



Consolidated financial statements

Municipality of the County of Inverness

March 31, 2025

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Management's responsibility for financial reporting

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and supplementary schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies 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.

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

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

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

On behalf of the Municipality of the County of Inverness

Signed by:



Chief Administrative Officer

Signed by:



Director of Finance

Independent auditor's report

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To the Warden and Council of the
Municipality of the District of Inverness

Opinion

We have audited the accompanying consolidated financial statements of the Municipality of the County of Inverness (the "Municipality") on pages 4 to 24, which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of the County of Inverness as at March 31, 2025, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the 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 matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on Pages 25 to 29 is presented for 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 in the audit of consolidated financial statements taken as a whole.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

Membertou, Canada
April 16, 2026

Doane Grant Thoma LLP
Chartered Professional Accountants

Municipality of the County of Inverness

Consolidated statement of financial position

March 31 2025 2024

Financial assets

Cash and cash equivalents		
Unrestricted	\$ 8,044,987	\$ 19,776,036
Restricted	5,722,242	5,065,864
Taxes receivable (Note 2)	2,529,950	1,984,820
User charges receivable (Note 3)	696,486	661,782
Receivable from governments (Note 4)	6,857,544	3,476,935
Other receivables (Note 5)	<u>4,462,043</u>	<u>3,569,538</u>
	<u>28,313,252</u>	<u>34,534,975</u>

Liabilities

Payables and accruals (Note 6)	11,223,337	9,701,597
Deferred revenue (Note 7)	16,537,539	18,567,403
Tax sale surplus	1,815,606	1,567,082
Unfunded retirement benefits (Note 8)	5,496,600	5,696,000
Long term debt (Page 22)	34,364,230	33,534,183
Asset retirement obligation (Note 9)	<u>177,944</u>	<u>164,209</u>
	<u>69,615,256</u>	<u>69,230,474</u>

Net debt

(41,302,004) (34,695,499)

Non-financial assets

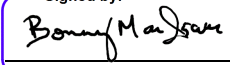
Tangible capital assets (Pages 23 - 24)	76,295,797	65,136,184
Tax sale properties	202,799	202,799
Prepaid expenses	74,375	60,575
Inventory	<u>136,809</u>	<u>127,840</u>
	<u>76,709,780</u>	<u>65,527,398</u>

Accumulated surplus

\$ 35,407,776 \$ 30,831,899

Commitments and contingencies (Note 8)

Approved by:

 Warden
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Signed by:

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See accompanying notes to the consolidated financial statements.

Municipality of the County of Inverness

Consolidated statement of operations

March 31

2025

2024

	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u>
Revenue			
Municipal taxation	\$ 16,311,723	\$ 16,175,252	\$ 13,621,735
Grants-in-lieu	521,158	535,445	489,259
Services provided to other governments	658,935	439,029	477,067
Conditional transfers from other governments	422,102	1,161,151	1,276,370
Unconditional transfers from other governments	523,679	531,463	577,452
Sale of services	609,750	515,865	460,505
Public Health Services	19,826,153	19,641,453	19,343,989
Water utility operating revenues	1,946,460	1,439,151	1,186,690
Other revenue from own sources	428,680	1,401,142	2,269,800
Capital grants	<u>700,000</u>	<u>7,383,268</u>	<u>380,226</u>
	<u>41,948,640</u>	<u>49,223,219</u>	<u>40,083,093</u>
Expenses			
General government services	3,671,972	3,564,349	3,416,304
Protective services	3,834,085	4,071,483	3,608,095
Transportation services	1,899,075	2,799,524	2,188,998
Environmental health services	5,990,214	7,573,528	6,531,988
Environmental development services	1,811,883	2,292,059	2,798,167
Public health services	19,116,501	20,160,675	19,194,935
Recreation and cultural services	1,586,027	1,586,918	1,247,241
Water treatment and distribution	<u>1,749,223</u>	<u>2,598,806</u>	<u>1,981,395</u>
	<u>39,658,980</u>	<u>44,647,342</u>	<u>40,967,123</u>
Annual surplus (deficit)	<u>\$ 2,289,660</u>	<u>\$ 4,575,877</u>	<u>\$ (884,030)</u>
<hr/>			
Accumulated surplus, beginning of year		\$ 30,831,899	\$ 31,715,929
Annual surplus (deficit)		<u>4,575,877</u>	<u>(884,030)</u>
Accumulated surplus, end of year		<u>\$ 35,407,776</u>	<u>\$ 30,831,899</u>

See accompanying notes to the consolidated financial statements.

Municipality of the County of Inverness

Consolidated statement of changes in net debt

Year ended March 31

2025

2024

	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u>
Annual (deficit) surplus	\$ 2,289,660	\$ 4,575,877	\$ (884,030)
Acquisition of tangible capital assets, net	(29,401,114)	(14,690,133)	(5,338,570)
Amortization of tangible capital assets	<u>-</u>	<u>3,530,520</u>	<u>2,729,565</u>
	<u>(27,111,454)</u>	<u>(6,583,736)</u>	<u>(3,493,035)</u>
Change in tax sale properties and other non-financial assets	<u>-</u>	<u>(22,768)</u>	<u>(6,124)</u>
Change in net debt	<u>\$ (27,111,454)</u>	<u>\$ (6,606,505)</u>	<u>\$ (3,499,159)</u>
Net debt, beginning of year		<u>(34,695,499)</u>	<u>(31,196,340)</u>
Net debt, end of year		<u>\$ (41,302,004)</u>	<u>\$ (34,695,499)</u>

Included in net debt above is \$29,089,302 of long-term debt issued to the County of Inverness Municipal Housing Corporation by Nova Scotia Housing Development Corporation which is fully funded by the Department of Health and Wellness on an annual basis.

Thus, there is no requirement for the Municipality of the County of Inverness to raise tax dollars to fund these payments.

Municipality of the County of Inverness

Consolidated statement of cash flow

Year ended March 31

2025

2024

Increase (decrease) in cash and cash equivalents

Operating activities		
Annual (deficit) surplus	\$ 4,575,877	\$ (884,030)
Amortization of tangible capital assets	3,530,520	2,729,565
Accretion expense	13,735	13,579
Change in unfunded retirement obligation	<u>(199,400)</u>	<u>(224,400)</u>
	7,920,732	1,634,714
Tax sale properties and other non-financial assets	(22,768)	(6,123)
Taxes receivable	(545,130)	(743,921)
User charges receivable	(34,704)	(76,118)
Receivables from governments	(3,380,609)	(1,893,253)
Other receivables	(892,505)	(1,015,339)
Payables and accruals	1,521,739	3,404,845
Deferred revenue	(2,029,864)	3,122,960
Tax sale surplus	<u>248,524</u>	<u>38,538</u>
	<u>2,785,415</u>	<u>4,466,303</u>
Financing activities		
Proceeds on long term debt	2,854,189	5,595,094
Proceeds of short term debt	-	(901,812)
Repayment of long term debt	(2,024,142)	(1,824,093)
Change in restricted cash	<u>(656,378)</u>	<u>(449,643)</u>
	173,669	2,419,546
Capital activities		
Acquisition of tangible capital assets	(14,690,133)	(5,338,570)
Net (decrease) increase in cash and cash equivalents	(11,731,049)	1,547,279
Cash and cash equivalents		
Beginning of year	<u>19,776,036</u>	<u>18,228,757</u>
End of year	<u>\$ 8,044,987</u>	<u>\$ 19,776,036</u>

See accompanying notes to the consolidated financial statements.

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

1. Summary of significant accounting policies

The consolidated financial statements of the Municipality of the County of Inverness are the representations of management prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality.

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

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality. In addition to general government tax-supported operations and the water utility operations, they include the following:

County of Inverness Municipal Housing Corporation (the "Home")
Eastern District Planning Commission – 23% (2024 – 23%)

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by Council on June 20, 2024, in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements.

Revenue recognition

At each financial statement date, management evaluates the likelihood of having to repay taxes collected under tax measures that have been deemed authorized using the concept of legislative convention and recognizes a liability when required. Related refunds are accounted for in the period in which the change in estimate occurs.

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

1. Summary of significant accounting policies (continued)

Government transfers

Government transfers received are recognized in the consolidated financial statements as revenue when the transfers are authorized, and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized, and all eligibility criteria have been met.

Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities. Cash proceeds from tax sales in excess of the arrear's taxes receivable are deposited in a separate bank account and are restricted for a period of twenty years at which time the cash can be taken into operations. The balance of the tax sales surplus account at year end is \$1,815,606 (2024 - \$1,567,082).

Other restricted cash relates to capital renewal reserve cash received from the Nova Scotia Department of Health that is required to be invested by the Home and used, with the Department's approval, to support future replacement of facility components in accordance with the Department's policies for asset replacement and their theoretical useful life. These funds are deferred and will be recognized when the related cost is incurred. Balance of the capital renewal account at year-end is \$3,906,636 (2024 - \$3,498,782).

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net debt for the year.

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 part transaction or event giving rise to the liability has occurred;
- c) Is it expected that future economic benefits will be given up;
- d) A reasonable estimate of the amount can be made.

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

1. Summary of significant accounting policies (continued)

Asset retirement obligation (continued)

The liability is measured at the Municipality's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital asset (or component thereof) is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for (1) changes as a result of the passage of time with corresponding accretion expense and (2) adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized in accordance with the amortization accounting policies described above.

Financial instruments

The Municipality's financial instruments consist of cash and cash equivalents, receivables, payables and accruals and long-term debt. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Tax sale

Annually, the Municipality hosts a tax sale for properties whose owners are not up to date on their tax payments. The amounts from the proceeds of sale in excess of tax owing must be held for a period of 20 years. After the 20-year period of holding these funds in trust has expired, the cash will be transferred to the capital reserve. In 2025, there were no transfers made from the tax sale amounts to the capital reserve.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost, less residual value, of the tangible capital assets is amortized using the following rates and basis:

Buildings	3.33%, straight line (30 years), 4% declining
Engineered structures	5%, straight line (20 years)
Automotive equipment	16.67%, straight line (6 years), 30% declining balance

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

1. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

Machinery and equipment	6.67 - 10%, straight line (10 – 15 years), 20% declining balance
Sewer lines	2%, straight line (50 years)
Paving and water systems	8%, declining balance
Streets and lighting	4%, straight line (25 years)
Computer equipment	30%, declining balance
Website development	10%, straight line (10 years)
Other equipment	10 - 35%, declining balance
Utility plant in services	2 - 20%, straight-line

A full year of amortization is charged in the year after acquisition. Assets under construction are not amortized until the asset is available for productive use. The Municipality does not capitalize interest as part of the costs of its capital assets.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

School assets

All school buildings on hand remain assets of the Municipality but are under the operational control of the school board until such time as the board no longer requires the asset for school purposes. At that time, control will revert back to the Municipality.

School buildings have not been recorded as tangible capital assets, as they are not currently under the control of the Municipality.

Deferred revenue

Gas tax and other deferred grant revenue will be recognized in the period in which any stipulations and eligibility criteria been met.

Liability for contaminated sites

The Municipality of the County of Inverness follows Public Sector Accounting Section 3260 Liability for Contaminated Sites, which establishes the recognition, measurement and disclosure requirements for reporting liabilities associated with the remediation of contaminated sites.

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

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

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

1. Summary of significant accounting policies (continued)

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates that effect the amounts recorded in the financial statements. Management reviews the carrying amounts of items in the financial statements at each fiscal year end date to assess the need for revisions. Items in preparation of these consolidated financial statements require management's best estimate based on assumptions that reflect the most probably set of economic conditions and planned courses of action.

These estimates are reviewed periodically, and adjustments are made to annual surplus as appropriate in the year they become known.

Significant items subject to management estimates include:

<u>Financial statement element</u>	<u>Management estimate</u>
Taxes and other receivables	Allowance for doubtful accounts
Unfunded retirement benefits	Accrued unfunded liability
Tangible capital assets	Useful lives
Payables and accruals	Sick leave liability

2. Taxes receivable	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 2,505,937	\$ 1,873,189
Levy	20,883,744	18,331,708
Interest	<u>313,395</u>	<u>204,957</u>
	23,703,076	20,409,854
Collections	<u>20,178,093</u>	<u>17,569,565</u>
	3,524,983	2,840,289
Write offs, adjustments, exemptions	<u>379,292</u>	<u>334,352</u>
	3,145,691	2,505,937
Valuation allowance	<u>615,741</u>	<u>521,117</u>
Balance, end of year	<u>\$ 2,529,950</u>	<u>\$ 1,984,820</u>

3. User charges receivable	<u>2025</u>	<u>2024</u>
Other receivables	\$ 357,122	\$ 343,806
Water rates	<u>339,364</u>	<u>317,976</u>
	<u>\$ 696,486</u>	<u>\$ 661,782</u>

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

4. Receivable from governments	<u>2025</u>	<u>2024</u>
Federal government	\$ 2,284,173	\$ 1,692,638
Provincial government	<u>4,573,371</u>	<u>1,784,297</u>
	<u>\$ 6,857,544</u>	<u>\$ 3,476,935</u>

5. Other receivables	<u>2025</u>	<u>2024</u>
Municipal receivables	\$ 2,912,378	\$ 2,609,012
Public Health Services	<u>1,549,665</u>	<u>960,526</u>
	<u>\$ 4,462,043</u>	<u>\$ 3,569,538</u>

6. Payables	<u>2025</u>	<u>2024</u>
Municipal payables	\$ 6,892,555	\$ 6,119,347
Public health services	3,107,582	2,431,950
Accrued sick leave benefits (Note 13)	<u>1,223,200</u>	<u>1,150,300</u>
	<u>\$ 11,223,337</u>	<u>\$ 9,701,597</u>

7. Deferred revenue

The Province of Nova Scotia signed an agreement with the Federal government which would enable the province to transfer gas tax rebates to municipalities for special capital improvements. The program was to initially run for five years but has been extended past this five-year time frame. In fiscal 2025, \$1,306,331 (2024 - \$380,226) has been recognized as revenues by the Municipality, the remaining balance is deferred as they have not fulfilled the stipulations associated with the grant.

Other deferred revenues represent funds received from varying sources for projects and capital purposes yet to be completed. In fiscal 2025, \$1,577,026 (2024 - \$1,023,925) has been recognized as revenues by the Municipality.

	<u>Gas tax</u>	<u>Other</u>	<u>Total</u>
Balance, beginning of year	\$ 3,557,367	\$15,010,036	\$ 18,567,403
Contributions and interest earned	409,735	443,758	853,493
Amounts recognized as revenue	<u>(1,306,331)</u>	<u>(1,577,026)</u>	<u>(2,883,357)</u>
Balance, end of year	<u>\$ 2,660,771</u>	<u>\$13,876,768</u>	<u>\$ 16,537,539</u>

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

8. Commitments and contingencies

(a) Pension costs and obligations

Defined Contribution Pension Plan

During the year, the Municipality matched employee contributions to a money-purchase pension plan for full-time employees to a maximum percentage of each participating employee's gross pay depending on years of service. The graduated rates for employee and employer contributions are as follows:

Under 10 years	5%
10 to 20 years	7%
Over 20 years	9%

Contributions totalling \$244,862 in 2025 (2024 - \$258,012) are included in the wages and benefits as part of expenditures.

Defined Benefit Plan

Certain of the employees of Inverness County Municipal Housing Corporation (ICMHC) participate in a multi-employer defined benefit pension plan for certain health care employers which is administered by the Nova Scotia Association of Health Organizations ("NSAHO"). This plan to which contributions totaled is accounted for as a defined contribution plan. These costs are included with wages and employee benefits in the financial statements. For earnings up to the yearly maximum pensionable earnings (YMPE) the ICMHC contributes 9.22% of gross wages to a registered pension plan which requires contributions of 7.82% from employees. Once earnings exceed YMPE the ICMHC contributes 11.58% and the employees contribute 10.18%. During the year, the ICMHC paid contributions of \$629,488 (2024 - \$630,388) to the benefit plan.

Pension enhancement

During the 2006 fiscal year, the Municipality approved pension enhancements for a specific group of former employees affected by the service exchange in 1995. This was facilitated by an Act of the Nova Scotia legislature in May of 2002. The Municipality decided to fund these amounts annually as opposed to providing a lump sum into their current pension plan(s). In addition to this group, the Municipality has made a commitment to a specific group of employees for years of service prior to when the current pension plan was available.

An actuarial valuation for accounting purposes has been obtained for the year ended March 31, 2025, which indicated that the pension enhancement had an accrued benefit obligation of \$5,496,600 (2024 - \$5,696,000).

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increase and employee turnover and mortality.

The assumptions used reflect the Municipality's best estimates. The significant actuarial assumptions used in measuring the Municipality's accrued benefit obligations and benefit costs are as follows:

- Discount rate of 3.20%
- Rate of compensation increase of 3.00%
- Expected long term rate of return on plan assets of 3.00%; and
- Remaining years of service for employee group of 5 years

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

8. Commitments and contingencies (continued)

(a) Pension costs and obligations (continued)

Pension enhancement (continued)

An actuarial valuation has been obtained by the Municipality which has been prepared under PSA 3250 of the Public Sector Accounting Handbook.

	<u>2025</u>	<u>2024</u>
Accrued benefit obligation, beginning of year	\$ 5,696,000	\$ 5,920,400
Current service cost	22,800	23,100
Interest on obligation	204,800	184,600
Less: benefits paid	(312,600)	(298,200)
Less: actuarial gains	<u>(114,400)</u>	<u>(133,900)</u>
Accrued benefit obligation, end of year	<u>5,496,600</u>	<u>5,696,000</u>
Unfunded retirement benefits	<u>\$ (5,496,600)</u>	<u>\$ (5,696,000)</u>

(b) Loan guarantees

The Municipality has guaranteed the bank loan for several volunteer fire departments. As of March 31, 2025, the details of these are as follows:

	<u>2025</u>
Mabou Volunteer Fire Department	\$ 278,728
North East Margaree Volunteer Fire Department	\$ 128,855
Valley Mills Volunteer Fire Department	\$ 99,505
Whycocomagh Volunteer Fire Department	\$ 355,521

9. Asset retirement obligation

The Municipality's asset retirement obligation consists of the liability for the closure and remediation of contaminants present with the buildings owned by the Municipality. These contaminants represent a health hazard upon demolition and therefore there is a legal obligation for removal of these contaminants on decommissioning. Following the adoption of PS 3280 – Asset Retirement Obligations, the Municipality recognized an obligation relating to this decommissioning and remediation of contaminants as estimated as at April 1, 2022. The buildings have an expected useful life ranging from 2 to 32 years. Estimated costs have been discounted to the present value using a discount rate of 5.50% per annum.

	<u>2025</u>	<u>2024</u>
Opening balance	\$ 164,209	\$ 150,631
Accretion expense	<u>13,735</u>	<u>13,578</u>
Closing balance	<u>\$ 177,944</u>	<u>\$ 164,209</u>

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

10. Contributions to boards and commissions

Boards and commissions in which the Municipality has less than a 100% interest. The Municipality is required to finance the operations of various boards and commissions, along with the other local municipal units to the extent of its participation based on assessment, population or prescribed formulae.

In addition to any budgeted contributions, the municipal units share in the deficits or surpluses of these boards based on their sharing percentages. A municipal unit's share of any deficit must be paid in the next fiscal year while a surplus may be taken into the next year's estimates. Alternatively, the Municipality may provide for its share of the surplus or deficit in the current year.

Details of contributions to these boards and commissions are as follows:

	<u>2025</u>	<u>2024</u>
Eastern Counties Regional Library	\$ 124,400	\$ 124,400

The Municipality has no further financial obligations in connection with the operating results of the above-mentioned entities for the year ended March 31, 2025.

11. Remuneration and expenses

Total remuneration and expenses paid to elected and senior appointed officials of the Municipality are as follows:

	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>
<u>Elected officials</u>			
Bonny MacIsaac	Warden	\$ 64,089	\$ 14,797
Claude Poirier	Councillor – District 1	\$ 41,674	\$ 16,930
Blair Phillips	Councillor – District 2	\$ 41,674	\$ 14,118
John MacLennan	Councillor – District 4	\$ 41,674	\$ 4,611
Lynn Chisholm	Councillor – District 5	\$ 43,524	\$ 7,542
Catherine Gillis	Councillor – District 6	\$ 44,381	\$ 3,538
<u>Senior officials</u>			
Keith MacDonald	Chief Administrative Officer	\$ 147,841	\$ 9,122

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

12. Landfill closure and post-closure costs

In accordance with the regulations of Nova Scotia Department of Environment, the Municipality is required to close its Kenloch landfill at some point. The Municipality has obtained permits to use the site for construction and demolition as well as recycling efforts; however, the Municipality will be required to close the site at some point and in doing so will have to incur the related post-closure costs. Based on the reports of consulting engineers, the costs for closing the site including cleanup, capping and general structure maintenance are estimated to be \$270,000. In addition, there will be ongoing costs for groundwater monitoring for \$13,000 annually. While not specifically mentioned, management has estimated these costs will be incurred annually for 20 years.

Included in payables and accruals is \$460,000 (2024 - \$460,000), being the estimated sum of the discounted future cash flows associated with closure and post closure care activities as noted above as of March 31, 2025. The Municipality has included in its reserves an amount of \$460,000 (2024 - \$460,000) to fund these future landfill closure costs.

13. Sick leave benefit liability

Section 3255 of the CPA Canada Public Sector Accounting Handbook (PS 3255) requires that a liability and expense be recorded for compensated absences that vest or that accumulate. The Municipality has employees that have sick benefits that are accumulating and non-vesting. The valuation for the Municipality was completed as at March 31, 2025 and for the County of Inverness Municipal Housing Corporation as at March 31, 2022.

Actuarial Method:

The actuarial cost method used was the "Projected Unit Credit" method (also known as the "Projected Accrued Benefit" method) pro - rated on service.

Components of benefit expense under PS3250:

	<u>Municipal</u>	<u>Housing Corporation</u>	<u>Total 2025</u>
Current service cost	\$ 32,400	\$ 107,300	\$ 139,700
Sick leave interest expense	<u>4,600</u>	<u>31,200</u>	<u>35,800</u>
Benefit expense	<u>\$ 37,000</u>	<u>\$ 138,500</u>	<u>\$ 175,500</u>

Accrued benefit liability / (asset) on the consolidated statement of financial position:

Balance, beginning of year	\$ 226,400	\$ 923,900	\$ 1,150,300
Benefit expense	32,400	107,300	139,700
Interest expense	4,600	31,200	35,800
Actuarial loss	41,900	-	41,900
Municipal contribution	<u>(28,100)</u>	<u>(116,400)</u>	<u>(144,500)</u>
Balance, end of year (unfunded)	<u>\$ 277,200</u>	<u>\$ 946,000</u>	<u>\$ 1,223,200</u>

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

13. Sick leave benefit liability (continued)

Assumptions:

Discount rate:	2.01% - 3.50% per annum
Salary increases:	2.00% per annum.
Mortality:	100% of CPM-2014 Public with future mortality improvements according to scale CPM-B and MI-2017
Withdrawal prior to retirement:	Nil
Retirement age:	End of the year in which age 62 - 63 is attained
Excess sick leave utilization:	Probability of usage and average number of sick leave bank days used

Plan Provisions:

The Municipality provides eligible employees with sick leave that accumulates at 30 days per year (2.5 days per month) up to a maximum of 150 days. If an employee is sick more than 30 days in a year, they can draw on their accumulated sick leave. No benefit in respect of accumulated sick leave is payable upon termination, retirement, or death.

Inverness Municipal Housing Corporation provides eligible CUPE employees with sick leave that accumulated at 18 days per year (1.5 days per month) up to a maximum of 120 days. Eligible Nova Scotia Nurses Union ("NSNU") and administrative employees are granted 12 hours for every 126 hours worked up to a maximum of 1,000 hours. No benefit in respect of accumulated sick leave is payable upon termination, retirement or death except for eligible CUPE employees with sick leave accumulated prior to August 1, 2003 who are entitled to a payment equal to 50% of any unused prior sick leave accumulation at time employment ceases. Eligible NSNU employees with sick leave accumulated prior to April 1, 1990 are entitled to a payment of 60% of any unused sick leave accumulation at the time employment ceases.

14. Budget figures

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the statement of operations and statement of changes in net assets has been adjusted to be on a consistent basis as actual results. The adjustments below include netting school board appropriations and reduced taxes against tax revenues, and reclassification of revenues and expenditures amongst categories. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statement:

	<u>Approved Fiscal Plan</u>	<u>Adjustments</u>	<u>Per Financial Statements</u>
Revenue			
Municipal taxation	\$ 16,702,397	\$ (390,674)	\$ 16,311,723
Grants-in-lieu	521,158	-	521,158
Services provided to other governments	658,935	-	658,935
Conditional transfers from other governments	422,102	-	422,102
Unconditional transfers from other governments	752,495	(228,816)	523,679
Sale of services	609,750	-	609,750
Public health Services	19,826,153	-	19,826,153
Water utility operating revenues	1,946,460	-	1,946,460
Other revenue from own sources	428,680	-	428,680
Capital grants	-	700,000	700,000
Public fire	<u>483,302</u>	<u>(483,302)</u>	<u>-</u>
	<u>42,351,432</u>	<u>(402,792)</u>	<u>41,948,640</u>

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

Expenses

General government services	4,062,646	(390,674)	3,671,972
Protective services	4,317,387	(483,302)	3,834,085
Transportation services	1,899,075	-	1,899,075
Environmental health services	5,990,214	-	5,990,214
Environmental development services	2,040,699	(228,816)	1,811,883
Public health services	19,116,501	-	19,116,501
Recreation and cultural services	1,586,027	-	1,586,027
Water treatment and distribution	1,749,223	-	1,749,223
Finance and transfers	359,459	(359,459)	-
Depreciation	-	-	-
	<u>41,121,231</u>	<u>(1,462,251)</u>	<u>39,658,980</u>
Annual surplus	<u>\$ 1,230,201</u>	<u>\$ 1,059,459</u>	<u>\$ 2,289,660</u>

15. Segment disclosure

The Municipality of the County of Inverness is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality'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. Municipal 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 department is responsible for the overall financial and local government administration. Its tasks include tax administration, trade payables and receivables, budgets, financial statements and adherence to the *Municipal Government Act*.

Protective services

The Municipality is primarily responsible for fire protection for its residents. The Municipality engages the services of various not for profit, volunteer fire departments in order to fulfil its fire protection role. The Municipality pays operating grants to the fire departments to assist in the operating cost of the fire departments along with capital expenditure grants for acquisition of certain firefighting apparatus and vehicles approved by Council. The Municipality engages the RCMP for policing services.

Transportation services

The Municipality is responsible for the maintenance and construction sidewalks including snow removal. They are also responsible for the street lighting within the Municipality.

Environmental health services

This department is responsible for the maintenance and operations of waste management and sewer services provided to residents and other customers.

Municipality of the County of Inverness

Notes to the consolidated financial statements

March 31, 2025

Recreation and cultural services

The recreation department is responsible for promoting and offering opportunities and activities to the Municipality's residents including programs, grants for facility development and programs. The department also provides funding for special municipal recreation initiatives and projects along with assistance for community-based projects. The Municipality provides a municipal contribution towards the operations of the Eastern Counties Regional Library Board and pays for the operating cost, excluding wages and benefits, for the Coady Tompkins Library which is a branch library of the Eastern Counties Regional Library Board.

Municipality of the County of Inverness

Notes to the Consolidated Financial Statements

March 31, 2025

15. Segment disclosure (continued)

	General Government	Protective	Transportation	Environmental health	Public health	Environmental development	Recreation and cultural	Water treatment	<u>2025</u>	<u>2024</u>
Revenues										
Taxes	\$ 2,634,074	\$ 3,008,849	\$ 2,068,864	\$ 5,596,880	\$ -	\$ 1,693,844	\$ 1,172,741	\$ -	\$ 16,175,252	\$ 13,621,735
Grants in lieu of taxes	87,195	99,601	68,485	185,272	-	56,071	38,821	-	535,445	489,259
Services provided to other governments	-	-	-	-	-	439,029	-	-	439,029	477,067
Conditional transfers from other governments	1,161,151	-	-	-	-	-	-	-	1,161,151	1,276,370
Unconditional transfers from other governments	477,734	-	-	53,729	-	-	-	-	531,463	577,452
Sale of services	260,075	-	-	-	-	216,822	38,968	-	515,865	460,505
Public health services	-	-	-	-	19,641,453	-	-	-	19,641,453	19,343,989
Water utility operating revenues	-	-	-	-	-	-	-	1,439,151	1,439,151	1,186,690
Other revenues from own sources	647,241	-	-	-	753,901	-	-	-	1,401,142	2,269,800
Capital grants	<u>7,383,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,383,268</u>	<u>380,226</u>
	<u>12,650,738</u>	<u>3,108,450</u>	<u>2,137,349</u>	<u>5,835,881</u>	<u>20,395,354</u>	<u>2,405,766</u>	<u>1,250,530</u>	<u>1,439,151</u>	<u>49,223,219</u>	<u>40,083,093</u>
Expenditures										
Salaries and benefits	2,848,313	-	615,198	1,738,649	12,088,009	-	918,294	432,584	18,641,047	18,592,298
Goods, services and other	652,038	4,071,483	1,890,846	4,497,168	5,794,147	2,288,549	668,624	1,297,251	21,160,106	18,289,980
Amortization	45,793	-	293,480	1,198,078	1,173,078	3,510	-	816,581	3,530,520	3,031,476
Interest	<u>18,205</u>	<u>-</u>	<u>-</u>	<u>139,633</u>	<u>1,105,441</u>	<u>-</u>	<u>-</u>	<u>52,390</u>	<u>1,315,669</u>	<u>1,053,369</u>
	<u>3,564,349</u>	<u>4,071,483</u>	<u>2,799,524</u>	<u>7,573,528</u>	<u>20,160,675</u>	<u>2,292,059</u>	<u>1,586,918</u>	<u>2,598,806</u>	<u>44,647,342</u>	<u>40,967,123</u>
Annual surplus (deficit)	<u>\$ 9,086,389</u>	<u>\$ (963,033)</u>	<u>\$ (662,175)</u>	<u>\$ (1,737,647)</u>	<u>\$ 234,679</u>	<u>\$ 113,707</u>	<u>\$ (336,388)</u>	<u>\$ (1,159,655)</u>	<u>\$ 4,575,877</u>	<u>\$ (884,030)</u>

Municipality of the County of Inverness

Schedule of debt charges and term debt

Year ended March 31, 2025

	Interest rate	Loan Continuity			Balance March 31, 2025	Interest
		Balance April 1, 2024	Repaid	Issued		
General Operating						
Municipal Finance Corporation	3.989-3.897%	\$ 949,680	\$ 105,520	\$ -	\$ 844,160	\$ 37,811
Municipal Finance Corporation	0%	300,000	-	-	300,000	-
General Capital						
Municipal Finance Corporation	2.799%-2.925%	540,000	180,000	-	360,000	12,686
Municipal Finance Corporation	4.020%-3.776%	2,661,487	106,459	-	2,555,028	107,341
Water Capital						
Municipal Finance Corporation	3.971%-4.026%	400,000	50,000	-	350,000	16,019
Municipal Finance Corporation	4.020%-3.776%	<u>901,813</u>	<u>36,073</u>	<u>-</u>	<u>865,740</u>	<u>36,371</u>
		<u>5,752,980</u>	<u>478,052</u>	<u>-</u>	<u>5,274,928</u>	<u>210,228</u>
Housing Corporation						
Nova Scotia Housing Development Corporation	3.730%	22,508,801	1,345,510	-	21,163,291	810,454
Nova Scotia Housing Development Corporation	5.000%	2,177,204	137,552	-	2,039,652	104,650
Nova Scotia Housing Development Corporation	3.370%	1,363,403	63,028	-	1,300,375	44,831
Nova Scotia Housing Development Corporation	0%	<u>1,731,795</u>	<u>-</u>	<u>2,854,189</u>	<u>4,585,984</u>	<u>145,506</u>
		<u>27,781,203</u>	<u>1,546,090</u>	<u>2,854,189</u>	<u>29,089,302</u>	<u>1,105,441</u>
Total municipal debt		<u>\$ 33,534,183</u>	<u>\$ 2,024,142</u>	<u>\$ 2,854,189</u>	<u>\$ 34,364,230</u>	<u>\$ 1,315,669</u>

Principal repayments in each of the next five (5) years are as follows:

2026	\$ 2,083,533
2027	\$ 2,395,630
2028	\$ 1,993,787
2029	\$ 2,060,830
2030	\$ 2,330,493

Long-term debt issued by the Municipal Finance Corporation has been authorized by the Minister of Municipal Affairs.

The Housing Corporation debt is funded by the Department of Health and Wellness.

Municipality of the County of Inverness

Schedule of tangible capital assets

March 31, 2025

	<u>Land</u>	<u>Buildings</u>	<u>Engineered structures</u>	<u>Automotive equipment</u>	<u>Machinery and equipment</u>	<u>Paving and water system</u>	<u>Sewer Lines</u>
Cost							
Balance, beginning of year	\$ 606,638	\$54,984,211	\$ 2,425,980	\$ 1,525,638	\$ 8,210,963	\$ 860,913	\$15,586,428
Asset retirement obligation	-	-	-	-	-	-	-
Reallocations	-	-	-	-	-	-	-
Additions	-	4,950,502	455,155	-	610,003	-	266,566
Disposals	-	-	-	-	-	-	-
Balance, end of year	<u>606,638</u>	<u>59,934,713</u>	<u>2,881,135</u>	<u>1,525,638</u>	<u>8,820,966</u>	<u>860,913</u>	<u>15,852,994</u>
Accumulated amortization							
Balance, beginning of year	-	21,980,403	1,664,833	786,502	5,288,665	552,765	4,930,179
Amortization during the year	-	1,464,043	95,576	217,445	454,824	24,935	286,929
Disposals	-	-	-	-	-	-	-
Balance, end of year	-	<u>23,444,446</u>	<u>1,760,409</u>	<u>1,003,947</u>	<u>5,743,489</u>	<u>577,700</u>	<u>5,217,108</u>
Net book value – March 31, 2025	<u>\$ 606,638</u>	<u>\$36,490,267</u>	<u>\$ 1,120,726</u>	<u>\$ 521,691</u>	<u>\$ 3,077,477</u>	<u>\$ 283,213</u>	<u>\$10,635,886</u>
Net book value – March 31, 2024	<u>\$ 606,638</u>	<u>\$33,003,808</u>	<u>\$ 761,147</u>	<u>\$ 739,136</u>	<u>\$ 2,922,298</u>	<u>\$ 308,148</u>	<u>\$10,656,249</u>

Municipality of the County of Inverness

Schedule of tangible capital assets

March 31, 2025

	<u>Streets and lights</u>	<u>Computer equipment</u>	<u>Website</u>	<u>Other equipment</u>	<u>Utility plant</u>	<u>2025 Total</u>	<u>2024 Total</u>
Cost							
Balance, beginning of year	\$ 2,970,139	\$ 486,461	\$ 116,822	\$ 1,872,719	\$ 15,984,630	\$ 105,631,542	\$ 100,292,972
Asset retirement obligation	-	-	-	-	-	-	-
Reallocations	-	-	-	-	-	-	-
Additions	204,848	5,552	-	6,627,464	1,570,043	14,690,133	5,338,570
Disposals	-	-	-	-	-	-	-
Balance, end of year	<u>3,174,987</u>	<u>492,013</u>	<u>116,822</u>	<u>8,500,183</u>	<u>17,554,673</u>	<u>120,321,675</u>	<u>105,631,542</u>
Accumulated amortization							
Balance, beginning of year	1,468,406	148,848	116,822	52,276	3,511,659	40,495,358	37,765,793
Amortization during the year	117,169	40,419	-	12,606	816,574	3,530,520	2,729,565
Disposals	-	-	-	-	-	-	-
Balance, end of year	<u>1,585,575</u>	<u>183,267</u>	<u>116,822</u>	<u>64,882</u>	<u>4,328,233</u>	<u>44,025,878</u>	<u>40,495,358</u>
Net book value – March 31, 2025	<u>\$ 1,589,412</u>	<u>\$ 308,746</u>	<u>\$ -</u>	<u>\$ 8,435,301</u>	<u>\$ 13,226,440</u>	<u>\$ 76,295,797</u>	<u>\$ 65,136,184</u>
Net book value – March 31, 2024	<u>\$ 1,501,733</u>	<u>\$ 343,613</u>	<u>\$ -</u>	<u>\$ 1,820,443</u>	<u>\$ 12,472,971</u>		

SUPPLEMENTARY SCHEDULES

Municipality of the County of Inverness

Water utility

Operating fund balance sheet

(Unaudited)

March 31

2025

2024

Assets

Cash and cash equivalents	\$ 225,415	\$ 462,117
Prepays	6,827	6,827
Receivable		
Rates (less allowance for doubtful accounts)	357,122	317,976
Province of Nova Scotia	1,397	1,397
HST	-	206,598
Due from operating reserve	-	29,455
Due from capital reserve	11,390	11,390
Due from gas tax reserve	<u>623,887</u>	<u>152,555</u>
	<u>993,796</u>	<u>719,371</u>
	<u>\$ 1,226,038</u>	<u>\$ 1,188,315</u>

Liabilities

Payables and accruals		
Due to water utility section, capital fund	\$ 1,544,202	\$ 1,697,066
Due to general operating fund	1,804,736	1,192,658
Other payables and accruals	<u>267,166</u>	<u>319,294</u>
	<u>3,616,104</u>	<u>3,209,018</u>
Deficit	<u>(2,390,066)</u>	<u>(2,020,703)</u>
	<u>\$ 1,226,038</u>	<u>\$ 1,188,315</u>

Municipality of the County of Inverness

Water utility

Operating fund statement of operations

(Unaudited)

Year ended March 31

2025

2024

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenues			
Metered sales	\$ 1,424,457	\$ 1,396,741	\$ 1,139,527
Flat rate sales	38,701	42,410	39,378
Public fire protection	479,202	479,202	378,516
Sprinkler	4,100	4,607	15,640
Other operating revenue	<u>16,000</u>	<u>6,909</u>	<u>23,161</u>
	<u>1,962,460</u>	<u>1,929,869</u>	<u>1,596,219</u>
Expenditures			
Source of supply	106,090	138,420	86,329
Power and pumping	148,314	177,399	173,206
Water treatment	389,138	562,582	561,180
Transmission and distribution	339,715	621,805	295,946
Administration and general	133,886	288,049	386,398
Depreciation	631,580	473,451	459,622
Other operating expenditures	<u>500</u>	<u>(6,023)</u>	<u>18,714</u>
	<u>1,749,223</u>	<u>2,255,683</u>	<u>1,981,395</u>
Operating (loss) surplus	<u>213,237</u>	<u>(325,814)</u>	<u>(385,176)</u>
Non-operating expenditures			
Debt charges			
Debenture principal repayment	113,000	86,073	50,000
Debenture interest	109,550	50,855	49,653
Capital out of revenue	<u>-</u>	<u>-</u>	<u>25,566</u>
	<u>222,550</u>	<u>136,928</u>	<u>125,219</u>
Non-operating revenue			
Amortization of deferred government assistance	<u>40,000</u>	<u>93,388</u>	<u>92,458</u>
Excess of expenditures over revenues	\$ <u>30,687</u>	<u>(369,354)</u>	\$ <u>(417,937)</u>
Deficit, beginning of year		<u>(2,020,712)</u>	<u>(1,602,775)</u>
Deficit, end of year		<u>\$ (2,390,066)</u>	<u>\$ (2,020,712)</u>

Municipality of the County of Inverness

Water utility

Capital fund balance sheet

(Unaudited)
March 31

2025

2024

Assets

Cash		
Depreciation fund (page 28)	\$ 106,382	\$ 376,747
Deferred capital charges	2,987	2,987
Government receivable	3,292	-
Due from water utility section, operating fund	1,544,202	1,696,956
Utility plant and equipment (page 29)	<u>17,550,653</u>	<u>15,980,612</u>
	<u>\$19,207,516</u>	<u>\$18,057,302</u>

Liabilities

Payables		
Due to operating reserve section	\$ 1,216,875	\$ 1,216,875
Term debt		
Debentures issued to provincial government and its agencies	1,215,740	1,301,813
Deferred assistance	<u>2,514,651</u>	<u>2,599,910</u>
	<u>4,947,266</u>	<u>5,118,598</u>
Reserve for depreciation (page 28)	<u>4,328,324</u>	<u>3,854,873</u>
Investment in capital assets (page 28)	<u>9,931,926</u>	<u>9,083,831</u>
	<u>\$19,207,516</u>	<u>\$18,057,302</u>

Municipality of the County of Inverness

Water utility

Statement of reserve for depreciation

(Unaudited)

Year ended March 31

	2025	2024
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Balance, beginning of year	\$ 3,854,873	\$ 3,395,251
Depreciation for the year	<u>473,451</u>	<u>459,622</u>
Balance, end of year	<u>\$ 4,328,324</u>	<u>\$ 3,854,873</u>

Water utility section

Non-consolidated statement of investment in capital assets

(Unaudited - see advisory to readers)

Year ended March 31

	2025	2024
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Balance, beginning of year	\$ 9,083,831	\$ 8,878,044
Term debt retired	86,073	50,000
Interest	4,635	6,348
Transfer from Water Operating	3,292	19,231
Transfer from (to) gas tax reserve	<u>754,095</u>	<u>130,208</u>
Balance, end of year	<u>\$ 9,931,926</u>	<u>\$ 9,083,831</u>

Water utility section

Non-consolidated statement of depreciation fund cash

(Unaudited - see advisory to readers)

Year ended March 31

	2025	2024
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Cash, beginning of year	\$ 376,747	\$ 370,339
Transfer from depreciation fund	(275,000)	-
Interest earned on depreciation fund	<u>4,635</u>	<u>6,348</u>
Cash, end of year	<u>\$ 106,382</u>	<u>\$ 376,747</u>

Municipality of the County of Inverness

Water utility

Schedule of utility plant and equipment

(Unaudited)

Year ended March 31

2025

2024

Tangible plant		
Land and land rights	\$ 202,209	\$ 170,923
Source of supply	3,732,845	3,038,245
Reservoir	2,491,340	2,431,844
Structures and improvement	583,531	497,862
Electric pumping equipment	721,063	523,898
Purification equipment	1,951,471	1,921,463
Transmission mains	659,428	659,428
Distribution mains	4,302,866	3,948,143
Services	173,852	165,849
Meters	1,425,116	1,333,545
Hydrants	237,131	219,611
Other tangible plant	96,881	96,881
Chéticamp water utility	<u>972,920</u>	<u>972,920</u>
	<u>\$17,550,653</u>	<u>\$15,980,612</u>
