

Consolidated Financial Statements

Town of Wolfville

March 31, 2016

Approved by Council at the July 19, 2016 Town Council Meeting



A cultivated experience for the mind, body, and soil

Town of Wolfville

Table of Contents

	Page(s)
Independent Auditor's Report	1-2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Assets	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7-15
Schedules to the Consolidated Financial Statements	16-28



July 19, 2016

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, 2016 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, 2016 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

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 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.

PricewaterhouseCoopers LLP

Chartered Accountants

Town of Wolfville

Consolidated Statement of Financial Position

As at March 31, 2016

	2016 \$	2015 \$
Assets		
Current assets		
Cash	2,837,886	1,643,309
Cash – Capital reserve fund (note 12)	2,755,500	2,698,479
Receivables (note 4)	579,651	756,395
	<u>6,173,037</u>	<u>5,098,183</u>
Liabilities		
Payables and accruals	1,821,797	917,365
Deferred revenue	196,262	208,071
Deferred revenue – Federal gas tax funds	–	154,866
Other	21,127	20,022
Long-term debt (note 5)	3,738,201	3,024,567
	<u>5,777,387</u>	<u>4,324,891</u>
Net financial asset	<u>395,650</u>	<u>773,292</u>
Non-financial assets		
Tangible capital assets (note 6)	23,470,956	21,373,027
Prepaid	72,338	52,077
Inventories	26,197	28,670
Work-in-process	223,791	559,334
	<u>23,793,282</u>	<u>22,013,108</u>
Accumulated surplus	<u>24,188,932</u>	<u>22,786,400</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, 2016

	Budget 2016 \$ (unaudited)	Actual 2016 \$	Actual 2015 \$
Revenue			
Taxes	6,407,500	6,608,121	6,156,688
Grants in lieu of taxes	969,000	969,280	929,426
Sale of services	815,700	743,781	732,942
Other revenue from own sources	141,600	219,204	202,025
Unconditional transfers from other governments	72,100	71,006	70,978
Conditional transfers from governments and others	605,100	624,855	252,724
Metered sales	670,000	650,553	668,840
Sprinkler services	7,500	7,733	7,560
Other	7,700	18,413	76,859
	<u>9,696,200</u>	<u>9,912,946</u>	<u>9,098,042</u>
Expenses			
Environmental development services	779,900	860,715	915,286
Environmental health services	845,300	956,470	888,571
General government services	1,230,400	1,235,407	1,228,745
Protective services	1,815,100	1,918,320	1,933,959
Recreational and cultural services	778,900	750,921	702,402
Transportation services	1,331,000	1,963,977	1,913,169
Water			
Administrative	213,700	217,683	203,107
Amortization	128,600	135,249	126,507
Interest and other debt charges	18,400	17,193	20,496
Power and pumping	118,200	106,310	101,380
Transmission and distribution	204,700	244,037	182,281
Treatment	97,300	104,132	66,324
	<u>7,561,500</u>	<u>8,510,414</u>	<u>8,282,227</u>
Annual surplus	<u>2,134,700</u>	1,402,532	815,815
Accumulated surplus – Beginning of year		<u>22,786,400</u>	<u>21,970,585</u>
Accumulated surplus – End of year		<u>24,188,932</u>	<u>22,786,400</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, 2016

	Budget 2016 \$ (unaudited)	Actual 2016 \$	Actual 2015 \$
Annual surplus	2,134,700	1,402,532	815,815
Acquisition of tangible capital assets	(4,306,200)	(3,326,367)	(1,978,060)
Gain on disposal	–	(48,287)	(29,833)
Proceeds on disposal	–	61,000	38,391
Amortization	128,600	1,215,725	1,120,613
	<u>(4,177,600)</u>	<u>(2,097,929)</u>	<u>(848,889)</u>
Prepays	–	(20,261)	(2,781)
Inventory	–	2,473	1,501
Work-in-process	–	335,543	(294,701)
	<u>–</u>	<u>317,755</u>	<u>(295,981)</u>
Change in net assets	<u>(2,042,900)</u>	<u>(377,642)</u>	<u>(329,055)</u>
Net assets – Beginning of year		<u>773,292</u>	<u>1,102,347</u>
Net assets – End of year		<u>395,650</u>	<u>773,292</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, 2016

	2016 \$	2015 \$
Cash provided by (used in)		
Operating activities		
Annual surplus	1,402,532	815,815
Charges to annual surplus not involving cash		
Amortization of tangible capital assets	1,215,725	1,120,613
	<hr/>	<hr/>
	2,618,257	1,936,428
Change in non-cash working capital		
Decrease (increase) in receivables	176,744	(112,532)
Decrease in deferred pension asset	-	30,400
Increase in payables and accruals	904,432	83,978
Increase (decrease) in other liabilities	(165,570)	178,368
Increase in non-financial assets	317,755	(295,981)
	<hr/>	<hr/>
	3,851,618	1,820,661
Capital transactions		
Acquisition of tangible capital assets	(3,313,654)	(1,969,502)
Financing activities		
Proceeds from debt issue	1,200,000	851,000
Long-term debt principal repayment	(486,366)	(460,033)
	<hr/>	<hr/>
	713,634	390,967
Net increase in cash	1,251,598	242,126
Cash – Beginning of year	4,341,788	4,099,662
	<hr/>	<hr/>
Cash – End of year	5,593,368	4,341,788
Cash represented by:		
Cash	2,837,886	1,643,309
Cash – Capital reserve fund (note 12)	2,755,500	2,698,479
	<hr/>	<hr/>
	5,593,386	4,341,788
	<hr/>	<hr/>

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, 2016

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, 2016

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, 2016

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, 2016. 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.

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.

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2016

3 Contributions to Boards and Commissions (continued)

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

Annapolis Valley Regional Housing Authority

For the year ended March 31, 2016, the Town's share of the deficit was \$35,149 (2015 - \$69,182).

Annapolis Valley Regional School Board — 4.73%

For the year ended March 31, 2016, the Town contributed \$655,860 (2015 - \$662,904) to the Board as its share of the operating expenditures.

Valley Regional Enterprise Network — 12.1%

For the year ended March 31, 2016, the Town contributed \$20,724 (2015 - \$10,624) to the REN.

Valley Waste Management Authority — 6.45%

For the year ended March 31, 2016, the Town's share of the Authority's capital and operating expenditures was \$471,601 (2015 - \$462,261).

Annapolis Valley Regional Library — 3.5%

For the year ended March 31, 2016, the Town's share of the deficit was \$24,320 (2015 - \$24,320).

Kings Transit Authority — 15%

For the year ended March 31, 2016, the Town's share of the Authority's capital and operating expenditures was \$102,116 (2015 - \$98,757). 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

	2016 \$	2015 \$
Taxes receivable		
Balance – Beginning of year	278,747	270,375
Current year's levy	6,931,718	6,680,666
	7,210,465	6,951,041
Collections	<u>(6,948,167)</u>	<u>(6,672,294)</u>
Balance – End of year	262,298	278,747
Water rates (net of \$3,500 valuation allowance)	145,551	148,757
Sewer rates (net of \$1,000 valuation allowance)	90,168	90,916
Other receivables	81,634	237,975
	<u>579,651</u>	<u>756,395</u>

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2016

5 Long-term debt

	2016 \$	2015 \$
MFC debenture, bearing interest of 4.56%, payable in annual instalment of \$21,700, plus interest, maturing in fiscal 2016	–	21,700
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
MFC debenture, bearing interest from 4.82% to 4.88%, payable in annual instalment of \$77,100, plus interest, maturing in fiscal 2017	77,100	154,200
MFC debenture, bearing interest from 4.52% to 4.62%, payable in annual instalment of \$35,000, plus interest, maturing in fiscal 2018	70,000	105,000
MFC debenture, bearing interest from 4.58% to 4.88%, payable in annual instalment of \$49,300, plus interest, maturing in fiscal 2019	147,900	197,200
MFC debenture, bearing interest from 3.67% to 4.89%, payable in annual instalment of \$61,400, plus interest, maturing in fiscal 2020	245,600	307,000
MFC debenture, bearing interest from 3.43% to 4.50%, payable in annual instalment of \$85,200, plus interest, maturing in fiscal 2021	426,000	511,200
MFC debenture, bearing interest from 2.81% to 4.22%, payable in annual instalment of \$34,800, plus interest, maturing in fiscal 2022	208,800	243,600
MFC debenture, bearing interest from 1.16% to 3.48%, payable in annual instalment of \$13,000, plus interest, maturing in fiscal 2023	91,000	104,000
MFC debenture, bearing interest from 1.44% to 3.49%, payable in annual instalment of \$36,733, plus interest, maturing in fiscal 2029	477,534	514,267
MFC debenture, bearing interest from 1.24% to 3.79%, payable in annual instalment of \$56,733, plus interest, maturing in fiscal 2030	794,267	851,000
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	1,200,000	–
	<u>3,738,201</u>	<u>3,024,567</u>

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

	\$
Year ending March 31, 2017	540,599
2018	463,499
2019	428,499
2020	379,199
2021	317,799

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

Subsequent to March 31, 2016, the Town placed an additional debenture with Municipal Finance Corporation totalling \$1,654,250 to finance streets, sidewalks, sanitary sewer, RCMP building upgrades and mobile generator.

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2016

6 Tangible capital assets

	Cost March 31, 2015 \$	Additions \$	Disposals \$	Cost March 31, 2016 \$	Accumulated depreciation 2015 \$	Adjustments \$	Amortization expense \$	Accumulated depreciation 2016 \$	Net book value \$
Town General Capital									
Land	1,397,548	—	—	1,397,548	—	—	—	—	1,397,548
Land improvements	2,831,835	163,800	—	2,995,635	1,096,627	—	134,848	1,231,475	1,764,160
Buildings and structures	3,553,975	—	—	3,553,975	1,416,891	—	84,979	1,501,870	2,052,105
IT infrastructures	91,545	23,748	—	115,293	41,781	—	24,564	66,345	48,948
Equipment	120,971	152,541	—	273,512	99,289	—	23,503	122,792	150,720
Traffic lights and poles	118,715	—	—	118,715	72,796	—	4,366	77,162	41,553
Sewer systems	5,238,732	643,545	—	5,882,277	2,469,274	—	112,414	2,581,688	3,300,589
Sewer plant(s)	993,675	—	—	993,675	630,176	—	38,363	668,539	325,136
Sidewalks	892,847	130,138	—	1,022,985	378,932	—	37,375	416,307	606,678
Streets	8,041,636	1,486,872	—	9,528,508	3,220,901	—	356,800	3,577,701	5,950,807
Vehicles and heavy equipment	3,932,926	159,595	(142,942)	3,949,579	2,220,225	(130,229)	263,267	2,353,263	1,596,316
	27,214,405	2,760,239	(142,942)	29,831,702	11,646,892	(130,229)	1,080,479	12,597,142	17,234,560
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	206,557	—	10,375	216,932	392,084
Power and pumping	85,066	—	—	85,066	40,529	—	1,106	41,635	43,431
Dist. Reservoirs and standpipes	1,845,986	—	—	1,845,986	544,207	—	23,859	568,066	1,277,920
Equipment									
Pumping	207,797	—	—	207,797	203,408	—	4,389	207,797	—
Water treatment	93,348	—	—	93,348	85,255	—	1,106	86,361	6,987
Transportation	92,343	—	—	92,343	75,495	—	5,616	81,111	11,232
Tools and work equipment	307,680	17,829	—	325,509	308,823	—	6,664	315,487	10,022
Office furniture and equipment	39,661	—	—	39,661	38,365	—	1,296	39,661	—
Mains									
Transportation	734,962	—	—	734,962	334,915	—	9,555	344,470	390,492
Distribution	4,555,741	518,252	—	5,073,993	1,082,302	—	63,204	1,145,506	3,928,487
Services	63,748	—	—	63,748	29,657	—	1,274	30,931	32,817
Meters	297,998	30,047	—	328,045	248,175	—	4,212	252,387	75,658
Hydrants	129,488	—	—	129,488	74,858	—	2,590	77,448	52,040
	9,078,060	566,128	—	9,644,188	3,272,546	—	135,246	3,407,792	6,235,396
	36,292,465	3,326,367	(142,942)	39,475,890	14,919,438	(130,229)	1,215,725	16,004,934	23,470,956

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2016

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, 2016, 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 (2015 - \$nil).

	2016 \$	2015 \$
Accrued benefit obligation – Closing balance	483,800	498,100
Pension fund assets – Closing balance	477,400	526,200
Plan surplus	(6,400)	28,100
Unamortized actuarial losses	7,500	15,500
Valuation allowance	(1,100)	(43,600)
Pension asset calculated	–	–
Pension asset recorded	–	–

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 \$105,315 (2015 - \$97,496) to the plan.

8 Remuneration and expenses

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

	2016 \$	2015 \$
Mayor	30,589	30,013
Deputy Mayor	17,620	17,258
Councillors	77,291	73,762
	125,500	121,033
Chief Administrative Officer	123,498	112,834

Town of Wolfville

Notes to Consolidated Financial Statements

For the year ended March 31, 2016

9 Rate of return on rate base

For the year ended March 31, 2016, the Water Utility had a rate of return on rate base of 3.42% (2015 - 5.93%).

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, 2016

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

	2016 \$	2015 \$
Source of funds		
External sources		
Federal gas tax grant	304,276	304,706
Interest earned	16,683	17,586
Contributions/donations	21,860	45,140
Internal sources		
Allocation from Town Operating Fund	1,033,000	973,700
Allocation from Water Operating Fund – Depreciation	135,249	126,507
	<u>1,511,068</u>	<u>1,467,639</u>
Use of funds		
Capital project funding – Town Capital	989,615	777,088
Capital project funding – Water Capital	464,432	151,454
	<u>1,454,047</u>	<u>928,542</u>
Net increase to capital reserves	57,021	539,099
Balance - Beginning of year	2,698,479	2,159,382
Balance - End of year	<u>2,755,500</u>	<u>2,698,479</u>

Town of Wolfville

Schedules to the Consolidated Statement of Operations

For the year ended March 31, 2016

	Budget 2016 \$	Actual 2016 \$	Actual 2015 \$
Taxes			
Assessable property			
Residential	5,334,500	5,344,908	5,115,162
Commercial			
Commercial property	1,098,900	1,102,860	1,071,178
BID area rate	85,000	87,131	112,019
Resource	9,000	8,261	8,177
Fire protection area rate	379,700	388,558	374,130
	<u>6,907,100</u>	<u>6,931,718</u>	<u>6,680,666</u>
Business property			
Based on revenue (Aliant)	15,000	15,146	15,172
Nova Scotia Power Inc. (GILT)	3,600	3,520	3,387
NSPI (HST rebate)	35,000	39,089	36,915
	<u>53,600</u>	<u>57,755</u>	<u>55,474</u>
Deed transfer tax	<u>265,000</u>	<u>414,636</u>	<u>257,176</u>
Total tax levied	<u>7,225,700</u>	<u>7,404,109</u>	<u>6,993,316</u>
Taxes collected on behalf of others			
Regional school board	(680,000)	(655,860)	(662,904)
Provincial correctional service	(80,200)	(80,659)	(80,222)
Regional housing authority	(34,000)	(35,149)	(69,182)
Regional library board	(24,000)	(24,320)	(24,320)
	<u>(818,200)</u>	<u>(795,988)</u>	<u>(836,628)</u>
	<u>6,407,500</u>	<u>6,608,121</u>	<u>6,156,688</u>
Grants in lieu of taxes			
Federal government agencies (Post office)	21,000	20,542	21,060
Provincial government			
Property of supported institution (Acadia University)	948,000	948,738	908,366
	<u>969,000</u>	<u>969,280</u>	<u>929,426</u>
Sales of services			
General government	9,000	5,250	5,631
Protective services	300,000	298,265	276,491
Transportation	15,000	9,965	11,650
Environmental health	339,000	301,051	315,083
Environmental development	71,700	69,766	66,932
Recreation, tourism and cultural	81,000	50,544	57,155
	<u>815,700</u>	<u>743,781</u>	<u>732,942</u>

Town of Wolfville

Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2016

	Budget 2016 \$	Actual 2016 \$	Actual 2015 \$
Other revenue from sources			
Licenses and permits	21,700	24,424	17,694
Fines and fees	21,000	28,395	27,452
Rentals	21,900	20,599	22,226
Interest on investments	22,000	30,527	14,824
Interest on taxes and charges	50,000	51,493	62,096
Gain on disposal capital assets	–	48,287	29,833
Miscellaneous	5,000	15,479	27,900
	<u>141,600</u>	<u>219,204</u>	<u>202,025</u>
Unconditional transfers from other governments			
Provincial government			
Municipal Grant Act – Equalization	71,000	69,869	69,869
Farm property acreage	1,100	1,137	1,109
	<u>72,100</u>	<u>71,006</u>	<u>70,978</u>
Conditional transfers from other governments and organizations			
Federal government			
Federal gas tax program	454,700	459,140	150,000
Other federal	–	1,590	2,934
Provincial government			
Capital project grants	7,400	24,589	–
Other provincial	26,600	64,657	45,960
Other	116,400	74,879	53,830
	<u>605,100</u>	<u>624,855</u>	<u>252,724</u>

Town of Wolfville

Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2016

	Budget 2016 \$	Actual 2016 \$	Actual 2015 \$
General government services			
Legislative			
Mayor remuneration	30,600	30,589	30,013
Council remuneration	93,100	94,911	91,020
Other expenses	48,200	34,576	27,308
	<u>171,900</u>	<u>160,076</u>	<u>148,341</u>
General administrative			
Administrative	859,900	846,641	841,393
Audit	18,000	6,304	17,346
Taxation			
Reduced taxes	76,600	75,310	71,459
Transfer provincial assessments	77,000	75,569	75,973
	<u>1,031,500</u>	<u>1,003,824</u>	<u>1,006,171</u>
Debt charges			
Interest and other debt charges	7,500	9,626	7,666
Valuation allowances			
Doubtful receivables other	2,500	–	1,000
Other general government services			
Grants to organizations	17,000	10,400	17,010
Amortization	–	51,481	48,557
	<u>1,230,400</u>	<u>1,235,407</u>	<u>1,228,745</u>

Town of Wolfville

Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2016

	Budget 2016 \$	Actual 2016 \$	Actual 2015 \$
Protective services			
Contracted service police	1,324,900	1,306,938	1,280,255
By-law enforcement	110,700	84,570	125,606
Building maintenance	10,000	4,794	8,735
Other	800	4,391	4,483
	<u>1,446,400</u>	<u>1,400,693</u>	<u>1,419,079</u>
Fire protection			
Fire fighting	<u>320,300</u>	<u>301,424</u>	<u>294,950</u>
Emergency measures	<u>7,500</u>	<u>5,259</u>	<u>3,379</u>
Debt charges	<u>13,300</u>	<u>13,860</u>	<u>16,013</u>
Other	<u>27,600</u>	<u>25,417</u>	<u>29,032</u>
Amortization	<u>–</u>	<u>171,667</u>	<u>171,505</u>
	<u>1,815,100</u>	<u>1,918,320</u>	<u>1,933,958</u>

Town of Wolfville

Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2016

	Budget 2016 \$	Actual 2016 \$	Actual 2015 \$
Transportation services			
Common services			
Administration	92,000	108,458	96,381
Buildings and equipment	67,000	94,275	63,117
	<u>159,000</u>	<u>202,733</u>	<u>159,498</u>
Road transport			
Roads and streets	850,200	904,917	922,847
Street lighting	40,000	16,862	103,313
Traffic services	45,500	48,952	25,987
Other road transport	26,300	25,063	20,313
	<u>962,000</u>	<u>995,794</u>	<u>1,072,460</u>
Public transport	<u>113,500</u>	<u>109,809</u>	<u>111,377</u>
Debt charges	<u>96,500</u>	<u>74,077</u>	<u>58,839</u>
Amortization	<u>–</u>	<u>581,564</u>	<u>510,995</u>
	<u>1,331,000</u>	<u>1,963,977</u>	<u>1,913,169</u>
Environmental health services			
Sewage collection and disposal			
Administration	23,000	69,705	23,575
Sewage collection	114,700	65,756	79,112
Sewage left stations	50,000	58,310	49,613
Sewage treatment	123,900	95,194	112,821
	<u>311,600</u>	<u>288,965</u>	<u>265,121</u>
Garbage and waste collection and disposal			
Garbage and waste collection	499,800	471,601	460,070
Other	32,000	23,687	21,812
	<u>531,800</u>	<u>495,288</u>	<u>481,882</u>
Debt charges	<u>1,900</u>	<u>4,473</u>	<u>2,005</u>
Amortization	<u>–</u>	<u>167,744</u>	<u>139,563</u>
	<u>845,300</u>	<u>956,470</u>	<u>888,571</u>

Town of Wolfville

Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2016

	Budget 2016 \$	Actual 2016 \$	Actual 2015 \$
Environmental development services			
Planning and zoning	529,000	589,937	453,659
Community development			
Transfer to Regional Development	25,000	20,724	10,624
Grant – Business Development Corp	40,000	25,530	111,257
Transfer to Valley Community Fibre	1,000	952	858
	<u>595,000</u>	<u>637,143</u>	<u>576,398</u>
Community development administration	<u>107,300</u>	<u>59,832</u>	<u>160,851</u>
Tourism	<u>75,800</u>	<u>66,317</u>	<u>64,493</u>
Debt charges	<u>1,800</u>	<u>1,436</u>	<u>2,094</u>
Amortization	<u>–</u>	<u>95,987</u>	<u>111,450</u>
	<u>779,900</u>	<u>860,715</u>	<u>915,286</u>
Recreational and cultural services			
Recreation			
Administration	163,100	182,092	146,816
Program expenses	97,200	82,271	97,841
Parks, playgrounds, and sports fields	321,100	302,272	310,714
Grants to organizations	82,300	85,265	62,170
Other	71,300	58,922	40,978
	<u>735,000</u>	<u>710,822</u>	<u>658,519</u>
Cultural buildings and facilities			
Library – Local branch	27,700	16,623	20,509
Museums and cemetery	15,000	10,000	10,000
	<u>42,700</u>	<u>26,623</u>	<u>30,509</u>
Debt charges	<u>1,200</u>	<u>1,439</u>	<u>1,338</u>
Amortization	<u>–</u>	<u>12,037</u>	<u>12,036</u>
	<u>778,900</u>	<u>750,921</u>	<u>702,402</u>

Town of Wolfville

Schedules to the Consolidated Statement of Operations ...continued

For the year ended March 31, 2016

	Budget 2016 \$	Actual 2016 \$	Actual 2015 \$
Administrative			
Salary and benefits	117,700	139,906	114,436
General office expenses	7,500	8,790	8,611
Audit	5,000	4,500	5,500
Building and vehicle expenses	78,200	61,287	67,875
Doubtful accounts recovery	1,000	1,000	1,000
Training and travel	4,300	2,200	5,685
	<hr/>	<hr/>	<hr/>
	213,700	217,683	203,107
	<hr/>	<hr/>	<hr/>

Town of Wolfville
 Schedule of Water Utility Operating Fund
 Consolidated Statement of Operations
 For the year ended March 31, 2016

	Budget 2016 \$	Actual 2016 \$	Actual 2015 \$
Revenue			
Metered sales	670,000	650,553	668,840
Public fire protection	379,700	388,304	379,698
Sprinkler services	7,500	7,733	7,560
Other	7,700	18,408	12,855
	<u>1,064,900</u>	<u>1,064,998</u>	<u>1,068,953</u>
Expenditures			
Power and pumping	118,200	106,310	101,380
Treatment	97,300	104,132	66,324
Transmission and distribution	204,700	244,040	182,281
Administrative	213,700	217,683	203,107
Depreciation	128,600	135,246	126,507
Taxes	59,600	53,568	54,218
	<u>822,100</u>	<u>860,979</u>	<u>733,817</u>
Non-operating revenue			
Transfer Water Capital (Department Funds)	465,000	464,432	151,454
Non-operating expenditures			
Debt-charges			
Principal	90,000	90,000	94,200
Interest	17,900	17,140	20,401
Other debt changes	500	53	95
Capital expenditures out of operations	595,000	566,128	200,055
	<u>703,400</u>	<u>673,321</u>	<u>314,751</u>
Excess of revenue over expenditures (expenditures over revenue)	<u>4,400</u>	(4,870)	171,839
Surplus – Beginning of year		<u>816,849</u>	645,010
Surplus – End of year		<u>811,979</u>	<u>816,849</u>

Town of Wolfville
Schedules of Water Utility Operating Fund
Consolidated Statement of Financial Position
For the year ended March 31, 2016

	2016	2015
	\$	\$
Assets		
Current assets		
Cash	662,471	621,112
Receivables		
Rates, net of allowance for doubtful accounts	145,551	148,757
Other	12,626	9,751
Own funds and agencies		
Town Capital Fund	122	83,546
Prepaid expenses	5,820	6,438
Work-in-process	12,449	-
Inventory, at cost	26,197	28,670
	<hr/>	<hr/>
	865,236	898,274
Liabilities		
Current liabilities		
Payables and accruals	19,770	27,452
Customer deposits	21,092	18,122
Own funds and agencies		
Town General Operating Fund	12,395	35,851
	<hr/>	<hr/>
	53,257	81,425
Surplus	<hr/>	<hr/>
	811,979	816,849
	<hr/>	<hr/>
	865,236	898,274

Town of Wolfville
 Schedules of Water Utility Capital Fund
 Consolidated Statement of Financial Position
 For the year ended March 31, 2016

	2016 \$	2015 \$
Assets		
Current assets		
Cash	173	329,357
Utility plant and equipment	9,644,187	9,078,059
	<u>9,644,360</u>	<u>9,407,416</u>
Liabilities		
Current liabilities		
Long-term debt	382,700	472,700
	<u>3,407,792</u>	<u>3,272,546</u>
Accumulated allowance for depreciation	<u>3,407,792</u>	<u>3,272,546</u>
Equity		
Reserve fund balance	174	329,358
Investment in capital assets	5,853,694	5,332,812
	<u>5,853,868</u>	<u>5,662,170</u>
	<u>9,644,360</u>	<u>9,407,416</u>

Town of Wolfville
 Schedules of Water Utility Capital Fund
 Consolidated Statement of Investment in Capital Assets
 For the year ended March 31, 2016

	2016	2015
	\$	\$
Balance – Beginning of year	5,332,812	5,165,064
Add:		
Term debt retired	90,000	94,200
Capital from operations	566,128	200,055
	<u>656,128</u>	<u>294,255</u>
Less:		
Amortization of capital assets	135,246	126,507
Balance – End of year	<u>5,853,694</u>	<u>5,332,812</u>

Town of Wolfville

Trust Fund Balance Sheet

For the year ended March 31, 2016

						2016	2015
	South Mountain Nature Trust \$	Lucy Massery Trust \$	Jessie L. Bishop Trust \$	Doug Cochrane Trust \$	Chipman Jefferson Trust \$	Total \$	Total \$
Assets							
Cash	47	4,895	–	69	48,664	53,675	52,821
Dominion of Canada bonds 3% perpetual	–	–	100	–	–	100	100
	47	4,895	100	69	48,664	53,775	52,921
Liabilities							
Reserves	47	4,895	100	69	48,664	53,775	52,921

Town of Wolfville

Statement of Trust Fund Reserve For the year ended March 31, 2016

						2016	2015
	South Mountain Nature Trust \$	Lucy Massery Trust \$	Jessie L. Bishop Trust \$	Doug Cochrane Trust \$	Chipman Jefferson Trust \$	Total \$	Total \$
Balance – Beginning of year	46	4,868	100	69	47,838	52,921	51,990
Revenues							
Investment income	1	27	–	–	826	854	961
Expenses							
Bank fees	–	–	–	–	–	–	30
	47	4,895	100	69	48,664	53,775	52,921