

**TOWN OF NEW GLASGOW**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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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, 2016, 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, 2016, 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  
October 4, 2016

*MacDonald +  
Murphy Inc.*

Chartered Professional Accountants



MacDonald &  
Murphy Inc.



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

Year Ended March 31

2016

2015

(in thousands)

|   | Page | Budget            | Actual             | Actual             |
|---|------|-------------------|--------------------|--------------------|
| <b>Revenue</b>                                |      |                   |                    |                    |
| Taxes   | 28   | \$ 13,358.3       | \$ 13,579.9        | \$ 13,405.9        |
| Grants in lieu of taxes                       | 28   | 75.5              | 74.6               | 75.5               |
| Sale of services                              | 29   | 796.5             | 797.8              | 822.0              |
| Other revenue from own sources                | 29   | 593.9             | 890.2              | 767.0              |
| Transfers from government                     | 29   | 1,558.7           | 1,558.9            | 1,558.8            |
| Stadium revenues                              | 30   |                   | 10.0               | 8.0                |
| Water revenues                                | 30   | 2,566.8           | 2,822.9            | 2,500.8            |
| Grants for capital                            | 30   | 1,048.0           | 1,164.1            | 1,786.6            |
| Other revenue                                 | 30   | 10.0              | 19.6               | 23.4               |
| Other proceeds                                | 30   |                   | 12.5               | 125.3              |
| <b>Total revenue</b>                          |      | <u>20,007.7</u>   | <u>20,930.5</u>    | <u>21,073.3</u>    |
| <b>Expenditures</b>                           |      |                   |                    |                    |
| General government services                   | 31   | 1,749.6           | 1,910.5            | 1,961.7            |
| Protective services                           | 31   | 6,045.5           | 6,452.0            | 6,136.6            |
| Transportation services                       | 32   | 3,304.5           | 4,375.1            | 4,488.9            |
| Environmental health services                 | 32   | 1,758.0           | 1,811.2            | 1,808.7            |
| Public health services                        | 32   | 5.0               | 5.0                | 5.0                |
| Marketing and communications                  | 33   | 171.9             | 162.1              | 289.7              |
| Community development                         | 33   | 701.9             | 917.7              | 942.5              |
| Stadium expenses                              | 33   |                   | 15.5               | 99.2               |
| Water treatment and distribution              | 34   | 3,149.8           | 2,700.8            | 2,712.1            |
| Other transfers and grants                    | 34   | 655.6             | 934.3              | 1,005.3            |
| Interest and bank charges                     | 34   | 356.1             | 385.2              | 393.8              |
| Reserve for taxes and other receivables       | 34   | 5.0               | 0.5                |                    |
| Financing of pension deficit per valuation    |      |                   |                    | 0.8                |
| Write down of assets to market value          |      |                   | 2,591.9            |                    |
| <b>Total expenditures</b>                     |      | <u>17,902.9</u>   | <u>22,261.8</u>    | <u>19,844.3</u>    |
| <b>Net surplus</b>                            |      | <u>\$ 2,104.8</u> | <u>(1,331.3)</u>   | <u>1,396.2</u>     |
| <b>Accumulated surplus, beginning of year</b> |      |                   | <u>44,449.1</u>    | <u>43,052.9</u>    |
| <b>Accumulated surplus, end of year</b>       |      |                   | <u>\$ 43,117.8</u> | <u>\$ 44,449.1</u> |

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

Year Ended March 31

2016

2015

(in thousands)

|  | <u>Actual</u>       | <u>Actual</u>        |
|--|---------------------|----------------------|
| <b>Net surplus</b>   | <b>\$ (1,331.3)</b> | <b>\$ 1,396.2</b>    |
| <b>Changes in tangible capital assets</b>                    |                     |                      |
| Acquisition of capital assets                                | (3,057.1)           | (4,052.6)            |
| Amortization of capital assets                               | 2,345.6             | 2518.9               |
| Write down of assets to market value                         | 2,591.9             |                      |
| Cost of assets sold, net of accumulated amortization         | 107.1               | 32.0                 |
| Increase in net book value of tangible capital assets        | <u>1,987.5</u>      | <u>(1,501.7)</u>     |
| <b>Changes in other non-financial assets</b>                 |                     |                      |
| Acquisition of equity interest in New Scotland Business Park | (21.5)              |                      |
| Acquisition of inventories                                   | (409.7)             | (367.7)              |
| Acquisition of prepaid expense                               | (55.6)              | (47.9)               |
| Amortization of debt discount                                | 1.8                 | 1.8                  |
| Consumption of inventories                                   | 367.7               | 387.3                |
| Use of prepaid expense                                       | <u>47.9</u>         | <u>64.5</u>          |
|  | <u>(69.4)</u>       | <u>38.0</u>          |
| <b>Change in net financial liabilities</b>                   | <b>586.8</b>        | <b>(67.5)</b>        |
| <b>Net financial liabilities, beginning of year</b>          | <u>(10,029.9)</u>   | <u>(9,962.4)</u>     |
| <b>Net financial liabilities, end of year</b>                | <u>\$ (9,443.1)</u> | <u>\$ (10,029.9)</u> |

# Town of New Glasgow

## Consolidated Statement of Cash Flow

Year Ended March 31

2016

2015

(in thousands)

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

|   |                  |                  |
|---|------------------|------------------|
| <b>Operating activities</b>                                 |                  |                  |
| Net surplus   | \$ (1,331.3)     | \$ 1,396.2       |
| Change in taxes receivable                                  | (127.0)          | (188.9)          |
| Change in water rates receivable                            | (4.5)            | (198.6)          |
| Change in accounts receivable                               | 281.1            | (138.8)          |
| Change in other assets                                      | (47.9)           | 38.0             |
| Change in accounts payable and accrued liabilities          | (408.0)          | 110.1            |
|   | <u>(1,637.6)</u> | <u>1,018.0</u>   |
| <b>Capital activities</b>                                   |                  |                  |
| Increase in net book value of capital assets                | 1,987.5          | (1,517.4)        |
| Increase in investment in New Scotland Business Development | (21.5)           |                  |
|   | <u>1,966.0</u>   | <u>(1,517.4)</u> |
| <b>Financing activities</b>                                 |                  |                  |
| Long term debt issued                                       | 1,589.1          | 1,011.2          |
| Debt principal repayment                                    | (1,139.0)        | (1,140.5)        |
| Term loan repayment   | (262.9)          | (234.8)          |
| Capital lease obligation repayment                          | (69.4)           | (160.8)          |
|   | <u>117.8</u>     | <u>(524.9)</u>   |
| <b>Net change in cash and cash equivalents</b>              | <b>446.2</b>     | <b>(1,024.3)</b> |
| <b>Cash and cash equivalents</b>                            |                  |                  |
| Beginning of year   | <u>414.30</u>    | <u>1,438.60</u>  |
| End of year   | <u>\$ 860.5</u>  | <u>\$ 414.3</u>  |
| <b>Comprised of</b>   |                  |                  |
| Cash  | \$ 2,450.6       | \$ 2,537.2       |
| Bank indebtedness   | (1,590.1)        | (2,122.9)        |
|   | <u>\$ 860.5</u>  | <u>\$ 414.3</u>  |

# Town of New Glasgow Schedule of General Operating Fund

Year Ended March 31

2016

2015

(in thousands)

|  | Page | Budget           | Actual           | Actual           |
|--|------|------------------|------------------|------------------|
| <b>Revenue</b>                                   |      |                  |                  |                  |
| Taxes  | 28   | \$ 13,358.3      | \$ 13,579.9      | \$ 13,405.9      |
| Grants in lieu of taxes                          | 28   | 75.5             | 74.6             | 75.5             |
| Sale of services                                 | 29   | 796.5            | 797.8            | 822.0            |
| Other revenue from own sources                   | 29   | 593.9            | 890.2            | 767.0            |
| Transfers from governments                       | 29   | 1,558.7          | 1,558.9          | 1,558.8          |
| Other revenue                                    | 30   | 10.0             | 15.0             | 15.7             |
| <b>Total revenue</b>                             |      | <u>16,392.9</u>  | <u>16,916.4</u>  | <u>16,644.9</u>  |
| <b>Expenditures</b>                              |      |                  |                  |                  |
| General government services                      | 31   | 1,749.6          | 1,663.9          | 1,758.2          |
| Protective services                              | 31   | 6,045.5          | 6,221.2          | 5,906.3          |
| Transportation services                          | 32   | 3,304.5          | 3,341.5          | 3,437.3          |
| Environmental health services                    | 32   | 1,758.0          | 1,665.2          | 1,671.6          |
| Public health services                           | 32   | 5.0              | 5.0              | 5.0              |
| Marketing and communications                     | 33   | 171.9            | 162.1            | 175.5            |
| Community development                            | 33   | 701.9            | 662.2            | 690.9            |
| Other transfers and grants                       | 34   | 655.6            | 934.3            | 838.1            |
| Interest and bank charges                        | 34   | 299.9            | 311.1            | 312.5            |
| Reserve for taxes and other receivables          | 34   | 5.0              | 0.5              |                  |
| Financing of pension deficit per valuation       |      |                  |                  | 0.8              |
| <b>Total expenditures</b>                        |      | <u>14,696.9</u>  | <u>14,967.0</u>  | <u>14,796.2</u>  |
| <b>Net revenues</b>                              |      | <u>1,696.0</u>   | <u>1,949.4</u>   | <u>1,848.7</u>   |
| <b>Financing and transfers</b>                   |      |                  |                  |                  |
| Repayment of capital lease obligation            |      | (70.0)           | (69.4)           | (140.8)          |
| Debt principal repayment                         |      | (868.2)          | (868.2)          | (804.6)          |
| Term loan repayment                              |      | (169.8)          | (174.0)          | (167.9)          |
| Transfers to operating fund reserve              |      | (53.1)           | (133.4)          | (262.2)          |
| Transfers from (to) general capital fund         |      |                  |                  |                  |
| Capital out of revenue                           |      |                  | (147.5)          | (116.9)          |
| Transfers from (to) water operating fund         |      |                  |                  |                  |
| Fire protection charge                           |      | (675.0)          | (674.4)          | (617.2)          |
| Tax levy   |      | 140.1            | 131.8            | 131.8            |
| <b>Net financing and transfers</b>               |      | <u>(1,696.0)</u> | <u>(1,935.1)</u> | <u>(1,977.8)</u> |
| <b>Change in general operating fund</b>          |      | <u>\$</u>        | <u>14.3</u>      | <u>(129.1)</u>   |
| <b>General operating fund, beginning of year</b> |      |                  | <u>133.4</u>     | <u>262.50</u>    |
| <b>General operating fund, end of year</b>       |      |                  | <u>\$ 147.7</u>  | <u>\$ 133.4</u>  |

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

Year Ended March 31

2016

2015

|  |      | (in thousands)    |                   |                   |
|--|------|-------------------|-------------------|-------------------|
|  | Page | Budget            | Actual            | Actual            |
| <b>Revenue</b>                                 |      |                   |                   |                   |
| Water revenue                                  |      | \$ 2,536.4        | \$ 2,785.6        | \$ 2,449.4        |
| Other revenue                                  |      | 30.4              | 37.3              | 51.4              |
| <b>Total revenue</b>                           | 30   | <u>2,566.8</u>    | <u>2,822.9</u>    | <u>2,500.8</u>    |
| <b>Expenditures</b>                            |      |                   |                   |                   |
| Transmission and distribution                  | 34   | 2,689.8           | 2,266.0           | 2,249.1           |
| Interest and bank charges                      | 34   | 107.4             | 71.0              | 76.4              |
| <b>Total expenditures</b>                      |      | <u>2,797.2</u>    | <u>2,337.0</u>    | <u>2,325.5</u>    |
| <b>Net revenues (expenditures)</b>             |      | <u>(230.4)</u>    | <u>485.9</u>      | <u>175.3</u>      |
| <b>Financing and transfers</b>                 |      |                   |                   |                   |
| Repayment of capital lease obligation          |      |                   |                   | (16.4)            |
| Debt principal repayment                       |      | (248.3)           | (248.3)           | (313.4)           |
| Repayment of term loans                        |      | (203.5)           | (88.9)            | (66.9)            |
| Transfers from (to) general operating fund     |      |                   |                   |                   |
| Fire protection charge                         |      | 675.0             | 674.4             | 617.2             |
| Tax levy                                       |      | (140.1)           | (131.8)           | (131.8)           |
| Transfers to water capital fund                |      |                   |                   |                   |
| Land reserve                                   |      | (35.0)            | (35.0)            | (35.0)            |
| Capital out of revenue                         |      | (100.0)           | (55.0)            | (12.9)            |
| Depreciation charge                            |      | (460.0)           | (434.8)           | (463.0)           |
| <b>Net financing and transfers</b>             |      | <u>(511.9)</u>    | <u>(319.4)</u>    | <u>(422.2)</u>    |
| <b>Change in water operating fund</b>          |      | <u>\$ (742.3)</u> | 166.5             | (246.9)           |
| <b>Water operating fund, beginning of year</b> |      |                   | <u>(711.2)</u>    | <u>(464)</u>      |
| <b>Water operating fund, end of year</b>       |      |                   | <u>\$ (544.7)</u> | <u>\$ (711.2)</u> |

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

Year Ended March 31

2016

2015

(in thousands)

**Assets**

|  |                 |                 |
|--|-----------------|-----------------|
| Receivables                                  |                 |                 |
| Rates (less allowance for doubtful accounts) | \$ 450.4        | \$ 448.9        |
| Due from own funds and agencies              |                 |                 |
| Water capital fund                           | 1.9             | 1.9             |
| Prepays                                      | 2.6             | 0.5             |
| Inventories, at cost                         | 6.2             | 7.5             |
|  | <u>\$ 461.1</u> | <u>\$ 458.8</u> |

**Liabilities**

|                                    |                |                |
|------------------------------------|----------------|----------------|
| Bank indebtedness                  | \$ 897.8       | \$ 1,060.1     |
| Payables and accruals              | 93.7           | 109.9          |
| Deferred revenue                   | 14.3           |                |
| <b>Total financial liabilities</b> | <u>1,005.8</u> | <u>1,170.0</u> |

**Equity**

|         |                 |                 |
|---------|-----------------|-----------------|
| Deficit | <u>(544.7)</u>  | <u>(711.2)</u>  |
|         | <u>\$ 461.1</u> | <u>\$ 458.8</u> |

## Town of New Glasgow Schedule of Stadium Operating Fund

Year Ended March 31

2016

2015

|  |      | (in thousands) |         |
|--|------|----------------|---------|
|  | Page | Budget         | Actual  |
| <b>Stadium revenue</b>                           | 30   | \$             | \$ 10.0 |
| <b>Expenditures</b>                              |      |                |         |
| Stadium expenses                                 | 33   |                | 15.5    |
| Interest and bank charges                        | 34   |                | 3.1     |
| <b>Total expenditures</b>                        |      |                | 18.6    |
| <b>Net expenditures</b>                          |      |                | (8.6)   |
| <b>Financing and transfers</b>                   |      |                |         |
| Debt principal repayment                         |      |                | (22.5)  |
| Repayment of capital lease obligation            |      |                | (3.6)   |
| Transfers from Stadium Reserve                   |      |                | 31.1    |
| <b>Net financing and transfers</b>               |      |                | 8.6     |
| <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

2016

2015

|  | (in thousands)   |                  |                  |
|--|------------------|------------------|------------------|
|  | Budget           | Actual           | Actual           |
| <b>Revenue</b>                                 |                  |                  |                  |
| Grants   | \$ 328.0         | \$ 328.0         | \$ 1,063.1       |
| <b>Expenditures</b>                            |                  |                  |                  |
| General government                             | 483.6            | 645.3            | 1,194.7          |
| Protective services                            | 144.3            | 192.3            | 134.7            |
| Transportation services                        | 1,255.0          | 1,264.6          | 1,073.0          |
| Environmental health services                  | 285.0            | 127.7            | 1,069.3          |
| Recreation services                            | 29.0             | 23.9             | 150.2            |
| Investment, New Scotland Business Dev. Inc     |                  | 21.5             |                  |
| <b>Total expenditures (Page 35)</b>            | <u>2,196.9</u>   | <u>2,275.3</u>   | <u>3,621.9</u>   |
| <b>Net expenditures</b>                        | <u>(1,868.9)</u> | <u>(1,947.3)</u> | <u>(2,558.8)</u> |
| <b>Financing and transfers</b>                 |                  |                  |                  |
| Short term financing                           | 909.4            | 698.6            | 1,355.4          |
| Conditional sales contracts                    |                  | 226.6            | 128.0            |
| Transfers from general operating fund          |                  |                  |                  |
| Capital out of revenue                         | 204.0            | 147.5            | 116.9            |
| Transfers from (to) reserve funds              |                  |                  |                  |
| Equipment reserve                              | 30.5             | 68.5             | 100.1            |
| Special reserve                                | 5.0              | 33.8             | 28.0             |
| Gas tax reserve                                | 720.0            | 738.4            | 790.9            |
| Parkland reserve                               |                  | 33.9             | 39.5             |
| <b>Net financing and transfers</b>             | <u>1,868.9</u>   | <u>1,947.3</u>   | <u>2,558.8</u>   |
| <b>Change in general capital fund</b>          | <u>\$</u>        |                  |                  |
| <b>General capital fund, beginning of year</b> |                  | <u>0.2</u>       | <u>0.2</u>       |
| <b>General capital fund, end of year</b>       |                  | <u>\$ 0.2</u>    | <u>\$ 0.2</u>    |
| <b>Cash - unrestricted</b>                     |                  | <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

2016

2015

(in thousands)

|  | Budget     | Actual            | Actual            |
|--|------------|-------------------|-------------------|
| <b>Revenue</b>                               |            |                   |                   |
| Interest income                              | \$         | 3.7               | \$ 4.5            |
| <b>Total revenue</b>                         | <u>3.7</u> | <u>3.7</u>        | <u>4.5</u>        |
| <b>Expenditures (Page 35)</b>                |            |                   |                   |
| Water treatment and distribution             |            | 763.5             | 446.4             |
| <b>Net expenditures</b>                      |            | <u>(759.8)</u>    | <u>(441.9)</u>    |
| <b>Financing and transfers</b>               |            |                   |                   |
| Conditional sales contracts                  |            |                   | 242.4             |
| Capital out of revenue                       |            | 55.0              | 12.9              |
| Depreciation charge                          |            | 434.8             | 463.0             |
| Land reserve                                 |            | 35.0              | 35.0              |
| <b>Net financing and transfers</b>           |            | <u>524.8</u>      | <u>753.3</u>      |
| <b>Change in water capital fund</b>          | <u>\$</u>  | <u>(235.0)</u>    | 311.4             |
| <b>Water capital fund, beginning of year</b> |            | <u>1,252.3</u>    | <u>940.9</u>      |
| <b>Water capital fund, end of year</b>       |            | <u>\$ 1,017.3</u> | <u>\$ 1,252.3</u> |
| <b>Allocation of fund balance</b>            |            |                   |                   |
| Land reserve                                 |            | \$ 543.3          | \$ 504.6          |
| Depreciation cash                            |            | 474.0             | 747.7             |
|  |            | <u>\$ 1,017.3</u> | <u>\$ 1,252.3</u> |

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

Year Ended March 31

2016

2015

(in thousands)

**Assets**

Cash

Water land reserve fund  
Depreciation fund

\$ 543.3      \$ 504.7  
474.0      747.7

Unamortized debenture discount

7.5      9.3

Utility plant and equipment (Page 14)

27,182.8      26,419.2  
\$ 28,207.6      \$ 27,680.9

**Liabilities**

Due to own funds and agencies

Water operating fund  
General operating fund

\$ 36.3      \$ 15.5  
10.7

Accumulated allowance for depreciation (Page 14)

8,449.8      8,019.0

Long term debt

1,289.7      1,538.1

Term debt obligations

250.9      339.8  
10,026.7      9,923.1

**Municipal position**

Investment in capital assets  
Water land reserve

17,637.6      17,253.1  
543.3      504.7  
18,180.9      17,757.8  
\$ 28,207.6      \$ 27,680.9

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

Year Ended March 31

2016

2015

(in thousands)

Balance, beginning of year

\$ 17,253.1      \$ 16,873.2

Amortization of capital assets

(434.8)      (463.0)

Long term debt repayments

248.4      313.4

Capital lease repayments

16.4

Term debt repayments

88.9      66.9

Capital additions out of revenue

55.0      12.9

Disposal of assets

(39.5)

Capital funding from

Water land reserve

(242.2)      242.2

Depreciation funds

708.7      191.1

384.5      379.9

Balance, end of year

\$ 17,637.6      \$ 17,253.1

# Town of New Glasgow

## Schedule of Reserve Funds

Year Ended March 31

2016

2015

|   | (in thousands)   |                   |                   |
|---|------------------|-------------------|-------------------|
|   | Budget           | Actual            | Actual            |
| <b>Revenue</b>                              |                  |                   |                   |
| Investment income                           | \$               | \$ 1.0            | \$ 3.2            |
| Parkland transfers                          |                  | 3.9               | 1.3               |
| Canada/NS Gas tax agreement                 | 726.0            | 726.3             | 723.5             |
| Grants for New Glasgow Academy enhancements |                  | 103.7             |                   |
| Proceeds from sale of assets                |                  | 86.5              | 156.0             |
| <b>Total revenue</b>                        | <u>726.0</u>     | <u>921.4</u>      | <u>884.0</u>      |
| <b>Financing and transfers</b>              |                  |                   |                   |
| Transfers from general operating fund       |                  | 133.4             | 262.2             |
| Transfers to general capital fund           |                  |                   |                   |
| Equipment reserve                           | (30.5)           | (68.5)            | (100.1)           |
| Special reserve                             | (5.0)            | (33.8)            | (28.0)            |
| Rink Reserve                                |                  | (31.1)            | (54.6)            |
| Gas tax reserve                             | (720.0)          | (738.4)           | (790.9)           |
| Parkland reserve                            |                  | (33.9)            | (39.5)            |
| <b>Net financing and transfers</b>          | <u>(755.5)</u>   | <u>(772.3)</u>    | <u>(750.9)</u>    |
| <b>Change in reserve funds balance</b>      | <u>\$ (29.5)</u> | 149.1             | 133.1             |
| <b>Reserve funds balance</b>                |                  |                   |                   |
| Beginning of year                           |                  | <u>1,278.4</u>    | <u>1,145.3</u>    |
| End of year                                 |                  | <u>\$ 1,427.5</u> | <u>\$ 1,278.4</u> |
| <b>Reserves</b>                             |                  |                   |                   |
| Equipment                                   |                  | \$ 87.3           | \$ 148.3          |
| Special                                     |                  | 382.3             | 246.7             |
| Power Board                                 |                  | 0.7               | 0.7               |
| Canada/NS Gas Tax                           |                  | 15.3              | 26.9              |
| Water capital reserve                       |                  | 74.1              | 74.1              |
| Central treatment plant                     |                  | 36.7              | 36.7              |
| Stadium sign rental                         |                  | 83.7              | 100.3             |
| Parkland transfers                          |                  | 0.8               | 31.0              |
| General operating                           |                  | 746.6             | 613.7             |
|   |                  | <u>\$ 1,427.5</u> | <u>\$ 1,278.4</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 2016         | Total 2015         |
|--|-------------------|-------------------|--------------------|-------------------|-----------------------------------|-----------------------|--------------------|--------------------|
| <b>General capital</b>                   |                   |                   |                    |                   |                                   |                       |                    |                    |
| <b>Cost:</b>                             |                   |                   |                    |                   |                                   |                       |                    |                    |
| Balance, beginning of year               | \$ 3,118.4        | \$ 2,752.0        | \$ 10,052.8        | \$ 8,164.3        | \$ 22,778.8                       | \$ 12,790.3           | \$ 59,656.6        | \$ 56,081.8        |
| Acquisition of capital assets            |                   |                   | 621.0              | 504.3             | 1,000.8                           | 127.7                 | 2,253.8            | 3,606.2            |
| Disposition of capital assets            | (1,065.7)         |                   | (452.1)            | (438.4)           |                                   | (49.7)                | (2,005.9)          | (31.4)             |
| Balance, end of year                     | <u>2,052.7</u>    | <u>2,752.0</u>    | <u>10,221.7</u>    | <u>8,230.2</u>    | <u>23,779.6</u>                   | <u>12,868.3</u>       | <u>59,904.5</u>    | <u>59,656.6</u>    |
| <b>Accumulated amortization:</b>         |                   |                   |                    |                   |                                   |                       |                    |                    |
| Balance, beginning of year               |                   | 1,250.7           | 4,064.0            | 5,195.1           | 12,822.0                          | 2,273.9               | 25,605.7           | 23,617.4           |
| Annual amortization                      |                   | 98.2              | 276.6              | 602.7             | 788.1                             | 146.0                 | 1,911.6            | 1,988.3            |
| Accumulated amortization on disposals    |                   |                   | (265.2)            | (379.4)           |                                   |                       | (644.6)            |                    |
| Balance, end of year                     |                   | <u>1,348.9</u>    | <u>4,075.4</u>     | <u>5,418.4</u>    | <u>13,610.1</u>                   | <u>2,419.9</u>        | <u>26,872.7</u>    | <u>25,605.7</u>    |
| <b>Net book value of general capital</b> | <b>\$ 2,052.7</b> | <b>\$ 1,403.1</b> | <b>\$ 6,146.3</b>  | <b>\$ 2,811.8</b> | <b>\$ 10,169.5</b>                | <b>\$ 10,448.4</b>    | <b>\$ 33,031.8</b> | <b>\$ 34,050.9</b> |
| <b>Stadium capital</b>                   |                   |                   |                    |                   |                                   |                       |                    |                    |
| <b>Cost:</b>                             |                   |                   |                    |                   |                                   |                       |                    |                    |
| Balance, beginning of year               | \$ 12.5           | \$ 6.1            | \$ 2,714.0         | \$ 273.1          | \$                                | \$                    | \$ 3,005.7         | \$ 3,103.1         |
| Acquisition of capital assets            |                   |                   |                    |                   |                                   |                       |                    |                    |
| Disposition of capital assets            |                   |                   | (2,425.4)          | (273.1)           |                                   |                       | (2,698.5)          | (97.4)             |
| Balance, end of year                     | <u>12.5</u>       | <u>6.1</u>        | <u>288.6</u>       |                   |                                   |                       | <u>307.2</u>       | <u>3,005.7</u>     |
| <b>Accumulated amortization:</b>         |                   |                   |                    |                   |                                   |                       |                    |                    |
| Balance, beginning of year               |                   | 5.3               | 1,144.8            | 252.6             |                                   |                       | 1,402.7            | 1,400.5            |
| Annual amortization                      |                   | 0.1               |                    |                   |                                   |                       | 0.1                | 67.6               |
| Accumulated amortization on disposals    |                   |                   | (1,144.8)          | (252.6)           |                                   |                       | (1,397.4)          | (65.4)             |
| Balance, end of year                     |                   | <u>5.4</u>        |                    |                   |                                   |                       | <u>5.4</u>         | <u>1,402.7</u>     |
| <b>Net book value of stadium capital</b> | <b>\$ 12.5</b>    | <b>\$ 0.7</b>     | <b>\$ 288.6</b>    | <b>\$</b>         | <b>\$</b>                         | <b>\$</b>             | <b>\$ 301.8</b>    | <b>\$ 1,603.0</b>  |
| <b>Water capital</b>                     |                   |                   |                    |                   |                                   |                       |                    |                    |
| <b>Cost:</b>                             |                   |                   |                    |                   |                                   |                       |                    |                    |
| Balance, beginning of year               | \$ 210.0          | \$                | \$ 7,142.3         | \$ 2,433.4        | \$                                | \$ 16,633.5           | \$ 26,419.2        | \$ 25,972.8        |
| Acquisition of capital assets            |                   |                   | 293.3              | 154.5             |                                   | 355.3                 | 803.1              | 446.4              |
| Disposition of capital assets            |                   |                   |                    | (39.5)            |                                   |                       | (39.5)             |                    |
| Balance, end of year                     | <u>210.0</u>      |                   | <u>7,435.6</u>     | <u>2,548.4</u>    |                                   | <u>16,988.8</u>       | <u>27,182.8</u>    | <u>26,419.2</u>    |
| <b>Accumulated amortization:</b>         |                   |                   |                    |                   |                                   |                       |                    |                    |
| Balance, beginning of year               |                   |                   | 1,505.8            | 1,636.1           |                                   | 4,877.1               | 8,019.0            | 7,556.0            |
| Annual amortization                      |                   |                   | 93.8               | 189.4             |                                   | 151.6                 | 434.8              | 463.0              |
| Accumulated amortization on disposals    |                   |                   |                    | (4.0)             |                                   |                       | (4.0)              |                    |
| Balance, end of year                     |                   |                   | <u>1,599.6</u>     | <u>1,821.5</u>    |                                   | <u>5,028.7</u>        | <u>8,449.8</u>     | <u>8,019.0</u>     |
| <b>Net book value of water capital</b>   | <b>\$ 210.0</b>   | <b>\$</b>         | <b>\$ 5,836.0</b>  | <b>\$ 726.9</b>   | <b>\$</b>                         | <b>\$ 11,960.1</b>    | <b>\$ 18,733.0</b> | <b>\$ 18,400.2</b> |
| <b>Total consolidated capital</b>        | <b>\$ 2,275.2</b> | <b>\$ 1,403.8</b> | <b>\$ 12,270.9</b> | <b>\$ 3,538.7</b> | <b>\$ 10,169.5</b>                | <b>\$ 22,408.5</b>    | <b>\$ 52,066.6</b> | <b>\$ 54,054.1</b> |

# Town of New Glasgow Consolidated Municipal Position

March 31

2016

2015

(in thousands)

## Operating and reserve fund balances

|                                 |                |                |
|---------------------------------|----------------|----------------|
| General operating fund (Page 6) | 147.7          | 133.4          |
| Water operating fund (Page 7)   | (544.7)        | (711.2)        |
| Stadium operating fund (Page 9) |                |                |
| General capital fund (Page 10)  | 0.2            | 0.2            |
| Water capital fund (Page 11)    | 1,017.3        | 1,252.3        |
| Reserve funds (Page 13)         | 1,427.5        | 1,278.4        |
|                                 | <u>2,048.0</u> | <u>1,953.1</u> |

## Investment in capital assets

|   |                           |                           |
|---|---------------------------|---------------------------|
| Balance, beginning of year  | 42,496.0                  | 41,168.3                  |
| Capital funding from  |                           |                           |
| General operations  | 147.5                     | 116.9                     |
| Water operations  | 55.0                      | 12.9                      |
| Gas tax reserve   | 738.3                     | 790.9                     |
| Depreciation funds  | 748.2                     | 191.1                     |
| Special reserve   | 33.8                      | 28.0                      |
| Equipment reserve   | 68.5                      | 100.1                     |
| Parkland reserve  | 33.9                      | 39.5                      |
| Capital grants  | 1,054.3                   | 1,063.1                   |
| Repayment of long term debt   | 1,139.0                   | 1,140.5                   |
| Capital lease obligation repayment                                      | 69.4                      | 160.8                     |
| Repayment of term loans   | 262.9                     | 234.8                     |
| Amortization expense - general capital                                  | (1,912.6)                 | (1,988.3)                 |
| Amortization expense - stadium capital                                  | (0.1)                     | (67.6)                    |
| Amortization expense - water capital                                    | (434.8)                   | (463.0)                   |
| Disposal of equity  | (730.5)                   |                           |
| Assets written down to market value,<br>net of accumulated amortization | (2,591.9)                 |                           |
| Cost of assets sold, net of accumulated amortization                    | (107.1)                   | (32.0)                    |
| Balance, end of year  | <u>\$ 41,069.8</u>        | <u>\$ 42,496.0</u>        |
| <b>Consolidated municipal position</b>                                  | <u><b>\$ 43,117.8</b></u> | <u><b>\$ 44,449.1</b></u> |

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2016

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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 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.

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2016

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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, 2016

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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.

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2016

### (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

|                                       | 2016            | 2015            |
|---------------------------------------|-----------------|-----------------|
|                                       | (in thousands)  |                 |
| Cash, beginning of year               | \$ 747.7        | \$ 475.8        |
| Add: depreciation                     | 434.8           | 463.0           |
| Less: funds used for capital projects | <u>(708.5)</u>  | <u>(191.1)</u>  |
| Balance, end of year                  | <u>\$ 474.0</u> | <u>\$ 747.7</u> |

## Town of New Glasgow Notes to Consolidated Financial Statements

March 31, 2016

### 3. Taxes and rates receivable

|                                       |                 |                 | 2016              | 2015              |
|---------------------------------------|-----------------|-----------------|-------------------|-------------------|
|                                       |                 |                 | (in thousands)    |                   |
|                                       | Current<br>Year | Prior<br>Years  | Total             | Total             |
| Balance, beginning of year            | \$ 15,228.1     | \$ 1,400.3      | \$ 1,400.3        | \$ 1,207.6        |
| Current period tax & rate levy        | 15,228.1        |                 | 15,228.1          | 15,228.1          |
| Collections & write-offs              | (14,655.0)      | (846.3)         | (15,501.3)        | (15,316.8)        |
| Balance, end of year                  | <u>\$ 703.2</u> | <u>\$ 554.0</u> | 1,257.2           | 1,118.9           |
| Pollution control receivable          |                 |                 | 291.6             | 308.6             |
| Interest receivable                   |                 |                 | 134.6             | 128.4             |
| Less: Valuation allowance<br>(Note 4) |                 |                 | <u>1,683.4</u>    | <u>1,555.9</u>    |
|                                       |                 |                 | <u>(156.1)</u>    | <u>(155.6)</u>    |
|                                       |                 |                 | <u>\$ 1,527.3</u> | <u>\$ 1,400.3</u> |

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

|                                | 2016            | 2015            |
|--------------------------------|-----------------|-----------------|
|                                | (in thousands)  |                 |
| Balance, beginning of year     | \$ 155.6        | \$ 397.5        |
| Approved write offs            |                 | (241.9)         |
| Increase in allowance for year | 0.5             |                 |
| Balance, end of year           | <u>\$ 156.1</u> | <u>\$ 155.6</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.

|                               | 2016              | 2015              |
|-------------------------------|-------------------|-------------------|
|                               | (in thousands)    |                   |
| General government services   | \$ 246.6          | \$ 317.7          |
| Protective services           | 230.8             | 230.3             |
| Transportation services       | 1,033.6           | 1,051.6           |
| Environmental health services | 146.0             | 137.1             |
| Community development         | 255.5             | 251.6             |
|                               | <u>\$ 1,912.5</u> | <u>\$ 1,988.3</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, 2016

### 7. Long term debt

|  | 2016              | 2015              |
|--|-------------------|-------------------|
|  | (in thousands)    |                   |
| Debtures Issued to Provincial Government or its agencies |                   |                   |
| NS Municipal Finance Corporation                         |                   |                   |
| Streets 25-A-1 due 2021                                  | \$ 161.1          | \$ 193.3          |
| Police and equipment 27-A-1 due 2017                     | 154.7             | 232.0             |
| Equipment 26-A-1 due 2021                                | 161.3             | 176.0             |
| Equipment FCM 27-A due 2017                              | 23.5              | 47.1              |
| Equipment 28-A-1 due 2018                                | 227.8             | 253.0             |
| Water treatment plant 20-A-1 due 2020                    | 1,000.0           | 1,200.0           |
| Water 31-A-1 due 2021                                    | 289.7             | 338.1             |
| Stadium 25-A-1 due 2021                                  |                   | 14.0              |
| Stadium 26-A-1 due 2012                                  | 3.5               | 7.0               |
| Stadium 28-A-1 due 2018                                  | 65.2              | 70.2              |
| Equipment 29-A-1 due 2019                                | 331.9             | 359.6             |
| Equipment 30-A-1 due 2020                                | 991.0             | 1,099.2           |
| Glasgow Square 30-A-1 due 2025                           | 900.0             | 960.0             |
| Equipment 31-A-1 due 2021                                | 622.4             | 726.1             |
| Equipment 32-A-1 due 2022                                | 1,550.9           | 1,772.6           |
| Equipment 32-B-1 due 2022                                | 325.6             | 372.2             |
| Equipment 33-A-1 due 2023                                | 512.4             | 576.5             |
| Equipment 34-A-1 due 2024                                | 572.8             | 636.5             |
| Equipment 35-A-1 due 2025                                | 1,363.4           |                   |
|  | <u>\$ 9,257.2</u> | <u>\$ 9,033.4</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<br>Capital | Water<br>Capital | Stadium<br>Capital | Total      |
|------|--------------------|------------------|--------------------|------------|
| 2017 | \$ 868.2           | \$ 248.3         | \$ 8.5             | \$ 1,125.0 |
| 2018 | 844.7              | 248.3            | 5.0                | 1098       |
| 2019 | 854.7              | 248.3            | 55.2               | 1158.2     |
| 2020 | 963.2              | 248.3            |                    | 1211.5     |
| 2021 | 714.5              | 248.3            |                    | 962.8      |

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, 2016 for the following purposes:

|                               |                 |
|-------------------------------|-----------------|
| Protective services capital   | \$ 114.0        |
| Transportation                | 289.3           |
| Recreation                    | 104.8           |
| Environmental health services | 130.7           |
| General government            | 59.8            |
|                               | <u>\$ 698.6</u> |

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2016

### 8. Capital lease obligations

|   | <u>2016</u>     | <u>2015</u>     |
|---|-----------------|-----------------|
|   | (in thousands)  |                 |
| Capital lease obligation repaid during the year.  | \$              | \$ 2.3          |
| 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. | 39.2            | 77.3            |
| 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. | <u>155.6</u>    | <u>184.6</u>    |
|   | <u>\$ 194.8</u> | <u>\$ 264.2</u> |

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

|      | <u>General<br/>Capital</u> | <u>Water<br/>Capital</u> | <u>Stadium<br/>Capital</u> | <u>Total</u> |
|------|----------------------------|--------------------------|----------------------------|--------------|
| 2017 | \$ 69.3                    | \$                       | \$                         | \$ 69.3      |
| 2018 | 31.2                       |                          |                            | 31.2         |
| 2018 | 32.3                       |                          |                            | 32.3         |
| 2019 | 33.5                       |                          |                            | 33.5         |
| 2020 | 28.4                       |                          |                            | 28.4         |

## Town of New Glasgow Notes to Consolidated Financial Statements

March 31, 2016

| 9. Term debt obligations   | 2016            | 2015            |
|--|-----------------|-----------------|
|  | (in thousands)  |                 |
| Term loan, repaid during the year.   | \$              | \$ 16.0         |
| Term loan, repaid during the year.   |                 | 4.7             |
| Term loan, repaid during the year.   |                 | 7.6             |
| 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.                | 29.4            | 44.1            |
| Term loan, repaid during the year.   |                 | 5.5             |
| 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. | 9.9             | 19.9            |
| 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.                   | 39.3            | 51.1            |
| 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.            | 109.4           | 134.8           |
| Term loan, with interest at 4.36%, payable in monthly instalments of \$1,314 including interest. The obligation is secured by a 2012 Trackless.                    | 83.1            | 95.0            |
| Term loan, repaid during the year.   |                 | 3.3             |
| 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.                    | 8.2             | 14.4            |
| 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.                   | 8.1             | 14.3            |
| Term loan, with interest at 3.22%, payable in monthly instalments of \$1370.76 including interest. The obligation is secured by computer equipment.                | 20.3            | 35.7            |
| 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. | 36.6            | 49.5            |
| 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.           | 33.6            | 63.0            |
|  | <u>\$ 377.9</u> | <u>\$ 558.9</u> |

Continues on next page

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2016

| 9. Term debt obligations (continued)  | 2016            | 2015            |
|---|-----------------|-----------------|
|   | (in thousands)  |                 |
| Balance forward   | \$ 377.9        | \$ 558.9        |
| 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.                      | 20.5            | 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.             | 61.2            | 76.3            |
| Term loan repaid during the year  |                 | 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. | 164.4           | 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.                      | 23.5            | 30.4            |
| Term loan, with interest at 3.33%, payable in monthly instalments of \$1,260.26 including interest. The obligation is secured by a 2016 Trackless                           | 103.2           |                 |
| Term loan, with interest at 2.99%, payable in monthly instalments of \$1,885.68 including interest. The obligation is secured by several pieces of equipment.               | 80.2            |                 |
| Term loan, with interest at 3.36%, payable in monthly instalments of \$507.98 including interest. The obligation is secured by a 2015 Dodge Ram truck.                      | 30.9            |                 |
|   | <u>\$ 861.8</u> | <u>\$ 898.4</u> |

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

|      | General<br>Capital | Water<br>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, 2016

### 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 \$16,595 from the reserve. (2015-\$54,600)

(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, 2016 was \$81,227 (2014 - \$71,787).

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>2016</u>         | <u>2015</u> |
|   | (in thousands)      |             |
| Pictou Antigonish Regional Library      | \$ 73.1             | \$ 73.1     |
| Pictou County Solid Waste Management    | 740.6               | 720.3       |
| East River Environmental Control Centre | 849.1               | 829.0       |
| Eastern Mainland Housing Authority (a)  | 209.4               | 215.4       |
| District School Board (b)               | 1,687.7             | 1,648.5     |

(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.

### 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, 2016 is \$426,060

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2016

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### 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           | \$ 33,723           |
| Troy MacCulloch   | Councillor      | 21,358              |
| Trudy Vince       | Councillor      | 21,358              |
| Henderson Paris   | Councillor      | 21,358              |
| Jack Lewis        | Councillor      | 21,358              |
| Clyde Fraser      | Councillor      | 21,358              |
| Nancy Dicks       | Deputy Mayor    | 23,186              |
| Lisa MacDonald    | CAO             | 118,320             |

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### 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, 2016 the amount transferred was \$187,275 (2015 - \$169,130).

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, 2016, the Town's portion of the estimated deficit was \$395,507 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 \$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, 2016 the balance of the loan outstanding for this project is \$2,052,579; of which the Town provides security for \$410,516 (20% of the total).

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2016

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### 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, 2016 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, 2016 represents capital contributions only. There is no other income or loss generated from NSBDI up to March 31, 2016.

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### 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, 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              | \$ 15,892,800        |
| Pension fund obligation          | <u>\$ 13,465,100</u> |

The net difference of \$2,427,700 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 \$3,292,900 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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### 16. Comparative figures

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

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2016

2015

(in thousands)

|   | Budget             | Actual             | Actual             |
|---|--------------------|--------------------|--------------------|
| <b>Taxes</b>                              |                    |                    |                    |
| Assessable property                       |                    |                    |                    |
| Residential                               | \$ 7,818.3         | \$ 7,687.5         | \$ 7,560.5         |
| Commercial                                | 5,928.2            | 6,089.6            | 6,247.4            |
| Resource                                  | 43.4               | 42.3               | 42.3               |
|   | <u>13,789.9</u>    | <u>13,819.4</u>    | <u>13,850.2</u>    |
| Business property                         |                    |                    |                    |
| Based on revenue (Aliant)                 | 68.0               | 67.8               | 69.5               |
| Nova Scotia Power Corp.                   | 1.0                | 1.0                | 0.9                |
| H.S.T. offset grant                       | 50.0               | 75.8               | 72.7               |
|   | <u>119.0</u>       | <u>144.6</u>       | <u>143.1</u>       |
| Special assessments                       |                    |                    |                    |
| Environmental Health Services             |                    |                    |                    |
| Pollution control                         | 988.0              | 930.5              | 872.0              |
| Solid waste disposal                      | 418.0              | 432.0              | 311.3              |
| Fire Protection Charges                   | 51.0               | 83.2               | 45.0               |
|   | <u>1,457.0</u>     | <u>1,445.7</u>     | <u>1,228.3</u>     |
| Deed transfer tax                         |                    | <u>187.3</u>       | <u>169.1</u>       |
| <b>Total tax levied</b>                   | <u>15,365.9</u>    | <u>15,597.0</u>    | <u>15,390.7</u>    |
| Less taxes collected on behalf of others; |                    |                    |                    |
| Regional school board                     | (1,687.7)          | (1,687.7)          | (1,648.5)          |
| Provincial correctional service           | (119.9)            | (120.0)            | (120.9)            |
| Regional housing authority                | (200.0)            | (209.4)            | (215.4)            |
|   | <u>(2,007.6)</u>   | <u>(2,017.1)</u>   | <u>(1,984.8)</u>   |
|   | <u>\$ 13,358.3</u> | <u>\$ 13,579.9</u> | <u>\$ 13,405.9</u> |

### Grants in lieu of taxes

|                       |                |                |                |
|-----------------------|----------------|----------------|----------------|
| Federal Government    | \$ 65.5        | \$ 65.0        | \$ 65.5        |
| Provincial Government | 10.0           | 9.6            | 10.0           |
|                       | <u>\$ 75.5</u> | <u>\$ 74.6</u> | <u>\$ 75.5</u> |

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2016

2015

(in thousands)

|  | Budget          | Actual          | Actual          |
|--|-----------------|-----------------|-----------------|
| <b>Sales of services</b>                 |                 |                 |                 |
| Parking meters                           | \$ 90.0         | \$ 84.3         | \$ 93.0         |
| Sale of IT services                      | 112.0           | 115.2           | 132.7           |
| Sale of policing services                | 529.5           | 532.5           | 516.4           |
| Sale of planning and inspection services | 65.0            | 65.8            | 79.9            |
|  | <u>\$ 796.5</u> | <u>\$ 797.8</u> | <u>\$ 822.0</u> |

### Other revenue from own sources

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| Licenses and permits                      | \$ 0.8          | \$ 0.7          | \$ 1.1          |
| Fines                                     | 145.0           | 114.2           | 147.4           |
| Rentals                                   | 156.0           | 176.5           | 165.5           |
| Interest on taxes and rates               | 170.5           | 212.9           | 199.8           |
| HST rebates (gas and diesel)              | 40.0            | 44.7            | 51.9            |
| Mortgage service fees                     | 15.0            | 15.0            | 14.9            |
| Recreation revenue                        | 10.0            | 15.6            | 16.2            |
| Engineering contract work                 | 50.6            | 46.8            | 59.3            |
| Group Insurance premium rebate            |                 |                 | 75.0            |
| Refund of PCSSA Planning Division Surplus |                 | 69.0            | 26.2            |
| Refund of ERECC Surplus                   |                 | 171.0           |                 |
| Miscellaneous                             | 6.0             | 23.8            | 9.7             |
|   | <u>\$ 593.9</u> | <u>\$ 890.2</u> | <u>\$ 767.0</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  | 3.0               | 3.2               | 3.2               |
| Prisoner's board   | 0.3               | 0.3               | 0.2               |
|  | <u>\$ 1,558.7</u> | <u>\$ 1,558.9</u> | <u>\$ 1,558.8</u> |

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2016

2015

(in thousands)

|  | Budget            | Actual            | Actual            |
|--|-------------------|-------------------|-------------------|
| <b>Stadium revenue</b>                               |                   |                   |                   |
| Building rentals                                     | \$                | \$ 10.0           | \$ 8.0            |
| <b>Water revenues</b>                                |                   |                   |                   |
| Metered sales  | \$ 2,343.5        | \$ 2,556.8        | \$ 2,256.5        |
| Flat rate sales                                      | 186.1             | 221.6             | 186.1             |
| Public fire protection                               | 6.8               | 7.2               | 6.8               |
| Other  | 30.4              | 37.3              | 51.4              |
|  | <u>\$ 2,566.8</u> | <u>\$ 2,822.9</u> | <u>\$ 2,500.8</u> |
| <b>Grants for capital</b>                            |                   |                   |                   |
| Canada/Nova Scotia Gas Tax Agreement                 | \$ 720.0          | \$ 726.3          | \$ 723.5          |
| Infrastructure Renewal - PNS                         |                   |                   | 11.9              |
| West Side Community Centre                           |                   | 6.0               | 6.0               |
| Atlantic Canada Opportunities Agency                 | 250.0             | 250.1             |                   |
| New Glasgow Farmers Market Co-Op                     | 15.0              | 15.0              | 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                     | 63.0              | 63.0              | 978.6             |
|  | <u>\$ 1,048.0</u> | <u>\$ 1,060.4</u> | <u>\$ 1,786.6</u> |
| <b>Other revenue</b>                                 |                   |                   |                   |
| Interest on operating account                        | \$ 10.0           | \$ 15.0           | \$ 15.7           |
| Interest on capital and reserve funds                |                   | 4.6               | 7.7               |
|  | <u>\$ 10.0</u>    | <u>\$ 19.6</u>    | <u>\$ 23.4</u>    |
| <b>Other proceeds</b>                                |                   |                   |                   |
| Sale of assets, net of net book value                | \$                | \$ 8.6            | \$ 124.0          |
| Parkland transfers                                   |                   | 3.9               | 1.3               |
|  | <u>\$</u>         | <u>\$ 12.5</u>    | <u>\$ 125.3</u>   |

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2016

2015

(in thousands)

|                                    | Budget            | Actual            | Actual            |
|------------------------------------|-------------------|-------------------|-------------------|
| <b>General government services</b> |                   |                   |                   |
| Legislative                        | \$ 206.7          | \$ 188.2          | \$ 197.7          |
| General administration             | 847.2             | 788.5             | 859.6             |
| Taxation exemptions                | 112.0             | 111.6             | 117.8             |
| Employee benefits                  | 60.1              | 74.8              | 66.8              |
| Computer services                  | 369.9             | 362.1             | 355.5             |
| Safety                             | 20.0              | 4.0               | 4.4               |
| Public grants                      | 18.0              | 10.6              | 24.0              |
| Town owned buildings               | 87.7              | 87.5              | 90.2              |
| Other                              | 28.0              | 36.6              | 42.2              |
|                                    | <u>1,749.6</u>    | <u>1,663.9</u>    | <u>1,758.2</u>    |
| Amortization                       |                   | <u>246.6</u>      | <u>317.7</u>      |
|                                    | <u>\$ 1,749.6</u> | <u>\$ 1,910.5</u> | <u>\$ 2,075.9</u> |

### Protective services

|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| <b>Police protection</b>                                |                   |                   |                   |
| Crime investigation, prevention and protective services | \$ 4,118.6        | \$ 4,188.2        | \$ 3,957.5        |
| Police station and building                             | 142.0             | 120.2             | 146.8             |
| Provincial Police program                               | 500.0             | 612.0             | 546.5             |
| Police automotive equipment                             | 224.0             | 197.0             | 187.0             |
|   | <u>4,984.6</u>    | <u>5,117.4</u>    | <u>4,837.8</u>    |
| <b>Fire protection</b>                                  |                   |                   |                   |
| Fire fighting force                                     | 857.7             | 920.6             | 893.2             |
| Fire stations and buildings                             | 72.0              | 53.7              | 65.2              |
| Fire fighting equipment                                 | 57.2              | 61.1              | 45.0              |
| Other   | 45.0              | 37.7              | 36.0              |
|   | <u>1,031.9</u>    | <u>1,073.1</u>    | <u>1,039.4</u>    |
| <b>Animal control</b>                                   |                   |                   |                   |
| Administration  | 20.0              | 20.6              | 20.4              |
| <b>Emergency measures</b>                               | 9.0               | 10.1              | 8.7               |
|   | <u>6,045.5</u>    | <u>6,221.2</u>    | <u>5,906.3</u>    |
| <b>Amortization</b>                                     |                   | <u>230.8</u>      | <u>230.3</u>      |
|   | <u>\$ 6,045.5</u> | <u>\$ 6,452.0</u> | <u>\$ 6,136.6</u> |

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

Year Ended March 31

2016

2015

(in thousands)

|                                    | <u>Budget</u>     | <u>Actual</u>     | <u>Actual</u>     |
|------------------------------------|-------------------|-------------------|-------------------|
| <b>Transportation services</b>     |                   |                   |                   |
| Common services                    |                   |                   |                   |
| Engineering                        | \$ 397.5          | \$ 491.4          | \$ 390.4          |
| Planning, inspection and unsightly | 191.0             | 189.5             | 180.0             |
| Equipment                          | 530.0             | 603.7             | 577.1             |
| Workshop                           | 239.5             | 272.0             | 277.0             |
| Employee benefits                  | 532.5             | 499.6             | 527.2             |
| Road transport                     |                   |                   |                   |
| Streets                            | 945.0             | 805.7             | 1,019.9           |
| Street lighting                    | 73.0              | 87.0              | 68.3              |
| Storm sewers & catchpits           | 110.0             | 62.4              | 96.3              |
| Traffic activities                 | 106.0             | 101.9             | 87.2              |
| Parking and other                  | 180.0             | 228.3             | 213.9             |
|                                    | <u>3,304.5</u>    | <u>3,341.5</u>    | <u>3,437.3</u>    |
| Amortization                       |                   | <u>1,033.6</u>    | <u>1,051.6</u>    |
|                                    | <u>\$ 3,304.5</u> | <u>\$ 4,375.1</u> | <u>\$ 4,488.9</u> |

**Environmental health services**

|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| Sewage treatment and disposal             | \$ 172.0          | \$ 75.5           | \$ 122.3          |
| Central treatment plant operation         | 845.0             | 849.1             | 829.0             |
| Garbage and waste collection and disposal |                   |                   |                   |
| Municipal collection and disposal         | 741.0             | 740.6             | 720.3             |
|   | <u>1,758.0</u>    | <u>1,665.2</u>    | <u>1,671.6</u>    |
| Amortization                              |                   | <u>146.0</u>      | <u>137.1</u>      |
|   | <u>\$ 1,758.0</u> | <u>\$ 1,811.2</u> | <u>\$ 1,808.7</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

2016

2015

(in thousands)

### Marketing and communications

|                                   | Budget          | Actual          | Actual          |
|-----------------------------------|-----------------|-----------------|-----------------|
| Festivals and events              | \$ 17.8         | \$ 18.5         | \$ 15.3         |
| Salaries and benefits             | 102.3           | 100.9           | 106.4           |
| Communication and event marketing | 51.8            | 42.7            | 53.8            |
|                                   | <u>\$ 171.9</u> | <u>\$ 162.1</u> | <u>\$ 175.5</u> |

### Community development

|                                   |                 |                 |                 |
|-----------------------------------|-----------------|-----------------|-----------------|
| Administration                    | \$ 264.5        | \$ 262.8        | \$ 239.2        |
| Recreation instruction and sundry | 151.4           | 146.6           | 187.2           |
| Marina                            | 2.0             | 3.7             | 1.5             |
| Farmers Market                    | 7.0             | 4.7             | 1.7             |
| Community centres                 | 42.0            | 34.0            | 35.2            |
| Parks and playgrounds             | 135.0           | 115.9           | 125.6           |
| Summer grounds maintenance        | 100.0           | 94.5            | 100.5           |
|                                   | <u>701.9</u>    | <u>662.2</u>    | <u>690.9</u>    |
| Amortization                      |                 | 255.5           | 251.6           |
|                                   | <u>\$ 701.9</u> | <u>\$ 917.7</u> | <u>\$ 942.5</u> |

### Stadium expenses

|                              |           |                |                |
|------------------------------|-----------|----------------|----------------|
| Audit                        | \$        | \$             | \$ 1.4         |
| Insurance                    |           |                | 5.7            |
| Light and power              |           | 4.3            | 7.6            |
| Water & environmental charge |           | 0.3            | 0.3            |
| Maintenance & repairs        |           |                | 3.5            |
| Telephone                    |           |                | 0.6            |
| Wages                        |           | 10.9           | 12.5           |
|                              |           | <u>15.5</u>    | <u>31.6</u>    |
| Amortization                 |           | 0.1            | 67.6           |
|                              | <u>\$</u> | <u>\$ 15.6</u> | <u>\$ 99.2</u> |

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2016

2015

(in thousands)

|  | <u>Budget</u>     | <u>Actual</u>     | <u>Actual</u>     |
|--|-------------------|-------------------|-------------------|
| <b>Water treatment and distribution</b>                            |                   |                   |                   |
| Operating expenditures   |                   |                   |                   |
| Source of supply   | \$ 65.9           | \$ 55.7           | \$ 73.2           |
| Pumping  | 133.4             | 98.6              | 102.7             |
| Water treatment  | 643.9             | 480.6             | 537.4             |
| Transmission and distribution                                      | 740.9             | 743.7             | 639.2             |
| Employee Benefits  | 399.3             | 293.8             | 324.4             |
| Fleet  | 267.8             | 149.6             | 135.8             |
| Administrative and general   | 438.6             | 444.0             | 436.4             |
|  | <u>2,689.8</u>    | <u>2,266.0</u>    | <u>2,249.1</u>    |
| Amortization   | 460.0             | 434.8             | 463.0             |
|  | <u>\$ 3,149.8</u> | <u>\$ 2,700.8</u> | <u>\$ 2,712.1</u> |
| <b>Other transfers and grants</b>                                  |                   |                   |                   |
| Deficit of Pictou County Wellness Centre                           | \$ 285.0          | \$ 412.5          | \$ 324.0          |
| Deed transfer tax  |                   | 187.3             | 169.1             |
| Riverfront - Glasgow Square  | 75.0              | 71.8              | 81.2              |
| School enhancements New Glasgow Academy<br>Province of Nova Scotia | 30.0              |                   |                   |
| Assessment Services  | 120.9             | 120.9             | 122.0             |
| Tourism and education services                                     |                   |                   |                   |
| Pictou-Antigonish Regional Library                                 | 75.0              | 73.2              | 73.2              |
| Destination Eastern & Northumberland Shores                        | 9.6               | 9.5               | 9.5               |
| Construction Engineering Flight                                    | 1.1               | 1.1               | 1.1               |
| Transportation services  |                   |                   |                   |
| Public Transit - CHAD  | 34.0              | 33.0              | 33.0              |
| Regional government MOU  | 25.0              | 25.0              | 25.0              |
|  | <u>\$ 655.6</u>   | <u>\$ 934.3</u>   | <u>\$ 838.1</u>   |
| <b>Interest and bank charges</b>                                   |                   |                   |                   |
| Debenture discount   | \$ 8.0            | \$ 9.7            | \$ 6.2            |
| Interest on long term debt   | 324.1             | 283.5             | 360.7             |
| Interest on capital leases   | 8.0               | 7.9               | 15.1              |
| Interest and service charges                                       | 16.0              | 10.0              | 11.8              |
|  | <u>\$ 356.1</u>   | <u>\$ 311.1</u>   | <u>\$ 393.8</u>   |
| <b>Reserves for taxes and appeals</b>                              |                   |                   |                   |
| Reserve for uncollectible taxes                                    | <u>\$ 5.0</u>     | <u>\$ 0.5</u>     | <u>\$</u>         |



**Town of New Glasgow  
Schedule of Capital Projects Funding**

March 31, 2016

|                                       | TOTAL CAPITAL COSTS | Conditional Sales contracts | Equipment Reserve | Depreciation Reserve | Parkland transfers | Special Reserve  | Debtenture loan   | Capital out of Revenue | Canada/NS Gas Tax Agreement | External Funding  |
|---------------------------------------|---------------------|-----------------------------|-------------------|----------------------|--------------------|------------------|-------------------|------------------------|-----------------------------|-------------------|
| <b>GENERAL CAPITAL</b>                |                     |                             |                   |                      |                    |                  |                   |                        |                             |                   |
| Sidewalks                             | \$ 139,192          | \$                          | \$                | \$                   | \$                 | \$               | \$ 28,123         | \$ 12,753              | \$ 98,316                   | \$                |
| Streets & Curbs                       | 82,705              |                             |                   |                      |                    |                  | 74,676            | 8,029                  |                             |                   |
| Paving                                | 657,806             |                             |                   |                      |                    |                  |                   | 17,761                 | 640,045                     |                   |
| Police Capital                        | 137,049             | 45,801                      | 15,225            |                      |                    |                  | 74,030            | 1,993                  |                             |                   |
| - Traffic                             | 86,272              |                             |                   |                      |                    |                  | 85,437            | 835                    |                             |                   |
| - Equipment                           | 199,592             | 180,787                     | 2,171             |                      |                    |                  |                   | 16,634                 |                             |                   |
| - Building                            | 66,435              |                             |                   |                      |                    |                  |                   | 730                    |                             |                   |
| Storm Sewer                           | 127,736             |                             |                   |                      |                    |                  | 127,061           | 675                    |                             |                   |
| Recreation Capital                    | 25,982              |                             |                   |                      |                    | 3,889            | 17,525            | 4,568                  |                             |                   |
| Farmers Market building               | 474,977             |                             |                   |                      |                    |                  | 87,278            | 59,629                 |                             | 328,070           |
| Fire Capital                          | 55,240              |                             |                   |                      |                    |                  | 55,240            |                        |                             |                   |
| Town office - equipment               | 86,502              |                             | 41,140            |                      |                    |                  | 45,362            |                        |                             |                   |
| Town Hall building upgrades           | 15,721              |                             |                   |                      |                    |                  | 14,404            | 1,317                  |                             |                   |
| NSCAD outside lighting                | 24,825              |                             |                   |                      |                    |                  | 23,753            | 1,072                  |                             |                   |
| Public transit - CHAD                 | 10,000              |                             | 10,000            |                      |                    |                  |                   |                        |                             |                   |
| Purchase building                     | 33,975              |                             |                   |                      | 33,975             |                  |                   |                        |                             |                   |
| Former Schools - buildings            | 29,885              |                             |                   |                      |                    | 29,885           |                   |                        |                             |                   |
| New Scotland Business Dev. investment | 21,500              |                             |                   |                      |                    |                  |                   | 21,500                 |                             |                   |
| <b>Sub-total</b>                      | <b>2,275,394</b>    | <b>226,588</b>              | <b>68,536</b>     |                      | <b>33,975</b>      | <b>33,774</b>    | <b>698,594</b>    | <b>147,496</b>         | <b>736,361</b>              | <b>328,070</b>    |
| <b>WATER CAPITAL</b>                  |                     |                             |                   |                      |                    |                  |                   |                        |                             |                   |
| Capital Equipment                     | 154,496             |                             |                   | 99,480               |                    |                  |                   |                        | 55,016                      |                   |
| Water treatment - Building            | 293,346             |                             |                   | 293,346              |                    |                  |                   |                        |                             |                   |
| Waterlines                            | 313,817             |                             |                   | 313,817              |                    |                  |                   |                        |                             |                   |
| Meters                                | 41,529              |                             |                   | 41,529               |                    |                  |                   |                        |                             |                   |
| <b>Sub-total</b>                      | <b>803,188</b>      |                             |                   | <b>748,172</b>       |                    |                  |                   |                        |                             |                   |
| <b>Total</b>                          | <b>\$ 3,078,582</b> | <b>\$ 226,588</b>           | <b>\$ 68,536</b>  | <b>\$ 748,172</b>    | <b>\$ 33,975</b>   | <b>\$ 33,774</b> | <b>\$ 698,594</b> | <b>\$ 202,512</b>      | <b>\$ 736,361</b>           | <b>\$ 328,070</b> |



TOWN OF NEW GLASBORO  
TRUST FUND BALANCE SHEET  
YEAR ENDED MARCH 31, 2016

| ASSETS               | A.E. Fraser Trust | James Roy Trust | Margaret C. Cameron Trust | W.G. Matheson Bursary Trust | George Sylvester Trust | Lincoln Fraser Memorial Trust | Camille Scholership Trust | Graduation Class Trust | Graduation Class 85 Trust | Bruce Stewart Trust | Eric Doucette Trust | J.D. MacGregor Trust | Ivan Machinis Trust | H. Goodiman Trust | Philip Grant Trust | War Memorial Trust | 2015 Total | 2016 Total |
|----------------------|-------------------|-----------------|---------------------------|-----------------------------|------------------------|-------------------------------|---------------------------|------------------------|---------------------------|---------------------|---------------------|----------------------|---------------------|-------------------|--------------------|--------------------|------------|------------|
| Cash                 | \$ 34,278         | \$ 158,276      | \$ 4,311                  | \$ 1,908                    | \$ 987                 | \$ 3,722                      | \$ 1,587                  | \$ 1,009               | \$ 1,361                  | \$ 22               | \$ 1,622            | \$ 10,768            | \$ 2,546            | \$ 699            | \$ 394             | \$ 1,051           | \$ 238,810 | \$ 238,810 |
| Investments, at cost | 86,325            | 158,276         | 4,311                     | 1,908                       | 987                    | 3,722                         | 1,587                     | 1,009                  | 1,361                     | 527                 | 1,622               | 10,768               | 2,546               | 699               | 394                | 1,051              | 137,821    | 154,263    |
|                      | 130,603           | 158,276         | 4,311                     | 1,908                       | 987                    | 3,722                         | 1,587                     | 1,009                  | 1,361                     | 549                 | 1,622               | 10,768               | 2,546               | 699               | 394                | 1,051              | 376,360    | 393,073    |

| RESERVE            | Trust Fund Reserve |
|--------------------|--------------------|
| Trust Fund Reserve | \$ 130,603         |

STATEMENT OF TRUST FUND RESERVES  
YEAR ENDED MARCH 31, 2016

|                       |            |            |          |          |          |          |          |          |          |        |          |           |          |        |        |          |            |            |
|-----------------------|------------|------------|----------|----------|----------|----------|----------|----------|----------|--------|----------|-----------|----------|--------|--------|----------|------------|------------|
| Balance, begin year   | \$ 137,522 | \$ 157,091 | \$ 4,392 | \$ 1,943 | \$ 1,004 | \$ 3,793 | \$ 1,615 | \$ 1,002 | \$ 1,385 | \$ 571 | \$ 1,356 | \$ 10,712 | \$ 2,596 | \$ 714 | \$ 512 | \$ 1,043 | \$ 393,073 | \$ 402,752 |
| Add:                  | 291        | 1,185      | 34       | 15       | 8        | 29       | 12       | 7        | 11       | 3      | 266      | 81        | 20       | 5      | 4      | 8        | 2,152      | 2,424      |
| Interest Earned       | 5,056      |            |          |          |          |          |          |          |          |        |          |           |          |        |        |          | 969        | 1,019      |
| Investment gain       | 142,869    | 158,276    | 4,426    | 1,958    | 1,012    | 3,822    | 1,627    | 1,009    | 1,386    | 574    | 1,622    | 10,790    | 2,616    | 719    | 516    | 1,051    | 403,250    | 411,277    |
| Investment allocation |            |            |          |          |          |          |          |          |          |        |          |           |          |        |        |          |            |            |

|                 |            |            |          |          |        |          |          |          |          |        |          |           |          |        |        |          |            |            |
|-----------------|------------|------------|----------|----------|--------|----------|----------|----------|----------|--------|----------|-----------|----------|--------|--------|----------|------------|------------|
| Deduct:         |            |            |          |          |        |          |          |          |          |        |          |           |          |        |        |          |            |            |
| Transfers       | 4,849      |            |          |          |        |          |          |          |          |        |          |           |          |        |        |          | 12,827     | 12,619     |
| Book Purchases  | 7,417      |            |          |          |        |          |          |          |          |        |          |           |          |        |        |          | 4,849      | 5,043      |
| Investment loss | 12,266     |            |          |          |        |          |          |          |          |        |          |           |          |        |        |          | 7,417      | 542        |
|                 | 0          | 115        | 50       | 50       | 25     | 100      | 40       | 0        | 35       | 25     | 0        | 25        | 70       | 20     | 122    | 0        | 24,893     | 18,204     |
|                 | \$ 130,603 | \$ 158,276 | \$ 4,311 | \$ 1,908 | \$ 987 | \$ 3,722 | \$ 1,587 | \$ 1,009 | \$ 1,361 | \$ 549 | \$ 1,622 | \$ 10,768 | \$ 2,546 | \$ 699 | \$ 394 | \$ 1,051 | \$ 376,360 | \$ 393,073 |

ON BEHALF OF THE TOWN

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

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