

Non-consolidated financial statements

(Unaudited – see advisory to readers)

Town of Port Hawkesbury

March 31, 2021

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## Advisory to readers

The Town of Port Hawkesbury prepares both consolidated and non-consolidated financial statements.

Non-consolidated financial statements are prepared to show the details of the individual funds managed by the Town. In particular, they provide information as to how each of the funds performed compared to the approved Operating Budget of the Town. For all other purposes, readers are advised to refer to the consolidated financial statements that have been audited.

These non-consolidated financial statements have **not** been audited. The non-consolidated financial statements are **not** presented in full accordance with Canadian public sector accounting standards.

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# Town of Port Hawkesbury

## General section

### Operating fund balance sheet

(Unaudited – see advisory to readers)

March 31

2021

2020

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#### Assets

Cash and cash equivalents	<u>\$ 3,170,056</u>	<u>\$ 2,221,936</u>
Receivables		
Taxes (Note 2)	271,958	289,418
Due from federal government and its agencies	279,665	439,062
Due from provincial government and its agencies (Note 3)	19,152	15,989
Due from local government and its agencies (Note 4)	259,376	169,548
Other	<u>284,496</u>	<u>285,866</u>
	<u>1,114,647</u>	<u>1,199,883</u>
Tangible assets		
Inventories of materials and supplies	<u>1,132</u>	<u>2,633</u>
Other assets		
Deferred expenditures	<u>4,923</u>	<u>28,930</u>
	<u>\$ 4,290,758</u>	<u>\$ 3,453,382</u>

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See accompanying notes to the non-consolidated financial statements.

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# Town of Port Hawkesbury

## General section

### Operating fund balance sheet (continued)

(Unaudited – see advisory to readers)

March 31

2021

2020

#### Liabilities and operating equity

Trade payables	<b><u>\$ 1,844,101</u></b>	<b><u>\$ 1,717,785</u></b>
Other liabilities		
Due to operating reserve	1,082,026	325,778
Due to Water Utility – operating fund	447,680	253,510
Payable to Landrie Lake Water Utility	44,189	68,469
Deferred revenue	520,322	811,070
Prepaid taxes	<u>128,742</u>	<u>79,524</u>
	<b><u>2,222,959</u></b>	<b><u>1,538,351</u></b>
Asset valuation allowances		
For uncollectible accounts receivable	133,068	115,497
For uncollected taxes (Note 5)	<u>55,345</u>	<u>46,464</u>
	<b><u>188,413</u></b>	<b><u>161,961</u></b>
Operating fund surplus (Page 5)	<u>35,285</u>	<u>35,285</u>
	<b><u>\$ 4,290,758</u></b>	<b><u>\$ 3,453,382</u></b>

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On behalf of the Town of Port Hawkesbury

\_\_\_\_\_ Mayor \_\_\_\_\_ CAO

See accompanying notes to the non-consolidated financial statements.

# Town of Port Hawkesbury

## General section

### Statement of operations

(Unaudited – see advisory to readers)

Year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue (Schedule A)			
Taxes	\$ 5,055,546	<b>\$ 5,152,489</b>	\$ 5,119,498
Grants in lieu of taxes	730,974	<b>741,355</b>	726,430
Services provided to other local governments	279,645	<b>425,590</b>	373,042
Sales of services	762,858	<b>461,957</b>	828,211
Other revenue from own sources	316,257	<b>314,495</b>	327,647
Conditional transfers from other governments	127,000	<b>1,003,907</b>	233,766
Unconditional transfers from other governments	304,730	<b>305,467</b>	305,890
Conditional transfers from other local governments	82,500	<b>56,500</b>	92,500
Other transfers	16,073	<b>-</b>	-
	<u>7,675,583</u>	<u><b>8,461,760</b></u>	<u>8,006,984</u>
Expenditures (Schedule B)			
General government services	1,276,448	<b>1,158,094</b>	1,175,341
Protective services	1,639,574	<b>1,590,876</b>	1,568,586
Transportation services	993,118	<b>1,067,208</b>	1,098,430
Environmental health services	696,179	<b>600,096</b>	684,118
Public health and welfare services	50,000	<b>64,780</b>	46,948
Environmental development services	98,256	<b>95,689</b>	88,966
Recreation and cultural services	1,849,569	<b>1,653,628</b>	1,840,138
Education	635,262	<b>635,262</b>	628,209
Financing and transfers	437,177	<b>1,596,127</b>	876,248
	<u>7,675,583</u>	<u><b>8,461,760</b></u>	<u>8,006,984</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u><b>\$ -</b></u>	<u>\$ -</u>

See accompanying notes to the non-consolidated financial statements.

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# Town of Port Hawkesbury

## General section

### Statement of operating fund surplus

(Unaudited – see advisory to readers)

Year ended March 31	2021	2020
Operating fund surplus, beginning of year	\$ 35,285	\$ 35,285
Excess of revenue over expenditures	<u>-</u>	<u>-</u>
Operating fund surplus, end of year	<u>\$ 35,285</u>	<u>\$ 35,285</u>

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See accompanying notes to the non-consolidated financial statements.

# Town of Port Hawkesbury

## General section

### General capital fund balance sheet

(Unaudited – see advisory to readers)

March 31

2021

2020

#### Assets

Cash and cash equivalents	\$ 15,844	\$ 17,627
Due from other governments	451	449
Due from Water Utility – capital fund	715	715
Unamortized discount on debentures	14,937	16,505
Property and equipment (Note 7)	<u>27,606,803</u>	<u>27,823,100</u>
	<u>\$ 27,638,750</u>	<u>\$ 27,858,396</u>

#### Liabilities

Long term debt (Note 8) (Schedule D)	\$ 3,199,745	\$ 3,645,445
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#### Equity

Investment in capital assets (Page 8)	<u>24,439,005</u>	<u>24,212,951</u>
	<u>\$ 27,638,750</u>	<u>\$ 27,858,396</u>

On behalf of the Town of Port Hawkesbury

\_\_\_\_\_ Mayor \_\_\_\_\_ CAO

See accompanying notes to the non-consolidated financial statements.



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# Town of Port Hawkesbury

## General section

### School capital fund balance sheet

(Unaudited – see advisory to readers)

March 31

2021

2020

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#### Assets

Strait Regional Centre for Education (Note 6)	<u>\$ 1</u>	<u>\$ 1</u>
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#### Equity

Investment in capital assets	<u>\$ 1</u>	<u>\$ 1</u>
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On behalf of the Town of Port Hawkesbury

\_\_\_\_\_ Mayor \_\_\_\_\_ CAO

See accompanying notes to the non-consolidated financial statements.

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**Town of Port Hawkesbury**  
**General section**  
**Statement of investment in general capital assets**

(Unaudited – see advisory to readers)

Year ended March 31	2021	2020
Balance, beginning of year	\$ 24,212,951	\$ 23,123,482
Transfer from gas tax revenue	222,824	519,522
Capital out of revenue	48,031	20,502
Amortization of debenture discount and other adjustments	(3,349)	(3,355)
Amortization of tangible capital assets	(1,221,580)	(1,156,412)
Transfer from waterfront reserve	15,253	40,307
Assets funded by ACOA and miscellaneous funding	653,708	1,060,331
Asset funded through operating reserve	65,467	157,709
Term debt retired/refinanced	733,200	825,865
Town debt refinanced	<u>(287,500)</u>	<u>(375,000)</u>
Balance, end of year	<u>\$ 24,439,005</u>	<u>\$ 24,212,951</u>

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**General section**  
**Statement of investment in school capital assets**

(Unaudited - see advisory to readers)

Year ended March 31	2021	2020
Balance, beginning and end of year	<u>\$ 1</u>	<u>\$ 1</u>

See accompanying notes to the non-consolidated financial statements.

# Town of Port Hawkesbury

## General section

### Schedule A - Details of revenue

(Unaudited – see advisory to readers)

Year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Taxes</b>			
Assessable property			
Residential	\$ 2,664,632	\$ <b>2,616,404</b>	\$ 2,604,304
Commercial			
Based on taxable assessment	2,236,084	<b>2,294,327</b>	2,338,100
Resource			
Based on taxable assessment	<u>24,484</u>	<u><b>20,962</b></u>	<u>20,959</u>
	<u>4,925,200</u>	<u><b>4,931,693</b></u>	<u>4,963,363</u>
Business property			
Nova Scotia Power - HST offset grant	21,000	<b>40,870</b>	20,088
Based in revenue – Nova Scotia Power	9,346	<b>9,346</b>	9,146
Based on revenue – Aliant Inc.	<u>25,000</u>	<u><b>23,046</b></u>	<u>24,040</u>
	<u>55,346</u>	<u><b>73,262</b></u>	<u>53,274</u>
Other			
Deed transfer tax	<u>75,000</u>	<u><b>147,534</b></u>	<u>102,861</u>
	<u>\$ 5,055,546</u>	<u><b>\$ 5,152,489</b></u>	<u>\$ 5,119,498</u>
<b>Grants in lieu of taxes</b>			
Federal government	\$ 88,000	\$ <b>99,215</b>	\$ 86,391
Provincial property	<u>642,974</u>	<u><b>642,140</b></u>	<u>640,039</u>
	<u>\$ 730,974</u>	<u><b>\$ 741,355</b></u>	<u>\$ 726,430</u>
<b>Services provided to other local governments</b>			
Fire Protection Richmond County	\$ 49,645	\$ <b>14,480</b>	\$ 35,165
Leachate Treatment – Guysborough County	<u>230,000</u>	<u><b>411,110</b></u>	<u>337,877</u>
	<u>\$ 279,645</u>	<u><b>\$ 425,590</b></u>	<u>\$ 373,042</u>

# Town of Port Hawkesbury

## General section

### Schedule A - Details of revenue (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Sales of services</b>			
Airport	\$ 80,000	\$ 25,595	\$ 91,782
Civic centre	422,358	293,669	472,936
Public works	25,000	38,655	33,962
Recreation and education	180,000	46,023	172,062
Water utility	47,500	50,800	49,774
Administrative	<u>8,000</u>	<u>7,215</u>	<u>7,695</u>
	<u>\$ 762,858</u>	<u>\$ 461,957</u>	<u>\$ 828,211</u>
<b>Other revenue from own sources</b>			
Licenses and permits	\$ 2,250	\$ 1,401	\$ 2,474
Fines and fees	7,500	8,788	9,900
Rentals	169,763	181,971	169,838
Interest on short term funds	22,000	23,245	43,554
Interest on taxes	65,000	37,753	57,669
Miscellaneous	<u>49,744</u>	<u>61,337</u>	<u>44,212</u>
	<u>\$ 316,257</u>	<u>\$ 314,495</u>	<u>\$ 327,647</u>
<b>Conditional transfers from other governments</b>			
Provincial government			
Education and community literacy	\$ 72,000	\$ 135,696	\$ 101,153
MPAL	25,000	25,000	25,000
Safe Restart	-	647,656	-
Beautification	-	24,390	-
PCAP	-	15,330	-
Trails	-	15,000	-
Health & Wellness	-	21,867	-
Waterfront development	-	30,000	-
Environmental development			
Refuse diversion	<u>17,000</u>	<u>8,407</u>	<u>18,446</u>
	114,000	923,346	144,599
Federal government			
ACOA	-	29,606	71,347
Federal works grant	<u>13,000</u>	<u>50,955</u>	<u>17,820</u>
	<u>\$ 127,000</u>	<u>\$ 1,003,907</u>	<u>\$ 233,766</u>

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# Town of Port Hawkesbury

## General section

### Schedule A - Details of revenue (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2021	2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Unconditional transfers from other governments</b>			
Fuel rebate	\$ 6,000	\$ 6,737	\$ 7,160
Provincial equalization grant	<u>298,730</u>	<u>298,730</u>	<u>298,730</u>
	<u>\$ 304,730</u>	<u>\$ 305,467</u>	<u>\$ 305,890</u>
<b>Conditional transfers from other local governments</b>			
Pool funding	\$ 52,500	\$ 26,500	\$ 52,500
Airport funding	<u>30,000</u>	<u>30,000</u>	<u>40,000</u>
	<u>\$ 82,500</u>	<u>\$ 56,500</u>	<u>\$ 92,500</u>
<b>Other transfers</b>			
COVID allowance	\$ (489,148)	\$ -	\$ -
Transfer from operating reserve fund	<u>505,221</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,073</u>	<u>\$ -</u>	<u>\$ -</u>

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See accompanying notes to the non-consolidated financial statements.

# Town of Port Hawkesbury

## General section

### Schedule B - Details of expenditures

(Unaudited – see advisory to readers)

Year ended March 31

	2021	2020
	<u>Budget</u>	<u>Actual</u>
<b>General government services</b>		
Legislative		
Mayor		
Stipend	\$ 35,991	\$ 35,990
Travel	9,000	190
Council		
Stipend	75,925	65,264
Travel	<u>5,200</u>	<u>2,149</u>
	<u>126,116</u>	<u>130,531</u>
General administrative		
Administrative	518,152	462,758
Financial management	78,100	80,575
Taxation		
Administration	73,290	70,207
Reduced taxes - section 69	6,000	3,760
Reduced taxes - section 71	187,470	192,988
Common services	8,200	4,058
General financing	13,200	7,955
Transfer to assessment services	<u>43,620</u>	<u>43,617</u>
	<u>928,032</u>	<u>865,918</u>
Other general government services		
General liability insurance & claims	86,000	99,637
Grants to other organizations and individuals	23,500	7,705
Intergovernmental relations	21,500	4,140
Other general services	<u>66,300</u>	<u>68,223</u>
	<u>197,300</u>	<u>158,169</u>
Valuation allowances		
Uncollectible taxes allowance for appeals	<u>25,000</u>	<u>8,878</u>
	<u>\$ 1,276,448</u>	<u>\$ 1,158,094</u>
		<u>\$ 1,175,341</u>

# Town of Port Hawkesbury

## General section

### Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

	2021	2020
	<u>Budget</u>	<u>Actual</u>
<b>Protective services</b>		
Police protection		
Crime investigation, prevention, and protective services	\$ 1,063,400	\$ 1,063,693
Law enforcement		
Transfers to corrective services	38,861	38,861
Fire protection		
Administration	37,100	19,050
Fire fighting force	25,600	25,600
Water supply and hydrants	324,003	324,003
Fire stations and building	42,500	30,871
Firefighting equipment	82,500	63,420
	<u>511,703</u>	<u>462,944</u>
Other		
Animal and pest control	750	142
Emergency measures	2,000	2,376
Debenture interest	22,860	22,860
	<u>25,610</u>	<u>25,378</u>
	<u>\$ 1,639,574</u>	<u>\$ 1,590,876</u>
		<u>\$ 1,568,586</u>

# Town of Port Hawkesbury

## General section

### Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2021	2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Transportation services</b>			
Common services			
Administration	\$ 16,000	\$ 17,324	\$ 22,568
Engineering services	15,000	47,875	110,064
General equipment	8,000	12,831	6,686
Small tools and equipment	6,000	3,692	2,326
Workshop, yards, and other buildings	55,355	71,665	42,133
Fleet insurance	8,500	10,734	7,583
Other	4,500	5,604	2,866
	<u>113,355</u>	<u>169,725</u>	<u>194,226</u>
Road transport			
Administration	173,568	176,949	118,036
Roads and streets	467,155	433,694	463,832
Street lighting	94,000	88,962	85,133
Traffic services	26,400	31,825	21,524
Motor vehicles	90,300	83,370	119,043
Other road transport	-	-	84
	<u>851,423</u>	<u>814,800</u>	<u>807,652</u>
Air transport			
Airport	12,200	68,671	87,678
Debt charges			
Debenture interest	16,140	14,012	8,874
	<u>\$ 993,118</u>	<u>\$ 1,067,208</u>	<u>\$ 1,098,430</u>



# Town of Port Hawkesbury

## General section

### Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2021	2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental health services</b>			
Sewage collection and disposal			
Administration	\$ 99,775	\$ 84,549	\$ 81,169
Sewage collection system	69,350	49,804	58,079
Sewage treatment and disposal	240,050	190,532	271,385
Other sewage collection	<u>9,100</u>	<u>475</u>	<u>5,351</u>
	<u>418,275</u>	<u>325,360</u>	<u>415,984</u>
Garbage and waste collection and disposal			
Garbage and waste collection	190,000	182,627	177,412
Waste disposal	45,000	44,392	42,674
Recycling costs	<u>20,000</u>	<u>24,812</u>	<u>20,533</u>
	<u>255,000</u>	<u>251,831</u>	<u>240,619</u>
Debt charges			
Interest on long term debt	<u>22,904</u>	<u>22,905</u>	<u>27,515</u>
	<u>\$ 696,179</u>	<u>\$ 600,096</u>	<u>\$ 684,118</u>
<b>Public health and welfare services</b>			
Housing			
Deficit of Regional Housing Authority	<u>\$ 50,000</u>	<u>\$ 64,780</u>	<u>\$ 46,948</u>

# Town of Port Hawkesbury

## General section

### Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental development services</b>			
Community development			
Transfers to Eastern Planning Commission	\$ 68,256	\$ 67,789	\$ 68,320
Transfers to Regional Development			
Cape Breton Regional Enterprise Network	<u>30,000</u>	<u>27,900</u>	<u>20,646</u>
	<u>\$ 98,256</u>	<u>\$ 95,689</u>	<u>\$ 88,966</u>
<b>Recreation and cultural services</b>			
Recreation facilities			
Civic centre	\$ 1,038,200	\$ 886,795	\$ 959,096
Administration	22,200	20,264	13,591
Parks and other recreation facilities	163,505	229,607	209,285
Swimming pool	290,418	141,308	249,157
Other programs	<u>253,370</u>	<u>295,451</u>	<u>298,151</u>
	<u>1,767,693</u>	<u>1,573,425</u>	<u>1,729,280</u>
Cultural buildings and facilities			
Transfers to regional library	<u>21,147</u>	<u>21,147</u>	<u>21,147</u>
Debt charges			
Interest on long term debt	<u>60,729</u>	<u>59,056</u>	<u>89,711</u>
	<u>\$ 1,849,569</u>	<u>\$ 1,653,628</u>	<u>\$ 1,840,138</u>

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# Town of Port Hawkesbury

## General section

### Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2021	2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Education</b>			
Appropriation to Strait Regional Centre for Education	\$ 635,262	\$ 635,262	\$ 628,209
<b>Financing and transfers</b>			
Principal instalments			
Debenture principal, net	\$ 451,500	\$ 445,700	\$ 450,865
Transfers to own reserves, funds and agencies			
Other funds			
Capital out of revenue	-	48,031	20,502
Transfer to capital fund	60,000	-	-
Operating reserve fund	20,000	1,102,026	345,764
Waterfront reserve fund	-	9,500	-
COVID-19 allowance	(207,123)	-	-
Airport committee	112,800	(9,130)	59,117
	<u>\$ 437,177</u>	<u>\$ 1,596,127</u>	<u>\$ 876,248</u>

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See accompanying notes to the non-consolidated financial statements.

# Town of Port Hawkesbury

## Water utility section

### Operating fund balance sheet

(Unaudited – see advisory to readers)

March 31

2021

2020

#### Assets

##### Accounts receivable

Rates (less allowance for doubtful accounts \$6,548;

2020 - \$8,390)

**\$ 232,296**

\$ 242,070

Due from general section – operating fund

**447,680**

253,510

##### Inventories, at cost

Chemicals

**17,783**

29,285

Other

**42,140**

42,140

Water meters and equipment

**3,089**

5,316

**\$ 742,988**

**\$ 572,321**

#### Liabilities and operating equity

##### Accounts payable and accrued liabilities

Prepaid rates

**\$ 14,954**

\$ 12,396

Consumer deposits

**10,822**

10,952

**25,776**

23,348

Operating fund surplus (Page 20)

**717,212**

548,973

**\$ 742,988**

**\$ 572,321**

On behalf of the Town of Port Hawkesbury

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
CAO

See accompanying notes to the non-consolidated financial statements.

# Town of Port Hawkesbury

## Water utility section

### Statement of operations

(Unaudited – see advisory to readers)

Year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Flat rate sales	\$ 80,000	\$ 80,832	\$ 83,170
Metered sales	998,000	993,969	997,853
Other utility revenues	9,200	13,267	12,038
Public fire protection	<u>324,003</u>	<u>324,003</u>	<u>324,003</u>
	<u>1,411,203</u>	<u>1,412,071</u>	<u>1,417,064</u>
Operating expenses			
Source of supply	135,000	122,589	119,005
Pumping	10,640	8,178	7,296
Water treatment	412,700	358,319	381,382
Transmission and distribution	277,216	215,159	209,872
Administration and general	154,600	143,435	141,167
Depreciation	322,564	289,741	291,368
Taxes	<u>113,566</u>	<u>113,565</u>	<u>113,565</u>
	<u>1,426,286</u>	<u>1,250,986</u>	<u>1,263,655</u>
Operating (loss) income	<u>(15,083)</u>	<u>161,085</u>	<u>153,409</u>
Non-operating expenditure			
Debt charges			
Debenture interest	22,807	24,936	27,073
Principal instalments			
Debenture principal	<u>80,000</u>	<u>85,800</u>	<u>80,000</u>
	<u>102,807</u>	<u>110,736</u>	<u>107,073</u>
Non-operating revenue			
Amortization of deferred government contributions	<u>117,890</u>	<u>117,890</u>	<u>117,890</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ 168,239</u>	<u>\$ 164,226</u>

See accompanying notes to the non-consolidated financial statements.

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# Town of Port Hawkesbury

## Water utility section

### Statement of operating fund surplus

(Unaudited – see advisory to readers)

Year ended March 31	2021	2020
Operating fund surplus, beginning of year	\$ 548,973	\$ 384,747
Excess of revenue over expenditures	<u>168,239</u>	<u>164,226</u>
Operating fund surplus, end of year	<u>\$ 717,212</u>	<u>\$ 548,973</u>

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See accompanying notes to the non-consolidated financial statements.

# Town of Port Hawkesbury

## Water utility section

### Capital fund balance sheet

(Unaudited – see advisory to readers)

March 31

2021

2020

#### Assets

Cash		
Depreciation fund	\$ 1,382,005	\$ 1,248,152
Unamortized discount on debentures	3,714	4,371
Utility plant in service (Schedule C)	<u>11,216,626</u>	<u>11,167,361</u>
	<u>\$12,602,345</u>	<u>\$12,419,884</u>

#### Liabilities

Long term debt (Note 8) (Schedule D)	\$ 561,255	\$ 647,055
Due to general section – capital fund	<u>715</u>	<u>715</u>
	<u>561,970</u>	<u>647,770</u>

#### Reserve

Reserve for depreciation	5,230,151	4,940,410
Deferred government contributions	<u>2,507,325</u>	<u>2,625,214</u>
	<u>7,737,476</u>	<u>7,565,624</u>

#### Equity

Investment in capital assets	<u>4,302,899</u>	<u>4,206,490</u>
	<u>\$12,602,345</u>	<u>\$12,419,884</u>

On behalf of the Town of Port Hawkesbury

\_\_\_\_\_ Mayor \_\_\_\_\_ CAO

See accompanying notes to the non-consolidated financial statements.

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## Town of Port Hawkesbury

### Water utility section

### Statement of reserve for depreciation

(Unaudited – see advisory to readers)

Year ended March 31	2021	2020
Balance, beginning of year	\$ 4,940,410	\$ 4,649,042
Depreciation for the year	<u>289,741</u>	<u>291,368</u>
Balance, end of year	<u>\$ 5,230,151</u>	<u>\$ 4,940,410</u>

---

## Water utility section

### Statement of investment in capital assets

(Unaudited – see advisory to readers)

Year ended March 31	2021	2020
Balance, beginning of year	\$ 4,206,490	\$ 4,100,653
Interest earned depreciation fund	11,266	26,447
Term debt retired	85,800	80,000
Discount amortized	<u>(657)</u>	<u>(610)</u>
Balance, end of year	<u>\$ 4,302,899</u>	<u>\$ 4,206,490</u>

---

## Water utility section

### Statement of depreciation fund cash

(Unaudited – see advisory to readers)

Year ended March 31	2021	2020
Cash, beginning of year	\$ 1,248,152	\$ 1,048,228
Deferred assistance transferred	(117,890)	(117,890)
Capital additions	(49,264)	-
Depreciation	289,741	291,368
Interest earned on depreciation funds	<u>11,266</u>	<u>26,446</u>
Cash, end of year	<u>\$ 1,382,005</u>	<u>\$ 1,248,152</u>

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See accompanying notes to the non-consolidated financial statements.



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# Town of Port Hawkesbury

## Water utility section

### Schedule C - Utility plant and equipment

(Unaudited – see advisory to readers)

Year ended March 31

2021

2020

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Intangible asset		
Working capital	<u>\$ 3,500</u>	<u>\$ 3,500</u>
Tangible plant		
Land and land rights		
Land for chemical building	13,058	13,058
Reservoir	17,841	17,841
Structures and improvements		
Heating	23,806	23,806
Source of supply	19,639	19,639
Purification structures	1,231,708	1,231,708
Distribution reservoirs and standpipes	1,138,086	1,138,086
Electric pumping equipment	353,547	353,547
Purification equipment	3,558,790	3,509,525
Transmission and distribution mains	4,373,744	4,373,744
Services	103,270	103,270
Meters	262,427	262,427
Hydrants	33,655	33,655
Tools and equipment	<u>83,555</u>	<u>83,555</u>
	<u>11,213,126</u>	<u>11,163,861</u>
	<u>\$11,216,626</u>	<u>\$11,167,361</u>

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See accompanying notes to the non-consolidated financial statements.

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# Town of Port Hawkesbury

## Reserve funds section

### Capital reserve balance sheet

(Unaudited – see advisory to readers)

March 31 2021 2020

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#### Assets

Cash and cash equivalents	<u>\$ 288,424</u>	<u>\$ 240,001</u>
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#### Reserve

Special reserve	<u>\$ 288,424</u>	<u>\$ 240,001</u>
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On behalf of the Town of Port Hawkesbury

\_\_\_\_\_ Mayor \_\_\_\_\_ CAO

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## Reserve funds section

### Statement of capital reserve

(Unaudited – see advisory to readers)

Year ended March 31 2021 2020

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Balance, beginning of year	\$ 240,001	\$ 234,537
Interest earned	2,263	5,464
Proceeds on sale of property	<u>46,160</u>	<u>-</u>
Balance, end of year	<u>\$ 288,424</u>	<u>\$ 240,001</u>

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See accompanying notes to the non-consolidated financial statements.

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# Town of Port Hawkesbury

## Reserve funds section

### Operating reserve balance sheet

(Unaudited – see advisory to readers)

Year ended March 31 2021 2020

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#### Assets

Cash and cash equivalents	\$ 2,566,479	\$ 2,265,354
Due from general operating	<u>1,082,026</u>	<u>325,778</u>
	<u>\$ 3,648,505</u>	<u>\$ 2,591,132</u>

---

#### Reserve

Snow reserve	\$ 51,453	\$ 24,262
General reserve	<u>3,597,052</u>	<u>2,566,870</u>
Operating reserve	<u>\$ 3,648,505</u>	<u>\$ 2,591,132</u>

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On behalf of the Town of Port Hawkesbury

\_\_\_\_\_ Mayor \_\_\_\_\_ CAO

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## Reserve funds section

### Statement of operating reserve

(Unaudited – see advisory to readers)

Year ended March 31 2021 2020

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Balance, beginning of year	\$ 2,591,132	\$ 2,349,927
Interest earned	20,814	53,150
Capital additions	(65,467)	(157,709)
Appropriation per council – general	<u>1,102,026</u>	<u>345,764</u>
Balance, end of year	<u>\$ 3,648,505</u>	<u>\$ 2,591,132</u>

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See accompanying notes to the non-consolidated financial statements.

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# Town of Port Hawkesbury

## Reserve funds section

### Gas tax reserve balance sheet

(Unaudited – see advisory to readers)

Year ended March 31 2021 2020

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#### Assets

Cash and cash equivalents	<u>\$1,331,316</u>	<u>\$ 1,312,011</u>
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#### Reserve

Gas tax reserve	<u>\$ 1,331,316</u>	<u>\$ 1,312,011</u>
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On behalf of the Town of Port Hawkesbury

\_\_\_\_\_ Mayor \_\_\_\_\_ CAO

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## Reserve Funds section

### Statement of gas tax reserve

(Unaudited – see advisory to readers)

Year ended March 31 2021 2020

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Balance, beginning of year	\$ 1,312,011	\$ 1,321,189
Interest earned	11,322	30,325
Grant – gas tax	<u>230,807</u>	<u>480,019</u>
	<u>1,554,140</u>	<u>1,831,533</u>
Capital additions	<u>(222,824)</u>	<u>(519,522)</u>
Balance, end of year	<u>\$ 1,331,316</u>	<u>\$ 1,312,011</u>

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See accompanying notes to the non-consolidated financial statements.

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# Town of Port Hawkesbury

## Reserve funds section

### Waterfront reserve balance sheet

(Unaudited – see advisory to readers)

March 31 2021 2020

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#### Assets

Cash and cash equivalents	<u>\$ 10,575</u>	<u>\$ 16,213</u>
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#### Reserve

Waterfront reserve	<u>\$ 10,575</u>	<u>\$ 16,213</u>
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On behalf of the Town of Port Hawkesbury

\_\_\_\_\_ Mayor \_\_\_\_\_ CAO

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## Reserve Funds section

### Statement of Waterfront reserve

(Unaudited – see advisory to readers)

Year ended March 31 2021 2020

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Balance, beginning of year	\$ 16,213	\$ 55,692
Capital additions	(15,253)	(40,307)
Creamery rental allocation	9,500	-
Interest earned	<u>115</u>	<u>828</u>
Balance, end of year	<u>\$ 10,575</u>	<u>\$ 16,213</u>

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See accompanying notes to the non-consolidated financial statements.

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2021

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### 1. Summary of significant accounting policies

#### Basis of presentation

These non-consolidated financial statements, except as disclosed, have been prepared to conform in all material respects to the accounting principles prescribed for Nova Scotia municipalities by the Department of Municipal Affairs and for water utilities by the Utilities and Review Board.

#### Operating funds

- i) Properties acquired at tax sale  
Properties acquired at tax sale are stated at cost.
- ii) Valuation allowances  
Uncollected taxes, special assessments and rates  
The Town provides a valuation allowance for uncollected taxes equal to, at minimum, the following, which it feels represents a reasonable estimate of potential losses:  
  
Uncollected taxes, special assessments and rates are reserved as required based on management's estimate of their collectability.  
  
In the water utility, a valuation allowance is provided for estimated losses that will be incurred in collecting water rates receivable outstanding.
- iii) Other receivables  
The Town provides a valuation allowance at minimum, for all receivables which are outstanding for more than one year.
- iv) Revenue and expenditures  
Major revenue and expenditure items are recorded on the accrual basis.  
  
Forfeited discount revenue on water rates is recorded on the accrual basis.  
  
Principal and interest payments relating to long term debt are recorded as an expenditure when due for payment.  
  
Interest earned on depreciation funds is recorded as income earned in investment in capital assets in the water utility section - capital fund.

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2021

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### 1. Summary of significant accounting policies (continued)

#### Capital funds

- i) General and school purpose assets  
Capitalized debt expense  
The Town capitalizes interest incurred on funds borrowed for construction in progress activity.
- ii) Water purpose assets  
Capitalized debt expense  
The Town capitalizes interest incurred on funds borrowed for construction in progress activity.

#### Capital asset assistance

Funds received through capital assistance programs are treated as additions to the investment in capital assets.

#### Capital assets and related depreciation

Utility plant, none of which is donated, is recorded at cost.

Depreciation of utility plant is charged to income based on formula rates prescribed by the Utility and Review Board.

#### Depreciation cash

The depreciation charge in the operating fund is transferred to a designated bank account in the capital fund where it becomes available to fund new construction, extensions, additions, or replacements of existing plant and equipment.

#### Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Buildings	15 - 40
Engineered structures	25 - 50
Automotive equipment	6
Machinery and equipment	5 - 15
Sewer lines	50
Streets and lighting	25
Computer software	10

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2021

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### 1. Summary of significant accounting policies (continued)

A full year of amortization is charged in the year after acquisition. Assets under construction are not amortized until the year after the asset is available for productive use.

Certain assets such as surplus schools are disclosed at a nominal value as the determination of a fair market value for these types of assets is not appropriate.

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<b>2. Taxes receivable</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Balance, beginning of year	\$ 289,418	\$ 404,892
Levy	4,931,693	4,963,363
Interest	<u>37,753</u>	<u>57,669</u>
	5,258,864	5,425,924
Collections	<u>4,790,158</u>	<u>4,940,475</u>
	468,706	485,449
Write offs, adjustments, and exemptions	<u>196,748</u>	<u>196,031</u>
	271,958	289,418
Valuation allowance (Note 5)	<u>55,345</u>	<u>46,464</u>
Balance, end of year	<b><u>\$ 216,613</u></b>	<b><u>\$ 242,954</u></b>

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<b>3. Due from provincial government and its agencies</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Province of Nova Scotia	<b><u>\$ 19,152</u></b>	<b><u>\$ 15,989</u></b>

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<b>4. Due from local government and its agencies</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Various local governments	<b><u>\$ 259,376</u></b>	<b><u>\$ 169,548</u></b>

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2021

5. Asset valuation allowances	<u>2021</u>	<u>2020</u>
For uncollected taxes		
Balance, beginning of year	\$ 46,464	\$ 50,875
Provision for the year	<u>8,881</u>	<u>(4,411)</u>
Balance, end of year	<u>\$ 55,345</u>	<u>\$ 46,464</u>

### 6. Schools

On January 1, 1982, the Town of Port Hawkesbury joined with the Municipality of Inverness County to form the Inverness District School Board (now known as the Strait Regional Centre for Education). Under the agreement, all school buildings on hand at December 31, 1981, will remain assets of the Town but will be under the operational control of the Centre for Education until such time as the Centre for Education no longer requires the asset for school purposes. At that time, control will revert back to the Town.

7. Property and equipment			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 1,906,144	\$ -	\$ 1,906,144	\$ 1,906,144
Buildings	26,562,767	10,902,634	15,660,133	16,130,096
Engineered structures	2,522,024	1,957,818	564,206	559,991
Automotive equipment	733,812	720,189	13,623	32,837
Machinery and equipment	4,685,978	2,995,179	1,690,799	1,629,149
Sewer lines	7,470,723	3,829,060	3,641,663	3,744,017
Streets and lighting	8,900,486	4,791,842	4,108,644	3,788,480
Computer software	<u>107,952</u>	<u>86,361</u>	<u>21,591</u>	<u>32,386</u>
	<u>\$ 52,889,886</u>	<u>\$25,283,083</u>	<u>\$ 27,606,803</u>	<u>\$ 27,823,100</u>

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2021

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### 8. Long term debt

Principal repayments required during the next five (5) years on long term debt are approximately as follows:

	<u>General Capital</u>	<u>Water Capital</u>	<u>Total</u>
2022	\$ 1,333,200	\$ 85,800	\$1,419,000
2023	\$ 268,200	\$ 85,800	\$ 354,000
2024	\$ 268,200	\$ 85,800	\$ 354,000
2025	\$ 215,700	\$ 85,800	\$ 301,500
2026	\$ 140,700	\$ 85,800	\$ 226,500

All existing long term debt has been approved by Municipal Finance.

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### 9. Contributions to Boards and Commissions

(a) Boards and Commissions in which the Town has less than a 100% interest:

The Town is required to finance the operations of various boards and commissions, along with the other local municipal units to the extent of its participation based on assessment, population or prescribed formulae.

In addition to any budgeted contributions, the municipal units share in the deficits or surpluses of these boards based on their sharing percentages. A municipal unit's share of any deficit must be paid in the next fiscal year while a surplus may be taken into the next year's estimates. Alternatively, the Town may provide for its share of the surplus or deficit in the current year.

Details of contributions to these boards and commissions are as follows:

	<u>2021</u>	<u>2020</u>
Cape Breton Island Housing Authority	\$ 64,780	\$ 46,948
Eastern District Planning Commission	\$ 67,789	\$ 68,320
Cape Breton Regional Enterprise Network	\$ 27,900	\$ 20,646

The Town has no further financial obligations in connection with the operating results of the above-mentioned entities for the year ended March 31, 2021.

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2021

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### 9. Contributions to Boards and Commissions (continued)

- (b) Boards and commissions in which the Town has a 100% interest:
- i) Town of Port Hawkesbury Water Utility

The Town annually records a provision for its share of the utility's deficit. During the year the Town recorded in its expenditures a deficit of nil (2020 – nil).

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### 10. Transactions between the Town of Port Hawkesbury and the Water Utility

- (a) In general, and where identifiable, costs incurred by the Town of Port Hawkesbury on behalf of the Water Utility are charged to the Utility.
- (b) Salary and wage related costs are allocated in proportion to time spent performing functions on behalf of the Water Utility.
- (c) The Water Utility provides public fire protection to the Town. The charge for this service, included in operating revenues, amounted to \$324,003 (2020 - \$324,003) and the charge is governed by the Utilities and Review Board.
- 

### 11. Pensions

#### Pension costs and obligations

The Town of Port Hawkesbury sponsors a contributory defined benefit pension plan for a retired Municipal Clerk. The plan provides pension benefits for services which is determined using a final average salary formula in which the benefit is calculated as a specified percentage of the member's average salary over the last five years of membership in the plans.

An actuarial valuation for accounting purposes has been obtained for the year ended March 31, 2021 based on an actual valuation performed as at January 1, 2018. The next actuarial valuation for funding purpose will be prepared as at January 1, 2021. The March 31, 2021, actuarial valuation indicated that the pension plan had an accrued pension asset of \$21,500 (2020 - \$27,000).

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the Town's best estimates.

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)  
March 31, 2021

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### 11. Pensions (continued)

The following summarizes the major assumptions in the valuation:

- The expected inflation rate is 1.75 percent;
- The discount rate used to determine the accrued benefit obligation is 3.5 percent;
- The expected rate of return is 2.75 percent; and
- The expected average remaining life expectancy is 18 years.

Combined employer and employee contributions during the year were nil and nil, respectively.

Pension fund assets are valued at market values. The result of the 2021 valuation is as follows:

Market value of the pension plan asset	\$ 1,246,500
Accrued benefit obligation	<u>(1,344,700)</u>
Pension plan deficit	(98,200)
Unamortized actuarial losses	119,700
Valuation allowance	<u>-</u>
Accrued benefit asset	<u>\$ 21,500</u>

Pension expense was \$7,493.

During the year, the Town has also matched employee contributions to a money-purchase pension plan for full-time employees to a maximum percentage of each participating employee's gross pay depending on years of service. The employee and employer contributions are as follows:

Public Works	9%
Management and salaried employees	9%

This plan, to which contributions totalled \$115,501 in fiscal 2021 (2020 - \$115,593), is accounted for as a defined contribution plan, where the Town contributes a percentage of eligible wages as outlined above. These costs are included with wages and benefits expenditures on the statement of operations.

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2021

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### 12. Remuneration

Total remuneration and expenses paid to elected and senior appointed officials of the Town are as follows:

<u>Official</u>	<u>Position</u>	<u>Remuneration</u>
Brenda Chisholm-Beaton	Mayor	\$ 35,990
Jason Aucoin	Councillor	\$ 8,104
Hughie MacDougall	Councillor	\$ 19,237
Mark MacIver	Councillor	\$ 19,237
Blaine MacQuarrie	Deputy Mayor	\$ 20,657
Terry Doyle	CAO	\$ 123,851

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# Town of Port Hawkesbury

## Schedule D - Debt charges and term debt

(Unaudited – see advisory to readers)  
Year ended March 31, 2021

	Year of Maturity	Loan Continuity			Balance March 31, 2021	Interest
		Balance March 31, 2020	Acquired	Redeemed		
<b>General capital</b>						
<b>Serial debentures</b>						
Civic Centre	2034	\$ 375,000	\$ -	\$ 75,000	\$ 300,000	\$ 7,996
Waste water plant	2023	210,000	-	52,500	157,500	6,047
Civic Centre	2020	345,000	-	345,000	-	8,418
Civic Centre- refinanced	2025	-	287,500	-	287,500	1,396
Civic Centre	2021	875,000	-	125,000	750,000	41,250
Waste water plant	2021	367,500	-	52,500	315,000	16,858
Aerial ladder truck	2034	900,000	-	45,000	855,000	22,860
Pitt Napean	2034	572,945	-	38,200	534,745	14,012
		<u>3,645,445</u>	<u>287,500</u>	<u>733,200</u>	<u>3,199,745</u>	<u>118,837</u>
<b>Water capital</b>						
<b>Serial debentures</b>						
Municipal finance	2026	560,000	-	80,000	480,000	22,807
Pitt Napean	2034	87,055	-	5,800	81,255	2,129
		<u>647,055</u>	<u>-</u>	<u>85,800</u>	<u>561,255</u>	<u>24,936</u>
<b>Total Municipal debt</b>		<u>\$ 4,292,500</u>	<u>\$ 287,500</u>	<u>\$ 819,000</u>	<u>\$ 3,761,000</u>	<u>\$ 143,773</u>

Note 1: Interest rates are ordered consistently with order of term loans and debentures above:

1 – 2.015% to 2.829%  
2 – 2.677% to 3.048%  
3 – 4.880%  
4 – 0.678% to 1.241%  
5 – 5.040% to 5.080%  
6 – 4.570% to 4.590%

7 – 2.015% to 2.829%  
8 – 1.948% to 3.048%  
9 – 4.057% to 4.597%  
10 – 1.948% to 3.048%

# Town of Port Hawkesbury

## Schedule E - Non-consolidated statement of capital financing

(Unaudited - see advisory to readers)

March 31, 2021

	Total <u>Capital Cost</u>	General <u>Operations</u>	Proceeds from <u>Term Debt</u>	Depreciation <u>Funds</u>	Federal Gas <u>Tax Rebate</u>	External <u>Contributions</u>	Reserve <u>Funds</u>
<u>General capital</u>							
General government services							
Buildings	\$ 186,181	\$ 22,927	\$ -	\$ -	\$ -	110,000	53,254
Transportation services							
Buildings	11,019	11,019	-	-	-	-	-
Sidewalk/Active Transit	589,490	-	-	-	186,160	403,330	-
Recreation							
Equipment	92,608	14,084	-	-	36,664	41,860	-
Fire Protection							
Buildings	27,467	-	-	-	-	-	27,467
Environmental health services							
Equipment	98,518	-	-	-	-	98,518	-
	<u>1,005,283</u>	<u>48,030</u>	<u>-</u>	<u>-</u>	<u>222,824</u>	<u>653,708</u>	<u>80,721</u>
<u>Water capital</u>							
Structures and improvements							
Purification	49,265	-	-	49,265	-	-	-
	<u>49,265</u>	<u>-</u>	<u>-</u>	<u>49,265</u>	<u>-</u>	<u>-</u>	<u>-</u>