



***Before we begin our meeting, we acknowledge that we are gathered on the traditional territory of the Mi'kmaq people. We recognize the deep and ongoing relationship the Mi'kmaq have with this land, and we honor their history, culture, and contributions. We welcome all those who live, work, and play in Stewiacke, and we strive to uphold the spirit of respect and unity in our community.***

**Council Meeting Agenda:**

1. Call to order
2. Attendance
3. Approval of / changes to agenda
4. Disclosure of interest on agenda items
5. Approval of minutes from the previous meeting
6. Announcements
7. Presentations - None
8. Written petitions / correspondence
9. Citizen comments
10. Business
  - A) Audit - Consolidated Financial Statements – MNP Auditors
  - B) Audit - Town of Stewiacke Water Utility Financial Statements – MNP Auditors
11. Town Committee(s)
12. Council Updates
13. In camera session
  - A) Personnel Matters
14. Adjournment



To: Town Council

From: Marc Seguin CAO

Re: 2025 Audit - Consolidated Financial Statements

Date: April 2, 2026

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**RECOMMENDATION**

That, 2025 Audit - Consolidated Financial Statements report be received; and

That Council approve the 2025 Audit - Consolidated Financial Statements.

**ORIGIN**

The Nova Scotia Municipal Government Act (MGA) mandates that council shall appoint a municipal auditor who is registered pursuant to this Act to be the auditor for each municipality.

The auditor is required to report to the council on the accounts and funds that are:

- administered by the council; and
- where the control is apparent or implied in the council.
- The auditor’s report shall contain the information and be in the form required pursuant to this Act.
- The auditor’s report shall be filed with the council and the Minister by September 30 each year.



Furthermore, the act dictates that:

- A) The auditor shall report to the council and to the Minister, any management letters and any communication from the auditor detailing weaknesses in internal control, deficiencies in management information systems or other areas requiring improvement.
- B) The financial statements of a municipality, as reported on by the auditor, shall set out the remuneration paid to each council member and the chief administrative officer.
- C) The auditor shall certify reports to the council and to the Minister if required by the regulations.
- D) No person shall be appointed as auditor who, at any time during the fiscal year in which the auditor is appointed, is or has been (a) a council member; (b) a contractor hired by the municipality; or (c) an employee of the municipality.

## **Background**

The Town has proceeded in compliance with the Act and appointed a municipal auditor who is registered pursuant to the MGS.

The Town of Stewiacke appointed MNP as the Auditor for the Municipality. [Darren Chiasson, CPA, CA](#) acted as the lead Auditor for the Town of Stewiacke.

The requirement of MGA requires that the auditor shall report to the council and to the Minister, any management letters and any communication from the auditor detailing weaknesses in internal control, deficiencies in management information systems or other areas requiring improvement.

In compliance with the MGA, Town Staff provided access to the auditor to the books, accounts and vouchers of the municipality and may require from the employees of the municipality such information and explanations as may be necessary for the performance of the auditor's duties. Additionally, Staff, on request, promptly provided access, information and explanations to the auditor as requested.

In order to maintain oversight and compliance, the Town appointed an Audit Committee, which is required annually.



The responsibilities of the audit committee include

- (a) a detailed review of the financial statements of the municipality with the auditor;
- (b) an evaluation of internal control systems and any management letter with the auditor;
- (c) a review of the conduct and adequacy of the audit;
- (d) such matters arising out of the audit as may appear to the audit committee to require investigation;
- (e) such other matters as may be determined by the council to be the duties of an audit committee;
- (f) any other matters as may be determined by the council

Chaired by Town Councilor David LeBlanc, the 2025 Audit Committee was comprised of Council appointed resident Marilyn Hayre, Town Staff Consultations include Helen Young, Director of Corporate Services

## **DISCUSSION**

The attached 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 attached outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

### **POLICIES/LEGISLATION**

The NS MGA mandates that council shall appoint a municipal auditor who is registered pursuant to this Act to be the auditor for the municipality. The Town of Stewiacke has proceeded in compliance with the MGA. This audit process has adhered to the act and has produced the required audit and related documents required by the legislation.

### **CONSULTATIONS**

David LeBlanc , Councilor – Chair Audit Committee  
Marilyn Hayre (Resident)  
Helen Young, Director of Corporate Services, Town of Stewiacke  
Darren Chiasson, Auditor, MNP  
Kyle Musial, Auditor, MNP

### **ATTACHMENTS**

Town of Stewiacke Consolidated Financial Statements *March 31, 2025*

### **CONCLUSION**

After the review of the Town of Stewiacke Consolidated Financial Statements March 31, 2025, Staff recommend that Council accept the statement as attached.

*Marc Seguin*

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**Marc Seguin**  
**Chief Administrative Officer**



April 2, 2026

Mr. Marc Seguin, CAO  
Town of Stewiacke  
295 George Street  
P.O. Box 8  
Stewiacke, Nova Scotia  
B0N 2J0

Dear Mr. Seguin:

**Management letter for the year ended March 31, 2025**

We have recently completed our audit of the Town of Stewiacke in accordance with Canadian generally accepted auditing standards (“GAAS”). The objective of our audit was to express an opinion on the financial statements, which have been prepared in accordance with Canadian public sector accounting standards. Included in our audit was the consideration of internal control relevant to the preparation and fair presentation of the financial statements. This consideration of internal control was for the purpose of designing audit procedures that were appropriate in the circumstances. It was not for the purpose of expressing an opinion on the effectiveness of internal control or for identifying all significant control deficiencies that might exist.

An audit is not specifically designed to identify all matters that may be of interest to management in discharging its responsibilities, however, during the course of our audit, we did, identify some areas for improvement that we are bringing to your attention with this letter. It is our responsibility to communicate any significant deficiencies identified to those charged with governance. A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor’s professional judgment, is of sufficient importance to merit the attention of those charged with governance.

**Matters carried from prior years:**

No matters have been brought forth in relation to the audit of the Town of Stewiacke for the year ended March 31, 2025.

**Matters arising in current year:**

**Timing of bank reconciliations**

*Observation:*

Bank reconciliations and year-end closing procedures were not completed promptly following the period end date.

*Impact:*

Untimely financial reporting increases the risk that transactions may not be recorded accurately or in the appropriate accounting period. This resulted in numerous year-end accounting adjustments being required after the audit had commenced. In addition, several unreconciled variances were identified in the bank reconciliations during MNP's review.

*Recommendation:*

The Town should ensure that monthly bank reconciliations are completed, reviewed, and approved on a timely basis.

**Allocation of capital asset transactions**

*Observation:*

Capital asset additions were recorded in aggregate during the year and were not consistently segregated by asset type or by individual project.

*Impact:*

Grouping capital asset additions reduced the clarity and accuracy of capital asset records. Further, additional audit effort was required to disaggregate transactions by asset category and project for financial reporting purposes.

*Recommendation:*

Management should ensure that capital asset additions are recorded separately by asset type and by project at the time the transactions occur to support accurate capital asset tracking, reporting, and financial statement preparation.

**Transactions recorded on a net basis**

*Observation:*

Certain revenues and related expenses were netted against each other during the year rather than being recorded on a gross basis in the appropriate revenue and expense accounts.

*Impact:*

Netting revenues and expenses is not consistent with public sector accounting standards gross reporting principles and reduces the transparency and usefulness of the financial statements.

*Recommendation:*

Management should ensure that revenues and expenses are recorded and presented separately on a gross basis in accordance with PSAS, unless net presentation is specifically permitted.

We would like to express our appreciation for the cooperation and assistance we have received during the course of our audit.

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We would be pleased to discuss with you further any matters mentioned in this letter at your convenience. This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to any third party who uses this communication.

Sincerely,

Chartered Professional Accountants

Encls.



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Sincerely,

Chartered Professional Accountants

Encls.

DRAFT

**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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## **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.

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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.

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Mr. Marc Seguin  
Chief Administrative Officer

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

	2025	2024
<b>FINANCIAL ASSETS</b>		
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
<b>FINANCIAL LIABILITIES</b>		
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
<b>NET FINANCIAL ASSETS</b>	1,471,254	2,262,725
<b>NON-FINANCIAL ASSETS</b>		
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
<b>ACCUMULATED SURPLUS</b> (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
<b>REVENUES</b> (Schedule A)			
Taxes	\$ 2,664,759	\$ 2,874,035	\$ 2,242,855
Grants in lieu of taxes	5,673	3,266	3,266
Sale of services	186,036	187,017	192,849
Other revenue from own sources	144,500	430,182	343,363
Unconditional transfers from other governments	206,084	183,522	305,777
Conditional transfers from other governments	25,000	463,628	113,702
Water rates	695,682	566,837	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>
<b>EXPENSES</b> (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>
<b>ANNUAL SURPLUS</b>	374,557	4,537,067	6,213,467
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		18,118,389	11,904,922
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$	\$ 22,655,456	\$ 18,118,389

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*

	2025	2024
<b>ANNUAL SURPLUS</b>	\$ 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
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(791,471)</b>	<b>428,959</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>2,262,725</b>	<b>1,833,766</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 1,471,254</b>	<b>\$ 2,262,725</b>

See accompanying notes to consolidated financial statements.

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

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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
	4,248,088	2,524,319
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(297,357)	(184,577)
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Additions to tangible capital assets	(6,009,185)	(6,338,618)
Disposal of tangible capital assets	-	13,945
	(6,009,185)	(6,324,673)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,058,454)	2,228,536
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	5,981,606	3,753,070
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 3,923,152	\$ 5,981,606

See accompanying notes to consolidated financial statements.

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

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**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*

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**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*

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**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 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%

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

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*

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**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 when services are performed and/or when earned as long as 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 known.

**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
<b>General Capital Fund</b>						
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
<b>Water Capital Fund</b>						
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
	<b>\$ 208,853</b>	<b>\$ 202,353</b>

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**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	601,441	32,236	-	633,677	648,988	670,017	
Machinery and equipment	1,808,313	97,064	-	1,905,377	688,122	125,604	-	813,726	1,091,651	1,120,191	
Sewers	4,519,024	1,535,475	-	6,054,499	942,055	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	
	\$ 17,558,626	\$ 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	\$ 1,365,757	
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	8,873	-	44,811	481,223	171,560	
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
	<b>\$ 22,655,456</b>	<b>\$ 18,118,389</b>

**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
<b>REVENUES</b>								
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
<b>EXPENSES</b>								
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
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 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
<b>REVENUES</b>								
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
<b>EXPENSES</b>								
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
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 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	\$ 8,277	\$ 1,785	\$ 10,062
D. Glassor	Mayor	5,913	387	3,935
R. Chapman	Deputy Mayor	6,439	2,465	8,904
S. Lutz	Councillor	9,569	28	8,772
P. Osbourne	Councillor	9,569	2,760	11,504
D. LeBlanc	Councillor	3,987	64	2,996
S. Creelman	Councillor	5,582	69	5,651
R. Rogers-Laing	Councillor	10,181	-	9,262
M. Seguin	Chief Administrative Officer	76,410	2,142	78,552
K. Matheson	Interim Chief Administrative Officer	35,028	6,255	41,283
		\$ 170,956	\$ 15,955	\$ 186,910

**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.

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**SUPPLEMENTARY SCHEDULES**

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

	Budget	2025	2024
<b>Taxes</b>			
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>
<b>Grants in lieu of taxes</b>			
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>
<b>Sale of services</b>			
Environmental health services	\$ 176,036	\$ 187,017	\$ 178,849
Sewer connections	10,000	–	14,000
	<u>\$ 186,036</u>	<u>\$ 187,017</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
<b>Other revenue from own sources</b>			
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	–
	<b>\$ 144,500</b>	<b>\$ 430,182</b>	<b>\$ 343,363</b>
<b>Unconditional transfers from other governments</b>			
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
	<b>\$ 206,084</b>	<b>\$ 183,522</b>	<b>\$ 305,777</b>
<b>Conditional transfers from other governments</b>			
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
	<b>\$ 25,000</b>	<b>\$ 463,628</b>	<b>\$ 113,702</b>

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

	2025		2024
	Budget	Actual	Actual
<b>General government services</b>			
Legislative			
Mayor remuneration and expenses	\$ 23,156	\$ 20,236	\$ 22,142
Council remuneration and expenses	55,367	79,703	70,935
Election	34,000	23,118	221
	<u>112,523</u>	<u>123,057</u>	<u>93,298</u>
General administrative			
Administration	344,777	309,154	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>625,423</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>\$ 777,266</u>

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

	2025		2024
	Budget	Actual	Actual
<b>Protective services</b>			
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>\$ 483,141</u>	<u>\$ 419,864</u>	<u>\$ 362,583</u>
<b>Transportation services</b>			
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 Expenditures (Continued)**  
*For the year ended March 31, 2025*  
*(Unaudited)*

	2025		2024
	Budget	Actual	Actual
<b>Environmental health services</b>			
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
	<b>\$ 413,121</b>	<b>\$ 427,068</b>	<b>\$ 349,860</b>
<b>Environmental development services</b>			
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	–
	<b>\$ 140,240</b>	<b>\$ 112,240</b>	<b>\$ 72,424</b>
<b>Recreational and cultural services</b>			
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
	<b>\$ 369,328</b>	<b>\$ 461,148</b>	<b>\$ 453,911</b>
<b>Water treatment and distribution</b>			
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
	<b>\$ 639,780</b>	<b>\$ 532,871</b>	<b>\$ 450,888</b>

**Town of Stewiacke**  
**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
<b>REVENUES</b>								
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
<b>NET CHANGE IN FUND</b>	379	117,168	(171,979)	1,202,521	1,148,089			469,569
<b>FUND BALANCE, BEGINNING OF YEAR</b>	15,012	564,733	245,172	1,785,833	2,610,750			2,141,181
<b>FUND BALANCE, END OF YEAR</b>	\$ 15,391	\$ 681,901	\$ 73,193	\$ 2,988,354	\$ 3,758,839			\$ 2,610,750

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**Town of Stewiacke**  
**General Operating Fund**  
**Schedule of Changes in Operating Fund**

*For the year ended March 31, 2025*  
*(Unaudited)*

	2025		2024
	Budget	Actual	Actual
<b>REVENUES</b>			
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
<b>EXPENDITURE</b>			
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
<b>ANNUAL SURPLUS</b>			
	318,655	676,937	141,598
Transfer of amortization	-	556,795	449,952
Transfer to other funds	(318,655)	(1,233,732)	(591,550)
<b>NET CHANGE IN FUND BALANCE</b>			
	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>			
	-	-	-
<b>FUND BALANCE, END OF YEAR</b>			
	\$ -	\$ -	\$ -

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

	2025	2024
<b>REVENUES</b>		
Capital grants	\$ 1,862,058	\$ 1,213,839
Contributed capital	-	3,640,052
	1,862,058	4,853,891
<b>EXPENDITURE</b>		
Amortization	-	8,353
Accretion	6,108	5,734
	6,108	14,087
<b>ANNUAL SURPLUS</b>		
	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
<b>NET CHANGE IN FUND BALANCE</b>		
	1,501,630	4,596,442
<b>FUND BALANCE, BEGINNING OF YEAR</b>		
	10,023,844	5,427,402
<b>FUND BALANCE, END OF YEAR</b>		
	\$ 11,525,474	\$ 10,023,844

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To: Town Council  
From: Marc Seguin CAO  
Re: Audit - Town of Stewiacke Water Utility Financial Statements  
Date: April 2, 2026

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## **RECOMMENDATION**

That, Audit - Town of Stewiacke Water Utility Financial Statements report be received; and

That Council approve the Audit - Town of Stewiacke Water Utility Financial Statements for the period ending March 31, 2025.

## **ORIGIN**

The Nova Scotia Municipal Government Act (MGA) mandates that council shall appoint a municipal auditor who is registered pursuant to this Act to be the auditor for each municipality.

The auditor is required to report to the council on the accounts and funds that are:

- administered by the council; and
- where the control is apparent or implied in the council.
- The auditor's report shall contain the information, and be in the form, required pursuant to this Act.
- The auditor's report shall be filed with the council and the Minister by September 30 each year.



Furthermore, the act dictates that:

- A) The auditor shall report to the council and to the Minister, any management letters and any communication from the auditor detailing weaknesses in internal control, deficiencies in management information systems or other areas requiring improvement.
- B) The financial statements of a municipality, as reported on by the auditor, shall set out the remuneration paid to each council member and the chief administrative officer.
- C) The auditor shall certify reports to the council and to the Minister if required by the regulations.
- D) No person shall be appointed as auditor who, at any time during the fiscal year in which the auditor is appointed, is or has been (a) a council member; (b) a contractor hired by the municipality; or (c) an employee of the municipality.

## **Background**

The Town has proceeded in compliance with the Act and appointed a municipal auditor who is registered pursuant to the MGS.

The Town of Stewiacke appointed MNP as the Auditor for the Municipality. **Darren Chiasson, CPA, CA** acted as the lead Auditor for the Town of Stewiacke.

The requirement of MGA requires that the auditor shall report to the council and to the Minister, any management letters and any communication from the auditor detailing weaknesses in internal control, deficiencies in management information systems or other areas requiring improvement.

In compliance with the MGA, Town Staff provided access to the auditor to the books, accounts and vouchers of the municipality and may require from the employees of the municipality such information and explanations as may be necessary for the performance of the auditor's duties. Additionally, Staff, on request, promptly provided access, information and explanations to the auditor as requested.



In order to maintain oversight and compliance, the Town appointed an Audit Committee , which is required annually.

The responsibilities of the audit committee include

- (a) a detailed review of the financial statements of the municipality with the auditor;
- (b) an evaluation of internal control systems and any management letter with the auditor;
- (c) a review of the conduct and adequacy of the audit;
- (d) such matters arising out of the audit as may appear to the audit committee to require investigation;
- (e) such other matters as may be determined by the council to be the duties of an audit committee;
- (f) any other matters as may be determined by the council

Chaired by Town Councilor David LeBlanc, the 2025 Audit Committee was comprised of Council appointed resident Marilyn Hayre, Town Staff Consultations included Helen Young, Director of Corporate Services.

## **DISCUSSION**

The accompanying financial statements of the Town of Stewiacke Water Utility (the “Water Utility”) are the responsibility of the Water Utility’s management and have been prepared in compliance with legislation and in accordance with the Accounting and Reporting Handbook for Water Utilities in Nova Scotia.

A summary of the significant accounting policies are described in Note 2 to the 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 Water Utility’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 financial statements. These systems are monitored and evaluated by management.



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

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

### **POLICIES/LEGISLATION**

The NS MGA mandates that council shall appoint a municipal auditor who is registered pursuant to this Act to be the auditor for the municipality. The Town of Stewiacke has proceeded in compliance with the MGA. This audit process has adhered to the act and has produced the required audit and related documents required by the legislation.

### **CONSULTATIONS**

David LeBlanc , Councilor – Chair Audit Committee  
Marilyn Hayre (Resident)  
Helen Young, Manager of Finance, Town of Stewiacke  
Kyle Musial, Auditor MNP  
Darren Chiasson, Auditor, MNP

### **ATTACHMENTS**

Town of Stewiacke Audit - Town of Stewiacke Water Utility Financial Statements for the period ending Mach 31, 2025.

### **CONCLUSION**

After the review of the Town of Stewiacke Audit - Town of Stewiacke Water Utility Financial Statements for the period ending Mach 31, 2025, Staff recommend that Council accept the statement as attached.



*Marc Seguin*

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**Marc Seguin**  
**Chief Administrative Officer**

Town of Stewiacke | 295 George Street | P.O. Box 8 | Stewiacke, NS B0N 2J0  
Office 902-639-2231 | Fax 902-639-2221 | Email [town@stewiacke.net](mailto:town@stewiacke.net)

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**Town of Stewiacke Water Utility  
Financial Statements**

*March 31, 2025*

**Town of Stewiacke Water Utility  
Financial Statements**

*For the year ended March 31, 2025*

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**Independent Auditor's Report**

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## **Management's Responsibility for the Financial Statements**

The accompanying financial statements of the Town of Stewiacke Water Utility (the "Water Utility") are the responsibility of the Water Utility's management and have been prepared in compliance with legislation and in accordance with the Accounting and Reporting Handbook for Water Utilities in Nova Scotia. A summary of the significant accounting policies are described in Note 1 to the 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 Water Utility'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 financial statements. These systems are monitored and evaluated by management.

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

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

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Mr. Marc Seguin

**Town of Stewiacke Water Utility**  
**Statement of Financial Position - Operating Fund**  
*As at March 31, 2025*

	2025	2024
<b>ASSETS</b>		
Cash	\$ 86,085	\$ 293,831
Receivables		
Rates	104,043	107,978
Due from Town of Stewiacke, Operating Fund	-	67,313
Due from Water Capital Fund	1,545,449	380,205
	\$ 1,735,577	\$ 849,327
<b>LIABILITIES</b>		
Trade payables	\$ 25,476	\$ 11,325
Deferred revenue	15,015	48,975
Due to Town of Stewiacke, Operating Fund	955,496	-
	995,987	60,300
<b>FUND BALANCE</b>	739,590	789,027
	\$ 1,735,577	\$ 849,327

See accompanying notes to non-consolidated financial statements.

On behalf of the Town of Stewiacke Water Utility:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chief Administrative Officer

**Town of Stewiacke Water Utility**  
**Statement of Financial Activities - Operating Fund**  
*For the year ended March 31, 2025*

	2025	2024	
	Budget (Note 7)	Actual	Actual
<b>OPERATING REVENUES</b>			
Operating			
Sale of water	\$ 502,084	\$ 566,837	\$ 537,964
Public fire protection	188,598	188,598	188,598
	690,682	755,435	726,562
<b>OPERATING EXPENSES</b>			
Pumping	27,500	147,320	127,216
Water treatment	288,414	147,374	112,965
Transmission and distribution	73,822	64,443	50,881
Administration and general	93,750	90,707	113,170
Depreciation	114,043	123,277	81,286
Taxes	32,206	34,148	33,190
	629,735	607,269	518,708
<b>EXCESS OF OPERATING REVENUES OVER EXPENSES BEFORE THE FOLLOWING</b>	60,947	148,166	207,854
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Other income	5,000	9,998	11,640
Debt charges, principal	(64,436)	(201,934)	(69,452)
Debt charges, interest	(10,045)	(5,667)	(12,048)
<b>CHANGE IN FUND BALANCE</b>	(8,534)	(49,437)	137,994
<b>FUND BALANCE, BEGINNING OF YEAR</b>		789,027	651,033
<b>FUND BALANCE, END OF YEAR</b>	\$	\$ 739,590	\$ 789,027

See accompanying notes to non-consolidated financial statements

**Town of Stewiacke Water Utility**  
**Statement of Cash Flows – Operating Fund**  
*For the year ended March 31, 2025*

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in fund balance	\$ (49,437)	\$ 137,994
Change in non-cash operating working capital		
Rates receivable	3,935	(13,689)
Trade payables	14,151	(186)
Deferred revenue	(33,960)	41,048
	(65,311)	165,167
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease (increase) in due from own funds	(142,435)	25,115
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(207,746)</b>	<b>190,282</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>293,831</b>	<b>103,549</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 86,085</b>	<b>\$ 293,831</b>

See accompanying notes to non-consolidated financial statements.

**Town of Stewiacke Water Utility**  
**Statement of Financial Position - Capital Fund**  
*As at March 31, 2025*

	2025	2024
<b>ASSETS</b>		
Cash	\$ 111,214	\$ 106,658
Restricted cash – depreciation fund	224,858	699,517
Tangible capital assets		
Utility plant and equipment (Schedule A)	9,238,272	5,743,830
	\$ 9,574,344	\$ 6,550,005
<b>LIABILITIES</b>		
Due to Water Operating Fund	\$ 1,545,449	\$ 380,205
Deferred contributions	4,147,426	2,578,241
Accumulated depreciation	1,349,722	1,225,871
Long-term debt (Note 2)	35,000	236,934
Asset retirement obligation (Note 3)	12,619	12,227
	7,090,216	4,433,478
<b>NET ASSETS</b>		
Fund balance	130,823	100,926
Investment in capital assets	2,353,305	2,015,601
	2,484,128	2,116,527
	\$ 9,574,344	\$ 6,550,005

See accompanying notes to non-consolidated financial statements.

On behalf of the Town of Stewiacke Water Utility:

\_\_\_\_\_ Mayor  
 \_\_\_\_\_ Chief Administrative Officer

**Town of Stewiacke Water Utility**  
**Water Utility Section**  
**Statement of Accumulated Allowance for Depreciation**  
*For the year ended March 31, 2025*

	2025	2024
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 1,225,871	\$ 1,144,009
Depreciation for the year	123,277	81,286
Amortization of asset retirement obligation	574	576
<b>BALANCE, END OF YEAR</b>	<b>\$ 1,349,722</b>	<b>\$ 1,225,871</b>

**Statement of Changes in Capital Fund**  
*For the year ended March 31, 2025*

	2025	2024
<b>FUND BALANCE, BEGINNING OF YEAR</b>	\$ 100,926	\$ 64,533
Interest revenue	29,897	36,393
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 130,823</b>	<b>\$ 100,926</b>
<b>INVESTMENT IN CAPITAL ASSETS, BEGINNING OF YEAR</b>	\$ 2,015,601	\$ 1,905,410
Repayment of long-term debt	201,934	69,452
Amortization of deferred contributions	63,451	41,683
Amortization of asset retirement obligation	(574)	(576)
Accretion	(392)	(368)
Transfer from Town of Stewiacke, Capital Reserve	73,285	-
<b>INVESTMENT IN CAPITAL ASSETS, END OF YEAR</b>	<b>\$ 2,353,305</b>	<b>\$ 2,015,601</b>

**Statement of Depreciation Fund Cash**  
*For the year ended March 31, 2025*

	2025	2024
<b>FUND, BEGINNING OF YEAR</b>	\$ 626,395	\$ 545,109
Depreciation	123,277	81,286
<b>FUND, END OF YEAR</b>	<b>749,672</b>	<b>626,395</b>
Excess (unfunded) amount	(524,814)	73,122
<b>CASH, END OF YEAR</b>	<b>\$ 224,858</b>	<b>\$ 699,517</b>

**Town of Stewiacke Water Utility**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

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**1. SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of presentation

These financial statements have been prepared in accordance with generally accepted accounting principles adopted for Water Utilities in Nova Scotia and are intended for the use of the Town of Stewiacke Water Utility (the Water Utility), Council and Service Nova Scotia and Municipal Relations.

The basis of accounting used in these financial statements differs materially from Canadian public sector accounting standards as prescribed by the Chartered Professional Accountants Handbook (the CPA Handbook). The significant differences between generally accepted accounting principles for Water Utilities in Nova Scotia and the CPA Handbook are that the CPA Handbook requires the:

- Financial statements be prepared on a consolidated basis to reflect the assets, liabilities, revenues and expenses, and changes in net assets and in financial position of all organizations, commissions and agencies which are owned or controlled by the Water Utility. This would include, at a minimum, the individual funds represented in these financial statements – Operating Fund and Capital Fund. The consolidated financial statements prepared in accordance with the CPA Handbook would include consolidated statements of financial position, financial activities, changes in net financial assets and cash flows;
- Revenues and expenses be recorded on a full accrual basis;
- The Water Utility capitalize all of its capital acquisitions rather than charging some to operations in the year acquired; and
- Principal debt repayments not be recorded as an expense of the Water Utility.

(b) Cash and cash equivalents

Cash and cash equivalents of the operating fund is defined as cash on hand and on deposit at banks net of outstanding cheques and deposits.

(c) 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 Water Utility has also been recognized based on estimated future expenses on closure of the sites and post-closure care.

**Town of Stewiacke Water Utility**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

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**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(d) Revenues and expenses

Major revenues and expenses items are recorded on an accrual basis. Consumer billings of rates for subsequent periods are recorded as deferred revenues.

Certain sources of revenues, including forfeited discounts and interest on past due rates, are recorded on a cash basis.

(e) Allowance for doubtful accounts

A valuation allowance is provided for estimated losses that will be incurred in collecting consumer rates receivable outstanding.

(f) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles adopted for Water Utilities in Nova Scotia 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.

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.

(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, rates receivable, trade payables and long-term debt.

# Town of Stewiacke Water Utility

## Notes to Financial Statements

For the year ended March 31, 2025

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (continued)

*Subsequent measurement*

At each reporting date, the Water Utility 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 Water Utility uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues and expenses. The financial instruments measured at amortized cost are cash and cash equivalents, rates receivable, trade payables and long-term debt.

*Impairment*

For financial assets measured at cost or amortized cost, the Water Utility regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Water Utility 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 operations. 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 Water Utility is not exposed to significant interest or credit risks arising from financial instruments.

### 2. LONG-TERM DEBT

	Interest rate - %	Matures	Balance March 31/24	Repaid	Balance March 31/25
<b>Water Capital Fund</b>					
Nova Scotia Municipal Finance Corporation					
	2.8 – 3.3%	2029	43,750	(8,750)	35,000
	2.2 – 2.3%	2024	28,184	(28,184)	–
	4.8 – 4.9%	2025	165,000	(165,000)	–
			\$ 236,934	\$ (201,934)	\$ 35,000

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

2026		\$	8,750
2027			8,750
2028			8,750
2029			8,750

**Town of Stewiacke Water Utility**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

**3. ASSET RETIREMENT OBLIGATION**

The Water Utility'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 building owned by the Water Utility. 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 of 20 years. Estimated costs have been discounted to the present value using discount rates of 3.2% per annum.

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

	2025	2024
Opening balance	\$ 12,227	\$ 11,859
Accretion expense	392	368
	<b>\$ 12,619</b>	<b>\$ 12,227</b>

**4. TRANSACTIONS WITH TOWN OF STEWIACKE**

- a) In general, and where identifiable, costs incurred by the Town on behalf of the Utility are charged to the Utility.
- b) Salary and wage-related costs are allocated in proportion to time spent performing functions on behalf of the Water Utility.
- c) At March 31, 2025, the Town owed \$Nil to the Water Utility (2024 – \$67,313) with respect to this inter-fund balance, no interest has been charged by the Water Utility.
- d) At March 31, 2025, the Water Utility owed \$955,496 to the Town (2024 - \$Nil) with respect to this inter-fund balance, no interest has been charged by the Town.

**5. RATE OF RETURN ON RATE BASE**

For the year ended March 31, 2025, the Town of Stewiacke Water Utility had a rate of return on rate base of 3.9% (2024 – 10.7%).

**Town of Stewiacke Water Utility**  
**Notes to Financial Statements**  
*For the year ended March 31, 2025*

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**6. FINANCIAL INSTRUMENTS**

The Water Utility as part of its operations carries a number of financial instruments. It is management's opinion that the Water Utility 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 Water Utility's financial instruments best represents the maximum exposure to credit risk. The Water Utility manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

***Liquidity risk***

Liquidity risk is the risk that the Water Utility will encounter difficulty in meeting its obligations associated with financial liabilities. The Water Utility enters into transactions to borrow funds from financial institutions or other creditors for which repayment is required at various maturity dates. The Water Utility 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 Water Utility'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 Water Utility's long-term debt is carried at amortized cost and the carrying value does not change as the interest rate changes. The Water Utility's future obligations with respect to debt repayment are disclosed in Note 2.

**7. BUDGET INFORMATION**

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

**Town of Stewiacke Water Utility**  
**Schedule A – Utility Plant and Equipment**  
*For the year ended March 31, 2025*

	2025	2024
Water storage plant	\$ 1,716,814	\$ 1,716,814
Equipment	125,912	125,912
Mains	6,287,962	2,851,422
Services	526,033	207,498
Meters	33,910	33,910
Hydrants	77,718	77,718
Water treatment plant	417,277	417,277
Trucks	28,595	28,595
Computer software	24,051	24,051
Work in progress	–	260,633
	<b>\$ 9,238,272</b>	<b>\$ 5,743,830</b>

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