

Town of Mahone Bay
Notes to the consolidated financial statements
 March 31, 2022

9. Remuneration of council and administrators

The following schedule sets out the gross earnings paid to each member of Council, including the administrators and the directors of departments, as reflected in the consolidated statement of operations and accumulated surplus.

	Remuneration	Expenses	2022	2021
	\$	\$	Total	Total
			\$	\$
Dave Devenne, Mayor	19,673	3,265	22,938	19,902
Francis Kangata, Deputy Mayor	11,907	—	11,907	11,824
Councillors				
Penny Carver	10,354	640	10,994	10,455
Richard Nowe	10,354	54	10,408	10,282
Joseph M Feeney	10,354	—	10,354	10,282
Kelly Wilson	10,354	365	10,719	10,282
Alice Burdick	10,354	235	10,589	10,282
	83,350	4,559	87,909	83,309
Administrators				
Dylan Heide				
Chief Administration Officer ("CAO")	109,526	3,188	112,714	105,282

10. Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of the Town's financial instruments will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk. The Town is exposed to certain of these risks as described *bInterest rate risk*

Interest rate risk is the risk that the market value of the Town's financial instruments will fluctuate due to changes in the market interest rates. The NSMFC debentures bear interest at fixed rates. Consequently, the cash flow exposure is not significant. However, the fair value of debentures having fixed rates of interest could fluctuate because of changes in market interest rates. The Town is exposed to interest rate risk with respect to its temporary borrowing and BMO long-term debt, which bear interest at variable rates, based on the prime lending rate. The Town does not actively manage this risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Town is exposed to credit risk on the accounts receivable from its customers, primarily related to Property Taxes and water and electric utilities balances owed. To mitigate this risk, the Town has developed the policies of commencing a tax sale process for Property Taxes in arrears over two years, and issuing disconnect notice to past due Utility accounts. The Town does not have a significant exposure to any individual customers. The Town has recorded a \$24,800 (\$20,400 in 2021) provision for doubtful accounts.