

TOWN OF MULGRAVE

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022



CONTENTS

Management Responsibility Statement	1
Independent Auditor's Report	2-3
Consolidated Statement of Financial Activities	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Changes in Financial Position	7
Notes to The Consolidated Financial Statements	8-15
Schedules to the Consolidated Statement of Financial Activities	16-20
Schedule of Mulgrave Water Utility	
Statement of Financial Activities - Operating Fund	21
Statement of Financial Position - Operating Fund	22
Schedules to Statement of Financial Activities - Operating Fund	23
Statement of Financial Position - Capital Fund	24
Statement of Investment in Capital Assets - Capital Fund	25
Statement of Deferred Contributions - Capital Fund	25
Statement of Continuity of Depreciation Funds - Capital Fund	25

Town of Mulgrave
Consolidated Financial Statements
March 31, 2022

Management's Responsibility for the Consolidated Financial Statements


The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and supplementary schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Audit Committee. Council reviews internal financial statements on a regular basis and external audited consolidated financial statements annually. The Audit Committee also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian Auditing Standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Town of Mulgrave and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Town of Mulgrave



Chief Administration Officer

June 6, 2022

Independent auditor's report

His Worship the Mayor and Members
of the Council of the Town of Mulgrave

Opinion

We have audited the consolidated financial statements of Town of Mulgrave ("the Entity") on pages 4-16, which comprise the consolidated statement of financial position as at March 31, 2022 and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Town of Mulgrave as at March 31, 2022, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Supplementary Financial Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 17 to 25 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Membertou, Canada
June 6, 2022

Grant Thornton LLP
Chartered Professional Accountants

**Town of Mulgrave
Consolidated Statement of Financial Activities**

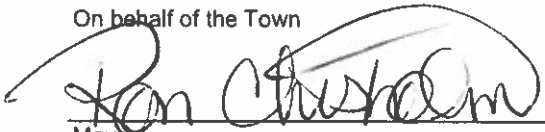
Year Ended March 31		2022	2022	2021
	Page	<u>Budget</u> (Note 15)	<u>Actual</u>	<u>Actual</u>
Revenue				
Taxes	17	\$ 1,622,239	\$ 1,616,458	\$ 1,619,170
Payments in lieu of taxes	17	13,511	13,565	14,432
Other revenue from own sources	17	134,730	344,963	168,230
Unconditional transfers from other governments	17	137,844	264,638	137,928
Conditional transfers from other governments	18	42,227	221,808	178,125
Water rates	21	506,700	516,529	504,817
		<u>\$ 2,457,251</u>	<u>\$ 2,977,961</u>	<u>\$ 2,622,702</u>
Expenditures				
General government services	18	761,893	773,066	769,081
Protective services	19	257,685	251,655	248,577
Transportation services	19	501,857	512,743	421,031
Environmental health services	19-20	327,496	287,738	281,330
Recreation and cultural services	20	172,219	185,000	133,398
Water utility	21	561,104	523,281	584,923
		<u>2,582,254</u>	<u>2,533,483</u>	<u>2,438,340</u>
Annual Surplus		<u>(125,003)</u>	<u>444,478</u>	<u>184,362</u>
Accumulated surplus, beginning of year			\$ 8,792,782	8,608,420
Accumulated surplus, end of year			<u>\$ 9,237,260</u>	<u>\$ 8,792,782</u>

See accompanying notes to the consolidated financial statements


**Town of Mulgrave
Consolidated Statement of Financial Position**

March 31	2022	2021
Financial Assets		
Cash and cash equivalents	\$ 2,711,513	\$ 2,530,216
Receivables (Note 3)	<u>471,245</u>	<u>358,064</u>
	<u>3,182,758</u>	<u>2,888,280</u>
Financial Liabilities		
Payables and accruals	283,991	280,855
Deferred revenue	93,115	53,189
Long term debt (Note 6)	<u>1,457,402</u>	<u>1,561,855</u>
	<u>1,834,508</u>	<u>1,895,899</u>
Net Financial Assets	<u>1,348,250</u>	<u>992,381</u>
Non-financial Assets		
Capital assets (Note 4)	7,848,906	7,763,605
Unamortized debenture discount	8,989	9,680
Inventory not held for resale	9,176	9,937
Prepaid expenses	<u>21,938</u>	<u>17,179</u>
	<u>7,889,009</u>	<u>7,800,401</u>
Accumulated Surplus	<u>\$ 9,237,259</u>	<u>\$ 8,792,782</u>
Contingencies (Note 14)		

On behalf of the Town



Mayor



CAO

See accompanying notes to the consolidated financial statements

Town of Mulgrave
Consolidated Statement of Changes in Net Financial Assets

6

Year Ended March 31	2022	2022	2021
	Budget	Actual	Actual
Annual surplus	\$ (125,003)	\$ 444,478	\$ 184,362
Acquisition of capital assets	(374,980)	(347,670)	(382,852)
Acquisition/consumption of supply inventory	-	761	6,000
Payment of debenture discount	-	690	745
Amortization of capital assets	298,779	262,369	249,789
(Gain) loss on sale of asset	-	(12,002)	105,110
Proceeds from sale of capital assets	-	12,002	69,987
Change in prepaid expenses	-	(4,759)	(1,772)
Change in net financial assets	\$ (201,204)	355,869	231,369
Net financial assets			
Beginning of year		992,381	761,012
End of year		\$ 1,348,250	\$ 992,381

See accompanying notes to the consolidated financial statements

Town of Mulgrave
Consolidated Statement of Changes in Financial Position

7

Year Ended March 31	2022	2021
	<u>Actual</u>	<u>Actual</u>
Increase (decrease) in cash and cash equivalents		
Operating activities		
Annual surplus	\$ 444,478	\$ 184,362
Amortization of capital assets	262,369	249,789
Amortization of debenture discount	690	745
(Gain) loss on sale of capital assets	(12,002)	105,110
Change in non-cash assets and liabilities		
Decrease (increase) in		
Receivables	(113,181)	52,735
Prepaid expenses	(4,759)	(1,772)
Increase (decrease) in		
Payables and accruals	3,136	58,019
Inventory	761	6,000
Deferred revenue	39,926	28,395
	<u>621,418</u>	<u>683,383</u>
Investing activities		
Acquisition of capital assets	(347,670)	(382,852)
Proceeds from sale of capital asset	12,002	69,987
	<u>(335,668)</u>	<u>(312,865)</u>
Financing activities		
Repayment of long term debt	(104,453)	(111,992)
Net increase in cash and cash equivalents	181,297	258,526
Cash and cash equivalents,		
Beginning of year	<u>2,530,216</u>	<u>2,271,690</u>
End of year	<u>\$ 2,711,513</u>	<u>\$ 2,530,216</u>

See accompanying notes to the consolidated financial statements

1. Significant accounting policies

The consolidated financial statements of the Town of Mulgrave (the "Town") have been prepared by management in accordance with Canadian Public Sector Accounting Standards, as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants (CPA) Canada.

Significant aspects of the accounting policies adopted by the Town are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Town, and which are owned or controlled by the Town. This includes the Town of Mulgrave and the Mulgrave Water Utility.

Interdepartmental and organizational transactions and balances are eliminated.

b) Basis of accounting

The basis of accounting followed in the consolidated financial presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

c) Fund accounting

Funds within the consolidated financial statements consist of operating, capital and reserve funds of both the general operations and the Mulgrave Water Utility.

d) Use of estimates

In preparing the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from these estimates.

e) Valuation allowance

Uncollected taxes and rates

The Town provides a valuation allowance for estimated losses that will be incurred in collecting outstanding receivables.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

g) Financial instruments

The Town's financial instruments include cash and cash equivalents, receivables, payables and accruals, short term debt and long term debt. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair market value of these instruments approximate their carry value.

Town of Mulgrave
Notes to the Consolidated Financial Statements
March 31, 2022

1. **Significant accounting policies (continued)**

h) Revenue recognition

The accrual basis of accounting is used for all revenues. The accrual basis of accounting recognizes revenues as they are earned and measurable and ultimate collection is reasonably assured.

i) Taxation and related revenue

Property tax billings are prepared by the Town based on assessment rolls issued by the Property Valuation Services Corporation. Tax rates are established annually by Town Council during the budget approval process. Tax adjustments as a result of appeals and roll revisions are recorded when official notification is received.

ii) Government transfers

Transfers from other governments are recognized in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until the conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfers are authorized by the other governments.

iii) Other revenues

Other revenues are recognized as services or goods are provided, the exchange amount is measurable and collectibility of the amount is reasonably assured.

i) Tangible capital assets

Tangible capital assets and projects in progress are recorded at cost less accumulated amortization and impairment. Interest incurred during construction on significant projects is recorded as part of the cost of the project asset.

Amortization of general assets is recorded in the financial statements on a straight line basis over an asset's estimated useful life as noted below. Amortization is not recorded on work in progress until put in use by the Town.

Wastewater lines	50
Buildings	40
Roads and streets	25
Land improvements	20
Wastewater treatment facilities	20
Heavy equipment	10
Vehicles	5
Machinery and equipment	5

Amortization of capital assets used by the Mulgrave Water Utility is recorded as prescribed by the Nova Scotia Utility and Review Board and must be funded with financial assets.

Town of Mulgrave
Notes to the Consolidated Financial Statements
March 31, 2022

1. **Significant accounting policies (continued)**

h) Budget figures

The budget figured contained in these consolidated financial statements were approved by council on May 17, 2022 in its original plan. Note 15 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

2. **Contributions to Boards, Regional Authorities and Other Agencies**

The Town of Mulgrave is required to finance the operations of various Boards, Regional Authorities and other Agencies, along with other municipal units based on formulae contained in agreements, legislation or regulation.

In addition, the Town shares in the deficits or surpluses of some of these organizations based upon the relevant cost sharing percentage.

Strait Regional School Board

During 2021-2022, the Town paid \$132,900 (2021 - \$140,366) as its share of the operations of the Strait Regional School Board, serving the counties of Antigonish, Guysborough, Inverness and Richmond.

Eastern Mainland Regional Housing Authority

An estimated amount of \$35,601 (2021 - \$34,266) was provided as at March 31, 2022 as the Town's share of the operating deficit of the Eastern Mainland Housing Authority for the year ended March 31, 2022, serving Antigonish, Guysborough and Pictou counties.

Eastern Counties Regional Library Board

During 2021-2022 the Town paid \$5,222 (2021 - \$5,736) as its share of the operations of the Eastern Counties Regional Library Board, serving counties Antigonish, Guysborough, Inverness, and Richmond.

3. **Receivables**

	<u>Current</u> <u>Year</u>	<u>Prior</u> <u>Years</u>	<u>2022</u> <u>Total</u>	<u>2021</u> <u>Total</u>
Taxes				
Balance, beginning of year	\$ -	\$ 277,738	\$ 277,738	\$ 228,929
Current year levy and interest	<u>1,786,066</u>	<u>-</u>	<u>1,786,066</u>	<u>1,794,031</u>
	1,786,066	277,738	2,063,804	2,022,960
Current year collections	<u>1,609,898</u>	<u>104,716</u>	<u>1,714,614</u>	<u>1,745,222</u>
	<u>176,168</u>	<u>173,022</u>	349,190	277,738
Valuation allowance			<u>(28,027)</u>	<u>(46,118)</u>
Balance, end of year			321,163	231,620
Water rates			86,121	82,998
Federal Government			40,083	37,626
Provincial Government			7,108	-
Other			<u>16,770</u>	<u>5,820</u>
			<u>\$ 471,245</u>	<u>\$ 358,064</u>

Town of Mulgrave
Notes to the Consolidated Financial Statements
March 31, 2022

4. Capital Assets

	Cost 2021	Additions	Disposals	Cost 2022	Accumulated Amortization 2021	Disposals & Adjustments	Amortization Expense	Accumulated Amortization 2022	Net Book Value 2022	Net Book Value 2021
General government services										
Land	\$ 284,352	\$ -	\$ -	\$ 284,352	\$ -	\$ -	\$ -	\$ -	\$ 284,352	\$ 284,352
Buildings	134,451	105,344	-	239,795	31,931	-	3,362	35,293	204,502	102,520
Equipment	141,037	4,815	-	145,852	141,037	-	-	141,037	4,815	-
Protective services										
Buildings	357,714	-	-	357,714	301,127	-	8,943	310,070	47,644	56,587
Heavy equipment	277,383	109,500	(26,962)	359,921	277,383	(26,962)	-	250,421	109,500	-
Vehicles	27,283	-	-	27,283	27,283	-	-	27,283	-	-
Equipment	79,549	-	-	79,549	52,742	-	5,362	58,104	21,445	26,807
Transportation services										
Roads, street and sidewalks	2,661,155	-	-	2,661,155	1,859,490	-	71,522	1,931,012	730,143	801,665
Buildings	176,054	-	-	176,054	116,062	-	3,450	119,512	56,542	59,992
Heavy equipment	521,686	15,497	-	537,183	335,273	-	36,468	371,741	165,442	186,413
Vehicles	28,959	-	-	28,959	28,959	-	-	28,959	-	-
Equipment	51,380	4,154	-	55,534	50,601	-	780	51,381	4,153	779
Environmental health services										
Wastewater treatment plant	1,219,775	38,379	-	1,258,154	839,891	-	26,738	866,629	391,525	379,884
Wastewater collection lines	2,389,952	-	-	2,389,952	1,329,765	-	36,284	1,366,049	1,023,903	1,060,187
Solid waste collection equipment	7,740	-	-	7,740	775	-	155	930	6,810	6,965
Recreation and cultural services										
Land improvements	418,947	-	-	418,947	407,617	-	682	408,299	10,648	11,330
Facilities	176,293	-	-	176,293	120,822	-	4,627	125,449	52,844	57,471
Equipment	66,196	33,111	-	99,307	48,312	-	2,772	51,084	48,223	17,884
Property acquired at tax sale	4,448	-	-	4,448	-	-	-	-	4,448	4,448
	<u>9,026,354</u>	<u>310,800</u>	<u>(26,962)</u>	<u>9,310,192</u>	<u>5,969,070</u>	<u>(26,962)</u>	<u>201,145</u>	<u>6,143,253</u>	<u>3,166,939</u>	<u>3,057,284</u>
Water utility										
Land and land rights	9,984	-	-	9,984	-	-	-	-	9,984	9,984
Structures and improvements	75,888	-	-	75,888	33,209	-	1,215	34,424	41,464	42,679
Equipment	39,699	36,870	-	76,569	28,165	-	3,996	32,161	44,408	11,534
Mains	750,022	-	-	750,022	214,218	-	9,975	224,193	525,829	535,804
Treatment plant	26,082	-	-	26,082	16,952	-	1,305	18,257	7,825	9,130
Rate study	9,996	-	-	9,996	9,996	-	-	9,996	-	-
Services	20,303	-	-	20,303	5,278	-	406	5,684	14,619	15,025
Meters	35,912	-	-	35,912	12,709	-	1,797	14,506	21,406	23,203
Hydrants	33,684	-	-	33,684	16,754	-	448	17,202	16,482	16,930
Computer	13,516	-	-	13,516	13,516	-	-	13,516	-	-
Other	8,029	-	-	8,029	6,920	-	163	7,083	946	1,109
Vehicles	28,139	-	-	28,139	28,139	-	-	28,139	-	-
Meadow Brook Hill Treatment Pit	4,191,973	-	-	4,191,973	151,050	-	41,919	192,969	3,999,004	4,040,923
	<u>5,243,227</u>	<u>36,870</u>	<u>-</u>	<u>5,280,097</u>	<u>536,906</u>	<u>-</u>	<u>61,224</u>	<u>598,130</u>	<u>4,681,967</u>	<u>4,706,321</u>
Total	<u>\$ 14,269,581</u>	<u>\$ 347,670</u>	<u>(26,962)</u>	<u>\$ 14,590,289</u>	<u>\$ 6,505,976</u>	<u>(26,962)</u>	<u>\$ 262,369</u>	<u>\$ 6,741,383</u>	<u>\$ 7,848,906</u>	<u>\$ 7,763,605</u>

Town of Mulgrave
Notes to the Consolidated Financial Statements
March 31, 2022

5. Bank indebtedness

The Town has an authorized borrowing limit with a Canadian financial institution of up to 50% of the previous year's tax levy and has an interest rate of prime. The borrowing limit available to the Town for 2021-22 was \$420,000. As at March 31, 2022 the balance outstanding was \$ nil (2021 - \$ nil).

6. Long term debt

	<u>2022</u>	<u>2021</u>
MFC 2.056% - 3.205% debenture maturing in 2030, repayable in equal annual principal instalments of \$8,433, interest payable semi-annually.	\$ 75,902	84,335
MFC 2.004% - 2.925% debenture maturing in 2031, repayable in equal annual principal instalments of \$12,100, interest payable semi-annually.	181,500	193,600
MFC 1.660% - 3.108% debenture maturing in 2031, repayable in equal annual principal instalments of \$80,000, interest payable semi-annually.	1,200,000	1,280,000
Nova Scotia Power 5% capital lease, repaid during the year	<u>-</u>	<u>3,920</u>
	<u>\$ 1,457,402</u>	<u>\$ 1,561,855</u>

Principal repayments over the next five years are as follows:

2023	\$ 100,533
2024	100,533
2025	100,533
2026	100,533
2027	100,533

Town of Mulgrave
Notes to the Consolidated Financial Statements
March 31, 2022

7. Remuneration

The total remuneration paid to members of Council and Chief Administrative Officers are as follows:

	<u>Remuneration</u>	<u>Expenses</u>
Council		
Bob Russell	7,427	-
Tanya Snow	7,637	44
Ron Chisholm	12,555	414
Krista Luddington	6,904	-
Crystal Durling	6,904	-
Chief Administrative Officer		
Darlene Berthier Sampson	4,356	-
David Gray	75,500	-

8. Rate of return on rate base

For the year ended March 31, 2022, the Mulgrave Water Utility had a rate of return on rate base of 4.58% (2021-6.01%).

9. Pension plan

The Town provides its employees with a defined contribution pension plan. As of March 31, 2022 there were no required future contributions in respect of past service and all contributions required under the plan have been funded. During the fiscal year, the Town contributed \$26,768 (2021 - \$21,422) to the plan.

10. Segmented information

The Town of Mulgrave is a municipal unit that provides a wide range of services to its residents and property owners. The Town's operations and activities are organized and reported by fund for the purpose of recording specific activities to meet objectives as outlined by legislation, regulations, by-laws, or other limitations and restrictions. Services are provided in the following categories:

General government services

This includes the legislative function of Town Council which provides direction through by-laws, policies and strategic planning. It also encompasses the administrative functions of the Town including organizational management, finance, accounting, tax billing and collections

Protective services

The Town acquires police services from the RCMP through an agreement with the Province of Nova Scotia and pays the province for correctional services. Fire protection is provided by the Mulgrave Volunteer Fire Department. The Town pays the operating expenses of the Department.

10. Segmented information (continued)

Transportation services

The Town owns and maintains all public roads, street and sidewalks in the community, including snow removal and streetlights.

Environmental health services

The Town provides both sanitary and storm wastewater management and treatment. Solid waste collection and disposal is provided in conjunction with the Municipality of the District of Guysborough.

Public health services

The Town contributes to public housing through the Eastern Mainland Housing Authority.

Recreation and cultural services

The Town has a number of recreational facilities and offers programming in conjunction with other community organizations. Staff assists in planning of community festivals and events.

Mulgrave Water Utility

The utility sources, treats and distributes potable water to the community and provides flows to assist with fire protection.

11. Dissolution

The Town submitted an application in October of 2015 to the Nova Scotia Utility and Review Board to dissolve under Section 394 of the *Municipal Government Act*. During the year, that application was withdrawn after the Province of Nova Scotia and the Municipality of the District of Guysborough were unable to negotiate an agreed upon Letter of Intent. The Town will continue to review options for its future governance.

12. Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into the air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. The Town of Mulgrave:
 - a) is directly responsible; or
 - b) accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

As at March 31, 2022, there are no known contaminated sites identified.

13. Sick Leave

The Town provides sick leave benefits to its employees. Public sector accounting standards require a liability and expense for compensated absences that vest, or accumulate and do not vest. Employees of the Town are entitled to 18 days sick leave annually which can accumulate to a total of 95 days. Accumulated sick days cannot be cashed out. The Town has not had the liability calculated by an actuary, but has made its own estimate of \$22,588 (2021 - \$29,633) which is reflective of the expected cash expense expected to be incurred in the event an employee needs to be replaced during an extended sick leave. The Town recognized the liability in the 2022 financial statements.

14. Contingencies

On November 2, 2021, a commercial corporation commenced action against the Town seeking a declaration that one of its properties is exempt from the Town's sewer charge, as well as claiming damages and costs. The result or quantity of the action if successful is unknown as at the audit report date.

15. Budget figures

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the consolidated statement of operations and consolidated statement of change in net debt has been adjusted to be in on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the consolidated financial statements. Adjustments consist of budgeted capital funding and amortization of tangible capital assets.

	<u>Approved Fiscal</u> <u>Plan</u>	<u>Adjustments</u>	<u>Fiscal Plan per</u> <u>Consolidated</u> <u>Financial</u> <u>Statements</u>
Revenue			
Taxes	\$ 1,622,239	\$ -	1,622,239
Payments in lieu of taxes	13,511	-	13,511
Other revenue from own sources	134,730	-	134,730
Unconditional transfers from other governments	137,844	-	137,844
Conditional transfers from other governments	42,227	-	42,227
Water rates	<u>614,493</u>	<u>(107,793)</u>	<u>506,700</u>
	<u>2,565,044</u>	<u>(107,793)</u>	<u>2,457,251</u>
Expenditures			
General government services	756,832	5,061	761,893
Protective services	351,174	(93,489)	257,685
Transportation services	389,638	112,219	501,857
Environmental health services	264,319	63,177	327,496
Recreation and cultural services	164,135	8,084	172,219
Water utility	<u>561,104</u>	<u>-</u>	<u>561,104</u>
	<u>2,487,202</u>	<u>95,052</u>	<u>2,582,254</u>
Other Expenditures/Revenues	<u>77,842</u>	<u>(77,842)</u>	<u>-</u>
Annual Surplus	<u>\$ -</u>	<u>\$ (125,003)</u>	<u>\$ (125,003)</u>

Town of Mulgrave

Schedule of Consolidated Segmented Disclosure

Year Ended March 31, 2022

2022

2021

	<u>General government services</u>	<u>Protective services</u>	<u>Transportation services</u>	<u>Environmental health services</u>	<u>Recreation and cultural services</u>	<u>Water utility</u>	<u>Total</u>	<u>Total</u>
Revenue								
Taxes	\$ 1,212,182	\$ 116,301	\$ -	\$ 287,975	\$ -	\$ -	\$ 1,616,458	\$ 1,619,170
Payments in lieu of taxes	13,565	-	-	-	-	-	13,565	14,432
Other revenue from own sources	149,954	79,996	3,130	-	107,008	4,875	344,963	168,230
Unconditional transfers from other governments	263,638	1,000	-	-	-	-	264,638	137,928
Conditional transfers from other governments	121,142	-	765	32,645	67,256	-	221,808	178,125
Water rates	-	-	-	-	-	516,529	516,529	504,817
	<u>1,760,481</u>	<u>197,297</u>	<u>3,895</u>	<u>320,620</u>	<u>174,264</u>	<u>521,404</u>	<u>2,977,961</u>	<u>2,622,702</u>
Expenses								
Salaries, wages and benefits	221,165	-	270,644	84,390	123,593	204,656	904,448	750,064
Contracted services	43,181	175,261	-	44,213	-	5,579	268,234	259,781
Other operating	484,777	62,023	127,699	85,549	48,101	218,154	1,026,303	997,628
Loss on disposal of capital assets	-	-	-	-	-	-	-	105,110
Other Boards and Agencies	15,549	-	-	4,709	5,222	-	25,480	25,716
Interest	5,033	66	2,181	5,697	-	33,672	46,649	49,507
Amortization	3,361	14,305	112,219	63,180	8,084	61,220	262,369	250,534
	<u>773,066</u>	<u>251,655</u>	<u>512,743</u>	<u>287,738</u>	<u>185,000</u>	<u>523,281</u>	<u>2,533,483</u>	<u>2,438,340</u>
Annual Surplus	\$ 987,415	\$ (54,358)	\$ (508,848)	\$ 32,882	\$ (10,736)	\$ (1,877)	\$ 444,478	\$ 184,362

Town of Mulgrave
Schedules to Consolidated Statement of Financial Activities

17

Year Ended March 31	2022	2022	2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUE			
Taxes			
General			
Residential	\$ 314,141	\$ 314,574	\$ 315,018
Resource	19,397	19,560	19,061
Commerical	1,031,194	1,030,938	1,050,410
Forestry	331	331	331
	<u>1,365,063</u>	<u>1,365,403</u>	<u>1,384,820</u>
By services			
Sanitary Sewer	244,099	244,100	239,064
Hydrants	116,301	116,301	118,270
Solid waste	44,000	43,875	35,672
	<u>404,400</u>	<u>404,276</u>	<u>393,006</u>
Other			
Aliant	2,430	2,213	2,213
Deed Transfer	500	5,139	6,355
Wind turbines	16,205	16,387	16,205
	<u>19,135</u>	<u>23,739</u>	<u>24,773</u>
Transferred to Regional Centre for Education	(132,900)	(132,900)	(140,366)
Transfer to correctional services	(8,459)	(8,459)	(8,797)
Deficit of Housing Authority	(25,000)	(35,601)	(34,266)
	<u>(166,359)</u>	<u>(176,960)</u>	<u>(183,429)</u>
	<u>\$ 1,622,239</u>	<u>\$ 1,616,458</u>	<u>\$ 1,619,170</u>
Grants in Lieu of Taxes			
Province of NS	\$ 1,099	\$ 1,221	\$ 1,099
CBC	1,222	1,155	1,222
NSLC	11,190	11,189	12,111
	<u>\$ 13,511</u>	<u>\$ 13,565</u>	<u>\$ 14,432</u>
Revenue Own Sources			
Recreation programs & fees	\$ 8,000	\$ 31,330	\$ 17,477
Recreation fundraising & community rentals	45,000	103,410	14,771
Licenses, permits & fines	600	577	789
Rent	36,430	35,587	36,430
Public Works	1,000	3,130	7,687
Interest on taxes	21,000	48,074	43,587
Bank interest	9,000	21,965	21,569
Contribution from MVFD	-	79,500	-
Sale of Property	1,000	12,002	18,057
Miscellaneous	12,700	9,388	7,863
	<u>\$ 134,730</u>	<u>\$ 344,963</u>	<u>\$ 168,230</u>
Unconditional Transfers			
Equalization	\$ 127,508	\$ 255,016	\$ 127,508
HST Offset	8,500	7,786	8,594
NSPC	836	836	826
Emergency measures - 911	1,000	1,000	1,000
	<u>\$ 137,844</u>	<u>\$ 264,638</u>	<u>\$ 137,928</u>

Town of Mulgrave
Schedules to Consolidated Statement of Financial Activities

18

Year Ended March 31	2022	2022	2021
	Budget	Actual	Actual
Conditional Transfers			
Visitor Information Centre	\$ 7,520	\$ 9,058	\$ 8,615
Federal Gas Tax	-	121,142	58,730
Health and Wellness	15,000	15,000	15,000
Educational Centre Operating Grant	-	-	68,925
Federal Grant	-	28,145	13,875
Recreation grants	18,807	15,053	12,081
Fuel tax rebate	900	765	899
Waste Treatment & Diversion	-	32,645	-
	<u>\$ 42,227</u>	<u>\$ 221,808</u>	<u>\$ 178,125</u>
EXPENDITURES			
General Government Services			
Legislative			
Council remuneration	\$ 45,600	\$ 44,078	\$ 43,956
Council Travel & Expenses	1,700	556	959
Elections	-	-	7,480
Other	-	2,826	-
	<u>47,300</u>	<u>47,460</u>	<u>52,395</u>
Administration			
Salaries & benefits	198,382	166,738	172,797
Travel & training	1,600	2,350	664
Office	17,500	18,310	16,285
Town hall	-	-	137
Information technology	29,000	30,574	49,464
Contract services			
Legal	5,000	12,619	2,803
Audit	19,500	16,738	17,483
Consulting	6,000	13,824	22,562
Insurance	11,500	13,222	11,303
Taxation			
Exemptions and reductions	285,251	283,372	291,220
PVSC	15,549	15,549	16,122
Bad debts and collection expenses (net of recoveries)	3,600	13,412	7,772
Other	15,900	17,468	24,621
	<u>608,782</u>	<u>604,176</u>	<u>633,233</u>
Municipal property			
Post office	21,550	37,050	17,830
Former School	70,000	72,252	54,181
Marina	5,400	3,734	656
	<u>96,950</u>	<u>113,036</u>	<u>72,667</u>
Amortization	3,361	3,361	4,974
Interest	5,500	5,033	5,812
	<u>\$ 761,893</u>	<u>\$ 773,066</u>	<u>\$ 769,081</u>

Town of Mulgrave
Schedules to Consolidated Statement of Financial Activities

Year Ended March 31	2022	2022	2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protective Services			
Police - RCMP	\$ 171,130	\$ 171,130	\$ 163,100
Fire Department			
Honoraria & training	8,010	7,869	7,575
Building	25,300	24,034	26,582
Vehicles	15,900	11,628	16,777
Equipment	14,236	12,585	11,446
Other	2,040	2,689	2,080
	<u>65,486</u>	<u>58,805</u>	<u>64,460</u>
Emergency measures	6,500	3,046	6,149
Animal control	200	174	192
Building inspection	-	4,131	-
Amortization	14,304	14,304	14,304
Interest	65	65	372
	<u>\$ 257,685</u>	<u>\$ 251,655</u>	<u>\$ 248,577</u>
Transportation Services			
Public works			
Salaries, wages & benefits	\$ 216,535	\$ 242,141	\$ 175,547
Personal protective equipment	2,000	854	1,235
Telephone	2,100	835	1,892
Insurance	10,000	13,653	9,625
Workshop	10,390	8,373	9,483
Vehicles & equipment	51,116	26,007	39,088
	<u>292,141</u>	<u>291,863</u>	<u>236,870</u>
Roads			
Snow removal	53,522	60,725	53,187
Maintenance	16,300	17,271	10,867
	<u>69,822</u>	<u>77,996</u>	<u>64,054</u>
Street lights	25,500	28,484	25,246
Amortization	112,219	112,219	92,392
Interest	2,175	2,181	2,469
	<u>\$ 501,857</u>	<u>\$ 512,743</u>	<u>\$ 421,031</u>
Environmental Health Services			
Wastewater operations			
Salaries and benefits	\$ 105,439	\$ 84,390	\$ 86,606
Training & safety	3,570	2,175	4,224
Insurance	7,200	6,861	7,048
Power	35,000	36,072	37,132
Maintenance	38,352	19,232	12,954
	<u>189,561</u>	<u>148,730</u>	<u>147,964</u>

Town of Mulgrave
Schedules to Consolidated Statement of Financial Activities

20

Year Ended March 31	2022	2022	2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Environmental Health Services (cont'd)			
Solid waste			
Contracted services	44,215	44,213	45,093
Tipping fees	21,000	21,210	14,022
ERSWM	3,858	4,708	3,858
	<u>69,073</u>	<u>70,131</u>	<u>62,973</u>
Amortization	63,177	63,177	64,453
Interest	5,685	5,700	5,940
	<u>\$ 327,496</u>	<u>\$ 287,738</u>	<u>\$ 281,330</u>
Recreation and Cultural Services			
Administration			
Salaries and benefits	\$ 66,293	\$ 75,300	\$ 74,983
Training, conferences, dues	1,170	730	482
Office	1,100	752	1,089
	<u>68,563</u>	<u>76,782</u>	<u>76,554</u>
Facilities			
Pool operations	26,127	28,860	1,743
Parks and fields	23,207	24,145	12,102
Tennis courts	500	564	419
Visitor Information Centre	7,520	9,058	7,453
Trails	1,000	771	542
Insurance	4,000	4,494	3,894
	<u>62,354</u>	<u>67,892</u>	<u>26,153</u>
Programs	19,982	19,460	5,948
Libraries and museums			
Regional Library Board	5,736	5,222	5,736
Local branch library	-	60	1,253
Museum grant	7,500	7,500	7,500
	<u>13,236</u>	<u>12,782</u>	<u>14,489</u>
Amortization	8,084	8,084	10,254
	<u>\$ 172,219</u>	<u>\$ 185,000</u>	<u>\$ 133,398</u>

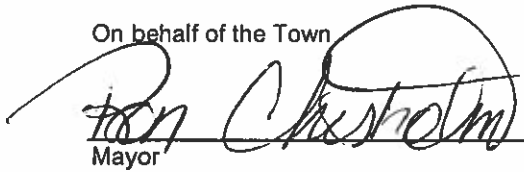
**Town of Mulgrave
Water Operating Fund
Statement of Financial Activities**

Year ended March 31	2022	2022	2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenue			
Metered sales	\$ 266,000	\$ 268,899	\$ 264,699
Flat rate sales	220,000	218,577	221,269
Sales to boats	17,000	24,449	15,255
Benefit cost sharing recovery	1,500	2,008	1,352
Interest and penalties on rates	2,200	2,597	2,242
	<u>506,700</u>	<u>516,530</u>	<u>504,817</u>
Public fire protection	<u>107,793</u>	<u>107,793</u>	<u>107,793</u>
	<u>614,493</u>	<u>624,323</u>	<u>612,610</u>
Operating expenditures			
Source of supply	1,590	1,716	1,590
Power & pumping	54,000	41,146	49,702
Purification	177,094	169,524	109,902
Transmission & distribution	54,093	44,707	41,964
Administration & general	89,472	83,333	90,312
Depreciation	63,413	61,220	63,413
Interest	34,170	33,672	34,913
	<u>473,832</u>	<u>435,318</u>	<u>391,796</u>
Property taxes	<u>87,272</u>	<u>87,272</u>	<u>87,272</u>
	<u>561,104</u>	<u>522,590</u>	<u>479,068</u>
Operating Profit	<u>53,389</u>	<u>101,733</u>	<u>133,542</u>
Non-operating revenue			
Amortization of deferred contributions	25,611	25,611	25,611
Other	1,000	960	735
	<u>26,611</u>	<u>26,571</u>	<u>26,346</u>
Non-operating expenditures			
Principal repayments	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Excess of revenue over expenditure	<u>\$ -</u>	<u>\$ 48,304</u>	<u>\$ 79,888</u>
Accumulated surplus			
Beginning of year	\$ 375,623	375,623	295,735
End of year	<u>\$ 375,623</u>	<u>\$ 423,927</u>	<u>\$ 375,623</u>

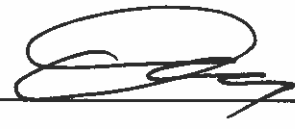
**Town of Mulgrave
Water Operating Fund
Statement of Financial Position**

March 31	2022	2021
Financial Assets		
Receivables		
Rates	\$ 86,122	\$ 82,998
Commodity taxes	\$ 7,973	\$ -
Own Funds		
General operating	<u>360,530</u>	<u>325,991</u>
	<u>454,625</u>	<u>408,989</u>
Liabilities		
Trade payables and accruals	34,169	35,760
Deferred revenue	<u>10,099</u>	<u>11,379</u>
	<u>44,268</u>	<u>47,139</u>
Net Financial Assets	<u>410,357</u>	<u>361,850</u>
Non-Financial Assets		
Inventory	9,176	9,937
Prepaid expenses	<u>4,394</u>	<u>3,836</u>
	<u>13,570</u>	<u>13,773</u>
Accumulated Surplus	<u>\$ 423,927</u>	<u>\$ 375,623</u>

On behalf of the Town



 Mayor




 CAO

**Town of Mulgrave
Water Operating Fund
Schedule to Statement of Financial Activities**


Year ended March 31	2022	2022	2021
	Budget	Actual	Actual
Operating expenditures			
Power & pumping			
Electricity	49,000	40,795	48,866
Maintenance	5,000	350	836
	54,000	41,145	49,702
Purification			
Salaries & benefits	125,594	113,143	70,146
Training	2,000	1,721	267
Chemicals	29,000	33,960	27,799
Testing	12,500	12,895	10,312
Other	8,000	7,805	1,378
	177,094	169,524	109,902
Transmission & distribution			
Salaries and benefits	38,343	36,202	33,018
Maintenance	10,750	4,217	5,668
Vehicle	5,000	4,288	3,278
	54,093	44,707	41,964
Administration & general			
Salaries and benefits	57,572	55,313	55,273
Audit	6,000	5,579	8,740
Insurance	11,000	12,589	10,183
Office	14,900	9,852	16,116
	89,472	83,333	90,312

**Town of Mulgrave
Water Capital Fund
Statement of Financial Position**

March 31	2022	2021
Financial Assets		
Cash and cash equivalents	\$ 528,352	\$ 525,698
Financial Liabilities		
Holdbacks payable	5,496	5,496
Long-term debt	1,200,000	1,280,000
	<u>1,205,496</u>	<u>1,285,496</u>
Net Debt	<u>(677,144)</u>	<u>(759,798)</u>
Non-financial Assets		
Tangible capital assets	5,280,097	5,243,227
Less: accumulated depreciation	(598,135)	(536,915)
Debenture discount	8,989	9,680
Deferred contributions	<u>(2,458,672)</u>	<u>(2,484,283)</u>
	<u>2,232,279</u>	<u>2,231,709</u>
Investment in Capital Assets	<u>\$ 1,555,135</u>	<u>\$ 1,471,911</u>

On behalf of the Town:


 Mayor



 CAO

**Town of Mulgrave
Water Capital Fund
Statement of Investment in Capital Assets**

Year Ended March 31	2022	2021
Balance, beginning of year	\$ 1,471,911	\$ 1,494,563
Amortization of discount on debentures	(690)	(745)
Loss on asset disposal	-	(105,110)
Interest earned	3,914	3,203
Term debt retired	<u>80,000</u>	<u>80,000</u>
Balance, end of year	\$ <u>1,555,135</u>	\$ <u>1,471,911</u>

Statement of Deferred Contributions

Year Ended March 31	2022	2021
Balance, beginning of year	\$ 2,484,283	\$ 2,509,894
Amortization	<u>(25,611)</u>	<u>(25,611)</u>
Balance, end of year	\$ <u>2,458,672</u>	\$ <u>2,484,283</u>

Statement of Depreciation Fund Cash

Year Ended March 31	2022	2021
Cash, beginning of year	\$ 525,698	\$ 375,738
Transfers from other funds	35,608	76,771
Interest earned	3,916	3,203
Purchase of capital assets	(36,870)	-
Proceeds from sale of old treatment plant	-	69,986
Balance, end of year	\$ <u>528,352</u>	\$ <u>525,698</u>

