

TOWN OF TRURO
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015

Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Consolidated Statement of Financial Position	3
Consolidated Statement of Financial Activities	4
Consolidated Statement of Cash Flow	5
Consolidated Statement of Change in Net Financial Liabilities	6
Consolidated Statement of Property and Equipment	7
Schedule of Long-Term Debt	8
Notes to Consolidated Financial Statements	9-20
Schedules to Consolidated Statement of Financial Activities	21-27
Schedule of Capital Projects Funding	28
Supplementary Schedules	
Water Utility Operating Fund	
Statement of Financial Position	29
Statement of Operations	30
Water Utility Capital Fund	
Statement of Financial Position	31
Statement of Utility Plant and Equipment	32
Statement of Investment in Capital Assets	32
Statement of Trust Funds	33



October 19, 2015

Independent Auditor's Report To the Mayor and Council of the Town of Truro

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, 2015 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.

*PricewaterhouseCoopers LLP
710 Prince Street, PO Box 632, Truro, Nova Scotia, Canada B2N 5E5
T: +1 (902) 895 1641, F: +1 (902) 893 0460*



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, 2015 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 21 to 33 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. In addition, budget information as presented in these financial statements has not been subject to audit.

PricewaterhouseCoopers LLP

Chartered Accountants

Town of Truro
Consolidated Statement of Financial Activities

Year Ended March 31

2015

(Restated)
 2014

	Page	(Unaudited) Budget	Actual	Actual
Revenue				
Assessable property taxes	21	\$ 17,379,582	\$ 17,285,197	\$ 17,047,121
Grants in lieu of taxes	21	629,447	692,301	656,806
Services provided to other governments	22	134,475	173,447	88,157
Sale of services	22	689,050	775,826	677,000
Other revenue from own sources	22	502,887	897,973	671,007
Rath Eastlink Community Centre		1,156,915	784,504	937,144
Unconditional transfers from other governments and agencies	23	1,356,990	1,367,613	1,330,549
Conditional transfers from federal and provincial government	23	923,459	1,877,824	2,371,430
Water fund revenues	23	3,765,895	3,527,196	3,423,111
Total revenue		<u>26,538,700</u>	<u>27,381,881</u>	<u>27,202,325</u>
Expenditures				
General government services	24	2,760,696	3,843,888	3,315,431
Protective services	25	6,708,249	7,063,586	6,667,490
Transportation services	25	2,736,095	6,077,621	5,452,273
Environmental health services	26	2,607,206	2,815,405	3,045,147
Public health services	26	138,710	134,993	141,725
Environmental development services	26	842,513	801,452	698,199
Recreation and cultural services	27	2,599,289	3,569,224	2,755,527
Rath Eastlink Community Centre		1,517,839	1,352,232	1,305,778
Water fund expenses	27	3,382,426	2,652,151	2,787,678
Total expenditures		<u>23,293,023</u>	<u>28,310,552</u>	<u>26,169,248</u>
Net surplus (deficit)		<u>\$ 3,245,677</u>	(928,671)	1,033,077
Accumulated surplus, beginning of year as restated (note 14)			<u>88,861,125</u>	<u>87,828,048</u>
Accumulated surplus, end of year			<u>\$ 87,932,454</u>	<u>\$ 88,861,125</u>

The accompanying notes are an integral part of these financial statements.

Town of Truro

Consolidated Statement of Cash Flow

Year Ended March 31

2015

(Restated)
2014

Increase (decrease) in cash and cash equivalents

Operating activities

Net surplus (deficit)	\$	(928,671)	\$	1,033,077
Changes in non-cash items				
Add back amortization		4,498,561		3,669,248
Change in taxes receivable		1,605		(541,987)
Change in water rates receivable		(236,438)		-
Change in accounts receivable		(156,917)		(192,270)
Change in accounts payable and accrued liabilities		(1,839,001)		(1,958,724)
Change in inventory held for resale		-		(4,000)
Change in inventory not held for resale		243,645		(934)
Change in prepaid expenses		9,414		88,731
		<u>1,592,198</u>		<u>2,093,141</u>

Capital activities

Acquisition of capital assets		(7,098,202)		(6,141,268)
Proceeds on sale of assets		-		95,500
Loss on disposition of assets		-		125,456
Write-down of capital assets		62,375		68,507
		<u>(7,035,827)</u>		<u>(5,851,805)</u>

Financing activities

Issuance of long-term debt		3,069,399		3,280,000
Debt principal repayment		(1,430,433)		(1,256,601)
Issuance of short-term debt		2,819,132		-
		<u>4,458,098</u>		<u>2,023,399</u>

Net change in cash

(985,531) (1,735,265)

Cash

Beginning of year		<u>6,431,814</u>		<u>8,167,079</u>
End of year	\$	<u>5,446,283</u>	\$	<u>6,431,814</u>

The accompanying notes are an integral part of these financial statements.

Town of Truro

Consolidated Statement of Change in Net Financial Liabilities

Year Ended March 31	2015	(Restated) 2014
	<u>Actual</u>	<u>Actual</u>
Net surplus (deficit)	\$ (928,671)	\$ 1,033,077
Changes in tangible capital assets		
Acquisition of capital assets	(7,098,202)	(6,141,268)
Amortization of capital assets	4,498,561	3,669,248
Proceeds on sale of assets	-	95,500
Loss on disposition of assets	-	125,456
Write-down of capital assets	62,375	68,507
	<u>(2,537,266)</u>	<u>(2,182,557)</u>
Changes in other non-financial asset		
Inventory not held for resale	243,645	(934)
Land held for resale	-	(4,000)
Prepaid expenses	9,414	88,731
	<u>253,059</u>	<u>83,797</u>
Change in net financial liabilities	(3,212,878)	(1,065,683)
Net financial liabilities, beginning of year	(16,121,741)	(15,056,058)
Net financial liabilities, end of year	<u>\$ (19,334,619)</u>	<u>\$ (16,121,741)</u>

The accompanying notes are an integral part of these financial statements.

Town of Truro
Consolidated Statement of Property and Equipment

As at March 31

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Work in Progress	2015	2014
General capital									
Cost:									
Balance, beginning of year	\$ 7,666,208	\$ 536,827	\$ 22,351,346	\$ 58,829,333	\$ 8,930,612	\$ 1,265,263	\$ 22,964,201	\$ 122,543,790	\$ 117,670,320
Acquisition of capital assets	300,000	248,299	159,201	1,230,976	346,736	73,088	4,281,287	6,639,587	5,480,349
Work in progress	1,939,128	685,651	18,348,383	-	1,537,705	-	(22,510,867)	-	-
Disposition of capital assets	-	-	-	(401,635)	(212,144)	-	-	(613,779)	(606,878)
Balance, end of year	<u>9,905,336</u>	<u>1,470,777</u>	<u>40,858,930</u>	<u>59,658,674</u>	<u>10,602,909</u>	<u>1,338,351</u>	<u>4,734,621</u>	<u>128,569,598</u>	<u>122,543,791</u>
Accumulated amortization:									
Balance, beginning of year	-	118,921	6,602,028	24,061,408	5,454,602	946,614	-	37,183,573	34,309,768
Accumulated amortization on disposals	-	-	-	(342,396)	(212,144)	-	-	(554,540)	(325,078)
Annual amortization	-	113,789	1,007,873	2,002,110	793,160	139,413	-	4,056,345	3,198,882
Balance, end of year	<u>-</u>	<u>232,710</u>	<u>7,609,901</u>	<u>25,721,122</u>	<u>6,035,618</u>	<u>1,086,027</u>	<u>-</u>	<u>40,685,378</u>	<u>37,183,572</u>
Net book value of general capital	<u>\$ 9,905,336</u>	<u>\$ 1,238,067</u>	<u>\$ 33,249,029</u>	<u>\$ 33,937,552</u>	<u>\$ 4,567,291</u>	<u>\$ 252,324</u>	<u>\$ 4,734,621</u>	<u>\$ 87,884,220</u>	<u>\$ 85,360,219</u>
Water capital									
Cost:									
Balance, beginning of year	\$ 1,910,523	\$ -	\$ 11,223,643	\$ 8,117,928	\$ 3,881,956	\$ 563,607	\$ -	\$ 25,697,657	\$ 25,111,896
Acquisition of capital assets	40,000	-	-	383,927	34,688	-	-	458,615	660,919
Disposition of capital assets	-	-	-	(3,470)	(30,061)	(25,915)	-	(59,446)	(75,158)
Balance, end of year	<u>1,950,523</u>	<u>-</u>	<u>11,223,643</u>	<u>8,498,385</u>	<u>3,886,583</u>	<u>537,692</u>	<u>-</u>	<u>26,096,826</u>	<u>25,697,657</u>
Accumulated amortization:									
Balance, beginning of year	-	-	3,122,553	1,790,515	2,285,469	351,485	-	7,550,022	7,147,151
Accumulated amortization on disposals	-	-	-	(2,969)	(27,428)	(25,915)	-	(56,312)	(67,495)
Annual amortization	-	-	164,030	123,514	94,123	60,549	-	442,216	470,366
Balance, end of year	<u>-</u>	<u>-</u>	<u>3,286,583</u>	<u>1,911,060</u>	<u>2,352,164</u>	<u>386,119</u>	<u>-</u>	<u>7,935,926</u>	<u>7,550,022</u>
Net book value of water capital	<u>\$ 1,950,523</u>	<u>\$ -</u>	<u>\$ 7,937,060</u>	<u>\$ 6,587,325</u>	<u>\$ 1,534,419</u>	<u>\$ 151,573</u>	<u>\$ -</u>	<u>\$ 18,160,900</u>	<u>\$ 18,147,635</u>
	<u>\$ 11,855,859</u>	<u>\$ 1,238,067</u>	<u>\$ 41,186,089</u>	<u>\$ 40,524,877</u>	<u>\$ 6,101,710</u>	<u>\$ 403,897</u>	<u>\$ 4,734,621</u>	<u>\$ 106,045,120</u>	<u>\$ 103,507,854</u>

Town of Truro

Schedule of Long-Term Debt

As at March 31, 2015

	Maturity Date	MFC Series #	Balance March 31/14	Issued	Redeemed	Balance March 31/15	Interest Rate
General Operating Fund							
Municipal Finance Corporation							
Hospital 2007	2017	27-A-1	770,000	-	55,000	715,000	4.650 - 5.010
Hospital 2008	2018	28-A-1	675,000	-	45,000	630,000	3.100 - 5.095
Hospital 2009	2019	29-B-1	800,000	-	50,000	750,000	0.900 - 4.329
Hospital 2010	2020	30-A-1	935,000	-	55,000	880,000	1.550 - 3.870
			<u>3,180,000</u>	<u>-</u>	<u>205,000</u>	<u>2,975,000</u>	
General Capital Fund							
Municipal Finance Corporation							
Municipal building 2003	2018	23-A-1	1,430,000	-	143,000	1,287,000	2.750 - 5.375
Municipal building/firehall 2005	2020	25-A-1	955,000	-	171,250	783,750	2.970 - 4.880
Inglis Place 2007	2017	27-A-1	200,000	-	50,000	150,000	4.650 - 5.010
Police Station 2007	2017	27-A-1	400,000	-	100,000	300,000	4.650 - 5.010
PW Facility 2009	2019	29-A-1	1,329,000	-	83,062	1,245,938	1.000 - 4.889
Stadium/RECC 2009	2019	29-B-1	800,000	-	50,000	750,000	0.900 - 4.329
RECC 2011	2021	31-A-1	1,198,800	-	66,600	1,132,200	1.219 - 3.645
RECC 2012	2022	32-A-1	3,325,000	-	175,000	3,150,000	1.636 - 3.480
RECC 2012	2022	32-B-1	2,090,000	-	110,000	1,980,000	1.510 - 3.160
RECC 2013	2023	33-A-1	1,000,000	-	50,000	950,000	1.330 - 2.979
RECC 2013	2028	33-A-1	680,000	-	38,100	641,900	1.330 - 3.489
RECC 2013	2023	33-B-1	1,600,000	-	80,000	1,520,000	1.285 - 3.614
Fire Truck 2014	2024	34-A-1	-	500,000	-	500,000	1.245 - 3.347
RECC 2014	2029	34-B-1	-	2,535,000	-	2,535,000	1.200 - 3.559
Scotiabank							
Vehicle loan 2014	2018		-	34,399	5,733	28,666	
			<u>15,007,800</u>	<u>3,069,399</u>	<u>1,122,745</u>	<u>16,954,454</u>	
Water Capital Fund							
Municipal Finance Corporation							
PW Facility 2009	2019	29-A-1	443,000	-	27,688	415,312	1.000 - 4.889
Water Utility Dam 2009	2019	29-B-1	1,040,000	-	65,000	975,000	0.900 - 4.329
Water Utility Dam 2010	2020	30-A-1	170,000	-	10,000	160,000	1.550 - 3.870
			<u>1,653,000</u>	<u>-</u>	<u>102,688</u>	<u>1,550,312</u>	
			<u>\$ 19,840,800</u>		<u>\$ 1,430,433</u>	<u>\$ 21,479,766</u>	

Town of Truro

Notes to Consolidated Financial Statements

March 31, 2015

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 Funds 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 financial 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

March 31, 2015

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

March 31, 2015

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, short-term borrowings, payables and accruals 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. Amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is put in use.

In previous years, amortization was not charged in the year of acquisition. This change in accounting estimate has been applied on a prospective basis and has resulted in an increase in amortization expense of \$172,006.

Town of Truro

Notes to Consolidated Financial Statements

March 31, 2015

2 Summary of significant accounting policies (continued)

g) Tangible capital assets (continued)

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.

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

h) Land for resale

Costs incurred which are directly attributable to the development of land in the industrial park are capitalized as part of the land cost. Costs incurred which are directly attributable to the construction of streets, sewers and water mains 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 and general overhead 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 and are disclosed as a separate statement.

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

March 31, 2015

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. Capital and industrial reserves are included in cash as disclosed in note 3.

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.

p) 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.

Town of Truro

Notes to Consolidated Financial Statements

March 31, 2015

3 Cash	<u>2015</u>	<u>2014</u>
Cash - operations	\$ 1,863,617	\$ 942,311
Cash - capital reserves	3,138,719	4,964,173
Cash - Truro Industrial Development Society reserve	443,947	525,330
	<u>\$ 5,446,283</u>	<u>\$ 6,431,814</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.

4 Taxes receivable	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 1,500,925	\$ 1,180,806
Current period tax and interest	19,698,964	19,269,392
	<u>21,199,889</u>	<u>20,450,198</u>
Collections	(19,620,569)	(18,949,273)
Balance, end of year	1,579,320	1,500,925
Valuation allowance	80,000	-
Balance, net of valuation allowance end of year	<u>\$ 1,499,320</u>	<u>\$ 1,500,925</u>

5 Short-term borrowing

This balance of \$2,819,132 represents a demand loan at prime interest rate from the Bank of Montreal for the capital acquisition of the Town's portion of the new library.

6 Long-term debt

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

	<u>General Operating</u>	<u>General Capital</u>	<u>Water Capital</u>	<u>Total</u>
2016	\$ 205,000	\$ 1,294,362	\$ 102,688	\$ 1,602,050
2017	205,000	1,185,062	102,688	1,492,750
2018	755,000	1,185,862	102,688	2,043,550
2019	600,000	1,751,762	102,688	2,454,450
2020	605,000	2,225,388	1,029,562	3,859,950

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 Consolidated Financial Statements

March 31, 2015

7 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 31, 2013 and has been updated by extrapolation to March 31, 2014 and March 31, 2015.

	2015	2014
Plan assets, at market value, April 1	\$ 21,749,966	\$ 18,774,471
Return on the plan	2,651,370	2,798,105
Contributions – Employer required	395,955	561,456
Contributions – Employee	402,959	362,131
Benefit payments	(777,668)	(663,019)
Transfers	-	-
Expenses	(94,418)	(83,178)
Plan assets, at market value, March 31	<u>\$ 24,328,164</u>	<u>\$ 21,749,966</u>
Accrued benefit obligation, April 1	\$ 19,354,216	\$ 17,351,914
Current service cost	764,160	393,540
Benefit payments	(777,668)	(663,019)
Interest on accrued benefit obligation	1,112,867	1,041,115
Changes in actuarial assumptions	-	1,230,666
Transfers	-	-
Accrued benefit obligation, March 31	<u>\$ 20,453,575</u>	<u>\$ 19,354,216</u>
Unamortized gain, April 1	\$ 2,204,348	\$ 724,299
Actual return on plan	2,651,370	2,798,105
Expected return on plan	(1,112,867)	(1,041,115)
Amortization of gain	(361,868)	(320,410)
Amortization of loss	-	43,469
Unamortized gain, March 31	<u>\$ 3,380,983</u>	<u>\$ 2,204,348</u>

Town of Truro

Notes to Consolidated Financial Statements

March 31, 2015

7 Deferred pension liability (continued)

Net pension fund liability (asset) is comprised of:	2015	2014
Accrued benefit obligation	\$ 20,453,575	\$ 19,354,216
Less: Plan assets	24,328,164	21,749,966
Add: Amortized gain	3,380,983	2,204,348
	493,606	191,402
Valuation allowance	493,606	191,402
Net pension fund liability	<u>\$ -</u>	<u>\$ -</u>
Town's portion of plan expenses		
Current period benefit cost	\$ 764,160	\$ 393,540
Interest cost on pension liability	1,112,867	1,041,115
Actual return on plan	(2,651,370)	(2,798,105)
Change in unamortized gain	1,176,635	1,480,119
Change in valuation allowance	302,204	506,856
Pension related expense	<u>\$ 704,496</u>	<u>\$ 623,525</u>

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

Discount rate	5.75%
Inflation rate	2.30%
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.

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.

Town of Truro

Notes to Consolidated Financial Statements

March 31, 2015

8 Contributions to Boards and Commissions

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

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

Contribution to Regional Library Board – 17.83% interest

During the year, the Town paid \$81,713 (2014 – \$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 \$87,067 (2014 - \$91,249) to the Truro Housing Authority to fund its share of the prior year's deficit.

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

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

Project	Town share	Town's share of capital cost	Town's commitment as at March 31, 2015
a) Wastewater Treatment (Phase 3 Trunk Line)	50%	\$ 1,125,000	\$ 225,000
b) Wastewater Treatment (Phase 4C & 4D)	59%	973,500	195,000
c) Wastewater Treatment (Upgrades 2014)	100%	3,232,588	3,232,588
d) Regional Balefill Facility	26%	1,040,000	104,000
		\$ 6,371,088	\$ 3,756,588

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

For the years ending March 31:	2016	475,629
	2017	371,629
	2018	161,629
	2019	161,629
	2020 - 2035	161,629

Town of Truro

Notes to Consolidated Financial Statements

March 31, 2015

10 Contingency

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

In addition, as of March 31, 2015, there are several disputed matters, which the Town is defending and have referred to their insurers. It is unknown at this time the outcome of these matters but it is not considered likely that they will result in a material liability to the Town.

11 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. Management has assessed the Town's credit risk and have provided an allowance for doubtful accounts in the amount of \$315,944 (2014 - \$62,770).

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

12 Remuneration

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

W.R. Mills	Mayor	\$	36,550
D. Joseph	Councillor / Deputy Mayor	\$	23,080
R. Tynes	Councillor / Deputy Mayor	\$	21,760
T. Chisholm	Councillor	\$	21,100
C. Fritz	Councillor	\$	21,100
B. Kinsman	Councillor	\$	21,100
G. MacArthur	Councillor	\$	21,100
J. Langille (6 months)	Chief Administrative Officer	\$	67,000
M. Dolter (6 months)	Chief Administrative Officer	\$	67,000

13 Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Town of Truro

Notes to Consolidated Financial Statements

March 31, 2015

14 Prior period adjustments

The Town has completed a detailed review of accounting processes and reporting and as a result has identified the following adjustments to amounts reported in previous years:

1. Funding accrued in the amount of \$500,000 as of March 31, 2014 for the acquisition of a new fire truck in the previous year which was incorrectly recorded as revenue in the capital fund rather than a liability.
2. An overstatement of the balance of cash in the amount of \$5,243.
3. An overstatement prior to April 1, 2013 in the cost of land in the amount of \$171,700.
4. An overstatement prior to April 1, 2013 in the contributions received to the Town's share of the capital cost for the Rath Eastlink Community Centre in the amount of \$396,108.

As a result of the adjustments noted above, the following accounts have been restated from the amounts previously reported:

Surplus

Surplus for the year-ended March 31, 2014 as previously reported	\$ 1,538,320
Adjustment related to note 1 above	(500,000)
Adjustment related to note 2 above	(5,243)
	<hr/>
As restated	1,033,077
	<hr/>

Accumulated Surplus

Accumulated Surplus - beginning of the year March 31, 2014 as previously reported	88,395,856
Adjustment related to note 3 above	(171,700)
Adjustment related to note 4 above	(396,108)
	<hr/>
As restated	87,828,048
	<hr/>
Accumulated Surplus - end of the year March 31, 2014 as reported	89,934,176
Adjustment	(1,073,051)
	<hr/>
As restated	88,861,125
	<hr/>

Town of Truro
Notes to Consolidated Financial Statements
March 31, 2015

14 Prior period adjustments (continued)

As a result of, and in addition to, the adjustments disclosed above, the following accounts have been restated from the balances reported as of March 31, 2014:

Reduction in capital assets	\$	171,700
Reduction in cash		5,243
Reduction in receivables		500,000
Increase in payables		396,108

Town of Truro**Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

2015

2014

	(Unaudited) Budget	Actual	Actual
Assessable property taxes			
Assessable property			
Residential	\$ 10,401,435	\$ 10,377,756	\$ 10,125,317
Commercial	9,087,994	9,062,359	8,912,363
Resource	16,882	17,011	16,124
Recreation	4,693	4,926	4,693
Forest property (less than 50,000 acres)	258	289	282
Forest property (50,000 acres or more)	194	194	194
	<u>19,511,456</u>	<u>19,462,535</u>	<u>19,058,973</u>
Business property			
Based on revenue - Bell Aliant	100,000	99,823	107,149
Nova Scotia Power Inc. - Grant in lieu of taxes	16,678	16,678	17,579
Nova Scotia Power Inc. - HST rebate	65,000	39,429	72,088
	<u>181,678</u>	<u>155,930</u>	<u>196,816</u>
Other			
Deed transfer tax	375,000	350,357	438,731
Total tax levied	<u>20,068,134</u>	<u>19,968,822</u>	<u>19,694,520</u>
Expenditures as a reduction of tax revenue			
Appropriations to regional school board	(2,422,950)	(2,422,956)	(2,380,176)
Transfer to correctional services	(173,602)	(173,602)	(175,974)
Deficit of regional housing authority	(92,000)	(87,067)	(91,249)
	<u>(2,688,552)</u>	<u>(2,683,625)</u>	<u>(2,647,399)</u>
	<u>\$ 17,379,582</u>	<u>\$ 17,285,197</u>	<u>\$ 17,047,121</u>

Grants in lieu of taxes

Federal government	\$ 540,000	\$ 602,879	\$ 568,199
Provincial government			
Fire protection	41,935	41,137	41,095
Provincial property	47,512	48,285	47,512
	<u>\$ 629,447</u>	<u>\$ 692,301</u>	<u>\$ 656,806</u>

Town of Truro**Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

2015

2014

	(Unaudited) Budget	Actual	Actual
Services provided to other governments			
Other local governments			
County of Colchester	\$ 54,900	\$ 42,797	\$ 15,301
Millbrook First Nations	63,856	114,926	63,856
Town of Stewiacke	15,719	15,724	9,000
	<u>\$ 134,475</u>	<u>\$ 173,447</u>	<u>\$ 88,157</u>

Other revenue from own sources

Sale of services

General government services	\$ 30,250	\$ 86,651	\$ 14,738
Protective services	53,800	92,137	97,838
Transportation services	3,000	10,375	9,983
Environmental development services	18,300	10,310	13,970
Recreation and cultural services			
Stadium	396,200	392,683	347,822
Douglas Street Community Centre	44,000	60,484	57,010
Victoria Park	115,000	90,019	101,346
Day camp	25,000	28,500	25,092
Other	3,500	4,667	9,201
	<u>689,050</u>	<u>775,826</u>	<u>677,000</u>

Other

Licenses and permits	2,500	2,963	2,439
Fines	140,000	141,992	159,768
Rentals	18,000	18,000	36,700
Return on investments	181,000	77,631	111,185
Penalties and interest on taxes	160,000	236,429	210,419
Contributions for capital	-	395,247	272,599
Gain (loss) on sale of assets	-	-	(125,456)
Miscellaneous	1,387	25,711	3,353
Revenue collected for other government agencies	265,700	259,423	262,301
Transmission of revenue collected	(265,700)	(259,423)	(262,301)
	<u>502,887</u>	<u>897,973</u>	<u>671,007</u>
	<u>\$ 1,191,937</u>	<u>\$ 1,673,799</u>	<u>\$ 1,348,007</u>

Town of Truro**Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

2015

2014

	(Unaudited) Budget	Actual	Actual
Transfers from government			
Unconditional transfers from other governments			
Provincial government			
Equalization grant	\$ 1,346,600	\$ 1,346,638	\$ 1,305,504
Farm property acreage	1,040	1,040	1,023
Other provincial			
Resource recovery funds	-	-	10,672
911 cost recovery	4,350	4,411	4,358
Dairy stewardship program	5,000	15,524	8,992
	<u>\$ 1,356,990</u>	<u>\$ 1,367,613</u>	<u>\$ 1,330,549</u>
Conditional transfers from federal and provincial governments and agencies			
Federal government			
Aboriginal Affairs	\$ 390,000	\$ 462,044	\$ 370,189
Federal gas tax program	-	868,876	931,625
Grants for capital	-	-	400,000
Student wage grants	4,000	4,992	4,944
Federal Agency - Bird Studies Canada	-	7,000	-
Provincial government			
Safe communities	400,000	400,000	400,000
Criminal intelligence service	99,159	100,981	104,195
Grants for capital	-	-	91,930
Active communities	30,300	33,931	26,685
Disaster financial assistance	-	-	34,362
Other	-	-	7,500
	<u>\$ 923,459</u>	<u>\$ 1,877,824</u>	<u>\$ 2,371,430</u>

Water fund revenues

Metered sales	\$ 3,460,447	\$ 3,220,728	\$ 3,119,401
Flat rate sales	26,000	22,891	20,418
Public fire protection	142,948	149,828	137,816
Private fire protection	39,500	42,698	40,755
Sprinkler service	42,000	42,292	41,267
Miscellaneous	40,000	34,651	33,393
Return on investments	-	14,108	14,613
Grant - HST offset	15,000	-	15,448
	<u>\$ 3,765,895</u>	<u>\$ 3,527,196</u>	<u>\$ 3,423,111</u>

Town of Truro**Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

2015

2014

	(Unaudited) Budget	Actual	Actual
General government services			
Legislative			
Mayor remuneration	\$ 39,095	\$ 39,470	\$ 37,594
Mayor expenses	10,000	4,605	3,661
Council remuneration	138,414	133,795	138,980
Council expenses	82,400	86,697	62,195
	<u>269,909</u>	<u>264,567</u>	<u>242,430</u>
General administration			
Administrative	945,504	1,108,570	1,184,689
Information technology	254,827	263,090	35,606
Financial management	478,712	559,903	593,396
Taxation			
Tax rebates	70,959	64,441	68,396
Other taxation - tax sharing agreement	54,000	66,024	53,170
Transfer for assessment services	160,000	159,057	161,658
Common services	191,655	177,110	208,850
	<u>2,155,657</u>	<u>2,398,195</u>	<u>2,305,765</u>
Debt charges			
General operations interest and charges	2,000	7,200	6,822
Interest on long-term debt - debenture	95,880	87,881	98,126
Other - debt financing fees	-	22,592	-
	<u>97,880</u>	<u>117,673</u>	<u>104,948</u>
Valuation allowance			
Uncollectible taxes	-	80,000	-
Other doubtful accounts	-	343,598	27,517
	<u>-</u>	<u>423,598</u>	<u>27,517</u>
Other general government services			
Grants to organizations	227,250	263,074	223,406
Grants to Cyber Society	-	-	63,555
Other	10,000	9,088	2,633
	<u>237,250</u>	<u>272,162</u>	<u>289,594</u>
	2,760,696	3,476,195	2,970,254
Amortization	-	367,693	345,177
	<u>\$ 2,760,696</u>	<u>\$ 3,843,888</u>	<u>\$ 3,315,431</u>

Town of Truro**Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

2015

2014

	(Unaudited) Budget	Actual	Actual
Protective services			
Police protection			
Police service operations	\$ 4,923,753	\$ 5,002,913	\$ 4,788,992
Dispatch services	314,256	301,734	234,885
	<u>5,238,009</u>	<u>5,304,647</u>	<u>5,023,877</u>
Fire protection	1,276,859	1,288,015	1,267,861
Emergency measures	79,861	65,239	27,497
Debt charges			
Interest on long-term debt - debenture	59,520	50,097	49,846
Other protective services			
Animal control	54,000	53,333	56,153
	<u>6,708,249</u>	<u>6,761,331</u>	<u>6,425,234</u>
Amortization	-	302,255	242,256
	<u><u>\$ 6,708,249</u></u>	<u><u>\$ 7,063,586</u></u>	<u><u>\$ 6,667,490</u></u>

Transportation services			
Common services	\$ 513,650	\$ 622,636	\$ 496,411
Road transport			
Streets and sidewalks	1,069,600	1,640,085	1,213,512
Snow and ice removal	566,500	1,077,460	1,042,216
Street lighting	310,000	363,082	327,833
Traffic services	152,575	121,840	159,779
Write-down of capital assets	-	59,239	60,844
Other	33,870	38,877	33,897
	<u>2,132,545</u>	<u>3,300,583</u>	<u>2,838,081</u>
Debt charges			
Interest on long-term debt - debenture	89,900	65,513	85,649
	<u>2,736,095</u>	<u>3,988,732</u>	<u>3,420,141</u>
Amortization	-	2,088,889	2,032,132
	<u><u>\$ 2,736,095</u></u>	<u><u>\$ 6,077,621</u></u>	<u><u>\$ 5,452,273</u></u>

Town of Truro**Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

2015

2014

	(Unaudited) Budget	Actual	Actual
Environmental health services			
Sewage collection and disposal			
Sewage collection systems	\$ 639,630	\$ 541,138	\$ 747,406
Sewage treatment and disposal	952,755	1,081,838	1,100,592
Share of County of Colchester sewage treatment debt charges	341,050	285,040	245,743
	<u>1,933,435</u>	<u>1,908,016</u>	<u>2,093,741</u>
Garbage and waste collection and disposal			
Garbage, waste collection and disposal	479,071	398,944	459,193
Recycling	30,900	42,944	39,535
Composting	46,800	39,404	36,083
Share of County of Colchester garbage and waste collection debt charges	117,000	111,067	115,794
	<u>673,771</u>	<u>592,359</u>	<u>650,605</u>
	<u>2,607,206</u>	<u>2,500,375</u>	<u>2,744,346</u>
Amortization	-	315,030	300,801
	<u>\$ 2,607,206</u>	<u>\$ 2,815,405</u>	<u>\$ 3,045,147</u>

Public health services			
Interest on long-term debt	\$ 138,710	\$ 134,993	\$ 141,725

Environmental development services			
Planning and development			
Planning administration	\$ 374,365	\$ 358,350	\$ 357,994
Business development	130,000	65,442	-
Building inspection	110,148	104,042	101,860
	<u>614,513</u>	<u>527,834</u>	<u>459,854</u>
Community development			
Transfer to regional development agency	-	-	15,000
Other	11,500	10,399	25,817
	<u>11,500</u>	<u>10,399</u>	<u>40,817</u>
Natural resources (tree) development	159,500	172,543	152,820
Tourism	57,000	69,217	39,700
	<u>842,513</u>	<u>779,993</u>	<u>693,191</u>
Amortization	-	21,459	5,008
	<u>\$ 842,513</u>	<u>\$ 801,452</u>	<u>\$ 698,199</u>

Town of Truro**Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

2015

2014

	(Unaudited) Budget	Actual	Actual
Recreation and cultural services			
Recreation facilities			
Administration	\$ 354,114	\$ 346,525	\$ 325,128
Victoria Park pool	94,900	92,199	89,488
Skating rinks and multi-purpose centres			
Stadium	544,975	602,510	609,948
Douglas Street Community Centre	115,400	120,246	116,236
Other facilities	26,240	49,353	32,562
Victoria Park	281,760	252,160	250,748
Sports fields, green spaces and other parks	329,700	286,765	266,867
Other			
Downtown maintenance	210,200	197,212	172,139
Litter control	22,000	29,883	20,669
Recreation programs	69,200	69,980	65,603
Other recreation services	37,000	29,291	41,745
	<u>2,085,489</u>	<u>2,076,124</u>	<u>1,991,133</u>
Cultural buildings and facilities			
Library - local branch	105,000	86,640	105,440
Transfer to regional library	84,000	81,713	80,405
	<u>189,000</u>	<u>168,353</u>	<u>185,845</u>
Debt charges			
Interest on long-term debt - debenture	324,800	347,079	305,041
Interest on long-term debt - term loan	-	16,648	-
	<u>2,599,289</u>	<u>2,608,204</u>	<u>2,482,019</u>
Amortization	-	961,020	273,508
	<u>\$ 2,599,289</u>	<u>\$ 3,569,224</u>	<u>\$ 2,755,527</u>

Water fund expenses

Source of supply	\$ 41,000	\$ 1,491	\$ 20,568
Power and pumping	36,000	53,599	38,197
Water treatment	1,325,500	1,103,450	1,165,756
Transmission and distribution	770,500	886,099	784,135
Administrative and general	337,900	95,564	251,032
Interest on long-term debt	177,700	69,732	57,625
	<u>2,688,600</u>	<u>2,209,935</u>	<u>2,317,313</u>
Amortization	693,826	442,216	470,365
	<u>\$ 3,382,426</u>	<u>\$ 2,652,151</u>	<u>\$ 2,787,678</u>

Town of Truro
Schedule of Capital Projects Funding

Year ended March 31, 2015

	<u>Actual</u>	<u>Capital out of Revenue</u>	<u>Gas Tax Funding</u>	<u>Capital Reserve</u>	<u>Water Depreciation</u>	<u>Industrial Development Society</u>	<u>Debt Financing</u>	<u>Contributions</u>
General Capital								
General Government Services								
Land	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Equipment	83,265	-	-	83,265	-	-	-	-
Buildings	13,035	-	-	13,035	-	-	-	-
Transportation Services								
Streets and curbs	680,990	-	436,000	225,826	-	19,164	-	-
Sidewalks	569,150	-	400,000	169,150	-	-	-	-
Floodwater management	233,279	-	-	233,279	-	-	-	-
Equipment	111,882	-	-	111,882	-	-	-	-
Signage	66,581	-	-	-	-	66,581	-	-
Police Services								
Equipment	42,474	-	-	42,474	-	-	-	-
Vehicle	32,329	-	-	32,329	-	-	-	-
Environmental Development								
Vehicle	9,695	-	-	9,695	-	-	-	-
Recreation and Culture								
Library	4,231,151	-	-	-	-	-	4,231,151	-
Buildings	136,253	-	-	136,253	-	-	-	-
Equipment	63,624	-	-	59,915	-	-	-	3,709
Vehicle	31,064	-	-	-	-	-	31,064	-
Trail development	19,492	-	-	19,492	-	-	-	-
Signage	15,323	-	-	15,323	-	-	-	-
	<u>6,639,587</u>	<u>-</u>	<u>836,000</u>	<u>1,451,918</u>	<u>-</u>	<u>85,745</u>	<u>4,262,215</u>	<u>3,709</u>
Water Capital								
Land	40,000	-	-	-	40,000	-	-	-
Equipment	34,688	-	-	-	34,688	-	-	-
Transmission and distribution mains	383,927	240,000	-	-	143,927	-	-	-
	<u>458,615</u>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>218,615</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,098,202</u>	<u>\$ 240,000</u>	<u>\$ 836,000</u>	<u>\$ 1,451,918</u>	<u>\$ 218,615</u>	<u>\$ 85,745</u>	<u>\$ 4,262,215</u>	<u>\$ 3,709</u>

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

As at March 31

2015

2014

ASSETS

Receivables

Water rates (net of allowance - \$50,000; 2014 - \$25,000) \$ 1,088,551 \$ 852,113

Other receivables 56,966 65,742

1,145,517 917,855

Due from own funds, reserves, agencies

General operating fund 201,462 102,892

Water capital fund - 190,554

201,462 293,446

Inventory not held for resale

191,174 269,749

Prepaid expenses

- 1,268

\$ 1,538,153 **\$ 1,482,318**

LIABILITIES

Bank indebtedness \$ 323,721 \$ 323,721

Payables and accruals 89,337 78,122

Due to own funds, reserves, agencies

Water capital fund 33,048 -

446,106 401,843

SURPLUS

1,092,047 1,080,475

\$ 1,538,153 **\$ 1,482,318**

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

Year ended March 31

	2015		2014
	Budget (Unaudited)	Actual	Actual
Operating revenue			
Metered sales	\$ 3,460,447	\$ 3,220,728	\$ 3,119,401
Flat rate sales	26,000	22,891	20,418
Public fire protection	824,055	824,055	760,700
Private fire protection	39,500	42,698	40,755
Sprinkler service	42,000	42,292	41,267
Miscellaneous	40,000	34,651	33,393
	<u>4,432,002</u>	<u>4,187,315</u>	<u>4,015,934</u>
Operating expenditures			
Source of supply	41,000	1,491	20,568
Power and pumping	36,000	53,599	38,197
Water treatment	1,325,500	1,103,450	1,165,756
Transmission and distribution	770,500	886,099	784,135
Administration and general	337,900	562,428	243,369
Depreciation	693,826	442,216	470,365
Taxes	740,000	714,040	712,824
	<u>3,944,726</u>	<u>3,763,323</u>	<u>3,435,214</u>
Operating income	<u>487,276</u>	<u>423,992</u>	<u>580,720</u>
Non-operating revenue			
Grant - HST Offset	15,000	-	15,448
Transfer from depreciation	60,000	-	-
	<u>75,000</u>	<u>-</u>	<u>15,448</u>
Non-operating expenditures			
Debt charges			
Principal	144,576	102,688	102,688
Interest	177,700	69,732	57,625
Capital expenditures out of operations	240,000	240,000	-
	<u>562,276</u>	<u>412,420</u>	<u>160,313</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>11,572</u>	<u>435,855</u>
Surplus, beginning of year		<u>1,080,475</u>	<u>644,620</u>
Surplus, end of year		<u>\$ 1,092,047</u>	<u>\$ 1,080,475</u>

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

As at March 31	2015	2014
Assets		
Cash	\$ 1,245,678	\$ 1,232,437
Due from own funds, reserves, agencies		
Water operating fund	<u>33,048</u>	<u>-</u>
	<u>1,278,726</u>	<u>1,232,437</u>
Utility plant and equipment (page 32)	<u>26,096,825</u>	<u>25,697,656</u>
	<u><u>\$ 27,375,551</u></u>	<u><u>\$ 26,930,093</u></u>
Liabilities		
Due to own funds, reserves, agencies		
Water operating fund	\$ -	\$ 190,554
Accumulated allowance for depreciation	7,935,927	7,550,019
Long-term debt (page 8)	<u>1,550,312</u>	<u>1,653,000</u>
	<u>9,486,239</u>	<u>9,393,573</u>
Investment in capital assets	<u>17,889,312</u>	<u>17,536,520</u>
	<u><u>\$ 27,375,551</u></u>	<u><u>\$ 26,930,093</u></u>

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

As at March 31	2015	2014
Tangible plant and equipment		
Land - Source of supply	\$ 1,950,523	\$ 1,910,523
Structures and improvements	11,223,644	11,249,627
Pumping equipment	1,033,988	998,567
Purification equipment	1,028,040	1,002,789
Distribution mains	6,771,742	6,391,285
Distribution equipment	299,956	303,720
Services	1,726,643	1,726,643
Meters	798,482	798,482
Hydrants	665,752	665,752
Office furniture and equipment	60,364	71,010
Transportation equipment	537,691	563,606
Tools and work equipment	-	15,652
	<u>\$ 26,096,825</u>	<u>\$ 25,697,656</u>

Water Utility Capital Fund
Statement of Investment in Capital Assets

Year ended March 31	2015	2014
Balance, beginning of year	<u>\$ 17,536,520</u>	<u>\$ 17,428,023</u>
Interest earned on depreciation funds	13,240	13,472
Term debt retired	102,688	102,688
Capital expenditures out of revenue	240,000	-
Loss on disposal of capital assets	(3,136)	(7,663)
	<u>352,792</u>	<u>108,497</u>
Balance, end of year	<u>\$ 17,889,312</u>	<u>\$ 17,536,520</u>

Town of Truro
Trust Funds
Statement of Financial Position

As at March 31

				2015	2014
	James Little Bursary Trust	Lillie Nelson Trust	Robert Mingo Trust	Total	Total
Assets					
Financial assets					
Cash	\$ 16,639	\$ 4,084	\$ 114,559	\$ 135,282	\$ 133,489
Investments, at cost (market value \$266,694)	-	235,959	-	235,959	230,387
	<u>\$ 16,639</u>	<u>\$ 240,043</u>	<u>\$ 114,559</u>	<u>\$ 371,241</u>	<u>\$ 363,876</u>
Trust balance	<u>\$ 16,639</u>	<u>\$ 240,043</u>	<u>\$ 114,559</u>	<u>\$ 371,241</u>	<u>\$ 363,876</u>

Trust Funds
Statement of Financial Activities

Year ended March 31

				2015	2014
Revenue					
Interest and dividends	\$ 185	\$ 22,493	\$ 1,272	\$ 23,950	\$ 14,897
Gain on sale of investments	-	6,431	-	6,431	10,378
	<u>185</u>	<u>28,924</u>	<u>1,272</u>	<u>30,381</u>	<u>25,275</u>
Expenditures					
Transfer to the Town	-	20,000	-	20,000	20,000
Administrative costs	-	3,016	-	3,016	2,824
	<u>-</u>	<u>23,016</u>	<u>-</u>	<u>23,016</u>	<u>22,824</u>
Change in trust balances	185	5,908	1,272	7,365	2,451
Beginning trust balances	<u>16,454</u>	<u>234,135</u>	<u>113,287</u>	<u>363,876</u>	<u>361,425</u>
Ending trust balances	<u>\$ 16,639</u>	<u>\$ 240,043</u>	<u>\$ 114,559</u>	<u>\$ 371,241</u>	<u>\$ 363,876</u>

Approved on behalf of the Town

 Mayor

 CAO