

Non-consolidated financial statements

(Unaudited – see advisory to readers)

Town of Port Hawkesbury

March 31, 2019

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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

2019

2018

#### Assets

Cash and cash equivalents	<b><u>\$ 1,212,439</u></b>	<b><u>\$ 1,484,261</u></b>
Receivables		
Taxes (Note 2)	<b>404,892</b>	331,301
Due from federal government and its agencies	<b>530,045</b>	655,145
Due from provincial government and its agencies (Note 3)	<b>229,942</b>	140,926
Due from local government and its agencies (Note 4)	<b>158,395</b>	133,354
Due from general capital fund	<b>572,950</b>	-
Due from Water Utility – capital fund	<b>215,831</b>	69,115
Other	<b><u>273,901</u></b>	<u>201,907</u>
	<b><u>2,385,956</u></b>	<u>1,531,748</u>
Tangible assets		
Inventories of materials and supplies	<b><u>2,327</u></b>	<u>2,421</u>
Other assets		
Deferred expenditures	<b><u>33,664</u></b>	<u>65,885</u>
	<b><u>\$ 3,634,386</u></b>	<b><u>\$ 3,084,315</u></b>

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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

2019

2018

#### Liabilities and operating equity

Trade payables	<b>\$ 1,738,355</b>	\$ 1,680,750
Other liabilities		
Due to operating reserve	<b>324,448</b>	473,146
Due to Water Utility – operating fund	<b>115,236</b>	7,122
Payable to Landrie Lake Water Utility	<b>400,000</b>	-
Deferred revenue	<b>807,220</b>	692,200
Prepaid taxes	<b>63,429</b>	79,559
	<b><u>1,710,333</u></b>	<u>1,252,027</u>
Asset valuation allowances		
For uncollectible accounts receivable	<b>99,538</b>	84,538
For uncollected taxes (Note 5)	<b>50,875</b>	31,715
	<b><u>150,413</u></b>	<u>116,253</u>
Operating fund surplus (Page 5)	<b><u>35,285</u></b>	<u>35,285</u>
	<b><u>\$ 3,634,386</u></b>	<u>\$ 3,084,315</u>

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

2019

2018

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue (Schedule A)			
Taxes	\$ 4,954,262	\$ <b>4,993,491</b>	\$ 4,939,672
Grants in lieu of taxes	754,059	<b>753,427</b>	771,924
Services provided to other local governments	195,000	<b>273,092</b>	241,387
Sales of services	723,700	<b>893,265</b>	971,521
Other revenue from own sources	280,851	<b>327,721</b>	288,291
Conditional transfers from other governments	117,000	<b>229,407</b>	185,872
Unconditional transfers from other governments	300,730	<b>303,233</b>	304,989
Conditional transfers from other local governments	79,500	<b>80,050</b>	79,769
Other transfers	<u>85,772</u>	<u>-</u>	<u>-</u>
	<u>7,490,874</u>	<u><b>7,853,686</b></u>	<u>7,783,425</u>
Expenditures (Schedule B)			
General government services	1,199,388	<b>1,267,991</b>	1,161,042
Protective services	1,541,541	<b>1,518,152</b>	1,516,022
Transportation services	877,143	<b>882,055</b>	954,469
Environmental health services	689,455	<b>603,228</b>	587,488
Public health and welfare services	50,000	<b>50,000</b>	45,428
Environmental development services	98,698	<b>94,524</b>	91,595
Recreation and cultural services	1,796,532	<b>1,809,867</b>	1,745,486
Education	630,252	<b>630,252</b>	627,070
Financing and transfers	<u>607,865</u>	<u><b>997,617</b></u>	<u>1,054,825</u>
	<u>7,490,874</u>	<u><b>7,853,686</b></u>	<u>7,783,425</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</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	2019	2018
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

2019

2018

#### Assets

Cash and cash equivalents	\$ 30,369	\$ 31,925
Due from other governments	449	449
Unamortized discount on debentures	6,118	8,565
Property and equipment (Note 7)	<u>26,282,861</u>	<u>24,947,918</u>
	<b><u>\$ 26,319,797</u></b>	<b><u>\$ 24,988,857</u></b>

#### Liabilities

Long term debt (Note 8) (Schedule D)	\$ 2,623,365	\$ 3,074,230
Due to general operating fund	<u>572,950</u>	-
	<b>3,196,315</b>	<b>3,074,230</b>

#### Equity

Investment in capital assets (Page 8)	<u>23,123,482</u>	<u>21,914,627</u>
	<b><u>\$ 26,319,797</u></b>	<b><u>\$ 24,988,857</u></b>

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

2019

2018

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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	2019	2018
Balance, beginning of year	\$ 21,914,627	\$ 20,059,712
Transfer from gas tax revenue	356,496	65,082
Capital out of revenue	45,002	26,269
Amortization of debenture discount and other adjustments	(4,004)	(4,399)
Amortization of tangible capital assets	(1,309,462)	(1,297,367)
Asset disposals	-	(37,112)
Transfer from waterfront reserve	-	30,250
Assets funded by ACOA and miscellaneous funding	250,745	205,707
Assets funded through CWWF	1,262,659	907,963
Assets funded through capital reserve	98,318	-
Asset funded through operating reserve	58,236	302,657
Contributed asset	-	1,205,000
Term debt retired/refinanced	713,365	450,865
Town debt acquired	<u>(262,500)</u>	<u>-</u>
Balance, end of year	<u>\$ 23,123,482</u>	<u>\$ 21,914,627</u>

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## General section

### Statement of investment in school capital assets

(Unaudited - see advisory to readers)

Year ended March 31	2019	2018
Balance, beginning and end of year	<u>\$ 1</u>	<u>\$ 1</u>

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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

2019

2018

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Taxes</b>			
Assessable property			
Residential	\$ 2,563,788	\$ <b>2,564,023</b>	\$ 2,552,988
Commercial			
Based on taxable assessment	2,239,160	<b>2,234,913</b>	2,234,992
Resource			
Based on taxable assessment	<u>29,243</u>	<u><b>29,243</b></u>	<u>28,705</u>
	<u>4,832,191</u>	<u><b>4,828,179</b></u>	<u>4,816,685</u>
Business property			
Nova Scotia Power - HST offset grant	21,000	<b>22,230</b>	21,334
Based in revenue – Nova Scotia Power	9,071	<b>9,071</b>	9,268
Based on revenue – Aliant Inc.	<u>27,000</u>	<u><b>27,137</b></u>	<u>24,588</u>
	<u>57,071</u>	<u><b>58,438</b></u>	<u>55,190</u>
Other			
Deed transfer tax	<u>65,000</u>	<u><b>106,874</b></u>	<u>67,797</u>
	<u>\$ 4,954,262</u>	<u><b>\$ 4,993,491</b></u>	<u>\$ 4,939,672</u>
<b>Grants in lieu of taxes</b>			
Federal government	\$ 97,131	\$ <b>97,131</b>	\$ 98,992
Provincial government			
Provincial property	<u>656,928</u>	<u><b>656,296</b></u>	<u>672,932</u>
	<u>\$ 754,059</u>	<u><b>\$ 753,427</b></u>	<u>\$ 771,924</u>
<b>Services provided to other local governments</b>			
Leachate Treatment – Guysborough County	\$ 195,000	\$ <b>273,092</b>	\$ 241,387

# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

2019

2018

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Sales of services</b>			
Airport	\$ 64,200	\$ <b>141,235</b>	\$ 224,741
Civic centre	416,500	<b>462,669</b>	435,141
Public works	18,000	<b>39,383</b>	28,976
Recreation and education	173,000	<b>196,055</b>	230,850
Water utility	44,000	<b>45,857</b>	44,958
Administrative	<u>8,000</u>	<u><b>8,066</b></u>	<u>6,855</u>
	<u>\$ 723,700</u>	<u>\$ <b>893,265</b></u>	<u>\$ 971,521</u>
<b>Other revenue from own sources</b>			
Licenses and permits	\$ 1,250	\$ <b>577</b>	\$ 2,368
Fines and fees	5,000	<b>10,032</b>	6,986
Rentals	157,301	<b>164,920</b>	133,602
Interest on short term funds	15,000	<b>27,792</b>	19,938
Interest on taxes	72,000	<b>73,423</b>	75,041
Miscellaneous	<u>30,300</u>	<u><b>50,977</b></u>	<u>50,356</u>
	<u>\$ 280,851</u>	<u>\$ <b>327,721</b></u>	<u>\$ 288,291</u>
<b>Conditional transfers from other governments</b>			
Provincial government			
Education and community literacy	\$ 72,000	\$ <b>98,941</b>	\$ 81,708
MPAL	25,000	<b>25,000</b>	25,000
Environmental development			
Refuse diversion	<u>12,000</u>	<u><b>12,931</b></u>	<u>22,313</u>
	109,000	<b>136,872</b>	129,021
Federal government			
ACOA	-	<b>79,447</b>	47,134
Federal works grant	<u>8,000</u>	<u><b>13,088</b></u>	<u>9,717</u>
	<u>\$ 117,000</u>	<u>\$ <b>229,407</b></u>	<u>\$ 185,872</u>

# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

	2019		2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Unconditional transfers from other governments</b>			
Fuel rebate	\$ 2,000	\$ 4,503	\$ 6,259
Provincial equalization grant	<u>298,730</u>	<u>298,730</u>	<u>298,730</u>
	<u>\$ 300,730</u>	<u>\$ 303,233</u>	<u>\$ 304,989</u>
<b>Conditional transfers from other local governments</b>			
Pool funding	\$ 49,500	\$ 50,050	\$ 49,769
Airport funding	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
	<u>\$ 79,500</u>	<u>\$ 80,050</u>	<u>\$ 79,769</u>
<b>Other transfers</b>			
Transfer from operating reserve fund	<u>\$ 85,772</u>	<u>\$ -</u>	<u>\$ -</u>

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

		2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>General government services</b>			
Legislative			
Mayor			
Stipend	\$ 28,700	\$ 27,475	\$ 28,130
Travel	9,000	7,809	3,184
Council			
Stipend	61,900	55,338	60,615
Travel	<u>5,000</u>	<u>2,197</u>	<u>4,675</u>
	<u>104,600</u>	<u>92,819</u>	<u>96,604</u>
General administrative			
Administrative	506,300	536,360	538,712
Financial management	75,500	76,628	79,266
Taxation			
Administration	69,680	66,580	66,153
Reduced taxes - section 69	8,000	4,762	4,762
Reduced taxes - section 71	192,708	192,568	174,589
Common services	8,200	8,023	7,927
General financing	14,400	10,285	11,979
Transfer to assessment services	<u>44,000</u>	<u>43,847</u>	<u>43,998</u>
	<u>918,788</u>	<u>939,053</u>	<u>927,386</u>
Other general government services			
General liability insurance & claims	83,000	129,055	76,108
Grants to other organizations and individuals	23,500	27,233	28,826
Intergovernmental relations	20,000	18,491	10,299
Other general services	<u>19,500</u>	<u>42,180</u>	<u>18,384</u>
	<u>146,000</u>	<u>216,959</u>	<u>133,617</u>
Valuation allowances			
Uncollectible taxes allowance for appeals	<u>30,000</u>	<u>19,160</u>	<u>3,435</u>
	<u>\$ 1,199,388</u>	<u>\$ 1,267,991</u>	<u>\$ 1,161,042</u>

# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

	2019	2018
	<u>Budget</u>	<u>Actual</u>
<b>Protective services</b>		
Police protection		
Crime investigation, prevention, and protective services	\$ 1,029,000	\$ 1,020,025
Law enforcement		
Transfers to corrective services	40,088	39,137
Fire protection		
Administration	30,100	24,896
Fire fighting force	25,600	25,600
Water supply and hydrants	324,003	324,003
Fire stations and building	37,500	42,973
Firefighting equipment	52,500	39,360
	<u>469,703</u>	<u>456,832</u>
Other		
Animal and pest control	750	158
Emergency measures	2,000	2,000
	<u>2,750</u>	<u>2,158</u>
	<u>\$ 1,541,541</u>	<u>\$ 1,518,152</u>
		<u>\$ 1,516,022</u>

# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

		2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Transportation services</b>			
Common services			
Administration	\$ 20,938	\$ <b>25,073</b>	\$ 16,527
Engineering services	48,000	<b>76,412</b>	15,812
General equipment	8,000	<b>6,379</b>	14,239
Small tools and equipment	6,000	<b>8,035</b>	3,447
Workshop, yards, and other buildings	53,435	<b>41,758</b>	46,287
Fleet insurance	8,500	<b>5,491</b>	5,715
Other	<u>4,500</u>	<u><b>7,665</b></u>	<u>3,697</u>
	<u>149,373</u>	<u><b>170,813</b></u>	<u>105,724</u>
Road transport			
Administration	83,600	<b>66,716</b>	81,478
Roads and streets	433,370	<b>387,858</b>	347,809
Street lighting	90,000	<b>88,496</b>	86,913
Traffic services	24,700	<b>23,043</b>	22,888
Motor vehicles	80,300	<b>100,532</b>	83,222
Other road transport	<u>-</u>	<u><b>9,172</b></u>	<u>260</u>
	<u>711,970</u>	<u><b>675,817</b></u>	<u>622,570</u>
Air transport			
Airport	<u>12,200</u>	<u><b>31,826</b></u>	<u>220,758</u>
Debt charges			
Debenture interest	<u>3,600</u>	<u><b>3,599</b></u>	<u>5,417</u>
	<u>\$ 877,143</u>	<u><b>\$ 882,055</b></u>	<u>\$ 954,469</u>



# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

		2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental health services</b>			
Sewage collection and disposal			
Administration	\$ 98,200	\$ 78,227	\$ 89,517
Sewage collection system	65,960	65,877	54,569
Sewage treatment and disposal	239,050	191,461	172,748
Other sewage collection	<u>9,100</u>	<u>4,556</u>	<u>5,189</u>
	<u>412,310</u>	<u>340,121</u>	<u>322,023</u>
Garbage and waste collection and disposal			
Garbage and waste collection	171,645	174,961	167,468
Waste disposal	45,000	37,482	42,012
Recycling costs	<u>20,000</u>	<u>10,323</u>	<u>9,717</u>
	<u>236,645</u>	<u>222,766</u>	<u>219,197</u>
Debt charges			
Interest on long term debt	<u>40,500</u>	<u>40,341</u>	<u>46,268</u>
	<u>\$ 689,455</u>	<u>\$ 603,228</u>	<u>\$ 587,488</u>
<b>Public health and welfare services</b>			
Housing			
Deficit of Regional Housing Authority	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 45,428</u>

# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

2019

2018

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental development services</b>			
Community development			
Transfers to Eastern Planning Commission	\$ 70,786	\$ 68,599	\$ 69,140
Transfers to Regional Development			
Eastern Strait Regional Enterprise Network	<u>27,912</u>	<u>25,925</u>	<u>22,455</u>
	<u>\$ 98,698</u>	<u>\$ 94,524</u>	<u>\$ 91,595</u>
<b>Recreation and cultural services</b>			
Recreation facilities			
Civic centre	\$ 989,500	\$ 921,147	\$ 888,418
Administration	25,200	25,936	18,470
Parks and other recreation facilities	146,745	170,367	150,748
Swimming pool	271,990	275,633	256,579
Other programs	<u>238,950</u>	<u>292,996</u>	<u>294,687</u>
	<u>1,672,385</u>	<u>1,686,079</u>	<u>1,608,902</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>103,000</u>	<u>102,641</u>	<u>115,437</u>
	<u>\$ 1,796,532</u>	<u>\$ 1,809,867</u>	<u>\$ 1,745,486</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

		2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Education</b>			
Appropriation to Strait Regional Centre for Education	\$ 630,252	\$ 630,252	\$ 627,070
<b>Financing and transfers</b>			
Principal instalments			
Debenture principal, net	\$ 450,865	\$ 450,865	\$ 450,865
Transfers to own reserves, funds and agencies			
Other funds			
Capital out of revenue	60,000	45,002	26,269
Operating reserve fund	-	347,341	528,709
Airport committee	<u>97,000</u>	<u>154,409</u>	<u>48,982</u>
	<u>\$ 607,865</u>	<u>\$ 997,617</u>	<u>\$ 1,054,825</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

2019

2018

#### Assets

##### Accounts receivable

Rates (less allowance for doubtful accounts \$12,412;

2018 - \$14,712)

\$ 234,096

\$ 208,390

Due from general section – operating fund

115,236

7,122

##### Inventories, at cost

Chemicals

39,097

31,606

Other

16,828

42,858

Water meters and equipment

4,219

3,389

\$ 409,476

\$ 293,365

#### Liabilities and operating equity

##### Accounts payable and accrued liabilities

Prepaid rates

\$ 13,777

\$ 12,278

Consumer deposits

10,952

11,100

24,729

23,378

Operating fund surplus (Page 20)

384,747

269,987

\$ 409,476

\$ 293,365

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

2019

2018

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Flat rate sales	\$ 80,000	\$ 81,650	\$ 82,277
Metered sales	1,021,079	997,139	1,029,501
Other utility revenues	9,200	13,481	12,120
Public fire protection	<u>324,003</u>	<u>324,003</u>	<u>324,003</u>
	<u>1,434,282</u>	<u>1,416,273</u>	<u>1,447,901</u>
Operating expenses			
Source of supply	140,000	126,192	129,737
Pumping	26,625	6,028	17,501
Water treatment	421,200	379,852	358,163
Transmission and distribution	267,560	276,622	244,004
Administration and general	154,600	133,444	129,331
Depreciation	348,000	250,329	249,952
Taxes	<u>113,565</u>	<u>113,565</u>	<u>113,565</u>
	<u>1,471,550</u>	<u>1,286,032</u>	<u>1,242,253</u>
Operating (loss) income	<u>(37,268)</u>	<u>130,241</u>	<u>205,648</u>
Non-operating expenditure			
Debt charges			
Debenture interest	28,983	28,983	31,789
Principal instalments			
Debenture principal	80,000	80,000	80,000
Capital out of revenue	<u>-</u>	<u>-</u>	<u>7,535</u>
	<u>108,983</u>	<u>108,983</u>	<u>119,324</u>
Non-operating revenue			
Amortization of deferred government contributions	<u>146,251</u>	<u>93,502</u>	<u>93,501</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ 114,760</u>	<u>\$ 179,825</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	2019	2018
Operating fund surplus, beginning of year	\$ 269,987	\$ 90,162
Excess of revenue over expenditures	<u>114,760</u>	<u>179,825</u>
Operating fund surplus, end of year	<u>\$ 384,747</u>	<u>\$ 269,987</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

2019

2018

#### Assets

Cash		
Depreciation fund	\$ 1,048,228	\$ 1,210,042
Due from the Province of Nova Scotia	128,776	69,115
Unamortized discount on debentures	4,265	4,875
Utility plant in service (Schedule C)	<u>11,167,361</u>	<u>9,997,490</u>
	<b><u>\$ 12,348,630</u></b>	<b><u>\$ 11,281,522</u></b>

#### Liabilities

Long term debt (Note 8) (Schedule D)	\$ 640,000	\$ 720,000
Due to general section – operating fund	<u>215,831</u>	<u>69,115</u>
	<b><u>855,831</u></b>	<b><u>789,115</u></b>

#### Reserve

Reserve for depreciation	4,649,042	4,398,713
Deferred government contributions	<u>2,743,104</u>	<u>2,095,044</u>
	<b><u>7,392,146</u></b>	<b><u>6,493,757</u></b>

#### Equity

Investment in capital assets	<u>4,100,653</u>	<u>3,998,650</u>
	<b><u>\$ 12,348,630</u></b>	<b><u>\$ 11,281,522</u></b>

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	2019	2018
Balance, beginning of year	\$ 4,398,713	\$ 4,148,761
Depreciation for the year	<u>250,329</u>	<u>249,952</u>
Balance, end of year	<u>\$ 4,649,042</u>	<u>\$ 4,398,713</u>

---

## Water utility section

### Statement of investment in capital assets

(Unaudited – see advisory to readers)

Year ended March 31	2019	2018
Balance, beginning of year	\$ 3,998,650	\$ 3,895,178
Capital from revenue	-	7,535
Interest earned depreciation fund	22,613	16,547
Term debt retired	80,000	80,000
Discount amortized	<u>(610)</u>	<u>(610)</u>
Balance, end of year	<u>\$ 4,100,653</u>	<u>\$ 3,998,650</u>

---

## Water utility section

### Statement of depreciation fund cash

(Unaudited – see advisory to readers)

Year ended March 31	2019	2018
Cash, beginning of year	\$ 1,210,042	\$ 1,296,650
Deferred assistance transferred	(93,502)	(93,501)
Capital additions	(341,254)	(259,606)
Depreciation	250,329	249,952
Interest earned on depreciation funds	<u>22,613</u>	<u>16,547</u>
Cash, end of year	<u>\$ 1,048,228</u>	<u>\$ 1,210,042</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

2019

2018

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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	1,161,973
Distribution reservoirs and standpipes	1,138,086	1,138,086
Electric pumping equipment	353,547	332,947
Purification equipment	3,509,525	3,509,525
Transmission and distribution mains	4,373,744	3,294,208
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>11,163,861</u>	<u>9,993,990</u>
	<u>\$ 11,167,361</u>	<u>\$ 9,997,490</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 2019 2018

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#### Assets

Cash and cash equivalents	<u>\$ 234,537</u>	<u>\$ 318,143</u>
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#### Reserve

Special reserve	<u>\$ 234,537</u>	<u>\$ 318,143</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 2019 2018

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Balance, beginning of year	\$ 318,143	\$ 303,000
Interest earned	5,502	4,100
Capital additions	(98,318)	-
Proceeds on sale of property	<u>9,210</u>	<u>11,043</u>
Balance, end of year	<u>\$ 234,537</u>	<u>\$ 318,143</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 2019 2018

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#### Assets

Cash and cash equivalents	\$ 2,025,479	\$ 1,552,055
Due from general operating	<u>324,448</u>	<u>473,146</u>
	<u>\$ 2,349,927</u>	<u>\$ 2,025,201</u>

---

#### Reserve

Snow reserve	\$ 181,971	\$ 179,063
General reserve	<u>2,167,956</u>	<u>1,846,138</u>
Operating reserve	<u>\$ 2,349,927</u>	<u>\$ 2,025,201</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 2019 2018

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Balance, beginning of year	\$ 2,025,201	\$ 1,779,291
Interest earned	35,621	19,858
Capital additions	(58,236)	(302,657)
Appropriation per council – general	<u>347,341</u>	<u>528,709</u>
Balance, end of year	<u>\$ 2,349,927</u>	<u>\$ 2,025,201</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 2019 2018

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#### Assets

Cash and cash equivalents	<u>\$1,321,189</u>	<u>\$ 1,403,359</u>
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#### Reserve

Gas tax reserve	<u>\$ 1,321,189</u>	<u>\$ 1,403,359</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 2019 2018

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Balance, beginning of year	\$ 1,403,359	\$ 1,213,466
Interest earned	27,116	17,272
Grant – gas tax	<u>247,210</u>	<u>237,703</u>
	<u>1,677,685</u>	<u>1,468,441</u>
Capital additions	<u>(356,496)</u>	<u>(65,082)</u>
Balance, end of year	<u>\$ 1,321,189</u>	<u>\$ 1,403,359</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 2019 2018

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#### Assets

Cash and cash equivalents	<u>\$ 55,692</u>	<u>\$ 54,592</u>
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#### Reserve

Waterfront reserve	<u>\$ 55,692</u>	<u>\$ 54,592</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 2019 2018

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Balance, beginning of year	\$ 54,592	\$ 83,933
Funds transferred for capital projects	-	(30,250)
Interest earned	<u>1,100</u>	<u>909</u>
Balance, end of year	<u>\$ 55,692</u>	<u>\$ 54,592</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, 2019

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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, 2019

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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, 2019

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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>2019</u></b>	<b><u>2018</u></b>
Balance, beginning of year	\$ 299,586	\$ 358,714
Levy	4,828,179	4,816,685
Interest	<u>73,423</u>	<u>75,041</u>
	5,201,188	5,250,440
Collections	<u>4,598,966</u>	<u>4,739,788</u>
	602,222	510,652
Write offs, adjustments, and exemptions	<u>197,330</u>	<u>179,351</u>
	404,892	331,301
Valuation allowance (Note 5)	<u>50,875</u>	<u>31,715</u>
Balance, end of year	<b><u>\$ 354,017</u></b>	<b><u>\$ 299,586</u></b>

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<b>3. Due from provincial government and its agencies</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Province of Nova Scotia	<b><u>\$ 229,942</u></b>	<b><u>\$ 140,926</u></b>

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<b>4. Due from local government and its agencies</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Various local governments	<b><u>\$ 158,395</u></b>	<b><u>\$ 133,354</u></b>

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2019

5. Asset valuation allowances	<u>2019</u>	<u>2018</u>
For uncollected taxes		
Balance, beginning of year	\$ 31,715	\$ 28,810
Provision for the year	<u>19,160</u>	<u>2,905</u>
Balance, end of year	<u>\$ 50,875</u>	<u>\$ 31,715</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>2019</u>	<u>2018</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	26,336,280	9,590,357	16,745,923	17,322,772
Engineered structures	2,481,080	1,831,271	649,809	655,430
Automotive equipment	733,812	681,761	52,051	71,265
Machinery and equipment	3,405,354	2,756,188	649,166	749,222
Sewer lines	7,470,723	3,696,219	3,774,504	2,049,030
Streets and lighting	6,746,609	4,284,526	2,462,083	2,140,078
Computer software	<u>107,953</u>	<u>64,772</u>	<u>43,181</u>	<u>53,977</u>
	<u>\$ 49,187,955</u>	<u>\$22,905,094</u>	<u>\$ 26,282,861</u>	<u>\$ 24,947,918</u>

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2019

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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>
2020	\$ 825,865	\$ 80,000	\$ 905,865
2021	\$ 575,000	\$ 80,000	\$ 655,000
2022	\$ 1,117,500	\$ 80,000	\$1,197,500
2023	\$ 52,500	\$ 80,000	\$ 132,500
2024	\$ 52,500	\$ 80,000	\$ 132,500

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>2019</u>	<u>2018</u>
Cape Breton Island Housing Authority	\$ 50,000	\$ 45,428
Eastern District Planning Commission	\$ 68,599	\$ 69,140
Eastern Strait Regional Enterprise Network	\$ 25,925	\$ 22,455

The Town has no further financial obligations in connection with the operating results of the above-mentioned entities for the year ended March 31, 2019.

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2019

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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 (2018 – 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 (2018 - \$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 extrapolation for accounting purposes has been obtained for the year ended March 31, 2019 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, 2019, actuarial valuation indicated that the pension plan had an accrued pension asset of \$27,300 (2018 - \$26,900).

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, 2019

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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 4.00 percent; and
- The expected rate of return is 4.75 percent.
- The expected average remaining life expectancy is 20 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 2019 valuation is as follows:

Market value of the pension plan asset	\$ 1,223,600
Accrued benefit obligation	<u>(1,297,900)</u>
Pension plan deficit	(74,300)
Unamortized actuarial losses	101,600
Valuation allowance	<u>-</u>
Accrued benefit asset	<u>\$ 27,300</u>

Pension expense was \$7,100.

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 graduated rates for employee and employer contributions are as follows:

Public Works	9%
Management and salaried employees	9%

This plan, to which contributions totalled \$111,652 in fiscal 2019 (2018 - \$113,980), 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, 2019

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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	\$ 28,130
Trevor Boudreau	Councillor	\$ 14,721
Hughie MacDougall	Deputy Mayor/Councillor	\$ 15,732
Mark MacIver	Councillor/Deputy Mayor	\$ 15,443
Blaine MacQuarrie	Councillor	\$ 3,680
Jeremy White	Councillor	\$ 6,870
Terry Doyle	CAO	\$ 119,060

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# Town of Port Hawkesbury

## Schedule D - Debt charges and term debt

(Unaudited – see advisory to readers)  
Year ended March 31, 2019

	Year of Maturity	Loan Continuity			Balance March 31, <b>2019</b>	<b>Interest</b>
		Balance March 31, <u>2018</u>	<u>Acquired</u>	<u>Redeemed</u>		
<b>General capital</b>						
<b>Serial debentures</b>						
Backhoe – Work	2019	\$ 26,230	\$ -	\$ 13,115	\$ <b>13,115</b>	\$ 947
Street construction	2019	45,500	-	22,750	<b>22,750</b>	1,923
Civic Centre	2019	525,000	-	75,000	<b>450,000</b>	27,911
Waste water plant - refinanced	2018	315,000	-	315,000	-	16,931
Waste water plant	2023	-	262,500	-	<b>262,500</b>	-
Civic Centre	2020	460,000	-	57,500	<b>402,500</b>	20,979
Civic Centre	2021	1,125,000	-	125,000	<b>1,000,000</b>	53,750
Waste water plant	2021	472,500	-	52,500	<b>420,000</b>	21,604
Salt truck	2019	40,000	-	20,000	<b>20,000</b>	1,691
Pumping station	2019	20,000	-	10,000	<b>10,000</b>	845
Waterfront	2019	45,000	-	22,500	<b>22,500</b>	1,625
		<u>3,074,230</u>	<u>262,500</u>	<u>713,365</u>	<u><b>2,623,365</b></u>	<u>148,206</u>
Water capital						
Serial debentures						
Municipal finance	2026	<u>720,000</u>	<u>-</u>	<u>80,000</u>	<u><b>640,000</b></u>	<u>28,983</u>
Total Municipal debt		<u>\$ 3,794,230</u>	<u>\$ 262,500</u>	<u>\$ 793,365</u>	<u>\$ <b>3,263,365</b></u>	<u>\$ 177,189</u>

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

1 – 4.667% to 4.889%  
2 – 4.124% to 4.329%  
3 – 5.265% to 5.325%  
4 – 5.375% to 5.375%  
5 – 0.000% to 3.048%  
6 – 4.760% to 4.880%

7 – 4.960% to 5.080%  
8 – 4.510% to 4.590%  
9 – 4.124% to 4.329%  
10 – 4.124% to 4.329%  
11 – 4.667% to 4.889%  
12 – 3.635% to 4.597%