

TOWN OF TRURO
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2018

Town of Truro

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Management's Responsibility for the Consolidated Financial Statements

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

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

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

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Town of Truro 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 Truro

Michael W. Dolter
Chief Administration Officer

Aundrea Currie
Finance Manager

February 28, 2019

Independent auditor's report

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To the Mayor and Council of the
Town of Truro

We have audited the accompanying consolidated financial statements of the **Town of Truro** on Pages 3 to 26, which comprise the consolidated statement of financial position as at **March 31, 2018**, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town of Truro as at March 31, 2018, and the consolidated results of operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on Pages 27 to 30 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.



Truro, Canada
February 28, 2019

Chartered Professional Accountants
Licensed Public Accountants

Town of Truro

Consolidated Statement of Financial Position

March 31

2018

2017

FINANCIAL ASSETS

Cash and cash equivalents (Note 1)	\$	4,171,742	\$	3,722,447
Receivables				
Taxes and sewer rates, net of valuation allowance (Note 2)		1,551,963		1,898,085
Water rates (net of allowance - \$50,000; 2017 - \$50,000)		771,689		916,082
Due from federal government		1,907,117		850,907
Due from provincial government		904,523		333,753
Loans and advances (net of allowance - \$235,944; 2017 - \$235,944)		110,000		140,000
Other receivables (net of allowance - \$68,245; 2017 - \$55,980)		1,662,841		2,404,150
Land held for resale (Note 1)		875,616		888,771
	\$	<u>11,955,491</u>	\$	<u>11,154,195</u>

LIABILITIES

Payables and accruals	\$	2,999,056	\$	2,943,133
Prepaid taxes		277,867		239,562
Deferred revenue (Note 3)		413,581		240,308
Deposits and other		-		18,707
Tax sale surplus (Note 5)		70,959		70,959
Post employment benefits (Note 6)		503,612		422,540
Defined pension obligation (Note 7)		2,175,673		1,342,687
Long term debt (Page 25)		21,573,294		23,352,394
		<u>28,014,042</u>		<u>28,630,290</u>

NET DEBT

(16,058,551) (17,476,095)

NON-FINANCIAL ASSETS

Tangible capital assets (Page 24)		163,549,592		160,613,318
Less accumulated amortization		(60,324,314)		(55,791,127)
Inventory not held for resale (Note 1)		115,357		220,354
Prepaid expenses		85,315		107,507

NET NON-FINANCIAL ASSETS

103,425,950 105,150,052

ACCUMULATED SURPLUS

\$ 87,367,399 \$ 87,673,957

Commitments (Note 9)

Contingencies (Note 13)

Subsequent events (Note 14)

Approved on behalf of the Council of the Town of Truro

Mayor

CAO

See accompanying notes to the consolidated financial statements

Town of Truro

Consolidated Statement of Operations

Year Ended March 31

2018

2017

	Page	Budget (Note 12)	Actual	Actual
Revenue				
Assessable property taxes and sewer rates	7	\$ 18,632,480	\$ 18,884,246	\$ 18,618,574
Grants in lieu of taxes	7	777,853	810,291	789,419
Services provided to other governments	8	264,822	302,504	197,095
Sale of services	8	751,241	849,448	834,606
Other revenue from own sources	8	342,716	714,690	760,562
Rath Eastlink Community Centre		1,195,906	1,465,607	1,060,695
Unconditional transfers from government	9	1,356,670	1,360,005	1,361,271
Conditional transfers from government	9	2,274,045	2,344,428	2,931,362
Water revenues	9	3,575,000	3,723,804	3,701,417
Total revenue		<u>29,170,733</u>	<u>30,455,023</u>	<u>30,255,001</u>
Expenditures				
General government services	10	3,556,888	4,750,049	4,996,233
Protective services	11	7,517,180	7,497,175	7,158,853
Transportation services	11	6,203,351	5,926,660	5,734,635
Environmental health services	12	2,542,717	2,629,798	2,628,812
Public health services	12	86,875	103,031	119,140
Environmental development services	12	1,095,856	1,041,589	913,105
Recreation and cultural services	13	4,017,783	4,088,974	4,018,402
Rath Eastlink Community Centre		1,795,906	1,934,429	1,594,306
Water expenses	13	2,951,681	2,789,876	2,509,785
Total expenditures		<u>29,768,237</u>	<u>30,761,581</u>	<u>29,673,271</u>
Net (deficit) surplus		<u>\$ (597,504)</u>	<u>(306,558)</u>	581,730
Accumulated surplus, beginning of year			87,673,957	87,092,227
Accumulated surplus, end of year			<u><u>\$ 87,367,399</u></u>	<u><u>\$ 87,673,957</u></u>

See accompanying notes to the consolidated financial statements

Town of Truro

Consolidated Statement of Cash Flows

Year Ended March 31

2018

2017

Increase (decrease) in cash and cash equivalents

Operating activities

Net (deficit) surplus	\$ (306,558)	\$ 581,730
Amortization	4,783,953	4,772,573
Net loss on disposal of tangible capital assets	54,360	6,160
Gain on sale of land held for resale	(55,640)	-
	<u>4,476,115</u>	<u>5,360,463</u>
Taxes and sewer rate receivable	346,122	(327,931)
Water rates receivable	144,393	436,300
Accounts receivable	(855,671)	401,651
Payables, accruals and other liabilities	1,162,852	(177,747)
Inventory not held for resale	104,997	175,843
Prepaid expenses	22,192	(13,172)
	<u>5,401,000</u>	<u>5,855,407</u>

Capital activities

Acquisition of tangible capital assets	(3,299,548)	(5,097,942)
Proceeds on sale of tangible capital assets	58,148	238,413
Proceeds on sale of land held for resale	68,795	-
Addition to land held for resale	-	-
	<u>(3,172,605)</u>	<u>(4,859,529)</u>

Financing activities

Issuance of long term debt	550,000	58,938
Debt principal repayment	(2,329,100)	(1,775,659)
	<u>(1,779,100)</u>	<u>(1,716,721)</u>

Net change in cash and cash equivalents

449,295 (720,843)

Cash and cash equivalents

Beginning of year	<u>3,722,447</u>	<u>4,443,290</u>
End of year	<u>\$ 4,171,742</u>	<u>\$ 3,722,447</u>

See accompanying notes to the consolidated financial statements

Town of Truro**Consolidated Statement of Changes in Net Debt**

Year Ended March 31

2018**2017**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Net (deficit) surplus	\$ (597,504)	\$ (306,558)	\$ 581,730
Changes in tangible capital assets			
Acquisition of tangible capital assets	(2,763,528)	(3,299,548)	(5,097,942)
Amortization of tangible capital assets	4,475,000	4,783,953	4,772,573
Proceeds on sale of tangible capital assets	-	58,148	238,413
Net gain on disposal of tangible capital assets	-	54,360	6,160
	<u>1,711,472</u>	<u>1,596,913</u>	<u>(80,796)</u>
Changes in other non-financial assets			
Inventory not held for resale	-	104,997	175,843
Prepaid expenses	-	22,192	(13,172)
	<u>-</u>	<u>127,189</u>	<u>162,671</u>
Change in net debt	<u>\$ 1,113,968</u>	1,417,544	663,605
Net debt, beginning of year		(17,476,095)	(18,139,700)
Net debt, end of year		<u>\$ (16,058,551)</u>	<u>\$ (17,476,095)</u>

See accompanying notes to the consolidated financial statements

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

Year Ended March 31

20182017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Assessable property taxes and sewer rates			
Assessable property			
Residential	\$ 11,138,255	\$ 11,123,179	\$ 10,955,749
Commercial	9,107,798	9,193,705	9,076,787
Resource	18,800	18,800	17,428
Recreation	5,500	5,432	5,432
Forest property (less than 50,000 acres)	260	272	260
Forest property (50,000 acres or more)	200	194	194
	<u>20,270,813</u>	<u>20,341,582</u>	<u>20,055,850</u>
Business property			
Based on revenue - Bell Aliant	75,000	69,255	77,367
Nova Scotia Power Inc - Grant in lieu of taxes	17,000	17,666	17,051
Nova Scotia Power Inc - HST rebate	35,000	68,560	113,224
	<u>127,000</u>	<u>155,481</u>	<u>207,642</u>
Other			
Sewer rates	725,000	751,450	634,376
Deed transfer tax	300,000	431,849	483,424
Total tax levied	<u>21,422,813</u>	<u>21,680,362</u>	<u>21,381,292</u>
Expenditures as a reduction of tax revenue			
Appropriations to regional school board	(2,530,333)	(2,530,333)	(2,510,424)
Transfer to correctional services	(175,000)	(170,009)	(170,569)
Deficit of regional housing authority	(85,000)	(95,774)	(81,725)
	<u>(2,790,333)</u>	<u>(2,796,116)</u>	<u>(2,762,718)</u>
	<u>\$ 18,632,480</u>	<u>\$ 18,884,246</u>	<u>\$ 18,618,574</u>

Grants in lieu of taxes

Federal government	\$ 685,812	\$ 701,028	\$ 698,579
Provincial government			
Fire protection	42,143	59,341	41,191
Provincial property	49,898	49,922	49,649
	<u>\$ 777,853</u>	<u>\$ 810,291</u>	<u>\$ 789,419</u>

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

Year Ended March 31

20182017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Services provided to other governments			
Other local governments			
County of Colchester	\$ 98,072	\$ 75,452	\$ 73,308
Millbrook First Nation	150,000	211,874	107,732
Town of Stewiacke	16,750	15,178	16,055
	<u>\$ 264,822</u>	<u>\$ 302,504</u>	<u>\$ 197,095</u>

Sale of services

General government services	\$ 156,611	\$ 160,986	\$ 142,908
Protective services	61,530	133,415	109,984
Transportation services	6,500	9,189	15,020
Environmental development services	9,600	13,381	22,947
Recreation and cultural services			
Stadium	335,500	344,221	303,184
Douglas Street Community Centre	70,000	71,706	70,539
Victoria Park	93,000	99,220	99,987
Day camp	7,000	2,514	43,801
Other	11,500	14,816	26,236
	<u>\$ 751,241</u>	<u>\$ 849,448</u>	<u>\$ 834,606</u>

Other revenue from own sources

Licenses and permits	\$ 4,000	\$ 6,294	\$ 4,443
Fines	100,000	126,140	137,107
Rentals	-	2,727	4,500
Return on investments	-	68,045	35,529
Penalties and interest on taxes	210,500	259,266	271,744
Contributions for capital	26,000	151,653	249,699
Gain on disposition of assets	-	11,173	42,867
Gain on sale of land held for resale	-	55,640	-
Miscellaneous	2,216	33,752	14,673
Revenue collected for other government agencies	260,000	264,058	268,347
Transmission of revenue collected	(260,000)	(264,058)	(268,347)
	<u>\$ 342,716</u>	<u>\$ 714,690</u>	<u>\$ 760,562</u>

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

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Unconditional transfers from other governments			
Provincial government			
Equalization grant	\$ 1,346,600	\$ 1,346,640	\$ 1,346,638
Farm property acreage	1,070	1,070	1,070
Other provincial			
911 cost recovery	4,000	4,544	4,544
Dairy stewardship program	5,000	7,751	9,019
	<u>\$ 1,356,670</u>	<u>\$ 1,360,005</u>	<u>\$ 1,361,271</u>

Conditional transfers from governments

Federal government			
Aboriginal Affairs	\$ 510,000	\$ 507,212	\$ 438,611
Federal gas tax program	905,045	762,135	849,140
Grants for tangible capital assets	-	185,942	810,592
Recreational grants	-	10,200	-
Student wage grants	-	5,818	-
Provincial government			
Safe communities	400,000	400,000	400,000
Criminal intelligence service	109,000	109,901	104,767
Grants for tangible capital assets	325,000	325,000	256,400
Active communities	25,000	38,220	71,852
	<u>\$ 2,274,045</u>	<u>\$ 2,344,428</u>	<u>\$ 2,931,362</u>

Water revenues

Metered sales	\$ 3,300,000	\$ 3,389,018	\$ 3,372,359
Flat rate sales	20,000	23,273	23,186
Public fire protection	151,000	155,873	155,873
Private fire protection	42,000	40,067	37,600
Sprinkler service	42,000	41,685	41,667
Miscellaneous	20,000	52,683	46,847
Gain on disposition of assets	-	4,841	11,905
Return on investments	-	16,364	11,980
	<u>\$ 3,575,000</u>	<u>\$ 3,723,804</u>	<u>\$ 3,701,417</u>

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

Year Ended March 31

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor remuneration	\$ 44,894	\$ 42,959	\$ 42,768
Mayor expenses	8,000	5,398	2,445
Council remuneration	146,299	144,374	144,193
Council expenses	62,000	43,551	57,132
	<u>261,193</u>	<u>236,282</u>	<u>246,538</u>
General administration			
Administrative	752,581	746,232	797,849
Information technology	446,934	391,097	329,740
Financial management	824,462	906,562	751,003
Taxation			
Tax rebates	195,000	195,875	189,834
Other taxation - tax sharing agreement	65,000	64,597	65,397
Transfer for assessment services	155,000	154,132	154,598
Demolition costs	-	-	284,904
Post employment sick leave benefits	-	81,072	(37,067)
Post employment pension benefits	-	832,986	938,186
Common services	189,996	178,754	210,664
	<u>2,628,973</u>	<u>3,551,307</u>	<u>3,685,108</u>
Debt charges			
General operations interest & charges	-	8,090	7,701
Interest on long term debt - debenture	63,722	59,910	69,084
Debt financing fees	-	3,353	-
	<u>63,722</u>	<u>71,353</u>	<u>76,785</u>
Valuation allowance			
Uncollectible taxes	10,000	37,020	77,221
Other doubtful accounts	5,000	20,614	54,280
	<u>15,000</u>	<u>57,634</u>	<u>131,501</u>
Other general government services			
Grants to organizations	225,000	213,476	241,472
Other	18,000	6,308	6,245
	<u>243,000</u>	<u>219,784</u>	<u>247,717</u>
	3,211,888	4,136,360	4,387,649
Amortization	345,000	613,689	608,584
	<u>\$ 3,556,888</u>	<u>\$ 4,750,049</u>	<u>\$ 4,996,233</u>

Town of Truro

Schedules to Consolidated Statement of Operations

Year Ended March 31

2018

2017

	Budget	Actual	Actual
Protective services			
Police protection			
Police services operations	\$ 5,148,102	\$ 4,998,557	\$ 4,786,107
Dispatch services	317,484	404,747	373,692
	<u>5,465,586</u>	<u>5,403,304</u>	5,159,799
Fire protection	1,631,536	1,674,262	1,547,217
Emergency measures	66,000	61,572	64,945
Debt charges			
Interest on long term debt - debenture	30,058	27,800	34,660
Other protective services			
Animal control	24,000	24,172	28,723
	<u>7,217,180</u>	<u>7,191,110</u>	6,835,344
Amortization	300,000	306,065	323,509
	<u>\$ 7,517,180</u>	<u>\$ 7,497,175</u>	<u>\$ 7,158,853</u>

Transportation services			
Common services	\$ 1,086,573	\$ 1,082,122	\$ 1,036,120
Road transport			
Streets and sidewalks	1,834,404	1,815,376	1,558,593
Snow and ice removal	775,000	526,361	614,323
Street lighting	210,000	208,205	200,906
Traffic services	167,500	169,276	122,884
Loss or writedown on disposal of tangible capital assets	-	70,374	49,543
Other	47,000	52,631	30,371
	<u>3,033,904</u>	<u>2,842,223</u>	2,576,620
Debt charges			
Interest on long term debt - debenture	52,874	50,544	56,455
	<u>4,173,351</u>	<u>3,974,889</u>	3,669,195
Amortization	2,030,000	1,951,771	2,065,440
	<u>\$ 6,203,351</u>	<u>\$ 5,926,660</u>	<u>\$ 5,734,635</u>

Town of Truro
Schedules to Consolidated Statement of Operations

Year Ended March 31

2018

2017

	Budget	Actual	Actual
Environmental health services			
Sewage collection and disposal			
Sewage collection systems	\$ 316,000	\$ 406,928	\$ 378,344
Sewage treatment and disposal	1,050,000	1,086,111	958,723
Share of County of Colchester sewage treatment debt charges	333,717	334,561	487,421
	<u>1,699,717</u>	<u>1,827,600</u>	<u>1,824,488</u>
Garbage and waste collection and disposal			
Garbage, waste collection and disposal	420,000	415,849	409,854
Recycling	50,000	44,562	40,027
Composting	58,000	33,512	44,340
	<u>528,000</u>	<u>493,923</u>	<u>494,221</u>
	2,227,717	2,321,523	2,318,709
Amortization	315,000	308,275	310,103
	<u>\$ 2,542,717</u>	<u>\$ 2,629,798</u>	<u>\$ 2,628,812</u>

Public health services			
Interest on long term debt	\$ 86,875	\$ 103,031	\$ 119,140

Environmental development services			
Planning and development			
Planning administration	\$ 482,179	\$ 469,360	\$ 445,259
Business development	159,614	146,646	142,613
Building inspection	131,498	165,683	101,237
	<u>773,291</u>	<u>781,689</u>	<u>689,109</u>
Community development			
Transfer to Regional Economic Network	-	20,150	-
Other	54,500	16,141	3,985
Natural resources (tree) development	170,615	159,131	151,010
Tourism	77,450	59,281	57,187
	<u>1,075,856</u>	<u>1,036,392</u>	<u>901,291</u>
Amortization	20,000	5,197	11,814
	<u>\$ 1,095,856</u>	<u>\$ 1,041,589</u>	<u>\$ 913,105</u>

Town of Truro

Schedules to Consolidated Statement of Operations

Year Ended March 31

2018

2017

	Budget	Actual	Actual
Recreation and cultural services			
Recreation facilities			
Administration	\$ 442,746	\$ 498,437	\$ 417,480
Victoria Park pool	105,500	95,682	106,650
Skating rinks and multi-purpose centres			
Stadium	566,450	620,670	569,346
Douglas Street Community Centre	126,800	205,631	126,674
Other facilities	40,000	6,911	-
Victoria Park	271,800	289,993	282,239
Civic Square	82,210	86,634	78,625
Sports fields, green spaces and other parks	378,950	307,859	329,865
Other			
Downtown maintenance	195,000	185,436	191,320
Litter control	20,000	13,157	29,834
Recreation programs	56,300	64,682	96,032
Loss on disposition of assets	-	-	3,508
Other recreation services	32,000	33,103	27,484
	<u>2,317,756</u>	<u>2,408,195</u>	<u>2,259,057</u>
Cultural buildings and facilities			
Library - local branch	170,000	138,967	188,557
Transfer to regional library	85,000	81,713	81,713
	<u>255,000</u>	<u>220,680</u>	<u>270,270</u>
Debt charges			
Interest on long term debt - debenture	480,027	488,793	505,514
	<u>3,052,783</u>	<u>3,117,668</u>	<u>3,034,841</u>
Amortization			
	<u>965,000</u>	<u>971,306</u>	<u>983,561</u>
	<u>\$ 4,017,783</u>	<u>\$ 4,088,974</u>	<u>\$ 4,018,402</u>

Water expenses

Source of supply	\$ -	\$ 6,523	\$ -
Power and pumping	204,100	143,085	130,303
Water treatment	1,210,081	1,124,514	1,085,168
Transmission and distribution	899,500	786,501	720,506
Administrative and general	75,000	44,955	43,830
Interest on long term debt	63,000	56,648	60,416
	<u>2,451,681</u>	<u>2,162,226</u>	<u>2,040,223</u>
Amortization			
	<u>500,000</u>	<u>627,650</u>	<u>469,562</u>
	<u>\$ 2,951,681</u>	<u>\$ 2,789,876</u>	<u>\$ 2,509,785</u>

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2018

1 Summary of significant accounting policies

The consolidated financial statements of the Town of Truro (the "Town") are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of Chartered Professional Accountants (CPA) Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Town and which are owned or controlled by the Town. In addition to general government tax-supported operations, the water utility operations and the Truro Industrial Development Society, they include the following:

Central Nova Scotia Civic Centre Society (Operating as the "Rath Eastlink Community Centre) - proportionately consolidated

A government partnership exists where the Town has shared control over the entity. The Town's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the consolidated financial statements using the proportionate consolidation method. The Town's proportionate interest of the centre is 50%, which has been reflected in the consolidated financial statements.

Interdepartmental and organizational transactions and balances are eliminated.

b) Basis of accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period in which the goods and services are acquired and a liability is incurred or transfers are due.

c) Fund accounting

Funds within the consolidated financial statements consist of the operating, capital and reserve funds for the general operations, the water utility, Truro Industrial Development Society and the proportionate share of the Central Nova Scotia Civic Centre Society.

d) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates in the consolidated financial statements include the allowance for doubtful accounts, amortization expense based on estimated useful lives of tangible capital assets, accrued pension benefit and sick leave liability. Actual results could differ from those estimates.

e) Revenue recognition

Tax revenues are property tax billings which are prepared by the Town based on assessment rolls. Tax rates are established annually by Town Council. Taxes are billed based on the assessment rolls provided by the Property Services Valuation Corporation a non-for-profit organization responsible for assessment under the Nova Scotia Assessment Act. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined.

Revenues from services to other governments, sale of services, water fire protection and other revenues are recognized when services are performed and/or when earned as long as amounts can be reasonably estimated and collection is reasonably assured.

Town of Truro
Notes to the Consolidated Financial Statements
March 31, 2018

1 Summary of significant accounting policies (continued)

e) Revenue recognition (continued)

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

f) Government transfers

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 to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

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 net surplus (deficit), provides the consolidated change in net debt for the year.

h) Tangible capital assets

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

Land improvements	5 - 25 years
Buildings	10 - 75 years
Engineered structures	20 - 75 years
Machinery and equipment	5 - 75 years
Vehicles	2 - 5 years

Amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

i) Land held for resale

Costs incurred which are directly attributable to the development of land in the industrial park are capitalized as part of the land cost. Costs incurred which are directly attributable to the construction of streets, sewers and water mains will be transferred to property and equipment when deeded to the Town.

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2018

1 Summary of significant accounting policies (continued)

j) Inventory not held for resale

Inventories of materials and supplies held for consumption are valued at the lower of cost and net realizable value, with cost determined by the average cost method.

k) Segmented information

The Town of Truro is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal 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 tax administration, trade payables and receivables, budgets, financial statements and adherence to the *Municipal Government Act*.

Protective services

The Town is primarily responsible for fire protection and public safety for its residents. The Town pays the operating and capital expenditures for the police and fire departments. Other protective services include fees paid to the province for correctional services.

Transportation services

The Town is responsible for the maintenance and construction of local roads and sidewalks including snow removal.

Environmental health services

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

Public health services

This department provides financial assistance in the areas of public housing and health services.

Environmental development services

The Town is responsible for the issuance of development permits and approval of development applications. This department also includes municipal contributions to the regional economic development authorities.

Recreation and cultural services

This department is responsible for promoting and offering recreation services to the Town's residents, specializing in maintaining and assisting recreational facilities within the Town such as parks, swimming pools, trails and libraries.

Water

This department manages water treatment and distribution facilities and services within the Town and includes activities such as source of supply, power and pumping, water treatment, transmission and distribution.

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2018

1 Summary of significant accounting policies (continued)

l) Cash and cash equivalents

Cash and cash equivalents includes unrestricted cash of \$1,474,807 (2017 - \$1,731,787) and internally designated cash of \$2,696,935 (2017 - \$1,990,660). These totals include cash on hand and balances with banks.

m) Trust funds

The trust funds being administered by the Town are not consolidated with the accounts of the Town. The trust fund balance as at March 31, 2018 is \$371,844.

n) Budget figures

The budget figures contained in these consolidated financial statements were approved by Council on April 3, 2017 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 12 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

o) Contribution to provincial government departments and agencies

The Town is required to contribute to the operations of various provincial government departments and boards, along with other municipal units in the province, based on formulas defined in legislation.

p) Deferred revenue

Deferred revenue relates to the Central Nova Scotia Civic Centre Society and gas tax revenue. The Central Nova Scotia Civic Centre Society deferred revenue balance consists of grants, major events, membership and sponsorships which will be recognized in the period in which the revenue has been earned. Gas tax deferred revenue will be recognized in the period in which stipulations and eligibility criteria have been met. See Note 3.

q) 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 would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when all the following criteria are met:

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

As at March 31, 2018 there are no known contaminated sites identified.

Town of Truro
Notes to the Consolidated Financial Statements

March 31, 2018

2 Taxes and sewer rates receivable

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 1,968,085	\$ 1,749,154
Current period tax and interest	<u>21,939,628</u>	<u>21,696,022</u>
	23,907,713	23,445,176
Collections	<u>(22,248,730)</u>	<u>(21,477,091)</u>
Balance, end of year	1,658,983	1,968,085
Valuation allowance	<u>(107,020)</u>	<u>(70,000)</u>
Balance, net of valuation allowance end of year	<u>\$ 1,551,963</u>	<u>\$ 1,898,085</u>

3 Deferred revenue

	Gas tax	Other	Total
Balance, beginning of year	\$ 67,963	\$ 172,345	\$ 240,308
Contributions	943,407	-	943,407
Amounts recognized as revenue	<u>(762,135)</u>	<u>(7,999)</u>	<u>(770,134)</u>
Balance, end of year	<u>\$ 249,235</u>	<u>\$ 164,346</u>	<u>\$ 413,581</u>

4 Long term debt

Principal repayments required during the next five fiscal years are as follows:

	General Operating	General Capital	Water Capital	Total
2019	\$ 710,000	\$ 2,032,172	\$ 102,688	\$ 2,844,860
2020	715,000	2,494,871	1,029,560	4,239,431
2021	715,000	1,329,604	110,000	2,154,604
2022	110,000	1,628,650	-	1,738,650
2023	110,000	3,747,450	-	3,857,450

All long-term debt outstanding has been properly authorized by the Department of Municipal Affairs.

5 Tax sale surplus

The Town is required to hold these funds in the Operating Fund statement of financial position for 20 years. After the expiry date, the cash will then be transferred to the Capital Reserve Fund. Of the total amount, the following can be transferred:

2022	\$ 4,900
2026	\$ 22,180
2027	\$ 6,185
2030	\$ 36,128
2033	\$ 1,566

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2018

6 Post employment benefits

Section 3255 of the CPA Canada Public Sector Accounting Handbook requires that a liability and expense be recorded for compensated absences that are both accumulating and non-vesting and vesting and accumulating. The valuation was completed as at March 31, 2018.

Actuarial Method:

The actuarial cost method used was the "Projected Unit Credit" method (also known as the "Projected Accrued Benefit" method) pro - rated on service.

Components of benefit expense under PS3250:

	<u>2018</u>	<u>2017</u>
Current period benefit cost	\$ 226,775	\$ 134,899
Interest expense	39,932	10,029
	<u>\$ 266,707</u>	<u>\$ 144,928</u>

Accrued benefit liability/ (asset) on the consolidated statement of financial position:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 422,540	\$ 459,607
Benefit expense	226,775	134,899
Interest expense	39,932	10,029
Employer contributions	(185,635)	(181,995)
Balance, end of year	<u>\$ 503,612</u>	<u>\$ 422,540</u>

Assumptions:

Discount rate:	3.0% per annum
Salary increases:	3.0% per annum
Termination rate:	Ontario Light Termination rate
Retirement age:	Maximum age 65
Excess sick leave utilization	5 days each year

Plan Provisions:

The main provisions of the program are as follows

- Eligible employees are granted 1.5 sick leave days per month (i.e., 18 days per year), up to a maximum of 130 days.
- Employees who retire between the ages of 55 and 65 with at least 25 years of service are entitled to receive a pay out of their accumulated sick days based on their rate of pay at the time of their retirement.
- Employees who retire between the ages of 55 and 65 with between 20 and 25 years of service are entitled to receive a pay out of their accumulated sick days based on their prorated rate of pay at the time of their retirement.
- No other benefits in respect to accumulated sick leave are payable upon retirement, terminations or death.

Town of Truro
Notes to the Consolidated Financial Statements

March 31, 2018

7 Defined pension obligation

Pension plan for the employees of the Town

The Town maintains a contributory defined benefit pension plan which covers substantially all of its employees (excluding Police Locals 101 and 211). The plan provides pensions based on length of service and annual earnings.

An actuarial valuation of the plan was completed for December 31, 2016. The note below has been based on the actuarial assumptions and valuation as at December 31, 2016 and has been updated by extrapolation to March 31, 2018.

	<u>2018</u>	<u>2017</u>
Plan assets, at market value, April 1	\$ 26,236,555	\$ 24,085,248
Return on the plan	1,510,448	1,380,818
Contributions – Employer required	512,773	480,552
Contributions – Employee	474,585	446,744
Outstanding contributions at end of year	77,066	73,041
Benefit payments	(923,139)	(1,069,362)
(Loss)/gain on assets	<u>(556,746)</u>	<u>912,555</u>
Plan assets, at market value, March 31	<u>\$ 27,331,542</u>	<u>\$ 26,309,596</u>
Accrued benefit obligation, April 1	\$ 34,891,085	\$ 33,269,372
Current service cost	1,788,711	1,683,778
Benefit payments	(923,139)	(1,069,362)
Interest on accrued benefit obligation	1,059,717	1,007,297
Gain/(loss) on obligations	<u>(2,884,429)</u>	<u>-</u>
Accrued benefit obligation, March 31	<u>\$ 33,931,945</u>	<u>\$ 34,891,085</u>

Net pension fund liability (asset) is comprised of:

	<u>2018</u>	<u>2017</u>
Accrued benefit obligation	\$ 33,931,945	\$ 34,891,085
Less: Plan assets	27,331,542	26,309,596
Less: Unamortized (gain) loss	<u>4,424,730</u>	<u>7,238,802</u>
	<u>2,175,673</u>	<u>1,342,687</u>
Net pension fund liability	<u>\$ 2,175,673</u>	<u>\$ 1,342,687</u>
Components of Benefit Expense		
Current period cost	\$ 1,788,711	\$ 1,683,778
Employee contributions for the year	(474,585)	(446,744)
Benefit Expense	<u>\$ 1,314,126</u>	<u>\$ 1,237,034</u>

Significant management assumptions in the actuarial valuation for the Town's defined benefit pension

	<u>2018</u>
Discount rate	3.50%
Expected rate of return on plan assets	5.75%
Inflation rate	2.00%
Salary growth rate	3.00%
Mortality	2014 Canadian Pensioners' Mortality Table for public employees (CPM 2014 Public)
Retirement age	For members with URD (see below) before 60: 25% retire at URD, 50% retire at age 60 and 25% retire at age 65. For members with URD on or after 60: 50% retire at URD and 50% at 65
Percent of members with spouse at retirement	80%

URD – Earliest unreduced retirement date is the date on which the member has attained age plus continuous service totalling 93.

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2018

7 Defined pension obligation (continued)

Police Association of Nova Scotia Pension Plan

The Town also contributes to a defined benefit plan administered by the Police Association of Nova Scotia which covers Police Locals 201 and 211 who are employees of the Town. These plan assets are administered by PANS and the Town is responsible for contributing its portion of any going concern deficiency. The most recent actuarial valuation for this plan was completed for December 31, 2016 and indicated this plan is fully funded on a going concern basis with assets exceeding the actuarial liabilities by \$9,004,700.

On a solvency basis the actuarial liabilities exceed the value of assets by \$3,812,400. Under changes to the Regulations of the Nova Scotia Pension Benefits Act in 2012, effective January 1, 2013 the Town is exempted from funding on a solvency basis.

8 Contributions to Boards and Commissions

The Town is required to finance the operations of various boards and commissions along with other municipal units in Colchester County to the extent of its participation based on assessment or population.

In addition to any budgeted contributions, the municipal units share in the deficits or surpluses of these boards based on their sharing percentages. A municipal unit's share of the deficit is to be paid in the next fiscal year while a surplus is to be taken into the next year's estimates.

Contribution to Regional Library Board – 17.83% interest

During the year, the Town paid \$81,713 (2017 – \$81,713) to the Regional Library Board for costs of operations of the Truro branch of the Regional Library.

Contribution to Truro Housing Authority – 12.5% interest

During the year, the Town paid \$95,774 (2017 - \$81,725) to the Truro Housing Authority to fund its share of the prior year's deficit.

9 Commitments

The Town cost shares equally with the Municipality of the County of Colchester on any operational losses of the Rath Eastlink Community Centre. The Town's share of revenues and expenditures are disclosed as separate line items in the consolidated financial statements.

The Town of Truro has agreed to share in the cost of various projects with the County of Colchester and the Town of Stewiacke.

Project	Town share	Town's share of capital cost	Town's commitment as at March 31, 2018
a) Wastewater Treatment (Upgrades 2014)	100%	\$ 3,232,588	\$ 2,747,701
b) Wastewater Treatment (Upgrades 2016)	50%	953,568	905,890
		\$ 4,186,156	\$ 3,653,591

Payments made during the year toward these commitments are disclosed as separate line items in the consolidated financial statements under Environmental Health Services. The balance of payments for committed amounts above are:

For the years ending March 31:	2019	209,307
	2020	209,307
	2021	209,307
	2022	209,307
	2023	209,307
	2024-2032	2,607,056

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2018

10 Financial instruments

The Town's financial instruments consist of cash, receivables, payables and accruals and long-term debt.

It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these consolidated financial statements.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Liquidity risk is the risk that the Town will encounter problems in raising funds to meet its commitments at maturity. The Town is exposed to liquidity risk through its payables and accrual, post-employment benefits and long-term debt. Management believes the Town has ample working capital to meet its short-term obligations and therefore the exposure to liquidity risk is low.

11 Remuneration

Total remuneration paid to elected and senior appointed officials of the Town are as follows:

W.R. Mills	Mayor	\$	39,480
T. Chisholm	Councillor/Deputy Mayor	\$	23,457
C. Fritz	Councillor/Deputy Mayor	\$	24,975
C. Hinton	Councillor	\$	22,790
D. Joseph	Councillor	\$	22,790
B. Kinsman	Councillor	\$	22,790
W. Talbot	Councillor	\$	22,790
M. Dolter	Chief Administrative Officer	\$	144,405

12 Budget figures

The Town budgets for rate setting purposes. These budgeted amounts do not include amortization and include interfund transfers. The following adjustments to the annual surplus reconcile the operating budgets to the financial reporting presentation under Canadian Public Sector Accounting Standards ("PSAB").

	<u>2018</u>
Approved budgeted surplus (deficit) for the year	
General operations	\$ 205,000
Industrial Development Society	-
Water utility operations	<u>6,623</u>
Approved budget surplus	<u>211,623</u>
Elimination of:	
Transfers to other funds	243,865
Interfund debt repayments	1,665,963
Capital funding	1,256,045
Amortization of tangible capital assets	<u>(3,975,000)</u>
Net PSAB adjustments	<u>(809,127)</u>
PSAB adjusted budgeted deficit per consolidated financial statements	<u>\$ (597,504)</u>

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2018

13 Contingencies

As at March 31, 2018, there is currently a litigation claim against the Town of Truro and the Municipality of the County of Colchester by PCL Constructors Canada Inc. This is a claim arising out of the construction contract for the Rath Eastlink Community Centre. The claim was filed February 2, 2015. A counter claim was also filed by the Town of Truro and the Municipality of the County of Colchester. The stated value of the PCL claim is \$2.5 million. At this stage in the proceedings, it is not possible to reasonably measure any potential liability or recovery that may exist in the PCL claim or counter claim.

In addition, as of March 31, 2018, there are several disputed matters, which the Town is defending and have referred to their insurers. It is unknown at this time the outcome of these matters but it is not considered likely that they will result in a material liability to the Town.

14 Subsequent events

On September 10, 2018, council approved the motion to refinance loans 23A1 in the amount of \$715,000 and 28A1 in the amount of \$450,000 for a period of 5 years.

15 Government partnerships

Government partnerships entered into or continued by the Town during the current year of operations are recorded using the proportionate consolidation method. Government partnerships include:

Partnership with the Municipality of the County of Colchester to maintain and operate the Central Nova Civic Centre Society at 50%

Partnership with the Municipality of the County of Colchester for the construction and operation costs to maintain the building which hosts the Colchester – East Hants Public Library Truro Branch at 60%

Government partnerships accounted for using the proportionate consolidation method have the following impact on the consolidated statement of financial position and operations as at March 31,

	2018	2017
Total Assets	\$ 7,359,897	\$ 8,005,602
Total Liabilities	5,072,900	5,276,451
Net Assets	\$ 2,286,997	\$ 2,729,151
Total Revenues	\$ 1,580,176	\$ 1,131,080
Total Expenses	2,289,724	1,782,864
Annual Deficit	\$ (709,548)	\$ (651,784)

Town of Truro
Consolidated Schedule of Tangible Capital Assets

March 31

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Work in Progress	2018	2017
General capital									
Cost:									
Balance, beginning of year	\$ 9,562,465	\$ 3,567,561	\$ 46,896,465	\$ 62,469,959	\$ 9,407,909	\$ 1,756,619	\$ 56,244	\$ 133,717,222	\$ 130,866,329
Acquisition of capital assets	-	235,274	469,333	877,944	195,437	76,575	9,721	1,864,284	4,392,400
Work in progress	-	-	26,957	-	-	-	(26,957)	-	-
Disposition of capital assets	(32,575)	-	-	(271,145)	(6,714)	(20,114)	-	(330,548)	(1,541,507)
Balance, end of year	<u>9,529,890</u>	<u>3,802,835</u>	<u>47,392,755</u>	<u>63,076,758</u>	<u>9,596,632</u>	<u>1,813,080</u>	<u>39,008</u>	<u>135,250,958</u>	<u>133,717,222</u>
Accumulated amortization:									
Balance, beginning of year	-	599,230	9,604,995	29,673,340	5,998,466	1,429,924	-	47,305,955	44,322,821
Accumulated amortization on disposals	-	-	-	(200,770)	(6,714)	(20,114)	-	(227,598)	(1,319,877)
Annual amortization	-	273,353	1,216,250	2,054,254	471,895	140,550	-	4,156,302	4,303,011
Balance, end of year	-	<u>872,583</u>	<u>10,821,245</u>	<u>31,526,824</u>	<u>6,463,647</u>	<u>1,550,360</u>	-	<u>51,234,659</u>	<u>47,305,955</u>
Net book value of general capital	<u>\$ 9,529,890</u>	<u>\$ 2,930,252</u>	<u>\$ 36,571,510</u>	<u>\$ 31,549,934</u>	<u>\$ 3,132,985</u>	<u>\$ 262,720</u>	<u>\$ 39,008</u>	<u>\$ 84,016,299</u>	<u>\$ 86,411,267</u>
Water capital									
Cost:									
Balance, beginning of year	\$ 1,829,961	\$ -	\$ 11,223,643	\$ 9,602,637	\$ 3,612,707	\$ 627,148	\$ -	\$ 26,896,096	\$ 26,273,724
Acquisition of capital assets	110,000	-	-	-	1,238,480	86,784	-	1,435,264	705,542
Work in progress	-	-	-	-	-	-	-	-	-
Disposition of capital assets	-	-	-	-	-	(32,726)	-	(32,726)	(83,170)
Balance, end of year	<u>1,939,961</u>	<u>-</u>	<u>11,223,643</u>	<u>9,602,637</u>	<u>4,851,187</u>	<u>681,206</u>	<u>-</u>	<u>28,298,634</u>	<u>26,896,096</u>
Accumulated amortization:									
Balance, beginning of year	-	-	3,614,642	2,177,192	2,202,456	490,882	-	8,485,172	8,075,837
Accumulated amortization on disposals	-	-	-	-	-	(23,168)	-	(23,168)	(60,227)
Annual amortization	-	-	164,591	240,686	139,920	82,454	-	627,651	469,562
Balance, end of year	-	-	<u>3,779,233</u>	<u>2,417,878</u>	<u>2,342,376</u>	<u>550,168</u>	-	<u>9,089,655</u>	<u>8,485,172</u>
Net book value of water capital	<u>\$ 1,939,961</u>	<u>\$ -</u>	<u>\$ 7,444,410</u>	<u>\$ 7,184,759</u>	<u>\$ 2,508,811</u>	<u>\$ 131,038</u>	<u>\$ -</u>	<u>\$ 19,208,979</u>	<u>\$ 18,410,924</u>
Total net book value	<u>\$ 11,469,851</u>	<u>\$ 2,930,252</u>	<u>\$ 44,015,920</u>	<u>\$ 38,734,693</u>	<u>\$ 5,641,796</u>	<u>\$ 393,758</u>	<u>\$ 39,008</u>	<u>\$ 103,225,278</u>	<u>\$ 104,822,191</u>

Town of Truro

Consolidated Schedule of Long Term Debt

Year ended March 31, 2018

	Maturity Date	MFC Series #	Balance March 31, 2017	Issued	Redeemed	Balance March 31, 2018	Interest Rate
General Operating Fund							
Municipal Finance Corporation							
Hospital 2007-refinanced	2017	27-A-1	\$ 605,000	\$ -	\$ 605,000	\$ -	5.010% - 5.010%
Hospital 2007	2022	37-A-1	-	550,000	-	550,000	0.000% - 2.466%
Hospital 2008	2018	28-A-1	540,000	-	45,000	495,000	5.010% - 5.095%
Hospital 2009	2019	29-B-1	650,000	-	50,000	600,000	3.902% - 4.329%
Hospital 2010	2020	30-A-1	770,000	-	55,000	715,000	3.170% - 3.870%
			<u>2,565,000</u>	<u>550,000</u>	<u>755,000</u>	2,360,000	
General Capital Fund							
Municipal Finance Corporation							
Municipal building 2003	2018	23-A-1	1,001,000	-	143,000	858,000	5.250% - 5.375%
Municipal building/firehall 2005	2020	25-A-1	551,250	-	61,250	490,000	4.695% - 4.880%
Inglis Place 2007	2017	27-A-1	50,000	-	50,000	-	5.010% - 5.010%
Police Station 2007	2017	27-A-1	100,000	-	100,000	-	5.010% - 5.010%
PW Facility 2009	2019	29-A-1	1,079,812	-	83,063	996,749	4.388% - 4.889%
Stadium/RECC 2009	2019	29-B-1	650,000	-	50,000	600,000	3.902% - 4.329%
RECC 2011	2021	31-A-1	999,000	-	66,600	932,400	2.700% - 3.645%
RECC 2012	2022	32-A-1	2,800,000	-	175,000	2,625,000	2.558% - 3.480%
RECC 2012	2022	32-B-1	1,760,000	-	110,000	1,650,000	2.250% - 3.160%
RECC 2013	2028	33-A-1	848,700	-	50,000	798,700	1.845% - 3.489%
RECC 2013	2028	33-A-1	565,100	-	40,200	524,900	1.845% - 3.489%
RECC 2013	2023	33-B-1	1,360,000	-	80,000	1,280,000	2.145% - 3.614%
Fire Truck 2014	2024	34-A-1	400,000	-	50,000	350,000	1.620% - 3.347%
RECC 2014	2029	34-B-1	2,281,500	-	126,750	2,154,750	1.681% - 3.559%
Library 2015	2030	35-A-1	4,940,000	-	260,000	4,680,000	1.052% - 3.449%
Scotiabank							
Vehicle loan 2014	2018		11,466	-	8,600	2,866	0.000%
Finance Company							
Vehicle loan 2016	2019		20,951	-	9,389	11,562	4.99%
Vehicle loan 2016	2020		23,679	-	7,561	16,118	1.49%
			<u>19,442,458</u>	<u>-</u>	<u>1,471,413</u>	17,971,045	
Water Capital Fund							
Municipal Finance Corporation							
PW Facility 2009	2019	29-A-1	359,936	-	27,687	332,249	4.388% - 4.889%
Water Utility Dam 2009	2019	29-B-1	845,000	-	65,000	780,000	3.902% - 4.329%
Water Utility Dam 2010	2020	30-A-1	140,000	-	10,000	130,000	3.170% - 3.870%
			<u>1,344,936</u>	<u>-</u>	<u>102,687</u>	1,242,249	
			<u>\$ 23,352,394</u>	<u>\$ 550,000</u>	<u>\$ 2,329,100</u>	\$ 21,573,294	

Town of Truro
Consolidated Schedule of Segment Disclosure

Year ended March 31, 2018

	General Government	Protective	Transportation	Environmental Health	Public Health	Environmental Development	Recreation and Cultural	Rath Eastlink Community Centre	Water Utility	Consolidated
Revenue										
Assessable property taxes	\$ 3,445,103	\$ 5,437,531	\$ 4,298,472	\$ 1,907,333	\$ 74,726	\$ 755,441	\$ 2,965,640	\$ -	\$ -	\$ 18,884,246
Grants in lieu of taxes	147,824	233,315	184,440	81,840	3,206	32,415	127,251	-	-	810,291
Services provided to other governments	-	27,405	211,874	16,626	-	10,195	36,404	-	-	302,504
Sale of services	160,986	133,415	9,189	-	-	13,381	532,477	-	-	849,448
Other revenue from own sources	374,963	126,140	-	-	-	61,934	151,653	-	-	714,690
Rath Eastlink Community Centre	-	-	-	-	-	-	-	1,465,607	-	1,465,607
Unconditional transfers from government	1,360,005	-	-	-	-	-	-	-	-	1,360,005
Conditional transfers from government	-	509,901	1,269,347	-	-	-	240,180	-	325,000	2,344,428
Water revenues	-	-	-	-	-	-	-	-	3,723,804	3,723,804
	\$ 5,488,881	\$ 6,467,707	\$ 5,973,322	\$ 2,005,799	\$ 77,932	\$ 873,366	\$ 4,053,605	\$ 1,465,607	\$ 4,048,804	\$ 30,455,023
Expenditures										
Salaries, wages and benefits	\$ 1,516,693	\$ 6,147,858	\$ 2,131,222	\$ 244,217	\$ -	\$ 780,633	\$ 1,525,594	\$ 912,135	\$ 967,107	\$ 14,225,459
Operating materials and supplies	1,013,139	976,911	1,722,749	162,711	-	255,759	882,601	1,022,294	1,138,471	7,174,635
Contracted services	154,132	24,172	-	1,580,034	-	-	220,680	-	-	1,979,018
Rents and financial expenses	128,987	27,800	120,918	334,561	103,031	-	488,793	-	56,648	1,260,738
Community grants and exemptions	409,351	14,369	-	-	-	-	-	-	-	423,720
Post employment	914,058	-	-	-	-	-	-	-	-	914,058
Amortization	613,689	306,065	1,951,771	308,275	-	5,197	971,306	-	627,650	4,783,953
	\$ 4,750,049	\$ 7,497,175	\$ 5,926,660	\$ 2,629,798	\$ 103,031	\$ 1,041,589	\$ 4,088,974	\$ 1,934,429	\$ 2,789,876	\$ 30,761,581

Town of Truro
Consolidated Schedule of Segment Disclosure

Year ended March 31, 2017

	General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health Services	Environmental Development Services	Recreation and Cultural Services	Rath Eastlink Community Centre	Water Utility	Consolidated
Revenue										
Assessable property taxes	\$ 3,638,080	\$ 5,212,824	\$ 4,175,759	\$ 1,914,208	\$ 86,754	\$ 664,891	\$ 2,926,058	\$ -	\$ -	\$ 18,618,574
Grants in lieu of taxes	154,253	221,021	177,050	81,162	3,678	28,191	124,064	-	-	789,419
Services provided to other governments	-	32,312	107,732	17,130	-	10,180	29,741	-	-	197,095
Sale of services	142,908	109,984	15,020	-	-	22,947	543,747	-	-	834,606
Other revenue from own sources	369,313	137,107	-	-	-	4,443	249,699	-	-	760,562
Rath Eastlink Community Centre	-	-	-	-	-	-	-	1,060,695	-	1,060,695
Unconditional transfers from government	1,361,271	-	-	-	-	-	-	-	-	1,361,271
Conditional transfers from government	-	504,767	1,287,751	-	-	-	919,444	-	219,400	2,931,362
Water revenues	-	-	-	-	-	-	-	-	3,701,417	3,701,417
	\$ 5,665,825	\$ 6,218,015	\$ 5,763,312	\$ 2,012,500	\$ 90,432	\$ 730,652	\$ 4,792,753	\$ 1,060,695	\$ 3,920,817	\$ 30,255,001
Expenditures										
Salaries, wages and benefits	\$ 1,389,054	\$ 5,772,676	\$ 2,101,716	\$ 229,897	\$ -	\$ 730,352	\$ 1,453,583	\$ 842,466	\$ 787,502	\$ 13,307,246
Operating materials and supplies	1,303,286	986,285	1,461,481	148,447	-	170,939	801,966	751,840	1,192,305	6,816,549
Contracted services	154,598	28,723	-	1,452,944	-	-	270,270	-	-	1,906,535
Rents and financial expenses	208,286	34,660	105,998	487,421	119,140	-	509,022	-	60,416	1,524,943
Community grants and exemptions	431,306	13,000	-	-	-	-	-	-	-	444,306
Post employment	901,119	-	-	-	-	-	-	-	-	901,119
Amortization	608,584	323,509	2,065,440	310,103	-	11,814	983,561	-	469,562	4,772,573
	\$ 4,996,233	\$ 7,158,853	\$ 5,734,635	\$ 2,628,812	\$ 119,140	\$ 913,105	\$ 4,018,402	\$ 1,594,306	\$ 2,509,785	\$ 29,673,271

SUPPLEMENTARY SCHEDULES

Town of Truro
Supplementary Schedule
Water Utility Operating Fund
Statement of Financial Position

March 31

2018

2017

ASSETS

Receivables

Water rates (net of allowance - \$50,000; 2017 - \$50,000)	\$ 771,689	\$ 916,082
Other receivables	29,960	277,203
	<u>801,649</u>	<u>1,193,285</u>

Due from own funds, reserves, agencies

General operating fund	1,157,053	558,327
	<u>1,157,053</u>	<u>558,327</u>

Prepaid expenses

	-	34,010
	<u>\$ 1,958,702</u>	<u>\$ 1,785,622</u>

LIABILITIES

Bank indebtedness	\$ -	\$ 321,883
Payables and accruals	56,730	55,918
Due to own funds, reserves, agencies		
Water capital fund	712,146	49,356
	<u>768,876</u>	<u>427,157</u>

SURPLUS

	1,189,826	1,358,465
	<u>\$ 1,958,702</u>	<u>\$ 1,785,622</u>

Town of Truro
Supplementary Schedule
Water Utility Operating Fund
Statement of Operations

Year ended March 31

	2018		2017
	Budget	Actual	Actual
Operating revenue			
Metered sales	\$ 3,300,000	\$ 3,389,018	\$ 3,372,359
Flat rate sales	20,000	23,273	23,186
Public fire protection	857,304	857,304	857,304
Private fire protection	42,000	40,067	37,600
Sprinkler service	42,000	41,685	41,667
Miscellaneous	20,000	52,683	46,847
	<u>4,281,304</u>	<u>4,404,030</u>	<u>4,378,963</u>
Operating expenditures			
Source of supply	-	6,523	-
Power and pumping	204,100	143,085	130,303
Water treatment	1,210,081	1,124,514	1,085,168
Transmission and distribution	899,500	786,501	720,506
Administration and general	575,000	560,955	553,330
Depreciation	500,000	627,650	469,562
Taxes	720,000	713,560	713,558
	<u>4,108,681</u>	<u>3,962,788</u>	<u>3,672,427</u>
Operating income	<u>172,623</u>	<u>441,242</u>	<u>706,536</u>
Non-operating expenditures			
Debt charges			
Principal	103,000	102,687	102,688
Interest	63,000	56,648	60,416
Capital expenditures out of operations	-	450,546	299,611
	<u>166,000</u>	<u>609,881</u>	<u>462,715</u>
(Deficiency) excess of revenue over expenditures	<u>\$ 6,623</u>	<u>(168,639)</u>	243,821
Surplus, beginning of year		<u>1,358,465</u>	<u>1,114,644</u>
Surplus, end of year		<u>\$ 1,189,826</u>	<u>\$ 1,358,465</u>

Town of Truro
Supplementary Schedule
Water Utility Capital Fund
Statement of Financial Position

March 31	2018	2017
Assets		
Cash	\$ 921,652	\$ 1,270,115
Receivable	27,840	233,753
Due from own funds, reserves, agencies		
Water operating fund	712,146	49,356
	<u>1,661,638</u>	<u>1,553,224</u>
Utility plant and equipment (Page 30)	<u>28,298,634</u>	<u>26,896,096</u>
	<u>\$ 29,960,272</u>	<u>\$ 28,449,320</u>
Liabilities		
Accumulated allowance for depreciation	\$ 9,089,655	\$ 8,485,172
Long Term Debt	<u>1,242,249</u>	<u>1,344,936</u>
	10,331,904	9,830,108
Investment in capital assets (Page 30)	<u>19,628,368</u>	<u>18,619,212</u>
	<u>\$ 29,960,272</u>	<u>\$ 28,449,320</u>

Town of Truro
Supplementary Schedule
Water Utility Capital Fund
Statement of Utility Plant and Equipment

March 31	2018	2017
Tangible plant and equipment		
Land - Source of supply	\$ 1,939,961	\$ 1,829,961
Structures and improvements	11,223,644	11,223,644
Pumping equipment	999,050	999,050
Purification equipment	1,249,997	1,249,997
Distribution mains	7,875,994	7,875,994
Distribution equipment	299,956	299,956
Services	1,726,643	1,726,643
Meters	1,555,004	328,517
Hydrants	665,752	665,752
Office furniture and equipment	81,427	69,434
Transportation equipment	681,206	627,148
	<u>\$ 28,298,634</u>	<u>\$ 26,896,096</u>

Water Utility Capital Fund
Statement of Investment in Capital Assets

Year ended March 31	2018	2017
Balance, beginning of year	\$ 18,619,212	\$ 17,973,628
Capital contributions	325,000	219,400
Transfer from water land reserve	109,718	-
Interest earned on depreciation funds	16,364	11,980
Term debt retired	102,687	102,688
Capital expenditures out of revenue	450,546	299,611
Disposal of capital assets	4,841	11,905
	<u>1,009,156</u>	<u>645,584</u>
Balance, end of year	<u>\$ 19,628,368</u>	<u>\$ 18,619,212</u>