

TOWN OF NEW GLASGOW
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012

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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, 2012, 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

In our opinion, the financial statements present fairly, in all material respects, the financial position of Town of New Glasgow as at March 31, 2012, 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 26, 2012

AC Williams MacDonald Inc.
Chartered Accountants

Town of New Glasgow
Consolidated Statement of Financial Activities

Year Ended March 31

2012

2011

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Taxes	28	\$ 14,312.5	\$ 14,236.8	\$ 13,261.8
Less: School board requisition		(1,490.7)	(1,490.7)	(1,464.5)
		12,821.8	12,746.1	11,797.3
Grants in lieu of taxes	28	64.1	79.8	64.5
Sale of services	28	302.0	659.3	178.0
Other revenue from own sources	29	508.6	557.7	1,089.5
Transfers from government	29	1,004.4	1,004.7	1,000.1
Stadium revenues	29	270.8	230.1	290.9
Water revenues	29	2,430.0	2,738.6	2,535.0
Grants for capital	30	747.0	1,702.6	2,944.8
Other revenue	30		5.0	3.6
Other proceeds	30		104.6	69.7
Total revenue		18,148.7	19,828.5	19,973.4
Expenditures				
General government services	31	2,083.9	1,904.1	2,100.5
Protective services	31	4,660.9	5,481.9	4,635.7
Transportation services	32	3,694.1	4,623.8	4,688.4
Environmental health services	32	1,698.7	1,758.3	2,509.8
Public health services	32	15.0	15.0	15.0
Marketing and communications	33	346.3	332.3	364.5
Community development	33	1,035.1	1,062.0	943.4
Stadium expenses	33	650.0	539.8	663.2
Water treatment and distribution	34	2,855.7	2,441.0	4,221.7
Other transfers and grants	34	967.4	976.9	886.4
Interest and bank charges	34	355.0	382.4	429.1
Reserves for taxes and appeals	34	10.0	27.1	68.0
Financing of pension deficit per valuation				357.7
Total expenditures		18,372.1	19,544.6	21,883.4
Net revenues (expenditures)		(223.4)	283.9	(1,910.0)
Changes from debt financing				
Short term financing		2,134.8	2,215.5	1,520.1
Term loan financing			49.7	431.0
Debt principal repayment		(681.9)	(797.5)	(549.6)
Capital lease obligation proceeds				221.8
Capital lease obligation repayment		(555.1)	(302.3)	(366.4)
		897.8	1,165.4	1,256.9
Change in operating and reserve fund balances		674.4	1,449.3	(653.1)
Changes in investment in capital assets				
General capital amortization expense (Note 5)			(1,636.9)	(1,419.6)
Stadium capital amortization expense			(85.2)	(85.2)
Water capital amortization expense			(420.3)	(420.8)
Acquisition of capital assets	35	3,341.8	3,535.8	6,759.4
Cost of assets sold			(72.0)	
Changes from debt financing		(897.8)	(1,165.4)	(1,256.9)
		2,444.0	156.0	3,576.8
Change in municipal position		\$ 3,118.4	1,605.3	2,923.7
Municipal position				
Beginning of year			43,983.1	39,605.5
Investment in Riverfront Community assets				1,453.9
End of year			\$ 45,588.4	\$ 43,983.1

Town of New Glasgow Consolidated Statement of Change in Net Debt

Year Ended March 31

2012

2011

(in thousands)

	<u>Actual</u>	<u>Actual</u>
Change in municipal position	\$ 1,605.3	\$ 2,923.7
Acquisition of capital assets	(3,535.8)	(6,759.4)
Amortization of capital assets	2,142.4	1,925.6
Investment in Riverfront Community assets		(1,200.0)
Cost of assets sold	72.0	
	<u>(1,321.4)</u>	<u>(6,033.8)</u>
Acquisition of inventories	(408.5)	(382.6)
Acquisition of prepaid expense	(39.7)	(5.7)
Amortization of debt discount	(1.0)	(12.4)
Consumption of inventories	382.6	392.3
Use of prepaid expense	5.7	21.4
	<u>(60.9)</u>	<u>13.0</u>
Change in net financial liabilities	223.0	(3,097.1)
Net debt at beginning of year	(10,288.6)	(7,191.5)
Net debt at end of year	\$ (10,065.6)	\$ (10,288.6)

Town of New Glasgow

Consolidated Statement of Cash Flow

Year Ended March 31

2012

2011

(in thousands)

Increase (decrease) in cash and cash equivalents

Operating activities

Net revenues (expenditures) (page 3)	\$ 283.9	\$ (1,910.0)
Change in taxes receivable	(158.8)	(17.2)
Change in water rates receivable	(316.3)	169.6
Change in accounts receivable	2,694.4	(2,037.7)
Change in other assets	(61.0)	15.7
Change in accounts payable and accrued liabilities	(1,354.6)	1,319.5
	<u>1,087.6</u>	<u>(2,460.1)</u>

Financing activities

Long term debt issued	1,570.0	1,962.6
Debt principal repayment	(797.5)	(1,099.4)
Capital lease obligation proceeds		221.8
Capital lease obligation repayment	(302.3)	(366.4)
	<u>470.2</u>	<u>718.6</u>

Net change in cash and cash equivalents 1,557.8 (1,741.5)

Cash and cash equivalents

Beginning of year	<u>(2,821.8)</u>	<u>(1,080.3)</u>
End of year	<u>\$ (1,264.0)</u>	<u>\$ (2,821.8)</u>

Comprised of

Cash	\$ 2,460.9	\$ 1,404.8
Bank indebtedness	(3,724.9)	(4,226.6)
	<u>\$ (1,264.0)</u>	<u>\$ (2,821.8)</u>

Town of New Glasgow

Schedule of General Operating Fund

Year Ended March 31

2012

2011

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Taxes	28	\$ 14,312.5	\$ 14,236.8	\$ 13,261.8
Less: School board requisition		(1,490.7)	(1,490.7)	(1,464.5)
		<u>12,821.8</u>	<u>12,746.1</u>	<u>11,797.3</u>
Grants in lieu of taxes	28	64.1	79.8	64.5
Sale of services	28	302.0	659.3	178.0
Other revenue from own sources	29	508.6	557.7	1,089.5
Transfers from governments	29	1,004.4	1,004.7	1,000.1
Total revenue		<u>14,700.9</u>	<u>15,047.6</u>	<u>14,129.4</u>
Expenditures				
General government services	31	1,797.4	1,585.5	1,828.6
Protective services	31	4,465.9	5,170.2	4,490.1
Transportation services	32	2,581.1	2,807.0	2,431.6
Environmental health services	32	1,252.1	1,293.5	1,261.8
Public health services	32	15.0	15.0	15.0
Marketing and communications	33	346.3	332.3	364.5
Community development	33	697.6	676.0	618.1
Other transfers and grants	34	967.4	976.9	886.4
Interest and bank charges		234.8	284.7	315.6
Reserve for taxes and other receivables	34	10.0	27.1	68.0
Net expenditures		<u>12,367.6</u>	<u>13,168.2</u>	<u>12,279.7</u>
Financing of pension deficit per valuation				357.7
Total expenditures		<u>12,367.6</u>	<u>13,168.2</u>	<u>12,637.4</u>
Net revenues		<u>2,333.3</u>	<u>1,879.4</u>	<u>1,492.0</u>
Financing and transfers				
Repayment of capital lease obligation		(467.8)	(255.2)	(292.2)
Debt principal repayment		(354.0)	(469.3)	(218.0)
Transfers from (to) water operating fund				
Fire protection charge		(617.2)	(617.2)	(617.1)
Tax levy		125.0	132.3	124.9
Transfers to stadium operating fund		(400.0)	(337.0)	(404.2)
Transfers to reserves		(119.3)		
Transfers to general capital fund				
Capital out of revenue			(51.7)	(10.2)
Net financing and transfers		<u>(1,833.3)</u>	<u>(1,598.1)</u>	<u>(1,416.8)</u>
Change in general operating fund		<u>\$ 500.0</u>	<u>281.3</u>	<u>75.2</u>
General operating fund, beginning of year			<u>(922.8)</u>	<u>(998.0)</u>
General operating fund, end of year			<u>\$ (641.5)</u>	<u>\$ (922.8)</u>

Town of New Glasgow

Schedule of Water Operating Fund

Year Ended March 31

2012

2011

(in thousands)

	Page	Budget	Actual	Actual
Revenue				
Water revenue		\$ 2,430.0	\$ 2,733.5	\$ 2,476.3
Other revenue			5.2	58.7
Total revenue	29	<u>2,430.0</u>	<u>2,738.7</u>	<u>2,535.0</u>
Expenditures				
Transmission and distribution	34	1,892.5	2,220.9	1,744.7
Interest and bank charges		109.8	87.4	104.7
Total expenditures		<u>2,002.3</u>	<u>2,308.3</u>	<u>1,849.4</u>
Net revenues		<u>427.7</u>	<u>430.4</u>	<u>685.6</u>
Financing and transfers				
Repayment of capital lease obligation		(75.0)	(34.9)	(62.6)
Debt principal repayment		(305.4)	(305.8)	(283.8)
Transfers from (to) general operating fund				
Fire protection charge		617.2	617.2	617.1
Tax levy		(125.0)	(132.3)	(124.9)
Transfers to water capital fund				
Land reserve		(35.0)	(35.0)	(35.0)
Capital out of revenue		(80.0)		(62.7)
Depreciation charge		(415.0)	(420.3)	(420.8)
Net financing and transfers		<u>(418.2)</u>	<u>(311.1)</u>	<u>(372.7)</u>
Change in water operating fund		<u>\$ 9.5</u>	<u>119.3</u>	<u>312.9</u>
Water operating fund, beginning of year			<u>41.7</u>	<u>(271.2)</u>
Water operating fund, end of year			<u>\$ 161.0</u>	<u>\$ 41.7</u>

Town of New Glasgow

Schedule of Stadium Operating Fund

Year Ended March 31

2012

2011

		(in thousands)		
	Page	Budget	Actual	Actual
Stadium revenue	29	\$ 270.8	\$ 230.1	\$ 290.9
Expenditures				
Stadium expenses	33	613.5	522.0	628.3
Interest and bank charges		10.4	10.3	12.7
Total expenditures		<u>623.9</u>	<u>532.3</u>	<u>641.0</u>
Net expenditures		<u>(353.1)</u>	<u>(302.2)</u>	<u>(350.1)</u>
Financing and transfers				
Debt principal repayment		(22.5)	(22.5)	(42.5)
Repayment of capital lease obligation		(12.3)	(12.3)	(11.6)
Transfers from general operating fund		400.0	337.0	404.2
Net financing and transfers		<u>365.2</u>	<u>302.2</u>	<u>350.1</u>
Change in stadium operating fund		<u>\$ 12.1</u>		
Stadium operating fund, beginning of year				
Stadium operating fund, end of year			<u>\$</u>	<u>\$</u>

Town of New Glasgow

Schedule of General Capital Fund

Year Ended March 31

2012

2011

	(in thousands)		
	Budget	Actual	Actual
Revenue			
Government grants	\$	\$ 352.1	\$ 1,361.5
Expenditures			
General government	286.5	318.6	271.9
Protective services	195.0	311.7	145.6
Transportation services	1,113.0	1,816.8	2,256.7
Environmental health services	446.6	464.8	1,248.0
Recreation services	337.5	386.0	325.3
Total expenditures (Page 35)	<u>2,378.6</u>	<u>3,297.9</u>	<u>4,247.5</u>
Net expenditures	<u>(2,378.6)</u>	<u>(2,945.8)</u>	<u>(2,886.0)</u>
Financing and transfers			
Short term financing	1,837.1	2,215.5	1,037.2
Capital lease financing			221.8
Conditional sales contracts		49.7	279.2
Transfers from general operating fund			
Capital out of revenue		51.7	10.2
Transfers from (to) reserve funds			
Special reserve		18.0	82.7
Gas tax reserve	541.5	607.4	884.8
Equipment reserve			355.1
Unrestricted reserve		3.5	
Net financing and transfers	<u>2,378.6</u>	<u>2,945.8</u>	<u>2,871.0</u>
Change in general capital fund	<u>\$</u>		(15.0)
General capital fund, beginning of year		<u>0.2</u>	<u>15.2</u>
General capital fund, end of year		<u>\$ 0.2</u>	<u>\$ 0.2</u>
Cash - unrestricted		<u>\$ 0.2</u>	<u>\$ 0.2</u>

Town of New Glasgow

Schedule of Water Capital Fund

Year Ended March 31

2012

2011

	(in thousands)		
	Budget	Actual	Actual
Revenue			
Government grants	\$ 205.5	\$ 85.4	\$ 781.6
Interest income		3.5	1.1
Total revenue	<u>205.5</u>	<u>88.9</u>	<u>782.7</u>
Expenditures (Page 35)			
Water treatment and distribution	<u>963.2</u>	<u>220.1</u>	<u>2,477.0</u>
Net expenditures	<u>(757.7)</u>	<u>(131.2)</u>	<u>(1,694.3)</u>
Financing and transfers			
MFC financing	165.7		482.9
Conditional sales contracts	132.0		151.8
Transfer from reserves			
Gas tax reserve			321.0
Transfers from water operating fund			
Capital out of revenue	80.0		62.7
Depreciation charge	415.0	420.3	420.8
Land reserve	35.0	35.0	35.0
Net financing and transfers	<u>827.7</u>	<u>455.3</u>	<u>1,474.2</u>
Change in water capital fund	<u>\$ 70.0</u>	<u>324.1</u>	<u>(220.1)</u>
Water capital fund, beginning of year		<u>754.9</u>	<u>975.0</u>
Water capital fund, end of year		<u>\$ 1,079.0</u>	<u>\$ 754.9</u>
Allocation of fund balance			
Land reserve		\$ 415.9	\$ 377.8
Depreciation cash		663.1	377.1
		<u>\$ 1,079.0</u>	<u>\$ 754.9</u>

Town of New Glasgow
Schedule of Stadium Capital Fund

Year Ended March 31

2012

2011

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Expenditures (Page 35)			
Stadium capital	<u>36.5</u>	<u>\$ 17.8</u>	<u>\$ 34.9</u>
Net expenditures	<u>(36.5)</u>	<u>(17.8)</u>	<u>(34.9)</u>
Financing and transfers			
Transfer (to) from reserve			
Rink reserve	<u>36.5</u>	<u>17.8</u>	<u>34.9</u>
Change in stadium capital fund	<u>\$</u>		
Stadium capital fund, beginning of year			
Stadium capital fund, end of year		<u>\$</u>	<u>\$</u>

Town of New Glasgow

Schedule of Reserves

Year Ended March 31

2012

2011

	(in thousands)		
	Budget	Actual	Actual
Revenue			
Investment income	\$	\$ 1.5	\$ 2.5
Parkland transfers			15.4
Government grants	86.5	44.0	
Canada/NS Gas tax agreement	455.0	1,221.1	800.2
Proceeds from sale of assets		104.6	54.3
Total revenue	<u>541.5</u>	<u>1,371.2</u>	<u>872.4</u>
Financing and transfers			
Transfers from (to) stadium capital fund			
Sign rental reserve	(36.5)	(17.8)	(34.9)
Transfers to water capital fund			
Gas tax reserve			(321.0)
Transfers from general operating fund	619.3		
Transfers from (to) general capital fund			
Special reserve		(18.0)	(82.7)
Gas tax reserve	(541.5)	(607.4)	(884.8)
Parkland reserve		(3.4)	
Capital purchases - equipment reserve			(355.1)
Net financing and transfers	<u>41.3</u>	<u>(646.6)</u>	<u>(1,678.5)</u>
Change in reserve funds balance	<u>\$ 582.8</u>	<u>724.6</u>	<u>(806.1)</u>
Reserve funds balance			
Beginning of year		<u>652.5</u>	<u>1,458.6</u>
End of year		<u>\$ 1,377.1</u>	<u>\$ 652.5</u>
Reserves			
Equipment		\$ 153.6	\$ 153.4
Special		245.7	138.0
Power Board		0.7	0.7
Canada/NS Gas Tax		619.1	5.1
Water capital reserve		51.8	28.7
Central treatment plant		36.7	36.7
Stadium sign rental		53.6	71.4
Parkland transfers		74.6	77.3
General operating		141.3	141.2
		<u>\$ 1,377.1</u>	<u>\$ 652.5</u>

Town of New Glasgow

Consolidated Statement of Property and Equipment

March 31

2012

2011

(in thousands)

	Cost	Less Accumulated Amortization	Net Book Value	Net Book Value
General Government Services				
Land	\$ 762.0	\$	\$ 762.0	\$ 756.1
Buildings	2,451.0	541.8	1,909.2	1,962.6
Infrastructure Development	614.1	79.1	535.0	559.9
Equipment	893.6	423.1	470.5	302.0
Protective services				
Land	51.5		51.5	51.5
Buildings	2,370.3	1,060.1	1,310.2	1,239.2
Land improvements	24.1	1.8	22.3	23.3
Equipment	2,197.1	1,278.1	919.0	880.7
Transportation services				
Buildings	666.6	321.3	345.3	314.0
Equipment	2,549.3	1,426.4	1,122.9	1,284.5
Road transport				
Street	14,091.3	8,088.0	6,003.3	5,894.3
Sidewalks	3,429.5	1,680.8	1,748.7	1,656.4
Bridges	703.2	320.1	383.1	405.5
Traffic lights	879.1	486.1	393.0	369.4
Street lights	847.6	16.9	830.7	
Traffic study	30.4	4.8	25.6	27.1
Parking grounds	305.4		305.4	305.4
Environmental health				
Sewage collection and disposal	6,158.6	1,888.7	4,269.9	4,121.4
Equity in central disposal system	4,341.5		4,341.5	4,165.9
Equity in garbage and waste collection and disposal	392.7		392.7	392.7
Equity in recycling collection and disposal	397.7		397.7	376.7
Equity in Planning Commission	49.7		49.7	49.7
Recreation and community services				
Land	903.1		903.1	899.6
Buildings	4,027.1	1,317.4	2,709.7	2,638.9
Land improvements	1,731.1	844.5	886.6	866.4
Equipment	703.2	234.4	468.8	425.2
John Brother Macdonald Stadium				
Land	12.5		12.5	12.5
Buildings	2,724.0	955.3	1,768.7	1,835.2
Land improvements	6.0	5.0	1.0	1.1
Equipment	426.9	303.7	123.2	123.9
School capital assets				
School buildings	3,865.0		3,865.0	3,865.0
Land	21.2		21.2	21.2
Water utility (Page 14)	24,493.2	6,652.1	17,841.1	18,041.5
	<u>\$ 83,119.6</u>	<u>\$ 27,929.5</u>	<u>\$ 55,190.1</u>	<u>\$ 53,868.7</u>

Town of New Glasgow

Consolidated Statement of Property and Equipment

March 31

2012

2011

(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	64.5	158.3	161.3
Intakes	428.0	116.2	311.8	317.5
Pumping	325.9	236.5	89.4	96.3
Water treatment plant	6,912.3	1,043.2	5,869.1	5,957.2
Distribution reservoirs and standpipes	636.3	341.8	294.5	302.9
Storage barn	5.5	4.4	1.1	2.2
Equipment				
Pumping	54.4	54.4		
Water treatment plant	190.1	184.0	6.1	35.5
Office furniture and equipment	35.1	35.1		
Transportation	1,183.2	901.9	281.3	374.4
Tools and work equipment	90.4	90.4		
G.I.S. system	35.4	35.4		
Other	331.2	162.0	169.2	88.8
Mains				
Transmission	2,496.7	758.5	1,738.2	1,763.5
Distribution	9,282.9	1,537.8	7,745.1	7,738.6
Services	616.4	226.7	389.7	401.5
Meters	906.4	776.0	130.4	149.9
Hydrants	104.9	71.9	33.0	35.1
Wind turbine	358.1	7.5	350.6	342.5
Other	16.1	3.9	12.2	13.2
	<u>\$ 24,493.2</u>	<u>\$ 6,652.1</u>	<u>\$ 17,841.1</u>	<u>\$ 18,041.5</u>

Town of New Glasgow Consolidated Municipal Position

March 31

2012

2011

(in thousands)

Operating and reserve fund balances

General operating fund (Page 6)	\$ (641.5)	\$ (922.8)
Water operating fund (Page 7)	161.0	41.7
Stadium operating fund (Page 8)		
General capital fund (Page 9)	0.2	0.2
Water capital fund (Page 10)	1,079.0	754.9
Stadium capital fund (Page 11)		
Reserve funds (Page 12)	1,377.1	652.5
	<u>\$ 1,975.8</u>	<u>\$ 526.5</u>

Investment in capital assets

Balance, beginning of year	\$ 43,456.6	\$ 38,425.9
Capital funding from		
General operations	51.7	72.9
Gas tax reserve	607.4	1,205.6
Depreciation funds	134.7	677.0
Equipment reserve		355.1
Special reserve	18.0	82.7
Stadium sign reserve	17.8	34.9
Parkland reserve	3.5	
General capital cash		15.0
Capital grants	437.5	2,143.1
Repayment of long term debt	797.5	549.6
Capital lease obligation repayment	302.3	366.4
Amortization expense - general capital	(1,636.9)	(1,419.6)
Amortization expense - stadium capital	(85.2)	(85.2)
Amortization expense - water capital	(420.3)	(420.8)
Cost of assets sold	(72.0)	
Investment in Riverfront Community assets		1,453.9
Balance, end of year	<u>\$ 43,612.6</u>	<u>\$ 43,456.6</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

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 fund and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

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

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

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

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

(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.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

(f) **Unamortized deferred charges**

The discount on the 1992 water capital debenture issue is being amortized to the water operating fund on a straight line basis over 20 years. The discount on the 2004 Water (Distribution Infrastructure) capital fund debenture issue 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, providing 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.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

(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.

Recreation and cultural services

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

2. Depreciation fund

	<u>2012</u>	<u>2011</u>
	(in thousands)	
Cash, beginning of year	\$ 377.1	\$ 633.3
Add: interest earned within fund		
Add: depreciation	420.6	420.8
Less: funds used for capital projects	<u>(134.6)</u>	<u>(677.0)</u>
Balance, end of year	<u>\$ 663.1</u>	<u>\$ 377.1</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

3. Taxes and rates receivable

	Current Year	Prior Years	2012 <u>(in thousands)</u>	2011 <u>(in thousands)</u>
				Total
Balance, beginning of year	\$	\$ 956.4	\$ 956.4	\$ 1,375.8
Current period tax & rate levy	14,369.3		14,369.3	13,386.7
	14,369.3	956.4	15,325.7	14,762.5
Collections & write-offs	(13,311.3)	(913.6)	(14,224.9)	(13,806.1)
Balance, end of year	<u>\$ 1,058.0</u>	<u>\$ 42.8</u>	1,100.8	956.4
Pollution control receivable			264.9	272.9
Interest receivable			130.2	119.3
			1,495.9	1,348.6
Less: Valuation allowance (Note 4)			(253.3)	(264.8)
			<u>\$ 1,242.6</u>	<u>\$ 1,083.8</u>

4. Valuation allowance - uncollected taxes and rates

	2012 <u>(in thousands)</u>	2011 <u>(in thousands)</u>
Balance, beginning of year	\$ 264.8	\$ 309.2
Approved write offs	(38.4)	(108.4)
Increase in allowance for year	26.9	64.0
Balance, end of year	<u>\$ 253.3</u>	<u>\$ 264.8</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. These results have been provided to assist the Town in the preparation of provincial financial reporting requirements.

	2012	2011
General government services	\$ 208.2	\$ 134.5
Protective services	203.5	195.4
Transportation services	915.4	844.7
Environmental health services	119.7	105.7
Recreation services	190.1	139.4
	<u>\$ 1,636.9</u>	<u>\$ 1,419.6</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

6. Long term debt

	2012	2011
	(in thousands)	
Debtures Issued to Provincial Government or its agencies		
NS Municipal Finance Corporation		
High School enhancements 23-A-1 due 2011	\$	\$ 16.7
Streets 25-A-1 due 2021	290.0	322.2
Police and equipment 27-A-1 due 2017	469.6	551.5
Equipment 26-A-1 due 2012	220.0	246.9
Equipment FCM 27-A due 2017	117.7	141.3
Equipment 28-A-1 due 2018	328.4	353.5
Water treatment plant 20-A-1 due 2020	1,800.0	2,000.0
Water 22-A-1 due 2013	13.3	26.6
Water 24-A-1 due 2014	195.4	260.5
Water 31-A-1 due 2021	483.0	
Stadium 25-A-1 due 2021	56.0	70.0
Stadium 26-A-1 due 2012	17.4	20.9
Stadium 28-A-1 due 2018	85.3	90.3
Equipment 29-A-1	442.8	470.5
Equipment 30-A-1 due 2020	1,423.5	1,531.6
Glasgow Square 30-A-1 due 2025	1,140.0	1,200.0
Equipment 31-A-1 due 2021	1,037.3	
	<u>\$ 8,119.7</u>	<u>\$ 7,302.5</u>

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

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

	General Capital	Water Capital	Stadium Capital	Total
2013	\$ 477.5	\$ 326.7	\$ 22.5	\$ 826.7
2014	472.5	313.4	22.5	808.4
2015	472.5	313.4	22.5	808.4
2016	472.5	248.3	22.5	743.3
2017	472.5	248.3	8.5	729.3

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, 2012 for the following purposes:

Streets, sidewalks and curbs	\$ 213.9
Protective services capital	197.4
Transportation	805.4
Recreation	333.4
Storm sewer separation	168.2
Environmental health services	196.6
General government	300.6
	<u>\$ 2,215.5</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

7. Capital lease obligations

	<u>2012</u>	<u>2011</u>
	(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.	\$ 23.0	\$ 39.0
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.	68.4	101.4
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.	52.8	78.2
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.	116.1	172.1
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.	73.9	98.8
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.	24.3	33.8
Capital lease obligation, with interest of 6.52% implicit in the lease payments, payable in monthly instalments of \$1,108. The obligation is secured by the 2007 fire equipment.	1.1	13.9
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.	<u>92.1</u>	<u>119.9</u>
	\$ 451.7	\$ 657.1

Continues on next page

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

7. Capital lease obligations (continued)	2012	2011
	(in thousands)	
Balance forward	\$ 451.7	\$ 657.1
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.	77.8	100.1
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.	62.0	83.1
Capital lease obligation, with interest of 5.59% implicit in the lease payments, payable in monthly instalments of \$568. The obligation is secured by the 2008 BWS/EZ 2 load Tag trailer.	5.0	11.3
Capital lease obligation, with interest of 5.37% implicit in the lease payments, payable in monthly instalments of \$666. The obligation is secured by the 2008 GMC truck.	4.6	12.1
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.	30.7	42.9
Capital lease obligation, with interest of 4.36% implicit in the lease payments, payable in monthly instalments of \$2976. The obligation is secured by the 2010 Salt truck.	167.3	194.8
	<u>\$ 799.1</u>	<u>\$ 1,101.3</u>

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

	General Capital	Water Capital	Stadium Capital	Total
2013	\$ 257.1	\$ 31.8	\$ 13.1	\$ 302.0
2014	247.3	23.4	13.9	284.6
2015	112.8	16.3	3.6	132.7
2016	79.6			79.6

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Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

8. Term debt obligations	2012	2011
	(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.	\$ 64.0	\$ 80.0
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$396 plus interest. The obligation is secured by radio equipment.	19.0	23.8
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.	45.7	61.0
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.	30.2	37.8
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.	10.6	15.9
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.	12.0	18.0
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.	11.7	17.5
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.	19.0	25.3
Term loan, with interest at prime plus .50% , payable in monthly instalments of \$1,224 plus interest. The obligation is secured by a 2010 Backhoe.	88.1	102.8
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.	22.0	27.5
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.	8.9	16.1
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.	49.7	
	<u>\$ 380.9</u>	<u>\$ 425.7</u>

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

	General Capital	Water Capital	Total
2013	\$ 77.0	\$ 27.4	\$ 104.4
2014	76.0	21.9	97.9
2015	59.8	20.2	80.0
2016	38.2	20.2	58.4
2017	9.9	14.7	24.6

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

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 \$398,800 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.

10. Contributions to Board 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 \$292,041 operating and \$44,998 debt repayment for a total of \$337,039 (2011 - \$404,240).

(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, 2012 was \$33,157 (2011 - \$36,868).

(c) New Glasgow Business Improvement District Commission

The New Glasgow Development Corporation has an understanding with the Town to charge and collect the business improvement tax and remits the monies to the Corporation.

The Town of New Glasgow is required to finance the operations of various Boards and Commissions, along with the other municipal units in Pictou County, to the extent of its participation based on assessment, population or other formulae. Based on a majority vote of property owners in the business improvement district, Town Council approved no further collection of BID tax effective April 1, 2012.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

10. Contributions to Boards and Commissions (continued)

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>2012</u>	<u>2011</u>
	(in thousands)	
Pictou Antigonish Regional Library	\$ 67.4	\$ 67.7
Pictou County Shared Services Authority		
Planning and Development Division	281.4	277.6
Pictou County Solid Waste Management	338.6	332.6
East River Environmental Control Centre	749.4	722.8
Eastern Mainland Housing Authority (a)	212.4	97.9
District School Board (b)	1,490.7	1,464.5
Pictou Regional Development Agency	41.1	38.5

- (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 balance of the loan outstanding as of March 31, 2012 is \$710,100 (2011 - \$759,100).

12. Deficit

The Province of Nova Scotia has exempted the Town from the requirement to fund a deficit from the succeeding year's operations of \$1,144,800. The deficit as of March 31, 2008 will be funded in three equal instalments beginning in the fiscal year ending March 31, 2010.

During the fiscal year ending March 31, 2012 an instalment payment was made in the amount of \$500,000.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2012

13. School Capital Fund

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

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

14. Other

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

	<u>Position</u>	<u>Remuneration</u>
Barrie MacMillian	Mayor	\$ 33,723
Clyde Fraser	Deputy Mayor	23,186
Troy MacCulloch	Councillor	21,358
Ross Hamid	Councillor	21,358
Henderson Paris	Councillor	21,358
Jack Lewis	Councillor	21,358
Terry Curley	Councillor	21,358
Lisa MacDonald	CAO	113,351

15. 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, 2012 the amount transferred was \$421,754 (2011- \$305,883).

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2012

2011

(in thousands)

Taxes	Budget	Actual	Actual
Assessable property			
Residential	\$ 6,758.1	\$ 6,759.6	\$ 6,348.6
Commercial	6,157.7	6,179.5	5,624.3
Resource	29.8	29.9	30.1
	<u>12,945.6</u>	<u>12,969.0</u>	<u>12,003.0</u>
Business property			
Business occupancy	137.3	129.3	132.6
Based on revenue (Aliant)	93.8	83.4	93.7
Nova Scotia Power Corp.	0.7	0.8	0.7
H.S.T. offset grant	75.0	106.2	75.2
	<u>306.8</u>	<u>319.7</u>	<u>302.2</u>
Special assessments			
Environmental Health Services			
Pollution control	940.0	826.9	837.5
Fire Protection Charges	46.1	46.1	45.3
Business Improvement District levy	74.0	75.1	73.8
	<u>1,060.1</u>	<u>948.1</u>	<u>956.6</u>
	<u>\$ 14,312.5</u>	<u>\$ 14,236.8</u>	<u>\$ 13,261.8</u>

Grants in lieu of taxes

Federal Government	\$ 64.0	\$ 67.7	\$ 63.8
Provincial Government		12.0	0.6
Cape Breton and Central Nova Scotia Railway Limited	0.1	0.1	0.1
	<u>\$ 64.1</u>	<u>\$ 79.8</u>	<u>\$ 64.5</u>

Sales of services

Parking meters	\$ 90.0	\$ 112.5	\$ 94.8
Sale of IT services	131.0	112.5	72.3
Sale of policing services	81.0	434.3	10.9
	<u>\$ 302.0</u>	<u>\$ 659.3</u>	<u>\$ 178.0</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2012

2011

(in thousands)

	Budget	Actual	Actual
Other revenue from own sources			
Licenses and permits	\$ 1.6	\$ 1.4	\$ 1.8
Fines	163.5	144.4	166.4
Rentals	93.5	105.2	106.6
Administration fee on Town of Westville			
Sale of services			75.1
Interest on taxes and rates	135.0	146.6	142.6
HST rebates (gas and diesel)		54.0	49.2
Mortgage service fees	14.0	14.0	13.8
Recreation revenue	12.0	20.0	15.9
Engineering contract work	55.0	48.4	153.9
NG Jubilee	25.0		25.0
Tax sale surplus			52.0
Write off loan guarantee for Glasgow Square			275.0
Miscellaneous	9.0	23.7	12.2
	<u>\$ 508.6</u>	<u>\$ 557.7</u>	<u>1,089.5</u>

Transfers from government

Unconditional transfers from Provincial Government	\$ 1,004.0	\$ 1,004.2	\$ 999.7
Conditional transfers from Federal and Provincial Governments and agencies			
Prisoner's board	0.4	0.5	0.4
	<u>\$ 1,004.4</u>	<u>\$ 1,004.7</u>	<u>\$ 1,000.1</u>

Stadium revenue

Building rentals	\$ 15.0	\$ 4.7	\$ 30.6
Canteen	35.0	15.6	46.7
Bar/lounge	14.8	11.7	25.9
Ice rental	170.0	162.8	154.6
Sign rental	35.0	34.0	31.8
Skating receipts	0.7	0.5	0.7
Miscellaneous	0.3	0.8	0.6
	<u>\$ 270.8</u>	<u>\$ 230.1</u>	<u>\$ 290.9</u>

Water revenues

Metered sales	\$ 2,250.0	\$ 2,542.4	\$ 2,283.3
Flat rate sales	180.0	186.0	186.1
Public fire protection		5.0	7.0
Other		5.2	58.6
	<u>\$ 2,430.0</u>	<u>\$ 2,738.6</u>	<u>\$ 2,535.0</u>

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

Year Ended March 31

2012

2011

(in thousands)

	Budget	Actual	Actual
Grants for capital			
Canada/Nova Scotia Gas Tax Agreement	\$ 455.0	\$ 1,221.1	\$ 800.2
NS Sport and Recreation		5.5	10.0
Economic Development PNS		1.9	81.9
Infrastructure Renewal -PNS	205.5	162.0	
Efficiency Nova Scotia		140.4	
ACOA		41.7	
Eco Chill Funding - PNS		23.4	156.0
JEPP program		62.6	
Other (donations)			2.3
Municipal Rural Infrastructure Fund	86.5	44.0	1,894.4
	<u>\$ 747.0</u>	<u>\$ 1,702.6</u>	<u>\$ 2,944.8</u>

Other revenue

Interest on capital and reserve funds	<u>\$</u>	<u>\$ 5.0</u>	<u>\$ 3.6</u>
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Other proceeds

Sale of assets	\$	\$ 104.6	\$ 54.3
Parkland transfers			15.4
	<u>\$</u>	<u>\$ 104.6</u>	<u>\$ 69.7</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2012

2011

(in thousands)

	Budget	Actual	Actual
General government services			
Legislative	\$ 203.0	\$ 186.7	\$ 200.4
General administration	892.3	878.0	734.4
Taxation exemptions	105.0	100.1	102.3
Employee benefits	162.6	49.8	410.8
Computer services	343.0	301.2	289.2
Safety	40.0	18.9	25.1
Other	51.5	50.8	66.4
	<u>1,797.4</u>	<u>1,585.5</u>	<u>1,828.6</u>
Capital expenditures	286.5	318.6	271.9
	<u>\$ 2,083.9</u>	<u>\$ 1,904.1</u>	<u>\$ 2,100.5</u>

Protective services

Police protection			
Crime investigation, prevention and protective services	\$ 3,079.7	\$ 3,742.0	\$ 3,148.7
Police station and building	148.0	136.2	145.0
Police automotive equipment	190.0	239.8	182.8
	<u>3,417.7</u>	<u>4,118.0</u>	<u>3,476.5</u>
Fire protection			
Fire fighting force	849.7	867.3	837.9
Fire stations and buildings	54.5	60.7	56.7
Fire fighting equipment	79.0	58.1	55.2
Other	25.0	27.3	24.7
	<u>1,008.2</u>	<u>1,013.4</u>	<u>974.5</u>
Animal control			
Administration	31.0	31.0	30.3
Emergency measures	9.0	7.8	8.8
	<u>4,465.9</u>	<u>5,170.2</u>	<u>4,490.1</u>
Capital expenditures	195.0	311.7	145.6
	<u>\$ 4,660.9</u>	<u>\$ 5,481.9</u>	<u>\$ 4,635.7</u>

Town of New Glasgow

Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2012

2011

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Engineering	\$ 381.7	\$ 412.3	\$ 460.5
Equipment	438.4	534.3	484.3
Workshop	110.3	96.3	98.7
Employee benefits	322.8	416.5	
Road transport			
Streets	756.9	761.0	735.5
Street lighting	241.0	207.1	225.7
Storm sewers & catchpits	98.0	105.2	66.8
Traffic activities	75.0	74.9	62.4
Parking and other	157.0	199.4	297.7
	<u>2,581.1</u>	<u>2,807.0</u>	<u>2,431.6</u>
Capital expenditures	<u>1,113.0</u>	<u>1,816.8</u>	<u>2,256.8</u>
	<u>\$ 3,694.1</u>	<u>\$ 4,623.8</u>	<u>\$ 4,688.4</u>

Environmental health services

Sewage treatment and disposal	\$ 117.0	\$ 128.9	\$ 143.1
Central treatment plant operation	737.4	749.5	722.8
Garbage and waste collection and disposal			
Municipal collection and disposal	397.7	415.1	395.9
	<u>1,252.1</u>	<u>1,293.5</u>	<u>1,261.8</u>
Capital expenditures	<u>446.6</u>	<u>464.8</u>	<u>1,248.0</u>
	<u>\$ 1,698.7</u>	<u>\$ 1,758.3</u>	<u>\$ 2,509.8</u>

Public health services

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

Town of New Glasgow
Schedules to Consolidated Statement of Financial Activities

Year Ended March 31

2012

2011

	(in thousands)		
	Budget	Actual	Actual
Marketing and communications			
Festivals and events	\$ 35.5	\$ 34.2	\$ 34.8
Salaries and benefits	129.2	125.8	143.4
Communication and event marketing	76.6	60.3	86.8
Public grants	24.3	23.5	16.8
Town owned buildings	80.7	88.5	82.7
	<u>\$ 346.3</u>	<u>\$ 332.3</u>	<u>\$ 364.5</u>
Community development			
Administration	\$ 176.6	\$ 165.3	\$ 168.4
Recreation instruction and sundry	237.0	184.1	174.4
Marina		5.3	(0.1)
Community centres	44.0	49.2	36.5
Parks and playgrounds	135.0	140.5	125.2
Summer grounds maintenance	105.0	131.6	113.7
	697.6	676.0	618.1
Capital expenditures	337.5	386.0	325.3
	<u>\$ 1,035.1</u>	<u>\$ 1,062.0</u>	<u>\$ 943.4</u>
Stadium expenses			
Canteen and Mezzanine			
Purchases	\$ 12.0	\$ 3.7	\$ 14.6
Wages	20.0	12.7	42.1
	<u>32.0</u>	<u>16.4</u>	<u>56.7</u>
Bar/lounge operation			
Advertising & supplies	1.5	0.7	2.6
Administration & maintenance	5.9	6.9	10.3
Wages & training	3.2	2.1	3.2
	<u>10.6</u>	<u>9.7</u>	<u>16.1</u>
General			
Advertising	2.3	3.8	2.5
Audit	2.0	1.5	2.8
Heating oil and propane	23.0	26.6	20.8
Insurance	7.3	6.9	6.3
Light and power	105.0	100.0	100.9
Water & environmental charge	10.5	9.5	10.3
Maintenance & repairs	133.7	101.1	142.6
Office supplies	2.0	1.8	2.0
Health and safety	1.5	1.0	
Employee benefits	44.4	32.8	37.0
Sundry	0.2		
Telephone	5.0	3.4	5.2
Training and conventions	4.0	1.1	3.9
Wages	230.0	206.4	221.2
	<u>570.9</u>	<u>495.9</u>	<u>555.5</u>
	613.5	522.0	628.3
Capital expenditures	36.5	17.8	34.9
	<u>\$ 650.0</u>	<u>\$ 539.8</u>	<u>\$ 663.2</u>

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

Year Ended March 31

2012

2011

(in thousands)

	Budget	Actual	Actual
Water treatment and distribution			
Operating expenditures			
Source of supply	\$ 155.0	\$ 121.2	\$ 95.4
Pumping	97.5	105.6	105.5
Water treatment	493.0	477.6	466.7
Transmission and distribution	627.0	696.2	533.0
Employee Benefits	150.0	273.5	
Fleet	165.0	144.0	167.3
Administrative and general	205.0	402.8	376.8
	<u>1,892.5</u>	<u>2,220.9</u>	<u>1,744.7</u>
Capital expenditures	963.2	220.1	2,477.0
	<u>\$ 2,855.7</u>	<u>\$ 2,441.0</u>	<u>\$ 4,221.7</u>

Other transfers and grants

Deficit of Eastern Mainland Housing Authority	\$ 197.0	\$ 212.4	\$ 98.0
New Glasgow Business Development Corporation	74.0	75.1	73.9
Riverfront - Glasgow Square	50.0	33.2	37.6
Province of Nova Scotia			
Department of Corrections	93.7	93.5	124.9
Assessment Services - PVSC	126.8	126.8	126.2
Environmental development services			
Pictou County Shared Services Authority	281.4	291.3	277.6
Recreation, cultural services and education			
Pictou-Antigonish Regional Library	67.4	67.5	67.7
DEANS	6.0	6.0	12.0
Transportation services			
CHAD	30.0	30.0	30.0
Development Services			
PRDA	41.1	41.1	38.5
	<u>\$ 967.4</u>	<u>\$ 976.9</u>	<u>\$ 886.4</u>

Interest and bank charges

Debenture discount	\$ 19.5	\$ 9.8	\$ 19.8
Interest on long term debt	296.4	250.2	297.2
Interest on capital leases	12.6	105.5	90.4
Interest and service charges	26.5	16.9	21.7
	<u>\$ 355.0</u>	<u>\$ 382.4</u>	<u>\$ 429.1</u>

Reserves for taxes and appeals

Reserve for uncollectible taxes	\$ 10.0	\$ 27.1	\$ 68.0
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Town of New Glasgow Schedule of Capital Projects Funding

March 31, 2012

(in thousands)	Total Capital Cost	Parkland Reserve	Special Reserve	Rink Reserve	Depreciation Fund	Canada/NS Gas Tax Agreement	Capital out of Revenue	Debt/ure Loan	Conditional Sales Contracts	External Funding
GENERAL CAPITAL										
Sidewalks, Street and curbs	\$ 821.3	\$	\$	\$	\$	\$ 607.4	\$	\$ 213.9	\$	\$
Protective Services Capital	38.8							38.8		
Public Works										
- building renovations	47.0							47.0	49.7	
- equipment	49.7									
- traffic	51.2							51.2		
Sewer	268.2							168.2		100.0
Street lights	847.6							707.2		140.4
Recreation Capital	240.1	3.5						231.1		5.5
Marina and Glasgow Square	27.2							27.2		
Fire Capital	272.9						51.7	158.6		62.6
Town Office - Equipment	263.0							263.0		
Town office - renovation	14.4							14.4		
Museum renovations	60.9							60.9		
Purchase land, buildings	41.2			18.0				23.2		
Environmental health capital	196.6							196.6		
Farmers Market building	57.8							14.2		43.6
Sub-total	<u>3,297.9</u>	<u>3.5</u>	<u>18.0</u>			<u>607.4</u>	<u>51.7</u>	<u>2,215.5</u>	<u>49.7</u>	<u>352.1</u>
WATER CAPITAL										
Capital Equipment	15.1									
Water Treatment					15.1					
- equipment	50.0									
Waterlines	104.9									62.0
Bulk water station	34.5									
Wind turbine	15.6									23.4
Sub-total	<u>220.1</u>				<u>(7.8)</u>					<u>85.4</u>
RINK										
Equipment	17.8									
				17.8						
Total	<u>\$ 3,535.8</u>	<u>\$ 3.5</u>	<u>\$ 18.0</u>	<u>\$ 17.8</u>	<u>\$ 134.7</u>	<u>\$ 607.4</u>	<u>\$ 51.7</u>	<u>\$ 2,215.5</u>	<u>\$ 49.7</u>	<u>\$ 437.5</u>

**TOWN OF NEW GLASGOW
TRUST FUND BALANCE SHEET
YEAR ENDED MARCH 31, 2012**

ASSETS	School Library	A.E. Fraser Trust	James Roy Trust	Margaret C. Cameron Trust	W.G. Matheson Bursary Trust	George Sylvester Trust	Lincoln Fraser Memorial Trust	Carmichael Scholarship Trust	Graduation Class Trust	Graduation Class 95 Trust	Bruce Stewart Trust	Eric Doucette Trust	J.D. MacGregor Trust	Ivan MacInnis Trust	H. Goodman Trust	Phillip Grant Trust	War Memorial Trust	2011	
																		Total	Total
Cash	\$ 32,291	\$ 152,484	\$ 4,600	\$ 2,031	\$ 1,048	\$ 3,975	\$ 1,685	\$ 35,989	\$ 1,021	\$ 1,447	\$ 115	\$ 1,264	\$ 10,423	\$ 2,724	\$ 752	\$ 849	\$ 1,013	\$ 253,711	\$ 262,989
Investments, at cost	108,399	152,484	4,600	2,031	1,048	3,975	1,685	61,917	1,021	1,447	500	1,264	10,423	2,724	752	849	1,013	170,816	170,067
	140,690	152,484	4,600	2,031	1,048	3,975	1,685	97,906	1,021	1,447	615	1,264	10,423	2,724	752	849	1,013	424,527	433,024
RESERVE																			
Trust Fund Reserve	\$ 140,690	\$ 152,484	\$ 4,600	\$ 2,031	\$ 1,048	\$ 3,975	\$ 1,685	\$ 97,906	\$ 1,021	\$ 1,447	\$ 615	\$ 1,264	\$ 10,423	\$ 2,724	\$ 752	\$ 849	\$ 1,013	\$ 424,527	\$ 433,024

STATEMENT OF TRUST FUND RESERVES

Balance, beginning year	\$ 144,988	\$ 151,129	\$ 4,674	\$ 2,064	\$ 1,065	\$ 4,039	\$ 1,711	\$ 103,140	\$ 1,040	\$ 1,470	\$ 614	\$ 1,264	\$ 10,331	\$ 2,770	\$ 766	\$ 954	\$ 1,005	\$ 433,024	\$ 446,167
Add:																			
Interest earned	361	1,355	41	17	8	36	14	503	6	12	1		92	24	6	10	8	2,494	1,264
Investment gain								742										742	6,863
New principal	145,349	152,484	4,715	2,081	1,073	4,075	1,725	109,906	1,046	1,482	615	1,264	10,423	2,794	772	964	1,013	5,521	1,289
Deduct:																			
Transfers																			
Book purchases	4,659							12,000	25	35								12,595	17,649
Bank charges								5,521										4,659	4,861
Balance, end of year	\$ 140,690	\$ 152,484	\$ 4,600	\$ 2,031	\$ 1,048	\$ 3,975	\$ 1,685	\$ 97,906	\$ 1,021	\$ 1,447	\$ 615	\$ 1,264	\$ 10,423	\$ 2,724	\$ 752	\$ 849	\$ 1,013	\$ 424,527	\$ 433,024

ON BEHALF OF THE TOWN

Mayor

Clerk