
Town of Trenton

Schedules to consolidated statement of financial operations

Year ended March 31

2017

2016

| | | |
|----------------------------|-------------------|-------------------|
| Protective services | | |
| Police protection | | |
| Traffic activities | \$ 15,906 | \$ 15,784 |
| Correctional centres | 27,329 | 27,628 |
| Policing services contract | <u>585,790</u> | <u>523,951</u> |
| | <u>629,025</u> | <u>567,363</u> |
| Fire protection | | |
| Administration | 7,323 | 7,095 |
| Fire fighting force | 19,555 | 17,896 |
| Fire alarm system | 2,555 | 2,701 |
| Training | 9,101 | 3,716 |
| Fire station | 8,071 | 6,880 |
| Fire fighting equipment | <u>32,030</u> | <u>26,293</u> |
| | <u>78,635</u> | <u>64,581</u> |
| Emergency measures | <u>1,240</u> | <u>1,688</u> |
| Other protection | | |
| Dog control | <u>61</u> | <u>55</u> |
| Amortization | <u>29,659</u> | <u>29,659</u> |
| | <u>\$ 738,620</u> | <u>\$ 663,346</u> |

Town of Trenton**Schedules to consolidated statement of financial operations**

Year ended March 31

2017

2016

Transportation services

Common services

| | | |
|---------------------|---------------|--------------|
| Administration | \$ 114,538 | \$ 93,744 |
| General equipment | 98,851 | 91,401 |
| Workshops and yards | 37,469 | 37,641 |
| Interest | <u>35,405</u> | <u>7,423</u> |

286,263 230,209

Road transport

| | | |
|----------------------|----------------|---------------|
| Streets | 253,164 | 271,181 |
| Sidewalks | 12,569 | 7,190 |
| Storm sewers | 41,912 | 15,832 |
| Snow and ice removal | 103,836 | 85,847 |
| Street lighting | <u>(4,879)</u> | <u>70,402</u> |

406,602 450,452

Amortization

218,898 177,310

Other transportation

| | | |
|------------------|--------------|--------------|
| C.H.A.D. transit | <u>7,450</u> | <u>7,250</u> |
|------------------|--------------|--------------|

\$ 919,213 \$ 865,221

Environmental health services

Sewage collection and disposal

| | | |
|-------------------------------|----------------|----------------|
| Sewage collection system | \$ 13,072 | \$ 18,719 |
| Sewage treatment and disposal | <u>151,765</u> | <u>116,367</u> |

164,837 135,086

Garbage and waste collection and disposal

193,822 190,874

Interest

111 232

Amortization

21,230 21,230

\$ 380,000 \$ 347,422

Town of Trenton

Schedules to consolidated statement of financial operations

Year ended March 31

| | 2017 | 2016 |
|--|-------------------|-------------------|
| Environmental development services | | |
| Planning and zoning | \$ 203,029 | \$ 170,813 |
| Unsightly and dangerous premises | 64 | - |
| Other environmental development | | |
| Public relations and planning | <u>13,028</u> | <u>18,845</u> |
| | <u>\$ 216,121</u> | <u>\$ 189,658</u> |
| Recreation and cultural services | | |
| Recreation facilities | | |
| Administration | \$ 163,582 | \$ 150,138 |
| Community rink | 333,196 | 325,472 |
| Parks and playgrounds | 5,523 | 3,537 |
| Pool | 47,123 | 49,229 |
| Steeltown Park | 108,140 | 113,261 |
| Youth/senior centre | 11,271 | 16,788 |
| Other recreation | 45,612 | 45,251 |
| Transfer of deed transfer tax (Note 8) | 18,177 | 18,019 |
| Pictou County Wellness Centre | <u>53,904</u> | <u>61,367</u> |
| | <u>786,528</u> | <u>783,062</u> |
| Cultural facility | | |
| Library | <u>23,260</u> | <u>21,467</u> |
| Interest | <u>10,839</u> | <u>11,113</u> |
| Amortization | <u>157,949</u> | <u>144,764</u> |
| | <u>\$ 978,576</u> | <u>\$ 960,406</u> |

Town of Trenton

Notes to the consolidated financial statements

March 31, 2017

1. Summary of significant accounting policies

The consolidated financial statements of the Town of Trenton have been prepared by management to conform in all material respects to generally accepted accounting principles for local governments using the standards established by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants (CPA) Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances and in financial position of the reporting entity. The activities under the control of Council and included in the reporting entity are the General Operating Fund, General Capital Fund, Water Operating Fund, Water Capital Fund, Non-operating Reserve Fund, and the Operating Reserve Fund.

Interdepartmental and organizational transactions and balances have been eliminated.

Basis of accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period in which the goods and services are acquired and a liability is incurred or transfers are due.

Reserves for future expenses

Certain amounts, as approved by Town Council, are set aside in reserves and reserve funds for future operating and capital expenses.

Revenue recognition

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Government transfers

Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net debt for the year.

Town of Trenton

Notes to the consolidated financial statements

March 31, 2017

1. Summary of significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

| | <u>Years</u> |
|-------------------------|--------------|
| Land improvements | 5 – 25 |
| Buildings | 10 – 40 |
| Machinery and equipment | 5 – 10 |
| Vehicles | 3 – 10 |
| Sewers | 50 |
| Roads and sidewalks | 15 – 25 |

Construction in progress is not amortized until the asset is available for productive use.

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

Segmented information

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

General government services

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

Protective services

The Town is primarily responsible for police and fire protection for its residents. The Town pays the operating and capital expenditures for the fire department. As of January 1, 2012, policing services are provided by the Town of New Glasgow for an agreed upon fee as disclosed in Note 8. 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 as well as overhead cross walk signage within its jurisdiction. 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 residents and other customers.

Town of Trenton

Notes to the consolidated financial statements

March 31, 2017

1. Summary of significant accounting policies (continued)

Segmented information (continued)

Environmental development services

This department is responsible for the development and administration of land use planning and zoning strategies.

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 fields for the benefit of all residents.

Cash and cash equivalents

Cash and cash equivalents includes unrestricted cash of \$211,850 (2016 - \$491,635) and internally designated cash of \$749,473 (2016 - \$787,485). These totals include cash on hand and balances with banks.

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Budget figures

The budget figures contained in these consolidated financial statements were approved by Council on August 9, 2016 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 14 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

2. Contributions to Boards and Commissions

The Town of Trenton is required to finance the operations of various Boards and Commissions, along with the other municipal units in Pictou County based on various determinants such as uniform assessment.

In addition to any budgeted contributions, the municipal units share in the deficits or surpluses of these Boards based on their sharing percentage. The municipal units' share of the surplus or deficit is set up as a payable or receivable from the Boards.

Contribution to Regional Housing Authority

The Town of Trenton is required to help finance its share of the operating deficit of the Eastern Mainland Housing Authority. The deficit financed for 2016/17 was \$55,215 (2015/16 - \$59,167).

Contribution to Regional Library Board

During the current year the Town of Trenton paid \$23,237 (2015/16 - \$21,277) to the Pictou-Antigonish Regional Library as its share of operations.

Town of Trenton

Notes to the consolidated financial statements

March 31, 2017

2. Contributions to Boards and Commissions (continued)

Contribution to Pictou County Shared Services Authority – Planning and Administration Division

During the current year the Town of Trenton paid (recovered) \$Nil (2015/16 - \$(3,490)) to help finance the operations of the Pictou County Shared Services Authority – Planning and Administration Division.

Contribution to East River Environmental Control Centre

During the current year the Town of Trenton paid \$151,765 (2015/16 - \$116,367) to help finance the operations of the East River Pollution Abatement System.

Contribution to the Pictou County Solid Waste Management System

The Town of Trenton paid \$190,890 (2015/16 - \$188,637) to Pictou County Solid Waste Management System for waste and recycling collection and for tipping fees.

3. Contribution to Provincial Government Departments and Agencies

The Town of Trenton is required to finance the operations of various provincial government departments and boards, along with other municipal units in the province, based on rates applied to the Town's uniform assessment.

Education Contribution

The Town's mandatory contribution to the Chignecto-Central Regional School Board in 2016/17 is \$341,448 (2015/16 - \$333,516).

Corrections Contribution

The Town's mandatory corrections contribution paid to the Province of Nova Scotia in 2016/17 is \$27,329 (2015/16 - \$27,628).

Assessment Services Contribution

The Town's mandatory assessment services contribution paid to the Province of Nova Scotia in 2016/17 is \$32,202 (2015/16 - \$31,722).

4. Taxes and water rates receivable

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|-------------------|
| Balance, beginning of year | \$ 522,889 | \$ 534,031 |
| Current year's tax levy and revenue from rates | <u>3,509,097</u> | <u>3,442,049</u> |
| | 4,031,986 | 3,976,080 |
| Collections and write offs | <u>3,447,478</u> | <u>3,453,191</u> |
| Balance, end of year | <u>\$ 584,508</u> | <u>\$ 522,889</u> |

Town of Trenton
Notes to the consolidated financial statements

March 31, 2017

| 5. Long term debt | <u>2017</u> | <u>2016</u> |
|--|----------------------------|--------------------------|
| 2.62% biosolids debenture, repaid during the year. | \$ - | \$ 4,575 |
| 3.115% - 4.22% main street revitalization debenture maturing in fiscal 2022, repayable in equal annual instalments of \$20,000. | 100,000 | 120,000 |
| 2.355% - 3.48% salt truck debenture maturing in fiscal 2023, repayable in equal annual instalments of \$13,700. | 82,200 | 95,900 |
| 1.743% - 4.11% rink floor debenture maturing in fiscal 2029, repayable in equal annual instalments of \$17,500 and one balloon payment of \$105,000 in fiscal 2029. | 297,500 | 315,000 |
| 1.15% - 3.48% storm sewer and street light debenture maturing in fiscal 2032, repayable in equal annual instalments of \$80,167 to fiscal 2027 and of \$46,667 in fiscal 2028 to 2032. | <u>1,035,000</u> | <u>-</u> |
| Total | <u>\$ 1,514,700</u> | <u>\$ 535,475</u> |

Repayments required during the next five years are as follows:

| | |
|------|------------|
| 2018 | \$ 131,367 |
| 2019 | \$ 131,367 |
| 2020 | \$ 131,367 |
| 2021 | \$ 131,367 |
| 2022 | \$ 131,367 |

| 6. Valuation allowance | <u>2017</u> | <u>2016</u> |
|---|--------------------------|--------------------------|
| Uncollectible taxes, water rates and other receivables | | |
| Balance, beginning of year | \$ 201,664 | \$ 206,925 |
| Increase (decrease) in required provision | <u>9,075</u> | <u>(5,261)</u> |
| Balance, end of year | <u>\$ 210,739</u> | <u>\$ 201,664</u> |

Town of Trenton

Notes to the consolidated financial statements

March 31, 2017

7. Other

Total remunerations paid to elected officials and the chief administrative officer of the Town are as follows:

| <u>Official</u> | <u>Position</u> | <u>Remuneration</u> |
|-----------------|-------------------------|---------------------|
| G. MacKinnon | Mayor | \$ 9,467 |
| S. MacInnis | Mayor | 6,160 |
| S. Cotter | Councillor/Deputy Mayor | 5,911 |
| A. Dove | Councillor | 3,080 |
| V.J Earle | Deputy Mayor | 3,850 |
| D. Hussher | Councillor | 7,809 |
| F. MacKay | Councillor | 4,729 |
| F. MacMillan | Councillor | 4,729 |
| S. Stewart | Councillor | 3,080 |
| C. MacGillivray | CAO | 89,411 |

8. Commitments

Glen Haven Manor Corporation

The Town of Trenton, together with the Towns of New Glasgow, Stellarton 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. The balance of the loan outstanding at March 31, 2017 was \$349,955.

Policing Services Contract

Effective January 1, 2011, the Town of Trenton entered into a policing services contract with the Town of New Glasgow ending March 31, 2017. During the year, \$585,790 was paid to the Town of New Glasgow for policing services. The Town of Trenton has committed the following payments to the Town of New Glasgow for policing services for the next fiscal year:

| | |
|-----------------|------------|
| 2018 (estimate) | \$ 557,000 |
|-----------------|------------|

Pictou County Wellness Centre

The Town of Trenton, together with the Municipality of the County of Pictou, Town of New Glasgow, Town of Pictou, Town of Stellarton and the Town of Westville entered into an agreement to contribute up to nine million dollars, in the aggregate, to the capital costs of the Pictou County Wellness Centre. Municipal contributions of 5.6% will be made through the deed transfer tax collected by the Municipalities until such time as the municipal contribution has been met. In addition, the Town of Trenton has guaranteed their determined share of 5.6% of \$11,000,000 in Municipal Finance Corporation borrowings entered into by the Pictou County Wellness centre Building Authority. The balance of the loan outstanding is \$9,240,000.

The Town is responsible for 5.6% of any operational losses of the Pictou County Wellness Centre. The Town's share of operating losses in fiscal 2017 is estimated at \$50,000 (2016: \$59,500).

Town of Trenton

Notes to the consolidated financial statements

March 31, 2017

9. Contingencies

There are claims and litigation in which the Town is involved that arise out of the ordinary course of operations. Many of the claims are being handled by the Town's insurers. The outcome of these actions is not determinable as at the date of reporting. Management believes that any liability which may result from the resolution of these actions will either be covered by the Town's insurers or will not be material to the Town's financial position.

10. Employee benefits

The Town operates a defined contribution savings plan for their employees. The assets of the plan are held separate from those of the Town in independently administered funds.

Contributions paid and expensed by the Town in the current year amounted to \$73,706 (2016 - \$68,443).

11. Investment in tangible capital assets

The Town has allocated a portion of its accumulated surplus to Investment in tangible capital assets. The continuity of this allocation is as follows:

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| Balance, beginning of year | \$ <u>7,549,461</u> | \$ <u>7,331,238</u> |
| Capital asset purchases | 2,268,404 | 1,684,565 |
| Repayment of long term debt | <u>55,775</u> | <u>56,235</u> |
| | <u>2,324,179</u> | <u>1,740,800</u> |
| Amortization of tangible capital assets | (533,148) | (487,577) |
| Proceeds of temporary financing for capital purposes | <u>(619,395)</u> | <u>(1,035,000)</u> |
| | <u>(1,152,543)</u> | <u>(1,522,577)</u> |
| Balance, end of year (Note 12) | \$ <u>8,721,097</u> | \$ <u>7,549,461</u> |
| Represented by: | | |
| Tangible capital assets (Page 22) | \$ 22,410,781 | \$ 20,142,377 |
| Accumulated amortization (Page 22) | (11,555,589) | (11,022,441) |
| Temporary borrowing for capital purposes | (619,395) | (1,035,000) |
| Long term debt (Note 5) | <u>(1,514,700)</u> | <u>(535,475)</u> |
| | \$ <u>8,721,097</u> | \$ <u>7,549,461</u> |

Town of Trenton
Notes to the consolidated financial statements

March 31, 2017

| 12. Accumulated surplus | <u>2017</u> | <u>2016</u> |
|---|----------------------|---------------------|
| Operating | \$ 350,491 | \$ 261,210 |
| Reserves and capital | 986,518 | 951,543 |
| Investment in tangible capital assets (Note 11) | <u>8,721,097</u> | <u>7,549,461</u> |
| Balance, end of year | <u>\$ 10,058,106</u> | <u>\$ 8,762,214</u> |

| 13. Water utility depreciation funds | <u>2017</u> | <u>2016</u> |
|---|-------------------|-------------------|
| Balance, beginning of year | \$ 383,802 | \$ 336,939 |
| Interest earned on depreciation funds | 2,007 | 1,579 |
| Current year's depreciation | <u>38,133</u> | <u>45,284</u> |
| Balance, end of year | <u>\$ 423,942</u> | <u>\$ 383,802</u> |
| Consisting of: | | |
| Cash in bank | <u>\$ 423,942</u> | <u>\$ 383,802</u> |

14. Budget figures

Public Sector Accounting Standards ("PSA") require a comparison of the results for the period with those originally planned on the same basis as that used for the actual results. The fiscal plan presented in the Consolidated statement of financial operations and Consolidated statement of changes in net debt has been adjusted to be presented on a basis consistent with the actual results. A reconciliation of the approved and reported budgets is set out below:

| | <u>Budget</u> | <u>Actual</u> |
|--|---------------------|---------------------|
| Approved budgeted surplus for the year | | |
| General operations | \$ - | \$ 1,853 |
| Water utility operations | <u>23,153</u> | <u>89,281</u> |
| Approved budget surplus | <u>23,153</u> | <u>91,134</u> |
| Add: | | |
| Grants for tangible capital assets | 1,376,000 | 1,471,810 |
| Capital and term debt repayments | 55,775 | 55,775 |
| Transfer to reserves | - | 2,210 |
| Tangible capital assets acquired from operations | 117,500 | 169,978 |
| Less: | | |
| Amortization of tangible capital assets | <u>(482,000)</u> | <u>(495,015)</u> |
| Net PSA adjustments | <u>1,067,275</u> | <u>1,204,758</u> |
| PSA adjusted budgeted surplus for the year | <u>\$ 1,090,428</u> | <u>\$ 1,295,892</u> |