worship the Mayor and Members
of the Council of the Town of Mulgrave

Opinion

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

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 Entity 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.

Other Matter – Supplementary Financial Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 16 to 19 and 21 to 25 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.

Grant Thornton LLP

Bridgewater, Canada
October 21, 2019

Chartered Professional Accountants
Licensed Public Accountants

Town of Mulgrave
Consolidated Statement of Operations
Year Ended March 31

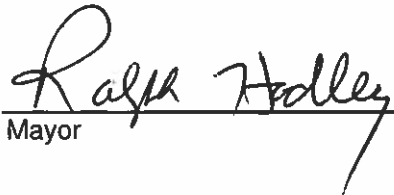
		2019	2019	2018
	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue				
Taxes	16	\$ 1,436,757	\$ 1,430,078	\$ 1,485,274
Payments in lieu of taxes	16	16,005	15,502	16,004
Other revenue from own sources	16	70,245	160,493	148,719
Unconditional transfers from other governments	16	128,508	128,508	128,508
Conditional transfers from other governments	17	48,820	212,128	379,591
Water rates		<u>501,500</u>	<u>503,934</u>	<u>493,074</u>
		<u>2,201,835</u>	<u>2,450,643</u>	<u>2,651,170</u>
Expenditures				
General government services	17	476,531	559,678	497,399
Protective services	18	260,419	255,428	231,118
Transportation services	18	447,482	413,684	330,266
Environmental health services	18-19	357,123	328,831	315,658
Recreation and cultural services	19	212,356	250,003	226,655
Water utility		<u>451,868</u>	<u>442,077</u>	<u>370,836</u>
		<u>2,205,779</u>	<u>2,249,701</u>	<u>1,971,932</u>
Annual surplus		<u>\$ (3,944)</u>	200,942	679,238
Accumulated surplus, beginning of year			<u>8,101,198</u>	<u>7,421,960</u>
Accumulated surplus, end of year			<u>\$ 8,302,140</u>	<u>\$ 8,101,198</u>

**Town of Mulgrave
Consolidated Statement of Financial Position**

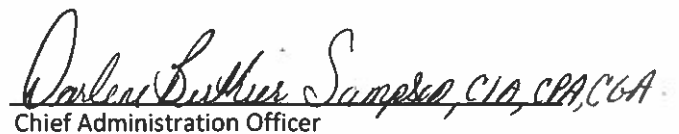
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March 31	2019	2018
Financial assets		
Cash and cash equivalents	\$ 2,299,325	\$ 2,076,753
Receivables (Note 3)	<u>242,739</u>	<u>268,289</u>
	<u>2,542,064</u>	<u>2,345,042</u>
Financial liabilities		
Payables and accruals	190,798	189,130
Deferred revenue	34,793	56,134
Long term debt (Note 6)	<u>1,785,525</u>	<u>1,916,905</u>
	<u>2,011,116</u>	<u>2,162,169</u>
Net financial assets	530,948	182,873
Non-financial assets		
Tangible capital assets (Note 4)	7,743,387	7,892,623
Unamortized debenture discount	11,226	12,090
Prepaid expenses	<u>16,579</u>	<u>13,612</u>
	<u>7,771,192</u>	<u>7,918,325</u>
Accumulated surplus	<u>\$ 8,302,140</u>	<u>\$ 8,101,198</u>

On behalf of the Town



Mayor



Chief Administration Officer

See accompanying notes to the consolidated financial statements

Town of Mulgrave
Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	3,944	200,942	\$ 679,238
Acquisition of tangible capital assets	(223,500)	(160,840)	(760,762)
Amortization of debenture discount	-	864	930
Amortization of tangible capital assets	287,164	287,164	282,972
Loss on sale of tangible capital assets	-	22,912	-
Change in prepaid expenses	-	(2,967)	1,748
Change in net financial assets	<u>\$ 67,608</u>	348,075	204,126
Net financial assets (debt)			
Beginning of year		<u>\$ 182,873</u>	<u>(21,253)</u>
End of year		<u>\$ 530,948</u>	<u>\$ 182,873</u>

See accompanying notes to the consolidated financial statements

**Town of Mulgrave
Consolidated Statement of Cash Flows**

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Year Ended March 31	2019	2018
	<u>Actual</u>	<u>Actual</u>
Increase (decrease) in cash and cash equivalents		
Operating activities		
Annual surplus	\$ 200,942	\$ 679,238
Amortization of tangible capital assets	287,164	282,972
Amortization of debenture discount	864	930
Loss on sale of tangible capital assets	22,912	-
Change in non-cash assets and liabilities:		
Receivables	25,550	116,957
Prepaid expenses	(2,967)	1,748
Payables and accruals	1,668	(13,185)
Deferred revenue	(21,341)	6,414
	<u>514,792</u>	<u>1,075,074</u>
Investing activities		
Acquisition of capital assets	<u>(160,840)</u>	<u>(760,762)</u>
Financing activities		
Repayment of long term debt	<u>(131,380)</u>	<u>(131,096)</u>
Net increase in cash and cash equivalents	222,572	183,216
Cash and cash equivalents, Beginning of year	<u>2,076,753</u>	<u>1,893,537</u>
End of year	<u>\$ 2,299,325</u>	<u>\$ 2,076,753</u>

See accompanying notes to the consolidated financial statements

1. Significant accounting policies

The consolidated financial statements of the Town of Mulgrave have been prepared by management in accordance with Canadian Public Sector Accounting Standards, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of 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, expenditures 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.

Interdepartmental and organizational transactions and balances are eliminated.

b) Basis of accounting

The basis of accounting followed in the consolidated financial presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures 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 operating, capital and reserve funds of both the general operations and the Mulgrave Water Utility.

d) Use of estimates

In preparing the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenditures. Actual amounts could differ from these estimates.

e) Valuation allowance

Uncollected taxes and rates

The Town provides a valuation allowance for estimated losses that will be incurred in collecting outstanding receivables.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

g) Financial instruments

The Town's financial instruments include cash and cash equivalents, receivables, payables and accruals, short term debt and long term debt. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair market value of these instruments approximate their carry value.

1. Significant accounting policies (continued)

h) Revenue and expenditure

The accrual basis of accounting is used for all funds. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are recognized as they are incurred and measurable as a result of legal obligation to pay.

i) Taxation and related revenue

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 Town Council during the budget approval process. Tax adjustments as a result of appeals and roll revisions are recorded when official notification is received.

ii) Government transfers

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

iii) Other revenues

Other revenues are recognized as services or goods are provided, the exchange amount is measurable and collectibility of the amount is reasonably assured.

i) Tangible capital assets

Tangible capital assets and projects in progress are recorded at cost. Interest incurred during construction on significant projects is recorded as part of the cost of the project asset.

Amortization of general fund assets is recorded in the financial statements on a straight line basis over an asset's estimated useful life as noted below. Amortization is not recorded on work in progress until put in use by the Town.

Wastewater lines	50
Buildings	40
Roads and streets	25
Land improvements	20
Wastewater treatment facilities	20
Heavy equipment	10
Vehicles	5
Machinery and equipment	5

Amortization of tangible capital assets used by the Mulgrave Water Utility is recorded as prescribed by the Nova Scotia Utility and Review Board and must be funded with financial assets.

Town of Mulgrave
Notes to the Consolidated Financial Statements
March 31, 2019

2. Contributions to Boards, Regional Authorities and Other Agencies

The Town of Mulgrave is required to finance the operations of various Boards, Regional Authorities and other Agencies, along with other municipal units based on formulae contained in agreements, legislation or regulation.

In addition, the Town shares in the deficits or surpluses of some of these organizations based upon the relevant cost sharing percentage.

Strait Regional Centre for Education

During 2018-19, the Town paid \$139,425 (2018 - \$138,493) as its share of the operations of the Strait Regional School Board, serving the counties of Antigonish, Guysborough, Inverness and Richmond.

Eastern Mainland Regional Housing Authority

An amount of \$12,306 (2018 - \$15,524) was provided as at March 31, 2019 as the Town's share of the operating deficit of the Eastern Mainland Housing Authority for the year ended March 31, 2019, serving Antigonish, Guysborough and Pictou counties. An additional amount of \$18,100 was due for 2019 and was accrued at year end.

Eastern Counties Regional Library Board

During 2018-19, the Town paid \$5,736 (2018 - \$5,736) as its share of the operations of the Eastern Counties Regional Library Board serving the counties of Antigonish, Guysborough, Inverness and Richmond.

3. Receivables

	Current Year	Prior Years	2019 Total	2018 Total
Taxes				
Balance, beginning of year	\$ -	\$ 101,128	\$ 101,128	\$ 171,148
Current year levy and interest	1,666,959	-	1,666,959	1,729,519
	1,666,959	101,128	1,768,087	1,900,667
Current year collections	1,614,431	4,970	1,619,401	1,799,539
	<u>\$ 52,528</u>	<u>\$ 96,158</u>	148,686	101,128
Valuation allowance			(33,276)	(35,855)
Balance, end of year			115,410	65,273
Water rates			71,397	91,480
Federal Government			46,610	104,624
Provincial Government				-
Other			9,322	6,912
			<u>\$ 242,739</u>	<u>\$ 268,289</u>

4. Tangible Capital Assets

	Cost 2018	Additions	Disposals	Cost 2019	Accumulated Amortization 2018	Disposals & Adjustments	Amortization Expense	Accumulated Amortization 2019	Net Book Value 2019	Net Book Value 2018
General government services										
Land	\$ 284,352	\$ -	\$ -	\$ 284,352	\$ -	\$ -	\$ -	\$ -	\$ 284,352	\$ 284,352
Buildings	173,435	48,910	(111,818)	110,527	112,562	(88,906)	2,151	25,807	84,720	60,873
Equipment	137,215	3,822	-	141,037	134,447	-	2,530	136,977	4,060	2,768
Protective services										
Buildings	357,714	-	-	357,714	274,300	-	8,943	283,243	74,471	83,414
Heavy equipment	277,383	-	-	277,383	277,383	-	-	277,383	-	-
Vehicles	27,283	-	-	27,283	16,370	-	5,456	21,826	5,457	10,913
Equipment	79,549	-	-	79,549	36,657	-	5,361	42,018	37,531	42,892
Transportation services										
Roads, street and sidewalks	1,998,857	33,677	-	2,032,534	1,750,095	-	20,485	1,770,580	261,954	248,762
Buildings	171,593	-	-	171,593	102,012	-	4,646	106,658	64,935	69,582
Heavy equipment	518,662	-	-	518,662	216,089	-	41,194	257,263	261,399	302,592
Vehicles	28,959	-	-	28,959	17,376	-	5,792	23,168	5,791	11,583
Equipment	50,405	-	-	50,405	45,718	-	4,518	50,236	169	4,687
Environmental health services										
Wastewater treatment plant	1,202,556	-	-	1,202,556	692,967	-	60,128	753,095	449,461	509,589
Wastewater collection lines	2,365,737	6,371	-	2,372,108	1,213,667	-	39,266	1,252,933	1,119,175	1,152,070
Solid waste collection equipment	7,740	-	-	7,740	310	-	155	465	7,275	7,430
Recreation and cultural services										
Land improvements	408,653	6,252	-	414,905	388,126	-	5,256	393,382	21,523	20,527
Facilities	166,193	12,100	-	178,293	107,716	-	4,155	111,871	66,422	58,477
Equipment	45,535	-	-	45,535	34,917	-	5,312	40,229	5,306	10,618
Property acquired at tax sale	4,448	-	-	4,448	-	-	-	-	4,448	4,448
	<u>8,306,269</u>	<u>111,132</u>	<u>(111,818)</u>	<u>8,305,583</u>	<u>5,420,692</u>	<u>(88,906)</u>	<u>215,348</u>	<u>5,547,134</u>	<u>2,758,449</u>	<u>2,885,577</u>
Water utility										
Land and land rights	9,984	-	-	9,984	-	-	-	-	9,984	9,984
Structures and improvements	75,888	-	-	75,888	29,565	-	1,214	30,779	45,109	46,323
Equipment	27,120	-	-	27,120	18,692	-	1,481	20,173	6,947	8,428
Mains	739,400	-	-	739,400	184,434	-	9,834	194,268	545,132	554,966
Treatment plant	330,277	-	-	330,277	129,971	-	7,388	137,359	192,918	200,306
Rate Study	9,996	-	-	9,996	3,998	-	1,999	5,997	3,999	5,998
Services	20,303	-	-	20,303	4,060	-	406	4,466	15,837	16,243
Meters	24,397	5,887	-	30,284	7,892	-	1,367	9,259	21,025	16,505
Hydrants	33,684	-	-	33,684	15,410	-	448	15,858	17,826	18,274
Computer	13,516	-	-	13,516	12,931	-	195	13,126	390	585
Other	8,029	-	-	8,029	6,439	-	161	6,600	1,429	1,590
Vehicles	28,139	-	-	28,139	22,512	-	5,627	28,139	-	5,627
Assets under construction	4,147,735	43,821	-	4,191,556	25,518	-	41,696	67,214	4,124,342	4,122,217
	<u>5,468,468</u>	<u>49,708</u>	<u>-</u>	<u>5,518,176</u>	<u>461,422</u>	<u>-</u>	<u>71,816</u>	<u>533,238</u>	<u>4,984,938</u>	<u>5,007,046</u>
Total	<u>\$ 13,774,737</u>	<u>\$ 160,840</u>	<u>\$ (111,818)</u>	<u>\$ 13,823,759</u>	<u>\$ 5,882,114</u>	<u>\$ (88,906)</u>	<u>\$ 287,164</u>	<u>\$ 6,080,372</u>	<u>\$ 7,743,387</u>	<u>\$ 7,892,623</u>

Town of Mulgrave
Notes to the Consolidated Financial Statements
March 31, 2019

5. Bank indebtedness

The Town has an authorized borrowing limit with a Canadian financial institution of up to 50% of the previous year's tax levy and has an interest rate of prime. The borrowing limit available to the Town for 2018-19 was \$734,815. As at March 31, 2019 the balance outstanding was \$Nil (2018 - \$420,000)

6. Long term debt

	<u>2019</u>	<u>2018</u>
MFC 3.46% - 3.87% debenture maturing in 2021, repayable in equal annual principal instalments of \$5,000, interest payable semi-annually.	\$ 10,000	\$ 15,000
MFC 1.342% - 3.205% debenture maturing in 2031, repayable in equal annual principal instalments of \$8,433, interest payable semi-annually.	101,201	109,634
MFC 1.441% - 2.925% debenture maturing in 2032, repayable in equal annual principal instalments of \$12,100, interest payable semi-annually.	217,800	229,900
MFC 1.25% - 3.108% debenture maturing in 2032, repayable in equal annual principal instalments of \$80,000, interest payable semi-annually.	1,440,000	1,520,000
Nova Scotia Power 5% capital lease, repayable in equal monthly payments of \$569 including interest, maturing in 2021.	16,524	22,371
MFC 5.095% debenture matured in 2019, repayable in equal annual principal instalments of \$20,000, interest payable semi-annually, repaid during the year.	<u>-</u>	<u>20,000</u>
	<u>\$ 1,785,525</u>	<u>\$ 1,916,905</u>

Principal repayments over the next five years are as follows:

2020	\$ 111,678
2021	111,992
2022	104,453
2023	100,533
2024	100,533
2025 - 2032	<u>1,256,336</u>
Total	<u>\$ 1,785,525</u>

7. Contingent liability

The Town has guaranteed a loan for the Mulgrave Museum and Cenotaph Committee in respect of a term loan used in financing the construction of a building. The total amount of the loan as at March 31, 2019 was \$50,993. In management's view, no provision for loss is required at this time.

Town of Mulgrave
Notes to the Consolidated Financial Statements
March 31, 2019

8. Remuneration

The total remuneration paid to member of Council and Chief Administrative Officers are as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Council		
Ralph Hadley	\$ 10,880	\$ 1,270
Ron Chisholm	5,984	-
Sheila Brophy	6,590	233
Bob Russell	5,984	95
Tanya Snow	6,465	-
	<u>\$ 35,903</u>	<u>\$ 1,598</u>
Chief Administrative Officer		
Darlene Berthier Sampson	\$ 15,971	\$ 90
Jim Davis	\$ 46,912	\$ 276

9. Rate of return on rate base

For the year ended March 31, 2019, the Mulgrave Water Utility had a rate of return on rate base of 4.4% (2018 - 6.3%).

10. Pension plan

The Town provides its employees with a defined contribution pension plan. As of March 31, 2019 there were no required future contributions in respect of past service and all contributions required under the plan have been funded. During the fiscal year, the Town contributed \$17,600 (2018 - \$16,800) to the plan.

11. Segmented information

The Town of Mulgrave is a municipal unit that provides a wide range of services to its residents and property owners. The Town's operations and activities are organized and reported by fund for the purpose of recording specific activities to meet objectives as outlined by legislation, regulations, by-laws, or other limitations and restrictions. Services are provided in the following categories:

General government services

This includes the legislative function of Town Council which provides direction through by-laws, policies and strategic planning. It also encompasses the administrative functions of the Town including organizational management, finance, accounting, tax billing and collections.

Protective services

The Town acquires police services from the RCMP through an agreement with the Province of Nova Scotia and pays the province for correctional services. Fire protection is provided by the Mulgrave Volunteer Fire Department. The Town pays the operating expenses of the Department.

11. Segmented information (continued)

Transportation services

The Town owns and maintains all public roads, street and sidewalks in the community, including snow removal and streetlights.

Environmental health services

The Town provides both sanitary and storm wastewater management and treatment. Solid waste collection and disposal is provided in conjunction with the Municipality of the District of Guysborough.

Public health services

The Town contributes to public housing through the Eastern Mainland Housing Authority.

Recreation and cultural services

The Town has a number of recreational facilities and offers programming in conjunction with other community organizations. Staff assists in planning of community festivals and events.

Mulgrave Water Utility

The utility sources, treats and distributes potable water to the community and provides flows to assist with fire protection.

12. Dissolution

The Town submitted an application in October of 2015 to the Nova Scotia Utility and Review Board to dissolve under Section 394 of the *Municipal Government Act*. In the prior year, that application was withdrawn after the Province of Nova Scotia and the Municipality of the District of Guysborough were unable to negotiate an agreed upon Letter of Intent. The Town will continue to review options for its future governance.

13. Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into the 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 all the following criteria are met:

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

As at March 31, 2019 there are no known contaminated sites identified.

14. Sick Leave

The Town provides sick leave benefits to its employees. Public sector accounting standards require a liability and expense for compensated absences that vest, or accumulate and do not vest. Employees of the Town are entitled to 18 days sick leave annually which can accumulate to a total of 95 days. Accumulated sick days cannot be cashed out. The Town has not had the liability calculated by an actuary, but has made its own estimate of \$6,605 (2018 - \$6,605) which is reflective of the expected cash expense expected to be incurred in the event an employee needs to be replaced during an extended sick leave. The Town recognized the liability in the 2018 financial statements. No change was made to the amount in 2019. The actual liability could differ materially from amounts calculated.

Town of Mulgrave
Notes to the Consolidated Financial Statements
March 31, 2019

15. Budget figures

The budget noted below has been derived from the original estimates approved by Council on May 22, 2018. Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the consolidated statement of operations and consolidated statement of change in net financial assets has been adjusted to be in on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the consolidated financial statements. Adjustments consist of unbudgeted capital funding, amortization of tangible capital assets and elimination of interfund transfers and transactions.

	Approved Fiscal Plan	Adjustments	Fiscal Plan per Consolidated Financial Statements
Revenue			
Taxes	\$ 1,529,507	\$ (63,900)	\$ 1,465,607
Payments in lieu of taxes	16,005	-	16,005
Other revenue from own sources	70,245	-	70,245
Unconditional transfers from other governments	128,508	-	128,508
Conditional transfers from other governments	48,820	-	48,820
Water rates	609,293	(107,793)	501,500
	<u>2,402,378</u>	<u>(171,693)</u>	<u>2,230,685</u>
Expenditures			
General government services	471,849	4,682	476,531
Protective services	357,901	(88,032)	269,869
Transportation services	370,847	76,635	447,482
Environmental health services	257,574	99,549	357,123
Public health services	19,400	-	19,400
Recreation and cultural services	197,634	14,722	212,356
Water utility	515,768	(63,900)	451,868
	<u>2,190,973</u>	<u>43,656</u>	<u>2,234,629</u>
Annual Surplus	<u>\$ 211,405</u>	<u>\$ (215,349)</u>	<u>\$ (3,944)</u>

16. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2019 financial statements.

**Town of Mulgrave
Schedules to Consolidated Statement of Operations**

Year Ended March 31	2019 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
REVENUE			
Taxes			
General			
Residential	\$ 297,084	\$ 296,092	\$ 296,570
Resource	21,107	21,108	21,193
Commerical	883,367	882,162	904,825
Forestry	318	320	320
	<u>1,201,876</u>	<u>1,199,682</u>	<u>1,222,908</u>
By services			
Sanitary sewer	231,065	237,405	253,665
Hydrants	107,806	110,853	109,509
Solid waste	37,336	37,024	37,336
	<u>376,207</u>	<u>385,282</u>	<u>400,510</u>
Other			
Aliant	3,700	5,749	3,700
Deed transfer	7,500	2,436	5,678
Wind turbines	15,748	15,905	15,748
	<u>26,948</u>	<u>24,090</u>	<u>25,126</u>
Expenditures as a reduction of tax revenue			
Transferred to Regional Centre for Education	(139,424)	(139,425)	(138,493)
Transfer to correctional services	(9,450)	(9,145)	(9,253)
Deficit of Regional Housing Authority	(19,400)	(30,406)	(15,524)
	<u>(168,274)</u>	<u>(178,976)</u>	<u>(163,270)</u>
	<u>\$ 1,436,757</u>	<u>\$ 1,430,078</u>	<u>\$ 1,485,274</u>
Grants in Lieu of Taxes			
Province of NS	\$ 1,069	\$ 1,064	\$ 1,069
CBC	1,204	1,179	1,204
NSLC	12,985	12,501	12,984
NSPC	747	758	747
	<u>\$ 16,005</u>	<u>\$ 15,502</u>	<u>\$ 16,004</u>
Revenue Own Sources			
Recreation programs & fees	\$ 9,400	\$ 11,561	\$ 12,024
Recreation fundraising	-	58,248	21,839
Licenses, permits and fines	800	658	750
Rent	31,045	32,587	32,572
Public works	1,900	1,411	381
Interest on taxes	21,000	18,071	29,854
Bank interest	5,000	34,327	19,950
Sale of property	-	-	12,000
Miscellaneous	1,100	3,630	19,349
	<u>\$ 70,245</u>	<u>\$ 160,493</u>	<u>\$ 148,719</u>
Unconditional Transfers			
Equalization	\$ 127,508	\$ 127,508	\$ 127,508
Emergency measures - 911	1,000	1,000	1,000
	<u>\$ 128,508</u>	<u>\$ 128,508</u>	<u>\$ 128,508</u>

Town of Mulgrave
Schedules to Consolidated Statement of Operations

17

Year Ended March 31	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Conditional Transfers			
Visitor Information Centre	\$ 6,920	\$ 4,951	\$ 6,822
Federal Gas Tax	-	58,816	54,999
Clean Water Wastewater Fund	-	-	259,014
Health and Wellness	15,000	15,600	24,000
Recreation grants	18,400	17,309	21,481
Fuel tax rebate	1,000	1,135	1,517
HST Offset	7,500	14,317	11,556
Provincial grant	-	80,000	-
Federal grant	-	20,000	-
Waste diversion	-	-	202
	<u>\$ 48,820</u>	<u>\$ 212,128</u>	<u>\$ 379,591</u>
EXPENDITURES			
General Government Services			
Legislative			
Council remuneration	\$ 33,558	\$ 37,876	\$ 33,045
Council travel & expenses	6,000	1,647	2,335
Elections	-	-	5,494
Other	2,200	505	479
	<u>41,758</u>	<u>40,028</u>	<u>41,353</u>
Administration			
Salaries & benefits	114,616	123,346	89,031
Travel & training	3,000	1,147	1,183
Office	21,000	13,306	20,790
Town hall	24,700	14,183	34,302
Information technology	28,000	27,280	27,462
Contract services			
Legal	5,000	7,160	4,404
Audit	18,000	24,125	19,146
Consulting	22,000	14,820	42,930
Dissolution	-	-	52,191
Community economic development	-	9,928	-
Insurance	11,717	10,631	5,570
Taxation			
Exemptions and reductions	125,136	126,855	126,718
PVSC	15,822	15,822	15,680
Collections and recoveries	3,000	(767)	(26,644)
Other	13,400	11,958	12,258
	<u>405,391</u>	<u>399,794</u>	<u>425,021</u>
Municipal property			
Post office	20,500	22,140	20,538
England Ave	-	343	844
Former School	-	65,389	-
	<u>20,500</u>	<u>87,872</u>	<u>21,382</u>
Amortization			
Loss on sale of tangible capital assets	4,682	4,682	5,720
Interest	-	22,912	-
	<u>4,200</u>	<u>4,390</u>	<u>3,923</u>
	<u>\$ 476,531</u>	<u>\$ 559,678</u>	<u>\$ 497,399</u>

**Town of Mulgrave
Schedules to Consolidated Statement of Operations**

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Year Ended March 31	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protective Services			
Police - RCMP	\$ 156,000	\$ 157,376	\$ 151,969
Fire department			
Honoraria & training	14,050	11,090	6,441
Building	27,800	37,696	27,411
Vehicles	15,550	10,910	10,353
Equipment	9,000	12,918	8,933
Other	775	886	565
	<u>67,175</u>	<u>73,500</u>	<u>53,703</u>
Emergency measures	3,500	3,416	2,915
Animal control	7,000	-	-
Building inspection	6,000	391	1,502
Amortization	19,761	19,761	19,761
Interest	983	984	1,268
	<u>\$ 260,419</u>	<u>\$ 255,428</u>	<u>\$ 231,118</u>
Transportation Services			
Public works			
Salaries, wages & benefits	\$ 189,300	\$ 198,098	\$ 177,912
Personal protective equipment	3,500	2,050	1,960
Telephone	2,100	1,863	1,905
Insurance	8,000	10,575	7,911
Workshop	10,600	11,056	7,684
Vehicles & equipment	41,300	30,995	47,932
	<u>254,800</u>	<u>254,637</u>	<u>245,304</u>
Roads			
Snow removal	51,850	41,407	43,172
Maintenance	36,000	12,385	58,677
	<u>87,850</u>	<u>53,792</u>	<u>101,849</u>
Streetlights	24,500	24,376	24,335
Amortization	76,635	76,635	108,380
Interest	3,697	4,244	4,983
Capitalized expenses	-	-	(154,585)
	<u>\$ 447,482</u>	<u>\$ 413,684</u>	<u>\$ 330,266</u>
Environmental Health Services			
Wastewater operations			
Salaries and benefits	\$ 94,728	\$ 100,815	\$ 84,973
Training & safety	4,500	1,474	3,411
Insurance	4,200	4,128	3,533
Power	32,000	32,412	33,648
Maintenance	36,500	15,602	24,905
	<u>\$ 171,928</u>	<u>\$ 154,431</u>	<u>\$ 150,470</u>

**Town of Mulgrave
Schedules to Consolidated Statement of Operations**

Year Ended March 31	2019 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
Environmental Health Services (cont'd)			
Solid waste			
Spring cleanup	\$ 2,000	\$ 1,790	\$ 1,314
Contracted services	46,305	43,700	47,047
Tipping fees	25,000	16,968	13,711
ERSWM	5,994	5,982	4,860
	<u>79,299</u>	<u>68,440</u>	<u>66,932</u>
Amortization	99,549	99,549	91,740
Interest	6,347	6,411	6,516
	<u>\$ 357,123</u>	<u>\$ 328,831</u>	<u>\$ 315,658</u>
Recreation and Cultural Services			
Administration			
Salaries and benefits	\$ 51,528	\$ 54,184	\$ 50,523
Training, conferences, dues	6,350	2,257	5,049
Office	2,500	2,435	1,321
	<u>60,378</u>	<u>58,876</u>	<u>56,893</u>
Facilities			
Pool operations	32,150	35,584	32,494
Pool improvements	2,000	1,846	2,157
Parks and fields	28,000	24,178	25,899
Youth centre	200	28	167
Tennis courts	2,500	2,563	2,701
Visitor information centre	6,920	4,951	6,822
Trails	-	23,380	4,261
Insurance	2,500	3,155	2,462
	<u>74,270</u>	<u>95,685</u>	<u>76,963</u>
Programs	<u>31,650</u>	<u>49,533</u>	<u>51,348</u>
Libraries and museums			
Regional library board	5,736	5,736	5,736
Local branch library	18,100	17,951	17,913
Museum grant	7,500	7,500	7,500
	<u>31,336</u>	<u>31,187</u>	<u>31,149</u>
Amortization	<u>14,722</u>	<u>14,722</u>	<u>10,302</u>
	<u>\$ 212,356</u>	<u>\$ 250,003</u>	<u>\$ 226,655</u>

Town of Mulgrave
Schedule of Consolidated Segmented Disclosure
Year Ended March 31, 2019

	General					2019	2018
	government services	Protective services	Transportation services	Environmental health services	Recreation and cultural services	Water utility	Total
Revenue							
Taxes	\$ 1,044,796	\$ 110,853	\$ -	\$ 274,429	\$ -	\$ -	\$ 1,430,078
Payments in lieu of taxes	15,502	-	-	-	-	-	15,502
Other revenue from own sources	81,457	658	1,411	-	69,809	7,158	160,493
Unconditional transfers from other governments	127,508	1,000	-	-	-	-	128,508
Conditional transfers from other governments	173,133	-	1,135	-	37,860	-	212,128
Water rates	-	-	-	-	-	503,934	503,934
	<u>1,442,396</u>	<u>112,511</u>	<u>2,546</u>	<u>274,429</u>	<u>107,669</u>	<u>511,092</u>	<u>2,450,643</u>
Expenditures							
Salaries, wages and benefits	161,222	-	209,713	100,815	103,308	140,176	715,234
Contracted services	46,107	157,767	-	43,700	-	4,021	251,595
Other operating	304,543	76,916	123,092	72,374	126,237	188,157	891,319
Loss on disposal of capital assets	22,912	-	-	-	-	-	22,912
Other boards and agencies	15,822	-	-	5,982	5,736	-	27,540
Interest	4,390	984	4,244	6,411	-	37,042	53,071
Amortization	4,682	19,761	76,635	99,549	14,722	72,681	288,030
	<u>559,678</u>	<u>255,428</u>	<u>413,684</u>	<u>328,831</u>	<u>250,003</u>	<u>442,077</u>	<u>2,249,701</u>
Annual surplus	<u>\$ 882,718</u>	<u>\$ (142,917)</u>	<u>\$ (411,138)</u>	<u>\$ (54,402)</u>	<u>\$ (142,334)</u>	<u>\$ 69,015</u>	<u>\$ 200,942</u>
							<u>\$ 679,238</u>

**Town of Mulgrave
Water Operating Fund
Statement of Operations**

Year ended March 31	Page	2019 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
Operating revenue				
Metered sales		\$ 250,000	\$ 238,968	\$ 237,360
Flat rate sales		235,000	241,117	231,800
Sales to boats		13,500	21,678	19,456
Interest and penalties on rates		<u>3,000</u>	<u>2,171</u>	<u>4,458</u>
		501,500	503,934	493,074
Public fire protection		<u>107,793</u>	<u>107,793</u>	<u>107,793</u>
		<u>609,293</u>	<u>611,727</u>	<u>600,867</u>
Operating expenditures				
Source of supply		1,600	1,590	1,590
Power & pumping	23	81,000	86,516	64,688
Purification	23	142,800	124,972	118,167
Transmission & distribution	23	31,400	38,080	27,337
Administration & general	23	86,200	81,195	73,058
Amortization		71,450	71,817	47,069
Interest		<u>37,418</u>	<u>37,042</u>	<u>37,996</u>
		451,868	441,212	369,905
Property taxes		<u>63,900</u>	<u>63,923</u>	<u>76,247</u>
		<u>515,768</u>	<u>505,135</u>	<u>446,152</u>
Operating profit		<u>93,525</u>	<u>106,592</u>	<u>154,715</u>
Non-operating revenue				
Amortization of deferred contributions		15,460	25,611	10,306
Other		<u>2,000</u>	<u>945</u>	<u>2,602</u>
		<u>17,460</u>	<u>26,556</u>	<u>12,908</u>
Non-operating expenditures				
Principal repayments		<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Excess of revenue over expenditure		<u>30,985</u>	<u>53,148</u>	<u>87,623</u>
Accumulated surplus				
Beginning of year		<u>207,940</u>	<u>207,940</u>	<u>120,317</u>
End of year		<u>\$ 238,925</u>	<u>\$ 261,088</u>	<u>\$ 207,940</u>

**Town of Mulgrave
Water Operating Fund
Statement of Financial Position**


22

March 31	2019	2018
Financial assets		
Receivables		
Federal government - HST	\$ 11,709	\$ 24,569
Rates	71,396	91,478
Own funds		
General operating	211,929	152,986
Water capital	72	-
	<u>295,106</u>	<u>269,033</u>
Financial liabilities		
Trade payables and accruals	29,597	57,290
Deferred revenue	7,686	7,279
	<u>37,283</u>	<u>64,569</u>
Net financial assets	257,823	204,464
Non-financial assets		
Prepaid expenses	<u>3,265</u>	<u>3,476</u>
Accumulated surplus	<u>\$ 261,088</u>	<u>\$ 207,940</u>

On behalf of the Town



Mayor



Chief Administration Officer

**Town of Mulgrave
Water Operating Fund
Schedule to Statement of Operations**

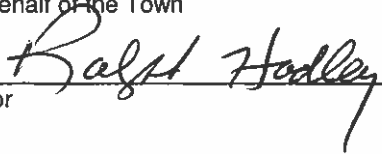
Year ended March 31	2019 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
Operating expenditures			
Power & pumping			
Electricity	\$ 70,000	\$ 74,914	\$ 61,286
Maintenance	11,000	11,602	3,402
	<u>81,000</u>	<u>86,516</u>	<u>64,688</u>
Purification			
Salaries & benefits	76,200	69,391	57,670
Training	4,400	1,482	2,419
Chemicals	42,000	38,842	39,342
Testing	14,000	12,435	12,401
Other	6,200	2,822	6,335
	<u>142,800</u>	<u>124,972</u>	<u>118,167</u>
Transmission & distribution			
Salaries and benefits	19,000	25,836	17,462
Maintenance	7,000	8,567	4,611
Vehicle	5,400	3,677	5,264
	<u>31,400</u>	<u>38,080</u>	<u>27,337</u>
Administration & general			
Salaries and benefits	39,800	44,949	38,605
Audit	5,000	4,021	4,761
Insurance	12,500	9,980	11,378
Office	28,900	22,245	18,314
	<u>\$ 86,200</u>	<u>\$ 81,195</u>	<u>\$ 73,058</u>

**Town of Mulgrave
Water Capital Fund
Statement of Financial Position**

March 31	2019	2018
Financial assets		
Cash and cash equivalents	\$ 367,489	\$ 360,113
	<u>367,489</u>	<u>360,113</u>
Financial liabilities		
Holdbacks payable	5,495	5,495
Water payable	4,593	-
Due to water operating	72	-
Long-term debt	<u>1,440,000</u>	<u>1,520,000</u>
	<u>1,450,160</u>	<u>1,525,495</u>
Net debt	(1,082,671)	(1,165,382)
Non-financial assets		
Tangible capital assets	5,518,176	5,468,467
Less: accumulated amortization	(533,238)	(461,429)
Debenture discount	11,217	12,090
Deferred contributions	<u>(2,535,506)</u>	<u>(2,561,117)</u>
	<u>2,460,649</u>	<u>2,458,011</u>
Investment in capital assets	\$ 1,377,978	\$ 1,292,629

On behalf of the Town

Mayor



Chief Administration Officer



**Town of Mulgrave
Water Capital Fund
Statement of Investment in Tangible Capital Assets**

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Year Ended March 31	2019	2018
Balance, beginning of year	\$ 1,292,629	\$ 1,208,364
Amortization of discount on debentures	(864)	(930)
Interest earned	6,213	5,194
Term debt retired	<u>80,000</u>	<u>80,000</u>
Balance, end of year	\$ 1,377,978	\$ 1,292,629

Statement of Deferred Contributions

Year Ended March 31	2019	2018
Balance, beginning of year	\$ 2,561,117	\$ 2,571,423
Amortization of deferred contributions	<u>25,611</u>	<u>10,306</u>
Balance, end of year	\$ 2,535,506	\$ 2,561,117

Statement of Continuity of Depreciation Funds

Year Ended March 31	2019	2018
Balance, beginning of year	\$ 289,384	\$ 255,081
Current amortization, net of amortization of deferred contributions	46,206	36,763
Interest earned	6,213	5,194
Purchase of tangible capital assets	<u>(49,708)</u>	<u>(7,655)</u>
Balance, end of year	\$ 292,095	\$ 289,384