

Non-consolidated financial statements

(Unaudited – see advisory to readers)

Town of Port Hawkesbury

March 31, 2025

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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

2025

2024

Assets

Cash and cash equivalents	<u>\$ 1,202,688</u>	<u>\$ 3,217,190</u>
Receivables		
Taxes (Note 2)	466,005	443,400
Due from federal government and its agencies	1,489,402	408,615
Due from provincial government and its agencies (Note 3)	266,107	1,005,534
Due from local government and its agencies (Note 4)	288,340	296,952
Due from water utility – operating/capital fund	1,186,796	-
Due from general capital fund	1,166,325	-
Other	<u>534,426</u>	<u>635,975</u>
	<u>5,397,401</u>	<u>2,790,476</u>
Tangible assets		
Inventories of materials and supplies	<u>5,205</u>	<u>2,055</u>
Other assets		
Deferred expenditures	<u>3,116</u>	<u>10,172</u>
	<u>\$ 6,608,410</u>	<u>\$ 6,019,893</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 2025 2024

Liabilities and operating equity

Trade payables	<u>\$ 3,166,402</u>	<u>\$ 2,483,073</u>
Other liabilities		
Due to operating reserve	711,758	476,896
Due to Water Utility – operating/capital fund	-	296,294
Payable to Landrie Lake Water Utility	187,484	404,288
Deferred revenue	1,873,021	1,779,052
Prepaid taxes	<u>185,381</u>	<u>167,177</u>
	<u>2,957,644</u>	<u>3,123,707</u>
Asset valuation allowances		
For uncollectible accounts receivable	340,977	285,600
For uncollected taxes (Note 5)	<u>108,102</u>	<u>92,228</u>
	<u>449,079</u>	<u>377,828</u>
Operating fund surplus (Page 5)	<u>35,285</u>	<u>35,285</u>
	<u>\$ 6,608,410</u>	<u>\$ 6,019,893</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

2025

2024

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue (Schedule A)			
Taxes	\$ 6,005,150	\$ 6,047,666	\$ 5,674,462
Grants in lieu of taxes	931,446	930,203	848,698
Services provided to other local governments	463,000	575,427	676,467
Sales of services	785,083	1,060,191	1,014,436
Other revenue from own sources	300,851	494,641	438,357
Conditional transfers from other governments	212,000	221,157	263,295
Unconditional transfers from other governments	354,730	355,720	303,960
Conditional transfers from other local governments	56,500	50,000	57,500
Other transfers	-	-	-
	<u>9,108,760</u>	<u>9,735,005</u>	<u>9,277,175</u>
Expenditures (Schedule B)			
General government services	1,509,592	1,473,708	1,365,177
Protective services	1,903,225	1,926,987	1,851,398
Transportation services	1,176,783	1,156,422	1,364,530
Environmental health services	719,377	691,900	661,250
Public health and welfare services	-	-	123,362
Environmental development services	140,472	127,470	96,598
Recreation and cultural services	2,164,025	2,203,482	2,042,267
Education	718,620	718,656	666,098
Financing and transfers	776,666	1,436,380	1,106,495
	<u>9,108,760</u>	<u>9,735,005</u>	<u>9,277,175</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	2025	2024
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

2025

2024

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	10,615	12,881
Property and equipment (Note 7)	<u>34,327,055</u>	<u>26,819,012</u>
	<u>\$ 34,349,313</u>	<u>\$ 26,843,536</u>

Liabilities

Long term debt (Note 8) (Schedule D)	\$ 1,469,445	\$ 1,862,645
Due to general fund – interim financing	1,166,325	-

Equity

Investment in capital assets (Page 8)	<u>31,713,543</u>	<u>24,980,891</u>
	<u>\$ 34,349,313</u>	<u>\$ 26,843,536</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 investment in general capital assets

(Unaudited – see advisory to readers)

Year ended March 31	2025	2024
Balance, beginning of year	\$ 24,980,891	\$ 25,048,731
Transfer from Canada Community Building Fund revenue	421,525	-
Capital out of revenue	56,043	59,713
Amortization of debenture discount and other adjustments	(2,267)	(2,265)
Amortization of tangible capital assets	(1,504,302)	(1,489,347)
Transfer from waterfront reserve	24,729	-
Assets funded by ACOA and miscellaneous funding	6,771,020	768,107
Asset funded through operating reserve	572,704	150,252
Term debt retired/refinanced	393,200	445,700
Town debt refinanced	-	-
Balance, end of year	<u>\$ 31,713,543</u>	<u>\$ 24,980,891</u>

General section

Statement of investment in school capital assets

(Unaudited - see advisory to readers)

Year ended March 31	2025	2024
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

2025

2024

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Taxes			
Assessable property			
Residential	\$ 3,135,505	\$ 3,140,003	\$ 2,938,473
Commercial			
Based on taxable assessment	2,680,902	2,645,836	2,480,167
Resource			
Based on taxable assessment	<u>25,162</u>	<u>22,079</u>	<u>21,018</u>
	<u>5,841,569</u>	<u>5,807,918</u>	<u>5,439,658</u>
Business property			
Nova Scotia Power - HST offset grant	21,000	28,439	21,257
Based in revenue – Nova Scotia Power	12,581	12,581	11,489
Based on revenue – Aliant Inc.	<u>20,000</u>	<u>22,216</u>	<u>21,792</u>
	<u>53,581</u>	<u>63,236</u>	<u>54,538</u>
Other			
Deed transfer tax	<u>110,000</u>	<u>176,512</u>	<u>180,266</u>
	<u>\$ 6,005,150</u>	<u>\$ 6,047,666</u>	<u>\$ 5,674,462</u>
Grants in lieu of taxes			
Federal government	\$ 81,135	\$ 81,135	\$ 76,511
Provincial property	<u>850,311</u>	<u>849,068</u>	<u>772,187</u>
	<u>\$ 931,446</u>	<u>\$ 930,203</u>	<u>\$ 848,698</u>
Services provided to other local governments			
Fire Protection Richmond County	\$ 63,000	\$ 63,000	\$ 62,000
Leachate Treatment – Guysborough County	<u>400,000</u>	<u>512,427</u>	<u>614,467</u>
	<u>\$ 463,000</u>	<u>\$ 575,427</u>	<u>\$ 676,467</u>

Town of Port Hawkesbury

General section

Schedule A - Details of revenue (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2025

2024

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Sales of services			
Airport	\$ 80,000	\$ 242,967	\$ 204,644
Civic centre	403,063	454,532	446,391
Public works	25,000	43,028	44,447
Recreation and education	216,000	258,523	258,692
Water utility	55,020	55,121	54,007
Administrative	<u>6,000</u>	<u>6,020</u>	<u>6,255</u>
	<u>\$ 785,083</u>	<u>\$ 1,060,191</u>	<u>\$ 1,014,436</u>
Other revenue from own sources			
Licenses and permits	\$ 2,250	\$ 5,530	\$ 2,510
Fines and fees	7,500	6,310	6,573
Rentals	145,801	146,152	114,795
Interest on short term funds	40,000	152,588	187,520
Interest on taxes	67,000	77,414	86,837
Miscellaneous	<u>38,300</u>	<u>106,647</u>	<u>40,122</u>
	<u>\$ 300,851</u>	<u>\$ 494,641</u>	<u>\$ 438,357</u>
Conditional transfers from other governments			
Provincial government			
Education and community literacy	\$ 150,000	\$ 162,662	\$ 198,162
MPAL	25,000	25,000	25,000
Sustainable services growth fund	-	7,494	-
Environmental development			
Refuse diversion	<u>17,000</u>	<u>6,849</u>	<u>12,294</u>
	192,000	202,005	235,456
Federal government			
Federal works grant	<u>20,000</u>	<u>19,152</u>	<u>27,839</u>
	<u>\$ 212,000</u>	<u>\$ 221,157</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

		2025	2024
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Unconditional transfers from other governments			
Fuel rebate	\$ 6,000	\$ 6,988	\$ 5,230
Municipal Financial Capacity Grant	<u>348,730</u>	<u>348,732</u>	<u>298,730</u>
	<u>\$ 354,730</u>	<u>\$ 355,720</u>	<u>\$ 303,960</u>
Conditional transfers from other local governments			
Pool funding	\$ 26,500	\$ 20,000	\$ 27,500
Airport funding	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
	<u>\$ 56,500</u>	<u>\$ 50,000</u>	<u>\$ 57,500</u>
Other transfers			
Transfer from operating reserve fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the non-consolidated financial statements.

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures

(Unaudited – see advisory to readers)

Year ended March 31

	2025	2024
	<u>Budget</u>	<u>Actual</u>
General government services		
Legislative		
Mayor		
Stipend	\$ 40,554	\$ 40,663
Travel	12,000	8,054
Council		
Stipend	85,768	85,778
Travel	4,200	15,287
	<u>142,522</u>	<u>149,782</u>
General administrative		
Administrative	542,120	538,133
Financial management	140,600	143,507
Taxation		
Administration	90,830	92,747
Reduced taxes - section 69	6,000	5,242
Reduced taxes - section 71	222,520	227,678
Common services	7,600	7,324
General financing	13,200	18,401
Transfer to assessment services	40,700	40,690
	<u>1,063,570</u>	<u>1,073,722</u>
Other general government services		
General liability insurance & claims	145,000	132,801
Grants to other organizations and individuals	20,700	18,610
Intergovernmental relations	23,500	4,861
Other general services	75,300	78,058
	<u>264,500</u>	<u>234,330</u>
Valuation allowances		
Uncollectible taxes allowance for appeals	39,000	15,874
	<u>\$ 1,509,592</u>	<u>\$ 1,473,708</u>
		<u>\$ 1,365,177</u>

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2025	2024
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protective services			
Police protection			
Crime investigation, prevention, and protective services	\$ 1,401,482	\$ 1,394,616	\$ 1,313,741
Law enforcement			
Transfers to corrective services	-	-	36,712
Fire protection			
Administration	35,540	47,267	24,227
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	60,302	43,234
Firefighting equipment	55,000	52,555	61,808
	<u>480,643</u>	<u>509,727</u>	<u>478,872</u>
Other			
Animal and pest control	-	1,562	-
Emergency measures	2,000	2,000	2,000
Debenture interest	19,100	19,082	20,073
	<u>21,100</u>	<u>22,644</u>	<u>22,073</u>
	<u>\$ 1,903,225</u>	<u>\$ 1,926,987</u>	<u>\$ 1,851,398</u>

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2025	2024
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Administration	\$ 16,900	\$ 27,275	\$ 17,197
Engineering services	29,000	28,018	12,553
General equipment	10,500	9,115	11,842
Small tools and equipment	5,000	12,176	5,712
Workshop, yards, and other buildings	62,495	74,268	48,768
Fleet insurance	14,000	12,864	10,347
Other	4,500	6,639	3,837
	<u>142,395</u>	<u>170,355</u>	<u>110,256</u>
Road transport			
Administration	192,680	143,153	185,750
Bridge repairs and maintenance	15,000	-	5,527
Roads and streets	512,585	508,631	608,920
Street lighting	108,000	102,669	99,614
Traffic services	44,110	42,620	55,606
Motor vehicles	93,700	144,668	152,724
Other road transport	6,000	6,000	6,000
	<u>972,075</u>	<u>947,741</u>	<u>1,114,141</u>
Air transport			
Airport	12,200	27,453	128,429
Debt charges			
Debenture interest	50,113	10,873	11,704
	<u>\$ 1,176,783</u>	<u>\$ 1,156,422</u>	<u>\$ 1,364,530</u>

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2025	2024
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Environmental health services			
Sewage collection and disposal			
Administration	\$ 102,702	\$ 95,300	\$ 94,735
Sewage collection system	80,565	49,998	37,143
Sewage treatment and disposal	241,400	261,732	266,064
Other sewage collection	<u>8,100</u>	<u>5,606</u>	<u>3,922</u>
	<u>432,767</u>	<u>412,636</u>	<u>401,864</u>
Garbage and waste collection and disposal			
Garbage and waste collection	219,600	219,012	199,687
Waste disposal	45,000	45,162	41,821
Recycling costs	<u>20,000</u>	<u>13,079</u>	<u>13,860</u>
	<u>284,600</u>	<u>277,253</u>	<u>255,368</u>
Debt charges			
Interest on long term debt	<u>2,010</u>	<u>2,011</u>	<u>4,018</u>
	<u>\$ 719,377</u>	<u>\$ 691,900</u>	<u>\$ 661,250</u>
Public health and welfare services			
Housing			
Deficit of Regional Housing Authority	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,362</u>

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

2025

2024

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Environmental development services			
Community development			
Transfers to Eastern Planning Commission	\$ 67,472	\$ 67,470	\$ 67,893
Other regional development	38,000	25,000	-
Transfers to Regional Development			
Cape Breton Regional Enterprise Network	<u>35,000</u>	<u>35,000</u>	<u>28,705</u>
	<u>\$ 140,472</u>	<u>\$ 127,470</u>	<u>\$ 96,598</u>
Recreation and cultural services			
Recreation facilities			
Civic centre	\$ 1,174,170	\$ 1,192,920	\$ 1,076,978
Administration	25,200	17,855	17,284
Parks and other recreation facilities	248,305	258,628	232,123
Swimming pool	300,518	277,030	287,000
Other programs	<u>381,282</u>	<u>422,500</u>	<u>391,852</u>
	<u>2,129,475</u>	<u>2,168,933</u>	<u>2,005,237</u>
Cultural buildings and facilities			
Transfers to regional library	<u>28,100</u>	<u>28,100</u>	<u>27,445</u>
Debt charges			
Interest on long term debt	<u>6,450</u>	<u>6,449</u>	<u>9,585</u>
	<u>\$ 2,164,025</u>	<u>\$ 2,203,482</u>	<u>\$ 2,042,267</u>

Town of Port Hawkesbury

General section

Schedule B - Details of expenditures (continued)

(Unaudited – see advisory to readers)

Year ended March 31

		2025	2024
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Education			
Appropriation to Strait Regional Centre for Education	\$ 718,620	\$ 718,656	\$ 666,098
Financing and transfers			
Principal instalments			
Debenture principal, net	\$ 393,200	\$ 393,200	\$ 445,700
Allowance for rent	62,400	-	-
Transfers to own reserves, funds and agencies			
Other funds			
Capital out of revenue	148,266	56,043	59,713
Transfer to capital fund	60,000	-	-
Operating reserve fund		711,758	476,896
Waterfront reserve fund		14,868	10,368
Airport committee	112,800	260,511	113,818
	<u>\$ 776,666</u>	<u>\$ 1,436,380</u>	<u>\$ 1,106,495</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 2025 2024

Assets

Accounts receivable		
Rates (less allowance for doubtful accounts \$10,531; 2024- \$15,530)	\$ 299,587	\$ 236,518
Due from general section – operating fund	428,692	638,673
 Inventories, at cost		
Chemicals	38,076	42,360
Other	32,494	30,396
Water meters and equipment	<u>2,631</u>	<u>2,332</u>
	<u>\$ 801,480</u>	<u>\$ 950,279</u>

Liabilities and operating equity

Accounts payable and accrued liabilities		
Prepaid rates	\$ 21,648	\$ 23,692
Consumer deposits	<u>10,822</u>	<u>10,822</u>
	<u>32,470</u>	<u>34,514</u>
 Operating fund surplus (Page 20)	<u>769,010</u>	<u>915,765</u>
	<u>\$ 801,480</u>	<u>\$ 950,279</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 operations

(Unaudited – see advisory to readers)

Year ended March 31	2025	2024	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Flat rate sales	\$ 80,000	\$ 88,273	\$ 79,444
Metered sales	1,050,000	1,035,448	1,001,399
Other utility revenues	15,500	17,704	18,192
Public fire protection	<u>324,003</u>	<u>324,003</u>	<u>324,003</u>
	<u>1,469,503</u>	<u>1,465,428</u>	<u>1,423,038</u>
Operating expenses			
Source of supply	135,000	139,275	142,175
Pumping	10,640	3,667	5,015
Water treatment	400,200	547,453	512,761
Transmission and distribution	206,697	284,287	282,555
Administration and general	169,600	142,322	139,209
Depreciation	330,000	285,082	285,081
Taxes	<u>113,566</u>	<u>113,565</u>	<u>113,565</u>
	<u>1,365,703</u>	<u>1,515,651</u>	<u>1,480,361</u>
Operating (loss) income	<u>103,800</u>	<u>(50,223)</u>	<u>(57,323)</u>
Non-operating expenditure			
Debt charges			
Debenture interest	18,000	10,732	14,392
Principal instalments			
Debenture principal	<u>85,800</u>	<u>85,800</u>	<u>85,800</u>
	<u>103,800</u>	<u>96,532</u>	<u>100,192</u>
Non-operating revenue			
Amortization of deferred			
government contributions	117,890	119,592	119,592
Transfer to depreciation reserve	<u>(117,890)</u>	<u>(119,592)</u>	<u>(119,592)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ (146,755)</u>	<u>\$ (157,515)</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	2025	2024
Operating fund surplus, beginning of year	\$ 915,765	\$ 1,073,280
Excess of revenue over expenditures	<u>(146,755)</u>	<u>(157,515)</u>
Operating fund surplus, end of year	<u>\$ 769,010</u>	<u>\$ 915,765</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

2025

2024

Assets

Cash		
Depreciation fund	\$ 1,907,459	\$ 2,000,565
Due from other government	1,615,488	342,379
Unamortized discount on debentures	1,086	1,744
Utility plant in service (Schedule C)	<u>13,535,291</u>	<u>11,745,243</u>
	<u>\$ 17,059,324</u>	<u>\$ 14,089,931</u>

Liabilities

Long term debt (Note 8) (Schedule D)	\$ 218,055	\$ 303,855
Due to general section – operating fund	1,615,488	342,379
Due to general section – capital fund	<u>715</u>	<u>715</u>
	<u>1,834,258</u>	<u>646,949</u>


Reserve

Reserve for depreciation	6,614,218	6,209,544
Deferred government contributions	<u>3,692,587</u>	<u>2,512,114</u>
	<u>10,306,805</u>	<u>8,721,658</u>

Equity

Investment in capital assets	<u>4,918,261</u>	<u>4,721,324</u>
	<u>\$ 17,059,324</u>	<u>\$ 14,089,931</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	2025	2024
Balance, beginning of year	\$ 6,089,952	\$ 5,804,871
Depreciation for the year	<u>285,082</u>	<u>285,081</u>
Balance, end of year	<u>\$ 6,375,034</u>	<u>\$ 6,089,952</u>

Water utility section

Statement of investment in capital assets

(Unaudited – see advisory to readers)

Year ended March 31	2025	2024
Balance, beginning of year	\$ 4,840,916	\$ 4,531,797
Interest earned depreciation fund	111,794	104,384
Term debt retired	85,800	85,800
Discount amortized	(657)	(657)
Transfer from operations	<u>119,592</u>	<u>119,592</u>
Balance, end of year	<u>\$ 5,157,445</u>	<u>\$ 4,840,916</u>

Water utility section

Statement of depreciation fund cash

(Unaudited – see advisory to readers)

Year ended March 31	2025	2024
Cash, beginning of year	\$ 2,000,565	\$ 1,746,432
Deferred assistance transferred	(119,592)	(119,592)
Transfer from operations	119,592	119,592
Capital additions	(489,982)	(135,332)
Depreciation	285,082	285,081
Interest earned on depreciation funds	<u>111,794</u>	<u>104,384</u>
Cash, end of year	<u>\$ 1,907,459</u>	<u>\$ 2,000,565</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	2025	2024
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	1,285,619	1,231,708
Distribution reservoirs and standpipes	3,330,726	1,594,589
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>104,856</u>
	<u>13,531,791</u>	<u>11,741,743</u>
	<u>\$ 13,535,291</u>	<u>\$ 11,745,243</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 2025 2024

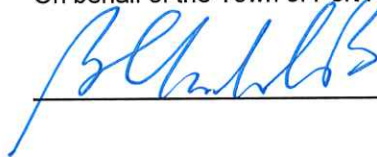
Assets


Cash and cash equivalents	<u>\$ 582,545</u>	<u>\$ 506,804</u>
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Reserve

Special reserve	<u>\$ 582,545</u>	<u>\$ 506,804</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 2025 2024

Balance, beginning of year	\$ 506,804	\$ 337,889
Interest earned	31,163	19,365
Proceeds on sale of property	<u>44,578</u>	<u>149,550</u>
Balance, end of year	<u>\$ 582,545</u>	<u>\$ 506,804</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

	2025	2024
Assets		
Cash and cash equivalents	\$ 4,400,082	\$ 4,248,485
Due from general operating	<u>711,758</u>	<u>476,896</u>
	<u>\$ 5,111,840</u>	<u>\$ 4,725,381</u>

Reserve		
Snow reserve	\$ 51,453	\$ 51,453
General reserve	<u>5,060,387</u>	<u>4,673,928</u>
Operating reserve	<u>\$ 5,111,840</u>	<u>\$ 4,725,381</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

	2025	2024
Balance, beginning of year	\$ 4,725,381	\$ 4,177,467
Interest earned	247,404	221,270
Capital additions	(572,703)	(150,252)
Appropriation per council – general	<u>711,758</u>	<u>476,896</u>
Balance, end of year	<u>\$ 5,111,840</u>	<u>\$ 4,725,381</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

	2025	2024
Assets		
Cash and cash equivalents	\$1,956,230	\$ 1,804,189
Provincial receivable	<u>-</u>	<u>237,457</u>
	<u>\$1,956,230</u>	<u>\$ 2,041,646</u>

Reserve		
Canada Community Building Fund reserve	<u>\$ 1,956,230</u>	<u>\$ 2,041,646</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

	2025	2024
Balance, beginning of year	\$ 2,041,646	\$ 1,695,628
Interest earned	100,779	108,561
Grant – Canada Community Building Fund	<u>235,329</u>	<u>237,457</u>
	<u>2,377,754</u>	<u>2,041,646</u>
Capital additions	<u>421,524</u>	-
Balance, end of year	<u>\$ 1,956,230</u>	<u>\$ 2,041,646</u>

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 2025 2024

Assets

Cash and cash equivalents \$ 28,828 \$ 36,812

Reserve

Waterfront reserve \$ 28,828 \$ 36,812

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 2025 2024

Balance, beginning of year \$ 36,812 \$ 24,729

Capital additions (24,729) -

Creamery rental allocation 14,868 10,368

Interest earned 1,877 1,715

Balance, end of year \$ 28,828 \$ 36,812

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, 2025

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, 2025

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, 2025

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>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 351,172	\$ 244,307
Levy	5,807,918	5,439,658
Interest	<u>77,414</u>	<u>86,837</u>
	6,236,504	5,770,802
Collections	<u>5,537,579</u>	<u>5,124,701</u>
	698,925	646,101
Write offs, adjustments, and exemptions	<u>232,920</u>	<u>202,701</u>
	466,005	443,400
Valuation allowance (Note 5)	<u>108,102</u>	<u>92,228</u>
Balance, end of year	<u>\$ 357,903</u>	<u>\$ 351,172</u>

3. Due from provincial government and its agencies	<u>2025</u>	<u>2024</u>
Province of Nova Scotia	<u>\$ 266,107</u>	<u>\$ 1,005,534</u>

4. Due from local government and its agencies	<u>2025</u>	<u>2024</u>
Various local governments	<u>\$ 288,340</u>	<u>\$ 296,952</u>

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2025

5. Asset valuation allowances	<u>2025</u>	<u>2024</u>
For uncollected taxes		
Balance, beginning of year	\$ 92,228	\$ 82,514
Provision for the year	<u>15,874</u>	<u>9,714</u>
Balance, end of year	<u>\$ 108,102</u>	<u>\$ 92,228</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>2025</u>	<u>2024</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	29,204,348	13,458,904	15,745,444	14,184,177
Engineered structures	7,345,633	2,134,724	5,210,909	821,536
Automotive equipment	835,927	767,851	68,076	85,095
Machinery and equipment	5,509,667	3,533,744	1,975,923	1,903,543
Sewer lines	7,470,723	4,186,358	3,284,365	3,369,347
Streets and lighting	12,721,341	6,585,146	6,136,195	4,549,171
Computer software	<u>107,953</u>	<u>107,953</u>	<u>-</u>	<u>-</u>
	<u>\$ 65,101,735</u>	<u>\$30,774,680</u>	<u>\$ 34,327,055</u>	<u>\$ 26,819,012</u>

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)

March 31, 2025

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>
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
2030	\$ 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>2025</u>	<u>2024</u>
Cape Breton Island Housing Authority	\$ -	\$ 123,362
Eastern District Planning Commission	\$ 67,470	\$ 67,893
Cape Breton Regional Enterprise Network	\$ 35,000	\$ 28,705

The Town has no further financial obligations in connection with the operating results of the above-mentioned entities for the year ended March 31, 2025.

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)
March 31, 2025

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 (2024 – 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 (2024 - \$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, 2025 based on an actual valuation performed as at January 1, 2024. The next actuarial valuation for funding purpose will be prepared as at January 1, 2027. The March 31, 2025, actuarial valuation indicated that the pension plan had an accrued pension liability of \$192,600 (2024 - \$159,400 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.

Town of Port Hawkesbury

Notes to the non-consolidated financial statements

(Unaudited – see advisory to readers)
March 31, 2025

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 4.1 percent;
- The expected rate of return is 4.5 percent; and
- The expected average remaining life expectancy is 14 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 2025 valuation is as follows:

Market value of the pension plan asset	\$ 1,114,700
Accrued benefit obligation	<u>(1,307,300)</u>
Pension plan deficit	192,600
Unamortized actuarial losses	-
Valuation allowance	<u>-</u>
Accrued benefit liability	<u>\$ 192,600</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 \$143,469 in fiscal 2025 (2024 - \$145,774), 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, 2025

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	\$ 40,663
Jason Aucoin	Deputy Mayor	\$ 11,991
Hughie MacDougall	Councillor	\$ 11,991
Mark MacIver	Councillor	\$ 13,446
Blaine MacQuarrie	Councillor	\$ 20,813
Iaian Langley	Deputy Mayor	\$ 9,893
Todd Barrett	Councillor	\$ 8,822
Paula Hart	Councillor	\$ 8,822
Terry Doyle	CAO	\$ 140,744

Town of Port Hawkesbury

Schedule D - Debt charges and term debt

(Unaudited – see advisory to readers)
Year ended March 31, 2025

	Year of Maturity	Loan Continuity				Interest
		Balance March 31, 2024	Acquired	Redeemed	Balance March 31, 2025	
General capital						
Serial debentures						
Civic Centre	2025	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ 1,699
Civic Centre	2025	115,000	-	57,500	57,500	1,036
Civic Centre – refinanced	2026	375,000	-	125,000	250,000	3,714
Waste water plant – refinanced	2026	157,500	-	52,500	105,000	2,011
Aerial ladder truck	2034	720,000	-	45,000	675,000	19,081
Pitt Napean	2034	420,145	-	38,200	381,945	10,873
		<u>1,862,645</u>	<u>-</u>	<u>393,200</u>	<u>1,469,445</u>	<u>38,414</u>
Water capital						
Serial debentures						
Municipal finance	2026	240,000	-	80,000	160,000	9,080
Pitt Napean	2034	63,855	-	5,800	58,055	1,652
		<u>303,855</u>	<u>-</u>	<u>85,800</u>	<u>218,055</u>	<u>10,732</u>
Total Municipal debt		<u>\$ 2,166,500</u>	<u>\$ -</u>	<u>\$ 479,000</u>	<u>\$ 1,687,500</u>	<u>\$ 49,146</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%