

TOWN OF THREE RIVERS
Consolidated Financial Statements
March 31, 2020

TOWN OF THREE RIVERS
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March 31, 2020

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Town of Three Rivers are the responsibility of management and have been prepared in accordance with Canadian accounting standards for the public sector. A summary of the significant accounting policies are described in 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 a certainty until future periods.

To meet its responsibility, management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

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

The consolidated financial statements have been audited by MRSB Chartered Professional Accountants Inc., independent external auditors appointed by the Town of Three Rivers. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Town of Three Rivers:



Mayor

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the Town of Three Rivers

Qualified Opinion

We have audited the consolidated financial statements of the Town of Three Rivers (the Town), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for the public sector.

Basis for Qualified Opinion

The Georgetown Volunteer 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 year end balance of that bank account and the associated activity in that account, including revenues and expenditures. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The consolidated financial statements of the Town for the period ended March 31, 2019 were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on August 19, 2019 for the reasons described in the *Basis for Qualified Opinion* section.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for the public sector, and for such internal

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control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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.

MRSB Chartered Professional Accountants Inc.

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Charlottetown, PE

November 9, 2020

TOWN OF THREE RIVERS
Consolidated Statement of Financial Position
March 31, 2020

	2020	2019 (Restated)
Financial assets		
Cash		
Unrestricted cash	\$ 778,589	\$ 1,256,486
Internally restricted cash	316,461	327,387
Restricted cash - gas tax	1,201,108	248,108
Temporary investments (Note 3)	1,342,172	273,886
Accounts receivable (Note 4)	1,452,520	1,658,428
	<u>5,090,850</u>	<u>3,764,295</u>
Liabilities		
Accounts payable and accrued liabilities	419,497	434,531
Deferred revenue (Note 5)	1,716,818	733,659
Long term debt (Note 6)	2,112,979	2,276,807
	<u>4,249,294</u>	<u>3,444,997</u>
Contingent liability (Note 7)		
Commitments (Note 8)		
Net financial assets (Statement 6)	<u>841,556</u>	<u>319,298</u>
Non-financial assets		
Inventory	10,465	7,828
Prepaid expense	153,108	7,952
Tangible capital assets (Schedules 1 and 2)	22,816,949	22,003,419
	<u>22,980,522</u>	<u>22,019,199</u>
Accumulated surplus and municipal position (Statement 5)	<u>\$ 23,822,078</u>	<u>\$ 22,338,497</u>

ON BEHALF OF THE COUNCIL

Mayor

Councillor

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Consolidated Statement of Operations
Year Ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019 (Restated) (185 days)
Revenues			
General Government (Schedule 5)	\$ 3,953,564	\$ 4,763,636	\$ 1,727,592
Montague Water & Sewer Utility (Schedule 6)	700,000	738,668	341,866
Georgetown Sewer Utility (Schedule 7)	99,000	222,345	92,732
King's Playhouse (Schedule 8)	260,417	287,890	69,548
Waterfront Development Corporation (Schedule 9)	228,400	222,041	35,859
Museum (Schedule 10)	54,478	33,909	33,591
Cardigan Volunteer Fire Department (Schedule 11)	-	111,456	48,699
	<u>5,295,859</u>	<u>6,379,945</u>	<u>2,349,887</u>
Expenditures			
General Government (Schedule 5)	3,608,286	3,561,664	1,786,432
Montague Water & Sewer Utility (Schedule 6)	493,880	698,250	303,814
Georgetown Sewer Utility (Schedule 7)	95,000	100,396	82,253
King's Playhouse (Schedule 8)	253,397	288,808	84,658
Waterfront Development Corporation (Schedule 9)	209,714	191,401	31,759
Museum (Schedule 10)	56,796	37,198	10,565
Cardigan Volunteer Fire Department (Schedule 11)	-	66,505	40,246
	<u>4,717,073</u>	<u>4,944,222</u>	<u>2,339,727</u>
Change in fund balances	578,786	1,435,723	10,160
Reserve surplus adjustment (Note 9)	-	47,858	-
	578,786	1,483,581	10,160
Accumulated surplus - beginning of year (Note 9)	22,338,497	22,338,497	22,328,337
Accumulated surplus - end of year (Note 10)	<u>\$ 22,917,283</u>	<u>\$ 23,822,078</u>	<u>\$ 22,338,497</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019 (Restated) (185 days)
Change in fund balances	\$ 578,786	\$ 1,435,723	\$ 10,160
Gain on sale of tangible capital assets	-	(6,860)	-
Increase (decrease) in prepaid expenses	-	(145,156)	54,635
Increase in inventory	-	(2,637)	-
Purchase of tangible capital assets	(3,030,185)	(1,970,206)	(378,377)
Amortization of tangible capital assets	37,000	1,156,676	680,309
Proceeds on sale of tangible capital assets	-	6,860	-
Adjustment to prior year reserve funds	-	47,858	-
	<u>(2,993,185)</u>	<u>(913,465)</u>	<u>356,567</u>
Increase (decrease) in net financial assets	(2,414,399)	522,258	366,727
Net financial assets (debt) - beginning of year	319,298	319,298	(47,429)
Net financial assets (debt) - end of year	\$ (2,095,101)	\$ 841,556	\$ 319,298

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Consolidated Statement of Cash Flows
Year Ended March 31, 2020

	Actual 2020	Actual 2019 (Restated) (185 days)
Cash flows from operating activities		
Change in fund balances	\$ 1,435,723	\$ 10,160
Items not affecting cash:		
Amortization of tangible capital assets	1,156,676	680,309
Gain on sale of tangible capital assets	(6,860)	-
	<u>2,585,539</u>	<u>690,469</u>
Changes in non-cash working capital:		
Accounts receivable	205,908	378,140
Inventory	(2,637)	-
Prepaid expense	(145,156)	51,736
Accounts payable and accrued liabilities	(15,032)	(64,257)
Deferred revenue	983,159	11,108
	<u>1,026,242</u>	<u>376,727</u>
	<u>3,611,781</u>	<u>1,067,196</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(1,970,206)	(378,377)
Proceeds on sale of tangible capital assets	6,857	-
	<u>(1,963,349)</u>	<u>(378,377)</u>
Cash flows from financing activities		
Repayment of long term debt	(479,827)	(159,461)
Proceeds from long term debt	316,000	-
	<u>(163,827)</u>	<u>(159,461)</u>
Other cash flow items		
Adjustment to prior year reserve funds	47,858	-
Cash and cash equivalents received in restructuring transaction on September 28, 2018	-	1,576,509
	<u>47,858</u>	<u>1,576,509</u>
Increase in cash	<u>1,532,463</u>	<u>2,105,867</u>
Cash - beginning of year	<u>2,105,867</u>	<u>-</u>
Cash - end of year	<u>\$ 3,638,330</u>	<u>\$ 2,105,867</u>
Cash consists of:		
Unrestricted cash	\$ 778,589	\$ 1,256,486
Internally restricted cash	316,461	327,387
Restricted cash - gas tax	1,201,108	248,108
Temporary investments	1,342,172	273,886
	<u>\$ 3,638,330</u>	<u>\$ 2,105,867</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

1. DESCRIPTION OF BUSINESS

Town of Three Rivers ("the Town") was incorporated under the Municipalities Act of Prince Edward Island. Its principal activities include the provision of local government services to residents of the incorporated area. The Town is a non-profit organization under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the Town of Three Rivers are the representations of management prepared in accordance with Canadian accounting standards for the public sector.

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs and in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the year when the related expenditures are incurred, services are performed or the tangible capital assets are acquired.

Basis of consolidation

The consolidated financial statements for the Town of Three Rivers reflect the assets, liabilities, revenues, expenditures, and changes in fund balances of all funds of the Town. The Town is comprised of all organizations and committees accountable to the Town for the administration of their financial affairs and resources. Included in the Town are the following:

- Town of Three Rivers
- Montague Sewerage 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 operations.

The inter-entity transactions and balances have been eliminated.

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TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Cash is comprised of unrestricted, internally restricted and restricted balances on deposits with banks and temporary investments.

Accounts receivable

Accounts receivable arise from trade sales, insurance proceeds receivable, accrued interest, Harmonized Sales Tax, sewer and water dues and other miscellaneous receivables. An allowance for bad debts has been calculated through assessment of the other circumstances influencing the collectibility of amounts and using historical loss experience. Amounts deemed uncollectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

Inventory

Inventories are stated at the lower of cost and net realizable value. Cost includes the costs to purchase and other costs directly attributable to the inventories. Cost is determined using the first in, first out method. Net realizable value represents the amount that may be realized from the sale of an inventory item under normal business conditions. When inventories are sold, the carrying amount of those inventories are recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the loss or write-down occurs. The amount of reversal of any write-downs, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Non-financial assets

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

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates on the amounts can be determined.

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TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Tangible capital assets are stated at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized over the estimated useful life on a straight-line basis as follows:

Land improvements	25 years
Municipal buildings	40 years
Small equipment	10 years
Equipment	10 years
Motor vehicles	10 years
Computer	5 years
Streets	50 years
Sidewalks	25 years
Waterfront equipment and structures	15 years
Sanitary sewer	1.2%
Pumping station	1.2%
Computer and software	20%

Amortization rates for the Utilities were established using the estimated useful life of the asset in accordance with the Island Regulatory and Appeals Commission guidelines.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

One-half of the annual rate is recorded in the year of acquisition; no amortization is recorded in the year of disposal.

Revenue recognition

Property tax billings are assessed based on the market value of real property in the Municipality and is payable in each calendar year. Tax rates are reviewed, established, and approved annually by the Municipality. These revenues are recognized when payments are received from the Province.

Water and Sewer dues are charged based on rates approved by the Island Regulatory and Appeals Commission (IRAC). These charges are assessed quarterly for Montague Water and Sewer Utility and triennially for Georgetown Sewer Corporation and are recognized when billings come due.

Fire dues are reviewed, established, and approved annually by the Council upon recommendation of Fire Departments. These revenues are recognized when monthly billings come due.

The Town follows the deferral method of accounting for grants and contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred, with recognition of excess amounts being deferred until the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in surplus. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issuance of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

Management estimates

The presentation of the consolidated financial statements in conformity with Canadian accounting standards for the public sector requires management to make estimates and assumptions that affect the reported amount of 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 management's best estimates as additional information becomes available in the future. The following are areas in which management makes significant accounting estimates:

- The amounts recorded for amortization of tangible capital assets on the statement of operations and schedules is subject to management's assessment of the estimated useful life of the Town's tangible capital assets;
- The recognized amounts of potential claims and liabilities depend on management's assessment of future costs and the probability these events will occur.

3. TEMPORARY INVESTMENTS

	<u>2020</u>	<u>2019</u>
BMO - due November 2020	\$ 650,000	\$ -
BMO - due November 2020	300,000	-
BMO - due November 2020	209,326	-
CIBC - due November 2021	74,814	73,797
CIBC - due November 2020	61,390	59,893
Scotiabank - due March 2021	46,642	140,196
	<u>\$ 1,342,172</u>	<u>\$ 273,886</u>

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

4. ACCOUNTS RECEIVABLE

	2020	2019
Insurance proceeds	\$ 519,492	\$ 1,047,281
Grants	506,976	404,139
HST	220,959	82,088
Georgetown Sewer Utility	130,087	453,632
Other	93,658	21,167
Montague Sewerage and Water Utility	90,569	95,540
	<u>1,561,741</u>	<u>2,103,847</u>
Allowance for doubtful accounts	(109,221)	(445,419)
	<u>\$ 1,452,520</u>	<u>\$ 1,658,428</u>

5. DEFERRED REVENUE

	2020	2019
New Deals Gas Tax	\$ 1,340,957	\$ 713,857
Provincial transitional funding	323,248	-
Other deferred revenue	52,613	19,802
	<u>\$ 1,716,818</u>	<u>\$ 733,659</u>

Under the New Deals Gas Tax Funding for Incorporated Communities and the New Deals for Cities & Communities, the Town was allocated \$1,330,270 for fiscal 2019/20. These funds, along with interest earned, must be used for eligible infrastructure and capacity building projects. Any funds received under this program, including interest earned but not yet spent, are recognized as deferred revenue at the end of the year.

During the year, the Town received Gas Tax funding of \$1,330,270, incurred eligible expenditures of \$706,278, and earned interest of \$3,108.

As a result of the amalgamation, the Town received \$323,248 from the Province of Prince Edward Island in fiscal 2020. Of this amount, \$300,000 was transitional funding for strategic infrastructure and \$23,248 was a Provincial gas tax top-up. None of these funds had been spent as of March 31, 2020.

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

6. LONG TERM DEBT

	2020	2019
<u>Town of Three Rivers</u>		
Scotiabank - prime ; repayable in monthly principal installments of \$1,106 plus interest. The loan is secured by general security agreement and a resolution authorizing the Town to borrow	\$ 197,989	\$ 212,367
Bank of Montreal - 3.07%; repayable in monthly blended installments of \$466. The loan matures on December 31, 2024 and is secured by general security agreement and a resolution authorizing the Town to borrow.	33,434	38,455
Bank of Montreal - 2.35%; repayable in monthly principal installments of \$390 plus interest. The loan matures on April 30, 2020 and is secured by general security agreement and a resolution authorizing the Town to borrow.	28,548	38,075
Provincial Credit Union Limited - 3.19%; repayable in monthly blended installments of \$4,200. The loan matures on September 30, 2024 and is secured by promissory note and a certified copy of the borrower's resolution.	295,641	-
Province of PEI - 5.05%; repaid during the year.	-	178,156
Bank of Montreal - prime plus 1%; repaid during the year.	-	32,900
Scotiabank - prime plus 1.25%; repaid during the year.	-	1,324
	555,612	501,277
<u>Water and Sewer Utility</u>		
Bank of Montreal - 3.07%; repayable in monthly blended installments of \$12,430. The loan matures on December 31, 2024 and is secured by General security agreement and a resolution authorizing the Town to borrow.	891,447	1,025,309
Provincial Credit Union Limited - 3.5%; repayable in blended monthly installments of \$1,447. The loan matures on March 15, 2023 and is secured by General Security agreement and a resolution authorizing the Town to borrow.	231,932	240,956
Federation of Canadian Municipalities - 3.41%; repayable in semi-annually principal installments of \$15,363 plus interest. The loan matures on May 16, 2027 and is secured by General security agreement and a resolution authorizing the Town to borrow.	230,453	261,180
Bank of Montreal - 2.82%; repayable in monthly blended installments of \$1,362. The loan matures on July 31, 2020 and is secured by general security agreement and a resolution authorizing the Town to borrow.	129,008	141,519

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TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

6. LONG TERM DEBT (continued)

	2020	2019
Bank of Montreal - 2.82%; repayable in monthly blended installments of \$2,417. The loan matures on August 31, 2020 and is secured by general security agreement and a resolution authorizing the Town to borrow.	67,677	96,771
Bank of Montreal Loan - 2.82%; repayable in monthly blended installments of \$245. The loan matures on August 31, 2020 and is secured by general security agreement and a resolution authorizing the Town to borrow.	6,850	9,795
	<u>1,557,367</u>	<u>1,775,530</u>
	<u>\$ 2,112,979</u>	<u>\$ 2,276,807</u>

Principal repayments of long term debt are expected to be repaid over the next five years as follows:

2021	\$ 446,819
2022	220,598
2023	427,264
2024	221,771
2025	719,708

7. CONTINGENT LIABILITY

The Town has an outstanding legal claim from a resident relating to an IRAC appeal of development permit issuance. The amount any liability is undeterminable as of auditor report date and no amount has been accrued in the consolidated financial statements.

8. COMMITMENTS

Both councils of the Town of Montague and the Town of Three Rivers approved a motion to transfer ownership of all streets within the Town to the Province of Prince Edward Island 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.

The Town has entered into lease agreements for rent for office space, lease of electrical message board and lease of a photocopier. The minimum lease payments due over the next five years are as follows:

2021	\$ 39,981
2022	31,235
2023	2,112
2024	2,112
2025	1,584

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

9. RESERVE AND SURPLUS ADJUSTMENT

As a result of the amalgamation of former Municipalities into the Town of Three Rivers, the Town entered into a funding agreement with the Province of Prince Edward Island which was included on the Town's annual expenditure report for the 2018/19 period, however this was not reflected in the prior period accounts. In order to correct this error, an adjustment was made to the prior period comparative figures:

Increase accounts receivable	\$404,139
Increase deferred revenue	\$325,554
Increase government transfers for capital	\$78,585

The reserve funds for each of the former Municipalities were also adjusted in the current fiscal period to correct amounts allocated from accumulated surplus as of March 31, 2019. The total adjustment of \$47,858 was recorded in the current fiscal year.

10. ACCUMULATED SURPLUS

	2020	2019
Unrestricted surplus	\$ 963,320	\$ 410,456
Reserve funds (Note 11)	2,154,788	2,201,429
Investment in tangible capital assets (Note 12)	20,703,970	19,726,612
	\$ 23,822,078	\$ 22,338,497

11. RESERVE FUNDS

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. All long term debt was assumed by the Town of Three Rivers.

	2020	2019
Balance - beginning of year	\$ 2,201,429	\$ 2,388,841
Adjustment to prior year reserve funds	47,858	-
Expenditures from reserves	(94,499)	(187,412)
Balance - end of year	\$ 2,154,788	\$ 2,201,429
Reserved funds are comprised of:		
Town of Montague	\$ 1,719,725	\$ 1,685,425
Town of Georgetown	166,713	233,556
Rural Municipality of Cardigan	138,455	172,196
Rural Municipality of Brudenell	63,180	68,751
Rural Municipality of Valleyfield	19,550	18,593
Georgetown Fire Truck Reserve	22,974	-
Rural Municipality of Lorne Valley	13,302	12,019
Rural Municipality of Lower Montague	10,889	10,889
	\$ 2,154,788	\$ 2,201,429

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

12. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2020	2019
Tangible capital assets (Schedules 1 and 2)	\$ 38,889,722	\$ 36,919,516
Accumulated amortization (Schedules 1 and 2)	(16,072,773)	(14,916,097)
Long term debt (Note 6)	(2,112,979)	(2,276,807)
	<u>\$ 20,703,970</u>	<u>\$ 19,726,612</u>

13. GOVERNMENT TRANSFERS

	2020	2019
<u>Government transfers for capital</u>		
<u>General Government</u>		
New Deals Gas tax	\$ 609,230	\$ 343,863
Province of PEI Grants - Cardigan Ballfield lights	282,554	-
Province of PEI Grants - Waterfront Development	214,903	-
Municipal Capital Expenditure Grant	197,480	-
Province of PEI Grants - Zamboni	77,263	-
Province of PEI Grants - other projects	29,241	79,960
	<u>1,410,671</u>	<u>423,823</u>
 <u>Georgetown Sewer Utility</u>		
New Deals Gas tax	97,047	-
Municipal Capital Expenditure Grant	17,810	-
	<u>114,857</u>	<u>-</u>
 <u>Montague Water & Sewer Utility</u>		
Municipal Capital Expenditure Grant	<u>30,156</u>	<u>-</u>
 <u>Museum</u>		
Municipal Capital Expenditure Grant	<u>187</u>	<u>27,873</u>
 <u>Cardigan Volunteer Fire Department</u>		
Municipal Capital Expenditure Grant	<u>209</u>	<u>-</u>
 <u>Government transfers for operations</u>		
<u>General Government</u>		
Equalization	704,622	352,311
Property tax credit	430,358	-
Property tax offset	270,126	-
Transitional funding	138,317	-
Wage subsidies	114,170	8,992

(continues)

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

13. GOVERNMENT TRANSFERS (continued)

	<u>2020</u>	<u>2019</u>
<u>General Government</u>		
Other	31,585	49,080
Grant in lieu hospital	20,000	5,205
	1,709,178	415,588
<u>Kings Playhouse</u>		
Wage subsidies	65,768	12,436
Other	35,236	12,958
	101,004	25,394
<u>Museum</u>		
Wage subsidies	12,081	1,260
Collection Management Assistance	3,000	-
	15,081	1,260
<u>Waterfront development</u>		
Wage subsidies	75,381	32,160
Grand total	\$ 3,456,724	\$ 926,098

14. LINE OF CREDIT AVAILABILITY

The Town of Three Rivers has combined operating lines of credit of \$500,000 of which nil (2019 - nil) was utilized at March 31, 2020. Interest is charged at prime less 0.25%. Prime rate at March 31, 2020 was 2.45%.

15. RATE REGULATION

Water and Sewer Utility

The Town is subject to rate regulation on wastewater utility rates in Prince Edward Island in accordance with the Water and Sewerage Act. The purpose of this Act, which is administered by the Island Regulatory and Appeals Commission (IRAC), is to regulate the utility rates within the Province of Prince Edward Island.

Utility rates and charges are fixed and determined in accordance with the generally accepted public utility practices after taking into consideration local conditions and circumstances. Municipalities may apply for changes to utility rates with IRAC. The commission will review these requests and adjust the price accordingly.

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

16. BUDGET FIGURES

A reconciliation of the 2020 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

Town of Three Rivers budget surplus	\$ 4,960
Montague Sewer and Water Corporation budget surplus	4,120
Georgetown Sewer Utility budget surplus	4,000
King's Playhouse budget surplus	7,020
Waterfront Development Corporation budget surplus	18,686
Garden of the Gulf Museum budget deficit	(2,318)
Principal debt payments	269,000
Capital expenditures	<u>273,318</u>
	<u>\$ 578,786</u>

The budget figures provided on Statements 5 and 6 and Schedule 3 to 8 have not been audited or reviewed by the external auditor and are presented for information purposes only.

17. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash, temporary investments, restricted cash, accounts receivable, accounts payable and accrued liabilities, and long term debt.

The Town is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Town's risk exposure and concentration as of March 31, 2020.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Town has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to this risk mainly in respect of its receipt of government funding, long term debt and accounts payable and accrued liabilities.

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

18. SEGMENT DISCLOSURE

The Town is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Municipality's operations and activities are organized and reported by segment. The major segments are as follows:

General government services

This segment is responsible for the overall financial and local government administration. Its tasks include, but are not limited to, daily accounting functions, preparation and coordination of annual audited consolidated financial statements, development of the annual budget, human resource functions for the entire Town, maintenance of bylaws and policies, oversight of public works, maintenance of municipal facilities, and administration of municipal services.

Museum

This segment is responsible for presentation and appreciation of culture and history of Three Rivers.

Water and Sewer Utility

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

Waterfront Development

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

King's Playhouse

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

19. SUBSEQUENT EVENT

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Town or its residents, employees, contractors, suppliers and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Town's business, the continued spread of COVID-19 and the measures taken by the federal and provincial governments to contain its impact could adversely impact the Town's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the Town's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

20. COMPARATIVE FIGURES

The prior period comparative figures were audited by another firm of public accountants.

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

TOWN OF THREE RIVERS

**Schedules to Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2020**

(Schedule 1)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Land and improvements	\$ 1,326,507	\$ 7,043	-	\$ 1,333,550	\$ 332,193	\$ 78,337	-	\$ 410,530	\$ 923,020
Buildings and leasehold improvements	11,903,555	195,685	-	12,099,240	4,557,809	282,940	-	4,840,749	7,258,491
Streets and sidewalks	9,152,108	104,951	-	9,257,059	4,409,593	214,085	-	4,623,678	4,633,381
Machinery and equipment	3,956,508	1,414,626	-	5,371,134	2,566,764	411,824	-	2,978,588	2,392,546
Water system	5,129,222	3,388	-	5,132,610	1,470,300	65,295	-	1,535,595	3,597,015
Sewer system	5,451,616	244,513	-	5,696,129	1,579,438	104,195	-	1,683,633	4,012,496
Total tangible capital assets	\$ 36,919,516	\$ 1,970,206	-	\$ 38,889,722	\$ 14,916,097	\$ 1,156,676	-	\$ 16,072,773	\$ 22,816,949

Notes 1 to 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS

Schedules to Consolidated Financial Statements

Tangible Capital Assets

185 Days Ended March 31, 2019

(Schedule 2)

	Cost beginning of period	Additions acquired on restructuring	Disposals and write downs	Cost end of period	Accum amort transferred on restructuring	Amort in the period	Disposals and write downs	Accum amort end of period	Net book value
Land & improvements	\$ -	\$ 1,326,507	\$ -	\$ 1,326,507	\$ 324,549	\$ 7,644	\$ -	\$ 332,193	\$ 994,314
Buildings and leasehold improvements	-	11,903,555	-	11,903,555	4,324,547	233,262	-	4,557,809	7,345,746
Streets and sidewalks	-	9,152,108	-	9,152,108	4,192,414	217,179	-	4,409,593	4,742,515
Machinery and equipment	-	3,956,508	-	3,956,508	2,437,596	129,168	-	2,566,764	1,389,744
Water system	-	5,129,222	-	5,129,222	1,428,307	41,993	-	1,470,300	3,658,922
Sewer system	-	5,451,616	-	5,451,616	1,528,375	51,063	-	1,579,438	3,872,178
Total tangible capital assets	\$ -	\$ 36,919,516	\$ -	\$ 36,919,516	\$ 14,235,788	\$ 680,309	\$ -	\$ 14,916,097	\$ 22,003,419

Notes 1 to 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Schedules to Consolidated Financial Statements
Segment Disclosures
Year Ended March 31, 2020

(Schedule 3)

	General Government	Montague Water & Sewer Utility	Georgetown Sewer Utility	King's Playhouse	Waterfront Development Corporation	Museum	Cardigan Volunteer Fire Department	Elimination	Consolidated 2020
Revenues									
Government transfers									
Operations	\$ 1,709,178	\$ -	\$ -	\$ 101,004	\$ -	\$ 15,081	\$ -	\$ -	\$ 1,825,263
Capital	1,410,671	30,156	114,857	-	-	187	209	-	1,556,080
Property taxes	786,508	-	-	-	-	-	-	-	786,508
Fire dues	476,739	-	-	-	-	-	107,347	(582,172)	1,914
Third party revenue	284,374	-	-	-	-	-	-	-	284,374
Other	81,427	4,135	5,531	169,016	146,660	4,795	3,900	(41,880)	373,584
Interest	14,739	6,446	2,484	-	-	-	-	-	23,669
Water and sewer	-	697,931	99,473	-	-	-	-	(58,176)	739,228
Grants & subsidies	-	-	-	17,870	75,381	13,846	-	(27,870)	79,227
	4,763,636	738,668	222,345	287,890	222,041	33,909	111,456	(710,098)	5,669,847
Expenditures									
Salaries and benefits	862,473	199,081	-	120,903	86,226	26,540	6,710	-	1,301,933
Goods and services	1,700,674	300,342	75,535	144,531	102,473	10,517	44,115	(710,098)	1,668,089
Amortization	969,595	144,690	24,799	17,489	-	103	15,405	-	1,172,081
Interest	28,923	54,137	62	5,885	2,702	38	275	-	92,022
	3,561,665	698,250	100,396	288,808	191,401	37,198	66,505	(710,098)	4,234,125
Annual surplus (deficit)	\$ 1,201,971	\$ 40,418	\$ 121,949	\$ (918)	\$ 30,640	\$ (3,289)	\$ 44,951	\$ -	\$ 1,435,722

Notes 1 to 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Schedules to Consolidated Financial Statements
Segment Disclosures
15 Months Ended March 31, 2019

(Schedule 4)

		Montague	Georgetown	King's Development	Waterfront	Museum	Cardigan	Consolidated
		General Government	Water & Sewer Utility	Playhouse	Corporation	Department	Volunteer Fire	2019
							Elimination	
Revenue								
Property taxes	\$	729,546	\$	-	\$	-	\$	\$ 729,546
Government transfers								
Operations	\$	415,588	-	25,394	-	1,260	-	442,242
Capital	\$	423,823	-	-	-	27,873	-	451,696
Fire dues	\$	22,500	-	-	-	-	48,699	71,199
Third party revenue	\$	57,650	-	-	-	-	-	57,650
Other		78,137	2,664	38,318	3,699	4,458	(49,850)	81,198
Interest		348	2,820	36	-	-	-	3,204
Water and sewer		-	88,960	-	-	-	(16,782)	408,560
Grants & subsidies		-	-	5,800	32,160	-	-	37,960
		1,727,592	341,866	92,732	35,859	33,591	(66,632)	2,283,255
Expenditures								
Salaries and benefits		289,585	83,852	33,558	20,770	5,176	5,480	438,421
Goods and services		907,844	111,564	41,216	10,549	5,339	29,734	1,109,804
Amortization		579,176	81,144	8,076	-	-	-	680,309
Interest		9,827	27,254	1,808	440	50	5,032	44,561
		1,786,432	303,814	84,658	31,759	10,565	(66,632)	2,273,095
Annual surplus (deficit)	\$	38,052	\$ 38,052	\$ 10,479	\$ (15,110)	\$ 4,100	\$ 8,453	\$ 10,160

Notes 1 to 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - General Government
Year Ended March 31, 2020

(Schedule 5)

	Budget 2020	Actual 2020	Actual 2019 (Restated) (185 days)
Revenues			
Government transfers for operations (Note 13)	\$ 2,192,100	\$ 1,709,178	\$ 415,588
Government transfers for capital (Note 13)	303,000	1,410,671	423,823
Property taxes	799,445	786,508	729,546
Fire dues	470,819	476,739	22,500
Other third party revenue	188,200	284,374	57,650
Office services	-	41,880	49,850
Development permits	-	36,587	28,287
Interest	-	14,739	348
Gain on sale of tangible capital assets	-	2,960	-
	3,953,564	4,763,636	1,727,592
Expenditures			
Protective Services			
Bylaw enforcement	114,300	11,789	10,403
Fire protection services	470,819	413,135	101,119
Policing services	140,000	121,726	78,099
Water supply and hydrants	53,000	55,177	12,220
	778,119	601,827	201,841
Maintenance and Infrastructure Services			
Beautification	48,000	19,499	13,322
Garbage removal	-	7,130	2,765
Maintenance buildings	8,480	32,937	11,887
Maintenance wages	220,000	349,732	71,961
Sidewalks	20,000	19,690	40,020
Street lights	111,000	84,276	45,871
Vehicles, equipment and tools	58,688	55,332	21,664
	466,168	568,596	207,490
Community Services			
A.A. MacDonald Memorial Gardens	25,000	25,637	2,966
Black Fly program	28,200	29,285	9,904
Cavendish Farms Wellness Centre	62,700	60,316	31,350
Community Parks	27,500	15,682	3,195
Economic development	48,500	4,664	68,391
Garden of the Gulf Museum	43,000	18,346	15,097
Grants and sponsorships	30,500	35,316	24,263
King's Playhouse	36,500	62,708	-
Libraries	19,450	10,796	5,773
Public receptions and festivals	54,200	27,458	4,544
Recreational programming	23,000	15,918	1,945
Small Halls	-	14,020	-
Three Rivers Sportsplex	48,000	40,003	159,745
	446,550	360,149	327,173

(continues)

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - General Government *(continued)* **(Schedule 5)**
Year Ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019 (Restated) (185 days)
Financial and Corporate Services			
Amortization of tangible capital assets	-	954,134	577,225
Interest and bank charges	10,400	20,098	8,116
Interest on long term debt	1,000	8,825	1,711
Long term sustainability	200,000	-	-
Transitional costs	620,000	132,864	-
	<u>831,400</u>	<u>1,115,921</u>	<u>587,052</u>
Administrative Services			
Elections	6,000	-	27,183
Employee travel	3,500	13,366	6,024
Insurance	20,600	21,586	32,162
Mayor and council	11,500	9,138	5,029
Mayor and council honorarium	142,800	60,076	77,285
Memberships and other professional services	-	13,285	421
Municipal offices	216,249	176,956	85,824
Office	47,100	54,483	40,638
Planning	6,500	16,200	6,110
Professional fees	64,000	76,224	35,422
Public relations	20,800	21,193	4,129
Sign	5,000	-	2,309
Staff training and development	3,500	6,282	2,570
Wages and wage levies	538,500	446,382	137,770
	<u>1,086,049</u>	<u>915,171</u>	<u>462,876</u>
	<u>3,608,286</u>	<u>3,561,664</u>	<u>1,786,432</u>
Change in fund balance	\$ 345,278	\$ 1,201,972	\$ (58,840)

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Montague Water & Sewer Utility (Schedule 6)
Year Ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019 (Restated) (185 days)
Revenues			
Sewer charges	\$ 378,000	\$ 380,770	\$ 188,985
Water charges	256,000	261,984	130,827
Fire protection	58,000	55,177	16,570
Government transfers for capital (Note 13)	-	30,156	-
Interest	5,000	6,446	2,820
Other	3,000	4,135	2,664
	<u>700,000</u>	<u>738,668</u>	<u>341,866</u>
Expenditures			
Administration	5,000	5,000	2,500
Amortization of tangible capital assets	37,000	144,690	81,144
Dues and fees	9,780	10,715	8,193
Insurance	6,400	13,706	-
Interest and bank charges	2,200	56	-
Interest on long term debt	15,000	54,081	27,254
Miscellaneous	5,500	5,576	2,627
Office	8,500	8,410	3,154
Professional fees	12,900	6,000	7,829
Rental	12,000	12,952	6,000
Repairs and maintenance	81,250	135,343	34,217
Supplies	13,400	13,985	4,043
Training and development	3,000	350	395
Travel	1,000	224	-
Utilities	87,300	83,080	39,660
Vehicle	5,700	5,001	2,946
Wages and wage levies	187,950	199,081	83,852
	<u>493,880</u>	<u>698,250</u>	<u>303,814</u>
Change in fund balance	<u>\$ 206,120</u>	<u>\$ 40,418</u>	<u>\$ 38,052</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Georgetown Sewer Utility **(Schedule 7)**
Year Ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019 (Restated) (185 days)
Revenues			
Government transfers for capital (Note 13)	\$ -	\$ 114,857	\$ -
Sewer charges	99,000	99,473	88,960
Other	-	5,531	3,772
Interest	-	2,484	-
	<u>99,000</u>	<u>222,345</u>	<u>92,732</u>
Expenditures			
Amortization of tangible capital assets	-	24,799	11,913
Bad debts	-	-	22,794
Dues and fees	1,500	1,587	1,214
Insurance	-	2,199	-
Interest and bank charges	-	62	150
Miscellaneous	7,600	781	2,850
Office	23,400	21,947	18,088
Professional fees	9,500	2,500	-
Repairs and maintenance	43,000	32,532	19,024
Utilities	10,000	13,989	6,220
	<u>95,000</u>	<u>100,396</u>	<u>82,253</u>
Change in fund balance	<u>\$ 4,000</u>	<u>\$ 121,949</u>	<u>\$ 10,479</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - King's Playhouse
Year Ended March 31, 2020

(Schedule 8)

	Budget 2020	Actual 2020	Actual 2019 (Restated) (185 days)
Revenues			
Government transfers for operations (Note 13)	\$ 89,667	\$ 101,004	\$ 25,394
Admissions	58,000	87,673	13,881
Other	32,700	41,813	10,445
Fundraising, donations and sponsorships	39,450	21,616	8,288
Canteen and catering	21,600	17,914	5,704
Town of Three Rivers grant	19,000	17,870	5,800
Interest	-	-	36
	260,417	287,890	69,548
Expenditures			
Advertising and promotions	15,290	15,288	3,984
Amortization of tangible capital assets	-	17,489	8,076
Canteen and catering purchases	13,400	14,290	2,605
Dues and fees	2,000	250	505
Equipment	1,400	985	123
Interest and bank charges	6,870	5,885	1,808
Office	13,248	10,616	5,678
Program	51,250	77,875	12,659
Repairs and maintenance	28,950	4,584	4,119
Utilities	20,806	20,643	11,543
Wages and wage levies	100,183	120,903	33,558
	253,397	288,808	84,658
Change in fund balance	\$ 7,020	\$ (918)	\$ (15,110)

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Waterfront Development Corporation (Schedule 9)
Year Ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019 (Restated) (185 days)
Revenues			
Fees	\$ 78,700	\$ 78,621	\$ 675
Grants and wage subsidies (Note 13)	83,500	75,381	32,160
Product sales	54,200	53,149	259
Rental	12,000	14,890	2,627
Miscellaneous	-	-	138
	<u>228,400</u>	<u>222,041</u>	<u>35,859</u>
Expenditures			
Advertising and promotions	2,000	1,927	549
Bad debt	-	1,617	-
Dues and fees	305	1,189	110
Interest and bank charges	1,700	2,702	440
Miscellaneous	200	1,222	-
Office	1,200	2,375	(4)
Professional fees	3,050	-	-
Property taxes	2,900	3,586	1,326
Purchases	45,850	51,186	(74)
Repairs and maintenance	30,700	21,283	3,542
Tools and equipment	400	3,715	-
Travel and entertainment	200	2,752	41
Utilities	13,250	11,621	5,059
Wages and wage levies	107,959	86,226	20,770
	<u>209,714</u>	<u>191,401</u>	<u>31,759</u>
Change in fund balance	<u>\$ 18,686</u>	<u>\$ 30,640</u>	<u>\$ 4,100</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Museum
Year Ended March 31, 2020

(Schedule 10)

	Budget 2020	Actual 2020	Actual 2019 (Restated) (185 days)
Revenues			
Government transfers for operations (Note 13)	\$ 19,958	\$ 15,081	\$ 1,260
Grants and subsidies	31,000	13,846	-
Museum	3,520	4,795	2,530
Government transfers for capital (Note 13)	-	187	27,873
Wellness Centre	-	-	1,928
	<u>54,478</u>	<u>33,909</u>	<u>33,591</u>
Expenditures			
Advertising and promotions	750	264	134
Amortization of tangible capital assets	-	103	-
Dues and fees	250	60	20
Interest and bank charges	50	38	50
Miscellaneous	550	83	-
Office	1,020	585	10
Repairs and maintenance	1,800	33	605
Supplies	500	-	-
Training	100	42	87
Utilities	9,050	9,450	4,483
Wages and wage levies	42,726	26,540	5,176
	<u>56,796</u>	<u>37,198</u>	<u>10,565</u>
Change in fund balance	<u>\$ (2,318)</u>	<u>\$ (3,289)</u>	<u>\$ 23,026</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Cardigan Volunteer Fire Department (Schedule 11)
Year Ended March 31, 2020

	2020	2019 (Restated) 185 Days
Revenues		
Fire dues	\$ 107,347	\$ 48,699
Gain on sale of tangible capital assets	3,900	-
Government transfers for capital (Note 13)	209	-
	<u>111,456</u>	<u>48,699</u>
Expenses		
Advertising and promotions	4,133	4,890
Amortization of tangible capital assets	15,405	-
Dues and fees	1,940	482
Gas and oil	1,408	609
Honorariums	6,710	5,480
Insurance	2,908	2,543
Interest and bank charges	275	148
Interest on long term debt	11,192	4,884
Office	2,767	4,720
Professional fees	-	6,769
Repairs and maintenance	23,364	6,513
Telephone	7,595	3,208
	<u>77,697</u>	<u>40,246</u>
Change in fund balance	<u>\$ 33,759</u>	<u>\$ 8,453</u>

Notes 1 - 20 are an integral part of these consolidated financial statements