



Grant Thornton

Consolidated Financial Statements

Town of Three Rivers

March 31, 2019

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Town of Three Rivers

Management's Responsibility for Financial Reporting

March 31, 2019

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 consolidated 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 Town of Three Rivers 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 Town of Three Rivers

CAO



Mayor





Independent auditors' report

To the Mayor and Council of the Town of Three Rivers

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Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Three Rivers as at March 31, 2019 and the results of its operations and its cash flows for the period then ended, in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Town of Georgetown Fire Department members maintain a bank account that is used for local fundraising activities with the proceeds of that fundraising intended to be used to fund various pieces of fire equipment. We were unable to obtain sufficient appropriate audit evidence related to the existence of the yearend balance of that bank account and the associated activity in that account including revenues and expenses. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity 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.



Montague, PE

August 19, 2019

Chartered Professional Accountants

Town of Three Rivers

Consolidated Statement of Operations

Period from September 28, 2018 to March 31

	Budget (Note 10)	2019
Revenue		
Property taxes	\$ 664,431	\$ 729,546
Government transfers		
Equalization	417,412	473,971
Infrastructure	333,391	265,278
Wage subsidies	4,863	40,201
Grants in lieu	8,106	5,205
Other	24,722	65,945
Wellness Centre	-	1,928
Waterfront revenue	-	5,911
Third party & other revenue	122,583	112,894
Interest	4,458	3,167
Playhouse	-	38,853
Water & Sewer Utility	456,756	392,412
	<u>2,036,722</u>	<u>2,135,311</u>
Expenses		
General government	557,099	648,405
Protective	195,841	189,441
Transportation	448,530	464,281
Recreation & cultural	251,808	435,238
Water & Sewer Utility	406,171	349,954
Playhouse	23,109	84,658
Waterfront development	-	31,759
	<u>1,882,558</u>	<u>2,203,736</u>
(Deficit) or surplus before revenue from restructuring transaction	<u>154,164</u>	<u>(68,425)</u>
Revenue from restructuring transaction (Note 8)	<u>-</u>	<u>22,328,337</u>
Annual surplus	<u>\$ 154,164</u>	<u>\$ 22,259,912</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Three Rivers

Consolidated Statement of Financial Position

Period ended March 31

2019

Financial assets

Cash and cash equivalents	
Unrestricted	\$ 1,487,562
Internally restricted	230,000
Receivables	
Water & Sewer - Trade	115,601
Grants	1,800
GST and HST	65,186
Other	14,038
Insurance proceeds receivable	1,047,281
Restricted cash – Gas Tax (Note 2)	<u>388,303</u>
	<u>3,349,771</u>

Liabilities

Deferred revenues - Gas Tax (Note 2)	388,303
Deferred revenues - other	19,803
Payables and accruals	424,145
Long-term debt (Note 4)	<u>2,276,807</u>
	<u>3,109,058</u>

Net financial assets 240,713

Non-financial assets

Prepays	7,952
Inventory	7,828
Tangible capital assets (Page 8)	<u>22,003,419</u>

Accumulated surplus \$ 22,259,912

Commitments (Note 6)

Contingencies (Note 9)

On Behalf of the Council


Mayor


Councillor

See accompanying notes and schedules to the consolidated financial statements.

Town of Three Rivers

Consolidated Statement of Cash Flows

Period ended March 31

2019

Increase in cash and cash equivalents

Operating activities

Annual (deficit) surplus	\$ (68,425)
Depreciation and amortization	<u>680,363</u>
	611,938

Change in non-cash working capital

Receivables	378,140
Prepays	51,736
Deferred revenue	89,698
Payables and accruals	<u>(64,257)</u>
	<u>1,067,255</u>

Financing activities

Principal payments of long-term debt	<u>(159,461)</u>
--------------------------------------	------------------

Capital activities

Purchase of tangible capital assets	(378,431)
Proceeds from sale of equipment	<u>-</u>
	<u>(378,431)</u>

Net increase in cash and cash equivalents 529,363

Cash and cash equivalents,

Beginning of period -

Cash and cash equivalents, received in restructuring
transaction on September 28, 2018 1,576,502

End of period 2,105,865

Cash included in end of period balance

Unrestricted cash	1,487,562
Internally restricted cash	230,000
Restricted cash	<u>388,303</u>
End of period balance	<u>\$ 2,105,865</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Three Rivers

Consolidated Statement of Changes in Net Debt

Period ended March 31

Budget

2019

Annual (deficit) surplus	\$ 154,164	\$ (68,425)
Depreciation and amortization	271,564	680,363
Acquisition of tangible capital assets	<u>-</u>	<u>(378,431)</u>
	<u>425,728</u>	<u>233,507</u>
Change in prepaids due to restructuring transaction	<u>-</u>	<u>54,635</u>
	<u>-</u>	<u>54,635</u>
Change in net debt	<u>\$ 425,728</u>	<u>288,142</u>
Net debt, beginning of period		-
Net debt, received in restructuring transaction on September 28, 2018		<u>(47,429)</u>
Net financial assets, end of period		<u>\$ 240,713</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Three Rivers **Schedule of Consolidated Tangible Capital Assets**

Period ended March 31, 2019

Cost	Land & Land Improvements	Streets & Sidewalks	Buildings	Machinery & Equipment	Water System	Sewer System	2019
Assets acquired on restructuring transaction on September 28, 2018 (Note 8)	\$ 1,326,507	\$ 9,147,027	\$ 11,823,121	\$ 3,664,665	\$ 5,129,222	\$ 5,450,597	\$ 36,541,139
Acquisition of tangible capital assets	-	4,062	735	372,615	-	1,019	378,431
Adjustments	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of period	1,326,507	9,151,089	11,823,856	4,037,280	5,129,222	5,451,616	36,919,570
Accumulated amortization							
Balance transferred in on September 28, 2018	(324,549)	(4,192,414)	(4,324,547)	(2,437,596)	(1,428,307)	(1,528,375)	(14,235,788)
Disposal of tangible capital assets							
Annual amortization	(7,644)	(217,178)	(238,952)	(123,532)	(41,993)	(51,064)	(680,363)
Balance, end of period	(332,193)	(4,409,592)	(4,563,499)	(2,561,128)	(1,470,300)	(1,579,439)	(14,916,151)
Net book value of tangible capital assets	\$ 994,314	\$ 4,741,497	\$ 7,260,357	\$ 1,476,152	\$ 3,658,922	\$ 3,872,177	\$ 22,003,419

Town of Three Rivers

Notes to the Consolidated Financial Statements

March 31, 2019

1. Summary of significant accounting policies

The consolidated financial statements of the Town of Three Rivers are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and cash flow and changes in net debt of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the Town for administration of their financial affairs and resources, and which are owned or controlled by the Town. Interdepartmental and organizational transactions and balances are eliminated.

The entity was created through a restructuring transaction on September 28, 2018, see Note 8 for details on the restructuring transaction.

Consolidated entities

The organizations included in the consolidated financial statements are as follows:

Town of Three Rivers
Montague Sewage and Water Collection and Treatment Corporation
Montague Waterfront Development Corporation
Garden of the Gulf Museum
Georgetown Volunteer Fire Department
Georgetown Sewer Corporation
King's Playhouse
Cardigan Volunteer Fire Department

The financial activities of the Montague Volunteer Fire Department are associated with but not controlled by the Town of Three Rivers. Therefore the operations of the fire department are not included in the consolidated financial statements of the Town. The Town's transactions with this entity are recorded as expenditures in the consolidated statement of financial activities.

All inter-entity transactions and balances have been eliminated.

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 Town. 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 Town's revenue is adjusted for any of these appeals using a yearly statement.

Town of Three Rivers

Notes to the Consolidated Financial Statements

March 31, 2019

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

Government transfers made to a recipient by the Town 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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and on deposit with banks. Bank borrowings are considered to be a financing activity.

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 period and are not intended for sale in the normal course of operations. The change in non-financial assets during the period, together with the excess of revenue over expenses, provides the consolidated change in net financial assets for the period.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization, which includes all amounts that are directly attributable to acquisition, construction, development and betterment of the asset. The cost of a tangible capital asset is amortized over its estimated useful life as follows:

Motor vehicle	10 years	Straight Line Basis
Computer	5 years	Straight Line Basis
Municipal building	40 years	Straight Line Basis
Small equipment	10 years	Straight Line Basis
Equipment	10 years	Straight Line Basis
Streets	50 years	Straight Line Basis
Sidewalks	25 years	Straight Line Basis
Land improvements	25 years	Straight Line Basis
Waterfront equipment and structures	15 years	Straight Line Basis
Sanitary sewer	1.20%	Straight Line Basis
Pumping station/pipe/lagoon	1.20%	Straight Line Basis
Computer and software	20.0%	Straight Line Basis

Town of Three Rivers

Notes to the Consolidated Financial Statements

March 31, 2019

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

Tangible capital assets (cont'd)

Assets under construction are not amortized until the asset is available for productive use. All costs associated with placing an asset in service, including freight, installation costs, site preparation costs, alterations and professional fees directly attributable to the assets construction or development are included in its cost.

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. A liability for remediation of a contaminated site is recognized, net of any expected recoveries, 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 estimates

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 consolidated financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those reported.

2. Deferred revenues

During the period the Town was allocated \$378,823 under the New Deal Gas Tax Funding for Incorporated Communities agreement. The Town must use their allocation of the New Deal Gas Tax funds for eligible infrastructure and capacity building projects as outlined in the agreement.

	<u>2019</u>
Deferred, beginning of period	\$ -
Deferred, transferred in on September 28, 2018	274,758
Allocation received and interest earned during the period	378,823
Eligible expenditures incurred	<u>(265,278)</u>
Deferred, end of period	<u>\$ 388,303</u>

Under the Agreement on the Transfer of Federal Gas Tax Revenues through the New Deal for Cities and Communities, the Town has received funds which are restricted for expenditure on eligible projects. The Town has prepared, and the governmental regulating body has accepted, a Capital Investment Plan which details determined expenditures.

Town of Three Rivers

Notes to the Consolidated Financial Statements

March 31, 2019

3. Bank indebtedness

The Town of Three Rivers has combined operating lines of credit of \$500,000 of which nil (2018 - nil) was utilized at March 31, 2019. Interest is charged at prime less 0.25%. Prime rate at March 31, 2019 was 3.95%.

4. Long-term debt

2019

Town of Three Rivers

2.35% Bank of Montreal loan, maturing in April 2020, amortized to 2026, payable in monthly instalments of \$390, including principal and interest. \$ 32,900

2.87% Bank of Montreal loan, maturing December 2019, amortized to 2026, payable in monthly instalments of \$12,896, including principal and interest. 1,063,764

2.87% Bank of Montreal loan, maturing December 2019, amortized to 2019, payable in monthly instalments of \$3,885, including principal and interest. 38,075

Prime + 1.25%, secured by a fire truck, maturing July, 2016, amortized to April, 2019, in monthly installments of \$1,306, plus interest. 1,324

Prime + 1%, secured by general security agreement, maturing December, 2019, amortized to December, 2035, in monthly installments of \$1,106, plus interest. 212,367

5.05% Provincial loan, maturing in January 1, 2023, payable in quarterly installments of \$12,600, including principal and interest. 178,156

1,526,586

Water and Sewer Utility

2.82% Bank of Montreal loan, maturing in and amortized to August 2022, payable in monthly instalments of \$238, including principal and interest. 9,795

2.82% Bank of Montreal loan, maturing in and amortized to August 2022, payable in monthly instalments of \$2,354, including principal and interest. 96,771

2.82% Bank of Montreal loan, maturing July 2020, amortized to July 2030, payable in monthly instalments of \$1,362, including principal and interest. 141,519

Town of Three Rivers

Notes to the Consolidated Financial Statements

March 31, 2019

4. Long-term debt (cont'd)

3.50% Credit Union loan, maturing March 2023, amortized to 2038, payable in monthly instalments of \$1,447, including principal and interest 240,956

3.41% Federation of Canadian Municipalities loan, maturing May 2027, payable in semi-annual instalments of \$15,364, including principal and interest. 261,180

750,221

\$ 2,276,807

Debt due on demand has extended repayment terms as disclosed above. Therefore, based on current repayment amounts, principal repayments in each of the next five periods are due as follows:

	<u>General</u>	<u>Water & Sewer</u>	<u>Total</u>
2020	\$ 211,076	\$ 80,784	\$ 291,859
2021	180,734	82,277	263,011
2022	186,321	83,816	270,137
2023	188,018	73,711	261,729
2024	<u>159,204</u>	<u>55,168</u>	<u>214,372</u>
	<u>\$ 925,343</u>	<u>\$ 375,756</u>	<u>\$1,301,109</u>

5. Rate regulation

The Town is subject to rate regulation on the sewer and water utilities provided to residents in Prince Edward Island under the *Island Regulatory & Appeals Commission Act*. The purpose of this Act, which is administered by the Island Regulatory & Appeals Commission (IRAC), is to regulate the rate municipalities may charge for water and sewer utilities provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for sewer and water utilities. Changes in water and sewer utility rates can only be implemented with the approval from IRAC.

6. Commitment

Both councils of the Town of Montague and Town of Three Rivers approved a motion to transfer ownership of all streets within the Town to the Province of PEI for \$1. When this is finalized it will result in the reduction of the tangible capital assets and accumulated surplus by approximately \$5,400,000. At the current time, it is uncertain when the transfer will actually occur.

Town of Three Rivers

Notes to the Consolidated Financial Statements

March 31, 2019

7. Reserves

The net financial assets or debt excluding long-term debt from each former Municipality has been transferred in to Three Rivers as reserve funds on September 28, 2018. Long-term debt was assumed by the Town of Three Rivers.

	<u>September 28, 2018</u>	<u>Spent</u>	<u>March 31, 2019</u>
Town of Montague	\$ 1,713,092	\$ 27,667	\$ 1,685,425
Town of Georgetown	393,301	159,745	233,556
Rural Municipality of Brudenell	68,751	-	68,751
Rural Municipality of Cardigan	172,196	-	172,196
Rural Municipality of Valleyfield	18,593	-	18,593
Rural Municipality of Lower Montague	10,889	-	10,889
Rural Municipality of Lorne Valley	<u>12,019</u>	<u>-</u>	<u>12,019</u>
	\$ 2,388,841	\$ 187,412	\$ 2,201,429

See Page 17 for each Municipalities' Statement of Financial Position transferred into The Town of Three Rivers on September 28, 2018.

8. Restructuring transactions

The Town of Three Rivers was formed on September 28, 2018 through amalgamation of the former Towns of Montague and Georgetown and the Rural Municipalities of Cardigan, Brudenell, Valleyfield, Lorne Valley, and Lower Montague. The previous entities were not related but are closely located geographically in King's County, Prince Edward Island. The amalgamation was proposed and was approved by the Province of Prince Edward Island on September 25, 2018. All assets, liabilities, and responsibilities of the former Towns and Rural Municipalities were transferred to the new Town of Three Rivers. There was no compensation associated with this transaction.

The accumulated surplus of \$22,328,337 transferred in to the Town of Three Rivers during the period is made up of the following balances:

Town of Montague	\$ 18,279,969
Town of Georgetown	3,091,007
Rural Municipality of Brudenell	142,285
Rural Municipality of Cardigan	703,913
Rural Municipality of Valleyfield	19,205
Rural Municipality of Lower Montague	54,861
Rural Municipality of Lorne Valley	<u>37,097</u>
	\$ 22,328,337

See Page 17 for each Municipalities' Statement of Financial Position transferred into The Town of Three Rivers on September 28, 2018.

Town of Three Rivers

Notes to the Consolidated Financial Statements

March 31, 2019

9. Contingencies

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

10. Budgeted figures

There was no budget approved for the new Town of Three Rivers for the March 31, 2019 period. The budgeted numbers presented are the former entities' budgeted figures from the January 1, 2018 to March 31, 2019 period prorated to reflect the 184 day reporting period from September 28, 2018 to March 31, 2019. Lorne Valley did not have an approved budget for this period and was not included in the budgeted figures.

11. Segment disclosure

The Town is a diversified municipal unit that provides a range of services to its citizens. For management reporting purposes the Town's operations and activities are organized and reported by fund. The segments were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Town services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General government services

This department is responsible for the overall financial and local government administration. Its tasks include accounts payable and receivables, budgets and financial statements, administration and maintenance of bylaws.

Protective services

This department is primarily responsible for police and fire protection for its residents. The Town's other protective services include costs related to building inspection and animal and pest control.

Transportation

This department is responsible for the maintenance of specialized roads within its jurisdiction.

Recreation and culture

This department is responsible for promoting and offering recreation opportunities and activities to the Town's residents.

Water & Sewer Utility

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

Waterfront development

This department is responsible for the maintenance and operations of Montague Waterfront.

King's Playhouse

This department is responsible for promoting and offering live productions and creative performances to the Town's residents.

Internally generated revenues and expenses are eliminated on a consolidated basis.

Town of Three Rivers

Schedule of Consolidated Segment Disclosures

Period ended March 31, 2019

	General Government	Protective	Transportation	Recreation & Cultural	Mortague Water & Sewer Utility	Georgetown Sewer Utility	Waterfront	King's Playhouse	Elimination	Consolidated 2019
Revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property taxes	729,546	-	-	-	-	-	-	-	-	729,546
Government transfer	-	-	-	-	-	-	-	-	-	-
Equalization grant	473,971	-	-	-	-	-	-	-	-	473,971
Infrastructure	265,278	-	-	-	-	-	-	-	-	265,278
Wage subsidies	8,992	-	-	1,260	-	-	29,949	-	-	40,201
Grant in lieu	5,205	-	-	-	-	-	-	-	-	5,205
Other	-	-	7,279	27,973	-	-	-	30,694	-	65,946
Wellness Center	-	-	-	1,928	-	-	-	-	-	1,928
Waterfront revenue	-	-	-	-	-	-	5,911	-	-	5,911
Third Party Revenue	97,289	13,074	-	2,530	-	-	-	-	-	112,893
Other	13,320	-	-	-	-	-	-	38,853	(13,320)	38,853
Interest	347	-	-	-	-	-	-	-	-	3,167
Water & Sewer Utility	-	-	-	-	2,820	-	-	-	-	-
					339,044	69,938	-	-	(16,570)	392,412
	1,593,948	13,074	7,279	33,691	341,864	69,938	35,860	69,547	(29,890)	2,135,311
Expenditures										
Salaries & Benefits	225,362	-	65,201	2,176	80,802	19,452	20,770	33,558	-	447,321
Goods & Services	238,033	162,015	181,831	293,003	114,615	28,094	10,989	40,525	(29,890)	1,039,215
Amortization	175,276	43,996	217,249	139,965	81,144	11,913	-	8,076	-	677,619
Interest	9,734	-	-	94	27,254	-	-	2,499	-	39,581
	648,405	206,011	464,281	435,238	303,815	59,459	31,759	84,658	(29,890)	2,203,736
Annual (deficit) surplus	\$ 945,543	\$ (192,937)	\$ (457,002)	\$ (401,547)	\$ 38,049	\$ 10,479	\$ 4,101	\$ (15,111)	\$ -	\$ (68,425)

Town of Three Rivers

Schedule of Net Assets Acquired in Restructuring Transaction

Net assets transferred on the restructuring date of September 28, 2018

	Town of Montague	Town of Georgetown	Rural Municipality of Brudenell	Rural Municipality of Cardigan	Rural Municipality of Valleyfield	Rural Municipality of Lower Montague	Rural Municipality of Lorne Valley	Total
Financial assets								
Cash and cash equivalents	\$ 318,243	\$ 221,130	\$ 57,720	\$ 151,325	\$ 30,444	\$ 3,949	\$ 14,005	\$ 796,816
Unrestricted								
Receivables								
Water and Sewer - Trade	88,078	-	-	-	-	-	-	88,078
Grants	85,955	-	-	-	-	-	-	85,955
HST	33,195	59,380	-	-	-	-	554	93,129
Other	132,500	81,371	16,405	10,159	7,882	8,575	4,319	261,211
Insurance proceeds	1,047,281	-	-	-	-	-	-	1,047,281
Restricted cash - Other	326,576	383,443	3,716	69,468	-	67,225	-	850,428
	2,031,828	745,324	77,841	230,952	38,326	79,749	18,878	3,222,898
Liabilities								
Bank indebtedness	-	11,906	-	-	-	-	-	11,906
Deferred revenue - Gas Tax	66,576	129,693	3,716	15,906	-	59,787	-	275,678
Deferred revenue - Other	21,698	21,032	-	-	-	-	-	42,730
Payables and accruals	230,462	189,392	5,374	30,281	19,733	9,073	6,859	491,174
Obligation under capital lease	-	-	-	12,569	-	-	-	12,569
Long-term debt	2,009,632	228,166	-	198,472	-	-	-	2,436,270
	2,328,368	580,189	9,090	257,228	19,733	68,860	6,859	3,270,327
Net financial assets	(296,540)	165,135	68,751	(26,276)	18,593	10,889	12,019	(47,429)
Non-financial assets								
Prepays	26,892	15,033	12,448	6,829	612	265	508	62,587
Inventory	6,376	1,452	-	-	-	-	-	7,828
Tangible capital assets	18,543,241	2,909,387	61,086	723,360	-	43,707	24,570	22,305,351
	18,576,509	2,925,872	73,534	730,189	612	43,972	25,078	22,375,766
Net assets received	\$ 18,279,969	\$ 3,091,007	\$ 142,285	\$ 703,913	\$ 19,205	\$ 54,861	\$ 37,097	\$ 22,328,337