

Consolidated Financial Statements

Town of Wolfville

March 31, 2015



A cultivated experience for the mind, body, and soil

Town of Wolfville

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July 3, 2015

Independent Auditor's Report

To the Mayor and Council of the Town of Wolfville

We have audited the accompanying consolidated financial statements of the **Town of Wolfville** (the "Town"), which comprise the consolidated statement of financial position as at March 31, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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 financial position of the Town of Wolfville as at March 31, 2015 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards

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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 16 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.

The consolidated financial statements of the Town of Wolfville for the year ended March 31, 2014 were audited by another auditor who expressed an unqualified opinion.

PricewaterhouseCoopers LLP

Chartered Accountants

Town of Wolfville

Consolidated Statement of Financial Position

As at March 31, 2015

	2015 \$	2014 \$
Assets		
Current assets		
Cash	2,463,606	2,629,121
Cash – Capital reserve fund (note 12)	2,698,479	2,159,382
Receivables (note 4)	756,395	643,863
Deferred pension asset	–	30,400
	<u>5,918,480</u>	<u>5,462,766</u>
Liabilities		
Temporary bank indebtedness	820,297	688,841
Payables and accruals	917,365	833,387
Deferred revenue	208,071	185,591
Deferred revenue – Federal gas tax funds	154,866	159
Other	20,022	18,841
Long-term debt (note 5)	3,024,567	2,633,600
	<u>5,145,188</u>	<u>4,360,419</u>
Net financial asset	<u>773,292</u>	<u>1,102,347</u>
Non-financial assets		
Tangible capital assets (note 6)	21,373,027	20,524,138
Prepaid	52,077	49,296
Inventories	28,670	30,171
Work-in-process	559,334	264,633
	<u>22,013,108</u>	<u>20,868,238</u>
Accumulated surplus	<u>22,786,400</u>	<u>21,970,585</u>

On Behalf of the Town



Mayor



Chief Administrative Officer

The accompanying notes are an integral part of these consolidated financial statements.

(3)

Town of Wolfville
Consolidated Statement of Operations
For the year ended March 31, 2015

	Budget 2015 \$ (unaudited)	Actual 2015 \$	Actual 2014 \$
Revenue			
Taxes	6,241,900	6,156,688	6,090,158
Grants in lieu of taxes	924,600	929,426	913,200
Sale of services	609,400	732,942	730,808
Other revenue from own sources	334,800	202,025	183,673
Unconditional transfers from other governments	72,100	70,978	72,246
Conditional transfers from governments and others	493,500	252,724	444,556
Metered sales	670,000	668,840	660,214
Sprinkler services	7,300	7,560	7,560
Other	7,700	76,859	80,102
	<u>9,361,300</u>	<u>9,098,042</u>	<u>9,182,517</u>
Expenses			
Environmental development services	795,900	915,286	719,780
Environmental health services	810,500	888,571	812,702
General government services	1,213,400	1,228,745	1,135,302
Protective services	1,812,000	1,933,959	1,841,074
Recreational and cultural services	750,200	702,402	648,050
Transportation services	1,265,000	1,913,169	1,697,173
Water			
Administrative	304,100	203,107	201,348
Amortization	127,300	126,507	128,315
Interest and other debt charges	21,900	20,496	23,613
Power and pumping	110,700	101,380	128,780
Source of supply	21,200	-	-
Transmission and distribution	179,700	182,281	203,033
Treatment	51,700	66,324	48,463
	<u>7,463,600</u>	<u>8,282,227</u>	<u>7,587,633</u>
Annual surplus	<u>1,897,700</u>	815,815	1,594,884
Accumulated surplus – Beginning of year		<u>21,970,585</u>	<u>20,375,701</u>
Accumulated surplus – End of year		<u>22,786,400</u>	<u>21,970,585</u>

The accompanying notes are an integral part of these consolidated financial statements.

Town of Wolfville

Consolidated Statement of Changes in Net Assets For the year ended March 31, 2015

	Budget 2015 \$ (unaudited)	Actual 2015 \$	Actual 2014 \$
Annual surplus	1,897,700	815,815	1,594,884
Acquisition of tangible capital assets	(2,819,000)	(1,978,060)	(1,633,818)
Gain on disposal	–	(29,833)	(13,244)
Proceeds on disposal	–	38,391	47,500
Amortization	127,300	1,120,613	1,044,530
	<u>(2,691,700)</u>	<u>(848,889)</u>	<u>(555,032)</u>
Prepays	–	(2,781)	(14,918)
Inventory	–	1,501	5,214
Work-in-progress	–	(294,701)	(158,872)
	<u>–</u>	<u>(295,981)</u>	<u>(168,576)</u>
Change in net assets		(329,055)	871,276
Net assets – Beginning of year		<u>1,102,347</u>	<u>231,071</u>
Net assets – End of year		<u>773,292</u>	<u>1,102,347</u>

The accompanying notes are an integral part of these consolidated financial statements.

Town of Wolfville

Consolidated Statement of Cash Flows

For the year ended March 31, 2015

	2015 \$	2014 \$
Cash provided by (used in)		
Operating activities		
Annual surplus	815,815	1,594,884
Change in non-cash working capital		
Decrease (increase) in receivables	(112,532)	151,259
Decrease in deferred pension asset	30,400	2,500
Increase in payables and accruals	83,978	158,251
Increase (decrease) in other liabilities	178,368	(17,956)
Increase in non-financial assets	(295,981)	(168,577)
	<hr/> 700,048	<hr/> 1,720,361
Capital transactions		
Increase in net book value of tangible capital assets	<hr/> (848,889)	<hr/> (555,031)
Financing activities		
Increase in bank loan	131,456	58,268
Proceeds from debt issue	851,000	551,000
Long-term debt principal repayment	<hr/> (460,033)	<hr/> (476,100)
	<hr/> 522,423	<hr/> 133,168
Net increase in cash	373,582	1,298,498
Cash – Beginning of year	<hr/> 4,788,503	<hr/> 3,490,005
Cash – End of year	<hr/> <hr/> 5,162,085	<hr/> <hr/> 4,788,503
Cash represented by:		
Cash	2,463,606	2,629,121
Cash – Capital reserve fund (note 12)	<hr/> 2,698,479	<hr/> 2,159,382
	<hr/> <hr/> 5,162,085	<hr/> <hr/> 4,788,503

The accompanying notes are an integral part of these consolidated financial statements.

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

1 Status and nature of activities

The consolidated financial statements of the Town of Wolfville (the “Town”) are prepared by management in accordance with Public Sector Accounting Standards, as recommended by the Public Sector Accounting Board of CPA Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

2 Summary of significant accounting policies

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Town and which are owned or controlled by the Town.

Interdepartmental and organizational transactions and balances are eliminated.

Trust funds are excluded from the consolidated financial statements, but are disclosed on pages 27 and 28.

b) Basis of accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues in the period in which the measurable transactions or events occurred that gave rise to the revenues and measurable expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occurred; provided the transfers are authorized, any eligibility criteria have been met by the Town, and reasonable estimates of the amounts can be made.

c) Fund accounting

Funds within the consolidated financial statements consist of the Operating, Capital, Water Operating, Water Capital and Reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

d) Valuation allowance

Uncollected taxes and rates the Town provides a valuation allowance for estimated losses that will be incurred in collecting receivables outstanding.

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and short-term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

2 Summary of significant accounting policies (continued)

f) Use of estimates

In preparing the Town's consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

g) Financial instruments

The estimated fair value of cash and cash equivalents, receivables, inventories, bank indebtedness and payables approximates carrying value due to the relatively short-term nature of the instruments and/or floating interest rates on the instruments. The estimated fair value of long-term debt also approximates carrying value due to interest rates that are based on the lenders rate.

h) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair market value upon acquisition.

The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis over its useful life. Assets under construction are not amortized until the asset is put into use. Amortization is recorded as an expense commencing in the year of acquisition.

The estimated useful lives are as follows:

Town general capital

Land Improvements (includes LED Street lights)	10-25 years
Traffic lights	25 years
Small and office equipment	4-5 years
Motor vehicles	5-10 years
Fixed and moveable equipment	10 years
Streets, road and curbs	25 years
Sidewalks	25 years
Operating plants (sewage treatment)	50 years
Lift stations	25 years
Municipal buildings	40 years
Other infrastructure	50 years

Water utility

Structures, improvements and wells	25-75 years
Equipment	1-10 years
Transmission, distribution and hydrants	75 years
Services	50 years
Meters	25 years

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

2 Summary of significant accounting policies (continued)

i) Employee future benefits

Defined benefit plan

The Town maintains a contributory defined benefit pension plan for a past employee that provides pensions based on length of service and annual earnings. The Town uses the immediate recognition approach to account for its defined benefit pension plan. The accrued benefit obligations are determined using the most recent actuarial valuation report prepared for funding purposes.

An actuarial valuation of the plan was completed for December 31, 2014 and has been updated by extrapolation to March 31, 2015. Actuarial valuations are performed every three years.

Plan assets are measured at fair value.

The Town would recognize the plan funded deficiency if the accrued obligation was greater than the fair value of the plan assets on the consolidated statement of financial position.

Actuarial gains and losses and past service costs are included in the cost of the plan for the year in the consolidated statement of operations.

Defined contribution plan

The Town offers a defined contribution pension plan to employees. An expense is recorded in the period when the Town is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included in payables and accruals on the consolidated statement of financial position.

j) Inventories

Inventories of materials and supplies held for consumption are valued at the lower of cost and net realizable value, with cost determined by the average cost method.

k) Capital reserve fund

Capital Reserve funds represent the amounts set aside to finance future capital expenditures. Reserves are established at the discretion of Council and/or in accordance with the Province of Nova Scotia Financial Reporting and Accounting Manual ("FRAM"). Transfers from the reserve funds are restricted in use in accordance with FRAM.

3 Contributions to Boards and Commissions

Other Boards and Commissions - less than 100% interest

The Town is required to finance the operation of the various Boards and Commissions, along with the other Municipal Units in Kings County, to the extent of its participation based on assessment or population formula. The financial results of these Boards and Commissions are not consolidated in the Town's financial statements.

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

3 Contributions to Boards and Commissions (continued)

Other Boards and Commissions - less than 100% interest (continued)

In addition to any budgeted contributions, the Municipal Units share in the deficits or surpluses of these Boards based on their sharing percentages. Where shareable deficits or surpluses are measureable they are accrued in the current year results, otherwise they are recorded in the following year results.

Annapolis Valley Regional Housing Authority

For the year ended March 31, 2015, the Town's share of the deficit was \$69,182 (2014 - \$41,148).

Annapolis Valley Regional School Board — 4.90%

For the year ended March 31, 2015, the Town contributed \$662,904 (2014 - \$623,160) to the Board as its share of the operating expenditures.

Valley Regional Enterprise Network — 12.1%

For the year ended March 31, 2015, the Town contributed \$10,624 (2014 - \$nil) to the REN.

Valley Waste Management Authority — 6.45%

For the year ended March 31, 2015, the Town's share of the Authority's capital and operating expenditures was \$462,261 (2014 - \$414,910), which was partially offset by the Town's share (\$2,191) of the Authority's 2013/14 receipt of Town of Annapolis Royal's capital partnership buy in.

Annapolis Valley Regional Library — 3.5%

For the year ended March 31, 2015, the Town's share of the deficit was \$24,320 (2014 - \$23,966).

Kings Transit Authority — 15%

For the year ended March 31, 2015, the Town's share of the Authority's capital and operating expenditures was \$98,757 (2014 - \$93,554). As part of its long-term debt commitments, the Town also repays \$29,500, plus interest, towards a debenture taken in 2005 for the purchase of five Kings Transit buses.

4 Receivables

	2015 \$	2014 \$
Taxes receivable		
Balance – Beginning of year	270,375	260,062
Current year's levy	6,680,666	6,514,158
	6,951,041	6,774,220
Collections	(6,672,294)	(6,503,845)
Balance – End of year	278,747	270,375
Water rates (net of \$2,500 valuation allowance)	148,757	155,675
Sewer rates (net of \$1,000 valuation allowance)	90,916	89,961
Other receivables	237,975	127,852
	<u>756,395</u>	<u>643,863</u>

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

5 Long-term debt

	2015 \$	2014 \$
MFC debenture, bearing interest from 5.45% to 5.45%, payable in annual instalment of \$30,400 plus interest, maturing in fiscal 2015	–	30,400
MFC debenture, bearing interest from 4.47% to 4.56%, payable in annual instalment of \$21,700 plus interest, maturing in fiscal 2016	21,700	43,400
MFC debenture, bearing interest from 3.15% to 4.50%, payable in annual instalment of \$15,400 plus interest, maturing in fiscal 2016	15,400	30,800
MFC debenture, bearing interest from 4.77% to 4.88%, payable in annual instalment of \$77,100 plus interest, maturing in fiscal 2017	154,200	231,300
MFC debenture, bearing interest from 4.47% to 4.62%, payable in annual instalment of \$35,000 plus interest, maturing in fiscal 2018	105,000	140,000
MFC debenture, bearing interest from 4.49% to 4.88%, payable in annual instalment of \$49,300 plus interest, maturing in fiscal 2019	197,200	246,500
MFC debenture, bearing interest from 3.21% to 4.88%, payable in annual instalment of \$61,400 plus interest, maturing in fiscal 2020	307,000	368,400
MFC debenture, bearing interest from 3.15% to 4.50%, payable in annual instalment of \$85,200 plus interest, maturing in fiscal 2021	511,200	596,400
MFC debenture, bearing interest from 2.49% to 4.22%, payable in annual instalment of \$34,800 plus interest, maturing in fiscal 2022	243,600	278,400
MFC debenture, bearing interest from 1.93% to 3.48%, payable in annual instalment of \$13,000 plus interest, maturing in fiscal 2023	104,000	117,000
MFC debenture, bearing interest from 1.33% to 3.48%, payable in annual instalment of \$36,733 plus interest, maturing in fiscal 2029	514,267	551,000
MFC debenture, bearing interest from 1.245% to 3.79%, payable in annual instalment of \$56,733 plus interest, maturing in fiscal 2030	851,000	–
	<u>3,024,567</u>	<u>2,633,600</u>

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

	\$
Year ending March 31, 2016	486,366
2017	449,266
2018	372,166
2019	337,166
2020	287,866

All long-term debt outstanding at year end has been authorized by Service Nova Scotia and Municipal Relations.

Subsequent to March 31, 2015, the Town placed an additional debenture with Municipal Finance Corporation totalling \$1,200,000 to finance streets, sidewalks, sanitary sewer and LED street lights.

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

6 Tangible capital assets

	Cost March 31, 2014 \$	Additions \$	Disposals \$	Cost March 31, 2015 \$	Accumulated depreciation 2014 \$	Adjustments \$	Amortization expense \$	Accumulated depreciation 2015 \$	Net book value \$
Town General Capital									
Land	1,397,548	—	—	1,397,548	—	—	—	—	1,397,548
Land improvements	2,229,357	602,478	—	2,831,835	969,789	—	126,838	1,096,627	1,735,208
Buildings and structures	3,512,037	41,938	—	3,553,975	1,331,912	—	84,979	1,416,891	2,137,084
IT infrastructures	29,270	62,275	—	91,545	23,155	—	18,626	41,781	49,764
Equipment	120,971	—	—	120,971	89,762	—	9,527	99,289	21,682
Traffic lights and poles	118,715	—	—	118,715	68,429	—	4,367	72,796	45,919
Sewer systems	4,914,475	324,257	—	5,238,732	2,368,074	—	101,200	2,469,274	2,769,458
Sewer plant(s)	918,687	74,988	—	993,675	591,813	—	38,363	630,176	363,499
Sidewalks	766,016	126,831	—	892,847	346,764	—	32,168	378,932	513,915
Streets	7,668,640	372,996	—	8,041,636	2,923,576	—	297,325	3,220,901	4,820,735
Vehicles and heavy equipment	3,871,441	172,241	(110,756)	3,932,926	2,041,709	(102,197)	280,713	2,220,225	1,712,701
	<u>25,547,157</u>	<u>1,778,004</u>	<u>(110,756)</u>	<u>27,214,405</u>	<u>10,754,983</u>	<u>(102,197)</u>	<u>994,106</u>	<u>11,646,892</u>	<u>15,567,513</u>
Water Utility									
Land and land rights									
Source of supply	15,226	—	—	15,226	—	—	—	—	15,226
Structures and improvements									
Source of supply	609,016	—	—	609,016	196,182	—	10,375	206,557	402,459
Power and pumping	85,066	—	—	85,066	39,423	—	1,106	40,529	44,537
Dist. Reservoirs and standpipes	1,845,986	—	—	1,845,986	520,348	—	23,859	544,207	1,301,779
Equipment									
Pumping	207,797	—	—	207,797	198,930	—	4,478	203,408	4,389
Water treatment	93,348	—	—	93,348	84,151	—	1,104	85,255	8,093
Transportation	92,343	—	—	92,343	69,879	—	5,616	75,495	16,848
Tools and work equipment	307,680	—	—	307,680	305,725	—	3,098	308,823	(1,143)
Office furniture and equipment	39,661	—	—	39,661	34,089	—	4,276	38,365	1,296
Mains									
Transportation	734,962	—	—	734,962	325,360	—	9,555	334,915	400,047
Distribution	4,404,286	151,455	—	4,555,741	1,025,837	—	56,465	1,082,302	3,473,439
Services	63,748	—	—	63,748	28,382	—	1,275	29,657	34,091
Meters	249,396	48,602	—	297,998	245,465	—	2,710	248,175	49,823
Hydrants	129,488	—	—	129,488	72,268	—	2,590	74,858	54,630
	<u>8,878,003</u>	<u>200,057</u>	<u>—</u>	<u>9,078,060</u>	<u>3,146,039</u>	<u>—</u>	<u>126,507</u>	<u>3,272,546</u>	<u>5,805,514</u>
	<u>34,425,160</u>	<u>1,978,061</u>	<u>(110,756)</u>	<u>36,292,465</u>	<u>13,901,022</u>	<u>(102,197)</u>	<u>1,120,613</u>	<u>14,919,438</u>	<u>21,373,027</u>

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

7 Pension plans

Defined benefit plan — Deferred Pension Plan Asset

The Town established a pension plan for a retired town clerk to provide for pension benefits based upon years of service. The most recent actuarial valuation for funding purposes was January 1, 2015.

The significant actuarial assumptions adopted in measuring the Town's accrued benefit obligation as at March 31, 2015, are as follows:

Expected long-term rate of return on plan assets	5%
Rate of compensation increase	2.5%

There were no significant changes to the plan during the year.

All plan assets are held in funds administered by Standard Life. The Town's current period benefit cost was \$nil (2014 - \$nil).

	2015 \$	2014 \$
Accrued benefit obligation – Closing balance	498,100	488,100
Pension fund assets – Closing balance	526,200	502,900
Plan surplus	28,100	14,800
Unamortized actuarial losses	15,500	30,400
Valuation allowance	(43,600)	(14,800)
Pension asset calculated	–	30,400
Pension asset recorded	–	30,400

Defined contribution plan

All of the Town's full-time employees, as well as part-time employees meeting certain requirements, are members of a defined contribution pension plan. The Town's obligation is to contribute 6% of employees' earnings to the pension plan.

During the year, the Town's required contribution was \$97,496 to the plan.

8 Remuneration and expenses

The total remuneration paid to member of the council and senior management official (position vacant for 15 weeks) is as follows:

	\$
Mayor	30,013
Deputy Mayor	17,258
Councillors	73,762
	<hr/>
	121,033
Chief Administrative Officers	<hr/>
	112,834

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

9 Rate of return on rate base

For the year ended March 31, 2015, the Water Utility had a rate of return on rate base of 5.93% (2014 - 5.36%).

10 Segmented information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens. For management reporting purposes, the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Town services are provided by departments and their activities are reported in those segments. The following departments have been separately disclosed in the segmented information along with the services they provide:

General government services

Includes the Mayor and Council, the CAO's office, human resources, finance and information technology. Council collectively determines policies to be administered by Town employees, Boards and Commissions; and establishes the direction and approves matters in conducting Town affairs. The administrative departments assist Council with the development of policies and ensure proper management and utilization of financial resources in a legally correct, responsible way following all guidelines as they pertain to municipal finance.

Protective services

Provides police protection through contracted service with the Royal Canadian Mounted Police; enforcement of bylaws through Bylaw Enforcement Officer; fire protection by a volunteer based department; supports both local and regional emergency measures organizations; and includes other protective services for animal control and crosswalk guards.

Transportation services

Provides the administration and provision of engineering and works; provides services to maintain the roadway systems, the waste water systems and street lighting; and preserves the investment made in infrastructure and equipment.

Environmental health services

Provides sanitary sewer collection and treatment service; collection of solid waste and recyclables in an efficient and environmentally friendly manner.

Environmental development services

Provides civic planning for future development and administers the building inspection services for the Town; contributes to regional planning; and promotes tourism and economic development activities.

Recreational and cultural services

Provides and facilitates quality leisure services for citizens of all ages in the Town; provides the widest possible variety of constructive leisure pursuits including parks, trails, tennis, soccer and playground facilities; and provides for cultural facilities such as a library and museum.

Water services

The Wolfville Water Utility provides the delivery of drinking water through the supply, pumping, treatment and distribution of water to its users.

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

10 Segmented information (continued)

Water services (continued)

Certain allocation methodologies are employed in the preparation of the segmented financial information. The General Operating Fund reports on municipal services that are funded primarily by property taxation and rates. The Wolfville Water Operating Fund reports on municipal services that are funded primarily by water rates.

The accounting policies used in these separate segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 2.

11 Financial instruments

The Town's financial instruments consist of cash and cash equivalents, receivables, payables and accruals, short-term borrowings and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these consolidated financial statements.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

12 Cash capital reserves

	\$
Source of funds	
External sources	
Federal gas tax grant	304,706
Interest earned	17,586
Contributions/donations	45,140
Internal sources	
Allocation from Town Operating Fund	973,700
Allocation from Water Operating Fund – Dep'n	126,507
	<u>1,467,639</u>
Use of funds	
Capital project funding – Town Capital	777,088
Capital project funding – Water Capital	151,454
	<u>928,542</u>
Net increase to capital reserves	539,097
Balance - Beginning of year	<u>2,159,382</u>
Balance - End of year	<u><u>2,698,479</u></u>

Town of Wolfville

Schedules to the Consolidated Statement of Operations

For the year ended March 31, 2015

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
Taxes			
Assessable property			
Residential	5,136,700	5,115,162	4,955,954
Commercial			
Commercial property	1,054,400	1,071,178	1,059,711
BID area rate	110,000	112,019	110,904
Resource	8,900	8,177	12,182
Fire protection area rate	396,400	374,130	375,407
	<u>6,706,400</u>	<u>6,680,666</u>	<u>6,514,158</u>
Business property			
Based on revenue (Aliant)	17,000	15,172	17,140
Nova Scotia Power Inc. (GILT)	3,600	3,387	3,623
NSPI (HST rebate)	35,000	36,915	41,963
	<u>55,600</u>	<u>55,474</u>	<u>62,726</u>
Deed transfer tax	<u>267,000</u>	<u>257,176</u>	<u>281,897</u>
Total tax levied	<u>7,029,000</u>	<u>6,993,316</u>	<u>6,858,781</u>
Taxes collected on behalf of others			
Regional school board	(645,200)	(662,904)	(623,160)
Provincial correctional service	(80,200)	(80,222)	(80,349)
Regional housing authority	(34,000)	(69,182)	(41,148)
Regional library board	(27,700)	(24,320)	(23,966)
	<u>(787,100)</u>	<u>(836,628)</u>	<u>(768,623)</u>
	<u>6,241,900</u>	<u>6,156,688</u>	<u>6,090,158</u>
Grants in lieu of taxes			
Federal government agencies (Post office)	21,000	21,060	21,066
Provincial government			
Property of supported institution (Acadia University)	903,600	908,366	892,134
	<u>924,600</u>	<u>929,426</u>	<u>913,200</u>
Sales of services			
General government	5,600	5,631	5,718
Protective services	289,900	276,491	306,789
Transportation	18,400	11,650	32,322
Environmental health	329,000	315,083	304,481
Environmental development	67,200	66,932	22,771
Recreation, tourism and cultural	73,600	57,155	58,727
	<u>783,700</u>	<u>732,942</u>	<u>730,808</u>

Town of Wolfville

Schedule to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2015

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
Other revenue from sources			
Licenses and permits	22,100	17,694	35,004
Fines and fees	43,000	27,452	18,237
Rentals	21,400	22,226	19,127
Interest on investments	22,000	14,824	20,963
Interest on taxes and charges	47,000	62,096	53,803
Gain on disposal capital assets	–	29,833	13,244
Miscellaneous	5,000	27,900	23,295
	<hr/>	<hr/>	<hr/>
	160,500	202,025	183,673
Unconditional transfers from other governments			
Provincial government			
Municipal Grant Act – Equalization	71,000	69,869	71,137
Farm property acreage	1,100	1,109	1,109
	<hr/>	<hr/>	<hr/>
	72,100	70,978	72,246
Conditional transfers from other governments and organizations			
Federal government			
Federal gas tax program	300,000	150,000	357,142
Other federal	1,500	2,934	–
Provincial government			
Capital project grants	–	–	51,204
Other provincial	35,000	45,960	29,000
Other	157,000	53,830	7,210
	<hr/>	<hr/>	<hr/>
	493,500	252,724	444,556

Town of Wolfville

Schedule to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2015

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
General government services			
Legislative			
Mayor remuneration	30,000	30,013	29,784
Council remuneration	91,200	91,020	90,199
Other expenses	42,800	27,308	23,962
	<u>164,000</u>	<u>148,341</u>	<u>143,945</u>
General administrative			
Administrative	848,700	841,393	776,087
Audit	21,300	17,346	18,708
Taxation			
Reduced taxes	74,100	71,459	66,609
Transfer provincial assessments	77,000	75,973	75,802
	<u>1,021,100</u>	<u>1,006,171</u>	<u>937,206</u>
Debt charges			
Interest and other debt charges	8,300	7,666	6,875
Valuation allowances			
Doubtful taxes (recovered)	–	–	2,506
Doubtful receivables other	5,000	1,000	1,480
	<u>5,000</u>	<u>1,000</u>	<u>3,986</u>
Other general government services			
Grants to organizations	15,000	17,010	10,000
Amortization	–	48,557	33,290
	<u>1,213,400</u>	<u>1,228,745</u>	<u>1,135,302</u>

Town of Wolfville

Schedule to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2015

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
Protective services			
Contracted service police	1,292,000	1,280,255	1,240,021
By-law enforcement	129,800	125,606	73,406
Building maintenance	9,000	8,735	9,983
Other	10,700	4,483	10,444
	<u>1,441,500</u>	<u>1,419,079</u>	<u>1,333,854</u>
Fire protection			
Fire fighting	<u>318,700</u>	<u>294,950</u>	<u>284,134</u>
Emergency measures	<u>7,400</u>	<u>3,379</u>	<u>3,392</u>
Debt charges	<u>16,800</u>	<u>16,013</u>	<u>19,649</u>
Other	<u>27,600</u>	<u>29,032</u>	<u>25,603</u>
Amortization	<u>–</u>	<u>171,505</u>	<u>174,442</u>
	<u>1,812,000</u>	<u>1,933,958</u>	<u>1,841,074</u>

Town of Wolfville

Schedule to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2015

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
Transportation services			
Common services			
Administration	93,500	96,381	183,550
Buildings and equipment	58,700	63,117	91,506
	<u>152,200</u>	<u>159,498</u>	<u>275,056</u>
Road transport			
Roads and streets	754,800	922,847	643,963
Street lighting	109,300	103,313	107,413
Traffic services	28,100	25,987	18,823
Other road transport	28,900	20,313	22,200
	<u>921,100</u>	<u>1,072,460</u>	<u>792,399</u>
Public transport	<u>119,900</u>	<u>111,377</u>	<u>106,594</u>
Debt charges	<u>71,800</u>	<u>58,839</u>	<u>45,923</u>
Amortization	<u>–</u>	<u>510,995</u>	<u>477,201</u>
	<u>1,265,000</u>	<u>1,913,169</u>	<u>1,697,173</u>
Environmental health services			
Sewage collection and disposal			
Administration	22,000	23,575	22,250
Sewage collection	111,000	79,112	93,840
Sewage left stations	50,000	49,613	7,722
Sewage treatment	118,000	112,821	124,134
	<u>301,000</u>	<u>265,121</u>	<u>247,946</u>
Garbage and waste collection and disposal			
Garbage and waste collection	476,000	460,070	405,828
Other	32,000	21,812	23,904
	<u>508,000</u>	<u>481,882</u>	<u>429,732</u>
Debt charges	<u>1,500</u>	<u>2,005</u>	<u>1,970</u>
Amortization	<u>–</u>	<u>139,563</u>	<u>133,054</u>
	<u>810,500</u>	<u>888,571</u>	<u>812,702</u>

Town of Wolfville

Schedule to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2015

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
Environmental development services			
Planning and zoning	383,700	453,659	324,982
Community development			
Transfer to Regional Development	36,000	10,624	–
Grant – Business Development Corp	110,000	111,257	110,826
Transfer to Valley Community Fibre	1,000	858	1,149
	<u>530,700</u>	<u>576,398</u>	<u>436,957</u>
Community development administration	<u>203,400</u>	<u>160,851</u>	<u>118,775</u>
Tourism	<u>59,500</u>	<u>64,493</u>	<u>76,095</u>
Debt charges	<u>2,300</u>	<u>2,094</u>	<u>1,761</u>
Amortization	<u>–</u>	<u>111,450</u>	<u>86,192</u>
	<u>795,900</u>	<u>915,286</u>	<u>719,780</u>
Recreational and cultural services			
Recreation			
Administration	211,400	146,816	130,345
Program expenses	92,200	97,841	102,437
Parks, playgrounds, and sports fields	280,500	310,714	275,187
Grants to organizations	64,700	62,170	44,758
Other	62,400	40,978	47,463
	<u>711,200</u>	<u>658,519</u>	<u>600,190</u>
Cultural buildings and facilities			
Library – Local branch	27,700	20,509	24,332
Museums and cemetery	10,000	10,000	10,000
	<u>37,700</u>	<u>30,509</u>	<u>34,332</u>
Debt charges	<u>1,300</u>	<u>1,338</u>	<u>1,492</u>
Amortization	<u>–</u>	<u>12,036</u>	<u>12,036</u>
	<u>750,200</u>	<u>702,402</u>	<u>648,050</u>

Town of Wolfville

Schedule to the Consolidated Statement of Operations ...*continued*

For the year ended March 31, 2015

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
Administrative			
Salary and benefits	205,800	114,436	131,030
General office expenses	9,500	8,611	7,260
Audit	5,600	5,500	5,714
Building and vehicle expenses	78,200	67,875	62,513
Doubtful accounts recovery	1,000	1,000	(5,419)
Training and travel	4,000	5,685	250
	<hr/>	<hr/>	<hr/>
	304,100	203,107	201,348
	<hr/>	<hr/>	<hr/>

Town of Wolfville

Schedule of Water Utility Operating fund

Consolidated Statement of Operations

For the year ended March 31, 2015

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
Revenue			
Metered sales	670,000	668,840	660,214
Public fire protection	396,400	379,698	378,170
Sprinkler services	7,300	7,560	7,560
Other	7,700	12,855	10,755
	<u>1,081,400</u>	<u>1,068,953</u>	<u>1,056,699</u>
Expenditures			
Source of supply	21,200	—	—
Power and pumping	110,700	101,380	128,780
Treatment	51,700	66,324	48,463
Transmission and distribution	179,700	182,281	203,033
Administrative	304,100	203,107	201,348
Depreciation	127,300	126,507	128,315
Taxes	58,400	54,218	54,229
	<u>853,100</u>	<u>733,817</u>	<u>764,168</u>
Non-operating revenue			
Federal Gas Tax grant	—	—	51,000
Transfer Water Capital (Dep't Funds)	220,800	151,454	123,262
	<u>220,800</u>	<u>151,454</u>	<u>174,262</u>
Non-operating expenditures			
Debt-charges			
Principal	94,200	94,200	94,200
Interest	21,400	20,401	23,533
Other debt changes	500	95	80
Capital expenditures out of operations	345,800	200,055	194,842
	<u>461,900</u>	<u>314,751</u>	<u>312,655</u>
Excess of revenue over expenditures	<u>(12,800)</u>	171,839	154,138
Surplus – Beginning of year		<u>645,010</u>	<u>490,872</u>
Surplus – End of year		<u>816,849</u>	<u>645,010</u>

Town of Wolfville
 Schedule of Water Utility Operating fund
 Consolidated Statement of Financial Position
 For the year ended March 31, 2015

	2015 \$	2014 \$
Assets		
Current assets		
Cash	621,112	613,444
Receivables		
Rates, net of allowance for doubtful accounts	148,757	155,675
Other	9,751	12,840
Own funds and agencies		
Town General Operating Fund	—	17,498
Town Capital Fund	83,546	—
Prepaid expenses	6,438	6,438
Inventory, at cost	28,670	30,171
	<hr/>	<hr/>
	898,274	836,066
	<hr/>	<hr/>
Liabilities		
Current liabilities		
Payables and accruals	27,452	48,953
Customer deposits	18,122	18,841
Town General Operating Fund	35,851	—
Own funds and agencies		
Town General Capital Fund	—	123,262
	<hr/>	<hr/>
	81,425	191,056
	<hr/>	<hr/>
Surplus	816,849	645,010
	<hr/>	<hr/>
	898,274	836,066
	<hr/>	<hr/>

Town of Wolfville
 Schedule of Water Utility Capital fund
 Consolidated Statement of Financial Position
 For the year ended March 31, 2015

	2015 \$	2014 \$
Assets		
Current assets		
Cash	329,357	354,305
Utility plant and equipment	9,078,059	8,878,003
	<u>9,407,416</u>	<u>9,232,308</u>
Liabilities		
Current liabilities		
Long-term debt	472,700	566,900
	<u>3,272,546</u>	<u>3,146,039</u>
Accumulated allowance for depreciation	<u>3,272,546</u>	<u>3,146,039</u>
Equity		
Reserve fund balance	329,358	354,305
Investment in capital assets	5,332,812	5,165,064
	<u>5,662,170</u>	<u>5,519,369</u>
	<u>9,407,416</u>	<u>9,232,308</u>

Town of Wolfville

Schedule of Water Utility Capital fund

Consolidated Statement of Investment in Capital Assets

For the year ended March 31, 2015

	2015 \$	2014 \$
Balance – Beginning of year	5,165,064	4,996,837
Add:		
Term debt retired	94,200	94,200
Proceeds on disposal of asset	–	7,500
Capital from operations	200,055	194,842
	<u>294,255</u>	<u>296,542</u>
Less:		
Amortization of capital assets	<u>126,507</u>	<u>128,315</u>
Balance – End of year	<u>5,332,812</u>	<u>5,165,064</u>

Town of Wolfville

Trust Fund Balance Sheet

For the year ended March 31, 2015

						2015	2014
	South Mountain Nature Trust \$	Lucy Massery Trust \$	Jessie L. Bishop Trust \$	Doug Cochrane Trust \$	Chipman Jefferson Trust \$	Total \$	Total \$
Assets							
Cash	46	4,868	–	69	47,838	52,821	51,890
Dominion of Canada bonds 3% perpetual	–	–	100	–	–	100	100
	46	4,868	100	69	47,838	52,921	51,990
Liabilities							
Reserves	46	4,868	100	69	47,838	52,921	51,990

Town of Wolfville

Statement of Trust Fund Reserve For the year ended March 31, 2015

						2015	2014
	South Mountain Nature Trust \$	Lucy Massery Trust \$	Jessie L. Bishop Trust \$	Doug Cochrane Trust \$	Chipman Jefferson Trust \$	Total \$	Total \$
Balance – Beginning of year	76	4,810	100	69	46,935	51,990	53,785
Revenues							
Investment income	–	58	–	–	903	961	205
Expenses							
Grant to Quiet Park Project	–	–	–	–	–	–	2,000
Bank fees	30	–	–	–	–	30	–
	(30)	–	–	–	–	(30)	(2,000)
	46	4,868	100	69	47,838	52,921	51,990