

TOWN OF TRURO
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021

Town of Truro

Contents

	<u>Page</u>
Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditor's Report	2-3
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Cash Flows	6
Consolidated Statement of Changes in Net Debt	7
Schedules to the Consolidated Statement of Operations	8-14
Notes to the Consolidated Financial Statements	15-24
Consolidated Schedule of Tangible Capital Assets	25
Consolidated Schedule of Long Term Debt	26
Consolidated Schedule of Segment Disclosure	27
<hr/>	
Supplementary Schedules	
Water Utility Operating Fund	
Statement of Financial Position	28
Statement of Operations	29
Water Utility Capital Fund	
Statement of Financial Position	30
Schedule of Utility Plant and Equipment	31
Statement of Investment in Capital Assets	31

Town of Truro

Management's Responsibility for the Consolidated Financial Statements

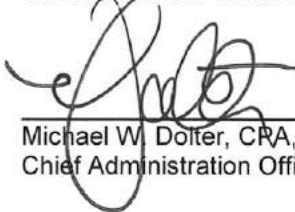
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these consolidated statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and supplementary schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.


Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Audit Committee. Council reviews internal financial statements on a regular basis and external audited consolidated financial statements annually. The Audit Committee also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Town of Truro and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Town of Truro



Michael W. Dolter, CRA, CMA
Chief Administration Officer



Bonnie Coulter, CPA, CA
Director of Corporate Services

September 13, 2021

Independent auditor's report

Grant Thornton LLP
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To the Mayor and Council of the Town of Truro

Opinion

We have audited the consolidated financial statements of the Town of Truro ("the Town") on pages 4-27, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, changes in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town of Truro as at March 31, 2021, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters – Supplementary Information

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 28-31 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 on the audit of consolidated financial statements as a whole.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Truro, Canada
September 13, 2021

Chartered Professional Accountants

Town of Truro Consolidated Statement of Operations

Year Ended March 31

2021

2020

	Page	Budget (Note 12)	Actual	Actual
Revenue				
Assessable property taxes and sewer rates	8	\$ 20,449,329	\$ 20,662,504	\$ 19,874,707
Grants in lieu of taxes	8	816,700	820,464	817,633
Services provided to other governments	9	354,590	362,235	377,742
Sale of services	9	646,685	833,413	834,235
Other revenue from own sources	9	313,900	708,133	813,675
Rath Eastlink Community Centre		1,765,458	627,542	1,581,768
Regional Network Enterprise		163,862	149,731	90,446
Unconditional transfers from government	10	1,357,190	1,363,456	1,358,674
Conditional transfers from government	10	2,100,500	2,784,226	2,940,803
Water revenues	10	3,611,049	3,682,079	3,663,515
Total revenue		<u>31,579,263</u>	<u>31,993,783</u>	<u>32,353,198</u>
Expenses				
General government services	11	4,144,386	3,994,257	1,660,122
Protective services	12	8,112,867	8,177,693	8,041,666
Transportation services	12	6,452,161	6,468,026	6,397,876
Environmental health services	13	2,323,691	2,347,328	2,345,561
Public health services	13	52,020	40,251	63,088
Environmental development services	13	1,134,950	975,301	1,077,885
Recreation and cultural services	14	4,415,773	3,726,302	4,293,797
Rath Eastlink Community Centre		2,059,788	1,023,237	1,996,467
Regional Network Enterprise		231,566	186,751	145,294
Water expenses	14	2,776,100	2,593,296	2,555,443
Total expenses		<u>31,703,302</u>	<u>29,532,442</u>	<u>28,577,199</u>
Net surplus, (deficit)		<u>\$ (124,039)</u>	<u>2,461,341</u>	<u>3,775,999</u>
Accumulated surplus, beginning of year			<u>90,487,461</u>	<u>86,711,462</u>
Accumulated surplus, end of year			<u>\$ 92,948,802</u>	<u>\$ 90,487,461</u>

See accompanying notes to the consolidated financial statements

Town of Truro

Consolidated Statement of Cash Flows

Year Ended March 31

2021

2020

Increase (decrease) in cash and cash equivalents

Operating activities		
Net surplus	\$ 2,461,341	\$ 3,775,999
Amortization	4,680,814	4,698,230
(Gain)/loss on disposal of tangible capital assets, net	(12,924)	745,839
Loss (gain) on sale of land held for resale	-	1,550
Gain on settlement and transfer of pension plan liability	-	(2,630,455)
	<u>7,129,231</u>	<u>6,591,163</u>
Taxes and sewer rate receivable	306,665	219,794
Water rates receivable	27,996	98,560
Accounts receivable	151,977	569,390
Payables, accruals and other liabilities	223,738	1,077,608
Inventory not held for resale	57,872	1,960
Prepaid expenses	57,377	169,213
Restricted deposits	124,050	(359,300)
	<u>8,078,906</u>	<u>8,368,388</u>
Capital activities		
Acquisition of tangible capital assets	(3,426,030)	(4,778,157)
Proceeds on sale of tangible capital assets	402,316	131,129
Proceeds on sale of land held for resale	-	25,250
	<u>(3,023,714)</u>	<u>(4,621,778)</u>
Financing activities		
Issuance of long term debt	732,443	2,757,501
Debt principal repayment	(2,979,549)	(4,471,778)
	<u>(2,247,106)</u>	<u>(1,714,277)</u>
Net change in cash and cash equivalents	2,808,086	2,032,333
Cash and cash equivalents		
Beginning of year	<u>10,669,147</u>	<u>8,636,814</u>
End of year	<u>\$ 13,477,233</u>	<u>\$ 10,669,147</u>

See accompanying notes to the consolidated financial statements

Town of Truro**Consolidated Statement of Changes in Net Debt**

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Net surplus (deficit)	\$ (124,039)	\$ 2,461,341	\$ 3,775,999
Changes in tangible capital assets			
Acquisition of tangible capital assets	(5,018,655)	(3,426,030)	(4,778,157)
Amortization of tangible capital assets	4,657,400	4,680,814	4,698,230
Proceeds on sale of tangible capital assets	-	402,316	131,129
(Gain)/loss on disposal of tangible capital assets, net	-	(12,924)	745,839
	<u>(361,255)</u>	<u>1,644,176</u>	<u>797,041</u>
Changes in other non-financial assets			
Inventory not held for resale	-	57,872	1,960
Prepaid expenses	-	57,377	169,213
Restricted deposits	-	124,050	(359,300)
	<u>-</u>	<u>239,299</u>	<u>(188,127)</u>
Change in net debt	<u>\$ (485,294)</u>	4,344,816	4,384,913
Net debt, beginning of year		(9,222,587)	(13,607,500)
Net debt, end of year		<u>\$ (4,877,771)</u>	<u>\$ (9,222,587)</u>

See accompanying notes to the consolidated financial statements

Town of Truro

Schedules to Consolidated Statement of Operations

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Assessable property taxes and sewer rates			
Residential	\$ 11,860,713	\$ 11,846,194	\$ 11,601,251
Commercial	9,522,116	9,537,516	9,144,538
Resource	17,564	17,573	18,755
Recreation	5,980	6,289	5,989
Forest property (less than 50,000 acres)	245	245	245
Forest property (50,000 acres or more)	194	194	194
Road Preservation Tax - Residential	336,588	336,181	329,233
Road Preservation Tax - Commercial	108,175	108,487	104,347
	<u>21,851,575</u>	<u>21,852,679</u>	<u>21,204,552</u>
Business property			
Based on revenue - Bell Aliant	68,000	71,821	72,967
Nova Scotia Power Inc - Grant in lieu of taxes	18,303	18,303	17,747
Nova Scotia Power Inc - HST rebate	50,000	79,052	72,052
	<u>136,303</u>	<u>169,176</u>	<u>162,766</u>
Other			
Sewer rates	915,000	994,424	966,941
Deed transfer tax	400,000	534,449	447,381
Total tax levied	<u>23,302,878</u>	<u>23,550,728</u>	<u>22,781,640</u>
Expenditures as a reduction of tax revenue			
Appropriations to regional school board	(2,598,042)	(2,598,048)	(2,553,275)
Transfer to correctional services	(165,507)	(165,507)	(166,136)
Deficit of regional housing authority	(90,000)	(124,669)	(187,522)
	<u>(2,853,549)</u>	<u>(2,888,224)</u>	<u>(2,906,933)</u>
	<u>\$ 20,449,329</u>	<u>\$ 20,662,504</u>	<u>\$ 19,874,707</u>
Grants in lieu of taxes			
Federal government	\$ 705,000	\$ 707,550	\$ 705,027
Provincial government			
Fire protection	59,000	60,122	59,827
Provincial property	52,700	52,792	52,779
	<u>\$ 816,700</u>	<u>\$ 820,464</u>	<u>\$ 817,633</u>

Town of Truro**Schedules to Consolidated Statement of Operations**

Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Services provided to other governments			
Other local governments			
County of Colchester	\$ 80,000	\$ 86,788	\$ 94,862
Millbrook First Nations	265,090	265,093	270,319
Town of Stewiacke	9,500	10,354	12,561
	<u>\$ 354,590</u>	<u>\$ 362,235</u>	<u>\$ 377,742</u>

Sale of services

General government services	\$ 169,799	\$ 177,388	\$ 173,428
Protective services	69,886	320,421	115,000
Transportation services	2,700	2,440	12,765
Environmental development services	9,700	16,363	10,098
Recreation and cultural services			
Stadium	230,500	223,692	305,387
Douglas Street Community Centre	66,800	44,588	74,296
Victoria Park	75,750	3,260	59,237
Day camp	-	-	2,960
Other	21,550	45,261	81,064
	<u>\$ 646,685</u>	<u>\$ 833,413</u>	<u>\$ 834,235</u>

Other revenue from own sources

Licenses and permits	\$ 7,100	\$ 4,779	\$ 8,267
Fines	150,000	100,305	162,569
Rentals	-	1,368	1,369
Return on investments	5,000	101,306	208,690
Penalties and interest on taxes	122,000	176,772	194,154
Contributions for capital	-	290,000	91,634
Gain on disposition of assets	-	12,924	84,082
Miscellaneous	29,800	20,679	62,910
Revenue collected for other government agencies	269,568	267,772	262,505
Transmission of revenue collected	(269,568)	(267,772)	(262,505)
	<u>\$ 313,900</u>	<u>\$ 708,133</u>	<u>\$ 813,675</u>

Town of Truro

Schedules to Consolidated Statement of Operations

Year Ended March 31

2021

2020

	Budget	Actual	Actual
Unconditional transfers from other governments			
Provincial government			
Equalization grant	\$ 1,346,600	\$ 1,346,638	\$ 1,346,638
Farm property acreage	1,090	1,114	1,090
Other provincial			
911 cost recovery	4,500	4,529	4,508
Dairy stewardship program	5,000	11,175	6,438
	<u>\$ 1,357,190</u>	<u>\$ 1,363,456</u>	<u>\$ 1,358,674</u>

Conditional transfers from governments

Federal government			
Aboriginal Affairs	\$ 460,000	\$ 512,590	\$ 521,854
Federal gas tax program	950,000	1,127,634	1,735,236
Grant for Trans Canada Trail	-	-	3,000
New Horizons, Seniors Mentoring Plus Program	118,500	107,854	2,357
Safe Restart Funding	-	380,000	-
Provincial government			
Safe communities	400,000	400,000	400,000
Criminal intelligence service	112,000	130,293	140,251
Police cost reimbursement	-	7,999	23,331
Active communities	35,000	39,483	35,533
Senior safety and other grants	25,000	33,346	19,311
COVID signage	-	4,800	-
NS Fuel Tax Rebate	-	33,600	59,930
Accessibility Grant	-	6,627	-
	<u>\$ 2,100,500</u>	<u>\$ 2,784,226</u>	<u>\$ 2,940,803</u>

Water revenues

Metered sales	\$ 3,300,000	\$ 3,343,451	\$ 3,315,128
Flat rate sales	21,000	22,394	22,741
Public fire protection	155,873	159,132	159,132
Private fire protection	36,000	39,801	39,800
Sprinkler service	40,000	40,984	41,004
Miscellaneous	58,176	60,788	46,665
Return on investments	-	15,529	39,045
	<u>\$ 3,611,049</u>	<u>\$ 3,682,079</u>	<u>\$ 3,663,515</u>

Town of Truro

Schedules to Consolidated Statement of Operations

Year Ended March 31

2021

2020

	Budget	Actual	Actual
General government services			
Legislative			
Mayor remuneration	\$ 54,997	\$ 54,059	\$ 53,671
Mayor expenses	5,000	1,634	5,614
Council remuneration	178,143	165,880	173,643
Council expenses	54,550	17,067	42,513
	<u>292,690</u>	<u>238,640</u>	<u>275,441</u>
General administration			
Administrative	896,050	926,432	770,104
Information technology	625,828	514,269	534,646
Financial management	868,700	813,954	795,249
Taxation			
Tax rebates	207,500	217,706	199,945
Transfer for assessment services	154,200	154,173	154,302
Writedown of tangible capital assets	-	-	827,627
Post employment sick leave benefits	-	91,161	97,792
Post employment pension benefits	-	-	(2,989,755)
Common services	164,600	125,800	189,966
	<u>2,916,878</u>	<u>2,843,495</u>	<u>579,876</u>
Debt charges			
General operations interest & charges	7,200	7,262	7,543
Interest on long term debt - debenture	23,545	16,836	26,045
Debt financing fees	18,073	1,899	17,540
	<u>48,818</u>	<u>25,997</u>	<u>51,128</u>
Valuation allowance			
Uncollectible taxes	10,000	3,777	(31,981)
Other doubtful accounts	2,000	(2,467)	(34)
	<u>12,000</u>	<u>1,310</u>	<u>(32,015)</u>
Other general government services			
Grants to organizations	178,000	176,000	178,070
Other	106,000	119,414	7,185
	<u>284,000</u>	<u>295,414</u>	<u>185,255</u>
	3,554,386	3,404,856	1,059,685
Amortization	590,000	589,401	600,437
	<u>\$ 4,144,386</u>	<u>\$ 3,994,257</u>	<u>\$ 1,660,122</u>

Town of Truro
Schedules to Consolidated Statement of Operations

Year Ended March 31

2021

2020

	Budget	Actual	Actual
Protective services			
Police protection			
Police services operations	\$ 5,350,022	\$ 5,318,259	\$ 5,337,843
Dispatch services	469,500	391,220	414,033
	<u>5,819,522</u>	<u>5,709,479</u>	<u>5,751,876</u>
Fire protection	1,917,000	2,105,662	1,895,376
Emergency measures	43,800	39,434	32,555
Debt charges			
Interest on long term debt - debenture	17,545	9,476	18,815
Other protective services			
Animal control	40,000	40,000	36,000
	<u>7,837,867</u>	<u>7,904,051</u>	<u>7,734,622</u>
Amortization	275,000	273,642	307,044
	<u>\$ 8,112,867</u>	<u>\$ 8,177,693</u>	<u>\$ 8,041,666</u>

Transportation services			
Common services	\$ 1,505,875	\$ 1,820,839	\$ 1,355,140
Road transport			
Streets and sidewalks	1,747,313	1,765,388	1,871,790
Snow and ice removal	715,000	473,822	699,589
Street lighting	230,250	206,720	215,019
Traffic services	158,570	120,932	169,238
Other	44,000	49,309	48,767
	<u>2,895,133</u>	<u>2,616,171</u>	<u>3,004,403</u>
Debt charges			
Interest on long term debt - debenture	36,153	14,167	22,935
	<u>2,931,286</u>	<u>2,630,338</u>	<u>4,382,478</u>
Amortization	2,015,000	2,016,849	2,015,398
	<u>\$ 6,452,161</u>	<u>\$ 6,468,026</u>	<u>\$ 6,397,876</u>

Town of Truro**Schedules to Consolidated Statement of Operations**

Year Ended March 31

2021

2020

	Budget	Actual	Actual
Environmental health services			
Sewage collection and disposal			
Sewage collection systems	\$ 485,800	\$ 503,530	\$ 531,189
Sewage treatment and disposal	671,000	698,265	691,374
Share of County of Colchester sewage treatment debt charges	314,891	314,890	319,549
	<u>1,471,691</u>	<u>1,516,685</u>	<u>1,542,112</u>
Garbage and waste collection and disposal			
Garbage, waste collection and disposal	430,000	408,398	386,661
Recycling	50,000	51,950	50,022
Composting	65,000	63,448	60,721
	<u>545,000</u>	<u>523,796</u>	<u>497,404</u>
	<u>2,016,691</u>	<u>2,040,481</u>	<u>2,039,516</u>
Amortization	307,000	306,847	306,045
	<u>\$ 2,323,691</u>	<u>\$ 2,347,328</u>	<u>\$ 2,345,561</u>

Public health services

Interest on long term debt	\$ 52,020	\$ 40,251	\$ 63,088
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Environmental development services

Planning and development			
Planning administration	\$ 757,300	\$ 739,467	\$ 742,221
Business development	96,200	33,156	110,851
Building inspection	18,000	7,330	10,386
	<u>871,500</u>	<u>779,953</u>	<u>863,458</u>
Community development			
Other	4,500	8,981	11,854
Loss on disposal of land inventory	-	-	1,550
Natural resources (tree) development	206,000	170,838	153,294
Tourism	47,550	10,157	42,357
	<u>1,129,550</u>	<u>969,929</u>	<u>1,072,513</u>
Amortization	5,400	5,372	5,372
	<u>\$ 1,134,950</u>	<u>\$ 975,301</u>	<u>\$ 1,077,885</u>

Town of Truro

Schedules to Consolidated Statement of Operations

Year Ended March 31

2021

2020

	Budget	Actual	Actual
Recreation and cultural services			
Recreation facilities			
Administration	\$ 635,500	\$ 568,888	\$ 561,941
Victoria Park pool	139,500	4,354	123,381
Skating rinks and multi-purpose centres			
Stadium	493,200	449,868	554,185
Douglas Street Community Centre	181,800	120,541	157,945
Victoria Park	111,200	45,618	105,213
Civic Square	54,900	28,000	44,066
Sports fields, green spaces and other parks	978,400	781,258	917,545
Other			
Downtown maintenance	39,500	42,920	51,952
Litter control	26,000	3,516	22,625
Recreation programs	77,100	35,157	71,638
Other recreation services	49,300	52,326	53,086
	<u>2,786,400</u>	<u>2,132,446</u>	<u>2,663,577</u>
Cultural buildings and facilities			
Library - local branch	170,000	144,484	159,163
Transfer to regional library	90,000	81,713	81,713
	<u>260,000</u>	<u>226,197</u>	<u>240,876</u>
Debt charges			
Interest on long term debt	419,373	417,479	441,451
	<u>3,465,773</u>	<u>2,776,122</u>	<u>3,345,904</u>
Amortization			
	950,000	950,180	947,893
	<u>\$ 4,415,773</u>	<u>\$ 3,726,302</u>	<u>\$ 4,293,797</u>

Water expenses

Source of supply	\$ 20,000	\$ -	\$ 300
Power and pumping	151,900	127,396	145,194
Water treatment	1,253,800	1,210,061	1,201,537
Transmission and distribution	754,600	594,629	638,031
Administration and general	57,500	102,330	16,819
Write down of assets	-	-	2,294
Interest on long term debt	23,300	20,356	35,228
	<u>2,261,100</u>	<u>2,054,772</u>	<u>2,039,403</u>
Amortization			
	515,000	538,524	516,040
	<u>\$ 2,776,100</u>	<u>\$ 2,593,296</u>	<u>\$ 2,555,443</u>

Town of Truro
Notes to the Consolidated Financial Statements

March 31, 2021

1 Summary of significant accounting policies

The consolidated financial statements of the Town of Truro (the "Town") are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of Chartered Professional Accountants (CPA) Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Town and which are owned or controlled by the Town. In addition to general government tax-supported operations, the water utility operations and the Truro Industrial Development Society, they include the following:

Central Nova Scotia Civic Centre Society (Operating as the "Rath Eastlink Community Centre") - proportionately consolidated

Truro/Colchester Regional Enterprise Network (REN) - proportionately consolidated

A government partnership exists where the Town has shared control over the entity. The Town's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the consolidated financial statements using the proportionate consolidation method. The Town's proportionate interest of the Civic Centre is 50%, which has been reflected in the consolidated financial statements. The Town's proportionate interest of the REN is 31%, which has been reflected in the consolidated financial statements.

Interdepartmental and organizational transactions and balances are eliminated.

b) Basis of accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period in which the goods and services are acquired and a liability is incurred or transfers are due.

c) Fund accounting

Funds within the consolidated financial statements consist of the operating, capital and reserve funds for the general operations, the water utility, Truro Industrial Development Society and the proportionate share of the Central Nova Scotia Civic Centre Society, and the Truro/Colchester Regional Enterprise Network.

d) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates in the consolidated financial statements include the allowance for doubtful accounts, amortization expense based on estimated useful lives of tangible capital assets, accrued pension benefit and sick leave liability. Actual results could differ from those estimates.

e) Revenue recognition

Tax revenues are property tax billings which are prepared by the Town based on assessment rolls. Tax rates are established annually by Town Council. Taxes are billed based on the assessment rolls provided by the Property Services Valuation Corporation a non-for-profit organization responsible for assessment under the Nova Scotia Assessment Act. Taxation revenues are recorded at the time tax billings are issued. Assessments and the 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.

Revenues from services to other governments, sale of services, water 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 reasonably assured.

Town of Truro
Notes to the Consolidated Financial Statements
March 31, 2021

1 Summary of significant accounting policies (continued)

e) Revenue recognition (continued)

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

f) Government transfers

Government transfers received are recognized in the consolidated financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

g) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the deficit, provides the consolidated change in net debt for the year.

h) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	5 - 25 years
Buildings	10 - 75 years
Engineered structures	20 - 75 years
Machinery and equipment	5 - 75 years
Vehicles	2 - 5 years

Amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

i) Land held 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 will be transferred to property and equipment when deeded to the Town.

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2021

1 Summary of significant accounting policies (continued)

j) Inventory not held for resale

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.

k) Segmented information

The Town of Truro 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 or 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*.

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

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.

Town of Truro
Notes to the Consolidated Financial Statements
March 31, 2021

1 Summary of significant accounting policies (continued)

l) Cash and cash equivalents

Cash and cash equivalents includes unrestricted cash of \$4,889,879 (2020 - \$5,391,085) and internally and externally restricted cash of \$8,587,354 (2020 - \$5,278,062). These totals include cash on hand and balances with banks.

m) Trust funds

The trust funds being administered by the Town are not consolidated with the accounts of the Town. The trust fund balance as at March 31, 2021 is \$359,709 (2020 - \$356,893).

n) Budget figures

The budget figures contained in these consolidated financial statements were approved by Council on May 4, 2020 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 12 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

o) 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.

p) Deferred revenue

Deferred revenue relates to the Central Nova Scotia Civic Centre Society, gas tax revenue and federal Safe Restart Funds. The Central Nova Scotia Civic Centre Society deferred revenue balance consists of grants, major events, membership and sponsorships which will be recognized in the period in which the revenue has been earned. Gas tax and Safe Restart Funding that is deferred revenue will be recognized in the period in which stipulations and eligibility criteria have been met. See Note 3.

r) Restricted deposits

As described in Note 7, assets and liabilities from the Pension Plan for Employees of the Town of Truro were transferred to the Nova Scotia Public Superannuation Plan ("PSSP"). The asset and liability transfer resulted in a pension transfer excess as at January 1, 2020 in the amount of \$718,600. The Pension Plan Transfer Agreement dated December 31, 2019 between the Town of Truro and the Trustee of the PSSP required any excess on the transfer, plus applicable interest, to be used as a credit to the Town for future employer and employee contributions. The Plan Text of the PSSP required contributions from both Town (employer) and employee at matching amounts. Recognized in the consolidated statement of financial position, as at March 31, 2020, were restricted deposits in the amount of \$359,300 representing the Town's 50% share of the excess. The restricted deposits are amortized as future employer pension contributions are earned by the qualifying employees of the Town and become payable to the PSSP. As at March 31, 2021, the balance of the restricted deposits not amortized to employer contribution totaled \$235,250.

r) Contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Municipality of the Town of Truro:
 - is directly responsible; or
 - accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

As at March 31, 2021 there are no known contaminated sites identified.

Town of Truro**Notes to the Consolidated Financial Statements**March 31, 2021

2 Taxes and sewer rates receivable	2021	2020
Balance, beginning of year	\$ 1,277,852	\$ 1,532,646
Current period tax and interest	<u>23,727,500</u>	<u>22,975,794</u>
	25,005,352	24,508,440
Collections	<u>(24,034,165)</u>	<u>(23,230,588)</u>
Balance, end of year	971,187	1,277,852
Valuation allowance	<u>(35,000)</u>	<u>(35,000)</u>
Balance, net of valuation allowance end of year	<u>\$ 936,187</u>	<u>\$ 1,242,852</u>

3 Deferred revenue

	Gas tax	Safe Restart	Other	Total
Balance, beginning of year	\$ 818,133	\$ -	\$ 204,210	\$ 1,022,343
Contributions	995,120	752,103	-	1,747,223
Amounts recognized as revenue	<u>(1,127,634)</u>	<u>(380,000)</u>	<u>(81,146)</u>	<u>(1,588,780)</u>
Balance, end of year	<u>\$ 685,619</u>	<u>\$ 372,103</u>	<u>\$ 123,064</u>	<u>\$ 1,180,786</u>

4 Long term debt

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

	General Operating	General Capital	Water Capital	Total
2022	300,000	2,155,881	185,375	2,641,256
2023	300,000	4,276,381	185,375	4,761,756
2024	190,000	2,444,531	185,375	2,819,906
2025	100,000	874,837	185,375	1,160,212
2026	-	562,169	-	562,169

All long-term debt outstanding has been properly authorized by the Department of Municipal Affairs.

5 Tax sale surplus

The Town is required to hold these funds in the Operating Fund statement of financial position for 20 years. After the expiry date, the cash will then be transferred to the Capital Reserve Fund. Of the total amount, the following can be transferred:

2022	\$4,900
2026	\$22,180
2027	\$6,185
2030	\$36,128
2033	\$1,566
2039	\$9,329
2040	\$1,975
2041	\$11,436

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2021

6 Post employment benefits

Section 3255 of the CPA Canada Public Sector Accounting Handbook requires that a liability and expense be recorded for compensated absences that are both accumulating and non-vesting and vesting and accumulating. The valuation was completed as at March 31, 2021.

Actuarial Method:

The actuarial cost method used was the "Projected Unit Credit" method (also known as the "Projected Accrued Benefit" method) pro - rated on service.

Components of benefit expense under PS3255:

	2021	2020
Current period benefit expense	\$ 242,482	\$ 244,548
Interest expense	31,053	53,141
Total sick leave expense	<u>\$ 273,535</u>	<u>\$ 297,689</u>

Accrued benefit liability on the consolidated statement of financial position:

	2021	2020
Balance, beginning of year	\$ 694,464	\$ 596,672
Benefit expense	242,482	244,548
Interest expense	31,053	53,141
Employer contributions	(182,374)	(199,897)
Balance, end of year	<u>\$ 785,625</u>	<u>\$ 694,464</u>

Assumptions:

Discount rate:	1.7% per annum	(2020-1.7% per annum)
Salary increases:	3.0% per annum	(2020-3.00% per annum)
Termination rate:	Ontario Light Termination rate	
Retirement age:	Maximum age 70	
	1.25 days to 6.75	
	days each year	(2020- 3.5 to 5.5
Excess sick leave utilization	depending on age	days each year)
	group	

Plan Provisions:

The main provisions of the program are as follows

- Eligible employees are granted 1.5 sick leave days per month (i.e., 18 days per year), up to a maximum of 130 days.
- Employees who retire between the ages of 55 and 65 with at least 25 years of service are entitled to receive a pay out of their accumulated sick days based on their rate of pay at the time of their retirement.
- Employees who retire between the ages of 55 and 65 with between 20 and 25 years of service are entitled to receive a pay out of their accumulated sick days based on their prorated rate of pay at the time of their retirement.
- No other benefits in respect to accumulated sick leave are payable upon retirement, terminations or death.

Town of Truro
Notes to the Consolidated Financial Statements

March 31, 2021

7 Pensions

Nova Scotia Public Superannuation Plan ("PSSP")

Prior to January 1, 2020 the Town maintained a contributory defined benefit pension plan (Pension Plan for Employees of the Town of Truro) which covered substantially all of its employees (excluding Police Locals 101 and 211). The plan provided pensions based on length of service and annual earnings.

Effective January 1, 2020, assets and liabilities from the Pension Plan for Employees of the Town of Truro ("original plan") were transferred to the Nova Scotia Public Superannuation Plan ("PSSP"), which is a multi-employer pension plan. Members of the original plan became members of the PSSP effective on that date. The Town's only obligation with respect to the PSSP is to remit employer contributions when due. As such, in accordance with PSAS 3250, the Town longer is required to separately report a pension expense and accrued benefit liability relating to a defined benefit plan. The Town accounts for the PSSP as a defined contribution plan. The Town recognized pension expense of \$831,361 for the PSSP for the year ending March 31, 2021

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 the APA 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 December 31, 2019 and indicated this plan is fully funded on a going concern basis with assets exceeding the actuarial liabilities by \$12,938,000.

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.

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

During the year, the Town paid \$81,713 (2020- \$81,713) to the Regional Library Board for costs of operations of the Truro branch of the Regional Library.

Contribution to Truro Housing Authority

During the year, the Town paid \$124,669 (2020 - \$80,741) to the Truro Housing Authority to fund its share of the prior year's deficit.

9 Commitments

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.

<u>Project</u>	<u>Town share</u>	<u>Town's share of capital cost</u>	<u>Town's commitment as at March 31, 2021</u>
a) Wastewater Treatment (Upgrades 2014)	100%	\$ 3,232,588	\$ 2,262,814
b) Wastewater Treatment (Upgrades 2016)	50%	953,568	762,856
		<u>\$ 4,186,156</u>	<u>\$ 3,025,670</u>

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

For the years ending March 31:	2022	209,307
	2023	209,307
	2024	209,307
	2025	209,307
	2026	209,307
	2027-2032	1,979,135

Town of Truro Notes to the Consolidated Financial Statements

March 31, 2021

10 Financial instruments

The Town's financial instruments consist of cash, receivables, payables and accruals deferred revenue, long-term debt and other liabilities.

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 its various 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.

Liquidity risk is the risk that the Town will encounter problems in raising funds to meet its commitments at maturity. The Town is exposed to liquidity risk through its payables and accruals, other liabilities, 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.

11 Remuneration

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

			<u>Remuneration</u>		<u>Expenses</u>
W.R. Mills	Mayor	\$	54,059	\$	2,809
J. Barnard	Councillor	\$	11,703	\$	507
T. Chisholm	Councillor/Deputy Mayor	\$	7,846	\$	256
J. Flemming	Councillor	\$	12,603	\$	391
C. Fritz	Councillor	\$	16,474	\$	717
A. Graham	Councillor	\$	11,703	\$	375
C. Hinton	Councillor	\$	28,953	\$	824
D. Joseph	Councillor	\$	16,474	\$	595
B. Kinsman	Councillor	\$	17,248	\$	599
W. Talbot	Councillor/Deputy Mayor	\$	31,175	\$	1,782
B. Thomas	Councillor	\$	11,703	\$	667
M. Dolter	Chief Administrative Officer	\$	163,406	\$	3,372

12 Budget figures

The Town budgets for rate setting purposes. These budgeted amounts do not include amortization and include interfund transfers. The following adjustments to the annual surplus reconcile the operating budgets to the financial reporting presentation under Canadian Public Sector Accounting Standards ("PSAB").

	<u>2021</u>
Approved budgeted surplus (deficit) for the year	
General operations	\$ 355,000
Water utility operations	-
Approved budget surplus	<u>355,000</u>
Elimination of:	
Transfers to other funds	447,447
Interfund debt repayments	1,912,648
Transfer to Industrial Development Society	35,000
RECC budget	345,670
Funding for capital expenditures	950,000
Amortization of tangible capital assets	(4,142,400)
REN budget	<u>(27,404)</u>
Net PSAB adjustments	<u>(479,039)</u>
PSAB adjusted budgeted deficit per consolidated financial statements	<u>\$ (124,039)</u>

Town of Truro
Notes to the Consolidated Financial Statements
 March 31, 2021

13 Contingencies

i) As at March 31, 2021, there is currently a litigation claim against the Town of Truro and the Municipality of the County of Colchester by 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 of Truro 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.

ii) As at March 31, 2021, there is an outstanding litigation relating to a fire at Dalhousie University. While a roof was being replaced at Dalhousie University by a contractor, the roof caught fire. Dalhousie University is suing the contractor for negligence in the amount of \$55,000,000. The contractor issued a third party claim against numerous entities including the Town for gross negligence in response to the fire. The Town is being defended by its liability insurer. Legal disclosure has occurred and discoveries took place July 19 and 26, 2021. At this stage, it is not possible to reasonably measure any potential liability that may exist.

iii) As of March 31, 2020, there currently remains an outstanding dispute regarding the purchase of wastewater treatment services from the Municipality of the County of Colchester. The Municipality of Colchester and the Town of Truro's agreement for wastewater has expired and a replacement agreement has not been renegotiated. The Municipality of Colchester has invoiced Truro based on recommended flow calculations for fiscal year ending 2020 and 2021. Fiscal year ending 2019 was invoiced on the previously existing agreement which had expired. No formal legal claim has been filed as the parties continue to negotiate a new agreement. It is not expected that any material changes for the services will occur as a part of renegotiation of the wastewater agreement.

iv) In addition, as of March 31, 2021 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.

14 Subsequent event

Subsequent to year end, the Town refinanced loan 30-A-1 in the amount of \$550,000 with ten annual principal repayments of \$55,000 starting in May 2022 at rates of 0.4000% - 2.376%.

15 Government partnerships

Government partnerships entered into or continued by the Town during the current year of operations are recorded using the proportionate consolidation method. Government partnerships include:

Partnership with the Municipality of the County of Colchester to maintain and operate the Central Nova Civic Centre Society at 50%

Partnership with the Municipality of the County of Colchester for the construction and operation costs to maintain the building which hosts the Colchester – East Hants Public Library Truro Branch at 60%

Partnership with the Municipality of the County of Colchester, Town of Stewiacke, Millbrook First Nation and the Truro & Colchester Chamber of Commerce to maintain and operate the Truro/Colchester Regional Enterprise Network at 31%

Government partnerships accounted for using the proportionate consolidation method have the following impact on the consolidated statement of financial position and operations as at March 31,

	2021	2020
Total Assets	\$ 5,874,941	\$ 5,896,345
Total Liabilities	4,222,566	4,562,249
Net Assets	\$ 1,652,375	\$ 1,334,096
Total Revenues	\$ 895,284	\$ 1,794,474
Total Expenses	1,559,062	2,511,145
Annual Deficit	\$ (663,778)	\$ (716,671)

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2021

16 Impact of COVID-19

Since March 31, 2021 the spread of COVID-19 has continued to impact many local economies around the globe, with Nova Scotia extending their state of emergency. During the fiscal year, the Town of Truro ("The Town") has seen some decline in various revenue sources; however, this was offset by federal grant funding totaling \$752,103 of which \$380,000 was recognized in revenue and \$372,103 was deferred to fiscal 2022. The Town has not yet experienced a significant impact on its operations and has determined that no events have taken place that materially impact the financial results of operations as of and for the year ended March 31, 2021.

The Central Nova Scotia Civic Centre Society, which is proportionately consolidated with the Town, was required to shut down the operating facility from March 15, 2020 to July 6, 2020. Subsequent to year end the Society was required to shut down a second time on April 28, 2021. To limit financial exposure, the operating facility laid off much of the workforce and have utilized government programs for business. During the year, the Society applied for and received the Canada Emergency Wage Subsidy from the federal government in the amount of \$583,408 recorded as federal transfers, with \$45,700 receivable at year end. They are also still receiving financial support from the Municipality of the County of Colchester and the Town of Truro, under the operating agreement between the parties. The Society reopened July 7, 2020 until April 28, 2021 with reduced activities and will be resuming and establishing functions and activities as they are permitted to do so, in line with Federal and Provincial Public Health guidelines, as well as the individual guidelines for specific functions, such as Hockey NS. In addition to following the Public Health recommendations they are closely monitoring costs associated with each of the functions and will ensure the plans are in place to ensure costs are able to be recovered and do not result in a deficit. The Society has prepared a forecast for their 2021/2022 year to reflect the changes as a result of COVID-19. This will continue to be closely monitored by management and the Board of the organization.

The duration and impact of the COVID-19 pandemic remains unclear at this time. It is not possible to reliably estimate the duration and severity of the impact the pandemic will have on the financial position and results of the Town's future periods.

Town of Truro
Consolidated Schedule of Tangible Capital Assets
 March 31

	Land	Land Improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Work in Progress	2021	2020
General capital									
Balance, beginning of year	\$ 8,954,975	\$ 3,854,235	\$ 48,067,211	\$ 66,047,175	\$ 9,263,744	\$ 1,919,848	\$ 550,933	\$ 138,658,121	\$ 135,462,708
Acquisition of capital assets	173,135	34,299	159,159	1,666,418	61,319	476,661	212,254	2,783,245	4,330,651
Work in progress	24,000	-	-	-	-	-	(24,000)	-	-
Disposition of capital assets	(389,392)	-	-	(231,019)	-	(149,837)	-	(770,248)	(1,135,238)
Balance, end of year	<u>8,762,718</u>	<u>3,888,534</u>	<u>48,226,370</u>	<u>67,482,574</u>	<u>9,325,063</u>	<u>2,246,672</u>	<u>739,187</u>	<u>140,671,118</u>	<u>138,658,121</u>
Accumulated amortization:									
Balance, beginning of year	-	1,413,627	13,238,492	35,431,173	6,566,293	1,816,974	-	58,466,559	54,544,933
Accumulated amortization on disposals	-	-	-	(231,019)	-	(149,837)	-	(380,856)	(260,564)
Annual amortization	-	265,995	1,253,245	2,147,217	387,873	87,958	-	4,142,288	4,182,190
Balance, end of year	<u>-</u>	<u>1,679,622</u>	<u>14,491,737</u>	<u>37,347,371</u>	<u>6,954,166</u>	<u>1,755,095</u>	<u>-</u>	<u>62,227,991</u>	<u>58,466,559</u>
Net book value of capital assets	<u>\$ 8,762,718</u>	<u>\$ 2,208,912</u>	<u>\$ 33,734,633</u>	<u>\$ 30,135,203</u>	<u>\$ 2,370,897</u>	<u>\$ 491,577</u>	<u>\$ 739,187</u>	<u>\$ 78,443,127</u>	<u>\$ 80,191,562</u>
Water capital									
Cost:									
Balance, beginning of year	\$ 1,937,667	\$ -	\$ 11,223,643	\$ 9,731,056	\$ 5,038,605	\$ 848,681	\$ 166,268	\$ 28,945,920	\$ 28,500,708
Acquisition of capital assets	-	-	-	-	286,831	-	353,954	642,785	447,506
Work in progress	-	-	102,936	117,978	-	-	(220,914)	-	-
Disposition of capital assets	-	-	-	-	-	-	-	-	(2,294)
Balance, end of year	<u>1,937,667</u>	<u>-</u>	<u>11,326,579</u>	<u>9,849,034</u>	<u>5,327,436</u>	<u>848,681</u>	<u>299,308</u>	<u>29,588,705</u>	<u>28,945,920</u>
Accumulated amortization:									
Balance, beginning of year	-	-	4,107,751	2,708,350	2,630,647	658,454	-	10,105,202	9,589,162
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
Annual amortization	-	-	169,382	160,889	149,595	58,660	-	538,526	516,040
Balance, end of year	<u>-</u>	<u>-</u>	<u>4,277,133</u>	<u>2,869,239</u>	<u>2,780,242</u>	<u>717,114</u>	<u>-</u>	<u>10,643,728</u>	<u>10,105,202</u>
Net book value of water capital	<u>\$ 1,937,667</u>	<u>\$ -</u>	<u>\$ 7,049,446</u>	<u>\$ 6,979,795</u>	<u>\$ 2,547,194</u>	<u>\$ 131,567</u>	<u>\$ 299,308</u>	<u>\$ 18,944,977</u>	<u>\$ 18,840,716</u>
Total net book value	<u>\$ 10,700,385</u>	<u>\$ 2,208,912</u>	<u>\$ 40,784,079</u>	<u>\$ 37,114,998</u>	<u>\$ 4,918,091</u>	<u>\$ 623,144</u>	<u>\$ 1,038,495</u>	<u>\$ 97,388,104</u>	<u>\$ 99,032,280</u>

Town of Truro
Consolidated Schedule of Long Term Debt
Year ended March 31, 2021

	Maturity Date	MFC Series #	Balance March 31/20	Issued	Redeemed	Balance March 31/21	Interest Rate
General Operating Fund							
Municipal Finance Corporation							
Hospital 2007	2022	37-A-1	330,000	-	110,000	220,000	2.132% - 2.466%
Hospital 2008	2023	38-A-1	360,000	-	90,000	270,000	2.677% - 3.048%
Hospital 2009	2024	39-B-1	500,000	-	100,000	400,000	2.015% - 2.265%
Hospital 2010	2020	30-A-1	605,000	-	605,000	-	3.87%
			<u>1,795,000</u>	<u>-</u>	<u>905,000</u>	<u>890,000</u>	
General Capital Fund							
Municipal Finance Corporation							
Municipal building/firehall 2005	2020	25-A-1	367,500	-	367,500	-	4.88%
RECC 2011	2021	31-A-1	799,200	-	66,600	732,600	3.471% - 3.645%
RECC 2012	2022	32-A-1	2,275,000	-	175,000	2,100,000	3.172% - 3.480%
RECC 2012	2022	32-B-1	1,430,000	-	110,000	1,320,000	2.830% - 3.160%
RECC 2013	2028	33-A-1	700,000	-	50,000	650,000	2.454% - 3.489%
RECC 2013	2028	33-A-1	440,400	-	43,100	397,300	2.454% - 3.489%
RECC 2013	2023	33-B-1	1,120,000	-	80,000	1,040,000	3.005% - 3.614%
Fire Truck 2014	2024	34-A-1	250,000	-	50,000	200,000	2.516% - 3.347%
RECC 2014	2029	34-B-1	1,901,250	-	126,750	1,774,500	2.455% - 3.559%
Library 2015	2030	35-A-1	4,160,000	-	260,000	3,900,000	1.902% - 3.449%
Municipal building	2023	38-A-1	572,000	-	143,000	429,000	2.677% - 3.048%
PW Facility	2024	39-A-1	830,625	-	166,125	664,500	1.982% - 2.218%
Stadium/RECC	2024	39-B-1	500,000	-	100,000	400,000	2.015% - 2.265%
Municipal building - refinanced	2025	40-A-1		306,250		306,250	0.678% - 1.241%
Finance Company							
Vehicle loan 2020	2028			231,853	24,872	206,981	3.31%
Vehicle loan 2020	2028			194,340	14,919	179,421	2.52%
Vehicle loan 2016	2020		1,308		1,308		1.49%
			<u>15,347,283</u>	<u>732,443</u>	<u>1,779,174</u>	<u>14,300,552</u>	
Water Capital Fund							
Municipal Finance Corporation							
Water Utility Dam 2010	2020	30-A-1	110,000	-	110,000	-	3.870%
PW Facility 2009	2024	39-A-1	276,875	-	55,375	221,500	1.982% - 2.218%
Water Utility Dam 2009	2024	39-B-1	650,000	-	130,000	520,000	2.015% - 2.265%
			<u>1,036,875</u>	<u>-</u>	<u>295,375</u>	<u>741,500</u>	
			<u>\$ 18,179,158</u>	<u>\$ 732,443</u>	<u>\$ 2,979,549</u>	<u>\$ 15,932,052</u>	

Town of Truro
Consolidated Schedule of Segment Disclosure
Year ended March 31, 2021

	General Government	Protective	Transportation	Environmental Health	Public Health	Environmental Development	Recreation and Cultural	Rath Eastlink Community Centre	Regional Enterprise Network	Water Utility	Consolidated
Revenue											
Assessable property taxes	\$ 3,207,697	\$ 6,567,320	\$ 5,194,325	\$ 1,885,066	\$ 32,320	\$ 783,242	\$ 2,992,509	\$ -	\$ -	\$ -	\$ 20,662,504
Grants in lieu of taxes	127,371	260,774	206,256	74,853	1,284	31,101	118,826	-	-	-	820,464
Services provided to other governments	20,035	-	265,093	20,741	-	10,354	40,012	-	-	-	362,235
Sale of services	177,388	320,421	2,440	-	-	16,363	316,801	-	-	-	833,413
Other revenue from own sources	313,049	100,305	-	-	-	4,779	290,000	-	-	-	708,133
Rath Eastlink Community Centre	-	-	-	-	-	-	-	627,542	-	-	627,542
Regional Enterprise Network	-	-	-	-	-	-	-	-	149,731	-	149,731
Unconditional transfers from government	1,363,456	-	-	-	-	-	-	-	-	-	1,363,456
Conditional transfers from government	521,464	571,638	1,640,224	-	-	-	50,910	-	-	-	2,784,226
Water revenues	-	-	-	-	-	-	-	-	-	3,682,079	3,682,079
	\$ 5,236,704	\$ 7,820,458	\$ 7,308,338	\$ 1,986,600	\$ 33,608	\$ 845,839	\$ 3,809,058	\$ 627,542	\$ 149,731	\$ 3,682,079	\$ 31,993,783
Expenditures											
Salaries, wages and benefits	\$ 1,050,335	\$ 6,884,084	\$ 2,776,471	\$ 288,073	\$ -	\$ 777,480	\$ 1,520,561	\$ 517,127	\$ 57,800	\$ 891,256	\$ 15,303,167
Operating materials and supplies	1,004,876	956,142	1,060,539	215,457	-	192,449	611,865	506,110	128,951	-	6,419,370
Contracted services	154,173	40,000	-	1,222,051	-	-	225,197	-	-	-	1,642,431
Rents and financial expenses	110,805	9,476	14,167	314,690	40,251	-	417,479	-	-	20,356	927,424
Community grants and exemptions	393,706	14,369	-	-	-	-	-	-	-	-	408,075
Post employment	91,161	-	-	-	-	-	-	-	-	-	91,161
Amortization	569,401	273,642	2,016,849	306,847	-	5,372	950,180	-	-	538,523	4,080,614
	\$ 3,994,257	\$ 8,177,693	\$ 6,468,026	\$ 2,347,328	\$ 40,251	\$ 975,301	\$ 3,726,302	\$ 1,023,237	\$ 186,751	\$ 2,593,296	\$ 29,532,442

Town of Truro
Consolidated Schedule of Segment Disclosure
Year ended March 31, 2020

	General Government	Protective	Transportation	Environmental Health	Public Health	Environmental Development	Recreation and Cultural	Rath Eastlink Community Centre	Regional Enterprise Network	Water Utility	Consolidated
Revenue											
Assessable property taxes	\$ 1,655,800	\$ 6,593,664	\$ 5,245,858	\$ 1,923,213	\$ 51,728	\$ 883,799	\$ 3,520,646	\$ -	\$ -	\$ -	\$ 19,874,707
Grants in lieu of taxes	68,119	271,259	215,811	79,120	2,128	36,359	144,837	-	-	-	817,633
Services provided to other governments	18,985	14,280	270,319	19,932	-	9,965	44,261	-	-	-	377,742
Sale of services	173,428	115,000	12,765	-	-	10,098	522,944	-	-	-	834,235
Other revenue from own sources	497,423	162,569	-	-	-	62,049	91,634	-	-	-	813,675
Rath Eastlink Community Centre	-	-	-	-	-	-	-	1,581,768	-	-	1,581,768
Unconditional transfers from government	1,358,674	-	-	-	-	-	-	-	90,446	-	1,358,674
Conditional transfers from government	62,297	562,893	2,257,090	-	-	-	38,533	-	-	-	2,940,803
Water revenues	-	-	-	-	-	-	-	-	-	3,663,515	3,663,515
	\$ 3,834,716	\$ 7,739,665	\$ 8,001,843	\$ 2,022,265	\$ 53,856	\$ 1,002,270	\$ 4,362,654	\$ 1,581,768	\$ 90,446	\$ 3,663,515	\$ 32,353,198
Expenditures											
Salaries, wages and benefits	\$ 1,579,318	\$ 6,652,301	\$ 2,261,218	\$ 361,356	\$ -	\$ 806,609	\$ 1,717,137	\$ 478,966	\$ 108,971	\$ 872,738	\$ 14,836,614
Operating materials and supplies	1,729,208	1,013,137	2,098,325	169,833	-	285,904	946,440	1,519,501	30,323	1,131,437	8,910,108
Contracted services	154,302	36,000	-	1,188,778	-	-	240,876	-	-	-	1,619,956
Rents and financial expenses	110,805	18,915	22,935	319,549	63,088	-	441,450	-	-	35,228	1,011,870
Community grants and exemptions	378,015	14,369	-	-	-	-	-	-	-	-	392,384
Post employment	(2,891,963)	-	-	-	-	-	-	-	-	-	(2,891,963)
Amortization	600,437	307,044	2,015,398	306,045	-	5,372	947,894	-	-	516,040	4,698,230
	\$ 1,660,122	\$ 8,041,668	\$ 6,397,876	\$ 2,345,561	\$ 63,088	\$ 1,077,885	\$ 4,293,797	\$ 1,098,467	\$ 145,294	\$ 2,555,443	\$ 28,577,199

SUPPLEMENTARY SCHEDULES

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

March 31

2021

2020

ASSETS

Receivables

Water rates (net of allowance - \$25,000; 2020 - \$20,000)	\$	684,734	\$	712,730
Other receivables		<u>33,961</u>		<u>45,823</u>
		718,695		758,553

Due from own funds, reserves, agencies
 General operating fund

		889,663		901,147
	\$	<u>1,608,358</u>	\$	<u>1,659,700</u>

LIABILITIES

Payables and accruals

	\$	57,644	\$	53,939
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SURPLUS

		1,550,714		1,605,761
	\$	<u>1,608,358</u>	\$	<u>1,659,700</u>

Town of Truro
Supplementary Schedule
Water Utility Operating Fund
Statement of Operations
Year ended March 31

	2021		2020
	Budget	Actual	Actual
Operating revenue			
Metered sales	\$ 3,300,000	\$ 3,343,451	\$ 3,315,128
Flat rate sales	21,000	22,394	22,741
Public fire protection	857,304	857,304	857,304
Private fire protection	36,000	39,801	39,800
Sprinkler service	40,000	40,984	41,004
Miscellaneous	58,176	60,788	46,665
	<u>4,312,480</u>	<u>4,364,722</u>	<u>4,322,642</u>
Operating expenditures			
Source of supply	20,000	-	300
Power and pumping	151,900	127,396	145,194
Water treatment	1,253,800	1,210,061	1,201,537
Transmission and distribution	754,600	594,629	638,031
Administration and general	572,500	714,015	577,545
Depreciation	515,000	538,524	516,040
Taxes	726,000	724,213	724,274
	<u>3,993,800</u>	<u>3,908,838</u>	<u>3,802,921</u>
Operating income	<u>318,680</u>	<u>455,884</u>	<u>519,721</u>
Non-operating expenditures			
Debt charges			
Principal	295,380	295,375	102,688
Interest	23,300	20,356	35,228
Capital expenditures out of operations	-	195,200	199,927
	<u>318,680</u>	<u>510,931</u>	<u>337,843</u>
(Deficiency) excess of revenue over expenditures	<u>\$ -</u>	<u>(55,047)</u>	<u>181,878</u>
Surplus, beginning of year		<u>1,605,761</u>	<u>1,423,883</u>
Surplus, end of year		<u>\$ 1,550,714</u>	<u>\$ 1,605,761</u>

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

March 31	2021	2020
Assets		
Cash	\$ 2,297,037	\$ 2,013,047
Due from own funds, reserves, agencies		
General operating fund	96,840	274,362
Utility plant and equipment (Page 31)	<u>29,588,705</u>	<u>28,945,920</u>
	<u>\$ 31,982,582</u>	<u>\$ 31,233,329</u>
Liabilities		
Accumulated allowance for depreciation	\$ 10,643,727	\$ 10,105,202
Long Term Debt	<u>741,500</u>	<u>1,036,876</u>
	11,385,227	11,142,078
Investment in capital assets (Page 31)	<u>20,597,355</u>	<u>20,091,251</u>
	<u>\$ 31,982,582</u>	<u>\$ 31,233,329</u>

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

March 31	2021	2020
Tangible plant and equipment		
Land - Source of supply	\$ 1,937,667	\$ 1,937,667
Structures and improvements	11,326,580	11,223,644
Pumping equipment	1,020,012	999,050
Purification equipment	1,249,997	1,249,997
Distribution mains	8,122,391	8,004,413
Distribution equipment	299,956	299,956
Services	1,726,643	1,726,643
Meters	2,010,291	1,742,422
Hydrants	665,752	665,752
Office furniture and equipment	81,427	81,427
Work in Progress	299,308	166,268
Transportation equipment	848,681	848,681
	<u>\$ 29,588,705</u>	<u>\$ 28,945,920</u>

Water Utility Capital Fund
Statement of Investment in Capital Assets

Year ended March 31	2021	2020
Balance, beginning of year	\$ 20,091,251	\$ 19,751,885
Interest earned on depreciation funds	15,529	39,046
Term debt retired	295,375	102,687
Capital expenditures out of revenue	195,200	199,927
Disposal of capital assets	-	(2,294)
	<u>506,104</u>	<u>339,366</u>
Balance, end of year	<u>\$ 20,597,355</u>	<u>\$ 20,091,251</u>