

Town of Stewiacke
Consolidated Financial Statements
March 31, 2024

Town of Stewiacke
Consolidated Financial Statements
For the year ended March 31, 2024

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To the Mayor and Council of Town of Stewiacke:

Opinion

We have audited the consolidated financial statements of Town of Stewiacke (the "Municipality"), on pages 2-18 which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of financial activities, changes in net financial assets and cash flows 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 consolidated financial position of the Municipality as at March 31, 2024, and the results of its consolidated operations, changes in its net financial assets and its consolidated 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 Municipality 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 - Supplemental Information

The audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 19-27 is presented for the purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of the consolidated financial statements 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 the 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 Municipality'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 Municipality'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 Municipality 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Sydney, Nova Scotia
August 15, 2024

MNP LLP
Chartered Professional Accountants

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Town of Stewiacke (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies is described in Note 2 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.

The Town's management maintains a system of internal controls 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. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MNP LLP, independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.



Mr. Marc Seguin
Chief Administrative Officer

Town of Stewiacke
Consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 5,981,606	\$ 3,753,070
Taxes and rates receivable (note 3)	270,060	205,717
Other receivables (note 4)	793,142	137,936
	7,044,808	4,096,723
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	639,819	431,557
Deferred revenue	2,939,831	450,492
Tax sale surplus	31,784	31,784
Long-term debt (note 6)	968,296	1,152,873
Asset retirement obligation (note 7)	202,353	196,251
	4,782,083	2,262,957
NET FINANCIAL ASSETS	2,262,725	1,833,766
NON-FINANCIAL ASSETS		
Tangible capital assets, general capital (note 8)	11,337,704	6,458,282
Tangible capital assets, water capital (note 9)	4,517,960	3,612,874
	15,855,664	10,071,156
ACCUMULATED SURPLUS (note 10)	\$ 18,118,389	\$ 11,904,922

Contingencies (note 16)

See accompanying notes to consolidated financial statements.

On behalf of the Town of Stewiacke:



Mayor



Chief Administrative Officer

Town of Stewiacke
Consolidated Statement of Financial Activities
For the year ended March 31, 2024

	Budget	2024	2023
REVENUES (Schedule A)			
Taxes	\$ 1,993,586	\$ 2,242,855	\$ 1,941,954
Grants in lieu of taxes	3,300	3,266	3,103
Sale of services	183,462	192,849	209,491
Other revenue from own sources	120,173	343,363	263,434
Unconditional transfers from other governments	205,873	305,777	239,986
Conditional transfers from other governments	25,000	113,702	110,140
Water rates	485,705	549,605	500,118
Capital grants	-	1,213,839	61,574
Contributed capital	-	4,544,609	-
	<u>3,017,099</u>	<u>9,509,865</u>	<u>3,329,800</u>
EXPENSES (Schedule B)			
General government services	739,380	777,266	652,668
Protective services	316,053	362,583	327,307
Transportation services	485,753	829,466	743,255
Environmental health services	209,930	349,860	276,985
Environmental development services	106,200	72,424	160,150
Recreation and cultural services	289,921	453,911	283,426
Water treatment and distribution	509,894	450,888	426,017
	<u>2,657,131</u>	<u>3,296,398</u>	<u>2,869,808</u>
ANNUAL SURPLUS	<u>359,968</u>	<u>6,213,467</u>	<u>459,992</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	11,904,922	11,904,922	11,444,930
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 12,264,890</u>	<u>\$ 18,118,389</u>	<u>\$ 11,904,922</u>

See accompanying notes to consolidated financial statements.

Town of Stewiacke
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2024

	2024	2023
ANNUAL SURPLUS	\$ 6,213,467	\$ 459,992
Other non-financial assets		
Amortization of tangible capital assets	540,165	412,516
Additions to tangible capital assets	(6,338,618)	(663,402)
Disposal of capital assets	13,945	-
INCREASE IN NET FINANCIAL ASSETS	428,959	209,106
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,833,766	1,624,660
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,262,725	\$ 1,833,766

See accompanying notes to consolidated financial statements.

Town of Stewiacke
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 6,213,467	\$ 459,992
Add		
Amortization of tangible capital assets	540,165	412,516
Accretion expense	6,102	6,101
Change in non-cash items		
Taxes and rates receivable	(64,343)	(22,467)
Other accounts receivable	(655,206)	68,282
Accounts payable and accrued liabilities	208,262	105,383
Deferred revenue	2,489,339	321,772
	<u>2,524,319</u>	<u>1,351,579</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(184,577)	(222,108)
Proceeds of long-term debt	-	265,700
	<u>(184,577)</u>	<u>43,592</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(6,338,618)	(663,402)
Additions to tangible capital assets for asset retirement obligation	-	190,150
Disposal of tangible capital assets	13,945	-
	<u>(6,324,673)</u>	<u>(473,252)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>2,228,536</u>	<u>921,919</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,753,070	2,831,151
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,981,606</u>	<u>\$ 3,753,070</u>

See accompanying notes to consolidated financial statements.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

1. CHANGE IN ACCOUNTING POLICY

Revenue

Effective April 1, 2023, the Town adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 Revenue. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements of Town of Stewiacke (the "Town") have been prepared, in all material respects, in accordance with Canadian public sector accounting standards.

(b) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenue, expenses and changes in fund balances of all resources of the Town. The Town is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and that are owned or controlled by the Town. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

- General Operating and Capital Funds
- Water Operating and Capital Funds
- Reserve Funds

(c) Segment information

The Town of Stewiacke is a diversified entity that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual and was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Town services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General government services

This segment is responsible for the overall local government administration. Its tasks include direction for Town services, such as planning, engineering, finance, and information technology in adherence to the Municipal Government Act.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Protective services

This segment is primarily responsible for police, fire protection and bylaw administration for its residents. The Town engages the services of the volunteer fire department in order to fulfill its fire protection role. The Town collects a rate for the fire department.

Transportation services

The Town is responsible for the maintenance of certain local roads, sidewalks and street lights within its jurisdiction.

Environmental health services

This segment is responsible for the maintenance and operations of waste and sewer services provided to residents and other customers. Its tasks include the provision of waste collection through contract, recycling and composting.

Environmental development services

This segment is responsible for the issuance of development permits and approving subdivision applications.

Recreation and cultural services

This segment is responsible for promoting and offering recreation opportunities and activities to the Town's residents, specializing in maintaining and assisting recreational facilities within the Town such as recreation facilities and the library.

Water treatment and distribution

This segment manages water treatment and distribution facilities and services within the Town and includes activities such as plant operation and pumping, water treatment, transmission and distribution.

(d) Fund accounting

The resources and operations of the Town are comprised of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

(e) Basis of accounting

Revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(f) Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand and on deposit at banks net of any outstanding cheques or deposits.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Financial instruments consist of cash and cash equivalents, tax and rates receivable, other receivables, accounts payable and accrued liabilities and long-term debt.

Subsequent measurement

At each reporting date, the Town measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Town uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of financial activities. The financial instruments measured at amortized cost are cash and cash equivalents, tax and rates receivable, other receivables, accounts payable and accrued liabilities and long-term debt.

Impairment

For financial assets measured at cost or amortized cost, the Town regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Town determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of financial activities. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest or credit risks arising from financial instruments.

(h) Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The past transaction or event giving rise to the liability has occurred;
- c) It is expected that future economic benefits will be given up; and
- d) A reasonable estimate of the amount can be made.

The liability for the closure and decommissioning of water treatment plant intake has been recognized based on estimated future expenses. The liability associated with the remediation of contaminants present within a number of buildings owned by the Town has also been recognized based on estimated future expenses on closure of the sites and post-closure care.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Tangible capital assets

Tangible capital assets are reported in the statement of financial position at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets, net of accumulated amortization. They are amortized on a straight-line basis over their estimated useful lives at the following rates:

	Basis	Rate
Buildings	Straight-line	2.5%
Machinery and equipment	Straight-line	5 – 33.33%
Sewers	Straight-line	2%
Sidewalks and crosswalks	Straight-line	4 – 5%
Streets	Straight-line	3.33%
Land improvements	Straight-line	4%
Leasehold improvements	Straight-line	4%
Sewage treatment plant	Straight-line	4%
Water storage plant	Straight-line	1.33%
Water utility equipment	Straight-line	5 - 20%
Water utility mains	Straight-line	1.33%
Water utility services	Straight-line	2%
Water utility meters	Straight-line	5%
Water utility hydrants	Straight-line	1.33%
Water treatment plant	Straight-line	2%

A full year of amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

The amortization charge in the water capital fund is required to be transferred to a special bank account which is used to help fund replacement of existing equipment, or subject to approval by the Utility and Review Board, to repay principal of capital debt.

(j) Allocation of municipal costs to water utility funds

Where identifiable, costs incurred by the Town of Stewiacke on behalf of the water utility are charged to the utility funds. Salary and wage related costs are allocated in proportion to time spent performing functions on behalf of the water utility.

(k) Government transfers

Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Deferred revenue

Deferred revenue represents user charges, prepayment of taxes, and other fees that have been collected, for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(m) Reserve funds

Certain amounts, as approved by Council, are set aside in reserve funds for future operating and capital purposes. Transfers to and or from reserves funds are an adjustment to the respective fund when approved.

(n) Taxation and related revenues

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 Council, incorporating amounts to be raised for local services and the requisition made by the Province in respect of education taxes and other mandatory contributions. Taxation revenues are recorded at the time tax billings are due. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known. An allowance for unresolved assessment appeals is also provided.

(n) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets.

Taxes, rates and other receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Asset retirement obligations are recognized based upon assumptions and estimates related to the amount and timing of costs for future removal and site restoration.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the years in which they become known.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

3. TAXES AND RATES RECEIVABLE

	2024	2023
Taxes receivable	\$ 152,731	\$ 106,648
Less valuation allowance	(30,000)	(30,000)
Subtotal	122,731	76,648
Sewer rates receivable	40,542	35,971
Less valuation allowance	(1,191)	(1,191)
Subtotal	39,351	34,780
Water rates receivable	109,814	96,125
Less valuation allowance	(1,836)	(1,836)
Subtotal	107,978	94,289
Taxes and rates receivable, net	\$ 270,060	\$ 205,717

4. OTHER RECEIVABLES

	2024	2023
Due from federal government and its agencies	\$ 489,856	\$ 129,784
Due from provincial government and its agencies	230,296	-
Other	72,990	8,152
	\$ 793,142	\$ 137,936

5. BANK LINE OF CREDIT

The Town has available a line of credit of \$250,000 with an interest rate of prime and has signed a security agreement with a first ranking security interest on specific assets. The line of credit was undrawn at March 31, 2024 and 2023.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

6. LONG-TERM DEBT

	Interest rate - %	Matures	Balance March 31/23	Proceeds	Repaid	Balance March 31/24
General Capital Fund						
Royal Bank of Canada						
Truck	4.2%	2024	\$ 14,380	\$ -	\$ (14,380)	\$ -
Generator	4.2%	2024	5,380	-	(5,380)	-
			19,760	-	(19,760)	-
Nova Scotia Municipal Finance Corporation						
Streets	0.9 – 1.2%	2026	112,500	-	(37,500)	75,000
Sewage	2.8 – 3.3%	2029	157,500	-	(26,250)	131,250
Grader	0.0 – 2.3%	2032	291,027	-	(20,788)	270,239
Solar	2.6 – 3.8%	2033	265,700	-	(10,827)	254,873
			826,727	-	(95,365)	731,362
			846,487	-	(115,125)	731,362
Water Capital Fund						
Scotia Bank						
Truck	5.9%	2024	5,017	-	(5,017)	-
Nova Scotia Municipal Finance Corporation						
	2.8 – 3.3%	2029	52,500	-	(8,750)	43,750
	2.2 – 2.3%	2025	56,369	-	(28,185)	28,184
	4.8 – 4.9%	2025	192,500	-	(27,500)	165,000
			306,386	-	(69,452)	236,934
			\$ 1,152,873	\$ -	\$ (184,577)	\$ 968,296

Principal payments required in each of the next five years on debt held as of March 31, 2024 are as follows:

	General	Water	Total
2025	\$ 95,423	\$ 201,934	\$ 297,357
2026	95,488	8,750	104,238
2027	58,159	8,750	66,909
2028	58,237	8,750	66,987
2029	58,237	8,750	66,987

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

7. ASSET RETIREMENT OBLIGATION

The Town's asset retirement obligation consists of the liability for the closure and decommissioning of water treatment plant intake and remediation of contaminants present within a number of buildings owned by the Town. These contaminants represent a health hazard upon demolition and therefore there is a legal obligation for removal of these contaminants on decommissioning. These buildings and plant have expected useful lives ranging from 10-30 years. Estimated costs have been discounted to the present value using discount rates ranging from 3.2% to 3.3% per annum.

Changes to the asset retirement obligation in the year are as follows:

	2024	2023
Opening balance	\$ 196,261	\$ -
Acquired upon adoption	-	190,150
Accretion expense	6,102	6,101
	\$ 202,353	\$ 196,251

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

8. TANGIBLE CAPITAL ASSETS, GENERAL CAPITAL

	2024						2023			
	Cost Beginning of Year	Additions and Transfers	Disposals and Write-downs	Cost End of Year	Amortization Beginning of Year	Additions	Disposals	Amortization End of Year	Net Book Value	Net Book Value
Land	\$ 292,817	\$ —	\$ —	\$ 292,817	\$ —	\$ —	\$ —	\$ —	\$ 292,817	\$ 292,817
Buildings	1,063,450	208,008	—	1,271,458	569,486	31,955	—	601,441	670,017	493,964
Machinery and equipment	1,811,720	—	(3,407)	1,808,313	571,964	116,158	—	688,122	1,120,191	1,239,756
Sewers	2,038,895	2,480,129	—	4,519,024	856,445	85,610	—	942,055	3,576,969	1,182,450
Sidewalks	674,770	32,400	(10,538)	696,632	357,121	29,018	—	386,139	310,493	317,649
Streets	4,621,415	1,159,923	—	5,781,338	2,085,828	168,429	—	2,254,257	3,527,081	2,535,587
Land improvements	473,149	—	—	473,149	240,982	17,493	—	258,475	214,674	232,167
Sewage Treatment Plant	1,041,642	—	—	1,041,642	1,039,051	236	—	1,039,287	2,355	2,591
Leasehold improvements	154,940	—	—	154,940	28,913	6,198	—	35,111	119,829	126,027
Computer software	48,102	—	—	48,102	12,828	3,207	—	16,035	32,067	35,274
Work in progress	—	1,471,211	—	1,471,211	—	—	—	—	1,471,211	—
	\$ 12,220,900	\$ 5,351,671	\$ (13,945)	\$ 17,558,626	\$ 5,762,618	\$ 458,304	\$ —	\$ 6,220,922	\$ 11,337,704	\$ 6,458,282

9. TANGIBLE CAPITAL ASSETS, WATER CAPITAL

	2024						2023			
	Cost Beginning of Year	Additions	Disposals and Write-downs	Cost End of Year	Amortization Beginning of Year	Additions	Disposals	Amortization End of Year	Net Book Value	Net Book Value
Water Storage Plant	\$ 1,716,814	\$ —	\$ —	\$ 1,716,814	\$ 328,166	\$ 22,891	\$ —	\$ 351,057	\$ 1,365,757	\$ 1,388,648
Equipment	125,912	—	—	125,912	107,077	3,775	—	110,852	15,060	18,835
Mains	1,946,865	904,557	—	2,851,422	403,015	38,019	—	441,034	2,410,388	1,543,850
Services	207,498	—	—	207,498	31,788	4,150	—	35,938	171,560	175,710
Meters	33,910	—	—	33,910	27,729	1,695	—	29,424	4,486	6,181
Hydrants	77,718	—	—	77,718	23,355	1,036	—	24,391	53,327	54,363
Water Treatment Plant	417,277	—	—	417,277	187,872	8,691	—	196,563	220,714	229,405
Trucks	28,595	—	—	28,595	28,595	—	—	28,595	—	—
Computer software	24,051	—	—	24,051	6,412	1,604	—	8,016	16,035	17,639
Water wells	178,243	82,390	—	260,633	—	—	—	8,016	260,633	178,243
	\$ 4,756,883	\$ 986,947	\$ —	\$ 5,743,830	\$ 1,144,009	\$ 81,861	\$ —	\$ 1,225,870	\$ 4,517,960	\$ 3,612,874

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

10. ACCUMULATED SURPLUS

	2024	2023
Water operating fund	\$ 789,027	\$ 651,033
General capital fund	10,023,844	5,427,402
Water capital fund	4,694,768	3,685,306
Reserve funds	2,610,750	2,141,181
	\$ 18,118,389	\$ 11,904,922

11. DEFINED CONTRIBUTION PENSION PLAN

The Town provides a defined contribution pension plan for their employees. The assets of the plan are held separately from those of the Town in independently administered funds. Contributions paid and expensed by the Town in the current year amounts to \$52,241 (2023 - \$48,005).

12. TRANSFERS TO PROVINCIAL BOARDS AND COMMISSIONS

The Town of Stewiacke is required to share in financing the operations of various Boards and Commissions, along with other municipal units in Colchester County. In addition to any budgeted contributions, the Town shares in the deficits or surpluses of these Boards based on their sharing percentages. The Town's share of the deficit is to be paid in the next fiscal year, while a surplus is to be taken into the next year's estimates.

	2024 Contribution	2023 Contribution
Regional Housing Authority	\$ 63,052	\$ 78,926
Regional Library	10,225	10,500
Chignecto Regional Centre for Education	328,968	287,700
Corrections contribution	17,763	16,355
Assessment services contribution	20,667	15,638
Truro Colchester Regional Enterprise Network	8,485	9,056

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

13. SEGMENT DISCLOSURE

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Culture Services	Water Treatment and Distribution	Total 2024
REVENUES								
Taxes	\$ 2,003,380	\$ 129,081	\$ -	\$ 110,394	\$ -	\$ -	\$ -	\$ 2,242,855
Grants in lieu of taxes	3,266	-	-	-	-	-	-	3,266
Sale of services	-	-	-	192,849	-	-	-	192,849
Other revenue from own sources	255,584	-	-	-	-	51,387	36,392	343,363
Unconditional transfers from other governments	237,889	-	-	-	-	67,888	-	305,777
Conditional transfers from other governments	88,702	-	-	-	-	25,000	-	113,702
Water rates	-	-	-	-	-	-	549,605	549,605
Capital grants	135,000	-	1,078,839	-	-	-	-	1,213,839
Contributed capital	-	-	1,159,923	2,480,129	-	-	904,557	4,544,609
	2,723,821	129,081	2,238,762	2,783,372	-	144,275	1,490,554	9,509,865
EXPENSES								
Salaries, wages and benefits	418,395	10,468	274,692	26,247	-	175,977	127,615	1,033,394
Operating materials, supplies and general expenses	306,834	352,115	321,063	213,677	72,424	191,385	229,364	1,686,862
Amortization	28,108	-	233,711	109,936	-	86,549	81,861	540,165
Rents and financial expenses	23,929	-	-	-	-	-	12,048	35,977
	777,266	362,583	829,466	349,860	72,424	453,911	450,888	3,296,398
ANNUAL SURPLUS (DEFICIT)	\$ 1,946,555	\$ (233,502)	\$ 1,409,296	\$ 2,433,512	\$ (72,424)	\$ (309,636)	\$ 1,039,666	\$ 6,213,467

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

13. SEGMENT DISCLOSURE

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Culture Services	Water Treatment and Distribution	Total 2023
REVENUES								
Taxes	\$ 1,732,869	\$ 107,016	\$ —	\$ 102,069	\$ —	\$ —	\$ —	\$ 1,941,954
Grants in lieu of taxes	3,103	—	—	—	—	—	—	3,103
Sale of services	—	—	—	209,491	—	—	—	209,491
Other revenue from own sources	184,633	—	—	—	—	61,478	17,323	263,434
Unconditional transfers from other governments	239,986	—	—	—	—	—	—	239,986
Conditional transfers from other governments	85,140	—	—	—	—	25,000	—	110,140
Water rates	—	—	—	—	—	—	500,118	500,118
Capital grants	—	—	—	—	—	—	61,574	61,574
	2,245,731	107,016	—	311,560	—	86,478	579,015	3,329,800
EXPENSES								
Salaries, wages and benefits	391,529	9,840	270,750	23,704	—	146,531	106,905	949,259
Operating materials, supplies and general expenses	225,077	317,467	272,702	170,490	160,150	99,841	228,762	1,474,489
Amortization	17,351	—	199,803	82,791	—	37,054	76,093	413,092
Rents and financial expenses	18,711	—	—	—	—	—	14,257	32,968
	652,668	327,307	743,255	276,985	160,150	283,426	426,017	2,869,808
ANNUAL SURPLUS (DEFICIT)	\$ 1,593,063	\$ (220,291)	\$ (743,255)	\$ 34,575	\$ (160,150)	\$ (196,948)	\$ 152,998	\$ 459,992

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2024

14. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of the Town's financial instruments that are comprised of cash, taxes and rates receivable, other accounts receivable, and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

The fair value of long-term debt is based on rates currently available to the Town with similar terms and maturities and approximates its carrying value.

Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risks arising from these financial instruments.

15. REMUNERATION OF MEMBERS OF COUNCIL AND CHIEF ADMINISTRATIVE OFFICER

The total remuneration paid to the Mayor, Council and Chief Administrative Officer of the Town is as follows:

Name	Title	Annual Remuneration	Travel and Other Expenses	Total
G. Lloy	Mayor	\$ 13,697	\$ 7,524	\$ 21,221
R. Chapman	Councillor	10,655	-	10,655
S. Lutz	Councillor	9,236	74	9,310
C. Ramsey	Councillor	8,469	-	8,469
P. Osbourne	Councillor	9,236	2,732	11,968
S. Creelman	Councillor	9,236	69	9,305
R. Rogers-Laing	Councillor	9,236	-	9,236
D. Bogle	Chief Administrative Officer	20,280	371	20,651
G. Brown	Chief Administrative Officer	30,167	1,414	31,581
K. Matheson	Interim Chief Administrative Officer	35,135	5,984	41,119
R. Buchi	Interim Chief Administrative Officer	8,654	-	8,654
		\$ 164,001	\$ 18,168	\$ 182,169

16. CONTINGENCIES

The Town has guaranteed the borrowing resolution of the Stewiacke Fire Department for \$639,000.

The loan related to this guarantee had a balance of \$418,066 at March 31, 2024 (2023 - \$478,340).

17. BUDGET INFORMATION

The disclosed budget information has been approved by the Mayor and Council at the council meeting on April 27, 2023.

SUPPLEMENTARY SCHEDULES

Town of Stewiacke
Schedule A – Details of Revenues
For the year ended March 31, 2024
(Unaudited)

	Budget	2024	2023
Taxes			
Assessable property			
Residential	\$ 1,784,517	\$ 1,781,660	\$ 1,519,005
Commercial	396,854	514,129	394,535
Resource			
Taxable assessments	22,359	22,358	23,482
Forest property tax	–	368	369
Business property			
Based on revenue – Aliant	7,058	6,584	7,058
Area rates			
Environmental health services	98,384	110,394	102,069
Protective services	129,262	129,081	107,016
Other			
Deed transfer tax	75,000	192,075	200,445
	2,513,434	2,756,649	2,353,979
Expenditures as a reduction to tax revenue			
Appropriations to Regional Centre for Education	328,970	328,968	287,700
Provincial corrections	17,350	17,763	16,355
Nova Scotia Housing Commission	44,090	63,052	78,926
Tax rebate	129,438	102,157	26,544
Tax exemption	–	1,854	2,500
	\$ 1,993,586	\$ 2,242,855	\$ 1,941,954
Grants in lieu of taxes			
Federal government			
Royal Canadian Mounted Police	\$ 3,300	\$ 3,266	\$ 3,103
Sale of services			
Environmental health services	\$ 163,462	\$ 178,849	\$ 171,491
Sewer connections	20,000	14,000	38,000
	\$ 183,462	\$ 192,849	\$ 209,491

Town of Stewiacke
Schedule A – Details of Revenues (Continued)
For the year ended March 31, 2024
(Unaudited)

	Budget	2024	2023
Other revenue from own sources			
Community Centre	\$ 8,800	\$ 13,661	\$ 11,259
Fines	1,000	215	138
Gasoline rebates	2,800	2,550	2,682
Interest on investments	10,000	188,791	91,178
Interest on taxes	12,000	26,161	14,401
Licenses and permits	10,500	14,291	18,455
Miscellaneous	12,373	50,686	65,092
Down-town decorating	2,000	1,982	1,111)
Summer programs	16,000	–	–
Field rental	200	435	630
Sign permits	200	–	–
Tax certificate	500	2,295	2,407
Solar	28,000	21,344	25,558
Town days	5,000	9,640	2,256
HST offset revenue	7,800	11,612	8,917
Culvert/driveway installation	3,000	(300)	19,350
	\$ 120,173	\$ 343,363	\$ 263,434
Unconditional transfers from other governments			
Provincial government			
Equalization grant	\$ 202,349	\$ 202,349	\$ 202,349
Farm and acreage grant	3,524	8,014	4,622
Other government grant	–	95,414	33,015
	\$ 205,873	\$ 305,777	\$ 239,986
Conditional transfers from other governments			
Federal government			
Federal gas tax rebate	\$ –	\$ 88,702	\$ 85,140
Nova Scotia Health Promotion and Protection			
Recreation	25,000	25,000	25,000
	\$ 25,000	\$ 113,702	\$ 110,140

Town of Stewiacke
Schedule B – Details of Expenditures
For the year ended March 31, 2024
(Unaudited)

	2024		2023
	Budget	Actual	Actual
General government services			
Legislative			
Mayor remuneration and expenses	\$ 21,617	\$ 22,142	\$ 19,902
Council remuneration and expenses	71,577	70,935	59,826
Election	–	221	8,532
	<u>93,194</u>	<u>93,298</u>	<u>88,260</u>
General administrative			
Administration	325,073	287,282	276,412
Equipment rental	9,000	6,326	7,468
Postage	8,000	9,979	8,720
Stationery and supplies	10,000	7,873	5,147
Telecommunications	7,300	6,868	6,384
Utilities	14,000	17,479	16,677
Assessment costs	28,350	20,667	15,638
Legal services	18,000	24,534	30,983
IT and software	20,000	44,139	26,781
Training and development	5,000	5,174	4,075
Advertising	4,000	40,790	10,751
Other	14,000	26,378	10,679
Financial management	20,000	23,929	18,711
Other			
Building maintenance	13,000	7,256	4,627
Employee benefits	19,739	50,182	35,254
Employee pension plans	47,491	17,694	20,434
	<u>562,953</u>	<u>596,550</u>	<u>498,741</u>
Other general government services			
Amortization	–	28,108	17,349
Insurance	47,668	45,862	34,542
Interest and bank charges	9,000	7,714	8,042
Interest on long-term debt	26,565	–	–
Accretion	–	5,734	5,734
	<u>83,233</u>	<u>87,418</u>	<u>65,667</u>
	<u>\$ 739,380</u>	<u>\$ 777,266</u>	<u>\$ 652,668</u>

Town of Stewiacke
Schedule B – Details of Expenditures (Continued)
For the year ended March 31, 2024
(Unaudited)

	2024		2023
	Budget	Actual	Actual
Protective services			
Police protection			
Prosecution services	\$ 1,000	\$ 970	\$ 807
Royal Canadian Mounted Police	209,017	196,802	190,015
	<u>210,017</u>	<u>197,772</u>	<u>190,822</u>
Fire protection			
Fire dispatch service	4,000	4,078	3,937
Fire fighting force	63,336	125,256	99,092
	<u>67,336</u>	<u>129,334</u>	<u>103,029</u>
Emergency measures	7,700	4,589	3,600
Other protective services			
Dog control	12,000	12,000	11,627
Ground search and rescue	7,500	7,500	7,500
Other	11,500	11,388	10,729
	<u>31,000</u>	<u>30,888</u>	<u>29,856</u>
	<u>\$ 316,053</u>	<u>\$ 362,583</u>	<u>\$ 327,307</u>
Transportation services			
Common services			
Amortization	\$ –	\$ 42,391	\$ 54,183
Equipment operation and maintenance	39,000	63,343	48,108
Public works wages	222,382	274,692	270,751
Seminars and training	2,000	1,787	692
Shop tools and equipment	30,000	39,816	24,856
Workshops, yard and other buildings	10,500	11,264	22,102
	<u>303,882</u>	<u>433,293</u>	<u>420,692</u>
Road transport			
Amortization	–	191,320	145,620
Drainage ditches	6,000	13,708	3,774
Insurance and registration	28,713	20,982	21,107
Interest on long-term debt	4,000	20,391	22,345
Roadway services	30,000	70,446	70,605
Snow and ice removal	55,000	48,099	33,670
Street lighting	32,500	31,227	25,442
	<u>156,213</u>	<u>396,173</u>	<u>322,563</u>
	<u>\$ 460,095</u>	<u>\$ 829,466</u>	<u>\$ 743,255</u>

Town of Stewiacke
Schedule B – Details of Expenditures (Continued)
For the year ended March 31, 2024
(Unaudited)

	2024		2023	
	Budget	Actual	Actual	
Environmental health services				
Amortization	\$ –	\$ 109,936	\$ 82,791	
Garbage disposal	108,747	134,634	108,209	
Insurance	5,000	3,182	2,841	
Wages and benefits	25,658	26,247	23,704	
Sewage collection and disposal				
Sewage lift stations	52,000	37,319	31,472	
Sewage treatment and disposal	44,183	38,542	27,968	
	\$ 235,588	\$ 349,860	\$ 276,985	
Environmental development services				
Building inspection	\$ 46,200	\$ 20,656	\$ 58,686	
Planning and zoning	30,000	16,970	53,130	
Promotional development	20,000	26,313	39,278	
Tourism	10,000	8,485	9,056	
	\$ 106,200	\$ 72,424	\$ 160,150	
Recreational and cultural services				
Recreation facilities				
Amortization	\$ –	\$ 86,549	\$ 37,054	
Community Centre		–	43,302	
Recreation	274,921	354,026	189,312	
Cultural buildings and facilities				
Library	–	3,081	6,128	
Regional Library	15,000	10,255	7,630	
	\$ 289,921	\$ 453,911	\$ 283,426	
Water treatment and distribution				
Administration	\$ 12,718	\$ 32,139	\$ 18,138	
Amortization	103,554	81,861	75,519	
Interest and bank charges	18,543	12,048	14,257	
Plant operation and pumping	2,700	127,435	113,207	
Taxes	32,184	33,191	32,184	
Transmission and distribution	78,547	50,881	58,077	
Water treatment	261,648	112,965	114,267	
Accretion	–	368	368	
	\$ 509,894	\$ 450,888	\$ 426,017	

Town of Stewiacke
Schedule of Reserves
For the year ended March 31, 2024
(Unaudited)

	Five Year					2024	2023
	Five Year	Restricted	Gas Tax	Special	Special	Total	Total
	For Economic	Development	Reserve	Capital	Operating	Total	Total
REVENUES							
Interest	\$	396	\$	5,535	\$	103,697	\$
Nova Scotia Federal Gas Tax Rebate		—	88,702	—	—	88,702	85,140
		396	114,988	5,535	71,480	192,399	139,247
Transfer from other funds		—	—	71,130	206,040	277,170	(205,910)
NET CHANGE IN FUND		396	114,988	76,665	277,520	469,569	(66,663)
FUND BALANCE, BEGINNING OF YEAR		14,616	449,745	168,507	1,508,313	2,141,181	2,207,844
FUND BALANCE, END OF YEAR	\$	15,012	\$	245,172	\$	1,785,833	\$
			564,733	2,610,750	2,610,750	2,610,750	2,141,181

Town of Stewiacke
General Operating Fund
Schedule of Changes in Operating Fund
For the year ended March 31, 2024
(Unaudited)

	2024		2023
	Budget	Actual	Actual
REVENUES			
Taxes	\$ 1,993,586	\$ 2,242,855	\$ 1,941,954
Grants in lieu of taxes	3,300	3,266	3,103
Sale of services	183,462	192,849	209,491
Other revenue from own sources	120,173	203,274	192,004
Unconditional transfers from other governments	205,873	305,777	239,986
Conditional transfers from other governments	25,000	25,000	25,000
	2,531,394	2,973,021-	2,611,538
EXPENDITURE			
General government services	739,380	763,179	646,211
Protective services	316,053	362,583	327,307
Transportation services	485,753	829,466	743,255
Environmental health services	209,930	349,860	276,985
Environmental development services	106,200	72,424	160,150
Recreational and cultural services	289,921	453,911	275,796
	2,147,237	2,831,423	2,429,704
ANNUAL SURPLUS	384,157	141,598	181,834
Transfer of amortization	-	449,952	328,646
Transfer to other funds	(387,157)	(591,550)	(510,480)
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	\$ -	-	-

Town of Stewiacke
General Capital Fund
Schedule of Changes in Capital Fund
For the year ended March 31, 2024
(Unaudited)

	2024	2023
REVENUES		
Capital grants	\$ 1,213,839	\$ 61,574
Contributed capital	3,640,052	-
	4,853,891	61,574
EXPENDITURE		
Amortization	8,353	8,353
Accretion	5,734	5,734
	14,087	14,087
ANNUAL SURPLUS	4,839,804	47,487
Repayment of long-term debt	115,125	132,154
Amortization of capital assets	(449,952)	(328,646)
Transfer from operating reserve	-	375,662
Transfer from general operating fund	361,465	101,006
NET CHANGE IN FUND BALANCE	4,596,442	327,663
FUND BALANCE, BEGINNING OF YEAR	5,427,402	5,099,739
FUND BALANCE, END OF YEAR	\$ 10,023,844	\$ 5,427,402