

**TOWN OF NEW GLASGOW**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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## 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, 2013, and the consolidated statement of financial activities and statement of changes in net debt 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*

of Town of New Glasgow as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for local governments, as recommended by the Public Sector Accounting Board.

New Glasgow, Nova Scotia  
September 16, 2013

*Kevin MacDonald & Associates Inc.*  
Chartered Accountants

# Town of New Glasgow

## Consolidated Statement of Financial Position

March 31

2013

2012

(in thousands)

(Restated)  
(Note 15)

### FINANCIAL ASSETS

Cash	\$ 2,572.3	\$ 2,460.9
Receivables		
Taxes (Note 3)	1,078.3	1,242.6
Due from Federal Government and its agencies	345.8	238.3
Due from Provincial Government and its agencies	166.4	492.2
Due from Town of Westville	39.1	117.4
Due from Town of Trenton	139.9	181.8
Due from Town of Pictou	5.6	4.7
Due from Town of Stellarton	4.9	7.8
Due from Municipality of Pictou County	19.3	5.9
Trade accounts	232.8	253.0
Water rates	495.2	500.8
	<u>5,099.6</u>	<u>5,505.4</u>

### FINANCIAL LIABILITIES

Bank indebtedness	534.2	3,724.9
Trade payables	2,453.7	2,333.2
Prepaid taxes	102.4	213.2
Long term debt (Note 6)	9,973.1	8,119.7
Capital lease obligations (Note 7)	497.0	799.1
Term loan obligations (Note 8)	677.4	380.9
	<u>14,237.8</u>	<u>15,571.0</u>

### NET FINANCIAL LIABILITIES

(9,138.2) (10,065.6)

### NON-FINANCIAL ASSETS

Capital assets - net of accumulated amortization (Page 13)	55,659.0	55,138.4
Inventories	337.4	408.5
Unamortized debt discount	13.4	15.7
Prepaid expenses	63.6	91.4

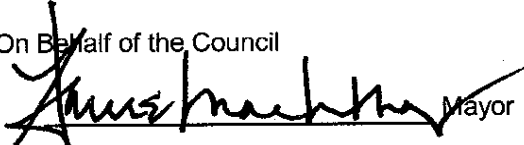
### NET NON-FINANCIAL ASSETS

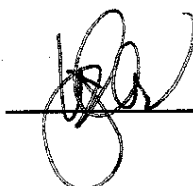
56,073.4 55,654.0  
\$ 46,935.2 \$ 45,588.4

### MUNICIPAL POSITION

Fund balances (Page 15)	\$ 2,641.8	\$ 2,027.5
Investment in capital assets (Page 15)	44,293.5	43,560.9
	<u>\$ 46,935.2</u>	<u>\$ 45,588.4</u>

On Behalf of the Council

 Mayor



Clerk

# Town of New Glasgow

## Consolidated Statement of Financial Activities

Year Ended March 31

2013

2012

(in thousands)

	Page	Budget	Actual	Actual
<b>Revenue</b>				
Taxes	29	\$ 14,340.7	\$ 14,364.5	\$ 14,236.8
Less: School board requisition		(1,565.8)	(1,565.8)	(1,490.7)
		12,774.9	12,798.7	12,746.1
Grants in lieu of taxes	29	77.8	77.7	79.8
Sale of services	29	756.0	751.1	659.3
Other revenue from own sources	30	478.3	540.9	557.7
Transfers from government	30	978.1	979.9	1,004.7
Stadium revenues	30	236.2	187.3	230.1
Water revenues	30	2,535.2	2,777.9	2,738.6
Grants for capital	31	922.4	898.3	1,702.6
Other revenue	31		9.0	5.0
Other proceeds	31		139.6	104.6
<b>Total revenue</b>		<b>18,758.9</b>	<b>19,160.4</b>	<b>19,828.5</b>
<b>Expenditures</b>				
General government services	32	2,294.5	1,725.4	1,904.1
Protective services	32	5,061.5	4,860.0	5,160.7
Transportation services	33	4,435.9	3,678.1	4,623.8
Environmental health services	33	1,428.4	1,432.4	1,758.3
Public health services	33			15.0
Marketing and communications	34	297.9	282.0	332.3
Community development	34	1,311.2	1,051.2	1,062.0
Stadium expenses	34	524.4	495.7	539.8
Water treatment and distribution	35	3,605.8	3,080.4	2,441.0
Other transfers and grants	35	980.1	1,133.1	976.9
Interest and bank charges	35	508.5	424.8	382.4
Reserves for taxes and appeals	35	10.0	32.3	27.1
Financing of pension deficit per valuation		136.0	138.8	269.5
<b>Total expenditures</b>		<b>20,594.2</b>	<b>18,334.2</b>	<b>19,492.9</b>
<b>Net revenue (expenditures)</b>		<b>(1,835.3)</b>	<b>826.2</b>	<b>335.6</b>
<b>Changes from debt financing</b>				
Short term financing		1,754.5	618.3	2,215.5
Term loan financing		190.0	426.0	49.7
Debt principal repayment		(854.1)	(954.1)	(797.5)
Capital lease obligation repayment		(302.3)	(302.1)	(302.3)
		788.1	(211.9)	1,165.4
<b>Change in operating and reserve fund balances</b>		<b>(1,047.2)</b>	<b>614.3</b>	<b>1,501.0</b>
<b>Changes in investment in capital assets</b>				
General capital amortization expense (Note 5)			(1,752.7)	(1,636.9)
Stadium capital amortization expense			(80.9)	(85.2)
Water capital amortization expense		(425.0)	(455.4)	(420.3)
Acquisition of capital assets	36	4,739.9	2,838.0	3,484.1
Cost of assets sold			(28.4)	(72.0)
Changes from debt financing		(788.1)	211.9	(1,165.4)
		3,526.8	732.5	104.3
<b>Change in municipal position</b>		<b>\$ 2,479.6</b>	<b>1,346.8</b>	<b>1,605.3</b>
<b>Municipal position</b>				
Beginning of year, restated (Note 15)			45,588.4	43,983.1
End of year			<b>\$ 46,935.2</b>	<b>\$ 45,588.4</b>

# **Town of New Glasgow**

## **Consolidated Statement of Change in Net Debt**

Year Ended March 31

**2013**

**2012**

(in thousands)

	<u>Actual</u>	<u>Actual</u>
<b>Change in municipal position</b>	<b>\$ 1,346.8</b>	<b>\$ 1,605.3</b>
Acquisition of capital assets	(2,838.0)	(3,484.1)
Amortization of capital assets	2,289.0	2,142.4
Cost of assets sold	28.4	72.0
	<u>(520.6)</u>	<u>(1,269.7)</u>
Acquisition of inventories	(337.4)	(408.5)
Acquisition of prepaid expense	(63.6)	(91.4)
Amortization of debt discount	2.3	(1.0)
Consumption of inventories	408.5	382.6
Use of prepaid expense	91.4	5.7
	<u>101.2</u>	<u>(112.6)</u>
<b>Change in net financial liabilities</b>	<b>927.4</b>	<b>223.0</b>
<b>Net debt at beginning of year</b>	<b>(10,065.6)</b>	<b>(10,288.6)</b>
<b>Net debt at end of year</b>	<b>\$ (9,138.2)</b>	<b>\$ (10,065.6)</b>

# Town of New Glasgow

## Consolidated Statement of Cash Flow

Year Ended March 31

2013

2012

(in thousands)

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

#### Operating activities

Net revenues (Page 3)	\$ 826.2	\$ 335.6
Change in taxes receivable	164.3	(158.8)
Change in water rates receivable	5.6	(316.3)
Change in accounts receivable	347.3	2,694.4
Change in other assets	101.2	(112.7)
Change in accounts payable and accrued liabilities	9.7	(1,354.6)
	<u>1,454.3</u>	<u>1,087.6</u>

#### Financing activities

Long term debt issued	3,104.0	1,570.0
Debt principal repayment	(954.1)	(797.5)
Capital lease obligation repayment	(302.1)	(302.3)
	<u>1,847.8</u>	<u>470.2</u>

### Net change in cash and cash equivalents

3,302.1 1,557.8

#### Cash and cash equivalents

Beginning of year	<u>(1,264.0)</u>	<u>(2,821.8)</u>
End of year	<u>\$ 2,038.1</u>	<u>\$ (1,264.0)</u>

#### Comprised of

Cash	\$ 2,572.3	\$ 2,460.9
Bank indebtedness	(534.2)	(3,724.9)
	<u>\$ 2,038.1</u>	<u>\$ (1,264.0)</u>

# Town of New Glasgow

## Schedule of General Operating Fund

Year Ended March 31

2013

2012

(in thousands)

	Page	Budget	Actual	Actual
<b>Revenue</b>				
Taxes	29	\$ 14,340.7	\$ 14,364.5	\$ 14,236.8
Less: School board requisition		(1,565.8)	(1,565.8)	(1,490.7)
		12,774.9	12,798.7	12,746.1
Grants in lieu of taxes	29	77.8	77.7	79.8
Sale of services	29	756.0	751.1	659.3
Other revenue from own sources	30	478.3	540.9	557.7
Transfers from governments	30	978.1	979.9	1,004.7
<b>Total revenue</b>		15,065.1	15,148.3	15,047.6
<b>Expenditures</b>				
General government services	32	1,526.0	1,465.0	1,585.5
Protective services	32	5,049.2	4,736.0	4,900.7
Transportation services	33	2,620.5	2,595.4	2,807.0
Environmental health services	33	1,308.2	1,312.2	1,293.5
Public health services	33			15.0
Marketing and communications	34	297.9	282.0	332.3
Community development	34	681.7	635.2	676.0
Other transfers and grants	35	980.1	1,133.1	976.9
Interest and bank charges		409.1	327.4	284.7
Reserve for taxes and other receivables	35	10.0	32.3	27.1
<b>Net expenditures</b>		12,882.7	12,518.6	12,898.7
Financing of pension deficit per valuation		136.0	138.8	269.5
<b>Total expenditures</b>		13,018.7	12,657.4	13,168.2
<b>Net revenues</b>		2,046.4	2,490.9	1,879.4
<b>Financing and transfers</b>				
Repayment of capital lease obligation		(253.7)	(257.1)	(255.2)
Debt principal repayment		(477.5)	(579.2)	(469.3)
Transfers from (to) general capital fund				
Capital out of revenue			(17.1)	
Transfers from (to) water operating fund				
Fire protection charge		(617.2)	(617.2)	(617.2)
Tax levy		135.0	132.3	132.3
Transfers to stadium operating fund		(333.0)	(352.4)	(337.0)
<b>Net financing and transfers</b>		(1,546.4)	(1,690.7)	(1,546.4)
<b>Change in general operating fund</b>		\$ 500.0	800.2	333.0
<b>General operating fund, beginning of year, restated (Note 15)</b>			(589.8)	(922.8)
<b>General operating fund, end of year</b>			\$ 210.4	\$ (589.8)



# **Town of New Glasgow**

## **Schedule of Water Operating Fund**

Year Ended March 31

**2013**

**2012**

(in thousands)

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>				
Water revenue		\$ 2,529.7	\$ 2,766.6	\$ 2,733.5
Other revenue		5.5	11.3	5.2
<b>Total revenue</b>	30	<u>2,535.2</u>	<u>2,777.9</u>	<u>2,738.7</u>
<b>Expenditures</b>				
Transmission and distribution	35	2,211.8	2,245.7	2,220.9
Interest and bank charges		90.7	89.0	87.4
<b>Total expenditures</b>		<u>2,302.5</u>	<u>2,334.7</u>	<u>2,308.3</u>
<b>Net revenues</b>		<u>232.7</u>	<u>443.2</u>	<u>430.4</u>
<b>Financing and transfers</b>				
Repayment of capital lease obligation		(35.0)	(31.9)	(34.9)
Debt principal repayment		(354.1)	(352.4)	(305.8)
Transfers from (to) general operating fund				
Fire protection charge		617.2	617.2	617.2
Tax levy		(135.0)	(132.3)	(132.3)
Transfers to water capital fund				
Land reserve		(35.0)	(35.0)	(35.0)
Capital out of revenue		(70.0)	(41.4)	
Depreciation charge		(425.0)	(455.4)	(420.3)
<b>Net financing and transfers</b>		<u>(436.9)</u>	<u>(431.2)</u>	<u>(311.1)</u>
<b>Change in water operating fund</b>		<u>\$ (204.2)</u>	<u>12.0</u>	<u>119.3</u>
<b>Water operating fund, beginning of year</b>			<u>161.0</u>	<u>41.7</u>
<b>Water operating fund, end of year</b>			<u>\$ 173.0</u>	<u>\$ 161.0</u>

# **Town of New Glasgow**

## **Schedule of Stadium Operating Fund**

Year Ended March 31

**2013**

**2012**

(in thousands)

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Stadium revenue</b>	30	\$ 236.2	\$ 187.3	\$ 230.1
<b>Expenditures</b>				
Stadium expenses	34	524.4	495.7	522.0
Interest and bank charges		8.7	8.4	10.3
<b>Total expenditures</b>		<u>533.1</u>	<u>504.1</u>	<u>532.3</u>
<b>Net expenditures</b>		<u>(296.9)</u>	<u>(316.8)</u>	<u>(302.2)</u>
<b>Financing and transfers</b>				
Debt principal repayment		(22.5)	(22.5)	(22.5)
Repayment of capital lease obligation		(13.6)	(13.1)	(12.3)
Transfers from general operating fund		<u>333.0</u>	<u>352.4</u>	<u>337.0</u>
<b>Net financing and transfers</b>		<u>296.9</u>	<u>316.8</u>	<u>302.2</u>
<b>Change in stadium operating fund</b>		<u>\$</u>		
<b>Stadium operating fund, beginning of year</b>				
<b>Stadium operating fund, end of year</b>			<u>\$</u>	<u>\$</u>

# Town of New Glasgow

## Schedule of General Capital Fund

Year Ended March 31

2013

2012

(in thousands)

	Budget	Actual	Actual
<b>Revenue</b>			
Government grants	\$ 922.4	\$ 141.1	\$ 352.1
<b>Expenditures</b>			
General government	768.5	260.4	318.6
Protective services	12.3	124.0	260.0
Transportation services	1,815.4	1,082.7	1,816.8
Environmental health services	120.2	120.2	464.8
Recreation services	629.5	416.0	386.0
<b>Total expenditures (Page 36)</b>	<b>3,345.9</b>	<b>2,003.3</b>	<b>3,246.2</b>
<b>Net expenditures</b>	<b>(2,423.5)</b>	<b>(1,862.2)</b>	<b>(2,894.1)</b>
<b>Financing and transfers</b>			
Short term financing	1,364.5	618.3	2,215.5
Conditional sales contracts	190.0	426.0	49.7
Transfers from general operating fund			
Capital out of revenue		17.1	
Transfers from (to) reserve funds			
Equipment reserve		25.0	
Special reserve		23.6	18.0
Gas tax reserve	869.0	743.5	607.4
Parkland reserve		8.7	3.5
<b>Net financing and transfers</b>	<b>2,423.5</b>	<b>1,862.2</b>	<b>2,894.1</b>
<b>Change in general capital fund</b>	<b>\$</b>		
<b>General capital fund, beginning of year</b>		<b>0.2</b>	<b>0.2</b>
<b>General capital fund, end of year</b>		<b>\$ 0.2</b>	<b>\$ 0.2</b>
<b>Cash - unrestricted</b>		<b>\$ 0.2</b>	<b>\$ 0.2</b>

# **Town of New Glasgow**

## **Schedule of Water Capital Fund**

Year Ended March 31

**2013**

**2012**

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>			
Government grants	\$	\$	\$ 85.4
Interest income		<u>3.5</u>	<u>3.5</u>
<b>Total revenue</b>		<u>3.5</u>	<u>88.9</u>
<b>Expenditures (Page 36)</b>			
Water treatment and distribution	<u>1,394.0</u>	<u>834.7</u>	<u>220.1</u>
<b>Net expenditures</b>	<u>(1,394.0)</u>	<u>(831.2)</u>	<u>(131.2)</u>
<b>Financing and transfers</b>			
MFC financing	390.0		
Transfers from water operating fund			
Capital out of revenue	70.0	<b>41.4</b>	
Depreciation charge	425.0	<b>455.4</b>	420.3
Land reserve	<u>35.0</u>	<u>35.0</u>	<u>35.0</u>
<b>Net financing and transfers</b>	<u>920.0</u>	<u>531.8</u>	<u>455.3</u>
<b>Change in water capital fund</b>	<u>\$ (474.0)</u>	<u>(299.4)</u>	324.1
<b>Water capital fund, beginning of year</b>		<u>1,079.0</u>	<u>754.9</u>
<b>Water capital fund, end of year</b>		<u>\$ 779.6</u>	<u>\$ 1,079.0</u>
<b>Allocation of fund balance</b>			
Land reserve		\$ 454.6	\$ 415.9
Depreciation cash		<u>325.0</u>	<u>663.1</u>
		<u>\$ 779.6</u>	<u>\$ 1,079.0</u>

# **Town of New Glasgow**

## **Schedule of Stadium Capital Fund**

Year Ended March 31

**2013**

**2012**

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Expenditures (Page 36)</b>			
Stadium capital	<u>\$</u>	<u>\$</u>	<u>\$ 17.8</u>
<b>Net expenditures</b>			<u>(17.8)</u>
<b>Financing and transfers</b>			
Transfer (to) from reserve			
Stadium sign rental reserve			<u>17.8</u>
<b>Change in stadium capital fund</b>	<u>\$</u>		
<b>Stadium capital fund, beginning of year</b>			
<b>Stadium capital fund, end of year</b>		<u>\$</u>	<u>\$</u>

# Town of New Glasgow

## Schedule of Reserves

Year Ended March 31

2013

2012

(in thousands)

	Budget	Actual	Actual
<b>Revenue</b>			
Investment income	\$	\$ 5.5	\$ 1.5
Parkland transfers		1.1	
Government grants			44.0
Canada/NS Gas tax agreement		757.2	1,221.1
Proceeds from sale of assets		138.5	104.6
<b>Total revenue</b>		<b>902.3</b>	<b>1,371.2</b>
<b>Financing and transfers</b>			
Transfers from (to) stadium capital fund			(17.8)
Sign rental reserve			
Transfers from (to) general capital fund		(25.0)	
Equipment reserve		(23.6)	(18.0)
Special reserve		(743.5)	(607.4)
Gas tax reserve	(869.0)	(8.7)	(3.4)
Parkland reserve			
<b>Net financing and transfers</b>	<b>(869.0)</b>	<b>(800.8)</b>	<b>(646.6)</b>
<b>Change in reserve funds balance</b>	<b>\$ (869.0)</b>	<b>101.5</b>	<b>724.6</b>
<b>Reserve funds balance</b>			
Beginning of year		1,377.1	652.5
End of year		<b>\$ 1,478.6</b>	<b>\$ 1,377.1</b>
<b>Reserves</b>			
Equipment		\$ 159.7	\$ 153.6
Special		278.8	245.7
Power Board		0.7	0.7
Canada/NS Gas Tax		637.4	619.1
Water capital reserve		72.5	51.8
Central treatment plant		36.7	36.7
Stadium sign rental		83.6	53.6
Parkland transfers		67.7	74.6
General operating		141.5	141.3
		<b>\$ 1,478.6</b>	<b>\$ 1,377.1</b>

# Town of New Glasgow

## Consolidated Statement of Property and Equipment

March 31

2013

2012

(in thousands)

	Cost	Less Accumulated Amortization	Net Book Value	Net Book Value
<b>General capital</b>				
General Government Services				
Land	\$ 762.0	\$	\$ 762.0	\$ 762.0
Buildings	2,474.6	601.1	1,873.5	1,909.2
Infrastructure Development	622.4	114.1	508.3	535.0
Equipment	986.3	554.1	432.2	470.5
Protective services				
Land	51.5		51.5	51.5
Buildings	2,385.9	1,113.2	1,272.7	1,310.2
Land improvements	24.1	2.8	21.3	22.3
Equipment	2,405.3	1,439.9	965.4	867.3
Transportation services				
Buildings	666.6	337.3	329.3	345.3
Equipment	2,901.0	1,653.4	1,247.6	1,122.9
Road transport				
Street	14,476.7	8,599.9	5,876.8	6,003.3
Sidewalks	3,631.0	1,792.9	1,838.1	1,748.7
Bridges	703.2	342.6	360.6	383.1
Traffic lights	944.1	516.6	427.5	393.0
Street lights	862.2	51.2	811.0	830.7
Traffic study	30.4	6.3	24.1	25.6
Parking grounds	305.4		305.4	305.4
Environmental health				
Sewage collection and disposal	6,223.1	2,011.5	4,211.6	4,269.9
Equity in central disposal system	4,441.6		4,441.6	4,341.5
Equity in garbage and waste collection and disposal	392.7		392.7	392.7
Equity in recycling collection and disposal	417.8		417.8	397.7
Equity in Planning Commission	49.7		49.7	49.7
Recreation and community services				
Land	911.8		911.8	903.1
Buildings	4,272.1	1,458.5	2,813.6	2,709.7
Land improvements	1,858.4	892.3	966.1	886.6
Equipment	722.5	278.4	444.1	468.8
<b>John Brother MacDonald Stadium</b>				
Land	12.5		12.5	12.5
Buildings	2,724.0	1,023.2	1,700.8	1,768.7
Land improvements	6.0	5.1	0.9	1.0
Equipment	383.2	301.3	81.9	123.2
<b>School capital assets</b>				
School buildings	3,865.0		3,865.0	3,865.0
Land	21.2		21.2	21.2
<b>Water utility (Page 14)</b>	25,327.9	7,107.5	18,220.4	17,841.1
	<u>\$ 85,862.2</u>	<u>\$ 30,203.2</u>	<u>\$ 55,659.0</u>	<u>\$ 55,138.4</u>

# Town of New Glasgow

## Consolidated Statement of Property and Equipment

March 31

2013

2012

(in thousands)

### Water Utility

	Cost	Less Accumulated Amortization	Net Book Value	Net Book Value
Intangible asset				
Working capital	\$ 80.0	\$	\$ 80.0	\$ 80.0
Tangible plant				
Land and land rights				
Source of supply	167.9		167.9	167.9
Reservoir	5.5		5.5	5.5
Transmission	7.7		7.7	7.7
Structures and improvements				
Source of supply	222.8	67.6	155.2	158.3
Intakes	449.6	121.9	327.7	311.8
Pumping	325.9	243.5	82.4	89.4
Water treatment plant	6,946.7	1,131.3	5,815.4	5,869.1
Distribution reservoirs and standpipes	819.3	350.3	469.0	294.5
Storage barn	5.5	5.5		1.1
Equipment				
Pumping	54.4	54.4		
Water treatment plant	190.1	190.1		6.1
Office furniture and equipment	35.1	35.1		
Transportation	1,224.6	995.9	228.7	281.3
Tools and work equipment	90.4	90.4		
G.I.S. system	35.4	35.4		
Other	363.1	213.8	149.3	169.2
Mains				
Transmission	2,496.7	783.8	1,712.9	1,738.2
Distribution	9,727.8	1,636.8	8,091.0	7,745.1
Services	616.4	238.7	377.7	389.7
Meters	969.7	821.6	148.1	130.4
Hydrants	104.9	71.9	33.0	33.0
Wind turbine	372.3	14.6	357.7	350.6
Other	16.1	4.9	11.2	12.2
	<u>\$ 25,327.9</u>	<u>\$ 7,107.5</u>	<u>\$ 18,220.4</u>	<u>\$ 17,841.1</u>



# Town of New Glasgow

## Consolidated Municipal Position

March 31

2013

2012

(in thousands)

### Fund balances

General operating fund (Page 6)	\$ 210.4	\$ (589.8)
Water operating fund (Page 7)	173.0	161.0
Stadium operating fund (Page 8)		
General capital fund (Page 9)	0.2	0.2
Water capital fund (Page 10)	779.6	1,079.0
Stadium capital fund (Page 11)		
Reserve funds (Page 12)	1,478.6	1,377.1
	<u>\$ 2,641.8</u>	<u>\$ 2,027.5</u>

### Investment in capital assets

Balance, beginning of year, restated (Note 16)	\$ 43,560.9	\$ 43,456.6
Capital funding from		
General operations	17.1	
Water operations	41.4	
Gas tax reserve	743.5	607.4
Depreciation funds	793.3	134.7
Special reserve	23.6	18.0
Equipment reserve	25.0	
Stadium sign reserve		17.8
Parkland reserve	8.7	3.5
Capital grants	141.4	437.5
Repayment of long term debt	954.1	797.5
Capital lease obligation repayment	302.1	302.3
Amortization expense - general capital	(1,752.9)	(1,636.9)
Amortization expense - stadium capital	(80.9)	(85.2)
Amortization expense - water capital	(455.4)	(420.3)
Cost of assets sold	(28.4)	(72.0)
Balance, end of year	<u>\$ 44,293.5</u>	<u>\$ 43,560.9</u>

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

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March 31, 2013

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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

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March 31, 2013

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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. Funds received through capital assistance programs or cost-sharing arrangements are treated as a reduction in the cost of the asset acquired. The capital assistance program funds are added to the investment in capital assets for consolidation purposes.

#### Depreciation - water capital fund

Depreciation 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, 2013

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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 Accounting and Reporting Manual, based on an estimate of future losses on taxes, rates and interest outstanding at fiscal year end.

Other receivables

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

**(k) Use of estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles for municipal governments required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Where estimation uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

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March 31, 2013

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### (I) Segmented information

The Town of New Glasgow is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

#### General government services

This department is responsible for the overall financial and local government administration. Its tasks include tax administration, trade payables and receivables, budgets, financial statements and adherence to the *Municipal Government Act*.

#### Protective services

The Town is primarily responsible for fire protection for its residents. The Town pays the operating and capital expenditures for the police and fire departments. Other protective services include fees paid to the province for correctional services.

#### Transportation services

The Town is responsible for the maintenance and construction of local roads and sidewalks including snow removal. They are also responsible for the street lighting within the Town.

#### Environmental health services

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

#### Marketing and communications

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

#### Community development

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

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## 2. Depreciation fund

	2013	2012
	(in thousands)	
Cash, beginning of year	\$ 663.1	\$ 377.1
Add: depreciation	455.2	420.6
Less: funds used for capital projects	(793.3)	(134.6)
Balance, end of year	<u>\$ 325.0</u>	<u>\$ 663.1</u>

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2013

### 3. Taxes and rates receivable

			<u>2013</u>	<u>2012</u>
			(in thousands)	
	Current Year	Prior Years		Total
Balance, beginning of year	\$	\$ 1,100.8	\$ 1,100.8	\$ 956.4
Current period tax & rate levy	14,496.8		14,496.8	14,369.3
	14,496.8	1,100.8	15,597.6	15,325.7
Collections & write-offs	(14,000.3)	(578.8)	(14,579.1)	(14,224.9)
Balance, end of year	<u>\$ 496.5</u>	<u>\$ 522.0</u>	1,018.5	1,100.8
Pollution control receivable			241.2	264.9
Interest receivable			103.8	130.2
			1,363.5	1,495.9
Less: Valuation allowance (Note 4)			(285.2)	(253.3)
			<u>\$ 1,078.3</u>	<u>\$ 1,242.6</u>

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

	<u>2013</u>	<u>2012</u>
	(in thousands)	
Balance, beginning of year	\$ 253.3	\$ 264.8
Approved write offs		(38.4)
Increase in allowance for year	32.3	26.9
Balance, end of year	<u>\$ 285.2</u>	<u>\$ 253.3</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.

	<u>2013</u>	<u>2012</u>
	(in thousands)	
General government services	\$ 225.3	\$ 208.2
Protective services	215.8	203.5
Transportation services	955.8	915.4
Environmental health services	122.8	119.7
Community development	233.0	190.1
	<u>\$ 1,752.7</u>	<u>\$ 1,636.9</u>

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2013

### 6. Long term debt

Debentures Issued to Provincial Government or its agencies

NS Municipal Finance Corporation

	2013	2012
	(in thousands)	
Streets 25-A-1 due 2021	\$ 257.8	\$ 290.0
Police and equipment 27-A-1 due 2017	386.8	469.6
Equipment 26-A-1 due 2021	205.3	220.0
Equipment FCM 27-A due 2017	94.2	117.7
Equipment 28-A-1 due 2018	303.2	328.4
Water treatment plant 20-A-1 due 2020	1,600.0	1,800.0
Water 22-A-1 due 2013		13.3
Water 24-A-1 due 2014	130.3	195.4
Water 31-A-1 due 2021	434.6	483.0
Stadium 25-A-1 due 2021	42.0	56.0
Stadium 26-A-1 due 2012	13.9	17.4
Stadium 28-A-1 due 2018	80.2	85.3
Equipment 29-A-1 due 2019	415.0	442.8
Equipment 30-A-1 due 2020	1,315.4	1,423.5
Glasgow Square 30-A-1 due 2025	1,080.0	1,140.0
Equipment 31-A-1 due 2021	933.5	1,037.3
Equipment 32-A-1 due 2022	2,215.7	
Equipment 32-B-1 due 2022	465.2	
	<u>\$ 9,973.1</u>	<u>\$ 8,119.7</u>

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

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

	General Capital	Water Capital	Stadium Capital	Total
2014	\$ 740.5	\$ 313.4	\$ 22.5	\$ 1,076.4
2015	740.5	313.4	22.5	1,076.4
2016	740.5	248.3	22.5	1,011.3
2017	740.5	248.3	8.5	997.3
2018	717.0	248.3	5.0	970.3

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, 2013 for the following purposes:

Protective services capital	\$ 7.6
Transportation	65.0
Recreation	311.7
Environmental health services	5.5
General government	228.5
	<u>\$ 618.3</u>

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2013

### 7. Capital lease obligations

	2013	2012
	(in thousands)	
Capital lease obligation, with interest of 6.35% implicit in the lease payments, payable in monthly instalments of \$1,502. The obligation is secured by the backhoe financed.	\$ 5.9	\$ 23.0
Capital lease obligation, with interest of 5.35% implicit in the lease payments, payable in monthly instalments of \$3,143. The obligation is secured by the garbage truck financed.	33.6	68.4
Capital lease obligation, with interest of 5.35% implicit in the lease payments, payable in monthly instalments of \$2,421. The obligation is secured by the street sweeper financed.	25.9	52.8
Capital lease obligation, with interest of 5.35% implicit in the lease payments, payable in monthly instalments of \$5,327. The obligation is secured by the fire truck financed.	57.0	116.1
Capital lease obligation, with interest of 5.70% implicit in the lease payments, payable in monthly instalments of \$2,492. The obligation is secured by the 2007 JCB loader.	47.5	73.9
Capital lease obligation, with interest of 7.46% implicit in the lease payments, payable in monthly instalments of \$979. The obligation is secured by the 2007 GMC truck.	14.0	24.3
Capital lease obligation, completed during year.		1.1
Capital lease obligation, with interest of 5.084% implicit in the lease payments, payable in monthly instalments of \$2,766. The obligation is secured by the 2008 Salt truck.	63.0	92.1
	\$ 246.9	\$ 451.7

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2013

### 7. Capital lease obligations (continued)

	2013	2012
	(in thousands)	
Balance forward	\$ 246.9	\$ 451.7
Capital lease obligation, with interest of 5.95% implicit in the lease payments, payable in monthly instalments of \$2,306. The obligation is secured by the 2008 Trackless heavy equipment vehicle.	54.1	77.8
Capital lease obligation, with interest of 5.47% implicit in the lease payments, payable in monthly instalments of \$2,086. The obligation is secured by the 2008 Komatsu excavator.	39.8	62.0
Capital lease obligation, completed during year.		5.0
Capital lease obligation, completed during year.		4.6
Capital lease obligation, with interest of 6.197% implicit in the lease payments, payable in monthly instalments of \$1,218. The obligation is secured by the 2007 Zamboni.	17.5	30.7
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.	138.7	167.3
	<u>\$ 497.0</u>	<u>\$ 799.1</u>

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

	General Capital	Water Capital	Stadium Capital	Total
2014	\$ 247.3	\$ 23.4	\$ 13.9	\$ 284.6
2015	112.8	16.4	3.6	132.8
2016	79.6			79.6

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2013

### 8. Term debt obligations

	2013	2012
	(in thousands)	
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$1,333 plus interest. The obligation is secured by a 2002 Grader.	\$ 49.3	\$ 64.0
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$396 plus interest. The obligation is secured by radio equipment.	14.6	19.0
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$1,271 plus interest. The obligation is secured by two Ford Crown Victoria's.	31.8	45.7
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$629 plus interest. The obligation is secured by a 2011 Dump truck.	23.3	30.2
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$443 plus interest. The obligation is secured by a 2007 Chev truck.	5.8	10.6
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$500 plus interest. The obligation is secured by a 2010 Ford Escape.	6.5	12.0
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$485 plus interest. The obligation is secured by a 2007 Chev truck.	6.3	11.7
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$527 plus interest. The obligation is secured by a 2010 Ford Escape.	13.2	19.0
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.	74.6	88.1
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$458 plus interest. The obligation is secured by a 2010 Toyota truck.	16.9	22.0
Term loan, with interest at prime plus 1.25% , payable in monthly instalments of \$598 plus interest. The obligation is secured by a 2009 Cargo van.	1.8	8.9
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$829 plus interest. The obligation is secured by a 2012 Chev truck with dump box.	39.8	49.7
	\$ 283.9	\$ 380.9

Continues on next page

# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2013

### 8. Term debt obligations (continued)

	2013	2012
	(in thousands)	
Balance forward	\$ 283.9	\$ 380.9
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.	71.8	
Term loan, with interest at prime plus .50%, payable in monthly instalments of \$395 plus interest. The obligation is secured by a 2007 Chev Uplander van.	5.9	
Term loan, with interest at prime plus .50%, payable in monthly instalments of \$383 plus interest. The obligation is secured by a 2008 Chev Impala.	5.7	
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.	182.7	
Term loan, with interest at 4.36%, payable in monthly instalments of \$1,314 including interest. The obligation is secured by a 2012 Trackless.	117.2	
Term loan, with interest at 3.62%, payable in monthly instalments of \$308.23 including interest. The obligation is secured by a 2008 Dodge Charger.	10.2	
	<u>\$ 677.4</u>	<u>\$ 380.9</u>

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

	General Capital	Water Capital	Total
2014	\$ 140.0	\$ 23.6	\$ 163.6
2015	112.2	20.2	132.4
2016	90.1	20.2	110.3
2017	60.4	14.7	75.1
2018	52.6	14.7	67.3

### 9. 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, 2010 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	\$ 9,515,600
Pension fund obligation	<u>\$ 9,914,500</u>

The net difference of \$398,900 represents a deficit in the plan.

Solvency Financial Position (Valuation method required by the Nova Scotia Pension Benefits Act)	
Pension fund assets	\$ 9,635,800
Pension fund obligation	<u>\$ 11,758,200</u>

The net difference of \$2,122,400 represents a deficit in the plan.

The Plan has an unfunded liability on a going concern basis and a solvency shortfall. The Nova Scotia Pensions Benefits Act requires minimum payments of \$9,937 per month until the next valuation or July 31, 2013.

The Town of New Glasgow realized pension expense of \$357,700 in the year ending March 31, 2011.

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## Town of New Glasgow

### Notes to Consolidated Financial Statements

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March 31, 2013

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#### 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 out of its current operations. At year end, the appropriation recorded in the accounts of the Town was \$308,394 operating and \$44,006 debt repayment for a total of \$352,400 (2012 - \$337,039).

(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, 2013 was \$55,479 (2012 - \$33,157).

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.

Board	Contribution	
	2013	2012
	(in thousands)	
Pictou Antigonish Regional Library	\$ 67.4	\$ 67.4
Pictou County Shared Services Authority		
Planning and Development Division	299.2	281.4
East River Environmental Control Centre	761.9	749.4
Eastern Mainland Housing Authority (a)	221.3	212.4
District School Board (b)	1,565.8	1,490.7
Pictou Regional Development Agency	40.1	41.1

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

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#### 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.

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# Town of New Glasgow

## Notes to Consolidated Financial Statements

March 31, 2013

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### 12. School Capital Fund

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

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

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### 13. 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 MacMillan	Mayor	\$ 33,723
Troy MacCulloch	Councillor	21,358
Trudy Vince	Councillor	8,132
Henderson Paris	Deputy Mayor	23,186
Jack Lewis	Councillor	21,358
Clyde Fraser	Councillor	21,358
Nancy Dicks	Councillor	8,132
Ross Hamid	Councillor	13,143
Terry Curley	Councillor	13,143
Lisa MacDonald	CAO	113,351

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### 14. Other Commitments

#### Pictou County Solid Waste Management System

The Town of New Glasgow is committed to a portion of long term debt secured by a recycling truck purchased by Pictou County Solid Waste Management System. The Town of New Glasgow's commitment is \$19,613 per year for five years beginning in 2009.

#### 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, 2013 the amount transferred was \$268,123. (2012- \$421,754)

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, 2013, the Town's portion of the deficit was \$160,600 which has been recorded as a liability in the financial statements.

#### Crombie Developments Limited

The Town of New Glasgow has entered into a twelve month lease agreement with Crombie Developments Limited to lease space located at the Aberdeen Shopping Centre on East River Road. The original lease was to expire on September 30, 2013, however, subsequent to year-end an extension to the lease agreement to March 31, 2015 has been arranged. The monthly

commitment for the lease is \$6,940.

Kevin MacDonald  
& Associates Inc.

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## **Town of New Glasgow**

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

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March 31, 2013

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#### **15. Restatement of prior period**

The previous period has been restated due to a timing issue in recording a capital asset. A fire truck box was recorded as capital out of revenue in the financial statements for the year ended March 31, 2012, however, the purchase was not finalized until the current year, and was purchased with a term loan. Capital assets and fund balances in the prior year have been adjusted by \$51,695 for this restatement.

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

Certain of the comparative figures have been restated to reflect consistency between the current and prior year. These restatements have had no impact on fund balances or net revenues in the prior year.

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#### **17. Subsequent event**

During September 2013, the John Brother MacDonald Stadium will cease to be in operation. As of the audit report date of September 16, 2013, the Town has no definitive plans to dispose of the building and other stadium assets.

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2013

2012

(in thousands)

	Budget	Actual	Actual
<b>Taxes</b>			
Assessable property			
Residential	\$ 7,088.3	\$ 7,097.2	\$ 6,759.6
Commercial	6,057.0	6,068.6	6,179.5
Resource	31.2	31.6	29.9
	<u>13,176.5</u>	<u>13,197.4</u>	<u>12,969.0</u>
Business property			
Business occupancy	138.6	131.4	129.3
Based on revenue (Aliant)	76.9	76.9	83.4
Nova Scotia Power Corp.	0.7	1.1	0.8
H.S.T. offset grant	100.0	99.6	106.2
	<u>316.2</u>	<u>309.0</u>	<u>319.7</u>
Special assessments			
Environmental Health Services			
Pollution control	802.0	812.0	826.9
Fire Protection Charges	46.0	46.1	46.1
Business Improvement District levy			75.1
	<u>848.0</u>	<u>858.1</u>	<u>948.1</u>
	<u>\$ 14,340.7</u>	<u>\$ 14,364.5</u>	<u>\$ 14,236.8</u>

### Grants in lieu of taxes

Federal Government	\$ 66.7	\$ 66.6	\$ 67.7
Provincial Government	11.0	11.0	12.0
Cape Breton and Central Nova Scotia Railway Limited	0.1	0.1	0.1
	<u>\$ 77.8</u>	<u>\$ 77.7</u>	<u>\$ 79.8</u>

### Sales of services

Parking meters	\$ 90.0	\$ 97.0	\$ 112.5
Sale of IT services	175.0	165.2	112.5
Sale of policing services	491.0	488.9	434.3
	<u>\$ 756.0</u>	<u>\$ 751.1</u>	<u>\$ 659.3</u>

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

Year Ended March 31

2013

2012

(in thousands)

	Budget	Actual	Actual
<b>Other revenue from own sources</b>			
Licenses and permits	\$ 1.3	\$ 0.9	\$ 1.4
Fines	150.0	133.0	144.4
Rentals	110.0	131.5	105.2
Interest on taxes and rates	142.0	148.1	146.6
HST rebates (gas and diesel)		46.3	54.0
Mortgage service fees	14.0	14.0	14.0
Recreation revenue	15.0	12.4	20.0
Engineering contract work	40.0	44.6	48.4
Miscellaneous	6.0	10.1	23.7
	<u>\$ 478.3</u>	<u>\$ 540.9</u>	<u>\$ 557.7</u>

**Transfers from government**

Unconditional transfers from Provincial Government	\$ 977.7	\$ 978.0	\$ 1,004.2
Conditional transfers from Federal and Provincial Governments and agencies			
Prisoner's board	0.4	1.9	0.5
	<u>\$ 978.1</u>	<u>\$ 979.9</u>	<u>\$ 1,004.7</u>

**Stadium revenue**

Building rentals	\$ 15.0	\$ 4.8	\$ 4.7
Canteen		0.2	15.6
Bar/lounge	10.2	5.4	11.7
Ice rental	175.0	152.7	162.8
Sign rental	35.0	22.0	34.0
Skating receipts	0.7	1.8	0.5
Miscellaneous	0.3	0.4	0.8
	<u>\$ 236.2</u>	<u>\$ 187.3</u>	<u>\$ 230.1</u>

**Water revenues**

Metered sales	\$ 2,339.0	\$ 2,574.1	\$ 2,542.4
Flat rate sales	185.7	185.7	186.0
Public fire protection	5.0	6.8	5.0
Other	5.5	11.3	5.2
	<u>\$ 2,535.2</u>	<u>\$ 2,777.9</u>	<u>\$ 2,738.6</u>



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

Year Ended March 31

2013

2012

(in thousands)

	Budget	Actual	Actual
<b>Grants for capital</b>			
Canada/Nova Scotia Gas Tax Agreement	\$ 922.4	\$ 757.2	\$ 1,221.1
NS Sport and Recreation		95.6	5.5
Economic Development - PNS			1.9
Infrastructure Renewal - PNS		45.5	162.0
Efficiency Nova Scotia			140.4
ACOA			41.7
Eco Chill Funding - PNS			23.4
JEPP program			62.6
Municipal Rural Infrastructure Fund			44.0
	<u>\$ 922.4</u>	<u>\$ 898.3</u>	<u>\$ 1,702.6</u>

**Other revenue**

Interest on capital and reserve funds	<u>\$</u>	<u>\$ 9.0</u>	<u>\$ 5.0</u>
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**Other proceeds**

Sale of assets	\$	\$ 138.5	\$ 104.6
Parkland transfers		1.1	
	<u>\$</u>	<u>\$ 139.6</u>	<u>\$ 104.6</u>

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2013

2012

(in thousands)

	Budget	Actual	Actual
<b>General government services</b>			
Legislative	\$ 204.5	\$ 188.4	\$ 186.7
General administration	734.5	716.6	878.0
Taxation exemptions	108.0	106.5	100.1
Employee benefits	18.0	38.5	49.8
Computer services	371.0	336.0	301.2
Safety	30.0	12.0	18.9
Other	60.0	67.0	50.8
	<u>1,526.0</u>	<u>1,465.0</u>	<u>1,585.5</u>
Capital expenditures	<u>768.5</u>	<u>260.4</u>	<u>318.6</u>
	<u>\$ 2,294.5</u>	<u>\$ 1,725.4</u>	<u>\$ 1,904.1</u>

### Protective services

Police protection			
Crime investigation, prevention and protective services	\$ 3,733.2	\$ 3,379.8	\$ 3,472.5
Police station and building	136.5	117.8	136.2
Police automotive equipment	215.0	214.4	239.8
	<u>4,084.7</u>	<u>3,712.0</u>	<u>3,848.5</u>
Fire protection			
Fire fighting force	790.1	830.7	867.3
Fire stations and buildings	62.0	69.1	60.7
Fire fighting equipment	43.4	55.8	58.1
Other	35.0	38.7	27.3
	<u>930.5</u>	<u>994.3</u>	<u>1,013.4</u>
Animal control			
Administration	<u>25.0</u>	<u>21.7</u>	<u>31.0</u>
Emergency measures	<u>9.0</u>	<u>8.0</u>	<u>7.8</u>
	<u>5,049.2</u>	<u>4,736.0</u>	<u>4,900.7</u>
Capital expenditures	<u>12.3</u>	<u>124.0</u>	<u>260.0</u>
	<u>\$ 5,061.5</u>	<u>\$ 4,860.0</u>	<u>\$ 5,160.7</u>

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

Year Ended March 31

2013

2012

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Transportation services</b>			
Common services			
Engineering	\$ 369.2	\$ 368.6	\$ 412.3
Equipment	501.6	444.8	534.3
Workshop	95.3	243.5	96.3
Employee benefits	534.0	520.4	416.5
Road transport			
Streets	716.9	677.0	761.0
Street lighting	61.0	65.4	207.1
Storm sewers & catchpits	80.0	33.9	105.2
Traffic activities	75.0	70.0	74.9
Parking and other	187.5	171.8	199.4
	<u>2,620.5</u>	<u>2,595.4</u>	<u>2,807.0</u>
Capital expenditures	<u>1,815.4</u>	<u>1,082.7</u>	<u>1,816.8</u>
	<u>\$ 4,435.9</u>	<u>\$ 3,678.1</u>	<u>\$ 4,623.8</u>

**Environmental health services**

Sewage treatment and disposal	\$ 117.0	\$ 102.2	\$ 128.9
Central treatment plant operation	762.0	762.0	749.5
Garbage and waste collection and disposal			
Municipal collection and disposal	429.2	448.0	415.1
	<u>1,308.2</u>	<u>1,312.2</u>	<u>1,293.5</u>
Capital expenditures	<u>120.2</u>	<u>120.2</u>	<u>464.8</u>
	<u>\$ 1,428.4</u>	<u>\$ 1,432.4</u>	<u>\$ 1,758.3</u>

**Public health services**

Social welfare			
Other	<u>\$</u>	<u>\$</u>	<u>\$ 15.0</u>

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2013

2012

(in thousands)

	Budget	Actual	Actual
<b>Marketing and communications</b>			
Festivals and events	\$ 29.5	\$ 25.7	\$ 34.2
Salaries and benefits	130.9	128.8	125.8
Communication and event marketing	36.7	30.0	60.3
Public grants	16.1	13.4	23.5
Town owned buildings	84.7	84.1	88.5
	<u>\$ 297.9</u>	<u>\$ 282.0</u>	<u>\$ 332.3</u>

### Community development

Administration	\$ 176.5	\$ 173.4	\$ 165.3
Recreation instruction and sundry	223.7	188.5	184.1
Marina	2.3	1.2	5.3
Community centres	36.0	32.0	49.2
Parks and playgrounds	128.2	129.5	140.5
Summer grounds maintenance	115.0	110.6	131.6
	<u>681.7</u>	<u>635.2</u>	<u>676.0</u>
Capital expenditures	629.5	416.0	386.0
	<u>\$ 1,311.2</u>	<u>\$ 1,051.2</u>	<u>\$ 1,062.0</u>

### Stadium expenses

Canteen and Mezzanine			
Purchases	\$	\$	\$ 3.7
Wages			12.7
			<u>16.4</u>
Bar/lounge operation			
Advertising & supplies	0.5	0.1	0.7
Administration & maintenance	3.0	2.5	6.9
Wages & training	2.8	0.6	2.1
	<u>6.3</u>	<u>3.2</u>	<u>9.7</u>
General			
Advertising	2.3	0.1	3.8
Audit	2.0	1.0	1.5
Bad debt expense		2.2	
Heating oil and propane	31.2	35.4	26.6
Insurance	7.3	5.6	6.9
Light and power	100.0	98.5	100.0
Water & environmental charge	10.5	6.7	9.5
Maintenance & repairs	127.2	106.0	101.1
Office supplies	2.0	2.1	1.8
Health and safety	1.5	1.0	1.0
Employee benefits	35.2	33.3	32.8
Sundry	0.9	0.1	
Telephone	5.0	3.5	3.4
Training and conventions	4.0	0.9	1.1
Wages	189.0	196.1	206.4
	<u>518.1</u>	<u>492.5</u>	<u>495.9</u>
	524.4	495.7	522.0
Capital expenditures			17.8
	<u>\$ 524.4</u>	<u>\$ 495.7</u>	<u>\$ 539.8</u>

# Town of New Glasgow

## Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2013

2012

(in thousands)

	Budget	Actual	Actual
<b>Water treatment and distribution</b>			
Operating expenditures			
Source of supply	\$ 132.0	\$ 89.0	\$ 121.2
Pumping	86.7	102.1	105.6
Water treatment	532.0	548.4	477.6
Transmission and distribution	711.0	681.6	696.2
Employee Benefits	291.6	267.2	273.5
Fleet	148.0	169.9	144.0
Administrative and general	310.5	387.5	402.8
	<u>2,211.8</u>	<u>2,245.7</u>	<u>2,220.9</u>
Capital expenditures	<u>1,394.0</u>	<u>834.7</u>	<u>220.1</u>
	<u>\$ 3,605.8</u>	<u>\$ 3,080.4</u>	<u>\$ 2,441.0</u>

### Other transfers and grants

Deficit of Housing Authority	\$ 215.0	\$ 221.3	\$ 212.4
Deficit of Pictou County Wellness Centre		160.6	
New Glasgow Business Development Corporation			75.1
Riverfront - Glasgow Square	60.0	55.5	33.2
Province of Nova Scotia			
Department of Corrections	123.7	123.7	93.5
Assessment Services	128.4	125.8	126.8
Planning and development services			
Pictou County Shared Services Authority	306.0	299.2	291.3
Tourism and education services			
Pictou-Antigonish Regional Library	67.4	67.4	67.5
Pictou County Tourist Association	8.7	8.7	6.0
Transportation services			
Public Transit - CHAD	30.9	30.9	30.0
Economic development Services			
PRDA	40.0	40.0	41.1
	<u>\$ 980.1</u>	<u>\$ 1,133.1</u>	<u>\$ 976.9</u>

### Interest and bank charges

Debenture discount	\$ 12.0	\$ 23.2	\$ 9.8
Interest on long term debt	340.0	253.6	250.2
Interest on capital leases	136.5	137.8	105.5
Interest and service charges	20.0	10.2	16.9
	<u>\$ 508.5</u>	<u>\$ 424.8</u>	<u>\$ 382.4</u>

### Reserves for taxes and appeals

Reserve for uncollectible taxes	\$ 10.0	\$ 32.3	\$ 27.1
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Kevin MacDonald  
& Associates Inc.



## Town of New Glasgow Schedule of Capital Projects Funding

March 31, 2013

(in thousands)	Total Capital Cost	Parkland Reserve	Special Reserve	Equipment Reserve	Depreciation Fund	Canada/NS Gas Tax Agreement	Capital out of Revenue	Debt Loan	Conditional Sales Contracts	External Funding
<b>GENERAL CAPITAL</b>										
Sidewalks, Street and curbs	\$ 586.9	\$	\$		\$	\$ 541.4	\$ 1.2	\$ 7.6	\$ 29.2	\$ 45.5
Protective Services Capital	38.0									
Public Works	351.7			25.0			14.5		312.2	
- equipment	79.6					14.6		65.0		
- traffic	64.5					59.0		5.5		
Sewer	385.1						1.4	280.8	84.6	95.6
Recreation Capital	86.0	8.7				8.3		92.7		
Fire Capital	101.0							135.8		
Town Office - Equipment	135.8							10.0		
Town radio equipment	10.0							20.9		
Museum renovations	20.9									
Library upgrades	23.6		23.6							
Legion building	120.2					120.2				
Environmental health capital	2,003.3	8.7	23.6	25.0		743.5	17.1	618.3	426.0	141.1
Sub-total										
<b>WATER CAPITAL</b>										
Capital Equipment	280.3				238.9		41.4			
Water Treatment										
- equipment	32.0				32.0					
Waterlines	444.9				444.9					
Meters	63.3				63.3					
Wind turbine	14.2				14.2					
Sub-total	834.7				793.3		41.4			
<b>Total</b>	<b>\$ 2,838.0</b>	<b>\$ 8.7</b>	<b>\$ 23.6</b>	<b>\$ 25.0</b>	<b>\$ 793.3</b>	<b>\$ 743.5</b>	<b>\$ 58.5</b>	<b>\$ 618.3</b>	<b>\$ 426.0</b>	<b>\$ 141.1</b>

**RESERVE**

RESERVE

School Library	A.E. Fraser	James Roy	Margaret C. Cameron	W.G. Matheson Bursary	George Sylvester Fraser	Lincoln Fraser Memorial	Carmichael Scholarship	Graduation Class	Graduation Class 95	Bruce Stewart	Eric Deucette	MacGregor	J.D. MacInnis	H. Goodman	Philip Grant	War Memorial	2012 Total	2013 Total
\$ 35,021	\$154,007	\$4,531	\$ 2,001	\$ 1,033	\$ 3,914	\$ 1,661	\$ 24,409	\$ 1,005	\$ 1,426	\$ 90	\$ 1,274	\$ 10,527	\$ 2,681	\$ 739	\$ 739	\$ 1,023	\$263,711	\$244,081
103,162							62,806			500							170,916	166,557
136,183	154,007	4,531	2,001	1,033	3,914	1,661	87,304	1,005	1,426	590	1,274	10,527	2,681	739	739	1,023	410,638	424,527
\$136,183	\$154,007	\$4,531	\$ 2,001	\$ 1,033	\$ 3,914	\$ 1,661	\$ 87,304	\$ 1,005	\$ 1,426	\$ 590	\$ 1,274	\$ 10,527	\$ 2,681	\$ 739	\$ 739	\$ 1,023	\$410,638	\$424,527

## STATEMENT OF TRUST FUND RESERVES

[illegible]

ON BEHALF OF THE TOWN

Mayor

Clerk