

Town of Truro

Consolidated Financial Statements
March 31, 2014

Town of Truro

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July 29, 2014

Independent Auditor's Report

We have audited the accompanying consolidated financial statements of the **Town of Truro** (the "Town"), which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of operations, cash flows and changes in net financial debt for the year then ended, and the related notes and schedules, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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Basis for qualified opinion

The Town has recorded donations from the public for the construction of the Rath Eastlink Community Centre, and has recorded operating revenues, the completeness which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Town and we were not able to determine whether any adjustments might be necessary to revenues, net revenues, assets and/or liabilities and fund balances.

Opinion

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Truro as at March 31, 2014 and the results of its operations, changes in net financial debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 24 to 38 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

Chartered Accountants

Town of Truro

Consolidated Statement of Financial Position

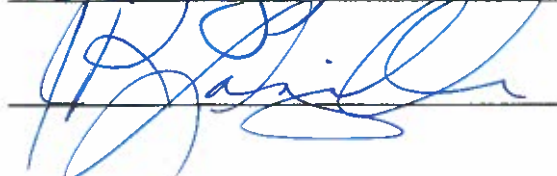
As at March 31, 2014

	2014 \$	2013 \$
Assets		
Current assets		
Cash and cash equivalents	1,689,378	1,752,825
Receivables		
Taxes and rates (net of asset valuation allowances)	2,353,038	1,811,051
Other (net of asset valuation allowances)	2,793,122	2,100,852
Long-term investments and restricted funds, at cost (note 12)	4,747,044	6,414,254
	<u>11,582,582</u>	<u>12,078,982</u>
Liabilities		
Payables and accruals	3,504,261	2,588,795
Tax sale surplus	70,959	70,959
Short-term borrowing (note 13)	2,245,859	5,130,791
Long-term debt (note 6)	19,839,930	17,817,396
Post-employment benefits liability (note 7)	1,141,881	1,131,139
	<u>26,802,890</u>	<u>24,150,285</u>
Net financial debt	<u>(15,220,308)</u>	<u>(14,660,098)</u>
Non-financial assets		
Land and servicing costs (note 8)	815,441	811,441
Capital assets, net of accumulated amortization (note 10)	103,679,535	101,496,978
Inventory for consumption	540,457	539,523
Prepaid expenses	119,051	208,012
	<u>105,154,484</u>	<u>102,244,513</u>
Accumulated surplus (note 5)	<u>89,934,176</u>	<u>88,395,856</u>
Commitments (note 14)		
Contingencies (note 15)		

On Behalf of the Town



Mayor



Chief Administrative Officer

Town of Truro

Consolidated Statement of Operations

For the year ended March 31, 2014

	2014	2013
	\$	\$
Revenue		
Assessable property taxes (net of school board appropriation) (note 9)	17,571,509	17,482,382
Grants in lieu of taxes	656,806	596,269
Services provided to other governments	225,974	231,971
Sale of services	3,839,697	3,886,582
Rath Eastlink Community Centre	1,305,778	-
Other revenue from own sources	715,177	1,217,074
Unconditional transfers from other governments	1,330,549	1,322,654
Conditional transfers from other governments	2,541,167	5,394,554
	<u>28,186,657</u>	<u>30,131,486</u>
Expenses		
Environmental development services	1,031,506	1,091,078
Environmental health services	2,731,029	2,353,167
General government services	3,595,662	3,537,507
Protective services	6,722,899	6,523,720
Public health services	232,251	1,037,510
Rath Eastlink Community Centre	1,673,778	-
Recreation and cultural services	2,434,678	2,715,336
Transportation services	5,448,855	4,981,861
Water transmission and distribution	2,777,679	2,745,498
	<u>26,648,337</u>	<u>24,985,677</u>
Surplus	1,538,320	5,145,809
Accumulated surplus – Beginning of year	<u>88,395,856</u>	<u>83,250,047</u>
Accumulated surplus – End of year	<u>89,934,176</u>	<u>88,395,856</u>

Town of Truro

Consolidated Statement of Cash Flows

For the year ended March 31, 2014

	2014	2013
	\$	\$
Cash provided by (used in)		
Operating activities		
Surplus	1,538,320	5,145,809
Change in non-cash items		
Amortization	3,667,618	3,563,644
Taxes and rates receivable (net of asset valuation allowances)	(541,987)	10,246
Other receivable (net of asset valuation allowances)	(692,270)	(209,098)
Payables and accruals	915,466	316,098
Tax sale surplus	-	1,565
Post-employment benefits liability	10,742	22,012
	<u>4,897,889</u>	<u>8,850,276</u>
Capital transactions		
Acquisition of capital assets	(6,173,201)	(15,075,107)
Proceeds from sale of capital assets	90,500	8,000
Loss on sale of capital assets	232,526	171,227
Change in inventory for consumption and prepared expenses	88,027	(126,907)
Change in land and servicing costs	(4,000)	20,095
	<u>(5,766,148)</u>	<u>(15,002,692)</u>
Financing activities		
Issuance of short-term borrowing	395,068	4,153,586
Issuance of long-term debt	3,280,000	5,700,000
Repayment of short-term borrowing	(3,280,000)	(3,657,757)
Repayment of long-term debt	(1,257,466)	(971,602)
	<u>(862,398)</u>	<u>5,224,227</u>
Investing activities		
Change in long-term investments and restricted funds	<u>1,667,210</u>	<u>509,064</u>
Net decrease in cash and cash equivalents	(63,447)	(419,125)
Cash and cash equivalents – Beginning of year	<u>1,752,825</u>	<u>2,171,950</u>
Cash and cash equivalents – End of year	<u>1,689,378</u>	<u>1,752,825</u>

Town of Truro

Consolidated Statement of Changes in Net Financial Debt

For the year ended March 31, 2014

	2014 \$	2013 \$
Annual surplus	1,538,320	5,145,809
Acquisition of tangible capital assets	(6,173,201)	(15,075,107)
Amortization of tangible capital assets	3,667,618	3,563,644
Loss on sale of tangible capital assets	232,526	171,227
Proceeds on sale of tangible capital assets	90,500	8,000
Change in land and servicing costs	(4,000)	20,095
	<u>(2,186,557)</u>	<u>(11,312,141)</u>
Acquisition of inventory	(540,457)	(539,523)
Acquisition of prepaid expenses	(119,051)	(208,012)
Consumption of inventory	539,523	519,608
Use of prepaid expenses	208,012	101,020
	<u>88,027</u>	<u>(126,907)</u>
Change in net financial debt	(560,210)	(6,293,239)
Net financial debt – Beginning of year	(14,660,098)	(8,366,859)
Net financial debt – End of year	<u>(15,220,308)</u>	<u>(14,660,098)</u>

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

1 Status and nature of activities

The Town of Truro (the "Town"), incorporated under an act to incorporate the Town of Truro, operates the activities of the Town of Truro through the General Fund, Water Utility Fund, Reserve Fund and Truro Industrial Development Society.

2 Summary of significant accounting policies

a) Principles and basis of consolidation

The consolidated financial statements of the Town are the representation 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, the Water utility and the Truro Industrial Development Society.

The following entity has been proportionately consolidated:

Rath Eastlink Community Centre

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

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures and changes in fund balances and financial position of the reporting entity. The reporting entity is comprised of all enterprises accountable for the administration of the affairs and resources to the Town and which are owned and controlled by the Town.

Interdepartmental and organizational transactions and balances are eliminated.

Segmented information

The Town is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions and limitations. Municipal Services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General government services

This department is responsible for the overall financial and local government administration. Its tasks include tax administration, trade payables and receivables, budgets, financial statements and adherence to the Municipal Government Act.

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

2 Summary of significant accounting policies (continued)

a) Principles and basis of consolidation (continued)

Segmented information (continued)

Protective services

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

Transportation services

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

Environmental health services

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

Public health services

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

Environmental development services

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

Recreation and cultural services

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

Water transmission and distribution

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

b) Basis of accounting

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

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

2 Summary of significant accounting policies (continued)

b) Basis of accounting (continued)

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

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future or the result of a direct financial return. Government transfers are recognized in the consolidated financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality and reasonable estimates of the amounts can be made.

In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

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 consolidated financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets.

e) Financial instruments

Consolidated financial instruments consist of cash, receivables, long-term investments, payables, short-term borrowings and long-term debt and are carried at cost which approximates fair market value.

f) Inventories

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

g) Tangible capital assets

Amortization of tangible capital assets is recorded on a straight line basis with the following fixed determinable lives. In the year of acquisition there is no amortization charge.

The amortization charge in the Water Utility is subject to guidelines from the Nova Scotia Utility and Review Board. Amortization 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.

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

2 Summary of significant accounting policies (continued)

g) Tangible capital assets (continued)

Land Improvements	10 years
Buildings & structures	20-75 years
Machinery, equipment & vehicles	5-75 years
Streets, bridges, roads & curbs	25 years
Sewers & drains	50 years
Sidewalks	25 years
Water mains & services	50-75 years

h) 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.

i) Allocation of municipal costs of water utility funds

Costs incurred by the Town 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.

j) Trust funds

The trust funds being administered by the Town are not consolidated with the accounts of the Town. As at March 31, 2014, the book value of the equity in trust funds under its trusteeship amounted to \$411,727 (2013 - \$369,546).

k) Revenue recognition

Tax revenue is property tax billing which are prepared by the Town based on assessment rolls issued by the Province of Nova Scotia. Tax rates are established annually by Town Council. Taxes are billed based on the assessment rolls provided by the Province of Nova Scotia. Taxation revenues are recorded at the time tax billings are issued. Assessments and related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined.

The Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

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

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

2 Summary of significant accounting policies (continued)

k) Revenue recognition (continued)

Unconditional and conditional transfers from other governments are recognized as revenues in the period that events giving rise to the transfers occurred as long as the transfer is authorized, eligibility criteria (if any) have been met and a reasonable amount of the transfer amount can be estimated.

Expenditures are recognized as they are incurred and are measured as a result of receipt of goods or services and the creation of a legal obligation.

l) Employee benefit plans

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 1.5 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; and
- c) Unused sick days are accumulated in a bank to a maximum of 1,040 hours.

Valuation of the liability is determined by calculating the benefit earned by each employee with a discount factor of 5%.

For eligibility in the program employees must have between 20 and 25 years of service with the Town to receive the benefit upon retirement.

m) Reserve fund

Reserve funds represent the amounts set aside to finance future operating and capital expenditures. Reserves are established at the discretion of Council. Transfers to and/or from the reserve fund are reflected as an adjustment to the respective fund.

n) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. If there is a permanent loss in value, the respective investment is written down to recognize the loss.

o) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

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 in 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 \$80,405 (2013 – \$80,405) to the Regional Library Board for costs of operations of the Truro branch of the Regional Library.

Contribution to Truro Housing Authority – 12.5% interest

During the year, the Town paid \$91,249 (2013 - \$82,472) to the Truro Housing Authority to fund its share of the prior year's deficit.

4 Contribution to provincial government departments and agencies

The Town 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 \$2,380,176 (2013 - \$2,284,272) to Chignecto-Central Regional School Board, based on the mandatory municipal education rate, times the Town's uniform assessment.

Corrections contributions

During the year, the Town paid \$175,974 (2013 - \$177,918) to the Province of Nova Scotia for corrections services based on a formula involving the Town's uniform assessment and number of dwelling units.

Assessment services contribution

During the year, the Town paid \$161,658 (2013 - 163,812) to the Province of Nova Scotia for assessment services based on a formula involving the Town's uniform assessment and number of assessment accounts.

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

5 Accumulated surplus

	2014 \$	2013 \$
Fund balances		
General operating fund	(3,117,076)	(3,323,041)
General capital fund	67,449,369	64,755,487
Water operating fund	1,080,474	644,070
Water capital fund	17,536,519	17,428,023
Industrial Development Society operating fund	(6,689)	(7,214)
Industrial Development Society capital fund	815,441	811,441
Reserve funds	6,176,138	8,087,090
	<u>89,934,176</u>	<u>88,395,856</u>

6 Long-term debt

	Interest rates %	2014 \$	2013 \$
Capital loan – Downtown revitalization, maturing in 2017	4.78-5.01	200,000	250,000
Capital loan – Police Station, maturing in 2017	4.78-5.01	400,000	500,000
Capital loan – Municipal building, maturing in 2018	2.75-5.37	1,430,000	1,573,000
Capital loan – Building construction, maturing in 2020	2.97-4.88	955,000	1,126,250
Capital loan – Hospital construction, maturing in 2017	4.89-5.01	770,000	825,000
Capital loan – Hospital construction, maturing in 2018	3.01-5.10	675,000	720,000
Capital loan – Public works facility construction, maturing in 2019	1.00-4.89	1,328,930	1,412,062
Capital loan – Stadium/Civic Centre construction, maturing in 2019	0.90-4.33	800,000	850,000
Capital loan – Hospital construction, maturing in 2019	0.90-4.33	800,000	850,000
Capital loan – Public works facility construction, maturing in 2019	1.00-4.89	443,000	470,684
Capital loan – Dam revitalization, maturing in 2019	0.90-4.33	1,040,000	1,105,000
Capital loan – Dam revitalization, maturing in 2020	1.55-3.87	170,000	180,000
Capital loan – Hospital construction, maturing in 2020	1.55-3.87	935,000	990,000
Capital loan – Civic Centre construction, maturing in 2021	1.22-3.64	1,198,000	1,265,400
Capital loan – Civic Centre construction, maturing in 2022	1.64-3.48	3,325,000	3,500,000
Capital loan – Civic Centre construction, maturing in 2022	1.51-3.16	2,090,000	2,200,000
Capital loan – Civic Centre construction, maturing in 2022	1.33-3.49	1,680,000	–
Capital loan – Civic Centre construction, maturing in 2022	1.29-3.61	1,600,000	–
		<u>19,839,930</u>	<u>17,817,396</u>

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

6 Long-term debt (continued)

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

	\$
Year ending March 31, 2015	1,669,033
2016	1,639,033
2017	1,639,033
2018	1,639,033
2019	1,489,033

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.

7 Post-employment benefits liability

	2014 \$	2013 \$
Accrued benefit liability – Opening	1,131,139	1,109,127
Net change in benefit obligation	10,742	22,012
Accrued benefit liability – Closing	<u>1,141,881</u>	<u>1,131,139</u>

8 Land and servicing costs

	2014 \$	2013 \$
Balance – Beginning of year	811,441	831,536
Land purchased (sold) during the year	4,000	(20,095)
Balance – End of year	<u>815,441</u>	<u>811,441</u>

On April 19, 1981, the Truro Industrial Development Society (the "Society") entered into an agreement with the Province of Nova Scotia for the development of land owned by the Society. Under amendments to this agreement in 1987 and 1994, the Society will deposit the proceeds from the sale of the majority of the land within the industrial park into a special trust account to be reinvested in the industrial park. As at March 31, 2014, the Society has allocated to a special trust account \$525,330 (2013 - \$523,251) pursuant to this agreement.

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

9 Assessable property taxes

	2014	2013
	\$	\$
Assessable property		
Residential	10,125,317	9,742,185
Commercial	8,907,227	8,963,498
Resource and recreational	21,293	23,423
Area rates	262,301	256,264
Business property		
Business occupancy	–	151,782
Based on revenues – Aliant	107,149	110,010
Nova Scotia Power Inc. – Grant in lieu of tax	17,579	18,882
Nova Scotia Power Inc. – HST rebate	72,088	68,021
Deed transfer tax	438,731	432,589
Education expenditures as a reduction of tax revenue		
Appropriation to regional school board	(2,380,176)	(2,284,272)
	<u>17,571,509</u>	<u>17,482,382</u>

Town of Tpruro
Notes to Consolidated Financial Statements
For the year ended March 31, 2014

10 Tangible capital assets

	Cost											2014	2013
	Land	Land improvements	Buildings and structures	Machinery and equipment	Vehicles	Streets, bridges, roads, and curbs	Sewers and drains	Sidewalks	Water mains and services				
Balance – Beginning of year	9,898,871	302,248	53,798,806	12,220,141	1,740,242	24,082,442	15,798,436	17,390,901	7,721,811	142,953,898	128,745,959		
Additions	70,500	283,647	1,480,747	1,909,192	184,895	678,707	505,216	664,181	396,117	6,173,202	15,075,109		
Disposals	(220,956)	-	(23,271)	(113,114)	(96,266)	(245,667)	(5,400)	(10,926)	-	(715,600)	(867,170)		
Balance – End of year	9,748,415	585,895	55,256,282	14,016,219	1,828,871	24,515,482	16,298,252	18,044,156	8,117,928	148,411,500	142,953,898		
Accumulated amortization													
Balance – Beginning of year	-	88,697	9,051,326	7,188,435	1,143,535	9,657,312	7,058,948	5,596,582	1,672,085	41,456,920	38,581,217		
Annual amortization	-	30,225	673,255	663,122	250,830	940,399	297,763	695,228	116,796	3,667,618	3,563,645		
Disposals	-	-	-	(178,978)	(28,771)	(184,824)	-	-	-	(392,573)	(687,942)		
Balance – End of year	-	118,922	9,724,581	7,672,579	1,365,594	10,412,887	7,356,711	6,291,810	1,788,881	44,731,965	41,456,920		
Net book value of capital assets	9,748,415	466,973	45,531,701	6,343,640	463,277	14,102,595	8,941,541	11,752,346	6,329,047	103,679,535	101,496,978		
2013 Net book value of capital assets	9,898,871	213,551	44,747,480	5,031,706	596,707	14,425,130	8,739,488	11,794,319	6,049,726	101,496,978			

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

11 Deferred pension liability

Pension plan for the employees of the Town

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

An actuarial valuation of the plan was completed for December 30, 2010 and has been updated by extrapolation to March 31, 2011, March 31, 2012 and March 31, 2013. The next actuarial valuation was completed for December 31, 2013.

	2014 \$	2013 \$
Plan assets, at market value, April 1	18,774,471	16,748,241
Return on the plan	2,798,105	1,587,893
Contributions – Employer required	561,456	642,675
Contributions – Employee	362,131	354,566
Benefit payments	(663,019)	(574,741)
Transfers	–	101,449
Expenses	(83,178)	(85,612)
Plan assets, at market value, March 31	<u>21,749,966</u>	<u>18,774,471</u>
Accrued benefit obligation, April 1	17,351,914	16,213,685
Current service cost	393,540	638,700
Benefit payments	(663,019)	(574,741)
Interest on accrued benefit obligation	1,041,115	972,821
Changes in actuarial assumptions	1,230,666	–
Transfers	–	101,449
Accrued benefit obligation, March 31	<u>19,354,216</u>	<u>17,351,914</u>
Unamortized gain, April 1	724,299	162,476
Actual return on plan	2,798,105	1,587,893
Expected return on plan	(1,041,115)	(1,008,908)
Amortization of gain	(320,410)	(60,631)
Amortization of loss	43,469	43,469
Unamortized gain, March 31	<u>2,204,348</u>	<u>724,299</u>

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

11 Deferred pension liability (continued)

Net pension fund liability (asset) is comprised of:

	2014 \$	2013 \$
Accrued benefit obligation	19,354,216	17,351,914
Less: Plan assets	21,749,966	18,774,471
Add: Amortized gain	2,204,348	724,299
	<u>191,402</u>	<u>698,258</u>
Valuation allowance	<u>191,402</u>	<u>698,258</u>
Net pension fund liability	<u>—</u>	<u>—</u>
Town's portion of plan expenses		
Current period benefit cost	393,540	638,700
Interest cost on pension liability	1,041,115	948,206
Actual return on plan	(2,798,105)	(1,587,893)
Change in unamortized gain	1,480,119	561,823
Change in valuation allowance	506,856	698,258
Pension related expense	<u>623,525</u>	<u>1,259,094</u>

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

Discount rate	5.75%
Inflation rate	2.50%
Salary growth rate	3.00%
Retirement age	For members with URD (see below) before 60: 25%
	For members with URD on or after 60: 50% retire at URD and 50% at 65

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

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

11 Deferred pension liability (continued)

Police Association of Nova Scotia Pension Plan

The Town also contributes to a defined benefit plan administered by the Police Association of Nova Scotia which covers Police Locals 201 and 211 who are employees of the Town. These plan assets are administered by PANS and the Town is responsible for contributing its portion of any going concern deficiency. The most recent actuarial valuation for this plan was completed for September 2013 and indicated this plan had a going concern surplus of \$3,195,900 and a solvency deficiency of \$8,878,700.

Under changes to the Regulations of the Nova Scotia Pension Benefits Act in 2012, effective January 1, 2013 the Town is exempted from funding on a solvency basis.

12 Long-term investments and restricted funds, at cost

	2014 \$	2013 \$
Balance – Beginning consisting of:		
Special reserves	3,198,443	3,251,697
Department reserves	2,077,941	2,193,131
Other reserves	2,287,455	2,953,471
Industrial Development Society capital reserve	523,251	441,444
	<hr/> 8,087,090	<hr/> 8,839,743
Transfer from operating funds	50,501	464,569
Other transfers	931,625	932,800
Interest on inter-municipal fund borrowings	103,403	118,851
Interest on investments and savings	9,103	8,633
Cash in lieu of recreation land	–	39,350
Transfer to capital funds	(1,963,141)	(2,198,005)
Transfer to operating funds	(1,042,443)	(118,851)
	<hr/> 6,176,138	<hr/> 8,087,090
Balance – Ending		
Balance – Ending consisting of:		
Special reserves	3,056,257	3,198,443
Department reserves	1,220,800	2,077,941
Other reserves	1,373,751	2,287,455
Industrial Development Society capital reserve	525,330	523,251
Less amounts eliminated on consolidation	(1,429,094)	(1,672,836)
	<hr/> 4,747,044	<hr/> 6,414,254
Balance is comprised of:		
Cash	4,747,044	6,414,254
Due from other funds	1,429,094	1,672,836
	<hr/> 6,176,138	<hr/> 8,087,090

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

13 Short-term borrowing

This balance of \$2,245,859 (2013 - \$5,130,791) represents an amount owing to the Municipality of the Colchester for the capital acquisition of the Town's portion of the Civic Centre. This balance is unsecured, non-interest bearing and has no set terms of repayment.

14 Commitments

The Town is committed to a project cost of \$7,404,305 towards the construction of the new library. The Municipality of the County of Colchester has signed an agreement with the Town to cost share 40% of the capital costs up to a maximum of \$2,250,000.

The Town has committed to 40% of the cost to the new Civic Centre project, in cooperation with the Municipality of the County of Colchester (60% of the Municipal share). At March 31, 2014, the Town has contributed \$10,187,247 to this project.

In addition, the Town will cost share equally with the Municipality of the County of Colchester on any operational losses of the Civic Centre. The Town's portion of this cost for the year ended March 31, 2014 as recorded in these consolidated financial statements is \$367,122.

The Town has agreed to share in the cost of a Waste Management Master Plan with the County of Colchester. The project expects to be completed in the 2013-14 fiscal year. At March 31, 2014, the Town's share of the project is \$3,189,050 (50% of municipal share) payments to the County of Colchester for the Town's share will begin in 2014-15.

Truro Town Council has shared 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 commitments
			March 31, 2014 \$
a) Phase 3 Trunk Line Sewer Project	50%	2,250,000	337,500
b) Phase 4B Regional Sewage Treatment Plant	28%	1,120,000	390,000
c) Regional Balefill Facility	50%	1,650,000	247,500
		<u>5,020,000</u>	<u>975,000</u>

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

14 Commitments (continued)

During the year, the Town paid a total of \$361,538 (2013 - \$440,756) to the County of Colchester as their share of the joint financing commitments for these projects. This expenditure is recorded under Environmental Health Services \$47,418 (2013 - 56,756) and Financing and Transfers \$314,120 (2013 - \$384,000). The amounts to be paid to the County of Colchester over future years are as follows:

	\$
For the year ending March 31, 2015	338,962
2016	324,976
2017	201,383
Less: Interest component	<u>56,321</u>
Principle component	<u>809,000</u>

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

	\$
For the year ending March 31, 2015	84,593
2016	34,222
2017	21,503

15 Contingencies

As at March 31, 2014, there are several disputed matters, which the Town is defending and believes their defence will be successful.

16 Remuneration of council members

		\$
W.R. Mills	Mayor	37,594
G. MacArthur	Deputy Mayor	25,680
B. Kinsman	Councillor	22,660
R. Tynes	Councillor	22,660
C. Fritz	Councillor	22,660
T. Chisholm	Councillor	22,660
D. Joseph	Councillor	22,660

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

17 Trust funds

Statement of financial position of trust funds for the year ended March 31, 2014:

	James Little Bursary Trust \$	Lillie Nelson Trust \$	Robert Mingo Trust \$	CUFU 9 Surplus \$	2014 Total \$	2013 Total \$
Financial assets						
Cash	16,454	43,748	113,287	8,121	181,610	115,060
Investments, at cost (market value \$264,974; 2013 - \$275,807)	-	230,117	-	-	230,117	254,486
	<u>16,454</u>	<u>273,865</u>	<u>113,287</u>	<u>8,121</u>	<u>411,727</u>	<u>369,546</u>
Fund balance	<u>16,454</u>	<u>273,865</u>	<u>113,287</u>	<u>8,121</u>	<u>411,727</u>	<u>369,546</u>

Statement of financial activities of trust funds for the year ended March 31, 2014:

	James Little Bursary Trust \$	Lillie Nelson Trust \$	Robert Mingo Trust \$	CUFU 9 Surplus \$	2014 Total \$	2013 Total \$
Revenue						
Interest and dividends	179	-	1,235	-	1,414	14,127
Gain on sale of investments	-	40,767	-	-	40,767	639
	<u>179</u>	<u>40,767</u>	<u>1,235</u>	<u>-</u>	<u>42,181</u>	<u>14,766</u>
Expenditures						
Transfer to the Town	-	-	-	-	-	25,000
Administrative costs	-	-	-	-	-	2,953
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,953</u>
Change in fund balance	179	40,767	1,235	-	42,181	(13,187)
Beginning fund balance	16,275	233,098	112,052	8,121	369,546	382,733
Ending fund balance	<u>16,454</u>	<u>273,865</u>	<u>113,287</u>	<u>8,121</u>	<u>411,727</u>	<u>369,546</u>

These funds are administered by the Town but are not included in the consolidated financial statements of the Town.

Town of Truro

Notes to Consolidated Financial Statements

For the year ended March 31, 2014

18 Financial instruments

The Town's financial instruments consist of cash and cash equivalents, receivables, payables and accruals, short-term borrowings and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these consolidated financial statements.

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

Town of Truro

Schedule of General Fund Activities

For the year ended March 31, 2014

	Page	Unaudited budget \$	Actual 2014 \$	Actual 2013 \$
Revenue				
Assessable property taxes	25	18,128,500	18,316,002	18,225,243
Grants in lieu of tax	25	733,500	656,806	596,269
Services provided to other governments	25	308,000	225,974	231,971
Sales of services	26	1,038,350	676,999	798,457
Other revenue from own sources	26	540,300	567,618	607,158
Unconditional transfers from other governments	26	1,335,000	1,330,549	1,322,654
Conditional transfers from other governments	26	911,000	888,513	928,862
		<u>22,994,650</u>	<u>22,662,461</u>	<u>22,710,614</u>
Expenditures				
General government services	27	2,920,760	3,051,660	3,045,638
Protective services	27	7,643,200	7,480,543	7,023,881
Transportation services	28	2,761,400	3,359,297	2,818,850
Environmental health services	28	2,423,100	2,430,227	2,050,462
Public health services	28	220,000	232,974	1,037,510
Environmental developmental services	29	821,400	1,077,498	1,194,325
Recreation and cultural services	29	2,839,050	2,552,015	2,560,848
Change in post-employment benefits liability		20,000	-	25,302
		<u>19,648,910</u>	<u>20,184,214</u>	<u>19,756,816</u>
Annual surplus		3,345,740	2,478,247	2,953,798
Financing and transfers				
Financing		(1,398,000)	(1,403,453)	(1,491,012)
Transfer from reserve funds		-	464,000	-
Transfer to capital		(1,947,740)	(1,332,829)	(1,432,645)
Change in surplus		<u>-</u>	205,965	30,141
Beginning surplus (deficit)		<u>-</u>	(3,323,041)	650,754
Ending surplus (deficit)			(3,117,076)	680,895
Adjustments			<u>-</u>	(4,003,936)
Ending deficit as restated			<u>(3,117,076)</u>	<u>(3,323,041)</u>

Town of Truro

Schedule of Operating Fund Revenues

For the year ended March 31, 2014

	2014	2013
	\$	\$
Assessable property taxes		
Assessable property		
Residential	10,125,317	9,742,185
Commercial	9,651,720	9,706,359
Resource and recreational	21,293	23,423
Area rates	262,301	256,264
Business property		
Business occupancy	-	151,782
Based on revenues – Aliant	107,149	110,010
Nova Scotia Power Inc. – Grant in lieu of tax	17,579	18,882
Nova Scotia Power Inc. – HST rebate	72,088	68,021
Deed transfer tax	438,731	432,589
Education expenditures as a reduction of tax revenue		
Appropriation to regional school board	(2,380,176)	(2,284,272)
	<u>18,316,002</u>	<u>18,225,243</u>
Grants in lieu of tax		
Federal government	568,199	509,696
Province of Nova Scotia		
Provincial property	47,512	46,318
Fire protection	41,095	40,255
	<u>656,806</u>	<u>596,269</u>
Services provided to other governments		
Country of Colchester		
Protective services	25,760	25,874
Environmental health	15,301	31,500
Village of Bible Hill		
Fire protection	82,433	82,796
Millbrook first nations		
Municipal services	93,480	83,301
Town of Stewiacke		
Building inspector	9,000	8,500
	<u>225,974</u>	<u>231,971</u>

Town of Truro

Schedule of Operating Fund Revenues... *continued*

For the year ended March 31, 2014

	2014 \$	2013 \$
Sales of services		
General government services	14,738	3,045
Protective services	97,838	112,057
Transportation services	9,983	5,850
Environmental development services	13,970	12,424
Recreation and cultural services		
Stadium	347,822	464,515
Victoria park pool	59,875	57,746
Sports fields	2,523	2,458
Other recreation	130,250	140,362
	<u>676,999</u>	<u>798,457</u>
Other revenue from own sources		
Licenses and permits	2,439	2,912
Fines	159,768	177,577
Rentals	21,700	23,004
Return on investments	168,611	221,376
Interest on taxes	211,745	181,903
Miscellaneous	3,355	386
	<u>567,618</u>	<u>607,158</u>
Unconditional transfers from other governments		
Provincial government		
Service Nova Scotia and Municipal Relations		
Municipal grants act – Equalization	1,305,504	1,287,773
Municipal government act – Farm property acreage	1,023	1,007
Other provincial		
Resource recovery fund board	10,672	19,458
911 cost recovery fund	4,359	4,359
Dairy stewardship program	8,991	10,057
	<u>1,330,549</u>	<u>1,322,654</u>
Conditional transfers from other governments		
Federal government		
Indian and Northern affairs – Municipal services	370,189	427,979
Student program	4,944	4,867
RCMP – CISNS program	104,195	96,016
Provincial government		
Active Kids	1,685	–
Police boots on the states program	400,000	400,000
Propane conversion	7,500	–
	<u>888,513</u>	<u>928,862</u>

Town of Truro

Schedule of General Operating Fund Expenditures

For the year ended March 31, 2014

	2014	2013
	\$	\$
General government services		
Legislative		
Mayor remuneration	37,594	33,600
Mayor expenses	3,661	8,000
Council remuneration	138,980	122,224
Council expenses	62,195	70,280
General administrative		
Administrative	972,654	849,005
Financial management	556,288	457,156
Taxation		
Tax rebates	68,396	50,310
Transfer for assessment services	161,658	163,812
Common services	440,663	461,625
Other general administrative services	190,587	328,610
Debt charges		
Debenture interest on long-term debt	161,239	178,299
Other debt charges	6,822	1,309
Valuation allowances		
Uncollectable taxes	27,517	-
Other doubtful receivables	-	2,052
Other general government services		
Grants to organizations and individuals	223,406	319,356
	<u>3,051,660</u>	<u>3,045,638</u>
Protective services		
Police protection	5,007,827	4,606,909
Law enforcement		
Transfer to correction services	175,974	177,918
Transfer to prosecution services	32,824	32,386
Fire protection		
Water supply and hydrants	760,700	760,700
Fire service operations	1,267,861	1,153,142
Emergency measures	27,497	36,649
Debenture interest on long-term debt	49,847	102,615
Other protective services	158,013	153,562
	<u>7,480,543</u>	<u>7,023,881</u>

Town of Truro

Schedule of General Operating Fund Expenditures...continued

For the year ended March 31, 2014

	2014 \$	2013 \$
Transportation services		
Common services	496,411	476,361
Road transport		
Street maintenance	921,882	819,372
Sidewalk maintenance	291,630	263,689
Snow and ice control	1,042,216	718,237
Street lighting	327,833	319,016
Traffic services	159,779	113,487
Other road transport	33,897	31,201
Debt charges		
Debenture interest on long-term debt	85,649	77,487
	<u>3,359,297</u>	<u>2,818,850</u>
Environmental health services		
Sewage collection and disposal		
Sewage collection systems	747,406	637,961
Sewage treatment and disposal	1,136,675	826,664
Garbage and waste collection and disposal		
Garbage and waste collection	418,580	438,618
Recycling	80,148	84,963
Debt charges		
Debenture interest on long-term debt	47,418	62,256
	<u>2,430,227</u>	<u>2,050,462</u>
Public health services		
Deficit of regional housing authority	91,249	82,472
Colchester regional hospital foundation contribution	-	805,639
Debt charges		
Debenture interest on long-term debt	141,725	149,399
	<u>232,974</u>	<u>1,037,510</u>

Town of Truro

Schedule of General Operating Fund Expenditures...continued

For the year ended March 31, 2014

	2014 \$	2013 \$
Environmental development services		
Town planning and zoning	353,064	349,702
Transfer to Colchester Regional Development Agency	15,000	104,107
Other community development	493,460	499,883
Natural resources development	152,820	117,937
Industrial development society	51,000	110,000
Tourism services	12,154	12,696
	<u>1,077,498</u>	<u>1,194,325</u>
Recreation and cultural services		
Recreation administration	335,996	333,171
Recreation facilities		
Stadium and outdoor rinks	610,901	677,036
Victoria Park pool	89,488	74,955
Victoria Park	233,974	271,778
Ball fields, soccer fields and green spaces	255,464	238,869
Douglas Street Community Centre	115,505	115,517
Rath Eastlink Community Centre	368,634	360,811
Other recreation services	70,860	82,590
Cultural building and facilities		
Colchester East Hants Branch Library	105,440	78,642
Transfer to regional library	80,405	80,405
Other	(23,293)	-
Debenture interest on long-term debt	308,641	247,074
	<u>2,552,015</u>	<u>2,560,848</u>

Town of Truro

Schedule of Financial Activities of the General Capital Fund

For the year ended March 31, 2014

	2014	2013
	\$	\$
Revenue		
Contribution from outside sources	250,099	286,626
Federal grants	1,546,930	2,524,569
Provincial grants	-	1,941,123
	<u>1,797,029</u>	<u>4,752,318</u>
Expenditures		
General government services		
Land and land improvements	43,585	124,326
Buildings	-	1,136,537
Equipment	-	67,641
Amortization of capital assets	274,321	395,476
Gain on sale of capital assets	343,812	-
Protective services		
Police	19,830	27,716
Equipment	1,097,788	-
Fire	6,923	-
Amortization of capital assets	242,256	265,456
Transportation services		
Sidewalk and curb construction	661,301	961,549
Street construction	589,306	1,045,656
Equipment	319,976	515,047
Buildings	(15,608)	-
Amortization of capital assets	2,032,132	1,998,532
Loss on sale of capital assets	-	167,825
Work in progress	28,557	-
Environmental health services		
Sewer construction	499,816	373,725
Amortization of capital assets	300,801	303,414
Environmental development service		
Equipment	35,442	9,386
Amortization of capital assets	5,008	6,753
Recreation and cultural services		
Land improvements	40,539	26,684
Buildings	1,055,971	8,613,366
Equipment	190,895	991,170
Work in progress	49,067	-
Amortization of capital assets	274,876	174,697
	<u>8,096,594</u>	<u>17,204,956</u>
Net expenditures	6,299,565	12,452,638
Financing and transfer		
Proceeds of issuance of debt	(3,280,000)	(9,554,747)
Retirement of long-term debt	1,089,346	1,009,327
Repayment of short-term debt	2,884,932	3,060,590
Transfer to own reserves, funds and agencies	(4,299,943)	(1,072,008)
Net change in fund balance	2,693,900	5,895,800
Fund balance – Beginning of year	64,755,469	58,859,687
Fund balance – End of year	<u>67,449,369</u>	<u>64,755,487</u>

Town of Truro

Schedule of Financial Activities of the Water Utility Operating Fund

For the year ended March 31, 2014

	Page	Unaudited budget \$	Actual 2014 \$	Actual 2013 \$
Operating revenue				
Meter sales		3,273,136	3,119,401	2,999,804
Flat rate sales		27,000	20,418	19,671
Public fire protection		764,067	760,700	760,700
Private fire protection		17,000	18,418	17,754
Private hydrant maintenance		21,500	22,337	22,125
Sprinkler service charge		41,500	41,267	42,320
Interest on overdue accounts		22,000	21,870	21,364
		<u>4,166,203</u>	<u>4,004,411</u>	<u>3,883,738</u>
Operating expenditures				
Source of supply	32	40,000	20,567	39,556
Power and pumping	32	35,000	38,198	47,081
Transmission and distribution	32	749,500	732,545	657,031
Water treatment plant	32	1,281,300	1,217,348	1,183,023
Administration and general	32	323,400	242,824	300,983
Depreciation		639,703	470,365	419,316
Taxes		725,000	712,824	711,192
		<u>3,793,903</u>	<u>3,434,671</u>	<u>3,358,182</u>
Excess operating revenue over expenditures		<u>372,300</u>	<u>569,740</u>	<u>525,556</u>
Non-operating revenue				
Miscellaneous		108,000	26,971	39,394
Non-operating expenditures				
Bank charges and interest		72,600	57,532	73,932
Principal instalments on long-term debt		102,700	102,688	102,688
Post-employment benefits		5,000	-	-
Nova Scotia Utility and Review Board Rate Application		-	-	9,167
Change in post-employment benefits liability		-	87	(3,290)
		<u>180,300</u>	<u>160,307</u>	<u>182,497</u>
Operating results		300,000	436,404	382,453
Capital expenditure out of revenue		300,000	-	270,948
Net change in fund balance		<u>-</u>	436,404	111,505
Fund balance – Beginning of year			<u>644,070</u>	<u>532,565</u>
Fund balance – End of year			<u>1,080,474</u>	<u>644,070</u>

Town of Truro

Schedule of Water Utility Operating Fund Expenditures

For the year ended March 31, 2014

	2014 \$	2013 \$
Source of supply		
Labour	20,119	20,467
Watershed maintenance	448	19,089
	<u>20,567</u>	<u>39,556</u>
Power and pumping		
Power	1,521	965
Maintenance	36,677	46,116
	<u>38,198</u>	<u>47,081</u>
Transmission and distribution		
Salary and benefits	127,549	145,944
Maintenance of mains	313,000	243,513
Maintenance of other distribution plant	291,996	267,574
	<u>732,545</u>	<u>657,031</u>
Water treatment plant		
Utilities	200,767	259,577
Plant process systems	445,089	398,786
Plant process control	182,693	182,556
Treatment non-process systems	88,781	59,422
Remote stations	66,233	40,210
Raw water treatment systems	29,116	30,885
Administration	204,669	211,587
	<u>1,217,348</u>	<u>1,183,023</u>
Administration and general		
Supervision	97,904	162,324
Consumer contracts and orders	85,149	80,750
Consumer billing and accounting	16,138	23,012
Uncollectable accounts	6,028	(1,486)
General office expenses	5,398	7,356
Professional fees	6,000	6,237
Liability insurance	20,000	18,581
Regulatory expenses	6,207	4,209
	<u>242,824</u>	<u>300,983</u>

Town of Truro
 Schedule of Water Utility
 Statement of Financial Activities of the Capital Fund
 For the year ended March 31, 2014

	2014 \$	2013 \$
Investment in capital assets		
Beginning – Fund balances	17,428,023	17,049,045
Depreciation	–	(419,316)
Interest	13,473	
Change in depreciation funds	–	419,316
Loss on disposal of capital assets	(7,663)	(3,402)
Capital expenditures	–	270,948
Repayment of long-term debt	102,686	102,688
Proceeds from long-term loan	–	8,744
Ending – Fund balance	<u>17,536,519</u>	<u>17,428,023</u>

Statement of Capital Fund Plant and Equipment

Land		
Source of supply	1,910,523	1,910,523
Structures and improvements		
Source of supply	3,830,169	3,830,169
Power and pumping	1,568,245	1,568,245
Purification	4,592,179	4,566,195
Distribution and reservoir	631,794	631,794
General	564,350	572,013
Other water source structures	62,890	62,890
Electrical pumping equipment	998,567	936,122
Purification equipment	1,002,789	1,002,789
Distribution mains	6,391,285	5,995,168
Distribution equipment	303,720	301,194
Services	1,726,643	1,726,643
Meters	798,482	764,082
Hydrants	665,752	654,295
Office furniture and equipment	71,010	59,783
Transportation equipment	563,606	514,338
Tools and work equipment	15,652	15,652
	<u>25,697,656</u>	<u>25,111,895</u>

Town of Truro

Schedule of Financial Activities of Reserve Funds

For the year ended March 31, 2014

			2014	2013
	Federal gas tax reserve \$	Investment reserve \$	Total \$	Total \$
Revenue				
Interest on inter fund loans	-	103,403	103,403	118,851
Interest	2,188	-	2,188	2,567
Capital grant	931,625	-	931,625	932,800
	<u>933,813</u>	<u>103,403</u>	<u>1,037,216</u>	<u>1,054,218</u>
Expenditures				
Transfer to capital fund	1,076,000	-	1,076,000	988,621
Transfer to operating fund	-	103,403	103,403	118,851
	<u>1,076,000</u>	<u>103,403</u>	<u>1,179,403</u>	<u>1,107,472</u>
Change in fund balance	(142,187)	-	(142,187)	(53,254)
Beginning – Fund balance	198,443	3,000,000	3,198,443	3,251,697
Ending – Fund balance	<u>56,256</u>	<u>3,000,000</u>	<u>3,056,256</u>	<u>3,198,443</u>
			2014	2013
			\$	\$
Reserve funds				
Federal gas tax reserve			56,256	198,443
Investment reserve			3,000,000	3,000,000
General government reserve			66,095	66,095
Protective services			235,540	833,328
Transportation services			713,786	945,522
Recreation services			205,379	232,996
General fund – Capital			875,017	1,269,294
General fund – Operating			394,381	914,952
Land			104,354	103,209
Industrial development society			525,330	523,251
			<u>6,176,138</u>	<u>8,087,090</u>

Town of Truro

Schedule of Financial Activities of Reserve Funds...continued

For the year ended March 31, 2014

					2014	2013
	General government services	Protective services	Transportation services	Recreation services	Net	Net
	\$	\$	\$	\$	\$	\$
Revenue						
Transfer from operating fund	-	-	-	30,000	30,000	387,699
Cash in lieu of recreation land	-	-	-	-	-	39,350
	-	-	-	30,000	30,000	427,049
Expenditures						
Transfer to capital fund	-	597,788	231,736	57,617	887,141	542,239
Change in fund balance	-	(597,788)	(231,736)	(27,617)	(857,141)	(115,190)
Beginning – Fund balance	66,095	833,328	945,522	232,996	2,077,941	2,193,131
Ending – Fund balance	66,095	235,540	713,786	205,379	1,220,800	2,077,941

				2014	2013
	General Fund		Water Utility	Net	Net
	Other capital reserves	Operating reserves	Land acquisition	\$	\$
	\$	\$	\$		
Revenue					
Interest	-	-	1,145	1,145	1,129
Transfer from operating fund	20,500	-	-	20,500	-
	20,500	-	1,145	21,645	1,129
Expenditures					
Transfer to capital fund	-	-	-	-	667,145
Transfer to operating fund	414,777	520,571	-	935,348	-
	414,777	520,571	-	935,348	667,145
Change in fund balance	(394,277)	(520,571)	1,145	(913,703)	(666,016)
Beginning – Fund balance	1,269,294	914,952	103,209	2,287,455	2,953,471
Ending – Fund balance	875,017	394,381	104,354	1,373,752	2,287,455

Town of Truro

Schedule of Truro Industrial Development Society

Statement of Financial Position of the Capital Reserve Fund

For the year ended March 31, 2014

	2014 \$	2013 \$
Financial assets		
Cash	525,330	523,251
	<hr/>	<hr/>
Fund balance	525,330	523,251
	<hr/>	<hr/>
Statement of Financial Activities of the Capital Reserve Fund		
Revenue		
Interest	5,773	4,937
Transfer from operating fund	-	76,870
	<hr/>	<hr/>
	5,773	81,807
Expenses		
Transfer to operating fund	3,694	-
	<hr/>	<hr/>
Change in fund balance	2,079	81,807
Beginning – Fund balance	523,251	441,444
	<hr/>	<hr/>
Ending – Fund balance	525,330	523,251
	<hr/>	<hr/>

Town of Truro

Schedule of Financial Activities of the Truro Industrial Development Society Operating Fund For the year ended March 31, 2014

	2014 \$	2013 \$
Revenue		
Land sales	-	80,000
Interest revenue	-	182
Grant -- Town of Truro	51,000	110,000
	<hr/> 51,000	<hr/> 190,182
Expenditures		
Professional fees	4,000	5,229
Miscellaneous	1,910	85
Promotional	8	1,319
Survey fees	1,356	1,500
Signage	2,398	-
Taxes	26,533	31,669
Industrial park promotions	-	58,860
Maintenance	14,270	15,034
	<hr/> 50,475	<hr/> 113,696
Net revenue	525	76,486
Financing and transfers		
Transfer to capital reserve fund	-	(76,869)
Change in fund balance	525	(383)
Beginning -- Fund Balance	<hr/> (7,214)	<hr/> (6,831)
Ending -- Fund Balance	<hr/> (6,689)	<hr/> (7,214)

Town of Truro

Schedule of the Statement of Financial Position of the Truro Industrial Development Society Capital Fund For the year ended March 31, 2014

	2014 \$	2013 \$
Non-financial assets		
Land and development costs	<u>815,441</u>	<u>811,441</u>
Fund balance	<u>815,441</u>	<u>811,441</u>

Statement of Financial Activities of the Capital Fund Year ended March 31, 2014

	2014 \$	2013 \$
Cost of land (sold) purchased during the year	<u>4,000</u>	<u>(20,095)</u>
Change in fund balance	4,000	(20,095)
Beginning – Fund Balance	<u>811,441</u>	<u>831,536</u>
Ending – Fund Balance	<u>815,441</u>	<u>811,441</u>