

**TOWN OF TRURO**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2023**

# Town of Truro

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**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.

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On behalf of the Town of Truro



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Michael W. Dolter, CPA, CMA  
Chief Administration Officer



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Bonnie Coulter, CPA, CA  
Director of Corporate Services

September 11, 2023

# Independent auditor's report

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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 4-26, which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, changes in net financial assets 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, 2023, and its results of operations, its changes in its net financial assets, 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Truro, Canada  
September 11, 2023

Chartered Professional Accountants



# Town of Truro

## Consolidated Statement of Operations

Year Ended March 31

2023

2022

	Page	Budget (Note 14)	Actual	Actual
<b>Revenue</b>				
Assessable property taxes and sewer rates	8	\$ 21,998,781	\$ 22,525,150	\$ 21,562,213
Grants in lieu of taxes	8	773,011	789,928	793,559
Services provided to other governments	9	361,894	357,877	361,978
Sale of services	9	892,806	981,548	926,816
Other revenue from own sources	9	310,300	1,827,174	465,341
Rath Eastlink Community Centre		1,212,592	1,803,793	1,048,024
Regional Network Enterprise		86,388	86,998	102,971
Unconditional transfers from government	10	1,364,235	1,359,826	2,728,031
Conditional transfers from government	10	3,813,677	4,459,146	3,478,919
Water revenues	10	3,607,873	3,816,942	3,656,638
<b>Total revenue</b>		<u>34,421,557</u>	<u>38,008,382</u>	<u>35,124,490</u>
<b>Expenses</b>				
General government services	11	4,354,814	5,190,263	4,487,204
Protective services	12	8,876,099	9,039,119	8,376,703
Transportation services	12	6,694,618	6,720,621	6,959,615
Environmental health services	13	2,656,769	2,615,046	2,682,404
Public health services	13	22,512	19,539	25,685
Environmental development services	13	1,221,500	1,080,777	1,032,328
Recreation and cultural services	14	5,014,187	4,917,001	4,182,620
Rath Eastlink Community Centre		1,977,630	2,581,369	1,618,349
Regional Network Enterprise		180,039	158,501	152,163
Water expenses	14	2,816,284	3,180,881	2,740,450
<b>Total expenses</b>		<u>33,814,452</u>	<u>35,503,117</u>	<u>32,257,521</u>
<b>Net surplus</b>		<u>\$ 607,105</u>	<b>2,505,265</b>	2,866,969
<b>Accumulated surplus, beginning of year</b>			<b>95,815,771</b>	92,948,802
<b>Accumulated surplus, end of year</b>			<u>\$ 98,321,036</u>	<u>\$ 95,815,771</u>

See accompanying notes to the consolidated financial statements

# Town of Truro

## Consolidated Statement of Cash Flows

Year Ended March 31

2023

2022

### Increase (decrease) in cash and cash equivalents

#### Operating activities

Net surplus	\$	2,505,265	\$	2,866,969
Amortization		5,134,769		4,734,357
Asset retirement obligation accretion expense		4,671		-
Write down of tangible capital assets		778,854		282,366
Gain on disposal of tangible capital assets, net		(435)		-
Loss on disposal of tangible capital assets, net		209,455		16,221
		<u>8,632,579</u>		<u>7,899,913</u>

Taxes and sewer rate receivable		187,544		7,877
Water rates receivable		(6,522)		27,156
Accounts receivable		(261,809)		(52,879)
Payables, accruals and other liabilities		918,746		3,989,896
Inventory not held for resale		(157,407)		(76,561)
Prepaid expenses		45,445		(16,707)
Restricted deposits		-		235,250
		<u>9,358,576</u>		<u>12,013,945</u>

#### Capital activities

Acquisition of tangible capital assets		(6,187,652)		(5,040,557)
Proceeds on sale of tangible capital assets		256,913		461,753
		<u>(5,930,739)</u>		<u>(4,578,804)</u>

#### Financing activities

Issuance of long term debt		4,355,000		1,371,790
Debt principal repayment		(4,904,011)		(2,651,360)
		<u>(549,011)</u>		<u>(1,279,570)</u>

### Net change in cash and cash equivalents

2,878,826 6,155,571

### Cash and cash equivalents

Beginning of year		<u>19,632,804</u>		<u>13,477,233</u>
End of year	\$	<u>22,511,630</u>	\$	<u>19,632,804</u>

See accompanying notes to the consolidated financial statements

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**Town of Truro****Consolidated Statement of Changes in Net Financial Assets**

Year Ended March 31

**2023**2022

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	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Net surplus</b>	\$ 607,105	\$ 2,505,265	\$ 2,866,969
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	(5,766,525)	<b>(6,187,652)</b>	(5,040,557)
Asset retirement obligation	-	<b>(89,573)</b>	-
Amortization of tangible capital assets	5,096,000	<b>5,134,769</b>	4,734,357
Write down of tangible capital assets	-	<b>778,854</b>	282,366
Proceeds on sale of tangible capital assets	-	<b>256,913</b>	341,762
Gain on sale of tangible capital assets, net	-	<b>(435)</b>	-
Loss on disposal of tangible capital assets, net	-	<b>209,455</b>	136,212
	<u>(670,525)</u>	<u><b>102,331</b></u>	<u>454,140</u>
<b>Changes in other non-financial assets</b>			
Inventory not held for resale	-	<b>(157,407)</b>	(76,561)
Prepaid expenses	-	<b>45,445</b>	(16,707)
Restricted deposits	-	-	235,250
	<u>-</u>	<u><b>(111,962)</b></u>	<u>141,982</u>
<b>Change in net debt</b>	<u>\$ (63,420)</u>	<b>2,495,634</b>	3,463,091
<b>Net debt, beginning of year</b>		<b>(1,414,680)</b>	(4,877,771)
<b>Net financial assets (debt), end of year</b>		<u><b>\$ 1,080,954</b></u>	<u><b>\$ (1,414,680)</b></u>

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See accompanying notes to the consolidated financial statements

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

Year Ended March 31

**2023**2022

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	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Assessable property taxes and sewer rates</b>			
Residential	\$ 12,918,297	\$ <b>12,901,403</b>	\$ 11,988,149
Commercial	9,648,044	<b>9,576,271</b>	9,411,820
Resource	22,133	<b>23,158</b>	20,180
Recreation	6,603	<b>6,603</b>	6,602
Forest property (less than 50,000 acres)	194	<b>194</b>	194
Forest property (50,000 acres or more)	245	<b>245</b>	245
Road Preservation Tax - Residential	366,600	<b>366,125</b>	340,209
Road Preservation Tax - Commercial	109,504	<b>108,880</b>	107,161
	<u>23,071,620</u>	<u><b>22,982,879</b></u>	<u>21,874,560</u>
Business property			
Based on revenue - Bell Aliant	69,641	<b>65,903</b>	69,641
Nova Scotia Power Inc - Grant in lieu of taxes	17,695	<b>18,479</b>	17,695
Nova Scotia Power Inc - HST rebate	82,000	<b>89,354</b>	81,495
	<u>169,336</u>	<u><b>173,736</b></u>	<u>168,831</u>
Other			
Sewer rates	992,500	<b>1,091,428</b>	945,410
Solid waste flat fee	191,400	<b>196,000</b>	
Deed transfer tax	600,000	<b>1,096,660</b>	1,581,814
Total tax levied	<u>25,024,856</u>	<u><b>25,540,703</b></u>	<u>24,570,615</u>
Expenditures as a reduction of tax revenue			
Appropriations to regional school board	(2,666,726)	<b>(2,677,860)</b>	(2,666,724)
Transfer to correctional services	(164,349)	<b>(162,365)</b>	(164,349)
Deficit of regional housing authority	(195,000)	<b>(175,328)</b>	(177,329)
	<u>(3,026,075)</u>	<u><b>(3,015,553)</b></u>	<u>(3,008,402)</u>
	<u>\$ 21,998,781</u>	<u><b>\$ 22,525,150</b></u>	<u>\$ 21,562,213</u>

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**Grants in lieu of taxes**

Federal government	\$ 658,882	\$ <b>674,020</b>	\$ 678,599
Provincial government			
Fire protection	60,734	<b>61,682</b>	60,734
Provincial property	53,395	<b>54,226</b>	54,226
	<u>\$ 773,011</u>	<u><b>\$ 789,928</b></u>	<u>\$ 793,559</u>

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

Year Ended March 31

**2023**2022

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	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Services provided to other governments</b>			
Other local governments			
County of Colchester	\$ 86,000	\$ 87,155	\$ 94,101
Millbrook First Nations	235,894	235,894	256,652
Town of Stewiacke	40,000	34,828	11,225
	<u>\$ 361,894</u>	<u>\$ 357,877</u>	<u>\$ 361,978</u>

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**Sale of services**

General government services	\$ 184,606	\$ 190,492	\$ 183,547
Protective services	289,000	396,969	306,040
Transportation services	2,800	81,935	67,071
Environmental development services	17,100	33,643	24,770
Recreation and cultural services			
Stadium	227,600	70,496	196,226
Douglas Street Community Centre	76,800	69,154	56,788
Victoria Park	60,000	44,203	-
Day camp	-	-	5,676
Other	34,900	94,656	86,698
	<u>\$ 892,806</u>	<u>\$ 981,548</u>	<u>\$ 926,816</u>

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**Other revenue from own sources**

Licenses and permits	\$ 5,000	\$ 7,140	\$ 9,516
Fines	100,000	165,869	74,987
Rentals	-	1,700	1,369
Return on investments	58,300	451,929	110,622
Penalties and interest on taxes	141,000	120,438	158,207
Contributions for capital	-	981,760	85,119
Gain on disposition of assets	-	435	7,125
Miscellaneous	6,000	97,903	18,396
Revenue collected for other government agencies	273,180	272,983	267,238
Transmission of revenue collected	(273,180)	(272,983)	(267,238)
	<u>\$ 310,300</u>	<u>\$ 1,827,174</u>	<u>\$ 465,341</u>

# Town of Truro

## Schedules to Consolidated Statement of Operations

Year Ended March 31

2023

2022

	Budget	Actual	Actual
<b>Unconditional transfers from other governments</b>			
Provincial government			
Financial Capacity grant	\$ 1,346,600	\$ 1,346,638	\$ 2,693,276
Farm property acreage	1,135	1,206	1,135
Other provincial			
911 cost recovery	4,500	4,486	4,474
Dairy stewardship program	12,000	7,496	29,146
	<u>\$ 1,364,235</u>	<u>\$ 1,359,826</u>	<u>\$ 2,728,031</u>

### Conditional transfers from governments

Federal government			
Aboriginal Affairs	\$ 550,000	\$ 636,499	\$ 651,275
Canada Community Building Fund	2,425,552	2,306,494	1,349,029
Summer student funding	-	30,546	24,838
New Horizons, Seniors Mentoring Plus Program	250,000	190,280	184,503
Safe Restart Funding	-	-	372,103
Grants for capital projects	-	515,357	142,214
Provincial government			
Safe communities	400,000	400,000	400,000
Criminal intelligence service	128,125	136,625	132,126
Police training reimbursement	-	-	4,097
Court disclosure	-	18,409	23,188
Active communities	25,000	54,101	36,743
COVID funding to fire departments	10,000	10,000	-
Senior safety and other grants	-	20,347	22,219
Recreation programming	25,000	-	4,457
Student funding program	-	4,800	4,087
Event funding	-	2,000	-
Beautification grant	-	5,215	-
Grants for capital projects	-	87,823	85,533
NS Fuel Tax Rebate	-	40,650	42,507
	<u>\$ 3,813,677</u>	<u>\$ 4,459,146</u>	<u>\$ 3,478,919</u>

### Water revenues

Metered sales	\$ 3,300,000	\$ 3,391,522	\$ 3,251,901
Flat rate sales	22,000	22,044	22,245
Public fire protection	155,873	159,132	159,132
Private fire protection	39,000	40,803	39,970
Sprinkler service	40,000	40,948	41,531
Miscellaneous	51,000	78,778	105,620
Return on investments	-	83,715	36,239
	<u>\$ 3,607,873</u>	<u>\$ 3,816,942</u>	<u>\$ 3,656,638</u>

# Town of Truro

## Schedules to Consolidated Statement of Operations

Year Ended March 31

2023

2022

	Budget	Actual	Actual
<b>General government services</b>			
Legislative			
Mayor remuneration	\$ 57,000	\$ 55,410	\$ 53,887
Mayor expenses	6,000	167	236
Council remuneration	187,600	182,014	177,311
Council expenses	58,950	37,859	21,172
	<u>309,550</u>	<u>275,450</u>	<u>252,606</u>
General administration			
Administrative	963,650	978,134	925,670
Information technology	685,700	594,428	604,625
Financial management	809,500	800,131	779,641
Taxation			
Tax rebates	25,000	15,209	15,912
Transfer for assessment services	154,000	148,332	152,129
Loss on disposal of assets	-	209,455	162,447
Writedown of tangible capital assets	-	280,529	160,128
Post employment sick leave benefits	-	93,595	98,990
Hurricane cleanup	-	444,951	-
Common services	151,400	162,890	159,125
	<u>2,789,250</u>	<u>3,727,654</u>	<u>3,058,667</u>
Debt charges			
General operations interest & charges	8,000	9,378	8,763
Interest on long term debt - debenture	9,514	7,838	12,147
Debt financing fees	10,000	31,009	8,571
	<u>27,514</u>	<u>48,225</u>	<u>29,481</u>
Valuation allowance			
Uncollectible taxes	10,000	-	-
Other doubtful accounts	2,000	121	-
	<u>12,000</u>	<u>121</u>	<u>-</u>
Other general government services			
Grants to organizations	361,500	355,826	360,839
Other	280,000	199,653	193,322
	<u>641,500</u>	<u>555,479</u>	<u>554,161</u>
	<u>3,779,814</u>	<u>4,606,929</u>	<u>3,894,915</u>
Amortization	575,000	580,718	592,289
Asset retirement obligation accretion expense		2,616	
	<u>\$ 4,354,814</u>	<u>\$ 5,190,263</u>	<u>\$ 4,487,204</u>

# Town of Truro

## Schedules to Consolidated Statement of Operations

Year Ended March 31

2023

2022

	Budget	Actual	Actual
<b>Protective services</b>			
Police protection			
Police services operations	\$ 5,780,000	\$ 5,762,406	\$ 5,431,033
Dispatch services	377,900	463,150	344,842
	<u>6,157,900</u>	<u>6,225,556</u>	<u>5,775,875</u>
Fire protection	2,255,800	2,352,399	2,210,180
Emergency measures	45,000	41,709	38,155
Writedown of assets	-	4,444	2,533
Debt charges			
Interest on long term debt - debenture	5,399	4,849	6,627
Other protective services			
Animal control	47,000	45,253	40,000
	<u>8,511,099</u>	<u>8,674,210</u>	<u>8,073,370</u>
Amortization	365,000	364,909	303,333
	<u>\$ 8,876,099</u>	<u>\$ 9,039,119</u>	<u>\$ 8,376,703</u>

<b>Transportation services</b>			
Common services	\$ 1,539,700	\$ 1,592,377	\$ 1,485,545
Road transport			
Streets and sidewalks	1,813,500	1,991,994	1,990,105
Snow and ice removal	785,000	472,367	853,750
Street lighting	237,000	210,857	243,469
Traffic services	148,500	218,786	139,295
Other	57,000	45,005	52,503
	<u>3,041,000</u>	<u>2,939,009</u>	<u>3,279,122</u>
Debt charges			
Interest on long term debt - debenture	8,918	7,601	10,971
	<u>3,049,918</u>	<u>2,946,610</u>	<u>3,290,093</u>
Write down of assets		74,712	117,068
Amortization	2,105,000	2,106,922	2,066,909
	<u>\$ 6,694,618</u>	<u>\$ 6,720,621</u>	<u>\$ 6,959,615</u>

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

Year Ended March 31

**2023****2022**

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	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental health services</b>			
Sewage collection and disposal			
Sewage collection systems	\$ 545,450	\$ 665,299	\$ 693,340
Sewage treatment and disposal	932,200	824,607	863,992
Share of County of Colchester sewage treatment debt charges	304,119	304,039	309,710
	<u>1,781,769</u>	<u>1,793,945</u>	<u>1,867,042</u>
Garbage and waste collection and disposal			
Garbage, waste collection and disposal	447,000	399,590	399,338
Recycling	72,000	67,747	50,361
Composting	66,000	63,063	64,928
	<u>585,000</u>	<u>530,400</u>	<u>514,627</u>
Amortization	290,000	290,701	300,735
	<u>\$ 2,656,769</u>	<u>\$ 2,615,046</u>	<u>\$ 2,682,404</u>

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**Public health services**

Interest on long term debt	<u>\$ 22,512</u>	<u>\$ 19,539</u>	<u>\$ 25,685</u>
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**Environmental development services**

Planning and development			
Planning administration	\$ 830,900	\$ 805,981	\$ 760,205
Business development	107,500	112,245	34,048
Building inspection	16,200	7,748	10,154
	<u>954,600</u>	<u>925,974</u>	<u>804,407</u>
Community development			
Other	39,500	9,735	66,068
Natural resources (tree) development	204,350	122,632	142,809
Tourism	7,050	6,574	7,714
	<u>1,205,500</u>	<u>1,064,915</u>	<u>1,020,998</u>
Amortization	16,000	15,862	11,330
	<u>\$ 1,221,500</u>	<u>\$ 1,080,777</u>	<u>\$ 1,032,328</u>

# Town of Truro

## Schedules to Consolidated Statement of Operations

Year Ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Recreation and cultural services</b>			
Recreation facilities			
Administration	\$ 640,960	\$ 641,544	\$ 598,763
Victoria Park pool	123,600	94,825	4,050
Skating rinks and multi-purpose centres			
Stadium	578,040	343,838	420,333
Douglas Street Community Centre	190,200	151,171	151,294
Other facilities			
Victoria Park	116,550	71,986	77,532
Civic Square	57,750	61,993	44,311
Sports fields, green spaces and other parks	126,300	69,055	135,683
Other			
Grounds maintenance	1,187,200	1,356,932	987,046
Litter control	34,400	19,137	17,856
Recreation programs	79,100	92,413	74,352
Writedown of assets	-	45,065	2,637
Other recreation services	58,100	56,894	56,101
	<u>3,192,200</u>	<u>3,004,853</u>	<u>2,569,958</u>
Cultural buildings and facilities			
Library - local branch	170,000	187,709	164,784
Transfer to regional library	95,200	90,200	90,200
	<u>265,200</u>	<u>277,909</u>	<u>254,984</u>
Debt charges			
Interest on long term debt	331,787	383,804	390,870
	<u>3,789,187</u>	<u>3,666,566</u>	<u>3,215,812</u>
Amortization	1,225,000	1,248,380	966,808
Asset retirement obligation Accretion expense	-	2,055	-
	<u>\$ 5,014,187</u>	<u>\$ 4,917,001</u>	<u>\$ 4,182,620</u>

### Water expenses

Source of supply	\$ 20,000	\$ 352	\$ 2,027
Power and pumping	125,000	102,569	114,789
Water treatment	1,315,500	1,379,995	1,283,357
Transmission and distribution	771,100	723,797	754,351
Administration and general	53,000	62,590	78,910
Writedown of assets	-	374,104	-
Interest on long term debt	11,684	10,197	14,063
	<u>2,296,284</u>	<u>2,653,604</u>	<u>2,247,497</u>
Amortization	520,000	527,277	492,953
	<u>\$ 2,816,284</u>	<u>\$ 3,180,881</u>	<u>\$ 2,740,450</u>

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# Town of Truro

## Notes to the Consolidated Financial Statements

March 31, 2023

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### 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, asset retirement obligations 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.

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# Town of Truro

## Notes to the Consolidated Financial Statements

March 31, 2023

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### 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.

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**Town of Truro**  
**Notes to the Consolidated Financial Statements**  
March 31, 2023

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**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.

**l) Asset retirement obligations**

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- ii) The past transaction or event giving rise to the liability has occurred;
- iii) It is expected that future economic benefits will be given up; and
- iv) A reasonable estimate of the amount can be made.

A liability for the removal of contaminants in several of the buildings and structures owned by the Town has been recognized based on estimated future expenses on closure of the site and post-closure care. The liability is adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization accounting policies of the tangible capital asset to which the obligation relates.

**1 Summary of significant accounting policies (continued)****m) Cash and cash equivalents**

Cash and cash equivalents includes unrestricted cash of \$4,894,099 (2022 - \$9,511,219) and internally designated cash of \$17,617,531 (2022 - \$10,121,585). These totals include cash on hand and balances with banks.

**n) 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, 2022 is \$376,590

**o) Budget figures**

The budget figures contained in these consolidated financial statements were approved by Council on April 4, 2022 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 14 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

**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.

**q) Deferred revenue**

Deferred revenue relates to the Central Nova Scotia Civic Centre Society, other grants and funding, and gas tax revenue. 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 funding and other grants and funding that is deferred revenue will be recognized in the period in which stipulations and eligibility criteria have been met. See Note 4.

**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, 2023 there are no known contaminated sites identified.

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**2 Change in accounting policy****Asset retirement obligations:**

On April 1, 2022, the Town adopted Public Sector Accounting Standard PS 3280 - Asset retirement obligations ("PS 3280"). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, including the removal and remediation of contaminants in retired buildings by public sector entities. The standard was adopted on the prospective basis at the date of adoption as the event giving rise to the obligation arose prior to April 1, 2022 and the obligation has not been previously recognized. Under the prospective basis of adoption, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The Town recognized an asset retirement obligation upon adoption of PS 3280 on April 1, 2022. The liability represents the required remediation of contaminants present within a number of buildings owned by the Town. These buildings have expected useful lives ranging from 26 to 41 years. As of the date of adoption of the standard the relevant discount rate on tangible assets held was 5.5% per annum.

In accordance with the provisions of this new standard, the Town has reflected the following adjustments as at April 1, 2022:

- a) An asset retirement obligation in the amount of \$89,573, representing the original \$566,714 obligation discounted to the present value using a discount rate of 5.5% per annum.
- b) An increase to tangible capital assets, representing the original estimate of the obligation as at the date of transition.

## Town of Truro

### Notes to the Consolidated Financial Statements

March 31, 2023

#### 3 Taxes and sewer rates receivable

	2023	2022
Balance, beginning of year	\$ 928,310	\$ 936,187
Current period tax and interest	<u>25,661,141</u>	<u>25,469,065</u>
	<b>26,589,451</b>	<b>26,405,252</b>
Collections	<u>(25,813,685)</u>	<u>(25,441,942)</u>
Balance, end of year	<b>775,766</b>	963,310
Valuation allowance	<u>(35,000)</u>	<u>(35,000)</u>
Balance, net of valuation allowance end of year	<b>\$ 740,766</b>	<b>\$ 928,310</b>

#### 4 Deferred revenue

	Canada Community Building Fund	Grants for tangible capital assets	Other	Total
Balance, beginning of year	\$ 1,382,029	\$ 2,666,000	\$ 478,955	\$ 4,526,984
Contributions	1,049,832	2,065,723	384,899	<b>3,500,454</b>
Amounts recognized as revenue	<u>(2,261,181)</u>	<u>-</u>	<u>(512,794)</u>	<u>(2,773,975)</u>
Balance, end of year	<b>\$ 170,680</b>	<b>\$ 4,731,723</b>	<b>\$ 351,060</b>	<b>\$ 5,253,463</b>

#### 5 Long term debt

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

	General Operating	General Capital	Water Capital	Total
2024	\$ 244,930	\$ 2,892,700	\$ 185,375	\$ 3,323,005
2025	154,900	1,323,570	185,375	<b>1,663,845</b>
2026	55,000	1,011,560	-	<b>1,066,560</b>
2027	55,000	954,600	-	<b>1,009,600</b>
2028	55,000	909,920	-	<b>964,920</b>

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

#### 6 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:

2026	\$ 22,180
2027	6,185
2030	36,128
2033	1,566
2039	9,329
2040	1,973
2041	11,438

**Town of Truro**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2023

**7 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, 2023.

**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 PS3250:**

	<u>2023</u>	<u>2022</u>
Current period benefit expense	\$ 241,022	\$ 261,774
Interest expense	44,209	32,508
Total sick leave expense	<u>\$ 285,231</u>	<u>\$ 294,282</u>

**Accrued benefit liability/ (asset) on the consolidated statement of financial position:**

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 884,615	\$ 785,625
Benefit expense	241,022	261,774
Interest expense	44,209	32,508
Employer contributions	(191,636)	(195,292)
Balance, end of year	<u>\$ 978,210</u>	<u>\$ 884,615</u>

**Assumptions:**

Discount rate:	5.95% per annum	(2022-2.45% per annum)
Salary increases:	3.0% per annum	(2022-3.00% per annum)
Termination rate:	Ontario Light Termination rate	
Retirement age:	Maximum age 65	
	1.5 days to 6.5 days	
	each year	(2022- 1.5 to 6.5 days
Excess sick leave utilization	depending on age	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.

**8 Defined pension obligation**

**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.

On a solvency basis the actuarial liabilities exceed the value of assets by \$7,061,000. 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.

**Town of Truro**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2023

**9 Asset Retirement Obligations**

Asbestos and lead obligation

The Town owns and operates several buildings that were constructed prior to 1991. These buildings have been included under PS 3280 - Asset retirement obligations as it is unknown if asbestos and lead are present. The uncertainty could present a health hazard upon demolition of the buildings and there is a legal obligation to remove it. Following the adoption of PS 3280 the Town recognized the obligation relating to the removal and post-removal care of the lead and asbestos in these buildings as estimated at March 31, 2023. Estimated costs have been discounted to the present value using a discount rate of 5.5% per annum. The transition and recognition of asset retirement obligations involved an accompanying increase to the buildings capital asset carrying values.

Asset retirement obligations recognized as at March 31, 2023 include the following :

	Years remaining	2023 Present Value Cost	Asset category
Former Fire Station used as Farmers Market	26	\$ 50,170	Buildings
Colchester Legion Stadium	41	8,575	Buildings
Parks and Recreation workshop located on Willow Street	41	11,687	Buildings
Douglas Street Recreation Center	41	23,812	Buildings
		<u>\$ 94,244</u>	

**10 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 \$90,200 (2022– \$90,200) 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 \$175,328(2022 - \$177,329) to the Truro Housing Authority to fund its share of the prior year's deficit.

**11 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.

Project	Town share	Town's share of capital cost	Town's commitment as at March 31, 2023
a) Wastewater Treatment (Upgrades 2014)	100%	\$ 3,232,588	\$ 1,939,556
b) Wastewater Treatment (Upgrades 2016)	50%	953,568	667,498
		<u>\$ 4,186,156</u>	<u>\$ 2,607,054</u>

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:	2024	\$ 209,307
	2025	209,307
	2026	209,307
	2027	209,307
	2028	209,307
	2029-2032	1,560,521

# Town of Truro

## Notes to the Consolidated Financial Statements

March 31, 2023

### 12 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.

### 13 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	\$	55,411	\$	1,343
J. Barnard	Councillor	\$	29,606	\$	2,169
J. Flemming	Councillor	\$	31,846	\$	4,644
A. Graham	Councillor	\$	29,606	\$	7,727
C. Hinton	Councillor	\$	29,606	\$	1,520
W. Talbot	Councillor/Deputy Mayor	\$	31,744	\$	6,344
B. Thomas	Councillor	\$	29,606	\$	2,482
M. Dolter	Chief Administrative Officer	\$	172,952	\$	9,229

### 14 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>2023</u>
Approved budgeted surplus (deficit) for the year	
General operations	\$ 355,000
Water utility operations	(18,355)
Approved budget surplus	<u>336,645</u>
Elimination of:	
Transfers to other funds	717,504
Interfund debt repayments	1,896,643
RECC budget	(165,038)
Funding for capital expenditures	2,425,552
Amortization of tangible capital assets	(4,576,000)
REN budget	<u>(28,201)</u>
Net PSAB adjustments	<u>270,460</u>
PSAB adjusted budgeted deficit per consolidated financial statements	<u>\$ 607,105</u>

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# Town of Truro

## Notes to the Consolidated Financial Statements

March 31, 2023

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### 15 Contingencies

As at March 31, 2023, 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.

In addition, as of March 31, 2023 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.

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### 16 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, 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,

	<b>2023</b>	<b>2022</b>
Total Assets	<b>\$ 5,585,471</b>	\$ 5,870,661
Total Liabilities	<b>3,844,097</b>	4,061,632
Net Assets	<b>\$ 1,741,374</b>	\$ 1,809,029
Total Revenues	<b>\$ 2,165,999</b>	\$ 1,273,739
Total Expenses	<b>3,273,831</b>	2,143,553
Annual Deficit	<b>\$ (1,107,832)</b>	\$ (869,814)

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### 17 Comparative Figures

The financial statements have been reclassified, where applicable, to confirm to the presentation used in the current year. The changes do not affect prior year earnings.

**Town of Truro**  
**Consolidated Schedule of Tangible Capital Assets**  
March 31

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Work in Progress	2023	2022
<b>General capital</b>									
<b>Cost:</b>									
Balance, beginning of year	\$ 8,363,671	\$ 3,904,175	\$ 47,948,284	\$ 68,588,033	\$ 9,568,387	\$ 2,447,679	\$ 2,500,472	\$ 143,320,701	\$ 140,671,119
Acquisition of capital assets	4,380	412,019	1,601,778	2,356,078	584,692	210,499	551,395	5,720,841	4,377,496
Asset retirement obligation	-	-	89,573	-	-	-	-	89,573	-
Disposition of capital assets	(737,767)	(9,121)	(239,912)	(650,989)	(323,857)	(80,554)	(539,564)	(2,581,764)	(1,727,914)
Balance, end of year	<u>7,630,284</u>	<u>4,307,073</u>	<u>49,399,723</u>	<u>70,293,122</u>	<u>9,829,222</u>	<u>2,577,624</u>	<u>2,512,303</u>	<u>146,549,351</u>	<u>143,320,701</u>
<b>Accumulated amortization:</b>									
Balance, beginning of year	-	1,943,663	15,523,768	39,046,297	7,168,507	1,808,244	-	65,490,479	62,227,992
Accumulated amortization on disposals	-	(9,121)	(194,847)	(576,277)	(323,857)	(67,414)	-	(1,171,516)	(978,915)
Annual amortization	-	298,377	1,463,415	2,160,498	531,112	150,982	-	4,604,384	4,241,402
Asset Retirement Obligation	-	-	3,110	-	-	-	-	3,110	-
Balance, end of year	<u>-</u>	<u>2,232,919</u>	<u>16,795,446</u>	<u>40,630,518</u>	<u>7,375,762</u>	<u>1,891,812</u>	<u>-</u>	<u>68,926,457</u>	<u>65,490,479</u>
Net book value of general capital	<u>\$ 7,630,284</u>	<u>\$ 2,074,154</u>	<u>\$ 32,604,277</u>	<u>\$ 29,662,604</u>	<u>\$ 2,453,460</u>	<u>\$ 685,812</u>	<u>\$ 2,512,303</u>	<u>\$ 77,622,894</u>	<u>\$ 77,830,222</u>
<b>Water capital</b>									
<b>Cost:</b>									
Balance, beginning of year	\$ 1,933,336	\$ -	\$ 11,347,310	\$ 9,723,622	\$ 5,263,413	\$ 841,381	\$ 827,311	\$ 29,936,373	\$ 29,588,705
Acquisition of capital assets	-	-	219,384	1,454,297	107,865	-	-	1,781,546	181,642
Work in progress	-	-	-	-	-	-	-	-	528,003
Disposition of capital assets	(374,104)	-	-	-	-	(49,212)	(775,168)	(1,198,484)	-361,977
Balance, end of year	<u>1,559,232</u>	<u>-</u>	<u>11,566,694</u>	<u>11,177,919</u>	<u>5,371,278</u>	<u>792,169</u>	<u>52,143</u>	<u>30,519,435</u>	<u>29,936,373</u>
<b>Accumulated amortization:</b>									
Balance, beginning of year	-	-	4,447,548	2,849,446	2,809,063	726,574	-	10,832,631	10,643,726
Accumulated amortization on disposals	-	-	-	-	-	(49,212)	-	(49,212)	304,048
Annual amortization	-	-	180,730	166,986	164,135	15,426	-	527,277	492,953
Balance, end of year	<u>-</u>	<u>-</u>	<u>4,628,278</u>	<u>3,016,432</u>	<u>2,973,198</u>	<u>692,788</u>	<u>-</u>	<u>11,310,696</u>	<u>10,832,631</u>
Net book value of water capital	<u>\$ 1,559,232</u>	<u>\$ -</u>	<u>\$ 6,938,416</u>	<u>\$ 8,161,487</u>	<u>\$ 2,398,080</u>	<u>\$ 99,381</u>	<u>\$ 52,143</u>	<u>\$ 19,208,739</u>	<u>\$ 19,103,742</u>
<b>Total net book value</b>	<u>\$ 9,189,516</u>	<u>\$ 2,074,154</u>	<u>\$ 39,542,693</u>	<u>\$ 37,824,091</u>	<u>\$ 4,851,540</u>	<u>\$ 785,193</u>	<u>\$ 2,564,446</u>	<u>\$ 96,831,633</u>	<u>\$ 96,933,964</u>

# Town of Truro

## Schedule of Long Term Debt

Year ended March 31, 2023

	Maturity Date	MFC Series #	Balance March 31/22	Issued	Balloon	Redeemed	Balance March 31/23	Interest Rate
<b>General Operating Fund</b>								
Municipal Finance Corporation								
Hospital 2007	2022	37-A-1	\$ 110,000	\$ -	\$ -	\$ 110,000	\$ -	1.930% - 2.466%
Hospital 2008	2023	38-A-1	180,000	-	-	90,000	<b>90,000</b>	2.490% - 3.048%
Hospital 2009	2024	39-B-1	300,000	-	-	100,000	<b>200,000</b>	0.000% - 2.265%
Hospital 2010 (Refinance)	2031	40-B-1	550,000	-	-	55,000	<b>495,000</b>	0.4000% - 2.376%
			<u>1,140,000</u>	<u>-</u>	<u>-</u>	<u>355,000</u>	<b>785,000</b>	
<b>General Capital Fund</b>								
Municipal Finance Corporation								
RECC 2012	2022	32-A-1	1,925,000	-	1,750,000	175,000	-	2.992% - 3.480%
RECC 2012	2022	32-B-1	1,210,000	-	1,100,000	110,000	-	2.650% - 3.160%
RECC 2013	2028	33-A-1	600,000	-	-	50,000	<b>550,000</b>	2.266% - 3.489%
RECC 2013	2028	33-A-1	353,000	-	-	45,700	<b>307,300</b>	2.266% - 3.489%
RECC 2013	2023	33-B-1	960,000	-	-	80,000	<b>880,000</b>	2.744% - 3.614%
Fire Truck 2014	2024	34-A-1	150,000	-	-	50,000	<b>100,000</b>	2.244% - 3.347%
RECC 2014	2029	34-B-1	1,647,750	-	-	126,750	<b>1,521,000</b>	2.221% - 3.559%
Library 2015	2030	35-A-1	3,640,000	-	-	260,000	<b>3,380,000</b>	1.632% - 3.449%
Municipal building	2023	38-A-1	286,000	-	-	143,000	<b>143,000</b>	2.490% - 3.048%
PW Facility	2024	39-A-1	498,375	-	-	166,125	<b>332,250</b>	1.982% - 2.218%
Stadium/RECC	2024	39-B-1	300,000	-	-	100,000	<b>200,000</b>	0.000% - 2.265%
Municipal building	2023	40-A-1	245,000	-	-	61,250	<b>183,750</b>	0.678% - 1.241%
RECC 2011 (Refinance)	2031	41-A-1	666,000	-	-	66,600	<b>599,400</b>	0.500% - 2.259%
RECC 2012 (Refinance)	2032	42-A-1	-	1,750,000	-	-	<b>1,750,000</b>	2.575% - 3.782%
RECC 2012 (Refinance)	2032	42-B-1	-	1,100,000	-	-	<b>1,100,000</b>	0.000% - 4.177%
Facility Efficiency Upgrades	2032	42-B-1	-	1,505,000	-	-	<b>1,505,000</b>	0.000% - 4.177%
Finance Company								
Vehicle loan 2021	2028		176,216	-	-	31,799	<b>144,417</b>	3.31%
Vehicle loan 2021	2028		153,330	-	-	26,756	<b>126,574</b>	2.52%
Vehicle loan 2022	2029		145,686	-	-	20,656	<b>125,030</b>	2.92%
			<u>12,956,357</u>	<u>4,355,000</u>	<u>2,850,000</u>	<u>1,513,636</u>	<b>12,947,721</b>	
<b>Water Capital Fund</b>								
Municipal Finance Corporation								
PW Facility 2009	2024	39-A-1	166,125	-	-	55,375	<b>110,750</b>	1.982% - 2.218%
Water Utility Dam 2009	2024	39-B-1	390,000	-	-	130,000	<b>260,000</b>	0.000% - 2.265%
			<u>556,125</u>	<u>-</u>	<u>-</u>	<u>185,375</u>	<b>370,750</b>	
			<u>\$ 14,652,482</u>	<u>\$ 4,355,000</u>	<u>\$ 2,850,000</u>	<u>\$ 2,054,011</u>	<b>\$ 14,103,471</b>	

**Town of Truro**  
**Consolidated Schedule of Segment Disclosure**

Year ended March 31, 2023

	General Government	Protective	Transportation	Environmental Health	Public Health	Environmental Development	Recreation and Cultural	Rath Eastlink Community Centre	Regional Enterprise Network	Water Utility	Consolidated
<b>Revenue</b>											
Assessable property taxes	\$ 3,952,067	\$ 6,882,732	\$ 5,117,339	\$ 1,991,196	\$ 14,878	\$ 822,945	\$ 3,743,993	\$ -	\$ -	\$ -	\$ 22,525,150
Grants in lieu of taxes	138,594	241,369	179,458	69,829	522	28,860	131,296	-	-	-	789,928
Services provided to other governments	15,193	-	235,894	18,520	-	34,828	53,442	-	-	-	357,877
Sale of services	190,492	396,969	81,935	-	-	33,643	278,509	-	-	-	981,548
Other revenue from own sources	672,405	165,869	-	-	-	7,140	981,760	-	-	-	1,827,174
Rath Eastlink Community Centre	-	-	-	-	-	-	-	1,803,793	-	-	1,803,793
Regional Enterprise Network	-	-	-	-	-	-	-	-	86,998	-	86,998
Unconditional transfers from government	1,359,826	-	-	-	-	-	-	-	-	-	1,359,826
Conditional transfers from government	230,930	585,381	2,942,993	-	-	10,015	689,827	-	-	-	4,459,146
Water revenues	-	-	-	-	-	-	-	-	-	3,816,942	3,816,942
	<b>\$ 6,559,507</b>	<b>\$ 8,272,320</b>	<b>\$ 8,557,619</b>	<b>\$ 2,079,545</b>	<b>\$ 15,400</b>	<b>\$ 937,431</b>	<b>\$ 5,878,827</b>	<b>\$ 1,803,793</b>	<b>\$ 86,998</b>	<b>\$ 3,816,942</b>	<b>\$ 38,008,382</b>
<b>Expenditures</b>											
Salaries, wages and benefits	\$ 1,618,187	\$ 7,411,788	\$ 2,627,574	\$ 350,798	\$ -	\$ 831,621	\$ 2,172,753	\$ 1,136,312	\$ 46,076	\$ 818,387	\$ 17,013,496
Operating materials and supplies	2,260,687	1,190,100	1,978,524	314,501	-	233,294	834,155	1,445,057	112,425	1,450,916	9,819,659
Contracted services	148,332	45,253	-	1,355,007	-	-	277,909	-	-	-	1,826,501
Rents and financial expenses	117,709	4,849	7,601	304,039	19,539	-	383,804	-	-	384,301	1,221,842
Community grants and exemptions	371,035	22,220	-	-	-	-	-	-	-	-	393,255
Post employment	93,595	-	-	-	-	-	-	-	-	-	93,595
Amortization	580,718	364,909	2,106,922	290,701	-	15,862	1,248,380	-	-	527,277	5,134,769
	<b>\$ 5,190,263</b>	<b>\$ 9,039,119</b>	<b>\$ 6,720,621</b>	<b>\$ 2,615,046</b>	<b>\$ 19,539</b>	<b>\$ 1,080,777</b>	<b>\$ 4,917,001</b>	<b>\$ 2,581,369</b>	<b>\$ 158,501</b>	<b>\$ 3,180,881</b>	<b>\$ 35,503,117</b>

**Town of Truro**  
**Consolidated Schedule of Segment Disclosure**

Year ended March 31, 2022

	General Government	Protective	Transportation	Environmental Health	Public Health	Environmental Development	Recreation and Cultural	Rath Eastlink Community Centre	Regional Enterprise Network	Water Utility	Consolidated
<b>Revenue</b>											
Assessable property taxes	\$ 3,487,065	\$ 6,509,645	\$ 5,408,408	\$ 2,084,531	\$ 19,960	\$ 802,236	\$ 3,250,369	\$ -	\$ -	\$ -	\$ 21,562,213
Grants in lieu of taxes	128,335	239,576	199,047	76,717	735	29,525	119,624	-	-	-	793,559
Services provided to other governments	18,845	-	256,652	30,508	-	11,225	44,748	-	-	-	361,978
Sale of services	183,547	306,040	67,071	-	-	24,770	345,388	-	-	-	926,816
Other revenue from own sources	295,719	74,987	-	-	-	9,516	85,119	-	-	-	465,341
Rath Eastlink Community Centre	-	-	-	-	-	-	-	1,048,024	-	-	1,048,024
Regional Enterprise Network	-	-	-	-	-	-	-	-	102,971	-	102,971
Unconditional transfers from government	2,728,031	-	-	-	-	-	-	-	-	-	2,728,031
Conditional transfers from government	599,113	581,630	2,000,304	-	-	4,087	293,785	-	-	-	3,478,919
Water revenues	-	-	-	-	-	-	-	-	-	3,656,638	3,656,638
	<b>\$ 7,440,655</b>	<b>\$ 7,711,878</b>	<b>\$ 7,931,481</b>	<b>\$ 2,191,757</b>	<b>\$ 20,695</b>	<b>\$ 881,358</b>	<b>\$ 4,139,033</b>	<b>\$ 1,048,024</b>	<b>\$ 102,971</b>	<b>\$ 3,656,638</b>	<b>\$ 35,124,490</b>
<b>Expenditures</b>											
Salaries, wages and benefits	\$ 1,663,045	\$ 6,972,199	\$ 2,502,006	\$ 414,383	\$ -	\$ 768,010	\$ 1,707,373	\$ 644,452	\$ 52,432	\$ 829,371	\$ 15,553,271
Operating materials and supplies	1,486,291	1,032,324	2,379,729	278,957	-	252,988	862,585	973,897	99,731	1,404,063	8,770,565
Contracted services	152,129	40,000	-	1,378,619	-	-	254,984	-	-	-	1,825,732
Rents and financial expenses	117,709	6,627	10,971	309,710	25,685	-	390,870	-	-	14,063	875,635
Community grants and exemptions	376,751	22,220	-	-	-	-	-	-	-	-	398,971
Post employment	98,990	-	-	-	-	-	-	-	-	-	98,990
Amortization	592,289	303,333	2,066,909	300,735	-	11,330	966,808	-	-	492,953	4,734,357
	<b>\$ 4,487,204</b>	<b>\$ 8,376,703</b>	<b>\$ 6,959,615</b>	<b>\$ 2,682,404</b>	<b>\$ 25,685</b>	<b>\$ 1,032,328</b>	<b>\$ 4,182,620</b>	<b>\$ 1,618,349</b>	<b>\$ 152,163</b>	<b>\$ 2,740,450</b>	<b>\$ 32,257,521</b>

## Supplementary Schedules

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

March 31

2023

2022

**ASSETS**

Receivables

Water rates (net of allowance - \$25,000; 2022 - \$25,000)	\$	<b>664,100</b>	\$	657,578
Other receivables		<b>47,756</b>		23,068
Prepaid expenses		<b>1,779</b>		-
		<u><b>713,635</b></u>		<u>680,646</u>

Due from own funds, reserves, agencies

General operating fund		-		458,884
	\$	<u><b>713,635</b></u>	\$	<u>1,139,530</u>

**LIABILITIES**

Payables and accruals

Due to own funds, reserves, agencies

Water capital fund		<b>259,100</b>		-
		<u><b>322,329</b></u>		<u>78,405</u>

**SURPLUS**

		<b>391,306</b>		1,061,125
	\$	<u><b>713,635</b></u>	\$	<u>1,139,530</u>

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

Year ended March 31

	2023		2022
	Budget	Actual	Actual
<b>Operating revenue</b>			
Metered sales	\$ 3,300,000	\$ 3,391,522	\$ 3,251,901
Flat rate sales	22,000	22,044	22,245
Public fire protection	857,304	857,304	857,304
Private fire protection	39,000	40,803	39,970
Sprinkler service	40,000	40,948	41,531
Miscellaneous	51,000	78,778	105,620
	<u>4,309,304</u>	<u>4,431,399</u>	<u>4,318,571</u>
<b>Operating expenditures</b>			
Source of supply	20,000	352	2,027
Power and pumping	125,000	102,569	114,789
Water treatment	1,315,500	1,379,995	1,283,357
Transmission and distribution	771,100	723,797	754,351
Administration and general	653,000	716,268	708,948
Depreciation	520,000	527,277	492,953
Taxes	726,000	724,294	724,294
	<u>4,130,600</u>	<u>4,174,552</u>	<u>4,080,719</u>
<b>Operating income</b>	<u>178,704</u>	<u>256,847</u>	<u>237,852</u>
<b>Non-operating expenditures</b>			
Debt charges			
Principal	185,375	185,375	185,375
Interest	11,684	10,197	14,063
Capital expenditures out of operations	-	731,094	528,003
	<u>197,059</u>	<u>926,666</u>	<u>727,441</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ (18,355)</u>	<u>(669,819)</u>	<u>(489,589)</u>
<b>Surplus, beginning of year</b>		<u>1,061,125</u>	<u>1,550,714</u>
<b>Surplus, end of year</b>		<u>\$ 391,306</u>	<u>\$ 1,061,125</u>

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

March 31	2023	2022
<b>Assets</b>		
Cash	\$ 2,509,781	\$ 2,426,066
Due from own funds, reserves, agencies		
Water operating fund	625,282	373,289
Utility plant and equipment (Page 31)	<u>30,519,436</u>	<u>29,936,372</u>
	<u><u>\$ 33,654,499</u></u>	<u><u>\$ 32,735,727</u></u>
<b>Liabilities</b>		
Accumulated allowance for depreciation	\$ 11,310,697	\$ 10,832,632
Long Term Debt	<u>370,750</u>	<u>556,123</u>
	11,681,447	11,388,755
Investment in capital assets (Page 30)	<u>21,973,052</u>	<u>21,346,972</u>
	<u><u>\$ 33,654,499</u></u>	<u><u>\$ 32,735,727</u></u>

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

March 31	2023	2022
Tangible plant and equipment		
Land - Source of supply	\$ 1,559,232	\$ 1,933,337
Structures and improvements	11,566,694	11,347,309
Pumping equipment	1,006,683	1,006,683
Purification equipment	1,212,823	1,212,823
Distribution mains	9,619,979	8,165,682
Distribution equipment	299,957	299,956
Services	1,557,940	1,557,940
Meters	2,127,978	2,020,113
Hydrants	691,549	691,548
Office furniture and equipment	32,289	32,289
Work in Progress	52,143	827,311
Transportation equipment	792,169	841,381
	<u>\$ 30,519,436</u>	<u>\$ 29,936,372</u>

**Water Utility Capital Fund**  
**Statement of Investment in Capital Assets**

Year ended March 31	2023	2022
Balance, beginning of year	<u>\$ 21,346,972</u>	<u>\$ 20,597,355</u>
Interest earned on depreciation funds	83,715	17,129
Term debt retired	185,375	185,375
Capital expenditures out of revenue	731,094	528,003
Disposal of capital assets	(374,104)	19,110
	<u>626,080</u>	<u>749,617</u>
Balance, end of year	<u>\$ 21,973,052</u>	<u>\$ 21,346,972</u>