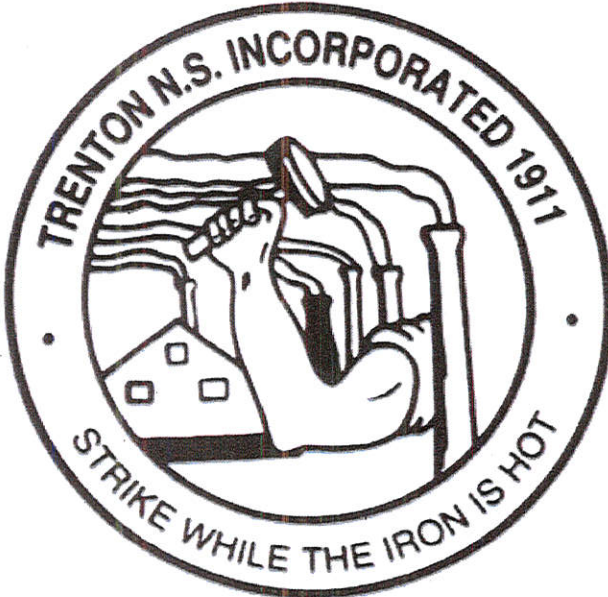


Consolidated financial statements

Town of Trenton

March 31, 2017



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## Management's responsibility for financial reporting

The accompanying consolidated financial statements of the Town of Trenton are the responsibility of management and have been approved by the Mayor and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Chartered Professional Accountants of Canada and as such include amounts that are best estimates and judgements of management.

Management is responsible for the integrity and objectivity of these consolidated financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Mayor and Council meet periodically with management, as well as with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external independent auditor's report.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Town of Trenton and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Town of Trenton

  
\_\_\_\_\_  
Chief Administrative Officer  
July 11, 2017

  
\_\_\_\_\_  
Deputy Clerk



## Independent auditor's report

Grant Thornton LLP  
Suite 270, Aberdeen Business Centre  
610 East River Road, PO Box 427  
New Glasgow, NS  
B2H 5E5  
T (902) 752-8393  
F (902) 752-4009  
www.GrantThornton.ca

To the Mayor and Council of the  
**Town of Trenton**

We have audited the accompanying consolidated financial statements of the **Town of Trenton** on pages 3 - 24, which comprise the consolidated statement of financial position as at **March 31, 2017**, and the consolidated statements of financial operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the **Town of Trenton** as at **March 31, 2017**, and the consolidated results of its financial operations, changes in net debt, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Other matters**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on Pages 25 to 28 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

New Glasgow, Canada  
July 11, 2017

*Grant Thornton LLP*

Chartered Professional Accountants  
Licensed Professional Accountants

# Town of Trenton

## Consolidated statement of financial operations

Year ended March 31

2017

2016

	<u>Page</u>	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>				
Taxes	7	\$ 2,762,032	\$ 2,786,444	\$ 2,750,208
Water rates	7	354,688	381,205	358,325
Grants in lieu of taxes	7	4,341	4,473	3,721
Sale of services	7	253,300	274,583	260,789
Services provided to other local governments	8	163,157	167,339	146,082
Other revenue from own sources	8	14,870	24,454	33,812
Capital contributions and grants		1,376,000	1,471,810	246,214
Unconditional transfers from other governments	8	420,922	420,922	420,922
Conditional transfers from other governments	8	5,100	4,736	5,345
Interest and other		<u>63,000</u>	<u>101,103</u>	<u>86,274</u>
<b>Total revenue</b>		<u>5,417,410</u>	<u>5,637,069</u>	<u>4,311,692</u>
<b>Expenses</b>				
General government services	9	750,686	725,399	720,452
Protective services	10	696,755	738,620	663,346
Transportation services	11	944,386	919,213	865,221
Environmental health services	11	375,775	380,000	347,422
Public health and welfare		46,000	55,215	59,167
Environmental development services	12	217,212	216,121	189,658
Recreation and cultural services	12	938,269	978,576	960,406
Water		351,899	320,255	396,225
Allowances		<u>6,000</u>	<u>7,778</u>	<u>4,239</u>
<b>Total expenses</b>		<u>4,326,982</u>	<u>4,341,177</u>	<u>4,206,136</u>
<b>Annual surplus</b>		<u>\$ 1,090,428</u>	<u>\$ 1,295,892</u>	<u>\$ 105,556</u>
<hr/>				
Accumulated surplus, beginning of year			\$ 8,762,214	\$ 8,656,658
Annual surplus			<u>1,295,892</u>	<u>105,556</u>
Accumulated surplus, end of year			<u>\$ 10,058,106</u>	<u>\$ 8,762,214</u>

**Town of Trenton**  
**Consolidated statement of financial position**

March 31 2017 2016

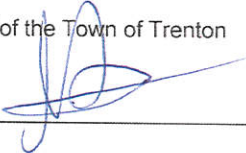
<b>Financial assets</b>		
Cash and cash equivalents	\$ <u>961,323</u>	\$ <u>1,279,120</u>
Receivables		
Taxes and water rates (net of allowance - \$205,300; 2016 - \$191,500)	379,208	331,389
Trade (net of allowance - \$5,439; 2016 - \$10,164)	<u>227,361</u>	<u>71,163</u>
	<u>606,569</u>	<u>402,552</u>
<b>Total financial assets</b>	<b>\$ <u>1,567,892</u></b>	<b>\$ <u>1,681,672</u></b>

<b>Financial liabilities</b>		
Temporary borrowing	\$ 360,615	\$ 1,250,000
Trade payables	642,488	393,403
Prepaid rates	11,536	10,245
Long term debt (Note 5)	<u>1,514,700</u>	<u>535,475</u>
<b>Total financial liabilities</b>	<b><u>2,529,339</u></b>	<b><u>2,189,123</u></b>
<b>Net debt</b>	<b><u>(961,447)</u></b>	<b><u>(507,451)</u></b>

<b>Non-financial assets (liabilities)</b>		
Tangible capital assets (Page 22)	10,855,192	9,119,936
Properties acquired at tax sale	141,662	141,662
Tax sale surplus	(8,793)	(8,793)
Inventory	<u>31,492</u>	<u>16,860</u>
	<u>11,019,553</u>	<u>9,269,665</u>
<b>Accumulated surplus (Note 12)</b>	<b>\$ <u>10,058,106</u></b>	<b>\$ <u>8,762,214</u></b>

Commitments (Note 8)  
 Contingencies (Note 9)

On behalf of the Town of Trenton

  
 \_\_\_\_\_ Mayor

  
 \_\_\_\_\_ CAO

**Town of Trenton**  
**Consolidated statement of changes in net debt**

Year ended March 31	Budget (Note 14)	2017	2016
Annual surplus	\$ <u>1,090,428</u>	\$ <u>1,295,892</u>	\$ <u>105,556</u>
Acquisition of tangible capital assets	(2,168,500)	(2,268,404)	(1,684,565)
Amortization of tangible capital assets	<u>530,000</u>	<u>533,148</u>	<u>487,577</u>
	<u>(1,638,500)</u>	<u>(1,735,256)</u>	<u>(1,196,988)</u>
Increase in tax sale surplus	<u>-</u>	<u>-</u>	<u>442</u>
Increase in inventory	<u>-</u>	<u>(14,632)</u>	<u>(7,281)</u>
Change in net debt	(548,072)	(453,996)	(1,098,271)
Net debt, beginning of year	<u>(507,451)</u>	<u>(507,451)</u>	<u>590,820</u>
Net debt, end of year	\$ <u>(1,055,523)</u>	\$ <u>(961,447)</u>	\$ <u>(507,451)</u>

# Town of Trenton

## Consolidated statement of cash flows

Year ended March 31

2017

2016

Net inflow (outflow) of cash and cash equivalents related to the following activities:

### Operating

Annual surplus	\$ 1,295,892	\$ 105,556
Amortization	<u>533,148</u>	<u>487,577</u>
	1,829,040	593,133
Change in non-cash working capital		
Receivables	(204,017)	70,063
Trade payables	249,085	(223,942)
Prepaid rates	1,291	1,868
Tax sale surplus	-	442
Inventory	<u>(14,632)</u>	<u>(7,281)</u>
Net change in cash from operations	<u>1,860,767</u>	<u>434,283</u>

### Capital

Purchase of tangible capital assets	<u>(2,268,404)</u>	<u>(1,684,565)</u>
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### Financing

Long term debt and lease repaid	(55,775)	(56,235)
Long term debt issued	1,035,000	-
(Decrease) increase in temporary borrowing	<u>(889,385)</u>	<u>1,250,000</u>
	<u>89,840</u>	<u>1,193,765</u>

### Change in cash and cash equivalents

(317,797) (56,517)

### Cash and cash equivalents

Beginning of year	<u>1,279,120</u>	<u>1,335,637</u>
End of year	<u>\$ 961,323</u>	<u>\$ 1,279,120</u>

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## Town of Trenton

### Schedules to consolidated statement of financial operations

Year ended March 31

2017

2016

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#### Taxes

Assessable property		
Residential	\$ 1,723,637	\$ 1,725,674
Commercial	390,057	359,549
Resource property	18,254	18,067
Business property		
Based on revenue (Aliant)	6,750	6,035
Business tax (Nova Scotia Power Inc.)	972,639	958,993
HST offset payment	16,555	15,406
Less: Education mandatory contribution	<u>(341,448)</u>	<u>(333,516)</u>
	<u>\$ 2,786,444</u>	<u>\$ 2,750,208</u>

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#### Water rates

Metered	\$ 351,548	\$ 328,073
Flat	2,969	3,564
Fire protection	<u>26,688</u>	<u>26,688</u>
	<u>\$ 381,205</u>	<u>\$ 358,325</u>

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#### Grants in lieu of taxes

Federal government	\$ 11	\$ 11
Provincial government agencies		
Nova Scotia Liquor Commission	730	-
Federal government agencies		
Canada Post Corporation	<u>3,732</u>	<u>3,710</u>
	<u>\$ 4,473</u>	<u>\$ 3,721</u>

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#### Sale of services

General government services	\$ 7,851	\$ 8,760
Protective services	9,003	8,842
Environmental health services	9,003	8,942
Recreation services	<u>248,726</u>	<u>234,245</u>
	<u>\$ 274,583</u>	<u>\$ 260,789</u>

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## Town of Trenton

### Schedules to consolidated statement of financial operations

Year ended March 31

2017

2016

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Services provided to other local governments

Fire protection	\$ 15,000	\$ 15,000
Planning and zoning	<u>152,339</u>	<u>131,082</u>
	<u>\$ 167,339</u>	<u>\$ 146,082</u>

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Other revenue from own sources

Licenses and permits	\$ 2,017	\$ 2,705
Fines	803	870
Rentals	4,600	4,600
Sales of shared assets	-	10,294
Miscellaneous	<u>17,034</u>	<u>15,343</u>
	<u>\$ 24,454</u>	<u>\$ 33,812</u>

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Unconditional transfers from other governments

Provincial government Equalization	<u>\$ 420,922</u>	<u>\$ 420,922</u>
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Conditional transfers from other governments

Federal government Job development programs	\$ 3,103	\$ 3,816
Provincial government Fuel tax rebate	<u>1,633</u>	<u>1,529</u>
	<u>\$ 4,736</u>	<u>\$ 5,345</u>

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## Town of Trenton

### Schedules to consolidated statement of financial operations

Year ended March 31

2017

2016

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General government services

Legislative

Mayor

\$ 16,354 \$ 15,921

Council

37,923 38,721

Other

10,014 8,662

General administrative

Administrative

374,434 369,616

Financial management

113,695 113,707

Taxation

9,469 6,957

Amortization

67,279 69,330

Common services

Civic building

41,266 46,326

Other general government services

Elections

7,819 -

Grants to organizations

4,736 3,080

Interest

10,208 16,410

Assessment service cost

32,202 31,722

\$ 725,399

\$ 720,452