

**Town of Stewiacke
Consolidated Financial Statements**

March 31, 2025

Town of Stewiacke
Consolidated Financial Statements
For the year ended March 31, 2025

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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 "Town"), which comprise the consolidated statement of financial position as at March 31, 2025, 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 Town as at March 31, 2025, 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 Town 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 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 Town'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 Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town'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 Town'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 Town'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 Town 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 Town 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
April 28, 2026

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 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.

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 Auditor's 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

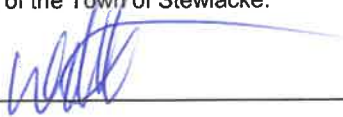
Town of Stewiacke
Consolidated Statement of Financial Position
As at March 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 3,923,152	\$ 5,981,606
Taxes and rates receivable (Note 2)	335,613	270,060
Other receivables (Note 3)	2,009,264	793,142
	6,268,029	7,044,808
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	1,139,261	639,819
Deferred revenue	2,745,938	2,939,831
Tax sale surplus	31,784	31,784
Long-term debt (Note 5)	670,939	968,296
Asset retirement obligation (Note 6)	208,853	202,353
	4,796,775	4,782,083
NET FINANCIAL ASSETS	1,471,254	2,262,725
NON-FINANCIAL ASSETS		
Tangible capital assets, general capital (Note 7)	13,295,652	11,337,704
Tangible capital assets, water capital (Note 8)	7,888,550	4,517,960
	21,184,202	15,855,664
ACCUMULATED SURPLUS (Note 9)	\$ 22,655,456	\$ 18,118,389

Contingencies (Note 15)

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, 2025

	Budget (Note 16)	2025	2024
REVENUES			
Taxes (Schedule A)	\$ 2,664,759	\$ 2,874,035	\$ 2,242,855
Grants in lieu of taxes (Schedule A)	5,673	3,266	3,266
Sale of services (Schedule A)	186,036	206,017	192,849
Other revenue from own sources (Schedule A)	144,500	430,182	343,363
Unconditional transfers from other governments (Schedule A)	206,084	183,522	305,777
Conditional transfers from other governments (Schedule A)	25,000	463,628	113,702
Water rates	695,682	547,837	549,605
Capital grants	-	3,494,694	1,213,839
Contributed capital	-	-	4,544,609
	<u>3,927,734</u>	<u>8,203,181</u>	<u>9,509,865</u>
EXPENSES (Schedule B)			
General government services	959,325	838,943	777,266
Protective services	433,141	419,864	362,583
Transportation services	598,242	873,980	829,466
Environmental health services	413,121	427,068	349,860
Environmental development services	140,240	112,240	72,424
Recreation and cultural services	369,328	461,148	453,911
Water treatment and distribution	639,780	532,871	450,888
	<u>3,553,177</u>	<u>3,666,114</u>	<u>3,296,398</u>
ANNUAL SURPLUS	<u>374,557</u>	<u>4,537,067</u>	<u>6,213,467</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		18,118,389	11,904,922
ACCUMULATED SURPLUS, END OF YEAR	<u>\$</u>	<u>\$ 22,655,456</u>	<u>\$ 18,118,389</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, 2025

	Budget (Note 16)	2025	2024
ANNUAL SURPLUS	\$ 374,557	\$ 4,537,067	\$ 6,213,467
Other non-financial assets			
Amortization of tangible capital assets	-	680,647	540,165
Additions to tangible capital assets	-	(6,009,185)	(6,338,618)
Disposal of capital assets	-	-	13,945
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	374,557	(791,471)	428,959
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,262,725	2,262,725	1,833,766
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,637,282	\$ 1,471,254	\$ 2,262,725

See accompanying notes to consolidated financial statements.

Town of Stewiacke
Consolidated Statement of Cash Flows
For the year ended March 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 4,537,067	\$ 6,213,467
Add		
Amortization of tangible capital assets	680,647	540,165
Accretion expense	6,500	6,102
Change in non-cash items		
Taxes and rates receivable	(65,553)	(64,343)
Other accounts receivable	(1,216,122)	(655,206)
Accounts payable and accrued liabilities	499,442	208,262
Deferred revenue	(193,893)	2,489,339
	<u>4,248,088</u>	<u>2,524,319</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(297,357)	(184,577)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(6,009,185)	(6,338,618)
Disposal of tangible capital assets	-	13,945
	<u>(6,009,185)</u>	<u>(6,324,673)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(2,058,454)</u>	<u>2,228,536</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,981,606	3,753,070
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,923,152</u>	<u>\$ 5,981,606</u>

See accompanying notes to consolidated financial statements.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2025

1. 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.

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.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Segment information (continued)

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, 2025

1. 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 the 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, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Tangible capital assets

Tangible capital assets are reported in the consolidated 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%

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

The Town recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the county recognizes revenues as the liability is settled.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Taxation and other revenue

Property tax billings are prepared by the Town based on assessment rolls determined in accordance with Province of Nova Scotia legislation. 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. 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.

Revenue from the sale of services, rates and other revenues are recognized at the time that the performance obligation to the customer is satisfied and when amounts can be reasonably estimated, and collection is reasonably assured.

(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) 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 tangible 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 know.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2025

2. TAXES AND RATES RECEIVABLE

	2025	2024
Taxes receivable	\$ 225,393	\$ 152,731
Less valuation allowance	(30,000)	(30,000)
Subtotal	195,393	122,731
Sewer rates receivable	37,368	40,542
Less valuation allowance	(1,191)	(1,191)
Subtotal	36,177	39,351
Water rates receivable	105,879	109,814
Less valuation allowance	(1,836)	(1,836)
Subtotal	104,043	107,978
Taxes and rates receivable, net	\$ 335,613	\$ 270,060

3. OTHER RECEIVABLES

	2025	2024
Due from federal government and its agencies	\$ 1,413,158	\$ 489,856
Due from provincial government and its agencies	558,570	230,296
Other	37,536	72,990
	\$ 2,009,264	\$ 793,142

4. 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, 2025 and 2024.

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2025

5. LONG-TERM DEBT

	Interest rate - %	Matures	Balance March 31/24	Proceeds	Repaid	Balance March 31/25
General Capital Fund						
Nova Scotia Municipal Finance Corporation						
Streets	0.9 – 1.2%	2026	75,000	–	(37,500)	37,500
Sewage	2.8 – 3.3%	2029	131,250	–	(26,250)	105,000
Grader	0.0 – 2.3%	2032	270,239	–	(20,788)	249,451
Solar	2.6 – 3.8%	2033	254,873	–	(10,885)	243,988
			731,362	–	(95,423)	635,939
Water Capital Fund						
Nova Scotia Municipal Finance Corporation						
	2.8 – 3.3%	2029	43,750	–	(8,750)	35,000
	2.2 – 2.3%	2025	28,184	–	(28,184)	–
	4.8 – 4.9%	2025	165,000	–	(165,000)	–
			236,934	–	(201,934)	35,000
			\$ 968,296	\$ –	\$ (297,357)	\$ 670,939

Principal payments required in each of the next five years on debt held as of March 31, 2025 are as follows:

	General	Water	Total
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
2030	31,987	–	31,987

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2025

6. 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 to 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:

	2025	2024
Opening balance	\$ 202,353	\$ 196,261
Accretion expense	6,500	6,102
	\$ 208,853	\$ 202,353

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2025

7. TANGIBLE CAPITAL ASSETS, GENERAL CAPITAL

	2025									2024	
	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	1,271,458	11,207	—	1,282,665	801,441	32,236	—	833,677	848,888	670,017	
Machinery and equipment	1,808,313	97,064	—	1,905,377	688,122	125,804	—	813,726	1,091,651	1,120,101	
Sewers	4,519,024	1,535,475	—	6,054,499	842,055	110,515	—	1,052,570	5,001,929	3,576,969	
Sidewalks	696,632	—	—	696,632	386,139	29,018	—	415,157	281,475	310,493	
Streets	5,781,338	2,339,773	—	8,121,111	2,254,257	232,240	—	2,486,497	5,634,614	3,527,081	
Land improvements	473,149	—	—	473,149	258,475	17,493	—	275,968	197,181	214,674	
Sewage Treatment Plant	1,041,642	2,435	—	1,044,077	1,039,287	284	—	1,039,571	4,506	2,355	
Leasehold improvements	154,940	—	—	154,940	35,111	6,198	—	41,309	113,631	119,829	
Computer software	48,102	—	—	48,102	16,035	3,207	—	19,242	28,860	32,067	
Work in progress	1,471,211	(1,471,211)	—	—	—	—	—	—	—	1,471,211	
	\$ 17,558,826	\$ 2,514,743	\$ —	\$ 20,073,369	\$ 6,220,922	\$ 556,795	\$ —	\$ 6,777,717	\$ 13,295,652	\$ 11,337,704	

8. TANGIBLE CAPITAL ASSETS, WATER CAPITAL

	2025									2024	
	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	\$ 351,057	\$ 22,891	\$ —	\$ 373,948	\$ 1,342,866	\$ 1,385,757	
Equipment	125,912	—	—	125,912	110,852	3,775	—	114,627	11,285	15,060	
Mains	2,851,422	3,436,539	—	6,287,961	441,034	75,640	—	516,674	5,771,287	2,410,388	
Services	207,498	318,536	—	526,034	35,938	8,673	—	44,811	481,223	171,580	
Meters	33,910	—	—	33,910	29,424	1,343	—	30,767	3,143	4,486	
Hydrants	77,718	—	—	77,718	24,391	1,036	—	25,427	52,291	53,327	
Water Treatment Plant	417,277	—	—	417,277	196,563	8,691	—	205,254	212,023	220,714	
Trucks	28,595	—	—	28,595	28,595	—	—	28,595	—	—	
Computer software	24,051	—	—	24,051	8,016	1,603	—	9,619	14,432	16,035	
Work in progress	260,633	(260,633)	—	—	—	—	—	—	—	260,633	
	\$ 5,743,830	\$ 3,494,442	\$ —	\$ 9,238,272	\$ 1,225,870	\$ 123,852	\$ —	\$ 1,349,722	\$ 7,888,550	\$ 4,517,960	

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2025

9. ACCUMULATED SURPLUS

	2025	2024
Water Operating fund	\$ 739,590	\$ 789,027
General Capital fund	11,525,474	10,023,844
Water Capital fund	6,631,553	4,694,768
Reserve funds	3,758,839	2,610,750
	\$ 22,655,456	\$ 18,118,389

10. 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 \$43,149 (2024 - \$52,241).

11. 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.

	2025 Contribution	2024 Contribution
Regional Housing Authority	\$ (30,145)	\$ 63,052
Regional Library	12,849	10,255
Chignecto Regional Centre for Education	394,260	328,968
Corrections contribution	-	17,763
Assessment services contribution	22,922	20,667
Truro Colchester Regional Enterprise Network	9,574	8,485

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2025

12. SEGMENT DISCLOSURE

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Cultural Services	Water Treatment and Distribution	Total 2025
REVENUES								
Taxes	\$ 2,534,987	\$ 156,101	\$ -	\$ 182,947	\$ -	\$ -	\$ -	\$ 2,874,035
Grants in lieu of taxes	3,266	-	-	-	-	-	-	3,266
Sale of services	-	-	-	187,017	-	-	-	187,017
Other revenue from own sources	365,316	-	-	-	-	24,972	39,894	430,182
Unconditional transfers from other governments	178,563	-	-	-	-	4,959	-	183,522
Conditional transfers from other governments	90,862	-	-	-	-	372,766	-	463,628
Water rates	-	-	-	-	-	-	566,837	566,837
Capital grants	-	-	1,130,626	729,432	-	2,000	1,632,636	3,494,694
	3,172,994	156,101	1,130,626	1,099,396	-	404,697	2,239,367	8,203,181
EXPENSES								
Salaries, wages and benefits	429,967	7,357	275,399	21,999	-	234,859	143,140	1,112,721
Operating materials, supplies and general expenses	352,368	412,507	301,059	270,180	112,240	130,014	260,212	1,838,580
Amortization	28,109	-	297,522	134,889	-	96,275	123,852	680,647
Rents and financial expenses	28,499	-	-	-	-	-	5,667	34,166
	838,943	419,864	873,980	427,068	112,240	461,148	532,871	3,666,114
ANNUAL SURPLUS (DEFICIT)	\$ 2,334,051	\$ (263,763)	\$ 256,646	\$ 672,328	\$ (112,240)	\$ (56,451)	\$ 1,706,496	\$ 4,537,067

Town of Stewiacke
Notes to Consolidated Financial Statements
For the year ended March 31, 2025

12. SEGMENT DISCLOSURE (CONTINUED)

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Cultural 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
	<u>2,723,821</u>	<u>129,081</u>	<u>2,238,762</u>	<u>2,783,372</u>	<u>-</u>	<u>144,275</u>	<u>1,490,554</u>	<u>9,509,865</u>
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
	<u>777,266</u>	<u>362,583</u>	<u>829,466</u>	<u>349,860</u>	<u>72,424</u>	<u>453,911</u>	<u>450,888</u>	<u>3,296,398</u>
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, 2025

13. FINANCIAL INSTRUMENTS

The Town as part of its operations carries a number of financial instruments. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instructions except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The carrying amount of the Town's financial instruments best represents the maximum exposure to credit risk. The Town manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting its obligations associated with financial liabilities. The Town enters into transactions to borrow funds from financial institutions or other creditors for which repayment is required at various maturity dates. The Town manages liquidity risk by monitoring forecasted and actual cash flows.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Town's interest rate risk arises from long-term borrowings at a fixed rate that creates fair value interest rate risk. Changes in market interest rates cause the fair value of these long-term debt with fixed interest rates to fluctuate but do not affect net income, as the Town's long-term debt is carried at amortized cost and the carrying value does not change as the interest rate changes. The Town's future obligations with respect to debt repayment are disclosed in Note 5.

14. 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	\$ 11,947	\$ 3,127	\$ 15,074
D. Glasser	Mayor	4,776	3,887	8,663
R. Chapman	Deputy Mayor	9,186	3,996	13,182
S. Lutz	Councillor	10,394	1,986	12,380
P. Osbourne	Councillor	10,812	7,015	17,827
D. LeBlanc	Councillor	4,909	5,383	10,292
S. Creelman	Councillor	8,032	1,240	9,271
R. Rogers-Laing	Councillor	10,181	3,069	13,251
M. Seguin	Chief Administrative Officer	76,410	2,142	78,552
K. Matheson	Interim Chief Administrative Officer	35,028	6,255	41,283
		\$ 181,676	\$ 38,099	\$ 219,775

Town of Stewiacke
Notes to Consolidated Financial Statements

For the year ended March 31, 2025

15. 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 \$355,804 at March 31, 2025 (2024 - \$418,066).

16. BUDGET INFORMATION

The disclosed budget information has been approved by the Mayor and Council at the council meeting on April 25, 2024.

The Town budgets for rate settling purposes. The following adjustments to the annual surplus reconcile the operating budgets to the financial reporting presentation under Canadian Public Sector Accounting Standards ("PSAS").

	2025
Approved budgeted surplus (deficit) for the year	
General operations	\$ -
Water utility operations	(8,534)
Approved budget surplus (deficit)	(8,534)
Adjustment for:	
Interfund transfers included in budget	115,666
Principal payments on debt	159,858
Administrative fees	107,567
	383,091
	\$ 374,557

SUPPLEMENTARY SCHEDULES

Town of Stewiacke
Schedule A – Details of Revenues
For the year ended March 31, 2025
(Unaudited)

	Budget	2025	2024
Taxes			
Assessable property			
Residential	\$ 2,137,173	\$ 2,126,158	\$ 1,781,660
Commercial	690,459	690,459	514,129
Resource			
Taxable assessments	23,447	23,161	22,358
Forest property tax	347	363	368
Business property			
Based on revenue – Aliant	6,585	6,328	6,584
Area rates			
Environmental health services	189,884	182,947	110,394
Protective services	156,761	156,101	129,081
Other			
Deed transfer tax	105,000	162,554	192,075
	<u>3,309,656</u>	<u>3,348,071</u>	<u>2,756,649</u>
Expenditures (recovery) as a reduction to tax revenue			
Appropriations to Regional Centre for Education	394,259	394,260	328,968
Provincial corrections	–	–	17,763
Nova Scotia Housing Commission	–	(30,145)	63,052
Tax rebate	250,638	107,171	102,157
Tax exemption	–	2,750	1,854
	<u>\$ 2,664,759</u>	<u>\$ 2,874,035</u>	<u>\$ 2,242,855</u>
Grants in lieu of taxes			
Federal government			
Royal Canadian Mounted Police	\$ 3,300	\$ 3,266	\$ 3,266
Department of Public Works	2,373	–	–
	<u>\$ 5,673</u>	<u>\$ 3,266</u>	<u>\$ 3,266</u>
Sale of services			
Environmental health services	\$ 176,036	\$ 187,017	\$ 178,849
Sewer connections	10,000	19,000	14,000
	<u>\$ 186,036</u>	<u>\$ 206,017</u>	<u>\$ 192,849</u>

Town of Stewiacke
Schedule A – Details of Revenues (Continued)
For the year ended March 31, 2025
(Unaudited)

	Budget	2025	2024
Other revenue from own sources			
Community Centre	\$ 5,000	\$ 14,382	\$ 13,661
Fines	–	378	215
Gasoline rebates	2,500	2,876	2,550
Interest on investments	15,000	285,248	188,791
Interest on taxes	12,000	3,576	26,161
Licenses and permits	10,000	13,355	14,291
Miscellaneous	30,000	12,783	50,686
Down-town decorating	2,000	1,600	1,982
Summer programs	3,000	–	–
Field rental	–	783	435
Tax certificate	1,000	2,400	2,295
Solar	22,000	6,717	21,344
Town days	8,000	26,839	9,640
HST offset revenue	8,000	8,323	11,612
Culvert/driveway installation	1,000	3,700	(300)
After School Program	25,000	47,222	–
	\$ 144,500	\$ 430,182	\$ 343,363
Unconditional transfers from other governments			
Provincial government			
Equalization grant	\$ 202,349	\$ 157,184	\$ 202,349
Farm and acreage grant	3,735	3,794	8,014
Other government grant	–	22,544	95,414
	\$ 206,084	\$ 183,522	\$ 305,777
Conditional transfers from other governments			
Federal government			
Federal gas tax rebate	\$ –	\$ 90,862	\$ 88,702
Project grants	–	336,391	–
Nova Scotia Health Promotion and Protection			
Recreation	25,000	36,375	25,000
	\$ 25,000	\$ 463,628	\$ 113,702

Town of Stewiacke
Schedule B – Details of Expenses
For the year ended March 31, 2025
(Unaudited)

	2025		2024	
	Budget	Actual	Actual	
General government services				
Legislative				
Mayor remuneration and expenses	\$ 23,156	\$ 23,737	\$	22,142
CAO remuneration and expenses	-	119,835		52,232
Council remuneration and expenses	55,367	76,203		70,935
Election	34,000	23,118		221
	<u>112,523</u>	<u>242,892</u>		<u>93,298</u>
General administrative				
Administration	344,777	189,319		287,282
Equipment rental	8,000	7,049		6,326
Postage	9,000	9,311		9,979
Stationery and supplies	10,000	15,557		7,873
Telecommunications	8,000	9,080		6,868
Utilities	12,197	30,007		17,479
Assessment costs	28,934	22,922		20,667
Legal services	30,000	25,441		24,534
IT and software	35,000	37,215		44,139
Training and development	5,000	2,546		5,174
Advertising	15,000	16,357		40,790
Other	91,000	27,169		26,378
Financial management	21,000	28,499		23,929
Other				
Building maintenance	9,000	21,888		7,256
Employee benefits	52,116	49,436		50,182
Employee pension plans	28,948	13,792		17,694
	<u>707,972</u>	<u>505,588</u>		<u>596,550</u>
Other general government services				
Amortization	-	28,109		28,108
Insurance	54,071	47,379		45,862
Interest and bank charges	6,000	8,866		7,714
Interest on long-term debt	78,759	-		-
Accretion	-	6,108		5,734
	<u>138,830</u>	<u>90,463</u>		<u>87,418</u>
	<u>\$ 959,325</u>	<u>\$ 838,943</u>	<u>\$</u>	<u>777,266</u>

Town of Stewiacke
Schedule B – Details of Expenses (Continued)

For the year ended March 31, 2025
(Unaudited)

	2025		2024	
	Budget	Actual	Actual	
Protective services				
Police protection				
Royal Canadian Mounted Police	\$ 231,719	\$ 218,893	\$ 196,802	
Prosecution services	1,000	1,865	970	
	<u>232,719</u>	<u>220,758</u>	<u>197,772</u>	
Fire protection				
Fire dispatch service	4,061	4,119	4,078	
Fire fighting force	156,761	152,700	125,256	
	<u>160,822</u>	<u>156,819</u>	<u>129,334</u>	
Emergency measures	8,800	13,372	4,589	
Other protective services				
Dog control	12,000	13,000	12,000	
Ground search and rescue	7,500	7,500	7,500	
Other	11,300	8,415	11,388	
	<u>30,800</u>	<u>28,915</u>	<u>30,888</u>	
	<u>\$ 433,141</u>	<u>\$ 419,864</u>	<u>\$ 362,583</u>	
Transportation services				
Common services				
Amortization	\$ –	\$ 42,391	\$ 42,391	
Equipment operation and maintenance	61,030	41,427	63,343	
Public works wages	278,851	277,171	274,692	
Seminars and training	3,000	2,172	1,787	
Shop tools and equipment	25,000	21,023	39,816	
Workshops, yard and other buildings	10,046	15,458	11,264	
	<u>377,927</u>	<u>399,642</u>	<u>433,293</u>	
Road transport				
Amortization	–	255,131	191,320	
Drainage ditches	12,000	3,624	13,708	
Insurance and registration	23,253	22,519	20,982	
Interest on long-term debt	60,000	18,442	20,391	
Roadway services	36,165	64,025	70,446	
Snow and ice removal	56,000	73,144	48,099	
Street lighting	32,897	37,453	31,227	
	<u>220,315</u>	<u>474,338</u>	<u>396,173</u>	
	<u>\$ 598,242</u>	<u>\$ 873,980</u>	<u>\$ 829,466</u>	

Town of Stewiacke
Schedule B – Details of Expenses (Continued)
For the year ended March 31, 2025
(Unaudited)

	2025		2024	
	Budget	Actual	Actual	
Environmental health services				
Amortization	\$ –	\$ 134,889	\$ 109,936	
Garbage disposal	190,000	163,568	134,634	
Insurance	3,405	3,251	3,182	
Wages and benefits	24,096	21,999	26,247	
Sewage collection and disposal				
Sewage lift stations	50,571	42,589	37,319	
Sewage treatment and disposal	145,049	60,772	38,542	
	\$ 413,121	\$ 427,068	\$ 349,860	
Environmental development services				
Building inspection	\$ 46,200	\$ –	\$ 20,656	
Planning and zoning	79,040	60,942	16,970	
Promotional development	5,000	31,932	26,313	
Tourism	10,000	9,574	8,485	
Accessibility	–	9,792	–	
	\$ 140,240	\$ 112,240	\$ 72,424	
Recreational and cultural services				
Recreation facilities				
Amortization	\$ –	\$ 96,275	\$ 86,549	
Recreation	354,328	352,024	354,026	
Cultural buildings and facilities				
Library	–	–	3,081	
Regional Library	15,000	12,849	10,255	
	\$ 369,328	\$ 461,148	\$ 453,911	
Water treatment and distribution				
Administration	\$ 93,750	\$ 9,676	\$ 32,139	
Amortization	114,043	123,852	81,861	
Interest and bank charges	10,045	5,667	12,048	
Plant operation and pumping	27,500	147,320	127,435	
Taxes	32,206	34,148	33,191	
Transmission and distribution	73,822	64,443	50,881	
Water treatment	288,414	147,374	112,965	
Accretion	–	391	368	
	\$ 639,780	\$ 532,871	\$ 450,888	

Town of Stewiacke
Schedule C
Schedule of Reserves
For the year ended March 31, 2025
(Unaudited)

					2025	2024	
	Five Year Restricted For Economic Development	CCBF Reserve	Special Capital	Special Operating	Total	Total	
REVENUES							
Interest	\$ 379	\$ 26,306	\$ 8,358	\$ 171,779	\$ 206,822	\$	103,697
Nova Scotia Federal Gas Tax Rebate	-	90,862	-	-	90,862	-	88,702
	379	117,168	8,358	171,779	297,684	-	192,399
Transfer (to) from other funds	-	-	(180,337)	1,030,742	850,405	-	277,170
NET CHANGE IN FUND	379	117,168	(171,979)	1,202,521	1,148,089	-	469,569
FUND BALANCE, BEGINNING OF YEAR	15,012	564,733	245,172	1,785,833	2,610,750	-	2,141,181
FUND BALANCE, END OF YEAR	\$ 15,391	\$ 681,901	\$ 73,193	\$ 2,988,354	\$ 3,758,839	-	\$ 2,610,750

Town of Stewiacke
Schedule D
Schedule of Changes in General Operating Fund
For the year ended March 31, 2025
(Unaudited)

	2025		2024
	Budget	Actual	Actual
REVENUES			
Taxes	\$ 2,664,759	\$ 2,874,035	\$ 2,242,855
Grants in lieu of taxes	5,623	3,266	3,266
Sale of services	186,036	187,017	192,849
Other revenue from own sources	144,500	183,466	203,274
Unconditional transfers from other governments	206,084	183,522	305,777
Conditional transfers from other governments	25,000	372,766	25,000
	3,232,052	3,804,072	2,973,021
EXPENDITURE			
General government services	959,325	832,835	763,179
Protective services	433,141	419,864	362,583
Transportation services	598,242	873,980	829,466
Environmental health services	413,121	427,068	349,860
Environmental development services	140,240	112,240	72,424
Recreational and cultural services	369,328	461,148	453,911
	2,913,397	3,127,135	2,831,423
ANNUAL SURPLUS	318,655	676,937	141,598
Transfer of amortization	-	556,795	449,952
Transfer to other funds	(318,655)	(1,233,732)	(591,550)
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -

Town of Stewiacke
Schedule E
Schedule of Changes in General Capital Fund
For the year ended March 31, 2025
(Unaudited)

	2025	2024
REVENUES		
Capital grants	\$ 1,862,058	\$ 1,213,839
Contributed capital	-	3,640,052
	1,862,058	4,853,891
EXPENDITURE		
Amortization	-	8,353
Accretion	6,108	5,734
	6,108	14,087
ANNUAL SURPLUS	1,855,950	4,839,804
Repayment of long-term debt	95,423	115,125
Amortization of capital assets	(556,795)	(449,952)
Transfer from capital reserve	107,052	-
Transfer from general operating fund	-	361,465
NET CHANGE IN FUND BALANCE	1,501,630	4,596,442
FUND BALANCE, BEGINNING OF YEAR	10,023,844	5,427,402
FUND BALANCE, END OF YEAR	\$ 11,525,474	\$ 10,023,844