

Consolidated financial statements

Town of Trenton

March 31, 2018



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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 10, 2018

Deputy Clerk

Independent auditor's report

Grant Thornton LLP
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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 - 23, which comprise the consolidated statement of financial position as at **March 31, 2018**, 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, 2018**, 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 24 to 27 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 on the audit of consolidated financial statements taken as a whole.

New Glasgow, Canada
July 10, 2018



Chartered Professional Accountants
Licensed Public Accountants

Town of Trenton

Consolidated statement of financial operations

Year ended March 31

2018

2017

	<u>Page</u>	<u>Budget</u> (Note 12)	<u>Actual</u>	<u>Actual</u>
Revenue				
Taxes	7	\$ 2,686,372	\$ 2,697,691	\$ 2,786,444
Water rates	7	359,888	359,359	381,205
Grants in lieu of taxes	7	4,495	3,764	4,473
Sale of services	7	264,100	282,200	274,583
Services provided to other local governments	8	162,838	147,143	167,339
Other revenue from own sources	8	13,880	45,829	24,454
Capital contributions and grants		1,882,000	1,858,044	1,471,810
Unconditional transfers from other governments	8	420,922	420,922	420,922
Conditional transfers from other governments	8	5,200	6,558	4,736
Interest and other		<u>70,200</u>	<u>100,642</u>	<u>101,103</u>
Total revenue		<u>5,869,895</u>	<u>5,922,152</u>	<u>5,637,069</u>
Expenses				
General government services	9	720,406	700,420	725,399
Protective services	10	676,981	716,537	738,620
Transportation services	11	943,259	859,454	919,213
Environmental health services	11	545,683	484,240	380,000
Public health and welfare		47,000	55,204	55,215
Environmental development services	12	213,681	195,243	216,121
Recreation and cultural services	12	980,948	1,041,995	978,576
Water		365,448	323,728	320,255
Allowances		<u>6,000</u>	<u>(9,334)</u>	<u>7,778</u>
Total expenses		<u>4,499,406</u>	<u>4,367,487</u>	<u>4,341,177</u>
Annual surplus		<u>\$ 1,370,489</u>	<u>\$ 1,554,665</u>	<u>\$ 1,295,892</u>
Accumulated surplus, beginning of year			\$ 10,058,106	\$ 8,762,214
Annual surplus			<u>1,554,665</u>	<u>1,295,892</u>
Accumulated surplus, end of year			<u>\$ 11,612,771</u>	<u>\$ 10,058,106</u>

Town of Trenton

Consolidated statement of financial position

March 31	2018	2017
Financial assets		
Cash and cash equivalents	\$ <u>748,156</u>	\$ <u>961,323</u>
Receivables		
Taxes and water rates (net of allowance - \$120,000; 2017 - \$205,300)	<u>427,093</u>	<u>379,208</u>
Trade (net of allowance - \$1,617; 2017 - \$5,439)	<u>262,739</u>	<u>227,361</u>
	<u>689,832</u>	<u>606,569</u>
Total financial assets	\$ <u>1,437,988</u>	\$ <u>1,567,892</u>
Financial liabilities		
Temporary borrowing	\$ <u>1,546,757</u>	\$ <u>360,615</u>
Trade payables	<u>609,347</u>	<u>642,488</u>
Prepaid rates	<u>11,207</u>	<u>11,536</u>
Long term debt (Note 5)	<u>1,968,333</u>	<u>1,514,700</u>
Total financial liabilities	<u>4,135,644</u>	<u>2,529,339</u>
Net debt	<u>(2,697,656)</u>	<u>(961,447)</u>
Non-financial assets (liabilities)		
Tangible capital assets (Page 21)	<u>14,127,919</u>	<u>10,855,192</u>
Properties held for resale	<u>167,888</u>	<u>141,662</u>
Tax sale surplus	<u>(8,793)</u>	<u>(8,793)</u>
Inventory	<u>23,413</u>	<u>31,492</u>
	<u>14,310,427</u>	<u>11,019,553</u>
Accumulated surplus	\$ <u>11,612,771</u>	\$ <u>10,058,106</u>

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 12)	2018	2017
Annual surplus	\$ <u>1,370,489</u>	\$ <u>1,554,665</u>	\$ <u>1,295,892</u>
Acquisition of tangible capital assets	(3,298,000)	(3,970,496)	(2,268,404)
Amortization of tangible capital assets	<u>683,000</u>	<u>697,769</u>	<u>533,148</u>
	<u>(2,615,000)</u>	<u>(3,272,727)</u>	<u>(1,735,256)</u>
Increase in assets held for resale	-	(26,226)	-
Decrease (Increase) in inventory	-	8,079	(14,632)
Change in net debt	(1,244,511)	(1,736,209)	(453,996)
Net debt, beginning of year	<u>(961,447)</u>	<u>(961,447)</u>	<u>(507,451)</u>
Net debt, end of year	\$ <u>(2,205,958)</u>	\$ <u>(2,697,656)</u> \$	<u>(961,447)</u>

Town of Trenton

Consolidated statement of cash flows

Year ended March 31

2018

2017

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

Operating

Annual surplus	\$ 1,554,665	\$ 1,295,892
Amortization	<u>697,769</u>	<u>533,148</u>
	2,252,434	1,829,040
Change in non-cash working capital		
Receivables	(83,263)	(204,017)
Trade payables	(33,141)	249,085
Prepaid rates	(329)	1,291
Properties held for resale	(26,226)	-
Inventory	<u>8,079</u>	<u>(14,632)</u>
Net change in cash from operations	<u>2,117,554</u>	<u>1,860,767</u>

Capital

Purchase of tangible capital assets	<u>(3,970,496)</u>	<u>(2,268,404)</u>
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Financing

Long term debt repaid	(131,367)	(55,775)
Long term debt issued	585,000	1,035,000
Increase (decrease) in temporary borrowing	<u>1,186,142</u>	<u>(889,385)</u>
	<u>1,639,775</u>	<u>89,840</u>

Change in cash and cash equivalents

(213,167) (317,797)

Cash and cash equivalents

Beginning of year	<u>961,323</u>	<u>1,279,120</u>
End of year	<u>\$ 748,156</u>	<u>\$ 961,323</u>

Town of Trenton

Schedules to consolidated statement of financial operations

Year ended March 31

2018

2017

Taxes

Assessable property		
Residential	\$ 1,719,799	\$ 1,723,637
Commercial	298,886	390,057
Resource property	19,478	18,254
Business property		
Based on revenue (Aliant)	6,970	6,750
Business tax (Nova Scotia Power Inc.)	979,518	972,639
HST offset payment	15,868	16,555
Less: Education mandatory contribution	<u>(342,828)</u>	<u>(341,448)</u>
	<u>\$ 2,697,691</u>	<u>\$ 2,786,444</u>

Water rates

Metered	\$ 330,152	\$ 351,548
Flat	2,519	2,969
Fire protection	<u>26,688</u>	<u>26,688</u>
	<u>\$ 359,359</u>	<u>\$ 381,205</u>

Grants in lieu of taxes

Federal government	\$ 11	\$ 11
Provincial government agencies		
Nova Scotia Liquor Commission	-	730
Federal government agencies		
Canada Post Corporation	<u>3,753</u>	<u>3,732</u>
	<u>\$ 3,764</u>	<u>\$ 4,473</u>

Sale of services

General government services	\$ 8,454	\$ 7,851
Protective services	9,171	9,003
Environmental health services	9,171	9,003
Recreation services	<u>255,404</u>	<u>248,726</u>
	<u>\$ 282,200</u>	<u>\$ 274,583</u>

Town of Trenton

Schedules to consolidated statement of financial operations

Year ended March 31

2018

2017

Services provided to other local governments

Fire protection	\$ 15,000	\$ 15,000
Planning and zoning	<u>132,143</u>	<u>152,339</u>
	\$ <u>147,143</u>	\$ <u>167,339</u>

Other revenue from own sources

Licenses and permits	\$ 1,971	\$ 2,017
Fines	673	803
Rentals	4,600	4,600
Sales of assets	17,500	-
Miscellaneous	<u>21,085</u>	<u>17,034</u>
	\$ <u>45,829</u>	\$ <u>24,454</u>

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	\$ 4,882	\$ 3,103
Provincial government Fuel tax rebate	<u>1,676</u>	<u>1,633</u>
	\$ <u>6,558</u>	\$ <u>4,736</u>

Town of Trenton

Schedules to consolidated statement of financial operations

Year ended March 31

2018

2017

General government services

Legislative

Mayor	\$	16,446	\$	16,354
Council		34,726		37,923
Other		11,126		10,014

General administrative

Administrative		350,388		374,434
Financial management		96,579		113,695

Taxation

Amortization		16,805		9,469
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		72,563		67,279
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Common services

Civic building		48,977		41,266
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Other general government services

Elections		-		7,819
Grants to organizations		5,396		4,736
Interest		15,309		10,208
Assessment service cost		32,105		32,202

	\$	<u>700,420</u>	\$	<u>725,399</u>
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Town of Trenton

Schedules to consolidated statement of financial operations

Year ended March 31

2018

2017

Protective services

Police protection

Traffic activities

\$ 16,024 \$ 15,906

Pension plan adjustment

12,127 -

Correctional centres

27,102 27,329

Policing services contract

558,240 585,790

613,493 629,025

Fire protection

Administration

7,574 7,323

Fire fighting force

21,148 19,555

Fire alarm system

2,419 2,555

Training

5,730 9,101

Fire station

6,153 8,071

Fire fighting equipment

42,570 32,030

85,594 78,635

Emergency measures

1,747 1,240

Other protection

Dog control

60 61

Amortization

15,643 29,659

\$ 716,537 \$ 738,620

Town of Trenton

Schedules to consolidated statement of financial operations

Year ended March 31

2018

2017

Transportation services

Common services

Administration	\$ 36,735	\$ 114,538
General equipment	108,103	98,851
Workshops and yards	45,292	37,469
Interest	<u>13,158</u>	<u>35,405</u>
	<u>203,288</u>	<u>286,263</u>

Road transport

Streets	245,965	253,164
Sidewalks	4,668	12,569
Storm sewers	33,949	41,912
Snow and ice removal	66,299	103,836
Street lighting	<u>17,889</u>	<u>(4,879)</u>
	<u>368,770</u>	<u>406,602</u>

Amortization

278,196 218,898

Other transportation

C.H.A.D. transit	<u>9,200</u>	<u>7,450</u>
	<u>\$ 859,454</u>	<u>\$ 919,213</u>

Environmental health services

Sewage collection and disposal

Sewage collection system	\$ 13,185	\$ 13,072
Sewage treatment and disposal	<u>153,885</u>	<u>151,765</u>
	<u>167,070</u>	<u>164,837</u>

Garbage and waste collection and disposal

155,261 193,822

Interest

33,763 111

Amortization

128,146 21,230

\$ 484,240 \$ 380,000

Town of Trenton

Schedules to consolidated statement of financial operations

Year ended March 31

2018

2017

Environmental development services

Planning and zoning	\$ 177,739	\$ 203,029
Unsanitary and dangerous premises	1,500	64
Other environmental development		
Public relations and planning	<u>16,004</u>	<u>13,028</u>
	<u>\$ 195,243</u>	<u>\$ 216,121</u>

Recreation and cultural services

Recreation facilities

Administration	\$ 176,746	\$ 163,582
Community rink	351,653	333,196
Parks and playgrounds	2,247	5,523
Pool	47,903	47,123
Steeltown Park	135,968	108,140
Youth/senior centre	12,946	11,271
Other recreation	46,346	45,612
Transfer of deed transfer tax (Note 8)	13,766	18,177
Pictou County Wellness Centre	<u>52,646</u>	<u>53,904</u>

840,221 786,528

Cultural facility

Library	<u>23,238</u>	<u>23,260</u>
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Interest	<u>10,507</u>	<u>10,839</u>
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Amortization	<u>168,029</u>	<u>157,949</u>
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\$ 1,041,995 \$ 978,576

Town of Trenton

Notes to the consolidated financial statements

March 31, 2018

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, 2018

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 – 40
Buildings	10 – 40
Machinery and equipment	5 – 10
Vehicles	3 – 20
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, 2018

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 \$231,947 (2017 - \$211,850) and internally designated cash of \$516,209 (2017 - \$749,473). 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 March 14, 2017 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 12 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 2017/18 was \$55,204 (2016/17 - \$55,215).

Contribution to Regional Library Board

During the current year the Town of Trenton paid \$23,238 (2016/17 - \$23,237) to the Pictou-Antigonish Regional Library as its share of operations.

Town of Trenton

Notes to the consolidated financial statements

March 31, 2018

2. Contributions to Boards and Commissions (continued)

Contribution to East River Environmental Control Centre

During the current year the Town of Trenton paid \$153,885 (2016/17 - \$151,765) 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 \$151,783 (2016/17 - \$190,890) 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 2017/18 is \$342,828 (2016/17 - \$341,448).

Corrections Contribution

The Town's mandatory corrections contribution paid to the Province of Nova Scotia in 2017/18 is \$27,102 (2016/17 - \$27,329).

Assessment Services Contribution

The Town's mandatory assessment services contribution paid to the Province of Nova Scotia in 2016/17 is \$32,105 (2016/17 - \$32,202).

4. Taxes and water rates receivable

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 584,508	\$ 522,889
Current year's tax levy and revenue from rates	<u>3,399,878</u>	<u>3,509,097</u>
	3,984,386	4,031,986
Collections and write offs	<u>3,437,293</u>	<u>3,447,478</u>
Balance, end of year	<u>\$ 547,093</u>	<u>\$ 584,508</u>

Town of Trenton

Notes to the consolidated financial statements

March 31, 2018

5. Long term debt	<u>2018</u>	<u>2017</u>
3.382% - 4.22% main street revitalization debenture maturing in fiscal 2022, repayable in equal annual instalments of \$20,000.	\$ 80,000	\$ 100,000
2.558% - 3.48% salt truck debenture maturing in fiscal 2023, repayable in equal annual instalments of \$13,700.	68,500	82,200
2.145% - 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.	280,000	297,500
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.	954,833	1,035,000
1.20% - 3.21% storm sewer debenture maturing in fiscal 2033, repayable in equal annual instalments of \$29,250 to fiscal 2032 and a payment of \$175,500 in fiscal 2033.	<u>585,000</u>	<u>-</u>
Total	<u>\$ 1,968,333</u>	<u>\$ 1,514,700</u>

Repayments required during the next five years are as follows:

2019	\$160,617
2020	\$160,617
2021	\$160,617
2022	\$160,617
2023	\$140,617

6. Valuation allowance	<u>2018</u>	<u>2017</u>
Uncollectible taxes, water rates and other receivables		
Balance, beginning of year	\$ 210,739	\$ 201,664
(Decrease) increase in required provision	<u>(89,122)</u>	<u>9,075</u>
Balance, end of year	<u>\$ 121,617</u>	<u>\$ 210,739</u>

Town of Trenton

Notes to the consolidated financial statements

March 31, 2018

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>
S. MacInnis	Mayor	\$ 15,929
A. Dove	Councillor	7,965
V.J Earle	Deputy Mayor/Councillor	9,127
D. Hussher	Councillor	7,965
S. Stewart	Councillor/Deputy Mayor	8,795
C. MacGillivray	CAO (to June 2017)	21,500
B. White	CAO (from June 2017)	77,462

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, 2018 was \$284,040.

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. The contract was renewed for a further five years upon expiry of the initial term. During the year, \$558,240 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:

2019	\$570,410
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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 approximately \$8,800,000.

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 2018 is estimated at \$53,000 (2017: \$50,000).

Town of Trenton

Notes to the consolidated financial statements

March 31, 2018

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 \$69,094 (2017 - \$73,706).

11. Accumulated surplus

2018

2017

The Town has allocated a portion of its accumulated surplus to reserve, capital and investment in capital assets. The continuity of this allocation is as follows:

Operating	\$ 354,651	\$ 350,491
Reserves and capital	686,224	986,518
Investment in tangible capital assets	<u>10,571,896</u>	<u>8,721,097</u>
Balance, end of year	<u>\$ 11,612,771</u>	<u>\$ 10,058,106</u>

Town of Trenton

Notes to the consolidated financial statements

March 31, 2018

12. 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 (deficit) for the year		
General operations	\$ -	\$ 69,822
Water utility operations	<u>21,304</u>	<u>5,559</u>
Approved budget surplus (deficit)	<u>21,304</u>	<u>75,381</u>
Add:		
Grants for tangible capital assets	1,882,000	1,858,044
Capital and term debt repayments	131,367	131,367
Gain on sale of assets	-	17,500
Earnings on reserve funds	-	2,523
Tangible capital assets acquired from operations	10,000	133,826
Less:		
Amortization of capital grants	-	(1,399)
Transfers from reserves	(37,182)	-
Amortization of tangible capital assets	<u>(637,000)</u>	<u>(662,577)</u>
Net PSA adjustments	<u>1,349,185</u>	<u>1,479,284</u>
PSA adjusted budgeted surplus for the year	<u>\$ 1,370,489</u>	<u>\$ 1,554,665</u>

13. Subsequent event

During the current year, the Town obtained a temporary bank loan of \$1,000,000 and used \$587,690 in operating cash to temporarily fund the purchase of tangible capital assets. Subsequent to year end, on May 30, 2018 the Town obtained a debenture of \$1,595,000 through an agreement with Nova Scotia Municipal Finance Corporation which was used to repay the temporary financing of the tangible capital asset purchases on May 31, 2018. The May 30, 2018 debenture has an interest rate of 2.06% - 3.501% and matures in fiscal 2034.

14. Comparative figures

Certain of the prior year figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current year.

Town of Trenton

Consolidated schedule of tangible capital assets

Year ended March 31, 2018

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2018	2017
Cost:								
Balance, beginning of year	\$ 285,630	\$ 1,376,041	\$ 4,337,938	\$ 13,239,061	\$ 2,167,586	\$ 1,004,525	\$ 22,410,781	\$20,142,377
Acquisition of tangible capital assets	29,563	66,208	24,991	3,282,883	108,280	421,480	3,933,405	717,265
Disposal of tangible capital assets	-	-	-	(131,061)	(114,149)	(185,416)	(430,626)	-
Construction-in-progress	-	-	-	37,091	-	-	37,091	1,551,139
Balance, end of year	<u>315,193</u>	<u>1,442,249</u>	<u>4,362,929</u>	<u>16,427,974</u>	<u>2,161,717</u>	<u>1,240,589</u>	<u>25,950,651</u>	<u>22,410,781</u>
Accumulated amortization:								
Balance, beginning of year	-	533,835	2,260,687	6,214,663	1,798,217	748,187	11,555,589	11,022,441
Disposal of tangible capital assets	-	-	-	(131,061)	(114,149)	(185,416)	(430,626)	-
Annual amortization	-	55,832	112,807	355,825	106,032	67,273	697,769	533,148
Balance, end of year	<u>-</u>	<u>589,667</u>	<u>2,373,494</u>	<u>6,439,427</u>	<u>1,790,100</u>	<u>630,044</u>	<u>11,822,732</u>	<u>11,555,589</u>
Net book value of tangible capital assets	<u>\$ 315,193</u>	<u>\$ 852,582</u>	<u>\$ 1,989,435</u>	<u>\$ 9,988,547</u>	<u>\$ 371,617</u>	<u>\$ 610,545</u>	<u>\$ 14,127,919</u>	<u>\$ 10,855,192</u>
2017 Net book value of tangible capital assets	<u>\$ 285,630</u>	<u>\$ 842,206</u>	<u>\$ 2,077,251</u>	<u>\$ 7,024,398</u>	<u>\$ 369,369</u>	<u>\$ 256,338</u>		<u>\$10,855,192</u>

Town of Trenton

Consolidated schedule of segmented disclosure

Year ended March 31, 2018

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Welfare	Environmental Development Services	Recreation and Cultural Services	Water	Consolidated
Revenues									
Taxes	\$ 483,503	\$ 674,420	\$ 595,650	\$ 347,288	\$ 40,474	\$ 55,293	\$ 501,063	\$ -	\$ 2,697,691
Water rates	-	-	-	-	-	-	-	359,359	359,359
Grants in lieu of taxes	1,060	824	728	424	49	68	611	-	3,764
Sale of services	17,625	9,171	-	-	-	-	255,404	-	282,200
Services provided to other local governments	-	15,000	-	-	-	132,143	-	-	147,143
Other revenue from own sources	9,330	25,697	2,304	-	-	1,661	6,837	-	45,829
Capital contributions and grants	7,513	-	499,755	1,236,493	-	2,000	7,500	104,783	1,858,044
Unconditional transfers from other governments	118,487	92,119	81,360	47,436	5,528	7,552	68,440	-	420,922
Conditional transfers from other governments	-	-	1,676	-	-	-	4,882	-	6,558
Interest and other	84,868	-	-	-	-	-	-	15,774	100,642
	<u>\$ 722,386</u>	<u>\$ 817,231</u>	<u>\$ 1,181,473</u>	<u>\$ 1,631,641</u>	<u>\$ 46,051</u>	<u>\$ 198,717</u>	<u>\$ 844,737</u>	<u>\$ 479,916</u>	<u>\$ 5,922,152</u>
Expenses									
Salaries, wages and benefits	\$ 315,160	\$ 56,873	\$ 251,711	\$ 9,721	\$ -	\$ 156,882	\$ 509,599	\$ 164,117	\$ 1,464,063
Operating materials and supplies	83,802	55,835	155,303	6,942	-	30,839	240,712	116,684	690,117
Contracted services	114,522	588,186	149,945	305,668	55,204	1,577	113,148	7,735	1,335,985
Rents and financial expenses	86,917	-	15,099	33,763	-	-	10,507	-	146,286
Community grants and exemptions	18,122	-	9,200	-	-	5,945	-	-	33,267
Amortization	72,563	15,643	278,196	128,146	-	-	168,029	35,192	697,769
	<u>\$ 691,086</u>	<u>\$ 716,537</u>	<u>\$ 859,454</u>	<u>\$ 484,240</u>	<u>\$ 55,204</u>	<u>\$ 195,243</u>	<u>\$ 1,041,995</u>	<u>\$ 323,728</u>	<u>\$ 4,367,487</u>

Town of Trenton

Consolidated schedule of segmented disclosure

Year ended March 31, 2018

Year ended March 31, 2017

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Welfare	Environmental Development Services	Recreation and Cultural Services	Water	Consolidated
Revenues									
Taxes	\$ 563,372	\$ 671,967	\$ 650,253	\$ 313,887	\$ 40,814	\$ 58,075	\$ 488,076	\$ -	\$ 2,786,444
Water rates	-	-	-	-	-	-	-	381,205	381,205
Grants in lieu of taxes	1,335	948	918	443	58	82	689	-	4,473
Sale of services	16,854	9,003	-	-	-	-	248,726	-	274,583
Services provided to other local governments	-	15,000	-	-	-	152,339	-	-	167,339
Other revenue from own sources	13,333	1,803	3,295	-	-	1,821	4,202	-	24,454
Capital contributions and grants	-	-	157,779	1,206,293	-	8,101	99,637	-	1,471,810
Unconditional transfers from other governments	125,645	89,253	86,369	41,692	5,421	7,714	64,828	-	420,922
Conditional transfers from other governments	-	-	1,633	-	-	-	3,103	-	4,736
Interest and other	83,603	-	-	-	-	-	-	17,500	101,103
	<u>\$ 804,142</u>	<u>\$ 787,974</u>	<u>\$ 900,247</u>	<u>\$ 1,562,315</u>	<u>\$ 46,293</u>	<u>\$ 228,132</u>	<u>\$ 909,261</u>	<u>\$ 398,705</u>	<u>\$ 5,637,069</u>
Expenses									
Salaries, wages and benefits	\$ 327,828	\$ 42,644	\$ 333,451	\$ 9,634	\$ -	\$ 177,022	\$ 481,557	\$ 160,133	\$ 1,532,269
Operating materials and supplies	80,655	50,861	154,820	6,370	-	33,540	211,007	110,161	647,414
Contracted services	141,899	615,456	167,253	342,655	55,215	1,150	117,224	11,828	1,452,680
Rents and financial expenses	103,962	-	37,341	111	-	-	10,839	-	152,253
Community grants and exemptions	11,554	-	7,450	-	-	4,409	-	-	23,413
Amortization	67,279	29,659	218,898	21,230	-	-	157,949	38,133	533,148
	<u>\$ 733,177</u>	<u>\$ 738,620</u>	<u>\$ 919,213</u>	<u>\$ 380,000</u>	<u>\$ 55,215</u>	<u>\$ 216,121</u>	<u>\$ 978,576</u>	<u>\$ 320,255</u>	<u>\$ 4,341,177</u>

Supplementary schedules

Town of Trenton
Supplementary schedules
Water utility
Operating fund – schedule of financial position

March 31	2018	2017
Assets		
Cash	\$ 231,372	\$ 211,275
Receivables		
Rates (less allowance for doubtful accounts \$56,000; 2017: \$49,600)	<u>144,114</u>	<u>154,387</u>
	<u>\$ 375,486</u>	<u>\$ 365,662</u>
Liabilities		
Trade payables	\$ 9,628	\$ 3,635
Deferred revenue	<u>11,207</u>	<u>11,536</u>
	<u>20,835</u>	<u>15,171</u>
Equity		
Surplus	<u>354,651</u>	<u>350,491</u>
	<u>\$ 375,486</u>	<u>\$ 365,662</u>

On behalf of the Town of Trenton

_____ Mayor

_____ CAO

Town of Trenton
Supplementary schedules
Water utility
Operating fund – schedule of financial operations

Year ended March 31	2018	2017	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenue			
Sale of water			
Domestic, commercial and industrial			
Metered rate	\$ 330,000	\$ 330,152	\$ 351,548
Flat rate	3,200	2,519	2,969
Fire protection			
Public hydrant	136,672	136,672	136,672
Private	6,520	6,520	6,520
Customers' forfeited discounts	<u>15,000</u>	<u>15,774</u>	<u>17,500</u>
	<u>491,392</u>	<u>491,637</u>	<u>515,209</u>
Operating expenditures			
Source of supply	13,559	13,231	14,416
Power and pumping	54,964	46,278	44,558
Purification	200,780	175,600	180,330
Transmission and distribution	50,145	53,427	42,818
Administration	62,640	67,881	64,537
Depreciation	46,000	35,192	38,133
Property tax	<u>42,000</u>	<u>41,136</u>	<u>41,136</u>
	<u>470,088</u>	<u>432,745</u>	<u>425,928</u>
Excess of operating revenue over expenditures	<u>21,304</u>	<u>58,892</u>	<u>89,281</u>
Non-operating revenues and expenditures			
Amortization of deferred grants	-	1,399	-
Capital expenditures from revenues	-	<u>(54,732)</u>	-
	<u>-</u>	<u>(53,333)</u>	<u>-</u>
Excess of revenue over expenditures	<u>\$ 21,304</u>	<u>5,559</u>	89,281
Surplus beginning of the year		<u>350,491</u>	<u>261,210</u>
Transfer to water capital fund		<u>356,050</u> <u>(1,399)</u>	350,491 -
Surplus end of the year		<u>\$ 354,651</u>	<u>\$ 350,491</u>

Town of Trenton
Supplementary schedules
Water utility
Capital fund – schedule of financial position

March 31	2018	2017
Assets		
Cash		
Depreciation fund	\$ 461,679	\$ 423,942
Accumulated amortization of deferred grants	1,399	-
Work in process	19,804	-
Utility plant in service (Page 28)	<u>2,477,867</u>	<u>2,338,155</u>
	<u>\$ 2,960,749</u>	<u>\$ 2,762,097</u>

Liabilities		
Accumulated allowance for depreciation	\$ 1,211,522	\$ 1,176,330
Deferred capital grants	<u>104,783</u>	<u>-</u>
	1,316,305	1,176,330
Equity		
Investment in capital assets (Page 28)	<u>1,644,444</u>	<u>1,585,767</u>
	<u>\$ 2,960,749</u>	<u>\$ 2,762,097</u>

On behalf of the Town of Trenton

_____ Mayor

_____ CAO

Town of Trenton
Supplementary schedules
Water utility
Schedule of investment in plant and equipment

March 31	2018	2017
Land	\$ 16,584	\$ 16,584
Wells	180,728	180,728
Structures and improvements		
Pumping	189,779	189,779
Distribution reservoirs	342,045	342,045
Treatment	117,720	117,720
Equipment		
Pumping	160,191	160,191
Water treatment	194,145	194,145
Tools and work equipment	65,431	65,431
Other	113,403	113,403
Mains		
Transmission	132,403	132,403
Distribution	761,238	628,476
Meters	170,650	170,650
Hydrants	<u>33,550</u>	<u>26,600</u>
	<u>\$ 2,477,867</u>	<u>\$ 2,338,155</u>

Water utility
Schedule of investment in capital assets

Year ended March 31	2018	2017
Balance, beginning of year	\$ 1,585,767	\$ 1,583,760
Capital expenditures from revenue	54,732	-
Transfer from operating fund	1,399	-
Interest	<u>2,546</u>	<u>2,007</u>
Balance, end of year	<u>\$ 1,644,444</u>	<u>\$ 1,585,767</u>

Water utility
Schedule of depreciation funds

Year ended March 31	2018	2017
Balance, beginning of year	\$ 423,942	\$ 383,802
Interest earned on depreciation funds	2,545	2,007
Current year's depreciation	<u>35,192</u>	<u>38,133</u>
Balance, end of year	<u>\$ 461,679</u>	<u>\$ 423,942</u>
Consisting of:		
Cash in bank	<u>\$ 461,679</u>	<u>\$ 423,942</u>