

TOWN OF TRURO
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016

Town of Truro

Contents

	<u>Page</u>
Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditor's Report	2
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
Statement of Utility Plant and Equipment	31
Statement of Investment in Capital Assets	31
Trust Funds	
Statement of Financial Position	32
Statement of Financial Activities	32

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 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 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 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
Chief Administration Officer



Aundrea Currie
Director of Corporate Services

February 6, 2017

Independent auditor's report

Grant Thornton LLP
733 Prince Street
Truro, NS
B2N 1G7
T +1 902 893 1150
F +1 902 893 9757
www.GrantThornton.ca

To the Mayor and Council of the
Town of Truro

We have audited the accompanying consolidated financial statements of the **Town of Truro** on Pages 4 to 27, which comprise the consolidated statement of financial position as at **March 31, 2016**, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

Basis for qualified opinion

The Town of Truro has recorded donations from the public on behalf of the Central Nova Scotia Civic Centre Society (operating as "Rath Eastlink Community Centre"), the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Town and we were not able to determine whether any adjustments might be necessary to revenues, net deficit and cash flows from operations for the years ended March 31, 2016 and March 31, 2015, assets and/or liabilities as at March 31, 2016 and March 31, 2015 and accumulated surplus as at April 1, 2015 and April 1, 2014 and March 31, 2016 and 2015. Our audit opinion on the consolidated financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the **Town of Truro** as at **March 31, 2016**, and the consolidated results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on Pages 28 to 32 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

The financial statements of the Town of Truro for the year ended March 31, 2015, were audited by another auditor who expressed qualified opinion on these statements on October 19, 2015.

Grant Thornton LLP

Truro, Canada
February 6, 2017

Chartered Professional Accountants
Licensed Public Accountants

Town of Truro
Consolidated Statement of Financial Position

March 31

2016

2015

FINANCIAL ASSETS

Cash and cash equivalents (Note 1)	\$ 4,443,290	\$ 5,446,283
Receivables		
Taxes, net of valuation allowance (Note 2)	1,570,154	1,499,320
Water rates (net of allowance - \$50,000; 2015 - \$50,000)	1,352,382	1,088,551
Due from federal government	619,895	1,373,801
Due from provincial government	284,989	187,891
Loans and advances (net of allowance - \$235,944; 2015 - \$235,944)	170,000	190,000
Other receivables (net of allowance - \$27,100; 2015 - \$30,000)	3,055,577	643,109
Land held for resale (Note 1)	888,771	815,441
	<u>\$ 12,385,058</u>	<u>\$ 11,244,396</u>

LIABILITIES

Short term borrowing (Note 3)	\$ -	\$ 2,819,132
Payables and accruals	4,147,837	4,617,807
Prepaid taxes	192,816	157,653
Deferred revenue (Note 1)	140,048	203,343
Deposits and other	39,875	35,701
Tax sale surplus (Note 5)	70,959	70,959
Post employment benefits (Note 6)	459,607	379,213
Defined pension obligation (Note 7)	404,501	-
Long term debt (Page 26)	25,069,115	21,479,766
	<u>30,524,758</u>	<u>29,763,574</u>

NET DEBT

(18,139,700) (18,519,178)

NON-FINANCIAL ASSETS

Tangible capital assets (Page 25)	157,140,053	154,666,424
Less accumulated amortization	(52,398,658)	(48,621,304)
Inventory not held for resale (Note 1)	396,197	296,875
Prepaid expenses	94,335	109,637
NET NON-FINANCIAL ASSETS	<u>105,231,927</u>	<u>106,451,632</u>

ACCUMULATED SURPLUS

\$ 87,092,227 \$ 87,932,454

Commitments (Note 9)
Contingencies (Note 13)

Approved on behalf of the Council of the Town of Truro

Mayor

CAO

See accompanying notes to the consolidated financial statements

Town of Truro
Consolidated Statement of Financial Position

March 31

2016

2015

FINANCIAL ASSETS

Cash and cash equivalents (Note 1)	\$	4,443,290	\$	5,446,283
Receivables				
Taxes, net of valuation allowance (Note 2)		1,570,154		1,499,320
Water rates (net of allowance - \$50,000; 2015 - \$50,000)		1,352,382		1,088,551
Due from federal government		619,895		1,373,801
Due from provincial government		284,989		187,891
Loans and advances (net of allowance - \$235,944; 2015 - \$235,944)		170,000		190,000
Other receivables (net of allowance - \$27,100; 2015 - \$30,000)		3,055,577		643,109
Land held for resale (Note 1)		888,771		815,441
	\$	<u>12,385,058</u>	\$	<u>11,244,396</u>

LIABILITIES

Short term borrowing (Note 3)	\$	-	\$	2,819,132
Payables and accruals		4,147,837		4,617,807
Prepaid taxes		192,816		157,653
Deferred revenue (Note 1)		140,048		203,343
Deposits and other		39,875		35,701
Tax sale surplus (Note 5)		70,959		70,959
Post employment benefits (Note 6)		459,607		379,213
Defined pension obligation (Note 7)		404,501		-
Long term debt (Page 26)		25,069,115		21,479,766
		<u>30,524,758</u>		<u>29,763,574</u>

NET DEBT

(18,139,700) (18,519,178)

NON-FINANCIAL ASSETS

Tangible capital assets (Page 25)		157,140,053		154,666,424
Less accumulated amortization		(52,398,658)		(48,621,304)
Inventory not held for resale (Note 1)		396,197		296,875
Prepaid expenses		94,335		109,637
NET NON-FINANCIAL ASSETS		<u>105,231,927</u>		<u>106,451,632</u>

ACCUMULATED SURPLUS

\$ 87,092,227 \$ 87,932,454

Commitments (Note 9)
Contingencies (Note 13)

Approved on behalf of the Council of the Town of Truro

Mayor

CAO

See accompanying notes to the consolidated financial statements

Town of Truro
Consolidated Statement of Operations
Year Ended March 31

2016

2015

	Page	Budget (Note 12)	Actual	Actual
Revenue				
Assessable property taxes	8	\$ 17,505,552	\$ 17,714,247	\$ 17,285,197
Grants in lieu of taxes	8	781,320	796,805	692,301
Services provided to other governments	9	134,489	163,776	173,447
Sale of services	9	742,930	695,904	775,826
Other revenue from own sources	9	384,000	1,140,906	897,973
Rath Eastlink Community Centre		1,080,945	1,186,772	784,504
Unconditional transfers from governments	10	1,355,140	1,363,794	1,367,613
Conditional transfers from governments	10	938,133	2,044,284	1,877,824
Water revenues	10	3,468,216	3,693,902	3,527,196
Total revenue		<u>26,390,725</u>	<u>28,800,390</u>	<u>27,381,881</u>
Expenditures				
General government services	11	3,325,967	4,003,017	3,843,888
Protective services	12	7,299,285	7,087,814	7,063,586
Transportation services	12	5,356,447	5,795,301	6,077,621
Environmental health services	13	2,952,574	2,954,356	2,815,405
Public health services	13	-	127,926	134,993
Environmental development services	13	1,139,737	986,275	801,452
Recreation and cultural services	14	3,768,198	3,711,777	3,569,224
Rath Eastlink Community Centre		1,530,945	1,749,540	1,352,232
Water expenses	14	2,997,265	3,224,611	2,652,151
Total expenditures		<u>28,370,418</u>	<u>29,640,617</u>	<u>28,310,552</u>
Net deficit		<u>\$ (1,979,693)</u>	<u>(840,227)</u>	<u>(928,671)</u>
Accumulated surplus, beginning of year			<u>87,932,454</u>	<u>88,861,125</u>
Accumulated surplus, end of year			<u>\$ 87,092,227</u>	<u>\$ 87,932,454</u>

See accompanying notes to the consolidated financial statements

Town of Truro
Consolidated Statement of Cash Flows

Year Ended March 31

2016

2015

Increase (decrease) in cash and cash equivalents

Operating activities		
Net deficit	\$ (840,227)	\$ (928,671)
Add back amortization	4,456,999	4,498,561
Loss or writedown on disposal of tangible capital assets	617,582	62,375
Loss on sale of land held for resale	33,710	-
	<u>4,268,064</u>	<u>3,632,265</u>
Change in taxes receivable	(70,834)	1,605
Change in water rates receivable	(263,831)	(236,438)
Change in accounts receivable	(1,735,660)	(156,917)
Change in payables and accruals	(9,033)	(1,839,001)
Change in inventory not held for resale	(99,322)	243,645
Change in prepaid expenses	15,302	9,414
	<u>2,104,686</u>	<u>1,654,573</u>
Capital activities		
Acquisition of tangible capital assets	(3,884,588)	(7,098,202)
Proceeds on sale of tangible capital assets	113,732	-
Proceeds on sale of land held for resale	46,290	-
Addition to land held for resale	(153,330)	-
	<u>(3,877,896)</u>	<u>(7,098,202)</u>
Financing activities		
Issuance of long term debt	5,200,000	3,069,399
Debt principal repayment	(1,610,651)	(1,430,433)
Repayment of short term borrowing	(2,819,132)	-
Issuance of short term borrowing	-	2,819,132
	<u>770,217</u>	<u>4,458,098</u>
Net change in cash and cash equivalents	(1,002,993)	(985,531)
Cash and cash equivalents		
Beginning of year	<u>5,446,283</u>	<u>6,431,814</u>
End of year	<u>\$ 4,443,290</u>	<u>\$ 5,446,283</u>

See accompanying notes to the consolidated financial statements

Town of Truro
Consolidated Statement of Changes in Net Debt
Year Ended March 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Net deficit	\$ (1,979,693)	\$ (840,227)	\$ (928,671)
Changes in tangible capital assets			
Acquisition of tangible capital assets	(7,420,668)	(3,884,588)	(7,098,202)
Amortization of tangible capital assets	4,690,000	4,456,999	4,498,561
Proceeds on sale of tangible capital assets	-	113,732	-
Disposition or writedown of tangible capital assets	-	617,582	62,375
	<u>(2,730,668)</u>	<u>1,303,725</u>	<u>(2,537,266)</u>
Changes in other non-financial asset			
Inventory not held for resale	-	(99,322)	243,645
Prepaid expenses	-	15,302	9,414
	<u>-</u>	<u>(84,020)</u>	<u>253,059</u>
Change in net debt	<u>\$ (4,710,361)</u>	<u>379,478</u>	<u>(3,212,878)</u>
Net debt, beginning of year		<u>(18,519,178)</u>	<u>(15,306,300)</u>
Net debt, end of year		<u>\$ (18,139,700)</u>	<u>\$ (18,519,178)</u>

See accompanying notes to the consolidated financial statements

Town of Truro
Schedules to the Consolidated Statement of Operations
Year Ended March 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Assessable property taxes			
Assessable property			
Residential	\$ 10,719,560	\$ 10,717,934	\$ 10,377,756
Commercial	9,027,106	9,156,442	9,062,359
Resource	17,075	17,075	17,011
Recreation	4,928	5,173	4,926
Forest property (less than 50,000 acres)	258	269	289
Forest property (50,000 acres or more)	194	194	194
	<u>19,769,121</u>	<u>19,897,087</u>	<u>19,462,535</u>
Business property			
Based on revenue - Bell Aliant	100,000	97,696	99,823
Nova Scotia Power Inc - Grant in lieu of taxes	16,700	17,440	16,678
Nova Scotia Power Inc - HST rebate	35,000	107,016	39,429
	<u>151,700</u>	<u>222,152</u>	<u>155,930</u>
Other			
Deed transfer tax	300,000	307,929	350,357
Total tax levied	<u>20,220,821</u>	<u>20,427,168</u>	<u>19,968,822</u>
Expenditures as a reduction of tax revenue			
Appropriations to regional school board	(2,448,669)	(2,454,287)	(2,422,956)
Transfer to correctional services	(173,600)	(171,404)	(173,602)
Deficit of regional housing authority	(93,000)	(87,230)	(87,067)
	<u>(2,715,269)</u>	<u>(2,712,921)</u>	<u>(2,683,625)</u>
	<u>\$ 17,505,552</u>	<u>\$ 17,714,247</u>	<u>\$ 17,285,197</u>

Grants in lieu of taxes			
Federal government	\$ 691,381	\$ 705,748	\$ 602,879
Provincial government			
Fire protection	42,158	41,175	41,137
Provincial property	47,781	49,882	48,285
	<u>\$ 781,320</u>	<u>\$ 796,805</u>	<u>\$ 692,301</u>

Town of Truro
Schedules to the Consolidated Statement of Operations
Year Ended March 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Services provided to other governments			
Other local governments			
County of Colchester	\$ 53,157	\$ 38,105	\$ 42,797
Millbrook First Nations	64,000	111,110	114,926
Town of Stewiacke	17,332	14,561	15,724
	<u>\$ 134,489</u>	<u>\$ 163,776</u>	<u>\$ 173,447</u>

Sale of services			
General government services	\$ 85,380	\$ 92,972	\$ 86,651
Protective services	53,800	75,741	92,137
Transportation services	3,000	11,995	10,375
Environmental development services	18,300	7,640	10,310
Recreation and cultural services			
Stadium	405,950	316,822	392,683
Douglas Street Community Centre	50,000	64,792	60,484
Victoria Park	95,000	94,896	90,019
Day camp	27,000	25,649	28,500
Other	4,500	5,397	4,667
	<u>\$ 742,930</u>	<u>\$ 695,904</u>	<u>\$ 775,826</u>

Other revenue from own sources			
Licenses and permits	\$ 2,500	\$ 4,486	\$ 2,963
Fines	130,000	131,996	141,992
Rentals	18,000	19,208	18,000
Return on investments	40,000	197,129	77,631
Penalties and interest on taxes	191,000	253,261	236,429
Contributions for capital	-	228,981	395,247
Miscellaneous	2,500	305,845	25,711
Revenue collected for other government agencies	265,700	260,188	259,423
Transmission of revenue collected	(265,700)	(260,188)	(259,423)
	<u>\$ 384,000</u>	<u>\$ 1,140,906</u>	<u>\$ 897,973</u>

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

Year Ended March 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Unconditional transfers from other governments			
Provincial government			
Equalization grant	\$ 1,346,600	\$ 1,346,638	\$ 1,346,638
Farm property acreage	1,040	1,060	1,040
Other provincial			
911 cost recovery	2,500	4,508	4,411
Dairy stewardship program	5,000	11,588	15,524
	<u>\$ 1,355,140</u>	<u>\$ 1,363,794</u>	<u>\$ 1,367,613</u>

Conditional transfers from governments			
Federal government			
Aboriginal Affairs	\$ 390,000	\$ 439,930	\$ 462,044
Federal gas tax program	-	865,466	868,876
Grants for tangible capital assets	-	52,035	-
Student wage grants	4,500	5,088	4,992
Federal Agency - Bird Studies Canada	-	-	7,000
Provincial government			
Safe communities	400,000	400,000	400,000
Criminal intelligence service	102,133	101,776	100,981
Grants for tangible capital assets	-	148,524	-
Active communities	41,500	31,465	33,931
	<u>\$ 938,133</u>	<u>\$ 2,044,284</u>	<u>\$ 1,877,824</u>

Water revenues			
Metered sales	\$ 3,200,000	\$ 3,380,975	\$ 3,220,728
Flat rate sales	17,000	23,692	22,891
Public fire protection	148,716	155,873	149,828
Private fire protection	39,500	38,252	42,698
Sprinkler service	41,000	40,459	42,292
Miscellaneous	22,000	42,193	34,651
Return on investments	-	12,458	14,108
	<u>\$ 3,468,216</u>	<u>\$ 3,693,902</u>	<u>\$ 3,527,196</u>

Town of Truro
Schedules to the Consolidated Statement of Operations
Year Ended March 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor remuneration	\$ 39,235	\$ 39,459	\$ 39,470
Mayor expenses	10,000	3,960	4,605
Council remuneration	137,766	136,032	133,795
Council expenses	79,100	62,890	86,697
	<u>266,101</u>	<u>242,341</u>	<u>264,567</u>
General administration			
Administrative	971,113	1,335,000	1,108,570
Information technology	361,942	339,602	263,090
Financial management	578,624	628,856	559,903
Taxation			
Tax rebates	72,000	78,999	64,441
Other taxation - tax sharing agreement	55,000	64,729	66,024
Transfer for assessment services	156,530	156,529	159,057
Common services	203,987	307,292	177,110
	<u>2,399,196</u>	<u>2,911,007</u>	<u>2,398,195</u>
Debt charges			
General operations interest & charges	3,000	(3,295)	7,200
Interest on long term debt - debenture	81,831	80,603	87,881
Other - debt financing fees	-	39,195	22,592
	<u>84,831</u>	<u>116,503</u>	<u>117,673</u>
Valuation allowance			
Uncollectible taxes	-	99,000	80,000
Other doubtful accounts	20,000	4,448	343,598
	<u>20,000</u>	<u>103,448</u>	<u>423,598</u>
Other general government services			
Grants to organizations	195,839	200,850	263,074
Loss on sale of assets	-	78,662	-
Other	15,000	4,440	9,088
	<u>210,839</u>	<u>283,952</u>	<u>272,162</u>
	<u>2,980,967</u>	<u>3,657,251</u>	<u>3,476,195</u>
Amortization	345,000	345,766	367,693
	<u>\$ 3,325,967</u>	<u>\$ 4,003,017</u>	<u>\$ 3,843,888</u>

Town of Truro
Schedules to the Consolidated Statement of Operations
Year Ended March 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protective services			
Police protection			
Police services operations	\$ 5,134,427	\$ 4,782,356	\$ 5,002,913
Dispatch services	365,757	353,647	301,734
	<u>5,500,184</u>	<u>5,136,003</u>	<u>5,304,647</u>
Fire protection	1,334,124	1,462,060	1,288,015
Emergency measures	75,046	79,701	65,239
Debt charges			
Interest on long term debt - debenture	34,931	39,410	50,097
Other protective services			
Animal control	55,000	56,388	53,333
	<u>6,999,285</u>	<u>6,773,562</u>	<u>6,761,331</u>
Amortization	300,000	314,252	302,255
	<u>\$ 7,299,285</u>	<u>\$ 7,087,814</u>	<u>\$ 7,063,586</u>

Transportation services			
Common services	\$ 900,800	\$ 980,646	\$ 622,636
Road transport			
Streets and sidewalks	980,000	1,429,022	1,640,085
Snow and ice removal	800,000	741,142	1,077,460
Street lighting	372,000	318,557	363,082
Traffic services	155,500	151,423	121,840
Loss or writedown on disposal of tangible capital assets	-	50,505	59,239
Other	34,617	32,417	38,877
	<u>2,342,117</u>	<u>2,723,066</u>	<u>3,300,583</u>
Debt charges			
Interest on long term debt - debenture	83,530	62,552	65,513
	<u>3,326,447</u>	<u>3,766,264</u>	<u>3,988,732</u>
Amortization	2,030,000	2,029,037	2,088,889
	<u>\$ 5,356,447</u>	<u>\$ 5,795,301</u>	<u>\$ 6,077,621</u>

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

Year Ended March 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Environmental health services			
Sewage collection and disposal			
Sewage collection systems	\$ 580,000	\$ 534,488	\$ 541,138
Sewage treatment and disposal	1,077,769	1,000,776	1,081,838
Share of County of Colchester sewage treatment debt charges	323,192	484,822	285,040
	<u>1,980,961</u>	<u>2,020,086</u>	<u>1,908,016</u>
Garbage and waste collection and disposal			
Garbage and waste collection and disposal	473,569	413,631	398,944
Recycling	31,673	58,900	42,944
Composting	45,000	41,298	39,404
Share of County of Colchester garbage and waste collection debt charges	106,371	103,998	111,067
	<u>656,613</u>	<u>617,827</u>	<u>592,359</u>
	<u>2,637,574</u>	<u>2,637,913</u>	<u>2,500,375</u>
Amortization	315,000	316,443	315,030
	<u>\$ 2,952,574</u>	<u>\$ 2,954,356</u>	<u>\$ 2,815,405</u>

Public health services			
Interest on long term debt	\$ -	\$ 127,926	\$ 134,993

Environmental development services			
Planning and development			
Planning administration	\$ 509,213	\$ 406,573	\$ 358,350
Business development	220,467	132,178	65,442
Building inspection	100,556	103,763	104,042
	<u>830,236</u>	<u>642,514</u>	<u>527,834</u>
Community development			
Other	65,500	64,823	10,399
Natural resources (tree) development	165,856	188,936	172,543
Tourism	58,145	70,212	69,217
	<u>1,119,737</u>	<u>966,485</u>	<u>779,993</u>
Amortization	20,000	19,790	21,459
	<u>\$ 1,139,737</u>	<u>\$ 986,275</u>	<u>\$ 801,452</u>

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

Year Ended March 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Recreation facilities			
Administration	\$ 399,300	\$ 415,259	\$ 346,525
Victoria Park pool	102,000	109,359	92,199
Skating rinks and multi-purpose centres			
Stadium	566,600	544,544	602,510
Douglas Street Community Centre	119,200	111,027	120,246
Other facilities	44,500	72,293	49,353
Victoria Park	299,300	281,918	252,160
Sports fields, green spaces and other parks	365,355	308,946	286,765
Other			
Downtown maintenance	200,000	201,442	197,212
Litter control	22,200	18,195	29,883
Recreation programs	77,460	67,993	69,980
Other recreation services	30,500	22,956	29,291
	<u>2,226,415</u>	<u>2,153,932</u>	<u>2,076,124</u>
Cultural buildings and facilities			
Library - local branch	105,000	78,760	86,640
Transfer to regional library	84,000	81,713	81,713
	<u>189,000</u>	<u>160,473</u>	<u>168,353</u>
Debt charges			
Interest on long term debt - debenture	387,783	433,923	347,079
Interest on long term debt - term loan	-	-	16,648
	<u>2,803,198</u>	<u>2,748,328</u>	<u>2,608,204</u>
Amortization	965,000	963,449	961,020
	<u>\$ 3,768,198</u>	<u>\$ 3,711,777</u>	<u>\$ 3,569,224</u>

Water expenses			
Source of supply	\$ 43,669	\$ -	\$ 1,491
Power and pumping	185,185	136,028	53,599
Water treatment	1,244,157	1,126,177	1,103,450
Transmission and distribution	758,354	849,739	886,099
Administrative and general	-	91,586	95,564
Loss or writedown on disposal of tangible capital assets	-	488,418	-
Interest on long term debt	50,900	64,402	69,732
	<u>2,282,265</u>	<u>2,756,350</u>	<u>2,209,935</u>
Amortization	715,000	468,261	442,216
	<u>\$ 2,997,265</u>	<u>\$ 3,224,611</u>	<u>\$ 2,652,151</u>

Town of Truro

Notes to the Consolidated Financial Statements

March 31, 2016

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

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 centre is 50%, 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, Turo Industrial Development Society and the proportionate share of the Central Nova Scotia Civic Centre Society.

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. Actual results could differ from those estimates.

e) Revenue recognition

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.

Town of Truro
Notes to the Consolidated Financial Statements
March 31, 2016

1 Summary of significant accounting policies (continued)

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 excess of expenses over revenues, 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, 2016

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, 2016

1 Summary of significant accounting policies (continued)

l) Cash and cash equivalents

Cash and cash equivalents includes unrestricted cash of \$1,765,762 (2015 - \$1,863,617) and internally designated cash of \$2,677,528 (2015 - \$3,582,666). 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 and are disclosed as a supporting schedule.

n) Budget figures

The budget figures contained in these consolidated financial statements were approved by Council on April 6, 2015 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) Employee benefit plans

The Town provides certain post-employment benefits to employees upon approved retirement. The Town provides benefits for sick leave under the following conditions:

- a) All full-time and union employees receive 1.5 days of sick leave per month;
- b) Sick leave can be used only for paid time off for illness of the employee. Sick leave taken off in time is paid at the employee's normal rate of pay; and
- c) Unused sick days are accumulated in a bank to a maximum of 1,040 hours.

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

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 tax revenue will be recognized in the period in which the revenue has been earned. Deferred revenue relates to the Central Nova Scotia Centre Society. The deferred revenue balance consists of grants, major events, membership and sponsorships.

Town of Truro
Notes to the Consolidated Financial Statements
 March 31, 2016

1 Summary of significant accounting policies (continued)

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, 2016 there are no known contaminated sites identified.

2 Taxes receivable	2016	2015
Balance, beginning of year	\$ 1,499,320	\$ 1,500,925
Current period tax and interest	20,721,084	19,698,964
	<u>22,220,404</u>	<u>21,199,889</u>
Collections	(20,471,250)	(19,620,569)
Balance, end of year	1,749,154	1,579,320
Valuation allowance	(179,000)	(80,000)
Balance, net of valuation allowance end of year	<u>\$ 1,570,154</u>	<u>\$ 1,499,320</u>

3 Short term borrowing

The 2015 balance of \$2,819,132 represented a demand loan at prime interest rate from the Bank of Montreal for the capital acquisition of the Town's portion of the new library. The demand loan was repaid during fiscal 2016 through long term debt issuance.

4 Long term debt

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

	General Operating	General Capital	Water Capital	Total
2017	\$ 205,000	\$ 1,453,662	\$ 102,688	\$ 1,761,350
2018	755,000	1,454,462	102,688	2,312,150
2019	600,000	2,014,629	102,688	2,717,317
2020	605,000	2,485,388	1,029,563	4,119,951
2021	605,000	1,328,950	110,000	2,043,950

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

Town of Truro
Notes to the Consolidated Financial Statements

March 31, 2016

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

6 Post employment benefits

The Town provides sick leave benefits to its employees. Public sector accounting standards require a liability and expense for compensated absences that vest or accumulate and do not vest. The Municipality has not had the liability calculated by an actuary therefore actual results from an actuary could differ materially from the recorded liability.

7 Defined pension obligation

Pension plan for the employees of the Town

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

An actuarial valuation of the plan was completed for December 31, 2013. The note below has been based on the actuarial assumptions and valuation as at December 31, 2013 and has been updated by extrapolation to March 31, 2016. No extrapolation was prepared for December 31, 2015. The next actuarial valuation will be completed for December 31, 2016.

	<u>2016</u>
Plan assets, at market value, April 1	\$ 24,328,164
Return on the plan	1,391,613
Contributions – Employer required	420,988
Contributions – Employee	433,272
Outstanding contributions at end of year	84,842
Benefit payments	(1,106,629)
Loss on assets	<u>(1,382,160)</u>
Plan assets, at market value, March 31	<u>\$ 24,170,090</u>
Accrued benefit obligation, April 1	\$ 33,257,803
Current service cost	1,752,568
Benefit payments	(1,106,629)
Interest on accrued benefit obligation	923,472
(Gain)/loss on obligations	<u>(1,557,842)</u>
Accrued benefit obligation, March 31	<u>\$ 33,269,372</u>

Town of Truro
Notes to the Consolidated Financial Statements
March 31, 2016

7 Defined pension obligation (continued)

Net pension fund liability (asset) is comprised of:

Accrued benefit obligation	\$ 33,269,372
Less: Plan assets	24,170,090
Less: Unamortized (gain) loss	8,694,781
	<u>404,501</u>
Valuation allowance	<u>-</u>
Net pension fund liability	<u>\$ 404,501</u>
Components of Benefit Expense	
Current period cost	\$ 1,752,568
Employee contributions for the year	(433,272)
Benefit Expense	<u>\$ 1,319,296</u>

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

	<u>2016</u>
Discount rate	3.00%
Expected rate of return on plan assets	5.75%
Inflation rate	2.50%
Salary growth rate	2.00%
Mortality	2014 Canadian Pensioners' Mortality Table for public employees (CPM 2014 Public) For members with URD (see below) before 60: 25% retire at URD, 50% retire at age 60 and 25% retire at age 65.
Retirement age	For members with URD on or after 60: 50% retire at URD and 50% at 65
Percent of members with spouse at retirement	80%

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

Police Association of Nova Scotia Pension Plan

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

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

Town of Truro
Notes to the Consolidated Financial Statements

March 31, 2016

8 Contributions to Boards and Commissions

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

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

Contribution to Regional Library Board – 17.83% interest

During the year, the Town paid \$81,713 (2015 – \$81,713) to the Regional Library Board for costs of operations of the Truro branch of the Regional Library.

Contribution to Truro Housing Authority – 12.5% interest

During the year, the Town paid \$87,230 (2015 - \$87,067) to the Truro Housing Authority to fund its share of the prior year's deficit.

9 Commitments

The Town is committed to a total project cost of approximately \$7,500,000 towards the construction of the new library. The Municipality of the County of Colchester has signed an agreement with the Town to cost share 40% of the capital costs up to a maximum of \$2,250,000.

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

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

<u>Project</u>	<u>Town share</u>	<u>Town's share of capital cost</u>	<u>Town's commitment as at March 31, 2016</u>
a) Wastewater Treatment (Phase 3 Trunk Line)	50%	\$ 1,125,000	\$ 112,500
b) Wastewater Treatment (Phase 4C & 4D)	59%	973,500	97,500
c) Wastewater Treatment (Upgrades 2014)	100%	3,232,588	3,070,959
d) Regional Balefill Facility - repaid during the year	26%	1,040,000	-
		<u>\$ 6,371,088</u>	<u>\$ 3,280,959</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:	2017	371,629
	2018	161,629
	2019	161,629
	2020	161,629
	2021 - 2029	2,424,443

Town of Truro
Notes to the Consolidated Financial Statements
 March 31, 2016

10 Financial instruments

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

It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these consolidated financial statements.

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

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

W.R. Mills	Mayor	\$	37,475
D. Joseph	Councillor	\$	21,630
R. Tynes	Councillor / Deputy Mayor	\$	23,660
T. Chisholm	Councillor	\$	21,630
C. Fritz	Councillor / Deputy Mayor	\$	22,310
B. Kinsman	Councillor	\$	21,630
G. MacArthur	Councillor	\$	21,630
M. Dolter	Chief Administrative Officer	\$	144,825

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").

	2016
Approved budgeted surplus (deficit) for the year	
General operations	\$ 205,000
Industrial Development Society	-
Water utility operations	<u>(570,861)</u>
Approved budget deficit	<u>(365,861)</u>
Transfer to reserves	2,588,831
Administration fee - water operating	327,400
Elimination of intercompany debt repayments	45,000
Amortization of tangible capital assets	(3,975,000)
Water administration revenue - general operating	<u>(600,063)</u>
Net PSAB adjustments	<u>(1,613,832)</u>
PSAB adjusted budgeted surplus per consolidated financial statements	<u>\$ (1,979,693)</u>

Town of Truro
Notes to the Consolidated Financial Statements
March 31, 2016

13 Contingencies

As at March 31, 2016, 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, 2016, 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 Comparative figures

Certain of the previous year comparative figures have been reclassified to conform to the current year consolidated financial statement presentation.

Town of Truro
Consolidated Schedule of Tangible Capital Assets
 March 31

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Work in Progress	2016	2015
General capital									
Cost:									
Balance, beginning of year	\$ 9,905,336	\$ 1,470,777	\$ 40,858,930	\$ 59,658,074	\$ 10,602,909	\$ 1,338,351	\$ 4,734,621	\$ 128,569,598	\$ 122,543,790
Acquisition of capital assets	-	284	215,263	1,012,259	79,854	355,790	1,222,992	2,886,422	6,639,567
Work in progress	-	-	36,500	-	-	-	(36,500)	-	-
Disposition of capital assets	(187,892)	-	-	(86,799)	(315,000)	-	-	(589,691)	(613,779)
Balance, end of year	<u>9,717,444</u>	<u>1,471,041</u>	<u>41,110,693</u>	<u>60,584,134</u>	<u>10,387,763</u>	<u>1,694,141</u>	<u>5,921,113</u>	<u>130,866,329</u>	<u>128,569,598</u>
Accumulated amortization:									
Balance, beginning of year	-	232,710	7,609,901	25,721,122	6,035,618	1,086,027	-	40,685,378	37,183,573
Accumulated amortization on disposals	-	-	-	(36,294)	(315,000)	-	-	(351,294)	(554,540)
Annual amortization	-	113,816	1,020,030	2,017,112	651,891	185,888	-	3,988,737	4,056,345
Balance, end of year	-	<u>346,526</u>	<u>8,629,931</u>	<u>27,701,940</u>	<u>6,372,509</u>	<u>1,271,915</u>	-	<u>44,322,821</u>	<u>40,685,378</u>
Net book value of general capital	\$ 9,717,444	\$ 1,124,515	\$ 32,480,762	\$ 32,882,194	\$ 3,995,254	\$ 422,226	\$ 5,921,113	\$ 86,543,508	\$ 87,884,220
Water capital									
Cost:									
Balance, beginning of year	\$ 1,950,523	\$ -	\$ 11,223,643	\$ 6,498,385	\$ 3,851,161	\$ 537,692	\$ 35,422	\$ 26,096,826	\$ 25,697,657
Acquisition of capital assets	-	-	-	425,538	425,924	146,704	-	998,166	458,615
Work in progress	-	-	-	-	35,422	-	(35,422)	-	-
Disposition of capital assets	(120,562)	-	-	(906)	(699,800)	-	-	(821,268)	(59,446)
Balance, end of year	<u>1,829,961</u>	-	<u>11,223,643</u>	<u>6,923,017</u>	<u>3,612,707</u>	<u>684,396</u>	-	<u>26,273,724</u>	<u>26,096,826</u>
Accumulated amortization:									
Balance, beginning of year	-	-	3,286,583	1,911,060	2,352,164	386,119	-	7,935,926	7,550,022
Accumulated amortization on disposals	-	-	-	(906)	(327,445)	-	-	(328,351)	(56,312)
Annual amortization	-	-	164,030	129,186	90,968	84,078	-	466,262	442,216
Balance, end of year	-	-	<u>3,450,613</u>	<u>2,039,340</u>	<u>2,115,687</u>	<u>470,197</u>	-	<u>6,075,837</u>	<u>7,935,926</u>
Net book value of water capital	\$ 1,829,961	\$ -	\$ 7,773,030	\$ 6,883,677	\$ 1,497,020	\$ 214,199	\$ -	\$ 18,197,887	\$ 18,160,900
Total net book value	\$ 11,547,405	\$ 1,124,515	\$ 40,253,792	\$ 39,765,871	\$ 5,492,274	\$ 636,425	\$ 5,921,113	\$ 104,741,395	\$ 106,045,120

Town of Truro
Consolidated Schedule of Long Term Debt

Year ended March 31, 2016

	Maturity Date	MFC Series #	Balance March 31, 2015	Issued	Redeemed	Balance March 31, 2016	Interest Rate
General Operating Fund							
Municipal Finance Corporation							
Hospital 2007	2017	27-A-1	\$ 715,000	\$ -	\$ 55,000	\$ 660,000	4.650% - 5.010%
Hospital 2008	2018	28-A-1	630,000	-	45,000	585,000	3.100% - 5.095%
Hospital 2009	2019	29-B-1	750,000	-	50,000	700,000	0.900% - 4.329%
Hospital 2010	2020	30-A-1	880,000	-	55,000	825,000	1.550% - 3.870%
			<u>2,975,000</u>	-	<u>205,000</u>	<u>2,770,000</u>	
General Capital Fund							
Municipal Finance Corporation							
Municipal building 2003	2018	23-A-1	1,287,000	-	143,000	1,144,000	2.750% - 5.375%
Municipal building/firehall 2005	2020	25-A-1	783,750	-	171,250	612,500	2.970% - 4.880%
Ingis Place 2007	2017	27-A-1	150,000	-	50,000	100,000	4.650% - 5.010%
Police Station 2007	2017	27-A-1	300,000	-	100,000	200,000	4.650% - 5.010%
PW Facility 2009	2019	29-A-1	1,245,938	-	83,063	1,162,875	1.000% - 4.889%
Stadium/RECC 2009	2019	29-B-1	750,000	-	50,000	700,000	0.900% - 4.329%
RECC 2011	2021	31-A-1	1,132,200	-	66,600	1,065,600	1.219% - 3.645%
RECC 2012	2022	32-A-1	3,150,000	-	175,000	2,975,000	1.636% - 3.480%
RECC 2012	2022	32-B-1	1,980,000	-	110,000	1,870,000	1.510% - 3.160%
RECC 2013	2028	33-A-1	950,000	-	50,000	900,000	1.330% - 3.489%
RECC 2013	2028	33-A-1	641,900	-	38,700	603,200	1.330% - 3.489%
RECC 2013	2023	33-B-1	1,520,000	-	80,000	1,440,000	1.285% - 3.614%
Fire Truck 2014	2024	34-A-1	500,000	-	50,000	450,000	1.245% - 3.347%
RECC 2014	2029	34-B-1	2,535,000	-	126,750	2,408,250	1.200% - 3.559%
Library 2015	2030	35-A-1	-	5,200,000	-	5,200,000	1.040% - 3.449%
Scotiabank							
Vehicle loan 2014	2018		28,666	-	8,600	20,066	0.000%
			<u>16,954,454</u>	<u>5,200,000</u>	<u>1,302,963</u>	<u>20,851,491</u>	
Water Capital Fund							
Municipal Finance Corporation							
PW Facility 2009	2019	29-A-1	415,312	-	27,688	387,624	1.000% - 4.889%
Water Utility Dam 2009	2019	29-B-1	975,000	-	65,000	910,000	0.900% - 4.329%
Water Utility Dam 2010	2020	30-A-1	160,000	-	10,000	150,000	1.550% - 3.870%
			<u>1,550,312</u>	-	<u>102,688</u>	<u>1,447,624</u>	
			<u>\$ 21,479,766</u>	<u>\$ 5,200,000</u>	<u>\$ 1,610,651</u>	<u>\$ 25,069,115</u>	

Town of Truro
Consolidated Schedule of Segment Disclosure
Year ended March 31, 2016

	General Government		Protective Services		Transportation Services		Environmental Health Services		Public Health Services		Environmental Development Services		Recreation and Cultural Services		Rath Eastlink Community Centre		Water Utility		Consolidated
Expenditures																			
Salaries, wages and benefits	1,409,915	5,625,463	2,436,932	428,380	-	676,224	1,405,720	820,285	1,212,550	14,015,469									
Operating materials and supplies	350,627	455,069	252,570	106,108	-	217,011	639,208	929,255	1,302,936	4,252,784									
Contracted services	1,318,248	633,620	963,705	1,514,604	-	23,250	266,665	-	176,462	4,898,554									
Rents and financial expenses	298,612	39,410	113,057	588,821	127,926	-	433,923	-	64,402	1,666,151									
Community grants and exemptions	279,849	20,000	-	-	-	50,000	812	-	-	350,661									
Amortization	345,766	314,252	2,029,037	316,443	-	19,790	963,449	-	468,261	4,456,998									
	\$ 4,003,017	\$ 7,087,814	\$ 5,795,301	\$ 2,954,356	\$ 127,926	\$ 986,275	\$ 3,711,777	\$ 1,749,540	\$ 3,224,611	\$ 29,640,617									

Town of Truro
Consolidated Schedule of Segment Disclosure
Year ended March 31, 2015

	General Government		Protective Services		Transportation Services		Environmental Health Services		Public Health Services		Environmental Development Services		Recreation and Cultural Services		Rath Eastlink Community Centre		Water Utility		Consolidated
Expenditures																			
Salaries, wages and benefits	1,394,944	5,609,141	2,543,293	467,673	-	607,511	1,316,096	695,983	1,084,260	13,718,901									
Operating materials and supplies	273,419	460,802	226,100	73,467	-	155,457	609,775	656,249	861,040	3,316,309									
Contracted services	939,046	619,205	1,094,587	1,563,129	-	17,025	311,475	-	194,903	4,739,370									
Rents and financial expenses	541,271	50,097	124,752	396,106	134,993	-	363,727	-	69,732	1,680,678									
Community grants and exemptions	327,515	22,086	-	-	-	-	7,131	-	-	356,732									
Amortization	367,693	302,255	2,088,689	315,030	-	21,459	961,020	-	442,216	4,498,562									
	\$ 3,843,888	\$ 7,053,586	\$ 6,077,621	\$ 2,815,405	\$ 134,993	\$ 801,452	\$ 3,565,224	\$ 1,352,232	\$ 2,652,151	\$ 28,310,552									

SUPPLEMENTARY SCHEDULES

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

March 31

2016

2015

ASSETS

Receivables

Water rates (net of allowance - \$50,000; 2015 - \$50,000)	\$ 1,352,381	\$ 1,088,551
Other receivables	143,678	56,966
	<u>1,496,059</u>	<u>1,145,517</u>

Due from own funds, reserves, agencies

General operating fund	-	201,462
Water capital fund	178,296	-
	<u>178,296</u>	<u>201,462</u>

Inventory not held for resale

	56,443	191,174
	<u>\$ 1,730,798</u>	<u>\$ 1,538,153</u>

LIABILITIES

Bank indebtedness	\$ 323,721	\$ 323,721
Payables and accruals	88,502	89,337
Due to own funds, reserves, agencies		
General operating fund	203,931	-
Water capital fund	-	33,048
	<u>616,154</u>	<u>446,106</u>

SURPLUS

	1,114,644	1,092,047
	<u>\$ 1,730,798</u>	<u>\$ 1,538,153</u>

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

Year ended March 31

	2016		2015
	Budget	Actual	Actual
Operating revenue			
Metered sales	\$ 3,200,000	\$ 3,380,975	\$ 3,220,728
Flat rate sales	17,000	23,693	22,891
Public fire protection	857,304	857,304	824,055
Private fire protection	39,500	38,252	42,698
Sprinkler service	41,000	40,459	42,292
Miscellaneous	22,000	42,193	34,651
	<u>4,176,804</u>	<u>4,382,876</u>	<u>4,187,315</u>
Operating expenditures			
Source of supply	43,669	-	1,491
Power and pumping	185,185	136,028	53,599
Water treatment	1,244,157	1,126,177	1,103,450
Transmission and distribution	758,354	849,739	886,099
Administration and general	327,400	579,565	562,428
Depreciation	715,000	468,261	442,216
Taxes	720,000	714,855	714,040
	<u>3,993,765</u>	<u>3,874,625</u>	<u>3,763,323</u>
Operating income	<u>183,039</u>	<u>508,251</u>	<u>423,992</u>
Non-operating expenditures			
Debt charges			
Principal	103,000	102,688	102,688
Interest	50,900	64,402	69,732
Capital expenditures out of operations	600,000	318,564	240,000
	<u>753,900</u>	<u>485,654</u>	<u>412,420</u>
(Deficiency) excess of revenue over expenditures	<u>\$ (570,861)</u>	<u>22,597</u>	<u>11,572</u>
Surplus, beginning of year		<u>1,092,047</u>	<u>1,080,475</u>
Surplus, end of year		<u>\$ 1,114,644</u>	<u>\$ 1,092,047</u>

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

March 31	2016	2015
Assets		
Cash	\$ 1,258,135	\$ 1,245,678
Receivable	143,525	-
Due from own funds, reserves, agencies		
Water operating fund	-	33,048
	<u>1,401,660</u>	<u>1,278,726</u>
Utility plant and equipment (Page 31)	<u>26,273,725</u>	<u>26,096,825</u>
	<u><u>\$ 27,675,385</u></u>	<u><u>\$ 27,375,551</u></u>
Liabilities		
Due to own funds, reserves, agencies		
Water operating fund	\$ 178,296	\$ -
Accumulated allowance for depreciation	8,075,837	7,935,927
Long Term Debt	<u>1,447,624</u>	<u>1,550,312</u>
	9,701,757	9,486,239
Investment in capital assets (Page 31)	<u>17,973,628</u>	<u>17,889,312</u>
	<u><u>\$ 27,675,385</u></u>	<u><u>\$ 27,375,551</u></u>

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

March 31	2016	2015
Tangible plant and equipment		
Land - Source of supply	\$ 1,829,961	\$ 1,950,523
Structures and improvements	11,223,644	11,223,644
Pumping equipment	999,050	1,033,988
Purification equipment	1,249,997	1,028,040
Distribution mains	7,196,374	6,771,742
Distribution equipment	299,956	299,956
Services	1,726,643	1,726,643
Meters	328,517	798,482
Hydrants	665,752	665,752
Office furniture and equipment	69,434	60,364
Transportation equipment	684,397	537,691
	<u>\$ 26,273,725</u>	<u>\$ 26,096,825</u>

Water Utility Capital Fund
Statement of Investment in Capital Assets

Year ended March 31	2016	2015
Balance, beginning of year	\$ 17,889,312	\$ 17,536,520
Capital contributions	143,524	-
Interest earned on depreciation funds	12,458	13,240
Term debt retired	102,688	102,688
Capital expenditures out of revenue	318,564	240,000
Loss on disposal of capital assets	(492,918)	(3,136)
	<u>84,316</u>	<u>352,792</u>
Balance, end of year	<u>\$ 17,973,628</u>	<u>\$ 17,889,312</u>

**Town of Truro
Supplementary Schedule
Trust Funds
Statement of Financial Position**

March 31				2016	2015
	James Little Bursary Trust	Lillie Nelson Trust	Robert Mingo Trust	Total	Total
Assets					
Financial assets					
Cash	\$ 16,805	\$ 3,646	\$ 115,705	\$ 136,156	\$ 135,282
Investments, at cost (market value \$247,249)	-	237,479	-	237,479	235,959
	<u>\$ 16,805</u>	<u>\$ 241,125</u>	<u>\$ 115,705</u>	<u>\$ 373,635</u>	<u>\$ 371,241</u>
Liabilities and trust balance					
Due to own funds, reserves, agencies					
General operating fund	\$ 100	\$ -	\$ -	\$ 100	\$ -
Trust balance	<u>16,705</u>	<u>241,125</u>	<u>115,705</u>	<u>373,535</u>	<u>371,241</u>
	<u>\$ 16,805</u>	<u>\$ 241,125</u>	<u>\$ 115,705</u>	<u>\$ 373,635</u>	<u>\$ 371,241</u>

**Town of Truro
Supplementary Schedule
Trust Funds
Statement of Financial Activities**

Year ended March 31				2016	2015
Revenue					
Interest and dividends	\$ 166	\$ 21,619	\$ 1,146	\$ 22,931	\$ 23,950
Gain on sale of investments	-	2,520	-	2,520	6,431
	<u>166</u>	<u>24,139</u>	<u>1,146</u>	<u>25,451</u>	<u>30,381</u>
Expenditures					
Transfer to Town of Truro	100	20,000	-	20,100	20,000
Administrative costs	-	3,057	-	3,057	3,016
	<u>100</u>	<u>23,057</u>	<u>-</u>	<u>23,157</u>	<u>23,016</u>
Change in trust balances	66	1,082	1,146	2,294	7,365
Trust balances, beginning of year	<u>16,639</u>	<u>240,043</u>	<u>114,559</u>	<u>371,241</u>	<u>363,876</u>
Trust balances, end of year	<u>\$ 16,705</u>	<u>\$ 241,125</u>	<u>\$ 115,705</u>	<u>\$ 373,535</u>	<u>\$ 371,241</u>