

Non-consolidated financial statements

(Unaudited – see advisory to readers)

Town of Port Hawkesbury

March 31, 2022

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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

2022

2021

#### Assets

Cash and cash equivalents	<b><u>\$ 3,189,151</u></b>	<b><u>\$ 3,170,056</u></b>
Receivables		
Taxes (Note 2)	<b>294,650</b>	271,958
Due from federal government and its agencies	<b>111,627</b>	279,665
Due from provincial government and its agencies (Note 3)	<b>49,991</b>	19,152
Due from local government and its agencies (Note 4)	<b>193,926</b>	259,376
Other	<b><u>308,176</u></b>	<u>284,496</u>
	<b><u>958,370</u></b>	<u>1,114,647</u>
Tangible assets		
Inventories of materials and supplies	<u>1,176</u>	<u>1,132</u>
Other assets		
Deferred expenditures	<u>56,809</u>	<u>4,923</u>
	<b><u>\$ 4,205,506</u></b>	<b><u>\$ 4,290,758</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

2022

2021

#### Liabilities and operating equity

Trade payables	<b><u>\$ 1,658,686</u></b>	<u>\$ 1,844,101</u>
Other liabilities		
Due to operating reserve	<b>946,134</b>	1,082,026
Due to Water Utility – operating fund	<b>647,076</b>	447,680
Payable to Landrie Lake Water Utility	<b>50,204</b>	44,189
Deferred revenue	<b>555,182</b>	520,322
Prepaid taxes	<b><u>111,020</u></b>	<u>128,742</u>
	<b><u>2,309,616</u></b>	<u>2,222,959</u>
Asset valuation allowances		
For uncollectible accounts receivable	<b>132,605</b>	133,068
For uncollected taxes (Note 5)	<b><u>69,314</u></b>	<u>55,345</u>
	<b><u>201,919</u></b>	<u>188,413</u>
Operating fund surplus (Page 5)	<b><u>35,285</u></b>	<u>35,285</u>
	<b><u>\$ 4,205,506</u></b>	<u>\$ 4,290,758</u>

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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

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue (Schedule A)			
Taxes	\$ 5,095,560	\$ <b>5,272,221</b>	\$ 5,152,489
Grants in lieu of taxes	775,397	<b>762,088</b>	741,355
Services provided to other local governments	290,000	<b>487,178</b>	425,590
Sales of services	797,156	<b>667,581</b>	461,957
Other revenue from own sources	316,194	<b>320,892</b>	314,495
Conditional transfers from other governments	143,000	<b>311,838</b>	1,003,907
Unconditional transfers from other governments	304,730	<b>603,370</b>	305,467
Conditional transfers from other local governments	56,500	<b>57,500</b>	56,500
Other transfers	33,048	<b>-</b>	-
	<u>7,811,585</u>	<u><b>8,482,668</b></u>	<u>8,461,760</u>
Expenditures (Schedule B)			
General government services	1,241,789	<b>1,143,213</b>	1,158,094
Protective services	1,650,204	<b>1,637,473</b>	1,590,876
Transportation services	983,275	<b>1,113,349</b>	1,067,208
Environmental health services	697,596	<b>638,137</b>	600,096
Public health and welfare services	63,000	<b>60,873</b>	64,780
Environmental development services	98,548	<b>95,610</b>	95,689
Recreation and cultural services	1,817,611	<b>1,688,886</b>	1,653,628
Education	635,262	<b>633,397</b>	635,262
Financing and transfers	624,300	<b>1,471,730</b>	1,596,127
	<u>7,811,585</u>	<u><b>8,482,668</b></u>	<u>8,461,760</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	2022	2021
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

2022

2021

#### Assets

Cash and cash equivalents	\$ 10,477	\$ 15,844
Due from other governments	451	451
Due from Water Utility – capital fund	715	715
Unamortized discount on debentures	17,725	14,937
Property and equipment (Note 7)	<u>26,651,129</u>	<u>27,606,803</u>
	<b><u>\$ 26,680,497</u></b>	<b><u>\$ 27,638,750</u></b>

#### Liabilities

Long term debt (Note 8) (Schedule D)	\$ 2,754,045	\$ 3,199,745
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#### Equity

Investment in capital assets (Page 8)	<u>23,926,452</u>	<u>24,439,005</u>
	<b><u>\$ 26,680,497</u></b>	<b><u>\$ 27,638,750</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

2022

2021

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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	2022	2021
Balance, beginning of year	\$ 24,439,005	\$ 24,212,951
Transfer from Canada Community Building Fund revenue	-	222,824
Capital out of revenue	42,206	48,031
Amortization of debenture discount and other adjustments	(2,579)	(3,349)
Amortization of tangible capital assets	(1,381,380)	(1,221,580)
Transfer from waterfront reserve	7,054	15,253
Assets funded by ACOA and miscellaneous funding	59,312	653,708
Asset funded through operating reserve	317,134	65,467
Term debt retired/refinanced	1,333,200	733,200
Town debt refinanced	<u>(887,500)</u>	<u>(287,500)</u>
Balance, end of year	<u>\$ 23,926,452</u>	<u>\$ 24,439,005</u>

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## General section

### Statement of investment in school capital assets

(Unaudited - see advisory to readers)

Year ended March 31	2022	2021
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

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Taxes</b>			
Assessable property			
Residential	\$ 2,618,444	\$ <b>2,616,732</b>	\$ 2,616,404
Commercial			
Based on taxable assessment	2,322,470	<b>2,332,117</b>	2,294,327
Resource			
Based on taxable assessment	<u>24,300</u>	<u><b>21,323</b></u>	<u>20,962</u>
	<u>4,965,214</u>	<u><b>4,970,172</b></u>	<u>4,931,693</u>
Business property			
Nova Scotia Power - HST offset grant	21,000	<b>32,327</b>	40,870
Based in revenue – Nova Scotia Power	9,346	<b>9,136</b>	9,346
Based on revenue – Aliant Inc.	<u>25,000</u>	<u><b>23,716</b></u>	<u>23,046</u>
	<u>55,346</u>	<u><b>65,179</b></u>	<u>73,262</u>
Other			
Deed transfer tax	<u>75,000</u>	<u><b>236,870</b></u>	<u>147,534</u>
	<u>\$ 5,095,560</u>	<u><b>\$ 5,272,221</b></u>	<u>\$ 5,152,489</u>
<b>Grants in lieu of taxes</b>			
Federal government	\$ 86,847	\$ <b>79,993</b>	\$ 99,215
Provincial property	<u>688,550</u>	<u><b>682,095</b></u>	<u>642,140</u>
	<u>\$ 775,397</u>	<u><b>\$ 762,088</b></u>	<u>\$ 741,355</u>
<b>Services provided to other local governments</b>			
Fire Protection Richmond County	\$ 60,000	\$ <b>60,000</b>	\$ 14,480
Leachate Treatment – Guysborough County	<u>230,000</u>	<u><b>427,178</b></u>	<u>411,110</u>
	<u>\$ 290,000</u>	<u><b>\$ 487,178</b></u>	<u>\$ 425,590</u>

# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Sales of services</b>			
Airport	\$ 80,000	\$ 50,932	\$ 25,595
Civic centre	447,956	379,055	293,669
Public works	25,000	35,140	38,655
Recreation and education	185,000	143,432	46,023
Water utility	51,200	51,847	50,800
Administrative	8,000	7,175	7,215
	<u>\$ 797,156</u>	<u>\$ 667,581</u>	<u>\$ 461,957</u>
<b>Other revenue from own sources</b>			
Licenses and permits	\$ 2,250	\$ 934	\$ 1,401
Fines and fees	7,500	5,092	8,788
Rentals	186,144	182,913	181,971
Interest on short term funds	22,000	24,195	23,245
Interest on taxes	60,000	60,339	37,753
Miscellaneous	38,300	47,419	61,337
	<u>\$ 316,194</u>	<u>\$ 320,892</u>	<u>\$ 314,495</u>
<b>Conditional transfers from other governments</b>			
Provincial government			
Education and community literacy	\$ 72,000	\$ 156,521	\$ 135,696
MPAL	25,000	25,000	25,000
COVID Recovery	-	68,500	-
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	17,000	45,504	8,407
	<u>114,000</u>	<u>295,525</u>	<u>923,346</u>
Federal government			
ACOA	-	-	29,606
Federal works grant	29,000	16,313	50,955
	<u>\$ 143,000</u>	<u>\$ 311,838</u>	<u>\$ 1,003,907</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

		<b>2022</b>	2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Unconditional transfers from other governments</b>			
Fuel rebate	\$ 6,000	\$ 5,910	\$ 6,737
Municipal Financial Capacity Grant	<u>298,730</u>	<u>597,460</u>	<u>298,730</u>
	<u>\$ 304,730</u>	<u>\$ 603,370</u>	<u>\$ 305,467</u>
<b>Conditional transfers from other local governments</b>			
Pool funding	\$ 26,500	\$ 27,500	\$ 26,500
Airport funding	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
	<u>\$ 56,500</u>	<u>\$ 57,500</u>	<u>\$ 56,500</u>
<b>Other transfers</b>			
Transfer from operating reserve fund	<u>\$ 33,048</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

	2022	2021
	<u>Budget</u>	<u>Actual</u>
<b>General government services</b>		
Legislative		
Mayor		
Stipend	\$ 36,828	\$ 36,710
Travel	9,000	1,220
Council		
Stipend	77,450	77,439
Travel	<u>5,200</u>	<u>4,382</u>
	<u>128,478</u>	<u>103,593</u>
General administrative		
Administrative	491,305	421,594
Financial management	78,100	80,917
Taxation		
Administration	75,100	79,525
Reduced taxes - section 69	4,000	3,960
Reduced taxes - section 71	188,486	188,691
Common services	6,400	3,909
General financing	13,200	12,883
Transfer to assessment services	<u>42,420</u>	<u>53,014</u>
	<u>899,011</u>	<u>865,918</u>
Other general government services		
General liability insurance & claims	105,000	110,349
Grants to other organizations and individuals	18,500	7,416
Intergovernmental relations	21,500	6,090
Other general services	<u>44,300</u>	<u>41,145</u>
	<u>189,300</u>	<u>179,705</u>
Valuation allowances		
Uncollectible taxes allowance for appeals	<u>25,000</u>	<u>13,969</u>
	<u>\$ 1,241,789</u>	<u>\$ 1,158,094</u>
	<u>\$ 1,143,213</u>	<u>\$ 1,158,094</u>

# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

	2022	2021
	<u>Budget</u>	<u>Actual</u>
<b>Protective services</b>		
Police protection		
Crime investigation, prevention, and protective services	\$ 1,115,680	\$ 1,115,612
Law enforcement		
Transfers to corrective services	38,861	38,068
Fire protection		
Administration	32,100	22,304
Fire fighting force	25,600	25,600
Water supply and hydrants	324,003	324,003
Fire stations and building	37,500	55,111
Firefighting equipment	52,500	32,664
	<u>471,703</u>	<u>459,682</u>
Other		
Animal and pest control	-	158
Emergency measures	2,000	2,000
Debenture interest	21,960	21,953
	<u>23,960</u>	<u>24,111</u>
	<u>\$ 1,650,204</u>	<u>\$ 1,637,473</u>
		<u>\$ 1,590,876</u>

# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

		2022	2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Transportation services</b>			
Common services			
Administration	\$ 13,000	\$ 20,177	\$ 17,324
Engineering services	15,000	39,934	47,875
General equipment	8,000	13,185	12,831
Small tools and equipment	5,000	7,221	3,692
Workshop, yards, and other buildings	55,355	56,621	71,665
Fleet insurance	7,500	9,265	10,734
Other	4,500	2,418	5,604
	<u>108,355</u>	<u>148,821</u>	<u>169,725</u>
Road transport			
Administration	166,555	128,449	176,949
Roads and streets	468,195	515,963	433,694
Street lighting	94,000	90,707	88,962
Traffic services	26,530	45,483	31,825
Motor vehicles	85,300	122,226	83,370
Other road transport	6,000	60	-
	<u>846,580</u>	<u>902,888</u>	<u>814,800</u>
Air transport			
Airport	12,200	48,378	68,671
Debt charges			
Debenture interest	16,140	13,262	14,012
	<u>\$ 983,275</u>	<u>\$ 1,113,349</u>	<u>\$ 1,067,208</u>



# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

		2022	2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental health services</b>			
Sewage collection and disposal			
Administration	\$ 95,242	\$ 87,281	\$ 84,549
Sewage collection system	71,600	45,179	49,804
Sewage treatment and disposal	240,050	245,531	190,532
Other sewage collection	<u>8,100</u>	<u>1,202</u>	<u>475</u>
	414,992	379,193	325,360
Garbage and waste collection and disposal			
Garbage and waste collection	194,700	195,575	182,627
Waste disposal	45,000	32,749	44,392
Recycling costs	<u>20,000</u>	<u>11,520</u>	<u>24,812</u>
	259,700	239,844	251,831
Debt charges			
Interest on long term debt	<u>22,904</u>	<u>19,100</u>	<u>22,905</u>
	\$ 697,596	\$ 638,137	\$ 600,096
<b>Public health and welfare services</b>			
Housing			
Deficit of Regional Housing Authority	\$ 63,000	\$ 60,873	\$ 64,780

# Town of Port Hawkesbury

## General section

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

(Unaudited – see advisory to readers)

Year ended March 31

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental development services</b>			
Community development			
Transfers to Eastern Planning Commission	\$ 68,548	\$ 67,710	\$ 67,789
Transfers to Regional Development			
Cape Breton Regional Enterprise Network	<u>30,000</u>	<u>27,900</u>	<u>27,900</u>
	<u>\$ 98,548</u>	<u>\$ 95,610</u>	<u>\$ 95,689</u>
<b>Recreation and cultural services</b>			
Recreation facilities			
Civic centre	\$ 1,035,405	\$ 913,988	\$ 886,795
Administration	21,200	26,668	20,264
Parks and other recreation facilities	169,385	184,687	229,607
Swimming pool	273,938	166,616	141,308
Other programs	<u>250,910</u>	<u>344,922</u>	<u>295,451</u>
	<u>1,750,838</u>	<u>1,636,881</u>	<u>1,573,425</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>45,626</u>	<u>30,858</u>	<u>59,056</u>
	<u>\$ 1,817,611</u>	<u>\$ 1,688,886</u>	<u>\$ 1,653,628</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

		2022	2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Education</b>			
Appropriation to Strait Regional Centre for Education	\$ 635,262	\$ 633,397	\$ 635,262
<b>Financing and transfers</b>			
Principal instalments			
Debenture principal, net	\$ 451,500	\$ 445,700	\$ 445,700
Transfers to own reserves, funds and agencies			
Other funds			
Capital out of revenue	-	42,206	48,031
Transfer to capital fund	60,000	-	-
Operating reserve fund	-	946,134	1,102,026
Waterfront reserve fund		16,700	9,500
Airport committee	112,800	20,990	(9,130)
	<u>\$ 624,300</u>	<u>\$ 1,471,730</u>	<u>\$ 1,596,127</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

2022

2021

#### Assets

##### Accounts receivable

Rates (less allowance for doubtful accounts \$8,279;  
2021 - \$6,548)

\$ 221,863      \$ 232,296

Due from general section – operating fund

647,076      447,680

##### Inventories, at cost

Chemicals

18,126      17,783

Other

42,141      42,140

Water meters and equipment

2,325      3,089

**\$ 931,531**      **\$ 742,988**

#### Liabilities and operating equity

##### Accounts payable and accrued liabilities

Prepaid rates

\$ 17,136      \$ 14,954

Consumer deposits

10,822      10,822

27,958      25,776

Operating fund surplus (Page 20)

903,573      717,212

**\$ 931,531**      **\$ 742,988**

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

		2022	2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Flat rate sales	\$ 80,000	\$ 79,825	\$ 80,832
Metered sales	998,000	1,048,424	993,969
Other utility revenues	9,200	14,350	13,267
Public fire protection	<u>324,003</u>	<u>324,003</u>	<u>324,003</u>
	<u>1,411,203</u>	<u>1,466,602</u>	<u>1,412,071</u>
Operating expenses			
Source of supply	135,000	139,973	122,589
Pumping	10,640	4,430	8,178
Water treatment	412,700	405,343	358,319
Transmission and distribution	277,216	181,956	215,159
Administration and general	154,600	152,510	143,435
Depreciation	322,564	293,043	289,741
Taxes	<u>113,566</u>	<u>113,565</u>	<u>113,565</u>
	<u>1,426,286</u>	<u>1,290,820</u>	<u>1,250,986</u>
Operating (loss) income	<u>(15,083)</u>	<u>175,782</u>	<u>161,085</u>
Non-operating expenditure			
Debt charges			
Debenture interest	22,807	21,511	24,936
Principal instalments			
Debenture principal	<u>80,000</u>	<u>85,800</u>	<u>85,800</u>
	<u>102,807</u>	<u>107,311</u>	<u>110,736</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>\$ 186,361</u>	<u>\$ 168,239</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	2022	2021
Operating fund surplus, beginning of year	\$ 717,212	\$ 548,973
Excess of revenue over expenditures	<u>186,361</u>	<u>168,239</u>
Operating fund surplus, end of year	<u>\$ 903,573</u>	<u>\$ 717,212</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

2022

2021

#### Assets

Cash		
Depreciation fund	\$ 1,567,941	\$ 1,382,005
Unamortized discount on debentures	3,057	3,714
Utility plant in service (Schedule C)	<u>11,216,626</u>	<u>11,216,626</u>
	<u>\$12,787,624</u>	<u>\$12,602,345</u>

#### Liabilities

Long term debt (Note 8) (Schedule D)	\$ 475,455	\$ 561,255
Due to general section – capital fund	<u>715</u>	<u>715</u>
	<u>476,170</u>	<u>561,970</u>

#### Reserve

Reserve for depreciation	5,523,194	5,230,151
Deferred government contributions	<u>2,389,435</u>	<u>2,507,325</u>
	<u>7,912,629</u>	<u>7,737,476</u>

#### Equity

Investment in capital assets	<u>4,398,825</u>	<u>4,302,899</u>
	<u>\$12,787,624</u>	<u>\$12,602,345</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	2022	2021
Balance, beginning of year	\$ 5,230,151	\$ 4,940,410
Depreciation for the year	<u>293,043</u>	<u>289,741</u>
Balance, end of year	<u>\$ 5,523,194</u>	<u>\$ 5,230,151</u>

---

## Water utility section

### Statement of investment in capital assets

(Unaudited – see advisory to readers)

Year ended March 31	2022	2021
Balance, beginning of year	\$ 4,302,899	\$ 4,206,490
Interest earned depreciation fund	10,783	11,266
Term debt retired	85,800	85,800
Discount amortized	<u>(657)</u>	<u>(657)</u>
Balance, end of year	<u>\$ 4,398,825</u>	<u>\$ 4,302,899</u>

---

## Water utility section

### Statement of depreciation fund cash

(Unaudited – see advisory to readers)

Year ended March 31	2022	2021
Cash, beginning of year	\$ 1,382,005	\$ 1,248,152
Deferred assistance transferred	(117,890)	(117,890)
Capital additions	-	(49,264)
Depreciation	293,043	289,741
Interest earned on depreciation funds	<u>10,783</u>	<u>11,266</u>
Cash, end of year	<u>\$ 1,567,941</u>	<u>\$ 1,382,005</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

2022

2021

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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	3,558,790
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>11,213,126</u>
	<u>\$ 11,216,626</u>	<u>\$ 11,216,626</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 2022 2021

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#### Assets

Cash and cash equivalents	<u>\$ 312,722</u>	<u>\$ 288,424</u>
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#### Reserve

Special reserve	<u>\$ 312,722</u>	<u>\$ 288,424</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 2022 2021

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Balance, beginning of year	\$ 288,424	\$ 240,001
Interest earned	2,198	2,263
Proceeds on sale of property	<u>22,100</u>	<u>46,160</u>
Balance, end of year	<u>\$ 312,722</u>	<u>\$ 288,424</u>

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See accompanying notes to the non-consolidated financial statements.

# Town of Port Hawkesbury

## Reserve funds section

### Operating reserve balance sheet

(Unaudited – see advisory to readers)

Year ended March 31 2022 2021

#### Assets

Cash and cash equivalents	<b>\$ 3,353,963</b>	\$ 2,566,479
Due from general operating	<u>946,134</u>	<u>1,082,026</u>
	<b><u>\$ 4,300,097</u></b>	<b><u>\$ 3,648,505</u></b>

#### Reserve

Snow reserve	<b>\$ 51,453</b>	\$ 51,453
General reserve	<u>4,248,644</u>	<u>3,597,052</u>
Operating reserve	<b><u>\$ 4,300,097</u></b>	<b><u>\$ 3,648,505</u></b>

On behalf of the Town of Port Hawkesbury

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

## Reserve funds section

### Statement of operating reserve

(Unaudited – see advisory to readers)

Year ended March 31 2022 2021

Balance, beginning of year	<b>\$ 3,648,505</b>	\$ 2,591,132
Interest earned	<b>22,592</b>	20,814
Capital additions	<b>(317,134)</b>	(65,467)
Appropriation per council – general	<u>946,134</u>	<u>1,102,026</u>
Balance, end of year	<b><u>\$ 4,300,097</u></b>	<b><u>\$ 3,648,505</u></b>

See accompanying notes to the non-consolidated financial statements.

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## Town of Port Hawkesbury

### Reserve funds section

### Canada Community Building Fund reserve

### balance sheet

(Unaudited – see advisory to readers)

Year ended March 31

	2022	2021
<b>Assets</b>		
Cash and cash equivalents	<u>\$1,811,670</u>	<u>\$ 1,331,316</u>

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<b>Reserve</b>		
Canada Community Building Fund reserve	<u>\$ 1,811,670</u>	<u>\$ 1,331,316</u>

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On behalf of the Town of Port Hawkesbury

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

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## Reserve Funds section

### Statement of Canada Community Building Fund

### reserve

(Unaudited – see advisory to readers)

Year ended March 31

	2022	2021
Balance, beginning of year	\$ 1,331,316	\$ 1,312,011
Interest earned	10,541	11,322
Grant – Canada Community Building Fund	<u>469,813</u>	<u>230,807</u>
	<u>1,811,670</u>	<u>1,554,140</u>
Capital additions	<u>-</u>	<u>(222,824)</u>
Balance, end of year	<u>\$ 1,811,670</u>	<u>\$ 1,331,316</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 2022 2021

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#### Assets

Cash and cash equivalents	<u>\$ 20,334</u>	<u>\$ 10,575</u>
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#### Reserve

Waterfront reserve	<u>\$ 20,334</u>	<u>\$ 10,575</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 2022 2021

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Balance, beginning of year	\$ 10,575	\$ 16,213
Capital additions	(7,054)	(15,253)
Creamery rental allocation	16,700	9,500
Interest earned	<u>113</u>	<u>115</u>
Balance, end of year	<u>\$ 20,334</u>	<u>\$ 10,575</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, 2022

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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, 2022

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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, 2022

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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>2022</u></b>	<b><u>2021</u></b>
Balance, beginning of year	\$ 271,958	\$ 289,418
Levy	4,970,172	4,931,693
Interest	<u>60,339</u>	<u>37,753</u>
	5,302,469	5,258,864
Collections	<u>4,815,168</u>	<u>4,790,158</u>
	487,301	468,706
Write offs, adjustments, and exemptions	<u>192,651</u>	<u>196,748</u>
	294,650	271,958
Valuation allowance (Note 5)	<u>69,314</u>	<u>55,345</u>
Balance, end of year	<u>\$ 225,336</u>	<u>\$ 216,613</u>

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<b>3. Due from provincial government and its agencies</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Province of Nova Scotia	<u>\$ 49,991</u>	<u>\$ 19,152</u>

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<b>4. Due from local government and its agencies</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Various local governments	<u>\$ 193,926</u>	<u>\$ 259,376</u>

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2022

5. Asset valuation allowances	<u>2022</u>	<u>2021</u>
For uncollected taxes		
Balance, beginning of year	\$ 55,345	\$ 46,464
Provision for the year	<u>13,969</u>	<u>8,881</u>
Balance, end of year	<u>\$ 69,314</u>	<u>\$ 55,345</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>2022</u>	<u>2021</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	26,657,456	11,560,286	15,097,170	15,660,133
Engineered structures	2,568,140	1,996,185	571,955	564,206
Automotive equipment	733,812	727,001	6,811	13,623
Machinery and equipment	4,701,621	3,148,216	1,553,405	1,690,799
Sewer lines	7,470,723	3,931,414	3,539,309	3,641,663
Streets and lighting	9,169,743	5,204,199	3,965,544	4,108,644
Computer software	<u>107,953</u>	<u>97,162</u>	<u>10,791</u>	<u>21,591</u>
	<u>\$ 53,315,592</u>	<u>\$26,664,463</u>	<u>\$ 26,651,129</u>	<u>\$ 27,606,803</u>

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2022

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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>
2023	\$ 445,700	\$ 85,800	\$ 531,500
2024	\$ 445,700	\$ 85,800	\$ 531,500
2025	\$ 393,200	\$ 85,800	\$ 479,000
2026	\$ 318,200	\$ 85,800	\$ 404,000
2027	\$ 260,700	\$ 85,800	\$ 346,500

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>2022</u>	<u>2021</u>
Cape Breton Island Housing Authority	\$ 60,873	\$ 64,780
Eastern District Planning Commission	\$ 67,710	\$ 67,789
Cape Breton Regional Enterprise Network	\$ 27,900	\$ 27,900

The Town has no further financial obligations in connection with the operating results of the above-mentioned entities for the year ended March 31, 2022.

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2022

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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 (2021 – 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 (2021 - \$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, 2022 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, 2022. The March 31, 2022, actuarial valuation indicated that the pension plan had an accrued pension asset of \$16,800 (2021 - \$21,500).

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, 2022

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### 11. Pensions (continued)

The following summarizes the major assumptions in the valuation:

- The expected inflation rate is 1.8 percent;
- The discount rate used to determine the accrued benefit obligation is 4.0 percent;
- The expected rate of return is 3.5 percent; and
- The expected average remaining life expectancy is 17 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 2022 valuation is as follows:

Market value of the pension plan asset	\$ 1,206,800
Accrued benefit obligation	<u>(1,273,900)</u>
Pension plan deficit	(67,100)
Unamortized actuarial losses	83,900
Valuation allowance	<u>-</u>
Accrued benefit asset	<u>\$ 16,800</u>

Pension expense was \$5,617.

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 \$124,507 in fiscal 2022 (2021 - \$115,501), 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, 2022

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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	\$ 36,710
Jason Aucoin	Deputy Mayor	\$ 19,750
Hughie MacDougall	Councillor	\$ 18,790
Mark MacIver	Councillor	\$ 18,790
Blaine MacQuarrie	Councillor	\$ 20,109
Terry Doyle	CAO	\$ 126,347

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# Town of Port Hawkesbury

## Schedule D - Debt charges and term debt

(Unaudited – see advisory to readers)  
Year ended March 31, 2022

	Year of Maturity	Loan Continuity			Balance March 31, 2022	Interest
		Balance March 31, 2021	Acquired	Redeemed		
<b>General capital</b>						
<b>Serial debentures</b>						
Civic Centre	2034	\$ 300,000	\$ -	\$ 75,000	\$ 225,000	\$ 6,485
Waste water plant	2023	157,500	-	52,500	105,000	4,642
Civic Centre	2025	287,500	-	57,500	230,000	2,597
Civic Centre	2021	750,000	-	750,000	-	19,050
Civic Centre – refinanced	2026	-	625,000	-	625,000	2,726
Waste water plant	2021	315,000	-	315,000	-	14,459
Waste water plant – refinanced	2026	-	262,500	-	262,500	-
Aerial ladder truck	2034	855,000	-	45,000	810,000	21,953
Pitt Napean	2034	534,745	-	38,200	496,545	13,261
		<u>3,199,745</u>	<u>887,500</u>	<u>1,333,200</u>	<u>2,754,045</u>	<u>85,173</u>
<b>Water capital</b>						
<b>Serial debentures</b>						
Municipal finance	2026	480,000	-	80,000	400,000	19,496
Pitt Napean	2034	81,255	-	5,800	75,455	2,015
		<u>561,255</u>	<u>-</u>	<u>85,800</u>	<u>475,455</u>	<u>21,511</u>
Total Municipal debt		<u>\$ 3,761,000</u>	<u>\$ 887,500</u>	<u>\$ 1,419,000</u>	<u>\$ 3,229,500</u>	<u>\$ 106,684</u>

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

1 – 2.048% to 2.829%  
2 – 2.83% to 3.048%  
3 – 0.678% to 1.241%  
4 – 5.080%  
5 – 0.4% to 1.398%  
6 – 4.590%

7 – 0.5% to 1.489%  
8 – 2.048% to 2.829%  
9 – 1.948% to 3.048%  
10 – 4.221% to 4.597%  
11 – 1.948% to 3.048%