

**MUNICIPALITY OF THE  
DISTRICT OF EAST HANTS**

**FINANCIAL REPORT**

March 31, 2019



**EAST HANTS**  
**We live it!**

Municipality of the District of East Hants

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March 31, 2019

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## Independent Auditor's Report

His Worship the Warden and  
Members of Council of the  
Municipality of the District of East Hants

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of the Municipality of the District of East Hants (the "Municipality"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, changes 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 (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at March 31, 2019, and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

### **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 GAAS 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 GAAS, 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 Municipality'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 Municipality'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 Municipality 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.

*Deloitte LLP*

Chartered Professional Accountants  
Halifax, Nova Scotia  
August 6, 2019

**Municipality of the District of East Hants  
Consolidated Statement of Financial Position  
As at March 31, 2019**

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 29,738,900	\$ 25,904,233
Taxes and water rates receivable (Note 3)	2,545,240	2,506,376
Accounts receivable (Note 4)	2,058,042	1,501,240
	<u>34,342,182</u>	<u>29,911,849</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	3,688,241	2,586,113
Deferred revenue - general	1,650,058	1,554,235
Deferred revenue - obligatory reserve (Note 6)	3,739,683	3,553,916
Employee future benefits (Note 9 & 10)	2,016,663	1,621,969
Tax sale surplus	386,547	337,122
Net Long-term liabilities (Note 8)	27,468,973	24,730,475
	<u>38,950,165</u>	<u>34,383,830</u>
<b>NET DEBT</b>	<b>(4,607,983)</b>	<b>(4,471,981)</b>
<b>NON FINANCIAL ASSETS</b>		
Net tangible capital assets (Note 7)	77,824,552	72,276,659
Work in progress (Note 7)	7,412,413	6,407,201
Inventory and prepaid expenses	516,876	504,239
	<u>85,753,841</u>	<u>79,188,099</u>
<b>ACCUMULATED SURPLUS (Note 12d)</b>	<b>\$ 81,145,858</b>	<b>\$ 74,716,118</b>

Contingency (Note 15)

Approved on Behalf of the Municipality  
of the District of East Hants

  
.....Warden

  
.....Clerk

Municipality of the District of East Hants  
Consolidated Statement of Operations  
Year Ended March 31, 2019

	2019 Budget Unaudited (Note 16)	2019 Actual	2018 Actual
<b>Revenues</b>			
Property taxes (Note 13)	\$ 26,662,673	\$ 26,917,549	\$ 26,104,755
Grants in lieu of taxes	178,010	179,054	178,010
Sale of services	1,029,191	1,184,809	1,063,209
Other revenue from own sources	869,558	1,435,914	1,184,595
Unconditional transfers from other governments	186,934	220,626	447,646
Conditional transfers from federal or provincial government	327,920	319,086	163,352
Government grants	2,897,313	2,897,314	3,388,247
Development and other contributions applied	1,463,669	1,457,267	454,178
Water utility	2,029,137	2,074,546	1,850,039
<b>Total Revenues</b>	<b>35,644,405</b>	<b>36,686,165</b>	<b>34,834,031</b>
<b>Expenses</b>			
General government services	6,180,317	5,940,375	4,738,669
Protective services	7,185,580	7,110,328	7,342,670
Education services (Note 13)	5,152,791	5,152,788	4,953,756
Social services (Note 13)	65,550	65,550	59,788
Transportation services	2,136,422	2,059,674	1,987,115
Environmental health services	4,745,353	4,636,760	4,586,177
Environmental development services	1,698,382	1,362,626	1,225,405
Landfill closure/post closure (recovery) costs	-	(46,353)	(56,671)
Recreation and cultural services	2,037,980	2,003,683	1,946,309
Water utility	2,141,899	1,970,994	1,958,470
<b>Total Expenses</b>	<b>31,344,274</b>	<b>30,256,425</b>	<b>28,741,688</b>
<b>Annual Surplus</b>	<b>4,300,131</b>	<b>6,429,740</b>	<b>6,092,343</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>74,716,118</b>	<b>74,716,118</b>	<b>68,623,775</b>
<b>Accumulated Surplus, End of Year</b>	<b>\$ 79,016,249</b>	<b>\$ 81,145,858</b>	<b>\$ 74,716,118</b>

Municipality of the District of East Hants  
Consolidated Statement of Changes of Net Debt  
Year Ended March 31, 2019

	2019 Budget Unaudited (Note 16)	2019 Actual	2018 Actual
Annual Surplus	\$ 4,300,131	6,429,740	\$ 6,092,343
<b>Tangible Capital Assets and Work-in-Progress</b>			
Acquisition of tangible capital assets	(12,930,404)	(9,494,722)	(5,555,151)
Amortization of tangible capital assets	2,841,802	2,841,802	2,775,511
Net gain on sale of tangible capital assets	(93,186)	(93,186)	(873,237)
Proceeds on sale of tangible capital assets	193,000	193,000	1,343,570
	<u>(9,988,787)</u>	<u>(6,553,105)</u>	<u>(2,309,307)</u>
<b>Other Non-Financial Assets</b>			
Increase in inventory and prepaid expenses	-	(12,637)	(243,865)
<b>Decrease (Increase) in Net Debt</b>	<b>(5,688,656)</b>	<b>(136,002)</b>	<b>3,539,171</b>
<b>Net Debt, Beginning of Year</b>	<b>(4,471,981)</b>	<b>(4,471,981)</b>	<b>(8,011,152)</b>
<b>Net Debt, End of Year</b>	<b>\$ (10,160,637)</b>	<b>(4,607,983)</b>	<b>\$ (4,471,981)</b>



Municipality of the District of East Hants  
Consolidated Statement of Cash Flow  
Year Ended March 31, 2019

	2019	2018
<b>Operating Transactions</b>		
Annual surplus	\$ 6,429,740	\$ 6,092,343
Add amortization of tangible capital assets	2,841,802	2,775,511
	<u>9,271,543</u>	<u>8,867,854</u>
<b>Changes in Non-Cash Assets and Liabilities</b>		
Increase in accounts receivable	(556,802)	(325,533)
(Increase) decrease in taxes receivable	(38,864)	13,221
Increase in accounts payable and accruals	1,102,128	747,861
Increase (decrease) in tax sale surplus	49,425	(40,234)
Increase (decrease) in deferred revenue	281,590	(100,678)
Increase in employee benefits/other obligations	394,694	357,404
Increase in inventory and prepaid expenses	(12,637)	(243,865)
Net gain on sale of tangible capital assets	(93,186)	(873,237)
	<u>1,126,348</u>	<u>(465,061)</u>
<b>Net Change in Cash From Operations</b>	<b>10,397,890</b>	<b>8,402,793</b>
<b>Financing Transactions</b>		
Long-term liabilities issued	5,000,000	-
Long-term liabilities retired (Note 8c)	(2,261,501)	(1,748,535)
	<u>2,738,499</u>	<u>(1,748,535)</u>
<b>Capital Transactions</b>		
Additions to tangible capital assets	(8,489,510)	(423,923)
Increase in work in progress	(1,005,212)	(5,131,228)
Proceeds on sale of tangible capital assets	193,000	1,343,570
	<u>(9,301,722)</u>	<u>(4,211,581)</u>
<b>Increase in Cash Position</b>	<b>3,834,667</b>	<b>2,442,677</b>
<b>Cash Position, Beginning of Year</b>	<b>25,904,233</b>	<b>23,461,556</b>
<b>Cash Position, End of Year</b>	<b>\$ 29,738,900</b>	<b>\$ 25,904,233</b>

**1. Significant Accounting Policies**

The consolidated financial statements of the Municipality of East Hants “Municipality” are the representations of management prepared in accordance with Canadian Public Sector accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the Municipality of East Hants are as follows:

**a) Reporting Entity**

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and changes in net debt and financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable to the Municipality for the administration of their financial affairs and resources and which are owned or controlled by the Municipality, namely:

- General Operating and Capital
- Water Utility Operating and Capital

Inter-departmental and inter-organizational transactions and balances between these entities and organizations are eliminated.

**b) Fund Accounting**

Funds within the consolidated financial statements consist of current, capital and reserve funds.

Council approves certain amounts to be set aside in reserves and reserve funds for future operating and capital purposes. Transfers between funds are recorded as adjustments to the appropriate fund balance.

**c) Revenue and Expenditure Recognition**

Revenues are recorded using the accrual basis of accounting as they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as Deferred Revenue - Obligatory Reserve Funds until used for the purpose specified. Expenditures are recognized using the accrual method of accounting.

Property tax revenue is based on assessments determined in accordance with the Province of Nova Scotia legislation. Tax rates are set annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. Penalties on overdue taxes are recorded in the period levied.

1. **Significant Accounting Policies (Continued)**

d) **Tangible Capital Assets**

Tangible capital assets are recorded in accordance with section 3150 of the PSAS Handbook and are recorded at cost less accumulated amortization.

Amortization has been calculated on a straight-line basis over an asset's useful life as follows:

Land Improvements	20 years
Municipal Buildings	40 years
Buildings - Plants	25 years
Machinery and Equipment	5 - 10 years
Vehicles - residual value \$10,000	4 years
Engineered Structures	
Roadway Systems	50 years
Sidewalks	20 years
LED Streetlights	10 years
Sewer Collection and Disposal	40 - 50 years
Landfill Infrastructure	25 years
Industrial Park Infrastructure	40 years

Water Utility assets are depreciated in accordance with the Nova Scotia Utility and Review Board Accounting and Reporting Handbook section 3040 and 3042.

e) **Deferred Revenue**

Deferred revenue consists of user charges and fees which have been collected but for which the related services have yet to be performed, at which time they will be recognized as revenues.

The Municipality receives infrastructure charge contributions and payments in lieu of green space under provisions of Municipal By-Laws. These funds by their nature are restricted in their use and until applied to applicable capital works, are recorded as Deferred Revenue - Obligatory Reserve Funds. As applied to capital projects, they are recorded as revenue in the year the funds are expended.

f) **Government Contributions**

Government contributions are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met. Exceptions to this are when the transfer includes stipulations which have not yet been met and cause the Municipality to incur a liability.

g) **Investment Income**

Investment income earned on surplus current funds, capital funds, and reserve funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is reported as part of the respective deferred revenue balance.

1. **Significant Accounting Policies (Continued)**

**h) Employee Future Benefits**

The present value of the cost of providing employees with future benefits programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is actuarially determined using the projected cost method pro-rated on service and management's best estimate of retirement ages of employees and expected health care and other costs.

**i) Budget Figures**

Council completes separate budget reviews for its operating, water utility and capital budgets each year. The approved operating and water utility budget for 2019 is reflected on the Schedule of Current Fund Municipal Operations and Schedule of Current Fund Water Utility. For capital spending, budgets are set for individual projects and funding for these activities is determined annually and made by transfers from reserve funds, transfers from the operating/water utility funds, by the application of applicable grants, other funds available and by debt financing. As many capital projects are carried out over one or more years, it is not practical to present annualized budget information on the Schedule of Capital Fund Operations.

**j) PSAS Budget**

The consolidated financial statements include an unaudited PSAS budget.

With the exception of the water utility budget, amortization and the gain/loss on the sale of assets were not contemplated during the development of the budget and, as such, have been included using actual figures for the budget value.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed as a schedule - Reconciliation of the Financial Plan to the PSAS Budget.

**k) Use of Estimates**

The preparation of these statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and to disclose contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. The Municipality relies on estimates to calculate the landfill liability, pension liability, sick leave liability, allowance for doubtful accounts and the amortization expenses.

**l) Segmented Information**

East Hants is a diversified municipal government that provides a wide range of municipal programs and services to its constituents, including fire, RCMP, waste and recycling services, water supply and distribution, wastewater treatment, libraries, recreation, and tourism. Segmented information has been prepared by major functional classification, consistent with the Consolidated Statement of Operations and provincially legislated requirements.

1. **Significant Accounting Policies (Continued)**

l) **Segmented Information (Continued)**

The major segments are as follows:

General government services: Activities that provide for the overall operation of the Municipality and that are common to, or affect all of the services provided by the Municipality. This includes the administrative arm of the Municipality (finance, taxation & collection, facilities management (including interest on debt charges), information services, Chief Administrative Officer and human resources) and legislative activities related to the Warden and Council of the Municipality, including their remuneration and expenses.

Protective services: Activities that provide for the public safety of the inhabitants of the Municipality, such as RCMP protection, transfers to correctional services, bylaw enforcement, building inspection, emergency measures, fire department grants and levies and fire hydrants.

Education Services: Mandatory education transferred to Chignecto-Central Regional School Board.

Social Services: Payments made to Housing Nova Scotia to cover the deficits of the public housing authorities in the region.

Transportation services: Activities, transfers and related debt for roads, sidewalks and LED lighting.

Environmental health services: Activities that provide environmentally regulated services, including sewage collection, treatment & disposal, waste management center operations, multi stream waste collection and disposal programs and engineering/environmental stewardship.

Environmental development services: Activities that support and control the Municipality's economic development including environmental planning and zoning, industrial park development, tourism and community development.

Recreation and cultural services: Activities that provide recreation and cultural services, including recreational facilities, libraries, and cultural buildings.

Water Utility: Activities related to the operations of the East Hants Water Utility, a 2,789 customer utility that operates two modern water treatment plants and related infrastructure.

2. **Cash**

Cash is comprised of:

	<u>2019</u>	<u>2018</u>
Bank	\$ 26,460,603	\$ 22,870,318
Restricted cash (obligatory reserves)	3,278,297	3,033,915
	<u>\$ 29,738,900</u>	<u>\$ 25,904,233</u>

Municipality of the District of East Hants  
Notes to the Consolidated Financial Statements  
Year Ended March 31, 2019

2. **Cash (Continued)**

Administered bank accounts

The Municipality administers bank accounts for Lantz, Maitland, Milford, Mount Uniacke, Nine Mile River, Noel, Rawdon, Shubenacadie and Walton Fire Departments. These bank accounts are held in the name of the Municipality of the District of East Hants but do not belong to the Municipality and therefore these accounts are not included in these financial statements.

3. **Taxes and Water Rates Receivable**

Taxes and water rates receivable have been recorded net of an allowance for doubtful accounts of \$25,267 (2018 - \$28,776), representing management's estimate of uncollectible accounts.

4. **Accounts Receivable**

The balance for accounts receivable on the consolidated Statement of Financial Position totaled \$2,058,042 (2018 - \$1,501,240). The balance is comprised of the following:

	<u>2019</u>	<u>2018</u>
Amounts owing from government	\$ 904,847	\$ 535,186
Loan to Lantz fire department	235,988	253,671
Local Improvement Loan	94,200	106,800
Other	823,007	605,583
	<u>\$ 2,058,042</u>	<u>\$ 1,501,240</u>

In 2008/2009 the Municipality loaned the Lantz Volunteer Fire Department the amount of \$370,000 as per section 66(4)(e) of the Municipal Government Act (MGA). The loan period is for 15 years and it is interest bearing that escalates from 3.10% in year one to 5.48% in year 15. At this time the loan is in good standing but the Municipality has the ability (if needed) to withhold the Fire Levy as collateral on the loan.

5. **Accounts Payable and Accrued Liabilities**

	<u>2019</u>	<u>2018</u>
Liability for landfill closure/post closure	\$ 182,212	\$ 228,565
Salaries and wages payable	262,872	224,479
Trade payables and accruals	3,243,157	2,133,069
	<u>\$ 3,688,241</u>	<u>\$ 2,586,113</u>

Municipality of the District of East Hants  
Notes to the Consolidated Financial Statements  
Year Ended March 31, 2019

6. Deferred Revenue - Obligatory Reserve

	<u>2019</u>	<u>2018</u>
Sewer balance March 31, 2018	\$ 2,636,908	\$ 2,505,722
Sewer developer charges	163,587	99,828
Sewer developer interest	51,431	31,358
Transfer - Capital Projects	(203,375)	-
Transfer - Common Forcemain Easement	(3,598)	-
Sewer balance March 31, 2019	<u>\$ 2,644,953</u>	<u>\$ 2,636,908</u>
Water balance March 31, 2018	\$ 857,117	\$ 1,140,006
Water developer charges	163,587	93,828
Water developer interest	13,069	12,254
Transfer - Lantz & Enfield Easements	(12,464)	(388,971)
Water balance March 31, 2019	<u>\$ 1,021,308</u>	<u>\$ 857,117</u>
Green Space balance March 31, 2018	\$ 59,891	\$ 14,916
Green Space contributions	12,240	44,766
Green Space interest	1,291	209
Green Space balance March 31, 2019	<u>\$ 73,422</u>	<u>\$ 59,891</u>
Sewer Developer Charges	\$ 2,644,953	\$ 2,636,908
Water Developer Charges	1,021,308	857,117
Green Space Contributions	73,422	59,891
	<u>\$ 3,739,683</u>	<u>\$ 3,553,916</u>

Municipality of the District of East Hants

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

**7. Tangible Capital Asset Continuity Schedule**

	General Capital Assets				Infrastructure				2019 TOTAL	2018 TOTAL
	Land & Land Improvements	Buildings	Machinery & Equipment	Vehicles	Engineered Structures	Industrial Parks	Water Utilities	Assets in WIP		
<b>Cost</b>										
Opening Costs	\$ 3,939,762	\$ 13,056,690	\$ 2,897,231	\$ 362,927	\$ 57,083,678	\$ 6,332,093	\$ 23,924,750	\$ 6,407,201	\$ 114,004,332	\$ 109,025,552
Additions during year	1,044,266	-	341,224	32,671	1,397,524	-	5,676,197	6,293,270	14,785,153	5,558,016
Disposals & Write downs	(92,825)	-	-	(27,961)	-	(2,372)	(96,373)	(5,288,058)	(5,507,589)	(579,236)
Closing Costs	4,891,203	13,056,690	3,238,455	367,637	58,481,202	6,329,721	29,504,574	7,412,413	123,281,895	114,004,332
<b>Accumulated Amortization</b>										
Opening Accum. Amortization	41,013	3,919,077	2,250,487	152,278	21,758,276	1,597,455	5,601,886	-	35,320,472	32,650,999
Amortization in Year	45,799	441,458	192,539	46,249	1,532,957	168,832	413,967	-	2,841,802	2,775,511
Adj/Disposals - Accum Amort	-	-	-	(20,971)	-	-	(96,373)	-	(117,344)	(106,038)
Acc Amort - End of Year	86,813	4,360,535	2,443,026	177,557	23,291,233	1,766,287	5,919,480	-	38,044,930	35,320,472
<b>Net Book Value</b>	\$ 4,804,390	\$ 8,696,155	\$ 795,429	\$ 190,080	\$ 35,189,969	\$ 4,563,434	\$ 23,585,094	\$ 7,412,413	\$ 85,236,965	\$ 78,683,860



Municipality of the District of East Hants  
Notes to the Consolidated Financial Statements  
Year Ended March 31, 2019

**8. Long-Term Liabilities**

- a) Of the \$27,468,973 long-term liabilities (2018 - \$24,730,475) certain payments represent a burden on general Municipal Revenues, as they are to be recovered in future years from other sources.

	<u>2019</u>	<u>2018</u>
General revenues	\$ 7,146,643	\$ 2,595,832
Local improvement charges	109,534	148,506
Area rates	7,693,610	8,689,280
Sale of land in Business Parks	2,266,456	2,517,705
Water charges	4,079,960	4,309,122
Tenants rent	5,942,205	6,222,165
Loan to Lantz fire department	230,565	247,865
	<u>\$ 27,468,973</u>	<u>\$ 24,730,475</u>

- b) The total principal repayments in each of the next five years are as follows:

	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
Transportation	\$ 406,386	\$ 404,013	\$ 408,274	\$ 1,317,077	\$ 946,648
Environmental Development	783,226	403,924	177,450	178,791	145,192
Environmental Health	62,989	66,140	623,265	363,204	-
Sewers	95,897	99,213	102,780	103,332	107,230
Recreation	156,046	163,522	171,568	180,156	189,317
Buildings	291,280	3,086,875	98,000	99,900	102,000
Water Utilities	228,213	237,421	1,615,340	1,623,463	152,446
Hospital	32,770	34,563	35,932	145,600	140,268
Lantz Fire Department	18,200	19,135	20,120	21,160	151,950
Tourism	28,000	28,000	28,000	28,000	28,000
East Hants Aquatic Centre	200,000	200,000	200,000	200,000	200,000
Fire Dept Equipment	8,988	9,379	-	-	-
Total:	<u>\$ 2,311,995</u>	<u>\$ 4,752,185</u>	<u>\$ 3,480,729</u>	<u>\$ 4,260,683</u>	<u>\$ 2,163,051</u>

\* Principal Payments include balloon payments that may be re-financed

- c) Total charges for the year for long-term liabilities are as follows:

	<u>2019</u>	<u>2018</u>
Principal	\$ 2,261,501	\$ 1,748,535
Interest	1,100,127	1,137,064
	<u>\$ 3,361,628</u>	<u>\$ 2,885,599</u>

8. **Long-Term Liabilities (Continued)**

d) Total charges for the year for long-term liabilities were recorded as follows:

	<u>2019</u>	<u>2018</u>
General revenues	\$ 1,170,911	\$ 981,598
Local improvement charges	42,062	71,021
Area rates	1,373,336	1,106,322
Sale of land in business parks	348,512	298,107
Water charges	426,807	428,551
	<u>\$ 3,361,628</u>	<u>\$ 2,885,599</u>

e) Total long-term liabilities issued in 2018 were for the East Hants Aquatic Centre in the amount of \$5,000,000, amortized over 15 years with an interest rate of 2.490% to 3.551%.

9. **Employee Future Benefits**

The Municipality provides certain employee benefits that require funding in future periods. Under the personnel policies of the Municipality, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment. An actuarial valuation of the sick leave liability was completed within the March 31, 2017 fiscal year and has been recorded in the Consolidated Statement of Financial Position as at March 31, 2019.

10. **Pension Plan**

The Municipality operates a defined benefit pension plan, which provides benefits to employees upon retirement. The accrued benefit obligation as at March 31, 2019, is based on an actuarial valuation for accounting purposes as at December 31, 2017, with adjustments based on additional information provided to the actuary in 2018. The next actuarial valuation for accounting purposes is to be prepared as of December 31, 2018. The accrued benefit obligation has changed due to, among other assumption changes, an increase in the discount rate used and the change in the mortality assumption. All plan assets are held by various Manulife Funds.

	Estimated <u>December 31, 2018</u>	Estimated <u>December 31, 2017</u>
Accrued Benefit Obligation	\$15,948,990	\$16,314,654
Fair Value Plan Asset	<u>10,201,273</u>	<u>10,449,798</u>
Funded Status - (Plan Deficit) Surplus	<u>\$ (5,747,717)</u>	<u>\$ (5,864,856)</u>

**10. Pension Plan (Continued)**

The significant actuarial assumptions adopted measuring the Municipality's accrued benefit obligation as at December 31, 2018 were as follows:

	<u>Dec.31, 2018</u>	<u>Dec. 31, 2017</u>
Expected long-term rate of return on plan assets	6.25%	6.25%
Rate of compensation increase	3.00%	3.00%
Discount rate used to determine benefit obligation	4.00%	3.50%

The Post-retirement mortality assumption was based on CPM2014 Public Sector Mortality with generational projection. The assumption in the prior valuation was 1994 Uninsured Pensioners (UP94) projected to 2018.

An actuarial valuation of the pension plan was performed for accounting purposes using the projected benefit method prorated on service. The unamortized actuarial loss is amortized over the expected average remaining service life ("EARSL") of the employee group; EARSL in 2019 was 19 years and it was 18 years in 2018.

	<u>Dec.31, 2018</u>	<u>Dec. 31, 2017</u>
Accrued benefit obligation, net of plan assets	\$5,747,717	\$5,864,856
Unamortized actuarial loss	<u>(3,981,951)</u>	<u>(4,467,972)</u>
Benefit liability recorded in the Statement of Financial Position	<u>\$1,765,766</u>	<u>\$1,396,884</u>

During the year, the Municipality contributed \$391,997 (\$474,462 in 2018) and the employees contributed \$218,673 (\$185,342 in 2018) to the plan. Benefit payments for the year totaled \$442,191 (\$516,083 in 2018).

Administrative fees paid during the 2018/2019 fiscal year totaled \$10,855; Plan Valuation costs were \$7,891.

**11. Solid Waste Management Facilities Liabilities**

The Municipality owns one landfill site for which the permit to operate expired December 31, 2005. As of March 31, 2007, the site has been capped in accordance with all applicable environmental regulations. The site, although not used as a residual waste disposal site, will continue to be used as a construction and demolition disposal site into the future. In addition, the site has an organics and waste transfer facility in operation. East Hants waste has been shipped to a facility outside of its borders since January 1, 2006.

The liability of \$182,212 (2018 - \$228,565) is felt to approximate the present value of post closure costs of the site in accordance with current regulations and has been reported on the Consolidated Statement of Financial Position as an accounts payable and accrued liabilities. Costs relating to the post closure of this site include cost for maintenance of sedimentation ponds and testing of the monitoring wells on the site for 30 years after closure. Closure/post closure costs include managements' best estimates of what those costs will be, based on input from engineers on staff. Some costs are projected at an inflation rate of .1%. All costs are discounted using a rate of 6%.

The liability for closure/post closure has been fully funded.

Municipality of the District of East Hants  
Notes to the Consolidated Financial Statements  
Year Ended March 31, 2019

12. Municipal Fund Balances

a) The current fund balance is comprised of the following:

	<u>2019</u>	<u>2018</u>
Long term liabilities to fund Hospital	\$ (761,117)	\$ (792,472)
Long term liabilities to fund Sportsplex	(2,449,854)	(2,599,013)
Unfunded pension liability	(1,765,766)	(1,396,884)
Landfill liability funded by reserves	(182,212)	(228,565)
	<u>\$ (5,158,949)</u>	<u>\$ (5,016,934)</u>
Water utility operation	1,244,367	962,975
	<u>\$ (3,914,582)</u>	<u>\$ (4,053,959)</u>

b) The capital asset fund balance is comprised of the following:

	<u>2019</u>	<u>2018</u>
Tangible capital assets	\$ 77,824,552	\$ 72,276,659
Work in progress	7,412,413	6,407,201
Long term financing overage (shortage)	327,949	(340,480)
Long term liabilities capital	(23,933,237)	(20,984,319)
	<u>\$ 61,631,677</u>	<u>\$ 57,359,061</u>

c) Reserves and reserve funds set aside for specific purposes by Council or required by legislation are comprised of the following:

	<u>2019</u>	<u>2018</u>
Working funds	\$ 14,911,807	\$ 13,425,667
Replacement of equipment/assets	8,334,744	7,756,784
Landfill closure/post closure liability	182,212	228,565
	<u>\$ 23,428,763</u>	<u>\$ 21,411,016</u>

Municipality of the District of East Hants  
Notes to the Consolidated Financial Statements  
Year Ended March 31, 2019

12. Municipal Fund Balances (Continued)

d) Consolidated Accumulated Surplus:

	<u>2019</u>	<u>2018</u>
Current funds	\$ (3,914,582)	\$ (4,053,959)
Capital asset funds	61,631,677	57,359,061
Reserve funds	23,428,763	21,411,016
	<u>\$ 81,145,858</u>	<u>\$ 74,716,118</u>

13. Taxation

	<u>2019</u>	<u>2018</u>
Taxation from real property	\$ 26,917,549	\$ 26,104,755
Less: Taxation collected to pay mandatory provincial taxes for:		
Education Services	(5,152,788)	(4,953,756)
Social Services	(65,550)	(59,788)
Corrections	(289,216)	(286,763)
Net taxes available for municipal purposes	<u>\$ 21,409,995</u>	<u>\$ 20,804,448</u>

Municipality of the District of East Hants  
Notes to the Consolidated Financial Statements  
Year Ended March 31, 2019

14. **Remuneration and Expenses Paid to Council Members and the CAO**

Council	<u>Stipend/Salary</u>	<u>Expenses</u>	<u>Total</u>
Warden James D. Smith	\$ 40,891	\$ 4,583	\$ 45,474
Cecil Dixon	20,821	2,121	22,942
Stephen King	20,821	788	21,609
Eldon Hebb	20,821	2,824	23,645
Pam Macinnis	22,307	3,592	25,899
Keith Rhyno	21,588	1,021	22,609
Wayne Greene	25,703	832	26,535
Heather A. Smith	20,821	544	21,365
Cyril McDonald	754	-	754
Michael Perry	16,867	584	17,451
Elie Moussa	22,354	2,255	24,609
Eleanor Roulston	21,588	544	22,132
Chief Administrative Officer*	227,650	5,945	233,595
	<u>\$ 482,986</u>	<u>\$ 25,633</u>	<u>\$ 508,619</u>

\* CAO remuneration includes the value of retirement benefits

15. **Contingency**

The Municipality has guaranteed a loan on behalf of the Lantz Fire Department totaling \$230,565 (2018 - \$247,865).

16. **Budget Figures**

The Municipality's Operating, Water Utility, and Capital Budgets are approved by Council. The budget figures are not subject to audit procedures.

Municipality of the District of East Hants  
Schedule of Current Fund Operations - Municipal Operations  
Year Ended March 31, 2019

	2019 Budget (Unaudited)	2019 Actual	2018 Actual
<b>Revenue</b>			
Property taxes	\$ 26,662,673	\$ 26,917,549	\$ 26,104,755
Grants in lieu of taxes	178,010	179,054	178,010
Sale of services	1,029,191	1,184,809	1,063,209
Other revenue from own sources	1,719,496	1,757,022	1,718,194
Unconditional transfers from other governments	186,934	220,626	447,646
Conditional transfers from federal or provincial government agencies	327,920	319,086	163,352
Development and other contributions applied	10,000	3,598	-
Other transfers	400,000	905,000	275,000
	<u>30,514,224</u>	<u>31,486,744</u>	<u>29,950,166</u>
<b>Expenses</b>			
General government services	6,407,115	6,156,060	5,672,800
Protective services	7,678,790	7,603,538	7,827,206
Education	5,152,791	5,152,788	4,953,756
Social services	65,550	65,550	59,788
Transportation services	1,096,575	1,019,827	949,360
Environmental health services	4,456,220	4,852,953	4,088,826
Environmental development services	1,529,550	1,265,342	1,270,499
Landfill closure/post closure costs (recovery)	-	(46,353)	(56,671)
Recreation and cultural services	2,048,266	2,011,453	1,966,365
	<u>28,434,857</u>	<u>28,081,158</u>	<u>26,731,929</u>
<b>Net Revenue</b>	<u>2,079,367</u>	<u>3,405,586</u>	<u>3,218,237</u>
<b>Financing and Transfers</b>			
Debt principal repayment	2,032,339	2,002,438	1,499,062
Decrease in amounts to be recovered	-	(322,530)	(276,957)
Transfer to capital fund	105,000	55,235	111,419
Transfer to capital reserves	(207,110)	574,763	204,856
Transfer to operating reserves	149,138	1,095,680	1,679,857
	<u>2,079,367</u>	<u>3,405,586</u>	<u>3,218,237</u>
<b>Change in Fund Balance</b>	-	-	-
<b>Opening Fund Balance</b>	(5,016,934)	(5,016,934)	(4,912,816)
<b>Change in Long-Term Liabilities</b>	180,518	180,516	172,839
<b>Change in Unfunded Pension Liability</b>	-	(368,884)	(333,628)
<b>Change in Landfill Liability</b>	-	46,353	56,671
<b>Closing Fund Balance (Note 12)</b>	<u>\$ (4,836,416)</u>	<u>\$ (5,158,949)</u>	<u>(5,016,934)</u>

Municipality of the District of East Hants  
 Schedule of Financial Position - Municipal Operations  
 Year Ended March 31, 2019

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 4,325,485	\$ 3,958,221
Taxes and rates receivable	1,887,252	1,876,063
Accounts receivable	1,204,953	1,085,973
	<u>7,417,690</u>	<u>6,920,257</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,807,847	1,670,934
Deferred revenue - general	1,589,682	1,495,995
Deferred revenue - obligatory reserve	3,739,683	3,553,916
Employee benefits and other obligations	2,016,663	1,621,968
Tax sale surplus	386,547	337,122
Long term liabilities	3,535,736	3,746,154
	<u>13,076,158</u>	<u>12,426,089</u>
<b>NET DEBT</b>	<u>(5,658,468)</u>	<u>(5,505,832)</u>
<b>NON FINANCIAL ASSETS</b>		
Inventory and prepaid expenses	499,519	488,898
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<u>\$ (5,158,949)</u>	<u>\$ (5,016,934)</u>



Municipality of the District of East Hants  
 Schedule of Current Fund Operations - Water Utility  
 Year Ended March 31, 2019

	2019 Budget (Unaudited)	2019 Actual	2018 Actual
<b>Revenue</b>	<u>\$ 2,559,611</u>	<u>\$ 2,605,021</u>	<u>\$ 2,360,398</u>
<b>Expenses</b>			
Operating	1,644,204	1,459,340	1,490,597
Interest on debt	197,645	197,645	208,127
Amortization expense	420,145	413,967	356,023
	<u>2,261,994</u>	<u>2,070,952</u>	<u>2,054,747</u>
<b>Net Revenue</b>	<u>297,617</u>	<u>534,069</u>	<u>305,651</u>
<b>Transfers and Financing</b>			
Principal debt payment	229,162	229,162	220,424
Transfer to capital	31,250	23,515	30,742
	<u>260,412</u>	<u>252,677</u>	<u>251,166</u>
<b>Change in Fund Balance</b>	<u>37,205</u>	<u>281,392</u>	<u>54,485</u>
<b>Opening Fund Balance</b>	<u>962,975</u>	<u>962,975</u>	<u>908,490</u>
<b>Closing Fund Balance</b>	<u>\$ 1,000,180</u>	<u>\$ 1,244,367</u>	<u>\$ 962,975</u>

Municipality of the District of East Hants  
 Schedule of Financial Position - Water Utility  
 Year Ended March 31, 2019

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 636,508	\$ 381,910
Water rates receivable	657,988	630,313
Accounts receivable	30,172	25,974
	<u>1,324,668</u>	<u>1,038,197</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	48,528	50,492
Deferred revenue - general	49,130	40,071
	<u>97,658</u>	<u>90,563</u>
<b>NET ASSETS</b>	<u>1,227,010</u>	<u>947,634</u>
<b>NON FINANCIAL ASSETS</b>		
Inventory and prepaid expenses	17,357	15,341
<b>ACCUMULATED SURPLUS</b>	<u>\$ 1,244,367</u>	<u>\$ 962,975</u>

Municipality of the District of East Hants  
 Schedule of Capital Fund Operations - Municipal Operations  
 Year Ended March 31, 2019

	2019 Actual	2018 Actual
<b>Revenue</b>		
Government grants	\$ 1,769,862	\$ 2,541,136
Development and other contributions applied	1,453,669	454,178
	<u>3,223,531</u>	<u>2,995,314</u>
<b>Expenses</b>		
General government services	278,166	(425,442)
Protective services	37,264	25,823
Transportation services	1,039,847	1,037,755
Environmental health services	778,049	858,877
Environmental development services	97,284	(45,094)
Recreation and cultural services	104,039	94,333
	<u>2,334,649</u>	<u>1,546,252</u>
<b>Net Revenue</b>	888,882	1,449,062
<b>Financing and Transfers</b>		
Principal payments	(2,051,082)	(1,546,648)
Transfers from reserves	(1,253,902)	(705,063)
Transfers from operations	(78,750)	(142,161)
	<u>(3,383,734)</u>	<u>(2,393,872)</u>
<b>Change in Fund Balance</b>	4,272,616	3,842,934
<b>Opening Fund Balance</b>	57,359,061	53,516,127
<b>Closing Fund Balance (Note 12)</b>	<u>\$ 61,631,677</u>	<u>\$ 57,359,061</u>

Municipality of the District of East Hants  
 Schedule of Financial Position - Municipal Capital Fund  
 Year Ended March 31, 2019

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,348,144	\$ 153,086
Accounts receivable	822,917	389,293
	<u>2,171,061</u>	<u>542,379</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,831,866	864,687
Deferred revenue - general	11,246	18,169
Net long term liabilities	23,933,237	20,984,322
	<u>25,776,349</u>	<u>21,867,178</u>
<b>NET DEBT</b>	<u>(23,605,288)</u>	<u>(21,324,799)</u>
<b>NON FINANCIAL ASSETS</b>		
Net tangible capital assets	77,824,552	72,276,659
Work in progress	7,412,413	6,407,201
	<u>85,236,965</u>	<u>78,683,860</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 61,631,677</u>	<u>\$ 57,359,061</u>

Municipality of the District of East Hants  
 Schedule of Reserve Operations  
 Year Ended March 31, 2019

	2019 Actual	2018 Actual
<b>Revenue</b>		
Investment income	\$ 473,754	\$ 272,281
Government grants	1,127,452	847,111
	<u>1,601,206</u>	<u>1,119,392</u>
<b>Net Transfers From/To Other Funds</b>		
Transfers from Current Fund	(1,670,443)	(1,884,713)
Transfers to Capital Fund	1,253,902	705,063
	<u>(416,541)</u>	<u>(1,179,650)</u>
<b>Net Change in Reserve Funds</b>	<b>2,017,747</b>	<b>2,299,042</b>
<b>Opening Reserve Fund Balance</b>	<b>21,411,016</b>	<b>19,111,974</b>
<b>Closing Reserve Fund Balance (Note 12)</b>	<b>\$ 23,428,763</b>	<b>\$ 21,411,016</b>
<b>Analyzed as follows:</b>		
Reserves set aside for specific purposes		
Operating Contingencies/Surplus	\$ 4,166,791	3,660,824
General Government	1,981,960	2,137,401
Solid Waste Management Facilities/Equipment	2,237,343	2,019,032
Office Equipment	261,373	281,982
Computer Hardware/Software	467,611	380,452
Aquatic Centre	1,133,154	-
Pool Building and Equipment	250,628	240,873
Transportation and Equipment	1,323,129	1,191,840
Recreation and Leisure	32,205	73,946
Emergency Measures	225,507	217,628
Passenger Vehicles	202,707	178,896
Gas Tax Excess	3,121,859	2,575,595
Resource Center	205,966	182,100
Business Park Land Development (fr Sales)	1,256,169	1,375,213
Landfill Closure/Post Closure Costs	182,212	228,565
District Beautification Funds	24,390	18,287
Emergency Grant Fund-Fire Departments	340,971	311,364
Tourism Grant Fund/Capital	171,435	142,891
Economic Development Operations	174,082	167,987
District Recreation Grant Fund	278,774	271,453
Tourism Economic Development Fund	149,532	126,834
Rural Economic Development Fund	263,859	237,787
CSR Contingencies	1,786,574	1,662,009
Lights Communities	133,646	144,964
Lights Other Surplus	189,820	141,667
Sportsplex	174,318	116,654
Sewer System	325,982	236,080
Sidewalks Excess Debenture/Operations	330,939	474,117
East Hants Water system	2,035,826	2,614,576
	<u>\$ 23,428,763</u>	<u>\$ 21,411,016</u>

Municipality of the District of East Hants  
 Schedule of Financial Position - Reserves Fund  
 Year Ended March 31, 2019

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 23,428,763	\$ 21,411,016
	<u>23,428,763</u>	<u>21,411,016</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 23,428,763</u>	<u>\$ 21,411,016</u>

Municipality of the District of East Hants

Reconciliation of the Financial Plan to the PSAS Budget

Year Ended March 31, 2019

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Financial Plan Capital	Transfers Reserves	Debt Charges Principal	Elimination Entries	PSAS Budget
<b>REVENUE</b>								
Taxes	\$ 26,662,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,662,673
Water utility	-	2,559,611	-	-	-	-	(530,474)	2,029,137
Grants in lieu of taxes	178,010	-	-	-	-	-	-	178,010
Sale of services	1,029,191	-	-	-	-	-	-	1,029,191
Other revenue from own sources	1,719,496	-	-	-	-	-	(849,938)	869,558
Unconditional transfers from other	186,934	-	-	-	-	-	-	186,934
Conditional transfers from government	327,920	-	-	-	-	-	-	327,920
Government grants	-	-	-	2,897,313	-	-	-	2,897,313
Development and other contributions applied	10,000	-	-	1,453,669	-	-	-	1,463,669
Other transfers	400,000	-	-	-	-	-	(400,000)	-
Transfers from reserves (capital/operating)	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>30,514,224</b>	<b>2,559,611</b>	<b>-</b>	<b>4,350,982</b>	<b>-</b>	<b>-</b>	<b>(1,780,412)</b>	<b>35,644,405</b>
<b>EXPENSES</b>								
General government services	6,407,115	-	278,166	-	-	-	(504,964)	6,180,317
Protective services	7,678,790	-	37,264	-	-	-	(530,474)	7,185,580
Education services	5,152,791	-	-	-	-	-	-	5,152,791
Social Services	65,550	-	-	-	-	-	-	65,550
Transportation services	1,096,575	-	1,039,847	-	-	-	-	2,136,422
Environmental health services	4,456,220	-	799,687	-	-	-	(510,554)	4,745,353
Water utility	-	2,261,994	-	-	-	-	(120,095)	2,141,899
Environmental development services	1,529,550	-	168,832	-	-	-	-	1,698,382
Landfill closure/post closure costs	-	-	-	-	-	-	-	-
Recreation and cultural services	2,048,266	-	104,039	-	-	-	(114,325)	2,037,980
Transfer to capital	105,000	31,250	-	-	(136,250)	-	-	-
Debt charges - principal payment	2,032,339	229,162	-	(2,051,082)	-	(210,419)	-	-
Transfer to reserves (capital/operating)	(57,972)	-	-	-	57,972	-	-	-
<b>Total expenses</b>	<b>30,514,224</b>	<b>2,522,406</b>	<b>2,427,835</b>	<b>(2,051,082)</b>	<b>(78,278)</b>	<b>(210,419)</b>	<b>(1,780,412)</b>	<b>31,344,274</b>
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ 37,205</b>	<b>\$ (2,427,835)</b>	<b>\$ 6,402,064</b>	<b>\$ 78,278</b>	<b>\$ 210,419</b>	<b>\$ -</b>	<b>\$ 4,300,131</b>

Municipality of the District of East Hants  
Consolidated Schedule of Operations by Function  
Year Ended March 31, 2019

	*General Government	Protective Services	Transportation Services	Env. Health Services	Env. Developmnt Services	Other
<b>REVENUE</b>						
Property taxes	\$ 21,665,503	2,650,859	\$ 86,738	\$ 2,200,076	\$ -	\$ -
Grants in lieu of taxes	168,951	-	-	10,103	-	-
Sale of services	331,148	-	-	603,088	16,125	-
Other revenue from own sources	1,289,290	120,941	-	197,645	77,464	473,751
Unconditional transfers from other governments	113,441	-	-	101,300	-	-
Conditional transfers from federal or provincial government	-	-	-	94,143	7,309	-
Government grants	-	-	-	-	-	2,897,314
Development and other contributions applied	-	-	-	3,598	-	1,453,670
Other transfers	-	-	-	905,000	-	-
Water utility	-	-	-	-	-	-
Elimination Entries	(794,860)	-	-	(905,000)	-	-
<b>Total revenue</b>	<b>\$ 22,773,472</b>	<b>\$ 2,771,800</b>	<b>\$ 86,738</b>	<b>\$ 3,209,953</b>	<b>\$ 100,898</b>	<b>\$ 4,824,734</b>
<b>EXPENSES</b>						
Salaries, wages and benefits	\$ 2,679,026	\$ 297,180	\$ -	\$ 1,197,874	\$ 983,218	\$ -
Operating costs	3,212,502	7,273,497	810,966	3,500,441	177,415	5,218,338
Elimination Entries	(493,851)	(530,474)	-	(994,242)	-	-
Amortization	278,166	37,264	1,039,847	799,687	168,832	-
Interest on long term debt	264,532	32,861	208,861	108,286	104,708	-
<b>Total expenses</b>	<b>\$ 5,940,375</b>	<b>\$ 7,110,328</b>	<b>\$ 2,059,674</b>	<b>\$ 4,612,045</b>	<b>\$ 1,434,173</b>	<b>\$ 5,218,338</b>
Net gain on sale of TCA	-	-	-	10,990	71,548	-
<b>Surplus (Deficit)</b>	<b>\$ 16,833,097</b>	<b>\$ (4,338,528)</b>	<b>\$ (1,972,936)</b>	<b>\$ (1,402,092)</b>	<b>\$ (1,333,276)</b>	<b>\$ (393,604)</b>

\* General government includes revenues and expenses that cannot be attributed to a particular sector.



Municipality of the District of East Hants  
Consolidated Schedule of Operations by Function  
Year Ended March 31, 2019

	Recreation and Culture Services	Water Utility	2019 Total	2018 Total
<b>REVENUE</b>				
Property taxes	\$ 314,373	\$ -	26,917,549	\$ 26,104,755
Grants in lieu of taxes	-	-	179,054	178,010
Sale of services	234,448	-	1,184,809	1,063,209
Other revenue from own sources	71,683	-	2,230,773	1,990,475
Unconditional transfers from other governments	-	-	214,741	209,522
Conditional transfers from federal or provincial government	217,634	-	319,086	163,352
Government grants	5,885	-	2,903,199	3,626,371
Development and other contributions applied	-	-	1,457,268	454,178
Other transfers	-	-	905,000	275,000
Water utility	-	2,605,021	2,605,021	2,360,399
Elimination entries	-	(530,474)	(2,230,334)	(1,591,238)
<b>Total revenue</b>	<b>\$ 844,023</b>	<b>\$ 2,074,547</b>	<b>\$36,686,165</b>	<b>\$ 34,834,033</b>
<b>EXPENSES</b>				
Salaries, wages and benefits	\$ 870,242	\$ 517,170	\$ 6,544,709	\$ 6,119,283
Operating costs	957,976	942,171	\$22,093,306	21,174,306
Elimination entries	(111,809)	(99,958)	\$ (2,230,334)	(1,591,238)
Amortization	104,039	413,967	\$ 2,841,802	2,775,511
Interest on long term debt	183,234	197,645	\$ 1,100,127	1,137,064
<b>Total expenses</b>	<b>\$ 2,003,683</b>	<b>\$ 1,970,994</b>	<b>\$30,349,610</b>	<b>\$ 29,614,926</b>
Net gain on sale of TCA	-	10,648	93,186	873,237
<b>Surplus (Deficit)</b>	<b>\$ (1,159,660)</b>	<b>\$ 103,553</b>	<b>\$ 6,429,740</b>	<b>\$ 6,092,343</b>