

Non-consolidated financial statements

(Unaudited – see advisory to readers)

Town of Port Hawkesbury

March 31, 2023

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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.

Town of Port Hawkesbury

General section

Operating fund balance sheet

(Unaudited – see advisory to readers)

March 31

2023

2022

Assets

Cash and cash equivalents	<u>\$ 3,245,249</u>	<u>\$ 3,189,151</u>
Receivables		
Taxes (Note 2)	326,821	294,650
Due from federal government and its agencies	425,974	111,627
Due from provincial government and its agencies (Note 3)	575,709	49,991
Due from local government and its agencies (Note 4)	290,686	193,926
Other	<u>560,628</u>	<u>308,176</u>
	<u>2,179,818</u>	<u>958,370</u>
Tangible assets		
Inventories of materials and supplies	<u>1,125</u>	<u>1,176</u>
Other assets		
Deferred expenditures	<u>-</u>	<u>56,809</u>
	<u>\$ 5,426,192</u>	<u>\$ 4,205,506</u>

See accompanying notes to the non-consolidated financial statements.

Town of Port Hawkesbury

General section

Operating fund balance sheet (continued)

(Unaudited – see advisory to readers)

March 31

2023

2022

Liabilities and operating equity

Trade payables	<u>\$ 2,548,431</u>	<u>\$ 1,658,686</u>
Other liabilities		
Due to operating reserve	483,045	946,134
Due to Water Utility – operating/capital fund	794,536	647,076
Payable to Landrie Lake Water Utility	33,968	50,204
Deferred revenue	1,103,565	555,182
Prepaid taxes	<u>158,649</u>	<u>111,020</u>
	<u>2,573,763</u>	<u>2,309,616</u>
Asset valuation allowances		
For uncollectible accounts receivable	186,199	132,605
For uncollected taxes (Note 5)	<u>82,514</u>	<u>69,314</u>
	<u>268,713</u>	<u>201,919</u>
Operating fund surplus (Page 5)	<u>35,285</u>	<u>35,285</u>
	<u>\$ 5,426,192</u>	<u>\$ 4,205,506</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

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue (Schedule A)			
Taxes	\$ 5,202,358	\$ 5,460,415	\$ 5,272,221
Grants in lieu of taxes	774,476	773,190	762,088
Services provided to other local governments	311,000	573,514	487,178
Sales of services	796,037	904,633	667,581
Other revenue from own sources	319,034	363,364	320,892
Conditional transfers from other governments	212,000	314,847	311,838
Unconditional transfers from other governments	304,730	298,716	603,370
Conditional transfers from other local governments	56,500	57,500	57,500
Other transfers	<u>155,438</u>	<u>34,583</u>	<u>-</u>
	<u>8,131,573</u>	<u>8,780,762</u>	<u>8,482,668</u>
Expenditures (Schedule B)			
General government services	1,320,421	1,283,907	1,143,213
Protective services	1,818,594	1,804,713	1,637,473
Transportation services	1,004,350	1,141,094	1,113,349
Environmental health services	666,010	570,637	638,137
Public health and welfare services	70,000	58,881	60,873
Environmental development services	98,988	95,279	95,610
Recreation and cultural services	1,887,418	2,072,780	1,688,886
Education	647,292	647,291	633,397
Financing and transfers	<u>618,500</u>	<u>1,106,180</u>	<u>1,471,730</u>
	<u>8,131,573</u>	<u>8,780,762</u>	<u>8,482,668</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the non-consolidated financial statements.

Town of Port Hawkesbury

General section

Statement of operating fund surplus

(Unaudited – see advisory to readers)

Year ended March 31	2023	2022
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>

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

2023

2022

Assets

Cash and cash equivalents	\$ 10,477	\$ 10,477
Due from other governments	451	451
Due from Water Utility – capital fund	715	715
Unamortized discount on debentures	15,145	17,725
Property and equipment (Note 7)	<u>27,330,288</u>	<u>26,651,129</u>
	<u>\$ 27,357,076</u>	<u>\$ 26,680,497</u>

Liabilities

Long term debt (Note 8) (Schedule D)	\$ 2,308,345	\$ 2,754,045
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Equity

Investment in capital assets (Page 8)	<u>25,048,731</u>	<u>23,926,452</u>
	<u>\$ 27,357,076</u>	<u>\$ 26,680,497</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

School capital fund balance sheet

(Unaudited – see advisory to readers)

March 31

2023

2022

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.

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

(Unaudited – see advisory to readers)

Year ended March 31	2023	2022
Balance, beginning of year	\$ 23,926,452	\$ 24,439,005
Transfer from Canada Community Building Fund revenue	402,729	-
Capital out of revenue	39,964	42,206
Amortization of debenture discount and other adjustments	(2,579)	(2,579)
Amortization of tangible capital assets	(1,364,505)	(1,381,380)
Transfer from waterfront reserve	10,000	7,054
Assets funded by ACOA and miscellaneous funding	918,411	59,312
Asset funded through operating reserve	672,559	317,134
Term debt retired/refinanced	445,700	1,333,200
Town debt refinanced	-	(887,500)
Balance, end of year	<u>\$ 25,048,731</u>	<u>\$ 23,926,452</u>

General section
Statement of investment in school capital assets

(Unaudited - see advisory to readers)

Year ended March 31	2023	2022
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

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Taxes			
Assessable property			
Residential	\$ 2,752,181	\$ 2,692,102	\$ 2,616,732
Commercial			
Based on taxable assessment	2,270,949	2,358,294	2,332,117
Resource			
Based on taxable assessment	<u>23,882</u>	<u>20,956</u>	<u>21,323</u>
	<u>5,047,012</u>	<u>5,071,352</u>	<u>4,970,172</u>
Business property			
Nova Scotia Power - HST offset grant	21,000	23,995	32,327
Based in revenue – Nova Scotia Power	9,346	9,756	9,136
Based on revenue – Aliant Inc.	<u>25,000</u>	<u>22,687</u>	<u>23,716</u>
	<u>55,346</u>	<u>56,438</u>	<u>65,179</u>
Other			
Deed transfer tax	<u>100,000</u>	<u>332,625</u>	<u>236,870</u>
	<u>\$ 5,202,358</u>	<u>\$ 5,460,415</u>	<u>\$ 5,272,221</u>
Grants in lieu of taxes			
Federal government	\$ 69,559	\$ 69,559	\$ 79,993
Provincial property	<u>704,917</u>	<u>703,631</u>	<u>682,095</u>
	<u>\$ 774,476</u>	<u>\$ 773,190</u>	<u>\$ 762,088</u>
Services provided to other local governments			
Fire Protection Richmond County	\$ 61,000	\$ 61,000	\$ 60,000
Leachate Treatment – Guysborough County	<u>250,000</u>	<u>512,514</u>	<u>427,178</u>
	<u>\$ 311,000</u>	<u>\$ 573,514</u>	<u>\$ 487,178</u>

Town of Port Hawkesbury

General section

Schedule A - Details of revenue (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Sales of services			
Airport	\$ 80,000	\$ 150,308	\$ 50,932
Civic centre	438,687	455,084	379,055
Public works	25,000	31,922	35,140
Recreation and education	191,500	208,133	143,432
Water utility	52,850	52,916	51,847
Administrative	<u>8,000</u>	<u>6,270</u>	<u>7,175</u>
	<u>\$ 796,037</u>	<u>\$ 904,633</u>	<u>\$ 667,581</u>
Other revenue from own sources			
Licenses and permits	\$ 2,250	\$ 1,680	\$ 934
Fines and fees	7,500	5,959	5,092
Rentals	188,984	136,509	182,913
Interest on short term funds	22,000	94,529	24,195
Interest on taxes	60,000	71,090	60,339
Miscellaneous	<u>38,300</u>	<u>53,597</u>	<u>47,419</u>
	<u>\$ 319,034</u>	<u>\$ 363,364</u>	<u>\$ 320,892</u>
Conditional transfers from other governments			
Provincial government			
Education and community literacy	\$ 150,000	\$ 162,089	\$ 156,521
MPAL	25,000	25,000	25,000
COVID Recovery	-	73,775	68,500
Environmental development			
Refuse diversion	<u>17,000</u>	<u>30,016</u>	<u>45,504</u>
	192,000	290,880	295,525
Federal government			
Federal works grant	<u>20,000</u>	<u>23,967</u>	<u>16,313</u>
	<u>\$ 212,000</u>	<u>\$ 314,847</u>	<u>\$ 311,838</u>

Town of Port Hawkesbury

General section

Schedule A - Details of revenue (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Unconditional transfers from other governments			
Fuel rebate	\$ 6,000	\$ -	\$ 5,910
Municipal Financial Capacity Grant	<u>298,730</u>	<u>298,716</u>	<u>597,460</u>
	<u>\$ 304,730</u>	<u>\$ 298,716</u>	<u>\$ 603,370</u>
Conditional transfers from other local governments			
Pool funding	\$ 26,500	\$ 27,500	\$ 27,500
Airport funding	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
	<u>\$ 56,500</u>	<u>\$ 57,500</u>	<u>\$ 57,500</u>
Other transfers			
Transfer from operating reserve fund	<u>\$ 155,438</u>	<u>\$ 34,583</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

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor			
Stipend	\$ 37,069	\$ 37,605	\$ 36,710
Travel	7,000	9,459	1,220
Council			
Stipend	79,010	79,314	77,439
Travel	<u>4,200</u>	<u>5,361</u>	<u>4,382</u>
	<u>127,279</u>	<u>131,739</u>	<u>119,751</u>
General administrative			
Administrative	504,654	461,851	421,594
Financial management	121,100	113,626	80,917
Taxation			
Administration	78,360	82,228	79,525
Reduced taxes - section 69	4,000	3,362	3,960
Reduced taxes - section 71	190,428	191,257	188,691
Common services	6,400	5,063	3,909
General financing	13,200	14,698	12,883
Transfer to assessment services	<u>41,700</u>	<u>41,514</u>	<u>53,014</u>
	<u>959,842</u>	<u>913,599</u>	<u>844,493</u>
Other general government services			
General liability insurance & claims	105,000	142,997	110,349
Grants to other organizations and individuals	18,500	19,078	7,416
Intergovernmental relations	17,500	15,107	6,090
Other general services	<u>67,300</u>	<u>48,187</u>	<u>41,145</u>
	<u>208,300</u>	<u>225,369</u>	<u>165,000</u>
Valuation allowances			
Uncollectible taxes allowance for appeals	<u>25,000</u>	<u>13,200</u>	<u>13,969</u>
	<u>\$ 1,320,421</u>	<u>\$ 1,283,907</u>	<u>\$ 1,143,213</u>

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures (continued)

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

	2023	2022
	<u>Budget</u>	<u>Actual</u>
Protective services		
Police protection		
Crime investigation, prevention, and protective services	\$ 1,283,000	\$ 1,239,012
Law enforcement		
Transfers to corrective services	38,861	37,729
Fire protection		
Administration	31,600	30,729
Fire fighting force	25,600	25,600
Water supply and hydrants	324,003	324,003
Fire stations and building	40,500	37,711
Firefighting equipment	52,000	86,739
	<u>473,703</u>	<u>504,782</u>
Other		
Animal and pest control	-	158
Emergency measures	2,000	2,000
Debenture interest	21,030	21,032
	<u>23,030</u>	<u>23,190</u>
	<u>\$ 1,818,594</u>	<u>\$ 1,804,713</u>

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Administration	\$ 12,100	\$ 15,871	\$ 20,177
Engineering services	15,000	13,777	39,934
General equipment	7,500	9,925	13,185
Small tools and equipment	5,000	3,775	7,221
Workshop, yards, and other buildings	59,155	65,344	56,621
Fleet insurance	7,500	12,385	9,265
Other	4,500	5,941	2,418
	<u>110,755</u>	<u>127,018</u>	<u>148,821</u>
Road transport			
Administration	171,980	163,043	128,449
Bridge repairs and maintenance	15,000	5,527	-
Roads and streets	459,545	474,745	515,963
Street lighting	94,000	91,596	90,707
Traffic services	26,770	38,114	45,483
Motor vehicles	93,700	153,968	122,226
Other road transport	6,000	3,000	60
	<u>866,995</u>	<u>929,993</u>	<u>902,888</u>
Air transport			
Airport	12,200	71,583	48,378
	<u>12,200</u>	<u>71,583</u>	<u>48,378</u>
Debt charges			
Debenture interest	14,400	12,500	13,262
	<u>14,400</u>	<u>12,500</u>	<u>13,262</u>
	<u>\$ 1,004,350</u>	<u>\$ 1,141,094</u>	<u>\$ 1,113,349</u>

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Environmental health services			
Sewage collection and disposal			
Administration	\$ 96,089	\$ 89,299	\$ 87,281
Sewage collection system	67,385	40,003	45,179
Sewage treatment and disposal	228,900	179,506	245,531
Other sewage collection	<u>8,100</u>	<u>4,821</u>	<u>1,202</u>
	<u>400,474</u>	<u>313,629</u>	<u>379,193</u>
Garbage and waste collection and disposal			
Garbage and waste collection	194,700	195,117	195,575
Waste disposal	45,000	41,232	32,749
Recycling costs	<u>20,000</u>	<u>14,823</u>	<u>11,520</u>
	<u>259,700</u>	<u>251,172</u>	<u>239,844</u>
Debt charges			
Interest on long term debt	<u>5,836</u>	<u>5,836</u>	<u>19,100</u>
	<u>\$ 666,010</u>	<u>\$ 570,637</u>	<u>\$ 638,137</u>
Public health and welfare services			
Housing			
Deficit of Regional Housing Authority	<u>\$ 70,000</u>	<u>\$ 58,881</u>	<u>\$ 60,873</u>

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Environmental development services			
Community development			
Transfers to Eastern Planning Commission	\$ 68,988	\$ 67,379	\$ 67,710
Transfers to Regional Development			
Cape Breton Regional Enterprise Network	<u>30,000</u>	<u>27,900</u>	<u>27,900</u>
	<u>\$ 98,988</u>	<u>\$ 95,279</u>	<u>\$ 95,610</u>
Recreation and cultural services			
Recreation facilities			
Civic centre	\$ 1,044,595	\$ 1,076,788	\$ 913,988
Administration	19,200	32,356	26,668
Parks and other recreation facilities	171,955	246,424	184,687
Swimming pool	277,123	242,695	166,616
Other programs	<u>334,140</u>	<u>435,420</u>	<u>344,922</u>
	<u>1,847,013</u>	<u>2,033,683</u>	<u>1,636,881</u>
Cultural buildings and facilities			
Transfers to regional library	<u>28,100</u>	<u>26,791</u>	<u>21,147</u>
Debt charges			
Interest on long term debt	<u>12,305</u>	<u>12,306</u>	<u>30,858</u>
	<u>\$ 1,887,418</u>	<u>\$ 2,072,780</u>	<u>\$ 1,688,886</u>

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Education			
Appropriation to Strait Regional Centre for Education	\$ 647,292	\$ 647,291	\$ 633,397
Financing and transfers			
Principal instalments			
Debenture principal, net	\$ 445,700	\$ 445,700	\$ 445,700
Transfers to own reserves, funds and agencies			
Other funds			
Capital out of revenue	-	39,964	42,206
Transfer to capital fund	60,000	-	-
Operating reserve fund	-	483,045	946,134
Waterfront reserve fund	-	13,746	16,700
Airport committee	112,800	123,725	20,990
	<u>\$ 618,500</u>	<u>\$ 1,106,180</u>	<u>\$ 1,471,730</u>

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 2023 2022

Assets

Accounts receivable

Rates (less allowance for doubtful accounts \$14,456; 2022 - \$8,279)	\$ 229,516	\$ 221,863
Due from general section – operating fund	823,386	647,076

Inventories, at cost

Chemicals	19,545	18,126
Other	30,394	42,141
Water meters and equipment	<u>2,698</u>	<u>2,325</u>

	<u>\$1,105,539</u>	<u>\$ 931,531</u>
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Liabilities and operating equity

Accounts payable and accrued liabilities

Prepaid rates	\$ 21,437	\$ 17,136
Consumer deposits	<u>10,822</u>	<u>10,822</u>

	<u>32,259</u>	<u>27,958</u>
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Operating fund surplus (Page 20)	<u>1,073,280</u>	<u>903,573</u>
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	<u>\$1,105,539</u>	<u>\$ 931,531</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

Water utility section

Statement of operations

(Unaudited – see advisory to readers)

Year ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Flat rate sales	\$ 80,000	\$ 77,817	\$ 79,825
Metered sales	998,000	1,066,537	1,048,424
Other utility revenues	9,200	14,884	14,350
Public fire protection	<u>324,003</u>	<u>324,003</u>	<u>324,003</u>
	<u>1,411,203</u>	<u>1,483,241</u>	<u>1,466,602</u>
Operating expenses			
Source of supply	135,000	148,525	139,973
Pumping	10,640	2,273	4,430
Water treatment	423,871	421,053	405,343
Transmission and distribution	277,216	209,710	181,956
Administration and general	165,000	150,834	152,510
Depreciation	300,000	281,677	293,043
Taxes	<u>113,566</u>	<u>113,565</u>	<u>113,565</u>
	<u>1,425,293</u>	<u>1,327,637</u>	<u>1,290,820</u>
Operating (loss) income	<u>(14,090)</u>	<u>155,604</u>	<u>175,782</u>
Non-operating expenditure			
Debt charges			
Debenture interest	18,000	17,987	21,511
Principal instalments			
Debenture principal	<u>85,800</u>	<u>85,800</u>	<u>85,800</u>
	<u>103,800</u>	<u>103,787</u>	<u>107,311</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>\$ 169,707</u>	<u>\$ 186,361</u>

See accompanying notes to the non-consolidated financial statements.

Town of Port Hawkesbury

Water utility section

Statement of operating fund surplus

(Unaudited – see advisory to readers)

Year ended March 31	2023	2022
Operating fund surplus, beginning of year	\$ 903,573	\$ 717,212
Excess of revenue over expenditures	<u>169,707</u>	<u>186,361</u>
Operating fund surplus, end of year	<u>\$ 1,073,280</u>	<u>\$ 903,573</u>

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

2023

2022

Assets

Cash		
Depreciation fund	\$ 1,746,432	\$ 1,567,941
Due from other government	28,850	-
Unamortized discount on debentures	2,400	3,057
Utility plant in service (Schedule C)	<u>11,296,383</u>	<u>11,216,626</u>
	<u>\$13,074,065</u>	<u>\$12,787,624</u>

Liabilities

Long term debt (Note 8) (Schedule D)	\$ 389,655	\$ 475,455
Due to general section – operating fund	28,850	-
Due to general section – capital fund	<u>715</u>	<u>715</u>
	<u>419,220</u>	<u>476,170</u>

Reserve

Reserve for depreciation	5,804,871	5,523,194
Deferred government contributions	<u>2,318,177</u>	<u>2,389,435</u>
	<u>8,123,048</u>	<u>7,912,629</u>

Equity

Investment in capital assets	<u>4,531,797</u>	<u>4,398,825</u>
	<u>\$13,074,065</u>	<u>\$12,787,624</u>

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 reserve for depreciation

(Unaudited – see advisory to readers)

Year ended March 31	2023	2022
Balance, beginning of year	\$ 5,523,194	\$ 5,230,151
Depreciation for the year	<u>281,677</u>	<u>293,043</u>
Balance, end of year	<u>\$ 5,804,871</u>	<u>\$ 5,523,194</u>

Water utility section

Statement of investment in capital assets

(Unaudited – see advisory to readers)

Year ended March 31	2023	2022
Balance, beginning of year	\$ 4,398,825	\$ 4,302,899
Interest earned depreciation fund	47,829	10,783
Term debt retired	85,800	85,800
Discount amortized	<u>(657)</u>	<u>(657)</u>
Balance, end of year	<u>\$ 4,531,797</u>	<u>\$ 4,398,825</u>

Water utility section

Statement of depreciation fund cash

(Unaudited – see advisory to readers)

Year ended March 31	2023	2022
Cash, beginning of year	\$ 1,567,941	\$ 1,382,005
Deferred assistance transferred	(117,890)	(117,890)
Capital additions	(33,125)	-
Depreciation	281,677	293,043
Interest earned on depreciation funds	<u>47,829</u>	<u>10,783</u>
Cash, end of year	<u>\$ 1,746,432</u>	<u>\$ 1,567,941</u>

See accompanying notes to the non-consolidated financial statements.

Town of Port Hawkesbury

Water utility section

Schedule C - Utility plant and equipment

(Unaudited – see advisory to readers)

Year ended March 31

2023

2022

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	1,167,030	1,138,086
Electric pumping equipment	353,547	353,547
Purification equipment	3,609,603	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>11,292,883</u>	<u>11,213,126</u>
	<u>\$ 11,296,383</u>	<u>\$ 11,216,626</u>

See accompanying notes to the non-consolidated financial statements.

Town of Port Hawkesbury

Reserve funds section

Capital reserve balance sheet

(Unaudited – see advisory to readers)

March 31 2023 2022

Assets

Cash and cash equivalents	<u>\$ 337,889</u>	<u>\$ 312,722</u>
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Reserve

Special reserve	<u>\$ 337,889</u>	<u>\$ 312,722</u>
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On behalf of the Town of Port Hawkesbury

_____ Mayor _____ CAO

Reserve funds section

Statement of capital reserve

(Unaudited – see advisory to readers)

Year ended March 31 2023 2022

Balance, beginning of year	\$ 312,722	\$ 288,424
Interest earned	9,366	2,198
Proceeds on sale of property	<u>15,801</u>	<u>22,100</u>
Balance, end of year	<u>\$ 337,889</u>	<u>\$ 312,722</u>

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 2023 2022

Assets

Cash and cash equivalents	\$ 3,694,422	\$ 3,353,963
Due from general operating	<u>483,045</u>	<u>946,134</u>
	<u>\$ 4,177,467</u>	<u>\$ 4,300,097</u>

Reserve

Snow reserve	\$ 51,453	\$ 51,453
General reserve	<u>4,126,014</u>	<u>4,248,644</u>
Operating reserve	<u>\$ 4,177,467</u>	<u>\$ 4,300,097</u>

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 2023 2022

Balance, beginning of year	\$ 4,300,097	\$ 3,648,505
Interest earned	101,467	22,592
Capital additions	(672,559)	(317,134)
Appropriation per council – general	<u>448,462</u>	<u>946,134</u>
Balance, end of year	<u>\$ 4,177,467</u>	<u>\$ 4,300,097</u>

See accompanying notes to the non-consolidated financial statements.

Town of Port Hawkesbury

Reserve funds section

Canada Community Building Fund reserve

balance sheet

(Unaudited – see advisory to readers)

Year ended March 31 2023 2022

Assets

Cash and cash equivalents	<u>\$1,695,628</u>	<u>\$ 1,811,670</u>
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Reserve

Canada Community Building Fund reserve	<u>\$ 1,695,628</u>	<u>\$ 1,811,670</u>
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On behalf of the Town of Port Hawkesbury

_____ Mayor _____ CAO

Reserve Funds section

Statement of Canada Community Building Fund

reserve

(Unaudited – see advisory to readers)

Year ended March 31 2023 2022

Balance, beginning of year	\$ 1,811,670	\$ 1,331,316
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Interest earned	54,019	10,541
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Grant – Canada Community Building Fund	<u>232,668</u>	<u>469,813</u>
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	<u>2,098,357</u>	<u>1,811,670</u>
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Capital additions	<u>(402,729)</u>	-
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Balance, end of year	<u>\$ 1,695,628</u>	<u>\$ 1,811,670</u>
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See accompanying notes to the non-consolidated financial statements.

Town of Port Hawkesbury

Reserve funds section

Waterfront reserve balance sheet

(Unaudited – see advisory to readers)

March 31 2023 2022

Assets

Cash and cash equivalents	<u>\$ 24,729</u>	<u>\$ 20,334</u>
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Reserve

Waterfront reserve	<u>\$ 24,729</u>	<u>\$ 20,334</u>
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On behalf of the Town of Port Hawkesbury

_____ Mayor _____ CAO

Reserve Funds section

Statement of Waterfront reserve

(Unaudited – see advisory to readers)

Year ended March 31 2023 2022

Balance, beginning of year	\$ 20,334	\$ 10,575
Capital additions	(10,000)	(7,054)
Creamery rental allocation	13,746	16,700
Interest earned	<u>649</u>	<u>113</u>
Balance, end of year	<u>\$ 24,729</u>	<u>\$ 20,334</u>

See accompanying notes to the non-consolidated financial statements.

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)
March 31, 2023

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.

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)
March 31, 2023

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

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2023

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.

2. Taxes receivable	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 225,336	\$ 271,958
Levy	5,071,352	4,970,172
Interest	<u>71,090</u>	<u>60,339</u>
	5,367,778	5,302,469
Collections	<u>4,846,338</u>	<u>4,815,168</u>
	521,440	487,301
Write offs, adjustments, and exemptions	<u>194,619</u>	<u>192,651</u>
	326,821	294,650
Valuation allowance (Note 5)	<u>82,514</u>	<u>69,314</u>
Balance, end of year	<u>\$ 244,307</u>	<u>\$ 225,336</u>

3. Due from provincial government and its agencies	<u>2023</u>	<u>2022</u>
Province of Nova Scotia	<u>\$ 575,709</u>	<u>\$ 49,991</u>

4. Due from local government and its agencies	<u>2023</u>	<u>2022</u>
Various local governments	<u>\$ 290,686</u>	<u>\$ 193,926</u>

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2023

5. Asset valuation allowances	<u>2023</u>	<u>2022</u>
For uncollected taxes		
Balance, beginning of year	\$ 69,314	\$ 55,345
Provision for the year	<u>13,200</u>	<u>13,969</u>
Balance, end of year	<u>\$ 82,514</u>	<u>\$ 69,314</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>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 1,906,143	\$ -	\$ 1,906,143	\$ 1,906,144
Buildings	26,833,631	12,118,456	14,715,175	15,097,170
Engineered structures	2,775,824	2,036,397	739,427	571,955
Automotive equipment	835,927	733,813	102,114	6,811
Machinery and equipment	4,965,311	3,150,342	1,814,969	1,553,405
Sewer lines	7,470,723	4,016,395	3,454,328	3,539,309
Streets and lighting	10,215,805	5,617,673	4,598,132	3,965,544
Computer software	<u>107,953</u>	<u>107,953</u>	<u>-</u>	<u>10,791</u>
	<u>\$ 55,111,317</u>	<u>\$27,781,029</u>	<u>\$ 27,330,288</u>	<u>\$ 26,651,129</u>

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2023

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>
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
2028	\$ 83,200	\$ 5,800	\$ 89,000

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

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>2023</u>	<u>2022</u>
Cape Breton Island Housing Authority	\$ 58,881	\$ 60,873
Eastern District Planning Commission	\$ 67,379	\$ 67,710
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, 2023.

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2023

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 (2022 – nil).

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 (2022 - \$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, 2023 based on an actual valuation performed as at January 1, 2023. The next actuarial valuation for funding purpose will be prepared as at January 1, 2026. The March 31, 2023, actuarial valuation indicated that the pension plan had an accrued pension liability of \$65,100 (2022 - \$16,800 pension asset).

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.

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)
March 31, 2023

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 4.0 percent; and
- The expected average remaining life expectancy is 16 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 2023 valuation is as follows:

Market value of the pension plan asset	\$ 1,101,400
Accrued benefit obligation	<u>(1,166,500)</u>
Pension plan deficit	(65,100)
Unamortized actuarial losses	-
Valuation allowance	<u>-</u>
Accrued benefit liability	<u>\$ 65,100</u>

Pension expense was \$21,704.

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 \$129,863 in fiscal 2023 (2022 - \$124,507), 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.

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2023

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	\$ 37,135
Jason Aucoin	Deputy Mayor	\$ 20,353
Hughie MacDougall	Councillor	\$ 19,968
Mark MacIver	Councillor	\$ 19,007
Blaine MacQuarrie	Councillor	\$ 19,007
Terry Doyle	CAO	\$ 126,347

Town of Port Hawkesbury

Schedule D - Debt charges and term debt

(Unaudited – see advisory to readers)
Year ended March 31, 2023

	Year of Maturity	Loan Continuity			Balance March 31, 2023	Interest
		Balance March 31, 2022	Acquired	Redeemed		
General capital						
Serial debentures						
Civic Centre	2034	\$ 225,000	\$ -	\$ 75,000	\$ 150,000	\$ 4,949
Waste water plant	2023	105,000	-	52,500	52,500	3,156
Civic Centre	2025	230,000	-	57,500	172,500	2,155
Civic Centre – refinanced	2026	625,000	-	125,000	500,000	5,201
Waste water plant – refinanced	2026	262,500	-	52,500	210,000	2,680
Aerial ladder truck	2034	810,000	-	45,000	765,000	21,032
Pitt Napean	2034	496,545	-	38,200	458,345	12,500
		<u>2,754,045</u>	<u>-</u>	<u>445,700</u>	<u>2,308,345</u>	<u>51,673</u>
Water capital						
Serial debentures						
Municipal finance	2026	400,000	-	80,000	320,000	16,087
Pitt Napean	2034	75,455	-	5,800	69,655	1,899
		<u>475,455</u>	<u>-</u>	<u>85,800</u>	<u>389,655</u>	<u>17,986</u>
Total Municipal debt		<u>\$ 3,229,500</u>	<u>\$ -</u>	<u>\$ 531,500</u>	<u>\$ 2,698,000</u>	<u>\$ 69,659</u>

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

1 – 2.129% to 2.829%
2 – 2.963% to 3.048%
3 – 0.859% to 1.241%
4 – 5.080%
5 – 0.4% to 1.398%
6 – 2.039% to 3.048%

7 – 0.5% to 1.489%
8 – 2.129% to 2.829%
9 – 2.039% to 3.048%
10 – 4.301% to 4.597%
11 – 2.039% to 3.048%