

# Consolidated Financial Statements

## Town of Wolfville

March 31, 2017



A cultivated experience for the mind, body, and soil

# Town of Wolfville

## Table of Contents

---

	<b>Page(s)</b>
Independent Auditor's Report	1-2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Assets (Debt)	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7-16
Schedules to the Consolidated Financial Statements	17-29



July 18, 2017

## **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, 2017 and the consolidated statements of operations, changes in net assets (debt) 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, 2017 and the results of its operations, changes in net assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

---

*PricewaterhouseCoopers LLP*  
710 Prince Street, PO Box 632, Truro, Nova Scotia, Canada B2N 5E5  
T: +1 (902) 895 1641, F: +1 (902) 893 0460



**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 17 to 29 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.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

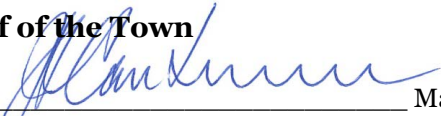
# Town of Wolfville

## Consolidated Statement of Financial Position

As at March 31, 2017

	2017 \$	2016 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	2,503,963	2,837,886
Cash – Capital reserve fund (note 12)	2,837,739	2,755,500
Receivables (note 4)	848,552	579,651
	<u>6,190,254</u>	<u>6,173,037</u>
<b>Liabilities</b>		
Payables and accruals	1,215,651	1,821,797
Deferred revenue	225,862	196,262
Other	21,597	21,127
Long-term debt (note 5)	4,851,852	3,738,201
	<u>6,314,962</u>	<u>5,777,387</u>
<b>Net financial asset (debt)</b>	<u>(124,708)</u>	<u>395,650</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 6)	24,896,836	23,470,956
Prepaid	66,538	72,338
Inventories	23,796	26,197
Work-in-process	247,685	223,791
	<u>25,234,855</u>	<u>23,793,282</u>
<b>Accumulated surplus</b>	<u>25,110,147</u>	<u>24,188,932</u>

On Behalf of the Town

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Chief Administrative Officer

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

# Town of Wolfville

## Consolidated Statement of Operations

For the year ended March 31, 2017

	Budget 2017 \$ (unaudited)	Actual 2017 \$	Actual 2016 \$
<b>Revenue</b>			
Taxes	6,457,800	6,523,748	6,608,121
Grants in lieu of taxes	976,500	977,380	969,280
Sale of services	770,200	732,293	743,781
Other revenue from own sources	165,100	209,407	219,204
Unconditional transfers from other governments	72,100	71,005	71,006
Conditional transfers from governments and others	392,000	438,860	624,855
Metered sales	660,000	669,816	650,553
Sprinkler services	7,500	7,880	7,733
Other	7,700	22,078	18,413
	<u>9,508,900</u>	<u>9,652,467</u>	<u>9,912,946</u>
<b>Expenses</b>			
General government services	1,288,700	1,335,295	1,235,407
Protective services	1,873,200	2,021,972	1,918,320
Transportation services	1,335,300	2,025,985	1,963,977
Environmental health services	823,400	932,466	956,470
Environmental development services	806,300	982,447	860,715
Recreational and cultural services	642,900	608,661	750,921
Water			
Administrative	232,800	232,599	217,683
Amortization	127,000	136,710	135,249
Interest and other debt charges	15,200	13,825	17,193
Power and pumping	113,600	100,700	106,310
Transmission and distribution	199,500	265,819	244,037
Treatment	74,200	74,773	104,132
	<u>7,532,100</u>	<u>8,731,252</u>	<u>8,510,414</u>
<b>Annual surplus</b>	<u>1,976,800</u>	921,215	1,402,532
<b>Accumulated surplus – Beginning of year</b>		<u>24,188,932</u>	<u>22,786,400</u>
<b>Accumulated surplus – End of year</b>		<u>25,110,147</u>	<u>24,188,932</u>

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

# Town of Wolfville

## Consolidated Statement of Changes in Net Assets (Debt)

For the year ended March 31, 2017

	Budget 2017 \$ (unaudited)	Actual 2017 \$	Actual 2016 \$
<b>Annual surplus</b>	1,976,800	921,215	1,402,532
Acquisition of tangible capital assets	(4,152,800)	(2,771,580)	(3,326,367)
Gain on disposal	–	(8,262)	(48,287)
Proceeds on disposal	–	93,334	61,000
Amortization	127,000	1,260,628	1,215,725
	<u>(4,025,800)</u>	<u>(1,425,880)</u>	<u>(2,097,929)</u>
Prepays	–	5,800	(20,261)
Inventory	–	2,401	2,473
Work-in-process	–	(23,894)	335,543
	<u>–</u>	<u>(15,693)</u>	<u>317,755</u>
<b>Change in net assets (debt)</b>	<u>(2,049,000)</u>	(520,358)	(377,642)
<b>Net assets – Beginning of year</b>		<u>395,650</u>	<u>773,292</u>
<b>Net assets (debt) – End of year</b>		<u>(124,708)</u>	<u>395,650</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, 2017

	2017 \$	2016 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus	921,215	1,402,532
Charges to annual surplus not involving cash		
Gain on disposal of tangible capital assets	(8,262)	(48,287)
Amortization of tangible capital assets	1,260,628	1,215,725
	<u>2,173,581</u>	<u>2,569,970</u>
Change in non-cash working capital		
Decrease (increase) in receivables	(268,901)	176,744
Increase (decrease) in payables and accruals	254,095	(65,264)
Increase (decrease) in other liabilities	30,070	(165,570)
Decrease (increase) in prepaids	5,800	(20,261)
Decrease (increase) in inventories	2,401	2,473
	<u>2,197,046</u>	<u>2,498,092</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(2,771,580)	(3,326,367)
Change in payables and accruals for tangible capital assets and work-in-process	(860,241)	969,696
Decrease (increase) in work-in-process	(23,894)	335,543
Proceeds on disposal of tangible capital assets	93,334	61,000
	<u>(3,562,381)</u>	<u>(1,960,128)</u>
<b>Financing activities</b>		
Proceeds from debt issue	1,654,250	1,200,000
Long-term debt principal repayment	(540,599)	(486,366)
	<u>1,113,651</u>	<u>713,634</u>
<b>Net increase (decrease) in cash</b>	(251,684)	1,251,598
<b>Cash – Beginning of year</b>	<u>5,593,386</u>	<u>4,341,788</u>
<b>Cash – End of year</b>	<u>5,341,702</u>	<u>5,593,386</u>
<b>Cash represented by:</b>		
Cash	2,503,963	2,837,886
Cash – Capital reserve fund (note 12)	2,837,739	2,755,500
	<u>5,341,702</u>	<u>5,593,386</u>

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, 2017

---

### 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 28 and 29.

#### 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, 2017

---

### 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) Work-in-process

Work-in-process ("WIP") is recorded at cost and occurs with instances where a capital project is not complete as at year end. Costs include any costs applicable to tangible capital assets. The capital cost reported as WIP as at year end becomes capitalized to tangible capital asset costs when the project is subsequently complete. In some cases, the costs are related to pre-construction engineering design for projects identified through the Town's Ten Year Capital Investment Plan. The Town annually reviews the engineering costs for future projects to ensure the value of the work performed has not been impaired.

#### i) 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.

# Town of Wolfville

## Notes to Consolidated Financial Statements

For the year ended March 31, 2017

---

### 2 Summary of significant accounting policies (continued)

#### i) Tangible capital assets (continued)

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	10-15 years
Fixed and moveable equipment	10 years
Streets, road and curbs	25 years
Sidewalks	25 years
Operating plants (sewage treatment)	25-50 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	50-75 years
Services	50 years
Meters	25 years

#### j) 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 January 1, 2015 and has been updated by extrapolation to March 31, 2017. 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.

# Town of Wolfville

## Notes to Consolidated Financial Statements

For the year ended March 31, 2017

---

### 2 Summary of significant accounting policies (continued)

#### k) 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.

#### l) 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.

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 measurable 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, 2017, the Town's share of the deficit was \$72,607 (2016 - \$35,149).

#### **Annapolis Valley Regional School Board — 4.70%**

For the year ended March 31, 2017, the Town contributed \$672,036 (2016 - \$655,860) to the Board as its share of the operating expenditures.

#### **Valley Regional Enterprise Network — 7.7%**

For the year ended March 31, 2017, the Town contributed \$22,765 (2016 - \$20,724) to the REN.

#### **Valley Waste Management Authority — 6.51%**

For the year ended March 31, 2017, the Town's share of the Authority's capital and operating expenditures was \$443,518 (2016 - \$471,601).

#### **Annapolis Valley Regional Library — 3.5%**

For the year ended March 31, 2017, the Town's share of the deficit was \$24,320 (2016 - \$24,320).

#### **Kings Transit Authority — 15%**

For the year ended March 31, 2017, the Town's share of the Authority's capital and operating expenditures was \$110,460 (2016 - \$102,116). 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. Final payment was made June 2016.

# Town of Wolfville

## Notes to Consolidated Financial Statements

For the year ended March 31, 2017

---

### 4 Receivables

	2017 \$	2016 \$
Taxes receivable		
<b>Balance – Beginning of year</b>	262,298	278,747
Current year's levy	6,977,304	6,931,718
	7,239,602	7,210,465
<b>Collections</b>	(6,980,452)	(6,948,167)
<b>Balance – End of year</b>	259,150	262,298
Water rates (net of \$3,500 valuation allowance)	145,851	145,551
Sewer rates (net of \$1,000 valuation allowance)	102,540	90,168
Other receivables (net of \$3,500 valuation allowance)	341,011	81,634
	848,552	579,651

# Town of Wolfville

## Notes to Consolidated Financial Statements

For the year ended March 31, 2017

---

### 5 Long-term debt

	2017 \$	2016 \$
MFC debenture, bearing interest from 1.15% to 3.48%, payable in annual instalment of \$111,617 to May 2021, \$109,612 thereafter, plus interest, maturing in fiscal 2032	1,654,250	–
MFC debenture, bearing interest from 4.88%, payable in annual instalment of \$77,100, plus interest, maturing in fiscal 2017	–	77,100
MFC debenture, bearing interest from 4.56% to 4.62%, payable in annual instalment of \$35,000, plus interest, maturing in fiscal 2018	35,000	70,000
MFC debenture, bearing interest from 4.68% to 4.88%, payable in annual instalment of \$49,300, plus interest, maturing in fiscal 2019	98,600	147,900
MFC debenture, bearing interest from 4.04% to 4.89%, payable in annual instalment of \$61,400, plus interest, maturing in fiscal 2020	184,200	245,600
MFC debenture, bearing interest from 3.73% to 4.50%, payable in annual instalment of \$85,200, plus interest, maturing in fiscal 2021	340,800	426,000
MFC debenture, bearing interest from 3.11% to 4.22%, payable in annual instalment of \$34,800, plus interest, maturing in fiscal 2022	174,000	208,800
MFC debenture, bearing interest from 2.35% to 3.48%, payable in annual instalment of \$13,000, plus interest, maturing in fiscal 2023	78,000	91,000
MFC debenture, bearing interest from 1.44% to 3.49%, payable in annual instalment of \$36,733, plus interest, maturing in fiscal 2029	440,801	477,534
MFC debenture, bearing interest from 1.37% to 3.79%, payable in annual instalment of \$56,733, plus interest, maturing in fiscal 2030	737,534	794,267
MFC debenture, bearing interest from 1.01% to 3.20%, payable in annual instalment of \$91,333 to June 2025, \$57,333 thereafter, plus interest, maturing in fiscal 2031	1,108,667	1,200,000
	<u>4,851,852</u>	<u>3,738,201</u>

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

	\$
Year ending March 31, 2018	575,116
2019	540,116
2020	490,816
2021	429,416
2022	344,216

All long-term debt outstanding at year end has been authorized by the Department of Municipal Affairs.

Subsequent to March 31, 2017, the Town placed an additional debenture with Municipal Finance Corporation totalling \$1,367,500 to finance streets, sidewalks, storm & sanitary sewer, sewer treatment plant, library roof, generator, and water distribution system.

# Town of Wolfville

## Notes to Consolidated Financial Statements

For the year ended March 31, 2017

### 6 Tangible capital assets

	Cost March 31, 2016 \$	Additions \$	Disposals \$	Cost March 31, 2017 \$	Accumulated depreciation 2016 \$	Adjustments \$	Amortization expense \$	Accumulated depreciation 2017 \$	Net book value \$
<b>Town General Capital</b>									
Land	1,397,548	—	—	1,397,548	—	—	—	—	1,397,548
Land improvements	2,995,635	62,860	—	3,058,495	1,231,475	—	133,228	1,364,703	1,693,792
Buildings and structures	3,553,975	256,942	—	3,810,917	1,501,870	—	90,232	1,592,102	2,218,815
IT infrastructures	115,293	25,832	—	141,125	66,345	—	27,964	94,309	46,816
Equipment	273,512	70,201	—	343,713	122,792	—	28,412	151,204	192,509
Traffic lights and poles	118,715	74,855	(17,185)	176,385	77,162	(14,741)	6,722	69,143	107,242
Sewer systems	5,882,277	684,810	—	6,567,087	2,581,688	—	126,110	2,707,798	3,859,289
Sewer plant(s)	993,675	133,198	—	1,126,873	668,539	—	27,444	695,983	430,890
Sidewalks	1,022,985	63,094	—	1,086,079	416,307	—	39,899	456,206	629,873
Streets	9,528,508	551,859	—	10,080,367	3,577,701	—	369,531	3,947,232	6,133,135
Vehicles and heavy equipment	3,949,579	398,561	(349,764)	3,998,376	2,353,263	(267,137)	274,376	2,360,502	1,637,874
	<u>29,831,702</u>	<u>2,322,212</u>	<u>(366,949)</u>	<u>31,786,965</u>	<u>12,597,142</u>	<u>(281,878)</u>	<u>1,123,918</u>	<u>13,439,182</u>	<u>18,347,783</u>
<b>Water Utility</b>									
Land and land rights									
Source of supply	15,226	—	—	15,226	—	—	—	—	15,226
Structures and improvements									
Source of supply	609,016	—	—	609,016	216,932	—	10,375	227,307	381,709
Power and pumping	85,066	—	—	85,066	41,635	—	1,106	42,741	42,325
Dist. Reservoirs and standpipes	1,845,986	—	—	1,845,986	568,066	—	23,859	591,925	1,254,061
Equipment									
Pumping	207,799	—	—	207,799	207,799	—	—	207,799	—
Water treatment	93,348	—	—	93,348	86,361	—	1,104	87,465	5,883
Transportation	92,343	—	—	92,343	81,111	—	5,616	86,727	5,616
Tools and work equipment	325,509	—	—	325,509	315,487	—	6,664	322,151	3,358
Office furniture and equipment	39,661	—	—	39,661	39,661	—	—	39,661	—
Mains									
Transportation	734,962	—	—	734,962	344,470	—	9,555	354,025	380,937
Distribution	5,073,992	414,177	—	5,488,169	1,145,506	—	68,595	1,214,101	4,274,068
Services	63,748	—	—	63,748	30,931	—	1,274	32,205	31,543
Meters	328,045	35,191	—	363,236	252,387	—	5,972	258,359	104,877
Hydrants	129,488	—	—	129,488	77,448	—	2,590	80,038	49,450
	<u>9,644,189</u>	<u>449,368</u>	<u>—</u>	<u>10,093,557</u>	<u>3,407,794</u>	<u>—</u>	<u>136,710</u>	<u>3,544,504</u>	<u>6,549,053</u>
	<u>39,475,891</u>	<u>2,771,580</u>	<u>(366,949)</u>	<u>41,880,522</u>	<u>16,004,936</u>	<u>(281,878)</u>	<u>1,260,628</u>	<u>16,983,686</u>	<u>24,896,836</u>

# Town of Wolfville

## Notes to Consolidated Financial Statements

For the year ended March 31, 2017

### 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, 2017, 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 (2016 - \$nil).

	2017	2016
	\$	\$
<b>Accrued benefit obligation – Closing balance</b>	470,300	483,800
<b>Pension fund assets – Closing balance</b>	461,200	477,400
Plan surplus/(deficit)	(9,100)	(6,400)
Unamortized actuarial losses/(gains)	14,800	13,900
Valuation allowance	–	–
<b>Net pension asset/(liability) calculated</b>	5,700	7,500
<b>Net pension asset/(liability) recorded</b>	–	–

#### 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 \$112,248 (2016 - \$105,315) to the plan.

### 8 Remuneration and expenses

The total remuneration paid to member of the council and senior management official is as follows:

	2017	2016
	\$	\$
Mayor Cantwell	30,724	31,370
Deputy Mayor/Councillor Oldham	17,620	17,620
Councillor/Deputy Mayor Donovan	16,619	17,959
Councillor Brian	15,134	15,350
Councillor Elliott	6,403	–
Councillor MacKay	6,403	–
Councillor Mangle	8,731	15,350
Councillor Proudfoot	6,403	–
Councillor Simpson	8,149	15,350
Councillor Sparkman	–	14,771
	114,789	125,500
<b>Chief Administrative Officer</b>	128,304	123,498



# Town of Wolfville

## Notes to Consolidated Financial Statements

For the year ended March 31, 2017

---

### 9 Rate of return on rate base

For the year ended March 31, 2017, the Water Utility had a rate of return on rate base of 3.80% (2016 - 3.42%).

### 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, 2017

---

### 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

	2017 \$	2016 \$
<b>Source of funds</b>		
External sources		
Federal gas tax grant	319,666	304,276
Interest earned	18,964	16,683
Contributions/donations	49,543	21,860
Internal sources		
Allocation from Town Operating Fund	1,001,900	1,033,000
Allocation from Water Operating Fund – Depreciation	136,710	135,249
	<hr/> 1,526,783	<hr/> 1,511,068
<b>Use of funds</b>		
Capital project funding – Town Capital	1,312,677	989,615
Capital project funding – Water Capital	131,867	464,432
	<hr/> 1,444,544	<hr/> 1,454,047
<b>Net increase to capital reserves</b>	82,239	57,021
<b>Balance - Beginning of year</b>	2,755,500	2,698,479
<b>Balance - End of year</b>	<hr/> <hr/> 2,837,739	<hr/> <hr/> 2,755,500

# Town of Wolfville

## Schedules to the Consolidated Statement of Operations

For the year ended March 31, 2017

	Budget 2017 \$	Actual 2017 \$	Actual 2016 \$
<b>Taxes</b>			
Assessable property			
Residential	5,465,000	5,444,298	5,344,908
Commercial			
Commercial property	1,079,000	1,091,374	1,102,860
BID area rate	39,500	40,582	87,131
Resource	9,200	8,472	8,261
Fire protection area rate	380,000	392,578	388,558
	<u>6,972,700</u>	<u>6,977,304</u>	<u>6,931,718</u>
Business property			
Based on revenue (Aliant)	14,000	17,705	15,146
Nova Scotia Power Inc. (GILT)	3,500	3,515	3,520
NSPI (HST rebate)	39,000	43,335	39,089
	<u>56,500</u>	<u>64,555</u>	<u>57,755</u>
<b>Deed transfer tax</b>	<u>265,000</u>	<u>332,359</u>	<u>414,636</u>
<b>Total tax levied</b>	<u>7,294,200</u>	<u>7,374,218</u>	<u>7,404,109</u>
Taxes collected on behalf of others			
Regional school board	(680,000)	(672,036)	(655,860)
Provincial correctional service	(80,200)	(81,507)	(80,659)
Regional housing authority	(52,200)	(72,607)	(35,149)
Regional library board	(24,000)	(24,320)	(24,320)
	<u>(836,400)</u>	<u>(850,470)</u>	<u>(795,988)</u>
	<u>6,457,800</u>	<u>6,523,748</u>	<u>6,608,121</u>
<b>Grants in lieu of taxes</b>			
Federal government agencies (Post office)	21,000	19,735	20,542
Provincial government			
Property of supported institution (Acadia University)	955,500	957,645	948,738
	<u>976,500</u>	<u>977,380</u>	<u>969,280</u>
<b>Sales of services</b>			
General government	4,600	1,500	5,250
Protective services	285,900	267,824	298,205
Transportation	10,000	18,600	9,965
Environmental health	377,000	352,600	310,051
Environmental development	75,600	61,803	69,766
Recreation, tourism and cultural	17,100	29,966	50,544
	<u>770,200</u>	<u>732,293</u>	<u>743,781</u>

# Town of Wolfville

## Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2017

	<b>Budget 2017 \$</b>	<b>Actual 2017 \$</b>	<b>Actual 2016 \$</b>
<b>Other revenue from sources</b>			
Licenses and permits	22,700	40,827	24,424
Fines and fees	46,000	36,750	28,395
Rentals	21,400	21,990	20,599
Interest on investments	15,000	30,643	30,527
Interest on taxes and charges	55,000	60,174	51,493
Gain on disposal capital assets	–	8,262	48,287
Miscellaneous	5,000	10,761	15,479
	<u>165,100</u>	<u>209,407</u>	<u>219,204</u>
<b>Unconditional transfers from other governments</b>			
Provincial government			
Municipal Grant Act – Equalization	71,000	69,869	69,869
Farm property acreage	1,100	1,136	1,137
	<u>72,100</u>	<u>71,005</u>	<u>71,006</u>
<b>Conditional transfers from other governments and organizations</b>			
Federal government			
Federal gas tax program	300,000	319,666	459,140
Other federal	700	3,960	1,590
Provincial government			
Capital project grants	–	–	24,589
Other provincial	9,300	75,012	64,657
Other	82,000	40,222	74,879
	<u>392,000</u>	<u>438,860</u>	<u>624,855</u>

# Town of Wolfville

## Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2017

	<b>Budget 2017 \$</b>	<b>Actual 2017 \$</b>	<b>Actual 2016 \$</b>
<b>General government services</b>			
Legislative			
Mayor remuneration	30,600	30,724	31,370
Council remuneration	93,900	84,065	94,130
Other expenses	38,200	28,420	34,576
	<u>162,700</u>	<u>143,209</u>	<u>160,076</u>
General administrative			
Administrative	926,300	877,991	846,641
Audit	18,000	12,475	6,304
Taxation			
Reduced taxes	75,200	73,903	75,310
Transfer provincial assessments	77,000	75,497	75,569
	<u>1,096,500</u>	<u>1,039,866</u>	<u>1,003,824</u>
Debt charges			
Interest and other debt charges	10,000	14,090	9,626
Valuation allowances			
Doubtful receivables other	2,500	3,500	–
Other general government services			
Grants to organizations	17,000	80,000	10,400
Amortization	–	54,630	51,481
	<u>1,288,700</u>	<u>1,335,295</u>	<u>1,235,407</u>

# Town of Wolfville

## Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2017

	<b>Budget 2017 \$</b>	<b>Actual 2017 \$</b>	<b>Actual 2016 \$</b>
<b>Protective services</b>			
Contracted service police	1,376,800	1,359,337	1,306,938
By-law enforcement	102,900	105,553	84,570
Building maintenance	10,000	6,800	4,794
Other	5,000	5,113	4,391
	<u>1,494,700</u>	<u>1,476,803</u>	<u>1,400,693</u>
Fire protection			
Fire fighting	<u>329,300</u>	<u>326,344</u>	<u>301,424</u>
Emergency measures	<u>6,500</u>	<u>3,960</u>	<u>5,259</u>
Debt charges	<u>11,100</u>	<u>9,762</u>	<u>13,860</u>
Other	<u>31,600</u>	<u>25,938</u>	<u>25,417</u>
Amortization	<u>–</u>	<u>179,165</u>	<u>171,667</u>
	<u>1,873,200</u>	<u>2,021,972</u>	<u>1,918,320</u>

# Town of Wolfville

## Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2017

	Budget 2017 \$	Actual 2017 \$	Actual 2016 \$
<b>Transportation services</b>			
Common services			
Administration	98,000	96,343	108,458
Buildings and equipment	54,100	37,743	94,275
	<u>152,100</u>	<u>134,086</u>	<u>202,733</u>
Road transport			
Roads and streets	871,500	980,200	904,917
Street lighting	40,000	27,185	16,862
Traffic services	49,900	36,901	48,952
Other road transport	26,300	18,888	25,063
	<u>987,700</u>	<u>1,063,174</u>	<u>995,794</u>
Public transport	<u>109,200</u>	<u>120,605</u>	<u>109,809</u>
Debt charges	<u>86,300</u>	<u>104,720</u>	<u>74,077</u>
Amortization	<u>–</u>	<u>603,400</u>	<u>581,564</u>
	<u>1,335,300</u>	<u>2,025,985</u>	<u>1,963,977</u>
<b>Environmental health services</b>			
Sewage collection and disposal			
Administration	23,000	40,143	69,705
Sewage collection	114,600	112,383	65,756
Sewage left stations	52,400	29,324	58,310
Sewage treatment	128,600	107,381	95,194
	<u>318,600</u>	<u>289,231</u>	<u>288,965</u>
Garbage and waste collection and disposal			
Garbage and waste collection	469,400	443,518	471,601
Other	28,500	21,077	23,687
	<u>497,900</u>	<u>464,595</u>	<u>495,288</u>
Debt charges	<u>6,900</u>	<u>4,934</u>	<u>4,473</u>
Amortization	<u>–</u>	<u>173,706</u>	<u>167,744</u>
	<u>823,400</u>	<u>932,466</u>	<u>956,470</u>

# Town of Wolfville

## Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2017

	<b>Budget 2017 \$</b>	<b>Actual 2017 \$</b>	<b>Actual 2016 \$</b>
<b>Environmental development services</b>			
Planning and zoning	467,500	567,847	589,937
Community development			
Transfer to Regional Development	25,000	22,765	20,724
Grant – Business Development Corp	39,500	39,500	25,530
Transfer to Valley Community Fibre	1,000	1,121	952
	<u>533,000</u>	<u>631,233</u>	<u>637,143</u>
Community development administration	<u>205,600</u>	<u>180,749</u>	<u>59,832</u>
Tourism	<u>67,100</u>	<u>71,973</u>	<u>66,317</u>
Debt charges	<u>600</u>	<u>1,355</u>	<u>1,436</u>
Amortization	<u>–</u>	<u>97,137</u>	<u>95,987</u>
	<u>806,300</u>	<u>982,447</u>	<u>860,715</u>
<b>Recreational and cultural services</b>			
Recreation			
Administration	92,700	70,099	182,092
Program expenses	55,400	56,450	82,271
Parks, playgrounds, and sports fields	363,300	341,866	302,272
Grants to organizations	52,300	65,100	85,265
Other	44,800	29,544	58,922
	<u>608,500</u>	<u>563,059</u>	<u>710,822</u>
Cultural buildings and facilities			
Library – Local branch	22,500	18,790	16,623
Museums and cemetery	10,000	10,000	10,000
	<u>32,500</u>	<u>28,790</u>	<u>26,623</u>
Debt charges	<u>1,900</u>	<u>932</u>	<u>1,439</u>
Amortization	<u>–</u>	<u>15,880</u>	<u>12,037</u>
	<u>642,900</u>	<u>608,661</u>	<u>750,921</u>



# Town of Wolfville

## Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2017

---

	<b>Budget 2017 \$</b>	<b>Actual 2017 \$</b>	<b>Actual 2016 \$</b>
<b>Administrative</b>			
Salary and benefits	141,600	140,902	139,906
General office expenses	7,500	8,407	8,790
Audit	5,500	4,450	4,500
Building and vehicle expenses	72,900	77,064	61,287
Doubtful accounts recovery	1,000	—	1,000
Training and travel	4,300	1,776	2,200
	<hr/>	<hr/>	<hr/>
	232,800	232,599	217,683
	<hr/>	<hr/>	<hr/>

**Town of Wolfville**  
 Schedule of Water Utility Operating Fund  
 Consolidated Statement of Operations  
 For the year ended March 31, 2017

	<b>Budget 2017 \$</b>	<b>Actual 2017 \$</b>	<b>Actual 2016 \$</b>
<b>Revenue</b>			
Metered sales	660,000	669,816	650,553
Public fire protection	380,000	401,832	388,304
Sprinkler services	7,500	7,880	7,733
Other	7,700	22,078	18,408
	<u>1,055,200</u>	<u>1,101,606</u>	<u>1,064,998</u>
<b>Expenditures</b>			
Power and pumping	113,600	100,700	106,310
Treatment	74,200	74,773	104,132
Transmission and distribution	199,500	265,819	244,040
Administrative	232,800	232,599	217,683
Amortization	127,000	136,710	135,246
Taxes	55,000	52,699	53,568
	<u>802,100</u>	<u>863,300</u>	<u>860,979</u>
<b>Non-operating revenue</b>			
Transfer Water Capital (Department Funds)	-	131,867	464,432
<b>Non-operating expenditures</b>			
Debt-charges			
Principal	90,000	90,000	90,000
Interest	14,700	13,639	17,140
Other debt changes	500	186	53
Capital expenditures out of operations	56,700	131,867	566,128
	<u>161,900</u>	<u>235,692</u>	<u>673,321</u>
<b>Excess of revenue over expenditures (expenditures over revenue)</b>	<u>91,200</u>	134,481	(4,870)
<b>Surplus – Beginning of year</b>		<u>811,979</u>	816,849
<b>Surplus – End of year</b>		<u>946,460</u>	<u>811,979</u>

**Town of Wolfville**  
Schedules of Water Utility Operating Fund  
Consolidated Statement of Financial Position  
As at March 31, 2017

---

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash	419,808	662,471
Receivables		
Rates, net of allowance for doubtful accounts	145,851	145,551
Other	20,686	12,626
Own funds and agencies		
Town Capital Fund	52,145	122
Town Operating Fund	400	-
Water Capital Fund	317,500	-
Prepaid expenses	3,060	5,820
Work-in-process	12,449	12,449
Inventory, at cost	23,796	26,197
	<hr/>	<hr/>
	995,695	865,236
	<hr/>	<hr/>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payables and accruals	27,638	19,770
Customer deposits	21,597	21,092
Own funds and agencies		
Town General Operating Fund	-	12,395
	<hr/>	<hr/>
	49,235	53,257
	<hr/>	<hr/>
<b>Surplus</b>	946,460	811,979
	<hr/>	<hr/>
	995,695	865,236
	<hr/>	<hr/>

**Town of Wolfville**  
Schedules of Water Utility Capital Fund  
Consolidated Statement of Financial Position  
As at March 31, 2017

---

	2017 \$	2016 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	5,015	173
Utility plant and equipment	10,093,555	9,644,187
	<u>10,098,570</u>	<u>9,644,360</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Due to Water Operating Fund	317,500	-
Long-term debt	292,700	382,700
<b>Accumulated allowance for depreciation</b>	<u>3,544,502</u>	<u>3,407,792</u>
<b>Equity</b>		
Reserve fund balance	5,016	174
Investment in capital assets	5,938,852	5,853,694
	<u>5,943,868</u>	<u>5,853,868</u>
	<u>10,098,570</u>	<u>9,644,360</u>

**Town of Wolfville**  
 Schedules of Water Utility Capital Fund  
 Consolidated Statement of Investment in Capital Assets  
 For the year ended March 31, 2017

---

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Balance – Beginning of year</b>	5,853,694	5,332,812
<b>Add:</b>		
Term debt retired	90,000	90,000
Capital from operations	131,868	566,128
	221,868	656,128
<b>Less:</b>		
Amortization of capital assets	136,710	135,246
<b>Balance – End of year</b>	5,938,852	5,853,694

**Town of Wolfville**  
**Trust Fund Balance Sheet**  
**As at March 31, 2017**

						2017	2016
	South Mountain Nature Trust \$	Lucy Massery Trust \$	Jessie L. Bishop Trust \$	Doug Cochrane Trust \$	Chipman Jefferson Trust \$	Total \$	Total \$
<b>Assets</b>							
Cash	47	4,929	-	69	-	5,045	53,675
Account receivable	-	-	-	-	49,518	49,518	
Dominion of Canada bonds 3% perpetual	-	-	100	-	-	100	100
	47	4,929	100	69	49,518	54,663	53,775
<b>Liabilities</b>							
Reserves	47	4,929	100	69	49,518	54,663	53,775

# Town of Wolfville

## Statement of Trust Fund Reserve

For the year ended March 31, 2017

						2017	2016
	South Mountain Nature Trust \$	Lucy Massery Trust \$	Jessie L. Bishop Trust \$	Doug Cochrane Trust \$	Chipman Jefferson Trust \$	Total \$	Total \$
<b>Balance – Beginning of year</b>	47	4,895	100	69	48,664	53,775	52,921
<b>Revenues</b>							
Investment income	–	34	–	–	854	888	854
<b>Expenses</b>							
Bank fees	–	–	–	–	–	–	–
	47	4,929	100	69	49,518	54,663	53,775