

TOWN OF NEW GLASGOW
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017



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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, 2017, 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, 2017, 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.

*MacDonald +
Murphy Inc.*

New Glasgow, Nova Scotia
September 25, 2017

Chartered Professional Accountants
Licenced Public Accountants

Town of New Glasgow

Consolidated Statement of Financial Activities

Year Ended March 31

2017

2016

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Taxes	28	\$ 13,790.1	\$ 14,019.1	\$ 13,579.9
Grants in lieu of taxes	28	74.7	71.5	74.6
Sale of services	29	791.5	823.3	797.8
Other revenue from own sources	29	651.5	732.3	890.2
Transfers from government	29	1,558.8	1,558.9	1,558.9
Stadium revenues	30		0.9	10.0
Water revenues	30	3,533.4	3,336.5	2,822.9
Grants for capital	30	1,613.5	1,629.6	1,164.1
Other revenue	30	5.0	13.8	19.6
Other proceeds	30		199.5	12.5
Total revenue		<u>22,018.5</u>	<u>22,385.4</u>	<u>20,930.5</u>
Expenditures				
General government services	31	1,891.2	1,977.0	1,812.4
Protective services	31	6,031.2	6,164.6	6,452.0
Transportation services	32	3,485.2	4,494.9	4,375.1
Environmental health services	32	1,766.2	1,905.9	1,811.2
Public health services	32	5.0	5.0	5.0
Marketing and communications	33	163.1	143.7	162.1
Community development	33	641.9	848.8	917.7
Stadium expenses	33		3.5	15.5
Water treatment and distribution	34	3,342.4	2,657.8	2,700.8
Other transfers and grants	34	770.5	1,029.5	934.3
Interest and bank charges	34	312.6	359.3	385.2
Reserve for taxes and other receivables	34	5.0	97.7	0.5
Financing of pension deficit per valuation		35.0	22.8	
Write down of assets to market value				2,591.9
Total expenditures		<u>18,449.3</u>	<u>19,710.5</u>	<u>22,261.8</u>
Net surplus		<u>\$ 3,569.2</u>	<u>2,674.9</u>	<u>(1,331.3)</u>
Accumulated surplus, beginning of year			<u>43,117.8</u>	<u>44,449.1</u>
Accumulated surplus, end of year			<u>\$ 45,792.7</u>	<u>\$ 43,117.8</u>



Town of New Glasgow
Consolidated Statement of Change in Net Financial Liabilities

Year Ended March 31

2017

2016

(in thousands)

	<u>Actual</u>	<u>Actual</u>
Net surplus	\$ 2,674.9	(1,331.3)
Changes in tangible capital assets		
Acquisition of capital assets	(6,271.2)	(3,057.1)
Amortization of capital assets	2,246.1	2,345.6
Write down of assets to market value		2,591.9
Cost of assets sold, net of accumulated amortization	(0.7)	107.1
Increase in net book value of tangible capital assets	<u>(4,025.8)</u>	<u>1,987.5</u>
Changes in other non-financial assets		
Acquisition of equity interest in New Scotland Business Park	(55.9)	(21.5)
Acquisition of inventories	(364.4)	(409.7)
Acquisition of prepaid expense	(94.1)	(55.6)
Amortization of debt discount	1.7	1.8
Consumption of inventories	409.7	367.7
Use of prepaid expense	55.6	47.9
	<u>(47.4)</u>	<u>(69.4)</u>
Change in net financial liabilities	(1,398.3)	586.8
Net financial liabilities, beginning of year	(9,443.1)	(10,029.9)
Net financial liabilities, end of year	\$ (10,841.4)	\$ (9,443.1)

Town of New Glasgow

Consolidated Statement of Cash Flow

Year Ended March 31

2017

2016

(in thousands)

Increase (decrease) in cash and cash equivalents

Operating activities

Net surplus	\$ 2,674.9	(1,331.3)
Change in taxes receivable	(259.0)	(127.0)
Change in water rates receivable	(73.4)	(4.5)
Change in accounts receivable	(105.8)	281.1
Change in other assets	8.5	(47.9)
Change in accounts payable and accrued liabilities	(34.7)	(408.0)
	<u>2,210.5</u>	<u>(1,637.6)</u>

Capital activities

Increase in net book value of capital assets	(4,025.8)	1,987.5
Investment in New Scotland Business Development	(55.9)	(21.7)
	<u>(4,081.7)</u>	<u>1,965.8</u>

Financing activities

Long term debt issued	902.7	1,589.1
Debt principal repayment	(1,261.2)	(1,139.0)
Term loan repayment	(253.6)	(262.9)
Capital lease obligation repayment	(75.8)	(69.4)
	<u>(687.9)</u>	<u>117.8</u>

Net change in cash and cash equivalents

(2,559.1) 446.2

Cash and cash equivalents

Beginning of year	<u>860.5</u>	<u>414.3</u>
End of year	<u>\$ (1,698.6)</u>	<u>\$ 860.5</u>

Comprised of

Cash	\$ 2,110.9	\$ 2,450.6
Bank indebtedness	(3,809.5)	(1,590.1)
	<u>\$ (1,698.6)</u>	<u>\$ 860.5</u>

Town of New Glasgow Schedule of General Operating Fund

Year Ended March 31

2017

2016

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Taxes	28	\$ 13,790.1	\$ 14,019.1	\$ 13,579.9
Grants in lieu of taxes	28	74.7	71.5	74.6
Sale of services	29	791.5	823.3	797.8
Other revenue from own sources	29	651.5	732.3	890.2
Transfers from governments	29	1,558.8	1,558.9	1,558.8
Other revenue	30	5.0	9.7	15.0
Total revenue		<u>16,871.6</u>	<u>17,214.8</u>	<u>16,916.4</u>
Expenditures				
General government services	31	1,891.2	1,760.0	1,663.9
Protective services	31	6,031.2	5,932.2	6,221.2
Transportation services	32	3,485.2	3,486.5	3,341.5
Environmental health services	32	1,766.2	1,760.5	1,665.2
Public health services	32	5.0	5.0	5.0
Marketing and communications	33	163.1	143.7	162.1
Community development	33	641.9	605.0	662.2
Other transfers and grants	34	770.5	1,029.5	934.3
Interest and bank charges	34	312.6	299.3	311.1
Reserve for taxes and other receivables	34	5.0	97.7	0.5
Financing of pension deficit per valuation		35.0	22.8	
Total expenditures		<u>15,106.8</u>	<u>15,142.2</u>	<u>14,967.0</u>
Net revenues		<u>1,764.8</u>	<u>2,072.6</u>	<u>1,949.4</u>
Financing and transfers				
Repayment of capital lease obligation				(69.4)
Debt principal repayment		(1,042.3)	(1,023.4)	(868.2)
Term loan repayment		(238.6)	(230.2)	(174.0)
Transfers to operating fund reserve			(147.7)	(133.4)
Transfer from operating fund reserve		136.10		
Transfers from (to) general capital fund				
Capital out of revenue		(55.0)	(102.5)	(147.5)
Transfers from (to) water operating fund				
Fire protection charge		(709.3)	(709.3)	(674.4)
Tax levy		144.3	131.8	131.8
Net financing and transfers		<u>(1,764.8)</u>	<u>(2,081.3)</u>	<u>(1,935.1)</u>
Change in general operating fund		<u>\$</u>	<u>(8.7)</u>	<u>14.3</u>
General operating fund, beginning of year			<u>147.7</u>	<u>133.40</u>
General operating fund, end of year			<u>\$ 139.0</u>	<u>\$ 147.7</u>

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

Year Ended March 31

2017

2016

		(in thousands)		
	Page	Budget	Actual	Actual
Revenue				
Water revenue		\$ 3,518.4	\$ 3,316.3	\$ 2,785.6
Other revenue		15.0	20.2	37.3
Total revenue	30	<u>3,533.4</u>	<u>3,336.5</u>	<u>2,822.9</u>
Expenditures				
Transmission and distribution	34	2,723.5	2,258.9	2,266.0
Interest and bank charges	34	236.3	58.3	71.0
Total expenditures		<u>2,959.8</u>	<u>2,317.2</u>	<u>2,337.0</u>
Net revenues (expenditures)		<u>573.6</u>	<u>1,019.3</u>	<u>485.9</u>
Financing and transfers				
Debt principal repayment		(235.7)	(229.5)	(248.3)
Repayment of term loans		(94.0)	(86.4)	(88.9)
Transfers from (to) general operating fund				
Fire protection charge		709.3	709.3	674.4
Tax levy		(144.3)	(131.8)	(131.8)
Transfers to water capital fund				
Land reserve		(35.0)	(35.0)	(35.0)
Capital out of revenue		(55.0)	(92.0)	(55.0)
Depreciation charge		(618.9)	(398.9)	(434.8)
Net financing and transfers		<u>(473.6)</u>	<u>(264.3)</u>	<u>(319.4)</u>
Change in water operating fund		<u>\$ 100.0</u>	755.0	166.5
Water operating fund, beginning of year			<u>(544.7)</u>	<u>(711)</u>
Water operating fund, end of year			<u>\$ 210.3</u>	<u>\$ (544.7)</u>

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

Year Ended March 31

2017

2016

(in thousands)

Assets

Receivables		
Rates (less allowance for doubtful accounts)	\$ 523.8	\$ 450.4
Due from own funds and agencies		
Water capital fund	1.9	1.9
Prepays	5.2	2.6
Inventories, at cost		6.2
	<u>\$ 530.9</u>	<u>\$ 461.1</u>

Liabilities

Bank indebtedness	\$ 71.1	\$ 897.8
Payables and accruals	79.5	93.7
Due to own funds and agencies	170.0	
Deferred revenue		14.3
Total financial liabilities	<u>320.6</u>	<u>1,005.8</u>

Equity

Deficit	<u>210.3</u>	<u>(378.2)</u>
	<u>\$ 530.9</u>	<u>\$ 627.6</u>

Town of New Glasgow Schedule of Stadium Operating Fund

Year Ended March 31

2017

2016

		(in thousands)	
	Page	Budget	Actual
Stadium revenue	30	\$	0.9
Expenditures			
Stadium expenses	33		3.4
Interest and bank charges	34		3.1
Total expenditures			6.5
Net expenditures			(5.6)
Financing and transfers			
Debt principal repayment			(8.5)
Repayment of capital lease obligation			(22.5)
Transfers from Stadium Reserve			14.1
Net financing and transfers			5.6
Change in stadium operating fund		\$	
Stadium operating fund, beginning of year			
Stadium operating fund, end of year		\$	\$

Town of New Glasgow Schedule of General Capital Fund

Year Ended March 31

2017

2016

	(in thousands)		
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Grants	\$ 50.0	\$	\$ 328.0
Expenditures			
General government	333.5	485.0	645.3
Protective services	177.0	88.4	192.3
Transportation services	3,356.5	1,249.7	1,264.6
Environmental health services	320.0	187.4	127.7
Recreation services	199.7	76.8	23.9
Investment, New Scotland Business Dev. Inc	55.9	55.9	21.5
Total expenditures (Page 35)	<u>4,386.7</u>	<u>2,143.2</u>	<u>2,275.3</u>
Net expenditures	<u>(4,336.7)</u>	<u>(2,143.2)</u>	<u>(1,947.3)</u>
Financing and transfers			
Debenture MFC	2,982.5	895.0	
Short term financing			698.6
Conditional sales contracts	339.5	207.7	226.6
Transfers from general operating fund			
Capital out of revenue		102.5	147.5
Transfer to water utility			
Transfers from (to) reserve funds			
Equipment reserve	113.7	104.2	68.5
Special reserve	136.0	47.2	33.8
Gas tax reserve	765.0	782.7	738.4
Parkland reserve	3.9	3.9	33.9
Net financing and transfers	<u>4,336.7</u>	<u>2,143.2</u>	<u>1,947.3</u>
Change in general capital fund	<u>\$</u>		
General capital fund, beginning of year		<u>0.2</u>	<u>0.2</u>
General capital fund, end of year		<u>\$ 0.2</u>	<u>\$ 0.2</u>
Cash - unrestricted		<u>\$ 0.2</u>	<u>\$ 0.2</u>

Town of New Glasgow
Schedule of Water Capital Fund
Statement of Changes in Fund Balance

Year Ended March 31

2017

2016

	(in thousands)		
	Budget	Actual	Actual
Revenue			
Federal government funding BCF program	\$ 840.0	\$ 843.7	\$
Interest income		3.6	3.7
Total revenue	<u>840.0</u>	<u>847.3</u>	<u>3.7</u>
Expenditures (Page 35)			
Water treatment and distribution		<u>4,183.9</u>	<u>763.5</u>
Net expenditures		<u>(3,336.6)</u>	<u>(759.8)</u>
Financing and transfers			
Debenture MFC		2,300.0	
Capital out of revenue	55.0	92.0	55.0
Depreciation charge	618.9	398.9	434.8
Land reserve	35.0	35.0	35.0
Net financing and transfers	<u>708.9</u>	<u>2,825.9</u>	<u>524.8</u>
Change in water capital fund	<u>\$ 131.1</u>	<u>(510.7)</u>	<u>(235.0)</u>
Water capital fund, beginning of year		<u>1,017.3</u>	<u>1,252.3</u>
Water capital fund, end of year		<u>\$ 506.6</u>	<u>\$ 1,017.3</u>
Allocation of fund balance			
Land reserve		\$ 466.9	\$ 543.3
Depreciation cash		39.7	474.0
		<u>\$ 506.6</u>	<u>\$ 1,017.3</u>

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

Year Ended March 31	2017	2016
	(in thousands)	
Assets		
Cash		
Water land reserve fund	\$ 466.9	\$ 543.3
Depreciation fund	39.7	474.0
Unamortized debenture discount	5.7	7.5
Due to own funds and agencies		
General operating fund	<u>246.8</u>	<u> </u>
Utility plant and equipment (Page 14)	<u>30,994.4</u>	<u>27,182.8</u>
	<u>\$ 31,753.6</u>	<u>\$ 28,207.6</u>
Liabilities		
Due to own funds and agencies		
General operating fund		36.3
Accumulated allowance for depreciation (Page 14)	8,810.9	8,449.8
Long term debt	3,247.1	1,289.7
Term debt obligations	<u>164.5</u>	<u>250.9</u>
	12,222.5	10,026.7
Municipal position		
Investment in capital assets	19,064.2	17,637.6
Water land reserve	<u>466.9</u>	<u>543.3</u>
	<u>19,531.1</u>	<u>18,180.9</u>
	<u>\$ 31,753.6</u>	<u>\$ 28,207.6</u>

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

Year Ended March 31	2017	2016
	(in thousands)	
Balance, beginning of year	\$ 17,637.6	\$ 17,253.1
Amortization of capital assets	(398.9)	(434.8)
Long term debt repayments	229.5	248.4
Transfer of wind turbine debt	113.1	
Federal funding BCF treatment plant expansion	843.7	
Term debt repayments	86.4	88.9
Capital additions out of revenue	92.0	55.0
Disposal of assets	(372.3)	(39.5)
Capital funding from		
Water land reserve		(242.2)
Depreciation funds	<u>833.1</u>	<u>708.7</u>
	<u>1,426.6</u>	<u>384.5</u>
Balance, end of year	<u>\$ 19,064.2</u>	<u>\$ 17,637.6</u>

Town of New Glasgow

Schedule of Reserve Funds

Year Ended March 31

2017

2016

	(in thousands)		
	Budget	Actual	Actual
Revenue			
Investment income	\$	\$ 0.5	\$ 1.0
Parkland transfers		1.1	3.9
Canada/NS Gas tax agreement	773.5	773.5	726.3
Grants for New Glasgow Academy enhancements			103.7
Proceeds from sale of assets		198.6	86.5
Total revenue	<u>773.5</u>	<u>973.7</u>	<u>921.4</u>
Financing and transfers			
Transfers from general operating fund		147.7	133.4
Transfers to general capital fund			
Equipment reserve	(30.5)	(104.2)	(68.5)
Special reserve	(47.2)	(47.2)	(33.8)
Rink Reserve		(14.1)	(31.1)
Gas tax reserve	(720.0)	(782.7)	(738.4)
Parkland reserve		(3.9)	(33.9)
Net financing and transfers	<u>(797.7)</u>	<u>(804.4)</u>	<u>(772.3)</u>
Change in reserve funds balance	<u>\$ (24.2)</u>	169.3	149.1
Reserve funds balance			
Beginning of year		<u>1,427.5</u>	<u>1,278.4</u>
End of year		<u>\$ 1,596.8</u>	<u>\$ 1,427.5</u>
Reserves			
Equipment		\$ 23.5	\$ 87.3
Special		457.8	382.3
Power Board		0.7	0.7
Canada/NS Gas Tax		6.3	15.3
Water capital reserve		74.1	74.1
Central treatment plant		36.7	36.7
Stadium sign rental		69.7	83.7
Parkland transfers		33.7	0.8
General operating		894.3	746.6
		<u>\$ 1,596.8</u>	<u>\$ 1,427.5</u>

Town of New Glasgow
Consolidated Statement of Property and Equipment

March 31

	Land	Land improvements	Buildings	Equipment	Roads and transportation services	Engineered structures	Total 2017	Total 2016
General capital								
Cost:								
Balance, beginning of year	\$ 2,052.7	\$ 2,752.0	\$ 10,221.7	\$ 8,230.2	\$ 23,779.6	\$ 12,868.3	\$ 59,904.5	\$ 59,656.6
Acquisition of capital assets	3.9		280.1	365.8	1,249.7	187.8	2,087.3	2,253.8
Transfer from water capital fund				372.3			372.3	
Disposition of capital assets			(34.9)	(459.6)			(494.5)	(2,005.9)
Balance, end of year	<u>2,056.6</u>	<u>2,752.0</u>	<u>10,466.9</u>	<u>8,508.7</u>	<u>25,029.3</u>	<u>13,056.1</u>	<u>61,869.6</u>	<u>59,904.5</u>
Accumulated amortization:								
Balance, beginning of year		1,348.9	4,075.4	5,418.4	13,610.1	2,419.9	26,872.7	25,605.7
Annual amortization			262.2	392.3	1,005.2	187.4	1,847.1	1,911.6
Accumulated amortization on disposals				(457.4)			(457.4)	(644.6)
Balance, end of year		<u>1,348.9</u>	<u>4,337.6</u>	<u>5,353.3</u>	<u>14,615.3</u>	<u>2,607.3</u>	<u>28,262.4</u>	<u>26,872.7</u>
Net book value of general capital	\$ 2,056.6	\$ 1,403.1	\$ 6,129.3	\$ 3,155.4	\$ 10,414.0	\$ 10,448.8	\$ 33,607.2	\$ 33,031.8
Stadium capital								
Cost:								
Balance, beginning of year	\$ 12.5	\$ 6.1	\$ 288.6	\$	\$	\$	\$ 307.2	\$ 307.2
Acquisition of capital assets								
Disposition of capital assets								(2,698.5)
Balance, end of year	<u>12.5</u>	<u>6.1</u>	<u>288.6</u>				<u>307.2</u>	<u>307.2</u>
Accumulated amortization:								
Balance, beginning of year		5.4					5.4	1,402.7
Annual amortization		0.1					0.1	0.1
Accumulated amortization on disposals								(1,397.4)
Balance, end of year		<u>5.5</u>					<u>5.5</u>	<u>5.4</u>
Net book value of stadium capital	\$ 12.5	\$ 0.6	\$ 288.6	\$	\$	\$	\$ 301.7	\$ 301.8
Water capital								
Cost:								
Balance, beginning of year	\$ 210.0	\$	\$ 7,435.6	\$ 2,548.4	\$	\$ 16,988.9	\$ 27,182.8	\$ 26,419.2
Acquisition of capital assets			3,672.0	240.8		271.1	4,183.9	803.1
Transfer to general operating				(372.3)			(372.3)	
Disposition of capital assets								(39.5)
Balance, end of year	<u>210.0</u>		<u>11,107.6</u>	<u>2,416.9</u>		<u>17,260.0</u>	<u>30,994.4</u>	<u>27,182.8</u>
Accumulated amortization:								
Balance, beginning of year			1,599.6	1,821.5		5,028.7	8,449.8	8,019.0
Annual amortization			100.0	134.6		164.3	398.9	434.8
Accumulated amortization on disposals				(37.8)			(37.8)	(4.0)
Balance, end of year			<u>1,699.6</u>	<u>1,918.3</u>		<u>5,193.0</u>	<u>8,810.9</u>	<u>8,449.8</u>
Net book value of water capital	\$ 210.0	\$	\$ 9,408.0	\$ 498.6	\$	\$ 12,067.0	\$ 22,183.5	\$ 18,733.0
Total consolidated capital	\$ 2,279.1	\$ 1,403.7	\$ 15,825.9	\$ 3,654.0	\$ 10,414.0	\$ 22,515.8	\$ 56,092.4	\$ 52,066.6

Town of New Glasgow Consolidated Municipal Position

March 31

2017

2016

(in thousands)

Operating and reserve fund balances

General operating fund (Page 6)	\$	139.0	\$	147.7
Water operating fund (Page 7)		210.3		(544.7)
Stadium operating fund (Page 9)				
General capital fund (Page 10)		0.2		0.2
Water capital fund (Page 11)		506.6		1,017.3
Reserve funds (Page 13)		1,596.8		1,427.5
		<u>2,452.9</u>		<u>2,048.0</u>

Investment in capital assets

Balance, beginning of year	\$	41,069.8	\$	42,496.0
Capital funding from				
General operations		102.5		147.5
Water operations		92.0		55.0
Gas tax reserve		782.7		738.3
Depreciation funds		833.1		748.2
Water shed reserve funds		115.0		
Special reserve		47.2		33.8
Equipment reserve		104.1		68.5
Parkland reserve		3.9		33.9
Capital grants		843.7		1,054.3
Repayment of long term debt		1,261.8		1,139.0
Capital lease obligation repayment		75.8		69.4
Repayment of term loans		253.6		262.9
Amortization expense - general capital		(1,847.1)		(1,912.6)
Amortization expense - stadium capital		(0.1)		(0.1)
Amortization expense - water capital		(398.9)		(434.8)
Disposal of equity				(730.5)
Assets written down to market value, net of accumulated amortization				(2,591.9)
Cost of assets sold, net of accumulated amortization		0.7		(107.1)
Balance, end of year	\$	<u>43,339.8</u>	\$	<u>41,069.8</u>
Consolidated municipal position	\$	<u>45,792.7</u>	\$	<u>43,117.8</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2017

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 10.
- (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.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2017

(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.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2017

(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.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2017

(l) 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 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.

2. Depreciation fund

	<u>2017</u>	<u>2016</u>
	(in thousands)	
Cash, beginning of year	\$ 474.0	\$ 747.7
Add: depreciation	398.9	434.8
Less: funds used for capital projects	<u>(833.2)</u>	<u>(708.5)</u>
Balance, end of year	<u>\$ 39.7</u>	<u>\$ 474.0</u>

Town of New Glasgow Notes to Consolidated Financial Statements

March 31, 2017

3. Taxes and rates receivable

			2017	2016
			(in thousands)	
	Current Year	Prior Years	Total	Total
Balance, beginning of year	\$	\$ 1,257.2	\$ 1,257.2	\$ 1,400.3
Current period tax & rate levy	15,941.3		15,941.3	15,228.1
	15,941.3	1,257.2	17,198.5	16,628.4
Collections & write-offs	(14,935.0)	(840.7)	(15,775.7)	(15,501.3)
Balance, end of year	<u>\$ 1,006.3</u>	<u>\$ 416.5</u>	1,422.8	1,257.2
Pollution control receivable			415.3	291.6
Interest receivable			96.8	134.6
			<u>1,934.9</u>	<u>1,683.4</u>
Less: Valuation allowance (Note 4)			<u>(148.6)</u>	<u>(156.1)</u>
			<u>\$ 1,786.3</u>	<u>\$ 1,527.3</u>

4. Valuation allowance - uncollected taxes and rates

	2017	2016
	(in thousands)	
Balance, beginning of year	\$ 156.1	\$ 155.6
Approved write offs	105.2	
Increase in allowance for year	97.7	0.5
Balance, end of year	<u>\$ 148.6</u>	<u>\$ 156.1</u>

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.

	2017	2016
	(in thousands)	
General government services	\$ 217.0	\$ 246.6
Protective services	232.4	230.8
Transportation services	1,008.4	1,033.6
Environmental health services	145.4	146.0
Community development	243.8	255.5
	<u>\$ 1,847.1</u>	<u>\$ 1,912.6</u>

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, 2017

7. Long term debt

	2017	2016
	(in thousands)	
Debtures Issued to Provincial Government or its agencies		
NS Municipal Finance Corporation		
Streets 25-A-1 due 2021	\$ 128.9	\$ 161.1
Police and equipment 27-A-1 due 2017	77.3	154.7
Equipment 26-A-1 due 2021	146.6	161.3
Equipment FCM 27-A due 2017		23.5
Equipment 28-A-1 due 2018	202.7	227.8
Water treatment plant 20-A-1 due 2020	800.0	1,000.0
Water 31-A-1 due 2021	147.2	289.7
Stadium 26-A-1 due 2012		3.5
Stadium 28-A-1 due 2018	60.2	65.2
Equipment 29-A-1 due 2019	304.2	331.9
Equipment 30-A-1 due 2020	882.9	991.0
Glasgow Square 30-A-1 due 2025	840.0	900.0
Equipment 31-A-1 due 2021	612.8	622.4
Equipment 32-A-1 due 2022	1,329.4	1,550.9
Equipment 32-B-1 due 2022	279.1	325.6
Equipment 33-A-1 due 2023	448.4	512.4
Equipment 34-A-1 due 2024	509.2	572.8
Equipment 35-A-1 due 2025	1,227.1	1,363.4
Equipment 36-A-1 due 2026	698.6	
	<u>\$ 8,694.6</u>	<u>\$ 9,257.2</u>

The above debtures 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
2018	\$ 1,075.7	\$ 229.4	\$ 5.0	\$ 1,310.1
2019	1,150.8	229.4	55.2	1,435.4
2020	1,194.2	229.4		1,423.6
2021	945.5	229.4		1,174.9
2022	1,437.1	229.4		1,666.5

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, 2017 for the following purposes:

Transportation	\$ 215.8
Recreation	43.2
Environmental health services	187.4
Water Treatment plant expansion	2,300.0
General government	411.1
	<u>\$ 3,157.5</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2017

8. Capital lease obligations

	<u>2017</u>	<u>2016</u>
	(in thousands)	
Capital lease obligation repaid during the year.	\$	\$ 39.2
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.	125.6	155.6
Capital lease obligation, with interest of 2.79% implicit in the lease payments, payable in monthly instalments of \$1,584. The obligation is secured by 2016 backhoe	114.2	
	<u>\$ 239.8</u>	<u>\$ 194.8</u>

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

	<u>General Capital</u>	<u>Water Capital</u>	<u>Stadium Capital</u>	<u>Total</u>
2018	47.2	\$	\$	\$ 47.2
2019	48.8			48.8
2020	50.4			50.4
2021	45.9			45.9
2022	47.4			47.4

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2017

9. Term debt obligations	2017	2016
	(in thousands)	
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.	\$ 14.7	\$ 29.4
Term loan repaid during the year.		9.9
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.	27.1	39.3
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.	83.0	109.4
Term loan, with interest at 4.36%, payable in monthly instalments of \$1,314 including interest. The obligation is secured by a 2012 Trackless.	70.7	83.1
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.	1.6	8.2
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.	1.6	8.1
Term loan, with interest at 3.22%, payable in monthly instalments of \$1370.76 including interest. The obligation is secured by computer equipment.	4.1	20.3
Term loan, with interest at 3.4%, payable in monthly instalments of \$1,198 including interest. The obligation is secured by a 2013 Roadpak line paint machine.	23.3	36.6
Term loan, with interest at 4.99%, payable in monthly instalments of \$2,659 including interest. The obligation is secured by a 2014 Mack dump truck.	2.6	33.6
Term loan, with interest at 3.36%, payable in monthly instalments of \$508 including interest. The obligation is secured by a 2014 Dodge Ram truck.	15.1	20.5
Term loan, with interest at 3.26%, payable in monthly instalments of \$1,448 including interest. The obligation is secured by a several pieces of equipment.	45.6	61.2
	<u>\$ 289.4</u>	<u>\$ 459.6</u>

Continues on next page

Town of New Glasgow Notes to Consolidated Financial Statements

March 31, 2017

9. Term debt obligations (continued)	2017	2016
	(in thousands)	
Balance forward	\$ 289.4	\$ 459.6
Term loan, with interest at 3.58%, payable in monthly instalments of \$3,245 including interest. The obligation is secured by a 2009 International c/w 2010 Vactor unit.	130.8	164.4
Term loan, with interest at 3.49%, payable in monthly instalments of \$655 including interest. The obligation is secured by a 2014 Ford F150 truck.	16.4	23.5
Term loan, with interest at 3.33%, payable in monthly instalments of \$1,260 including interest. The obligation is secured by a 2016 Trackless	91.3	103.2
Term loan, with interest at 2.99%, payable in monthly instalments of \$1,886 including interest. The obligation is secured by several pieces of equipment.	59.7	80.2
Term loan, with interest at 3.36%, payable in monthly instalments of \$508 including interest. The obligation is secured by a 2015 Dodge Ram truck.	24.0	30.9
Term loan, with interest at 3.04%, payable in monthly instalments of \$370 including interest. The obligation is secured by a 2016 Dodge Grand Caravan.	19.8	
Term loan, with interest at 3.04%, payable in monthly instalments of \$657 including interest. The obligation is secured by a 2016 Dodge Ram truck.	35.5	
Term loan, with interest at 3.04%, payable in monthly instalments of \$910 including interest. The obligation is secured by a 2015 Dodge Charger.	24.6	
	<u>\$ 691.5</u>	<u>\$ 861.8</u>

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

	General Capital	Water Capital	Total
2017	\$ 154.3	\$ 86.4	\$ 240.7
2018	126.6	59.6	186.2
2019	121.7	43.8	165.5
2020	97.7	38.7	136.4
2021	11.5	22.4	33.9

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2017

10. 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 \$14,075 from the reserve. (2016 - \$16,595)

(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, 2017 was \$90,828 (2016 - \$81,227).

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>2017</u>	<u>2016</u>
	(in thousands)	
Pictou Antigonish Regional Library	\$ 79.9	\$ 73.1
Pictou County Solid Waste Management	699.0	740.6
East River Environmental Control Centre	864.0	849.1
Eastern Mainland Housing Authority (a)	200.9	209.4
District School Board (b)	1,730.0	1,687.7

(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.

11. 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, 2017 is \$355,050.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2017

12. 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	\$ 19,456
Nancy Dicks	Mayor	\$ 12,971
Troy MacCulloch	Councillor	21,661
Trudy Vince	Councillor	12,322
Henderson Paris	Councillor	12,322
Jack Lewis	Councillor	20,536
Clyde Fraser	Deputy Mayor	21,169
Nancy Dicks	Councillor	12,322
John Guthro	Councillor	8,215
Joe MacDonald	Councillor	8,215
Frank Proudfoot	Councillor	8,215
Lisa MacDonald	CAO	118,320

13. 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, 2017 the amount transferred was \$212,417 (2016 - \$187,275).

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, 2017, the Town's portion of the estimated deficit was \$357,993 which has been recorded as a liability in the financial statements.

Crombie Developments Limited

The Town of New Glasgow has entered into a twelve 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, 2017. The monthly commitment for the lease is \$4,538.

Pictou Shared Services Authority - Aberdeen Hospital Renovation Project

The Town of New Glasgow has provided security for a temporary borrowing resolution for the Aberdeen Hospital Renovation project that is being administered by the Pictou County Shared Services Authority in the amount of \$1,424,569 with the remaining portion of the total \$6,800,000 being secured by other municipal units located in Pictou County.

At March 31, 2017 the balance of the loan outstanding for this project is \$4,052,937; of which the Town provides security for \$851,117 (21% of the total).

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2017

14. Investment in New Scotland Business Development Incorporated

The New Scotland Business Development Incorporated (NSBDI) was incorporated December 31, 2014 pursuant to Section 60 of the Municipal Government Act. The Town of New Glasgow and the Municipality of the County of Pictou entered into an inter-municipal services agreement representing equal ownership of NSBDI.

As a result of this agreement, the Town of New Glasgow, together with the Municipality of the County of Pictou have jointly guaranteed a bank loan for New Scotland Business Development Inc. to a maximum of \$6,250,000 for purchase of land for a business park. The outstanding balance of the mortgage loan at March 31, 2017 is \$2,720,000.

The method of accounting for the investment is the modified equity approach which results in the Town of New Glasgow recognizing the carrying value of capital contributions and 50% of the net assets of NSBDI.

The value of the investment at March 31, 2017 represents capital contributions only. There is no other income or loss generated from NSBDI up to March 31, 2017.

15. 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, 2016 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	<u>\$ 16,594,600</u>
Pension fund obligation	<u>\$ 13,954,800</u>

The net difference of \$2,639,800 represents a surplus in the plan.

Solvency Financial Position (Valuation method required by the Nova Scotia Pension Benefits Act)	
Pension fund assets	<u>\$ 16,494,600</u>
Pension fund obligation	<u>\$ 21,683,300</u>

The net difference of \$5,188,700 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.

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2017

2016

	(in thousands)		
Taxes	Budget	Actual	Actual
Assessable property			
Residential	\$ 7,956.0	\$ 7,948.4	\$ 7,687.5
Commercial	5,918.6	5,928.1	6,089.6
Resource	39.9	39.6	42.3
Natural Gas Distribution Taxes	2.0	2.4	
	<u>13,916.5</u>	<u>13,918.5</u>	<u>13,819.4</u>
Business property			
Based on revenue (Aliant)	56.7	56.7	67.8
Nova Scotia Power Corp.	1.0	1.0	1.0
H.S.T. offset grant	60.0	70.6	75.8
	<u>117.7</u>	<u>128.3</u>	<u>144.6</u>
Special assessments			
Environmental Health Services			
Pollution control	1,206.0	1,144.2	930.5
Solid waste disposal	563.5	563.4	432.0
Fire Protection Charges	51.0	102.8	83.2
	<u>1,820.5</u>	<u>1,810.4</u>	<u>1,445.7</u>
Deed transfer tax		<u>212.4</u>	<u>187.3</u>
Total tax levied	<u>15,854.7</u>	<u>16,069.6</u>	<u>15,597.0</u>
Less taxes collected on behalf of others;			
Regional school board	(1,730.0)	(1,730.0)	(1,687.7)
Provincial correctional service	(119.6)	(119.6)	(120.0)
Regional housing authority	(215.0)	(200.9)	(209.4)
	<u>(2,064.6)</u>	<u>(2,050.5)</u>	<u>(2,017.1)</u>
	<u>\$ 13,790.1</u>	<u>\$ 14,019.1</u>	<u>\$ 13,579.9</u>

Grants in lieu of taxes

Federal Government	\$ 65.1	\$ 62.0	\$ 65.0
Provincial Government	9.6	9.5	9.6
	<u>\$ 74.7</u>	<u>\$ 71.5</u>	<u>\$ 74.6</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2017

2016

(in thousands)

	Budget	Actual	Actual
Sales of services			
Parking meters	\$ 90.0	\$ 82.2	\$ 84.3
Sale of IT services	115.0	115.1	115.2
Sale of policing services	551.5	562.7	532.5
Sale of planning and inspection services	35.0	63.3	65.8
	<u>\$ 791.5</u>	<u>\$ 823.3</u>	<u>\$ 797.8</u>

Other revenue from own sources

Licenses and permits	\$ 0.5	\$ 0.7	\$ 0.7
Fines	127.5	130.6	114.2
Rentals	184.0	186.8	176.5
Interest on taxes and rates	194.0	219.8	212.9
HST rebates (gas and diesel)	40.0	45.6	44.7
Mortgage service fees	15.0	14.5	15.0
Recreation revenue	12.0	33.3	15.6
Engineering contract work	50.0	42.2	46.8
Sale of power to NSPC	23.0	15.5	
Refund of PCSSA Planning Division Surplus			69.0
Refund of ERECC Surplus			171.0
Miscellaneous	5.5	43.3	23.8
	<u>\$ 651.5</u>	<u>\$ 732.3</u>	<u>\$ 890.2</u>

Transfers from government

Unconditional transfers from Provincial Government	\$ 1,055.4	\$ 1,055.4	\$ 1,055.4
Conditional transfers from Federal and Provincial Governments and agencies			
Department of Justice Policing Program	500.0	500.0	500.0
Civic addressing initiative	3.1	3.2	3.2
Prisoner's board	0.3	0.3	0.3
	<u>\$ 1,558.8</u>	<u>\$ 1,558.9</u>	<u>\$ 1,558.9</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2017

2016

	(in thousands)		
	Budget	Actual	Actual
Stadium revenue			
Building rentals	\$	\$ 0.9	\$ 10.0
Water revenues			
Metered sales	\$ 3,259.4	\$ 3,056.2	\$ 2,556.8
Flat rate sales	252.2	251.6	221.6
Public fire protection	6.8	8.5	7.2
Other	15.0	20.2	37.3
	<u>\$ 3,533.4</u>	<u>\$ 3,336.5</u>	<u>\$ 2,822.9</u>
Grants for capital			
Canada/Nova Scotia Gas Tax Agreement	\$ 773.5	\$ 773.5	\$ 726.3
Infrastructure Renewal - BCF	840.0	843.7	
West Side Community Centre		6.0	6.0
Atlantic Canada Opportunities Agency			250.1
Pictou County Historical Society		6.4	
New Glasgow Farmers Market Co-Op			15.0
Municipality of County of Pictou			63.0
	<u>\$ 1,613.5</u>	<u>\$ 1,629.6</u>	<u>\$ 1,060.4</u>
Other revenue			
Interest on operating account	\$ 5.0	\$ 9.7	\$ 15.0
Interest on capital and reserve funds		4.1	4.6
	<u>\$ 5.0</u>	<u>\$ 13.8</u>	<u>\$ 19.6</u>
Other proceeds			
Sale of assets, net of net book value	\$	\$ 198.4	\$ 8.6
Parkland transfers		1.1	3.9
	<u>\$</u>	<u>\$ 199.5</u>	<u>\$ 12.5</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2017

2016

(in thousands)

	Budget	Actual	Actual
General government services			
Legislative	\$ 248.5	\$ 227.0	\$ 188.2
General administration	881.6	817.1	788.5
Taxation exemptions	120.0	111.7	111.6
Employee benefits	86.7	90.3	74.8
Computer services	393.9	374.6	362.1
Safety	20.0	7.0	4.0
Public grants	19.8	17.2	10.6
Town owned buildings	88.7	89.8	87.5
Other	32.0	25.3	36.6
	<u>1,891.2</u>	<u>1,760.0</u>	<u>1,663.9</u>
Amortization		<u>217.0</u>	<u>246.6</u>
	<u>\$ 1,891.2</u>	<u>\$ 1,977.0</u>	<u>\$ 1,812.4</u>

Protective services

Police protection

Crime investigation, prevention and protective services	\$ 4,151.5	\$ 3,893.6	\$ 4,188.2
Police station and building	131.5	123.0	120.2
Provincial Police program	500.0	601.3	612.0
Police automotive equipment	218.0	200.1	197.0
	<u>5,001.0</u>	<u>4,818.0</u>	<u>5,117.4</u>

Fire protection

Fire fighting force	850.9	936.3	920.6
Fire stations and buildings	54.2	59.3	53.7
Fire fighting equipment	58.6	66.4	61.1
Other	40.0	25.7	37.7
	<u>1,003.7</u>	<u>1,087.7</u>	<u>1,073.1</u>

Animal control

Administration	20.0	18.2	20.6
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Emergency measures

	6.5	8.3	10.1
	<u>6,031.2</u>	<u>5,932.2</u>	<u>6,221.2</u>

Amortization

		<u>232.4</u>	<u>230.8</u>
	<u>\$ 6,031.2</u>	<u>\$ 6,164.6</u>	<u>\$ 6,452.0</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2017

2016

(in thousands)

	Budget	Actual	Actual
Transportation services			
Common services			
Engineering	\$ 506.5	\$ 481.9	\$ 491.4
Planning, inspection and unsightly	199.5	187.6	189.5
Equipment	491.0	583.0	603.7
Workshop	214.0	212.1	272.0
Employee benefits	578.7	528.9	499.6
Road transport			
Streets	980.5	993.9	805.7
Street lighting	103.0	78.9	87.0
Storm sewers & catchpits	100.0	104.4	62.4
Traffic activities	121.0	115.0	101.9
Parking and other	191.0	200.8	228.3
	<u>3,485.2</u>	<u>3,486.5</u>	<u>3,341.5</u>
Amortization		1,008.4	1,033.6
	<u>\$ 3,485.2</u>	<u>\$ 4,494.9</u>	<u>\$ 4,375.1</u>

Environmental health services

Sewage treatment and disposal	\$ 157.0	\$ 163.5	\$ 75.5
Central treatment plant operation	864.0	864.0	849.1
Garbage and waste collection and disposal			
Municipal collection and disposal	745.2	733.0	740.6
	<u>1,766.2</u>	<u>1,760.5</u>	<u>1,665.2</u>
Amortization		145.4	146.0
	<u>\$ 1,766.2</u>	<u>\$ 1,905.9</u>	<u>\$ 1,811.2</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

2017

2016

(in thousands)

	Budget	Actual	Actual
Marketing and communications			
Festivals and events	\$ 11.5	\$ 9.3	\$ 18.5
Salaries and benefits	105.6	99.4	100.9
Communication and event marketing	46.0	35.0	42.7
	<u>\$ 163.1</u>	<u>\$ 143.7</u>	<u>\$ 162.1</u>
Community development			
Administration	\$ 293.7	\$ 278.6	\$ 262.8
Recreation instruction and sundry	75.7	61.6	146.6
Marina	1.0	29.6	3.7
Farmers Market	2.0	8.6	4.7
Community centres	36.0	28.7	34.0
Parks and playgrounds	133.5	109.5	115.9
Summer grounds maintenance	100.0	88.4	94.5
	<u>641.9</u>	<u>605.0</u>	<u>662.2</u>
Amortization		<u>243.8</u>	<u>255.5</u>
	<u>\$ 641.9</u>	<u>\$ 848.8</u>	<u>\$ 917.7</u>
Stadium expenses			
Light and power	\$	\$ 2.7	\$ 4.3
Water & environmental charge		0.7	0.3
Wages		<u>3.4</u>	<u>10.9</u>
		<u>0.1</u>	<u>15.5</u>
Amortization		<u>0.1</u>	<u>0.1</u>
	<u>\$</u>	<u>\$ 3.5</u>	<u>\$ 15.6</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2017

2016

(in thousands)

	Budget	Actual	Actual
Water treatment and distribution			
Operating expenditures			
Source of supply	\$ 67.9	\$ 78.1	\$ 55.7
Pumping	137.4	115.9	98.6
Water treatment	702.0	579.5	480.6
Transmission and distribution	786.2	640.6	743.7
Employee benefits	411.3	284.9	293.8
Fleet	186.0	144.6	149.6
Administrative and general	432.7	415.3	444.0
	<u>2,723.5</u>	<u>2,258.9</u>	<u>2,266.0</u>
Amortization	618.9	398.9	434.8
	<u>\$ 3,342.4</u>	<u>\$ 2,657.8</u>	<u>\$ 2,700.8</u>
Other transfers and grants			
Deficit of Pictou County Wellness Centre	\$ 300.0	\$ 358.0	\$ 412.5
Deed transfer tax		212.4	187.3
Riverfront - Glasgow Square	80.0	90.8	71.8
School enhancements New Glasgow Academy	30.0		
Province of Nova Scotia			
Assessment Services	119.7	119.7	120.9
Tourism and education services			
Pictou-Antigonish Regional Library	80.0	79.9	73.2
Destination Eastern & Northumberland Shores	9.6	9.6	9.5
Construction Engineering Flight	1.2	1.2	1.1
Transportation services			
Public Transit - CHAD	35.0	35.0	33.0
Regional government MOU	115.0	122.9	25.0
	<u>\$ 770.5</u>	<u>\$ 1,029.5</u>	<u>\$ 934.3</u>
Interest and bank charges			
Debenture discount	\$ 8.0	\$ 4.8	\$ 9.7
Interest on long term debt	266.8	258.9	283.5
Interest on capital leases	24.0	26.6	7.9
Interest and service charges	13.8	9.0	10.0
	<u>\$ 312.6</u>	<u>\$ 299.3</u>	<u>\$ 311.1</u>
Reserves for taxes and appeals			
Reserve for uncollectible taxes	\$ 5.0	\$ 97.7	\$ 0.5



TOWN OF NEW GLASGOW
TRUST FUND BALANCE SHEET
March 31, 2017

ASSETS	A.E. Fraser Trust	James Roy Trust	Margaret C. Cameron Trust	W.G. Matheson Bursary Trust	George Syster Trust	Lincoln Fraser Memorial Trust	Carmichael Scholarship Trust	Graduation Class Trust	Graduation Class 95 Trust	Bruce Stewart Trust	Eric Douceme Trust	J.D. MacGregor Trust	Man MacInnis Trust	H. Goodman Trust	Philip Grant Trust	War Memorial Trust	2016 Total	2017 Total	2018 Total
Cash	\$ 34,650	\$ 159,388	\$ 4,227	\$ 1,871	\$ 969	\$ 3,649	\$ 2,140	\$ 1,016	\$ 1,335	\$ 3	\$ 1,634	\$ 10,819	\$ 2,494	\$ 695	\$ 275	\$ 1,058	\$ 227,768	\$ 230,810	\$ 230,810
Investments, at cost	97,668	159,388	4,227	1,871	969	3,649	41,614	1,016	1,335	533	1,634	10,819	2,494	695	275	1,058	139,815	154,263	154,263
	132,318	159,388	4,227	1,871	969	3,649	43,754	1,016	1,335	530	1,634	10,819	2,494	695	275	1,058	367,581	367,581	393,073
RESERVE																			
Trust Fund Reserve	\$ 132,318	\$ 159,388	\$ 4,227	\$ 1,871	\$ 969	\$ 3,649	\$ 43,754	\$ 1,016	\$ 1,335	\$ 530	\$ 1,634	\$ 10,819	\$ 2,494	\$ 695	\$ 275	\$ 1,058	\$ 367,581	\$ 367,581	\$ 393,073

STATEMENT OF TRUST FUND RESERVES
March 31, 2017

Balance, begin year	\$ 130,603	\$ 158,276	\$ 4,311	\$ 1,907	\$ 3,723	\$ 1,587	\$ 54,967	\$ 1,009	\$ 1,361	\$ 555	\$ 1,822	\$ 10,769	\$ 2,546	\$ 700	\$ 394	\$ 1,051	\$ 339,073	\$ 402,752	\$ 402,752
Add:																			
Interest Earned	291	1,112	31	14	7	26	12	7	9	-	12	75	18	5	3	7	1,771	2,424	2,424
Investment Gain	1,243						645										1,968	1,019	1,019
Investment Allocation	4,718																4,718	5,062	5,062
	136,955	159,388	4,342	1,921	994	3,749	55,754	1,016	1,370	555	1,834	10,844	2,564	705	397	1,058	401,550	411,277	411,277
Deduct:																			
Transfers																			
Book Purchases	4,637			59	25	100	40	12,000	35	25		25	70	20	122		12,627	5,043	5,043
Investment Loss																	4,637	542	542
Bank Charges																			
	4,637			59	25	100	40	12,000	35	25		25	70	20	122		17,264	5,585	5,585
	\$ 132,318	\$ 159,388	\$ 4,227	\$ 1,871	\$ 969	\$ 3,649	\$ 43,754	\$ 1,016	\$ 1,335	\$ 530	\$ 1,634	\$ 10,819	\$ 2,494	\$ 695	\$ 275	\$ 1,058	\$ 367,581	\$ 367,581	\$ 393,073

ON BEHALF OF THE TOWN

Nancy Sacks
Mayor