

Non-consolidated financial statements

(Unaudited – see advisory to readers)

Town of Port Hawkesbury

March 31, 2024

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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 2024 2023

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#### Assets

Cash and cash equivalents	<u>\$ 3,217,190</u>	<u>\$ 3,245,249</u>
Receivables		
Taxes (Note 2)	443,400	326,821
Due from federal government and its agencies	408,615	425,974
Due from provincial government and its agencies (Note 3)	1,005,534	575,709
Due from local government and its agencies (Note 4)	296,952	290,686
Other	<u>635,975</u>	<u>560,628</u>
	<u>2,790,476</u>	<u>2,179,818</u>
Tangible assets		
Inventories of materials and supplies	<u>2,055</u>	<u>1,125</u>
Other assets		
Deferred expenditures	<u>10,172</u>	<u>-</u>
	<u>\$ 6,019,893</u>	<u>\$ 5,426,192</u>

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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

2024

2023

**Liabilities and operating equity**

Trade payables	<u>\$ 2,483,073</u>	<u>\$ 2,548,431</u>
Other liabilities		
Due to operating reserve	476,896	483,045
Due to Water Utility – operating/capital fund	296,294	794,536
Payable to Landrie Lake Water Utility	404,288	33,968
Deferred revenue	1,779,052	1,103,565
Prepaid taxes	<u>167,177</u>	<u>159,649</u>
	<u>3,123,707</u>	<u>2,573,763</u>
Asset valuation allowances		
For uncollectible accounts receivable	285,600	186,199
For uncollected taxes (Note 5)	<u>92,228</u>	<u>82,514</u>
	<u>377,828</u>	<u>268,713</u>
Operating fund surplus (Page 5)	<u>35,285</u>	<u>35,285</u>
	<u>\$ 6,019,893</u>	<u>\$ 5,426,192</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

	2024	2023
	<u>Budget</u>	<u>Actual</u>
		<u>Actual</u>
Revenue (Schedule A)		
Taxes	\$ 5,610,463	\$ 5,674,462
Grants in lieu of taxes	849,581	848,698
Services provided to other local governments	362,000	676,467
Sales of services	762,303	1,014,436
Other revenue from own sources	305,244	438,357
Conditional transfers from other governments	212,000	263,295
Unconditional transfers from other governments	304,730	303,960
Conditional transfers from other local governments	56,500	57,500
Other transfers	8,749	-
	<u>8,471,570</u>	<u>9,277,175</u>
		<u>8,780,762</u>
Expenditures (Schedule B)		
General government services	1,394,551	1,365,177
Protective services	1,868,349	1,851,398
Transportation services	1,054,790	1,364,530
Environmental health services	681,177	661,250
Public health and welfare services	100,000	123,362
Environmental development services	97,896	96,598
Recreation and cultural services	1,990,307	2,042,267
Education	666,000	666,098
Financing and transfers	618,500	1,106,495
	<u>8,471,570</u>	<u>9,277,175</u>
		<u>8,780,762</u>
Excess of revenue over expenditures	<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	2024	2023
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

2024

2023

**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	12,881	15,145
Property and equipment (Note 7)	<u>26,819,012</u>	<u>27,330,288</u>
	<u>\$ 26,843,536</u>	<u>\$ 27,357,076</u>

**Liabilities**

Long term debt (Note 8) (Schedule D)	\$ 1,862,645	\$ 2,308,345
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**Equity**

Investment in capital assets (Page 8)	<u>24,980,891</u>	<u>25,048,731</u>
	<u>\$ 26,843,536</u>	<u>\$ 27,357,076</u>

On behalf of the Town of Port Hawkesbury

\_\_\_\_\_  
 Mayor

\_\_\_\_\_  
 CAO

See accompanying notes to the non-consolidated financial statements.





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## Town of Port Hawkesbury

### General section

#### Statement of investment in general capital assets

(Unaudited – see advisory to readers)

Year ended March 31	2024	2023
Balance, beginning of year	\$ 25,048,731	\$ 23,926,452
Transfer from Canada Community Building Fund revenue	-	402,729
Capital out of revenue	59,713	39,964
Amortization of debenture discount and other adjustments	(2,265)	(2,579)
Amortization of tangible capital assets	(1,489,347)	(1,364,505)
Transfer from waterfront reserve	-	10,000
Assets funded by ACOA and miscellaneous funding	768,107	918,411
Asset funded through operating reserve	150,252	672,559
Term debt retired/refinanced	445,700	445,700
Town debt refinanced	-	-
Balance, end of year	<u>\$ 24,980,891</u>	<u>\$ 25,048,731</u>

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### General section

#### Statement of investment in school capital assets

(Unaudited - see advisory to readers)

Year ended March 31	2024	2023
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

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Taxes</b>			
Assessable property			
Residential	\$ 2,940,118	\$ 2,938,473	\$ 2,692,102
Commercial			
Based on taxable assessment	2,481,868	2,480,167	2,358,294
Resource			
Based on taxable assessment	<u>23,988</u>	<u>21,018</u>	<u>20,956</u>
	<u>5,445,974</u>	<u>5,439,658</u>	<u>5,071,352</u>
Business property			
Nova Scotia Power - HST offset grant	21,000	21,257	23,995
Based in revenue – Nova Scotia Power	11,489	11,489	9,756
Based on revenue – Aliant Inc.	<u>22,000</u>	<u>21,792</u>	<u>22,687</u>
	<u>54,489</u>	<u>54,538</u>	<u>56,438</u>
Other			
Deed transfer tax	<u>110,000</u>	<u>180,266</u>	<u>332,625</u>
	<u>\$ 5,610,463</u>	<u>\$ 5,674,462</u>	<u>\$ 5,460,415</u>
<b>Grants in lieu of taxes</b>			
Federal government	\$ 76,151	\$ 76,511	\$ 69,559
Provincial property	<u>773,430</u>	<u>772,187</u>	<u>703,631</u>
	<u>\$ 849,581</u>	<u>\$ 848,698</u>	<u>\$ 773,190</u>
<b>Services provided to other local governments</b>			
Fire Protection Richmond County	\$ 62,000	\$ 62,000	\$ 61,000
Leachate Treatment – Guysborough County	<u>300,000</u>	<u>614,467</u>	<u>512,514</u>
	<u>\$ 362,000</u>	<u>\$ 676,467</u>	<u>\$ 573,514</u>

# Town of Port Hawkesbury

## General section

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

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

	2024	2023
	<u>Budget</u>	<u>Actual</u>
<b>Sales of services</b>		
Airport	\$ 80,000	\$ 204,644
Civic centre	406,363	446,391
Public works	25,000	44,447
Recreation and education	190,000	258,692
Water utility	53,940	54,007
Administrative	<u>7,000</u>	<u>6,255</u>
	<u>\$ 762,303</u>	<u>\$ 1,014,436</u>
<b>Other revenue from own sources</b>		
Licenses and permits	\$ 2,250	\$ 2,510
Fines and fees	7,500	6,573
Rentals	170,194	114,795
Interest on short term funds	27,000	187,520
Interest on taxes	60,000	86,837
Miscellaneous	<u>38,300</u>	<u>40,122</u>
	<u>\$ 305,244</u>	<u>\$ 438,357</u>
<b>Conditional transfers from other governments</b>		
Provincial government		
Education and community literacy	\$ 150,000	\$ 198,162
MPAL	25,000	25,000
COVID Recovery	-	-
Environmental development		
Refuse diversion	<u>17,000</u>	<u>12,294</u>
	<u>192,000</u>	<u>235,456</u>
Federal government		
Federal works grant	<u>20,000</u>	<u>27,839</u>
	<u>\$ 212,000</u>	<u>\$ 263,295</u>

**Town of Port Hawkesbury**  
**General section**  
**Schedule A - Details of revenue (continued)**

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

	2024		2023
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Unconditional transfers from other governments</b>			
Fuel rebate	\$ 6,000	\$ 5,230	\$ -
Municipal Financial Capacity Grant	<u>298,730</u>	<u>298,730</u>	<u>298,716</u>
	<u>\$ 304,730</u>	<u>\$ 303,960</u>	<u>\$ 298,716</u>
<b>Conditional transfers from other local governments</b>			
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>
<b>Other transfers</b>			
Transfer from operating reserve fund	<u>\$ 8,749</u>	<u>\$ -</u>	<u>\$ 34,583</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

	2024	2023
	<u>Budget</u>	<u>Actual</u>
<b>General government services</b>		
Legislative		
Mayor		
Stipend	\$ 39,378	\$ 38,943
Travel	12,000	10,920
Council		
Stipend	82,957	82,160
Travel	4,200	6,925
	<u>138,535</u>	<u>138,948</u>
General administrative		
Administrative	521,792	513,027
Financial management	134,600	125,752
Taxation		
Administration	81,740	86,171
Reduced taxes - section 69	6,000	4,697
Reduced taxes - section 71	193,904	198,004
Common services	6,400	6,146
General financing	13,200	18,225
Transfer to assessment services	40,700	28,373
	<u>998,516</u>	<u>980,395</u>
Other general government services		
General liability insurance & claims	125,000	139,946
Grants to other organizations and individuals	20,700	17,600
Intergovernmental relations	23,500	19,122
Other general services	58,300	59,452
	<u>227,500</u>	<u>236,120</u>
Valuation allowances		
Uncollectible taxes allowance for appeals	30,000	9,714
	<u>\$ 1,394,551</u>	<u>\$ 1,365,177</u>
		<u>\$ 1,283,907</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

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Protective services</b>			
Police protection			
Crime investigation, prevention, and protective services	<u>\$ 1,320,312</u>	<u>\$ 1,313,741</u>	<u>\$ 1,239,012</u>
Law enforcement			
Transfers to corrective services	<u>38,861</u>	<u>36,712</u>	<u>37,729</u>
Fire protection			
Administration	33,000	24,227	30,729
Fire fighting force	25,600	25,600	25,600
Water supply and hydrants	324,003	324,003	324,003
Fire stations and building	40,500	43,234	37,711
Firefighting equipment	<u>64,000</u>	<u>61,808</u>	<u>86,739</u>
	<u>487,103</u>	<u>478,872</u>	<u>504,782</u>
Other			
Animal and pest control	-	-	158
Emergency measures	2,000	2,000	2,000
Debenture interest	<u>20,073</u>	<u>20,073</u>	<u>21,032</u>
	<u>22,073</u>	<u>22,073</u>	<u>23,190</u>
	<u>\$ 1,868,349</u>	<u>\$ 1,851,398</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

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Transportation services</b>			
Common services			
Administration	\$ 12,600	\$ 17,197	\$ 15,871
Engineering services	15,000	12,553	13,777
General equipment	9,500	11,842	9,925
Small tools and equipment	5,000	5,712	3,775
Workshop, yards, and other buildings	60,575	48,768	65,344
Fleet insurance	10,000	10,347	12,385
Other	4,500	3,837	5,941
	<u>117,175</u>	<u>110,256</u>	<u>127,018</u>
Road transport			
Administration	178,900	185,750	163,043
Bridge repairs and maintenance	15,000	5,527	5,527
Roads and streets	497,205	608,920	474,745
Street lighting	94,000	99,614	91,596
Traffic services	27,110	55,606	38,114
Motor vehicles	93,700	152,724	153,968
Other road transport	6,000	6,000	3,000
	<u>911,915</u>	<u>1,114,141</u>	<u>929,993</u>
Air transport			
Airport	<u>12,200</u>	<u>128,429</u>	<u>71,583</u>
Debt charges			
Debenture interest	<u>13,500</u>	<u>11,704</u>	<u>12,500</u>
	<u>\$ 1,054,790</u>	<u>\$ 1,364,530</u>	<u>\$ 1,141,094</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

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental health services</b>			
Sewage collection and disposal			
Administration	\$ 99,462	\$ 94,735	\$ 89,299
Sewage collection system	69,135	37,143	40,003
Sewage treatment and disposal	235,900	266,064	179,506
Other sewage collection	<u>8,100</u>	<u>3,922</u>	<u>4,821</u>
	<u>415,597</u>	<u>401,864</u>	<u>313,629</u>
Garbage and waste collection and disposal			
Garbage and waste collection	199,560	199,687	195,117
Waste disposal	45,000	41,821	41,232
Recycling costs	<u>20,000</u>	<u>13,860</u>	<u>14,823</u>
	<u>264,560</u>	<u>255,368</u>	<u>251,172</u>
Debt charges			
Interest on long term debt	<u>4,020</u>	<u>4,018</u>	<u>5,836</u>
	<u>\$ 681,177</u>	<u>\$ 661,250</u>	<u>\$ 570,637</u>
<b>Public health and welfare services</b>			
Housing			
Deficit of Regional Housing Authority	<u>\$ 100,000</u>	<u>\$ 123,362</u>	<u>\$ 58,881</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

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Environmental development services</b>			
Community development			
Transfers to Eastern Planning Commission	\$ 67,896	\$ 67,893	\$ 67,379
Transfers to Regional Development Cape Breton Regional Enterprise Network	<u>30,000</u>	<u>28,705</u>	<u>27,900</u>
	<u>\$ 97,896</u>	<u>\$ 96,598</u>	<u>\$ 95,279</u>
<b>Recreation and cultural services</b>			
Recreation facilities			
Civic centre	\$ 1,082,445	\$ 1,076,978	\$ 1,076,788
Administration	25,200	17,284	32,356
Parks and other recreation facilities	201,155	232,123	246,424
Swimming pool	282,543	287,000	242,695
Other programs	<u>361,264</u>	<u>391,852</u>	<u>435,420</u>
	<u>1,952,607</u>	<u>2,005,237</u>	<u>2,033,683</u>
Cultural buildings and facilities			
Transfers to regional library	<u>28,100</u>	<u>27,445</u>	<u>26,791</u>
Debt charges			
Interest on long term debt	<u>9,600</u>	<u>9,585</u>	<u>12,306</u>
	<u>\$ 1,990,307</u>	<u>\$ 2,042,267</u>	<u>\$ 2,072,780</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

	<b>2024</b>		<b>2023</b>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Education</b>			
Appropriation to Strait Regional Centre for Education	\$ 666,000	\$ <b>666,098</b>	\$ 647,291
<b>Financing and transfers</b>			
Principal instalments			
Debenture principal, net	\$ 445,700	\$ <b>445,700</b>	\$ 445,700
Transfers to own reserves, funds and agencies			
Other funds			
Capital out of revenue	-	<b>59,713</b>	39,964
Transfer to capital fund	60,000	-	-
Operating reserve fund	-	<b>476,896</b>	483,045
Waterfront reserve fund	-	<b>10,368</b>	13,746
Airport committee	<u>112,800</u>	<u><b>113,818</b></u>	<u>123,725</u>
	<u>\$ 618,500</u>	<u>\$ <b>1,106,495</b></u>	<u>\$ 1,106,180</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 2024 2023

**Assets**

Accounts receivable

Rates (less allowance for doubtful accounts \$15,530; 2023- \$14,456)	\$ 236,518	\$ 229,516
Due from general section – operating fund	638,673	823,386

Inventories, at cost

Chemicals	42,360	19,545
Other	30,396	30,394
Water meters and equipment	<u>2,332</u>	<u>2,698</u>

	<u>\$ 950,279</u>	<u>1,105,539</u>
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**Liabilities and operating equity**

Accounts payable and accrued liabilities

Prepaid rates	\$ 23,692	\$ 21,437
Consumer deposits	<u>10,822</u>	<u>10,822</u>
	<u>34,514</u>	<u>32,259</u>

Operating fund surplus (Page 20)	<u>915,765</u>	<u>1,073,280</u>
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	<u>\$ 950,279</u>	<u>1,105,539</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

	2024	2023
	<u>Budget</u>	<u>Actual</u>
Operating revenues		<u>Actual</u>
Flat rate sales	\$ 80,000	\$ 77,817
Metered sales	1,040,000	1,066,537
Other utility revenues	9,200	14,884
Public fire protection	<u>324,003</u>	<u>324,003</u>
	<u>1,453,203</u>	<u>1,483,241</u>
Operating expenses		
Source of supply	135,000	148,525
Pumping	10,640	2,273
Water treatment	397,200	421,053
Transmission and distribution	197,997	209,710
Administration and general	165,000	150,834
Depreciation	330,000	281,677
Taxes	<u>113,566</u>	<u>113,565</u>
	<u>1,349,403</u>	<u>1,327,637</u>
Operating (loss) income	<u>103,800</u>	<u>(57,323)</u>
Non-operating expenditure		
Debt charges		
Debenture interest	18,000	17,987
Principal instalments		
Debenture principal	<u>85,800</u>	<u>85,800</u>
	<u>103,800</u>	<u>103,787</u>
Non-operating revenue		
Amortization of deferred government contributions	117,890	117,890
Transfer to depreciation reserve	<u>(117,890)</u>	<u>-</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ 169,707</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	2024	2023
Operating fund surplus, beginning of year	\$ 1,073,280	\$ 903,573
Excess of revenue over expenditures	<u>(157,515)</u>	<u>169,707</u>
Operating fund surplus, end of year	<u>\$ 915,765</u>	<u>\$ 1,073,280</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

2024

2023

## Assets

Cash		
Depreciation fund	\$ 2,000,565	\$ 1,746,432
Due from other government	342,379	28,850
Unamortized discount on debentures	1,744	2,400
Utility plant in service (Schedule C)	<u>11,745,243</u>	<u>11,296,383</u>
	<u>\$ 14,089,931</u>	<u>\$ 13,074,065</u>

## Liabilities

Long term debt (Note 8) (Schedule D)	\$ 303,855	\$ 389,655
Due to general section – operating fund	342,379	28,850
Due to general section – capital fund	<u>715</u>	<u>715</u>
	<u>646,949</u>	<u>419,220</u>

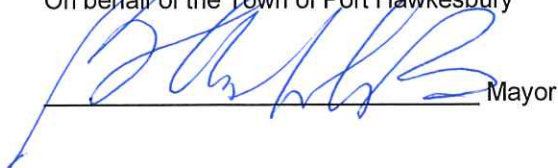
## Reserve

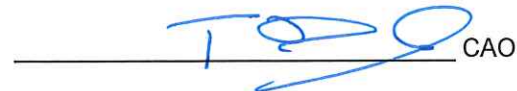
Reserve for depreciation	6,209,544	5,804,871
Deferred government contributions	<u>2,512,114</u>	<u>2,318,177</u>
	<u>8,721,658</u>	<u>8,123,048</u>

## Equity

Investment in capital assets	<u>4,721,324</u>	<u>4,531,797</u>
	<u>\$ 14,089,931</u>	<u>\$ 13,074,065</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	2024	2023
Balance, beginning of year	\$ 5,804,871	\$ 5,523,194
Depreciation for the year	<u>285,081</u>	<u>281,677</u>
Balance, end of year	<u>\$ 6,089,952</u>	<u>\$ 5,804,871</u>

**Water utility section**  
**Statement of investment in capital assets**

(Unaudited – see advisory to readers)

Year ended March 31	2024	2023
Balance, beginning of year	\$ 4,531,797	\$ 4,398,825
Interest earned depreciation fund	104,384	47,829
Term debt retired	85,800	85,800
Discount amortized	(657)	(657)
Transfer from operations	<u>119,592</u>	<u>-</u>
Balance, end of year	<u>\$ 4,840,916</u>	<u>\$ 4,531,797</u>

**Water utility section**  
**Statement of depreciation fund cash**

(Unaudited – see advisory to readers)

Year ended March 31	2024	2023
Cash, beginning of year	\$ 1,746,432	\$ 1,567,941
Deferred assistance transferred	(119,592)	
Transfer from operations	119,592	(117,890)
Capital additions	(135,332)	(33,125)
Depreciation	285,081	281,677
Interest earned on depreciation funds	<u>104,384</u>	<u>47,829</u>
Cash, end of year	<u>\$ 2,000,565</u>	<u>\$ 1,746,432</u>

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

2024

2023

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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	1,594,589	1,167,030
Electric pumping equipment	353,547	353,547
Purification equipment	3,609,603	3,609,603
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>104,856</u>	<u>83,555</u>
	<u>11,741,743</u>	<u>11,292,883</u>
	<u>\$11,745,243</u>	<u>\$11,296,383</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 2024 2023

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### Assets

Cash and cash equivalents	<u>\$ 506,804</u>	<u>\$ 337,889</u>
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### Reserve

Special reserve	<u>\$ 506,804</u>	<u>\$ 337,889</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 2024 2023

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Balance, beginning of year	\$ 337,889	\$ 312,722
Interest earned	19,365	9,366
Proceeds on sale of property	<u>149,550</u>	<u>15,801</u>
Balance, end of year	<u>\$ 506,804</u>	<u>\$ 337,889</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

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 4,248,485	\$ 3,694,422
Due from general operating	<u>476,896</u>	<u>483,045</u>
	<u>\$ 4,725,381</u>	<u>\$ 4,177,467</u>
<b>Reserve</b>		
Snow reserve	\$ 51,453	\$ 51,453
General reserve	<u>4,673,928</u>	<u>4,126,014</u>
Operating reserve	<u>\$ 4,725,381</u>	<u>\$ 4,177,467</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

	2024	2023
Balance, beginning of year	\$ 4,177,467	\$ 4,300,097
Interest earned	221,270	101,467
Capital additions	(150,252)	(672,559)
Appropriation per council – general	<u>476,896</u>	<u>448,462</u>
Balance, end of year	<u>\$ 4,725,381</u>	<u>\$ 4,177,467</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

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$1,804,189	\$ 1,695,628
Provincial receivable	<u>237,457</u>	<u>-</u>
	<u>\$2,041,646</u>	<u>\$ 1,695,628</u>
<b>Reserve</b>		
Canada Community Building Fund reserve	<u>\$ 2,041,646</u>	<u>\$ 1,695,628</u>

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

	2024	2023
Balance, beginning of year	\$ 1,695,628	\$ 1,811,670
Interest earned	108,561	54,019
Grant – Canada Community Building Fund	<u>237,457</u>	<u>232,668</u>
	<u>2,041,646</u>	<u>2,098,357</u>
Capital additions	<u>-</u>	<u>(402,729)</u>
Balance, end of year	<u>\$ 2,041,646</u>	<u>\$ 1,695,628</u>

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 2024 2023

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**Assets**

Cash and cash equivalents \$ 36,812 \$ 24,729

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**Reserve**

Waterfront reserve \$ 36,812 \$ 24,729

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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 2024 2023

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Balance, beginning of year	\$ <u>24,729</u>	\$ 20,334
Capital additions	-	(10,000)
Creamery rental allocation	10,368	13,746
Interest earned	<u>1,715</u>	<u>649</u>
Balance, end of year	<u>\$ 36,812</u>	<u>\$ 24,729</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, 2024

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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, 2024

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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, 2024

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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>	<u><b>2024</b></u>	<u><b>2023</b></u>
Balance, beginning of year	\$ 244,307	\$ 225,336
Levy	5,439,658	5,071,352
Interest	<u>86,837</u>	<u>71,090</u>
	5,770,802	5,367,778
Collections	<u>5,124,701</u>	<u>4,846,338</u>
	646,101	521,440
Write offs, adjustments, and exemptions	<u>202,701</u>	<u>194,619</u>
	443,400	326,821
Valuation allowance (Note 5)	<u>92,228</u>	<u>82,514</u>
Balance, end of year	<u><b>\$ 351,172</b></u>	<u><b>\$ 244,307</b></u>

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<b>3. Due from provincial government and its agencies</b>	<u><b>2024</b></u>	<u><b>2023</b></u>
Province of Nova Scotia	<u><b>\$ 1,005,534</b></u>	<u><b>\$ 575,709</b></u>

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<b>4. Due from local government and its agencies</b>	<u><b>2024</b></u>	<u><b>2023</b></u>
Various local governments	<u><b>\$ 296,952</b></u>	<u><b>\$ 290,686</b></u>

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)  
March 31, 2024

5. Asset valuation allowances	<u>2024</u>	<u>2023</u>
For uncollected taxes		
Balance, beginning of year	\$ 82,514	\$ 69,314
Provision for the year	<u>9,714</u>	<u>13,200</u>
Balance, end of year	<u>\$ 92,228</u>	<u>\$ 82,514</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>2024</u>	<u>2023</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	\$ 1,906,143
Buildings	26,972,643	12,788,466	14,184,177	14,715,175
Engineered structures	2,904,522	2,082,986	821,536	739,427
Automotive equipment	835,927	750,832	85,095	102,114
Machinery and equipment	5,243,546	3,340,003	1,903,543	1,814,969
Sewer lines	7,470,723	4,101,376	3,369,347	3,454,328
Streets and lighting	10,647,931	6,098,760	4,549,171	4,598,132
Computer software	<u>107,953</u>	<u>107,953</u>	<u>-</u>	<u>-</u>
	<u>\$ 56,089,388</u>	<u>\$29,270,376</u>	<u>\$ 26,819,012</u>	<u>\$ 27,330,288</u>

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)  
 March 31, 2024

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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>
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
2029	\$ 83,200	\$ 5,800	\$ 89,000

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>2024</u>	<u>2023</u>
Cape Breton Island Housing Authority	\$ 123,362	\$ 58,881
Eastern District Planning Commission	\$ 67,893	\$ 67,379
Cape Breton Regional Enterprise Network	\$ 28,705	\$ 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, 2024.

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# Town of Port Hawkesbury

## Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)  
March 31, 2024

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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 (2023 – 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 (2023 - \$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, 2024 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, 2024, actuarial valuation indicated that the pension plan had an accrued pension liability of \$159,400 (2023 - \$65,100 pension liability).

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, 2024

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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 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 2024 valuation is as follows:

Market value of the pension plan asset	\$ 1,114,900
Accrued benefit obligation	<u>(1,274,300)</u>
Pension plan deficit	(159,400)
Unamortized actuarial losses	-
Valuation allowance	<u>-</u>
Accrued benefit liability	<u>\$ (159,400)</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 \$145,774 in fiscal 2024 (2023 - \$129,863), 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, 2024

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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	\$39,413
Jason Aucoin	Deputy Mayor	\$20,173
Hughie MacDougall	Councillor	\$21,597
Mark MacIver	Councillor	\$21,197
Blaine MacQuarrie	Councillor	\$20,173
Terry Doyle	CAO	\$136,644

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# Town of Port Hawkesbury

## Schedule D - Debt charges and term debt

(Unaudited – see advisory to readers)  
Year ended March 31, 2024

	Year of Maturity	Loan Continuity				Interest
		Balance March 31, 2023	Acquired	Redeemed	Balance March 31, 2024	
<b>General capital</b>						
<b>Serial debentures</b>						
Civic Centre	2025	\$ 150,000	\$ -	\$ 75,000	\$ 75,000	\$ 3,353
Waste water plant	2023	52,500	-	52,500	-	1,600
Civic Centre	2025	172,500	-	57,500	115,000	1,634
Civic Centre – refinanced	2026	500,000	-	125,000	375,000	4,598
Waste water plant – refinanced	2026	210,000	-	52,500	157,500	2,418
Aerial ladder truck	2034	765,000	-	45,000	720,000	20,074
Pitt Napean	2034	<u>458,345</u>	-	<u>38,200</u>	<u>420,145</u>	<u>11,703</u>
		<u>2,308,345</u>	-	<u>445,700</u>	<u>1,862,645</u>	<u>45,380</u>
<b>Water capital</b>						
<b>Serial debentures</b>						
Municipal finance	2026	320,000	-	80,000	240,000	1,778
Pitt Napean	2034	<u>69,655</u>	-	<u>5,800</u>	<u>63,855</u>	<u>12,614</u>
		<u>389,655</u>	-	<u>85,800</u>	<u>303,855</u>	<u>14,392</u>
<b>Total Municipal debt</b>		<u>\$ 2,698,000</u>	<u>\$ -</u>	<u>\$ 531,500</u>	<u>\$2,166,500</u>	<u>\$ 59,772</u>

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

- |                      |                       |
|----------------------|-----------------------|
| 1 – 2.129% to 2.829% | 7 – 0.5% to 1.489%    |
| 2 – 2.963% to 3.048% | 8 – 2.129% to 2.829%  |
| 3 – 0.859% to 1.241% | 9 – 2.039% to 3.048%  |
| 4 – 5.080%           | 10 – 4.301% to 4.597% |
| 5 – 0.4% to 1.398%   | 11 – 2.039% to 3.048% |
| 6 – 2.039% to 3.048% |                       |