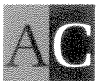


**TOWN OF NEW GLASGOW**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2015**



MacDonald &  
Murphy Inc.

## Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Financial Activities	3
Consolidated Statement of Change in Net Financial Liabilities	4
Consolidated Statement of Cash Flow	5
Schedule of General Operating Fund	6
Schedules of Water Operating Fund	7,8
Schedule of Stadium Operating Fund	9
Schedule of General Capital Fund	10
Schedules of Water Capital Fund	11-12
Schedule of Stadium Capital Fund	13
Schedule of Reserve Funds	14
Consolidated Statement of Property and Equipment	15,16
Consolidated Municipal Position	17
Notes to the Consolidated Financial Statements	18-29
Schedules to Consolidated Statement of Financial Activities	30-36
Schedule of Capital Projects Funding	37
Statement of Trust Funds	38



## Independent Auditors' Report

To the Mayor and Council of the  
Town of New Glasgow  
New Glasgow, Nova Scotia

We have audited the accompanying financial statements of Town of New Glasgow, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statement of financial activities and statement of changes in net financial liabilities and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for local governments, as recommended by the Public Sector Accounting Board, and for such internal control as management determines is necessary to enable the preparation of 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 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 financial statements are free from material misstatement.

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

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Town of New Glasgow as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for local governments, as recommended by the Public Sector Accounting Board.

New Glasgow, Nova Scotia  
September 21, 2015

MacDonald & Murphy Inc.  
Chartered Accountants

# Town of New Glasgow

## Consolidated Statement of Financial Position

March 31

2015

2014

(in thousands)

### FINANCIAL ASSETS

Cash	\$	2,537.2	\$	2,351.5
Receivables				
Taxes (Note 3)		1,400.3		1,211.4
Due from Federal Government and its agencies		217.6		179.7
Due from Provincial Government and its agencies		202.0		220.3
Due from Town of Westville		42.5		28.6
Due from Town of Trenton		172.9		125.5
Due from Town of Pictou		20.4		17.1
Due from Town of Stellarton		16.4		3.5
Due from Municipality of Pictou County		81.7		37.6
Trade accounts		162.0		164.4
Water rates		445.9		247.3
		<u>5,298.9</u>		<u>4,586.9</u>

### FINANCIAL LIABILITIES

Bank indebtedness (Note 6)	2,122.9	912.9
Trade payables	2,882.7	2,788.8
Prepaid taxes	142.9	126.7
Long term debt (Note 7)	9,033.4	9,537.0
Capital lease obligations (Note 8)	264.2	425.0
Term loan obligations (Note 9)	898.4	758.9
	<u>15,344.5</u>	<u>14,549.3</u>

### NET FINANCIAL LIABILITIES

(10,045.6) (9,962.4)

### NON-FINANCIAL ASSETS

Capital assets - net of accumulated amortization (Page 15)	57,956.0	56,438.6
Inventories	367.7	387.3
Unamortized debt discount	9.3	11.1
Prepaid expenses	47.9	64.5


### NET NON-FINANCIAL ASSETS

58,380.9 56,901.5  
\$ 48,335.3 \$ 46,939.1

### ACCUMULATED SURPLUS

Fund balances (Page 17)	\$ 1,953.1	\$ 1,884.6
Investment in capital assets (Page 17)	46,382.2	45,054.5
	<u>\$ 48,335.3</u>	<u>\$ 46,939.1</u>

On Behalf of the Council

 Mayor

 Clerk



MacDonald &  
Murphy Inc.

# Town of New Glasgow

## Consolidated Statement of Financial Activities

Year Ended March 31

2015

2014

(in thousands)

	Page	Budget	Actual	Actual
<b>Revenue</b>				
Taxes	30	\$ 15,225.5	\$ 15,221.6	\$ 14,924.2
Less: School board requisition		(1,648.5)	(1,648.5)	(1,607.5)
		13,577.0	13,573.1	13,316.7
Grants in lieu of taxes	30	77.1	75.5	75.7
Sale of services	30	801.6	822.0	800.8
Other revenue from own sources	31	619.2	767.0	619.2
Transfers from government	31	1,558.9	1,558.8	1,541.9
Stadium revenues	31		8.0	8.6
Water revenues	31	2,566.6	2,500.8	2,259.8
Grants for capital	32	1,756.0	1,786.6	995.7
Other revenue	32	20.0	23.4	36.5
Other proceeds	32		125.3	22.4
<b>Total revenue</b>		20,976.4	21,240.5	19,677.3
<b>Expenditures</b>				
General government services	33	1,603.1	1,961.7	1,763.8
Protective services	33	5,934.7	6,136.6	6,071.8
Transportation services	34	3,196.5	4,488.9	3,759.8
Environmental health services	34	1,675.9	1,808.7	1,613.8
Public health services	34	5.0	5.0	5.0
Marketing and communications	35	301.2	289.7	310.7
Community development	35	759.4	942.5	935.4
Stadium expenses	35		99.2	282.6
Water treatment and distribution	36	2,625.5	2,712.1	2,831.0
Other transfers and grants	36	961.8	1,005.3	1,040.4
Interest and bank charges	36	308.2	393.8	523.2
Reserve for taxes and other receivables	36	5.0		145.0
Financing of pension deficit per valuation		9.3	0.8	9.3
<b>Total expenditures</b>		17,385.6	19,844.3	19,291.8
<b>Net surplus</b>		\$ 3,590.8	1,396.2	385.5
<b>Accumulated surplus, beginning of year</b>			46,939.1	46,553.6
<b>Accumulated surplus, end of year</b>			\$ 48,335.3	\$ 46,939.1

# Town of New Glasgow

## Consolidated Statement of Change in Net Financial Liabilities

Year Ended March 31

2015

2014

(in thousands)

	Actual	Actual
<b>Net surplus</b>	<b>\$ 1,396.2</b>	<b>\$ 385.5</b>
<b>Changes in tangible capital assets</b>		
Acquisition of capital assets	(4,068.3)	(3,029.5)
Amortization of capital assets	2,518.9	2,373.9
Cost of assets sold, net of accumulated amortization	32.0	22.7
Increase in net book value of tangible capital assets	(1,517.4)	(632.9)
<b>Changes in other non-financial assets</b>		
Acquisition of inventories	(367.7)	(387.3)
Acquisition of prepaid expense	(47.9)	(64.5)
Amortization of debt discount	1.8	2.3
Consumption of inventories	387.3	337.3
Use of prepaid expense	64.5	63.5
	38.0	(48.7)
<b>Change in net financial liabilities</b>	<b>(83.2)</b>	<b>(296.1)</b>
<b>Net financial liabilities, beginning of year</b>	<b>(9,962.4)</b>	<b>(9,666.3)</b>
<b>Net financial liabilities, end of year</b>	<b>\$ (10,045.6)</b>	<b>\$ (9,962.4)</b>

# Town of New Glasgow

## Consolidated Statement of Cash Flow

Year Ended March 31

2015

2014

(in thousands)

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

#### Operating activities

Net surplus	\$ 1,396.2	\$ 385.5
Change in taxes receivable	(188.9)	(133.1)
Change in water rates receivable	(198.6)	247.9
Change in accounts receivable	(138.8)	177.1
Change in other assets	38.0	(48.7)
Change in accounts payable and accrued liabilities	110.1	386.8
	<u>1,018.0</u>	<u>1,015.5</u>

#### Capital activities

Increase in net book value of capital assets	<u>(1,517.4)</u>	<u>(632.9)</u>
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#### Financing activities

Long term debt issued	1,011.2	1,016.8
Debt principal repayment	(1,140.5)	(1,271.1)
Term loan repayment	(234.8)	
Capital lease obligation repayment	<u>(160.8)</u>	<u>(289.9)</u>
	<u>(524.9)</u>	<u>(544.2)</u>

<b>Net change in cash and cash equivalents</b>	<b>(1,024.3)</b>	<b>(161.6)</b>
--	------------------	----------------

#### Cash and cash equivalents

Beginning of year	<u>1,438.6</u>	<u>1,600.2</u>
End of year	<u>\$ 414.3</u>	<u>\$ 1,438.6</u>

#### Comprised of

Cash	\$ 2,537.2	\$ 2,351.5
Bank indebtedness	<u>(2,122.9)</u>	<u>(912.9)</u>
	<u>\$ 414.3</u>	<u>\$ 1,438.6</u>



# Town of New Glasgow

## Schedule of General Operating Fund

Year Ended March 31

2015

2014

(in thousands)

	Page	Budget	Actual	Actual
<b>Revenue</b>				
Taxes	30	\$ 15,225.5	\$ 15,221.6	\$ 14,924.2
Less: School board requisition		(1,648.5)	(1,648.5)	(1,607.5)
		13,577.0	13,573.1	13,316.7
Grants in lieu of taxes	30	77.1	75.5	75.7
Sale of services	30	801.6	822.0	800.8
Other revenue from own sources	31	619.2	767.0	619.2
Transfers from governments	31	1,558.9	1,558.8	1,541.9
Other revenue	32	20.0	15.7	26.7
<b>Total revenue</b>		16,633.8	16,812.1	16,381.0
<b>Expenditures</b>				
General government services	33	1,603.1	1,644.0	1,514.4
Protective services	33	5,934.7	5,906.3	5,847.2
Transportation services	34	3,196.5	3,437.3	2,749.9
Environmental health services	34	1,675.9	1,671.6	1,488.5
Public health services	34	5.0	5.0	5.0
Marketing and communications	35	301.2	289.7	310.7
Community development	35	759.4	690.9	690.6
Other transfers and grants	36	961.8	1,005.3	1,040.4
Interest and bank charges	36	230.5	312.5	431.6
Reserve for taxes and other receivables	36	5.0		145.0
<b>Net expenditures</b>		14,673.1	14,962.6	14,223.3
Financing of pension deficit per valuation		9.3	0.8	9.3
<b>Total expenditures</b>		14,682.4	14,963.4	14,232.6
<b>Net revenues</b>		1,951.4	1,848.7	2,148.4
<b>Financing and transfers</b>				
Repayment of capital lease obligation		(190.0)	(140.8)	(252.6)
Debt principal repayment		(925.0)	(804.6)	(886.6)
Term loan repayment		(182.2)	(167.9)	
Transfers to operating fund reserve		(173.0)	(262.2)	(210.0)
Transfers from (to) general capital fund				
Capital out of revenue			(116.9)	(16.0)
Transfers from (to) water operating fund				
Fire protection charge		(617.2)	(617.2)	(617.2)
Tax levy		136.0	131.8	132.3
Transfers to stadium operating fund				(246.1)
<b>Net financing and transfers</b>		(1,951.4)	(1,977.8)	(2,096.3)
<b>Change in general operating fund</b>		\$	(129.1)	52.1
<b>General operating fund, beginning of year</b>			262.5	210.4
<b>General operating fund, end of year</b>			\$ 133.4	\$ 262.5



**Town of New Glasgow**  
**Schedule of Water Operating Fund**  
**Statement of Changes in Fund Balance**

Year Ended March 31

2015

2014

(in thousands)

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>				
Water revenue		\$ 2,534.3	\$ 2,449.4	\$ 2,209.4
Other revenue		32.3	51.4	50.4
<b>Total revenue</b>	31	<u>2,566.6</u>	<u>2,500.8</u>	<u>2,259.8</u>
<b>Expenditures</b>				
Transmission and distribution	36	2,625.5	2,249.1	2,382.0
Interest and bank charges	36	77.7	76.4	85.0
<b>Total expenditures</b>		<u>2,703.2</u>	<u>2,325.5</u>	<u>2,467.0</u>
<b>Net revenues (expenditures)</b>		<u>(136.6)</u>	<u>175.3</u>	<u>(207.2)</u>
<b>Financing and transfers</b>				
Repayment of capital lease obligation		(15.0)	(16.4)	(23.4)
Debt principal repayment		(313.4)	(313.4)	(362.0)
Repayment of term loans		(55.0)	(66.9)	
Transfers from (to) general operating fund				
Fire protection charge		617.2	617.2	617.2
Tax levy		(136.0)	(131.8)	(132.3)
Transfers to water capital fund				
Land reserve		(35.0)	(35.0)	(35.0)
Capital out of revenue		(90.0)	(12.9)	(45.6)
Depreciation charge		(463.0)	(463.0)	(449.0)
<b>Net financing and transfers</b>		<u>(490.2)</u>	<u>(422.2)</u>	<u>(430.1)</u>
<b>Change in water operating fund</b>		<u>\$ (626.8)</u>	<u>(246.9)</u>	<u>(637.3)</u>
<b>Water operating fund, beginning of year</b>			<u>(464.3)</u>	<u>173.0</u>
<b>Water operating fund, end of year</b>			<u>\$ (711.2)</u>	<u>\$ (464.3)</u>

# **Town of New Glasgow** **Schedule of Water Operating Fund** **Statement of Financial Position**

Year Ended March 31

**2015**

**2014**

(in thousands)

## **Assets**

Receivables		
Rates (less allowance for doubtful accounts)	\$ 448.9	\$ 247.3
Due from own funds and agencies		
General operating fund		254.4
Water capital fund	1.9	1.9
Prepays	0.5	1.0
Inventories, at cost	7.5	22.4
	<u>\$ 458.8</u>	<u>\$ 527.0</u>

## **Liabilities**

Bank indebtedness	\$ 1,060.1	\$ 878.6
Payables and accruals	109.9	112.7
<b>Total financial liabilities</b>	<u>1,170.0</u>	<u>991.3</u>

## **Equity**

Deficit	(711.2)	(464.3)
	<u>\$ 458.8</u>	<u>\$ 527.0</u>

# Town of New Glasgow

## Schedule of Stadium Operating Fund

Year Ended March 31

2015

2014

(in thousands)

	Page	Budget	Actual	Actual
<b>Stadium revenue</b>	31	\$	\$ 8.0	\$ 8.6
<b>Expenditures</b>				
Stadium expenses	35		31.6	211.7
Interest and bank charges	36		4.9	6.6
<b>Total expenditures</b>			36.5	218.3
<b>Net expenditures</b>			(28.5)	(209.7)
<b>Financing and transfers</b>				
Debt principal repayment		(22.5)	(22.5)	(22.5)
Repayment of capital lease obligation		(3.6)	(3.6)	(13.9)
Transfers from Stadium Reserve		26.1	54.6	
Transfers from general operating fund				246.1
<b>Net financing and transfers</b>			28.5	209.7
<b>Change in stadium operating fund</b>		\$	\$	\$
<b>Stadium operating fund, beginning of year</b>				
<b>Stadium operating fund, end of year</b>			\$	\$

# Town of New Glasgow

## Schedule of General Capital Fund

Year Ended March 31

2015

2014

(in thousands)

	Budget	Actual	Actual
<b>Revenue</b>			
Grants	\$ 1,033.0	\$ 1,063.1	\$ 102.6
<b>Expenditures</b>			
General government	1,169.7	1,194.7	216.3
Protective services	100.3	134.7	117.8
Transportation services	2,053.5	1,073.0	1,619.4
Environmental health services	1,040.0	1,069.3	196.0
Recreation services	179.4	150.2	378.4
<b>Total expenditures (Page 37)</b>	<b>4,542.9</b>	<b>3,621.9</b>	<b>2,527.9</b>
<b>Net expenditures</b>	<b>(3,509.9)</b>	<b>(2,558.8)</b>	<b>(2,425.3)</b>
<b>Financing and transfers</b>			
Short term financing	2,371.1	1,355.4	673.7
Conditional sales contracts		128.0	159.8
Capital lease financing			217.8
Transfers from general operating fund			
Capital out of revenue		116.9	16.0
Transfers from (to) reserve funds			
Equipment reserve	97.8	100.1	
Special reserve	200.0	28.0	43.6
Gas tax reserve	800.0	790.9	1,314.4
Parkland reserve	41.0	39.5	
<b>Net financing and transfers</b>	<b>3,509.9</b>	<b>2,558.8</b>	<b>2,425.3</b>
<b>Change in general capital fund</b>	<b>\$</b>		
<b>General capital fund, beginning of year</b>		<b>0.2</b>	<b>0.2</b>
<b>General capital fund, end of year</b>		<b>\$ 0.2</b>	<b>\$ 0.2</b>
<b>Cash - unrestricted</b>		<b>\$ 0.2</b>	<b>\$ 0.2</b>

# Town of New Glasgow

## Schedule of Water Capital Fund

### Statement of Changes in Fund Balance

Year Ended March 31

2015

2014

(in thousands)

	Budget	Actual	Actual
<b>Revenue</b>			
Government grants	\$	\$	\$ 128.8
Interest income		4.5	4.5
<b>Total revenue</b>		4.5	133.3
<b>Expenditures (Page 37)</b>			
Water treatment and distribution	550.0	446.4	501.6
<b>Net expenditures</b>	(550.0)	(441.9)	(368.3)
<b>Financing and transfers</b>			
Conditional sales contracts	210.0	242.4	
Transfers from water operating fund			
Capital out of revenue	90.0	12.9	45.6
Depreciation charge	463.0	463.0	449.0
Land reserve	35.0	35.0	35.0
<b>Net financing and transfers</b>	798.0	753.3	529.6
<b>Change in water capital fund</b>	\$ 248.0	311.4	161.3
<b>Water capital fund, beginning of year</b>		940.9	779.6
<b>Water capital fund, end of year</b>		\$ 1,252.3	\$ 940.9
<b>Allocation of fund balance</b>			
Land reserve		\$ 504.6	\$ 465.1
Depreciation cash		747.7	475.8
		\$ 1,252.3	\$ 940.9

# **Town of New Glasgow** **Schedule of Water Capital Fund** **Statement of Financial Position**

Year Ended March 31

2015

2014

(in thousands)

## **Assets**

### Cash

Water land reserve fund

\$ 504.7

\$ 465.2

Depreciation fund

747.7

475.8

Unamortized debenture discount

9.3

11.1

Utility plant and equipment (Page 16)

26,419.2

25,972.9

\$ 27,680.9

\$ 26,925.0

## **Liabilities**

Due to own funds and agencies

Water operating fund

\$ 15.5

\$ 1.9

General operating fund

10.7

Accumulated allowance for depreciation (Page 16)

8,019.0

7,556.0

Long term debt

1,538.1

1,851.6

Capital lease obligations

339.8

160.7

Term debt obligations

9,923.1

16.4  
9,586.6

## **Municipal position**

Investment in capital assets

17,253.1

16,873.2

Water land reserve

504.7

465.2

17,757.8

17,338.4

\$ 27,680.9

\$ 26,925.0

# **Town of New Glasgow** **Schedule of Water Capital Fund** **Statement of Investment in Capital Assets**

Year Ended March 31

2015

2014

(in thousands)

Balance, beginning of year

\$ 16,873.2

\$ 16,436.1

Amortization of capital assets

(463.0)

(449.0)

Long term debt repayments

313.4

362.0

Capital lease repayments

16.4

23.4

Term debt repayments

66.9

Capital additions out of revenue

12.9

45.6

Capital grants

128.0

Capital funding from

Water land reserve

242.2

28.9

Depreciation funds

191.1

298.2

379.9

437.1

Balance, end of year

\$ 17,253.1

\$ 16,873.2

# Town of New Glasgow

## Schedule of Stadium Capital Fund

Year Ended March 31

2014

2013

(in thousands)

	Budget	Actual	Actual
<b>Expenditures</b>			
Stadium capital	\$	\$	\$
<b>Net expenditures</b>			
<b>Financing and transfers</b>			
<b>Change in stadium capital fund</b>	\$		
<b>Stadium capital fund, beginning of year</b>			
<b>Stadium capital fund, end of year</b>		\$	\$

# Town of New Glasgow

## Schedule of Reserve Funds

Year Ended March 31

2015

2014

(in thousands)

	Budget	Actual	Actual
<b>Revenue</b>			
Investment income	\$	\$ 3.2	\$ 5.3
Parkland transfers		1.3	
Canada/NS Gas tax agreement	723.0	723.5	764.3
Proceeds from sale of assets		156.0	45.1
<b>Total revenue</b>	<u>723.0</u>	<u>884.0</u>	<u>814.7</u>
<b>Financing and transfers</b>			
Transfers from general operating fund	173.0	262.2	210.0
Transfers to general capital fund			
Equipment reserve	(97.8)	(100.1)	
Special reserve	(200.0)	(28.0)	(43.6)
Rink Reserve	(26.1)	(54.6)	
Gas tax reserve	(800.0)	(790.9)	(1,314.4)
Parkland reserve	(41.0)	(39.5)	
<b>Net financing and transfers</b>	<u>(991.9)</u>	<u>(750.9)</u>	<u>(1,148.0)</u>
<b>Change in reserve funds balance</b>	<u>\$ (268.9)</u>	<u>133.1</u>	<u>(333.3)</u>
<b>Reserve funds balance</b>			
Beginning of year		<u>1,145.3</u>	<u>1,478.6</u>
End of year		<u>\$ 1,278.4</u>	<u>\$ 1,145.3</u>
<b>Reserves</b>			
Equipment		\$ 148.3	\$ 159.7
Special		246.7	269.9
Power Board		0.7	0.7
Canada/NS Gas Tax		26.9	91.8
Water capital reserve		74.1	72.5
Central treatment plant		36.7	36.7
Stadium sign rental		100.3	94.1
Parkland transfers		31.0	68.5
General operating		613.7	351.4
		<u>\$ 1,278.4</u>	<u>\$ 1,145.3</u>



# Town of New Glasgow

## Consolidated Statement of Property and Equipment

March 31

2015

2014

(in thousands)

	Cost	Less Accumulated Amortization	Net Book Value	Net Book Value
<b>General capital</b>				
General Government Services				
Land	\$ 1,849.7	\$	\$ 1,849.7	\$ 762.0
Buildings	2,546.0	719.8	1,826.2	1,857.8
Infrastructure Development	741.6	261.9	479.7	532.0
Equipment	1,191.3	854.7	336.6	432.8
Equity in New Scotland Business Park	15.7		15.7	
Protective services				
Land	51.5		51.5	51.5
Buildings	2,442.6	1,223.9	1,218.7	1,245.5
Land improvements	24.2	4.7	19.5	20.5
Equipment	2,601.1	1,782.1	819.0	886.9
Transportation services				
Buildings	666.6	369.3	297.3	313.3
Equipment	3,367.6	2,170.4	1,197.2	1,324.8
Road transport				
Street	15,950.8	9,690.0	6,260.8	6,334.4
Sidewalks	4,067.8	2,028.4	2,039.4	1,892.4
Bridges	703.2	387.5	315.7	338.2
Traffic lights	1,154.4	586.7	567.7	480.5
Street lights	862.2	120.1	742.1	776.6
Traffic study	30.4	9.3	21.1	22.6
Parking grounds	305.4		305.4	305.4
Equity in transit equipment	10.0		10.0	
Environmental health				
Sewage collection and disposal	7,488.5	2,273.9	5,214.6	4,282.4
Equity in central disposal system	4,441.6		4,441.6	4,441.6
Equity in garbage and waste collection and disposal	392.7		392.7	392.7
Equity in recycling collection and disposal	417.8		417.8	417.8
Equity in Planning Commission	49.7		49.7	49.7
Recreation and community services				
Land	911.8		911.8	911.8
Buildings	4,397.6	1,751.0	2,646.6	2,767.5
Land improvements	1,986.2	984.1	1,002.1	1,042.4
Equipment	1,004.3	387.9	616.4	550.1
<b>John Brother MacDonald Stadium</b>				
Land	12.5		12.5	12.5
Buildings	2,714.0	1,144.8	1,569.2	1,635.0
Land improvements	6.1	5.3	0.8	0.9
Equipment	273.1	252.6	20.5	54.2
<b>School capital assets</b>				
School buildings	3,865.0		3,865.0	3,865.0
Land	21.2		21.2	21.2
<b>Water utility (Page 16)</b>	26,419.2	8,019.0	18,400.2	18,416.6
	<u>\$ 92,983.4</u>	<u>\$ 35,027.4</u>	<u>\$ 57,956.0</u>	<u>\$ 56,438.6</u>

# Town of New Glasgow

## Consolidated Statement of Property and Equipment

March 31

2015

2014

(in thousands)

### Water Utility

	Cost	Less Accumulated Amortization	Net Book Value	Net Book Value
Intangible asset				
Working capital	\$ 80.0	\$	\$ 80.0	\$ 80.0
Tangible plant				
Land and land rights				
Source of supply	196.8		196.8	196.8
Reservoir	5.5		5.5	5.5
Transmission	7.7		7.7	7.7
Structures and improvements				
Source of supply	230.6	81.9	148.7	152.9
Intakes	449.6	134.4	315.2	320.9
Pumping	325.9	257.7	68.2	75.2
Water treatment plant	6,946.7	1,310.2	5,636.5	5,726.0
Distribution reservoirs and standpipes	875.3	381.9	493.4	508.7
Storage barn	5.5	5.5		
Equipment				
Pumping	57.5	55.0	2.5	3.1
Water treatment plant	190.1	190.1		
Office furniture and equipment	35.1	35.1		
Transportation	1,697.9	1,123.4	574.5	319.6
Tools and work equipment	164.4	111.7	52.7	56.6
G.I.S. system	35.4	35.4		
Other	363.1	275.5	87.6	119.6
Mains				
Transmission	2,496.7	834.3	1,662.4	1,687.7
Distribution	10,017.3	1,846.8	8,170.5	8,277.4
Services	616.4	262.5	353.9	365.8
Meters	1,128.4	953.0	175.4	134.5
Hydrants	104.9	78.5	26.4	28.6
Wind turbine	372.3	30.0	342.3	350.0
Other	16.1	16.1		
	<u>\$ 26,419.2</u>	<u>\$ 8,019.0</u>	<u>\$ 18,400.2</u>	<u>\$ 18,416.6</u>

# Town of New Glasgow

## Consolidated Municipal Position

March 31

2015

2014

(in thousands)

### Operating and reserve fund balances

General operating fund (Page 6)	\$ 133.4	\$ 262.5
Water operating fund (Page 7)	(711.2)	(464.3)
Stadium operating fund (Page 9)		
General capital fund (Page 10)	0.2	0.2
Water capital fund (Page 11)	1,252.3	940.9
Stadium capital fund (Page 13)		
Reserve funds (Page 14)	1,278.4	1,145.3
	<u>\$ 1,953.1</u>	<u>\$ 1,884.6</u>

### Investment in capital assets

Balance, beginning of year	\$ 45,054.5	\$ 43,911.8
Capital funding from		
General operations	116.9	16.0
Water operations	12.9	45.6
Gas tax reserve	790.9	1,314.4
Depreciation funds	191.1	298.2
Special reserve	28.0	43.6
Equipment reserve	100.1	
Parkland reserve	39.5	
Water land reserve		28.9
Rink reserve		
Capital grants	1,063.1	231.4
Repayment of long term debt	1,140.5	1,271.1
Capital lease obligation repayment	160.8	289.9
Repayment of term loans	234.8	
Amortization expense - general capital	(1,988.3)	(1,854.0)
Amortization expense - stadium capital	(67.6)	(70.9)
Amortization expense - water capital	(463.0)	(449.0)
Cost of assets sold, net of accumulated amortization	(32.0)	(22.7)
Balance, end of year	<u>\$ 46,382.2</u>	<u>\$ 45,054.5</u>
<b>Consolidated municipal position</b>	<u><b>\$ 48,335.3</b></u>	<u><b>\$ 46,939.1</b></u>

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

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March 31, 2015

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### 1. Significant accounting policies

The consolidated financial statements of the Town of New Glasgow are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

Significant aspects of the accounting policies adopted by the Town are as follows:

#### (a) Reporting entity

- (i) The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The operating funds, capital funds and reserve funds include the activities of all committees of Council. Interdepartmental and organization transactions and balances are eliminated.
- (ii) The financial activities of certain entities associated with the Town are not consolidated. The Town's contributions to these entities are recorded in the Consolidated Statements of Financial Activities as disclosed in Note 11.
- (iii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school board are not reflected in the municipal fund balances of the financial statements.

#### (b) Basis of accounting

Revenues are recorded on the accrual basis of accounting, whereby revenues are recognized as they are earned and measurable. Certain sources of revenue are recorded on a cash basis. Expenditures are recognized in the period 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 funds, capital funds and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

The operating funds reflects the financial activities associated with the provision of municipal government services for general, water and stadium operations.

The capital funds reflects the financial activities associated with the acquisition, construction and funding of capital assets.

The reserve funds reflects funds authorized by Council to be set aside for the funding of future operations, capital assets or the retirement of long term debt.

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

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March 31, 2015

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### (d) Capital assets

#### General and Other Funds

Capital assets and projects in progress are recorded at cost. Funds received through capital assistance programs, cost-sharing arrangements or loan forgiveness are treated as additions to the Investment in Capital Assets. Interest incurred during construction on significant capital projects is capitalized.

For years beginning on or after January 1, 2009, municipalities are required to adopt Public Sector Accounting Standards Section PS 3150 Tangible Capital Assets. This section requires amortization of tangible capital assets recorded in the General Capital Fund be recorded each year based on rates that represent the assets useful economic life.

The Town of New Glasgow has established a policy of straight line amortization, 1/2 in year of acquisition, at the following rates:

Sewer lines	50 years
Buildings	40 years
Sidewalks	30 years
Land improvements	25 years
Streets	20 years
Bridges	20 years
Traffic and street lights	20 years
Playground structures	20 years
Machinery and heavy equipment	10 years
Vehicles	5 years
Equipment	5 years
Computer equipment	3 years

#### Water capital fund

Capital assets and projects in progress are recorded at the utility's net cost on a non-consolidated basis. Funds received through capital assistance programs or cost-sharing arrangements are treated as a reduction in the cost of the asset acquired for amortization calculation purposes. The capital assistance program funds are added to the investment in capital assets for consolidation purposes.

#### Amortization - water capital fund

Amortization of fixed assets is recorded in the water capital fund calculated on a straight line basis over their estimated lives as prescribed by the Nova Scotia Utility and Review Board.

The depreciation charge in the water operating fund is transferred to a special bank account in the water capital fund which is used to help fund replacement of existing plant and equipment or, subject to approval by the NS Utility and Review Board, to repay principal of capital debt.

### (e) Allocation of municipal costs to water utility funds

Where identifiable, costs incurred by the Town general operating fund on behalf of the water utility are charged to the utility funds. Salary and wage related costs are allocated in proportion to time spent performing functions on behalf of the water utility. Administration and general expenses incurred for the benefit of both the municipal units and water utility are allocated on a percentage basis to each fund.

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

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March 31, 2015

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(f) **Unamortized deferred charges**

The discount on the 2004 Water (Distribution Infrastructure) capital fund debenture is being amortized to the water operating fund on a straight line basis over 10 years. The discount on the 2000 Water (Water Treatment Plant) debenture is being amortized on a straight line basis over 20 years. All other debenture issue discounts have been expensed in the year the debt was incurred.

(g) **Inventory**

Inventory is valued at the lower of cost and net realizable value.

(h) **Government transfers**

Government transfers are recognized in the financial statements as revenues in the period in which the events giving rise to the transfer occur, provided the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

(i) **Investment income**

Investment income earned on operating, capital and reserve funds are reported as revenue in the period earned.

(j) **Valuation allowances**

Uncollected taxes

The Town is required to provide a valuation allowance in accordance with the requirements of the NS Financial Reporting and Accounting Manual, based on an estimate of future losses on taxes, rates and interest outstanding at fiscal year end.

Other receivables

In the water utility, a valuation allowance is provided for estimated losses that will be incurred on rates receivable outstanding.

(k) **Use of estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles for municipal governments required 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 financial statements, and the reported amounts of revenues and expenditures during the reporting period. Where estimation uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

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March 31, 2015

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### (I) Segmented information

The Town of New Glasgow 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 police and fire protection 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. They are also responsible for the street lighting within the Town.

#### Environmental health services

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

#### Marketing and communications

This department is responsible for promoting the Town of New Glasgow, Town events and works with the mayor and all departments to communicate Town activities to the residents.

#### Community development

This department is responsible for promoting and offering recreation opportunities and activities to the Town's residents. This department is also responsible for the maintenance and operations of parks and recreation facilities for the benefit of all residents.

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### 2. Depreciation fund

	2015	2014
	(in thousands)	
Cash, beginning of year	\$ 475.8	\$ 325.0
Add: depreciation	463.0	449.0
Less: funds used for capital projects	(191.1)	(298.2)
Balance, end of year	<u>\$ 747.7</u>	<u>\$ 475.8</u>

## Town of New Glasgow

### Notes to Consolidated Financial Statements

March 31, 2015

#### 3. Taxes and rates receivable

			2015	2014
			(in thousands)	
	Current Year	Prior Years	Total	Total
Balance, beginning of year	\$	\$ 1,207.6	\$ 1,207.6	\$ 1,018.5
Current period tax & rate levy	15,228.1		15,228.1	15,056.4
	15,228.1	1,207.6	16,435.7	16,074.9
Collections & write-offs	(14,655.0)	(661.8)	(15,316.8)	(14,867.3)
Balance, end of year	\$ 573.1	\$ 545.8	1,118.9	1,207.6
Pollution control receivable			308.6	268.9
Interest receivable			128.4	132.4
			1,555.9	1,608.9
Less: Valuation allowance (Note 4)			(155.6)	(397.5)
			\$ 1,400.3	\$ 1,211.4

#### 4. Valuation allowance - uncollected taxes and rates

	2015	2014
	(in thousands)	
Balance, beginning of year	\$ 397.5	\$ 285.2
Approved write offs	(241.9)	(20.2)
Increase in allowance for year		132.5
Balance, end of year	\$ 155.6	\$ 397.5

#### 5. Segmented amortization

The following are the current year amortization amounts recognized in the General Capital fund as a result of PS 3150 of the Public Sector Accounting Standards.

	2015	2014
	(in thousands)	
General government services	\$ 317.7	\$ 249.4
Protective services	230.3	224.6
Transportation services	1,051.6	1,009.9
Environmental health services	137.1	125.3
Community development	251.6	244.8
	\$ 1,988.3	\$ 1,854.0

#### 6. Bank indebtedness

The Town has a consolidated operating line of credit with The Bank of Nova Scotia to an approved consolidated limit of \$4,000,000. The line of credit limit has been approved by the bank based on a resolution of the Town's Council authorizing the borrowing limit. The bank does not hold security on this debt and charges interest at prime minus 0.60% per annum.



# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2015

### 7. Long term debt

	2015	2014
	(in thousands)	
Debentures Issued to Provincial Government or its agencies		
NS Municipal Finance Corporation		
Streets 25-A-1 due 2021	\$ 193.3	\$ 225.6
Police and equipment 27-A-1 due 2017	232.0	309.4
Equipment 26-A-1 due 2021	176.0	190.6
Equipment FCM 27-A due 2017	47.1	70.6
Equipment 28-A-1 due 2018	253.0	278.1
Water treatment plant 20-A-1 due 2020	1,200.0	1,400.0
Water 24-A-1 due 2014		65.1
Water 31-A-1 due 2021	338.1	386.4
Stadium 25-A-1 due 2021	14.0	28.0
Stadium 26-A-1 due 2012	7.0	10.4
Stadium 28-A-1 due 2018	70.2	75.2
Equipment 29-A-1 due 2019	359.6	387.3
Equipment 30-A-1 due 2020	1,099.2	1,207.3
Glasgow Square 30-A-1 due 2025	960.0	1,020.0
Equipment 31-A-1 due 2021	726.1	829.7
Equipment 32-A-1 due 2022	1,772.6	1,994.1
Equipment 32-B-1 due 2022	372.2	418.7
Equipment 33-A-1 due 2023	576.5	640.5
Equipment 34-A-1 due 2024	636.5	
	<u>\$ 9,033.4</u>	<u>\$ 9,537.0</u>

The above debentures bear interest at rates that range between 2% and 6%.

Principal repayments required during the next five years, assuming rates and terms remain the same on renewal, are as follows:

	General Capital	Water Capital	Stadium Capital	Total
2016	\$ 868.2	\$ 248.3	\$ 22.5	\$ 1,139.0
2017	868.2	248.3	8.5	1,125.0
2018	844.7	248.3	5.0	1,098.0
2019	919.8	248.3	5.0	1,173.1
2020	963.2	248.3	55.2	1,266.7

A temporary borrowing resolution has been issued until permanent financing is secured with the NS Municipal Finance Corporation. A debenture will be floated to finance capital acquisitions incurred to March 31, 2015 for the following purposes:

Protective services capital	\$ 29.3
Transportation	125.5
Recreation	21.0
Environmental health services	35.6
General government	1,144.0
	<u>\$ 1,355.4</u>

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2015

8. Capital lease obligations	2015	2014
	(in thousands)	
Capital lease obligation, repaid during the year.	\$	\$ 19.5
Capital lease obligation, repaid during the year.		2.9
Capital lease obligation, repaid during the year.		32.3
Capital lease obligation, repaid during the year		3.6
Capital lease obligation, repaid during the year		16.4
Capital lease obligation, with interest of 5.95% implicit in the lease payments, payable in monthly instalments of \$2,306. The obligation is secured by the 2008 Trackless heavy equipment vehicle.	2.3	29.0
Capital lease obligation, with interest of 4.36% implicit in the lease payments, payable in monthly instalments of \$2,976. The obligation is secured by the 2010 Salt truck.	77.3	108.7
Capital lease obligation, with interest of 3.56% implicit in the lease payments, payable in monthly instalments of \$2,925. The obligation is secured by the 2014 Salt truck.	184.6	212.6
	<u>\$ 264.2</u>	<u>\$ 425.0</u>

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

	General Capital	Water Capital	Stadium Capital	Total
2016	\$ 69.6	\$	\$	\$ 69.6
2017	69.0			69.0
2018	31.1			31.1
2019	32.3			32.3
2020	33.4			33.4

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2015

### 9. Term debt obligations

	2015	2014
	(in thousands)	
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$1,333 plus interest. The obligation is secured by a 2002 Grader.	\$ 16.0	\$ 32.0
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$396 plus interest. The obligation is secured by radio equipment.	4.7	9.5
Term loan, repaid during the year.		15.3
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$629 plus interest. The obligation is secured by a 2011 Dump truck.	7.6	15.1
Term loan, repaid during the year.		6.3
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$1,224 plus interest. The obligation is secured by a 2010 Backhoe.	44.1	58.7
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$458 plus interest. The obligation is secured by a 2010 Toyota truck.	5.5	10.9
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$829 plus interest. The obligation is secured by a 2012 Chev truck with dump box.	19.9	29.8
Term loan, with interest at 4.23%, payable in monthly instalments of \$1,136 including interest. The obligation is secured by a 2012 Ford truck.	51.1	62.3
Term loan, repaid during the year.		1.2
Term loan, repaid during the year.		1.1
Term loan, with interest at 3.88%, payable in monthly instalments of \$2,513 including interest. The obligation is secured by a 2013 John Deere loader.	134.8	159.2
Term loan, with interest at 4.36%, payable in monthly instalments of \$1,314 including interest. The obligation is secured by a 2012 Trackless.	95.0	106.3
Term loan, with interest at 3.62%, payable in monthly instalments of \$308.23 including interest. The obligation is secured by a 2008 Dodge Charger.	3.3	6.8
Term loan, with interest at 3.2%, payable in monthly instalments of \$554.24 including interest. The obligation is secured by a 2014 Dodge Van.	14.4	20.5
Term loan, with interest at 3.2%, payable in monthly instalments of \$549.3 including interest. The obligation is secured by a 2013 Snow blower.	14.3	20.3
	\$ 410.7	\$ 555.3

Continues on next page

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2015

### 9. Term debt obligations (continued)

	2015	2014
	(in thousands)	
Balance forward	\$ 410.7	\$ 555.3
Term loan, with interest at 3.22%, payable in monthly instalments of \$1370.76 including interest. The obligation is secured by computer equipment.	35.7	50.7
Term loan, with interest at 3.4%, payable in monthly instalments of \$1,197.70 including interest. The obligation is secured by a 2013 Roadpak line paint machine.	49.5	61.9
Term loan, with interest at 4.99%, payable in monthly instalments of \$2,658.70 including interest. The obligation is secured by a 2014 Mack dump truck.	63.0	91.0
Term loan, with interest at 3.36%, payable in monthly instalments of \$507.98 including interest. The obligation is secured by a 2014 Dodge Ram truck.	25.9	
Term loan, with interest at 3.26%, payable in monthly instalments of \$1,447.68 including interest. The obligation is secured by a several pieces of equipment.	76.3	
Term loan, with interest at 3.28%, payable in monthly instalments of \$856.49 including interest. The obligation is secured by 2 2011 Ford F150 trucks.	10.1	
Term loan, with interest at 3.58%, payable in monthly instalments of \$3,245.45 including interest. The obligation is secured by a 2009 International c/w 2010 Vactor unit.	196.8	
Term loan, with interest at 3.49%, payable in monthly instalments of \$654.99 including interest. The obligation is secured by a 2014 Ford F150 truck.	30.4	
	<u>\$ 898.4</u>	<u>\$ 758.9</u>

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

	General Capital	Water Capital	Total
2016	\$ 162.0	\$ 88.9	\$ 250.9
2017	124.4	86.4	210.8
2018	96.1	59.6	155.7
2019	87.4	43.7	131.1
2020	58.5	38.7	97.2

### 10. Pension Plans

The Town of New Glasgow sponsors a contributory defined benefit pension plan for substantially all employees. The most recent actuarial valuation at July 31, 2014 provided the value of the pension fund assets and the present value of the pension obligations as follows:

Going Concern Financial Position	
Pension fund assets	\$ 14,250,100
Pension fund obligation	<u>\$ 12,662,700</u>

The net difference of \$1,587,400 represents a surplus in the plan.

Solvency Financial Position (Valuation method required by the Nova Scotia Pension Benefits Act)	
Pension fund assets	\$ 14,150,100
Pension fund obligation	<u>\$ 16,802,600</u>

The net difference of \$2,652,500 represents a deficit in the plan.

The Plan has a going concern surplus and an unfunded liability on a solvency basis. The Plan satisfies the definition of a Municipality Pension Plan in the regulations of the Nova Scotia Pension Benefits Act and therefore is exempt from solvency special payments after December 31, 2012. The going concern surplus and exemption under the Pension Benefits Act means no special payments are required.

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## Town of New Glasgow

### Notes to Consolidated Financial Statements

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March 31, 2015

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#### 11. Contributions to Boards and Commissions

(a) Scotia Rink Commission - 100% interest

The Town is to finance each period deficit of the Scotia Rink Commission from the Stadium Reserve. At year end, the appropriation recorded in the accounts of the Town was \$54,600 from the reserve.

(b) Glasgow Square - 100% interest

The Town is to finance the operations of Glasgow Square out of its current operations. Contributions from the Town of New Glasgow for operational purposes during the fiscal year ended March 31, 2015 was \$81,227 (2014 - \$51,383).

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 next year's estimates.

<u>Board</u>	<u>Contribution</u>	
	<u>2015</u>	<u>2014</u>
	(in thousands)	
Pictou Antigonish Regional Library	\$ 73.1	\$ 73.1
Pictou County Shared Services Authority		
Planning and Development Division		149.6
East River Environmental Control Centre	829.0	787.6
Pictou County Solid Waste	278.6	158.5
Eastern Mainland Housing Authority (a)	215.4	198.6
Chignecto Central Regional School Board (b)	1,648.5	1,607.5

- (a) The Town is charged 25% of the operating deficit of all Section 43 and 12 - 1/2% of the deficit of all Section 40 projects located in the Town.
- (b) The amount paid by the Town to the Board to finance its operations is based on an approved budget. The Town does not share in any deficit nor receive credit for any surplus.

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#### 12. Contingencies

Glen Haven Manor Corporation

The Town of New Glasgow, together with the Towns of Stellarton, Trenton and Westville, have jointly guaranteed a bank loan of the Corporation to the maximum of \$1,125,000 for the expansion of the Corporation's building. The Municipal Finance Corporation has issued permanent borrowing for \$1,125,000 plus a \$10,513 discount on bond issue. The outstanding balance of this bank loan at March 31, 2015 is \$497,070.

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2015

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### 13. School Capital Fund

As part of the Town of New Glasgow's agreement with the Chignecto - Central Regional School Board, all school buildings owned by the Town will remain assets of the Town but will be under the operational control of the District School Board until such time as the Board no longer requires the assets for school purposes. At that time, control will revert back to the Town.

Pursuant to the Education Act, the Province of Nova Scotia assumed responsibility for debt servicing costs of approved borrowings for school construction purposes. At March 31, 1994, the Province of Nova Scotia reflected such debt in its statement of financial position, thereby eliminating the need to reflect the debt in the financial statements of the Town.

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### 14. Other

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

	<u>Position</u>	<u>Remuneration</u>
Barrie MacMillian	Mayor	\$ 33,723
Troy MacCulloch	Councillor	21,358
Trudy Vince	Councillor	21,358
Henderson Paris	Councillor	21,358
Jack Lewis	Deputy Mayor	23,186
Clyde Fraser	Councillor	21,358
Nancy Dicks	Councillor	21,358
Lisa MacDonald	CAO	116,000

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### 15. Other Commitments

#### Pictou County Wellness Centre Building Authority

The Town of New Glasgow has implemented a deed transfer tax on all properties sold in the town. The proceeds from this tax will be contributed to the new Pictou County Wellness Centre project as well as towards the renovations and improvements to the Aberdeen Hospital. Since these projects will benefit all residents of Pictou County, a similar tax has been implemented by other municipalities within the County. During the year ending March 31, 2015 the amount transferred was \$169,130 (2014 - \$533,592).

The agreement with the Pictou County Wellness Centre also stipulates that the Town of New Glasgow, along with the other municipalities within the County, will cover the annual deficit of the Wellness Centre. At March 31, 2015, the Town's portion of the estimated deficit was \$324,000 which has been recorded as a liability in the financial statements.

#### Crombie Developments Limited

The Town of New Glasgow has entered into a eighteen month lease agreement with Crombie Developments Limited to lease space located at the Aberdeen Shopping Centre on East River Road. The lease will expire on September 30, 2016. The monthly commitment for the lease is \$6,940.

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## **Town of New Glasgow**

### **Notes to Consolidated Financial Statements**

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March 31, 2015

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#### **16. Comparative figures**

Certain of the comparative figures have been restated to reflect changes in presentation for the current year.

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#### **17. Contingency**

The demolition of the Maritime Building, Provost Street, New Glasgow occurred late in the fiscal year, resulting in costs being recognized in the Capital Fund in the amount of approximately \$1.1 million. This cost may not be representative of the fair value of said asset. At this point in time an appraisal of the property has not been carried out and the amount of potential write-down is not reasonably determinable.

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2015

2014

(in thousands)

	Budget	Actual	Actual
<b>Taxes</b>			
Assessable property			
Residential	\$ 7,564.7	\$ 7,560.5	\$ 7,342.2
Commercial	6,225.5	6,247.4	6,187.2
Resource	43.7	42.3	35.2
	<u>13,833.9</u>	<u>13,850.2</u>	<u>13,564.6</u>
Business property			
Based on revenue (Aliant)	69.5	69.5	75.6
Nova Scotia Power Corp.	1.0	0.9	1.0
H.S.T. offset grant	100.0	72.7	100.3
	<u>170.5</u>	<u>143.1</u>	<u>176.9</u>
Special assessments			
Environmental Health Services			
Pollution control	871.0	872.0	849.7
Solid waste disposal	304.0	311.3	268.6
Fire Protection Charges	46.1	45.0	64.4
	<u>1,221.1</u>	<u>1,228.3</u>	<u>1,182.7</u>
	<u>\$ 15,225.5</u>	<u>\$ 15,221.6</u>	<u>\$ 14,924.2</u>

### Grants in lieu of taxes

Federal Government	\$ 66.0	\$ 65.5	\$ 65.4
Provincial Government	11.0	10.0	10.3
Cape Breton and Central Nova Scotia Railway Limited	0.1		
	<u>\$ 77.1</u>	<u>\$ 75.5</u>	<u>\$ 75.7</u>

### Sales of services

Parking meters	\$ 90.0	\$ 93.0	\$ 89.9
Sale of IT services	165.0	132.7	167.1
Sale of policing services	519.1	516.4	502.3
Sale of planning and inspection services	27.5	79.9	41.5
	<u>\$ 801.6</u>	<u>\$ 822.0</u>	<u>\$ 800.8</u>



# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2015

2014

(in thousands)

	Budget	Actual	Actual
<b>Other revenue from own sources</b>			
Licenses and permits	\$ 0.7	\$ 1.1	\$ 0.7
Fines	170.0	147.4	167.1
Rentals	140.0	165.5	143.1
Interest on taxes and rates	147.5	199.8	159.7
HST rebates (gas and diesel)		51.9	48.5
Mortgage service fees	14.0	14.9	14.6
Recreation revenue	18.0	16.2	18.4
Engineering contract work	50.0	59.3	58.8
Group Insurance premium rebate	75.0	75.0	
Refund of PCSSA Planning Division Surplus		26.2	
Miscellaneous	4.0	9.7	8.3
	<u>\$ 619.2</u>	<u>\$ 767.0</u>	<u>\$ 619.2</u>

### Transfers from government

Unconditional transfers from Provincial Government	\$ 1,055.4	\$ 1,055.4	\$ 1,037.2
Conditional transfers from Federal and Provincial Governments and agencies			
Department of Justice Policing Program	500.0	500.0	500.0
Civic addressing initiative	3.0	3.2	3.1
Prisoner's board	0.5	0.2	1.6
	<u>\$ 1,558.9</u>	<u>\$ 1,558.8</u>	<u>\$ 1,541.9</u>

### Stadium revenue

Building rentals	\$	\$ 8.0	\$ 6.0
Bar/lounge			1.9
Ice rental			0.7
	<u>\$</u>	<u>\$ 8.0</u>	<u>\$ 8.6</u>

### Water revenues

Metered sales	\$ 2,341.7	\$ 2,256.5	\$ 2,016.5
Flat rate sales	186.1	186.1	186.1
Public fire protection	6.5	6.8	6.8
Other	32.3	51.4	50.4
	<u>\$ 2,566.6</u>	<u>\$ 2,500.8</u>	<u>\$ 2,259.8</u>

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2015

2014

(in thousands)

	Budget	Actual	Actual
<b>Grants for capital</b>			
Canada/Nova Scotia Gas Tax Agreement	\$ 723.0	\$ 723.5	\$ 764.3
NS Sport and Recreation			20.0
Infrastructure Renewal - PNS	51.5	11.9	128.8
West Side Community Centre		6.0	10.0
ACOA			54.7
Special Hazards Response Unit of Nova Scotia			11.2
Chiefs of Police of Nova Scotia			6.7
New Glasgow Farmers Market Co-Operative Limited	1.5	1.4	
Town of Stellarton & Town of Westville ERT equipment		1.7	
Pictou County Historical Society		2.0	
Insurance proceeds playground equipment		61.5	
Municipality of County of Pictou	980.0	978.6	
	<u>\$ 1,756.0</u>	<u>\$ 1,786.6</u>	<u>\$ 995.7</u>

### Other revenue

Interest on operating account	\$ 20.0	\$ 15.7	\$ 26.7
Interest on capital and reserve funds		7.7	9.8
	<u>\$ 20.0</u>	<u>\$ 23.4</u>	<u>\$ 36.5</u>

### Other proceeds

Sale of assets, net of net book value	\$	\$ 124.0	\$ 22.4
Parkland transfers		1.3	
	<u>\$</u>	<u>\$ 125.3</u>	<u>\$ 22.4</u>

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2015

2014

(in thousands)

	Budget	Actual	Actual
<b>General government services</b>			
Legislative	\$ 206.0	\$ 197.7	\$ 188.8
General administration	831.5	859.6	768.2
Taxation exemptions	107.3	117.8	105.6
Employee benefits	37.0	70.9	63.2
Computer services	363.3	355.5	346.5
Safety	20.0	4.4	5.8
Other	38.0	38.1	36.3
	<u>1,603.1</u>	<u>1,644.0</u>	<u>1,514.4</u>
Amortization		<u>317.7</u>	<u>249.4</u>
	<u>\$ 1,603.1</u>	<u>\$ 1,961.7</u>	<u>\$ 1,763.8</u>

### Protective services

Police protection			
Crime investigation, prevention and protective services	\$ 4,060.7	\$ 3,957.5	\$ 3,861.8
Police station and building	158.0	146.8	137.6
Provincial Police program	500.0	546.5	579.3
Police automotive equipment	200.0	187.0	219.2
	<u>4,918.7</u>	<u>4,837.8</u>	<u>4,797.9</u>
Fire protection			
Fire fighting force	829.5	893.2	849.8
Fire stations and buildings	72.0	65.2	77.0
Fire fighting equipment	40.5	45.0	53.2
Other	45.0	36.0	43.1
	<u>987.0</u>	<u>1,039.4</u>	<u>1,023.1</u>
Animal control			
Administration	<u>20.0</u>	<u>20.4</u>	<u>18.3</u>
Emergency measures	<u>9.0</u>	<u>8.7</u>	<u>7.9</u>
	<u>5,934.7</u>	<u>5,906.3</u>	<u>5,847.2</u>
Amortization		<u>230.3</u>	<u>224.6</u>
	<u>\$ 5,934.7</u>	<u>\$ 6,136.6</u>	<u>\$ 6,071.8</u>

**Town of New Glasgow****Schedules to Consolidated Statement of Financial Activities**

Year Ended March 31

2015

2014

(in thousands)

	Budget	Actual	Actual
<b>Transportation services</b>			
Common services			
Engineering	\$ 414.0	\$ 390.4	\$ 415.0
Planning, inspection and unsightly	188.0	180.0	112.4
Equipment	488.0	577.1	374.0
Workshop	210.5	277.0	236.5
Employee benefits	491.0	527.2	487.9
Road transport			
Streets	927.0	1,019.9	734.5
Street lighting	85.0	68.3	73.0
Storm sewers & catchpits	90.0	96.3	68.4
Traffic activities	106.0	107.1	98.7
Parking and other	197.0	194.0	149.5
	3,196.5	3,437.3	2,749.9
Amortization		1,051.6	1,009.9
	<u>\$ 3,196.5</u>	<u>\$ 4,488.9</u>	<u>\$ 3,759.8</u>

**Environmental health services**

Sewage treatment and disposal	\$ 174.0	\$ 122.3	\$ 99.1
Central treatment plant operation	812.0	829.0	787.6
Garbage and waste collection and disposal			
Municipal collection and disposal	689.9	720.3	601.8
	1,675.9	1,671.6	1,488.5
Amortization		137.1	125.3
	<u>\$ 1,675.9</u>	<u>\$ 1,808.7</u>	<u>\$ 1,613.8</u>

**Public health services**

Social welfare			
Other	\$ 5.0	\$ 5.0	\$ 5.0

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2015

2014

(in thousands)

	Budget	Actual	Actual
<b>Marketing and communications</b>			
Festivals and events	\$ 13.4	\$ 15.3	\$ 28.7
Salaries and benefits	107.0	106.4	138.9
Communication and event marketing	68.6	53.8	26.3
Public grants	22.5	24.0	24.4
Town owned buildings	89.7	90.2	92.4
	<u>\$ 301.2</u>	<u>\$ 289.7</u>	<u>\$ 310.7</u>
<b>Community development</b>			
Administration	\$ 243.7	\$ 239.2	\$ 204.3
Recreation instruction and sundry	217.2	187.2	199.6
Marina	1.5	1.5	1.2
Farmers Market	1.0	1.7	
Community centres	42.0	35.2	32.2
Parks and playgrounds	154.0	125.6	127.2
Summer grounds maintenance	100.0	100.5	126.1
	759.4	690.9	690.6
Amortization		251.6	244.8
	<u>\$ 759.4</u>	<u>\$ 942.5</u>	<u>\$ 935.4</u>
<b>Stadium expenses</b>			
Bar/lounge operation			
Administration & maintenance	\$	\$	\$ 2.7
Wages & training			0.1
			<u>2.8</u>
General			
Advertising			0.4
Audit		1.4	1.0
Bad debt expense			3.0
Heating oil and propane			18.5
Insurance		5.7	5.9
Light and power		7.6	25.7
Water & environmental charge		0.3	2.3
Maintenance & repairs		3.5	24.5
Office supplies			0.6
Health and safety			0.5
Employee benefits			15.0
Sports grants and ice subsidies			40.4
Telephone		0.6	3.1
Training and conventions			1.0
Wages		12.5	67.0
		<u>31.6</u>	<u>208.9</u>
Amortization		31.6	211.7
		<u>67.6</u>	<u>70.9</u>
	<u>\$</u>	<u>\$ 99.2</u>	<u>\$ 282.6</u>

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2015

2014

(in thousands)

### Water treatment and distribution

#### Operating expenditures

	Budget	Actual	Actual
Source of supply	\$ 64.0	\$ 73.2	\$ 56.0
Pumping	129.5	102.7	136.2
Water treatment	625.2	537.4	545.8
Transmission and distribution	809.6	639.2	738.3
Employee Benefits	387.7	324.4	322.6
Fleet	178.0	135.8	150.2
Administrative and general	431.5	436.4	432.9
	2,625.5	2,249.1	2,382.0
Amortization		463.0	449.0
	<u>\$ 2,625.5</u>	<u>\$ 2,712.1</u>	<u>\$ 2,831.0</u>

### Other transfers and grants

Deficit of Housing Authority	\$ 215.0	\$ 215.4	\$ 198.6
Deficit of Pictou County Wellness Centre	262.0	324.0	280.0
Riverfront - Glasgow Square	75.0	81.2	51.4
School enhancements New Glasgow Academy	30.0		
Province of Nova Scotia			
Department of Corrections	120.9	120.9	121.9
Assessment Services	122.0	122.0	123.0
Planning and development services			
Pictou County Shared Services Authority			149.6
Tourism and education services			
Pictou-Antigonish Regional Library	73.2	73.2	73.2
Destination Eastern & Northumberland Shores	9.6	9.5	9.6
Construction Engineering Flight	1.1	1.1	1.2
Transportation services			
Public Transit - CHAD	33.0	33.0	31.9
Regional government MOU		25.0	
Economic development Services			
REN	20.0		
	<u>\$ 961.8</u>	<u>\$ 1,005.3</u>	<u>\$ 1,040.4</u>

### Interest and bank charges

Debenture discount	\$ 4.5	\$ 6.2	\$ 5.4
Interest on long term debt	266.7	360.7	491.4
Interest on capital leases	17.0	15.1	19.6
Interest and service charges	20.0	11.8	6.8
	<u>\$ 308.2</u>	<u>\$ 393.8</u>	<u>\$ 523.2</u>

### Reserves for taxes and appeals

Reserve for uncollectible taxes	\$ 5.0	\$	\$ 132.5
Reserve for other uncollectible balances			12.5
	<u>\$ 5.0</u>	<u>\$</u>	<u>\$ 145.0</u>



## Town of New Glasgow Schedule of Capital Projects Funding

March 31, 2015

(in thousands)

### GENERAL CAPITAL

	Total Capital Cost	Land reserve	Equipment reserve	Special Reserve	Depreciation Fund	Canada/NS Gas Tax Agreement	Capital out of Revenue	Debt Loan	Conditional Sales Contracts	External Funding
Sidewalks, Street and curbs	\$ 750.9	\$	\$	\$	\$	\$ 739.0	\$ 1.2	\$ 29.3	\$ 28.0	\$ 11.9
Protective Services Capital	110.9		52.4							
Public Works			10.0							
- equipment	134.6						24.6		100.0	
- traffic	140.5						15.0	125.5		
- building	47.0						47.0			
Sewer	1,069.3					51.9	3.2	35.6		978.6
Recreation Capital	138.5	39.5	3.9	3.0			10.2	9.3		72.6
Fire Capital	23.8		23.8							
Town Office - Equipment	41.7							41.7		
Public transit	10.0		10.0							
Glasgow Square	11.7							11.7		
Library upgrades	14.5							14.5		
New Scotland Business Park	15.7						15.7			
Maritime building demolition	1,087.8							1,087.8		
Former schools - buildings	25.0			25.0						
Sub-total	3,621.9	39.5	100.1	28.0		790.9	116.9	1,355.4	128.0	1,063.1

### WATER CAPITAL

Capital Equipment	352.0				96.7		12.9		242.4	
Meters	94.4				94.4					
Sub-total	446.4				191.1		12.9		242.4	

### Total

\$ 4,068.3	\$ 39.5	\$ 100.1	\$ 28.0	\$ 191.1	\$ 790.9	\$ 129.8	\$ 1,355.4	\$ 370.4	\$ 1,063.1
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TOWN OF NEW GLASGOW  
TRUST FUND BALANCE SHEET  
YEAR ENDED MARCH 31, 2015

ASSETS	School Library	A.E. Fraser Trust	James Roy Trust	Margaret C. Cameron Trust	W.G. Matheson Bursary	George Sylvester Trust	Lincoln Fraser Memorial Trust	Carmichael Scholarship Trust	Graduation Class Trust	Graduation Class 95 Trust	Bruce Stewart Trust	Eric Doucette Trust	J.D. MacGregor Trust	Ivan MacInnis Trust	H. Goodman Trust	Philip Grant Trust	War Memorial Trust	2014	
																		Total	Total
Cash Investments, at cost	\$ 33,780	\$ 157,091	\$ 4,392	\$ 1,943	\$ 1,004	\$ 3,793	\$ 1,615	\$ 15,825	\$ 1,002	\$ 1,385	\$ 47	\$ 1,356	\$ 10,712	\$ 2,596	\$ 714	\$ 512	\$ 1,043	\$ 238,810	\$ 234,113
	103,742	157,091	4,392	1,943	1,004	3,793	1,615	65,825	1,002	1,385	521	1,356	10,712	2,596	714	512	1,043	154,263	166,639
	137,522	157,091	4,392	1,943	1,004	3,793	1,615	81,650	2,004	2,769	568	2,712	21,424	5,192	1,428	1,024	2,086	393,073	400,752
RESERVE																			
Trust Fund Reserve	\$ 137,522	\$ 157,091	\$ 4,392	\$ 1,943	\$ 1,004	\$ 3,793	\$ 1,615	\$ 65,825	\$ 1,002	\$ 1,385	\$ 568	\$ 1,356	\$ 10,712	\$ 2,596	\$ 714	\$ 512	\$ 1,043	\$ 393,073	\$ 402,752
STATEMENT OF TRUST FUND RESERVES YEAR ENDED MARCH 31, 2015																			
Balance, beginning of year	\$ 137,672	\$ 155,567	\$ 4,463	\$ 1,973	\$ 1,019	\$ 3,855	\$ 1,639	\$ 76,590	\$ 992	\$ 1,406	\$ 571	\$ 1,346	\$ 10,633	\$ 2,640	\$ 727	\$ 626	\$ 1,033	\$ 402,752	\$ 410,638
Add:																			
Interest Earned	353	1,524	44	20	10	38	16	216	10	14	22	10	104	26	7		10	2,424	2,707
Investment gain	5,082							1,019										1,019	2,082
Investment allocation	143,107	157,091	4,507	1,993	1,029	3,893	1,655	77,825	1,002	1,420	593	1,356	10,737	2,686	734	626	1,043	5,082	4,988
																		411,277	420,415
Deduct:																			
Transfers			115	50	25	100	40	12,000		35	25		25	70	20	114		12,619	12,627
Book Purchases	5,043																	5,043	5,036
Investment loss	542																	542	
	5,585		115	50	25	100	40	12,000		35	25		25	70	20	114		18,204	17,663
Balance, end of year	\$ 137,522	\$ 157,091	\$ 4,392	\$ 1,943	\$ 1,004	\$ 3,793	\$ 1,615	\$ 65,825	\$ 1,002	\$ 1,385	\$ 568	\$ 1,356	\$ 10,712	\$ 2,596	\$ 714	\$ 512	\$ 1,043	\$ 393,073	\$ 402,752

ON BEHALF OF THE TOWN

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk