

Town of Truro



Annual Report

Year Ending March 31, 2012



Town of Truro Annual Report April 1, 2011 to March 31, 2012

Mayor's Office

Citizens of Truro, members of Town Council!

Once again I am pleased to present my Annual Report on business of Council along with the state of the Town for the year ending March 31, 2012! This past year has been a very successful year with many positive changes taking place throughout the year! Truro was the recipient of a National Award presented in St John's Newfoundland and Labrador on behalf of the Canadian Planners Association as the "Best Sustainable Plan" in Canada for small towns! A credit to the work of our Planning staff and participation from Citizens! Last Year I had mentioned how Staff have a keen eye for the vision and future of what Truro of the future will be like. I believe we are on the right track, the problem is the speed at which change in our world is progressing.

One of the most notable changes over the past year is the improvements on Prince Street with the removal of the old power poles with old unused power lines that have been out of service for years! Work progressed from Commercial to Lorne with the balance of the street work from Lorne to Walker to be completed in 2012. Council has approved the re-location of the Farmers Market to the Old Fire Hall as a permanent location. The work will amount to approximately \$600,000 with funding support from Atlantic Canada Opportunities Agency, The Province of Nova Scotia, and the Farmers Market. This will preserve another Historical building for the Town, Opening was May 5, 2012. Further discussion on the fate of the Old Normal College as a home for the Library continues. Library Board is insisting the Normal College is not suitable and the Town's position (my opinion), I would prefer to use the Normal College as it will in essence "kill two birds with one stone"! Restore a Provincial Heritage Building and provide a new home for the Library! At stake is 2 million in funding from the County of Colchester. At the writing of this report, RFP's will be issued for a new Library by the end of May 2012!

Council has approved expansion of the Truro Industrial Park based on recommendations of a highest and best use study which will see 1/3 property residential and the balance business/industrial, located from upper south Young Street through William Barnhill Drive, it would work out to about 500 acres. As well Council has approved a name change from the Truro Industrial Park to Truro Business Park to reflect the change taking place in the marketplace, it will signify opportunities for all Business to locate in the park. With regards to business, Truro came out #1 in North America again in a KPMG study that ranked Truro as the lowest cost municipality in North America for conducting business! This should help the Town of Truro and the County of Colchester, with anticipated spinoffs from the Irving Shipbuilding Contract awarded to Halifax last year worth 25 Billion Dollars over 25 years. Interest in our area has seen a significant increase in request for information about living and working in our area.

The Budget for the fiscal year 2012-13 was set April 2, 2012. The residential/commercial tax rates were held for the year at \$1.76/\$4.44! Assessments were up about 4.4% overall in our Town which allowed us to keep rates the same as last year. Operating Expenditures this past year were \$22.6 million compared to \$21.0 million the previous year. The value of Construction for the Town last year went down about a million dollars to 14 million! Uncertainty with Banking worldwide, in particular Europe, continues to cast a cloud of uncertainty over projects...meaning borrowing money is a bit more difficult! On the bright side Truro completed a downtown façade improvement program worth \$900,000, by the time work was done over \$1.4 million had been invested in Downtown Improvements. I would be remiss if I did not mention the Town lost a number of long time businesses in December of 2011 - Margolians, A.J.Walkers, & M.P.Crowells, Cavanaghs in Bible Hill. It created a firestorm of gloom and doom! The good news is the Margolians building was sold to Inglis Jewelers and as of May 2012 is about 50% occupied by new businesses with potential new clients waiting to sign up...a nice recovery! The Old Co-op on Willow is now a new Harris Home Building Centre, plus the Colchester Credit Union is building a new complex next to their present location.

Long time Chief of Millbrook Lawrence Paul lost the Band Election to Chief Robert Gloade in February, the change is expected to increase the great relationship between Truro and Millbrook! Study on the new Hilden Overpass phase one has been completed and it appears that the region's expectations of the positive impact of this project will be met or exceeded. Projected expenditure study is now underway. I am anxious for the Study to be completed as I had the pleasure of attending the Shareholders Meeting of CN in Halifax April 23, 2012. As the only invited Mayor it was explained Truro is an important link for CN and with the future Super Tankers scheduled to start visiting the Port of Halifax in 2014-15 it means increased rail traffic in Truro.

The Town will continue with over \$2 million budgeted for Public Works Street Construction, sidewalk, sewer improvements. The Town will invest in a new camera system for inspection of our older underground piping. This purchase will help prevent water loss to our system as well as inspection of pipes for preventative maintenance.

Looking ahead to the Fall of 2012 The Town of Truro will for the first time in its' history hold a Civic Election Electronically. Intellivote of Dartmouth will conduct the Election this fall with citizens given a PIN number and the option of voting over an 8-10 day period by Phone, Computer, or with assistance at a polling station! The experts say that voter turnout could rise 30-40% if there is a full election including the Mayor. That is the goal, to have more engagement from younger voters! If I am not back writing this article next year, obviously the plan failed! (Just Kidding, I could not resist!)

In closing I believe Truro is at the crossroads of some great new things, our growth is among the best in the Province with over 900 new residents over the past few years. Optimism is stable, the New Hospital opens in November of this year, the Civic Centre will open in September of 2012 plus we have some leads on some exciting new Ventures for the Wade Road area, the former Truro Junior High site. I almost forgot the new park on Bayview Street is complete. Tentatively I have asked Council to name the park something along the line of Veterans Memorial Park. I am hoping that we can honor a Battle of Britain Royal Air Force and RCAF veteran Deryk Upton, a Distinguished Flying Cross Winner who had an exemplary record of service during the Battle of Britain. Deryk is buried in the Robie Street Cemetery. He was employed in the late 40's-50's @ CKCL Radio.

As Sir Winston Churchill former British Prime Minister once said "Never in the field of human conflict was so much owed by so many to so few"! This in reference to the ongoing efforts of Royal Air Force pilots in their fight with Germany during the Battle of Britain, Second World War. One of the few was indeed Hamilton Charles "Deryk" Upton 1912-1955

As Mayor I want to again Thank Staff, Members of Council, and Citizens for their co-operation and faith in Truro! That, combined with our official Motto "Truro, Begun in Faith, Continued in Determination", holds true if we are to meet the Challenges in the years ahead! I have no doubt with Our God, Our help in Ages Past, we will persevere! Your questions on this report or on Town operations are welcome any time via e-mail, phone, or regular mail!

Thank You for the Honor of serving You this past year! As always we should be Thankful and Proud of the Advances made during the fiscal year 2011-12!

Yours Truly,
W.R. (Bill) Mills
Mayor of Truro



Town of Truro Annual Report April 1, 2011 to March 31, 2012

Finance Department

Mayor Mills and members of Town Council,

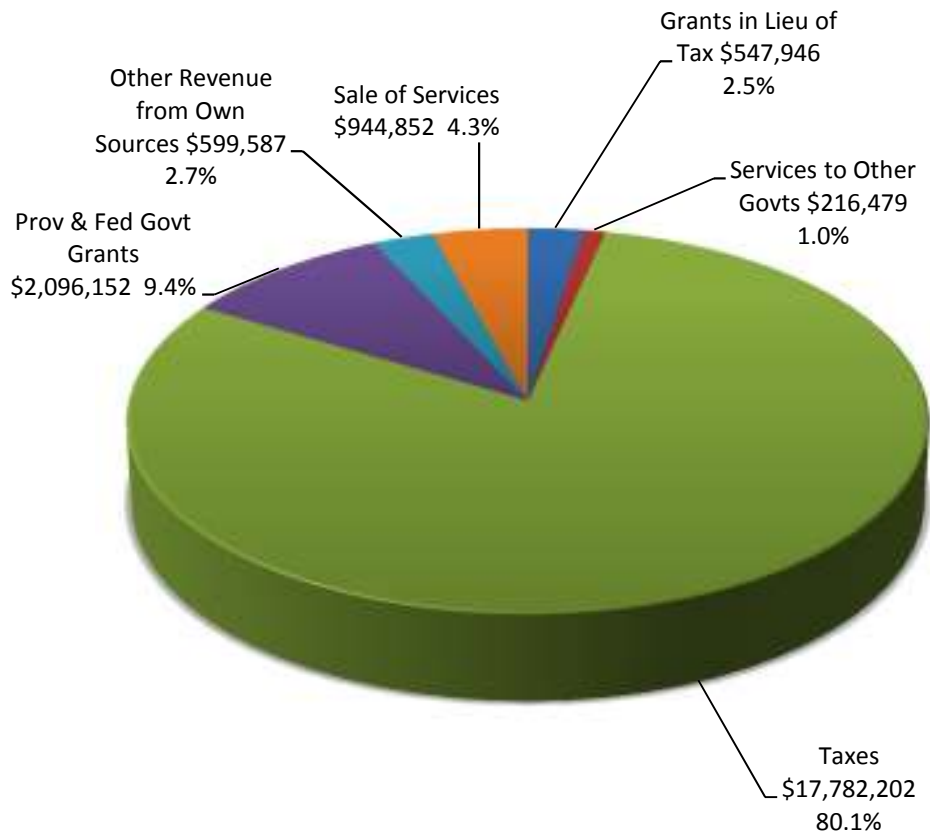
The Town of Truro General Operating Fund ended the year with a surplus of \$8,727. The Town's residential tax rate, at \$1.76, remains about average among the 31 towns in Nova Scotia, 17th among the 31 towns (prior year 15th), average \$1.75. Following are pie diagrams showing the major categories of operating revenues and operating expenditures. Also following is a list of municipal indicators, developed by Service Nova Scotia and Municipal Relations (SNSMR), showing a comparison to Town of Truro results from last year and to the average of all towns in Nova Scotia, as at March 31, 2010. 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 surplus of \$6,879, and a Rate of Return on Rate Base of 1.79% (prior year .42%). 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 Utility is using rates approved by the Nova Scotia Utility and Review Board through to the end of the 2012-13 fiscal year. The next increase is scheduled for April 1, 2012. The schedule of rates is available on the Town's website. Staff will begin a new Rate Study, for application to the Board, effective April 1, 2013.

During the year, the General Fund's long term debt, and financing commitments to the Municipality of the County of Colchester for green project funding, remained virtually unchanged. This resulted from paying down existing debt and acquiring new debt to finance the Town's share of the Civic Centre Project. Additional new debt for the Civic Centre Project will be incurred in the 2012-13 fiscal year. The Town of Truro has a Debt Service Ratio of 8.5% (prior year 8.9%), below the maximum considered acceptable by Service Nova Scotia and Municipal Relations.

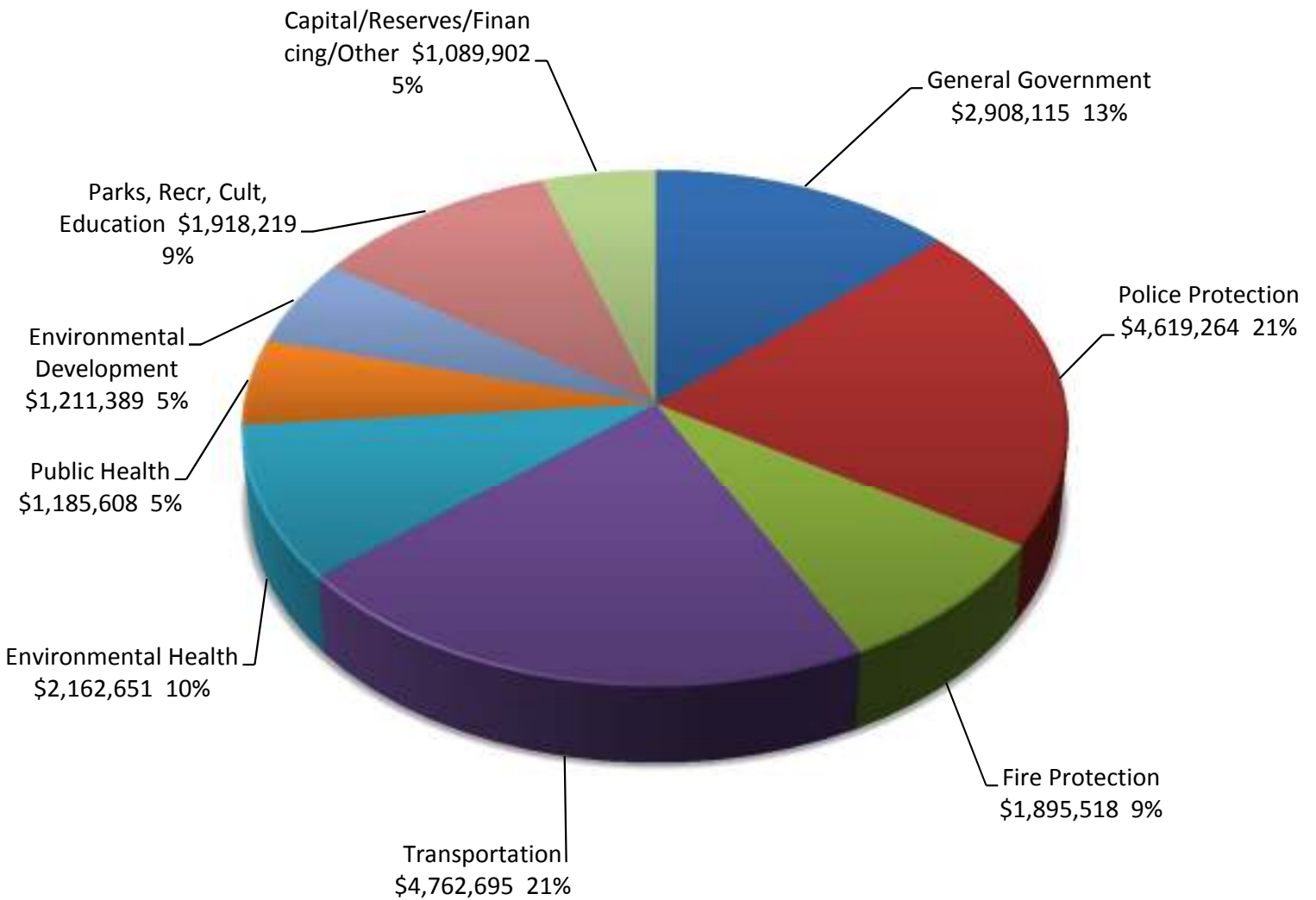
Respectfully Submitted,
Robert Putnam
Director of Finance

General Fund Operating Revenues
April 1, 2011 - March 31, 2012
Total = \$22,187,218



Taxes	
Residential	9,244,599
Commercial	9,857,599
Area Rates	252,312
Deed Transfer	357,608
Other	252,524
Less: Education Expenditure	(2,182,440)
	17,782,202

**General Fund Operating Expenditures
Financing and Transfers
April 1, 2011 - March 31, 2012
Total = \$22,178,491**



Town of Truro
Municipal Indicators
Service Nova Scotia & Municipal Relations

	Truro	Truro	SNSMR Towns Avg
	Mar 31/12	Mar 31/11	Mar 31/10
Taxes as a % of Total Revenue	74%	76%	71%
Transfers from other govts	8%	8%	11%
Residential Tax Burden	1,440	1,362	1,283
Uniform Assessment per Dwelling Unit	111,808	112,592	108,712
Mandatory Expenditures	18%	21%	19%
Expenditures per Dwelling Unit	4,187	3,681	3,727
Liquidity Ratio	1.05	1.04	1.30
Deficits last 5 years	0	0	2
Uncollected Taxes	6.1%	5.8%	10.0%
Reserves as a % of Expenditures	31%	35%	24%
Debt Service Ratio	8.5%	8.9%	7.2%
Debt Outstanding / Uniform Assessment	1.9%	1.9%	1.3%
Capital from Revenue	5.9%	9.7%	2.3%
Total Capital from Operating	17.2%	25.7%	9.9%
Increase in Uniform Assessment	6.7%	14.2%	11.5%
Commercial / Total Assessment	30.0%	30.3%	25.0%
Legislative per Capita	21.46	22.02	36.00
Administration per Capita	152.83	130.64	206.00
Police Service / \$1,000 Assessment	6.19	6.53	6.00
Police Service / Capita	392.63	397.70	275.00
Fire Service / \$1,000 Assessment	2.54	2.45	3.00
Fire Service / Capita	161.12	149.11	135.00

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, 2011 to March 31, 2012***

Police Service

Mayor Mills and members of Town Council,

It is with great pleasure that I submit the annual report of the Truro Police Service for the operating year of April 1, 2011 to March 31, 2012. It has been another successful year for the Truro Police Service. This report will provide a snapshot of the hard work and dedication by all staff members of the Truro Police Service.

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 safe 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 2011-12. 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
- Increased Community Visibility

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.

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 2011-12 and has worked hard to reduce the impact of illicit drugs in our community.

The second strategic priority for 2011-12 was identified as traffic enforcement and education. The Truro Police has a full time traffic services section, which is a full time dedicated traffic enforcement unit. The mandate of this section is traffic education and enforcement. These enforcement efforts are enhanced by all patrol officers who have also increased their efforts in Motor Vehicle Act enforcement.

The third strategic priority for 2011-12 was to increase police visibility in the community. This was achieved through an increase in vehicle, foot, and the deployment of the speed monitoring trailer. The increase in visibility contributed to a greater officer presence in the community, greater deterrence and enforcement opportunities. The police service was also more visible with youth interaction and attended Truro Junior High, Ecole acadienne de Truro, and the Wood St Center, to play sports with the youth.



Town of Truro Annual Report April 1, 2011 to March 31, 2012

Fire Service

Mayor Mills and members of Town Council,

The Truro Fire Service continues to improve the operational structure, training, equipment and safety requirements of the Fire Service. Our accomplishments continue to be a result of creating a strong team. Council's support is always appreciated by the Fire Service. The main focus of the Fire Service was completing the recommendations of the Office of the Fire Marshall. We now have all eight recommendations in place and will continue to improve on them as we move forward. We continue to maintain the high standard of service we provide to the town and are always striving to improve our service.

The past year was another busy year in terms of emergency responses. The Truro Fire Service responded to a total of 380 alarms. Once again the commitment by both the staff and volunteer members is always appreciated. Each year our relationship and team work continues to get stronger, 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.

During the year training opportunities allowed us to move forward in meeting our minimum level of training, we created a joint training committee between staff and volunteers, and staff are actively taking part in Thursday night training when they are on shift, this is also part of the joint training. Front Line Fire Suppression, Communication and Teamwork continued to be the main areas we have been working on for the past year. A special thanks to the volunteers and staff for the extra time and commitment they provided to ensure they all continued to work towards meeting the training requirements of the Truro Fire Service.

We have completed our operating equipment purchases which has standardized our hose and all of our self-contained breathing apparatus. We completed the standardizing of our pagers and portable radios. We also continued with a replacement program for our older bunker gear and our inspection program to ensure our bunker gear meets all safety requirements.

Safety, accountability and communications are always the number one priorities of the Truro Fire Service; we continue to develop new fire department policies and operating guidelines to help ensure our members' safety. A database and program was established, enabling staff to do fire pre-planning on larger buildings and businesses.

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

Our Fire Inspector has completed over 130 fire inspections, also a new inspection program was established which allows us to remain current with requirements legislated by the Fire Safety Act. The Inspector has also completed 6 fire investigations, maintained his training and education on the changing codes, and between the fire inspector and staff they have conducted over 75 public education events.

The support of Council for our apparatus replacement program is appreciated, as the program is a huge step in ensuring that the apparatus is current and effective. The commitment to move forward in replacing the ladder truck has continued and will ensure that we have necessary equipment to provide reliable fire protection to our community.

In the coming year the Truro Fire Service will continue to move forward and remain responsible and accountable in all aspects of the Fire Service.

Respectfully submitted,
Blois Currie
Fire Chief



Town of Truro Annual Report April 1, 2011 to March 31, 2012

Public Works

Mayor Mills and Members of Town Council,

2011-12 was the fifth year of Asset Management being incorporated into capital infrastructure planning in Engineering and Public Works. This was the fourth 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 objective 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 2010-11 and 2011-12. The combination of aggressive street capital and maintenance by Council in 2010-11 proved very beneficial for the quality of our street conditions. The program is enhancing 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 2011-12 included the second full year of operation of the ortho-polyphosphate system at the Water Treatment Plant as a Corrosion Control program for the water distribution system. This enabled both the Spring and Fall Water Main Flushing Programs to be completed during regular business days with no disruption to the water system.

Twenty-two street segments under the Asset Management Plan consisting of 3470 metres (3.5km) were paved in 2011-12 these included; reconstruction and complete paving of: Brunswick St (Park-Exhibition), Burnyeat St (Adams-Brunswick), Centennial Dr (Wood-Lyman), Duke St (King-Dominion), Exhibition St (Brunswick-North end), Golf St (Prince-Pattillo), King St (Arthur-Prince & Tracks-MacDonald), and Park Rd (Brunswick-Rosewyn), as well as pavement overlays of: Abbey Ave (Harris-Curtis), Braemar Ct (Hillcrest-Cul-de-Sac), Forrester St (Prince-Victoria), Golf St (Prince-Smith), Pleasant St (Beechwood-Ridgewood) and (MacDonald-Fairview), Revere St (Prince-Queen), and Young St (Water Tower-South end).

Sidewalk Construction in 2011-12 was prioritized by the Sidewalk Asset Management Plan. This marks the third year the sidewalks were constructed independent of street construction unless both street and sidewalk were high priority.

Sixteen sidewalk segments under the Sidewalk Asset Management Plan consisting of 2560 metres (2.6km) were constructed in 2011-12, these included: Brunswick St (Park-Exhibition, both sides), Burnyeat St (Brunswick-Adams, both sides), Dominion St (Victoria-Arthur, west side), Glenwood Dr (W of Harris-Curtis), King St (Arthur-Prince, both sides),

Logan St (Queen-Bayview), Park Rd (Brunswick-Palmer), and Park St (Cross-North, west side).

Sewer construction consisted of storm drain construction on Burnyeat St (Brunswick-Adams), and Doggett's Brook storm drain outfall replacement from Willow St. Water operations were totally focused on system operational improvements in 2011-12 with numerous hydrants and main valves replaced and repaired, and numerous water services replaced on the capital project streets.

Other Projects initiated in 2011-12 were: an evaluation of the SCADA system, a capacity study of the sanitary system serving the Truro Industrial Park, and the purchase of a combination sewer main line and sewer lateral camera.

The winter of 2011-12 saw very consistent snow falls in January and February with moderate conditions in the month of March. Similar to the hard winter of 2010-11, this led to expenditures 41% over budget, but with the moderate conditions of March kept the street asphalts in good condition. This, combined with the annual commitment of Council to the Infrastructure Asset management Plan bodes the Town of Truro very well for the 2012-13 budget year.

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



Town of Truro Annual Report April 1, 2011 to March 31, 2012

Planning Department

Mayor Mills and members of Town Council,

I am pleased to make the following report for 2011. 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 2011, 94 development permits were issued while 85 were issued in 2010. In 2011 there were 129 building permits issued while 137 building permits were issued in 2010. The following table shows all building and development permits issued in Truro broken down by the type of land use.

PERMITS ISSUED			
Type	2010	2011	% Change
Single Detached	58	62	6.9
Two Unit	5	6	20.0
Multiple Unit	14	10	-28.6
Other Residential	20	22	10.0
Commercial	61	52	-14.8
Industrial	3	2	-33.3
Institutional/Government	6	6	0.0
Temporary Signs	55	63	14.5
TOTALS	222	223	0.5
UNITS CREATED			
Type	2010	2011	% Change
Single Detached	17	13	-23.5
Two Unit	4	8	100.0
Multiple Unit	96	36	-62.5
Other Residential	1	0	-100.0
Commercial	1	2	100.0
Industrial	0	0	0.0
Institutional/Government	0	0	0.0
TOTALS	119	59	-50.4

VALUE OF CONSTRUCTION			
Type	2010	2011	% Change
Single Detached	\$ 2,476,101.00	\$ 3,132,501.00	26.51
Two Unit	\$ 405,700.00	\$ 996,000.00	145.50
Multiple Unit	\$ 7,631,200.00	\$ 1,609,400.00	-78.91
Other Residential	\$ 223,846.00	\$ 197,150.00	-11.93
Commercial	\$ 4,277,940.00	\$ 4,584,152.00	7.16
Industrial	\$ 330,000.00	\$ 245,000.00	-25.76
Institutional/Government	\$ 176,206,100.00	\$ 51,245,001.00	-70.92
TOTALS	\$191,508,887.00#	\$62,009,204.00+	-67.92

#Figure includes \$175,000,000.00 for the new Regional Hospital

+Figure includes \$47,000,000.00 for the new Civic Centre

II. Subdivision/Consolidation Approvals

In 2011 there were 10 subdivision approvals resulting in the creation of 14 lots. It should be noted that approvals include boundary adjustments and consolidations of lots.

Subdivision approvals resulted in \$4270.00 of park land transfer cash in lieu in 2011.

III. Development Agreements

The following development agreements were approved in 2011:

DEVELOPMENT AGREEMENTS APPROVED IN 2011		
Location	Applicant	Use
5-7 Charles Street	Donovan Properties	The purpose of the Agreement is to permit the expansion of an existing two storey, two unit converted dwelling, by adding seven new dwelling units in a two storey addition at 5-7 Charles Street.
Upham Drive (PID 20232997).	Meech Holdings Ltd	The purpose of the Agreement is to permit an 80 unit phased residential development that will consist of a mixture of single detached, semi-detached and three-unit townhouse style dwellings off Upham Drive (PID 20232997).

IV. Major Construction Projects – 2011

MAJOR CONSTRUCTION PROJECTS IN 2011		
<i>Location</i>	<i>Project</i>	<i>Value</i>
625 Abenaki Rd	New Civic Center	\$47,000,000.00
266 Robie Street	Addition, Hollis Ford	\$1,600,000.00
180 James St	Nova Institution for Women	\$3,185,000.00
295 Young Street	Addition	\$1,000,000.00
171 King Street	26 Unit Apartment Building	\$800,000.00
29 Victoria Street	10 Unit Apartment Building	\$650,000.00
181 Willow Street	Office Building	\$500,000.00
32 Juniper Street	Renovation, Mills Mazda	\$306,000.00
46 Elm Street	Renovation, Atlantic Superstore	\$230,000.00

Respectfully Submitted,
Jason Fox,
Director of Planning & Development



***Town of Truro
Annual Report
April 1, 2011 to March 31, 2012***

Parks, Recreation and Culture

Mayor Mills and Members of Town Council,

The year 2011 was another busy and successful year for the Truro Parks, Recreation and Culture Department.

Additional energy efficiency improvements were made at the Colchester Legion Stadium to ensure that the arena remains cost effective for many years to come.

The Parks, Recreation and Culture Department is now located in the Douglas Street Recreation Centre at 40 Douglas Street. This facility is being managed as a community recreation facility and has quickly become a centre of activity for the whole community.

The Town of Truro and Municipality of the County of Colchester completed a joint Regional Recreation Master Plan late in 2011. The plan should provide direction with respect to open space planning and facility development to the respective Municipalities for years to come.

The Parks, Recreation and Culture Department is very pleased with the Wood Street Look-off project in Victoria Park and is extremely excited with development of improved walking trails in the watershed area and looks forward to completing the project in 2012. In addition, the Department is planning major improvement of the internal Park signage system at Victoria Park.

2011 marked the 250th anniversary of the arrival of English speaking settlers from Ireland and New England to Colchester County. The Cobequid Planter's Society, assisted by Parks, Recreation and Culture staff hosted or inspired over 25 events throughout the year.

Respectfully Submitted,
Doug MacKenzie
Director of Parks, Recreation and Culture



Town of Truro Annual Report April 1, 2011 to March 31, 2012

Truro Industrial Development Society

Mayor Mills and members of Town Council,

As you are well aware, the Halifax Shipbuilding contract is already having a positive effect on local business confidence. The Truro Industrial Park's prime location within an hour of the Halifax Shipyards means we are beginning to receive a flurry of interest in Truro's central location.

As we await the approval of the proposed new overpass leading traffic from the 102 into the south end of the Truro Industrial Park, we wish to acknowledge Town Council's approval of funding for that project.

We also wish to point out that the new Colliers study identifying property uses at the top of Young Street has been a major step forward in piecing together the "big picture" for the future of the Truro Business Park. This was another innovative decision from council, as was council's approval of the name change to "Truro Business Park", which puts us in step with the Atlantic Region's other key innovators along the Halifax-Moncton Corridor.

With this as a backdrop, we have recently been concentrating on the sale of a pivotal piece of property, which could bring more distribution jobs into the Truro Business Park. That property is 3+ acres near the corner of William Barnhill Drive and Crossley Avenue. Negotiations began in December and have re-emerged as we enter the new fiscal year. If successful, the sale could result in 15 well-paid jobs in Truro this year.

It is also good to note that our marketing efforts have resulted in even more positive attention for Truro this year. You will remember that earlier this spring, one of the world's most-respected business consulting firms, KPMG, brought out its biannual business location cost survey. The results place Truro as the most cost-competitive location in North America in which to establish and operate a business. We rank ahead of Moncton and Halifax plus more than 100 other cities around the world!

We were quick to begin using that in our publicity to highlight the town's attributes, in tandem with the double bonus of this year's new census numbers. As you are aware, the final numbers in the census show central Truro's growth rate is now at 4 per cent, making our town the second-fastest growing urban centre in the province of Nova Scotia. Those numbers will serve us very well over the next few years of marketing the Truro Business Park and the town as a whole.

The Society table also welcomed some bright, new signage at 5 locations within the Truro Business Park this year, which was made possible with some help from CoRDA and the Province.

In closing, I wish to ensure you that our monthly meetings are lively, and as business in the park ramps up, we are more than happy to be managing the desired growth that will drive Truro's economy for years to come.

Respectfully Submitted,
Ray Merriam
Chair
Truro Industrial Development Society

TOWN OF TRURO

CONSOLIDATED FINANCIAL STATEMENTS AND
AUDITORS' REPORT

MARCH 31, 2012

TOWN OF TRURO

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2012

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JOHNSON SAUNDERS INC.

CHARTERED ACCOUNTANTS

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18 Willow Street, Suite 204
Truro, NS B2N 4Z4
www.jsinc.ca**AUDITORS' REPORT**To the Mayor and Members of Council of the
Town of Truro**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of the Town of Truro, which comprise the consolidated statement of financial position as at March 31, 2012 and the consolidated statements of financial activities, changes in financial position and changes in net financial assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Truro as at March 31, 2012 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 public sector accounting standards.

Truro, Nova Scotia
July 3, 2012


Chartered Accountants

TOWN OF TRURO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$2,171,950	\$1,400,390
Receivables		
Taxes and rates (net of asset valuation allowances)	1,821,297	1,797,979
Other (net of asset valuation allowances)	1,891,754	3,844,870
Long term investments and restricted funds, at cost	8,839,743	8,269,265
Investment in government business enterprises	<u>2,784,361</u>	<u>1,996,234</u>
	<u>17,509,105</u>	<u>17,308,738</u>
LIABILITIES		
Payables and accruals	2,272,697	2,749,776
Tax sale surplus	69,394	69,394
Short term borrowing	3,060,590	
Long term debt (note 5)	14,283,331	13,996,765
Post employment benefits liability (note 6)	<u>1,109,127</u>	<u>846,509</u>
	<u>20,795,139</u>	<u>17,662,444</u>
NET FINANCIAL DEBT	<u>(3,286,034)</u>	<u>(353,706)</u>
NON-FINANCIAL ASSETS		
Land and servicing costs (note 7)	831,536	831,860
Capital assets, net of accumulated amortization (note 8)	89,187,537	82,375,971
Inventory for consumption	519,608	583,185
Prepaid expenses	<u>101,020</u>	<u>124,184</u>
	<u>90,639,701</u>	<u>83,915,200</u>
ACCUMULATED SURPLUS	<u><u>\$87,353,667</u></u>	<u><u>\$83,561,494</u></u>

ON BEHALF OF THE TOWN

_____, Mayor

_____, Chief Administrative Officer

TOWN OF TRURO
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
REVENUE		
Assessable property taxes (net of school board appropriation)	\$ 17,039,349	\$ 16,317,894
Grants in lieu of taxes	547,946	483,050
Services provided to other governments	216,479	241,431
Sale of services	3,963,468	3,737,345
Other revenue from own sources	1,449,293	1,177,069
Unconditional transfers from other governments	1,251,673	1,184,283
Conditional transfers from other governments	<u>3,335,852</u>	<u>6,307,236</u>
TOTAL REVENUE	<u>27,804,060</u>	<u>29,448,308</u>
EXPENDITURES		
General government services	2,986,801	3,001,588
Protective services	6,658,177	6,521,563
Transportation services	4,759,075	4,513,937
Environmental health services	2,162,163	2,282,589
Public health services	1,185,608	1,256,125
Environmental development services	1,101,389	1,026,721
Recreation and cultural services	2,328,084	1,901,256
Water transmission and distribution	<u>2,830,590</u>	<u>2,877,385</u>
TOTAL EXPENDITURES	<u>24,011,887</u>	<u>23,381,164</u>
ANNUAL SURPLUS	3,792,173	6,067,144
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>83,561,494</u>	<u>77,494,350</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>\$ 87,353,667</u></u>	<u><u>\$ 83,561,494</u></u>

TOWN OF TRURO
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 3,792,173	\$ 6,067,144
Change in non-cash items		
Amortization	3,739,011	3,237,910
Taxes and rates receivable (net of valuation allowances)	(23,318)	(106,249)
Other receivables (net of valuation allowances)	1,953,116	(1,700,574)
Payables and accruals	(477,079)	550,447
Tax sale surplus		
Post employment benefits liability	<u>262,618</u>	<u>283,350</u>
	<u>9,246,521</u>	<u>8,332,028</u>
CAPITAL TRANSACTIONS		
Acquisition of capital assets	(10,637,179)	(7,375,287)
Proceeds from sale of capital assets	43,952	26,025
Loss (gain) on sale of capital assets	42,650	46,298
Change in inventory for consumption and prepaid expenses	86,741	17,631
Change in land and servicing costs	<u>324</u>	<u>111,967</u>
	<u>(10,463,512)</u>	<u>(7,173,366)</u>
FINANCING ACTIVITIES		
Issuance of short term borrowing	3,060,590	
Issuance of long term debt	1,332,000	1,300,000
Repayment of short term borrowing		(200,000)
Repayment of long term debt	<u>(1,045,434)</u>	<u>(980,434)</u>
	<u>3,347,156</u>	<u>119,566</u>
INVESTING ACTIVITIES		
Change in long term investments and restricted funds	(570,478)	(1,169,961)
Change in investment in government business enterprises	<u>(788,127)</u>	<u>(890,880)</u>
	<u>(1,358,605)</u>	<u>(2,060,841)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	771,560	(782,613)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,400,390</u>	<u>2,183,003</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,171,950</u></u>	<u><u>\$ 1,400,390</u></u>

TOWN OF TRURO
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)
YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
ANNUAL SURPLUS	<u>\$ 3,792,173</u>	<u>\$ 6,067,144</u>
Acquisition of tangible capital assets	(10,637,179)	(7,375,287)
Amortization of tangible capital assets	3,739,011	3,237,910
Loss (gain) on sale of tangible capital assets	42,650	46,298
Proceeds on sale of tangible capital assets	43,952	26,025
Change in land and servicing costs	324	111,967
	<u>(6,811,242)</u>	<u>(3,953,087)</u>
Acquisition of inventory	(519,608)	(583,185)
Acquisition of prepaid expenses	(101,020)	(124,184)
Consumption of inventory	583,185	542,259
Use of prepaid expenses	124,184	182,741
	<u>86,741</u>	<u>17,631</u>
CHANGE IN NET FINANCIAL DEBT	(2,932,328)	2,131,688
NET FINANCIAL DEBT, BEGINNING OF YEAR	<u>(353,706)</u>	<u>(2,485,394)</u>
NET FINANCIAL DEBT, END OF YEAR	<u><u>\$ (3,286,034)</u></u>	<u><u>\$ (353,706)</u></u>

TOWN OF TRURO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012

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, 2012

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 a previous 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 is being recorded as an expense and is calculated on a straight-line basis over an asset's estimated useful life.

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, 2012, the book value of the equity in trust funds under its trusteeship amounted to \$382,733 (2011 - \$388,268).

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 \$83,007 (2011 - \$79,940) 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 \$36,820 (2011 - \$67,434) 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, 2012

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 \$2,182,440 (2011 - \$2,188,284) 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 \$133,379 (2011 - \$179,852) 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 \$165,330 (2011 - \$166,897) 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>2012</u>	<u>2011</u>
Capital loan - Victoria Park Pool, maturing in 2015	\$ 90,000	\$ 120,000
Capital loan - Downtown Revitalization, maturing in 2018	300,000	350,000
Capital loan - Police Station, maturing in 2018	600,000	700,000
Capital loan - Building reconstruction, maturing in 2022	1,104,333	1,214,766
Capital loan - Municipal Building, maturing in 2024	1,716,000	1,859,000
Capital loan - Building construction, maturing in 2026	1,297,500	1,468,750
Capital loan - Hospital construction, maturing in 2028	880,000	935,000
Capital loan - Hospital construction, maturing in 2029	765,000	810,000
Capital loan - Public Works Facility construction, maturing in 2030	1,495,124	1,578,187
Capital loan - Stadium / Civic Centre construction, maturing in 2030	900,000	950,000
Capital loan - Hospital construction, maturing in 2030	900,000	950,000
Capital loan - Public Works Facility construction, maturing in 2030	498,374	526,062
Capital loan - Dam Revitalization, maturing in 2030	1,170,000	1,235,000
Capital loan - Dam Revitalization, maturing in 2031	190,000	200,000
Capital loan - Hospital construction, maturing in 2031	1,045,000	1,100,000
Capital loan - Civic Centre construction, maturing in 2032	1,332,000	-
	<u>\$ 14,283,331</u>	<u>\$ 13,996,765</u>

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

2013, \$1,112,034; 2014, \$1,112,034; 2015, \$1,112,034; 2016, \$1,082,034; 2017, \$972,034

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, 2012

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%.

	<u>2012</u>	<u>2011</u>
Accrued benefit liability - opening	\$ 1,128,678	\$ 1,126,319
Net change in benefit obligation	(19,551)	2,359
Accrued benefit liability - closing	<u>1,109,127</u>	<u>1,128,678</u>
Less: amounts to be recovered from future years		(282,169)
Accrued liability portion	<u>\$ 1,109,127</u>	<u>\$ 846,509</u>

7. LAND - TRURO INDUSTRIAL PARK

	<u>2012</u>	<u>2011</u>
Balance, beginning	\$ 831,860	\$ 943,827
Land purchased during the year		
Land sold during the year	<u>(324)</u>	<u>(111,967)</u>
Balance, ending	<u>\$ 831,536</u>	<u>\$ 831,860</u>

8. PROPERTY AND EQUIPMENT, AT COST

	<u>2012</u>	<u>2011</u>
Land and buildings	\$ 52,394,008	\$ 44,648,601
Machinery and equipment	10,737,983	10,183,621
Street paving, sewage collection and other improvements	55,618,374	54,187,705
Other	<u>9,018,389</u>	<u>8,912,321</u>
	127,768,754	117,932,248
Less: accumulated amortization	<u>38,581,217</u>	<u>35,556,277</u>
	<u>\$ 89,187,537</u>	<u>\$ 82,375,971</u>

TOWN OF TRURO
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2012

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, 2010 (previous December 31, 2007).

The actuarial report indicates that the present value of the accumulated plan benefit at December 31, 2010 was \$14,851,900. The net assets available to provide for these benefits, at market value, at December 31, 2010 amounted to \$14,462,200. 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%.

During the 2010-11 year, the Town was assigned the unfunded liability for its share of the PANS solvency deficiency arising from the actuarial report completed as of September 30, 2009.

	<u>2012</u>	<u>2011</u>
Deferred pension liability - opening	\$ 620,666	\$ 557,893
Increase in solvency and going-concern deficiencies	1,243,300	
Town's share of 2009 PANS solvency deficiency		344,407
Decrease in deferred liability due to funding	<u>(527,424)</u>	<u>(281,634)</u>
Deferred pension liability - closing	1,336,542	620,666
Less: amounts to be recovered from future years	<u>(1,336,542)</u>	<u>(620,666)</u>
Accrued liability portion	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

During the 2008-09 fiscal year, the Town was assigned the unfunded liability for its share of the PANS 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 seven years.

	<u>2012</u>	<u>2011</u>
Long term loan payable related to PANS pension plan - opening	\$ 825,248	\$ 928,404
Decrease in loan payable	<u>(103,156)</u>	<u>(103,156)</u>
Long term loan - closing	722,092	825,248
Less: amounts to be recovered from future years	<u>(722,092)</u>	<u>(825,248)</u>
Accrued liability portion	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Contributions and expenses incurred regarding the Town's defined benefit plan and the Town's share of the PANS plan are as follows:

	<u>2012</u>	<u>2011</u>
Employer contribution	\$ 918,508	\$ 977,886
Employee contributions	545,212	529,632
Benefits paid (Prior year Town defined benefit plan only)	1,238,841	440,374

TOWN OF TRURO
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2012

10. RESERVE FUNDS

	<u>2012</u>	<u>2011</u>
Balance, beginning consisting of:		
Special reserves	\$ 3,420,371	\$ 3,383,084
Departmental reserves	1,948,352	1,297,987
Other reserves	2,467,304	2,186,921
Industrial Development Society capital reserve	<u>433,238</u>	<u>231,312</u>
	8,269,265	7,099,304
Transfer from operating funds	1,207,000	1,336,367
Other transfers	926,278	933,918
Interest on inter-municipal fund borrowings	133,852	148,854
Interest on investments and savings	10,366	6,889
Cash in lieu of recreation land	4,270	1,740
Transfer to capital funds	(1,577,436)	(1,048,405)
Transfer to operating funds	<u>(133,852)</u>	<u>(209,402)</u>
Balance, ending	<u>\$ 8,839,743</u>	<u>\$ 8,269,265</u>
Balance, ending consists of:		
Special reserves	\$ 3,251,697	\$ 3,420,371
Departmental reserves	2,193,131	1,948,352
Other reserves	2,953,471	2,467,304
Industrial Development Society capital reserve	<u>441,444</u>	<u>433,238</u>
	<u>\$ 8,839,743</u>	<u>\$ 8,269,265</u>

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

	<u>2012</u>	<u>2011</u>
Balance, beginning	\$ 831,860	\$ 943,827
Land purchased during the year		
Land sold during the year	<u>(324)</u>	<u>(111,967)</u>
Balance, ending	<u>\$ 831,536</u>	<u>\$ 831,860</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, 2012, the Truro Industrial Development Society has allocated to a special trust account \$441,444 (2011 - \$433,238) pursuant to this agreement. During the year, nil (2011 - nil) was transferred to the Society Operating Fund for the purchase of land in the Industrial Park.

TOWN OF TRURO
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2012

12. COMMITMENTS

The Town of Truro has committed to contributing \$4,100,000 to the new Colchester Regional Hospital project, on a percentage of completion basis. To March 31, 2012 the Town has contributed \$3,294,361 to this project.

The Town of Truro has committed to contributing up to \$10,560,000 (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). To March 31, 2012 the Town has contributed \$4,947,837 to this project.

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, 2012
a) Phase 3 Trunk Line Sewer Project	50%	\$ 2,300,000	\$ 62,000
b) Phase 4B Regional Sewage Treatment Plant	50%	2,250,000	562,500
c) Regional Balefill Facility	33.23%	2,658,400	448,000
d) Phase 4C and 4D Regional Wastewater Facility	50%	1,950,000	487,500
		<u>\$ 9,158,400</u>	<u>\$ 1,560,000</u>

During the year, the Town paid a total of \$459,072 (2011 - \$477,921) to the County of Colchester as their share of the joint financing commitments for these projects. This expenditure is recorded under Environmental Health Services \$75,072 (2011 - \$93,921) and Financing and Transfers \$384,000 (2011 - \$384,000).

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

2013	\$ 448,292
2014	370,319
2015	355,935
2016	341,288
2017	<u>217,060</u>
	1,732,894
Less: interest component	<u>172,894</u>
Principal component	<u>\$ 1,560,000</u>

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

For the year ending March 31, 2013	\$ 99,775
2014	86,723
2015	58,388
2016	5,145

TOWN OF TRURO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012

13. CONTINGENCIES

As at March 31, 2012, 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	\$	33,621
C. Cox	Deputy Mayor		20,016
B. Kinsman	Councillor		21,228
R. Tynes	Councillor		19,407
D. Bennett-Cook	Councillor		19,407
S. Byers	Councillor		19,407
G. MacArthur	Councillor		19,407

TOWN OF TRURO

NON-CONSOLIDATED FINANCIAL STATEMENTS AND
AUDITORS' REPORT

MARCH 31, 2012

TOWN OF TRURO

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YEAR ENDED MARCH 31, 2012

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JOHNSON SAUNDERS INC.

CHARTERED ACCOUNTANTS

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Myles W. Johnson, CATELEPHONE (902) 895-7480
FAX (902) 895-7499
18 Willow Street, Suite 204
Truro, NS B2N 4Z4
www.jsinc.ca**AUDITORS' REPORT**To the Mayor and Members of Council of the
Town of Truro**Report on the Non-Consolidated Financial Statements**

We have audited the accompanying non-consolidated financial statements of the Town of Truro, which comprise the non-consolidated Operating Fund and non-consolidated Capital Fund statements of financial position of the General Fund, the Water Utility and Reserve Funds as at March 31, 2012 and the non-consolidated statements of financial activities for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-Consolidated Financial Statements

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

Auditors' Responsibility

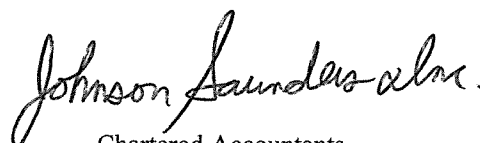
Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

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

Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the financial position of the Town of Truro as at March 31, 2012 and the results of its financial activities for the year then ended in accordance with Canadian public sector accounting standards.

Truro, Nova Scotia
July 3, 2012
Chartered Accountants

TOWN OF TRURO
 GENERAL FUND
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GENERAL OPERATING FUND
 MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
FINANCIAL ASSETS		
CASH	\$ 582,752	\$ -
RECEIVABLES:		
Taxes (note 4)	1,199,004	1,088,716
Due from federal government	165,522	538,803
Due from provincial government	1,018,653	753,137
Due from own funds (note 6)		14,054
Other receivables (note 5)	<u>625,315</u>	<u>2,456,946</u>
	<u>3,591,246</u>	<u>4,851,656</u>
LIABILITIES		
Bank overdraft		1,151,287
Trade accounts payable	2,050,090	2,547,324
Due to own funds (note 6)	5,288	
Prepaid taxes	123,005	104,953
Deferred revenue and deposits	55,150	26,604
Tax sale surplus (note 7)	69,394	69,394
Post employment benefits liability (note 8)	<u>1,001,158</u>	<u>750,472</u>
	<u>3,304,085</u>	<u>4,650,034</u>
NET FINANCIAL ASSETS	287,161	201,622
NON-FINANCIAL ASSETS		
Prepaid expenses	60,431	71,238
Inventory of materials and supplies, at cost	<u>303,162</u>	<u>369,167</u>
ACCUMULATED SURPLUS	<u>\$ 650,754</u>	<u>\$ 642,027</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, 2012

		2012		2011
	Page	UNAUDITED BUDGET	ACTUAL	ACTUAL
REVENUE				
Assessable property taxes	B- 4	\$17,696,000	\$ 17,782,202	\$ 17,064,824
Grants in lieu of tax	B- 4	485,000	547,946	483,050
Services provided to other governments	B- 4	199,500	216,479	241,431
Sales of services	B- 5	930,100	944,852	867,431
Other revenue from own sources	B- 5	493,000	599,587	615,414
Unconditional transfers from other governments	B- 5	1,127,000	1,251,673	1,184,283
Conditional transfers from other governments	B- 6	808,000	844,479	848,710
		<u>21,738,600</u>	<u>22,187,218</u>	<u>21,305,143</u>
EXPENDITURES				
General government services	B- 7	2,897,667	2,908,115	2,803,491
Protective services	B- 7	7,271,224	7,388,489	7,114,787
Transportation services	B- 8	4,497,010	4,762,695	4,517,982
Environmental health services	B- 8	2,364,402	2,162,651	2,283,185
Public health services	B- 8	1,789,661	1,185,608	1,256,125
Environmental development services	B- 9	1,224,089	1,211,389	1,143,721
Recreational and cultural services	B- 9	2,350,833	2,343,349	1,918,219
Change in post employment benefits liability (note 8)			529	(18,572)
Change in deferred pension liability (note 9)			715,876	62,773
		<u>22,394,886</u>	<u>22,678,701</u>	<u>21,081,711</u>
ANNUAL SURPLUS (DEFICIT)		(656,286)	(491,483)	223,432
FINANCING AND TRANSFERS				
Financing	B-10	(1,430,000)	2,962,688	(274,902)
Amounts to be recovered from future revenues	B-10	(250,000)	465,719	(196,670)
Transfer from (to) own reserves and funds	B-10	2,336,286	(2,928,197)	264,551
CHANGE IN SURPLUS		<u>\$ -</u>	8,727	16,411
BEGINNING SURPLUS			<u>642,027</u>	<u>625,616</u>
ENDING SURPLUS			<u>\$ 650,754</u>	<u>\$ 642,027</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES
YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
ASSESSABLE PROPERTY TAXES		
Assessable property		
Residential	\$ 9,244,599	\$ 8,685,339
Commercial	9,707,839	9,590,727
Resource and recreational	22,351	19,142
Area rates	252,312	246,542
Business property		
Business occupancy	149,760	163,442
Based on revenues - Aliant	119,078	135,276
Nova Scotia Power Inc - Grant in lieu of tax	19,347	19,189
Nova Scotia Power Inc - HST rebate	91,748	93,947
Deed transfer tax	357,608	299,504
Education expenditures as a reduction of tax revenue		
Appropriation to regional school board	<u>(2,182,440)</u>	<u>(2,188,284)</u>
	<u>\$ 17,782,202</u>	<u>\$ 17,064,824</u>
 GRANTS IN LIEU OF TAX		
Federal government	\$ 462,511	\$ 398,730
Province of Nova Scotia		
Provincial property	46,318	45,598
Fire protection	<u>39,117</u>	<u>38,722</u>
	<u>\$ 547,946</u>	<u>\$ 483,050</u>
 SERVICES PROVIDED TO OTHER GOVERNMENTS		
County of Colchester		
Protective services	\$ 24,638	\$ 35,101
Environmental health	20,584	39,058
Village of Bible Hill		
Fire protection	78,841	78,122
Millbrook First Nations		
Municipal services	83,916	80,650
Town of Stewiacke		
Building Inspector	<u>8,500</u>	<u>8,500</u>
	<u>\$ 216,479</u>	<u>\$ 241,431</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES
YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
SALES OF SERVICES		
General government services	\$ 2,845	\$ 2,875
Protective services	192,818	151,115
Transportation services	18,794	4,645
Environmental development services	16,038	22,791
Recreation and cultural services		
Stadium	525,037	511,801
Victoria Park Pool	40,069	47,468
Sportsfields	3,961	5,071
Other recreation	145,290	121,665
	<u>\$ 944,852</u>	<u>\$ 867,431</u>
OTHER REVENUE FROM OWN SOURCES		
Licenses and permits	\$ 3,486	\$ 4,688
Fines	171,493	182,179
Rentals	10,255	7,500
Return on investments	219,682	223,850
Interest on taxes	194,371	186,042
Miscellaneous	300	11,155
	<u>\$ 599,587</u>	<u>\$ 615,414</u>
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Provincial Government		
Service Nova Scotia and Municipal Relations		
Municipal Grants Act - Equalization	\$ 1,226,452	\$ 1,154,664
Municipal Government Act - Farm property acreage	979	961
Other provincial		
Resource Recovery Fund Board	9,378	17,258
911 cost recovery fund	4,359	4,277
Dairy stewardship program	10,505	7,123
	<u>\$ 1,251,673</u>	<u>\$ 1,184,283</u>

TOWN OF TRURO
 GENERAL FUND
 NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND REVENUES
 YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Federal Government		
Indian and Northern Affairs - municipal services	\$ 345,187	\$ 301,806
Student program	4,627	4,416
RCMP - CISNS program	94,665	74,215
Provincial Government		
Recreation Facility Master Plan		10,000
Municipal Physical Activity Leadership Program		8,335
Active Kids - Healthy Kids		5,899
Regional Transit Study		44,039
Police Boots on the Streets program	<u>400,000</u>	<u>400,000</u>
	<u>\$ 844,479</u>	<u>\$ 848,710</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES
YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
GENERAL GOVERNMENT SERVICES		
Legislative		
Mayor remuneration	\$ 31,275	\$ 29,508
Mayor expenses	8,695	7,170
Council remuneration	119,390	115,917
Council expenses	93,157	106,436
General Administrative		
Administrative	837,272	749,753
Financial management	452,698	310,967
Taxation		
Tax rebates	48,940	48,382
Transfer for assessment services	165,330	166,897
Common services	417,120	412,538
Other general administrative services	90,967	63,696
Amortization		
Amortization of capital assets	268,979	420,084
Gain on sale of capital assets	(7,138)	(5,426)
Debt charges		
Debenture interest on long term debt	195,038	211,478
Other debt charges	1,044	825
Valuation allowances		
Uncollectable taxes (recovered)	10,524	(5,495)
Other doubtful receivables (recovered)	3,778	(1,319)
Other general government services		
Grants to organizations and individuals	171,046	172,080
	<u>\$ 2,908,115</u>	<u>\$ 2,803,491</u>
PROTECTIVE SERVICES		
Police protection	\$ 4,619,264	\$ 4,678,950
Law enforcement		
Transfer to correction services	133,379	179,852
Transfer to prosecution services	33,916	29,300
Fire protection		
Water supply and hydrants	724,400	644,214
Fire service operations	1,171,118	1,110,014
Emergency measures	32,208	29,122
Amortization		
Amortization of capital assets	398,473	171,133
Gain on sale of capital assets	(1,236)	(2,287)
Debenture interest on long term debt	117,751	132,690
Other protective services	159,216	141,799
	<u>\$ 7,388,489</u>	<u>\$ 7,114,787</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES
YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
TRANSPORTATION SERVICES		
Common services	\$ 468,283	\$ 391,562
Road transport		
Street maintenance	876,759	842,184
Sidewalk maintenance	220,585	211,106
Snow and ice control	709,195	698,465
Street lighting	289,833	285,203
Traffic services	100,930	86,892
Other road transport	32,845	82,344
Amortization		
Amortization of capital assets	1,948,755	1,780,762
Loss on sale of capital assets	33,880	39,070
Debt charges		
Debenture interest on long term debt	81,630	100,394
	<u>\$ 4,762,695</u>	<u>\$ 4,517,982</u>
ENVIRONMENTAL HEALTH SERVICES		
Sewage collection and disposal		
Sewage collection systems	\$ 587,540	\$ 728,326
Sewage treatment and disposal	645,780	650,285
Garbage and waste collection and disposal		
Garbage and waste collection	449,383	414,740
Recycling	92,513	85,626
Amortization		
Amortization of capital assets	310,802	309,787
Loss on sale of capital assets	1,561	500
Debt charges		
Debenture interest on long term debt	75,072	93,921
	<u>\$ 2,162,651</u>	<u>\$ 2,283,185</u>
PUBLIC HEALTH SERVICES		
Deficit of Regional Housing Authority	\$ 36,820	\$ 67,434
Colchester Regional Hospital Foundation contribution	993,127	1,040,880
Debt charges		
Debenture interest on long term debt	155,661	147,811
	<u>\$ 1,185,608</u>	<u>\$ 1,256,125</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES
YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
ENVIRONMENTAL DEVELOPMENT SERVICES		
Town planning and zoning	\$ 356,197	\$ 346,157
Transfer to Colchester Regional Development Agency	71,100	71,100
Other community development	484,336	476,964
Natural resources development	176,644	126,891
Industrial Development Society	110,000	117,000
Tourism services	11,548	5,118
Amortization		
Amortization of capital assets	1,564	1,292
Gain on sale of capital assets		(801)
	<u>\$ 1,211,389</u>	<u>\$ 1,143,721</u>
 RECREATION AND CULTURAL SERVICES		
Recreation administration	\$ 359,871	\$ 315,253
Recreation facilities		
Stadium and outdoor rinks	690,507	612,392
Victoria Park Pool	78,079	72,239
Victoria Park	267,362	254,462
Ballfields, soccer fields, green spaces	234,648	216,510
Douglas Street Community Centre	96,437	66,169
Civic Centre	20,397	
Other recreation services	71,469	76,022
Cultural buildings and facilities		
Colchester East Hants Branch Library	80,405	73,375
Transfer to Regional Library	83,007	79,940
Other		
Amortization		
Amortization of capital assets	293,213	121,966
Gain on sale of capital assets	(1,530)	(551)
Debenture interest on long term debt	69,484	30,442
	<u>\$ 2,343,349</u>	<u>\$ 1,918,219</u>

TOWN OF TRURO
GENERAL FUND
NON-CONSOLIDATED SCHEDULE OF FINANCING AND TRANSFERS OF THE GENERAL OPERATING FUND
YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
FINANCING		
Issue of long term debt	\$ 1,332,000	\$ 1,100,000
Issue of short term borrowing	3,060,590	
Repayment of long term debt	<u>(1,429,902)</u>	<u>(1,374,902)</u>
	<u>\$ 2,962,688</u>	<u>\$ (274,902)</u>
AMOUNTS TO BE RECOVERED FROM FUTURE REVENUES		
Change in post employment benefits liability	\$ 529	\$ (18,572)
less charged to operations in current year (note 8)	(250,686)	(240,871)
Change in deferred pension liability (note 9)	<u>715,876</u>	<u>62,773</u>
	<u>\$ 465,719</u>	<u>\$ (196,670)</u>
TRANSFER TO (FROM) OWN RESERVES AND FUNDS		
Parks, Recreation and Culture	\$ (25,872)	\$ 50,052
Fire Service	170,000	180,000
Police Service	10,000	(10,000)
Public Works	138,772	535,530
Finance and Administration	7,611	(106,957)
Land and buildings	150,000	70,000
Operating Reserve	275,000	269,470
Capital Fund - stadium loan		(174,468)
Capital Fund - hospital loan	(993,127)	(1,040,880)
Capital Fund - hospital loan		1,100,000
Capital Fund - Civic Centre long term debt	1,332,000	(573,806)
Capital Fund - Civic Centre short term borrowing	3,060,590	
Capital Fund - capital expenditures	<u>(1,196,777)</u>	<u>(563,492)</u>
	<u>\$ 2,928,197</u>	<u>\$ (264,551)</u>

TOWN OF TRURO
 GENERAL FUND
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GENERAL CAPITAL FUND
 MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
FINANCIAL ASSETS		
Cash	<u>\$ 1,087,017</u>	<u>\$ 2,551,229</u>
LIABILITIES		
Short term borrowing	3,060,590	
Long term debt (B-32)	<u>12,424,957</u>	<u>12,035,703</u>
	<u>15,485,547</u>	<u>12,035,703</u>
NET FINANCIAL LIABILITIES	<u>(14,398,530)</u>	<u>(9,484,474)</u>
NON-FINANCIAL ASSETS		
Extraordinary expenses capitalized		
Colchester Regional Hospital Foundation contribution	2,784,361	1,996,234
Capital assets, net of accumulated amortization (note 10)	<u>71,071,023</u>	<u>64,002,177</u>
	<u>73,855,384</u>	<u>65,998,411</u>
NET ASSETS	<u><u>\$ 59,456,854</u></u>	<u><u>\$ 56,513,937</u></u>
FUND BALANCE	<u><u>\$ 59,456,854</u></u>	<u><u>\$ 56,513,937</u></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, 2012

	<u>2012</u>	<u>2011</u>
REVENUE		
Contribution from outside sources	\$ 1,484,393	\$ 278,445
Federal grants	2,447,393	2,129,581
Provincial grants	<u>43,980</u>	<u>2,395,027</u>
	<u>3,975,766</u>	<u>4,803,053</u>
EXPENDITURES		
General government services		
Land	280,529	127,156
Buildings	33,150	
Equipment	44,571	144,567
Protective services		
Police	25,981	32,594
Fire		19,287
Transportation services		
Sidewalk construction	583,644	354,192
Street, curb and gutter construction	1,058,975	1,399,278
Equipment	681,844	189,127
Buildings	16,563	
Environmental health services		
Sewer construction	207,428	91,727
Public health services		
Colchester Regional Hospital Foundation contribution	993,127	1,040,880
Environmental development services		
Equipment	5,006	
Recreation and cultural services		
Land	35,510	
Buildings	7,371,992	4,663,523
Equipment	<u>14,927</u>	<u>70,638</u>
	<u>11,353,247</u>	<u>8,132,969</u>
NET EXPENDITURES	7,377,481	3,329,916
FINANCING AND TRANSFERS		
Proceeds of issuance of debt	(4,392,590)	(1,100,000)
Retirement of debt	737,746	737,746
Transfers from (to) own reserves, funds and agencies	<u>(779,720)</u>	<u>1,914,704</u>
NET CHANGE IN FUND BALANCE	2,942,917	4,882,366
FUND BALANCE, BEGINNING	<u>56,513,937</u>	<u>51,631,571</u>
FUND BALANCE, ENDING	<u>\$ 59,456,854</u>	<u>\$ 56,513,937</u>

TOWN OF TRURO
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
MARCH 31, 2012

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.

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 \$83,007 (2011 - \$79,940) 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 \$36,820 (2011 - \$67,434) 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, 2012

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 \$2,182,440 (2011 - \$2,188,284) 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 \$133,379 (2011 - \$179,852) 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 \$165,330 (2011 - \$166,897) 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

	<u>CURRENT YEAR</u>	<u>PRIOR YEARS</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
Balance, beginning	\$ -	\$1,013,748	\$ 1,013,748	\$ 1,095,037
Current year's tax levy	<u>19,507,322</u>		<u>19,507,322</u>	<u>18,891,280</u>
	<u>19,507,322</u>	<u>1,013,748</u>	<u>20,521,070</u>	<u>19,986,317</u>
Deduct:				
Current year's collections	18,760,786	670,215	19,431,001	18,953,894
Exemptions	13,545		13,545	13,650
Reduced taxes	<u>5,195</u>		<u>5,195</u>	<u>5,025</u>
	<u>18,779,526</u>	<u>670,215</u>	<u>19,449,741</u>	<u>18,972,569</u>
Balance, ending	727,796	343,533	1,071,329	1,013,748
Less valuation allowance		<u>8,937</u>	<u>8,937</u>	<u>100,225</u>
	<u>\$ 727,796</u>	<u>\$ 334,596</u>	1,062,392	913,523
Interest receivable			<u>136,612</u>	<u>175,193</u>
			<u>\$ 1,199,004</u>	<u>\$ 1,088,716</u>

TOWN OF TRURO
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
 MARCH 31, 2012

5. OTHER RECEIVABLES

	<u>2012</u>	<u>2011</u>
Sidewalk frontage assessments	\$ 24,014	\$ 19,436
Sewer frontage assessments	12,686	13,397
Interest receivable	8,415	8,368
Other	594,147	2,434,936
	<u>639,262</u>	<u>2,476,137</u>
Less valuation allowance	13,947	19,191
	<u>\$ 625,315</u>	<u>\$ 2,456,946</u>

6. DUE FROM (TO) OWN FUNDS

	<u>2012</u>	<u>2011</u>
Water Utility	\$ 2,831	\$ 30,445
Industrial Development Society	(8,119)	(16,391)
	<u>\$ (5,288)</u>	<u>\$ 14,054</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>2012</u>	<u>2011</u>
Accrued benefit liability - opening	\$ 1,000,629	\$ 1,019,201
Net change in benefit obligation	529	(18,572)
Accrued benefit liability - closing	<u>1,001,158</u>	<u>1,000,629</u>
Less: amounts to be recovered from future years	-	(250,157)
Accrued liability portion	<u>\$ 1,001,158</u>	<u>\$ 750,472</u>

TOWN OF TRURO
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
 MARCH 31, 2012

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, 2010 (previous December 31, 2007).

The actuarial report indicates that the present value of the accumulated plan benefit at December 31, 2010 was \$14,851,900. The net assets available to provide for these benefits, at market value, at December 31, 2010 amounted to \$14,462,200. 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%.

During the 2010-11 year, the Town was assigned the unfunded liability for its share of the PANS solvency deficiency arising from the actuarial report completed as of September 30, 2009.

	<u>2012</u>	<u>2011</u>
Deferred pension liability - opening	\$ 620,666	\$ 557,893
Increase in solvency and going-concern deficiencies	1,243,300	
Town's share of 2009 PANS solvency deficiency		344,407
Decrease in deferred liability due to funding	<u>(527,424)</u>	<u>(281,634)</u>
Deferred pension liability - closing	1,336,542	620,666
Less: amounts to be recovered from future years	<u>(1,336,542)</u>	<u>(620,666)</u>
Accrued liability portion	<u>\$ -</u>	<u>\$ -</u>

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

During the 2008-09 fiscal year, the Town was assigned the unfunded liability for its share of the PANS 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 seven years.

	<u>2012</u>	<u>2011</u>
Long term loan payable related to PANS pension plan - opening	\$ 825,248	\$ 928,404
Decrease in loan payable	<u>(103,156)</u>	<u>(103,156)</u>
Long term loan - closing	722,092	825,248
Less: amounts to be recovered from future years	<u>(722,092)</u>	<u>(825,248)</u>
Accrued liability portion	<u>\$ -</u>	<u>\$ -</u>

TOWN OF TRURO
GENERAL FUND
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
MARCH 31, 2012

10. CAPITAL ASSETS

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery & Equipment</u>	<u>Vehicles</u>	<u>Streets, Bridges, Roads & Curbs</u>	<u>Sewers & Drains</u>	<u>Sidewalks</u>	<u>2012</u>
Cost:									
Balance, beginning of year	7,603,534	186,863	23,729,333	6,486,665	1,147,331	22,486,134	15,228,433	16,481,346	93,349,639
Additions	280,529	35,510	7,421,705	502,284	270,045	1,058,975	207,428	583,644	10,360,120
Disposals				(160,550)	(197,760)	(171,520)	(11,150)	(244,916)	(785,896)
Balance, end of year	<u>7,884,063</u>	<u>222,373</u>	<u>31,151,038</u>	<u>6,828,399</u>	<u>1,219,616</u>	<u>23,373,589</u>	<u>15,424,711</u>	<u>16,820,074</u>	<u>102,923,863</u>
Accumulated Amortization:									
Balance, beginning of year		44,456	5,146,093	3,969,192	681,702	8,254,438	6,475,421	4,776,160	29,347,462
Annual amortization		18,686	554,225	686,230	154,435	873,795	292,741	641,674	3,221,786
Disposals				(160,550)	(197,760)	(134,690)	(9,589)	(213,819)	(716,408)
Balance, end of year		<u>63,142</u>	<u>5,700,318</u>	<u>4,494,872</u>	<u>638,377</u>	<u>8,993,543</u>	<u>6,758,573</u>	<u>5,204,015</u>	<u>31,852,840</u>
Net Book Value of Capital Assets	<u><u>7,884,063</u></u>	<u><u>159,231</u></u>	<u><u>25,450,720</u></u>	<u><u>2,333,527</u></u>	<u><u>581,239</u></u>	<u><u>14,380,046</u></u>	<u><u>8,666,138</u></u>	<u><u>11,616,059</u></u>	<u><u>71,071,023</u></u>
2011 Net Book Value of Capital Assets	<u><u>7,603,534</u></u>	<u><u>142,407</u></u>	<u><u>18,583,240</u></u>	<u><u>2,517,473</u></u>	<u><u>465,629</u></u>	<u><u>14,231,696</u></u>	<u><u>8,753,012</u></u>	<u><u>11,705,186</u></u>	<u><u>64,002,177</u></u>

TOWN OF TRURO
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
 MARCH 31, 2012

11. CONTINGENCIES

As at March 31, 2012, 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, on a percentage of completion basis. To March 31, 2012 the Town has contributed \$3,294,361 to this project.

The Town of Truro has committed to contributing up to \$10,560,000 (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). To March 31, 2012 the Town has contributed \$4,947,837 to this project.

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

<u>Project</u>	<u>Town's initial share</u>	<u>Town's initial share of capital cost</u>	<u>Town's Share of financial commitment March 31, 2012</u>
a) Phase 3 Trunk Line Sewer Project	50%	\$ 2,300,000	\$ 62,000
b) Phase 4B Regional Sewage Treatment Plant	50%	2,250,000	562,500
c) Regional Balefill Facility	33.23%	2,658,400	448,000
d) Phase 4C and 4D Regional Wastewater Facility	50%	<u>1,950,000</u>	<u>487,500</u>
		<u>\$ 9,158,400</u>	<u>\$ 1,560,000</u>

During the year, the Town paid a total of \$459,072 (2011 - \$477,921) to the County of Colchester as their share of the joint financing commitments for these projects. This expenditure is recorded under Environmental Health Services \$75,072 (2011 - \$93,921) and Financing and Transfers \$384,000 (2011 - \$384,000).

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

2013	\$ 448,292
2014	370,319
2015	355,935
2016	341,288
2017	<u>217,060</u>
	1,732,894
Less: interest component	<u>172,894</u>
Principal component	<u>\$ 1,560,000</u>

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

For the year ending March 31, 2013	\$ 99,775
2014	86,723
2015	58,388
2016	5,145

TOWN OF TRURO
NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
MARCH 31, 2012

13. REMUNERATION OF COUNCIL MEMBERS

W.R. Mills	Mayor	\$	33,621
C. Cox	Deputy Mayor		20,016
B. Kinsman	Councillor		21,228
R. Tynes	Councillor		19,407
D. Bennett-Cook	Councillor		19,407
S. Byers	Councillor		19,407
G. MacArthur	Councillor		19,407

TOWN OF TRURO
 NOTES TO NON-CONSOLIDATED GENERAL FUND FINANCIAL STATEMENTS
 MARCH 31, 2012

15. TRUST FUNDS

STATEMENT OF FINANCIAL POSITION OF TRUST FUNDS
 MARCH 31, 2012

	JAMES LITTLE BURSARY TRUST	LILLIE NELSON TRUST	ROBERT MINGO TRUST	CUFC 9 Surplus	2012 TOTAL	2011 TOTAL
FINANCIAL ASSETS						
Cash	\$ 16,097	\$ (14,546)	\$ 110,827	\$ 8,121	\$ 120,499	\$ 128,635
Investments, at cost (market (value \$272,358; 2011 - \$276,768))		262,234			262,234	259,633
	<u>\$ 16,097</u>	<u>\$ 247,688</u>	<u>\$ 110,827</u>	<u>\$ 8,121</u>	<u>\$ 382,733</u>	<u>\$ 388,268</u>
FUND BALANCE	<u>\$ 16,097</u>	<u>\$ 247,688</u>	<u>\$ 110,827</u>	<u>\$ 8,121</u>	<u>\$ 382,733</u>	<u>\$ 388,268</u>

STATEMENT OF FINANCIAL ACTIVITIES OF TRUST FUNDS
 YEAR ENDED MARCH 31, 2012

REVENUE						
Interest and dividends	\$ 177	\$ 12,575	\$ 1,215	\$ -	\$ 13,967	\$ 10,218
Gain (loss) on sale of investments		429			429	248
Transfer from Town of Truro				8,121	8,121	
	<u>177</u>	<u>13,004</u>	<u>1,215</u>	<u>8,121</u>	<u>22,517</u>	<u>10,466</u>
EXPENDITURES						
Transfer to Town of Truro		25,000			25,000	20,000
Administration costs		3,052			3,052	2,881
		<u>28,052</u>			<u>28,052</u>	<u>22,881</u>
CHANGE IN FUND BALANCE	177	(15,048)	1,215	8,121	(5,535)	(12,415)
BEGINNING FUND BALANCE	<u>15,920</u>	<u>262,736</u>	<u>109,612</u>		<u>388,268</u>	<u>400,683</u>
ENDING FUND BALANCE	<u>\$ 16,097</u>	<u>\$ 247,688</u>	<u>\$ 110,827</u>	<u>\$ 8,121</u>	<u>\$ 382,733</u>	<u>\$ 388,268</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, 2012

	<u>2012</u>	<u>2011</u>
ASSETS		
RECEIVABLES:		
Rates (less allowance for doubtful accounts \$20,822; 2011 - \$20,350)	\$ 623,892	\$ 712,686
Other (less allowance for doubtful accounts \$Nil; 2011 - \$Nil)	<u>81,284</u>	<u>94,457</u>
	705,176	807,143
INVENTORIES, AT COST	216,446	214,018
PREPAID EXPENSES	<u>40,589</u>	<u>52,946</u>
	<u>\$ 962,211</u>	<u>\$ 1,074,107</u>
LIABILITIES		
Bank indebtedness	\$ 275,485	\$ 347,621
Trade accounts payable	43,361	74,318
Due to other funds	2,831	30,445
Post employment benefits liability (note 3)	<u>107,969</u>	<u>96,037</u>
	429,646	548,421
FUND BALANCE	<u>532,565</u>	<u>525,686</u>
	<u>\$ 962,211</u>	<u>\$ 1,074,107</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, 2012

B - 22

		2012	2011
	Page	UNAUDITED BUDGET	ACTUAL
		ACTUAL	ACTUAL
OPERATING REVENUE			
Meter sales		\$ 3,050,000	\$ 2,925,967
Flat rate sales		16,000	22,669
Public fire protection		724,400	644,214
Private fire protection		16,000	16,901
Private hydrant maintenance		17,000	17,325
Sprinkler service charge		40,000	40,738
Interest on overdue accounts		18,000	20,329
		<u>3,881,400</u>	<u>3,543,687</u>
OPERATING EXPENDITURES			
Source of supply	B-23	38,500	23,806
Power and pumping	B-23	33,000	46,074
Transmission and distribution	B-23	739,500	796,552
Water treatment	B-23	1,187,100	1,129,712
Administration and general	B-23	325,700	326,893
Depreciation		434,000	432,887
Taxes		710,000	710,558
		<u>3,467,800</u>	<u>3,466,482</u>
EXCESS OPERATING REVENUE OVER EXPENDITURES		<u>413,600</u>	<u>77,205</u>
NON-OPERATING REVENUE			
Contributions in aid of capital expenditures			44,396
Miscellaneous		49,300	70,537
Repayment of short term loan			(200,000)
Proceeds from long term debt			200,000
Transfer from reserve			60,548
		<u>49,300</u>	<u>175,481</u>
NON-OPERATING EXPENDITURES			
Bank charges and interest		81,200	83,688
Principal instalments on long term debt		102,700	92,688
Post employment benefits (note 3)		24,000	21,547
Tangible capital assets review			8,236
Change in post-employment benefits liability			20,931
		<u>207,900</u>	<u>227,090</u>
OPERATING RESULTS		255,000	25,596
Capital expenditures out of revenue		<u>255,000</u>	<u>44,396</u>
NET CHANGE IN FUND BALANCE		<u>\$ -</u>	<u>(18,800)</u>
FUND BALANCE, BEGINNING			<u>544,486</u>
FUND BALANCE, ENDING			<u>\$ 532,565</u>

TOWN OF TRURO
 WATER UTILITY
 NON-CONSOLIDATED SCHEDULE OF OPERATING FUND EXPENDITURES
 YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
SOURCE OF SUPPLY		
Labour	\$ 21,814	\$ 21,509
Watershed maintenance	<u>2,350</u>	<u>2,297</u>
	<u>\$ 24,164</u>	<u>\$ 23,806</u>
 POWER AND PUMPING		
Power	\$ 3,862	\$ 2,635
Maintenance	<u>43,293</u>	<u>43,439</u>
	<u>\$ 47,155</u>	<u>\$ 46,074</u>
 TRANSMISSION AND DISTRIBUTION		
Salary and benefits	\$ 154,443	\$ 91,694
Maintenance of mains	240,767	362,910
Maintenance of other distribution plant	<u>290,703</u>	<u>341,948</u>
	<u>\$ 685,913</u>	<u>\$ 796,552</u>
 WATER TREATMENT PLANT		
Utilities	\$ 224,689	\$ 208,115
Plant process systems	429,638	400,640
Plant process control	166,117	181,364
Treatment non-process systems	54,386	81,935
Remote stations	27,017	28,872
Raw water treatment systems	22,314	22,188
Administration	<u>229,128</u>	<u>206,598</u>
	<u>\$ 1,153,289</u>	<u>\$ 1,129,712</u>
 ADMINISTRATION AND GENERAL		
Supervision	\$ 168,440	\$ 165,152
Consumer contracts and orders	80,557	89,350
Consumer billing and accounting	24,060	33,426
Uncollectable accounts	2,255	9,038
General office expenses	4,790	946
Professional fees	4,579	6,722
Liability insurance	18,680	18,563
Regulatory expenses	<u>4,268</u>	<u>3,696</u>
	<u>\$ 307,629</u>	<u>\$ 326,893</u>

TOWN OF TRURO
 WATER UTILITY
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CAPITAL FUND
 MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
ASSETS		
CASH		
Depreciation (note 4)	\$ 790,905	\$ 369,665
UTILITY PLANT AND EQUIPMENT	<u>24,844,891</u>	<u>24,609,682</u>
	<u>\$ 25,635,796</u>	<u>\$ 24,979,347</u>
LIABILITIES		
Accumulated allowance for depreciation (note 5)	\$ 6,728,377	\$ 6,235,888
Long term loans	<u>1,858,374</u>	<u>1,961,062</u>
	8,586,751	8,196,950
INVESTMENT IN CAPITAL ASSETS	<u>17,049,045</u>	<u>16,782,397</u>
	<u>\$ 25,635,796</u>	<u>\$ 24,979,347</u>

ON BEHALF OF THE TOWN

_____, Mayor

_____, Chief Administrative Officer

TOWN OF TRURO
WATER UTILITY
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2012

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, 2012

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>2012</u>	<u>2011</u>
Accrued benefit liability, opening	\$ 128,049	\$ 107,118
Net change in benefit obligation	<u>(20,080)</u>	<u>20,931</u>
Accrued benefit liability, closing	107,969	128,049
Less: amounts to be recovered from future years		<u>(32,012)</u>
Accrued liability portion	<u>\$ 107,969</u>	<u>\$ 96,037</u>

4. DEPRECIATION FUNDS

	<u>2012</u>	<u>2011</u>
Cash balance, beginning	\$ 369,665	\$ 174,126
Add: Depreciation	517,226	432,887
Interest earned during the year	<u>4,076</u>	<u>1,590</u>
	890,967	608,603
Less: Acquisition of capital assets during the year	<u>100,062</u>	<u>238,938</u>
Cash balance, ending	<u>\$ 790,905</u>	<u>\$ 369,665</u>

TOWN OF TRURO
 WATER UTILITY
 NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2012

5. ACCUMULATED ALLOWANCE FOR DEPRECIATION

	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$ 6,235,888	\$ 5,806,733
Add: current year's depreciation	517,226	432,887
Less: current year's disposals	<u>(24,737)</u>	<u>(3,732)</u>
Balance, end of year	<u><u>\$ 6,728,377</u></u>	<u><u>\$ 6,235,888</u></u>

6. RATE OF RETURN ON RATE BASE

For the year ended March 31, 2012 the Water Utility had a rate of return on rate base of 1.79%
 (2011 - 0.42%)

TOWN OF TRURO
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF RESERVE FUNDS
 MARCH 31, 2012

	<u>FEDERAL GAS TAX RESERVE</u>	<u>INVESTMENT RESERVE</u>	<u>2012 TOTAL</u>	<u>2011 TOTAL</u>
FINANCIAL ASSETS				
Cash	\$ 251,697	\$ 1,083,576	\$ 1,335,273	\$ 1,260,358
Loans - General Fund		1,916,424	1,916,424	2,160,013
	<u>\$ 251,697</u>	<u>\$ 3,000,000</u>	<u>\$ 3,251,697</u>	<u>\$ 3,420,371</u>
 FUND BALANCE	 <u>\$ 251,697</u>	 <u>\$ 3,000,000</u>	 <u>\$ 3,251,697</u>	 <u>\$ 3,420,371</u>

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF RESERVE FUNDS
 YEAR ENDED MARCH 31, 2012

REVENUE				
Interest on interfund loans	\$ -	\$ 133,852	\$ 133,852	\$ 148,854
Interest	4,493		4,493	3,369
Capital Grant	926,278		926,278	933,918
	<u>930,771</u>	<u>133,852</u>	<u>1,064,623</u>	<u>1,086,141</u>
 EXPENDITURES				
Transfer to capital fund	1,099,445		1,099,445	900,000
Transfer to operating fund		133,852	133,852	148,854
	<u>1,099,445</u>	<u>133,852</u>	<u>1,233,297</u>	<u>1,048,854</u>
 CHANGE IN FUND BALANCE	 (168,674)		 (168,674)	 37,287
 BEGINNING FUND BALANCE	 <u>420,371</u>	 <u>3,000,000</u>	 <u>3,420,371</u>	 <u>3,383,084</u>
 ENDING FUND BALANCE	 <u>\$ 251,697</u>	 <u>\$ 3,000,000</u>	 <u>\$ 3,251,697</u>	 <u>\$ 3,420,371</u>

ON BEHALF OF THE TOWN

_____, Mayor

_____, Chief Administrative Officer

TOWN OF TRURO
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF RESERVE FUNDS
 MARCH 31, 2012

	GENERAL FUND				2012	2011
	GENERAL GOVERNMENT SERVICES	PROTECTIVE SERVICES	TRANS-PORTATION SERVICES	RECREATION SERVICES	TOTAL	TOTAL
FINANCIAL ASSETS						
Cash	<u>\$ 76,095</u>	<u>\$ 823,328</u>	<u>\$ 1,010,366</u>	<u>\$ 283,342</u>	<u>\$ 2,193,131</u>	<u>\$ 1,948,352</u>
FUND BALANCE	<u>\$ 76,095</u>	<u>\$ 823,328</u>	<u>\$ 1,010,366</u>	<u>\$ 283,342</u>	<u>\$ 2,193,131</u>	<u>\$ 1,948,352</u>

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF RESERVE FUNDS
 YEAR ENDED MARCH 31, 2012

REVENUE						
Transfer from operating fund	\$ 65,000	\$180,000	\$ 315,000	\$ 88,500	\$ 648,500	\$ 797,030
Cash in lieu of recreation land				4,270	4,270	1,740
	<u>65,000</u>	<u>180,000</u>	<u>315,000</u>	<u>92,770</u>	<u>652,770</u>	<u>798,770</u>
EXPENDITURES						
Transfer to capital fund	<u>3,821</u>		<u>289,797</u>	<u>114,373</u>	<u>407,991</u>	<u>148,405</u>
CHANGE IN FUND BALANCE	61,179	180,000	25,203	(21,603)	244,779	650,365
BEGINNING FUND BALANCE	<u>14,916</u>	<u>643,328</u>	<u>985,163</u>	<u>304,945</u>	<u>1,948,352</u>	<u>1,297,987</u>
ENDING FUND BALANCE	<u>\$ 76,095</u>	<u>\$ 823,328</u>	<u>\$ 1,010,366</u>	<u>\$ 283,342</u>	<u>\$ 2,193,131</u>	<u>\$ 1,948,352</u>

ON BEHALF OF THE TOWN

_____, Mayor

_____, Chief Administrative Officer

TOWN OF TRURO
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF RESERVE FUNDS
 MARCH 31, 2012

	GENERAL FUND		WATER UTILITY		2012	2011
	OTHER CAPITAL RESERVES	OPERATING RESERVE	OPERATING RESERVE	LAND ACQUISITION	TOTAL	TOTAL
FINANCIAL ASSETS						
Cash	\$ 1,471,870	\$ 1,379,521	\$ -	\$ 102,080	\$ 2,953,471	\$ 2,467,304
FUND BALANCE	\$ 1,471,870	\$ 1,379,521	\$ -	\$ 102,080	\$ 2,953,471	\$ 2,467,304

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF RESERVE FUNDS
 YEAR ENDED MARCH 31, 2012

REVENUE						
Interest	\$ -	\$ -	\$ -	\$ 1,167	\$ 1,167	\$ 1,461
Transfer from operating fund	150,000	405,000			555,000	339,470
	150,000	405,000		1,167	556,167	340,931
EXPENDITURES						
Transfer to capital fund	70,000				70,000	
Transfer to operating fund						60,548
	70,000				70,000	60,548
CHANGE IN FUND BALANCE	80,000	405,000		1,167	486,167	280,383
BEGINNING FUND BALANCE	1,391,870	974,521		100,913	2,467,304	2,186,921
ENDING FUND BALANCE	\$ 1,471,870	\$ 1,379,521	\$ -	\$ 102,080	\$ 2,953,471	\$ 2,467,304

ON BEHALF OF THE TOWN

_____, Mayor

_____, Chief Administrative Officer

TOWN OF TRURO
OTHER
SCHEDULE OF CAPITAL DEBT CHARGES AND TERM DEBT
MARCH 31, 2012

	<u>YEAR OF ISSUE</u>	<u>YEAR OF MATURITY</u>	<u>BALANCE MAR 31/2011</u>	<u>LOAN (REDEEMED)</u>	<u>BALANCE MAR 31/2012</u>	<u>INTEREST</u>
SERIAL DEBENTURES						
GENERAL FUND						
Police Station	1998	2018	\$ 700,000	\$ (100,000)	\$ 600,000	\$ 31,772
Building Reconstruction	2004	2024	1,859,000	(143,000)	1,716,000	93,591
Building Reconstruction	2006	2026	1,468,750	(171,250)	1,297,500	60,773
Hospital Contribution	2008	2028	935,000	(55,000)	880,000	45,030
Downtown Revitalization	2008	2018	350,000	(50,000)	300,000	15,886
Hospital Contribution	2009	2029	810,000	(45,000)	765,000	38,698
Public Works Facility	2010	2030	1,578,187	(83,063)	1,495,124	65,744
Stadium / Civic Centre	2010	2030	950,000	(50,000)	900,000	35,958
Hospital Construction	2010	2030	950,000	(50,000)	900,000	35,958
Hospital Construction	2011	2031	1,100,000	(55,000)	1,045,000	35,975
Civic Centre	2012	2032		1,332,000	1,332,000	26,326
			<u>\$ 10,700,937</u>	<u>\$ 529,687</u>	<u>\$ 11,230,624</u>	<u>\$ 485,711</u>
WATER UTILITY						
Public Works Facility	2010	2030	\$ 526,062	\$ (27,688)	\$ 498,374	\$ 21,915
Dam Revitalization	2010	2030	1,235,000	(65,000)	1,170,000	46,745
Dam Revitalization	2011	2031	200,000	(10,000)	190,000	6,541
			<u>\$ 1,961,062</u>	<u>\$ (102,688)</u>	<u>\$ 1,858,374</u>	<u>\$ 75,201</u>
TOTAL SERIAL DEBENTURES			<u>\$ 12,661,999</u>	<u>\$ 426,999</u>	<u>\$ 13,088,998</u>	<u>\$ 560,912</u>
OTHER TERM DEBT						
GENERAL FUND						
Building Reconstruction	2002	2022	\$ 1,214,766	\$ (110,433)	\$ 1,104,333	\$ 77,138
Victoria Park Pool	2005	2015	120,000	(30,000)	90,000	7,200
TOTAL OTHER TERM DEBT			<u>\$ 1,334,766</u>	<u>\$ (140,433)</u>	<u>\$ 1,194,333</u>	<u>\$ 84,338</u>
TOTAL OVERALL DEBT			<u>\$ 13,996,765</u>	<u>\$ 286,566</u>	<u>\$ 14,283,331</u>	<u>\$ 645,250</u>

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

2013	1,112,034
2014	1,112,034
2015	1,112,034
2016	1,082,034
2017	972,034

TOWN OF TRURO

TRURO INDUSTRIAL DEVELOPMENT SOCIETY

NON-CONSOLIDATED FINANCIAL STATEMENTS AND
AUDITORS' REPORT

MARCH 31, 2012

TOWN OF TRURO

TRURO INDUSTRIAL DEVELOPMENT SOCIETY

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MARCH 31, 2012

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JOHNSON SAUNDERS INC.

CHARTERED ACCOUNTANTS

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FAX (902) 895-7499
18 Willow Street, Suite 204
Truro, NS B2N 4Z4
www.jsinc.ca**AUDITORS' REPORT**To the Mayor and Members of Council of the
Town of Truro**Report on the Non-Consolidated Financial Statements**

We have audited the accompanying non-consolidated financial statements of the Truro Industrial Development Society, which comprise the non-consolidated Operating Fund, non-consolidated Capital Fund and non-consolidated Capital Reserve Fund statements of financial position as at March 31, 2012 and the non-consolidated statements of financial activities for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-Consolidated Financial Statements

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

Auditors' Responsibility

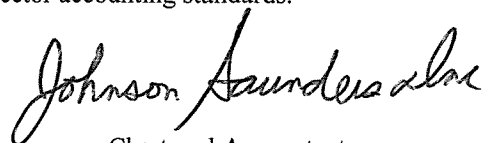
Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

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

Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the financial position of the Truro Industrial Development Society as at March 31, 2012 and the results of its financial activities for the year then ended in accordance with Canadian public sector accounting standards.

Truro, Nova Scotia
July 3, 2012

Chartered Accountants

TOWN OF TRURO
 TRURO INDUSTRIAL DEVELOPMENT SOCIETY
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OPERATING FUND
 MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
FINANCIAL ASSETS		
Receivables		
Due from Federal Government	\$ 980	\$ 1,527
Due from General Operating Fund	<u>8,119</u>	<u>16,391</u>
	<u>9,099</u>	<u>17,918</u>
LIABILITIES		
Bank overdraft	13,239	21,596
Payables	<u>2,690</u>	<u>-</u>
	<u>15,929</u>	<u>21,596</u>
NET LIABILITIES	<u><u>\$ (6,830)</u></u>	<u><u>\$ (3,678)</u></u>
FUND BALANCE	<u><u>\$ (6,830)</u></u>	<u><u>\$ (3,678)</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, 2012

	<u>2012</u>	<u>2011</u>
REVENUE		
Land sales	\$ 3,500	\$213,586
Interest revenue	-	1,409
Grant - Town of Truro	<u>110,000</u>	<u>117,000</u>
	<u>113,500</u>	<u>331,995</u>
EXPENDITURES		
Professional fees	3,835	11,407
Miscellaneous	-	75
Promotional	992	1,023
Survey fees	-	3,750
Signage	2,339	-
Taxes	31,662	36,372
Industrial Park promotions	58,860	58,860
Maintenance	<u>15,464</u>	<u>14,256</u>
	<u>113,152</u>	<u>125,743</u>
NET REVENUE	348	206,252
FINANCING AND TRANSFERS		
Transfer to capital reserve fund	<u>(3,500)</u>	<u>(199,867)</u>
CHANGE IN FUND BALANCE	(3,152)	6,385
BEGINNING FUND BALANCE	<u>(3,678)</u>	<u>(10,063)</u>
ENDING FUND BALANCE	<u><u>\$ (6,830)</u></u>	<u><u>\$ (3,678)</u></u>

TOWN OF TRURO
 TRURO INDUSTRIAL DEVELOPMENT SOCIETY
 NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CAPITAL FUND
 MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
NON-FINANCIAL ASSETS		
Land and development costs	<u>\$ 831,536</u>	<u>\$ 831,860</u>
FUND BALANCE	<u>\$ 831,536</u>	<u>\$ 831,860</u>

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE CAPITAL FUND
 YEAR ENDED MARCH 31, 2012

Cost of land purchased during the year	\$ -	\$ -
Cost of land sold during the year	<u>(324)</u>	<u>(111,967)</u>
CHANGE IN FUND BALANCE	(324)	(111,967)
BEGINNING FUND BALANCE	<u>831,860</u>	<u>943,827</u>
ENDING FUND BALANCE	<u>\$ 831,536</u>	<u>\$ 831,860</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, 2012

	<u>2012</u>	<u>2011</u>
FINANCIAL ASSETS		
Cash	<u>\$441,444</u>	<u>\$433,238</u>
FUND BALANCE	<u>\$441,444</u>	<u>\$433,238</u>

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE CAPITAL RESERVE FUND
 YEAR ENDED MARCH 31, 2012

REVENUE		
Interest	\$ 4,706	\$ 2,059
Transfer from Operating Fund	<u>3,500</u>	<u>199,867</u>
	8,206	201,926
EXPENDITURES		
Transfer to Operating Fund	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	8,206	201,926
BEGINNING FUND BALANCE	<u>433,238</u>	<u>231,312</u>
ENDING FUND BALANCE	<u>\$441,444</u>	<u>\$433,238</u>

ON BEHALF OF THE SOCIETY

_____, Chairman

_____, Member

TOWN OF TRURO
TRURO INDUSTRIAL DEVELOPMENT SOCIETY
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012

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.