

Town of Truro



Annual Report

Year Ending March 31, 2010



Town of Truro Annual Report April 1, 2009 to March 31, 2010

Mayor's Office

Citizens of Truro, Members of Truro Town Council

The years past seem to fly by faster and get busier with each passing month, the fiscal year 2009-10 being no exception to the rule. Council and Planning Staff spent approximately 10 weeks of breakfast meetings going over the new Municipal Planning Strategy / Land Use Bylaw document, to make sure it reflects Citizen input and Council intent for the future of Our Town. The document is expected to be approved in the Fall of 2010.

I had the pleasure of meeting and speaking with the Right Honorable Prime Minister of Canada Stephen Harper who was in Truro to present the Federal Government's contribution of 10 Million Dollars to the construction of the New Civic Centre, he was joined by Canada's Minister of Defence, and former Minister responsible for ACOA Peter MacKay. It was a great experience and honor to meet these great Canadians. Mayor Bob Taylor of Colchester County, Mayor Derrick Rhoddy of Stewiacke, members of our respective Councils, Jon Stanfield, Duane Rath and many others were in attendance.

The opportunity for your Mayor to speak to the Truro Rotary Club about the current state of the Town took place in May and I outlined to Rotarians our concern for future debt levels for the Town in light of the debt crisis of Greece, Spain, the U.K., the U.S.A. and a host of emerging debt problems facing the International Communities, including the Province of Nova Scotia. The Town, under the Municipal Government Act is permitted to run a debt up to 15% of the amount the Town takes in Revenue. At the writing of this report we stood at 13.5% with funding for the New Hospital and Civic Centre commitments not included in our current numbers. I used the exponential curve as an example of how trends using this formula suggest the World is on a dangerous path in relation to all Government/Consumer debt levels. Should Interest Rates take a sudden jump I am concerned as to the implications for all of us!

The Value of Construction for the year ending March 31st stood at 178 Million Dollars, compared to over 15 million the previous year, mainly because of the New Hospital. Numbers are included in the reporting of this year's figures. The Province of Nova Scotia provided an extra 25 million dollars for the Hospital construction because of cost over runs. The Town finds itself in a similar position, although not as great, with constructions cost overruns for Phase 2 Renovation plans for the Colchester Legion Stadium, estimated construction costs for the project about \$900,000 over, then with consultation \$500,000, and we are expected to scale back work to fit the budget. Added to that, we are wrestling with Library Replacement Costs of 13-20 million dollars. In consultation with CAO Jim Langille, we both agree that the Town may have to scale back plans and concentrate on projects with low maintenance/low budgets but have a high impact, high visibility for the next number of years.

At the time of the writing of my Report I had received some good news from the Downtown Truro Partnership that the Atlantic Canada Opportunities Agency has approved our Master

Facade Plan that will help with the Rejuvenation of the Downtown. The dollar amount will be significant!

As Mayor, I will be hosting a Mayor's Roundtable discussion on Truro based on a Face Book Page that claims that Truro is the World's largest Retirement Community...The challenges of the Social Media are being felt in many ways. The authors of the website are in the ages of 39 and under and further claim there is nothing to do in Truro! The more things change the more they remain the same! The attitude is reflective of a statement I read about the plight of Greece. "Greece is a perfect example of what happens to a Country where everybody wants, everybody takes, and no one is willing to put anything in!" - Author Unknown This is the reason I believe we need a Frank Discussion on the Face Book issue and it will happen in the Fall of 2010.

Good News! Scotsburn Dairy has completed a 5 million Dollar expansion in our Industrial Park. Truro's off Leash Dog Park, an example of a low maintenance, high impact project is a huge success. Public works on street repairs, sidewalks, sewer improvements and equipment were in the \$2.7 million range! Our Public Works Department moved into their new \$2.2 million dollar facility in August.

Our Residential and Commercial Tax Rates increased by .01 cent to 1.73 Residential and 3.93 Commercial, with a further .18 cents on the Commercial Rate to reflect lost revenue as a result of elimination of the business occupancy tax, Commercial Rate was 4.11. Operating Expenditures this past year were \$16.9 million compared to \$17.5 million the previous fiscal year!

Demolition of Alice Street School will occur this year, leaving demolition of the former Truro Junior High, which was to happen this year as well, but due to increased cost for hazardous material removal its demolition will move to 2011. The Former Willow Street School is undergoing a 3 million dollar renovation by Meech-Moffatt Developments and scheduled to open for residents in the fall.

Finally I want to say that Truro is doing very well. Town Council is very responsible and keeps a keen eye on expenditures. Staff, as usual, have been responsible and professional in carrying out duties assigned, despite the increased demands and expectations of the Citizens. The actions of our dedicated Staff have again allowed Council to meet and exceed our objectives while being fiscally responsible. I would, as in years past, encourage you to review the enclosed reports and financial information. You will see that each Department 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 would be more than happy to answer your questions about the business of the Town of Truro. You can see that Council and Staff continue to work hard to promote Truro as a Safe Place for people of all ages. We continue to promote Truro as a place where Business Grows! I submit to you...you are part owners and I Believe you should be proud of your Return on Investment!

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



Town of Truro Annual Report April 1, 2009 to March 31, 2010

Finance Department

Mayor Mills and Members of Town Council,

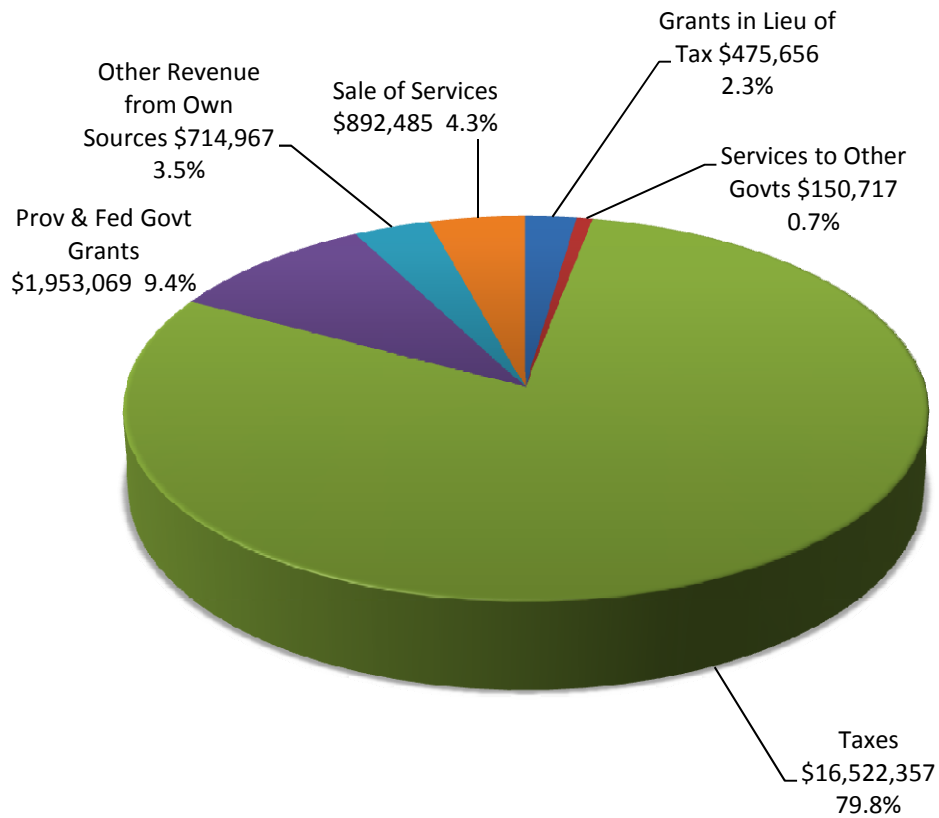
The Town of Truro General Operating Fund ended the year with a \$12,902 surplus. The Town's tax rates are about average among the 31 towns in Nova Scotia: Residential \$1.73, 15th among the 31 towns (prior year 15th), average \$1.74; Commercial \$4.11, 17th among the 31 towns (prior year 17th), average \$3.95. Following are pie diagrams showing the major categories of operating revenues and operating expenditures. 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, 2009. A complete description of the municipal indicators is available on the SNSMR website at <http://www.gov.ns.ca/snsmr/muns/indicators/>.

The Town of Truro Water Utility ended the year with a \$8,764 surplus. The Rate of Return on Rate Base was -1.53% (prior year 0.63%). The Town continues to work at maintenance and infrastructure improvements in the Utility and compliance with Nova Scotia Department of Environment regulations, to ensure that citizens have clean, safe potable water. The Nova Scotia Utility and Review Board has approved new rates for the Water Utility to the end of the 2012-13 fiscal year. Increases are scheduled for January 1, 2010, July 1, 2010, April 1, 2011 and April 1, 2012. The schedule of rates is available on the Town's website.

During the year, the Town's long term debt, and financing commitments to the Municipality of the County of Colchester for green project funding, increased by \$2.7 million. This resulted from paying down existing debt and acquiring new debt for contributions to the new hospital, the Town's new Public Works facility, and capital improvements to the Colchester Legion Stadium. The Town of Truro has a Debt Service Ratio of 8.1% (prior year 8.1%), below the maximum considered acceptable by Service Nova Scotia and Municipal Relations.

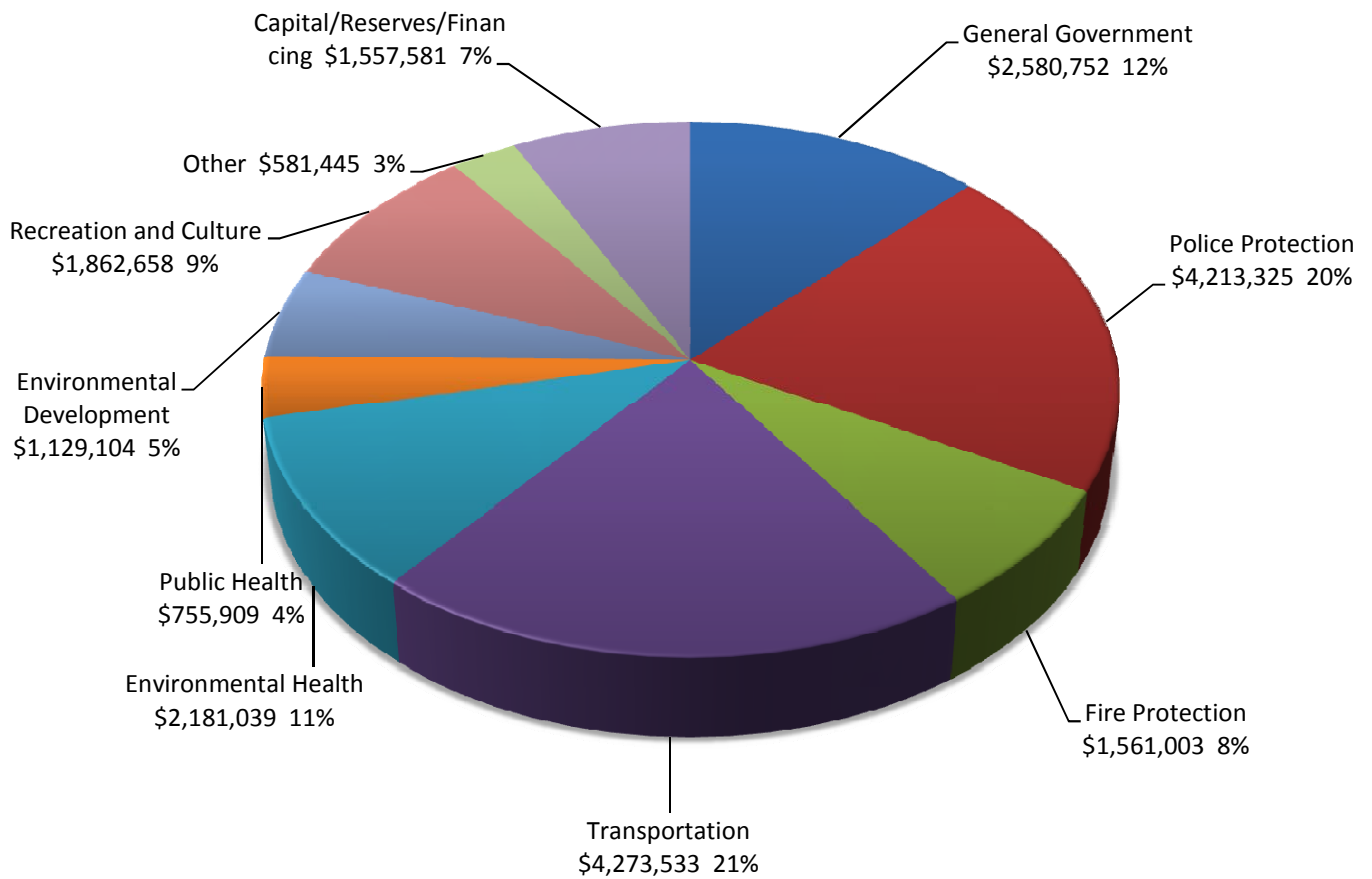
Respectfully Submitted,
Robert Putnam
Director of Finance

General Fund Operating Revenues
April 1, 2009 - March 31, 2010
Total = \$20,709,251



Taxes	
Residential	8,307,671
Commercial	9,608,560
Area Rates	244,217
Deed Transfer	326,306
Other	262,011
Less: Education Expenditure	(2,226,408)
	<u>16,522,357</u>

**General Fund Operating Expenditures
Financing and Transfers
April 1, 2009 - March 31, 2010
Total = \$20,696,349**



Town of Truro
Municipal Indicators
Service Nova Scotia & Municipal Relations

	Truro Mar 31/10	Truro Mar 31/09	SNSMR Towns Avg Mar 31/09
Taxes as a % of Total Revenue	67%	74%	72%
Transfers from other govts	7%	7%	11%
Residential Tax Burden	1,317	1,279	1,161
Uniform Assessment per Dwelling Unit	110,314	109,946	107,135
Mandatory Expenditures	18%	18%	19%
Expenditures per Dwelling Unit	4,187	4,211	3,519
Liquidity Ratio	1.29	1.21	1.13
Deficits last 5 years	0	0	1
Uncollected Taxes	6.2%	9.0%	9.0%
Reserves as a % of Expenditures	27%	28%	24%
Debt Service Ratio	8.1%	8.1%	7.0%
Debt Outstanding / Uniform Assessment	2.0%	1.8%	1.1%
Capital from Revenue	13.8%	11.2%	2.1%
Total Capital from Operating	30.4%	22.3%	9.2%
Increase in Uniform Assessment	11.8%	11.2%	14.0%
Commercial / Total Assessment	33.0%	34.3%	26.0%
Legislative per Capita	20.25	16.60	32.00
Administration per Capita	121.35	113.10	204.00
Police Service / \$1,000 Assessment	6.03	6.00	5.00
Police Service / Capita	358.12	338.50	240.00
Fire Service / \$1,000 Assessment	2.23	2.40	2.00
Fire Service / Capita	132.68	132.50	121.00

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



***Town of Truro
Annual Report
April 1, 2009 to March 31, 2010***

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, 2009 to March 31, 2010. It has been an exciting year for the Truro Police Service with many new changes and initiatives. This report will provide a snapshot 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 2009-10. 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 Youth Education & Prevention Programs

Drug Enforcement and Education

Our drug strategy focused on criminal intelligence gathering, enforcement, community education, and partnerships. The Truro Police Service maintained officer presence in the schools through our two school resource officers.

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, 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 2009 - 2010 and has worked hard to reduce the impact of illicit drugs in our community.

Traffic Education and Enforcement

The second strategic priority for 2009-10 was identified as traffic education and enforcement. 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.

This year our goal is to increase traffic enforcement by patrol officers along with the Traffic Unit.

In an effort to increase road safety our patrol officers conducted 122 safety and sobriety checkpoints to deter and detect impaired drivers and other motor vehicle violations. As a result of this initiative impaired driving charges increased by 15% over last years.

Increase Youth Education and Prevention Programs

The third strategic priority for 2009-10 was to increase our Youth Education and Crime Prevention Programs. As a result of this initiative the Truro Police Service updated our mascot and the creation of Cyber Cop evolved. The program is a youth cyber crime/internet education program. It educates youth on the dangers of using the internet, such as online social networking, texting, and online child predators. The program has been very well received locally, and has gained provincial and national recognition being featured in Blue Line magazine, which is Canada's national police magazine. Cyber has attended all Truro schools, several schools in Colchester County, the Provincial Crime Prevention symposium and numerous community events representing Truro Police Service.



Town of Truro Annual Report April 1, 2009 to March 31, 2010

Fire Service

Mayor Mills and Members of Town Council,

The Truro Fire Service continues to improve the operational structure, training, and the equipment and safety requirements of the Fire Service. Our accomplishments continue to be a result of creating a strong team. Council's support is appreciated by the Fire Service. The main focus of the Fire Service will continue to be putting into place the recommendation of the 2004 Office of the Fire Marshal's Report, which still has areas that need to be addressed. We will continue to maintain the high standard of service we provide to the town with efforts going towards improving our service in the coming years.

The past year was busy in terms of emergency responses. The Truro Fire Service responded to a total of 400 alarms. The commitment by both the staff and volunteer members is always appreciated. Each year these individuals respond to emergencies and provide a high level of dedication in protecting our public. 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 allowed us to move forward in meeting our minimum level of training, and produced a strong move forward in the areas of: Officer Management, Front Line Fire Suppression, and Communication and Teamwork.

Equipment purchases during the year contributed to improving our ability to address fire emergencies. Purchased items include a new set of extrication tools and the continuation of our 3 year capital replacement plan for new breathing apparatus and fire hose. We initiated the process of standardizing our pagers and portable radios. We also continued with a replacement program for our older bunker gear.

Safety is always the number one priority of the Truro Fire Service; we have initiated the construction of some new fire department policies and guidelines to help ensure our members' safety.

Community inquiries and concerns are addressed daily at the Fire Station. The staff regularly conducts public education sessions in response to community or safety issues when requested.

Our Fire Prevention Officer has completed between 150 -160 fire inspections and 8-10 investigations, and has also been maintaining his training and education on the ever changing codes.

The support of Council for the 12 year apparatus replacement program is greatly appreciated, as the program is a huge step in ensuring that the apparatus is modern. The arrival of a new fire engine in December helps to move us to the next level in our replacement program as it will ensure that we have necessary equipment to provide the reliable fire protection to our community.

In the coming year the Truro Fire Service will continue to progress into the future by addressing the items noted within the Fire Marshals Report of 2004, and by remaining responsible and accountable in all aspects of the Fire Service.

Respectfully submitted,
Blois Currie
Fire Chief



Town of Truro Annual Report April 1, 2009 to March 31, 2010

Public Works

Mayor Mills and Members of Town Council,

2009-10 was the third year of Asset Management being incorporated into capital infrastructure planning in Engineering and Public Works. This was the second year that the Asset Management included a Street Rating System based on asphalt conditions and the street classifications. This once again allowed Council to set non-subjective priorities and maintain a Five Year Capital plan based on the Asset Management during the Capital budget planning process.

Staying the course of the Street Asset Management Plan has been very beneficial to sustainability of the street infrastructure as well as to Council for public inquiries. The plan has allowed for the majority of the Arterial and Collector Streets to have been rehabilitated in previous years and most of the Local Collectors being done in 2009-10 and 2010-11. The combination of aggressive street capital and maintenance by Council in 2009-10 and the benefits of a calm winter have further enhanced the sustainability to the point that Local Streets will soon become as much a priority as Arterial and Collector Streets have been in the past.

Other major improvements in 2009-10 included the design build of a new Public Works Facility by L&R Construction, construction of a sanitary sewer main to the Water Treatment Plant to eliminate process waste water returning to reservoir, and the repair of the leak at the Lepper Brook Reservoir Dam which included rebuilding of the face of the dam.

Seventeen street segments under the Asset Management Plan consisting of 3164 metres (3.2km) were paved in 2009-10 these included; Robie St (Marshland-Argus), Willow St (Wlm Barnhill-Marshall), King St (MacDonald-Fairview), Pleasant St (MacDonald-Fairview) and (Prince-Victoria), Glenwood Dr (Mt Pleasant-Harris) and (Industrial-Willow), Charles St (Pleasant-Young), Victoria St (Young-Forrester), and Brunswick St (MacLean-Martha) and (Wood-Lyman).

Sidewalk Construction in 2009-10 was prioritized by the Sidewalk Asset Management Plan. This marks the first time the sidewalks were constructed independent of street construction. The only sidewalks that were constructed in conjunction with the street construction were the streets that had sidewalks rating in the top 50 priority rank. Other sidewalks constructed in 2009-10 included 3 that were rated as high pedestrian safety ratings and others that rated high on sidewalk priority independent of street priorities. The following streets had replacement of sidewalks; Victoria St (Young-Forrester, both sides), Brunswick St (Lyman-Wood, both sides), Charles St (Shannon-Young, south side), Young St (Victoria-Arthur, partial both sides), Duke St (Willow-Dominion, both sides), and Park Rd (Brunswick-Rosewyn, west side). The following streets had new sidewalks as a result of their pedestrian safety issues; Curtis Dr (Upham-new Truro Elementary School, east side), Glenwood Dr (Pleasant-Mt Pleasant, south side), and Cross St (Ford-Park, north side).

As started in 2008-09 both sewer and water construction were limited to only work necessary to ensure infrastructure sustainability on the street construction streets in 2009-10. Sewer construction consisted of storm drain system on King St (MacDonald-Fairview), the rebuilding of the Willow St Sanitary Sewer Pumping Station, and the Water Treatment Plant Sanitary Sewer Project. Water operations were totally focused on system improvements in 2009-10 with numerous hydrants replaced and repaired, numerous water services replaced on the capital project streets, and two continuous chlorine monitoring stations constructed at two of the Treated Water Reservoirs. 2009-10 also saw Phase III of the water expansion into the Village of Bible Hill which consisted of 830 metres of main on Ryland Ave, and 320 metres of main on Main St

The winter of 2009-10 saw very light snow falls and very moderate winter conditions. As opposed to the previous year these conditions led to snow and ice expenditures being 50% less than the budget but an increase in street maintenance expenditures occurred as a consequence. This however did allow for street maintenance operations an opportunity to meet the maintenance demands. This combined with the annual commitment of Council to the Infrastructure Asset management Plan bodes the Town of Truro very well for the 2010-11 budget year.

Respectfully Submitted,

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



Town of Truro Annual Report April 1, 2009 to March 31, 2010

Planning Department

Mayor Mills and Members of Town Council,

I am pleased to make the following report for 2009. 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 2009, 35 development permits were issued while 32 were issued in 2008. In 2009 there were 117 building permits issued while 103 building permits were issued in 2008. The following table shows all building and development permits issued in Truro broken down by the type of land use.

PERMITS ISSUED			
<i>Type</i>	<i>2008</i>	<i>2009</i>	<i>% Change</i>
Single Detached	53	74	39.6
Two Unit	8	3	-62.5
Multiple Unit	4	10	150.0
Other Residential	29	20	-31.0
Commercial	34	36	5.9
Industrial	4	5	25.0
Institutional/Government	3	5	66.7
Temporary Signs	54	55	1.9
TOTALS	189	206	9.0

UNITS CREATED			
<i>Type</i>	<i>2008</i>	<i>2009</i>	<i>% Change</i>
Single Detached	13	33	153.8
Two Unit	5	6	20.0
Multiple Unit	0	57	0.0
Other Residential	0	0	0.0
Commercial	14	2	-85.7
Industrial	0	0	0.0
Institutional/Government	0	0	0.0
TOTALS	32	98	206.3

VALUE OF CONSTRUCTION

<i>Type</i>	<i>2008</i>	<i>2009</i>	<i>% Change</i>
Single Detached	\$2,706,139.00	\$6,366,667.00	135.3
Two Unit	\$528,700.00	\$515,000.00	-2.6
Multiple Unit	\$87,000.00	\$4,366,850.00	4919.4
Other Residential	\$129,048.00	\$206,501.00	60.0
Commercial	\$3,307,970.00	\$1,892,141.00	-42.8
Industrial	\$706,000.00	\$5,381,000.00	662.2
Institutional/Government	\$2,106,200.00	\$792,300.00	-62.4
TOTALS	\$9,571,057.00	\$19,520,459.00	103.95

II. Subdivision/Consolidation Approvals

In 2009, there were 16 subdivision approvals resulting in the creation of 17 lots. It should be noted that approvals include boundary adjustments and consolidations of lots.

In 2009, subdivision approvals resulted in \$3701.50 of cash payments in lieu of the normal 5% park land dedication requirement.

III. Amendments

In 2009 there were two amendments to the *Land Use By-Law*:

- a) a rezoning of lands at 180 Upham Drive from the Rural Residential (R5) Zone to the Single Unit Dwelling (R1) Zone to permit a residential subdivision containing approximately 80 single unit dwelling lots; and
- b) a rezoning of lands at 102 Pleasant Street from the Multiple Unit Dwelling (R3) Zone to the General Commercial (C1) Zone in order to permit the conversion of a dwelling to office space.

IV. Development Agreements

The following development agreements were approved in 2009:

DEVELOPMENT AGREEMENTS APPROVED IN 2009

<i>Location</i>	<i>Applicant</i>	<i>Use</i>
68 Wynn Rd	Footprint Developments Ltd	11 unit one storey townhouse style development
22 Duke Street/ 29 Victoria Street	Calder Creelman	10 unit two storey townhouse style development

V. Major Construction Projects – 2009

MAJOR CONSTRUCTION PROJECTS IN 2009		
<i>Location</i>	<i>Project</i>	<i>Value</i>
85 Blakney Drive	Scotsburn Dairy Addition	\$5,000,000.00
9 Braemar Court	47 Unit Apartment Building	\$4,000,000.00
14 Lorne Street	Stadium	\$772,000,000
24 Henry Street	Colchester Residential Services Society	\$420,000.00
214 Crossley Ave	Animal Grooming/Salon	\$300,000.00
401 Willow Street	Metro Self Storage	\$300,000.00
100 Victoria Street	10 Unit Apartment Building	\$300,000.00

Respectfully Submitted,
Jason Fox
Director of Planning & Development



***Town of Truro
Annual Report
April 1, 2009 to March 31, 2010***

Parks, Recreation & Culture

Mayor Mills and Members of Town Council,

The year 2009 was another busy and successful year for the Truro Parks, Recreation & Culture Department.

Phase 1 renovations were carried out at the Colchester Legion Stadium. This capital project included the replacement of the concrete floor and installation of a new board system.

A new Off Leash Dog Park was established on Marshland Drive in partnership with the Village of Bible Hill. The new Off Leash Dog Park has been extremely popular with dog owners and well used on a year round basis.

A new Special Events and Culture Coordinators position was established in 2009 to better meet the community's interest in having more special events and cultural opportunities in Truro. This was one of the recommendations included in the Departmental Strategic Plan.

The Parks, Recreation & Culture Department's maintenance operation has moved to 204 Willow Street following renovations to the building.

Respectfully Submitted,
Doug MacKenzie
Director of Parks and Recreation



***Town of Truro
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April 1, 2009 to March 31, 2010***

Truro Industrial Development Society

Mayor Mills and Members of Town Council,

The Truro Industrial Park's central location within the Halifax-Moncton growth corridor and accessibility locally, continued to attract a mixture of business ventures this year, bucking recessionary trends elsewhere.

The Society negotiated land sales with Paws for Fun, the Atlantic region's first canine training facility offering a wide range of activities from specialized agility trial training to shows. The area along Willow St, traditionally residential, saw some commercial re-development with a land sale to Dr. M. Dzierzanowski, as a site for his new medical consultation office. This is an important step towards the long term plans of the Town and the Society to offer more commercial/retail space along this highly travelled and visible location.

A Newfoundland firm, SS Supply, acquired the former Woseley Mechanical building and the local Air Cadets have acquired the former Party Rental building on Glenwood Dr. The largest scale new construction in the past year was Scotsburn Dairy's addition of freezer space for storage, thereby allowing them to consolidate their storage requirements just to Truro. Another land transaction with Multispan Builders is expected to finalize in the summer of 2010 and the Town of Truro Public Works building is now completed and has proven to be a great addition to the landscape at the far end of the park.

The Society welcomed Valerie Wilson, as a member this year, and continues to meet monthly to discuss future planning, development strategies in the expansion lands, and to carefully consider the type, size and suitability of business inquiries received.

Respectfully Submitted,
Robert McGee
Chair

TOWN OF TRURO

CONSOLIDATED FINANCIAL STATEMENTS AND
AUDITORS' REPORT

MARCH 31, 2010

TOWN OF TRURO

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YEAR ENDED MARCH 31, 2010

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HEMMING WEIR CASEY

CHARTERED ACCOUNTANTS

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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, 2010 and the consolidated statements of financial activities, changes in financial position and changes in net financial assets 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, 2010 and the results of its financial activities, changes in its financial position and changes in its net financial assets for the year then ended in accordance with Canadian generally accepted accounting principles.



Truro, Nova Scotia
July 23, 2010

Chartered Accountants

TOWN OF TRURO
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 MARCH 31, 2010

	<u>2010</u>	<u>(Restated) 2009</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$2,183,003	\$579,255
Receivables		
Taxes and rates (net of asset valuation allowances)	1,691,730	2,082,843
Other (net of asset valuation allowances)	2,144,296	2,087,303
Long-term investments and restricted funds, at cost	7,099,304	7,334,852
Investment in government business enterprises	1,105,354	728,375
	<u>14,223,687</u>	<u>12,812,628</u>
LIABILITIES		
Payables and accruals	2,199,329	2,197,527
Tax sale surplus	69,394	40,110
Short-term borrowing	200,000	1,343,652
Long-term debt (note 5)	13,677,199	9,116,882
Post employment benefits liability (note 6)	563,159	246,162
	<u>16,709,081</u>	<u>12,944,333</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(2,485,394)</u>	<u>(131,705)</u>
NON-FINANCIAL ASSETS		
Land and servicing costs (note 7)	943,827	938,830
Capital assets, net of accumulated amortization (note 8)	78,310,917	73,221,547
Inventory for consumption	542,259	465,554
Prepaid expenses	182,741	71,291
	<u>79,979,744</u>	<u>74,697,222</u>
ACCUMULATED SURPLUS	<u><u>\$77,494,350</u></u>	<u><u>\$74,565,517</u></u>

ON BEHALF OF THE TOWN

_____, Mayor

_____, Chief Administrative Officer

TOWN OF TRURO
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>(Restated) 2009</u>
REVENUE		
Assessable property taxes (net of school board appropriation)	\$ 15,813,111	\$ 14,942,117
Grants in lieu of taxes	475,656	430,081
Services provided to other governments	150,717	158,228
Sale of services	3,343,412	3,150,491
Other revenue from own sources	1,302,585	1,162,899
Unconditional transfers from other governments	1,136,214	1,016,954
Conditional transfers from other governments	<u>3,163,403</u>	<u>2,047,261</u>
TOTAL REVENUE	<u>25,385,098</u>	<u>22,908,031</u>
EXPENDITURES		
General government services	2,721,100	2,426,081
Protective services	6,236,682	6,859,964
Transportation services	4,358,701	4,434,086
Environmental health services	2,654,549	2,572,897
Public health services	855,909	738,657
Environmental development services	997,455	986,990
Recreation and cultural services	1,850,552	1,712,837
Water transmission and distribution	<u>2,781,317</u>	<u>2,369,225</u>
TOTAL EXPENDITURES	<u>22,456,265</u>	<u>22,100,737</u>
ANNUAL SURPLUS	2,928,833	807,294
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>74,565,517</u>	<u>73,758,223</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>\$ 77,494,350</u></u>	<u><u>\$ 74,565,517</u></u>

TOWN OF TRURO
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>(Restated) 2009</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 2,928,833	\$ 807,294
Change in non-cash items		
Amortization	3,022,714	2,732,471
Taxes and rates receivable (net of valuation allowances)	391,113	82,688
Other receivables (net of valuation allowances)	(56,993)	(816,990)
Payables and accruals	1,802	709,627
Tax sale surplus	29,284	
Post employment benefits liability	316,997	246,162
	<u>6,633,750</u>	<u>3,761,252</u>
CAPITAL TRANSACTIONS		
Acquisition of capital assets	(8,271,069)	(6,481,222)
Proceeds from sale of capital assets	56,302	
Loss (gain) on sale of capital assets	102,683	183,277
Change in accumulated surplus due to restatement (note 15)		1,508,740
Change in inventory for consumption and prepaid expenses	(188,155)	(139,257)
Change in land and servicing costs	(4,997)	
	<u>(8,305,236)</u>	<u>(4,928,462)</u>
FINANCING ACTIVITIES		
Issuance of short-term borrowing	200,000	1,343,652
Issuance of long-term debt	5,515,000	900,000
Repayment of short-term borrowing	(1,343,652)	
Repayment of long-term debt	(954,683)	(909,683)
	<u>3,416,665</u>	<u>1,333,969</u>
INVESTING ACTIVITIES		
Change in long-term investments and restricted funds	235,548	467,356
Change in investment in government business enterprises	(376,979)	(404,533)
	<u>(141,431)</u>	<u>62,823</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,603,748	229,582
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>579,255</u>	<u>349,673</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,183,003</u></u>	<u><u>\$ 579,255</u></u>

TOWN OF TRURO
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>(Restated) 2009</u>
ANNUAL SURPLUS	<u>\$ 2,928,833</u>	<u>\$ 807,294</u>
Acquisition of tangible capital assets	(8,271,069)	(6,481,222)
Amortization of tangible capital assets	3,022,714	2,732,471
Loss (gain) on sale of tangible capital assets	102,683	183,277
Proceeds on sale of tangible capital assets	56,302	
Change in accumulated surplus due to restatement (note 15)		1,508,740
Change in land and servicing costs	<u>(4,997)</u>	
	<u>(5,094,367)</u>	<u>(2,056,734)</u>
Acquisition of inventory	(542,259)	(465,554)
Acquisition of prepaid expenses	(182,741)	(71,291)
Consumption of inventory	465,554	334,217
Use of prepaid expenses	<u>71,291</u>	<u>63,371</u>
	<u>(188,155)</u>	<u>(139,257)</u>
(INCREASE) DECREASE IN NET FINANCIAL ASSETS (NET DEBT)	(2,353,689)	(1,388,697)
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	<u>(131,705)</u>	<u>1,256,992</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	<u><u>\$ (2,485,394)</u></u>	<u><u>\$ (131,705)</u></u>

TOWN OF TRURO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2010

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.

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.

TOWN OF TRURO
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2010

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) TANGIBLE CAPITAL ASSETS

During the current fiscal year, the Town adopted Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook which came into effect on January 1, 2009. Amortization has been recorded as an expense and is calculated on a straight-line basis over an asset's estimated useful life. Prior year's figures have been restated, see note 15. The Town records depreciation in the Water Utility Operating Fund which is calculated based on a formula prescribed by the Nova Scotia Utility and Review Board. The depreciation charge in the Water Utility 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.

i) 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.

j) 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.

k) TRUST FUNDS

The trust funds being administered by the Town are not consolidated with the accounts of the Town. As at March 31, 2010, the book value of the equity in trust funds under its trusteeship amounted to \$400,683 (2009 - \$415,651).

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 \$67,975 (2009 - \$69,697) 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 \$65,566 (2009 - \$62,893) to the Truro Housing Authority to fund its share of the prior year's deficit.

TOWN OF TRURO
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2010

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 \$2,226,408 (2009 - \$2,189,556) 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 \$226,232 (2009 - \$224,828) 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 \$168,100 (2009 - \$163,588) to the Province of Nova Scotia for assessment services, based on formula involving the Town's uniform assessment and number of assessment accounts.

5. LONG-TERM DEBT

	<u>2010</u>	<u>2009</u>
Capital loan - sewer lift station, maturing in 2010	\$ -	\$ 90,000
Capital loan - building construction, maturing in 2010	-	160,000
Capital loan - Victoria Park Pool, maturing in 2015	150,000	180,000
Capital loan - Downtown Revitalization, maturing in 2018	400,000	450,000
Capital loan - Police Station, maturing in 2018	800,000	900,000
Capital loan - building reconstruction, maturing in 2022	1,325,199	1,435,632
Capital loan - Municipal Building, maturing in 2024	2,002,000	2,145,000
Capital loan - building construction, maturing in 2026	1,640,000	1,811,250
Capital loan - Hospital construction, maturing in 2028	990,000	1,045,000
Capital loan - Hospital construction, maturing in 2029	855,000	900,000
Capital loan - Public Works Facility construction, maturing in 2030	1,661,250	-
Capital loan - Stadium / Civic Centre construction, maturing in 2030	1,000,000	-
Capital loan- Hospital Construction, maturing in 2030	1,000,000	-
Capital loan - Public Works Facility construction, maturing in 2030	553,750	-
Capital loan - Dam Revitalization, maturing in 2030	1,300,000	-
	<u>\$ 13,677,199</u>	<u>\$ 9,116,882</u>

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

2011, \$980,433; 2012, \$980,433; 2013, \$980,433; 2014, \$980,433; 2015, \$980,433.

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, 2010

6. 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%.

	2010	(Restated) 2009
Accrued benefit liability - opening	\$ 984,648	\$ 918,117
Net change in benefit obligation	141,671	66,531
Accrued benefit liability - closing	1,126,319	984,648
Less: amounts to be recovered from future years	(563,160)	(738,486)
Accrued liability portion	<u>\$ 563,159</u>	<u>\$ 246,162</u>

7. LAND - TRURO INDUSTRIAL PARK

	2010	2009
Balance, beginning	\$ 938,830	\$ 938,830
Land purchased during the year	33,900	
Land sold during the year	(28,903)	
Balance, ending	<u>\$ 943,827</u>	<u>\$ 938,830</u>

8. PROPERTY AND EQUIPMENT, AT COST

	2010	(Restated) 2009
Land and buildings	\$ 40,090,968	\$ 36,045,934
Machinery and equipment	9,735,292	8,034,831
Street paving, sewage collection and other improvements	52,685,285	50,901,742
Other	8,710,773	8,287,292
	111,222,318	103,269,799
Less: accumulated amortization	32,911,401	30,048,252
	<u>\$ 78,310,917</u>	<u>\$ 73,221,547</u>

TOWN OF TRURO
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2010

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%.

	<u>2010</u>	<u>2009</u>
Deferred pension liability - opening	\$ 841,502	\$ 438,236
Net change in deferred liability	<u>(283,609)</u>	<u>403,266</u>
Deferred pension liability - closing	557,893	841,502
Less: amounts to be recovered from future years	<u>(557,893)</u>	<u>(841,502)</u>
Accrued liability portion	<u>\$ -</u>	<u>\$ -</u>

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

During the previous 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, for which a long term loan was issued. Interest and principal debt servicing charges to retire this loan will be recovered from and paid over the next nine years.

	<u>2010</u>	<u>2009</u>
Long term loan payable related to PANS pension plan - opening	\$ 1,031,560	\$ -
Long term loan issued related to PANS pension plan unfunded liability		1,031,560
Decrease in loan payable	<u>(103,156)</u>	<u></u>
Long term loan - closing	928,404	1,031,560
Less: amounts to be recovered from future years	<u>(928,404)</u>	<u>(1,031,560)</u>
Accrued liability portion	<u>\$ -</u>	<u>\$ -</u>

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

	<u>2010</u>	<u>2009</u>
Employer contribution	\$ 503,099	\$ 487,986
Employee contributions	304,020	277,976
Benefits paid	420,245	410,161

TOWN OF TRURO
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2010

10. RESERVE FUNDS

	<u>2010</u>	<u>2009</u>
Balance, beginning consisting 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>
	7,334,852	7,802,208
Transfer from operating funds	724,030	687,000
Other transfers	979,084	
Interest on inter-municipal fund borrowings	171,507	126,075
Interest on investments and savings	14,406	107,138
Cash in lieu of recreation land	3,702	5,820
Transfer to capital funds	(1,469,746)	(542,785)
Transfer to operating funds	<u>(658,531)</u>	<u>(850,604)</u>
Balance, ending	<u>\$ 7,099,304</u>	<u>\$ 7,334,852</u>
Balance, ending consists of:		
Special reserves	\$ 3,383,084	\$ 3,000,000
Departmental reserves	1,297,987	1,834,621
Other reserves	2,186,921	2,353,003
Industrial Development Society capital reserve	<u>231,312</u>	<u>147,228</u>
	<u>\$ 7,099,304</u>	<u>\$ 7,334,852</u>

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

	<u>2010</u>	<u>2009</u>
Balance, beginning	\$ 938,830	\$ 938,830
Land purchased during the year	33,900	
Land sold during the year	<u>(28,903)</u>	
Balance, ending	<u>\$ 943,827</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, 2010, the Truro Industrial Development Society has allocated to a special trust account \$231,312 (2009 - \$147,228) pursuant to this agreement. During the year, nil (2009 - \$29,799) was transferred to the General Capital Fund and reinvested in the industrial park.

TOWN OF TRURO
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2010

12. COMMITMENTS

The Town of Truro has committed to contributing \$4,100,000 to the new Colchester Regional Hospital project, over the next three years on a percentage of completion basis. To March 31, 2010 the Town has contributed a total of \$1,260,355 to this project.

The Town of Truro has committed to contributing \$9,600,000 (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 initial share	Town's initial share of capital cost	Town's Share of financial commitment March 31, 2010
a) Phase 3 Trunk Line Sewer Project	50%	\$ 2,300,000	\$ 186,000
b) Phase 4B Regional Sewage Treatment Plant	50%	2,250,000	787,500
c) Regional Balefill Facility	33.23%	2,658,400	672,000
d) Phase 4C and 4D Regional Wastewater Facility	50%	1,950,000	682,500
		\$ 9,158,400	\$ 2,328,000

During the year, the Town paid a total of \$495,675 (2009 - \$490,852) to the County of Colchester as their share of the joint financing commitments for these projects. This expenditure is recorded under Environmental Health Services \$111,675 (2009 - \$106,852) and Financing and Transfers \$384,000 (2009 - \$384,000).

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

2011	\$ 483,129
2012	465,884
2013	448,292
2014	370,319
2015 to 2017	914,301
	2,681,925
Less: interest component	353,925
Principal component	\$ 2,328,000

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

For the year ending March 31, 2011	\$ 121,572
2012	58,157
2013	33,499
2014	22,235
2015	9,790

TOWN OF TRURO
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2010

13. CONTINGENCIES

As at March 31, 2010, 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	\$	28,966
R. Tynes	Deputy Mayor		20,163
D. Bennett-Cook	Councillor		19,587
S. Byers	Councillor		19,587
C. Cox	Councillor		19,587
B. Kinsman	Councillor		19,587
G. MacArthur	Councillor		21,433

15. PRIOR PERIOD ADJUSTMENTS

The Town has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook, which requires governments to record and amortize their tangible capital assets on their financial statements. In addition, revenue from contributed assets and government grants and transfers relating to capital acquisitions has been included in income. These adjustments are as follows:

	<u>2009</u>
Adjustments to statement of financial activities	
Increase in total expenditures	\$ 2,657,806
Increase in total revenue	416,539
Increase in accumulated surplus, beginning of year	732,527
Decrease in accumulated surplus, end of year	(1,508,740)
Adjustments to statement of financial position	
Decrease in capital assets, net of accumulated amortization	(4,120,288)
Decrease in accumulated surplus	(1,508,740)

TOWN OF TRURO

NON-CONSOLIDATED FINANCIAL STATEMENTS AND
AUDITORS' REPORT

MARCH 31, 2010

TOWN OF TRURO

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YEAR ENDED MARCH 31, 2010

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HEMMING WEIR CASEY

CHARTERED ACCOUNTANTS

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FAX (902) 895-7499
14 Court Street, Suite 308
Truro NS B2N 3H7
www.hwcinc.ca**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, 2010 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, 2010 and the results of its financial activities for the year then ended in accordance with Canadian generally accepted accounting principles.



Truro, Nova Scotia
July 23, 2010

Chartered Accountants

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GENERAL OPERATING FUND
MARCH 31, 2010

	2010	(Restated) 2009
FINANCIAL ASSETS		
CASH	\$ -	\$ 2,700
RECEIVABLES:		
Taxes (note 4)	1,137,621	1,571,443
Due from federal government	164,790	218,876
Due from provincial government	223,915	269,387
Due from own funds (note 6)		144,885
Other receivables (note 5)	<u>1,392,349</u>	<u>638,744</u>
	<u>2,918,675</u>	<u>2,846,035</u>
LIABILITIES		
Bank overdraft	173,505	280,325
Trade accounts payable	1,853,473	1,844,432
Due to own funds (note 6)	60,127	
Prepaid taxes	109,922	97,914
Deferred revenue and deposits	12,997	84,530
Tax sale surplus (note 7)	69,394	40,110
Post employment benefits liability (note 8)	<u>509,600</u>	<u>223,600</u>
	<u>2,789,018</u>	<u>2,570,911</u>
NET FINANCIAL ASSETS	129,657	275,124
NON-FINANCIAL ASSETS		
Prepaid expenses	132,532	23,240
Inventory of materials and supplies, at cost	<u>363,427</u>	<u>314,350</u>
ACCUMULATED SURPLUS	<u>\$ 625,616</u>	<u>\$ 612,714</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, 2010

		2010		(Restated) 2009
	Page	UNAUDITED BUDGET	ACTUAL	ACTUAL
REVENUE				
Assessable property taxes	B- 4	\$ 16,557,500	\$16,522,357	\$15,612,148
Grants in lieu of tax	B- 4	422,000	475,656	430,081
Services provided to other governments	B- 4	154,000	150,717	158,228
Sales of services	B- 5	852,000	892,485	840,620
Other revenue from own sources	B- 5	519,500	714,967	712,245
Unconditional transfers from other governments	B- 5	954,900	1,136,214	1,016,954
Conditional transfers from other governments	B- 6	816,000	816,855	757,268
		<u>20,275,900</u>	<u>20,709,251</u>	<u>19,527,544</u>
EXPENDITURES				
General government services	B- 7	2,271,108	2,580,752	2,386,191
Protective services	B- 7	6,477,673	6,514,581	7,272,733
Transportation services	B- 8	2,520,457	4,273,533	4,186,213
Environmental health services	B- 8	1,954,501	2,181,039	2,098,897
Public health services	B- 8	1,596,850	755,909	683,657
Environmental development services	B- 9	1,194,497	1,129,104	1,033,020
Recreational and cultural services	B- 9	1,792,762	1,862,658	1,725,457
Change in post employment benefits liability (note 8)		205,000	124,801	58,667
Change in deferred pension liability (note 9)			(283,609)	403,266
		<u>18,012,848</u>	<u>19,138,768</u>	<u>19,848,101</u>
ANNUAL SURPLUS (DEFICIT)		2,263,052	1,570,483	(320,557)
FINANCING AND TRANSFERS				
Financing	B-10	133,161	1,211,672	1,645,616
Amounts to be recovered from future revenues	B-10		(444,809)	238,333
Transfer from (to) own reserves and funds	B-10	(2,396,213)	(2,324,444)	(1,542,899)
CHANGE IN SURPLUS		<u>\$ -</u>	12,902	20,493
BEGINNING SURPLUS			<u>612,714</u>	<u>592,221</u>
ENDING SURPLUS			<u>\$ 625,616</u>	<u>\$ 612,714</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
ASSESSABLE PROPERTY TAXES		
Assessable property		
Residential	\$ 8,307,671	\$ 7,818,265
Commercial	8,784,480	8,035,627
Resource and recreational	17,951	13,497
Area rates	244,217	261,812
Business property		
Business occupancy	824,080	1,250,828
Based on revenues - Aliant	142,726	162,325
Nova Scotia Power Inc - Grant in lieu of tax	19,417	17,817
Nova Scotia Power Inc - HST rebate	81,917	49,516
Deed transfer tax	326,306	192,017
Education expenditures as a reduction of tax revenue		
Appropriation to regional school board	<u>(2,226,408)</u>	<u>(2,189,556)</u>
	<u>\$ 16,522,357</u>	<u>\$ 15,612,148</u>
 GRANTS IN LIEU OF TAX		
Federal government	\$ 397,367	\$ 347,458
Province of Nova Scotia		
Provincial property	44,631	43,081
Fire protection	<u>33,658</u>	<u>39,542</u>
	<u>\$ 475,656</u>	<u>\$ 430,081</u>
 SERVICES PROVIDED TO OTHER GOVERNMENTS		
County of Colchester		
Protective services	\$ 7,000	\$ 11,171
Environmental health	30,992	27,924
Village of Bible Hill		
Fire protection	45,000	45,701
Millbrook First Nations		
Municipal services	60,225	65,932
Town of Stewiacke		
Building Inspector	<u>7,500</u>	<u>7,500</u>
	<u>\$ 150,717</u>	<u>\$ 158,228</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
SALES OF SERVICES		
General government services	\$ 4,015	\$ 3,000
Protective services	131,125	119,995
Transportation services	5,582	100
Environmental development services	19,477	10,390
Recreation and cultural services		
Stadium	552,924	556,413
Victoria Park Pool	47,619	43,331
Sportsfields	5,891	7,813
Other recreation	125,852	99,578
	<u>\$ 892,485</u>	<u>\$ 840,620</u>
OTHER REVENUE FROM OWN SOURCES		
Licenses and permits	\$ 2,833	\$ 3,167
Fines	131,307	94,799
Rentals	17,587	13,200
Return on investments	185,374	208,290
Interest on taxes	210,986	216,400
Colchester Community Workshops Foundation - debt servicing	166,880	171,217
Miscellaneous		5,172
	<u>\$ 714,967</u>	<u>\$ 712,245</u>
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Provincial Government		
Service Nova Scotia and Municipal Relations		
Municipal Grants Act - Equalization	\$ 1,096,000	\$ 950,344
Municipal Government Act - Farm property acreage	958	936
Other provincial		
Resource Recovery Fund Board	32,085	25,484
911 cost recovery fund	4,171	4,041
Stadium maintenance		27,000
Buildings energy audit	3,000	
Dairy stewardship program		9,149
	<u>\$ 1,136,214</u>	<u>\$ 1,016,954</u>

TOWN OF TRURO
 GENERAL FUND
 NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES
 YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Federal Government		
Indian and Northern Affairs - municipal services	\$ 317,000	\$ 305,844
Student program	5,719	4,613
RCMP - CISNS program	72,498	69,355
Provincial Government		
Victims services coordinator		5,625
Stadium energy audit		5,000
Normal College study	31,638	
Police Boots on the Streets program	<u>390,000</u>	<u>366,831</u>
	<u>\$ 816,855</u>	<u>\$ 757,268</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>(Restated) 2009</u>
GENERAL GOVERNMENT SERVICES		
Legislative		
Mayor remuneration	\$ 28,966	\$ 26,517
Mayor expenses	7,414	4,777
Council remuneration	119,944	79,575
Council expenses	81,972	84,264
General Administrative		
Administrative	634,647	482,875
Financial management	256,550	296,127
Taxation		
Tax rebates	41,508	37,054
Transfer for assessment services	168,100	163,588
Common services	398,546	472,086
Other general administrative services	137,896	80,116
Amortization		
Amortization of capital assets	253,997	232,029
(Gain) loss on sale of capital assets	(14,830)	
Debt charges		
Debenture interest	300,633	252,025
Other debt charges	1,283	1,299
Valuation allowances		
Uncollectable taxes	1,166	9,612
Other doubtful receivables (recovered)	14,569	(8,169)
Other general government services		
Grants to organizations and individuals	148,391	172,416
	<u>\$ 2,580,752</u>	<u>\$ 2,386,191</u>
 PROTECTIVE SERVICES		
Police protection	\$ 4,213,325	\$ 5,013,602
Law enforcement		
Transfer to correction services	226,232	224,828
Transfer to prosecution services	20,063	18,000
Fire protection		
Water supply and hydrants	548,479	544,353
Fire service operations	1,012,524	1,014,549
Emergency measures	27,043	23,148
Amortization		
Amortization of capital assets	249,010	221,349
Debenture interest on long term debt	85,501	93,834
Other protective services	132,404	119,070
	<u>\$ 6,514,581</u>	<u>\$ 7,272,733</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	(Restated) <u>2009</u>
TRANSPORTATION SERVICES		
Common services	\$ 401,879	\$ 409,690
Road transport		
Street maintenance	1,011,286	849,021
Sidewalk maintenance	330,079	262,314
Snow and ice control	273,742	785,917
Street lighting	290,009	268,494
Traffic services	112,620	86,860
Parking		621
Other road transport	29,834	24,114
Amortization		
Amortization of capital assets	1,676,792	1,476,362
(Gain) loss on sale of capital assets	39,110	
Debt services		
Debenture interest on long-term debt	108,182	22,820
	<u>\$ 4,273,533</u>	<u>\$ 4,186,213</u>
ENVIRONMENTAL HEALTH SERVICES		
Sewage collection and disposal		
Sewage collection systems	\$ 635,732	\$ 611,236
Sewage treatment and disposal	580,830	527,569
Garbage and waste collection and disposal		
Garbage and waste collection	476,420	488,124
Recycling	88,204	71,620
Amortization		
Amortization of capital assets	280,528	278,196
Debt charges		
Debenture interest on long term-debt	119,325	122,152
	<u>\$ 2,181,039</u>	<u>\$ 2,098,897</u>
PUBLIC HEALTH SERVICES		
Deficit of Regional Housing Authority	\$ 67,378	\$ 62,893
Colchester Regional Hospital Foundation contribution	566,980	549,533
Debt charges		
Debenture interest on long term-debt	121,551	71,231
	<u>\$ 755,909</u>	<u>\$ 683,657</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	(Restated) <u>2009</u>
ENVIRONMENTAL DEVELOPMENT SERVICES		
Town planning and zoning	\$ 361,632	\$ 333,346
Transfer to Colchester Regional Development Agency	71,100	68,649
Other community development	455,900	416,331
Natural resources development	105,293	97,750
Industrial Development Society	131,649	46,030
Tourism services	3,319	70,914
Amortization		
Amortization of capital assets	<u>211</u>	
	<u>\$ 1,129,104</u>	<u>\$ 1,033,020</u>
RECREATION AND CULTURAL SERVICES		
Recreation administration	\$ 267,187	\$ 262,949
Recreation facilities		
Stadium and outdoor rinks	632,748	608,637
Victoria Park Pool	62,873	58,619
Victoria Park	255,418	242,848
Ballfields, soccer fields, green spaces	206,536	194,359
Other recreation services	118,411	75,426
Cultural buildings and facilities		
Colchester East Hants Branch Library	67,975	63,346
Transfer to Regional Library	65,566	69,697
Other	4,033	4,837
Amortization		
Amortization of capital assets	131,794	129,467
(Gain) loss on disposal of capital assets	16,490	
Debenture interest on long-term debt	33,627	12,600
Other recreation and cultural services		<u>2,672</u>
	<u>\$ 1,862,658</u>	<u>\$ 1,725,457</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF FINANCING AND TRANSFERS OF THE GENERAL OPERATING FUND
YEAR ENDED MARCH 31, 2010

	<u>2010</u>	(Restated) <u>2009</u>
FINANCING		
Issue of long-term debt	\$ 3,661,250	\$ 1,931,560
Issue of short-term borrowing		1,007,739
Repayment of long-term debt	(1,441,839)	(1,293,683)
Repayment of short-term borrowing	<u>(1,007,739)</u>	
	<u>\$ 1,211,672</u>	<u>\$ 1,645,616</u>
AMOUNTS TO BE RECOVERED FROM FUTURE REVENUES		
Change in post employment benefits liability	\$ 124,801	\$ 58,667
less charged to operations in current year (note 8)	(286,001)	(223,600)
Change in deferred pension liability	<u>(283,609)</u>	<u>403,266</u>
	<u>\$ (444,809)</u>	<u>\$ 238,333</u>
TRANSFER TO (FROM) OWN RESERVES AND FUNDS		
Parks and Recreation	\$ 30,000	\$ 37,000
Parks, Recreation and Culture	(25,035)	
Fire Service	(175,949)	100,000
Police Service	(24,373)	
Public Works	(55,998)	50,000
Finance and Administration	(215,450)	25,000
Normal College Building		125,000
Elementary School Enhancements	187,500	187,500
Downtown revitalization	(85,000)	
Operating Reserve	116,923	(251,000)
Capital Fund - stadium loan	655,456	
Capital Fund - hospital loan	(566,980)	
Capital Fund - hospital loan	1,000,000	350,467
Capital Fund - junior high property	(125,000)	
Capital Fund - capital expenditures	<u>1,608,350</u>	<u>918,932</u>
	<u>\$ 2,324,444</u>	<u>\$ 1,542,899</u>

TOWN OF TRURO
 GENERAL FUND
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GENERAL CAPITAL FUND
 MARCH 31, 2010

	<u>2010</u>	<u>(Restated) 2009</u>
FINANCIAL ASSETS		
Cash	<u>\$ 2,577,982</u>	<u>\$ 1,558,206</u>
LIABILITIES		
Short-term borrowing		1,007,739
Long-term debt (B-32)	<u>11,823,449</u>	<u>9,116,882</u>
	<u>11,823,449</u>	<u>10,124,621</u>
NET FINANCIAL ASSETS (LIABILITIES)	<u>(9,245,467)</u>	<u>(8,566,415)</u>
NON-FINANCIAL ASSETS		
Extraordinary expenses capitalized		
Colchester County sewer lift station contribution		90,000
Colchester Regional Hospital Foundation contribution	1,105,354	638,375
Capital assets, net of accumulated amortization (note 10)	<u>59,771,684</u>	<u>56,630,418</u>
	<u>60,877,038</u>	<u>57,358,793</u>
NET ASSETS	<u>\$ 51,631,571</u>	<u>\$ 48,792,378</u>
FUND BALANCE	<u>\$ 51,631,571</u>	<u>\$ 48,792,378</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, 2010

	<u>2010</u>	<u>(Restated) 2009</u>
REVENUE		
Contribution from outside sources	\$ 405,427	\$ 124,065
Proceeds on sale of assets		(183,277)
Federal grants	933,811	488,346
Provincial grants	<u>249,972</u>	<u>154,105</u>
	<u>1,589,210</u>	<u>583,239</u>
EXPENDITURES		
General government services		
Land	175,279	77,681
Equipment	261,155	74,891
Protective services		
Police	66,637	52,742
Fire	490,576	61,739
Transportation services		
Sidewalk, curb and gutter construction	726,986	1,019,940
Street construction	1,158,245	1,384,936
Equipment	496,566	231,631
Buildings	776,915	1,007,739
Environmental health services		
Sewer construction	320,717	175,859
Public health services		
Colchester Regional Hospital Foundation contribution	566,980	549,533
Environmental development services		
Equipment	3,244	18,936
Recreation and cultural services		
Parks and Recreation	<u>1,354,343</u>	<u>460,948</u>
	<u>6,397,643</u>	<u>5,116,575</u>
NET EXPENDITURE	(4,808,433)	(4,533,336)
FINANCING AND TRANSFERS		
Proceeds of issuance of debt	(3,661,250)	(1,907,739)
Retirement of debt	1,772,422	764,683
Transfers from own reserves, funds and agencies	<u>9,536,454</u>	<u>6,503,078</u>
CHANGE IN FUND BALANCE	2,839,193	826,686
BEGINNING FUND BALANCE	<u>48,792,378</u>	<u>47,965,692</u>
ENDING FUND BALANCE	<u><u>\$ 51,631,571</u></u>	<u><u>\$ 48,792,378</u></u>

TOWN OF TRURO
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
MARCH 31, 2010

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 records amortization on its property and equipment based on rates recommended under generally accepted accounting principles which has been retrospectively applied, see note 14.

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.

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 \$67,975 (2009 - \$69,697) 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 \$65,566 (2009 - \$62,893) to the Truro Housing Authority to fund its share of the prior year's deficit.

TOWN OF TRURO
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
 MARCH 31, 2010

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 \$2,226,408 (2009 - \$2,189,556) 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 \$226,232 (2009 - \$224,828) 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 \$168,100 (2009 - \$163,588) to the Province of Nova Scotia for assessment services, based on formula involving the Town's uniform assessment and number of assessment accounts.

4. TAXES RECEIVABLE

	CURRENT YEAR	PRIOR YEARS	2010 TOTAL	2009 TOTAL
Balance, beginning	\$ -	\$1,468,992	\$ 1,468,992	\$ 1,171,299
Current year's tax levy	<u>18,254,060</u>		<u>18,254,060</u>	<u>17,380,029</u>
	<u>18,254,060</u>	<u>1,468,992</u>	<u>19,723,052</u>	<u>18,551,328</u>
Deduct:				
Current year's collections	17,623,817	990,625	18,614,442	17,068,763
Exemptions	10,950		10,950	10,050
Reduced taxes	<u>2,623</u>		<u>2,623</u>	<u>3,523</u>
	<u>17,637,390</u>	<u>990,625</u>	<u>18,628,015</u>	<u>17,082,336</u>
Balance, ending	616,670	478,367	1,095,037	1,468,992
Less valuation allowance		<u>92,613</u>	<u>92,613</u>	<u>105,472</u>
	<u>\$ 616,670</u>	<u>\$ 385,754</u>	1,002,424	1,363,520
Interest receivable			<u>135,197</u>	<u>207,923</u>
			<u>\$ 1,137,621</u>	<u>\$ 1,571,443</u>

TOWN OF TRURO
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
 MARCH 31, 2010

5. OTHER RECEIVABLES

	<u>2010</u>	<u>2009</u>
Sidewalk frontage assessments	\$ 22,629	\$ 48,791
Sewer frontage assessments	9,992	14,421
Interest receivable	8,978	16,388
Other	<u>1,364,367</u>	<u>574,656</u>
	1,405,966	654,256
Less valuation allowance	<u>13,617</u>	<u>15,512</u>
	<u>\$ 1,392,349</u>	<u>\$ 638,744</u>

6. DUE FROM (TO) OWN FUNDS

	<u>2010</u>	<u>2009</u>
Water Utility	\$ (42,251)	\$ 114,624
Industrial Development Society	<u>(17,876)</u>	<u>30,261</u>
	<u>\$ (60,127)</u>	<u>\$ 144,885</u>

7. TAX SALE SURPLUS

The twenty year period of holding these funds in the operating fund statement of financial position will expire in 2022, 2025, 2027 and 2030. \$4,900 (2022), \$22,181 (2025), \$6,185 (2027) and \$36,128 (2030) will be transferred to the Capital Reserve Fund.

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>2010</u>	<u>2009</u>
Accrued benefit liability - opening	\$ 894,400	\$ 835,733
Net change in benefit obligation	124,801	58,667
Accrued benefit liability - closing	<u>1,019,201</u>	<u>894,400</u>
Less: amounts to be recovered from future years	<u>(509,601)</u>	<u>(670,800)</u>
Accrued liability portion	<u>\$ 509,600</u>	<u>\$ 223,600</u>

TOWN OF TRURO
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
MARCH 31, 2010

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%.

	<u>2010</u>	<u>2009</u>
Deferred pension liability - opening	\$ 841,502	\$ 438,236
Net change in deferred liability	<u>(283,609)</u>	<u>403,266</u>
Deferred pension liability - closing	557,893	841,502
Less: amounts to be recovered from future years	<u>(557,893)</u>	<u>(841,502)</u>
Accrued liability portion	<u>\$ -</u>	<u>\$ -</u>

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

During the previous 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, for which a long term loan was issued. Interest and principal debt servicing charges to retire this loan will be recovered from and paid over the next nine years.

	<u>2010</u>	<u>2009</u>
Long term loan payable related to PANS pension plan - opening	\$ 1,031,560	\$ -
Long term loan issued related to PANS pension plan unfunded liability		1,031,560
Decrease in loan payable	<u>(103,156)</u>	
Long term loan - closing	928,404	1,031,560
Less: amounts to be recovered from future years	<u>(928,404)</u>	<u>(1,031,560)</u>
Accrued liability portion	<u>\$ -</u>	<u>\$ -</u>

TOWN OF TRURO
GENERAL FUND
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
MARCH 31, 2010

10. CAPITAL ASSETS

	Land	Land Improvements	Buildings	Machinery & Equipment	Vehicles	Streets, Bridges, Roads & Curbs	Sewers & Drains	Sidewalks	2010
Cost:									
Balance, beginning of year	7,289,677	104,755	17,280,928	4,689,962	1,026,263	20,635,610	15,074,668	15,191,464	81,293,327
Additions	175,279	56,241	2,129,853	1,388,926	123,415	1,158,245	71,718	726,986	5,830,663
Disposals	<u>(55,367)</u>				<u>(18,865)</u>			<u>(173,406)</u>	<u>(247,638)</u>
Balance, end of year	7,409,589	160,996	19,410,781	6,078,888	1,130,813	21,793,855	15,146,386	15,745,044	86,876,352
Accumulated Amortization:									
Balance, beginning of year		17,882	4,312,021	3,327,243	569,991	6,761,802	5,895,243	3,778,720	24,662,902
Annual amortization		10,475	390,413	339,969	131,798	821,024	290,994	607,659	2,592,332
Disposals					<u>(18,865)</u>			<u>(131,701)</u>	<u>(150,566)</u>
Balance, end of year		<u>28,357</u>	<u>4,702,434</u>	<u>3,667,212</u>	<u>682,924</u>	<u>7,582,826</u>	<u>6,186,237</u>	<u>4,254,678</u>	<u>27,104,668</u>
Net Book Value of Capital Assets	<u>7,409,589</u>	<u>132,639</u>	<u>14,708,347</u>	<u>2,411,676</u>	<u>447,889</u>	<u>14,211,029</u>	<u>8,960,149</u>	<u>11,490,366</u>	<u>59,771,684</u>
2009 (Restated) Net Book Value of Capital Assets	<u>7,289,677</u>	<u>86,873</u>	<u>12,968,907</u>	<u>1,362,719</u>	<u>456,272</u>	<u>13,873,808</u>	<u>9,179,425</u>	<u>11,412,737</u>	<u>56,630,418</u>

TOWN OF TRURO
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
 MARCH 31, 2010

11. CONTINGENCIES

As at March 31, 2010, there are several disputed matters, which the Town is defending and believes their defence will be successful.

12. COMMITMENTS

The Town of Truro has committed to contributing \$4,100,000 to the new Colchester Regional Hospital project, over the next three years on a percentage of completion basis. To March 31, 2010 the Town has contributed a total of \$1,260,355 to this project.

The Town of Truro has committed to contributing \$9,600,000 (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 initial share	Town's initial share of capital cost	Town's Share of financial commitment March 31, 2010
a) Phase 3 Trunk Line Sewer Project	50%	\$ 2,300,000	\$ 186,000
b) Phase 4B Regional Sewage Treatment Plant	50%	2,250,000	787,500
c) Regional Balefill Facility	33.23%	2,658,400	672,000
d) Phase 4C and 4D Regional Wastewater Facility	50%	1,950,000	682,500
		\$ 9,158,400	\$ 2,328,000

During the year, the Town paid a total of \$495,675 (2009 - \$490,852) to the County of Colchester as their share of the joint financing commitments for these projects. This expenditure is recorded under Environmental Health Services \$111,675 (2009 - \$106,852) and Financing and Transfers \$384,000 (2009 - \$384,000).

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

2011	\$ 483,129
2012	465,884
2013	448,292
2014	370,319
2015 to 2017	914,301
	2,681,925
Less: interest component	353,925
Principal component	\$ 2,328,000

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

For the year ending March 31, 2011	\$ 121,572
2012	58,157
2013	33,499
2014	22,235
2015	9,790

TOWN OF TRURO
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
 MARCH 31, 2010

13. REMUNERATION OF COUNCIL MEMBERS

W.R. Mills	Mayor	\$	28,966
R. Tynes	Deputy Mayor		20,163
D. Bennett-Cook	Councillor		19,587
S. Byers	Councillor		19,587
C. Cox	Councillor		19,587
B. Kinsman	Councillor		19,587
G. MacArthur	Councillor		21,433

14. PRIOR PERIOD ADJUSTMENTS

The Town has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook, which requires governments to record and amortize their tangible capital assets on their financial statements. In addition, revenue from contributed assets and government grants and transfers relating to capital acquisitions has been included in income. These adjustments are as follows:

	<u>2009</u>
Adjustments to statement of operations - general fund	
Decrease in annual surplus (deficit)	\$(2,337,403)
Increase in transfer from (to) own reserves and funds	2,337,403
Adjustments to statement of financial activities - general capital fund	
Decrease in transfer from own reserves, funds and agencies	(3,311,541)
Adjustments to capital assets - general capital fund	
As previously reported	59,941,959
Adjustment to historical cost of capital assets	<u>21,351,368</u>
As restated	81,293,327
Adjustments to accumulated amortization - general capital fund	
As previously reported	-
Adjustment to accumulated amortization recorded	<u>24,662,902</u>
As restated	24,662,902

TOWN OF TRURO
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
 MARCH 31, 2010

15. TRUST FUNDS

STATEMENT OF FINANCIAL POSITION OF TRUST FUNDS
 MARCH 31, 2010

	JAMES LITTLE BURSARY TRUST	LILLIE NELSON TRUST	ROBERT MINGO TRUST	2010 TOTAL	2009 TOTAL
FINANCIAL ASSETS					
Cash	\$ 15,780	\$ 4,258	\$108,646	\$128,684	\$129,084
Investments, at cost (market value \$270,717; 2009 - \$245,380)		271,999		271,999	286,567
	<u>\$ 15,780</u>	<u>\$276,257</u>	<u>\$108,646</u>	<u>\$400,683</u>	<u>\$415,651</u>
FUND BALANCE	<u>\$ 15,780</u>	<u>\$276,257</u>	<u>\$108,646</u>	<u>\$400,683</u>	<u>\$415,651</u>

STATEMENT OF FINANCIAL ACTIVITIES OF TRUST FUNDS
 YEAR ENDED MARCH 31, 2010

REVENUE					
Interest and dividends	\$ 57	\$ 8,923	\$ 395	\$ 9,375	\$ 14,401
Gain (loss) on sale of investments		(1,475)		(1,475)	(3,107)
	<u>57</u>	<u>7,448</u>	<u>395</u>	<u>7,900</u>	<u>11,294</u>
EXPENDITURES					
Transfer to Town of Truro		20,000		20,000	20,000
Administration costs		2,868		2,868	3,210
		<u>22,868</u>		<u>22,868</u>	<u>23,210</u>
CHANGE IN FUND BALANCE	57	(15,420)	395	(14,968)	(11,916)
BEGINNING FUND BALANCE	<u>15,723</u>	<u>291,677</u>	<u>108,251</u>	<u>415,651</u>	<u>427,567</u>
ENDING FUND BALANCE	<u>\$ 15,780</u>	<u>\$276,257</u>	<u>\$108,646</u>	<u>\$400,683</u>	<u>\$415,651</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, 2010

	<u>2010</u>	<u>(Restated) 2009</u>
ASSETS		
RECEIVABLES:		
Rates (less allowance for doubtful accounts \$14,792; 2009 - \$12,619)	\$ 555,769	\$ 512,594
Other (less allowance for doubtful accounts \$1,485; 2009 - \$2,160)	178,167	286,261
Due from other funds	42,251	
Federal/Provincial infrastructure funding	<u>183,681</u>	<u>673,928</u>
	959,868	1,472,783
INVENTORIES, AT COST	178,832	151,204
PREPAID EXPENSES	<u>50,209</u>	<u>48,051</u>
	<u>\$ 1,188,909</u>	<u>\$ 1,672,038</u>
LIABILITIES		
Bank indebtedness	\$ 366,447	\$ 827,285
Trade accounts payable	223,753	171,254
Deferred revenue	664	591
Payable to other funds		114,624
Post employment benefits liability (note 3)	<u>53,559</u>	<u>22,562</u>
	644,423	1,136,316
FUND BALANCE	<u>544,486</u>	<u>535,722</u>
	<u>\$ 1,188,909</u>	<u>\$ 1,672,038</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, 2010

B - 22

(Restated)
2009

	Page	UNAUDITED BUDGET	2010 ACTUAL	(Restated) 2009 ACTUAL
OPERATING REVENUE				
Meter sales		\$ 2,230,000	\$ 2,366,649	\$ 2,220,883
Flat rate sales		12,000	15,176	16,472
Public fire protection		544,400	548,504	544,353
Private fire protection		16,000	16,234	16,050
Private hydrant maintenance		16,000	16,718	16,200
Sprinkler service charge		40,000	40,639	40,470
Interest on overdue accounts		15,000	16,459	20,215
		<u>2,873,400</u>	<u>3,020,379</u>	<u>2,874,643</u>
OPERATING EXPENDITURES				
Source of supply	B-23	36,000	42,147	42,912
Power and pumping	B-23	33,000	36,920	34,467
Transmission and distribution	B-23	706,500	823,717	673,735
Water treatment	B-23	1,185,000	1,037,925	980,937
Administration and general	B-23	267,500	274,613	224,678
Depreciation		332,000	430,382	395,068
Taxes		659,000	658,113	627,676
		<u>3,219,000</u>	<u>3,303,817</u>	<u>2,979,473</u>
EXCESS OPERATING EXPENDITURES OVER REVENUE		<u>(345,600)</u>	<u>(283,438)</u>	<u>(104,830)</u>
NON-OPERATING REVENUE				
Federal/Provincial infrastructure funding		200,000	183,681	647,542
Colchester County infrastructure funding		5,000	1,724	161,886
Contributions in aid of capital expenditures				15,737
Interest		15,000		18,072
Miscellaneous		54,000	49,426	53,084
Proceeds from (repayment of) short term loan			(135,913)	335,913
Proceeds from long term debt		1,300,000	1,853,750	
Transfer from reserve		552,000	472,947	285,000
		<u>2,126,000</u>	<u>2,425,615</u>	<u>1,517,234</u>
NON-OPERATING EXPENDITURES				
Bank charges and interest		42,900	37,673	391
NSUARB rate application		8,000	8,588	
Post employment benefits (note 3)		21,500	14,126	22,562
Tangible capital assets review		15,000	990	4,000
Change in post-employment benefits liability			16,870	7,864
		<u>87,400</u>	<u>78,247</u>	<u>34,817</u>
OPERATING RESULTS		1,693,000	2,063,930	1,377,587
Capital expenditures out of revenue		<u>1,693,000</u>	<u>2,055,166</u>	<u>1,375,013</u>
EXCESS REVENUE OVER EXPENDITURES		-	8,764	2,574
Amount to be recovered in future years (note 3)				<u>7,864</u>
NET CHANGE IN FUND BALANCE		<u>\$ -</u>	8,764	10,438
FUND BALANCE, BEGINNING			<u>535,722</u>	<u>525,284</u>
FUND BALANCE, ENDING			<u>\$ 544,486</u>	<u>\$ 535,722</u>

TOWN OF TRURO
 WATER UTILITY
 NON-CONSOLIDATED SCHEDULE OF OPERATING FUND EXPENDITURES
 YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
SOURCE OF SUPPLY		
Labour	\$ 19,435	\$ 18,986
Maintenance of plant		754
Watershed maintenance	<u>22,712</u>	<u>23,172</u>
	<u>\$ 42,147</u>	<u>\$ 42,912</u>
POWER AND PUMPING		
Power	\$ 2,697	\$ 794
Maintenance	<u>34,223</u>	<u>33,673</u>
	<u>\$ 36,920</u>	<u>\$ 34,467</u>
TRANSMISSION AND DISTRIBUTION		
Salary and benefits	\$ 126,158	\$ 138,053
Maintenance of mains	305,345	243,374
Maintenance of other distribution plant	<u>392,214</u>	<u>292,308</u>
	<u>\$ 823,717</u>	<u>\$ 673,735</u>
WATER TREATMENT PLANT		
Utilities	\$ 176,903	\$ 172,969
Plant process systems	391,358	407,475
Plant process control	193,893	157,922
Treatment non-process systems	59,676	60,295
Remote stations	16,905	40,294
Raw water treatment systems	64,640	23,870
Administration	<u>134,550</u>	<u>118,112</u>
	<u>\$ 1,037,925</u>	<u>\$ 980,937</u>
ADMINISTRATION AND GENERAL		
Supervision	\$ 123,670	\$ 71,056
Consumer contracts and orders	62,489	65,262
Consumer billing and accounting	53,994	52,701
Uncollectable accounts	9,714	2,038
General office expenses	1,067	3,200
Professional fees	4,241	9,974
Liability insurance	16,017	16,799
Regulatory expenses	<u>3,421</u>	<u>3,648</u>
	<u>\$ 274,613</u>	<u>\$ 224,678</u>

TOWN OF TRURO
 WATER UTILITY
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CAPITAL FUND
 MARCH 31, 2010

	<u>2010</u>	<u>(Restated) 2009</u>
ASSETS		
CASH		
Depreciation (note 4)	\$ 174,126	\$ 102,749
UTILITY PLANT AND EQUIPMENT	<u>24,345,966</u>	<u>21,976,472</u>
	<u>\$ 24,520,092</u>	<u>\$ 22,079,221</u>
 LIABILITIES		
Accumulated allowance for depreciation (note 5)	\$ 5,806,733	\$ 5,385,343
Short term loan	200,000	335,913
Long term loan	<u>1,853,750</u>	<u> </u>
	7,860,483	5,721,256
INVESTMENT IN CAPITAL ASSETS	<u>16,659,609</u>	<u>16,357,965</u>
	<u>\$ 24,520,092</u>	<u>\$ 22,079,221</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, 2010

	<u>2010</u>	(Restated) <u>2009</u>
INVESTMENT IN CAPITAL ASSETS		
Beginning fund balance	\$ 16,357,965	\$ 15,344,749
Depreciation	(430,382)	(395,068)
Change in depreciation funds	71,377	(223,161)
Loss on disposal of capital assets	(61,913)	
Capital expenditures	2,440,399	1,967,358
Proceeds from short term loan	(200,000)	(335,913)
Repayment of short term loan	335,913	
Proceeds from long term loan	(1,853,750)	
Ending fund balance	<u>\$ 16,659,609</u>	<u>\$ 16,357,965</u>

NON-CONSOLIDATED STATEMENT OF CAPITAL FUND PLANT AND EQUIPMENT
 MARCH 31, 2010

Land		
Source of supply	\$ 1,905,228	\$ 1,905,228
Structures and Improvements		
Source of supply	3,810,900	2,289,939
Power and pumping	1,568,245	1,568,245
Purification	4,566,195	4,566,195
Distribution and reservoir	631,794	631,794
General	564,350	346,283
Other water source structures	62,890	62,890
Electrical pumping equipment	936,122	936,122
Purification equipment	971,074	941,005
Distribution mains	5,934,356	5,646,631
Distribution equipment	181,477	48,292
Services	1,567,126	1,455,497
Meters	631,894	629,779
Hydrants	577,397	555,385
Office furniture and equipment	28,745	28,745
Transportation equipment	392,521	348,790
Tools and work equipment	15,652	15,652
	<u>\$ 24,345,966</u>	<u>\$ 21,976,472</u>

TOWN OF TRURO
WATER UTILITY
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

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, 2010

3. POST EMPLOYMENT BENEFITS LIABILITY

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>2010</u>	<u>(Restated) 2009</u>
Accrued benefit liability, opening	\$ 90,248	\$ 82,384
Net change in benefit obligation	<u>16,870</u>	<u>7,864</u>
Accrued benefit liability, closing	107,118	90,248
Less: amounts to be recovered from future years	<u>(53,559)</u>	<u>(67,686)</u>
Accrued liability portion	<u><u>\$ 53,559</u></u>	<u><u>\$ 22,562</u></u>
4. DEPRECIATION FUNDS		
	<u>2010</u>	<u>(Restated) 2009</u>
Cash balance, beginning	\$ 102,749	\$ 325,910
Add: Depreciation	430,382	395,068
Interest earned during the year	406	8,017
	<u>533,537</u>	<u>728,995</u>
Less: Acquisition of capital assets during the year	359,411	618,229
Interest transferred to operating fund during the year	<u>8,017</u>	<u>8,017</u>
	<u>359,411</u>	<u>626,246</u>
Cash balance, ending	<u><u>\$ 174,126</u></u>	<u><u>\$ 102,749</u></u>

TOWN OF TRURO
 WATER UTILITY
 NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2010

5. ACCUMULATED ALLOWANCE FOR DEPRECIATION	2010	(Restated) 2009
	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$5,385,343	\$4,990,275
Add: current year's depreciation	430,382	395,068
Less: current year's disposals	<u>(8,992)</u>	<u> </u>
Balance, end of year	<u><u>\$5,806,733</u></u>	<u><u>\$5,385,343</u></u>

6. RATE OF RETURN ON RATE BASE

For the year ended March 31, 2010 the Water Utility had a rate of return on rate base of -1.53% (2009 - 0.63%)

7. PRIOR PERIOD ADJUSTMENTS

To comply with the provisions of Section 3150 of the Public Sector Accounting Handbook, the utility undertook a review of its tangible capital assets and as a result the utility has restated its financial statements for the year ending March 31, 2009. The adjustments are as follows:

	<u>2009</u>
Adjustments to statement of operations:	
Increase in depreciation expense	\$ 137,126
Decrease in capital expenditures from revenue	(137,126)
Adjustments to investment in capital assets	
As previously reported	17,166,712
Adjustment to net book value of capital assets	<u>(808,747)</u>
As restated	16,357,965
Adjustments to capital assets:	
As previously reported	22,017,441
Adjustment to historical cost of capital assets	<u>(40,969)</u>
As restated	21,976,472
Adjustments to accumulated allowance for depreciation	
As previously reported	4,617,565
Adjustment to accumulated depreciation recorded	<u>767,778</u>
As restated	<u>5,385,343</u>

TOWN OF TRURO
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF RESERVE FUNDS
 MARCH 31, 2010

	<u>FEDERAL GAS TAX RESERVE</u>	<u>INVESTMENT RESERVE</u>	<u>2010 TOTAL</u>	<u>2009 TOTAL</u>
FINANCIAL ASSETS				
Cash	\$ 383,084	\$ 596,398	\$ 979,482	\$ 262,809
Loans - General Fund		<u>2,403,602</u>	<u>2,403,602</u>	<u>2,737,191</u>
	<u>\$ 383,084</u>	<u>\$ 3,000,000</u>	<u>\$ 3,383,084</u>	<u>\$ 3,000,000</u>
 FUND BALANCE	 <u>\$ 383,084</u>	 <u>\$ 3,000,000</u>	 <u>\$ 3,383,084</u>	 <u>\$ 3,000,000</u>

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

REVENUE				
Interest on interfund loans	\$ -	\$ 171,507	\$ 171,507	\$ 126,075
Capital Grant	<u>979,084</u>		<u>979,084</u>	
	<u>979,084</u>	<u>171,507</u>	<u>1,150,591</u>	<u>126,075</u>
 EXPENDITURES				
Transfer to capital fund	596,000		596,000	271,484
Transfer to operating fund		<u>171,507</u>	<u>171,507</u>	<u>126,075</u>
	<u>596,000</u>	<u>171,507</u>	<u>767,507</u>	<u>397,559</u>
 CHANGE IN FUND BALANCE	 383,084		 383,084	 (271,484)
 BEGINNING FUND BALANCE	 <u> </u>	 <u>3,000,000</u>	 <u>3,000,000</u>	 <u>3,271,484</u>
 ENDING FUND BALANCE	 <u>\$ 383,084</u>	 <u>\$ 3,000,000</u>	 <u>\$ 3,383,084</u>	 <u>\$ 3,000,000</u>

ON BEHALF OF THE TOWN

_____, Mayor

_____, Chief Administrative Officer

TOWN OF TRURO
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF RESERVE FUNDS
 MARCH 31, 2010

	GENERAL FUND				2010	2009
	GENERAL GOVERNMENT SERVICES	PROTECTIVE SERVICES	TRANS-PORTATION SERVICES	RECREATION SERVICES	TOTAL	TOTAL
FINANCIAL ASSETS						
Cash	<u>\$ 121,873</u>	<u>\$ 473,328</u>	<u>\$ 449,633</u>	<u>\$ 253,153</u>	<u>\$ 1,297,987</u>	<u>\$ 1,834,621</u>
FUND BALANCE	<u>\$ 121,873</u>	<u>\$ 473,328</u>	<u>\$ 449,633</u>	<u>\$ 253,153</u>	<u>\$ 1,297,987</u>	<u>\$ 1,834,621</u>

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF RESERVE FUNDS
 YEAR ENDED MARCH 31, 2010

REVENUE						
Transfer from operating fund	\$ -	244,000	\$ -	\$ 30,000	\$ 274,000	\$ 200,000
Other transfers						8,500
Cash in lieu of recreation land				3,702	3,702	5,820
Interest	<u>997</u>	<u>1,808</u>	<u>1,818</u>	<u>887</u>	<u>5,510</u>	<u>39,630</u>
	<u>997</u>	<u>245,808</u>	<u>1,818</u>	<u>34,589</u>	<u>283,212</u>	<u>253,950</u>
EXPENDITURES						
Transfer to capital fund	<u>209,491</u>	<u>444,322</u>	<u>140,998</u>	<u>25,035</u>	<u>819,846</u>	<u>167,089</u>
CHANGE IN FUND BALANCE	(208,494)	(198,514)	(139,180)	9,554	(536,634)	86,861
BEGINNING 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>
ENDING FUND BALANCE	<u>\$ 121,873</u>	<u>\$ 473,328</u>	<u>\$ 449,633</u>	<u>\$ 253,153</u>	<u>\$ 1,297,987</u>	<u>\$ 1,834,621</u>

ON BEHALF OF THE TOWN

_____, Mayor

_____, Chief Administrative Officer

TOWN OF TRURO
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF RESERVE FUNDS
 MARCH 31, 2010

	GENERAL FUND		WATER UTILITY		2010	2009
	OTHER CAPITAL RESERVES	OPERATING RESERVE	OTHER RESERVE	LAND ACQUISITION	TOTAL	TOTAL
FINANCIAL ASSETS						
Cash	\$ 1,321,870	\$ 705,051	\$ 60,000	\$ 100,000	\$ 2,186,921	\$ 2,353,003
FUND BALANCE	\$ 1,321,870	\$ 705,051	\$ 60,000	\$ 100,000	\$ 2,186,921	\$ 2,353,003

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF RESERVE FUNDS
 YEAR ENDED MARCH 31, 2010

REVENUE						
Interest	\$ 4,145	\$ 2,138	\$ 2,118	\$ -	\$ 8,401	\$ 63,214
Transfer from operating fund	201,541	131,000			332,541	478,500
	205,686	133,138	2,118		340,942	541,714
EXPENDITURES						
Transfer to capital fund	20,000				20,000	74,413
Transfer to operating fund		14,077	472,947		487,024	724,529
	20,000	14,077	472,947		507,024	798,942
CHANGE IN FUND BALANCE	185,686	119,061	(470,829)		(166,082)	(257,228)
BEGINNING FUND BALANCE	1,136,184	585,990	530,829	100,000	2,353,003	2,610,231
ENDING FUND BALANCE	\$ 1,321,870	\$ 705,051	\$ 60,000	\$ 100,000	\$ 2,186,921	\$ 2,353,003

ON BEHALF OF THE TOWN

_____, Mayor

_____, Chief Administrative Officer

TOWN OF TRURO
 OTHER
 SCHEDULE OF CAPITAL DEBT CHARGES AND TERM DEBT
 MARCH 31, 2010

	<u>YEAR OF ISSUE</u>	<u>YEAR OF MATURITY</u>	<u>BALANCE MAR 31/2009</u>	<u>LOAN (REDEEMED)</u>	<u>BALANCE MAR 31/2010</u>	<u>INTEREST</u>
SERIAL DEBENTURES						
GENERAL FUND						
Police Station	1998	2018	\$ 900,000	\$ (100,000)	\$ 800,000	\$ 41,024
Building Reconstruction	2004	2024	2,145,000	(143,000)	2,002,000	106,708
Building Construction	2005	2010	160,000	(160,000)		11,216
Building Reconstruction	2006	2026	1,811,250	(171,250)	1,640,000	74,129
Hospital Contribution	2008	2028	1,045,000	(55,000)	990,000	50,117
Downtown Revitalization	2008	2018	450,000	(50,000)	400,000	20,512
Hospital Contribution	2009	2029	900,000	(45,000)	855,000	48,607
Public Works Facility	2010	2030		1,661,250	1,661,250	87,670
Stadium / Civic Centre	2010	2030		1,000,000	1,000,000	22,827
Hospital Construction	2010	2030		1,000,000	1,000,000	22,827
			<u>\$ 7,411,250</u>	<u>\$ 2,937,000</u>	<u>\$ 10,348,250</u>	<u>\$ 485,637</u>
WATER UTILITY						
Public Works Facility	2010	2030	\$ -	\$ 553,750	\$ 553,750	\$ 29,223
Dam Revitalization	2010	2030		1,300,000	1,300,000	33,809
			<u>\$ -</u>	<u>\$ 1,853,750</u>	<u>\$ 1,853,750</u>	<u>\$ 63,032</u>
TOTAL SERIAL DEBENTURES			<u>\$ 7,411,250</u>	<u>\$ 4,790,750</u>	<u>\$ 12,202,000</u>	<u>\$ 548,669</u>
OTHER TERM DEBT						
GENERAL FUND						
Trunk Sewer Lift Station	1995	2010	\$ 90,000	\$ (90,000)	\$ -	\$ 7,650
Building Reconstruction	2002	2022	1,435,632	(110,433)	1,325,199	91,163
Victoria Park Pool	2005	2015	180,000	(30,000)	150,000	10,800
TOTAL OTHER TERM DEBT			<u>\$ 1,705,632</u>	<u>\$ (230,433)</u>	<u>\$ 1,475,199</u>	<u>\$ 109,613</u>
TOTAL OVERALL DEBT			<u>\$ 9,116,882</u>	<u>\$ 4,560,317</u>	<u>\$ 13,677,199</u>	<u>\$ 658,282</u>

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

2011	\$ 980,433
2012	980,433
2013	980,433
2014	980,433
2015	980,433

TOWN OF TRURO

TRURO INDUSTRIAL DEVELOPMENT SOCIETY

NON-CONSOLIDATED FINANCIAL STATEMENTS AND
AUDITORS' REPORT

MARCH 31, 2010

TOWN OF TRURO

TRURO INDUSTRIAL DEVELOPMENT SOCIETY

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MARCH 31, 2010

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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, non-consolidated Capital Fund and non-consolidated Capital Reserve Fund statements of financial position of the Truro Industrial Development Society as at March 31, 2010 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, 2010 and the results of its financial activities for the year then ended in accordance with Canadian generally accepted accounting principles.



Truro, Nova Scotia
July 23, 2010

Chartered Accountants

TOWN OF TRURO
 TRURO INDUSTRIAL DEVELOPMENT SOCIETY
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OPERATING FUND
 MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
FINANCIAL ASSETS		
Bank	\$ -	\$ 23,210
Receivables		
Due from Federal Government	1,394	107
Due from General Operating Fund	<u>17,876</u>	<u>-</u>
	<u>19,270</u>	<u>23,317</u>
LIABILITIES		
Bank overdraft	29,153	-
Payables	180	-
Due to General Operating Fund	<u>-</u>	<u>30,261</u>
	<u>29,333</u>	<u>30,261</u>
NET ASSETS (LIABILITIES)	<u><u>\$ (10,063)</u></u>	<u><u>\$ (6,944)</u></u>
FUND BALANCE	<u><u>\$ (10,063)</u></u>	<u><u>\$ (6,944)</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, 2010

	<u>2010</u>	<u>2009</u>
REVENUE		
Land sales	\$124,000	\$ -
Interest revenue	-	581
Grant - Town of Truro	<u>131,649</u>	<u>46,030</u>
	<u>255,649</u>	<u>46,611</u>
EXPENDITURES		
Professional fees	4,914	824
Miscellaneous	2,225	-
Promotional	1,239	869
Survey fees	1,375	-
Purchase of land	33,900	-
Taxes	54,866	46,030
Industrial Park promotions	58,860	2,990
Maintenance	<u>17,800</u>	<u>15,286</u>
	<u>175,179</u>	<u>65,999</u>
NET REVENUE (EXPENDITURES)	80,470	(19,388)
FINANCING AND TRANSFERS		
Transfer from capital reserve fund	33,900	-
Transfer to capital reserve fund	<u>(117,489)</u>	<u>-</u>
CHANGE IN FUND BALANCE	(3,119)	(19,388)
BEGINNING FUND BALANCE	<u>(6,944)</u>	<u>12,444</u>
ENDING FUND BALANCE	<u><u>\$ (10,063)</u></u>	<u><u>\$ (6,944)</u></u>

TOWN OF TRURO
 TRURO INDUSTRIAL DEVELOPMENT SOCIETY
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CAPITAL FUND
 MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
NON-FINANCIAL ASSETS		
Land and development costs	<u>\$943,827</u>	<u>\$938,830</u>
FUND BALANCE	<u>\$943,827</u>	<u>\$938,830</u>

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE CAPITAL FUND
 YEAR ENDED MARCH 31, 2010

Cost of land purchased during the year	\$ 33,900	\$ -
Cost of land sold during the year	<u>(28,903)</u>	<u>-</u>
CHANGE IN FUND BALANCE	4,997	-
BEGINNING FUND BALANCE	<u>938,830</u>	<u>938,830</u>
ENDING FUND BALANCE	<u>\$943,827</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, 2010

	<u>2010</u>	<u>2009</u>
FINANCIAL ASSETS		
Cash	<u>\$231,312</u>	<u>\$147,228</u>
FUND BALANCE	<u>\$231,312</u>	<u>\$147,228</u>

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE CAPITAL RESERVE FUND
 YEAR ENDED MARCH 31, 2010

REVENUE		
Interest	\$ 495	\$ 4,294
Transfer from Operating Fund	<u>117,489</u>	<u>-</u>
	117,984	4,294
EXPENDITURES		
Transfer to General Capital Fund	-	29,799
Transfer to Operating Fund	<u>33,900</u>	<u>-</u>
CHANGE IN FUND BALANCE	84,084	(25,505)
BEGINNING FUND BALANCE	<u>147,228</u>	<u>172,733</u>
ENDING FUND BALANCE	<u>\$231,312</u>	<u>\$147,228</u>

ON BEHALF OF THE SOCIETY

_____, Chairman

_____, Member

TOWN OF TRURO
TRURO INDUSTRIAL DEVELOPMENT SOCIETY
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2010

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.