

# Town of Truro



## Annual Report

Year Ending March 31, 2009



# ***Town of Truro Annual Report April 1, 2008 to March 31, 2009***

## ***Mayor's Office***

Citizens of Truro, Members of Truro Town Council

It's been another busy year for Truro and members of Council, meetings about every area of life in Truro have been consistent as well as productive. Many of the meetings were around the proposed Civic Centre that Truro & Colchester County has been working hard to make a reality. The Area received a boost in the form of a 10 Million Dollar Grant from Premier Rodney MacDonald and Members of Cabinet in November of 2008 towards a New Civic Centre. All parties as well agreed that the Colchester Legion Stadium was in need of important upgrades including the findings of an Energy Audit that will increase efficiency in our most important Recreation facility.

Council was also busy making plans for the Construction of a New Public Works Building situated in the Truro Industrial Park. Slated for opening in June of 2009 at a cost of 2.2 Million dollars it will replace the current facilities which has been the subject of Occupational Health and Safety Concerns for our Employees. Demolition of the existing buildings will allow the Town to seek out new opportunities for the vacant lots located next to the Salmon River Bridge and Bayview Street.

Our value of construction was down substantially from the previous year to about 15 million dollars from 30 million the year earlier. The shaking of the World Economies as a result of Bank failures in the U.S. combined with the Sub Prime Mortgage meltdown contributed to a significant decline in confidence on the World Markets. Canada and Atlantic Canada are in better shape than other areas, however it will take time to restore consumer confidence to former levels. It should be recorded that there has never been so many sectors of the Economy facing turmoil all at the same time. The Governments of the World have been scrambling to put Stimulus Programs in place to stabilize the markets.

Council will continue with the Downtown Revitalization Program over the next year as well a significant paving program, Plan Review, as well as consultation with Citizens through our "Truro Have Your Say Campaign" coming up in the New Year, this where Citizens will be asked for their input into the Truro of the future.

The Commercial Tax Rate increased by 18 cents to 3.92 from 3.74, the increase was a result of the phasing out of the Business Occupancy Tax. Residential Tax Rate stayed the same at 1.72 per one hundred dollars of assessment. Truro remains in the middle of other Towns with 15 Towns in the Province with higher rates than the Hub Town and 14 lower. Based on our Service

Delivery I believe we are in excellent shape. Operating Expenditures this past year were \$17,510,698, compared to \$14,690,557 the previous tax year.

We continue to look at New Initiatives to help with growth in our Industrial Park, We have changed the name of our Recreation Department to Truro Parks, Recreation & Culture to fulfill the mandate our Master Plan. The year saw the opening of a \$300,000 Skateboard Park. Our new \$150 Million Dollar Hospital is well under Construction with opening scheduled for 2011. You can see that we as Council have lived up to our Commitment of setting and achieving our goal in making Truro #1 in Nova Scotia in Service Delivery ... it must have worked as your Mayor and all members of Council were returned to office in the October 2008 Municipal Elections. I would be remiss if I did not mention that 2008 saw the closure of Alice Street, Douglas Street, St. Mary's, Princess Margaret Rose, and Willow Street Schools being replaced with the new Truro Elementary and Harmony Heights Elementary Schools. "Amazing facilities!"

I also want to mention that Council could not have accomplished all that we did in the year without the excellent work and dedication of our valued Staff from all Departments. I would encourage you to review the enclosed reports and financial information. You will see that each of our Departments has provided the necessary information on all activities and the cost related to these projects. If you have any questions corresponding to the information enclosed I would encourage you to contact any member of Council or staff who will be more than happy to answer your questions about the business of Truro Municipal Government. You can see that Council and Staff continue to work hard to Promote Truro as a Safe Place as well as an area where business and families flourish! Canada is watching!

Sincerely  
W.R. (Bill) Mills  
Mayor of Truro



# ***Town of Truro Annual Report April 1, 2008 to March 31, 2009***

## ***Finance Department***

Mayor Mills and Members of Town Council,

The Town of Truro General Operating Fund ended the year with a \$20,493 surplus, despite being \$245,000 over budget on its snow removal. The Town's tax rates are about average among the 31 towns in Nova Scotia: Residential \$1.72, 15<sup>th</sup> among the 31 towns (prior year 15<sup>th</sup>), average \$1.73; Commercial \$3.92, 17<sup>th</sup> among the 31 towns (prior year 15<sup>th</sup>), average \$3.81. Following are pie diagrams showing the major categories of operating revenues and operating expenditures. Taxes are 80% of total operating revenues, up slightly from last year's 79%. Also following is a list of municipal indicators, developed by Service Nova Scotia and Municipal Relations (SNSMR), showing a comparison to Town of Truro results from last year and to the average of all towns in Nova Scotia, as at March 31, 2007. A complete description of the municipal indicators is available on the SNSMR website at <http://www.gov.ns.ca/snsmr/muns/indicators/>.

The Water Utility ended the year with a \$10,438 surplus. The Rate of Return on Rate Base was 0.19% (prior year 2.49%). The Town continues to work at infrastructure improvements in the Utility and compliance with Nova Scotia Department of Environment regulations, to ensure that citizens have clean, safe potable water. Town staff will be preparing a water rate review for submission to the Nova Scotia Utility and Review Board.

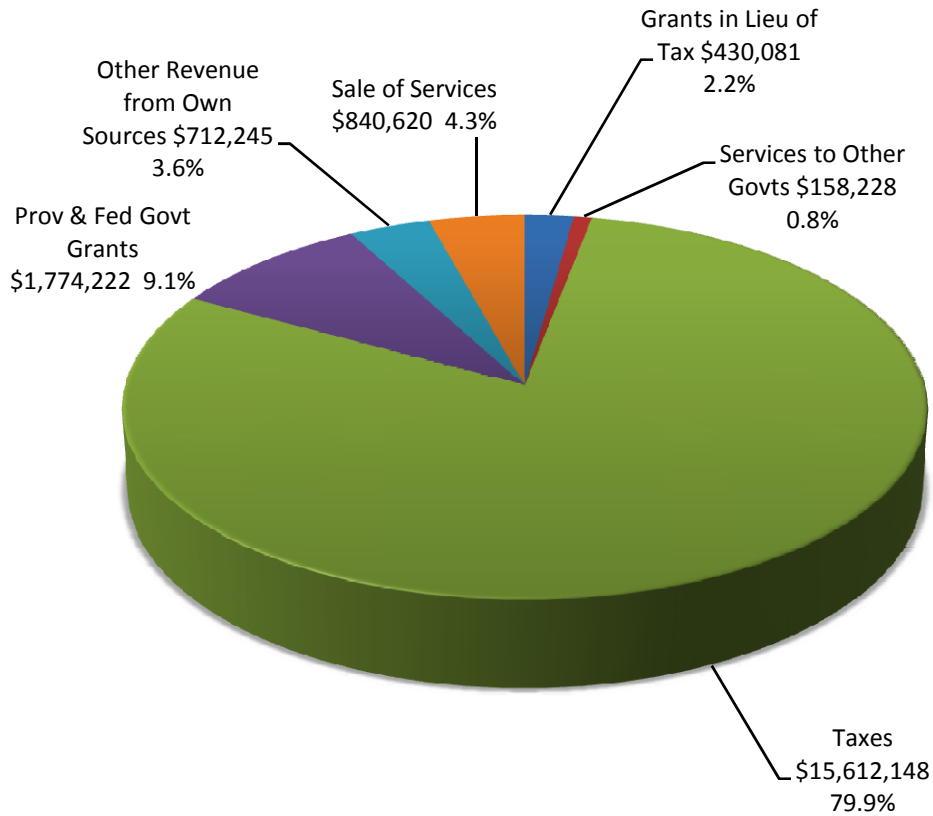
During the year, the Town's long term debt and financing commitments to the Municipality of the County of Colchester for green project funding, decreased by \$9,683. This resulted from paying down existing debt and acquiring new debt for contributions to the new hospital. The Town of Truro has a Debt Service Ratio of 10.1% (prior year 11.0%), that is well below the maximum considered acceptable by Service Nova Scotia and Municipal Relations.

Respectfully Submitted,  
Robert Putnam  
Director of Finance

# General Fund Operating Revenues

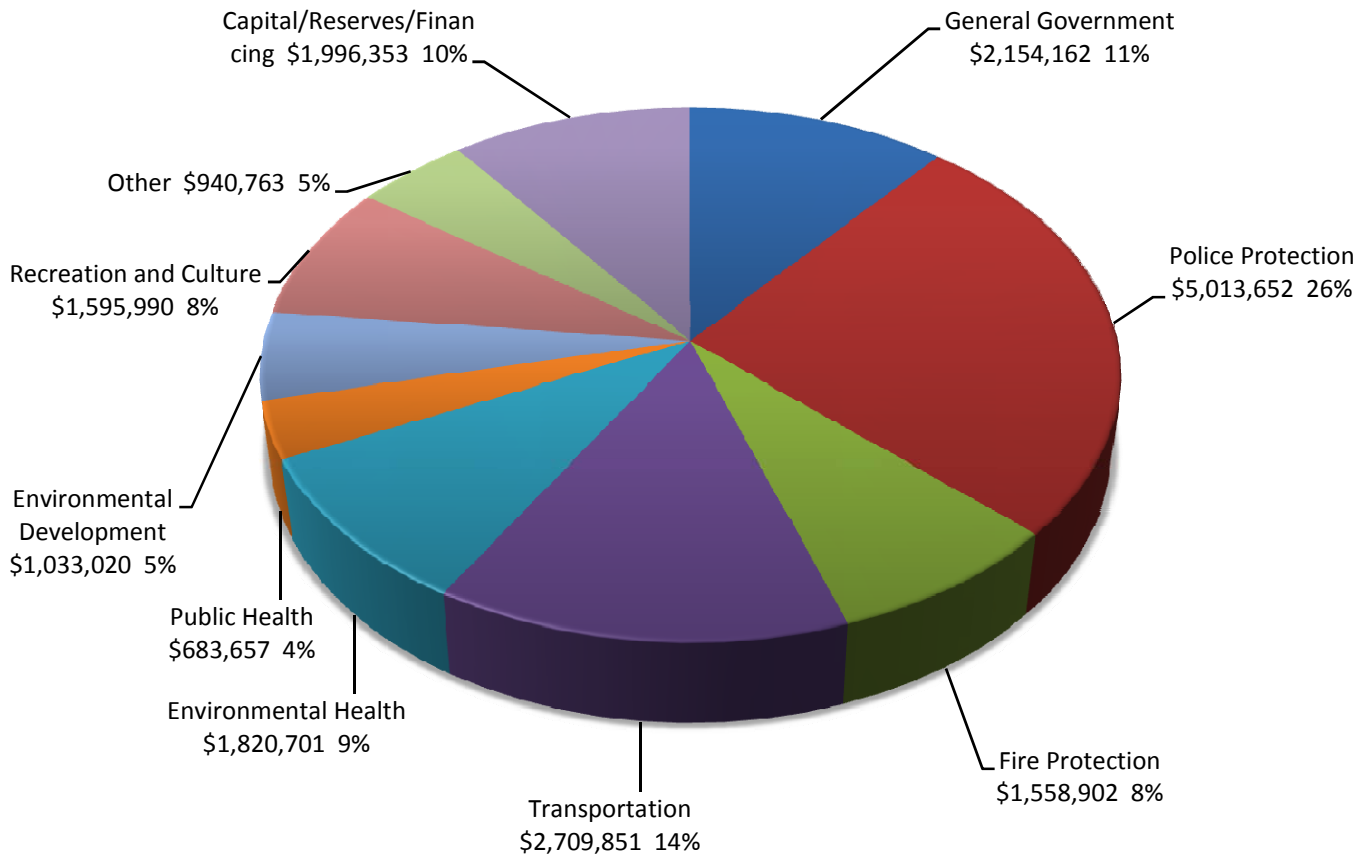
April 1, 2008 - March 31, 2009

Total = \$19,527,544



|                             |                   |
|-----------------------------|-------------------|
| Taxes                       |                   |
| Residential                 | 7,818,265         |
| Commercial                  | 9,286,455         |
| Area Rates                  | 261,812           |
| Deed Transfer               | 192,017           |
| Other                       | 243,155           |
| Less: Education Expenditure | (2,189,556)       |
|                             | <u>15,612,148</u> |

**General Fund Operating Expenditures**  
**April 1, 2008 - March 31, 2009**  
**Total = \$19,507,051**



Town of Truro  
Municipal Indicators  
Service Nova Scotia & Municipal Relations

|                                       | Town of Truro |           | SNSMR                  |
|---------------------------------------|---------------|-----------|------------------------|
|                                       | Mar 31/09     | Mar 31/08 | Towns Avg<br>Mar 31/07 |
| Taxes as a % of Total Revenue         | 80%           | 79%       | 74%                    |
| Transfers from other govts            | 9%            | 9%        | 10%                    |
| Residential Tax Burden                | 1,279         | 1,218     | 1,102                  |
| Uniform Assessment per Dwelling Unit  | 109,946       | 103,628   | 99,084                 |
| Mandatory Expenditures                | 26%           | 31%       | 20%                    |
| Expenditures per Dwelling Unit        | 2,864         | 2,423     | 3,167                  |
| Liquidity Ratio                       | 0.84          | 1.18      | 1.17                   |
| Deficits last 5 years                 | 0             | 0         | 2                      |
| Uncollected Taxes                     | 8.4%          | 6.7%      | 10.0%                  |
| Reserves as a % of Expenditures       | 42%           | 53%       | 24%                    |
| Debt Service Ratio                    | 10.1%         | 11.0%     | 6.4%                   |
| Debt Outstanding / Uniform Assessment | 1.7%          | 1.9%      | 1.2%                   |
| Capital from Revenue                  | 15.6%         | 10.7%     | 3.1%                   |
| Total Capital from Operating          | 24.7%         | 26.6%     | 10.0%                  |
| Increase in Uniform Assessment        | 11.2%         | 6.9%      | 14.9%                  |
| Commercial / Total Assessment         | 34.3%         | 35.6%     | 30.0%                  |
| Legislative per Capita                | 16.60         | 14.60     | 31.00                  |
| Administration per Capita             | 113.10        | 108.00    | 170.00                 |
| Police Service / \$1,000 Assessment   | 6.00          | 5.90      | 6.00                   |
| Police Service / Capita               | 338.50        | 317.80    | 224.00                 |
| Fire Service / \$1,000 Assessment     | 2.40          | 2.40      | 3.00                   |
| Fire Service / Capita                 | 132.50        | 128.10    | 116.00                 |

For a list of municipal indicators and their descriptions visit Service Nova Scotia and Municipal Relations  
<http://www.gov.ns.ca/snsmr/muns/indicators/>



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***Town of Truro  
Annual Report  
April 1, 2008 to March 31, 2009***

***Police Service***

Mayor Mills and Members of Town Council,

Chief's Message

It is with great pleasure that I submit the annual report of the Truro Police Service for the operating year of April 1 2008 ending March 31, 2009. It has been an exciting year for the Truro Police Service with many new changes and initiatives. This report will provide a snap shot of the hard work and dedication by all staff members of the Truro Police Service that contributed to making this a successful year.

Our priority as a police service remains community safety and accountability. Our members work hard to ensure Truro remains a safe place to live, work, and visit. The Truro Police Service is committed to a safer community.

At this time I would also like to acknowledge the continued support and co-operation we receive from the Truro Police Board, and Truro Town Council. By working together we are making a difference in our community.

Respectfully submitted;  
David MacNeil  
Chief of Police

The Truro Police Service identified three strategic priorities for 2008-09. These priorities were identified through public consultation at our annual Town Hall meetings, neighborhood consultation meetings and from our own internal and external scan of calls for service and crime trends. The three priorities are as follows:

- Drug Enforcement and Education
- Traffic Education and Enforcement
- Increase Community Visibility

#### Drug Enforcement and Education

Our drug strategy focused on criminal intelligence gathering, enforcement, community education, and partnerships. The Truro Police Service increased officer presence in the schools with a focus on anti - drug education. In addition to our full time School Resource officer at Cobequid Educational Center we added another School Resource Officer responsible for Truro Junior High and Truro Elementary School.

Through partnerships made possible by funding from the Province of Nova Scotia the Truro Police Service provided an officer on secondment to the Criminal Intelligence Service of Nova Scotia. Together with a seconded RCMP officer, the Truro Office of C.I.S.N.S. operates out of the Truro Police Station. This local intelligence office provides a valuable service to all police agencies in Colchester County by targeting crime groups and gathering information on criminal activity in our area. This intelligence is then acted upon by our various enforcement units.

Another successful partnership made possible by funding from the Province of Nova Scotia Safer Communities Initiative is the Colchester Integrated Street Crime Enforcement Unit (S.C.E.U.). This unit consists of a Truro Police Service member and a member of Colchester RCMP that working together from the Truro Police station with the mandate of addressing such issues as break and enters, vandalism, street level drugs, and any other quality of life issue that may arise.

In addition to the above programs the Truro Police Service operates our own drug enforcement unit which consists of two full time drug investigators. The drug enforcement unit (D.E.U.) has been involved in numerous operations during 2008-09 and has worked hard to reduce the impact of illicit drugs in our community.

#### Traffic Education and Enforcement

The second strategic priority for 2008-09 was identified as traffic enforcement and education. The Truro Police has a full time traffic services section, which is a full time dedicated traffic enforcement unit. The mandate of this section is traffic education and enforcement. These enforcement efforts are enhanced by all patrol officers who are also expected to enforce the Motor Vehicle Act and conduct traffic safety checkpoints.

Traffic services was involved in numerous education and public awareness campaigns during 2008- 09. The local media was used on many occasions to advise of public safety messages such as anti drinking and driving, operation Christmas, and of increased enforcement areas.

The traffic services section was also involved in Operation Christmas which targets impaired driving, Operation Impact which targets seatbelt use, and the Safe Graduation at the Cobequid Education Center.

In an effort to increase road safety our patrol officers conducted forty three road safety and sobriety evening checkpoints to deter and detect impaired drivers.

### Increase Community Visibility

The third strategic priority for 2008-09 was to increase police visibility in our community and the neighbourhoods we serve. It became evident through community consultation and feedback that our citizens wanted to see a increase police visibility. In order to achieve this goal the police service implemented several new initiatives.

The first initiative was the creation of a new graphic design on all marked Truro Police vehicles. The new graphic clearly identifies the vehicles as Truro Police emergency vehicles and are highly visible and reflective. The new graphics also won national recognition and placed second in Canada's best dressed police car contest. Public feedback from the new police graphics has been very positive.

Another initiative introduced this year to increase our visibility was to extend our presence on foot patrol in the downtown. From April through to September the police service has a dedicated foot patrol in the downtown. As a result of consultation and feedback from the business community and the Truro Downtown Partnership we extended the beat until the end of the Christmas shopping season. This resulted in positive feedback from the business community and citizens.

The patrol section was also tasked with improving visibility in the community and patrol supervisors were engaged to come up with a patrol strategy to address this. This resulted in patrol supervisors ensuring maximum number of marked patrol vehicles were on the road daily between 7am - 9am during peak workday traffic and school traffic. Also patrol supervisors were tasked with ensuring their officers were not all conducting paperwork activities at the police station during the same time. These initiatives have resulted in an increase in police visibility during the day and ensures that marked patrol vehicles are always on the road.

The School Crossing Guards received new uniforms which clearly identify them as Truro Police Service crosswalk safety guards.

For the second year Truro Police Service has partnered with the NSAC and the Insurance Bureau of Canada to bring Operation Red Nose - anti-impaired driving program- to the Truro area.



# ***Town of Truro Annual Report April 1, 2008 to March 31, 2009***

## ***Fire Service***

Mayor Mills and Members of Town Council

The Truro Fire Service (TFS) continues to improve the operational structure, financial management, training, equipment purchases and safety requirements of the Fire Service. Accomplishments are a result of participants working responsibly in creating a strong management team with a positive attitude. Council's consistent support is appreciated by the Fire Service. One of the main focuses of the Fire Service continues to be the 2004 Office of the Fire Marshal's Report which still has a few areas to be addressed.

The past year was a busy year in terms of emergency responses. TFS responded to a total of 460 alarms. The commitment by the volunteer members is always appreciated. Each year these individuals respond to all emergencies and provide a high level of public safety protection. Thank you to all of those members who give so much.

In terms of financial accountability, the Fire Service ended the fiscal year operating within its approved amounts for both operational and capital budget estimates. Training opportunities and advancements for members produced a strong move forward in the areas of: Officers management, Front line fire suppression, Communication & Teamwork.

Equipment purchases during the year contributed to improving our ability to address fire emergencies. Such items as: a Thermal Imaging Camera, new breathing apparatus, pagers, portable radios and protective clothing helped to improve our service.

Safety is always the number one priority of the fire members and management team, educational sessions and discussions were conducted to promote and instill the need to continually address safety in every situation.

Addressing community inquires and concerns are processed daily at the fire station. The staff regularly conducts public education sessions in response to community or safety issues when requested.

The support of Council for the twelve year apparatus replacement program is a huge step in ensuring that the apparatus is modern, replaced on a schedule date and will provide the safety for the members and our community.

In the coming year the Truro Fire Service will continue to make improvements by addressing the items noted within the Fire Marshals Report of 2004, while continuing to remain responsible, accountable and effective in all aspects of the Fire Service.

Respectfully submitted,

Chief Tom Bremner  
Truro Fire Service



# ***Town of Truro Annual Report April 1, 2008 to March 31, 2009***

## ***Public Works***

Mayor Mills and Members of Town Council,

2008-09 was the second year of Asset Management being incorporated into capital infrastructure planning in Engineering and Public Works. This year's Asset Management included a Street Rating System based on asphalt conditions and the street classifications. This allowed Council to set priorities and establish a Five Year Capital plan based on the Asset Management removing any perception of subjectivity from the Capital budget planning process.

The timing of the Street Asset Management adoption was impeccable as the harsh winter of 2007-08 left the streets in an apparent state of disrepair requiring aggressive rehabilitation and maintenance programs. Council intuitively approved an ambitious capital budget for street rehabilitation consisting of the streets that were proposed to be budgeted for over two years in the Street Asset Management Plan and they also set a high priority on the street maintenance program.

Other major improvements scheduled during budget deliberations included the design of a new Public Works Facility, a continuation of the implementation of the water system assessment report recommendations, the purchase of water main leak detection gear, and the purchase of a state-of-the-art combination vacuum truck and high pressure sewer cleaner. The leak detection gear will set the water system well for management of Water Loss Control as well as for future water main asset management. The vacuum/sewer cleaner truck has improved water distribution operations and sewer maintenance operations and allows for future assessments of the sewer systems to gather data for the sewer components of the Asset Management Plan.

Two other major events occur within the fiscal year that resulted in additional funds requiring approval by Council, this included a leak at the Lepper Brook Reservoir Dam which required investigation and Remediation Planning in 2008/09 and the advanced opening of the Truro Elementary School which required Council to investigate pedestrian safety issues and subsequently approval of 630 metres of extra sidewalk construction.

Eighteen street segments under the Asset Management Plan consisting of 5480 metres (5.5km) were paved in 2008/09 these included; Smith Ave (Golf-Dufferin) and (Dufferin-Edward), Normandy Ave (#86-#118), Prince St (Wood-Aberdeen) and (Aberdeen-Townline), Willow St (Glenwood-Upham), Queen (Walker-Tracks) and (Tracks-Barrett), Lorne (Prince-Queen), Kaulback (Arthur-Tracks), Wood St (Alice-Barrow) and (Barrow-McKay), Lyman St (Prince-Brunswick), Cottage St (Prince-Brunswick), Lyman St (Brunswick-Alice), Charles St (Dominion-Pleasant), Kaulback (Tracks-Glenwood), and Victoria St (Pleasant-Young).

Sidewalk Construction in 2008/09 was constructed in conjunction with the street construction with each of these streets having their sidewalks and curbs evaluated for no

repair, partial replacement or full replacement. The following streets had full replacement of sidewalks; Smith Ave (Golf-Edward), Queen St (Walker-Tracks), Lorne St (West side; Queen-Prince), Lyman St (Prince-Brunswick), Victoria (Young-Pleasant), Lyman St (Brunswick-Alice), Kaulback St (Tracks-Glenwood). The following streets had partial replacement of sidewalks; Prince St (Wood-Town line), Wood St (Alice-McKay), and Charles St (Dominion-Pleasant). Curb and Gutter on Purdy Dr (Marigold-Marigold) was also constructed by approval of a petition in 2008/09 as well. Sidewalk construction for the Truro Elementary School consisted of 200 metres on Glenwood Dr (Manor-Curtis) and (Harris-MtPleasant) and 430 metres on Curtis Dr (Glenwood-AbbeyEast). The Province also constructed sidewalk on the south side of Abbey and east side of Curtis along the Truro Elementary School property.

Both sewer and water construction were limited to only work necessary to ensure infrastructure sustainability on the street construction streets in 2008-09 to allow for a focus on upgrading maintenance operations and to enhance future evaluations of sewer and water asset management data. Sewer construction consisted of storm drain systems on Queen St (Walker-Tracks) and Kaulback St (Tracks-Glenwood) in conjunction with their street and sidewalk projects. Water construction consisted of replacement of 140 metres on Lyman St and 110 metres on and Doyle St, two extensions in the County one in Bible Hill on Pictou Rd and one in Salmon River to service the new Salmon River Elementary School which consisted of 770 metres of main on Fir Ave. and the extension of MacLean St, and Wade Rd water main project funded by the Nova Scotia / Canada Infrastructure Fund was also added to the system. This project included 1900 metres of 12" main and 300 metres of 8" main and connected Wade Rd through to Robie St to improve the fire flow capabilities of the entire west end of the distribution system.

The winter of 2008-09 once again saw heavy snow falls and extreme winter conditions. As with the previous year these conditions led to snow and ice expenditures being 50% over budget and saw the street conditions deteriorate. This led to further reiterations of the street component of the Asset Management Plan and established street maintenance and street capital as the main priorities again for the 2009-10 budget year.

Respectfully Submitted,  
Andrew J. MacKinnon, P.Eng.  
Director of Public Works



# ***Town of Truro Annual Report April 1, 2008 to March 31, 2009***

## ***Planning Department***

Mayor Mills and Members of Town Council,

I am pleased to make the following report for 2008. The statistics presented are indicative of the development activity within the Town of Truro for the year.

### **I. Building & Development Permits**

A development permit is issued for a change of use, new use, or reuse of an existing vacant space. The issuance of a development permit is not necessarily associated with a building permit. In 2008, 32 development permits were issued while 76 were issued in 2007. In 2008 there were 103 building permits issued while 119 building permits were issued in 2007. The following table shows all building and development permits issued in Truro broken down by the type of land use.

| <i>Type</i>              | <i>2007</i> | <i>2008</i> |
|--------------------------|-------------|-------------|
| Single Detached          | 64          | 53          |
| Two Unit                 | 5           | 8           |
| Multiple Unit            | 11          | 4           |
| Other Residential        | 14          | 29          |
| Commercial               | 45          | 34          |
| Industrial               | 4           | 4           |
| Institutional/Government | 4           | 3           |
| Temporary Signs          | 50          | 54          |
| <b>TOTALS</b>            | <b>197</b>  | <b>189</b>  |
| <i>Type</i>              | <i>2007</i> | <i>2008</i> |
| Single Detached          | 25          | 13          |
| Two Unit                 | 2           | 5           |
| Multiple Unit            | 99          | 0           |
| Other Residential        | 0           | 0           |
| Commercial               | 19          | 14          |
| Industrial               | 0           | 0           |
| Institutional/Government | 0           | 0           |
| <b>TOTALS</b>            | <b>145</b>  | <b>32</b>   |

| <i>Type</i>              | <i>2007</i>            | <i>2008</i>           |
|--------------------------|------------------------|-----------------------|
| Single Detached          | \$3,901,582.00         | \$2,706,139.00        |
| Two Unit                 | \$514,000.00           | \$528,700.00          |
| Multiple Unit            | \$9,297,000.00         | \$87,000.00           |
| Other Residential        | \$150,200.00           | \$129,048.00          |
| Commercial               | \$6,637,796.00         | \$3,307,970.00        |
| Industrial               | \$526,000.00           | \$706,000.00          |
| Institutional/Government | \$10,232,497.00        | \$2,106,200.00        |
| <b>TOTALS</b>            | <b>\$31,259,075.00</b> | <b>\$9,571,057.00</b> |

## II. Subdivision/Consolidation Approvals

In 2008 there were 8 subdivision approvals resulting in the creation of 2 lots. It should be noted that approvals include boundary adjustments and consolidations of lots.

Subdivision approvals resulted in \$5820.07 of park land transfer cash in lieu in 2008.

## III. Amendments

In 2008 there were two amendments to the *Land Use By-Law. Section 6.18 and rezoning of lands at 180 Upham Drive.*

## IV. Development Agreements

The following development agreements were approved in 2008:

| DEVELOPMENT AGREEMENTS APPROVED IN 2008 |   |  |
|---|---|--|
| <i>Location</i>                         | <i>Applicant</i>                        | <i>Use</i>   |
| 13 Laurie Street                        | Jason & Mark Yhard                      | Additional unit to existing 2 unit                         |
| 100 Victoria Street                     | Joesph Pinto                            | Convert existing building into ten unit apartment building |
| 24 Henry Street                         | Colchester Residential Services Society | Residential Care Facility                                  |
| 373 Prince Street                       | RCMP                                    | Parking Lot  |

## V. Major Construction Projects – 2008

| MAJOR CONSTRUCTION PROJECTS IN 2008 |                       |                |
|-------------------------------------|-----------------------|----------------|
| <i>Location</i>                     | <i>Project</i>        | <i>Value</i>   |
| 245 Robie Street                    | Renovation            | \$850,000.00   |
| 140 Wade Rd                         | Reitman's             | \$450,000.00   |
| 203 Wade Rd                         | EHS Building          | \$188,760.00   |
| 275 Industrial Ave                  | Addition              | \$365,000.00   |
| 296 Glenwood Drive                  | Duplex                | \$220,000.00   |
| 43 Glassey Ave                      | Public Works Building | \$2,100,000.00 |
| 85 William Barnhill Dr              | Sampra Limited        | \$300,000.00   |

Respectfully Submitted,  
 Jason Fox,  
 Director of Planning & Development



***Town of Truro  
Annual Report  
April 1, 2008 to March 31, 2009***

***Parks, Recreation & Culture Department***

Mayor Mills and Members of Town Council,

The year 2008 was another busy and successful year for the Truro Parks and Recreation Department.

A new 10,000 square foot, professionally designed concrete skate park was constructed on municipal property located behind the Truro Centre off Young Street in 2008. The grand opening was held in September and has been extremely popular and well used by skateboarders and bikers.

Planning for the retrofit to the Colchester Legion Stadium was ongoing throughout the year in preparation for the replacement of the concrete slab and installation of the new board system which will take place during the spring and summer of 2009. In addition, a thorough Energy Audit was completed on the arena and many of the report's recommendations will be incorporated into the renovations.

The asphalt walkway surrounding Kiwanis Pond was repaired and completely resurfaced. The improvements have ensured that the walk is accessible and much safer for users of all ages.

The Parks, Recreation & Culture Department initiated a strategic planning process in 2008 and the final report was forwarded to Council for approval before the end of the fiscal year. The new plan covers the next five year period and includes a name change to the Truro Parks, Recreation and Culture Department to better reflect our revised mandate.

Respectfully Submitted,  
Doug MacKenzie  
Director of Parks and Recreation



***Town of Truro  
Annual Report  
April 1, 2008 to March 31, 2009***

***Truro Industrial Development Society***

Mayor Mills and Members of Town Council,

Growth and progress continue to highlight the efforts of the Truro Industrial Development Society this past year. Chair Robert McGee welcomed the development experience of Ray Merriam, as a new addition to the Society this year.

Truro Industrial Development Society and the Town of Truro continued to demonstrate leadership in the pursuit of Park Enhancement. Following up on the installation of Major Entrance and Way Finding signs for the Willow St. entrance to the Truro Industrial Park, the Society did extensive paving of the turn about and parking area adjacent to the signage, which combined with the Town's repaving of this section of Willow St. blend to present a smooth transition from Town to Industrial setting. The Society continues to sponsor the grounds and perimeter maintenance of the Park to the acknowledged appreciation of many park businesses.

The Society welcomed three new property owners in the Park this year. Acquiring new locations in the Park were Britney Conveyors, Hilltop Trailers Parts and Service as well as Don Groves Construction. Additional land sales were closed with the owners of J.C Mechanical in order to facilitate the expansion of both their business and the adjacent facility. The Town of Truro has undertaken a huge investment in the Park with the groundbreaking and commencement of a new Public Works building. The central location of the Park and its visibility continue to be drawing cards for local and international business pursuits.

The Board members continue to be receptive and responsive to the voices of the Park business owners, and work to improve two way communication. The Park Enhancement Committee has given way to a larger Truro Industrial Park Association. The Society continues to support the relationship with the CoRDA Business Retention and Expansion business visitation program, and gained feedback from over twenty business visits within the Park and three Park Association meetings this year. Positive outcomes from this relationship have included the creation of an E News Letter for the Park as well as the Town's commitment to install flashing signal lights of a dangerous intersection at Upham Dr. and Industrial Ave, at the request of the adjacent businesses.

Respectfully Submitted,  
Robert McGee  
Chair

TOWN OF TRURO

CONSOLIDATED FINANCIAL STATEMENTS AND  
AUDITORS' REPORT

MARCH 31, 2009

TOWN OF TRURO

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YEAR ENDED MARCH 31, 2009

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**HEMMING WEIR CASEY**

CHARTERED ACCOUNTANTS

Dale A. Saunders, CA, CBV  
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FAX (902) 895-7499  
14 Court Street, Suite 308  
Truro NS B2N 3H7  
[www.hwcinc.ca](http://www.hwcinc.ca)**AUDITORS' REPORT**

To the Mayor and Members of Council of the  
Town of Truro

We have audited the consolidated statement of financial position of the Town of Truro as at March 31, 2009 and the consolidated statements of financial activities and changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the Town of Truro's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Truro as at March 31, 2009 and the results of its financial activities and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.



Truro, Nova Scotia  
June 19, 2009

Chartered Accountants

TOWN OF TRURO  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2009

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| <b>FINANCIAL ASSETS</b>                                  |                     |                     |
| Cash   | \$1,686,865         | \$ 1,735,960        |
| Receivables  |                     |                     |
| Taxes and rates  | 2,082,843           | 2,165,531           |
| Other  | 2,087,303           | 1,270,313           |
| Long-term investments and restricted funds, at cost      | <u>7,334,852</u>    | <u>7,802,208</u>    |
|  | <u>13,191,863</u>   | <u>12,974,012</u>   |
| <b>LIABILITIES</b>                                       |                     |                     |
| Bank indebtedness  | 1,107,610           | 1,386,287           |
| Payables and accruals                                    | 2,197,527           | 1,487,900           |
| Tax sale surplus   | 40,110              | 40,110              |
| Short-term borrowing                                     | 1,343,652           |                     |
| Long-term debt (note 7)                                  | 9,116,882           | 9,126,565           |
| Post employment benefits liability (note 8)              | 984,648             | 918,117             |
| Long-term loan payable (note 9)                          | 1,031,560           |                     |
| Deferred pension liability (note 9)                      | <u>841,502</u>      | <u>438,236</u>      |
|  | <u>16,663,491</u>   | <u>13,397,215</u>   |
| <b>NET FINANCIAL ASSETS (LIABILITIES)</b>                | <u>(3,471,628)</u>  | <u>(423,203)</u>    |
| <b>NON-FINANCIAL ASSETS</b>                              |                     |                     |
| Extraordinary expenses capitalized                       | 728,375             | 323,842             |
| Land and servicing costs (note 5)                        | 938,830             | 938,830             |
| Property and equipment (note 6)                          | 77,341,835          | 71,259,639          |
| Inventory, at cost                                       | 465,554             | 334,217             |
| Prepaid expenses   | <u>71,291</u>       | <u>63,371</u>       |
|  | <u>79,545,885</u>   | <u>72,919,899</u>   |
| <b>NET ASSETS</b>  | <u>\$76,074,257</u> | <u>\$72,496,696</u> |
| <b>MUNICIPAL POSITION</b>                                |                     |                     |
| <b>AMOUNTS TO BE RECOVERED FROM FUTURE REVENUES</b>      | (\$2,611,548)       | \$ (1,356,353)      |
| <b>FUND BALANCES</b>                                     |                     |                     |
| General Operating Fund (page B-3)                        | 612,714             | 592,221             |
| General Capital Fund (page B-11)                         | 52,103,919          | 47,965,692          |
| Water Operating Fund (page B-23)                         | 535,722             | 525,284             |
| Water Capital Fund (page B-26)                           | 17,166,712          | 16,016,370          |
| Industrial Development Society Operating Fund (page C-2) | (6,944)             | 12,444              |
| Industrial Development Society Capital Fund (note 11)    | 938,830             | 938,830             |
| Reserve funds (note 10)                                  | <u>7,334,852</u>    | <u>7,802,208</u>    |
|  | <u>\$76,074,257</u> | <u>\$72,496,696</u> |
| <b>ON BEHALF OF THE TOWN</b>                             |                     |                     |

\_\_\_\_\_, Mayor

\_\_\_\_\_, Chief Administrative Officer

TOWN OF TRURO  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED MARCH 31, 2009

|   | <u>2009</u>       | <u>2008</u>       |
|---|-------------------|-------------------|
| REVENUE   |                   |                   |
| Taxes   | \$ 14,942,117     | \$ 14,033,257     |
| Grants in lieu of taxes                               | 430,081           | 402,689           |
| Services provided to other governments                | 158,228           | 141,821           |
| Sale of services                                      | 3,148,167         | 3,285,531         |
| Other revenue from own sources                        | 889,193           | 972,842           |
| Unconditional transfers from other governments        | 1,016,954         | 1,013,665         |
| Conditional transfers from other governments          | <u>2,047,261</u>  | <u>1,099,473</u>  |
| TOTAL REVENUE   | <u>22,632,001</u> | <u>20,949,278</u> |
| EXPENDITURES  |                   |                   |
| General government services                           | 2,323,822         | 2,494,498         |
| Protective services                                   | 6,618,936         | 5,330,606         |
| Transportation services                               | 6,349,431         | 4,927,282         |
| Environmental health services                         | 1,996,560         | 1,995,170         |
| Public health services                                | 1,233,190         | 183,778           |
| Environmental development services                    | 1,005,926         | 980,094           |
| Recreation and cultural services                      | 2,044,318         | 1,716,088         |
| Water transmission and distribution                   | 2,209,537         | 2,007,178         |
| Change in post-employment benefits liability (note 8) | 89,093            | 10,044            |
| Change in deferred pension liability (note 9)         | <u>403,266</u>    | <u>(137,878)</u>  |
| TOTAL EXPENDITURES                                    | <u>24,274,079</u> | <u>19,506,860</u> |
| NET REVENUE (EXPENDITURE)                             | (1,642,078)       | 1,442,418         |
| NET FINANCING AND TRANSFERS                           |                   |                   |
| Issuance of long-term debt                            | 1,931,560         | 2,600,000         |
| Issuance of short-term borrowing                      | 1,343,652         |                   |
| Repayment of long-term debt                           | (909,683)         | (2,235,404)       |
| Repayment of short-term borrowing                     |                   | (187,807)         |
| Transfer to own reserves and funds                    | (958,105)         | (1,480,763)       |
| Amounts to be recovered in future years               | <u>246,197</u>    | <u>(127,834)</u>  |
| NET CHANGE IN FUND BALANCES                           | <u>\$ 11,543</u>  | <u>\$ 10,610</u>  |

TOWN OF TRURO  
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>                     | <u>2008</u>                     |
|--|---------------------------------|---------------------------------|
| <b>OPERATING ACTIVITIES</b>                            |                                 |                                 |
| Net revenue (expenditure)                              | \$ (1,642,078)                  | \$ 1,442,418                    |
| Change in non-cash items                               |                                 |                                 |
| Taxes receivable (net of valuation allowances)         | 82,688                          | (642,185)                       |
| Other receivables (net of valuation allowances)        | (816,990)                       | 42,215                          |
| Transfer to own funds and reserves                     | (576,573)                       | (231,081)                       |
| Inventory  | (131,337)                       | (102,045)                       |
| Prepaid expenses                                       | (7,920)                         | 11,354                          |
| Payables   | 709,627                         | 219,199                         |
| Tax sale surplus                                       |                                 | (10,680)                        |
| Post employment benefits liability                     | 66,531                          | 10,044                          |
| Pension liability                                      | 403,266                         | (137,878)                       |
|  | <u>(1,912,786)</u>              | <u>601,361</u>                  |
| <b>FINANCING ACTIVITIES</b>                            |                                 |                                 |
| Issuance of short-term borrowing                       | 1,343,652                       |                                 |
| Issuance of long-term loan                             | 1,031,560                       |                                 |
| Issuance of long-term debt                             | 900,000                         | 2,600,000                       |
| Increase (decrease) in water utility capital fund cash | (223,161)                       | 80,429                          |
| Repayment of short-term borrowing                      |                                 | (187,807)                       |
| Repayment of long-term debt                            | (909,683)                       | (2,235,404)                     |
|  | <u>2,142,368</u>                | <u>257,218</u>                  |
| <b>NET CHANGE IN CASH AND BANK INDEBTEDNESS</b>        | <b>229,582</b>                  | <b>858,579</b>                  |
| <b>CASH AND BANK INDEBTEDNESS, BEGINNING OF YEAR</b>   | <u><b>349,673</b></u>           | <u><b>(508,906)</b></u>         |
| <b>CASH AND BANK INDEBTEDNESS, END OF YEAR</b>         | <u><u><b>\$ 579,255</b></u></u> | <u><u><b>\$ 349,673</b></u></u> |
| Cash and bank indebtedness is comprised of:            |                                 |                                 |
| Cash   | \$ 1,686,865                    | \$ 1,735,960                    |
| Bank indebtedness                                      | <u>(1,107,610)</u>              | <u>(1,386,287)</u>              |
|  | <u><u><b>\$ 579,255</b></u></u> | <u><u><b>\$ 349,673</b></u></u> |

TOWN OF TRURO  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2009

1. STATUS AND NATURE OF ACTIVITIES

The Town, incorporated under an act to incorporate the Town of Truro, operates the activities of the Town of Truro through the General Operating Fund, Water Utility and Truro Industrial Development Society as disclosed below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) PRINCIPLES AND BASIS OF CONSOLIDATION

The consolidated financial statements of the Town of Truro (the "Town") are the representations of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the Town and the changes thereto. The consolidated financial statements include the accounts of the Town of Truro, the Water Utility and the Truro Industrial Development Society.

b) BASIS OF ACCOUNTING

The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are recognized in the period the goods and services were acquired and a liability is incurred or transfers are due.

c) FUND ACCOUNTING

The Town has separate funds for operating, capital and reserves. Transfers between funds are recorded as adjustments to the appropriate equity account.

d) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from the estimates.

e) FINANCIAL INSTRUMENTS

Financial instruments consisting of cash, receivables, long-term investments, payables and long-term debt are carried at cost which approximates fair market value.

TOWN OF TRURO  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2009

f) GOVERNMENT TRANSFERS

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the period that the transfers are authorized, any eligibility criteria have been met by the Town, and reasonable estimates of the amounts can be made.

g) INVENTORIES

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

h) PROPERTY AND EQUIPMENT

Capital assets and projects in progress are reported as expenditures in the consolidated statement of financial activities in the year of acquisition. The historical cost and accumulated depreciation information for capital assets is reported in the consolidated statement of financial position. The Town does not record depreciation on its property and equipment, except in the Water Utility Operations Fund where depreciation is calculated based on a formula prescribed by the Nova Scotia Utility and Review Board. The depreciation charge in the Water Utility Operating Fund which is not used to fund current additions to capital assets, is transferred to a special bank account in the Water Utility Capital Fund which is used to help fund replacement of existing plant and equipment. The carrying value of the Town's capital assets are written down to NIL at the end of their useful life as a charge against investment in capital assets.

i) INVESTMENT IN CAPITAL ASSETS

Investment in capital assets represents the Town's net investment in its capital assets, after deducting long-term debt and other capital fund liabilities, net of other capital fund assets.

j) LAND AND SERVICING COSTS

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 are capitalized and will be transferred to property and equipment when deeded to the Town of Truro.

k) ALLOCATION OF MUNICIPAL COSTS OF WATER UTILITY FUNDS

Costs incurred by the Town of Truro on behalf of the water utility are charged to the utility funds. Salary and wage related costs are allocated in proportion to time spent performing functions on behalf of the water utility.

l) TRUST FUNDS

The trust funds being administered by the Town are not consolidated with the accounts of the Town. As at March 31, 2009, the book value of the equity in trust funds under its trusteeship amounted to \$415,651 (2008 - \$427,567).

TOWN OF TRURO  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2009

### 3. 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 formula.

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 \$66,697 (2008 - \$66,863) to the Regional Library for costs of operation of the Truro branch of the Regional Library.

#### CONTRIBUTION TO TRURO HOUSING AUTHORITY - 12 1/2% INTEREST

During the year, the Town paid \$62,893 (2008 - \$66,678) to the Truro Housing Authority to fund its share of the prior year's deficit.

### 4. CONTRIBUTION TO PROVINCIAL GOVERNMENT DEPARTMENTS AND AGENCIES

The Town of Truro 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.

#### EDUCATION CONTRIBUTION

During the year, the Town paid \$2,189,556 (2008 - \$2,167,970) to the Chignecto-Central Regional School Board, based on the mandatory municipal education rate times the Town of Truro's uniform assessment.

#### CORRECTIONS CONTRIBUTION

During the year, the Town paid \$224,828 (2008 - \$225,830) to the Province of Nova Scotia for corrections services, based on formula involving the Town's uniform assessment and number of dwelling units.

#### ASSESSMENT SERVICES CONTRIBUTION

During the year, the Town paid \$163,588 (2008 - \$161,102) to the Province of Nova Scotia for assessment services, based on formula involving the Town's uniform assessment and number of assessment accounts.

TOWN OF TRURO  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 MARCH 31, 2009

5. LAND - TRURO INDUSTRIAL PARK

|                           | <u>2009</u>       | <u>2008</u>       |
|---------------------------|-------------------|-------------------|
| Balance, beginning        | \$ 938,830        | \$ 950,862        |
| Land sold during the year |                   | <u>(12,032)</u>   |
| Balance, ending           | <u>\$ 938,830</u> | <u>\$ 938,830</u> |

6. PROPERTY AND EQUIPMENT, AT COST

|   | <u>2009</u>          | <u>2008</u>          |
|---|----------------------|----------------------|
| Land and buildings                                      | \$ 32,707,362        | \$ 30,547,464        |
| Machinery and equipment                                 | 6,996,887            | 6,518,019            |
| Street paving, sewage collection and other improvements | 33,365,104           | 30,810,725           |
| Other   | <u>8,890,047</u>     | <u>7,743,054</u>     |
|   | 81,959,400           | 75,619,262           |
| Less: accumulated depreciation                          | <u>4,617,565</u>     | <u>4,359,623</u>     |
|   | <u>\$ 77,341,835</u> | <u>\$ 71,259,639</u> |

7. LONG-TERM DEBT

|   | <u>2009</u>         | <u>2008</u>         |
|---|---------------------|---------------------|
| 8.50% capital loan - sewer lift station, maturing in 2010               | \$ 90,000           | \$ 180,000          |
| 4.65% to 5.01% capital loan - Police Station, maturing in 2018          | 900,000             | 1,000,000           |
| 6.35% capital loan - building reconstruction, maturing in 2022          | 1,435,632           | 1,546,065           |
| 3.195% to 4.30% capital loan - building construction, maturing in 2010  | 160,000             | 320,000             |
| 6.00% capital loan - Victoria Park Pool, maturing in 2015               | 180,000             | 210,000             |
| 4.69% to 5.38% capital loan - Municipal Building, maturing in 2024      | 2,145,000           | 2,288,000           |
| 4.25% to 4.88% capital loan - building construction, maturing in 2025   | 1,811,250           | 1,982,500           |
| 4.65% to 5.01% capital loan - Downtown Revitalization, maturing in 2017 | 450,000             | 500,000             |
| 4.65% to 5.01% capital loan - Hospital construction, maturing in 2027   | 1,045,000           | 1,100,000           |
| 3.10% to 5.095% capital loan - Hospital construction, maturing in 2028  | <u>900,000</u>      |                     |
|   | <u>\$ 9,116,882</u> | <u>\$ 9,126,565</u> |

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

2010, \$954,683; 2011, \$704,683; 2012, \$704,683; 2013, \$704,683; 2014, \$704,683.

All long-term debt outstanding has been properly authorized by Service Nova Scotia and Municipal Relations. Debenture debt is issued on the credit and security of the town at large.

TOWN OF TRURO  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 MARCH 31, 2009

8. POST EMPLOYMENT BENEFITS LIABILITY

The Town provides certain post employment benefits to employees upon approved retirement. The Town provides benefits for sick leave under the following conditions:

- a) All full-time and union employees receive 1 1/2 days of sick leave per month.
- b) Sick leave can be used only for paid time off for illness of the employee. Sick leave taken off in time is paid at the employee's normal rate of pay.
- c) Unused sick days are accumulated in a bank to a maximum of 1,040 hours.

This obligation is being charged to operations from 2009 to 2012. Valuation of the liability is determined by calculating the benefit earned by each employee with a discount factor of 5%.

|                                     | <u>2009</u>       | <u>2008</u>       |
|-------------------------------------|-------------------|-------------------|
| Accrued benefit liability - opening | \$ 918,117        | \$ 908,073        |
| Net change in benefit obligation    | <u>66,531</u>     | <u>10,044</u>     |
| Accrued benefit liability - closing | <u>\$ 984,648</u> | <u>\$ 918,117</u> |

9. DEFERRED PENSION LIABILITY

Pension Plan for the Employees of the Town of Truro

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. The last actuarial report was completed as at December 31, 2007 (previous December 31, 2005).

The actuarial report indicates that the present value of the accumulated plan benefit at December 31, 2007 was \$12,663,900. The net assets available to provide for these benefits, at market value, at December 31, 2007 amounted to \$12,865,000. The significant actuarial assumptions adopted in measuring the Town's accrued benefit obligations are as follows: discount rate 6%; expected long-term rate of return on plan assets 6%.

Pension Plan for Town of Truro Members of the Police Association of Nova Scotia Pension Plan

During the year, the Town was assigned the unfunded liability for its share of the Police Association of Nova Scotia Pension Plan for Locals 101 and 211. During the year, \$1,031,560 was paid into the plan reflecting the Town's share of outstanding amortization payments to September 30, 2008. That payment has resulted in a long-term loan which is shown on the Consolidated Statement of Financial Position. Interest and principal debt servicing charges to retire this loan will be recovered from and paid over the next ten years. In addition, the Town is required make monthly payments of \$8,950 from October 2008 to September 2011 to fund their share of the remaining pension liability.

|                                      | <u>2009</u>       | <u>2008</u>       |
|--------------------------------------|-------------------|-------------------|
| Deferred pension liability - opening | \$ 438,236        | \$ 576,114        |
| Net change in deferred liability     | <u>403,266</u>    | <u>(137,878)</u>  |
| Deferred pension liability - closing | <u>\$ 841,502</u> | <u>\$ 438,236</u> |

Contributions and expenses incurred to the municipality's defined benefit plan are as follows:

|                        | <u>2009</u> | <u>2008</u> |
|------------------------|-------------|-------------|
| Employer contribution  | \$ 487,986  | \$ 449,822  |
| Employee contributions | 277,976     | 261,885     |
| Benefits paid          | 410,161     | 366,020     |

TOWN OF TRURO  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 MARCH 31, 2009

10. RESERVE FUNDS

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| Balance, beginning consisting of:              |                     |                     |
| Special reserves                               | \$ 3,271,484        | \$ 3,306,865        |
| Departmental reserves                          | 1,747,760           | 1,752,542           |
| Other reserves                                 | 2,610,231           | 2,253,775           |
| Industrial Development Society capital reserve | <u>172,733</u>      | <u>142,544</u>      |
|  | 7,802,208           | 7,455,726           |
| Transfer from operating funds                  | 687,000             | 1,278,250           |
| Other transfers                                |                     | 45,799              |
| Interest on inter-municipal fund borrowings    | 126,075             | 145,178             |
| Interest on investments and savings            | 107,138             | 150,172             |
| Cash in lieu of recreation land                | 5,820               | 7,315               |
| Transfer to capital funds                      | (542,785)           | (1,098,741)         |
| Transfer to operating funds                    | <u>(850,604)</u>    | <u>(181,491)</u>    |
| Balance, ending                                | <u>\$ 7,334,852</u> | <u>\$ 7,802,208</u> |
| Balance, ending consists of:                   |                     |                     |
| Special reserves                               | \$ 3,000,000        | \$ 3,271,484        |
| Departmental reserves                          | 1,834,621           | 1,747,760           |
| Other reserves                                 | 2,353,003           | 2,610,231           |
| Industrial Development Society capital reserve | <u>147,228</u>      | <u>172,733</u>      |
|  | <u>\$ 7,334,852</u> | <u>\$ 7,802,208</u> |

11. INVESTMENT IN LAND AND SERVICES (TRURO INDUSTRIAL PARK)

|                           | <u>2009</u>       | <u>2008</u>       |
|---------------------------|-------------------|-------------------|
| Balance, beginning        | \$ 938,830        | \$ 950,862        |
| Land sold during the year |                   | <u>(12,032)</u>   |
| Balance, ending           | <u>\$ 938,830</u> | <u>\$ 938,830</u> |

On April 19, 1981 the Society (formerly Truro Industrial Commission) entered into an agreement with the Province of Nova Scotia for the development of land owned by the Society (formerly Commission). Under amendments to this agreement in 1987 and 1994, the Society will deposit the proceeds from the sale of the majority of land within the industrial park into a special trust account to be reinvested in the industrial park. As at March 31, 2009, the Truro Industrial Development Society has allocated to a special trust account \$147,228 (2008 - \$172,733) pursuant to this agreement. During the year, \$29,799 (2008 - \$19,342) was transferred to the General Capital Fund and reinvested in the industrial park.

TOWN OF TRURO  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 MARCH 31, 2009

12. COMMITMENTS

The Town of Truro has committed to contributing \$4,000,000 to the new Colchester Regional Hospital project, over the next three years on a percentage of completion basis. To March 31, 2009 the Town has contributed a total of \$693,375 to this project.

The Town of Truro has committed to contributing \$4,400,000 (estimated to be 40% of the Municipal share) to the new Civic Centre project, in cooperation with the Municipality of the County of Colchester (60% of the Municipal share).

Truro Town Council have agreed to share in the cost of various projects with the Municipality of the County of Colchester and the Town of Stewiacke.

| Project   | Town's<br>initial<br>share | Town's<br>initial<br>share of<br>capital cost | Town's Share<br>of financial<br>commitment<br>March 31, 2009 |
|---|----------------------------|---|--|
| a) Phase 3 Trunk Line Sewer Project             | 50%                        | \$ 2,300,000                                  | \$ 248,000   |
| b) Phase 4B Regional Sewage Treatment Plant     | 50%                        | 2,250,000                                     | 900,000  |
| c) Regional Balefill Facility                   | 33.23%                     | 2,658,400                                     | 784,000  |
| d) Phase 4C and 4D Regional Wastewater Facility | 50%                        | 1,950,000                                     | 780,000  |
|   |                            | \$ 9,158,400                                  | \$ 2,712,000   |

During the year, the Town paid a total of \$490,852 (2008 - \$530,777) to the Municipality of the County of Colchester as their share of the joint financing commitments for these projects. This expenditure is recorded under Environmental Health Services \$106,852 (2008 - \$148,057) and Financing and Transfers \$384,000 (2008 - \$382,720). The amounts to be paid to the Municipality of the County of Colchester over future years are as follows:

|                          |              |
|--------------------------|--------------|
| 2010                     | \$ 499,972   |
| 2011                     | 483,129      |
| 2012                     | 465,884      |
| 2013                     | 448,304      |
| 2014 to 2017             | 1,284,476    |
|                          | 3,181,765    |
| Less: interest component | 469,765      |
| Principal component      | \$ 2,712,000 |

The Town has commitments under operating leases over the next five years as follows:

|                                    |            |
|------------------------------------|------------|
| For the year ending March 31, 2010 | \$ 111,099 |
| 2011                               | 83,591     |
| 2012                               | 20,176     |
| 2013                               | 4,876      |
| 2014                               | 3,088      |

TOWN OF TRURO  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 MARCH 31, 2009

13. CONTINGENCIES

As at March 31, 2009, there are several disputed matters, which the Town is defending and believes their defence will be successful.

14. REMUNERATION OF COUNCIL MEMBERS

|                 |              |    |        |
|-----------------|--------------|----|--------|
| W.R. Mills      | Mayor        | \$ | 29,530 |
| G. MacArthur    | Deputy Mayor |    | 14,761 |
| C. Cox          | Councillor   |    | 12,990 |
| S. Byers        | Councillor   |    | 12,990 |
| D. Bennett-Cook | Councillor   |    | 12,990 |
| B. Kinsman      | Councillor   |    | 12,990 |
| R. Tynes        | Councillor   |    | 12,990 |

TOWN OF TRURO

NON-CONSOLIDATED FINANCIAL STATEMENTS AND  
AUDITORS' REPORT

MARCH 31, 2009

## TOWN OF TRURO

## INDEX TO NON-CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009

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# HEMMING WEIR CASEY

CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT

To the Mayor and Members of Council of the  
Town of Truro

We have audited the non-consolidated Operating Fund and non-consolidated Capital Fund statements of financial position of the General Fund, the Water Utility and Reserve Funds of the Town of Truro as at March 31, 2009 and the non-consolidated statements of financial activities for the year then ended. These non-consolidated financial statements are the responsibility of the Town of Truro's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Town of Truro as at March 31, 2009 and the results of its financial activities for the year then ended in accordance with Canadian generally accepted accounting principles.



Truro, Nova Scotia  
June 19, 2009

Chartered Accountants

TOWN OF TRURO  
GENERAL FUND  
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GENERAL OPERATING FUND  
MARCH 31, 2009

|  | <u>2009</u>          | <u>2008</u>         |
|--|----------------------|---------------------|
| FINANCIAL ASSETS                             |                      |                     |
| CASH   | \$ 2,700             | \$ 149,977          |
| RECEIVABLES:                                 |                      |                     |
| Taxes (note 4)                               | 1,571,443            | 1,116,506           |
| Due from federal government                  | 218,876              | 406,270             |
| Due from provincial government               | 269,387              | 369,205             |
| Due from own funds (note 5)                  | 144,885              |                     |
| Other receivables (note 4)                   | 638,744              | 375,978             |
|  | <u>2,846,035</u>     | <u>2,417,936</u>    |
| LIABILITIES                                  |                      |                     |
| Bank overdraft                               | 280,325              |                     |
| Trade accounts payable                       | 1,844,432            | 1,113,818           |
| Due to own funds (note 5)                    |                      | 629,524             |
| Prepaid taxes                                | 97,914               | 73,437              |
| Deferred revenue and deposits                | 84,530               | 193,886             |
| Tax sale surplus (note 12)                   | 40,110               | 40,110              |
| Post employment benefits liability (note 10) | 894,400              | 835,733             |
| Long-term loan payable (note 11)             | 1,031,560            |                     |
| Deferred pension liability (note 11)         | 841,502              | 438,236             |
|  | <u>5,114,773</u>     | <u>3,324,744</u>    |
| NET FINANCIAL ASSETS (LIABILITIES)           | (2,268,738)          | (906,808)           |
| NON-FINANCIAL ASSETS                         |                      |                     |
| Prepaid expenses                             | 23,240               | 21,211              |
| Inventory of materials and supplies, at cost | 314,350              | 203,849             |
| NET ASSETS (LIABILITIES)                     | <u>\$(1,931,148)</u> | <u>\$ (681,748)</u> |
| MUNICIPAL POSITION                           |                      |                     |
| AMOUNTS TO BE RECOVERED IN FUTURE YEARS      |                      |                     |
| Post employment benefits liability (note 10) | \$ (670,800)         | \$ (835,733)        |
| Deferred pension liability (note 11)         | (841,502)            | (438,236)           |
| Long-term loan payable (note 11)             | (1,031,560)          |                     |
| FUND BALANCE                                 | <u>612,714</u>       | <u>592,221</u>      |
| MUNICIPAL POSITION                           | <u>\$(1,931,148)</u> | <u>\$ (681,748)</u> |

ON BEHALF OF THE TOWN

\_\_\_\_\_, Mayor

\_\_\_\_\_, Chief Administrative Officer

TOWN OF TRURO  
GENERAL FUND  
NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE GENERAL OPERATING FUND  
YEAR ENDED MARCH 31, 2009

|  |      | 2009                | 2008              |                   |
|--|------|---------------------|-------------------|-------------------|
|  | Page | UNAUDITED<br>BUDGET | ACTUAL            | ACTUAL            |
| <b>REVENUE</b>   |      |                     |                   |                   |
| Assessable property taxes                              | B- 4 | \$15,623,500        | \$15,612,148      | \$14,672,077      |
| Grants in lieu of tax                                  | B- 4 | 428,000             | 430,081           | 402,689           |
| Services provided to other governments                 | B- 4 | 143,600             | 158,228           | 141,821           |
| Sales of services                                      | B- 5 | 864,250             | 840,620           | 843,383           |
| Other revenue from own sources                         | B- 5 | 639,123             | 712,245           | 866,752           |
| Unconditional transfers from other governments         | B- 5 | 970,800             | 1,016,954         | 1,013,665         |
| Conditional transfers from other governments           | B- 6 | 855,000             | 757,268           | 609,086           |
|  |      | <u>19,524,273</u>   | <u>19,527,544</u> | <u>18,549,473</u> |
| <b>EXPENDITURES</b>                                    |      |                     |                   |                   |
| General government services                            | B- 7 | 2,126,764           | 2,154,162         | 2,048,767         |
| Protective services                                    | B- 7 | 6,298,687           | 7,051,384         | 5,734,584         |
| Transportation services                                | B- 8 | 2,412,195           | 2,709,851         | 2,603,572         |
| Environmental health services                          | B- 8 | 1,864,911           | 1,820,701         | 1,761,028         |
| Public health services                                 | B- 8 | 144,329             | 683,657           | 141,441           |
| Environmental development services                     | B- 9 | 1,134,378           | 1,033,020         | 1,016,415         |
| Recreational and cultural services                     | B- 9 | 1,598,695           | 1,595,990         | 1,508,784         |
| Change in post employment benefits liability (note 10) |      |                     | 58,667            | 13,844            |
| Change in deferred pension liability (note 11)         |      |                     | 403,266           | (137,878)         |
|  |      | <u>15,579,959</u>   | <u>17,510,698</u> | <u>14,690,557</u> |
| <b>NET REVENUE</b>                                     |      | 3,944,314           | 2,016,846         | 3,858,916         |
| <b>FINANCING AND TRANSFERS</b>                         |      |                     |                   |                   |
| Financing  | B-10 | 106,317             | 1,645,616         | 176,789           |
| Amounts to be recovered from future revenues           | B-10 |                     | 238,333           | (124,034)         |
| Transfer to own reserves and funds                     | B-10 | (4,050,631)         | (3,880,302)       | (3,891,182)       |
| <b>CHANGE IN FUND BALANCE</b>                          |      | <u>\$ -</u>         | 20,493            | 20,489            |
| <b>BEGINNING FUND BALANCE</b>                          |      |                     | <u>592,221</u>    | <u>571,732</u>    |
| <b>ENDING FUND BALANCE</b>                             |      |                     | <u>\$ 612,714</u> | <u>\$ 592,221</u> |

TOWN OF TRURO  
GENERAL FUND  
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES  
YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>          | <u>2008</u>          |
|--|----------------------|----------------------|
| <b>ASSESSABLE PROPERTY TAXES</b>                     |                      |                      |
| Assessable property                                  |                      |                      |
| Residential  | \$ 7,818,265         | \$ 7,384,912         |
| Commercial   | 8,035,627            | 7,259,919            |
| Resource   | 13,497               | 13,155               |
| Area rates   | 261,812              | 250,847              |
| Business property                                    |                      |                      |
| Business occupancy                                   | 1,250,828            | 1,511,880            |
| Based on revenues - Aliant                           | 162,325              | 164,532              |
| Nova Scotia Power Inc - Grant in lieu of tax         | 17,817               | 17,059               |
| Nova Scotia Power Inc - HST rebate                   | 49,516               | 51,812               |
| Deed transfer tax                                    | 192,017              | 185,931              |
| Education expenditures as a reduction of tax revenue |                      |                      |
| Appropriation to regional school board               | <u>(2,189,556)</u>   | <u>(2,167,970)</u>   |
|  | <u>\$ 15,612,148</u> | <u>\$ 14,672,077</u> |
| <br><b>GRANTS IN LIEU OF TAX</b>                     |                      |                      |
| Federal government                                   | \$ 347,458           | \$ 324,569           |
| Province of Nova Scotia                              |                      |                      |
| Provincial property                                  | 43,081               | 41,825               |
| Fire protection                                      | <u>39,542</u>        | <u>36,295</u>        |
|  | <u>\$ 430,081</u>    | <u>\$ 402,689</u>    |
| <br><b>SERVICES PROVIDED TO OTHER GOVERNMENTS</b>    |                      |                      |
| County of Colchester                                 |                      |                      |
| Protective services                                  | \$ 11,171            | \$ 7,136             |
| Environmental health                                 | 27,924               | 23,770               |
| Village of Bible Hill                                |                      |                      |
| Fire protection                                      | 45,701               | 44,853               |
| Millbrook First Nations                              |                      |                      |
| Municipal services                                   | 65,932               | 58,562               |
| Town of Stewiacke                                    |                      |                      |
| Building Inspector                                   | <u>7,500</u>         | <u>7,500</u>         |
|  | <u>\$ 158,228</u>    | <u>\$ 141,821</u>    |

TOWN OF TRURO  
GENERAL FUND  
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES  
YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| <b>SALES OF SERVICES</b>                                   |                     |                     |
| General government services                                | \$ 3,000            | \$ 3,275            |
| Protective services  | 119,995             | 93,596              |
| Transportation services                                    | 100                 | 440                 |
| Environmental development services                         | 10,390              | 24,190              |
| Recreation and cultural services                           |                     |                     |
| Stadium  | 556,413             | 558,155             |
| Victoria Park Pool   | 43,331              | 40,637              |
| Sportsfields   | 7,813               | 5,853               |
| Other recreation   | <u>99,578</u>       | <u>117,237</u>      |
|  | <u>\$ 840,620</u>   | <u>\$ 843,383</u>   |
| <b>OTHER REVENUE FROM OWN SOURCES</b>                      |                     |                     |
| Licenses and permits                                       | \$ 3,167            | \$ 2,749            |
| Fines  | 94,799              | 185,491             |
| Rentals  | 13,200              | 13,200              |
| Return on investments                                      | 208,290             | 265,886             |
| Interest on taxes  | 216,400             | 204,796             |
| Colchester Community Workshops Foundation - debt servicing | 171,217             | 179,472             |
| Miscellaneous  | <u>5,172</u>        | <u>15,158</u>       |
|  | <u>\$ 712,245</u>   | <u>\$ 866,752</u>   |
| <b>UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS</b>      |                     |                     |
| Provincial Government                                      |                     |                     |
| Service Nova Scotia and Municipal Relations                |                     |                     |
| Municipal Grants Act - Equalization                        | \$ 950,344          | \$ 936,573          |
| Municipal Government Act - Farm property acreage           | 936                 | 897                 |
| Other provincial   |                     |                     |
| Resource Recovery Fund Board                               | 25,484              | 62,183              |
| 911 cost recovery fund                                     | 4,041               | 4,009               |
| Stadium maintenance  | 27,000              |                     |
| Dairy stewardship program                                  | <u>9,149</u>        | <u>10,003</u>       |
|  | <u>\$ 1,016,954</u> | <u>\$ 1,013,665</u> |

TOWN OF TRURO  
 GENERAL FUND  
 NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES  
 YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>       | <u>2008</u>       |
|--|-------------------|-------------------|
| CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS     |                   |                   |
| Federal Government                               |                   |                   |
| Indian and Northern Affairs - municipal services | \$ 305,844        | \$ 297,042        |
| Student program                                  | 4,613             | 10,374            |
| RCMP - CISNS program                             | 69,355            | 72,372            |
| Provincial Government                            |                   |                   |
| Victims services coordinator                     | 5,625             | 22,520            |
| Stadium energy audit                             | 5,000             |                   |
| Police Boots on the Streets program              | 366,831           | 175,417           |
| Provincial Government Agency                     |                   |                   |
| Nova Scotia Liquor Corporation                   |                   | 31,361            |
|  | <u>\$ 757,268</u> | <u>\$ 609,086</u> |

TOWN OF TRURO  
 GENERAL FUND  
 NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES  
 YEAR ENDED MARCH 31, 2009

|   | <u>2009</u>         | <u>2008</u>         |
|---|---------------------|---------------------|
| <b>GENERAL GOVERNMENT SERVICES</b>      |                     |                     |
| Legislative                             |                     |                     |
| Mayor remuneration                      | \$ 26,517           | \$ 25,742           |
| Mayor expenses                          | 4,777               | 6,973               |
| Council remuneration                    | 79,575              | 76,086              |
| Council expenses                        | 84,264              | 63,201              |
| General Administrative                  |                     |                     |
| Administrative                          | 482,875             | 409,078             |
| Financial management                    | 296,127             | 359,421             |
| Taxation                                |                     |                     |
| Tax rebates                             | 37,054              | 27,038              |
| Transfer for assessment services        | 163,588             | 161,102             |
| Common services                         | 472,086             | 431,004             |
| Other general administrative services   | 80,116              | 70,692              |
| Debt charges                            |                     |                     |
| Debenture interest                      | 252,025             | 279,952             |
| Other debt charges                      | 1,299               | 1,022               |
| Valuation allowances                    |                     |                     |
| Uncollectable taxes (recovered)         | 9,612               | (9,295)             |
| Other doubtful receivables (recovered)  | (8,169)             | 954                 |
| Other general government services       |                     |                     |
| Grants to organizations and individuals | 172,416             | 145,797             |
|   | <u>\$ 2,154,162</u> | <u>\$ 2,048,767</u> |
| <br><b>PROTECTIVE SERVICES</b>          |                     |                     |
| Police protection                       | \$ 5,013,602        | \$ 3,738,443        |
| Law enforcement                         |                     |                     |
| Transfer to correction services         | 224,828             | 225,830             |
| Transfer to prosecution services        | 18,000              | 5,308               |
| Fire protection                         |                     |                     |
| Water supply and hydrants               | 544,353             | 544,353             |
| Fire service operations                 | 1,014,549           | 962,639             |
| Emergency measures                      | 23,148              | 23,155              |
| Debenture interest on long term debt    | 93,834              | 118,018             |
| Other protective services               | 119,070             | 116,838             |
|   | <u>\$ 7,051,384</u> | <u>\$ 5,734,584</u> |

TOWN OF TRURO  
GENERAL FUND  
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES  
YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>                | <u>2008</u>                |
|--|----------------------------|----------------------------|
| <b>TRANSPORTATION SERVICES</b>                       |                            |                            |
| Common services                                      | \$ 409,690                 | \$ 487,654                 |
| Road transport                                       |                            |                            |
| Street maintenance                                   | 849,021                    | 708,120                    |
| Sidewalk maintenance                                 | 262,314                    | 253,744                    |
| Snow and ice control                                 | 785,917                    | 750,277                    |
| Street lighting                                      | 268,494                    | 267,204                    |
| Traffic services                                     | 86,860                     | 94,559                     |
| Parking  | 621                        | 105                        |
| Other road transport                                 | 24,114                     | 27,454                     |
| Debt services  |                            |                            |
| Debenture interest on long-term debt                 | <u>22,820</u>              | <u>14,455</u>              |
|  | <u><u>\$ 2,709,851</u></u> | <u><u>\$ 2,603,572</u></u> |
| <b>ENVIRONMENTAL HEALTH SERVICES</b>                 |                            |                            |
| Sewage collection and disposal                       |                            |                            |
| Sewage collection systems                            | \$ 611,236                 | \$ 511,429                 |
| Sewage lift stations                                 | 24,200                     | 25,515                     |
| Sewage treatment and disposal                        | 503,369                    | 506,379                    |
| Garbage and waste collection and disposal            |                            |                            |
| Garbage and waste collection                         | 488,124                    | 450,691                    |
| Recycling  | 71,620                     | 96,007                     |
| Debt charges   |                            |                            |
| Debenture interest on long term-debt                 | <u>122,152</u>             | <u>171,007</u>             |
|  | <u><u>\$ 1,820,701</u></u> | <u><u>\$ 1,761,028</u></u> |
| <b>PUBLIC HEALTH SERVICES</b>                        |                            |                            |
| Deficit of Regional Housing Authority                | \$ 62,893                  | \$ 66,678                  |
| Colchester Regional Hospital Foundation contribution | 549,533                    | 42,337                     |
| Debt charges   |                            |                            |
| Debenture interest on long term-debt                 | <u>71,231</u>              | <u>32,426</u>              |
|  | <u><u>\$ 683,657</u></u>   | <u><u>\$ 141,441</u></u>   |

TOWN OF TRURO  
GENERAL FUND  
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES  
YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| ENVIRONMENTAL DEVELOPMENT SERVICES                 |                     |                     |
| Town planning and zoning                           | \$ 333,346          | \$ 286,557          |
| Transfer to Colchester Regional Development Agency | 68,649              | 51,166              |
| Other community development                        | 416,331             | 415,641             |
| Natural resources development                      | 97,750              | 152,571             |
| Industrial Development Society                     | 46,030              | 43,828              |
| Tourism services                                   | 70,914              | 66,652              |
|  | <u>\$ 1,033,020</u> | <u>\$ 1,016,415</u> |
| <br>   |                     |                     |
| RECREATION AND CULTURAL SERVICES                   |                     |                     |
| Recreation administration                          | \$ 262,949          | \$ 240,313          |
| Recreation facilities                              |                     |                     |
| Stadium and outdoor rinks                          | 608,637             | 564,933             |
| Victoria Park Pool                                 | 58,619              | 52,184              |
| Victoria Park                                      | 242,848             | 236,791             |
| Ballfields, soccer fields, green spaces            | 194,359             | 182,314             |
| Other recreation services                          | 75,426              | 71,698              |
| Cultural buildings and facilities                  |                     |                     |
| Colchester East Hants Branch Library               | 63,346              | 64,269              |
| Transfer to Regional Library                       | 69,697              | 66,863              |
| Other  | 4,837               | 12,463              |
| Debenture interest on long-term debt               | 12,600              | 14,400              |
| Other recreation and cultural services             | 2,672               | 2,556               |
|  | <u>\$ 1,595,990</u> | <u>\$ 1,508,784</u> |

TOWN OF TRURO  
GENERAL FUND  
NON-CONSOLIDATED SCHEDULE OF FINANCING AND TRANSFERS OF THE GENERAL OPERATING FUND  
YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| <b>FINANCING</b>                                     |                     |                     |
| Issue of long-term debt                              | \$ 1,931,560        | \$ 2,600,000        |
| Issue of short-term borrowing                        | 1,007,739           |                     |
| Repayment of long-term debt                          | (1,293,683)         | (2,235,404)         |
| Repayment of short-term borrowing                    |                     | (187,807)           |
|  | <u>\$ 1,645,616</u> | <u>\$ 176,789</u>   |
| <b>AMOUNTS TO BE RECOVERED FROM FUTURE REVENUES</b>  |                     |                     |
| Change in post employment benefits liability         | \$ 58,667           | \$ 13,844           |
| less charged to operations in current year (note 10) | (223,600)           |                     |
| Change in deferred pension liability                 | 403,266             | (137,878)           |
|  | <u>\$ 238,333</u>   | <u>\$ (124,034)</u> |
| <b>TRANSFER TO (FROM) OWN RESERVES AND FUNDS</b>     |                     |                     |
| Parks and Recreation                                 | \$ 37,000           | \$ 55,000           |
| Fire Service   | 100,000             | 175,000             |
| Police Service                                       |                     | 2,500               |
| Public Works   | 50,000              | 160,000             |
| Finance and Administration                           | 25,000              | 125,000             |
| Normal College Building                              | 125,000             | 125,000             |
| Elementary School Enhancements                       | 187,500             | 187,500             |
| Downtown revitalization                              |                     | 85,000              |
| Tourism Committee                                    |                     | 40,000              |
| Operating Reserve                                    | (251,000)           | 230,000             |
| Capital Fund - hospital loan                         | 350,467             | 956,159             |
| Capital Fund - capital expenditures                  | 3,256,335           | 1,750,023           |
|  | <u>\$ 3,880,302</u> | <u>\$ 3,891,182</u> |

TOWN OF TRURO  
 GENERAL FUND  
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GENERAL CAPITAL FUND  
 MARCH 31, 2009

|  | <u>2009</u>          | <u>2008</u>          |
|--|----------------------|----------------------|
| FINANCIAL ASSETS                                     |                      |                      |
| Cash   | <u>\$ 1,558,206</u>  | <u>\$ 1,199,236</u>  |
| LIABILITIES  |                      |                      |
| Short-term borrowing                                 | 1,007,739            |                      |
| Long-term debt (B-33)                                | <u>9,116,882</u>     | <u>9,126,565</u>     |
|  | <u>10,124,621</u>    | <u>9,126,565</u>     |
| NET FINANCIAL ASSETS (LIABILITIES)                   | <u>(8,566,415)</u>   | <u>(7,927,329)</u>   |
| NON-FINANCIAL ASSETS                                 |                      |                      |
| Extraordinary expenses capitalized                   |                      |                      |
| Colchester County sewer lift station contribution    | 90,000               | 180,000              |
| Colchester Regional Hospital Foundation contribution | 638,375              | 143,842              |
| Capital assets (note 7)                              | <u>59,941,959</u>    | <u>55,569,179</u>    |
|  | <u>60,670,334</u>    | <u>55,893,021</u>    |
| NET ASSETS   | <u>\$ 52,103,919</u> | <u>\$ 47,965,692</u> |
| FUND BALANCE   | <u>\$ 52,103,919</u> | <u>\$ 47,965,692</u> |

ON BEHALF OF THE TOWN

\_\_\_\_\_, Mayor

\_\_\_\_\_, Chief Administrative Officer

TOWN OF TRURO  
GENERAL FUND  
NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE GENERAL CAPITAL FUND  
MARCH 31, 2009

|  | <u>2009</u>                 | <u>2008</u>                 |
|--|-----------------------------|-----------------------------|
| <b>REVENUE</b>                                       |                             |                             |
| Contribution from outside sources                    | \$ 124,065                  | \$ 11,510                   |
| Proceeds on sale of assets                           | (183,277)                   | (35,099)                    |
| Federal grants                                       | 488,346                     | 391,531                     |
| Provincial grants                                    | <u>154,105</u>              | <u>98,856</u>               |
|  | <u>583,239</u>              | <u>466,798</u>              |
| <b>EXPENDITURES</b>                                  |                             |                             |
| General government services                          |                             |                             |
| Land   | 77,681                      | 388,291                     |
| Equipment  | 74,891                      | 31,951                      |
| Protective services                                  |                             |                             |
| Police   | 52,742                      | 71,212                      |
| Fire   | 61,739                      | 73,450                      |
| Transportation services                              |                             |                             |
| Sidewalk, curb and gutter construction               | 1,019,940                   | 1,645,509                   |
| Street construction                                  | 1,384,936                   | 395,438                     |
| Equipment  | 231,631                     | 239,987                     |
| Buildings  | 1,007,739                   |                             |
| Land   |                             | 45,260                      |
| Environmental health services                        |                             |                             |
| Sewer construction                                   | 175,859                     | 234,142                     |
| Public health services                               |                             |                             |
| Colchester Regional Hospital Foundation contribution | 549,533                     | 42,337                      |
| Environmental development services                   |                             |                             |
| Equipment  | 18,936                      | 7,507                       |
| Recreation and cultural services                     |                             |                             |
| Library  |                             | 76,822                      |
| Parks and Recreation                                 | <u>460,948</u>              | <u>141,094</u>              |
|  | <u>5,116,575</u>            | <u>3,393,000</u>            |
| <b>NET EXPENDITURE</b>                               | <b>(4,533,336)</b>          | <b>(2,926,202)</b>          |
| <b>FINANCING AND TRANSFERS</b>                       |                             |                             |
| Proceeds of issuance of debt                         | (1,907,739)                 | (1,643,842)                 |
| Retirement of debt                                   | 764,683                     | 1,950,490                   |
| Transfers from own reserves, funds and agencies      | <u>9,814,619</u>            | <u>6,284,103</u>            |
| <b>CHANGE IN FUND BALANCE</b>                        | <b>4,138,227</b>            | <b>3,664,549</b>            |
| <b>BEGINNING FUND BALANCE</b>                        | <u>47,965,692</u>           | <u>44,301,143</u>           |
| <b>ENDING FUND BALANCE</b>                           | <u><u>\$ 52,103,919</u></u> | <u><u>\$ 47,965,692</u></u> |

TOWN OF TRURO  
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS  
MARCH 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representations of management, prepared in accordance with local government standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

a) BASIS OF ACCOUNTING

The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are recognized in the period the goods and services were acquired and a liability is incurred or transfers are due.

b) PROPERTY AND EQUIPMENT

Capital assets and projects in progress are reported as expenditures in the statement of financial activities in the year of acquisition. The Town does not record depreciation on its property and equipment, except in the Water Utility Operations Fund where depreciation is calculated based on a formula prescribed by the Nova Scotia Utility and Review Board. The depreciation charge in the Water Utility Operating Fund which is not used to fund current additions to capital assets is transferred to a special bank account in the Water Utility Capital Fund which is used to help fund replacement of existing plant and equipment. The carrying value of the Town's capital assets are written down to NIL at the end of their useful life as a charge against investment in capital assets.

c) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from the estimates.

e) FINANCIAL INSTRUMENTS

Financial instruments consisting of cash, receivables, long-term investments, payables and long-term debt are carried at cost which approximates fair market value.

TOWN OF TRURO  
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS  
MARCH 31, 2009

## 2. 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 formula.

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 \$69,697 (2008 - \$66,863) to the Regional Library for costs of operation of the Truro branch of the Regional Library.

### CONTRIBUTION TO TRURO HOUSING AUTHORITY - 12 1/2% INTEREST

During the year, the Town paid \$62,893 (2008 - \$66,678) to the Truro Housing Authority to fund its share of the prior year's deficit.

## 3. CONTRIBUTION TO PROVINCIAL GOVERNMENT DEPARTMENTS AND AGENCIES

The Town of Truro 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.

### EDUCATION CONTRIBUTION

During the year, the Town paid \$2,189,556 (2008 - \$2,167,970) to the Chignecto-Central Regional School Board, based on the mandatory municipal education rate times the Town of Truro's uniform assessment.

### CORRECTIONS CONTRIBUTION

During the year, the Town paid \$224,828 (2008 - \$225,830) to the Province of Nova Scotia for corrections services, based on formula involving the Town's uniform assessment and number of dwelling units.

### ASSESSMENT SERVICES CONTRIBUTION

During the year, the Town paid \$163,588 (2008 - \$161,102) to the Province of Nova Scotia for assessment services, based on formula involving the Town's uniform assessment and number of assessment accounts.

TOWN OF TRURO  
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS  
MARCH 31, 2009

4. TAXES RECEIVABLE

|                            | CURRENT<br>YEAR   | PRIOR<br>YEARS    | 2009<br>TOTAL       | 2008<br>TOTAL       |
|----------------------------|-------------------|-------------------|---------------------|---------------------|
| Balance, beginning         | \$ -              | \$1,171,299       | \$ 1,171,299        | \$ 1,053,054        |
| Current year's tax levy    | <u>17,380,029</u> |                   | <u>17,380,029</u>   | <u>16,665,052</u>   |
|                            | <u>17,380,029</u> | <u>1,171,299</u>  | <u>18,551,328</u>   | <u>17,718,106</u>   |
| Deduct:                    |                   |                   |                     |                     |
| Current year's collections | 16,587,055        | 481,708           | 17,068,763          | 16,536,104          |
| Exemptions                 | 10,050            |                   | 10,050              | 10,650              |
| Reduced taxes              | <u>3,523</u>      |                   | <u>3,523</u>        | <u>53</u>           |
|                            | <u>16,600,628</u> | <u>481,708</u>    | <u>17,082,336</u>   | <u>16,546,807</u>   |
| Balance, ending            | 779,401           | 689,591           | 1,468,992           | 1,171,299           |
| Less valuation allowance   |                   | <u>105,472</u>    | <u>105,472</u>      | <u>182,303</u>      |
|                            | <u>\$ 779,401</u> | <u>\$ 584,119</u> | 1,363,520           | 988,996             |
| Interest receivable        |                   |                   | <u>207,923</u>      | <u>127,510</u>      |
|                            |                   |                   | <u>\$ 1,571,443</u> | <u>\$ 1,116,506</u> |

OTHER RECEIVABLES

|                               | 2009              | 2008              |
|-------------------------------|-------------------|-------------------|
| Sidewalk frontage assessments | \$ 48,791         | \$ 58,893         |
| Sewer frontage assessments    | 14,421            | 27,625            |
| Interest receivable           | 16,388            | 6,644             |
| Other                         | <u>574,656</u>    | <u>291,930</u>    |
|                               | 654,256           | 385,092           |
| Less valuation allowance      | <u>15,512</u>     | <u>9,114</u>      |
|                               | <u>\$ 638,744</u> | <u>\$ 375,978</u> |

5. DUE FROM (TO) OWN FUNDS

|                                | 2009              | 2008                |
|--------------------------------|-------------------|---------------------|
| Water Utility                  | \$ 114,624        | \$ (678,552)        |
| Industrial Development Society | <u>30,261</u>     | <u>49,028</u>       |
|                                | <u>\$ 144,885</u> | <u>\$ (629,524)</u> |

TOWN OF TRURO  
GENERAL FUND  
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS  
MARCH 31, 2009

6. CONTINUITY OF INVESTMENT IN CAPITAL ASSETS

|  | <u>2009</u>                 | <u>2008</u>                 |
|--|-----------------------------|-----------------------------|
| BEGINNING FUND BALANCE                               | <u>\$ 47,965,692</u>        | <u>\$ 44,301,143</u>        |
| ADD  |                             |                             |
| Capital expenditures from operating fund             | 3,256,335                   | 1,750,023                   |
| Capital debt retired                                 | 764,683                     | 1,762,683                   |
| Short-term borrowing repaid                          |                             | 187,807                     |
| Capital expenditures from reserve funds              | 541,709                     | 1,098,743                   |
| Capital expenditures from private sources            | 124,065                     | 11,510                      |
| Capital expenditures from trade-ins                  | 1,241                       | 17,601                      |
| Capital expenditures from government grants          | 642,451                     | 490,387                     |
| Colchester Regional Hospital Foundation contribution | <u>549,533</u>              | <u>42,337</u>               |
|  | <u>5,880,017</u>            | <u>5,361,091</u>            |
|  | <u>53,845,709</u>           | <u>49,662,234</u>           |
| DEDUCT   |                             |                             |
| Loss on disposal of capital assets                   | 184,518                     | 52,700                      |
| Short-term borrowing                                 | 1,007,739                   |                             |
| Capital loan from Municipal Finance Corporation      | <u>549,533</u>              | <u>1,643,842</u>            |
|  | <u>1,741,790</u>            | <u>1,696,542</u>            |
| ENDING FUND BALANCE                                  | <u><u>\$ 52,103,919</u></u> | <u><u>\$ 47,965,692</u></u> |

TOWN OF TRURO  
GENERAL FUND  
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS  
MARCH 31, 2009

## 7. PROPERTY AND EQUIPMENT

|                                     | LAND AND<br>BUILDINGS | PLANT<br>EQUIPMENT  | OTHER                | 2009<br>TOTAL        | 2008<br>TOTAL        |
|-------------------------------------|-----------------------|---------------------|----------------------|----------------------|----------------------|
| GENERAL GOVERNMENT SERVICES         | \$ 5,718,658          | \$ 522,691          | \$ -                 | \$ 6,241,349         | \$ 6,216,147         |
| PROTECTION SERVICES                 |                       |                     |                      |                      |                      |
| Police                              | 3,016,579             | 829,119             |                      | 3,845,698            | 3,897,956            |
| Fire                                | 1,484,328             | 1,341,329           |                      | 2,825,657            | 2,771,146            |
| TRANSPORTATION SERVICES             |                       |                     |                      |                      |                      |
| Common Services                     | 1,500,637             | 2,648,279           | 96,926               | 4,245,842            | 2,986,046            |
| Road transport                      |                       |                     |                      |                      |                      |
| Streets and bridges                 |                       |                     | 11,836,043           | 11,836,043           | 10,490,072           |
| Street lighting                     |                       |                     | 54,626               | 54,626               | 54,626               |
| Sidewalks                           |                       | 3,423               | 8,568,303            | 8,571,726            | 7,571,811            |
| Parking lots                        |                       | 49,388              | 2,042,290            | 2,091,678            | 2,064,272            |
| Gravel pits                         |                       |                     | 8,001                | 8,001                | 8,001                |
| Rail spur                           |                       |                     | 300,108              | 300,108              | 300,108              |
| SUNDRY REAL ESTATE                  | 4,575,457             |                     |                      | 4,575,457            | 4,437,221            |
| ENVIRONMENTAL HEALTH SERVICES       |                       |                     |                      |                      |                      |
| Sewage collection                   |                       |                     | 9,679,270            | 9,679,270            | 9,503,411            |
| Queen Street dyke                   |                       |                     | 48,530               | 48,530               | 48,530               |
| Solid waste management study        |                       |                     | 122,468              | 122,468              | 122,468              |
| Landfill closure                    |                       |                     | 277,107              | 277,107              | 277,107              |
| Composting facility                 |                       |                     | 160,174              | 160,174              | 160,174              |
| RECREATIONAL AND COMMUNITY SERVICES |                       |                     |                      |                      |                      |
| Stadium                             | 1,325,935             | 474,829             |                      | 1,800,764            | 1,800,764            |
| Civic Centre                        | 15,283                |                     |                      | 15,283               |                      |
| Victoria Park                       | 1,087,321             | 169,765             |                      | 1,257,086            | 1,253,922            |
| Ballfields                          | 157,880               | 123,346             |                      | 281,226              | 278,062              |
| Soccer field                        | 56,733                |                     |                      | 56,733               | 46,183               |
| TAAC grounds                        | 336,363               |                     |                      | 336,363              | 336,363              |
| Green areas                         | 155,389               | 44,706              |                      | 200,095              | 140,046              |
| Former Normal College building      | 104,089               |                     |                      | 104,089              | 104,089              |
| Bandshell                           | 77,729                |                     |                      | 77,729               | 77,729               |
| Tennis Club                         | 155,996               |                     |                      | 155,996              | 155,996              |
| Outdoor basketball court            | 29,119                |                     |                      | 29,119               | 29,119               |
| Skatepark project                   | 333,333               |                     |                      | 333,333              | 27,401               |
| Marshland Drive recreation area     | 17,448                |                     |                      | 17,448               | 17,448               |
| Pleasant Street playground          | 12,027                |                     |                      | 12,027               | 12,027               |
| Recreation Master Plan              |                       |                     | 12,506               | 12,506               | 12,506               |
| West Prince Street project          |                       |                     | 81,930               | 81,930               | 81,930               |
| Library design                      |                       |                     | 76,822               | 76,822               | 76,822               |
| Truro Welcome Centre                | 209,676               |                     |                      | 209,676              | 209,676              |
|                                     | <u>\$ 20,369,980</u>  | <u>\$ 6,206,875</u> | <u>\$ 33,365,104</u> | <u>\$ 59,941,959</u> | <u>\$ 55,569,179</u> |

TOWN OF TRURO  
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS  
 MARCH 31, 2009

### 8. CONTINGENCIES

As at March 31, 2009, there are several disputed matters, which the Town is defending and believes their defence will be successful.

### 9. COMMITMENTS

The Town of Truro has committed to contributing \$4,000,000 to the new Colchester Regional Hospital project, over the next three years on a percentage of completion basis. To March 31, 2009 the Town has contributed a total of \$693,375 to this project.

The Town of Truro has committed to contributing \$4,400,000 (estimated to be 40% of the Municipal share) to the new Civic Centre project, in cooperation with the Municipality of the County of Colchester (60% of the Municipal share).

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

| Project   | Town's<br>initial<br>share | Town's<br>initial<br>share of<br>capital cost | Town's Share<br>of financial<br>commitment<br>March 31, 2009 |
|---|----------------------------|---|--|
| a) Phase 3 Trunk Line Sewer Project             | 50%                        | \$ 2,300,000                                  | \$ 248,000   |
| b) Phase 4B Regional Sewage Treatment Plant     | 50%                        | 2,250,000                                     | 900,000  |
| c) Regional Balefill Facility                   | 33.23%                     | 2,658,400                                     | 784,000  |
| d) Phase 4C and 4D Regional Wastewater Facility | 50%                        | 1,950,000                                     | 780,000  |
|   |                            | \$ 9,158,400                                  | \$ 2,712,000   |

During the year, the Town paid a total of \$490,852 (2008 - \$530,777) to the County of Colchester as their share of the joint financing commitments for these projects. This expenditure is recorded under Environmental Health Services \$106,852 (2008 - \$148,057) and Financing and Transfers \$384,000 (2008 - \$382,720).

The amounts to be paid to the County of Colchester over future years are as follows:

|                          |              |
|--------------------------|--------------|
| 2010                     | \$ 499,972   |
| 2011                     | 483,129      |
| 2012                     | 465,884      |
| 2013                     | 448,304      |
| 2014 to 2017             | 1,284,476    |
|                          | 3,181,765    |
| Less: interest component | 469,765      |
| Principal component      | \$ 2,712,000 |

The Town has commitments under operating leases over the next five years as follows:

|                                    |            |
|------------------------------------|------------|
| For the year ending March 31, 2010 | \$ 111,099 |
| 2011                               | 83,591     |
| 2012                               | 20,176     |
| 2013                               | 4,876      |
| 2014                               | 3,088      |

TOWN OF TRURO  
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS  
 MARCH 31, 2009

10. POST EMPLOYMENT BENEFITS LIABILITY

The Town provides certain post employment benefits to employees upon approved retirement. The Town provides benefits for sick leave under the following conditions:

- a) All full-time and union employees receive 1 1/2 days of sick leave per month.
- b) Sick leave can be used only for paid time off for illness of the employee. Sick leave taken off in time is paid at the employee's normal rate of pay.
- c) Unused sick days are accumulated in a bank to a maximum of 1,040 hours.

This obligation is being charged to operations from 2009 to 2012. Valuation of the liability is determined by calculating the benefit earned by each employee with a discount factor of 5%.

|                                     | <u>2009</u>              | <u>2008</u>              |
|-------------------------------------|--------------------------|--------------------------|
| Accrued benefit liability - opening | \$ 835,733               | \$ 821,889               |
| Net change in benefit obligation    | <u>58,667</u>            | <u>13,844</u>            |
| Accrued benefit liability - closing | <u><u>\$ 894,400</u></u> | <u><u>\$ 835,733</u></u> |

11. DEFERRED PENSION LIABILITY

Pension Plan for the Employees of the Town of Truro

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. The last actuarial report was completed as at December 31, 2007 (previous December 31, 2005).

The actuarial report indicates that the present value of the accumulated plan benefit at December 31, 2007 was \$12,663,900. The net assets available to provide for these benefits, at market value, at December 31, 2007 amounted to \$12,865,000. The significant actuarial assumptions adopted in measuring the Town's accrued benefit obligations are as follows: discount rate 6%; expected long-term rate of return on plan assets 6%.

Pension Plan for Town of Truro Members of the Police Association of Nova Scotia Pension Plan

During the year, the Town was assigned the unfunded liability for its share of the Police Association of Nova Scotia Pension Plan for Locals 101 and 211. During the year, \$1,031,560 was paid into the plan reflecting the Town's share of outstanding amortization payments to September 30, 2008. That payment has resulted in a long-term loan which is shown on the Consolidated Statement of Financial Position. Interest and principal debt servicing charges to retire this loan will be recovered from and paid over the next ten years. In addition, the Town is required make monthly payments of \$8,950 from October 2008 to September 2011 to fund their share of the remaining pension liability.

|                                      | <u>2009</u>              | <u>2008</u>              |
|--------------------------------------|--------------------------|--------------------------|
| Deferred pension liability - opening | \$ 438,236               | \$ 576,114               |
| Net change in deferred liability     | <u>403,266</u>           | <u>(137,878)</u>         |
| Deferred pension liability - closing | <u><u>\$ 841,502</u></u> | <u><u>\$ 438,236</u></u> |

TOWN OF TRURO  
 OTHER  
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS  
 MARCH 31, 2009

12. TAX SALE SURPLUS

The twenty year period of holding these funds in the operating fund statement of financial position will expire in 2022, 2025 and 2027. \$4,900 (2022), \$22,181 (2025) and \$13,029 (2027) will be transferred to the Capital Reserve Fund.

13. REMUNERATION OF COUNCIL MEMBERS

|                 |              |    |        |
|-----------------|--------------|----|--------|
| W.R. Mills      | Mayor        | \$ | 29,530 |
| G. MacArthur    | Deputy Mayor |    | 14,761 |
| C. Cox          | Councillor   |    | 12,990 |
| S. Byers        | Councillor   |    | 12,990 |
| D. Bennett-Cook | Councillor   |    | 12,990 |
| B. Kinsman      | Councillor   |    | 12,990 |
| R. Tynes        | Councillor   |    | 12,990 |

TOWN OF TRURO  
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS  
 MARCH 31, 2009

14. TRUST FUNDS

STATEMENT OF FINANCIAL POSITION OF TRUST FUNDS  
 MARCH 31, 2009

|  | JAMES<br>LITTLE<br>BURSARY<br>TRUST | LILLIE<br>NELSON<br>TRUST | ROBERT<br>MINGO<br>TRUST | 2009<br>TOTAL    | 2008<br>TOTAL    |
|--|-------------------------------------|---------------------------|--------------------------|------------------|------------------|
| FINANCIAL ASSETS   |                                     |                           |                          |                  |                  |
| Cash   | \$ 15,723                           | \$ 5,110                  | \$108,251                | \$129,084        | \$146,872        |
| Investments, at cost (market<br>value \$245,380; 2008 - \$295,136) |                                     | 286,567                   |                          | 286,567          | 280,695          |
|  | <u>\$ 15,723</u>                    | <u>\$291,677</u>          | <u>\$108,251</u>         | <u>\$415,651</u> | <u>\$427,567</u> |
| FUND BALANCE   | <u>\$ 15,723</u>                    | <u>\$291,677</u>          | <u>\$108,251</u>         | <u>\$415,651</u> | <u>\$427,567</u> |

STATEMENT OF FINANCIAL ACTIVITIES OF TRUST FUNDS  
 YEAR ENDED MARCH 31, 2009

|                                    |                  |                  |                  |                  |                  |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| REVENUE                            |                  |                  |                  |                  |                  |
| Interest and dividends             | \$ 381           | \$ 11,400        | \$ 2,620         | \$ 14,401        | \$ 24,218        |
| Gain (loss) on sale of investments |                  | (3,107)          |                  | (3,107)          | 1,380            |
|                                    | <u>381</u>       | <u>8,293</u>     | <u>2,620</u>     | <u>11,294</u>    | <u>25,598</u>    |
| EXPENDITURES                       |                  |                  |                  |                  |                  |
| Transfer to Town of Truro          |                  | 20,000           |                  | 20,000           | 20,000           |
| Administration costs               |                  | 3,210            |                  | 3,210            | 3,584            |
|                                    |                  | <u>23,210</u>    |                  | <u>23,210</u>    | <u>23,584</u>    |
| CHANGE IN FUND BALANCE             | 381              | (14,917)         | 2,620            | (11,916)         | 2,014            |
| BEGINNING FUND BALANCE             | <u>15,342</u>    | <u>306,594</u>   | <u>105,631</u>   | <u>427,567</u>   | <u>425,553</u>   |
| ENDING FUND BALANCE                | <u>\$ 15,723</u> | <u>\$291,677</u> | <u>\$108,251</u> | <u>\$415,651</u> | <u>\$427,567</u> |

ON BEHALF OF THE TOWN

\_\_\_\_\_, Mayor

\_\_\_\_\_, Chief Administrative Officer

TOWN OF TRURO  
 WATER UTILITY  
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OPERATING FUND  
 MARCH 31, 2009

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| ASSETS   |                     |                     |
| CASH   | \$ -                | \$ 150              |
| RECEIVABLES:   |                     |                     |
| Rates (less allowance for doubtful accounts \$12,619; 2008 - \$11,276) | 512,594             | 1,052,946           |
| Other (less allowance for doubtful accounts \$2,160; 2008 - \$1,485)   | 286,261             | 91,660              |
| Federal/Provincial infrastructure funding                              | 673,928             | 26,386              |
| Receivable from other funds  |                     | <u>678,552</u>      |
|  | <u>1,472,783</u>    | <u>1,849,694</u>    |
| INVENTORIES, AT COST   | 151,204             | 130,368             |
| PREPAID EXPENSES   | <u>48,051</u>       | <u>42,160</u>       |
|  | <u>\$ 1,672,038</u> | <u>\$ 2,022,222</u> |
| LIABILITIES  |                     |                     |
| Bank indebtedness  | \$ 827,285          | \$ 1,386,287        |
| Trade accounts payable   | 171,254             | 93,975              |
| Deferred revenue   | 591                 | 16,676              |
| Payable to other funds   | 114,624             |                     |
| Post employment benefits liability (note 3)                            | <u>90,248</u>       | <u>82,384</u>       |
|  | 1,204,002           | 1,579,322           |
| MUNICIPAL EQUITY   |                     |                     |
| FUND BALANCE   | 535,722             | 525,284             |
| POST EMPLOYMENT BENEFITS TO BE RECOVERED<br>IN FUTURE YEARS (note 3)   | <u>(67,686)</u>     | <u>(82,384)</u>     |
|  | <u>\$ 1,672,038</u> | <u>\$ 2,022,222</u> |

ON BEHALF OF THE TOWN

\_\_\_\_\_, Mayor

\_\_\_\_\_, Chief Administrative Officer

TOWN OF TRURO  
WATER UTILITY  
NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE OPERATING FUND  
YEAR ENDED MARCH 31, 2009

B - 23

|   |      | 2009                | 2008              |
|---|------|---------------------|-------------------|
|   | Page | UNAUDITED<br>BUDGET | ACTUAL            |
|   |      | ACTUAL              | ACTUAL            |
| <b>OPERATING REVENUE</b>                          |      |                     |                   |
| Meter sales                                       |      | \$ 2,380,000        | \$ 2,220,883      |
| Flat rate sales                                   |      | 15,000              | 19,598            |
| Public fire protection                            |      | 544,353             | 544,353           |
| Private fire protection                           |      | 16,000              | 15,550            |
| Private hydrant maintenance                       |      | 15,000              | 20,253            |
| Sprinkler service charge                          |      | 40,000              | 38,917            |
| Interest on overdue accounts                      |      | 10,000              | 8,993             |
|   |      | <u>3,020,353</u>    | <u>2,874,643</u>  |
|   |      |                     | <u>3,006,834</u>  |
| <b>OPERATING EXPENDITURES</b>                     |      |                     |                   |
| Source of supply                                  | B-24 | 36,000              | 18,682            |
| Power and pumping                                 | B-24 | 30,500              | 27,105            |
| Transmission and distribution                     | B-24 | 564,000             | 604,698           |
| Water treatment                                   | B-24 | 1,026,000           | 896,148           |
| Administration and general                        | B-24 | 223,200             | 215,925           |
| Depreciation                                      |      | 265,000             | 254,261           |
| Taxes   |      | 628,000             | 598,551           |
|   |      | <u>2,772,700</u>    | <u>2,842,347</u>  |
|   |      |                     | <u>2,615,370</u>  |
| <b>EXCESS OPERATING REVENUE OVER EXPENDITURES</b> |      | <u>247,653</u>      | <u>32,296</u>     |
|   |      |                     | <u>391,464</u>    |
| <b>NON-OPERATING REVENUE</b>                      |      |                     |                   |
| Federal/Provincial infrastructure funding         |      | 702,000             | 26,386            |
| Colchester County infrastructure funding          |      | 175,500             | 6,596             |
| Contributions in aid of capital expenditures      |      |                     | 15,737            |
| Interest  |      | 10,000              | 16,675            |
| Miscellaneous                                     |      | 44,500              | 46,631            |
| Proceeds from short term loan                     |      |                     | 335,913           |
| Transfer from reserve                             |      | 539,847             | 285,000           |
|   |      | <u>1,471,847</u>    | <u>1,517,234</u>  |
|   |      |                     | <u>96,288</u>     |
| <b>NON-OPERATING EXPENDITURES</b>                 |      |                     |                   |
| Bank charges and interest                         |      |                     | 391               |
| NSUARB rate application                           |      | 8,000               | 357               |
| Post employment benefits (note 3)                 |      | 21,500              | 22,562            |
| Tangible capital assets review                    |      | 15,000              | 4,000             |
| Change in post-employment benefits liability      |      |                     | 7,864             |
| Transfer to reserve                               |      |                     | (3,800)           |
|   |      | <u>44,500</u>       | <u>50,000</u>     |
|   |      |                     | <u>46,557</u>     |
| <b>OPERATING RESULTS</b>                          |      | 1,675,000           | 441,195           |
| Capital expenditures out of revenue               |      | <u>1,675,000</u>    | <u>422,533</u>    |
|   |      |                     | <u>18,662</u>     |
| <b>EXCESS REVENUE OVER EXPENDITURES</b>           |      |                     | 2,574             |
| Amount to be recovered in future years (note 3)   |      |                     | 7,864             |
|   |      |                     | <u>(3,800)</u>    |
| <b>NET CHANGE IN FUND BALANCE</b>                 |      | <u>\$ -</u>         | 14,862            |
| <b>FUND BALANCE, BEGINNING</b>                    |      |                     | <u>525,284</u>    |
|   |      |                     | <u>510,422</u>    |
| <b>FUND BALANCE, ENDING</b>                       |      |                     | <u>\$ 535,722</u> |
|   |      |                     | <u>\$ 525,284</u> |

TOWN OF TRURO  
WATER UTILITY  
NON-CONSOLIDATED SCHEDULE OF OPERATING FUND EXPENDITURES  
YEAR ENDED MARCH 31, 2009

|  | <u>2009</u>       | <u>2008</u>       |
|--|-------------------|-------------------|
| <b>SOURCE OF SUPPLY</b>                  |                   |                   |
| Labour                                   | \$ 18,986         | \$ 18,453         |
| Maintenance of plant                     | 754               | 229               |
| Watershed maintenance                    | <u>23,172</u>     |                   |
|  | <u>\$ 42,912</u>  | <u>\$ 18,682</u>  |
| <br><b>POWER AND PUMPING</b>             |                   |                   |
| Power                                    | \$ 794            | \$ 1,811          |
| Maintenance                              | <u>33,673</u>     | <u>25,294</u>     |
|  | <u>\$ 34,467</u>  | <u>\$ 27,105</u>  |
| <br><b>TRANSMISSION AND DISTRIBUTION</b> |                   |                   |
| Salary and benefits                      | \$ 138,053        | \$ 120,550        |
| Maintenance of mains                     | 243,374           | 223,693           |
| Maintenance of other distribution plant  | <u>292,308</u>    | <u>260,455</u>    |
|  | <u>\$ 673,735</u> | <u>\$ 604,698</u> |
| <br><b>WATER TREATMENT PLANT</b>         |                   |                   |
| Utilities                                | \$ 172,969        | \$ 171,907        |
| Plant process systems                    | 407,475           | 340,258           |
| Plant process control                    | 157,922           | 177,003           |
| Treatment non-process systems            | 60,295            | 56,349            |
| Remote stations                          | 40,294            | 33,063            |
| Raw water treatment systems              | 23,870            | 17,913            |
| Administration                           | <u>118,112</u>    | <u>99,655</u>     |
|  | <u>\$ 980,937</u> | <u>\$ 896,148</u> |
| <br><b>ADMINISTRATION AND GENERAL</b>    |                   |                   |
| Supervision                              | \$ 71,056         | \$ 72,901         |
| Consumer contracts and orders            | 65,262            | 57,303            |
| Consumer billing and accounting          | 52,701            | 54,099            |
| Uncollectable accounts (recovered)       | 2,038             | 5,648             |
| General office expenses                  | 3,200             | 3,200             |
| Professional fees                        | 9,974             | 4,471             |
| Liability insurance                      | 16,799            | 14,556            |
| Regulatory expenses                      | <u>3,648</u>      | <u>3,747</u>      |
|  | <u>\$ 224,678</u> | <u>\$ 215,925</u> |

TOWN OF TRURO  
 WATER UTILITY  
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CAPITAL FUND  
 MARCH 31, 2009

|   | <u>2009</u>          | <u>2008</u>                 |
|---|----------------------|-----------------------------|
| <b>ASSETS</b>                                   |                      |                             |
| CASH  |                      |                             |
| Depreciation (note 4)                           | \$ 102,749           | \$ 325,910                  |
| UTILITY PLANT AND EQUIPMENT                     | <u>22,017,441</u>    | <u>20,050,083</u>           |
|   | <u>\$ 22,120,190</u> | <u>\$ 20,375,993</u>        |
| <br><b>LIABILITIES</b>                          |                      |                             |
| Accumulated allowance for depreciation (note 5) | \$ 4,617,565         | \$ 4,359,623                |
| Short term loan                                 | <u>335,913</u>       | <u>                    </u> |
|   | 4,953,478            | 4,359,623                   |
| <br><b>MUNICIPAL EQUITY</b>                     |                      |                             |
| INVESTMENT IN CAPITAL ASSETS                    | <u>17,166,712</u>    | <u>16,016,370</u>           |
|   | <u>\$ 22,120,190</u> | <u>\$ 20,375,993</u>        |

ON BEHALF OF THE TOWN

\_\_\_\_\_, Mayor

\_\_\_\_\_, Chief Administrative Officer

TOWN OF TRURO  
WATER UTILITY  
NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE CAPITAL FUND  
YEAR ENDED MARCH 31, 2009

|                               | <u>2009</u>                 | <u>2008</u>                 |
|-------------------------------|-----------------------------|-----------------------------|
| INVESTMENT IN CAPITAL ASSETS  |                             |                             |
| Beginning fund balance        | \$ 16,016,370               | \$ 15,592,172               |
| Capital expenditures          | 1,486,255                   | 424,198                     |
| Proceeds from short term loan | <u>(335,913)</u>            |                             |
| Ending fund balance           | <u><u>\$ 17,166,712</u></u> | <u><u>\$ 16,016,370</u></u> |

NON-CONSOLIDATED STATEMENT OF CAPITAL FUND PLANT AND EQUIPMENT  
MARCH 31, 2009

|                                  |                             |                             |
|----------------------------------|-----------------------------|-----------------------------|
| Land                             |                             |                             |
| Source of supply                 | \$ 1,730,089                | \$ 1,730,089                |
| General                          | 33,392                      | 33,392                      |
| Structures and Improvements      |                             |                             |
| Source of supply                 | 2,698,807                   | 2,481,803                   |
| Power and pumping                | 1,598,647                   | 1,598,647                   |
| Purification                     | 1,245                       | 1,245                       |
| Distribution and reservoir       | 452,152                     | 452,152                     |
| General                          | 380,025                     | 44,112                      |
| Other water source structures    | 62,889                      | 62,889                      |
| Electrical pumping equipment     | 169,229                     | 169,229                     |
| Other pumping equipment          | 43,849                      | 43,849                      |
| Purification equipment           | 24,751                      | 24,751                      |
| Distribution reservoir equipment | 13,751                      |                             |
| Transmission mains               | 375,398                     | 375,398                     |
| Distribution mains               | 5,271,233                   | 4,177,685                   |
| Distribution mains equipment     | 12,467                      | 12,467                      |
| Distribution equipment           | 145,178                     |                             |
| Services                         | 1,455,497                   | 1,412,835                   |
| Sprinkler connections            | 172,981                     | 172,982                     |
| Meters                           | 629,779                     | 618,995                     |
| Hydrants                         | 533,007                     | 533,007                     |
| Office furniture and equipment   | 85,547                      | 81,897                      |
| Transportation equipment         | 224,830                     | 189,154                     |
| Meter shop equipment             | 3,217                       | 3,217                       |
| Tools and work equipment         | 67,193                      | 67,193                      |
| Water Treatment Plant            | <u>5,832,288</u>            | <u>5,763,095</u>            |
|                                  | <u><u>\$ 22,017,441</u></u> | <u><u>\$ 20,050,083</u></u> |

TOWN OF TRURO  
WATER UTILITY  
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2009

1. STATUS AND NATURE OF ACTIVITIES

The Water Utility (the "utility"), incorporated under an Act to incorporate the Town of Truro, operates the water delivery system on behalf of the Town of Truro.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed for Nova Scotia Water Utilities by the Nova Scotia Utility and Review Board.

a) REVENUES AND EXPENDITURES

Major revenues and expenditures are recorded on an accrual basis.

b) ALLOWANCE FOR DOUBTFUL ACCOUNTS

A valuation allowance is provided for estimated losses that will be incurred in collecting receivables outstanding.

c) PROPERTY AND EQUIPMENT

Prior to April 1, 2007, capital assets and projects in progress were recorded at the net cost to the utility, after deducting grants and other contributions towards the cost of the capital asset. Effective April 1, 2007, capital assets and projects in progress are recorded at the gross cost to the utility. Interest incurred in construction of significant water capital projects is capitalized. Interest is calculated at the prevailing prime rate for projects temporarily funded by water utility operations.

d) DEPRECIATION

Depreciation of capital assets is provided for on a formula prescribed by the Nova Scotia Utility and Review Board. Depreciation is not recorded on capital assets contributed to the utility between January 1, 1985 and March 31, 2007. Approval has been obtained from the Nova Scotia Utility and Review Board to continue recording depreciation on capital assets contributed prior to January 1, 1985. Effective April 1, 2007, depreciation is recorded on capital assets contributed to the utility after March 31, 2007.

e) ALLOCATION OF MUNICIPAL COSTS TO WATER UTILITY FUNDS

Costs incurred by the Town of Truro on behalf of the water utility are charged to the utility funds. Salary and wage related costs are allocated in proportion to time spent performing functions on behalf of the water utility.

TOWN OF TRURO  
 WATER UTILITY  
 NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS  
 YEAR ENDED MARCH 31, 2009

### 3. POST EMPLOYMENT BENEFITS

The utility provides certain post employment benefits to employees upon approved retirement. The utility provides benefits for sick leave under the following conditions:

- a) All full-time and union employees receive 1 1/2 days of sick leave per month.
- b) Sick leave can be used only for paid time off for illness of the employee. Sick leave taken off in time is paid at the employee's normal rate of pay.
- c) Unused sick days are accumulated in a bank to a maximum of 1,040 hours.

This obligation is being charged to operations from 2009 to 2012. Valuation of the liability is determined by calculating the benefit earned by each employee with a discount factor of 5%.

|                                    | <u>2009</u>          | <u>2008</u>          |
|------------------------------------|----------------------|----------------------|
| Accrued benefit liability, opening | \$ 82,384            | \$ 86,184            |
| Net change in benefit obligation   | <u>7,864</u>         | <u>(3,800)</u>       |
| Accrued benefit liability, closing | <u><u>90,248</u></u> | <u><u>82,384</u></u> |

### 4. DEPRECIATION FUNDS

|  | <u>2009</u>              | <u>2008</u>              |
|--|--------------------------|--------------------------|
| Cash balance, beginning                                | \$ 325,910               | \$ 245,481               |
| Add: Depreciation                                      | 257,942                  | 254,261                  |
| Interest earned during the year                        | <u>8,017</u>             | <u>10,279</u>            |
|  | <u>591,869</u>           | <u>510,021</u>           |
| Less: Acquisition of capital assets during the year    | 481,103                  | 173,832                  |
| Interest transferred to operating fund during the year | <u>8,017</u>             | <u>10,279</u>            |
|  | <u>489,120</u>           | <u>184,111</u>           |
| Cash balance, ending                                   | <u><u>\$ 102,749</u></u> | <u><u>\$ 325,910</u></u> |

TOWN OF TRURO  
 WATER UTILITY  
 NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS  
 YEAR ENDED MARCH 31, 2009

5. ACCUMULATED ALLOWANCE FOR DEPRECIATION

|                                  | <u>2009</u>               | <u>2008</u>               |
|----------------------------------|---------------------------|---------------------------|
| Balance, beginning of year       | \$4,359,623               | \$4,129,193               |
| Add: current year's depreciation | <u>257,942</u>            | <u>230,430</u>            |
| Balance, end of year             | <u><u>\$4,617,565</u></u> | <u><u>\$4,359,623</u></u> |

6. RATE OF RETURN ON RATE BASE

For the year ended March 31, 2009 the Water Utility had a rate of return on rate base of 0.19%  
 (2008 - 2.49%)

TOWN OF TRURO  
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF RESERVE FUNDS  
 MARCH 31, 2009

|                         | SPECIAL<br>CAPITAL<br>RESERVE | INVESTMENT<br>RESERVE | 2009<br>TOTAL       | 2008<br>TOTAL       |
|-------------------------|-------------------------------|-----------------------|---------------------|---------------------|
| <b>FINANCIAL ASSETS</b> |                               |                       |                     |                     |
| Cash                    | \$ -                          | \$ 262,809            | \$ 262,809          | \$ 1,335,419        |
| Loans - General Fund    |                               | 2,737,191             | 2,737,191           | 1,936,065           |
|                         | <u>\$ -</u>                   | <u>\$ 3,000,000</u>   | <u>\$ 3,000,000</u> | <u>\$ 3,271,484</u> |
| <br>                    |                               |                       |                     |                     |
| FUND BALANCE            | <u>\$ -</u>                   | <u>\$ 3,000,000</u>   | <u>\$ 3,000,000</u> | <u>\$ 3,271,484</u> |

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF RESERVE FUNDS  
 YEAR ENDED MARCH 31, 2009

|                             |                |                     |                     |                     |
|-----------------------------|----------------|---------------------|---------------------|---------------------|
| <b>REVENUE</b>              |                |                     |                     |                     |
| Interest on interfund loans | \$ -           | \$ 126,075          | \$ 126,075          | \$ 145,178          |
|                             |                | <u>126,075</u>      | <u>126,075</u>      | <u>145,178</u>      |
| <br>                        |                |                     |                     |                     |
| <b>EXPENDITURES</b>         |                |                     |                     |                     |
| Transfer to capital fund    | 271,484        |                     | 271,484             | 35,381              |
| Transfer to operating fund  |                | 126,075             | 126,075             | 145,178             |
|                             | <u>271,484</u> | <u>126,075</u>      | <u>397,559</u>      | <u>180,559</u>      |
| <br>                        |                |                     |                     |                     |
| CHANGE IN FUND BALANCE      | (271,484)      |                     | (271,484)           | (35,381)            |
| <br>                        |                |                     |                     |                     |
| BEGINNING FUND BALANCE      | <u>271,484</u> | <u>3,000,000</u>    | <u>3,271,484</u>    | <u>3,306,865</u>    |
| <br>                        |                |                     |                     |                     |
| ENDING FUND BALANCE         | <u>\$ -</u>    | <u>\$ 3,000,000</u> | <u>\$ 3,000,000</u> | <u>\$ 3,271,484</u> |

ON BEHALF OF THE TOWN

\_\_\_\_\_, Mayor

\_\_\_\_\_, Chief Administrative Officer

TOWN OF TRURO  
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF RESERVE FUNDS  
 MARCH 31, 2009

|                  | GENERAL FUND                |                     |                          |                     | 2009                | 2008                |
|------------------|-----------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|                  | GENERAL GOVERNMENT SERVICES | PROTECTIVE SERVICES | TRANS-PORTATION SERVICES | RECREATION SERVICES | TOTAL               | TOTAL               |
| FINANCIAL ASSETS |                             |                     |                          |                     |                     |                     |
| Cash             | <u>\$ 330,367</u>           | <u>\$ 671,842</u>   | <u>\$ 588,813</u>        | <u>\$ 243,599</u>   | <u>\$ 1,834,621</u> | <u>\$ 1,747,760</u> |
| FUND BALANCE     | <u>\$ 330,367</u>           | <u>\$ 671,842</u>   | <u>\$ 588,813</u>        | <u>\$ 243,599</u>   | <u>\$ 1,834,621</u> | <u>\$ 1,747,760</u> |

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF RESERVE FUNDS  
 YEAR ENDED MARCH 31, 2009

|                                 |                   |                   |                   |                   |                     |                     |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| REVENUE                         |                   |                   |                   |                   |                     |                     |
| Transfer from operating fund    | \$ 25,000         | \$ 100,000        | \$ 50,000         | \$ 25,000         | \$ 200,000          | \$ 642,500          |
| Other transfers                 |                   |                   |                   | 8,500             | 8,500               | \$ 45,799           |
| Cash in lieu of recreation land |                   |                   |                   | 5,820             | 5,820               | 7,315               |
| Interest                        | <u>6,393</u>      | <u>13,895</u>     | <u>12,317</u>     | <u>7,025</u>      | <u>39,630</u>       | <u>46,306</u>       |
|                                 | <u>31,393</u>     | <u>113,895</u>    | <u>62,317</u>     | <u>46,345</u>     | <u>253,950</u>      | <u>741,920</u>      |
| EXPENDITURES                    |                   |                   |                   |                   |                     |                     |
| Transfer to capital fund        | <u>13,446</u>     | <u>2,095</u>      | <u>55,000</u>     | <u>96,548</u>     | <u>167,089</u>      | <u>746,702</u>      |
| CHANGE IN FUND BALANCE          | 17,947            | 111,800           | 7,317             | (50,203)          | 86,861              | (4,782)             |
| BEGINNING FUND BALANCE          | <u>312,420</u>    | <u>560,042</u>    | <u>581,496</u>    | <u>293,802</u>    | <u>1,747,760</u>    | <u>1,752,542</u>    |
| ENDING FUND BALANCE             | <u>\$ 330,367</u> | <u>\$ 671,842</u> | <u>\$ 588,813</u> | <u>\$ 243,599</u> | <u>\$ 1,834,621</u> | <u>\$ 1,747,760</u> |

ON BEHALF OF THE TOWN

\_\_\_\_\_, Mayor

\_\_\_\_\_, Chief Administrative Officer

TOWN OF TRURO  
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF RESERVE FUNDS  
 MARCH 31, 2009

|                  | GENERAL FUND                 |                      | WATER UTILITY    |                     | 2009         | 2008         |
|------------------|------------------------------|----------------------|------------------|---------------------|--------------|--------------|
|                  | OTHER<br>CAPITAL<br>RESERVES | OPERATING<br>RESERVE | OTHER<br>RESERVE | LAND<br>ACQUISITION | TOTAL        | TOTAL        |
| FINANCIAL ASSETS |                              |                      |                  |                     |              |              |
| Cash             | \$ 1,136,184                 | \$ 585,990           | \$ 530,829       | \$ 100,000          | \$ 2,353,003 | \$ 2,610,231 |
| FUND BALANCE     | \$ 1,136,184                 | \$ 585,990           | \$ 530,829       | \$ 100,000          | \$ 2,353,003 | \$ 2,610,231 |

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF RESERVE FUNDS  
 YEAR ENDED MARCH 31, 2009

|                              |                     |                   |                   |                   |                     |                     |
|------------------------------|---------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| REVENUE                      |                     |                   |                   |                   |                     |                     |
| Interest                     | \$ 20,510           | \$ 20,175         | \$ 20,069         | \$ 2,460          | \$ 63,214           | \$ 97,585           |
| Transfer from operating fund | 312,500             | 166,000           |                   |                   | 478,500             | 592,500             |
|                              | <u>333,010</u>      | <u>186,175</u>    | <u>20,069</u>     | <u>2,460</u>      | <u>541,714</u>      | <u>690,085</u>      |
| EXPENDITURES                 |                     |                   |                   |                   |                     |                     |
| Transfer to capital fund     | 74,413              |                   |                   |                   | 74,413              | 297,316             |
| Transfer to operating fund   |                     | 417,000           | 305,069           | 2,460             | 724,529             | 36,313              |
|                              | <u>74,413</u>       | <u>417,000</u>    | <u>305,069</u>    | <u>2,460</u>      | <u>798,942</u>      | <u>333,629</u>      |
| CHANGE IN FUND BALANCE       | 258,597             | (230,825)         | (285,000)         |                   | (257,228)           | 356,456             |
| BEGINNING FUND BALANCE       | <u>877,587</u>      | <u>816,815</u>    | <u>815,829</u>    | <u>100,000</u>    | <u>2,610,231</u>    | <u>2,253,775</u>    |
| ENDING FUND BALANCE          | <u>\$ 1,136,184</u> | <u>\$ 585,990</u> | <u>\$ 530,829</u> | <u>\$ 100,000</u> | <u>\$ 2,353,003</u> | <u>\$ 2,610,231</u> |

ON BEHALF OF THE TOWN

\_\_\_\_\_, Mayor

\_\_\_\_\_, Chief Administrative Officer

TOWN OF TRURO  
 OTHER  
 SCHEDULE OF CAPITAL DEBT CHARGES AND TERM DEBT  
 MARCH 31, 2009

|                          | <u>YEAR OF<br/>ISSUE</u> | <u>YEAR OF<br/>MATURITY</u> | <u>BALANCE<br/>MAR31/2008</u> | <u>LOAN<br/>(REDEEMED)</u> | <u>BALANCE<br/>MAR31/2009</u> | <u>INTEREST</u>   | <u>INTEREST<br/>RATE</u> |
|--------------------------|--------------------------|-----------------------------|-------------------------------|----------------------------|-------------------------------|-------------------|--------------------------|
| GENERAL FUND             |                          |                             |                               |                            |                               |                   |                          |
| Trunk Sewer Lift Station | 1995                     | 2010                        | \$ 180,000                    | \$ (90,000)                | \$ 90,000                     | \$ 15,300         | 8.50%                    |
| Police Station           | 1997                     | 2018                        | 1,000,000                     | (100,000)                  | 900,000                       | 45,639            | 4.78%                    |
| Building Reconstruction  | 2002                     | 2022                        | 1,546,065                     | (110,433)                  | 1,435,632                     | 98,175            | 6.35%                    |
| Building Reconstruction  | 2004                     | 2024                        | 2,288,000                     | (143,000)                  | 2,145,000                     | 112,671           | 5.10%                    |
| Building Construction    | 2005                     | 2010                        | 320,000                       | (160,000)                  | 160,000                       | 11,216            | 4.73%                    |
| Victoria Park Pool       | 2005                     | 2015                        | 210,000                       | (30,000)                   | 180,000                       | 12,600            | 6.00%                    |
| Building Reconstruction  | 2005                     | 2025                        | 1,982,500                     | (171,250)                  | 1,811,250                     | 80,324            | 5.10%                    |
| Hospital Contribution    | 2008                     | 2028                        | 1,100,000                     | (55,000)                   | 1,045,000                     | 52,658            | 4.78%                    |
| Downtown Revitalization  | 2008                     | 2018                        | 500,000                       | (50,000)                   | 450,000                       | 22,820            | 4.78%                    |
| Hospital Contribution    | 2009                     | 2029                        |                               | 900,000                    | 900,000                       | 18,573            | 4.34%                    |
|                          |                          |                             | <u>\$ 9,126,565</u>           | <u>\$ (9,683)</u>          | <u>\$ 9,116,882</u>           | <u>\$ 469,976</u> |                          |

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

|      |            |
|------|------------|
| 2010 | \$ 954,683 |
| 2011 | 704,683    |
| 2012 | 704,683    |
| 2013 | 704,683    |
| 2014 | 704,683    |

TOWN OF TRURO

TRURO INDUSTRIAL DEVELOPMENT SOCIETY

NON-CONSOLIDATED FINANCIAL STATEMENTS AND  
AUDITORS' REPORT

MARCH 31, 2009

TOWN OF TRURO

TRURO INDUSTRIAL DEVELOPMENT SOCIETY

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MARCH 31, 2009

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**HEMMING WEIR CASEY**

CHARTERED ACCOUNTANTS

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To the Mayor and Members of Council of the  
Town of Truro

We have audited the non-consolidated Operating Fund, non-consolidated Capital Fund and non-consolidated Capital Reserve Fund statements of financial position of the Truro Industrial Development Society as at March 31, 2009 and the non-consolidated statements of financial activities for the year then ended. These non-consolidated financial statements are the responsibility of the Town of Truro's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Truro Industrial Development Society as at March 31, 2009 and the results of its financial activities for the year then ended in accordance with Canadian generally accepted accounting principles.



Truro, Nova Scotia  
June 19, 2009

Chartered Accountants

TOWN OF TRURO  
 TRURO INDUSTRIAL DEVELOPMENT SOCIETY  
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OPERATING FUND  
 MARCH 31, 2009

|                                 | <u>2009</u>              | <u>2008</u>             |
|---------------------------------|--------------------------|-------------------------|
| <b>FINANCIAL ASSETS</b>         |                          |                         |
| Bank                            | \$ 23,210                | \$ 60,687               |
| Due from Federal Government     | <u>107</u>               | <u>814</u>              |
|                                 | <u>23,317</u>            | <u>61,501</u>           |
| <b>LIABILITIES</b>              |                          |                         |
| Payables                        |                          | 29                      |
| Due to General Operating Fund   | <u>30,261</u>            | <u>49,028</u>           |
|                                 | <u>30,261</u>            | <u>49,057</u>           |
| <b>NET ASSETS (LIABILITIES)</b> | <u><u>\$ (6,944)</u></u> | <u><u>\$ 12,444</u></u> |
| <b>FUND BALANCE</b>             | <u><u>\$ (6,944)</u></u> | <u><u>\$ 12,444</u></u> |

ON BEHALF OF THE SOCIETY

\_\_\_\_\_, Chairman

\_\_\_\_\_, Member

TOWN OF TRURO  
 TRURO INDUSTRIAL DEVELOPMENT SOCIETY  
 NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE OPERATING FUND  
 YEAR ENDED MARCH 31, 2009

|                                  | <u>2009</u>       | <u>2008</u>      |
|----------------------------------|-------------------|------------------|
| REVENUE                          |                   |                  |
| Land sales                       | \$ -              | \$ 45,000        |
| Interest revenue                 | 581               | 1,948            |
| Grant - Town of Truro            | <u>46,030</u>     | <u>43,828</u>    |
|                                  | <u>46,611</u>     | <u>90,776</u>    |
| EXPENDITURES                     |                   |                  |
| Professional fees                | 824               | 4,050            |
| Miscellaneous                    |                   | 307              |
| Promotional                      | 869               | 431              |
| Survey fees                      |                   | 950              |
| Taxes                            | 46,030            | 43,828           |
| Park future expansion plan       |                   | 8,025            |
| Industrial Park promotions       | 2,990             |                  |
| Maintenance                      | <u>15,286</u>     | <u>14,676</u>    |
|                                  | <u>65,999</u>     | <u>72,267</u>    |
| NET REVENUE (EXPENDITURES)       | (19,388)          | 18,509           |
| FINANCING AND TRANSFERS          |                   |                  |
| Transfer to capital reserve fund |                   | <u>(43,250)</u>  |
| CHANGE IN FUND BALANCE           | (19,388)          | (24,741)         |
| BEGINNING FUND BALANCE           | <u>12,444</u>     | <u>37,185</u>    |
| ENDING FUND BALANCE              | <u>\$ (6,944)</u> | <u>\$ 12,444</u> |

TOWN OF TRURO  
 TRURO INDUSTRIAL DEVELOPMENT SOCIETY  
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CAPITAL FUND  
 MARCH 31, 2009

|                            | <u>2009</u>      | <u>2008</u>      |
|----------------------------|------------------|------------------|
| NON-FINANCIAL ASSETS       |                  |                  |
| Land and development costs | <u>\$938,830</u> | <u>\$938,830</u> |
| <br>                       |                  |                  |
| FUND BALANCE               | <u>\$938,830</u> | <u>\$938,830</u> |

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE CAPITAL FUND  
 YEAR ENDED MARCH 31, 2009

|                           |                  |                  |
|---------------------------|------------------|------------------|
| EXPENDITURES              |                  |                  |
| Land sold during the year | <u>\$ -</u>      | <u>\$ 12,032</u> |
| CHANGE IN FUND BALANCE    |                  | (12,032)         |
| BEGINNING FUND BALANCE    | <u>938,830</u>   | <u>950,862</u>   |
| ENDING FUND BALANCE       | <u>\$938,830</u> | <u>\$938,830</u> |

ON BEHALF OF THE SOCIETY

\_\_\_\_\_, Chairman

\_\_\_\_\_, Member

TOWN OF TRURO  
 TRURO INDUSTRIAL DEVELOPMENT SOCIETY  
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CAPITAL RESERVE FUND  
 MARCH 31, 2009

|                  | <u>2009</u>      | <u>2008</u>      |
|------------------|------------------|------------------|
| FINANCIAL ASSETS |                  |                  |
| Cash             | <u>\$147,228</u> | <u>\$172,733</u> |
| <br>             |                  |                  |
| FUND BALANCE     | <u>\$147,228</u> | <u>\$172,733</u> |

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE CAPITAL RESERVE FUND  
 YEAR ENDED MARCH 31, 2009

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| REVENUE                          |                  |                  |
| Interest                         | \$ 4,294         | \$ 6,281         |
| Transfer from Operating Fund     |                  | <u>43,250</u>    |
|                                  | 4,294            | 49,531           |
| EXPENDITURES                     |                  |                  |
| Transfer to General Capital Fund | <u>29,799</u>    | <u>19,342</u>    |
| CHANGE IN FUND BALANCE           | (25,505)         | 30,189           |
| BEGINNING FUND BALANCE           | <u>172,733</u>   | <u>142,544</u>   |
| ENDING FUND BALANCE              | <u>\$147,228</u> | <u>\$172,733</u> |

ON BEHALF OF THE SOCIETY

\_\_\_\_\_, Chairman

\_\_\_\_\_, Member

TOWN OF TRURO  
TRURO INDUSTRIAL DEVELOPMENT SOCIETY  
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2009

1. STATUS AND NATURE OF ACTIVITIES

The Truro Industrial Development Society (the "Society"), incorporated under the Societies Act, administers the promotion and development of the Town of Truro Industrial Park.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed for Nova Scotia municipalities by Service Nova Scotia and Municipal Relations.

REVENUE

Revenue from sale of lots in the industrial park and from assistance from other governments are recorded on the accrual basis.

CAPITALIZATION

Costs incurred which are directly attributable to the development of the land in the industrial park are capitalized as part of the cost of land. Costs incurred which are directly attributable to the construction of streets, sewers and water mains are capitalized in the General Capital Fund and the Water Utility Capital Fund.

COST OF LAND SALES

Costs are allocated to individual lots on a per acre basis.

3. INVESTMENT IN LAND

On April 19, 1981, the Society (formerly Truro Industrial Commission) entered into an agreement with the Province of Nova Scotia for the development of land owned by the Society (formerly Commission). Under amendments to this agreement in 1987 and 1994, the Society will deposit the proceeds from the sale of the majority of land within the industrial park into a special trust account to be reinvested in the industrial park.