



## **Financial Statements**

March 31, 2020



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## Management's Responsibility For Financial Reporting

March 31, 2020

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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 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 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.

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited consolidated financial statements yearly. The Council 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 City of Summerside and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the City of Summerside

CAO

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Mayor

A blue ink signature, appearing to be "Boris ...", written over a horizontal line.

## Independent auditor's report

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To His Worship the Mayor and  
Members of the City Council

### Opinion

We have audited the consolidated financial statements of the City of Summerside ("the City"), which comprise the consolidated statement of financial position as at March 31, 2020, 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 the City as at March 31, 2020, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the 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.

### Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which explains that certain comparative information for the year period ended March 31, 2019, has been restated. Our opinion is not modified in respect of this matter.

### 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 City'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 City or to cease operations, or has no realistic alternative but to do so.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

Summerside, Canada

October 19, 2020

Chartered Professional Accountants



**Consolidated Statement of Operations**  
**Year Ended March 31, 2020**

	2020 Budget (Note 10)	2020	2019 (Restated) (15 month)
<b>Revenue</b>			
Property taxes (Note 7)	\$ 8,557,972	\$ 8,722,765	\$ 10,608,183
Government transfers			
Equalization	3,108,839	3,108,838	3,632,271
Municipal support	4,611,028	4,887,209	6,042,582
Infrastructure	1,356,940	3,926,079	5,847,805
Other	-	74,691	70,631
Sale of electricity	21,435,124	20,960,973	27,956,031
Sale of water & sewer services	5,258,778	5,381,569	6,628,189
Fines and costs	120,000	128,510	175,463
Third party revenue	3,315,499	2,813,812	3,346,722
	<u>47,764,180</u>	<u>50,004,446</u>	<u>64,307,877</u>
<b>Expenses</b>			
General government	2,435,926	3,413,229	2,353,428
Recreation programs	8,319,655	8,644,145	9,873,903
Protective services	4,902,289	5,792,067	6,887,608
Transportation services	4,462,235	4,654,455	5,638,687
Electric utility	19,633,592	18,891,324	21,588,707
Water & sewer utility	5,517,800	5,372,078	5,884,615
	<u>45,271,497</u>	<u>46,767,298</u>	<u>52,226,948</u>
Annual surplus before undernoted	\$ <u>2,492,683</u>	3,237,148	12,080,929
Pension obligation valuation adjustment (Note 6)		<u>168,000</u>	600,000
Annual surplus		<u>\$ 3,405,148</u>	<u>\$ 12,680,929</u>
<hr/>			
Accumulated surplus, beginning of year, as previously reported		\$147,996,622	\$ 136,678,693
Prior period adjustment (Note 2)		-	(1,363,000)
Accumulated surplus, beginning of year, as restated		<u>147,996,622</u>	<u>135,315,693</u>
Annual surplus		<u>3,405,148</u>	<u>12,680,929</u>
Accumulated surplus, end of year		<u>\$151,401,770</u>	<u>\$147,996,622</u>



**Consolidated Statement of Financial Position**  
**March 31**

	2020	2019 (Restated)
<b>Financial Assets</b>		
Cash and cash equivalents (Note 3)	\$ 6,772,735	\$ -
Receivables	5,536,424	6,753,870
Restricted short term Investments	319,904	327,152
Sinking fund investments, at market value (Note 5)	<u>2,218,102</u>	<u>2,337,203</u>
	<u>14,847,165</u>	<u>9,418,225</u>
<b>Liabilities</b>		
Bank indebtedness (Note 3)	-	1,358,893
Payables and accruals		
Trade and customer deposits	6,653,809	5,721,518
Accrued interest	63,015	69,811
Long term debt (Note 4)	72,515,433	68,878,641
Sick leave (Note 5)	2,059,000	1,915,000
Pension benefit obligation (Note 6)	<u>1,484,000</u>	<u>1,652,000</u>
	<u>82,775,257</u>	<u>79,595,863</u>
<b>NET FINANCIAL DEBT</b>	<u>(67,928,092)</u>	<u>(70,177,638)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets, net of amortization (Note 8)	217,160,770	216,059,271
Prepaid expenses	139,032	125,753
Inventory of materials and supplies, at cost	<u>2,030,060</u>	<u>1,989,236</u>
	<u>219,329,862</u>	<u>218,174,260</u>
<b>Accumulated surplus (Note 9)</b>	<u>\$ 151,401,770</u>	<u>\$ 147,996,622</u>

Commitments and contingencies (Note 11)  
Subsequent events (Note 14)

On Behalf of the Council

On Behalf of Management



**Consolidated Statement of Cash Flows**  
**Year Ended March 31**

	2020	2019 (15 month)
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Annual surplus	\$ 3,405,148	\$ 12,680,929
Loss on sale of capital assets	558,423	21,131
Amortization	8,340,947	7,677,672
Change in non-cash operating working capital	2,088,837	411,615
Change in sick leave	144,000	101,000
Change in short term investments	7,248	(58,098)
Change in sinking funds	119,101	(117,344)
Change in pension benefit obligation	<u>(168,000)</u>	<u>(652,407)</u>
	<u>14,495,704</u>	<u>20,064,498</u>
<b>Financing</b>		
Repayment of long term debt	(5,580,208)	(6,516,295)
Issuance of long term debt	9,217,000	8,718,500
Decrease in bank indebtedness	<u>(1,358,889)</u>	<u>(6,448,369)</u>
	<u>2,277,903</u>	<u>(4,246,164)</u>
<b>Capital</b>		
Purchase of capital assets	(10,061,069)	(15,899,279)
Proceeds on sale of capital assets	<u>60,197</u>	<u>80,945</u>
	<u>(10,000,872)</u>	<u>(15,818,334)</u>
Net increase (decrease) in cash and cash equivalents	<b>6,772,735</b>	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<b>\$ <u>6,772,735</u></b>	<b>\$ <u>-</u></b>





**Consolidated Statement of Change in Net Debt**  
**Year Ended March 31**

	2020 Budget (Note 9)	2020	2019 (Restated)
Annual surplus	\$ 2,492,683	\$ 3,405,148	\$ 12,680,929
Change in prepaid expenses	-	(13,276)	(125,753)
Change in inventory	(40,824)	(40,824)	(207,007)
Loss on sale of capital assets	-	558,423	21,131
Proceeds on sale of capital assets	-	60,197	80,945
Acquisition of tangible capital assets, net	(10,023,508)	(10,061,069)	(15,899,279)
Amortization of tangible capital assets	<u>8,340,947</u>	<u>8,340,947</u>	<u>7,677,672</u>
Decrease (increase) in net debt	769,298	2,249,546	4,228,638
Net debt, beginning of year	<u>(70,177,638)</u>	<u>(70,177,638)</u>	<u>(74,406,276)</u>
Net debt, end of year	<u>\$ (69,408,340)</u>	<u>\$ (67,928,092)</u>	<u>\$ (70,177,638)</u>



## **Notes to the Consolidated Financial Statements**

### **March 31, 2020**

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#### **1. Summary of significant accounting policies**

The consolidated financial statements of the City of Summerside are prepared by management in accordance with Canadian Public Sector Accounting Standards of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

##### **a) Reporting entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and surplus of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the City for administration of their financial affairs and resources, and which are owned or controlled by the City.

##### **b) Consolidated entities**

In addition to the General Fund, the organizations included in the consolidated financial statements are as follows:

City of Summerside Electric Utility	City of Summerside Sewer Utility
City of Summerside Water Utility	Electro Thermal Storage Program

##### **c) Basis of accounting**

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

##### **d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and balances with financial institutions. Bank borrowings are considered to be financing activities.

Restricted cash is comprised of cash held in a separate bank account and relates to Gas Tax Funds, which are externally restricted. See Note 3 for further details.

##### **e) Revenues and expenditures**

Major revenue and expenditure items are recorded on an accrual basis. Certain sources of revenue are recorded on a cash basis.

##### **f) Investments**

Restricted short term investments consist of Guaranteed Investment Certificates and are recorded at quoted market value. Sinking fund investments consist of equity and fixed income investments and are recorded at quoted market value.



**Notes to the Consolidated Financial Statements**  
**March 31, 2020**

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**1. Summary of significant accounting policies (cont'd)**

**g) Non-financial assets**

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

**h) Tangible capital assets**

Tangible capital assets and projects in progress are recorded at cost.

In compliance with Section 3150 the City records amortization of its assets over their estimated useful lives. The straight-line method of amortization is used. Amortization begins in the year following acquisition, except for major projects with revenue streams, for which amortization begins upon substantial completion.

**Asset useful lives (in years)**

Plants, Buildings, Structures	20-40
Equipment and Vehicles	
Engines – Generation	50
Internet/IT	5
Other Equipment and Vehicles	10-20
Electro Thermal Storage Equipment	10
Distribution and Collection Systems	
Electric	40
Water	83
Sewer	83
Summerside Community Network	7
Streets	
Local	25
Collector	10
Sidewalks	40
Storm lines	83
Wind Farm	25
Solar Panels	25

**i) Revenue recognition**

a) Tax revenue is property tax billings which are received directly from the Province of Prince Edward Island. Taxes are billed based on the assessment rolls provided by the Province of Prince Edward Island at rates set by the City. Taxation revenue is recorded as it is received in monthly instalments from the Province of Prince Edward Island. Assessments and the related property taxes are subject to appeal to the Province of Prince Edward by residents. The City's revenue is adjusted for any of these appeals using a yearly statement.



## **Notes to the Consolidated Financial Statements**

### **March 31, 2020**

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#### **1. Summary of Significant Accounting Policies (cont'd)**

##### **Revenue recognition (cont'd)**

- b) Government transfers are transfers of monetary assets or tangible assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers made to a recipient by the City are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

- c) Utility revenues are recorded when billed and receivable and collectability is reasonably assured.
- d) Other revenue is recorded when it is earned and collectability is reasonably assured.

##### **j) Use of estimates and measurement uncertainty**

The presentation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Significant estimates include pensions amounts, severance amounts and the useful lives of tangible capital assets.

Measurement uncertainty arises as a result of changes in assumptions and economic conditions used in valuating the sick-leave and pension obligations. These estimates and assumptions are based on the City's best information and judgement and may differ significantly from actual results.

##### **k) Employee future benefits**

The City accrues its obligations under employee future benefit plans and the related costs, net of plan assets. The costs of pensions earned by employees are actuarially determined using the accrued benefit method. For the purpose of calculating the expected return on plan assets, those assets are valued at fair value.

Past service costs from plan amendments and current service costs are expensed during the year.

The excess of unamortized actuarial gains/losses are amortized over the average remaining service period of active employees.



**Notes to the Consolidated Financial Statements**  
**March 31, 2020**

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**l) Interest rate swap arrangements**

The City has entered into several interest rate swap arrangements with chartered banks to reduce interest rate exposure associated with certain long term debt obligations. The agreements have the effect of converting the floating rate of interest on certain debt to a fixed rate. It is the City's policy not to use derivative financial instruments for trading or speculative purposes.

**m) Liability for contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met: i. an environmental standard exists; ii. Contamination exceeds the environmental standard; iii. the Municipality is directly responsible or accepts responsibility; and iv. a reasonable estimate of the amount can be made. Management has reviewed potential sites where they feel a material liability may exist and has concluded there is no known liability at this time.

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**2. Prior period adjustment**

During the year, management determined that the pension obligation amount derived from the valuation of the City's pension plan was not in accordance with Canadian public sector accounting standards described in Section PS 3250, Retirement Benefits, of the CPA Canada Public Sector Handbook.

As a result, the following consolidated financial items for the fiscal year ended March 31, 2019 have been increased (decreased) by the following amounts:

**Consolidated statement of operations and financial position**

	<u>Previously Reported</u>	<u>Adjustments</u>	<u>Restated</u>
Pension benefit obligation	\$ 289,000	\$ 1,363,000	\$ 1,652,000
Net financial debt	\$ 68,814,638	\$ 1,363,000	\$ 70,144,638
Accumulated surplus, end of year	\$ 136,678,693	\$ (1,363,000)	\$ 135,315,693

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## Notes to the Consolidated Financial Statements March 31, 2020

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### 3. Cash and cash equivalents and bank indebtedness

Cash and cash equivalents consist of the following:

	2020	2019
Unrestricted cash (overdraft)	4,049,154	(3,095,257)
Gas tax	2,723,581	1,736,364
Cash (bank Indebtedness)	6,772,735	(1,358,893)

The City has an authorized operating line of credit of \$6,000,000, with an interest rate of prime minus .50%, of which, \$6,000,000 was unused at March 31, 2020. Also, the City has a capital line of credit of \$5,000,000, which was unused at March 31, 2020. The interest rate on the capital line of credit is prime rate plus 0.0%. At March 31, 2020 prime was 2.45%.

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### 4. Long term debt

	2020	2019
Loans repaid during year.	\$ -	\$ 1,901,024
Prime -.65% Royal Bank demand loan, interest payable monthly.	5,250,000	5,450,000
3.13% Royal Bank demand loan, payable in equal monthly instalments of \$10,807.87 including principal and interest, maturing in December 2021, amortized to December 2021.	221,716	341,422
3.57% Royal Bank loan, payable in equal monthly instalments of \$5,415.78 including principal and interest, maturing in December 2021, amortized to December 2031.	623,079	661,781
3.57% Royal Bank loan, payable in equal monthly instalments of \$5,950.35 including principal and interest, maturing in December 2021, amortized to December 2031.	684,341	726,894
3.08% TD Canada Trust loan, payable in equal monthly instalments of \$9,886.79 including principal and interest, maturing in December 2022, amortized to December 2032.	1,249,693	1,328,580
3.08% TD Canada Trust loan, payable in equal monthly instalments of \$4,796.47 including principal and interest, maturing in December 2022, amortized to December 2032.	606,276	644,547
2.74% TD Canada Trust loan, payable in equal monthly instalments of \$438.70 including principal and interest, maturing in December 2022, amortized to December 2022.	13,929	18,752
2.74% TD Canada Trust loan, payable in equal monthly instalments of \$10,183.55 including principal and interest, maturing in December 2022, amortized to December 2022.	323,338	435,266



## Notes to the Consolidated Financial Statements March 31, 2020

4. Long term debt (cont'd)	2020	2019
2.74% TD Canada Trust loan, payable in equal monthly instalments of \$17,471.68, including principal and interest, maturing in December 2022, amortized to December 2022.	554,743	746,770
2.63% TD Canada Trust loan, payable in equal monthly instalments of \$11,038.64 including principal and interest, maturing in December 2023, amortized to December 2023.	472,530	591,113
2.63% TD Canada Trust loan, payable in equal monthly instalments of \$998.95 including principal and interest, maturing in December 2023, amortized to December 2023.	42,763	53,492
2.97% TD Canada Trust loan, payable in equal monthly instalments of \$2,406.09 including principal and interest, maturing in December 2023, amortized to December 2033.	325,610	344,517
2.97% TD Canada Trust loan, payable in equal monthly instalments of \$3,764.56 including principal and interest, maturing in December 2023, amortized to December 2033.	509,449	539,031
2.63% TD Canada Trust loan, payable in equal monthly instalments of \$25,329.28 including principal and interest, maturing in December 2023, amortized to December 2023.	1,084,270	1,356,370
2.981% TD Canada Trust loan, payable in equal monthly instalments of \$10,282.84 including principal and interest, maturing in May 2024, amortized to May 2024.	482,905	590,110
2.981% TD Canada Trust loan, payable in equal monthly instalments of \$17,998.02 including principal and interest, maturing in May 2024, amortized to May 2024.	845,227	1,032,867
1.99% TD Canada Trust loan, payable in equal monthly instalments of \$3,046.78 including principal and interest, maturing in May 2024, amortized to May 2034.	416,019	438,834
1.99% TD Canada Trust loan, payable in equal monthly instalments of \$986.74 including principal and interest, maturing in May 2024, amortized to May 2034.	134,734	142,122
2.98% TD Canada Trust loan, payable in equal monthly instalments of \$348.50 including principal and interest, maturing in May 2024, amortized to May 2024.	16,366	19,999
3.01% TD Canada Trust loan, payable in equal monthly instalments of \$11,575.86 including principal and interest, maturing in May 2024, amortized to December 2028.	1,067,407	1,172,623
4.28% CMHC loan, payable in equal annual instalments of \$603,341.07 including principal and interest, maturing in February 2030, amortized to February 2030.	4,826,132	5,206,628



**Notes to the Consolidated Financial Statements**  
**March 31, 2020**

4. Long term debt (cont'd)	2020	2019
4.96% CIBC loan, total annual payment of \$2,399,120 with interest payable monthly and an annual principal payment, maturing in December 2027, amortized to December 2027.	<b>15,531,125</b>	17,082,932
3.28% CIBC loan, payable in equal monthly instalments of \$25,417.75 including principal and interest, maturing in December 2035, amortized to December 2035.	<b>3,747,885</b>	3,926,773
2.64% CIBC loan, payable in equal monthly instalments of \$16,056.04 including principal and interest, maturing in December 2025, amortized to December 2025.	<b>1,026,832</b>	1,190,053
2.64% CIBC loan, payable in equal monthly instalments of \$1,127.51 including principal and interest, maturing in December 2025, amortized to December 2025.	<b>72,107</b>	83,569
3.28% CIBC loan, payable in equal monthly instalments of \$2,896.20 including principal and interest, maturing in December 2035, amortized to December 2035.	<b>427,049</b>	447,432
3.28% CIBC loan, payable in equal monthly instalments of \$9,435.61 including principal and interest, maturing in December 2035, amortized to December 2035.	<b>1,391,295</b>	1,457,702
2.10% CIBC loan, payable in equal monthly instalments of \$778.42 including principal and interest, maturing in December 2020, amortized to December 2020.	<b>6,945</b>	16,037
2.321% TD Canada Trust loan, payable in equal monthly Instalments of \$26,254 including principal and interest, maturing in December 2028, amortized to December 2028	<b>2,231,388</b>	2,490,806
2.633% TD Canada Trust loan, payable in equal monthly Instalments of \$18,735 including principal and interest, maturing in December 2028, amortized to December 2038.	<b>3,176,310</b>	3,319,095
Prime rate, Consolidated Credit Union demand loan, annual principal payment of \$255,555 and interest payable monthly. Maturing in April 2028, amortized to April 2028	<b>2,300,000</b>	2,350,000
3.48% TD Canada Trust loan, payable in equal monthly Instalments of \$21,278 including principal and interest, maturing in October 2038, amortized to October 2038	<b>3,556,830</b>	3,675,350
3.48% TD Canada Trust loan, payable in equal monthly Instalments of \$13,038 including principal and interest, maturing in October 2038, amortized to October 2038	<b>2,179,427</b>	2,252,050
3.48% TD Canada Trust loan, payable in equal monthly Instalments of \$1,685 including principal and interest, maturing in October 2038, amortized to October 2038	<b>281,713</b>	291,100
2.40% Royal Bank loan, principal of \$47,000 payable monthly, interest paid monthly, maturing in January 2027, amortized to January 2027.	<b>5,945,000</b>	6,553,000





**Notes to the Consolidated Financial Statements**  
**March 31, 2020**

<b>4. Long Term debt (cont'd)</b>	<b>2020</b>	<b>2019</b>
3.09% Royal Bank loan, principal of \$55,000 payable quarterly, interest paid quarterly, maturing in April 2040, amortized to April 2040.	<b>5,999,000</b>	-
2.84% Royal Bank loan, principal of \$74,000 payable quarterly, interest paid quarterly, maturing in April 2030, amortized to April 2030.	<b>3,369,000</b>	-
2.69% Royal Bank loan, principal of \$71,000 payable quarterly, interest paid quarterly, maturing in April 2025, amortized to April 20.	<b>1,523,000</b>	-
Total long term debt	<b><u>\$ 72,515,433</u></b>	<b><u>\$ 68,878,641</u></b>

Prime rate at March 31, 2020 was 2.45 % (March 31, 2019 – 3.95%).

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

2021	\$ 6,796,812
2022	6,711,967
2023	6,753,700
2024	6,615,449
2025	<u>6,205,235</u>
	<b><u>\$ 33,083,163</u></b>



## Notes to the Consolidated Financial Statements March 31, 2020

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### 5. Sick leave

Employees of the City earn annual sick days that can accumulate to a maximum of 150 days during their employment. Employees are eligible for a pay-out of earned sick leave at their retirement. A maximum amount equal to 125 sick days is payable at the regular retirement date while a maximum pay-out based on 75 days is payable at early retirement. Amounts paid are calculated using the employee salary amounts at the time of retirement.

An actuarial valuation of the plan was prepared as of March 31, 2020. The principal long-term assumptions on which the valuation was based were:

	2020	2019
Discount rate	5.5%	5.5%
General pay increases	3.0%	3.0%
Terminations prior to eligibility	Based on Ontario Light Scale	
Accrued Liability	2,059,000	1,915,000
Sick leave sinking fund, market value	2,218,102	2,337,203

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### 6. Pension plans

#### Pre 1966 service

The City maintains a non-contributory defined benefit final average pension plan, which covers employee services prior to November 1966. The plan provides pensions based on length of service and the final five-year average earnings. The most recent actuarial report was completed as of December 31, 1999. During the year management performed a sensitivity analysis on the remaining pensioners and adjusted the pension obligation based on the results of this analysis (\$83,055 compared to \$88,583 in 2019).

	2020	2019
Pension benefits paid	\$ 38,000	\$ 200,000
Accrued benefit obligation	83,000	89,000

#### Post 1966 service

The City maintains a separate contributory defined benefit career average pension plan which covers employee service after November 1966. The plan provides pensions based on a specific percentage of an individual's salary during all years of service. The average age of the 122 active employees covered by the plan is 46.8 years old. There are 6 former employees who are entitled to deferred pension benefits. At present, the plans provide benefits for 84 retirees.

Effective July 1, 2018 both the City and plan members agreed to decrease contributions from 11% to 10% of pensionable earnings. Future contribution rates will be subject to an annual review. In 2020, total contributions for current year's service were \$1,624,000 (2019 \$1,700,000). Total benefit payments to retirees and transfers out during the year were \$2,212,000 (2019 \$1,855,000). A separate pension fund is maintained. Pension fund assets are invested primarily in marketable investments of organizations external to the government reporting entity, with some invested in fixed income instruments.



**Notes to the Consolidated Financial Statements**  
**March 31, 2020**

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**6. Pension Plans (cont'd)**

Information regarding the City's defined benefit pension plan as at March 31, 2020 is as follows:

<b>Accrued benefit pension obligation</b>	
Accrued benefit obligation, beginning of the year	\$ 39,667,000
Current period benefit cost	1,376,000
Benefit payments	(2,212,000)
Interest cost	2,355,000
Actuarial (gain) loss on accrued benefit obligation	<u>1,906,000</u>
Accrued benefit obligation, end of the year	<u>\$ 43,092,000</u>
<b>Reconciliation of plan assets</b>	
Market-related value of plan assets, beginning of the year	\$ 38,104,000
Employee contributions	812,000
Employer contributions	812,000
Benefit payments	(2,212,000)
Expected net return on plan assets	2,269,000
Actuarial gain (loss) on plan assets	<u>(1,099,000)</u>
Actuarial market-related value of plan assets, end of year	<u>\$ 38,686,000</u>
<b>Unamortized actuarial (gain) loss on change in assumptions</b>	
Unamortized actuarial (gain) loss, beginning of the year	\$ -
Loss on accrued benefit obligation in year	1,906,000
Loss on plan assets in year	1,099,000
Amortization in the year	<u>-</u>
Unamortized actuarial loss (gain), end of year	<u>\$ 3,005,000</u>
<b>Retirement pension benefit obligation</b>	
Accrued benefit obligation	\$ 43,092,000
Plan Assets	(38,686,000)
Unamortized actuarial gain (loss)	<u>(3,005,000)</u>
Retirement pension benefit obligation	<u>\$ 1,401,000</u>

Actuarial valuations for accounting purposes are performed annually using the accrued benefits actuarial cost method. The most recent actuarial report was prepared at December 31, 2019 and an extrapolation to March 31, 2020 was performed. The accrued benefit obligation shown for 2020 is based on an extrapolation of that 2019 valuation. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups (15 years).



**Notes to the Consolidated Financial Statements**  
**March 31, 2020**

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**6. Pension plans (cont'd)**

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the City's best estimates. The expected inflation rate is 2.00 (2.20 percent in the 2019 actuarial valuation) percent. The discount rate used to determine the accrued benefit obligation is 5.50 (6.00 percent in the 2019 actuarial valuation) percent.

Pension fund assets are valued at actuarially determined market values. The expected rate of return on plan assets is 7.19 percent. The actual return on plan assets was 14.4 percent in 2019. Plan assets include Canadian, US and International Equities and Fixed Income estimated market value of \$35,650,000 (2019 \$37,740,000).

**Expense for the defined benefit pension plan**

Current period benefit cost	\$ 1,376,000
Employee contributions	(812,000)
Interest cost on accrued benefit obligation	2,355,000
Expected net return on plan assets	<u>(2,269,000)</u>
 Total pension plan expenses	 <u>\$ 650,000</u>

The above pension plan expense is included in salaries and benefits by operating division.

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<b>7. Property taxes</b>	<b>2020</b>	<b>2019</b>
Commercial property tax	<b>\$ 3,182,395</b>	\$ 3,920,075
Non-commercial property tax	<u>5,540,370</u>	<u>6,688,108</u>
	<b>\$ <u>8,722,765</u></b>	<b>\$ <u>10,608,183</u></b>

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# Notes to the Consolidated Financial Statements

March 31, 2020

## 8. Tangible capital assets

	2019-20				2018-19				Net Book Value
	Beginning of Year	Additions	Disposals	End of Year	Beginning of Year	Additions	Disposals	End of Year	
Land	\$ 4,995,974	\$ 517,008	\$ (2,095)	\$ 5,510,887	\$ -	\$ -	\$ -	\$ -	\$ 5,510,887
Plants, Buildings and Structures	137,530,798	1,301,575	(654,606)	138,177,767	44,615,867	3,718,305	(654,606)	47,679,566	90,498,200
Equipment and Vehicles	13,787,913	2,569,741	(420,658)	15,936,996	6,679,778	1,019,993	(355,711)	7,344,061	8,592,935
Distribution and Collection Systems	60,508,776	1,893,092	(1,552,562)	60,849,306	16,441,576	1,129,065	(1,000,982)	16,569,657	44,279,647
Streets	38,108,398	1,712,474	(236,505)	39,584,366	25,743,310	1,177,965	(236,505)	26,684,770	12,899,596
Sidewalks	8,145,179	449,520	(172,535)	8,422,164	1,913,642	197,736	(172,536)	1,938,844	6,483,320
Stormlines	28,908,505	779,601	(106,067)	29,582,040	4,814,392	363,051	(106,067)	5,071,377	24,510,662
Wind Farm	29,379,160	-	-	29,379,160	6,532,425	734,835	-	7,267,260	22,111,901
Deferred Contribution	-	-	-	-	-	-	-	-	-
Work in Progress	1,435,563	2,260,746	(1,422,887)	2,273,621	-	-	-	-	2,273,621
	\$ 322,800,266	\$ 11,483,757	\$ (4,567,715)	\$ 329,716,308	\$ 106,740,990	\$ 8,340,949	\$ (2,526,407)	\$ 112,555,534	\$ 217,160,770

	2019-20				2018-19				Net Book Value
	Beginning of Year	Additions	Disposals	End of Year	Beginning of Year	Additions	Disposals	End of Year	
Land	\$ 4,995,974	\$ -	\$ -	\$ 4,995,974	\$ -	\$ -	\$ -	\$ -	\$ 4,995,974
Plants, Buildings and Structures	127,815,573	9,869,012	(153,786)	137,530,798	41,536,806	3,232,853	(153,791)	44,615,867	92,914,930
Equipment and Vehicles	12,753,516	1,444,880	(410,482)	13,787,913	5,996,016	959,158	(275,395)	6,679,778	7,108,134
Distribution and Collection Systems	57,829,116	3,238,405	(558,745)	60,508,776	15,958,958	1,074,375	(591,758)	16,441,576	44,067,199
Streets	37,328,918	962,433	(182,953)	38,108,398	24,797,730	1,128,534	(182,953)	25,743,310	12,365,088
Sidewalks	7,823,105	411,109	(89,034)	8,145,179	1,812,992	189,685	(89,034)	1,913,642	6,231,536
Stormlines	28,669,371	436,643	(197,509)	28,908,505	4,653,674	356,227	(197,509)	4,814,392	24,094,113
Wind Farm	29,379,160	-	-	29,379,160	5,797,590	734,835	-	6,532,425	22,846,734
Deferred Contribution	-	-	-	-	-	-	-	-	-
Work in Progress	1,898,777	1,426,317	(1,889,531)	1,435,563	-	-	-	-	1,435,563
	\$ 308,493,510	\$ 17,768,799	\$ (3,482,041)	\$ 322,800,266	\$ 100,553,787	\$ 7,677,967	\$ (1,490,439)	\$ 106,740,994	\$ 216,059,271



**Notes to the Consolidated Financial Statements**  
**March 31, 2020**

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**9. Accumulated surplus**

The city aggregates its accumulated surplus in the following categories:

	2020	2019 (Restated)
Reserve funds	\$ 11,605,980	\$ 11,930,691
Operating funds	<u>139,795,790</u>	<u>136,065,931</u>
	<u>\$ 151,401,770</u>	<u>\$147,996,622</u>
 <b>Reserve funds</b>		
Balance, beginning of year	\$ 11,930,691	\$ 6,436,063
Allocations (from) to reserves (net)	<u>(324,711)</u>	<u>5,494,628</u>
	<u>\$ 11,605,980</u>	<u>\$ 11,930,691</u>
 Comprised of		
City		
World Softball	\$ 48,016	\$ 49,172
Land Bank	16,503	16,503
Summerside Raceway	472,718	394,240
54/56 Central St (Central Suites)	96,458	74,053
Economic Development	205,000	205,000
Culture Summerside	340,000	75,000
Parkland Dedication	99,467	84,338
Parks and Greenspaces	933	933
Financial Reserve	1,126,686	2,114,903
Financial Reserve – Future Capital Expenditures	1,636,252	1,959,230
Future Spending – Public Works	240,000	240,000
Capital Campaign – Debt Reduction	207,237	207,237
Debt Reduction	662,750	387,952
Electric Utility		
Electric Generator	50,000	50,000
Electric Distribution	53,748	53,748
Future Spending	3,745,727	3,716,664
Water & Sewer Utility		
Future Spending	2,541,490	2,238,724
Debt Reduction	50,000	50,000
SCN Utility		
Debt reduction	<u>12,995</u>	<u>12,995</u>
	<u>\$ 11,605,980</u>	<u>\$ 11,930,691</u>

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## Notes to the Consolidated Financial Statements March 31, 2020

### 10. Budget

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 statement of operations and statement of changes in net debt has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the consolidated financial statements:

	2019-20					
	Approved Budget	Less: Principal Debt Repayments	Add: Amortization	Add: Allocation of Long Term Debt Interest	Less: Eliminations	Budget per Financial Statements
<b>Revenue</b>						
Property Taxes	8,557,972					8,557,972
Government Transfers						-
Equalization	3,108,839					3,108,839
Municipal Support Credit	4,611,028					4,611,028
Infrastructure	1,356,940					1,356,940
Other	-					-
Wind Energy Sales	3,291,127				3,291,127	-
Sale of Electricity	22,957,184				1,719,907	21,237,277
Sale of Water & Sewer Services	5,798,226				539,448	5,258,778
ETS Program Sales	199,262				1,415	197,847
Fines and costs	120,000					120,000
Loss on sale	-					-
Third Party Revenue	3,420,031				104,532	3,315,499
<b>Total Revenue</b>	<b>53,420,609</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,656,429</b>	<b>47,764,180</b>
<b>Expenses</b>						
General Government	6,168,045	2,928,000	1,293,091	(1,352,792)	744,418	2,435,926
Recreation programs	5,614,636		2,258,450	983,714	537,145	8,319,655
Protective services	5,148,015		273,249	16,659	535,634	4,902,289
Transportation Services	2,584,940		1,926,612	352,419	401,736	4,462,235
Electric Utility	23,145,617	1,794,440	1,125,109		2,842,694	19,633,592
Water & Sewer Utility	5,798,226	1,150,060	1,464,436		594,802	5,517,800
<b>Total Expense</b>	<b>48,459,479</b>	<b>5,872,500</b>	<b>8,340,947</b>	<b>-</b>	<b>5,656,429</b>	<b>45,271,497</b>
<b>Annual Surplus/(Deficit)</b>	<b>4,961,130</b>					<b>2,492,683</b>
Capital Expenditures	(4,947,378)					
<b>Approved Budget</b>	<b>13,752</b>					

#### Statement of Changes in net debt

	Approved Fiscal Plan	Adjustments	Adjusted Plan
Annual Surplus	13,752	2,478,931	2,492,683
Change in Intangible		-	-
Change in Inventory		(40,824)	(40,824)
Acquisition of Tangible Capital Assets	(10,023,509)		(10,023,509)
Amortization of Tangible Capital Assets		8,340,947	8,340,947
Debt Principal Repayment	5,872,500	(5,872,500)	-
<b>Change in Net Financial Debt</b>	<b>(4,137,257)</b>	<b>4,906,554</b>	<b>769,298</b>



## **Notes to the Consolidated Financial Statements**

### **March 31, 2020**

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#### **11. Commitments and contingencies**

In January of 2020, the design and build of a solar renewable energy project was announced. This project is scheduled to be a collaboration between the City, Samsung Renewable Energy Corporation, and the Federal and Provincial governments and has an estimated cost of \$68 million. The project is expected to be underway in 2021 and will be financed 75% by non-repayable funding through the Federal and Provincial government. Subsequent to the year end, the City has committed to a \$10 million loan with the Federation of Canadian Municipalities to help fund the project.

The City has been named as defendant in several legal actions and is subject to various risks and contingencies arising in the normal course of business. The City is defending itself against these legal actions. The likelihood of any liability is not determinable at this time.

Two agreements for the purchase of power have been signed. The first agreement, which terminates in October 2028, is with West Cape Wind Energy Inc. for the purchase of wind generation power. The second agreement, which is with NB Power will terminate August 31, 2024.

The City has a maintenance agreement with Vestas-Canadian Wind Technology, Inc. Under the terms of the agreement the City is committed to an annual fee of \$99,637 per turbine until December 2024. The annual fee shall be adjusted annually using the CPI index. In 2020 this fee will be \$108,630 per turbine.

The City has agreed to pay Slemon Park Corporation \$85,000 annually until 2029 in connection with the development and operation of the wind farm.

In 2017 the City entered into the PEI-NB Interconnection Facilities Debt Collection Agreement with the Province of Prince Edward Island, Prince Edward Island Energy Corporation and Maritime Electric. This agreement, with a term of March 1, 2017 to February 28, 2056 or until such time the debt has been paid in full, outlines the City's share of entitlement of available import capacity (10.1%) from NB to PEI over the Interconnection Facilities and the contributing payments towards the debt. From March 1, 2017 until the end of the first five years of this agreement the monthly payment will be \$30,123.41 plus HST. At the end of the first five year period and each subsequent five year period the debt collection rate will be adjusted based on the contribution ratio and interest rate available to the Energy Corporation.

Post-tropical storm, Dorian, caused significant damage which resulted in unexpected clean up and restoration costs. The City is pursuing recoveries of these costs through its insurance policy(s) and for those costs that are not covered by insurance claims will be filed through the Provincial Disaster Financial Assistance Program.

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## **Notes to the Consolidated Financial Statements**

### **March 31, 2020**

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#### **12. Segmented Reporting**

The City is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the City's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. City services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

##### General Government

This segment includes departments that are responsible for the overall financial and local government administration. The tasks include, but are not limited to, daily accounting functions, preparation and coordination of the annual audited financial statements, coordination of the development of the annual budget, human resource functions for the entire municipal unit, economic development initiatives and maintenance of bylaws and policies. This would also include administrative and policy support for the Mayor and all members of City Council.

##### Recreation Programs

This segment is responsible for providing sports, recreation, cultural and leisure opportunities to the City's residents.

##### Protective Services

The City is responsible for providing police and fire protection for its residents. Other protective services provided include animal control.

##### Transportation Planning and Engineering

Services provided by our Public Works and Technical Services department are included in this segment. The following tasks are delivered by these departments: street maintenance, snow removal, planning and engineering services in the areas of land use and development and infrastructure.

##### Electric Utility

The City owns and operates its own electric utility, Summerville Electric. Operations include the purchase, sale, production, transmission and distribution of electricity to utility customers.

##### Water and Sewer Utilities

The City owns and operates its own water and sewer utilities. Operations of these two utilities include: provision of potable water to residents, maintenance and operation of the wastewater treatment plant, lagoons and sewer lift stations.

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## **Notes to the Consolidated Financial Statements**

### **March 31, 2020**

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#### **13. Comparative Figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.

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#### **14. Subsequent Events**

Subsequent to year end, the COVID-19 pandemic has had a significant impact on Canada, the global economy and the City. As the situation continues to develop, there could be further impact on the City, suppliers and other third-party business associates that could affect the timing and amounts realized on the City's assets and future ability to deliver services and projects. Given the nature of these circumstances and the unknown duration of the disruption, the full financial impact cannot be reasonably estimated at this time. To date, the financial impact on the City has been limited apart from revenues derived from recreational services and events which had been directly impacted by the pandemic. The City will continue to focus on managing revenues and expenditures streams and leveraging existing available credit facilities to ensure it is able to continue providing essential services to its citizens.

Subsequent to year end, the City purchased four properties located in the downtown core. The four buildings located on these properties will be demolished and the aging municipal infrastructure will be replaced. Once the infrastructure has been replaced the property will be available to be purchased by a developer.

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#### **15. Future Accounting Standards**

Financial Instruments, PS 3450, Foreign Currency Translation, PS 2601, and Financial Statement Presentation, PS 1201 are effective for fiscal years beginning on or after April 1, 2022. The effective date was previously April 1, 2021, but as a result of the COVID-19 pandemic, the PSAB has deferred the effective date by one year. While early adoption is permitted, all three of the standards must be adopted in the same year. PS 3450 provides guidance on the recognition and measurement, presentation and disclosure of financial instruments including derivative instruments. PS 2601, Foreign Currency Translation, includes guidance of deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign change gains and losses. PS 1201, Financial Statement Presentation, includes the addition of a new statement outlining re-measurement gains and losses. The City has not yet adopted these standards or determined the effect on the consolidated financial statements.

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## Schedule of Segmented Disclosure

March 31, 2020

	General Government	Recreation Programs	Protective Services	Transportation Planning & Engineering	Electric Utility	Water & Sewer Utility	Elimination	Consolidated 2019-20
<b>Revenues</b>								
Property taxes	\$ 8,722,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,722,765
Government transfers								
Equalization	3,108,838	-	-	-	-	-	-	3,108,838
Municipal Support Grant	4,887,209	-	-	-	-	-	-	4,887,209
Infrastructure	835,162	148,345	111,226	2,712,980	-	118,366	-	3,926,079
Other	-	71,532	-	-	-	3,159	-	74,691
Electric Utility grant	-	-	-	-	-	-	-	-
Wind Energy sales	2,947,472	-	-	-	-	-	(2,947,472)	-
Sale of Electricity	-	-	-	-	22,592,238	-	(1,722,789)	20,869,448
Sale of Water & Sewer Services	-	-	-	-	-	5,904,976	(523,407)	5,381,569
Electro Thermal Storage Program Sales	-	-	-	-	92,940	-	(1,415)	91,525
Fines and costs	-	-	128,510	-	-	-	-	128,510
Gain on Disposal of Assets	-	-	-	-	-	-	-	-
Third party revenue	761,533	1,519,716	136,447	177,015	-	322,143	(103,042)	2,819,812
	<u>21,262,978</u>	<u>1,739,593</u>	<u>376,183</u>	<u>2,889,995</u>	<u>22,685,178</u>	<u>6,348,644</u>	<u>(5,298,126)</u>	<u>50,004,446</u>
<b>Expenditures</b>								
Salaries & Benefits	1,862,129	2,710,067	4,271,745	755,081	2,958,208	1,306,886	-	18,864,117
Goods & Services	1,913,465	2,690,336	1,230,882	1,778,733	16,587,779	1,975,774	(5,298,126)	20,878,843
Amortization	1,293,091	2,258,450	273,249	1,926,612	1,125,109	1,464,436	-	8,340,947
Interest	311,409	985,293	16,189	187,362	549,635	624,696	-	2,674,584
Other	383,789	-	-	6,666	618,066	286	-	1,008,807
	<u>5,763,883</u>	<u>8,644,145</u>	<u>5,792,067</u>	<u>4,654,455</u>	<u>21,838,796</u>	<u>5,372,078</u>	<u>(5,298,126)</u>	<u>46,767,298</u>
<b>Annual surplus (deficit)</b>	<u>\$ 15,499,096</u>	<u>\$ (6,904,552)</u>	<u>\$ (5,415,884)</u>	<u>\$ (1,764,460)</u>	<u>\$ 846,382</u>	<u>\$ 976,566</u>	<u>\$ -</u>	<u>\$ 3,237,148</u>



## Schedule of Segmented Disclosure March 31, 2019

	Transportation										Consolidated 2018-19
	General Government	Recreation Programs	Protective Services	Planning & Engineering	Electric Utility	Sewer Utility	Water & Sewer Utility	Internet Services	Elimination		
<b>Revenues</b>											
Property taxes	\$ 10,608,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,608,183
Government transfers											
Equalization	3,632,271	-	-	-	-	-	-	-	-	-	3,632,271
Municipal Support Grant	6,042,582	-	-	-	-	-	-	-	-	-	6,042,582
Infrastructure	129,958	212,995	76,077	1,688,634	-	3,740,141	-	-	-	-	5,847,805
Other	-	41,996	6,955	25,500	10,090	-	-	-	-	-	70,631
Electric Utility grant											
Wind Energy sales	4,210,273	-	-	-	-	-	-	-	(4,210,273)	-	-
Sale of Electricity	-	-	-	-	30,310,886	-	-	-	(2,458,733)	-	27,852,153
Sale of Water & Sewer Services	-	-	-	-	-	7,293,338	-	-	(665,149)	-	6,628,189
Electro Thermal Storage Program Sales	-	-	-	-	105,648	-	-	-	(1,769)	-	103,878
Fines and costs	-	-	175,463	-	-	-	-	-	-	-	175,463
Gain on Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-
Third party revenue	1,186,114	2,056,594	140,413	242,403	-	-	-	-	(278,802)	-	3,346,722
	<u>25,809,382</u>	<u>2,311,585</u>	<u>384,997</u>	<u>1,956,537</u>	<u>30,426,623</u>	<u>11,033,480</u>	<u>-</u>	<u>(7,614,726)</u>	<u>-</u>	<u>64,907,877</u>	
<b>Expenditures</b>											
Salaries & Benefits	2,191,314	3,316,017	5,064,386	981,729	3,335,826	1,647,041	-	-	-	-	16,536,313
Goods & Services	1,474,018	3,135,883	1,549,342	2,579,416	20,592,605	2,278,012	-	(7,614,726)	-	-	23,994,551
Amortization	1,254,937	2,056,997	249,350	1,811,641	1,046,263	1,258,484	-	-	-	-	7,677,672
Interest	493,512	1,365,007	24,530	265,899	769,592	699,833	-	-	-	-	3,618,378
Other	344,101	-	-	-	54,694	1,244	-	-	-	-	400,040
	<u>5,757,880</u>	<u>9,873,903</u>	<u>6,887,608</u>	<u>5,638,688</u>	<u>25,798,980</u>	<u>5,884,615</u>	<u>-</u>	<u>(7,614,726)</u>	<u>-</u>	<u>52,226,948</u>	
<b>Annual surplus (deficit)</b>	<u>\$ 20,051,500</u>	<u>\$ (7,562,318)</u>	<u>\$ (6,502,611)</u>	<u>\$ (3,682,150)</u>	<u>\$ 4,627,642</u>	<u>\$ 5,148,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,080,929</u>	