

Canada-Nova Scotia Agreement on the Transfer of Federal Public Transit Funds Provincial Annual Expenditure Report (AER)

as of March 31, 2008

The Province of Nova Scotia elected to apply the same terms and conditions and process of the Canada-Nova Scotia Agreement on the Transfer of Federal Public Transit Funds (PTF) (2006-07) to the Federal Public Transit Capital Trust Fund during 2007-08. The Canada-Nova Scotia Infrastructure Secretariat (CNSIS) continues to administer and deliver Federal Public Transit Funds to Nova Scotia's eligible transit organizations.

The Province of Nova Scotia jointly signed Transit Funding Agreements (TFAs) with each of the 3 Nova Scotia urban transit authorities [Halifax Regional Municipality (HRM), Cape Breton Regional Municipality (CBRM) and Kings Transit] and jointly signed Community Transit Funding Agreements with 6 Community Transit Organizations. The Province ensured compliance with the terms and conditions of the TFAs during 2007/08.

Project Investments:

From the purchase of conventional and accessible transit buses to the enhancement of transit security, the PTF continues to invest in important infrastructure projects throughout Nova Scotia.

This year, the PTF invested \$8,667,952 towards public transit infrastructure in Nova Scotia. 11 eligible projects were identified that used \$7,350,196 in PTF in 2007-08. As of March 31, 2008, \$4,872,218 was held in reserve by eligible recipients for future public transit infrastructure projects.

The total project value of these projects is \$38,641,268 (See Table 2). Other financing contributions include: \$9,966,711 from other Federal sources (mostly future Public Transit and Gas Tax Funds) \$21,086,239 from municipal sources, \$82,000 in provincial sources, and \$156,121 from other sources.

Nature of the Investment:

Federal Public Transit Funds allowed for investment in 11 new projects (See Table 2). Individual community project benefits realized are provided in each of the attached Annual Expenditure Reports (AERs).

Project Highlights for 2007-08

- There are 11 approved projects-6 are completed and 5 remain in progress.
- Total project cost is \$38,641,268, and of this, \$7,350,196 was provided by the PTF. \$8,667,952 was transferred to eligible recipients. \$4,872,218 was held in reserve as of March 31, 2008.
- 6 Community Transit services received \$125,789 in PTF.

Table 1: PTF Investments to Eligible Recipients for 2007-08:

Table 1: Eligible Recipients	PTF Allocation (2007-08)	Opening Reserve at Mar 31/07	Total PTF Available to Spend*	PTF Expensed (2007-08)	Closing Reserve at Mar 31/08
HRM	8,038,452	2,666,319	10,704,771	6,945,417	3,840,973
CBRM	244,782	349,336	594,118	-	615,078
Kings Transit Authority	258,929	321,179	580,108	287,196	300,378
Central Highlands Association of the Disabled (CHAD)	35,789	50,000	85,789	50,458	35,789
Le Transport De Clare	-	25,622	25,622	25,622	-
Trans County Transportation Society (TCTS)	10,000	-	10,000	10,000	-
East Hants Alternative Transportation Society (EHATS)	30,000	-	30,000	-	30,000
Handicapped Organization Promoting Equality (HOPE)	25,000	-	25,000	-	25,000
Kings Para Transit Society (KPTS)	25,000	31,285	56,285	31,503	25,000
Total (fiscal 2007-08)	\$8,667,952	\$3,443,741	\$12,111,693	\$7,350,196	\$4,872,218

(* 2007-08 PTF allocation plus 2006-07 Opening Reserve Balance)

Conventional Transit Investments

The Public Transit Fund has invested in public transit in urban areas of Nova Scotia such as purchases of conventional transit buses in HRM that provides daily service throughout the municipality. This transit service will provide safe, affordable and accessible transportation, as well as help reduce our ecological footprint and cut back on congestion, and on greenhouse gases.



Community Transit Investments

The Public Transit Fund has invested in Community Transit Organizations in rural Nova Scotia such as the purchase of an accessible mini-van in the Municipality of Clare. Community Transit services provide pre-booked door-to-door accessible services to persons with disabilities, seniors and the transportation disadvantaged.



Table 2: PTF Spending by Project Category for 2007-08

Eligible Recipient	Projects (2007-08)	PTF Expensed (2007-08)	Other Federal Sources	Total Project Cost
KPTS	Accessible Vehicle (06-07)	31,503	-	77,852
Le Transport De Clare	2007 Ford Diesel Accessible Bus	25,622	-	84,555
CHAD	Accessible Mini-Bus (07-08)	50,458	-	99,772
TCTS	Accessible Vehicle (07-08)	10,000	-	89,525
Kings Transit	2 Feeder Buses	238,574	-	238,574
Kings Transit	Transit Security Cameras	48,622	-	48,622
HRM	Conventional Transit Bus Expansion	380,453	3,534,547	13,365,724
HRM	Conventional Transit Bus Replacement	5,639,099	2,858,029	18,597,366
HRM	Access-a-Bus Expansion	120,000	400,000	834,494
HRM	Access-a-Bus Replacement	697,903	182,097	2,082,783
HRM	Rural Transit Express	107,962	2,992,038	3,122,000
Total		\$7,350,196	\$9,966,711	\$38,641,267

Incrementality of Transit Funds:

Incremental Spending as a result of the Federal Transit Funds will be measured, tested and reported in the audited Provincial Annual Expenditure Report for the year ending March 31, 2010, as follows:

- a) The Base Amount is \$7.3 million which represents a three year (2003/04, 2004/05, & 2005/06) average of funds spent on public transit infrastructure by Public Transit Organizations in Nova Scotia. The Province of Nova Scotia will monitor to ensure that over the period of April 1, 2006, to March 31, 2010, the average annual capital spending by transit authorities on public transit infrastructure is not less than the Base Amount.
- b) The Province of Nova Scotia will ensure that the funding under the Agreement provides additional revenues for Municipalities rather than displacing other provincial infrastructure funding.

Transit Strategy:

At March 31, 2008, the Province of Nova Scotia has received one of three Transit Strategies (Kings Transit Authority). The Province is expecting to receive Transit Strategies from HRM and CBRM during fiscal 2008/09. Nova Scotia developed a Transit Strategy Guide to assist the recipients in completing these studies and is monitoring the progress of the development of these transit strategies.

Educational Workshops:

The Province of Nova Scotia conducted 4 educational workshops during 2007/08 to educate the 55 municipal units and 8 funded public transit organizations on the reporting requirements under the Federal Gas Tax and Public Transit Transfer Programs.

In total there were 82 attendees at the 4 workshops, including representation from 82% of the municipal units and several transit organizations. An Annual Expenditure Report Guide and Terms of Reference for a compliance audit were developed and posted on the CNSIS's website: www.nsinfrastructure.ca

Delivering the Message – GTF Workshops & Events

Workshop Highlights for 2007-08

- Four GTF-PTF educational workshops were held, with representation from 82 per cent of Nova Scotia municipalities, as well as public transit organizations
- An Annual Expenditure Report (AER) Guide and Terms of Reference for a compliance audit were developed.
- Successful events included the launch of the Kings Para-Transit buses and the launch of the Annapolis-Digby bus.

Outcomes Report:

The Province will disseminate an Outcomes Report by September 30th, 2009. The Province has participated in a national committee, chaired by Infrastructure Canada, to develop a performance measurement approach to identify appropriate outcomes to meet reporting requirements of the program.

A Nova Scotia Outcomes Report template and process was developed and approved and NS transit organizations commenced cumulative reporting in 2008 for the prior years, to establish the process.

Adoption of PSAB Accounting Rules:

The Canadian Institute of Chartered Accountants (CICA), through the Public Sector Accounting Board (PSAB), requires municipalities to follow Public Sector Accounting Principles to obtain an unqualified opinion on their annual financial statements. In Nova Scotia, the Financial Reporting and Accounting Manual (FRAM) is a regulation under the Municipal Government Act (MGA) that requires municipalities to follow Public Sector Accounting Principles in accordance with CICA standards.

Staff from the Department of Service Nova Scotia and Municipal Relations (SNSMR) collaborate with Nova Scotia's municipalities to review and improve the FRAM annually. In 2007/08 all municipalities in Nova Scotia were Public Sector Accounting Board compliant.

SNSMR continues to work with the municipalities to meet new annual reporting requirements in accordance with PSAB standards. SNSMR is currently leading a working group of municipal finance staff to implement tangible capital asset reporting requirements. These new PSAB reporting standards will take effect in fiscal 2009-2010. Leading Nova Scotia's municipalities through these changes in municipal reporting requirements is an ongoing priority for SNSMR.

Communications Protocol:

The Canada-Nova Scotia Infrastructure Secretariat (CNSIS) continues to work with Infrastructure Canada on the communications plan for the Federal Public Transit Fund and the Federal Gas Tax Fund (GTF). The communications plan is close to being approved by all parties.

The CNSIS continues to encourage municipalities to undertake activities and events showcasing the federal contribution towards their project. Successful events included the launch of the Kings Para-Transit buses in Kings County and the launch of the Annapolis-Digby bus. Both events received local media coverage. A calendar of potential events and activities for 2008/09 was submitted to Infrastructure Canada for future consideration.

The CNSIS also participated in the following conferences, promoting the Federal Public Transit Fund:

The CNSIS participated in the following conferences, promoting the PTF:

- Canadian Network of Asset Managers
- Nova Scotia Association of Planners
- Union of Nova Scotia Municipalities - Spring Workshop
- Association of Municipal Administrators
- Capital Investment Plan workshops

During 2007-08, the CNSIS developed a new website - www.nsinfrastructure.ca.

This website includes all federal-provincial infrastructure funding programs. From general information on programs to reporting requirements to how to plan your event, this website makes it easier for municipalities and public transit organizations to find and access information for all the infrastructure programs.

The CNSIS has the following communications tools to assist municipalities with event planning and activities:

Communications tools to assist municipalities with PTF event planning and activities:

- Display unit
- Brochures
- On-line tool box
- Event planning (communicating your project, protocol, media relations, etc.)
- News releases

The CNSIS will continue to work closely with Infrastructure Canada and the transit organizations in Nova Scotia to promote the Federal Public Transit Fund.

Reporting under the Federal Public Transit Trust Program:

The Province of Nova Scotia has elected to continue the practice of providing a Provincial Annual Expenditure Report to the Federal Government annually in 2007/08, 2008/09 and 2009/10 on expenditures through the Federal Public Transit Capital Trust Program.

The Province will use the same process which has been developed under the 2006/07 Canada-Nova Scotia Agreement on the Transfer of Federal Public Transit Funds. It is acknowledged that this is not a requirement of the Federal Public Transit Capital Trust Program.

Summary:

In Nova Scotia, \$15,638,607 (77%) out of a total 2 year federal allocation of \$20,400,104 in PTF has been expensed to date. It should be noted that \$4,872,218 is currently being held in reserve account by transit organizations at March 31, 2008 (23%) (Refer to Table 3). The majority of the PTF was used for the purchase of rolling stock (buses), including accessible transit.



Table 3: PTF Financial Summary-Nova Scotia Eligible Recipients

	Total 2006-07	Total 2007-08	Cumulative
Opening Balance	-	3,443,741	-
Distribution to Eligible Recipients	11,732,152	8,667,952	20,400,104
Spent on Eligible Projects	(8,288,411)	(7,350,196)	(15,638,607)
Mun Interest Earned	-	110,721	110,721
Spent on Admin	-	-	-
Closing Balance	3,443,741	4,872,218	4,872,218

Looking Ahead:

Nova Scotia will continue to invest the PTF toward public transit infrastructure projects to help make our communities safer, healthier and economically sustainable. Based on the Transit Capital Budgets and Capital Investment Plans received to Nov, 2008, it is evident that the Nova Scotia Infrastructure deficit for public transit is very large and the PTF investments are providing a significant level of support.

