



West Hants
something inspiring awaits

**WEST HANTS REGIONAL MUNICIPALITY
Audit Committee – Meeting Agenda
February 4th, 2026, 6:00 p.m.
Council Chambers, 76 Morison Drive**

1. Call to Order
2. Declaration(s) of Conflict of Interest
3. Announcements
4. Presentation of Agenda, including additions or deletions
5. Presentation of Minutes
 - a.) June 9th, 2025
6. Presentation
 - a.) MNP, Water Auditors, Water Operational Audit Presentation
 - b.) Kent and Duffett, Andy Forse- 2024-25 Consolidated Financial Statement Presentation
7. Director's Update
8. Correspondence
9. Public Comment
10. Date of Next Meeting
11. Adjournment



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1. Call to Order
2. Declaration(s) of Conflict of Interest
3. Announcements
4. Presentation of Agenda, including additions or deletions
5. Presentation of Minutes
 - a.) December 5, 2024
 - b.) January 22, 2025
 - c.) February 5, 2025
6. Presentation
 - a.) WHRM Audit Plan, Fiscal Year 2024-2025 – Kent & Duffett
 - b.) Water Operational Audit - MNP
7. Director's Update
8. Correspondence
9. Public Comment
10. In Camera
 - a.) In Camera Minutes, January 22, 2025
 - b.) MGA (22) (2) (c) Personnel Matter
11. Date of Next Meeting
12. Adjournment



West Hants

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WEST HANTS REGIONAL MUNICIPALITY
Audit Committee – Draft Meeting Minutes
June 9, 2025, 6:00 p.m.
Council Chambers, 76 Morison Drive

Present :	Abraham Zebian	Mayor
	Rupert Jannasch	Councillor, District 1
	Paul Wheadon	Councillor, District 4
	Meagan Halverson	Resident Member
	Carlee Rochon	Director of Financial Services
	Mark Phillips	Chief Administrative Officer (CAO)
	Carmen Dewar-Miller	Admin Assistant, Financial Services
	Andy Forse	Kent & Duffett Auditor
	Sonny MacDougall	MNP Audit Team
	Raima Z. Khairi	MNP Audit Team
	Jen Hayes	MNP Audit Team

1. Call to Order – Mayor Zebian called the meeting to order at 6:01 p.m.
2. Declaration(s) of Conflict of Interest – No conflicts
3. Announcements – No announcements
4. Presentation of Agenda, including additions or deletions
Moved by Councillor Wheadon and Resident Member Halverson to accept the agenda as presented.
Motion Carried.
5. Presentation of Minutes
 - a.) December 5, 2024
 - b.) January 22, 2025
 - c.) February 5, 2025
Moved by Councillor Jannasch and Wheadon to accept the minutes from December 5, 2024, January 22, 2025 and February 5, 2025 as presented
Motion Carried.
6. Presentation
 - a.) WHRM Audit Plan, Fiscal Year 2024-2025 – Kent & Duffett

Auditor Andy Forse provided the committee with an update on the audit plan. There have been no difficulties in the planning process to date. The audit team has been in a couple of times over the last few months. They have focused on information gathering through documenting things that may have changed, updates from prior years and changes to staffing or operations. They have done preliminary testing with a primary focus on internal controls.

The auditors also do interim testing to get a sense of how things are going. This helps to determine where to do more testing. They did not find anything to indicate that there would be significant errors later in the process. There are always a few areas that have variances, but nothing that leads the auditors to believe that those variances are incorrect.

The auditors will perform risk assessments through qualitative and quantitative analysis. There will be some extra work around creating a plan related to new accounting policies coming down the road which Auditor Forse will discuss with Director Rochon. There will also be extra work due to the consolidation of the utilities, which happened in October 2024.

Because WHRM internal controls have been so strong in the past, the auditors have been able to rely on them during the audit work. They can reduce testing on payables to the 50-invoice range (from 100) and will test controls during the audit process. They look at invoices compared to what was recorded, that they are accurate, complete and existing (no double-posting or fraudulent invoices).

Higher risk areas (expenditures) get more testing. The auditors have never encountered any instances of theft or misappropriation of assets. There is also higher level testing around capital assets and receivables.

The auditors do not really have any changes to the audit plan this year. To note, every accounting firm gets inspected by their governing body every three years. Last year, during Kent and Duffett's inspection, WHRM was one of the audit files reviewed. The file was given a 10/10 based on the audit process and the evidence gathered.

Director Rochon added that this was a year of significant change. We consolidated our water utilities as of October 1, 2024. There will be some preliminary work going through, more testing around closing balances last year, merged balances and closing balances this year. The Accounts Receivable (AR) Policy also came into effect this year and she anticipates some comments surrounding that. This Council-

approved policy acts as a mechanism for staff to manage AR and charge interest on outstanding receivables.

Auditor Forse expressed appreciation that when the audit team arrives on site, they get great cooperation from staff. Sometimes a new or different request can cause pushback, but they have not experienced that with WHRM.

When asked if the auditors examine the budget process, Auditor Forse replied that they do not audit the budget itself. There are no actual transactions, just estimates on spending. They do verify that what they have on the financials was approved by Council. Auditors do have to analyze/provide an overview of risk management and control processes. If the auditors felt that WHRM was not properly assessing the risks, they would have to report on that as part of the management letter. Auditor Forse finds the budget process to be one of the absolute key controls. A meaningful budget process is so important to the internal control and risk management function of the municipality.

Clarification was requested regarding whether the UARB had ordered a stub audit as related to the water utilities' consolidation.

Director Rochon advised that a stub audit was not ordered. The utilities will be audited separately from April 1 – September 30, 2024, then audited as a consolidated entity for the balance of the fiscal year. This means a little more work for the auditors as they test to ensure that balances track through from separate to combined.

b.) Water Operational Audit – MNP

Sonny MacDougall, Jen Hayes and Raima Z. Khairi were present via Zoom to represent MNP. Auditor Khairi is the project manager for this audit and will be the main presenter this evening. She will walk the committee through their three main agenda items; Engagement Objectives, Engagement Approach and Project management.

There are three main engagement objectives:

- Current State Evaluation (processes and controls, Board Order compliance, staffing resources)
- Identification of Gaps and Opportunities (Swot analysis, efficiencies, risks). Specifically focused on the 2022/23 fiscal year.
- Assess the Current Staffing Structure and Growth Projections (staffing levels, present and future)

The engagement approach will happen in four phases:

- Project Initiation
- Understand the Current State
- Findings and Recommendations
- Staffing for the Future

Auditor Khairi provided an example of the project management reporting that will be provided to management on a bi-weekly basis over the course of the audit.

At 6:28 p.m. Mayor Zebian excused himself from the meeting, handing the Chair over to Councillor Wheadon.

Director Rochon asked Auditor Khairi to speak to the testing MNP will be doing.

Auditor Khairi responded that once they understand the full process and controls are identified, they will pick some samples pertaining to 2022/23 and do a detailed test to see if the operational and financial controls in place in that process are operating correctly. Test the design and operating effectiveness. If there were any gaps they would flag them in their report.

Auditor MacDougall added that they first do small sample of testing to determine that the design is working the way it was explained to them. This small sample helps them to understand controls, then a larger sample of testing would be done to ensure that the controls are working on a regular basis.

There was a question as to whether utility customers would be considered as key stakeholders and how they would factor into this audit.

Per Auditor Khairi, the key stakeholders would be considered to be as part of the sampling process as they would pick some water bills to test for issues and concerns. They will also look into bills flagged as complaints but are not planning to have direct conversations with customers.

There was a question surrounding the staffing resources piece. The deliverables look at future growth projections. Is there an assumption being made that the current levels are adequate? Is that part of the scope?

The auditors will look into current staffing levels as part of discussions with management. As the municipality grows, how many people will be required to serve a larger of a population? Are there any gaps or inefficiencies? The auditors would provide the municipality with a tool to project and build out as things change.

Benchmarking, although not included in the auditors' scope of work, might be a valuable exercise. As the auditors are going through processes, they are looking for efficiencies. If there's something blatant, they will flag it. Determining that current staff levels are sufficient is done through staff interviews, investigating operational processes, scheduling and the way work is done.

Director Rochon added that this was one part of the audit that was optional. Looking at internal efficiencies.

Auditor MacDougall noted that this is not a financial audit. His team views it more as an operational review, using audit techniques, with the main focus being on testing controls. They are not giving assurance that they're working to provide material-free financial statements. This operational approach requires much less samples.

Director Roschon has had discussions with the audit team around the credits. They have identified areas where more testing needs to be done.

7. Director's Update

Director Rochon advised that we have received a draft of our 2023 Financial Condition Index (FCI) Report. She is hoping to have the FCI's out soon, meaning the committee may meet ahead of the quarterly schedule. She is also hoping to receive the MNP report in late July or early August.

The auditors are booked for some on-site work during the last week of July which is a little later than normal. Per the recommendation in last year's management letter, staff took the two weeks for a pre-audit review.

Nothing more has been done regarding the financial system. This item will hopefully be included as part of next year's budget.

An RFP will be going out for auditing services, as Kent and Duffett are completing the final year of their five-year contract.

There was a question regarding when the committee would be seeing more financial results. They have not seen the results as of the end of December 2024.

Director Rochon will ensure the results are included as part of the agenda for the next meeting.

8. Correspondence – None

9. Public Comment – None

10. In Camera
Moved by Councillor Jannasch and Resident Member Halverson that the meeting move in camera.
Motion Carried.

At 6:53 p.m., the meeting moved in camera.

At 7:25p.m., the meeting moved out of camera.

11. Date of Next Meeting – tentative for late July, pending receipt of FIR and MNP reports.

12. Adjournment
Moved by Councillor Jannasch and Resident Member Halverson that the meeting be adjourned.
Motion Carried.

The meeting was adjourned at 7:28 p.m.

X

Meeting Chair

MNP

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West Hants Regional Municipality

Water Utility Operational Review
Audit Committee Presentation

February 4th, 2026



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Agenda



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Introduction

The following slides summarize the engagement background and different project phases from initiation to the final report.

**Please note that a full report was provided to WHRM Management. This presentation is an abbreviated version.*

Engagement Overview



The section provides a summary of the project's background. This engagement is divided into two parts, an operational review and a staffing model.

I

West Hants Regional Municipality (WHRM) has engaged MNP to conduct an **operational review** for the two water utilities of Windsor and West Hants for the 2022-2023 fiscal year and a current state evaluation of key processes.

II

WHRM is undergoing growth which puts added pressure on the Finance and Public Works Departments. To address this anticipated growth, MNP has developed a **staffing model** in collaboration with WHRM to identify when more staff may be needed and for which positions.

Project Approach



The section provides an overview of the project's four (4) phases and key activities completed.

1 MNP conducted a project kick-off meeting to level set on project objectives and timelines as well as to collect information on project direction.

Project Initiation and Planning

2 Understanding the Current State

- Conducted a comprehensive review of documents
- Interviewed WHRM's process owners
- Developed an understanding of the team's daily activities

3 Findings and Recommendations

- Drafted internal processes narratives and tested key controls
- Conducted a current state analysis and identified gaps
- Drafted recommendations and an implementation plan for the future state

4 Staffing for the Future

- Collected growth projection documents to understand assumptions on staffing
- Interviewed key personnel to gain additional insights on capacity
- Developed a dynamic Excel model to identify resource requirements over 10 years

Deliverables

Process Narratives

Drafted narratives for WHRM's four key processes to document operational steps, determine process frequency, and identify existing controls.

Credit Issue Assessment

Conducted an assessment of the 2022-23 credit adjustment issue focusing on cause, effects, and observations.

Staffing Model

Built a dynamic Excel model with staffing projections for the next 10 years based on activity drivers, demographic data, and capacity assumptions.

Final Report & Presentation

Drafted a summary of findings and analysis, with actionable recommendations for future state improvements to address identified gaps.

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Credit Issue

This section summarizes the 2022–23 credit issue involving the bulk master meter that tracks water transfers between the Windsor Utility and TMP (Three Mile Plains). It outlines the main causes, presents a timeline of events, and highlights key observations. The main takeaway is that the overbilling occurred only between the two utilities and did not affect any customers.

Causes



This section highlights the causes that led to the credit adjustment issue. The causes were grouped into 6 themes, spanning from technical to communication gaps. MNP interviewed staff and reviewed documents such as trial balances, meeting minutes, calibration reports, and credit adjustment package.



Meter Malfunction & Replacement

During the 2020-21 fiscal year, equipment failures resulted in missing reads. When a new meter was installed in February 2021, a meter programming error led to significant overbilling.



Year-end Cut off

Since errors were only discovered around year end, credits and voids were posted after the March 31st fiscal year cut off. Correcting entries were made affecting both the 2022 and 2023 fiscal year ends, creating confusion in when the issues occurred.



Undetected Read Errors

The meter reader errors were only discovered during budget preparation, revealing that overbilling had occurred between the two utilities on both the old and new account.



Communication & Oversight Gaps

There was no immediate escalation to Council. Moreover, the absence of the Director of Finance and limited training for acting roles and team contributed to delayed issue detection and corrections.



Billing and Recording Mistakes

As a result of late detection of the meter issue, overstated consumption and billing errors persisted across two quarters, with two internal invoices issued for much higher amounts than actual usage.



Documentation and Transparency Gaps

No adjustment packages with calculations were provided; Council and Audit Committee were informed after the fact, often with perceived developing narratives, forcing them to piece together explanations. A simplified version of the adjustment package and the timeline of events would have helped improve understanding and provide closure.

Timeline of Events



This timeline of events was drafted based on documents reviewed such as trial balances, calibration reports, Council meeting minutes, budget reports, and reconciliation sheet. This diagram provides a chronological overview of key events, actions, and governance gaps identified through financial and operational records.



Observations

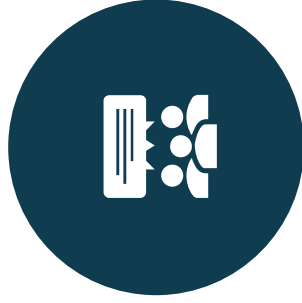


This slide summarizes the main observations of the credit adjustment issue. While the financial implications of this issue was outside the scope of our engagement, we discussed the financial statement impact with management to determine the effect on customers and the audited financial statements.



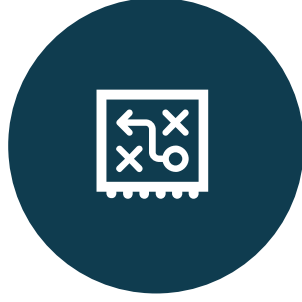
No Risk to Customer Billing

The overbilling issue was between two utilities; therefore, the situation did not affect the customers



Cross-Department Collaboration

There was active collaboration between the finance department and Public Works for issue investigation and resolution



Credit Adjustment

WHRM maintained detailed records of issue investigation and corrections



Utilities Amalgamation

The October 2024, UARB-approved consolidation unified the rates and removed the internal billing. As a result, when utilities merged, errors were cancelled out in the combined records



Communication Gaps

Despite the credit adjustment, communication gaps persist, as information shared with Council was fragmented and lacked complete supporting documentation.

While the credit issue is closed due to utilities amalgamation, communication gaps remain.

Current State Overview

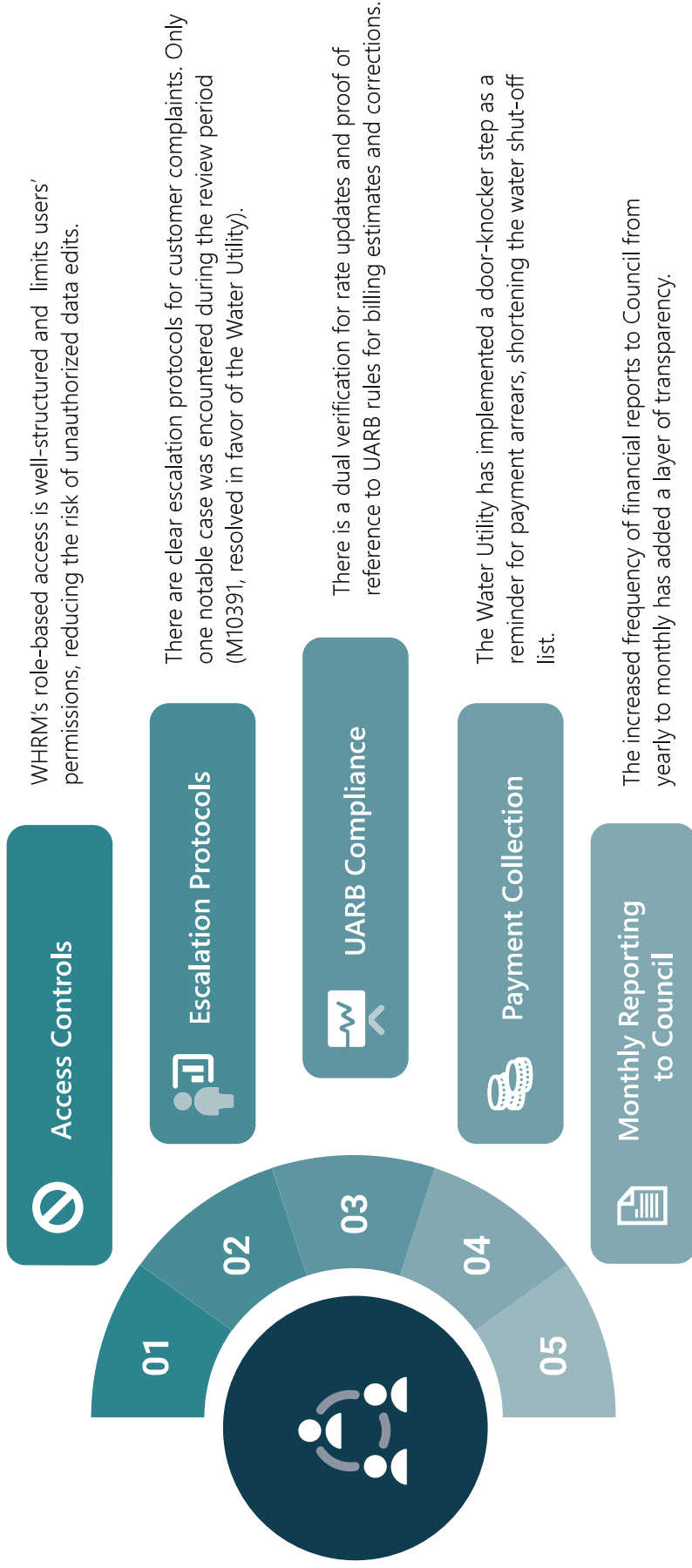
This section highlights the strengths and areas for improvement identified through the review of internal controls and the four key processes within scope:

- Meter Reading
- Revenue & Receivables
- Compliance with Board Orders
- Financial Reporting

Strengths



This slide highlights WHRM's main strengths noted from process analysis and controls testing.



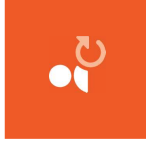
Gaps



The current state analysis revealed eight (8) key gaps spanning from staff capacity, systems and technology, manual steps, and analytics and reporting.

Key Person Risk

WHRM relies on key staff serving as the sole point of knowledge and execution for critical functions. This concentration of responsibilities creates a dependency risk in case of turnover.



Heavy Reliance on Paper and Manual Steps

Paper-based annotations, reconciliations, and forms were noted. Digitizing these steps would improve efficiency and streamline upcoming growth.

Occasional Lack of Segregation of Duties

Instances of lack of segregation of duties between the preparer and reviewer during staff turnover or absence.



Lack of Centralized Customer Database

WHRM keeps account notes and history but lacks a single, up-to-date customer contact database. A CRM is essential for direct communications channels and prompt issue resolution.

Limited Integration Between Systems

Many systems operate with manual transfer points. This limited integration leads to duplication of staff effort.

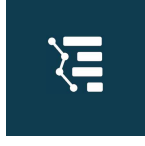


Limited KPIs Tracking

Lack of consistent tracking of Key Performance Indicators (KPIs) metrics, limiting operational visibility.

Recurring Equipment Programming Issue

Since amalgamation, system is dropping digits during meter reads due to programming differences between the old and new reading systems. As a result, it increases manual steps and staff effort for investigations.



Aggregated Variance Analysis

Variance analysis could be enhanced to quantify causes and implement trend monitoring to provide greater clarity in reporting and improve transparency.

Recommendations

This section summarizes five high-level recommendations for the Water Utility, informed by the credit issue, the current state of operations, and anticipated growth.

Recommendations Summary



MNP developed recommendations to address the gaps identified through the credit issue and current state analysis. These recommendations also equip WHRM to support and sustain its anticipated growth.

Recommendations

Potential Implementation Ease

- | | | | |
|---|---|---|-----------------|
| 1 | Improve financial reporting by disaggregating variance analysis and introducing KPIs | ● | Low Effort |
| 2 | Increase the frequency of internal water meter audit and inspection for earlier issue detection | ● | Low Effort |
| 3 | Invest in cross-training staff to reduce dependency on key individuals | ● | Moderate Effort |
| 4 | Hire a Senior-Accountant to support the Manager of Accounting and Financial Services and offer immediate backup | ● | High Effort |
| 5 | Create a Public Works Advisory Committee | ● | Moderate Effort |



It is important that WHRM capitalizes on the quick wins by prioritizing recommendations #1 and #2 as soon as possible to improve reporting communications and mitigate any risks associated with equipment failures.



On the technology side, WHRM is exploring a transition to a new financial software provider. This shift will digitize current manual uploads, enhance operational efficiency, and strengthen the customer service portal. To support this growth-oriented transition, we recommend that the Water Utility establish a clear **implementation roadmap**, complete **data cleansing prior to migration to ensure accurate inputs**, and **redirect staff capacity** toward cross-training and analytical tasks once the system is adopted.

Detailed Recommendations (1/3)



The following slide explains the recommendations impact on WHRM, and key concerns addressed from the 2022-2023 fiscal year.



Improve financial reporting by disaggregating variance analysis and introducing KPIs

- Allows Council and AC to follow through operations and provides comfort on proactiveness and issue resolution
- Clarifies explanations and sets a blueprint for future consistent reporting
- Enables the Water Utility to identify, track, and communicate milestones for the Finance and PW departments



- ✓ **Financial Representation** – Increases clarity on the Water Utility's financial and operational health
- ✓ **Budget Planning** – Enhances trends tracking for informed decision making
- ✓ **Transparency** – Reduces reputational risk



Increase the frequency of internal water meter audit and inspection for earlier issue detection

- A yearly audit provides earlier issue detection and reduces persistent non-revenue water
- Helps maintain data integrity and historical tracking
- Supports regulatory compliance and lowers the risk of potential customers' dispute
- Aligns with industry's best practices amid the Utility's growth



- ✓ **Operational Oversight** – Reduces the persistence of high non-revenue water loss
- ✓ **Budget Planning** – Enhances data accuracy for variance analysis and future rates applications

Detailed Recommendations (2/3)



The following slide explains the recommendations impact on WHRM, and key concerns addressed from the 2022-2023 fiscal year.



Invest in cross-training staff to reduce dependency on key individuals and promote the Water Utility adaptability

- Finance staff members are equipped to perform more critical financial and accounting functions
- Minimizes organization's vulnerability during staff turnover for the Finance and PW departments
- Less dependency on a single employee for critical knowledge and complex tasks' execution



Operational Oversight – Coverage during key staff absence
Financial Representation – Increases accuracy in financial reporting



Hire a Senior Accountant to support the Manager of Accounting and Financial Services and offer immediate backup

- Faster month-end close due to clearer task ownership and delegation
- Stronger internal controls and segregation of duties
- Allows management to focus on more strategic tasks and reviews
- Better preparation for the anticipated Water Utility growth



Operational Oversight – Immediate coverage during staff absence
Financial Representation – Added expertise



Detailed Recommendations (3/3)



The following slide explains the recommendations impact on WHRM, and key concerns addressed from the 2022-2023 fiscal year.



Create a Public Works Advisory Committee

- Provides a structured forum for reviewing operational concerns
- Gives guidelines and clarity on how and when events should be escalated to Council
- Strengthens overview and overall collaboration between the PW and Finance departments



Operational Oversight – provides more review accuracy and escalation protocol

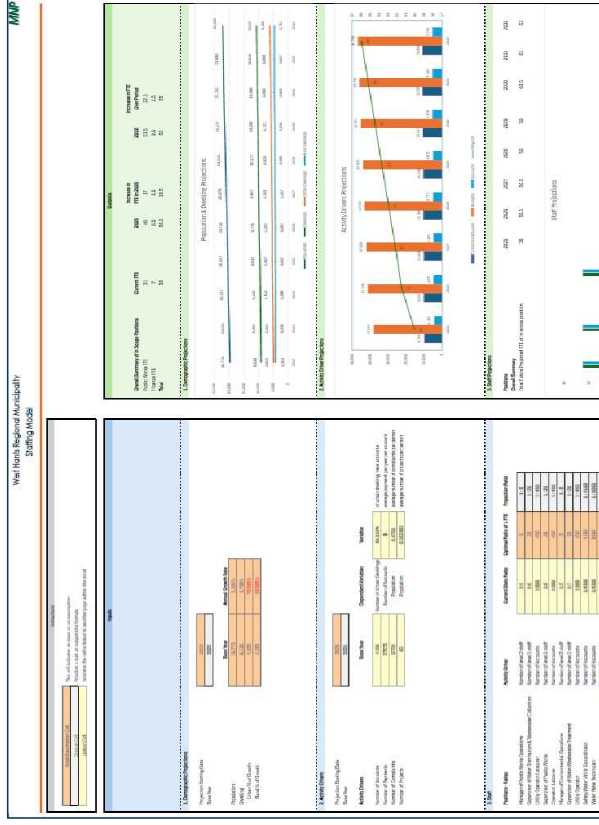
Staffing Model

Staffing Model Overview



This slide summarizes the staffing model's purpose.

This staffing model was completed as a standalone project independent of the operational review; however, it provides valuable insight that can be leveraged during the upcoming organization-wide review. The trends indicate emerging capacity pressures in both Public Works and the Finance Department.



- MNP has built a staffing model in **collaboration** with WHRM's Director of Finance and the Director of Public Works to assess future resource needs.
- The model incorporates **population growth, housing development, and operational workload** to generate 10-year staffing projections aligned with anticipated service demand.
- It is a **dynamic tool**, designed to evolve as new data becomes available and underlying workload drivers shift, ensuring staffing levels remain responsive to real operational pressures. As management update this model, it is important that they take into consideration anticipated system changes.

Questions



Thank You

The MNP logo is displayed in a bold, green, sans-serif font.The PRAXITY logo, featuring a stylized circular icon to the left of the word "PRAXITY" in a bold, sans-serif font. Below "PRAXITY" is the tagline "A member of the PwC network" in a smaller font.

WEST HANTS REGIONAL MUNICIPALITY

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

WEST HANTS REGIONAL MUNICIPALITY

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

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WEST HANTS REGIONAL MUNICIPALITY

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

WEST HANTS REGIONAL MUNICIPALITY

The accompanying consolidated financial statements of the West Hants Regional Municipality are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality'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 Kent & Duffett, independent external auditors appointed by the Municipality. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

A. Zebian
Mayor
February 3, 2026

M. Phillips
Chief Administrative Officer
February 3, 2026

INDEPENDENT AUDITOR'S REPORT

His Worship the Mayor and Members of Council of the West Hants Regional Municipality

Opinion

We have audited the consolidated financial statements of the West Hants Regional Municipality which comprise the consolidated statement of financial position as at March 31, 2025, consolidated statement of financial activities, consolidated change in net assets and consolidated cash flow 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 of the Municipality are prepared, in all material respects, 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 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements


Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

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.

Kentville, Nova Scotia
February 3, 2026


Chartered Professional Accountants
Registered Municipal Auditor

WEST HANTS REGIONAL MUNICIPALITY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED MARCH 31, 2025

	<u>Budget</u> (unaudited)	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
REVENUES			
Taxes	\$ 28,383,453	\$ 28,946,097	\$ 26,315,447
Payments in lieu of taxes	243,157	276,114	259,798
Services provided to other governments	1,537,479	1,091,823	1,178,179
Sales of services	888,328	1,087,018	996,749
Other revenue from own sources	735,089	2,758,220	3,454,999
Unconditional transfers from other governments	1,712,489	1,722,896	799,508
Conditional transfers from Federal and Provincial governments and agencies	162,319	215,584	198,957
Gas tax transfers	-	867,309	1,942,929
Proceeds from disposal of assets	-	10,000	25,000
Other	-	1,986,401	1,593,690
Cemetary	112,258	116,926	124,357
Water rates	3,854,526	3,278,218	3,844,799
	<u>37,629,098</u>	<u>42,356,606</u>	<u>40,734,412</u>
EXPENSES			
General government services	3,813,233	3,438,332	3,069,871
Protective services	10,244,688	8,746,668	9,201,972
Public works and transportation services	2,084,490	2,822,053	2,127,881
Environmental health services	3,464,407	3,862,837	3,708,940
Public health services	215,000	133,565	209,342
Environmental development services	1,699,990	1,249,253	1,191,659
Recreation and cultural services	3,589,595	3,556,526	3,093,667
Other transfers	1,166,895	1,329,801	1,878,997
Cemetary	112,258	91,396	119,964
Appropriation to school boards	5,611,626	5,611,284	5,028,024
Write off of tangible capital assets	-	-	-
Amortization	725,646	5,857,194	4,634,074
Water treatment and distribution	2,998,113	3,015,430	2,615,449
	<u>35,725,941</u>	<u>39,714,339</u>	<u>36,879,840</u>
ANNUAL SURPLUS	<u>\$ 1,903,157</u>	<u>2,642,267</u>	<u>3,854,572</u>
ACCUMULATED SURPLUS AT BEGINNING OF		<u>97,691,892</u>	<u>93,939,805</u>
Other items affecting accumulated surplus		-	(102,485)
ACCUMULATED SURPLUS AT END OF YEAR		<u>\$ 100,334,159</u>	<u>\$ 97,691,892</u>

note 12

WEST HANTS REGIONAL MUNICIPALITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
FINANCIAL ASSETS		
Cash (note 1(e))	\$ 27,244,617	\$ 30,119,640
Accounts receivable (net of valuation allowance) (note 4)	9,017,322	7,864,820
Equity in Valley Waste Resource Management	152,558	152,558
	<u>36,414,497</u>	<u>38,137,018</u>
LIABILITIES		
Bank indebtedness	30,000	30,000
Accounts payable	5,105,214	6,200,852
Asset retirement obligations (note 1(m))	731,600	731,600
Deferred revenue (note 10)	14,662,196	12,770,553
Tax sales surplus (note 10)	658,795	531,011
Long-term debt (note 5)	17,881,218	16,402,191
	<u>39,069,023</u>	<u>36,666,207</u>
NET ASSETS (DEBT) (page 5)	<u>(2,654,526)</u>	<u>1,470,811</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	102,800,196	96,010,281
Prepaid expenses	188,489	210,800
	<u>102,988,685</u>	<u>96,221,081</u>
ACCUMULATED SURPLUS	<u>\$ 100,334,159</u>	<u>\$ 97,691,892</u>

On behalf of the West Hants Regional Municipality

Mayor

Chief Administrative Officer

WEST HANTS REGIONAL MUNICIPALITY

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

AS AT MARCH 31, 2025

	Budget (unaudited)	<u>2025</u>	<u>2024</u>
ANNUAL SURPLUS (page 3)	\$ 1,903,157	\$ 2,642,267	\$ 3,854,572
Acquisition of tangible capital assets	-	(12,637,146)	(9,846,830)
Amortization of tangible capital assets	725,646	5,857,194	4,634,074
Other items affecting tangible capital assets	-	(9,964)	-
NBV of assets disposed for accounting purposes	-	-	869,713
Other items affecting accumulated surplus	-	-	(102,485)
	<u>2,628,803</u>	<u>(4,147,649)</u>	<u>(590,956)</u>
Change in prepaid expenses	-	22,312	36,713
CHANGE IN NET ASSETS	<u>\$ 2,628,803</u>	<u>(4,125,337)</u>	<u>(554,243)</u>
Net assets (debt) beginning of year		<u>1,470,811</u>	2,025,054
NET ASSETS (DEBT) AT END OF YEAR		<u>\$ (2,654,526)</u>	<u>\$ 1,470,811</u>

The accompanying notes are an integral part of these financial statements.

WEST HANTS REGIONAL MUNICIPALITY

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 2,642,267	\$ 3,854,572
Amortization of tangible capital assets	5,857,194	4,634,074
NBV of assets disposed for accounting purposes	-	869,713
Other items affecting accumulated surplus	-	(102,485)
Other items affecting tangible capital assets	<u>(9,964)</u>	<u>-</u>
	8,489,497	9,255,874
(Increase) decrease in accounts receivables	(1,152,502)	(2,345,165)
Increase (decrease) in bank indebtedness	-	(3,511)
Increase (decrease) in accounts payable	(1,095,638)	(232,833)
Increase (decrease) in asset retirement obligations	-	-
Increase (decrease) in deferred revenue	1,891,643	3,585,105
Increase (decrease) in tax sale surplus	127,784	(6,237)
(Increase) decrease in non-financial assets	22,311	36,712
	<u>8,283,095</u>	<u>10,289,945</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(12,637,146)</u>	<u>(9,846,830)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of new debt	3,050,153	4,817,597
Repayment of long term debt	<u>(1,571,125)</u>	<u>(1,476,861)</u>
	<u>1,479,028</u>	<u>3,340,736</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,875,023)	3,783,851
Opening balance	<u>30,119,640</u>	<u>26,335,789</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 27,244,617</u></u>	<u><u>\$ 30,119,640</u></u>

The accompanying notes are an integral part of these financial statements.

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the West Hants Regional Municipality are prepared by management in accordance with Canadian generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) 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 to the Municipality for the administration of their financial affairs and resources and which are owned or controlled by the Municipality.

Trust funds administered by the Municipality amounting to \$546,824 have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Financial Activities.

Interdepartmental and organizational transactions and balances have been eliminated.

(b) Basis of accounting

The Municipality follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Fund accounting

Funds within the consolidated financial statements consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

(d) Use of estimates

In preparing the Municipality's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses.

In addition, the Municipality's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual amounts could differ from these estimates.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Accounts receivable

Uncollected taxes and rates

Accounts receivable are shown net of allowance for doubtful accounts. The Municipality provides a valuation allowance for estimated losses that will be incurred on collecting receivables outstanding.

(g) Revenue and expenditure

The accrual basis of accounting is used for all funds. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of a legal obligation to pay.

Tax and related revenue

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Property Valuation Services Corporation. Tax rates are established annually by Council during the budget approval process. Tax adjustments as a result of appeals and re-assessment are recorded when the result of the appeals process is known.

Government transfers

Federal and/or provincial transfers for operating and capital purposes are recognized in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without any eligibility criteria or stipulations, it is recognized when the transfer(s) from the Federal government and/or the Province of Nova Scotia are authorized.

Interest revenue

Interest earned on investments in the depreciation fund or on any other fund is recorded within the respective funds, unless otherwise approved by the Nova Scotia Utility and Review Board.

Other revenues

Other revenues are recognized as services or goods are provided, the exchange amount is measurable and collectability of the amount is reasonably assured.

(h) Tangible capital assets

Capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset.

Amortization is recorded in the financial statements on a straight line basis over an asset's estimated useful life as noted below.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Municipality's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write downs are accounted for as expenses in the consolidated statement of financial activities.

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

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible capital assets (continued)

<u>Capital</u>	<u>Years</u>	<u>Water Utility</u>	<u>Years</u>
Land improvements		Structures, improvements,	
Buildings	40	and wells	20-77
Small equipment	5-25	Equipment	5-25
Vehicles	5	Transmission	77
Roads and streets	30	Distribution	77
Sidewalks	30	Meters	20
Sewer system	25-50	Hydrants	50-77
Fire department vehicles		Services	50
and equipment	5		
Parks	40		

(i) Depreciation - water utility

In accordance with the Nova Scotia Utility and Review Board regulations, the depreciation expense in the Water Operating Fund are transferred to a special bank account in the Water Capital Fund which is used to help fund replacement of existing plant and equipment or, subject to approval by the Utility and Review Board, to repay the principal of capital debt.

(j) Financial instruments

The Municipality's financial instruments include cash and cash equivalents, temporary investments, receivables, payables and accruals and long-term debt. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair market value of these instruments approximate their carrying value.

(k) Allocation of municipal costs to water utility funds

Where identifiable, costs incurred by the Municipality 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. Administration and general expenses incurred for the benefit of both the Municipality and Water Utility are partially allocated to the Water Utility.

(l) Deferred revenue

Deferred revenue includes government transfers received with eligibility criteria that have not been met. When criteria have been met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 1(g).

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Asset retirement obligation

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

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

The liability is recorded for asbestos removal and decommissioning of a water station has been recognized based on estimated future expenses, using the cost escalation method and reviewed annually for valuation and adjusted when required. The recognition of a liability, or change in liability valuation results in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in 1.(h).

(n) Equity in Valley Waste Resource Management

The Valley Region Solid Waste-Resource Management Authority is a corporate body formed under an Inter-Municipal Services Agreement encompassing the Municipality of Annapolis County, the Municipality of the County of Kings, and the Towns of Annapolis Royal, Berwick, Kentville, Middleton, Wolfville, for the purpose of collaborative resource management in the region. The Municipality records the investment in Valley Regional Solid Waste-Resource Management under the modified equity method.

2. CHANGE IN ACCOUNTING POLICIES

On April 1, 2023, the Municipality adopted the new Public Sector Accounting Standards Section PS 3400 Revenue. New Section 3400 Revenue establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers or restricted revenues. The Section distinguishes between revenue that arises from transactions that include performance obligations (i.e. exchange transactions) and transactions that do not have performance obligations (i.e. non-exchange transactions). Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payor. Revenue from transactions with no performance obligation will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset. In accordance with the provisions of this new standard, the Municipality has no adjustments.

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

3. CONTRIBUTIONS TO BOARDS, REGIONAL AUTHORITIES, AND OTHER ENTITIES

The West Hants Regional Municipality is required to finance the operations of various Boards and Regional Authorities, along with other municipalities in the Annapolis Valley, to the extent of its participation based upon assessment and/or population formula.

In addition to any budgeted contributions, the Municipality shares in the deficits or surpluses of some of these organizations based upon the relevant cost-sharing percentage. The Municipality's share of any deficit is to be paid in the next fiscal year and any surplus is to be taken into operations in the estimates of the organization in the next fiscal year.

Nova Scotia Housing Development Corporation

An amount of \$133,565 (2024 - \$209,342) was provided for as at March 31, 2025 as the Municipality's share of the deficit of the Nova Scotia Housing Development Corporation for the period April 1, 2024 to March 31, 2025.

Annapolis Valley Regional Library Board

During 2024-25, the Municipality paid \$134,400 (2024 - \$134,440) as its share of the operations of the Annapolis Valley Regional Library Board, which serves Annapolis, Kings, and West Hants.

Annapolis Valley Regional School Board

During 2024-25, the Municipality paid \$5,611,284 (2024 - \$5,028,024) as its share of the operations of the Annapolis Valley Regional School Board, which serves Annapolis, Kings, and West Hants.

4. ACCOUNTS RECEIVABLE

	<u>Current year</u>	<u>Prior years</u>	<u>2025</u> Total	<u>2024</u> Total
Taxes receivable				
Balance, net of prepaid taxes, beginning of year	\$ -	\$ 2,271,818	\$ 2,271,818	\$ 1,892,952
Current year tax levy	<u>23,608,449</u>	<u>-</u>	<u>23,608,449</u>	<u>21,631,982</u>
	<u>23,608,449</u>	<u>2,271,818</u>	<u>25,880,267</u>	<u>23,524,934</u>
Deduct:				
Current year collections	21,702,605	1,553,639	23,256,244	21,309,793
Reduced taxes	(56,677)	-	(56,677)	(56,677)
	<u>21,645,928</u>	<u>1,553,639</u>	<u>23,199,567</u>	<u>21,253,116</u>
Total taxes receivable	<u>\$ 1,962,521</u>	<u>\$ 718,179</u>	<u>\$ 2,680,700</u>	<u>\$ 2,271,818</u>
Interest on taxes			367,177	307,036
Valuation allowance			<u>(60,138)</u>	<u>(60,138)</u>
Net taxes receivable			2,987,739	2,518,716
Water rates and Sewer charges			1,552,558	1,522,664
Due from federal government and its agencies			1,118,531	315,142
Other receivables			3,358,494	3,508,298
			<u>\$ 9,017,322</u>	<u>\$ 7,864,820</u>

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

5. LONG-TERM DEBT	<u>2025</u>	<u>2024</u>
Municipal Finance Corporation debenture, bearing interest at a variable rate from 2.575% to 4.119%, with annual principal repayments of \$15,422 plus interest; maturing in 2037.	\$ 200,479	\$ 215,901
Municipal Finance Corporation debenture, bearing interest at a variable rate from 4.844% to 4.939%, with annual principal repayments of \$54,000 plus interest. Repaid in the year.	-	54,000
Municipal Finance Corporation debenture, bearing interest at a variable rate from 3.826% to 4.026%, with annual principal repayments of \$37,667 plus interest; maturing in 2026.	75,329	112,996
Municipal Finance Corporation debenture, bearing interest at a variable rate from 2.443% to 2.925%, with annual principal repayments of \$218,603 plus interest; maturing in 2026.	437,208	655,811
Municipal Finance Corporation debenture, bearing interest at a variable rate from 2.048% to 3.108%, repayable in annual instalments of \$154,000 plus interest; maturing in 2031.	708,000	862,000
Municipal Finance Corporation debenture, bearing interest at a variable rate from 2.617% to 3.073%, repayable in annual instalments of \$59,700 plus interest; maturing in 2027.	179,100	238,800
Municipal Finance Corporation debenture, bearing interest at a variable rate from 2.884% to 3.501%, with annual principal repayments of \$49,944 plus interest; maturing in 2033.	948,939	998,883
Municipal Finance Corporation debenture, bearing interest at a rate of 4.367% to 5.029%, with annual principal repayments of \$69,024 plus interest; maturing 2039.	1,051,431	-
Municipal Finance Corporation debenture, bearing interest at a variable rate from 2.205% to 2.265%, with annual principal repayments of \$18,754 plus interest. Repaid in the year.	-	18,754
Municipal Finance Corporation debenture, bearing interest at a variable rate from 0.955% to 2.378%, with annual principal repayments of \$43,333 plus interest; maturing in 2035.	476,669	520,003
Carried forward	\$ 4,077,155	\$ 3,677,148

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

5. LONG-TERM DEBT

Brought forward	\$ 4,077,155	\$ 3,677,148
Municipal Finance Corporation debenture, bearing interest at a variable rate from 4.720% to 4.875%, with annual principal repayments of \$26,000 plus interest; maturing in 2025.	70,000	96,000
Municipal Finance Corporation debenture, bearing interest at a variable rate from 3.566% to 3.856%, with annual principal repayments of \$8,000 plus interest; maturing in 2027.	64,000	72,000
Municipal Finance Corporation debenture, bearing interest at a variable rate from 3.193% to 3.347%, with annual principal repayments of \$4,500 plus interest. Repaid in the year.	-	4,500
Municipal Finance Corporation debenture, bearing interest at a variable rate from 3.550% to 4.714%, with annual principal repayments of \$188,717 plus interest; maturing 2043.	3,937,187	4,125,904
Municipal Finance Corporation debenture, bearing interest at a variable rate from 0% to 5.536%, with annual principal repayments of \$30,127 plus interest; maturing 2043.	661,566	691,693
Municipal Finance Corporation debenture, bearing interest at a variable rate from 3.428% to 4.731%, with annual principal repayments of \$126,762 plus interest; maturing 2044.	1,998,722	-
Municipal Finance Corporation debenture, bearing interest at a variable rate from 5.534% to 5.644%, with annual principal repayments of \$58,933 plus interest. Repaid in the year.	-	58,938
Municipal Finance Corporation debenture, bearing interest at a variable rate from 4.720% to 4.875%, with annual principal repayments of \$160,885 plus interest; maturing in 2025.	965,300	1,126,185
Municipal Finance Corporation debenture, bearing interest at a variable rate from 4.720% to 4.875%, with annual principal repayments of \$20,513 plus interest; maturing in 2025.	123,093	143,606
Municipal Finance Corporation debenture, bearing interest at a variable rate from 3.614% to 4.114%, with annual principal repayments of \$4,307 plus interest; maturing in 2028.	17,223	21,530
Carried forward	\$ 11,914,246	\$ 10,017,504

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

5. LONG-TERM DEBT

Brought forward	\$ 11,914,246	\$ 10,017,504
Municipal Finance Corporation debenture, bearing interest at a variable rate from 2.573% to 3.449%, with annual principal repayments of \$11,740 plus interest; maturing in 2030.	70,440	82,180
Municipal Finance Corporation debenture, bearing interest at a variable rate from 2.573% to 3.382%, with annual principal repayments of \$181,574 plus interest; maturing in 2032.	2,360,452	2,542,024
Municipal Finance Corporation debenture, bearing interest at a variable rate from 2.131% to 3.048%, with annual principal repayments of \$10,888 plus interest; maturing in 2034.	163,310	174,195
Municipal Finance Corporation debenture, bearing interest at a variable rate from 0.565% to 2.809%, with annual principal repayments of \$91,446 plus interest; maturing in 2036.	1,085,117	1,176,563
Municipal Finance Corporation debenture, bearing interest at a variable rate from 0.565% to 2.809%, with annual principal repayments of \$7,446 plus interest; maturing in 2036.	44,705	52,150
Municipal Finance Corporation debenture, bearing interest at a variable rate from 4.177% to 4.567%, with annual principal repayments of \$30,930 plus interest; maturing in 2037.	402,092	433,032
Municipal Finance Corporation debenture, bearing interest at a variable rate from 0.775% to 2.677%, with annual principal repayments of \$83,676 plus interest; maturing in 2036.	1,840,856	1,924,543
	<u>\$ 17,881,218</u>	<u>\$ 16,402,191</u>

All long-term debt outstanding has been authorized by Nova Scotia Department of Municipal Affairs.

Principal repayments required during the next five years are as follows:

2026	\$ 2,535,034
2027	1,464,637
2028	1,127,282
2029	1,019,575
2030	1,006,791

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

6. ASSET RETIREMENT OBLIGATION

a) Well obligation

The Municipality owns a water hauler well, which will need to be decommissioned and properly capped following the Nova Scotia Water Well Decommissioning Guidelines. The liability for the closure of this well and post-closure care has now been recognized under PS 3280 – Asset Retirement Obligation. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the well. Estimated costs at retirement of \$5,000. Annually the Municipality will revalue the obligation and when applicable record the increase, following the cost escalation method. (note 1m)

b) Asbestos obligation

The Municipality owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building or to meet environmental standards, and therefore there is a legal obligation for the removal of these contaminants on the decommissioning. Following PS3280 – Asset retirement obligations, the Municipality recognized an obligation relating to the decommissioning and remediation of contaminants as estimated at April 1, 2022. The buildings have estimated useful lives ranging between 15 to 20 years. Estimated costs have been calculated using a range of \$15 to \$20 per square foot for asbestos removal, totalling estimated costs at retirement of \$726,600. Annually the Municipality will revalue the obligation and when applicable record the increase, following the cost escalation method. (note 1m)

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

Asset Retirement Obligation	Asbestos removal	Well remediation	Balance at March 31, 2025
Opening balance	\$ 726,600	\$ 5,000	\$ 731,600
Current year change in estimate	-	-	-
Closing balance	\$ 726,600	\$ 5,000	\$ 731,600
Reserve fund			431,234
Excess of liability over available reserve			\$ 300,366

The Municipality plans to fund the ARO reserve at a value of \$146,320 per year for the four years ending March 31, 2028.

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

7. TANGIBLE CAPITAL ASSETS

General Capital Fund

Cost	2024	Additions	Disposals/ Reallocation	2025
Land	\$ 3,902,048	\$ 23,484	\$ -	\$ 3,925,532
Parks	2,782,453	64,574	-	2,847,027
Buildings	41,909,366	507,557	-	42,416,923
Motor vehicles	3,577,780	1,670,373	-	5,248,153
Sewer lagoon	3,603,279	-	-	3,603,279
Sewers	22,366,633	430,042	-	22,796,675
Roads	20,494,414	3,811,110	10,645	24,316,169
Equipment	15,550,998	1,839,831	(28,457)	17,362,372
Donated assets	1,364,094	-	-	1,364,094
Assets under construction	1,935,561	1,445,732	(1,935,561)	1,445,732
	\$ 117,486,626	\$ 9,792,703	\$ (1,953,373)	\$ 125,325,956

Accumulated Amortization	2024	Adjustments	Amortization	2025
Land	\$ -	\$ -	\$ -	\$ -
Parks	505,291	-	70,765	576,056
Buildings	9,329,141	-	1,078,693	10,407,834
Motor vehicles	2,124,153	-	662,115	2,786,268
Sewer lagoon	1,124,812	-	71,314	1,196,126
Sewers	9,763,292	-	566,079	10,329,371
Roads	8,887,031	11,383	804,340	9,702,754
Equipment	9,786,752	(11,383)	1,520,684	11,296,053
Donated assets	243,769	-	27,282	271,051
Assets under construction	-	-	-	-
	\$ 41,764,241	\$ -	\$ 4,801,272	\$ 46,565,513

Net book value	2024	2025
Land	\$ 3,902,048	\$ 3,925,532
Parks	2,277,162	2,270,971
Buildings	32,580,225	32,009,089
Motor vehicles	1,453,627	2,461,885
Sewer lagoon	2,478,467	2,407,153
Sewers	12,603,341	12,467,304
Roads	11,607,383	14,613,415
Equipment	5,764,246	6,066,319
Donated assets	1,120,325	1,093,043
Assets under construction	1,935,561	1,445,732
	\$ 75,722,385	\$ 78,760,443

Cemetery Fund

Net book value	2024	Additions	Disposals	2025
Land	\$ 42,591	\$ -	\$ -	\$ 42,591

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

7. TANGIBLE CAPITAL ASSETS (continued)

Consolidated - West Hants Water Capital						
Cost	2024	West Hants	Windsor	Additions	Disposals/ Reallocation	2025
Intangible assets	\$ -	\$ 1,293	\$ -	\$ -	\$ -	\$ 1,293
Land and land rights	-	266,692	427,899	-	-	694,591
Structures and improvements	-	6,032,636	1,293,031	590,364	2,971,399	10,887,430
Plants and equipment	-	1,320,385	4,560,167	418,705	(2,971,399)	3,327,858
Mains	-	3,736,654	6,902,152	451,438	-	11,090,244
Meters	-	1,100,085	211,670	22,915	-	1,334,670
Hydrants	-	431,026	79,421	-	-	510,447
Services	-	988,216	29,747	23,383	(29,747)	1,011,599
Other assets	-	244,919	-	12,065	14,078	271,062
Donated assets	-	2,122,315	-	49,634	15,669	2,187,618
Assets under construction	-	44,082	-	3,683,404	(44,082)	3,683,404
	\$ -	\$ 16,288,303	\$ 13,504,087	\$ 5,251,908	\$ (44,082)	\$ 35,000,216
Accumulated Amortization	2024	West Hants	Windsor	Adjustments	Amortization	2025
Intangible assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and land rights	-	-	-	-	-	-
Structures and improvements	-	2,313,520	360,201	1,512,056	303,114	4,488,891
Plants and equipment	-	512,886	2,168,780	(1,512,056)	441,381	1,610,991
Mains	-	916,418	1,830,703	(9,964)	144,188	2,881,345
Meters	-	763,960	109,222	-	66,734	939,916
Hydrants	-	198,365	29,758	-	8,129	236,252
Services	-	196,206	5,991	-	20,232	222,429
Other assets	-	204,664	-	-	39,148	243,812
Donated assets	-	346,421	-	-	32,997	379,418
Assets under construction	-	-	-	-	-	-
	\$ -	\$ 5,452,440	\$ 4,504,655	\$ (9,964)	\$ 1,055,923	\$ 11,003,054
Net book value	2024					2025
Intangible assets	\$ -					\$ 1,293
Land and land rights	-					694,591
Structures and improvements	-					6,398,539
Plants and equipment	-					1,716,867
Mains	-					8,208,899
Meters	-					394,754
Hydrants	-					274,195
Services	-					789,170
Other assets	-					27,250
Donated assets	-					1,808,200
Assets under construction	-					3,683,404
	\$ -					\$ 23,997,162

WEST HANTS REGIONAL MUNICIPALITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

7. TANGIBLE CAPITAL ASSETS (continued)

West Hants Water Capital Cost	Apr. 1, 2024	Additions	Disposals	Transfer to WH Water Utility	Oct. 1, 2024
Intangible assets	\$ 1,293	\$ -	\$ -	\$ (1,293)	\$ -
Land and land rights	266,692	-	-	(266,692)	-
Structures and improvements	6,032,636	-	-	(6,032,636)	-
Plants and equipment	1,320,385	-	-	(1,320,385)	-
Mains	3,736,654	-	-	(3,736,654)	-
Meters	1,100,085	-	-	(1,100,085)	-
Hydrants	431,026	-	-	(431,026)	-
Services	988,216	-	-	(988,216)	-
Other assets	244,919	-	-	(244,919)	-
Donated assets	2,122,315	-	-	(2,122,315)	-
Assets under construction	44,082	-	-	(44,082)	-
	\$ 16,288,303	\$ -	\$ -	\$ (16,288,303)	\$ -

Accumulated Amortization	Apr. 1, 2024	Adjustments	Amortization	Transfer to WH Water Utility	Oct. 1, 2024
Intangible assets	\$ -	\$ -	\$ -	\$ -	\$ -
Land and land rights	-	-	-	-	-
Structures and improvements	2,313,520	-	-	(2,313,520)	-
Plants and equipment	512,886	-	-	(512,886)	-
Mains	916,418	-	-	(916,418)	-
Meters	763,960	-	-	(763,960)	-
Hydrants	198,365	-	-	(198,365)	-
Services	196,206	-	-	(196,206)	-
Other assets	204,664	-	-	(204,664)	-
Donated assets	346,421	-	-	(346,421)	-
Assets under construction	-	-	-	-	-
	\$ 5,452,440	\$ -	\$ -	\$ (5,452,440)	\$ -

Net book value	Apr. 1, 2024	Oct. 1, 2024
Intangible assets	\$ 1,293	\$ -
Land and land rights	266,692	-
Structures and improvements	3,719,116	-
Plants and equipment	807,499	-
Mains	2,820,236	-
Meters	336,125	-
Hydrants	232,661	-
Services	792,010	-
Other assets	40,255	-
Donated assets	1,775,894	-
Assets under construction	44,082	-
	\$ 10,835,863	\$ -

WEST HANTS REGIONAL MUNICIPALITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

7. TANGIBLE CAPITAL ASSETS (continued)

Windsor Water Capital Cost	Apr. 1, 2024	Additions	Disposals	Transfer to Consolidated	Oct. 1, 2024
Land and land rights	\$ 427,899	\$ -	\$ -	\$ (427,899)	\$ -
Structures and improvements	1,293,031	-	-	(1,293,031)	-
Plants and equipment	4,560,167	-	-	(4,560,167)	-
Mains	6,902,152	-	-	(6,902,152)	-
Meters	211,670	-	-	(211,670)	-
Hydrants	79,421	-	-	(79,421)	-
Services	23,107	6,640	-	(29,747)	-
Assets under construction	416,650	-	(416,650)	-	-
	\$ 13,914,097	\$ 6,640	\$ (416,650)	\$ (13,504,087)	\$ -

Accumulated Amortization	Apr. 1, 2024	Adjustments	Amortization	Transfer to Consolidated	Oct. 1, 2024
Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -
Structures and improvements	360,201	-	-	(360,201)	-
Plants and equipment	2,168,780	-	-	(2,168,780)	-
Mains	1,830,703	-	-	(1,830,703)	-
Meters	109,222	-	-	(109,222)	-
Hydrants	29,758	-	-	(29,758)	-
Services	5,991	-	-	(5,991)	-
Assets under construction	-	-	-	-	-
	\$ 4,504,655	\$ -	\$ -	\$ (4,504,655)	\$ -

Net book value	Apr. 1, 2024	Oct. 1, 2024
Land	\$ 427,899	\$ -
Parks	932,830	-
Buildings	2,391,387	-
Motor vehicles	5,071,449	-
Sewer lagoon	102,448	-
Sewers	49,663	-
Roads	17,116	-
Assets under construction	416,650	-
	\$ 9,409,442	\$ -

a) Assets under construction

Assets under construction have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) PS 3280 Asset retirement obligation

Additions and amortization expenses include costs related to the April 2022 adoption of PS 3280 Asset Retirement Obligation.

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

8. RATE OF RETURN ON RATE BASE

For the year ended March 31, 2025 the Water Utility had a rate of return on rate base of 0.05% . The rate of return is calculated using the amortization approved by the Nova Scotia Utility and Review Board.

9. DISCLOSURE OF REMUNERATION

The total remuneration paid to each member of Municipal Council and to the Chief Administrative Officer is as follows:

Council

	Elected Officials	
	Salary	Expenses
Abraham Zebian Mayor	\$ 66,484	\$ 5,118
Councillor District #1	35,970	1,368
Councillor District #2	35,970	1,238
Councillor District #3	35,856	946
Councillor District #4	35,970	591
Councillor District #5	39,642	384
Councillor District #6	35,970	239
Councillor District #7	35,856	567
Councillor District #8	37,110	260
Councillor District #9	35,970	218
Councillor District #10	35,856	440
Councillor District #11	33,138	105
	<u>\$ 463,792</u>	<u>\$ 11,474</u>

Chief Administrative Officer

	<u>\$ 188,667</u>	<u>\$ 10,764</u>
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10. DEFERRED REVENUE

	<u>2025</u>	<u>2024</u>
Tax and user charges	\$ 154,807	\$ 115,528
Gas tax	6,835,303	6,255,512
Other	7,672,086	6,399,513
	<u>\$ 14,662,196</u>	<u>\$ 12,770,553</u>

Tax and user charges represent funds collected for which the related services have yet to be performed.

Gas tax represents funds received from the Federal Government that have not yet been used to fund eligible projects under the terms of the Gas Tax Agreement. These funds remain in deferred revenue until the stipulations for their use have been met.

Tax Sale Surplus - the Municipal Government Act requires a twenty year holding period for maintaining these funds.

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

11. PENSION PLANS

Defined contribution plan

The Municipality provides its employees with a defined contribution pension plan. The Municipality will match the employees contribution up to a maximum of 6%. During the year the Municipality contributed \$465,900.

Defined benefit plan

The Municipality provides a pension to the surviving spouse of a retired former Town of Hantsport clerk and uses the accrual method of accounting. The Municipality estimates its obligation based on the present value of the remaining term of the agreement. This plan finished in the current year, and there is no future obligation.

Pension cost	\$ 23,572
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The Municipality provides a pension to a retired Municipal clerk and uses the accrual method of accounting. The Municipality estimates its obligation to the retired clerk based on estimated life expectancy and future inflation rate of 2%.

Pension cost	\$ 50,085
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12. SEGMENTED INFORMATION

The West Hants Regional Municipality is a municipal unit that provides a wide range of services to its residents. The Municipality's operations and activities are organized and reported by fund for the purpose of recording specific activities to meet objectives as outlined by legislation, special regulation, or other limitations and restrictions.

Services are provided by department and their activity is reported in these funds.

General government services

Legislative - The council serves as elected representatives of the West Hants Regional Municipality. It facilitates the decision-making process. In this role it formulates policy and provides strategic direction to guide the Chief Administrative Officer.

Administrative - This department is responsible for financial and local government administration. Functions include budget and financial statement preparation, tax collection, the Municipal Government Act administration, and accounts payable and receivable.

Protection services

The Municipality contracts with the Royal Canadian Mounted Police for police services. Fire protection is provided by grants to fire departments throughout the Municipality.

The Municipality supplies animal control services through this department.

Transportation services

Transportation services provides the administration and provision of engineering and public works, and street lighting.

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2025

12. SEGMENTED INFORMATION (continued)

Environmental health services

This department provides for sewage collection and treatment, solid waste collection and recycling.

Public health services

Public health services provides a transfer to the Regional Housing Authority.

Environmental development services

Environmental planning and zoning administers policy and enforces codes, by-laws, and regulations pertaining to the Municipal Planning Strategy.

Recreation and cultural services

This department is responsible for promoting and offering opportunities and activities to residents.

Water treatment and distribution

The water utilities provide the delivery of drinking water through supply, pumping, treatment, and distribution to its users.

13. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$546,824 (2024 - \$532,762) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

14. CONSOLIDATED SCHEDULE OF OPERATIONS BY FUNCTION

	General Gov't	Protective Services	Transportation Services	Env. Health Services	Public Health Services	Env. Development	Recreation and Cultural Services	Water Utility	2025
REVENUE									
TAXES	\$ 26,484,652	\$ -	\$ -	\$ 2,356,886	\$ -	\$ -	\$ 104,559	\$ -	\$ 28,946,097
PAYMENTS IN LIEU OF TAXES	275,939	175	-	-	-	-	-	-	276,114
SERVICES PROVIDED TO OTHER LOCAL GOVERNMENTS	92,793	171,355	-	827,675	-	-	-	-	1,091,823
SALE OF SERVICES	160,790	-	754	-	-	-	925,474	-	1,087,018
OTHER REVENUE FROM OWN SOURCES	2,758,220	-	-	-	-	-	-	-	2,758,220
UNCONDITIONAL TRANSFERS FROM OTHER GOV'TS	1,722,896	-	-	-	-	-	-	-	1,722,896
CONDITIONAL TRANSFERS FROM FEDERAL OR PROVINCIAL GOVERNMENTS AND AGENCIES	215,584	-	-	-	-	-	-	-	215,584
GAS TAX FUNDING	867,309	-	-	-	-	-	-	-	867,309
WATER RATES	-	-	-	-	-	-	-	3,278,218	3,278,218
OTHER	1,998,968	-	-	-	114,359	-	-	-	2,113,327
TOTAL REVENUE	34,577,151	171,530	754	3,184,561	114,359	-	1,030,033	3,278,218	42,356,606
EXPENDITURES									
SALARIES, WAGES AND BENEFITS	2,005,982	750,127	731,813	881,313	71,970	914,727	1,886,441	1,518,225	8,760,598
OPERATING COSTS	4,133,890	9,273,481	1,590,751	3,242,653	100,185	734,526	1,749,603	2,129,676	22,954,765
AMORTIZATION	488,300	1,644,706	1,027,988	690,455	8,246	11,741	929,836	1,055,922	5,857,194
OTHER	42,240	784,758	174,936	319,817	-	-	139,114	110,248	1,571,113
INTEREST ON LONG-TERM DEBT	1,192	264,312	94,803	90,222	-	-	90,000	30,140	570,669
TOTAL EXPENDITURES	6,671,604	12,717,384	3,620,291	5,224,460	180,401	1,660,994	4,794,994	4,844,211	39,714,339
SURPLUS (DEFICIT)	\$ 27,905,547	\$ (12,545,854)	\$ (3,619,537)	\$ (2,039,899)	\$ (66,042)	\$ (1,660,994)	\$ (3,764,961)	\$ (1,565,993)	\$ 2,642,267

WEST HANTS REGIONAL MUNICIPALITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

15. OPERATING BUDGET DATA

The unaudited operating budget data presented in these consolidated financial statements is based upon the 2024-2025 operating budgets approved by Council. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Approved budget surplus (deficit) for the year	\$ (58,884)
Budget adjustments:	
Other transfers	(518,400)
Debt principal repayments	2,480,441
Total PSAS adjustments	1,962,041
PSAS adjusted budget surplus per consolidated financial statements	\$ 1,903,157

16. COMPARATIVE FIGURES

In some instances, the comparative prior year figures have been reclassified to conform to the current year's financial statement presentation. The changes do not affect prior year earnings.

WEST HANTS REGIONAL MUNICIPALITY
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF THE GENERAL OPERATING FUND
AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 3,583,243	\$ 8,928,080
Taxes receivable (net of valuation allowance \$60,138 in the current year)	2,989,012	2,526,298
Sewer rates receivable	617,050	615,731
Due from other local governments	27,398	27,398
Due from Province of Nova Scotia	6,716	6,716
Due from Region 6 Waste Management	-	604,755
Other accounts receivable	2,095,193	1,657,176
Harmonized sales tax	1,118,531	315,142
Due from		
General capital	20,519,256	18,638,410
Water operating	-	630,563
Water capital	3,708,277	-
Due from perpetual care	2,816	2,816
Prepaid expenses	183,189	205,500
	<u>\$ 34,850,681</u>	<u>\$ 34,158,585</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 4,680,654	\$ 5,831,305
Bank indebtedness	30,001	30,001
Pension liability	-	-
Due to Region 6 Waste Management	98,273	-
Due to trust funds	4,280	4,280
Due to		
Capital reserve	13,617,875	12,154,967
Special reserve	3,425,095	3,045,201
Water operating	488,053	-
Hantsport cemetery	224,726	201,763
Operating reserve	6,360,752	6,866,750
Water capital	-	1,878,279
	<u>28,929,709</u>	<u>30,012,546</u>
OTHER LIABILITIES		
Deferred revenue	2,288,403	2,104,772
Tax sale surplus	658,795	531,011
	<u>2,947,198</u>	<u>2,635,783</u>
	<u>31,876,907</u>	<u>32,648,329</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>2,973,774</u>	<u>1,510,256</u>
	<u>\$ 34,850,681</u>	<u>\$ 34,158,585</u>
On behalf of the West Hants Regional Municipality		

 Mayor

 CAO

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE GENERAL OPERATING FUND

YEAR ENDED MARCH 31, 2025

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
REVENUE			
Taxes	\$ 28,383,453	\$ 28,946,097	\$ 26,315,447
Grants in lieu of taxes	243,157	276,114	259,798
Services provided to other governments	1,537,479	1,638,661	1,563,861
Sales of services	888,328	1,087,018	996,749
Other revenue from own sources	735,089	1,276,278	1,291,283
Unconditional transfers from other governments	1,712,489	1,722,896	799,508
Conditional transfers from federal and provincial governments and agencies	162,319	215,584	198,957
Other	-	-	5,564
	<u>33,662,314</u>	<u>35,162,648</u>	<u>31,431,167</u>
EXPENDITURES			
General government services	3,813,233	3,438,332	3,069,870
Protective services	10,244,688	9,903,623	9,201,972
Public works and transportation services	2,084,490	2,832,960	2,138,592
Environmental health services	3,464,407	4,045,064	3,879,646
Public health services	215,000	133,565	209,342
Environmental development services	1,699,990	1,649,253	1,191,659
Recreation and cultural services	3,589,595	3,556,526	3,099,020
Other transfers	559,331	554,232	956,871
Interest on long-term debt	576,995	540,529	436,332
Appropriation to regional school boards	5,611,626	5,611,284	5,028,024
	<u>31,859,355</u>	<u>32,265,368</u>	<u>29,211,328</u>
NET REVENUE	<u>1,802,959</u>	<u>2,897,280</u>	<u>2,219,839</u>
FINANCING AND TRANSFERS			
Debenture principal instalments	(2,372,859)	(1,460,865)	(1,270,684)
Net transfer from (to) own reserves, funds and agencies	569,900	27,103	(688,737)
	<u>(1,802,959)</u>	<u>(1,433,762)</u>	<u>(1,959,421)</u>
Change in fund balance	<u>\$ -</u>	<u>1,463,518</u>	<u>260,418</u>
Opening fund balance		<u>1,510,256</u>	<u>1,249,838</u>
Opening surplus transferred to operating reserve		-	-
Closing fund balance		<u>\$ 2,973,774</u>	<u>\$ 1,510,256</u>

WEST HANTS REGIONAL MUNICIPALITY
NON-CONSOLIDATED STATEMENT OF FINANCIAL
POSITION OF THE GENERAL CAPITAL FUND
AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 1,195,000	\$ 430,429
Receivables		
Third party gas tax	1,188,246	1,113,039
Due from		
Capital reserves	6,175,732	5,991,697
Operating reserves	1,106,884	791,310
Water operating	6,024	6,024
Water capital	-	81,717
Special reserves	5,933,552	5,529,797
	<u>15,605,438</u>	<u>13,944,013</u>
Property and equipment, at cost	125,325,956	117,486,626
Accumulated amortization	(46,565,513)	(41,764,241)
Investment in Valley Waste Resource Management	152,558	152,558
	<u>78,913,001</u>	<u>75,874,943</u>
	<u>\$ 94,518,439</u>	<u>\$ 89,818,956</u>
LIABILITIES		
Payables and accruals	\$ 142,225	\$ 83,758
Due to		
Municipal operating	20,519,256	18,638,410
Water operating	-	-
Water capital	15,215	-
Deferred revenue	1,339,448	1,202,316
Asset retirement obligations	726,600	726,600
Long-term debt	16,271,547	15,300,417
	<u>39,014,291</u>	<u>35,951,501</u>
ACCUMULATED SURPLUS	<u>55,504,148</u>	<u>53,867,455</u>
	<u>\$ 94,518,439</u>	<u>\$ 89,818,956</u>
On behalf of the West Hants Regional Municipality		

 Mayor

 CAO

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF INVESTMENT IN CAPITAL ASSETS OF THE GENERAL CAPITAL FUND

YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
BALANCE, BEGINNING OF YEAR	\$ 53,867,455	\$ 51,969,752
Add:		
Capital additions	7,839,330	8,094,526
Repayment of debt	1,460,865	1,262,801
Grants	1,900,274	1,378,203
Other revenue from own sources	2,830	21,020
Interest	35,100	11,846
Insurance proceeds	86,127	209,922
Proceeds from disposal of assets	10,000	25,000
Transfers and other	(2,464,554)	(314,232)
Less:		
Proceeds of long-term debt	(2,432,007)	(4,790,941)
Net book value of assets disposed	-	-
Amortization	(4,801,272)	(4,000,442)
BALANCE, END OF YEAR	<u>\$ 55,504,148</u>	<u>\$ 53,867,455</u>

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE WEST HANTS WATER UTILITY OPERATING FUND

AS AT MARCH 31, 2025

	<u>2025</u>
ASSETS	
Cash	\$ 2,073,340
Receivables	
Water rates (net of valuation allowance \$21,950)	934,234
Prepays	5,300
Due from	
Windsor water utility	-
General operating	488,053
	<u>\$ 3,500,927</u>
LIABILITIES	
Payables and accruals	\$ 244,988
Deferred revenue	36,365
Due to	
General operating	-
Windsor water utility	-
General capital	6,024
Water capital	1,805,220
Operating reserves	10,000
Reserve for future expenditures	132,362
	<u>2,234,959</u>
ACCUMULATED SURPLUS	<u>1,265,968</u>
	<u>\$ 3,500,927</u>

On behalf of the West Hants Regional Municipality

Mayor

CAO

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE WEST HANTS WATER UTILITY OPERATING FUND

YEAR ENDED MARCH 31, 2025

	<u>2025</u> Budget	<u>2025</u> Actual
OPERATING REVENUE		
Revenue from water rates	\$ 2,002,060	\$ 2,095,247
Flat rate sales	1,186,823	1,191,514
Water supply for fire protection	1,071,342	1,199,977
Sprinkler service	6,550	7,164
Interest	21,336	49,732
Other	23,902	79,295
	<u>4,312,013</u>	<u>4,622,929</u>
OPERATING EXPENDITURES		
Source of supply	414,800	208,154
Power and pumping	-	-
Water treatment	1,081,814	1,075,770
Transmission and distribution	1,391,589	1,627,233
Administration and general	501,333	573,228
Taxes	66,064	72,502
Depreciation	725,646	1,055,922
	<u>4,181,246</u>	<u>4,612,809</u>
NET OPERATING REVENUE (EXPENDITURES)	<u>130,767</u>	<u>10,120</u>
NON-OPERATING EXPENDITURES		
Capital expenditures out of revenue	31,500	71,012
Transfer to reserves	20,000	20,000
Debenture principal	107,582	110,248
Interest repayment	30,569	30,140
	<u>189,651</u>	<u>231,400</u>
Change in fund balance	<u>\$ (58,884)</u>	<u>(221,280)</u>
Transfer of fund balances		
West Hants Water Utility		408,881
Windsor Water Utility		1,078,367
Closing fund balance		<u>\$ 1,265,968</u>

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE WEST HANTS WATER UTILITY AND WINDSOR WATER UTILITY OPERATING FUNDS

AS AT MARCH 31, 2025

	West Hants <u>2024</u>	Windsor <u>2024</u>
ASSETS		
Cash	\$ 1,546,018	\$ 803,331
Receivables		
Water rates (net of valuation allowance \$350)	549,083	-
Water rates (net of valuation allowance \$21,600)	-	344,107
Prepays	24,276	-
Due from		
West Hants water utility	-	25,338
General operating	-	237,508
	<u>\$ 2,119,377</u>	<u>\$ 1,410,284</u>
LIABILITIES		
Payables and accruals	\$ 154,610	\$ 70,746
Deferred revenue	31,756	13,322
Due to		
General operating	868,071	-
Windsor water utility	25,338	-
General capital	3,012	3,012
Water capital	515,347	244,837
Operating reserves	10,000	-
Reserve for future expenditures	102,362	-
	<u>1,710,496</u>	<u>331,917</u>
ACCUMULATED SURPLUS	<u>408,881</u>	<u>1,078,367</u>
	<u>\$ 2,119,377</u>	<u>\$ 1,410,284</u>

On behalf of the West Hants Regional Municipality

Mayor

CAO

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE WEST HANTS WATER UTILITY AND WINDSOR WATER UTILITY OPERATING FUNDS

YEAR ENDED MARCH 31, 2025

	West Hants <u>2024</u>	Windsor <u>2024</u>
OPERATING REVENUE		
Revenue from water rates	\$ 1,052,170	\$ 989,698
Flat rate sales	726,899	458,147
Water supply for fire protection	613,607	474,303
Sprinkler service	1,800	5,650
Interest	50,671	51,086
Other	(58,679)	3,500
	<u>2,386,468</u>	<u>1,982,384</u>
OPERATING EXPENDITURES		
Source of supply	442,631	9,513
Power and pumping	-	-
Water treatment	507,467	576,452
Transmission and distribution	752,605	496,265
Administration and general	284,760	136,275
Taxes	35,909	28,060
Depreciation	412,535	221,098
	<u>2,435,907</u>	<u>1,467,663</u>
NET OPERATING REVENUE (EXPENDITURES)	<u>(49,439)</u>	<u>514,721</u>
NON-OPERATING EXPENDITURES		
Capital expenditures out of revenue	68,475	23,739
Transfer to reserves	10,000	10,000
Debenture principal	60,134	146,043
Interest repayment	15,953	18,001
	<u>154,562</u>	<u>197,783</u>
Change in fund balance	(204,001)	316,938
Opening fund balance	<u>612,882</u>	<u>761,429</u>
Closing fund balance	<u>\$ 408,881</u>	<u>\$ 1,078,367</u>

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE WEST HANTS UTILITY CAPITAL FUND

AS AT MARCH 31, 2025

	<u>2025</u>
ASSETS	
Cash	\$ 926,520
Cash - depreciation	2,229,782
Receivables	4,204
Due from	
General capital	15,215
Water operating	1,805,220
Special reserves	425,453
	<u>5,406,394</u>
Capital assets at cost	35,000,216
Accumulated amortization	<u>(11,003,054)</u>
	<u>23,997,162</u>
	<u>\$ 29,403,556</u>
LIABILITIES	
Payables and accruals	\$ 39,910
Deferred government assistance	4,159,387
Asset retirement obligations	5,000
Nova Scotia Municipal Finance Corporation	1,609,671
Due to	
General operating	3,708,277
	<u>9,522,245</u>
ACCUMULATED SURPLUS	<u>19,881,311</u>
	<u>\$ 29,403,556</u>

On behalf of the West Hants Regional Municipality

Mayor

CAO

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE WINDSOR WATER UTILITY AND WEST HANTS UTILITY CAPITAL FUNDS

AS AT MARCH 31, 2025

	West Hants <u>2024</u>	Windsor <u>2024</u>
ASSETS		
Cash	\$ 886,240	\$ -
Cash - depreciation	587,351	179,410
Receivables	4,204	-
Due from		
Water operating	515,347	244,837
General operating	-	2,060,247
Special reserves	240,922	-
	<u>2,234,064</u>	<u>2,484,494</u>
Capital assets at cost	16,288,303	13,914,097
Accumulated amortization	(5,452,440)	(4,504,655)
	<u>10,835,863</u>	<u>9,409,442</u>
	<u>\$ 13,069,927</u>	<u>\$ 11,893,936</u>
LIABILITIES		
Payables and accruals	\$ 83,153	\$ -
Long-term debt	666,932	434,842
Deferred government assistance	1,085,179	3,075,034
Due to		
General operating	181,968	-
General capital	-	81,717
	<u>2,017,232</u>	<u>3,591,593</u>
ACCUMULATED SURPLUS	<u>11,052,695</u>	<u>8,302,343</u>
	<u>\$ 13,069,927</u>	<u>\$ 11,893,936</u>

On behalf of the West Hants Regional Municipality

Mayor

CAO

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF INVESTMENT IN CAPITAL ASSETS OF THE WATER UTILITY CAPITAL FUNDS

YEAR ENDED MARCH 31, 2025

<u>2025</u>	<u>West Hants</u>
BALANCE, BEGINNING OF YEAR	\$ 19,355,038
Add:	
Capital additions	4,797,815
Repayment of debt	110,248
Less:	
Proceeds from issuance of new debt	(618,146)
Net book value of assets disposed	-
Amortization	(1,055,922)
Net transfers and other	<u>(2,707,722)</u>
BALANCE, END OF YEAR	<u><u>\$ 19,881,311</u></u>

	West Hants <u>2024</u>	Windsor <u>2024</u>
BALANCE, BEGINNING OF YEAR	\$ 10,662,755	\$ 8,130,627
Add:		
Capital additions	646,672	1,195,688
Repayment of debt	68,017	146,043
Less:		
Proceeds from issuance of new debt	(13,328)	(13,328)
Amortization	(384,250)	(222,302)
Net transfers and other	<u>72,829</u>	<u>(934,385)</u>
BALANCE, END OF YEAR	<u><u>\$ 11,052,695</u></u>	<u><u>\$ 8,302,343</u></u>

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE OPERATING RESERVE FUNDS

AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 3,852,888	\$ 3,559,823
PACE program receivable	136,472	89,036
Due from		
Municipal operating	6,360,752	6,866,750
West Hants water operating	10,000	10,000
Special reserves	419,766	419,766
	<u>\$ 10,779,878</u>	<u>\$ 10,945,375</u>
Due to		
General capital	\$ 1,106,884	\$ 791,310
Capital reserves	789,328	789,328
	<u>1,896,212</u>	<u>1,580,638</u>
RESERVE	<u>8,883,666</u>	<u>9,364,737</u>
	<u>\$ 10,779,878</u>	<u>\$ 10,945,375</u>

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE OPERATING RESERVE FUNDS

YEAR ENDED MARCH 31, 2025

	Sewer Reserve	Carryover Reserve	Region Operating Reserve	West Hants Operating Reserve	Windsor Operating Reserve	Equipment Reserve	Landfill Reserve	Balance forward
REVENUE								
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	10,000	-	-	-	-	-	10,000
	-	10,000	-	-	-	-	-	10,000
EXPENDITURES								
Contributions to other organizations	-	-	150,000	-	-	-	-	150,000
NET REVENUE	-	10,000	(150,000)	-	-	-	-	(140,000)
FINANCING AND TRANSFERS								
Transfers (to) from other funds, net	-	361,708	(549,565)	(150,000)	(170,330)	-	-	(508,187)
Change in fund balance	-	371,708	(699,565)	(150,000)	(170,330)	-	-	(648,187)
Opening fund balance	242	1,176,611	2,507,487	2,533,550	1,094,393	22,844	692	7,335,819
Closing fund balance	\$ 242	\$ 1,548,319	\$ 1,807,922	\$ 2,383,550	\$ 924,063	\$ 22,844	\$ 692	\$ 6,687,632

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE OPERATING RESERVE FUNDS (CONTINUED)

YEAR ENDED MARCH 31, 2025

	General Fund Snow Removal Reserve	Swimming Pool Reserve	Hantsport Snow Removal Reserve	RCMP Operating Reserve	Acquisition of Land	Election Reserve	5% Res Land and Improvement Reserve	Balance forward
REVENUE								
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-	-
EXPENDITURES								
Contributions to other organizations	-	-	-	-	-	-	-	-
NET REVENUE	-	-	-	-	-	-	-	-
FINANCING AND TRANSFERS								
Transfers (to) from other funds, net	-	-	-	(83,215)	78,524	(50,000)	-	(54,691)
Change in fund balance	-	-	-	(83,215)	78,524	(50,000)	-	(54,691)
Opening fund balance	17,851	68,518	27,105	1,367,323	224,728	50,000	30,916	1,786,441
Closing fund balance	\$ 17,851	\$ 68,518	\$ 27,105	\$ 1,284,108	\$ 303,252	\$ -	\$ 30,916	\$ 1,731,750

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE OPERATING RESERVE FUNDS (CONTINUED)

YEAR ENDED MARCH 31, 2025

	Open Space (Brisson) Reserve	Sports Complex Donation Reserve	Fire Equipment Reserve	Boundary Reserve	Interest Earned	Balance brought forward	2025	2024
REVENUE								
Interest	\$ -	\$ -	\$ -	\$ -	\$ 117,744	\$ -	\$ 117,744	\$ 170,540
Other	-	-	-	-	-	10,000	10,000	14,368
	-	-	-	-	117,744	10,000	127,744	184,908
EXPENDITURES								
Contributions to other organizations	-	-	-	-	-	150,000	150,000	410,907
NET REVENUE	-	-	-	-	117,744	(140,000)	(22,256)	(225,999)
FINANCING AND TRANSFERS								
Transfer (to) from other funds	-	-	91,813	12,250	-	(562,878)	(458,815)	572,669
Change in fund balance	-	-	91,813	12,250	117,744	(702,878)	(481,071)	346,670
Opening fund balance	(45,885)	2,000	(16,188)	24,500	278,050	9,122,260	9,364,737	9,018,067
Closing fund balance	\$ (45,885)	\$ 2,000	\$ 75,625	\$ 36,750	\$ 395,794	\$ 8,419,382	\$ 8,883,666	\$ 9,364,737

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE SPECIAL RESERVE FUNDS

AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 11,385,903	\$ 10,216,725
Due from		
Municipal operating	3,425,095	3,045,201
Capital reserves	4,939,692	4,939,692
Cemetery	167,927	167,927
	<u>\$ 19,918,617</u>	<u>\$ 18,369,545</u>
Due to		
General capital	\$ 5,933,552	\$ 5,529,797
Water capital	425,453	240,922
Operating reserves	419,766	419,766
	<u>6,778,771</u>	<u>6,190,485</u>
RESERVE	<u>13,139,846</u>	<u>12,179,060</u>
	<u>\$ 19,918,617</u>	<u>\$ 18,369,545</u>

WEST HANTS REGIONAL MUNICIPALITY
NON-CONSOLIDATED STATEMENT OF
FINANCIAL ACTIVITIES OF THE SPECIAL RESERVE FUNDS

YEAR ENDED MARCH 31, 2025

	Consolidation Reserve	Capital Grant Reserve	Hantsport Capital Grant Reserve	Sale of Land Reserve	Hantsport Sale of Land Reserve	Tax Sale Surplus Reserve	Sinking Fund Reserve	Balance forward
REVENUE								
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Conditional transfers	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-
Gain on disposal of asset	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
EXPENDITURES								
Other expenditures	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
NET REVENUE								
	(523,792)							(523,792)
FINANCING AND TRANSFERS								
Transfers (to) from other funds, net								
Change in fund balance	(523,792)	-	-	-	-	-	-	(523,792)
Opening fund balance	3,284,704	2,327	56,801	4,583	1,479	22,499	765	3,373,158
Closing fund balance	\$ 2,760,912	\$ 2,327	\$ 56,801	\$ 4,583	\$ 1,479	\$ 22,499	\$ 765	\$ 2,849,366

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE SPECIAL RESERVE FUNDS (CONTINUED)

YEAR ENDED MARCH 31, 2025

	Dissolution Sale of Asset Reserve	Housing Accelerator Fund Reserve	Landfill Current Closure Reserve	West Hants Gas Tax Reserve	Windsor Gas Tax Reserve	Sustainability Services Growth Reserve	Balance brought forward	Balance forward
REVENUE								
Interest	-	-	-	-	-	59,414	-	59,414
Conditional transfers	-	540,943	-	-	-	-	-	540,943
Proceeds from sale of assets	-	-	-	-	-	-	-	-
Gain on disposal of asset	-	-	-	-	-	-	-	-
	-	540,943	-	-	-	59,414	-	600,357
EXPENDITURES								
Other expenditures	-	-	-	-	-	-	-	-
	-	540,943	-	-	-	59,414	-	600,357
NET REVENUE								
	-	(52,696)	-	(429,862)	-	-	(523,792)	(1,006,350)
	-	(52,696)	-	(429,862)	-	-	(523,792)	(1,006,350)
FINANCING AND TRANSFERS								
Transfers (to) from other funds, net	-	488,247	-	(429,862)	-	59,414	(523,792)	(405,993)
Total financing and transfers	35,566	-	1,662	3,057,072	-	1,107,673	3,373,158	7,575,131
Change in fund balance								
Opening fund balance	\$ 35,566	\$ 488,247	\$ 1,662	\$ 2,627,210	\$ -	\$ 1,167,087	\$ 2,849,366	\$ 7,169,138
Closing fund balance								

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE SPECIAL RESERVE FUNDS (CONTINUED)

YEAR ENDED MARCH 31, 2025

	Gas Tax Reserve	ARO Reserve	Hantsport Smoothing Reserve	Interest earned	Investment in Capital Assets Reserve	Dissolution Transition Reserve	Balance brought forward	Balance forward
REVENUE								
Interest	\$ 287,525	\$ -	\$ -	\$ 164,539	\$ -	\$ -	\$ 59,414	\$ 511,478
Conditional transfers	1,084,369	-	-	-	-	-	540,943	1,625,312
Proceeds from sale of assets	-	-	-	-	-	-	-	-
Gain on disposal of asset	-	-	-	-	-	-	-	-
	1,371,894	-	-	164,539	-	-	600,357	2,136,790
EXPENDITURES								
Other expenditures	-	54,900	-	-	-	-	-	54,900
	1,371,894	(54,900)	-	164,539	-	-	600,357	2,081,890
FINANCING AND TRANSFERS								
Transfers (to) from other funds, net	(437,446)	218,980	(60,030)	-	-	-	(1,006,350)	(1,284,846)
Change in fund balance	934,448	164,080	(60,030)	164,539	-	-	(405,993)	797,044
Opening fund balance	2,085,399	267,154	60,030	347,871	56,475	173,675	7,575,131	10,565,735
Closing fund balance	\$ 3,019,847	\$ 431,234	\$ -	\$ 512,410	\$ 56,475	\$ 173,675	\$ 7,169,138	\$ 11,362,779

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE SPECIAL RESERVE FUNDS (CONTINUED)

YEAR ENDED MARCH 31, 2025

	Infrastructure - Hantsport Dissolution Reserve	Hantsport Infrastructure Reserve	Windsor Infrastructure Reserve	Hantsport Tax Sale Surplus Reserve	Balance brought forward	2025	2024
REVENUE							
Interest	\$ -	\$ -	\$ -	\$ -	\$ 511,478	\$ 511,478	\$ 685,874
Conditional transfers	-	-	-	-	1,625,312	1,625,312	2,138,046
Proceeds from sale of assets	-	-	-	-	-	-	-
Gain on disposal of asset	-	-	-	-	-	-	-
	-	-	-	-	2,136,790	2,136,790	2,823,920
EXPENDITURES							
Other expenditures	-	-	-	-	54,900	54,900	430,480
NET REVENUE	-	-	-	-	2,081,890	2,081,890	2,393,440
FINANCING AND TRANSFERS							
Transfers (to) from other funds, net	-	185,387	(21,645)	-	(1,284,846)	(1,121,104)	(2,373,317)
Change in fund balance	-	185,387	(21,645)	-	797,044	960,786	20,123
Opening fund balance	-	1,163,386	445,249	4,690	10,565,735	12,179,060	12,158,937
Closing fund balance	-	\$ 1,348,773	\$ 423,604	\$ 4,690	\$ 11,362,779	\$ 13,139,846	\$ 12,179,060

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CAPITAL RESERVE FUNDS

AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 1,944,061	\$ 2,930,922
Due from		
Municipal operating	13,617,875	12,154,967
Operating reserves	789,328	789,328
	<u>\$ 16,351,264</u>	<u>\$ 15,875,217</u>
Due to		
General capital	\$ 6,175,732	\$ 5,991,696
Cemetery	167,927	167,927
Special reserves	4,939,692	4,939,692
	<u>11,283,351</u>	<u>11,099,315</u>
RESERVE	<u>5,067,913</u>	<u>4,775,902</u>
	<u>\$ 16,351,264</u>	<u>\$ 15,875,217</u>

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE CAPITAL RESERVE FUNDS

YEAR ENDED MARCH 31, 2025

	Building Reserve	Transportation Reserve	Vehicle Reserve	West Hants		Windsor Fire		West Hants Sewer		Windsor Sewer		Sale of Land Reserve	Road Infrastructure Reserve		Balance Forward
				Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve		Reserve	Reserve	
REVENUE															
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	-	-	-	-	-	-	-	-	-	-	-	252,810	-	-	252,810
	-	-	-	-	-	-	-	-	-	-	-	252,810	-	-	252,810
EXPENDITURES															
Contributions to other organizations	-	-	-	-	-	-	-	-	-	-	-	95,049	-	-	95,049
NET REVENUE	-	-	-	-	-	-	-	-	-	-	-	157,761	-	-	157,761
FINANCING AND TRANSFERS															
Transfers (to) from other funds, net	(36,341)	7,305	(7,305)	(95,776)	(53,092)	355,397	(135,644)	-	-	-	-	396,570	-	-	431,114
Change in fund balance	(36,341)	7,305	(7,305)	(95,776)	(53,092)	355,397	(135,644)	157,761	396,570	588,875					
Opening fund balance	684,396	176,083	7,305	1,444,772	272,674	-	562,647	116,594	413,168	3,677,639					
Closing fund balance	\$ 648,055	\$ 183,388	\$ -	\$ 1,348,996	\$ 219,582	\$ 355,397	\$ 427,003	\$ 274,355	\$ 809,738	\$ 4,266,514					

WEST HANTS REGIONAL MUNICIPALITY
NON-CONSOLIDATED STATEMENT OF
FINANCIAL ACTIVITIES OF THE CAPITAL RESERVE FUNDS (CONTINUED)

YEAR ENDED MARCH 31, 2025

	Windsor Equipment Reserve	Recreation Reserve	Vehicle Reserve	Capital Reserve	Building Reserve	Hantsport Fire Reserve	Interest Earned Reserve	Balance forward	2025	2024
REVENUE										
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,741	\$ -	\$ 115,741	\$ 175,536
Other revenue	-	-	-	-	-	75	-	252,810	252,885	65,950
	-	-	-	-	-	75	115,741	252,810	368,626	241,486
EXPENDITURES										
Contributions to other organizations	-	-	-	-	-	-	-	95,049	95,049	696
NET REVENUE	-	-	-	-	-	75	115,741	157,761	273,577	240,790
FINANCING AND TRANSFERS										
Transfers (to) from other funds, net	(201,243)	-	(161,963)	(10,162)	(39,312)	-	-	431,114	18,434	(81,141)
Change in fund balance	(201,243)	-	(161,963)	(10,162)	(39,312)	75	115,741	588,875	292,011	159,649
Opening fund balance	236,910	215,633	226,590	(56,395)	159,969	19,644	295,912	3,677,639	4,775,902	4,616,253
Closing fund balance	\$ 35,667	\$ 215,633	\$ 64,627	\$ (66,557)	\$ 120,657	\$ 19,719	\$ 411,653	\$ 4,266,514	\$ 5,067,913	\$ 4,775,902

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE SCHOOL FUNDS

AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Falmouth District School	\$ 277,199	\$ 277,199
School Bus garage	<u>407,273</u>	<u>407,273</u>
	684,472	684,472
Accumulated amortization	<u>(684,472)</u>	<u>(684,472)</u>
	<u>\$ -</u>	<u>\$ -</u>
SURPLUS	<u>\$ -</u>	<u>\$ -</u>

On behalf of the West Hants Regional Municipality

Mayor

CAO

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE CEMETERY FUND

AS AT MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 53,878	\$ 51,311
Land	42,591	42,591
Due to		
Capital reserves	167,928	167,928
General capital	224,728	201,765
	<u>\$ 489,125</u>	<u>\$ 463,595</u>
Due to		
Special reserves	\$ 167,928	\$ 167,928
Deferred revenue	1,000	1,000
ACCUMULATED SURPLUS	<u>320,197</u>	294,667
	<u>\$ 489,125</u>	<u>\$ 463,595</u>

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE CEMETERY FUND

YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
REVENUE		
Operating grant	\$ 80,758	\$ 83,345
Interest income	2,567	2,119
Sale of lots	8,784	10,034
Care of lots	7,157	6,845
Burial fees	17,661	22,014
	<u>116,927</u>	<u>124,357</u>
EXPENDITURES		
Wages	71,970	95,385
Ground maintenance	14,767	18,588
Equipment maintenance	661	1,432
General projects	185	312
Miscellaneous	3,814	4,248
	<u>91,397</u>	<u>119,965</u>
Change in fund balance	25,530	4,392
Opening fund balance	<u>294,667</u>	<u>290,275</u>
Closing fund balance	<u>\$ 320,197</u>	<u>\$ 294,667</u>

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE TRUST FUNDS

AS AT MARCH 31, 2025

	Perpetual Care Cemetery	Grace Oulton	Ellen Beazley Scholarship	Windsor Trust Fund	Windsor Youth Recreation	2025	2024
ASSETS							
Cash	\$ 91,874	\$ -	\$ (15)	\$ 91,940	\$ 34,981	\$ 218,780	\$ 209,003
Investment	71,728	21,993	-	260,682	-	354,403	350,118
Land	-	1	-	-	-	1	1
	<u>\$ 163,602</u>	<u>\$ 21,994</u>	<u>\$ (15)</u>	<u>\$ 352,622</u>	<u>\$ 34,981</u>	<u>\$ 573,184</u>	<u>\$ 559,122</u>
Due to Municipal operating	\$ (11,453)	\$ 4,113	\$ (8,358)	\$ 37,354	\$ 4,704	\$ 26,360	\$ 26,360
TRUST BALANCE	175,055	17,881	8,343	315,268	30,277	546,824	532,762
	<u>\$ 163,602</u>	<u>\$ 21,994</u>	<u>\$ (15)</u>	<u>\$ 352,622</u>	<u>\$ 34,981</u>	<u>\$ 573,184</u>	<u>\$ 559,122</u>

WEST HANTS REGIONAL MUNICIPALITY

NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES OF THE TRUST FUNDS

YEAR ENDED MARCH 31, 2025

	Perpetual Care Cemetery	Grace Oulton	Ellen Beazley Scholarship	Windsor Trust Fund	Windsor Youth Recreation	2025	2024
REVENUE							
Interest earned	\$ 13,889	\$ -	\$ -	\$ 173	\$ -	\$ 14,062	\$ 14,982
Investment income	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
	<u>13,889</u>	<u>-</u>	<u>-</u>	<u>173</u>	<u>-</u>	<u>14,062</u>	<u>14,982</u>
NET REVENUE	13,889	-	-	173	-	14,062	14,982
Change in fund balance	13,889	-	-	173	-	14,062	14,982
Opening fund balance	161,166	17,881	8,343	315,095	30,277	532,762	517,780
Closing fund balance	<u>\$ 175,055</u>	<u>\$ 17,881</u>	<u>\$ 8,343</u>	<u>\$ 315,268</u>	<u>\$ 30,277</u>	<u>\$ 546,824</u>	<u>\$ 532,762</u>

On behalf of the West Hants Regional Municipality

Mayor

CAO



WEST HANTS REGIONAL MUNICIPALITY REPORT

Information <input checked="" type="checkbox"/>	Recommendation <input type="checkbox"/>	Decision Request <input type="checkbox"/>	Councillor Activity <input type="checkbox"/>
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To: Audit Committee

Submitted by: _____
Carlee Rochon, Director, Financial Services

Date: February 4, 2026

Subject: 2023-2024 Financial Condition Index

LEGISLATIVE AUTHORITY

Municipal Government Act 44 (f)

RECOMMENDATION or DECISION REQUEST

Not Applicable

BACKGROUND

Property <input type="checkbox"/>	Public Opinion <input type="checkbox"/>	Environment <input type="checkbox"/>	Social <input type="checkbox"/>	Economic <input checked="" type="checkbox"/>	Councillor Activity <input type="checkbox"/>
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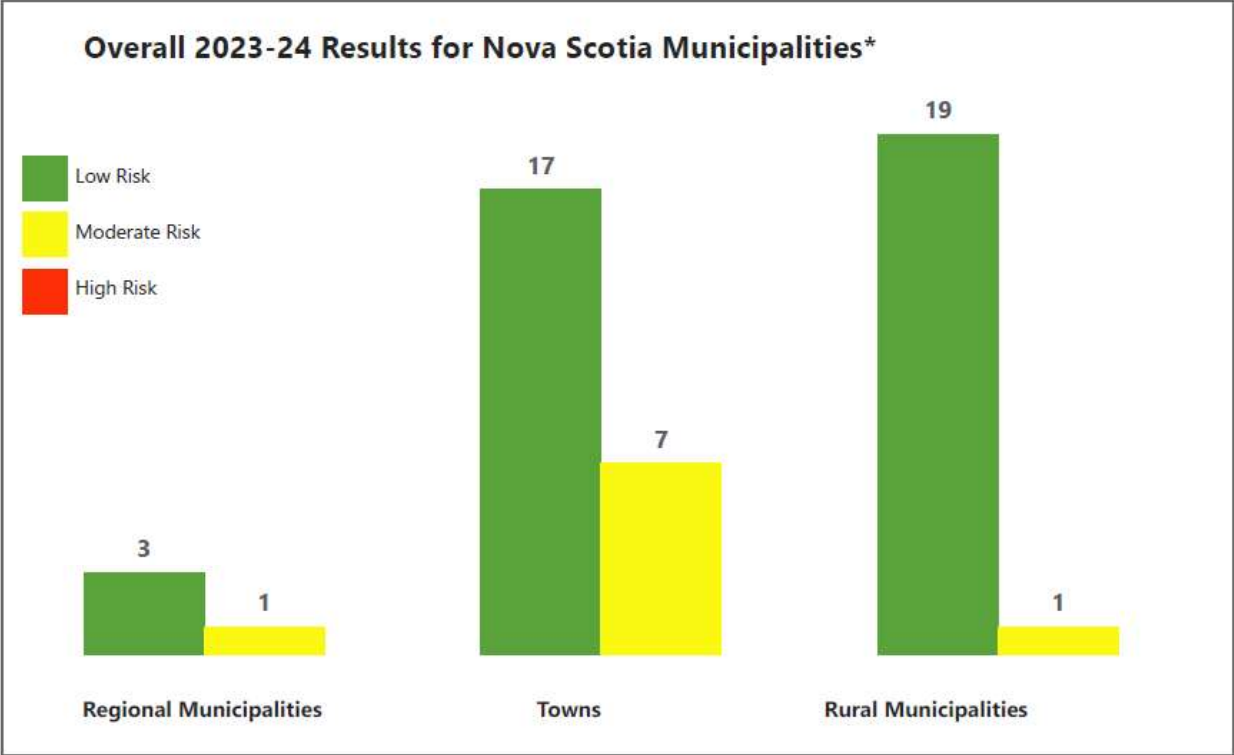
The FCI helps Municipal Councils and Nova Scotians make sense of municipal financial information by providing various forms of analysis in a single document.

The Index is organized into three financial dimensions:

1. Roof – Assesses the overall health of the municipality
2. Structure – Factors that impact the overall health of the municipality
3. Base – Factors that the municipality does not have control over but impacts the financial health of the municipality.

The index was developed jointly by the Province of Nova Scotia, the Nova Scotia Federation of Municipalities (formally the UNSM), and the Association of Municipal Administrators.

Thresholds have been established which compare individual municipal performances against the performance of other Nova Scotian municipalities.



*Please note, these results do not include details from the Town of Mahone Bay due to outstanding financial reporting.

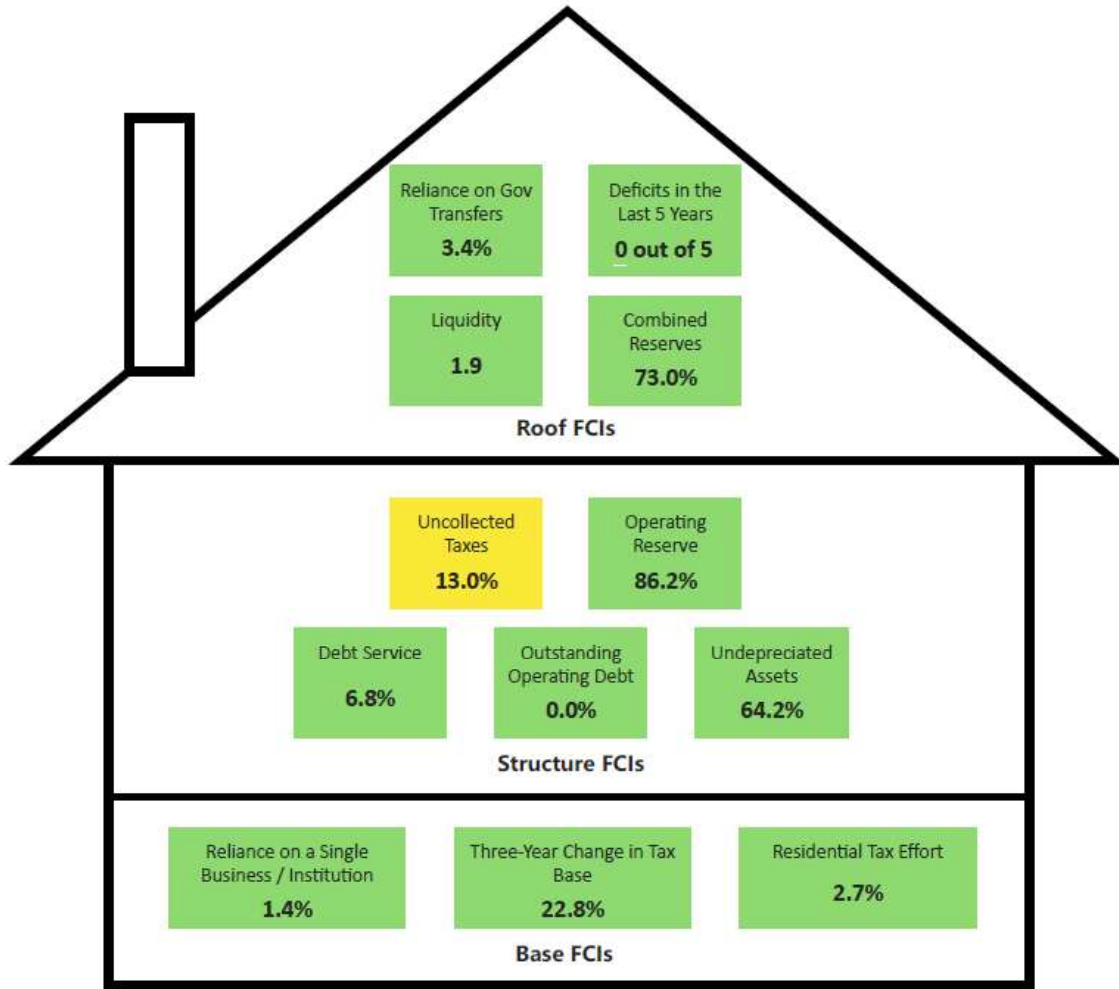
Financial data used to create the FCI results for West Hants Regional Municipality (WHRM) comes from the 2023-24 Financial Information Return, which is based on the audited statements. For the purposes of this information report, we will only review the FCIs that are yellow or red.

Included as an attachment this report is the 2022-23 Financial Condition Index. Both 2022-23 and 2023-24 Financial Condition Index reports were released recently by the province. For the purposes of this report, staff have reviewed and discussed the most recent report.

DISCUSSION

West Hants Regional Municipality

The 2023-24 FCI summary has the overall Financial Condition rating of West Hants at Low Risk.



The Yellow indicator relates to Uncollected Taxes. This indicator is used to represent a municipality’s ability to collect outstanding taxes. This has been ongoing moderate risk since the former West Hants Municipality. Below are the risk thresholds for Uncollected Taxes, WHRM would need to have less than 10% to move into the green indicator.



Every effort is made to ensure effective tax collection continues, however we have some challenging files that remain uncollected.

NEXT STEPS

Not Applicable

FINANCIAL IMPLICATIONS

Not Applicable

ALTERNATIVES

Not Applicable

ATTACHMENTS

- FCI Municipal Report –West Hants Regional Municipality – March 31, 2024
- FCI Municipal Report –West Hants Regional Municipality – March 31, 2023

CHIEF ADMINISTRATIVE OFFICER REVIEW

Comments

Report Prepared by: _____
Carlee Rochon, Director Financial Services

Report Reviewed by: _____
Mark Phillips, Chief Administrative Officer



Municipal Report



West Hants Regional Municipality

Department of Municipal Affairs

Municipal Profile and
Financial Condition Indicators Results

2023-24

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Introduction

The Department of Municipal Affairs compiles municipal indicators on behalf of the Nova Scotia Government and the Association of Municipal Administrators of Nova Scotia (AMANS) that focus on three areas:

- financial matters;
- administration of the municipality; and
- characteristics of the community.

This report creates a snapshot from those financial and demographic statistics to help community members and decision makers better understand:

- the municipality in which they live;
- the municipality's key characteristics; and
- the municipality's financial risks.

For example, the snapshot makes it easy to:

- compare the Three-Year Change in Tax Base indicator to understand the municipality's revenue growth in comparison to cost of living; and
- use the change in population to indicate whether a community's population is growing or declining and its potential impact on municipal revenues and expenses.



Chapter 1 - Municipal Profile

Municipalities are diverse and operate within unique demographic and economic characteristics. These characteristics have a significant impact on municipal performance and subsequent strategies required to ensure a sustainable environment. This chapter outlines the unique demographic and economic characteristics of the Municipality, specifically its composition, population trends, demographics, median household income levels, employment rates, and educational attainment. The municipal profile trends could have impacts on the current and potential future tax base for a municipality.



Municipal Profile - Highlights

About the Municipality

Located in:	Hants County
Approximate size:	1,251 km ²
Number of dwellings*:	9,950
Government:	12 Elected councillors (including the Mayor)

Nova Scotia Municipality of the District of West Hants



Figure 1 - Location of Municipality

*Number of Dwellings Data Source: 2023 Property Valuation Services Corporation filed roll

Municipal Profile - Highlights

Population Highlights

Municipal Population 2021 Census:	19,498
Percent of Provincial population:	2.03%
Municipal Population 5-year trend:	2.53%
County's 5-year trend:	4.12%

Since the last census in 2016, **482** more people live in the Municipality

Population Change from 2016 to 2021

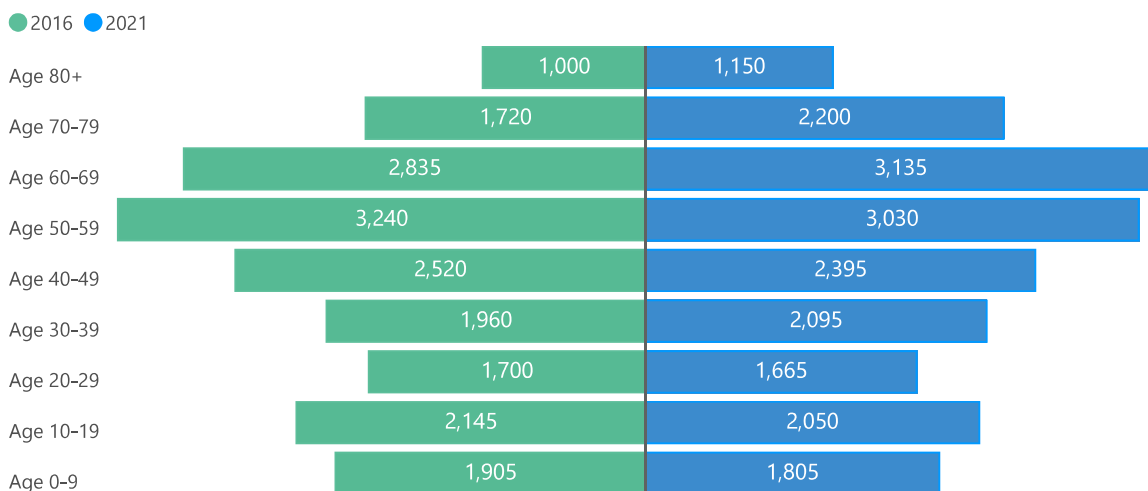


Figure 2 - Population Change from 2016 to 2021 (rounded to nearest five). Source: Statistics Canada

Municipal Profile - Highlights

Population Trends

20-year trend: Growing (supported by Figure 3 below)

Highest Age Bracket: 60-69 years of age (supported by Figure 4 below)

Population Trend from 2001 to 2021

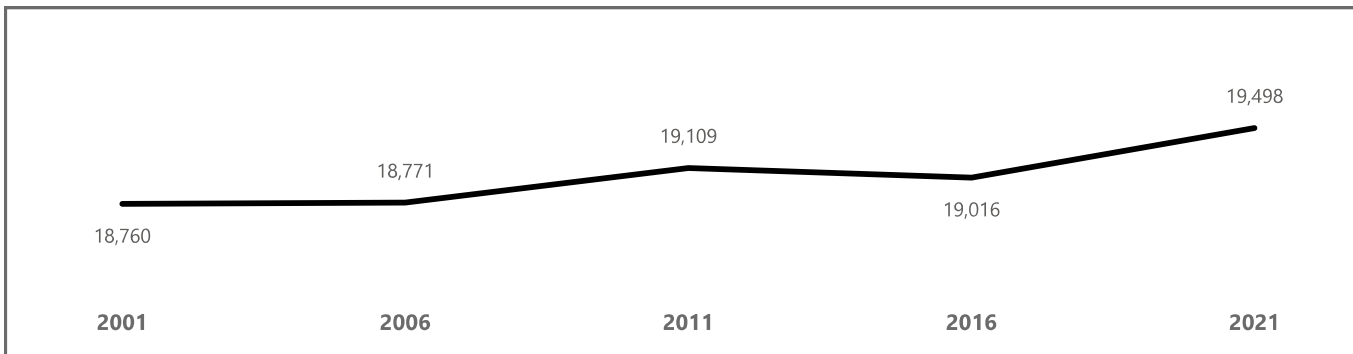


Figure 3 - Population from 2001-2021. Source: Statistics Canada

Population Change from 2016 to 2021

Year ● 2016 ● 2021

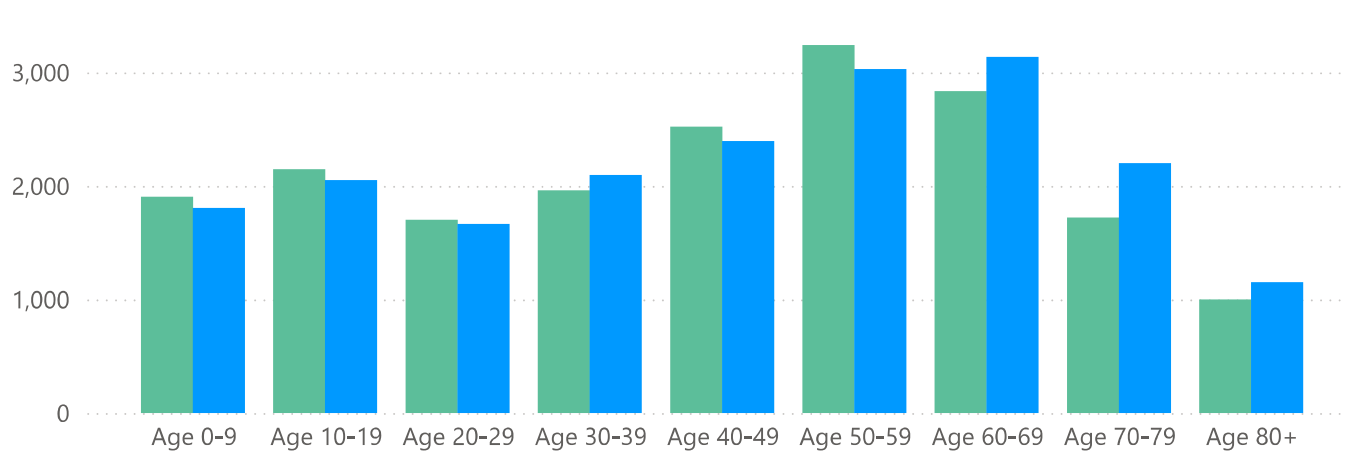


Figure 4 - Population by Age Group from 2016 to 2021. Source: Statistics Canada

Municipal Profile - Highlights

Population Comparison

Comparison of the West Hants Regional Municipality vs. the Regional Average

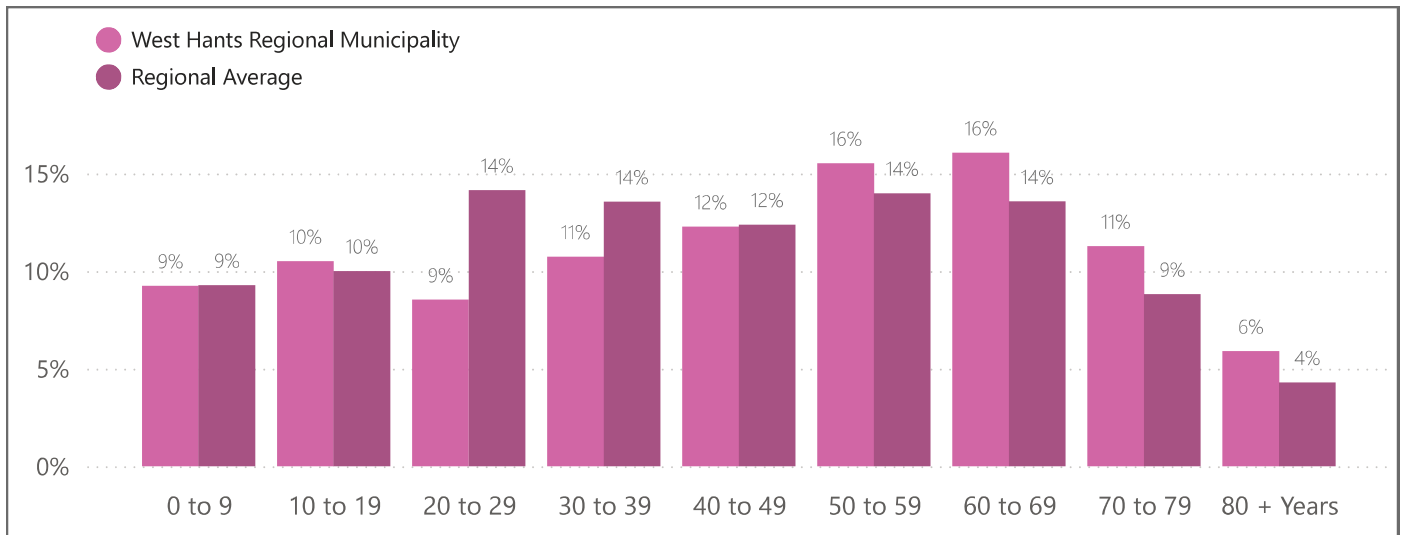


Figure 5 - Population by Age Group. Source: Statistics Canada

Comparison of the West Hants Regional Municipality vs. the Provincial Average

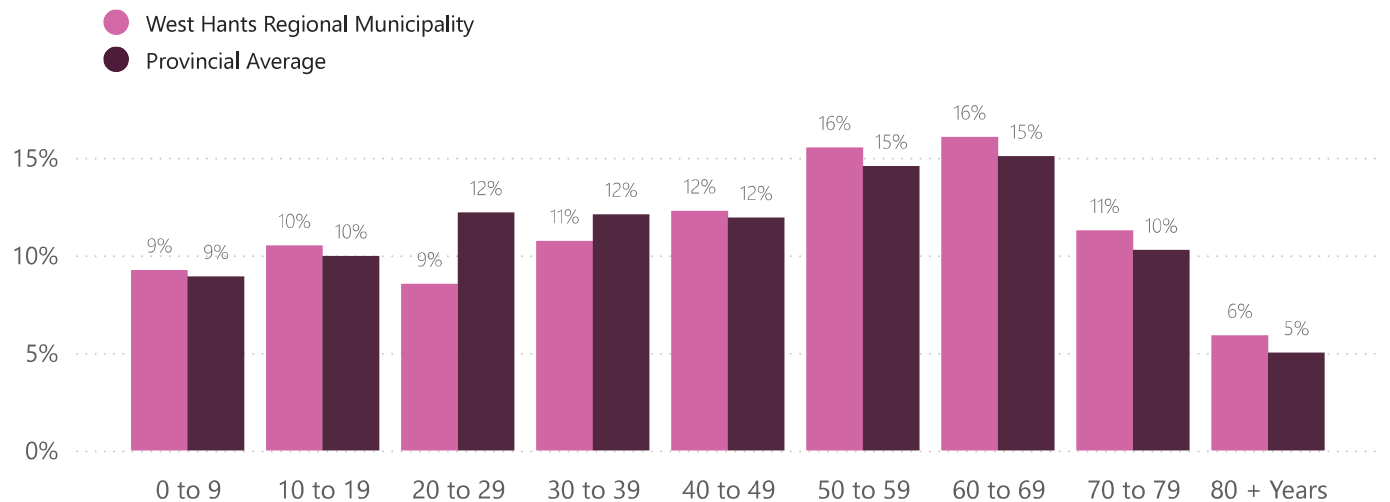


Figure 6 - Population by Age Group. Source: Statistics Canada

Municipal Profile - Highlights

Age Group Comparison

Population Age Groups

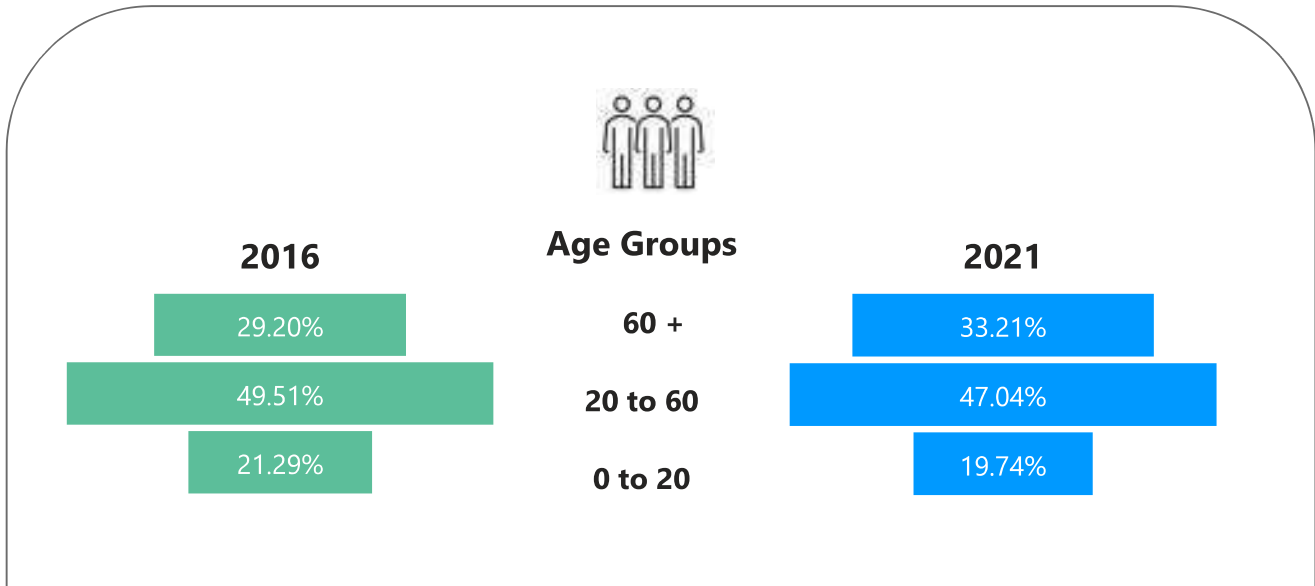


Figure 7 - Population by Age Group 2016 vs 2021. Source: Statistics Canada

Generational Groups

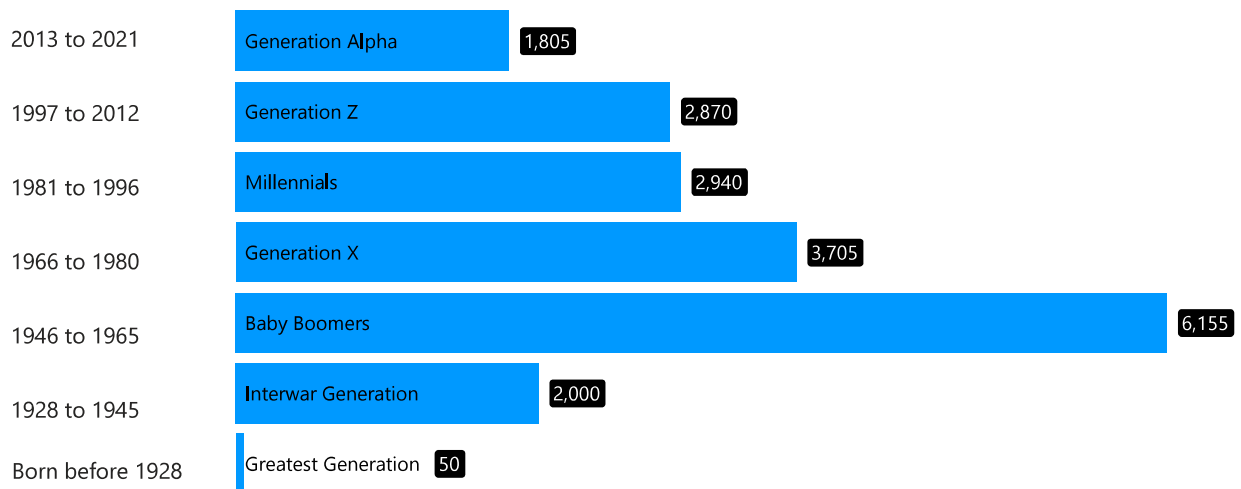


Figure 8 - Population by Generation for 2021 (rounded to nearest five). Source: Statistics Canada

Municipal Profile - Highlights

Population Outlook

Population Trend 2001 to 2021 (Actuals) and 2022 to 2024 (Estimates) West Hants Regional Municipality

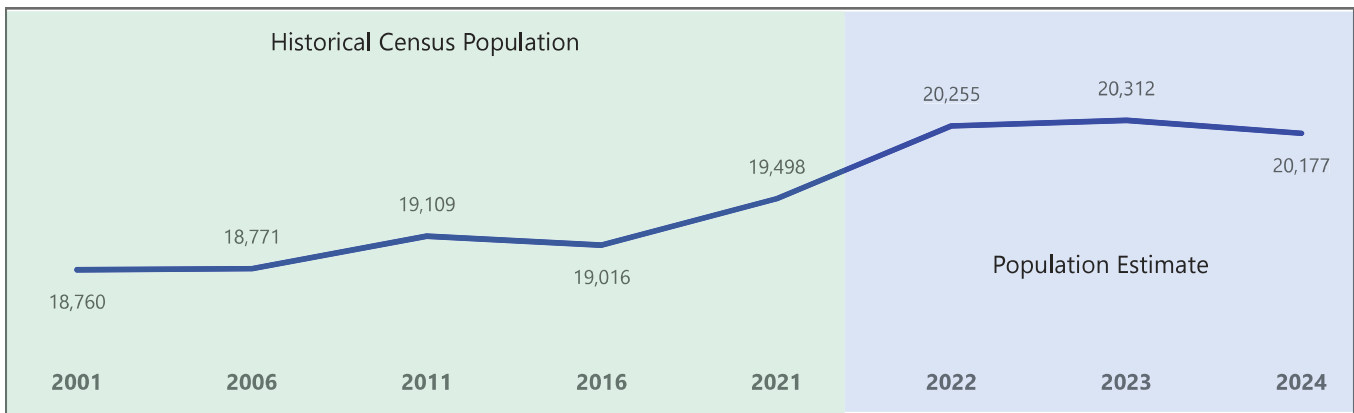


Figure 9 - Historical population from 2001 to 2021 is based on census data. Population estimates for 2022 to 2024 are based on the projections released January 16, 2025 Source: Statistics Canada

Population Trend 2001 to 2021 (Actuals) and 2022 to 2024 (Estimates) Nova Scotia

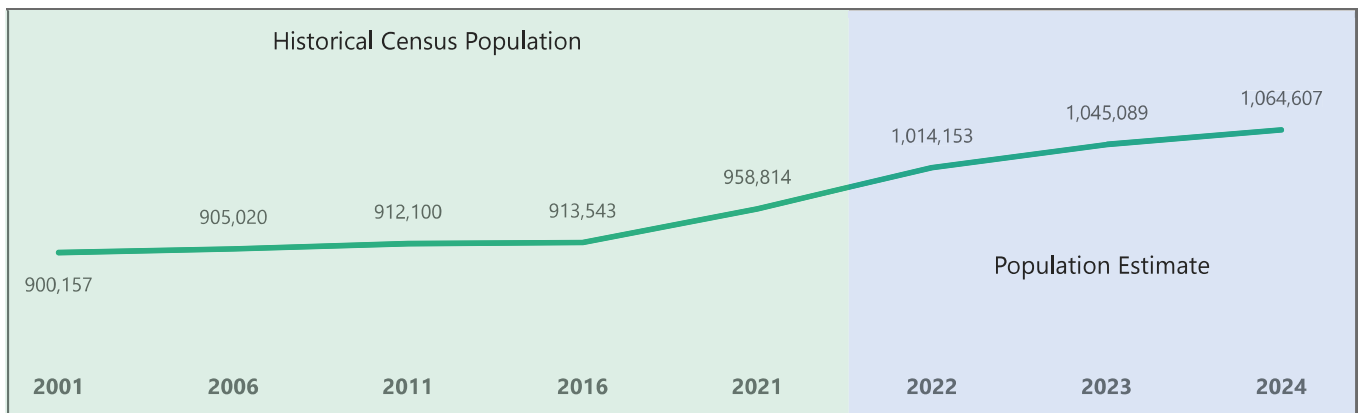


Figure 10 - Historical population from 2001 to 2021 is based on census data. Population estimates for 2022 to 2024 are based on the projections released January 16, 2025 Source: Statistics Canada

Municipal Profile - Highlights

Economic Indicators

Along with population trends, employment rates and median household income are important economic indicators. Education levels can also play a crucial role in economic and social progress and can help improve income distribution. These factors provide an indication of the wellbeing of the economy and labour force.

	2016 Census	2021 Census	+/-	Provincial Average
Median household Income:	\$58,601	\$69,500	\$10,899	\$61,724
Employment rate:	52.7%	50.1%	-2.6%	46.2%
Education level:	51.8%	51.6%	-0.2%	50.5%

Figure 11 - 2021 Census; Source: Statistics Canada

Median household Income:	West Hants Regional Municipality median household income increased since 2016.
Employment rate:	The employment rate at the West Hants Regional Municipality decreased since 2016.
Education level:	The education level at the West Hants Regional Municipality decreased since 2016.

Chapter 2 - Assessment Information

Since property taxes are a primary source of revenue for most municipalities, special emphasis has been placed on reviewing assessment trends. For more information about the following financial indicators, please refer to Chapter 4 - Financial Condition Indicators.

Three-year change in Tax Base (Uniform Assessment¹): 22.8% Growth is keeping pace with the cost of living

Reliance on a Single Business or Institution: 1.4% Not dependent (Low Risk)

Residential Tax Effort: 2.7% Has some flexibility (Low Risk)

The line graphs below show the five-year trend of residential and commercial portion of the municipality's taxable assessment.

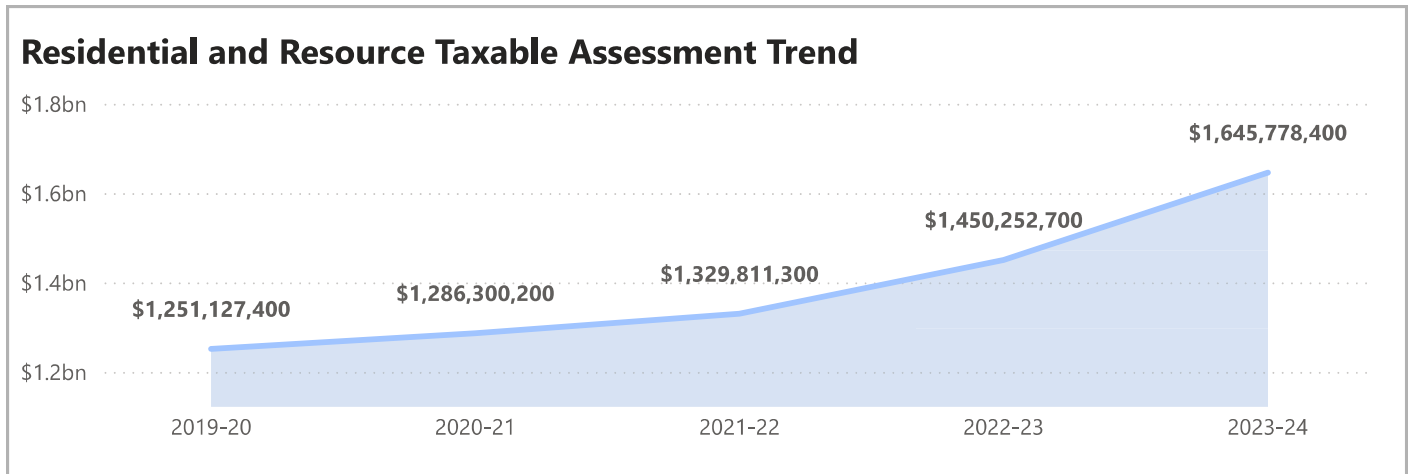


Figure 12 - Residential taxable assessment over the last five years. Source: 2019-20 to 2023-24 Statement of Estimates - Assessment

Commercial Taxable Assessment Trend

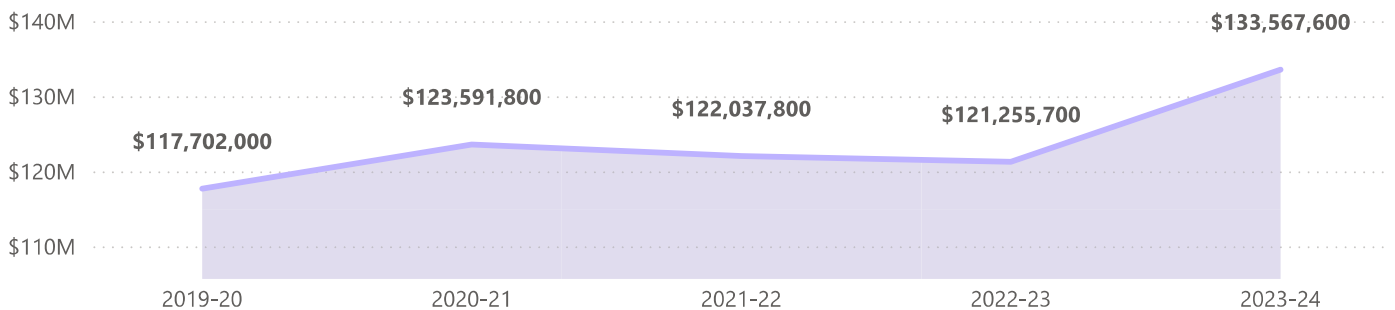


Figure 13 - Commercial taxable assessment over the last five years. Source: 2019-20 to 2023-24 Statement of Estimates - Assessment

¹ Uniform assessment is the value of a municipality's taxable property assessment plus the capitalized value of payments in lieu of taxes.

Chapter 3 - Financial Information

General Overview

Audited financial statements are presented on a consolidated basis. These consolidated financial statements present all municipal entities as one single reporting entity:

- all the individual funds managed by the Municipality
- organizations or enterprises that the Municipality owns or controls, such as:
 - Cemetery

The Municipality's non-consolidated financial statements present the individual funds managed by the Municipality, such as the General Operating Fund, General Capital Fund, Non-operating Reserve Fund, Operating Reserve Fund and, if applicable, Water Operating Fund, Water Capital Fund, Water Reserve Fund, Electric Operating Fund, Electric Capital Fund, and Electric Reserve Fund. Non-consolidated financial statements are reconciled but not audited².

Financial Reporting Compliance

Legislated Requirements

Submitted before deadline³:

- | | |
|---|------------|
| ◦ Audited Consolidated Financial Statements | No |
| ◦ Financial Information Return (FIR) | No |
| ◦ Statement of Estimates - Assessment (SOE-A) | No |
| ◦ Statement of Estimates - Budget (SOE-B) | Yes |
| ◦ Management Letter/Internal Control Letter | No |
| ◦ Summary Report of Expenses | No |
| ◦ Summary Report of Hospitality Expenses | No |

Financial Statements include:

- | | |
|---|------------|
| ◦ Unqualified Audit Opinion | Yes |
| ◦ Elected Officials remuneration and expenses | Yes |

Expense and Hospitality report posted online quarterly	Yes
--	------------

² Please be advised that, although the Department of Municipal Affairs reconciles, at a high level, a municipality's non-consolidated financial statements to the consolidated financial statements, the non-consolidated financial statements are usually not audited nor presented in full accordance with Canadian public sector accounting standards.

³ Annually, municipalities are required to submit their financial information by Sept 30th.

Financial Highlights

Revenue

Total consolidated revenue:	\$35.2 Million
Revenue generated from own source revenue*:	\$30.7 Million
Total general operating revenue:	\$25.9 Million
Largest general operating revenue:	79% Net property taxes and payments in lieu of taxes

Expenses

Total consolidated expenses**:	\$31.5 Million
Total general operating expenses:	\$23.7 Million
Largest general operating expense:	39% Protective services

Annual Surplus

Annual consolidated surplus (deficit):	\$3.8 Million
Consolidated accumulated surplus (deficit):	\$97.7 Million
Annual general operating surplus (deficit):	\$260.4 Thousand

Debt

Total consolidated long-term debt:	\$16.4 Million
Total general capital fund long-term debt:	\$15.3 Million
General operating fund bank indebtedness:	\$0

* Total consolidated revenue excluding government transfers

** Net of extraordinary and special revenue item(s)

Revenue

\$35.2M

2023-24 Consolidated Revenue

Total consolidated revenue: \$35.2 Million

Largest revenue: \$20.6 Million Net property taxes and payments in lieu of taxes

Revenue generated from own source revenue: 87.05%

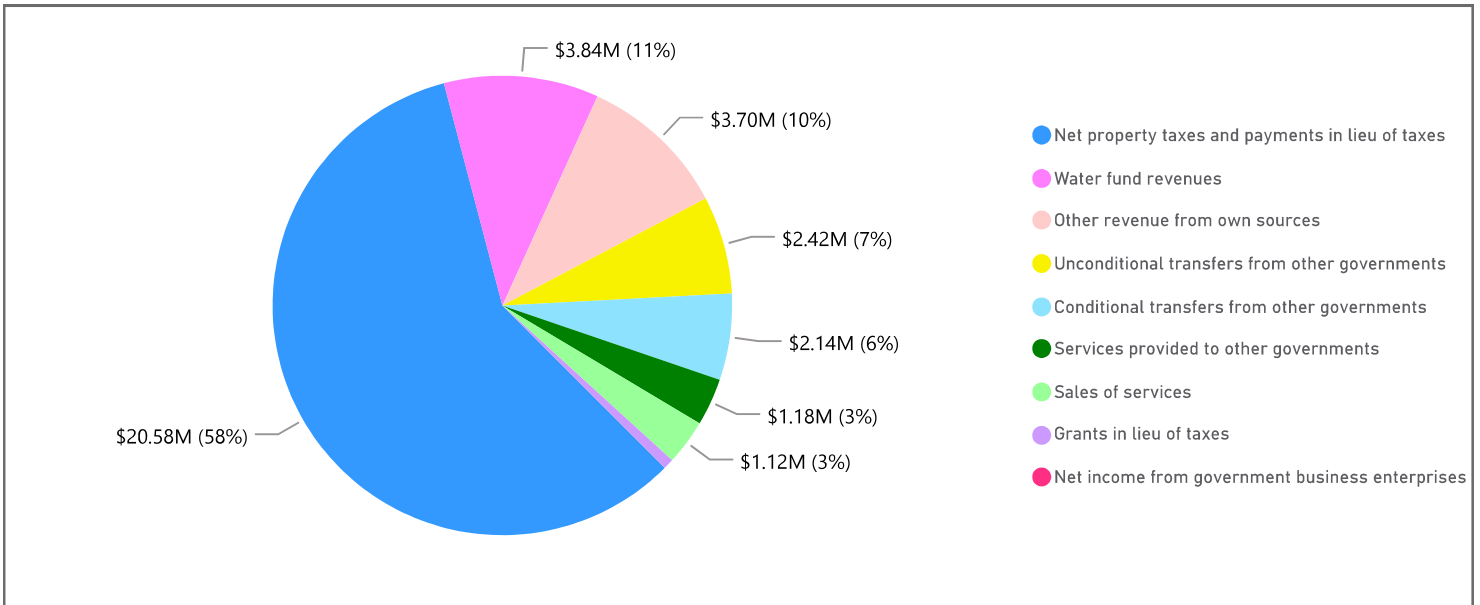
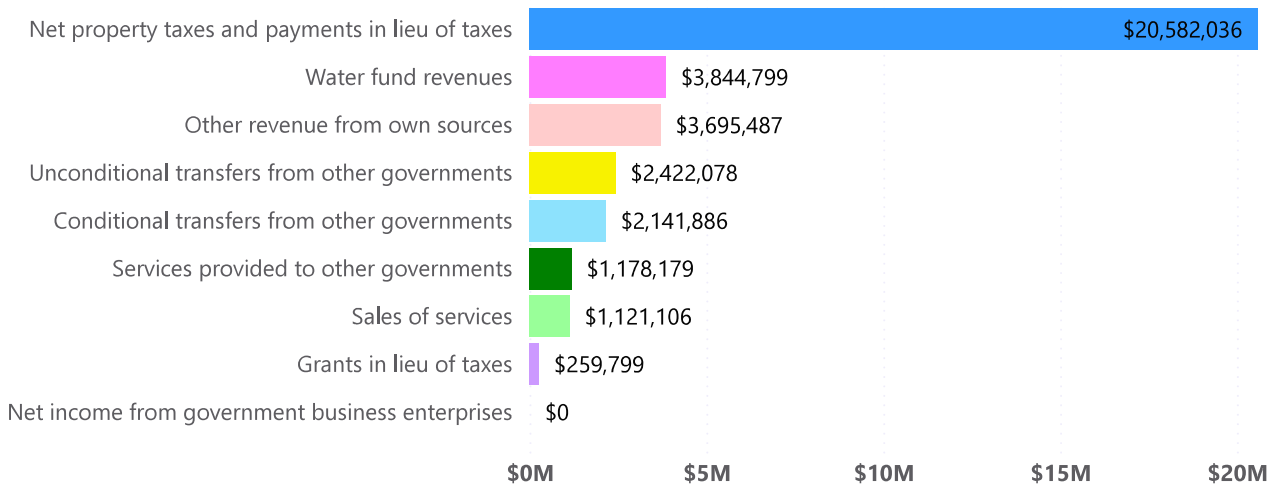


Figure 14 - Consolidated Revenue Source: 2023-24 Financial Information Return

The graphs above and below show the Municipality's consolidated revenue divided into categories.

Consolidated Revenue



Revenue

\$25.9M

2023-24 General Operating Revenue

Total general operating revenue:	\$25.9 Million
Largest general operating revenue:	79% Net property taxes and payments in lieu of taxes
Uncollected Taxes Financial Condition Indicator (FCI):	13.0%
Reliance on Government Transfers (FCI):	3.4%

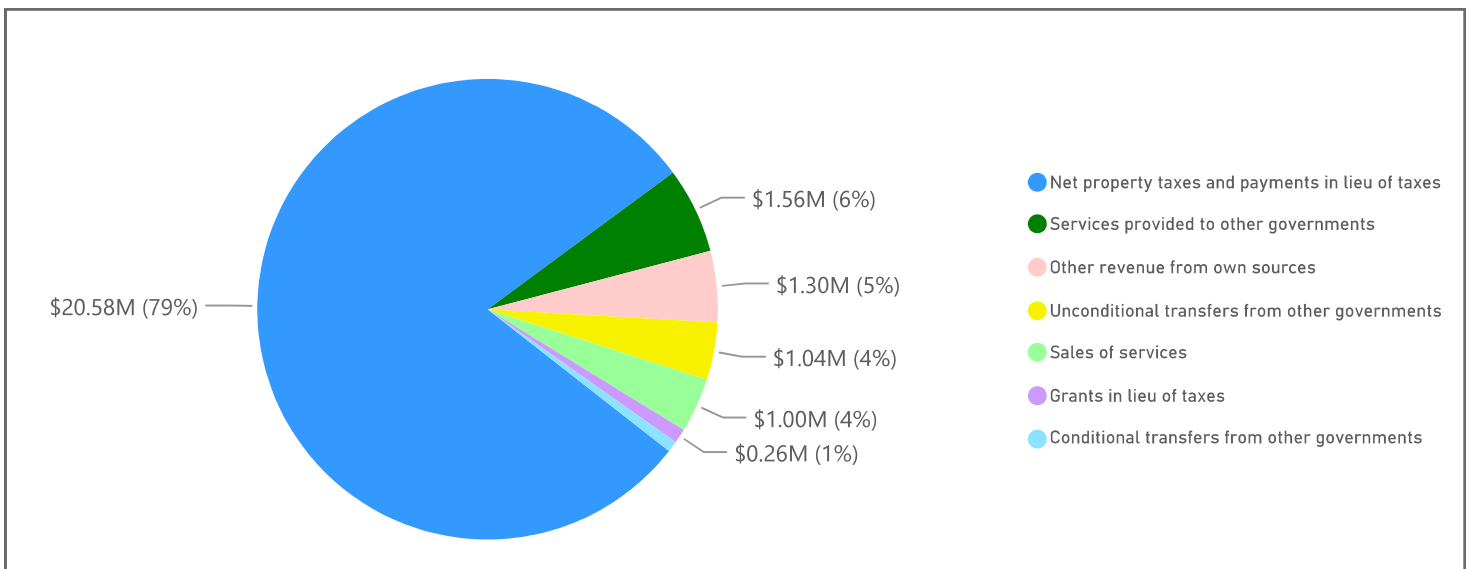
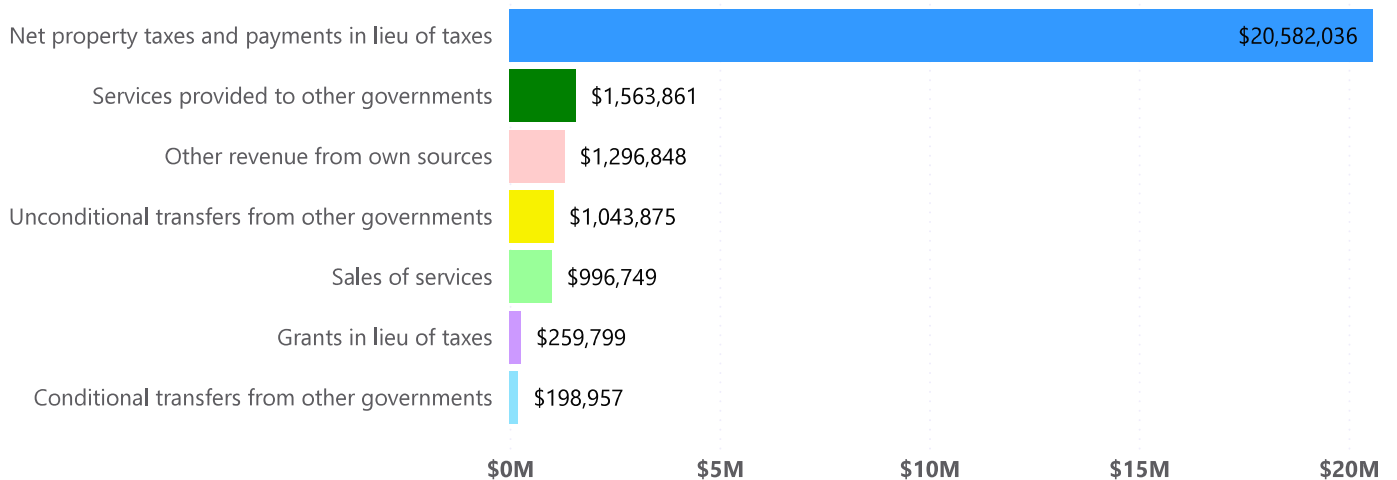


Figure 15 - General Operating Fund Revenue: 2023-24 Financial Information Return

The graphs above and below show the Municipality's general operating fund revenue divided into categories.

General Operating Revenue



Expenses

\$31.5M

2023-24 Consolidated Expenses

Total consolidated expenses: \$31.5 Million
 Largest expense: 33% Protective services

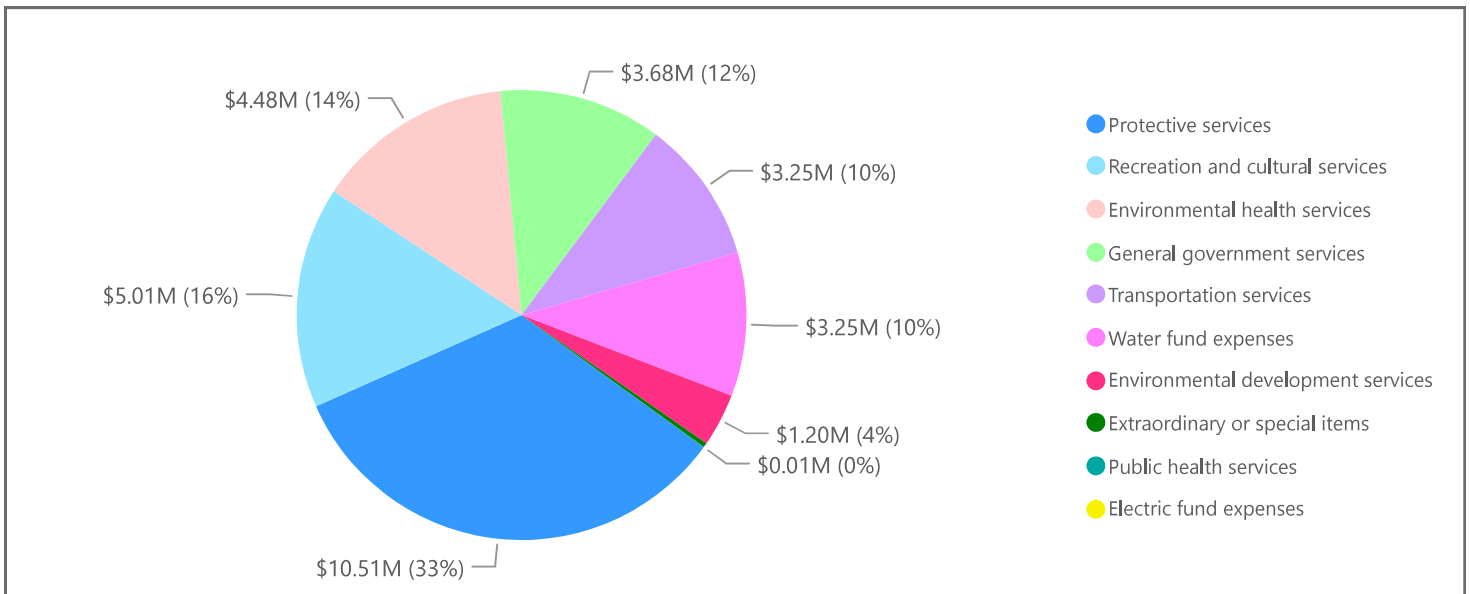
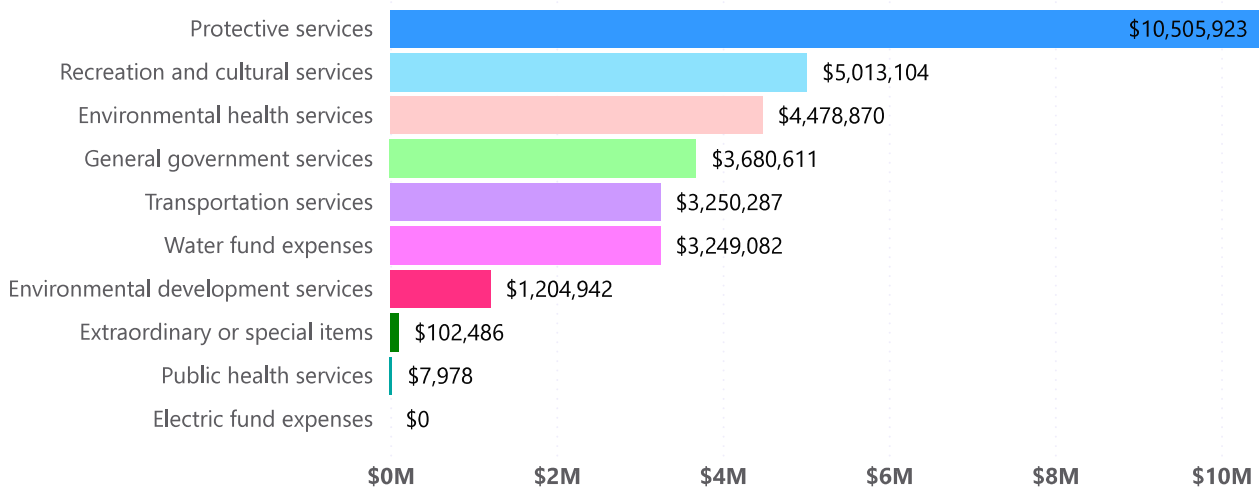


Figure 16 - Consolidated Expenses Source: 2023-24 Financial Information Return

The graph above and table below show the Municipality's consolidated expenses divided into categories.

Consolidated Expenses



Expenses

\$23.7M

2023-24 General Operating Expense

Total general operating expenses: \$23.7 Million

Largest general operating expense: 39% Protective services

General operating reserves as a percentage of total general operating expenses: 86.2%

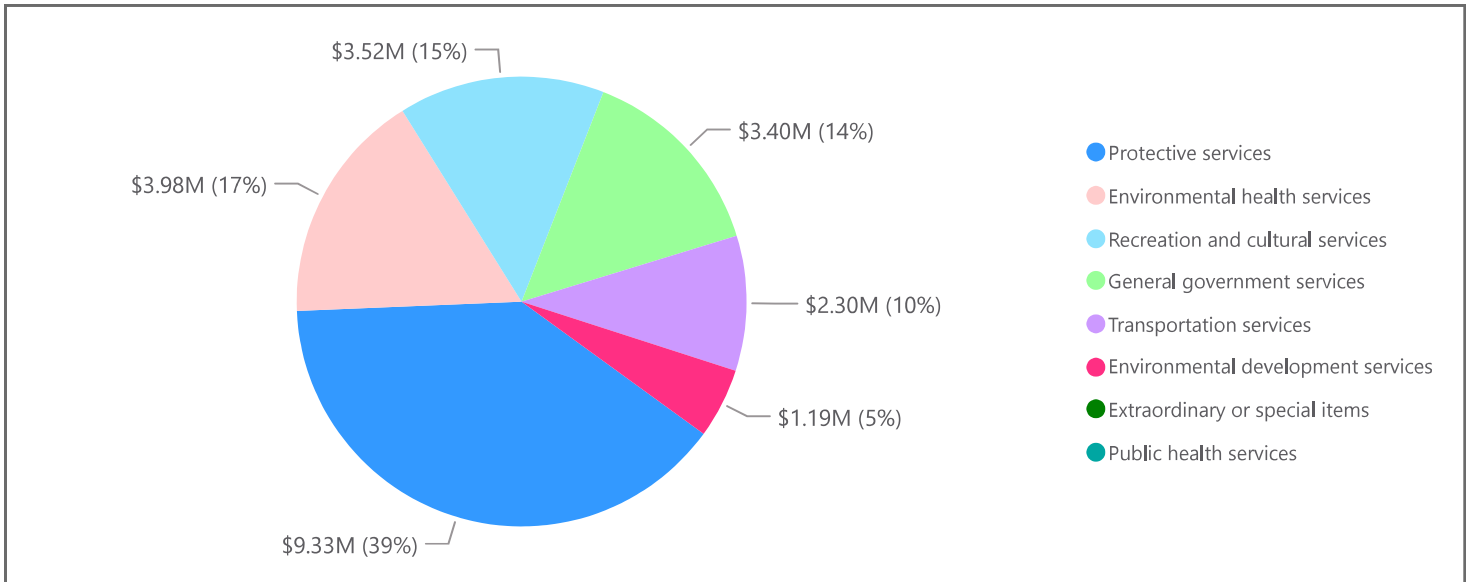
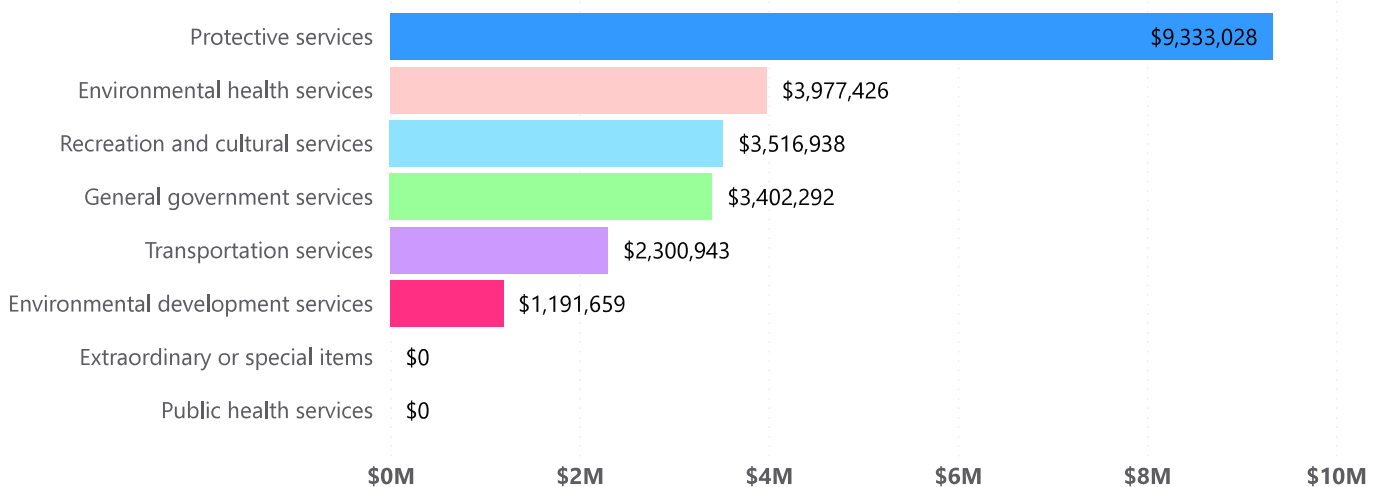


Figure 17 - General Operating Fund Expenses: 2023-24 Financial Information Return

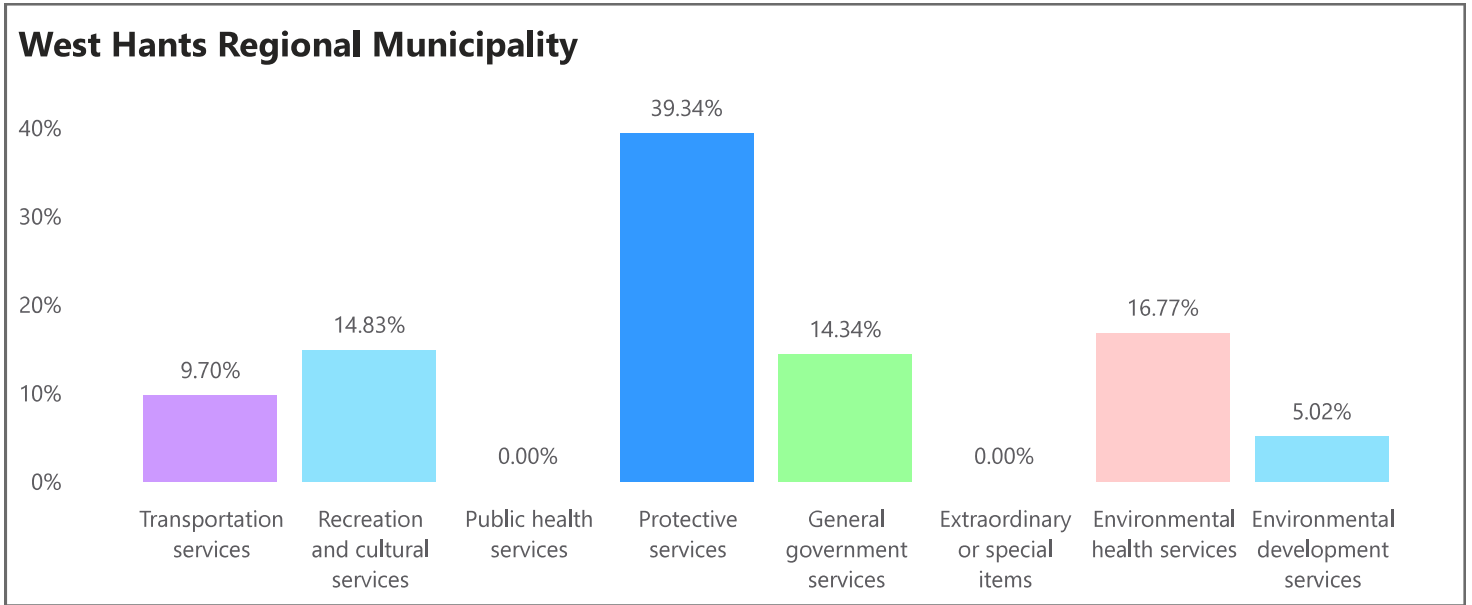
The graph above and table below show the Municipality's general operating fund expenses divided into categories.

General Operating Expenses

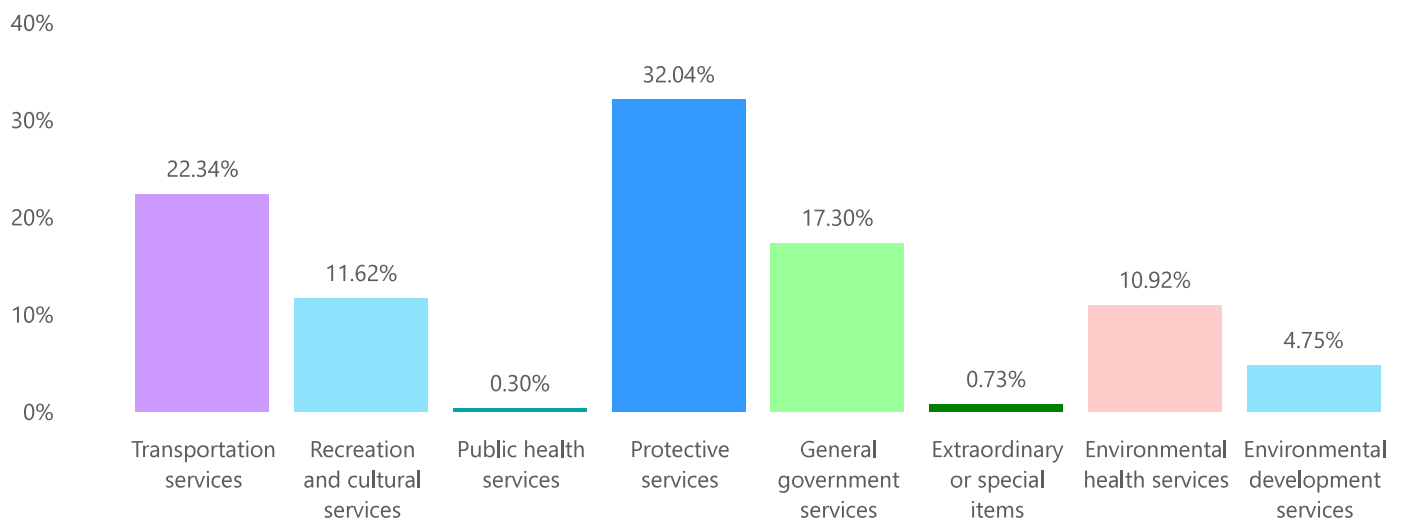


2023-24 General Operating Expenses Comparison to the Provincial Average

The graph below shows the expense by function for the municipal operations or General Operating Fund expenses compared to the Provincial Average.



Provincial Average



*Please note, these results do not include details from the Town of Mahone Bay due to outstanding financial reporting.

Figure 18 - Comparison of General Operating Fund Expenses to Provincial Average. Source: 2023-24 Financial Information Return

Accumulated Surplus (Deficit)

Annual surplus (deficit): Revenue - Expenses

Note: Annual surplus (deficit) is added to the accumulated surplus (deficit)

Annual consolidated surplus (deficit): \$3.8 Million

Consolidated accumulated surplus (deficit): \$97.7 Million

Annual general operating surplus (deficit): \$260.4 Thousand

Number of Deficits in the Last 5 Years Financial Condition Indicator (FCI): 0

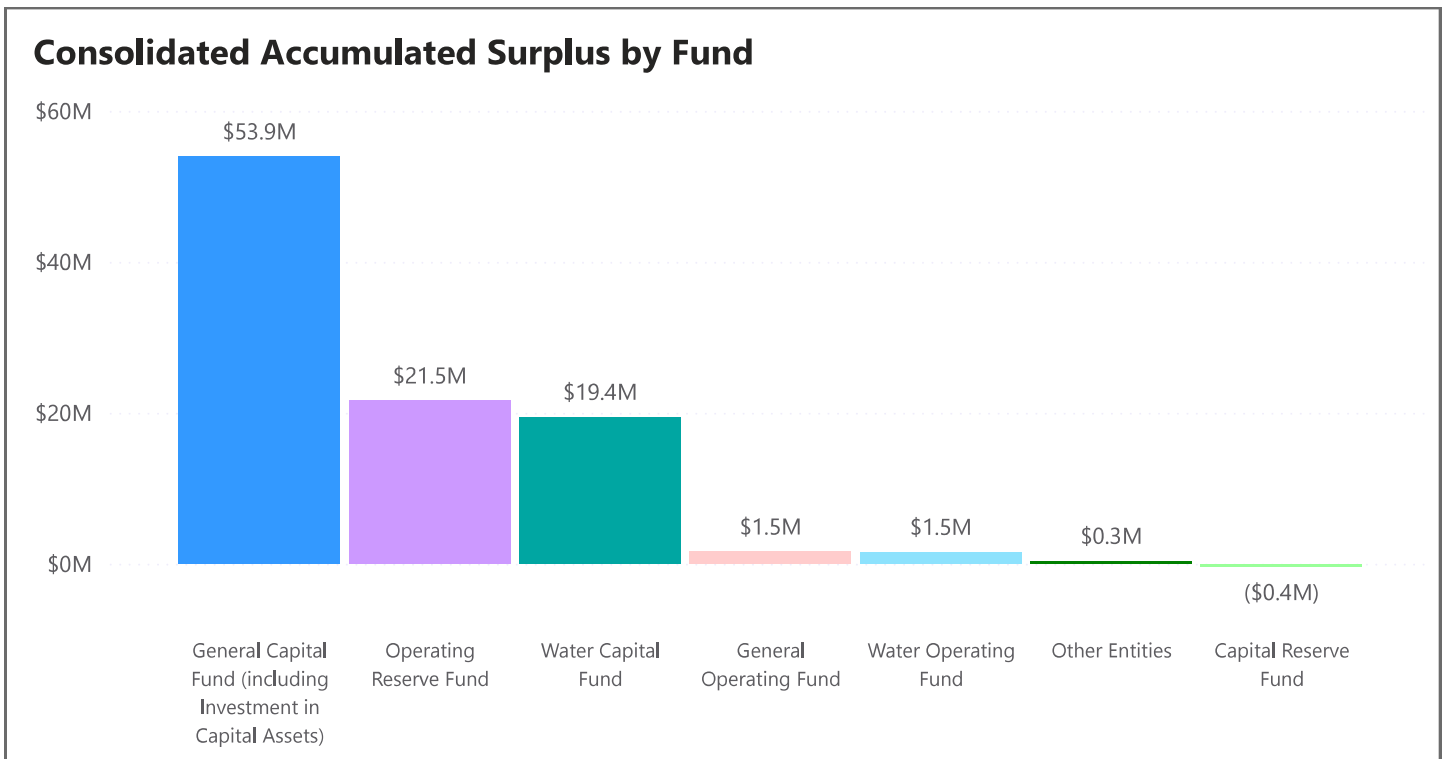


Figure 19 - Consolidated Accumulated Surplus by Fund. Source: 2023-24 Financial Information Return

Debt

Total consolidated long-term debt:	\$16.4 Million
Total general capital fund long-term debt:	\$15.3 Million
Debt Service Financial Condition Indicator (FCI):	6.8%
Operating fund bank indebtedness:	\$0
Outstanding Operating Debt FCI (as a percentage of Net Property Taxes/Payment in Lieu of Taxes, Grants in Lieu of Taxes and Government Transfers):	0.0%

Chapter 4 - Financial Condition Indicators: House Model

The Financial Condition Indicators (FCIs) condense multiple sources of information into a single visual “House Model” graph. The House Model gives a quick visual of a municipality’s strengths and possible areas where a municipality may want to focus its attention.

The Model:

The Model consists of twelve indicators organized into base, structure and roof, focusing on:

- Base: Three indicators relating to internal and external factors that could impact the municipality's revenue stream.
- Structure: Five financial indicators that concern management and debt; and
- Roof: Four key performance indicators, that reflect the municipality's ability to meet current and future needs in a balanced and independent manner.

Risk thresholds:

Each indicator is assessed against a risk threshold:

- low risk (**green**);
- moderate risk (**yellow**); and
- high risk (**red**).

Overall assessment:

The Department calculates an overall assessment for fiscal instability:

- low risk (**green**): 9-12 FCIs meet low risk threshold;
- moderate risk (**yellow**): 7-8 FCIs meet low risk threshold; and
- high risk (**red**): 6 or less FCIs meet low risk threshold.

Overall Assessment

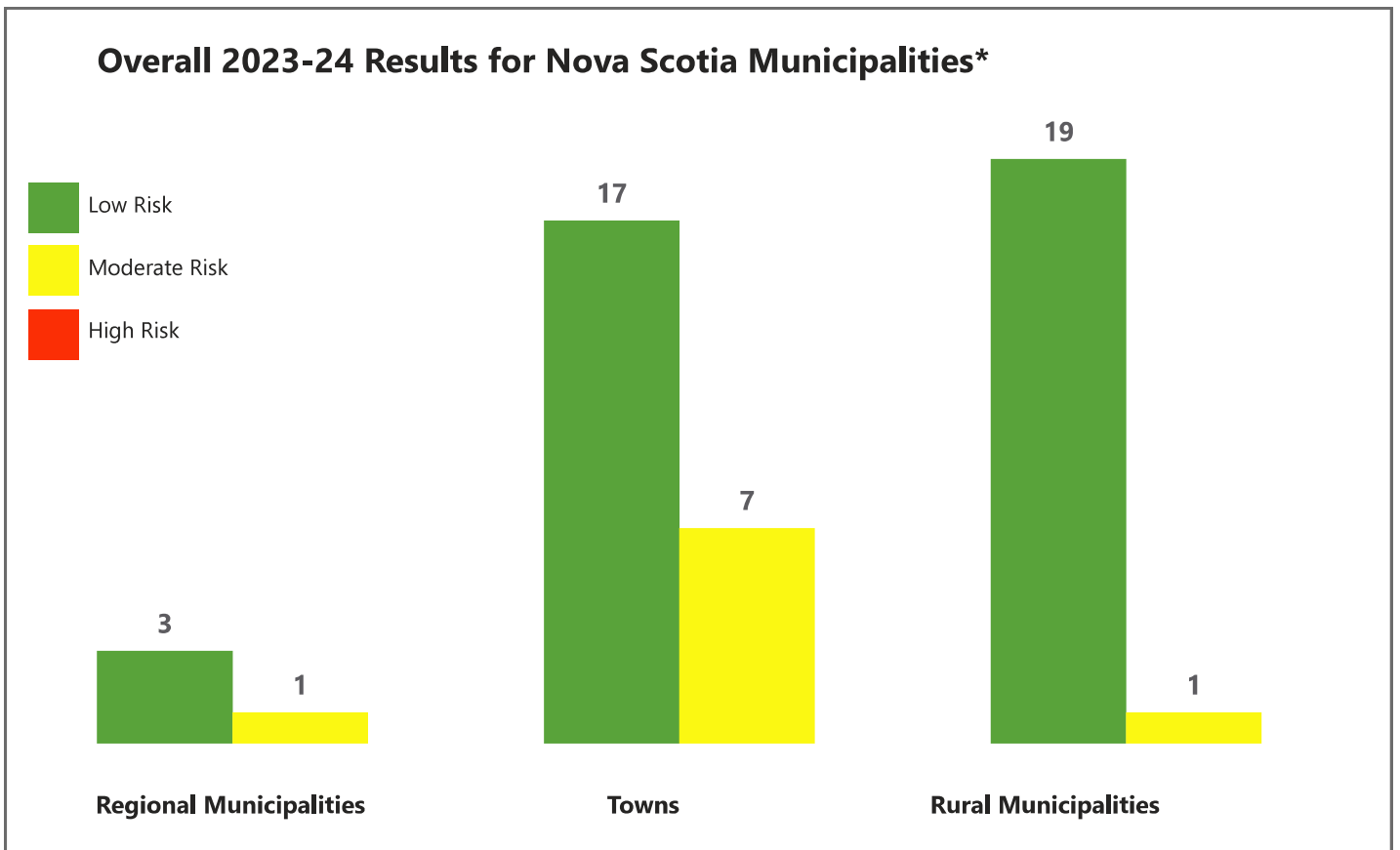
Overall Assessment for: West Hants Regional Municipality

Financial Condition: Low Risk

The overall Financial Conditions Index assessment for the West Hants Regional Municipality is Low Risk.

This means that while the Municipality might face some challenges, it is considered low risk for fiscal instability.

Comparison: The majority of Municipalities are at low risk (see chart below).



*Please note, these results do not include details from the Town of Mahone Bay due to outstanding financial reporting.

Financial Condition Indicators Highlights for 2023-24

Overall Assessment

Green (Low Risk)

The overall Financial Conditions Index assessment for the West Hants Regional Municipality is Green (Low Risk).

This means that while the Municipality might face some challenges, it is considered low risk for fiscal instability.

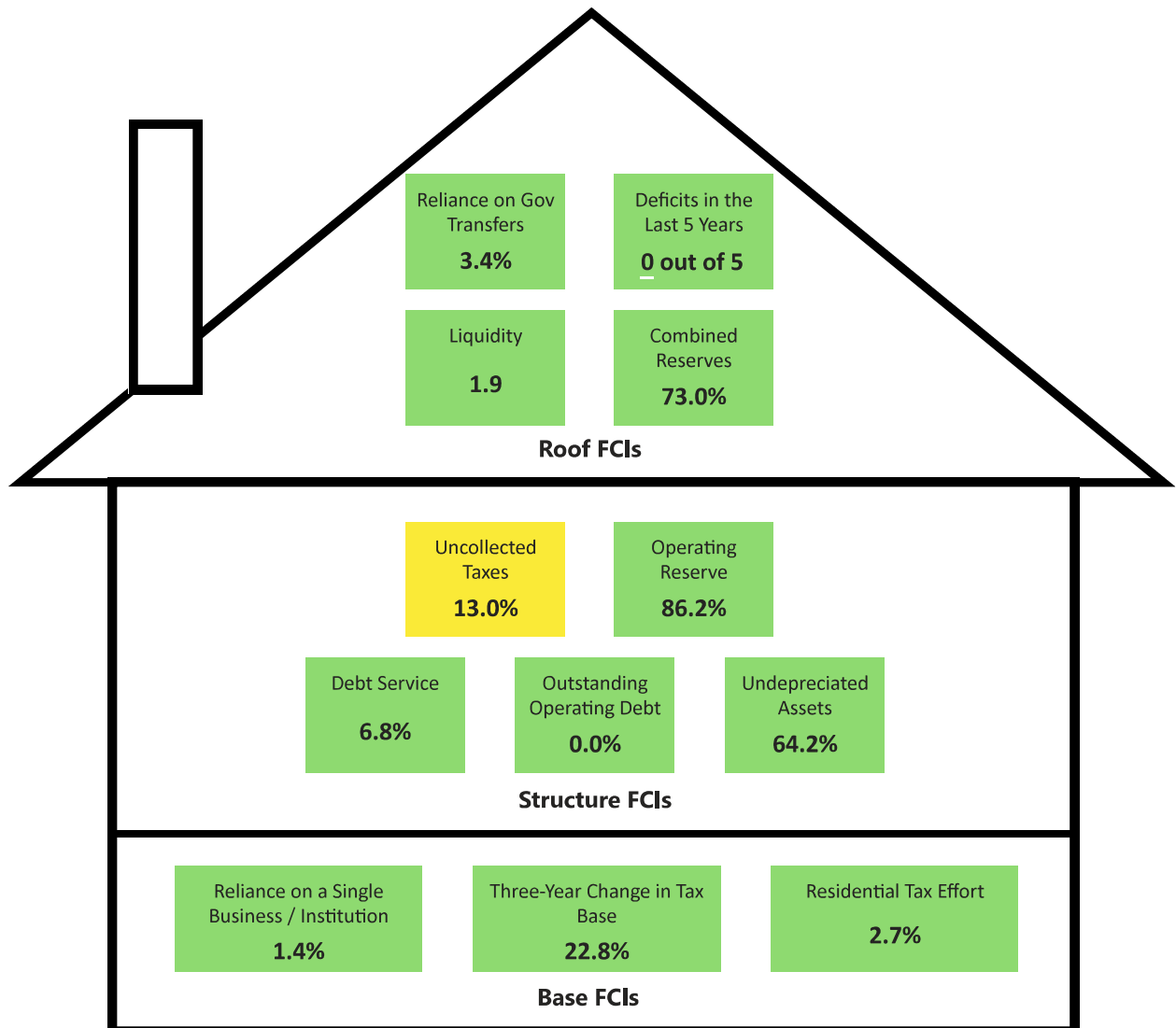
As shown in the House model below, the West Hants Regional Municipality's FCIs are comprised of:

Low Risk (green): 11 Indicators

Moderate Risk (yellow): 1 Indicators

High Risk (red): 0 Indicators

Individual FCI results are presented in the House below and are compared to last year's result on the next page.



Two-Year Comparison of Financial Condition Indicators

BASE	2022-23	2023-24	+/-
Reliance on a Single Business or Institution	1.4%	1.4%	0.0%
Three-Year change in Tax Base*	17.0%	22.8%	5.8%
Residential Tax Effort	2.6%	2.7%	0.1%
STRUCTURE			
STRUCTURE	2022-23	2023-24	+/-
Uncollected Taxes	12.0%	13.0%	1.0%
Operating Reserve	92.1%	86.2%	-5.9%
Debt Service	7.8%	6.8%	-1.0%
Outstanding Operating Debt	0.0%	0.0%	0.0%
Undepreciated Assets	65.2%	64.2%	-1.0%
ROOF			
ROOF	2022-23	2023-24	+/-
Reliance on Government Transfers	3.8%	3.4%	-0.4%
Number of Deficits in the Last 5 Years	0	0	0
Liquidity	2.0	1.9	-0.1
Combined Reserves	75.0%	73.0%	-2.0%

*For 3-year Change in Tax Base, CPI change for 2022-23 was 13.3% and for 2023-24 was 16.7%.

Base FCI Indicator - Municipal Revenue Dimension

Reliance on a Single Business or Institution

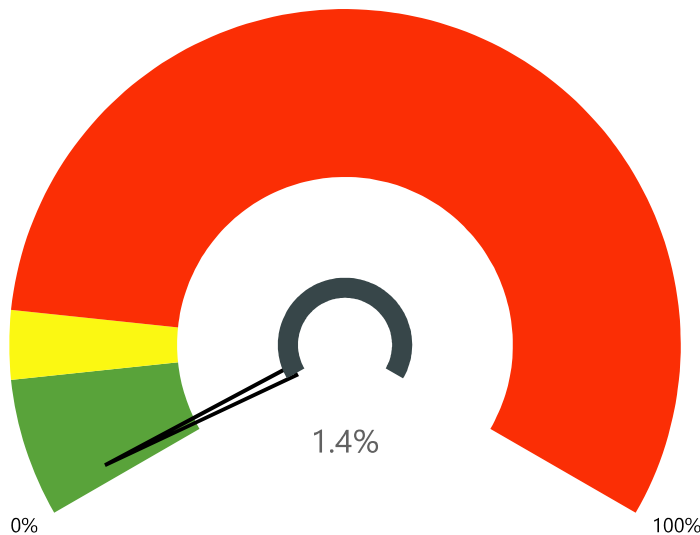
2023-24 Results: **Low Risk 1.4 %**

The largest single commercial or institutional account is 1.4 % of the Municipality's total Uniform Assessment.

What does it mean? The Municipality is showing no vulnerability in this area. The Municipality's tax base is not dependent on one single business or institution.

Calculation:
$$\frac{\text{Taxable assessment value of the largest business or institution}}{\text{Uniform assessment}} = 1.4\%$$

- Risk Thresholds:
- Low: Less than 10%
 - Moderate: 10% to 15%
 - High: Greater than 15%



Base FCI Indicator - Municipal Revenue Dimension

Three-Year Change in Tax Base

2023-24 Results: **Low Risk 22.8 %**

What does it mean? Growth is above the CPI % change of 13.3%.
The Municipality's tax base is in a strong position to cover the cost of municipal services and programs.

Calculation:
$$\frac{\text{Current uniform assessment} - \text{Uniform assessment 3 years prior}}{\text{Uniform assessment 3 years prior}} = 22.8\%$$

- Risk Thresholds:
- Low: Equal or above CPI % change (Three Year CPI 2023-24: 16.7 %)
 - Moderate: Below CPI % change, but not negative growth
 - High: Negative growth

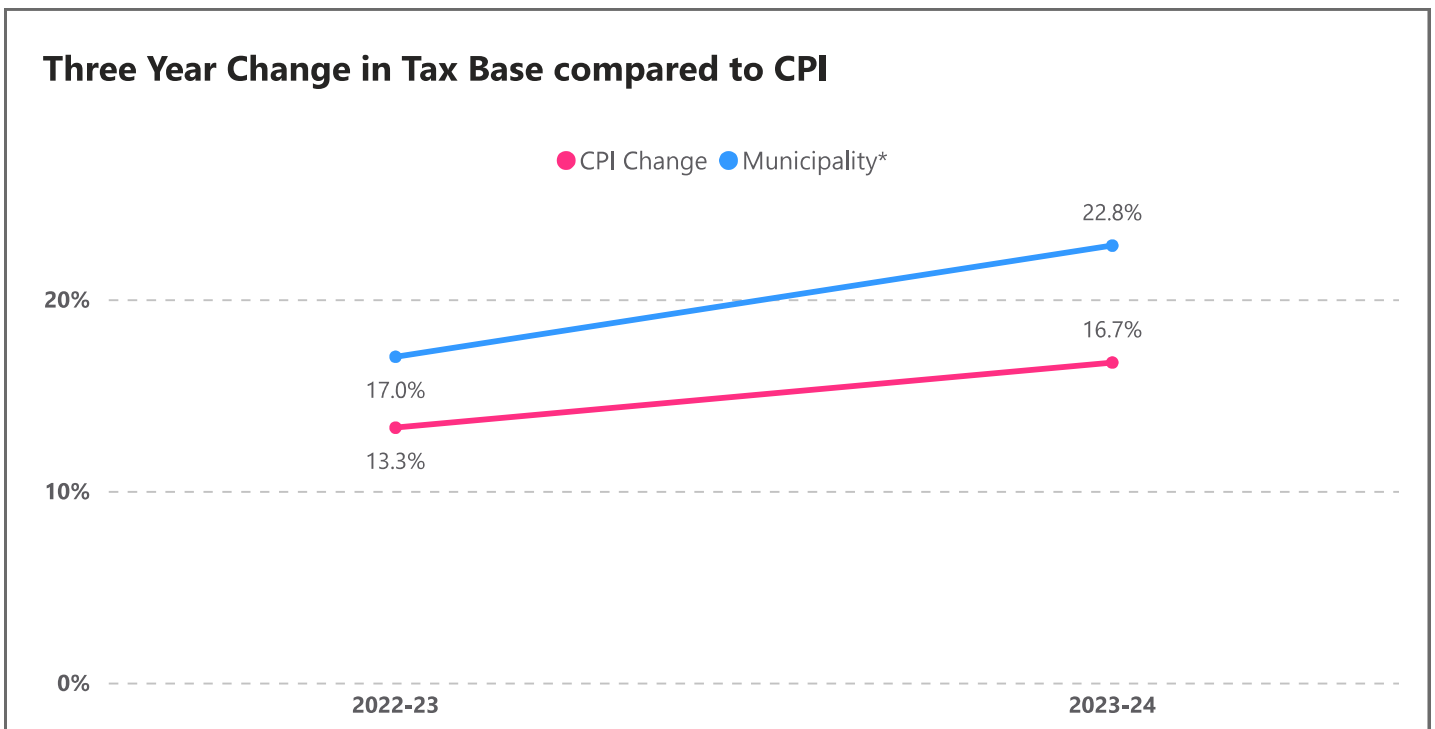


Figure 20 - Three-year change in Uniform Assessment in comparison to three-year change in CPI for the last 5 years.

Source: Statement of Estimates-Assessment and Statistics Canada

*Effective April 1, 2020, the former Town of Windsor and the Municipality of the District of West Hants were consolidated to form the West Hants Regional Municipality. As a result, West Hants Regional Municipality's Uniform Assessment figures are not available prior to the 2020-21 fiscal year.

Base FCI Indicator - Municipal Revenue Dimension

Residential Tax Effort

2023-24 Results: **Low Risk 2.7 %**

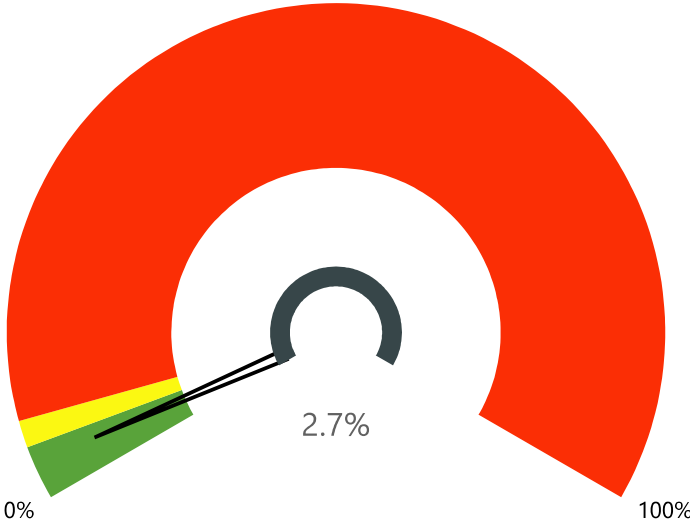
2.7 % of median household income is required to pay the average tax bill.

What does it mean? The Municipality has some flexibility to increase the taxes, if required.

This indicator helps council assess the affordability of municipal taxes in relation to the current service levels.

Calculation:
$$\frac{\text{Total residential tax revenue per dwelling unit}}{\text{Median household income}} = 2.7\%$$

- Risk Thresholds:
- Low: Less than 4%
 - Moderate: 4% to 6%
 - High: Greater than 6%



Structure (Management) FCI Indicator - Municipal Management Dimension

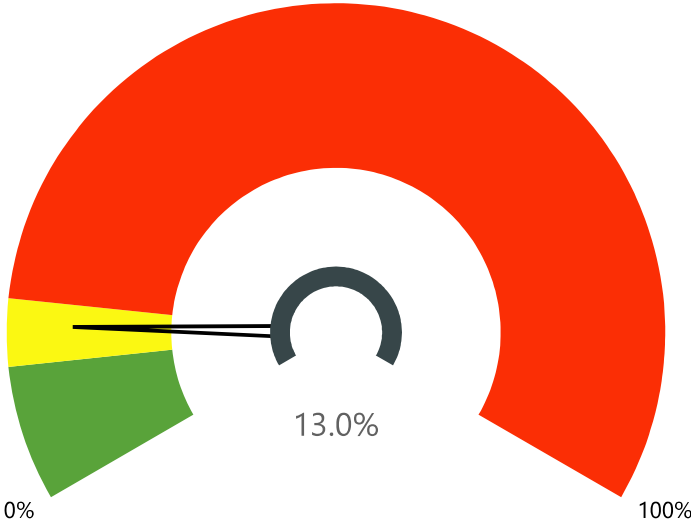
Uncollected Taxes

2023-24 Results: **Moderate Risk 13.0 %**

What does it mean? The Municipality is experiencing challenges managing tax revenue collection.

Calculation:
$$\frac{\text{Total cumulative uncollected taxes}}{\text{Total taxes billed in current fiscal year}} = 13.0\%$$

- Risk Thresholds:
- Low: Less than 10%
 - Moderate: 10% to 15%
 - High: Greater than 15%



Structure (Management) FCI Indicator - Municipal Management Dimension

Operating Reserve

2023-24 Results: **Low Risk 86.2 %**

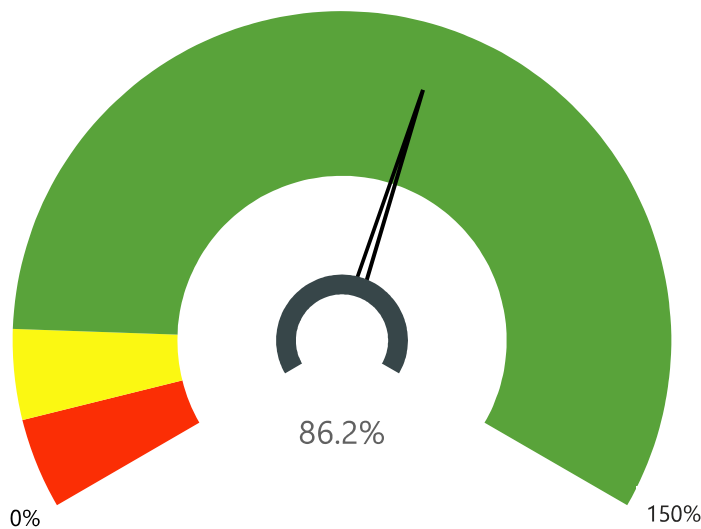
What does it mean? The Municipality is setting aside sufficient funds to help mitigate any unforeseen risks or future needs.

This indicator provides the value of funds set aside for planned future needs, to smooth expenses, or for unexpected expenses.

Calculation:

$$\frac{\text{Total operating reserve fund balance}}{\text{Total operating expenditures}} = 86.2\%$$

- Risk Thresholds:
- Low: Greater than 20%
 - Moderate: 10% to 20%
 - High: Less than 10%



Structure (Management) FCI Indicator - Municipal Management Dimension

Debt Service

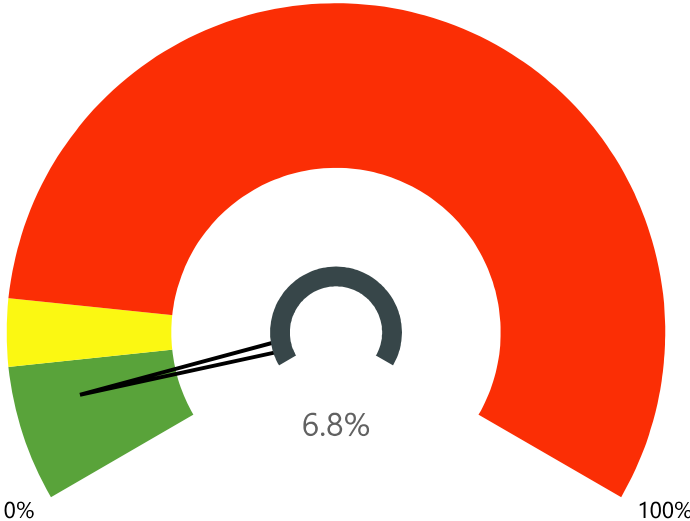
2023-24 Results: **Low Risk 6.8 %**

6.8% of own source revenue is spent on principal and interest payments.

What does it mean? With adequate cash flow, the Municipality may have the flexibility to increase borrowing levels to help finance future capital expenditures.

Calculation:
$$\frac{\text{Principal and interest paid on long-term debt}}{\text{Total own source operating revenue}} = 6.8\%$$

- Risk Thresholds:
- Low: Less than 10%
 - Moderate: 10% to 15%
 - High: Greater than 15%



Structure (Management) FCI Indicator - Municipal Management Dimension

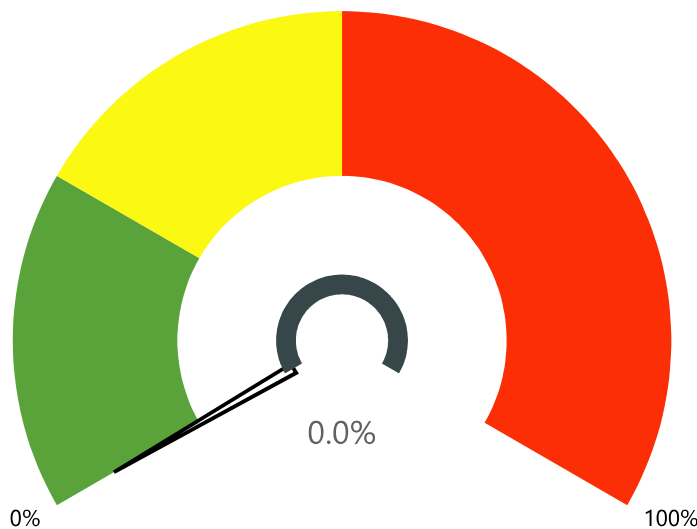
Outstanding Operating Debt

2023-24 Results: **Low Risk 0.0 %**

What does it mean? The Municipality is not carrying any operating debt.

Calculation:
$$\frac{\text{Total outstanding operating debt}}{\text{Total own source operating revenue}} = 0.0\%$$

- Risk Thresholds:
- Low: Less than 25%
 - Moderate: 25% to 50%
 - High: Greater than 50%



Structure (Management) FCI Indicator - Municipal Management Dimension

Undepreciated Assets

2023-24 Results: **Low Risk 64.2 %**

What does it mean?

This indicator estimates that the Municipality's capital assets have 64.2 % of their useful life remaining

Municipalities across Canada are facing significant infrastructure challenges. This indicates that the Municipality may be experiencing less of an infrastructure challenge than other municipalities.

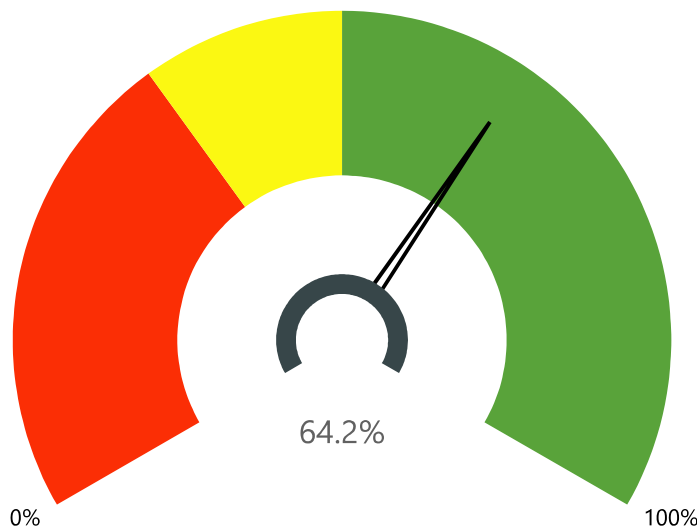
While this indicator provides an estimate of the useful life left in the Municipality/Town's recorded capital assets, it does not necessarily indicate the condition of those assets. For instance, some older assets could still be in good working condition, while the opposite could also be true.

Calculation:

$$\frac{\text{Total net book value of capital assets}}{\text{Gross costs of capital assets}} = 64.2\%$$

Risk Thresholds:

- Low: Greater than 50%
- Moderate: 35% to 50%
- High: Less than 35%



Roof (Key Performance) FCI Indicator - Overall Assessment Dimension

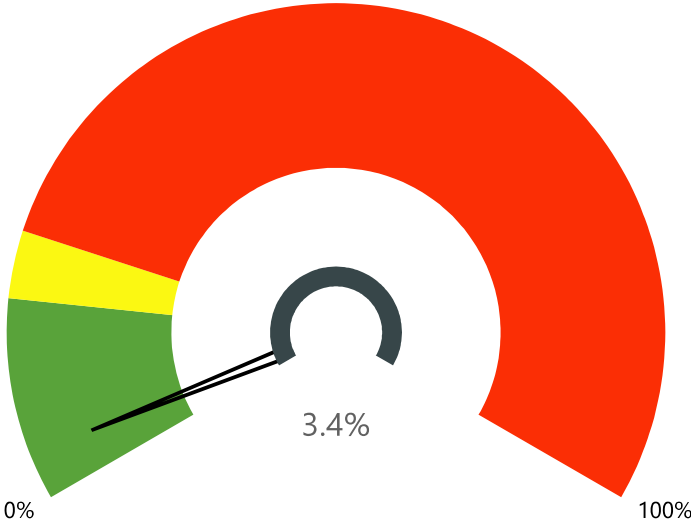
Reliance on Government Transfers

2023-24 Results: **Low Risk 3.4 %**

What does it mean? The Municipality is not dependent on another level of government to meet its service obligations.

Calculation:
$$\frac{\text{Total government transfers}}{\text{Total revenue}} = 3.4\%$$

- Risk Thresholds:
- Low: Less than 15%
 - Moderate: 15% to 20%
 - High: Greater than 20%



Roof (Key Performance) FCI Indicator - Overall Assessment Dimension

Number of Deficits in the last 5 Years

2023-24 Results: **Low Risk: 0 Operating deficit in the last five years**

What does it mean? Deficits are important indications of financial health. The result indicates that the Municipality is able to meet its needs in a balanced manner and maintains a balanced budget.

Calculation: Number of non-consolidated operating deficits in the last five years = 0

- Risk Thresholds:
- Low: 0 in the last five years
 - Moderate: 1 or more in the last 5 years
 - High: 1 or more in the last 2 years with one material deficit (0.5% of operating expenses)

Surplus/(Deficit) for the last 5 Years

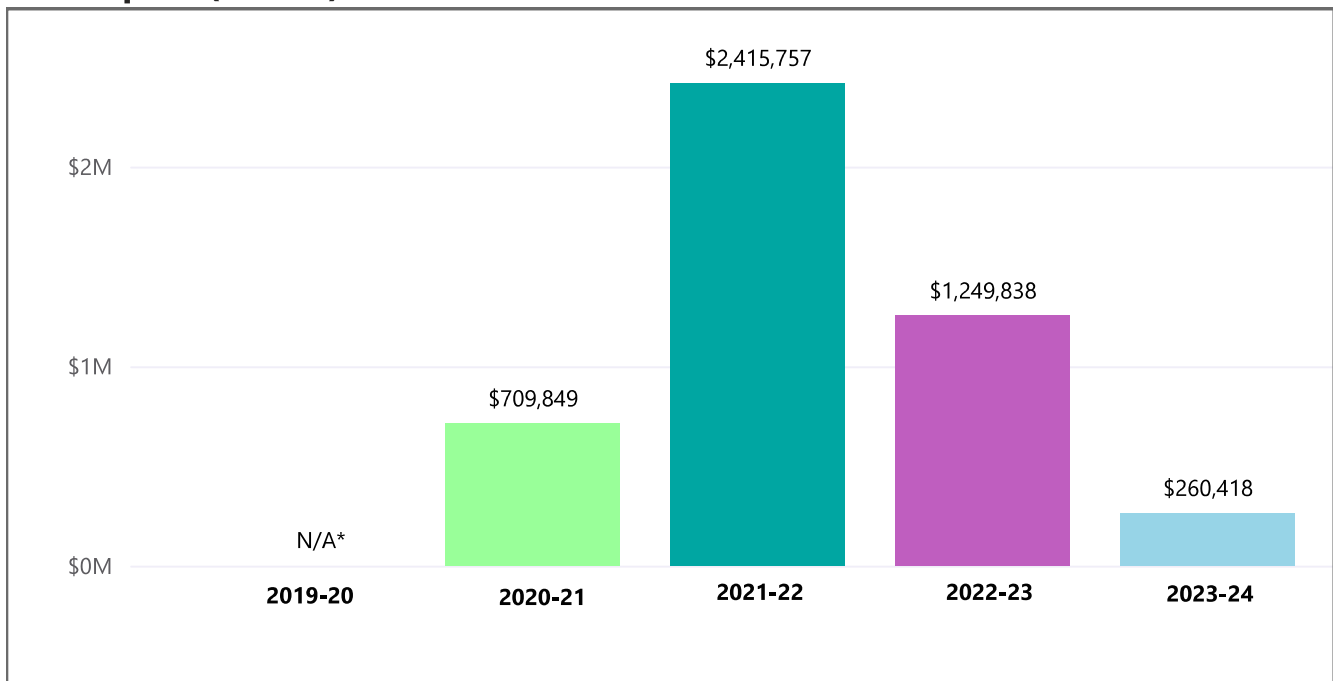


Figure 21 - Annual operating fund surplus (deficit) for the last 5 years. Source: Financial Information Return

*Effective April 1, 2020, the former Town of Windsor and the Municipality of the District of West Hants were consolidated to form the West Hants Regional Municipality. As a result, West Hants Regional Municipality's annual surplus/deficit is not available for the 2019-20 fiscal year.

Roof (Key Performance) FCI Indicator - Overall Assessment Dimension

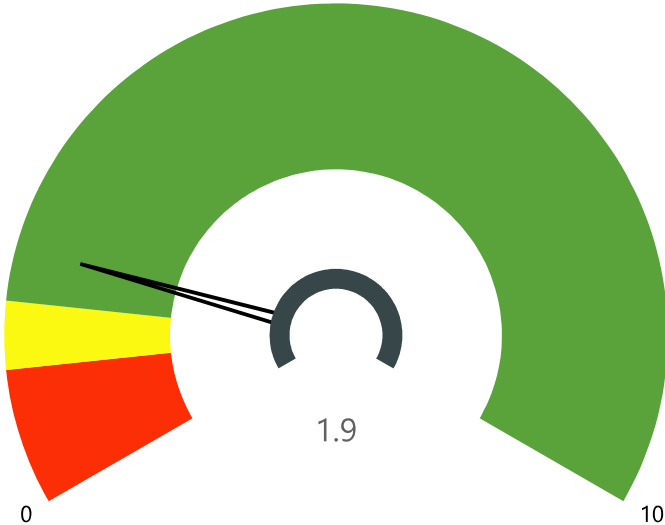
Liquidity

2023-24 Results: **Low Risk 1.9**

What does it mean? Liquidity is key to financial performance. The result indicates that the Municipality does not have a cash flow problem and is able to meet its service obligations.

Calculation:
$$\frac{\text{Total current financial assets}}{\text{Total current liabilities}} = 1.9$$

- Risk Thresholds:
- Low: Greater than 1.5
 - Moderate: 1 to 1.5
 - High: Less than 1



Roof (Key Performance) FCI Indicator - Overall Assessment Dimension

Combined Reserves

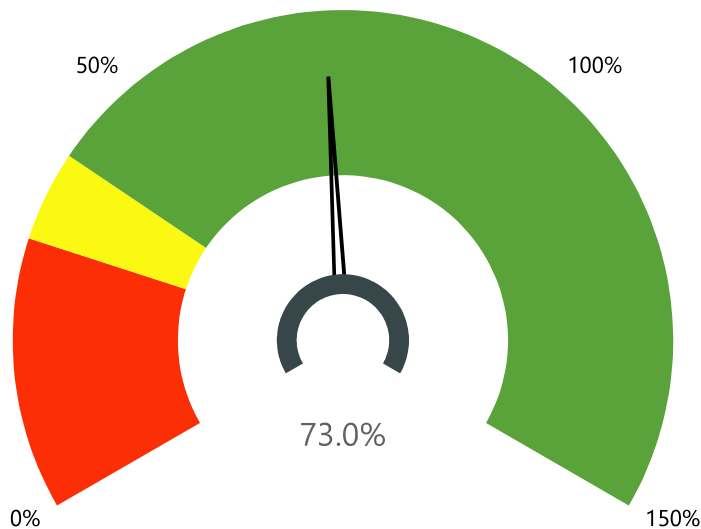
2023-24 Results: **Low Risk 73.0 %**

What does it mean? This result indicates that the Municipality does appear to have sufficient reserves needed to address unexpected events or provide flexibility to address future projects.

Calculation: Reserves are critical components of a municipality's long-term sustainability. This indicator shows the value of the funds held in the reserves compared to a single year's operation including amortization expenses.

Risk Thresholds:
$$\frac{\text{Total operating and capital reserves}}{\text{Total operating expenses plus amortization expense}} = 73.0\%$$

- Low: Greater than 40%
- Moderate: 30% to 40%
- High: Less than 30%



Appendix I - Additional Resources

Nova Scotia Government's Open Data Portal (data.novascotia.ca)

This portal provides access to various government data in a free, accessible, machine-readable format.

Financial datasets currently published through the Nova Scotia Government's Open Data Portal:

- Consolidated Revenues and Expenses by Municipality
- Municipal Affairs Funding Programs
- Farm Land Grant
- Financial Condition Indicators by Municipality
- Municipal Contributions to Roads
- Municipal Financial Capacity Grant
- Municipal Operating Fund- Summary of Revenue and Expenses by Municipality
- Municipal Operating Expenses by Function - 10 Year Summary
- Municipal Operating Revenue by Source - 10 Year Summary
- Municipal Property Tax Rates
- Nova Scotia Power Grant-in-Lieu
- Uniform Assessment

Appendix II - Municipal Website

The municipal website is westhants.ca

A municipality's website can be a helpful resource to access various financial information. Currently, most municipal websites provide:

- Audited Financial Statements
- Approved Operating Budget
- Quarterly Municipal Councilor and CAO Expense Report
- Quarterly Municipal Hospitality Expense Report

Contact Municipal Affairs

For more information, for support in action plan development, or to obtain a guide on action plan development:

municipalfinance@novascotia.ca.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial data. This includes not only sales and purchases but also expenses, income, and transfers between accounts.

The second part of the document provides a detailed overview of the accounting cycle. It outlines the ten steps involved in the process, from identifying the accounting entity to preparing financial statements. Each step is explained in detail, with examples provided to illustrate the concepts.

The third part of the document focuses on the classification of accounts. It discusses the different types of accounts, such as assets, liabilities, equity, and income, and how they are used to track the financial performance of the business. It also explains the importance of debits and credits in maintaining the accounting equation.

The fourth part of the document covers the preparation of financial statements. It discusses the different types of statements, such as the balance sheet, income statement, and statement of cash flows, and how they are prepared from the accounting records. It also explains the importance of these statements in providing a clear picture of the business's financial health.

The fifth part of the document discusses the importance of internal controls. It explains how internal controls can help prevent errors and fraud, and ensure the accuracy of the financial data. It also provides examples of internal controls that can be implemented in a business.

The sixth part of the document covers the topic of depreciation. It explains how depreciation is calculated and how it is recorded in the accounting records. It also discusses the different methods of depreciation and how they affect the financial statements.

The seventh part of the document discusses the importance of budgeting. It explains how a budget can help a business plan its future operations and manage its resources effectively. It also provides examples of how a budget can be used to track the business's performance against its goals.

The eighth part of the document covers the topic of taxes. It explains how taxes are calculated and how they are recorded in the accounting records. It also discusses the different types of taxes and how they affect the business's financial performance.

The ninth part of the document discusses the importance of financial ratios. It explains how financial ratios can be used to analyze the business's financial performance and identify areas for improvement. It also provides examples of financial ratios and how they are calculated.

The tenth part of the document covers the topic of financial forecasting. It explains how financial forecasting can help a business predict its future financial performance and make informed decisions. It also provides examples of how financial forecasting can be used in a business.



Municipal Report



West Hants Regional Municipality

Department of Municipal Affairs

Municipal Profile and
Financial Condition Indicators Results

2022-23

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Introduction

The Department of Municipal Affairs compiles municipal indicators on behalf of the Nova Scotia Government and the Association of Municipal Administrators of Nova Scotia (AMANS) that focus on three areas:

- financial matters;
- administration of the municipality; and
- characteristics of the community.

This report creates a snapshot from those financial and demographic statistics to help community members and decision makers better understand:

- the municipality in which they live;
- the municipality's key characteristics; and
- the municipality's financial risks.

For example, the snapshot makes it easy to:

- compare the Three-Year Change in Tax Base indicator to understand the municipality's revenue growth in comparison to cost of living; and
- use the change in population to indicate whether a community's population is growing or declining and its potential impact on municipal revenues and expenses.



Chapter 1 - Municipal Profile

Municipalities are diverse and operate within unique demographic and economic characteristics. These characteristics have a significant impact on municipal performance and subsequent strategies required to ensure a sustainable environment. This chapter outlines the unique demographic and economic characteristics of the Municipality, specifically its composition, population trends, demographics, median household income levels, employment rates, and educational attainment. The municipal profile trends could have impacts on the current and potential future tax base for a municipality.



Municipal Profile - Highlights

About the Municipality

Located in:	Hants County
Approximate size:	1,251 km ²
Number of dwellings*:	9,791
Government:	12 Elected councillors (including the Mayor)



Municipal Profile - Highlights

Population Highlights

Municipal Population 2021 Census:	19,498
Percent of Provincial population:	2.03%
Municipal Population 5-year trend:	2.53%
County's 5-year trend:	4.12%

Since the last census in 2016, **482** more people live in the Municipality

Population Change from 2016 to 2021

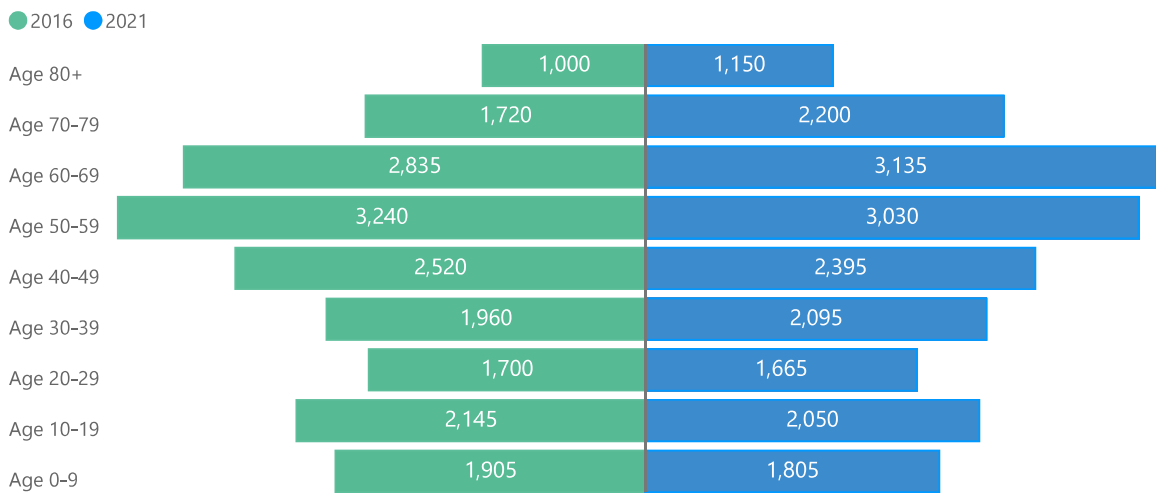


Figure 2 - Population Change from 2016 to 2021 (rounded to nearest five). Source: Statistics Canada

Municipal Profile - Highlights

Population Trends

20-year trend: Growing (supported by Figure 3 below)

Highest Age Bracket: 60-69 years of age (supported by Figure 4 below)

Population Trend from 2001 to 2021

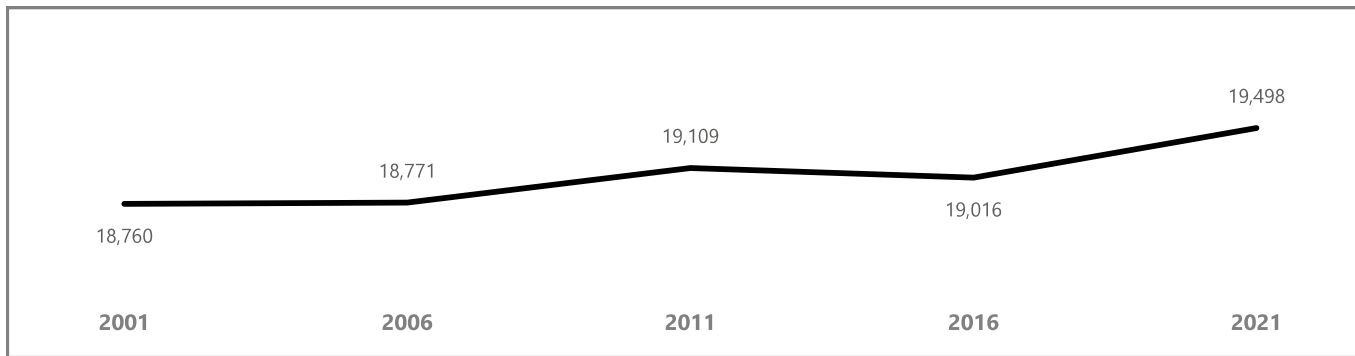


Figure 3 - Population from 2001-2021. Source: Statistics Canada

Population Change from 2016 to 2021

Year ● 2016 ● 2021

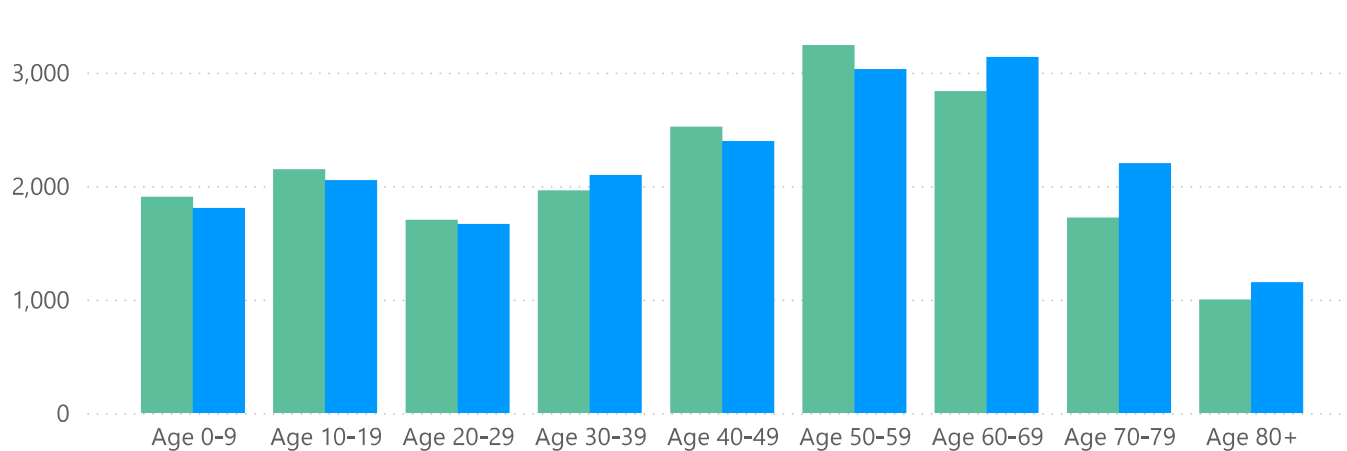


Figure 4 - Population by Age Group from 2016 to 2021. Source: Statistics Canada

Municipal Profile - Highlights

Population Comparison

Comparison of the West Hants Regional Municipality vs. the Region Average

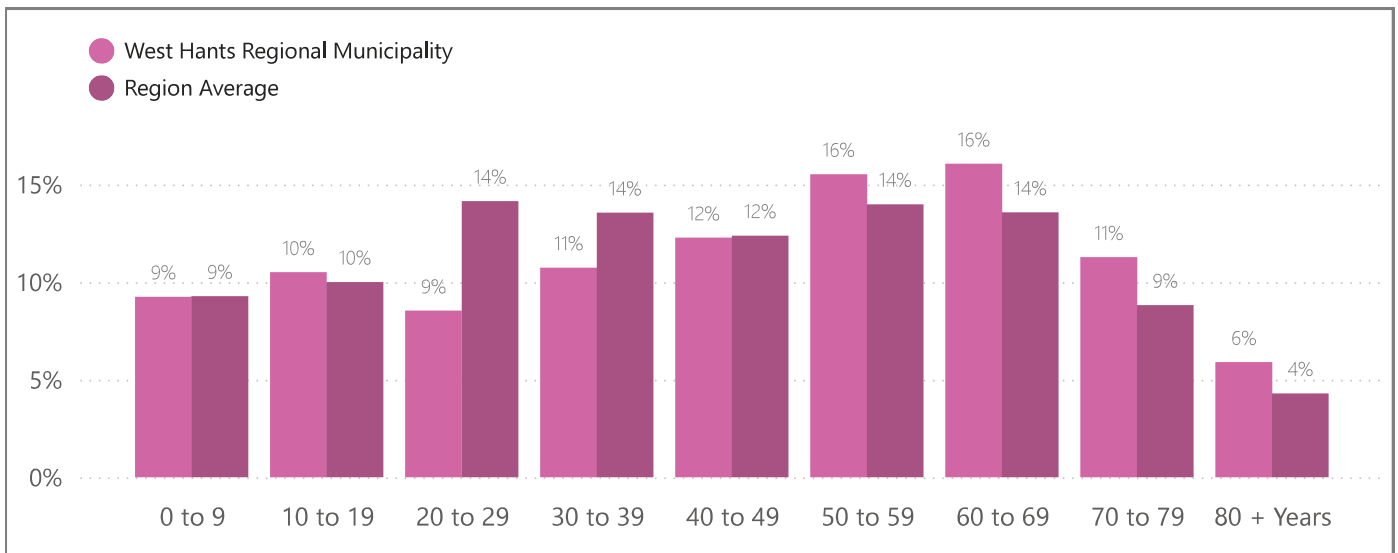


Figure 5 - Population by Age Group. Source: Statistics Canada

Comparison of the West Hants Regional Municipality vs. the Provincial Average

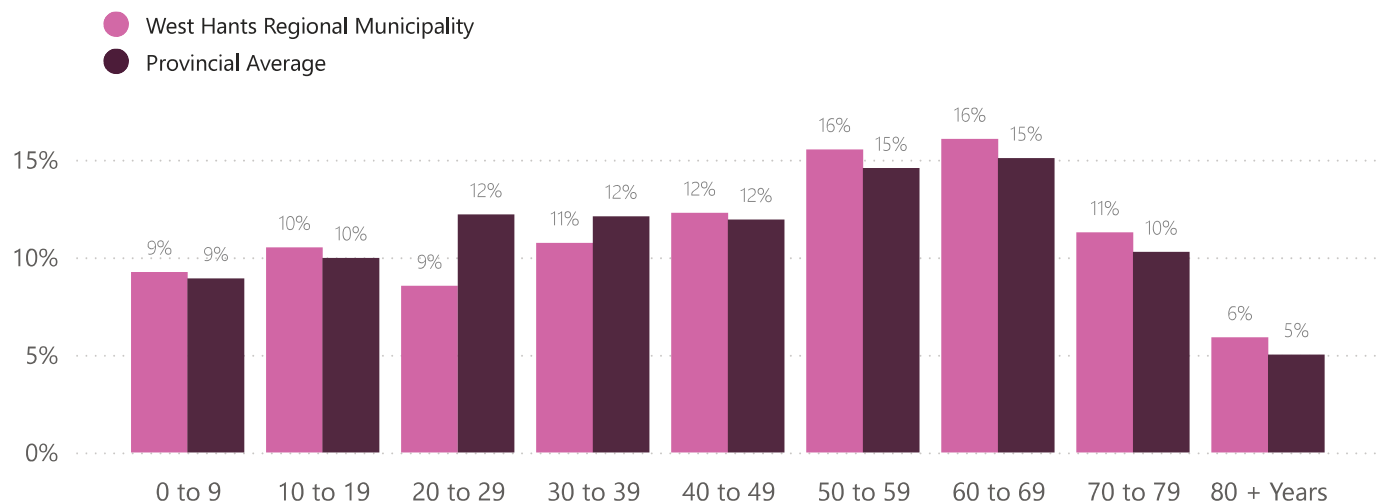


Figure 6 - Population by Age Group. Source: Statistics Canada

Municipal Profile - Highlights

Age Group Comparison

Population Age Groups

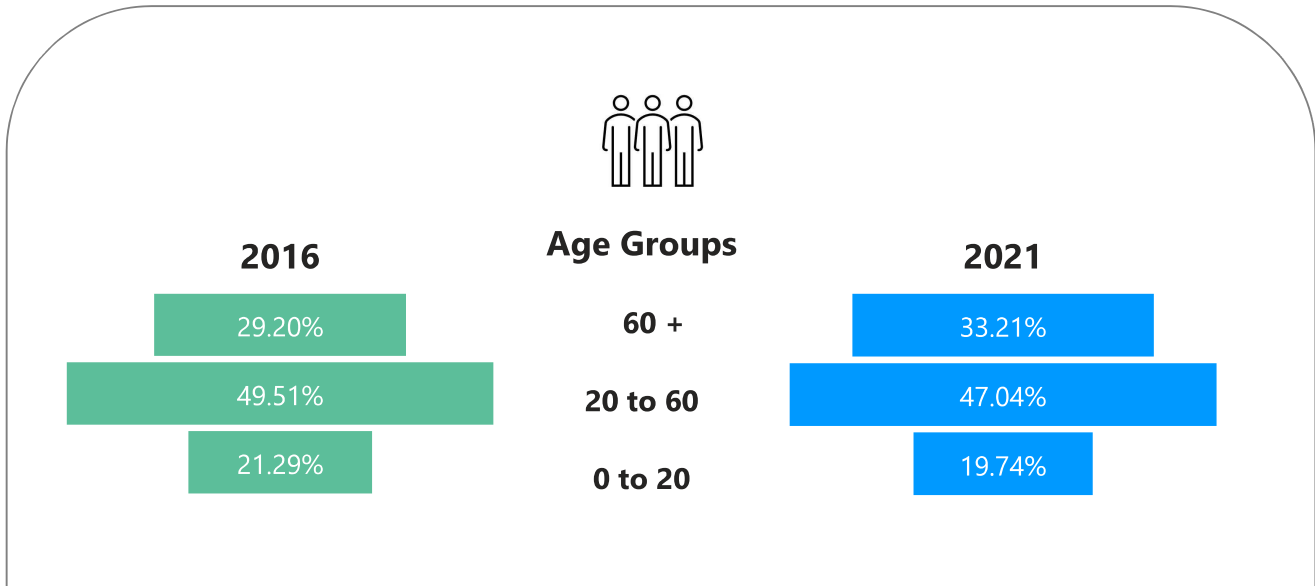


Figure 7 - Population by Age Group 2016 vs 2021. Source: Statistics Canada

Generational Groups

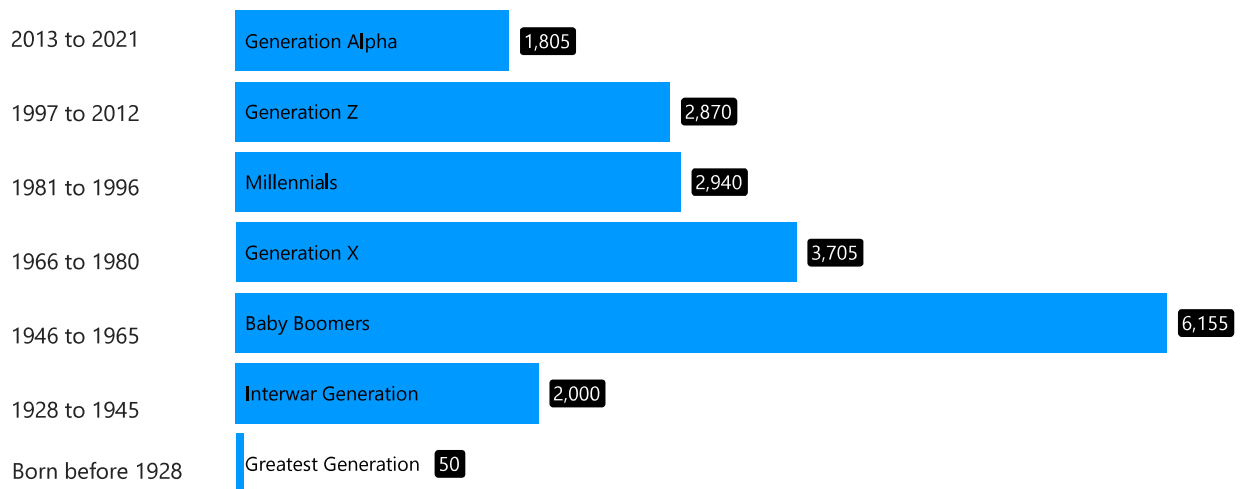


Figure 8 - Population by Generation for 2021 (rounded to nearest five). Source: Statistics Canada

Municipal Profile - Highlights

Population Outlook

Population Trend 2001 to 2021 (Actuals) and 2022 to 2023 (Estimates) West Hants Regional Municipality

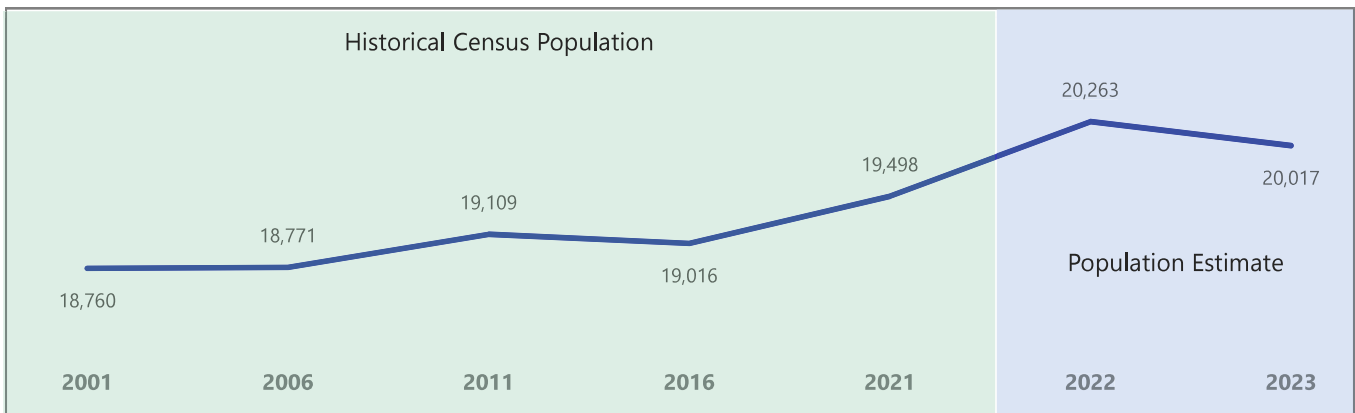


Figure 9 - Historical population from 2001 to 2021 is based on census data. Population estimates for July 1, 2023 are based on the projections released May 22, 2024 Source: Statistics Canada

Population Trend 2001 to 2021 (Actuals) and 2022 to 2023 (Estimates) Nova Scotia

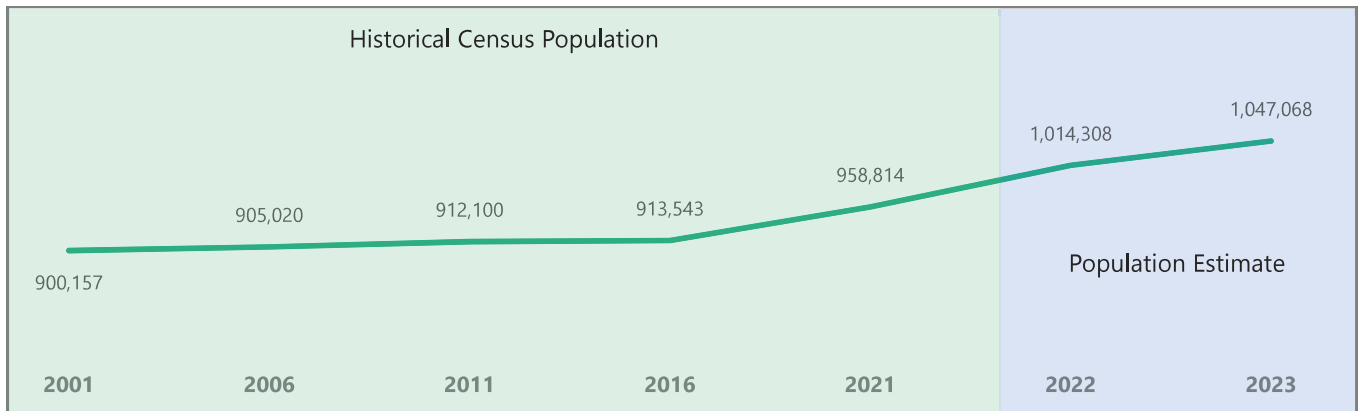


Figure 10 - Historical population from 2001 to 2021 is based on census data. Population estimates for July 1, 2023 are based on the projections released May 22, 2024 Source: Statistics Canada

Municipal Profile - Highlights

Economic Indicators

Along with population trends, employment rates and median household income are important economic indicators. Education levels can also play a crucial role in economic and social progress and can help improve income distribution. These factors provide an indication of the wellbeing of the economy and labour force. The educational level noted in the chart below represents the percentage of population, aged 15 and over, who have education beyond a high school diploma.

	2016 Census	2021 Census	+/-	Provincial Average
Median household Income:	\$58,601	\$69,500	\$10,899	\$61,724
Employment rate:	52.7%	50.1%	-2.6%	46.2%
Education level:	51.8%	51.6%	-0.2%	50.5%

Figure 11 - 2021 Census; Source: Statistics Canada

Median household Income:	West Hants Regional Municipality median household income increased since 2016.
Employment rate:	The employment rate at the West Hants Regional Municipality decreased since 2016.
Education level:	The education level at the West Hants Regional Municipality decreased since 2016.

Chapter 2 - Assessment Information

Since property taxes are a primary source of revenue for most municipalities, special emphasis has been placed on reviewing assessment trends. For more information about the following financial indicators, please refer to Chapter 4 - Financial Condition Indicators.

Three-year change in Tax Base (Uniform Assessment¹): 17.0% Growth is keeping pace with the cost of living (Low risk)

Reliance on a Single Business or Institution: 1.4% Not dependent (Low Risk)

Residential Tax Effort: 2.6% Has some flexibility (Low Risk)

The line graphs below show the five-year trend of residential and commercial portion of the municipality's taxable assessment.

Residential and Resource Taxable Assessment Trend

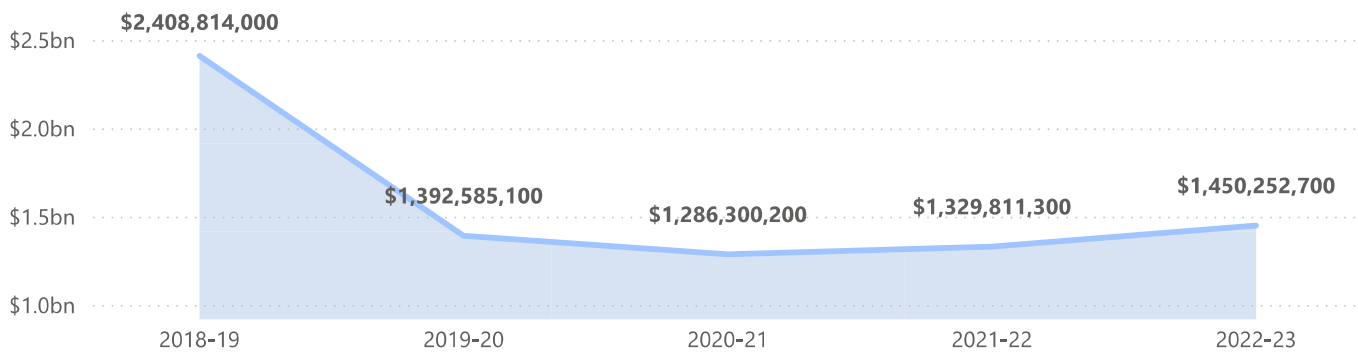


Figure 12 - Residential taxable assessment over the last five years. Source: 2018-19 to 2022-23 Statement of Estimates - Assessment

Commercial Taxable Assessment Trend

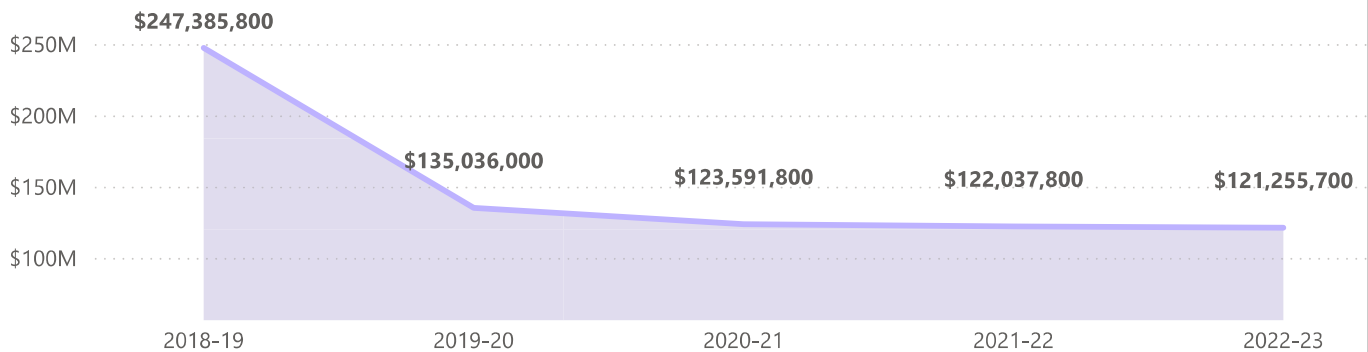


Figure 13 - Commercial taxable assessment over the last five years. Source: 2018-19 to 2022-23 Statement of Estimates - Assessment

¹ Uniform assessment is the value of a municipality's taxable property assessment plus the capitalized value of payments in lieu of taxes.

Chapter 3 - Financial Information

General Overview

Audited financial statements are presented on a consolidated basis. These consolidated financial statements present all municipal entities as one single reporting entity:

- all the individual funds managed by the Municipality
- organizations or enterprises that the Municipality owns or controls, such as:
 - Cemetery

The Municipality's non-consolidated financial statements present the individual funds managed by the Municipality, such as the General Operating Fund, General Capital Fund, Non-operating Reserve Fund, Operating Reserve Fund and, if applicable, Water Operating Fund, Water Capital Fund, Water Reserve Fund, Electric Operating Fund, Electric Capital Fund, and Electric Reserve Fund. Non-consolidated financial statements are reconciled but not audited².

Financial Reporting Compliance

Legislated Requirements

Submitted before deadline³:

- | | |
|---|------------|
| ◦ Audited Consolidated Financial Statements | No |
| ◦ Financial Information Return (FIR) | No |
| ◦ Statement of Estimates - Assessment (SOE-A) | Yes |
| ◦ Statement of Estimates - Budget (SOE-B) | Yes |
| ◦ Management Letter/Internal Control Letter | No |
| ◦ Summary Report of Expenses | No |
| ◦ Summary Report of Hospitality Expenses | No |

Financial Statements include:

- | | |
|---|------------|
| ◦ Unqualified Audit Opinion | Yes |
| ◦ Elected Officials remuneration and expenses | Yes |

Expense and Hospitality report posted online quarterly	No
--	-----------

² Please be advised that, although the Department of Municipal Affairs reconciles, at a high level, a municipality's non-consolidated financial statements to the consolidated financial statements, the non-consolidated financial statements are usually not audited nor presented in full accordance with Canadian public sector accounting standards.

³ Annually, municipalities are required to submit their financial information by Sept 30th.

Financial Highlights

Revenue

Total consolidated revenue:	\$35.9 Million
Revenue generated from own source revenue*:	\$28.6 Million
Total general operating revenue:	\$25.5 Million
Largest general operating revenue:	80% Net property taxes and payments in lieu of taxes

Expenses

Total consolidated expenses**:	\$28.7 Million
Total general operating expenses:	\$21.4 Million
Largest general operating expense:	40% Protective services

Annual Surplus

Annual consolidated surplus (deficit):	\$7.2 Million
Consolidated accumulated surplus (deficit):	\$93.9 Million
Annual general operating surplus (deficit):	\$1.2 Million

Debt

Total consolidated long-term debt:	\$13.1 Million
Total general capital fund long-term debt:	\$11.9 Million
General operating fund bank indebtedness:	\$0

* Total consolidated revenue excluding government transfers

** Net of extraordinary and special revenue item(s)

Revenue

\$35.9M

2022-23 Consolidated Revenue

Total consolidated revenue: \$35.9 Million

Largest revenue: \$20.3 Million Net property taxes and payments in lieu of taxes

Revenue generated from own source revenue: 80%

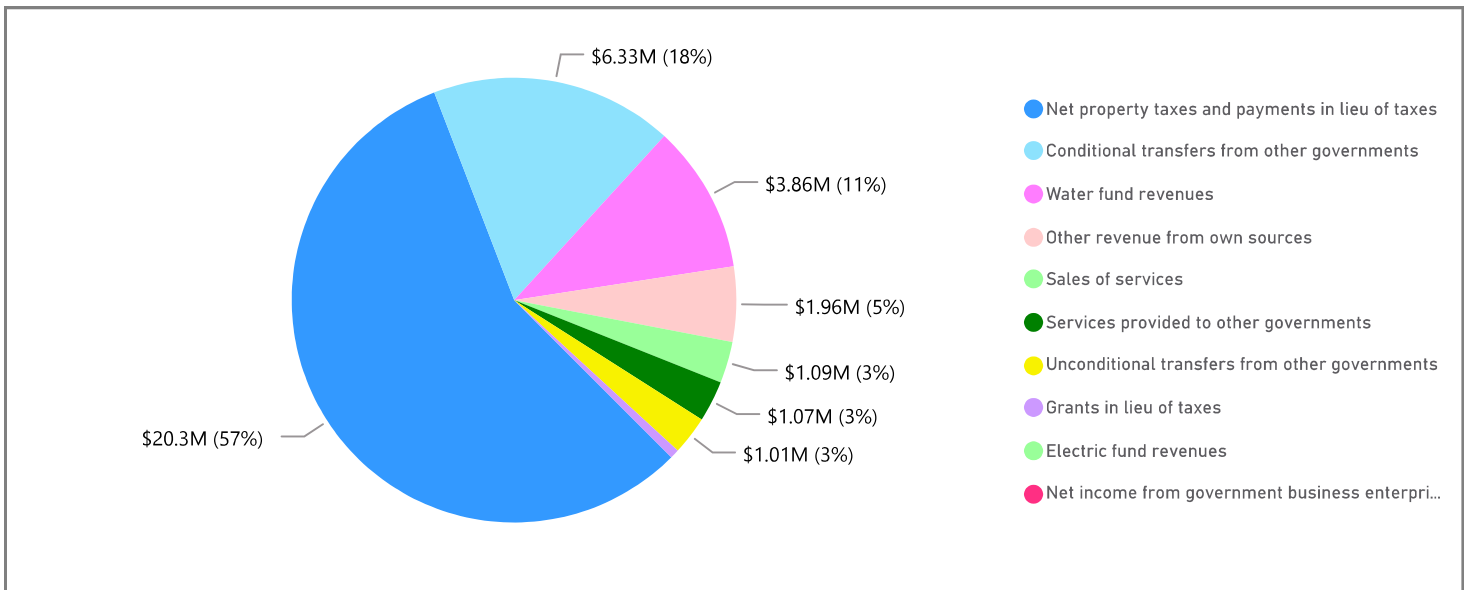
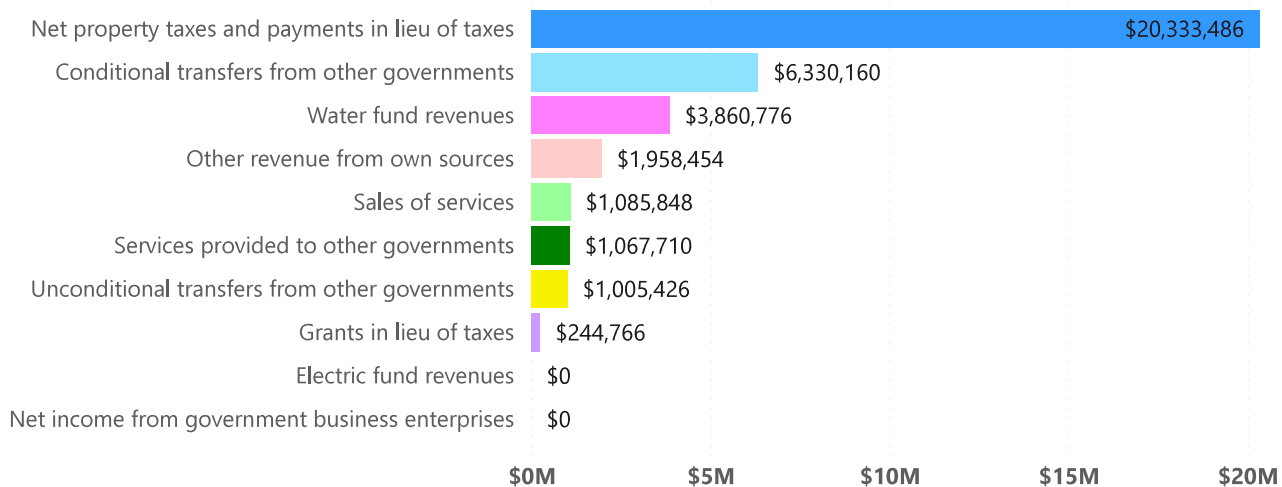


Figure 14 - Consolidated Revenue Source: 2022-23 Financial Information Return

The graphs above and below show the Municipality's consolidated revenue divided into categories.

Consolidated Revenue



Revenue

\$25.5M

2022-23 General Operating Revenue

Total general operating revenue:	\$25.5 Million
Largest general operating revenue:	80% Net property taxes and payments in lieu of taxes
Uncollected Taxes Financial Condition Indicator (FCI):	12.0%
Reliance on Government Transfers (FCI):	3.8%

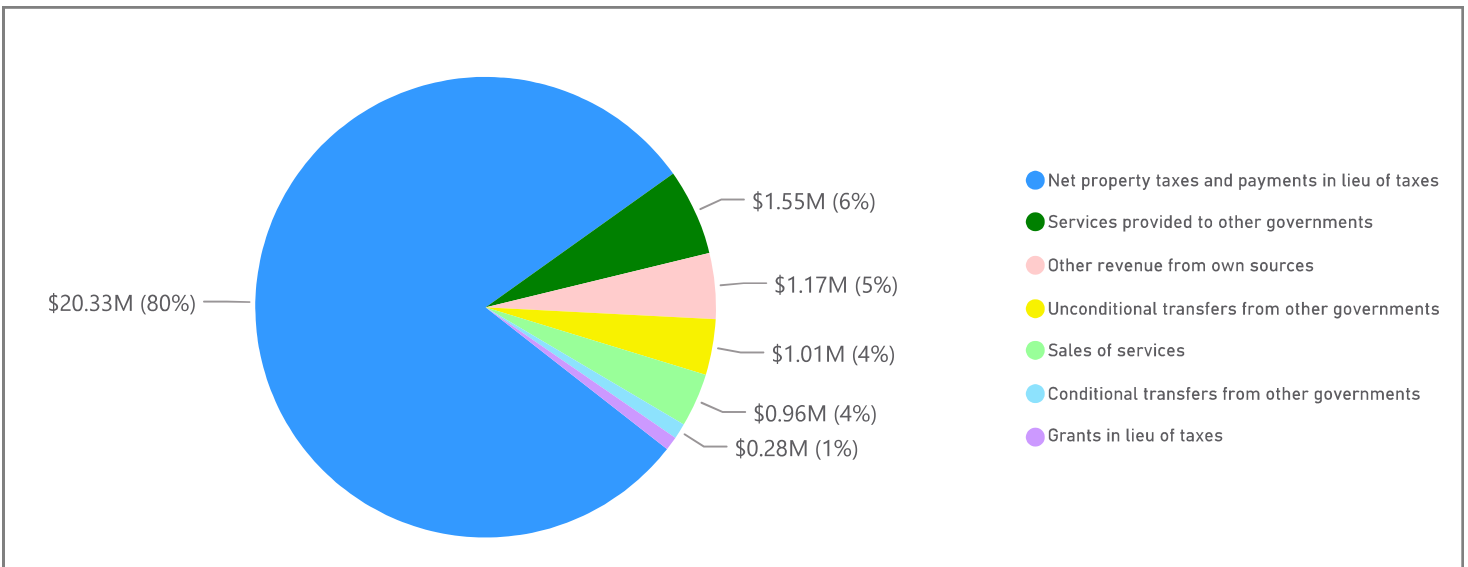
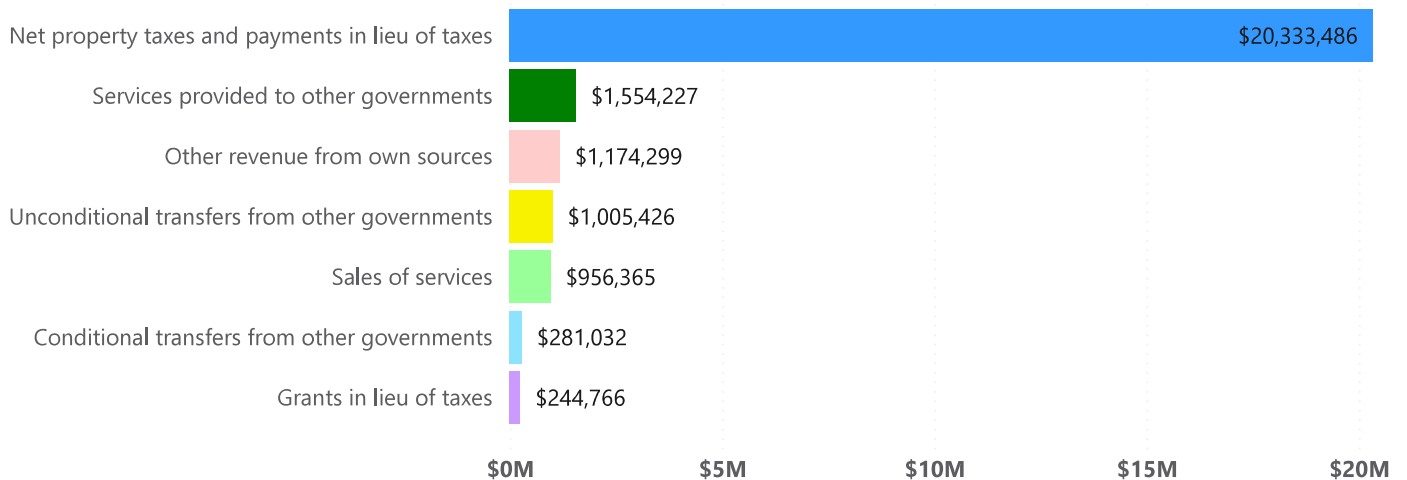


Figure 15- General Operating Fund Revenue: 2022-23 Financial Information Return

The graphs above and below show the Municipality's general operating fund revenue divided into categories.

General Operating Revenue



Expenses

\$28.7M

2022-23 Consolidated Expenses

Total consolidated expenses: \$28.7 Million
 Largest expense: 34% Protective services

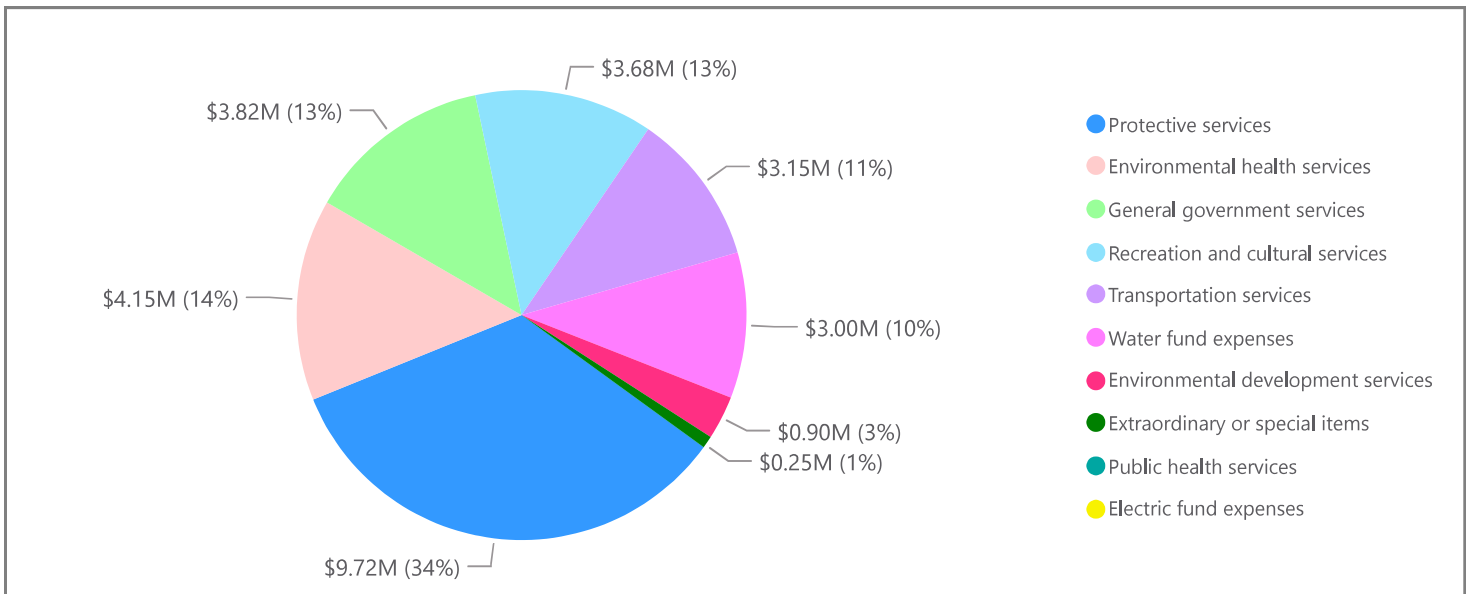
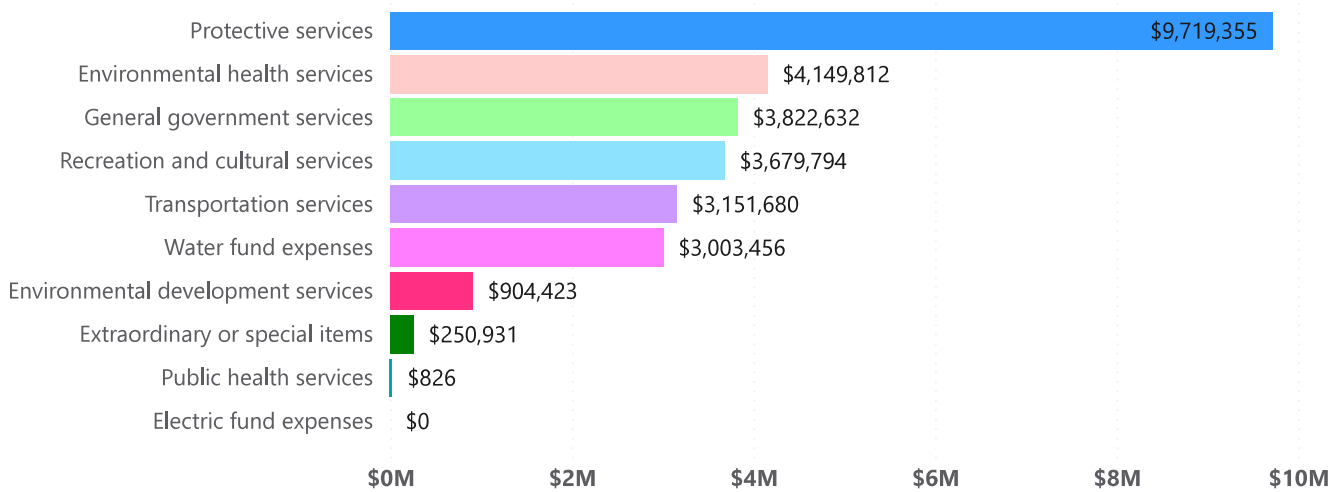


Figure 16 - Consolidated Expenses Source: 2022-23 Financial Information Return

The graph above and table below show the Municipality's consolidated expenses divided into categories.

Consolidated Expenses



Expenses

\$21.4M

2022-23 General Operating Expense

Total general operating expenses: \$21.4 Million

Largest general operating expense: 40% Protective services

General operating reserves as a percentage of total general operating expenses: 92.1%

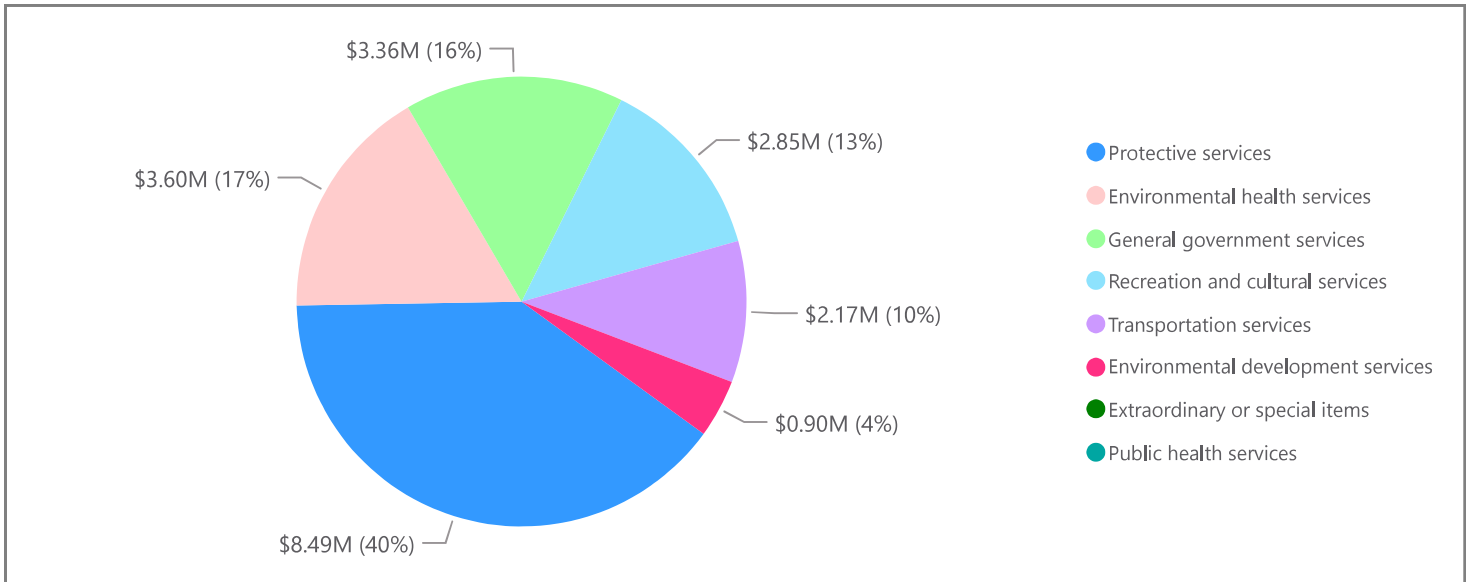
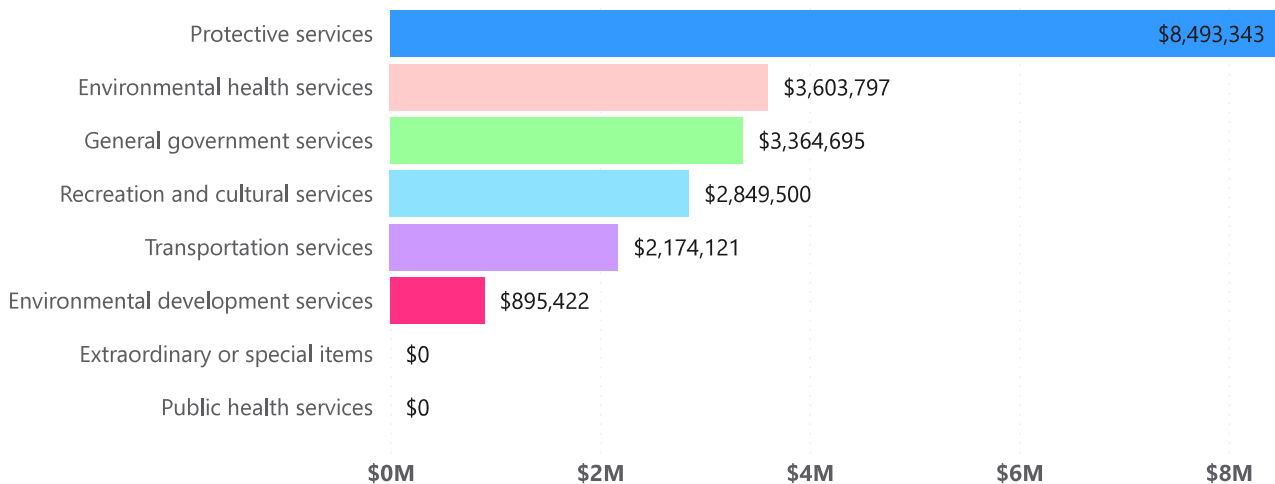


Figure 17 - General Operating Fund Expenses: 2022-23 Financial Information Return

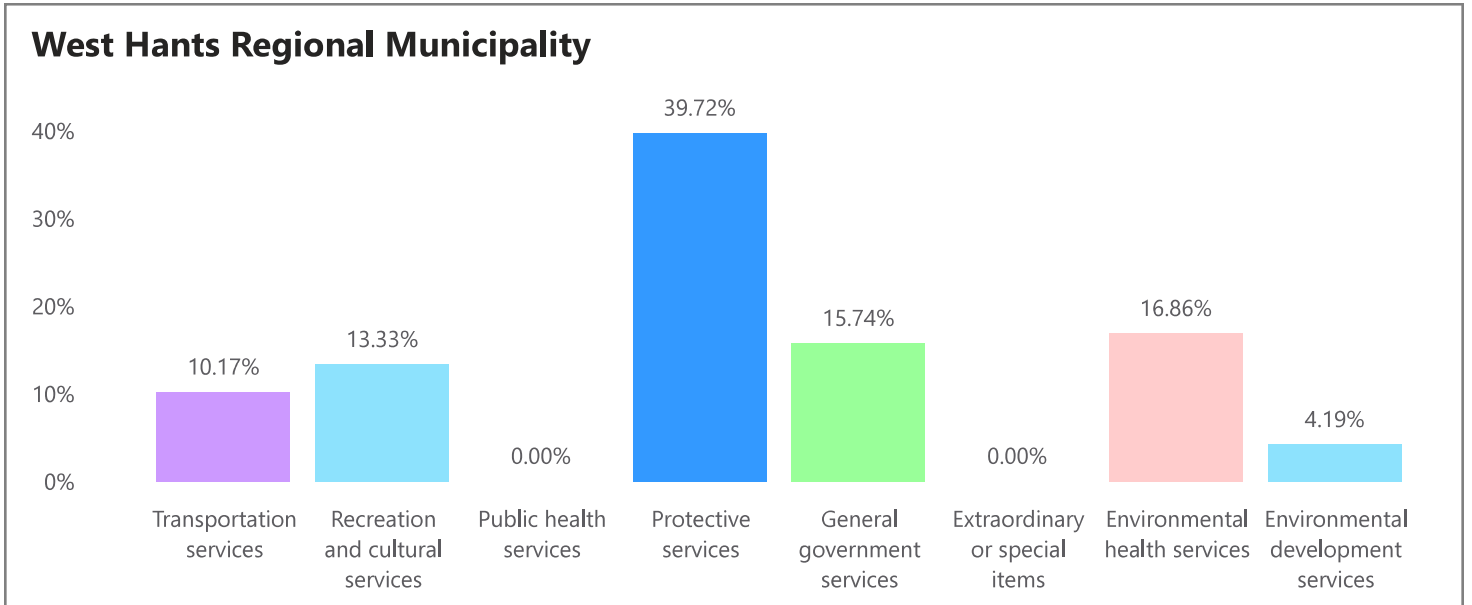
The graph above and table below show the Municipality's general operating fund expenses divided into categories.

General Operating Expenses



2022-23 General Operating Expenses Comparison to the Provincial Average

The graph below shows the expense by function for the municipal operations or General Operating Fund expenses compared to the Provincial Average.



Provincial Average

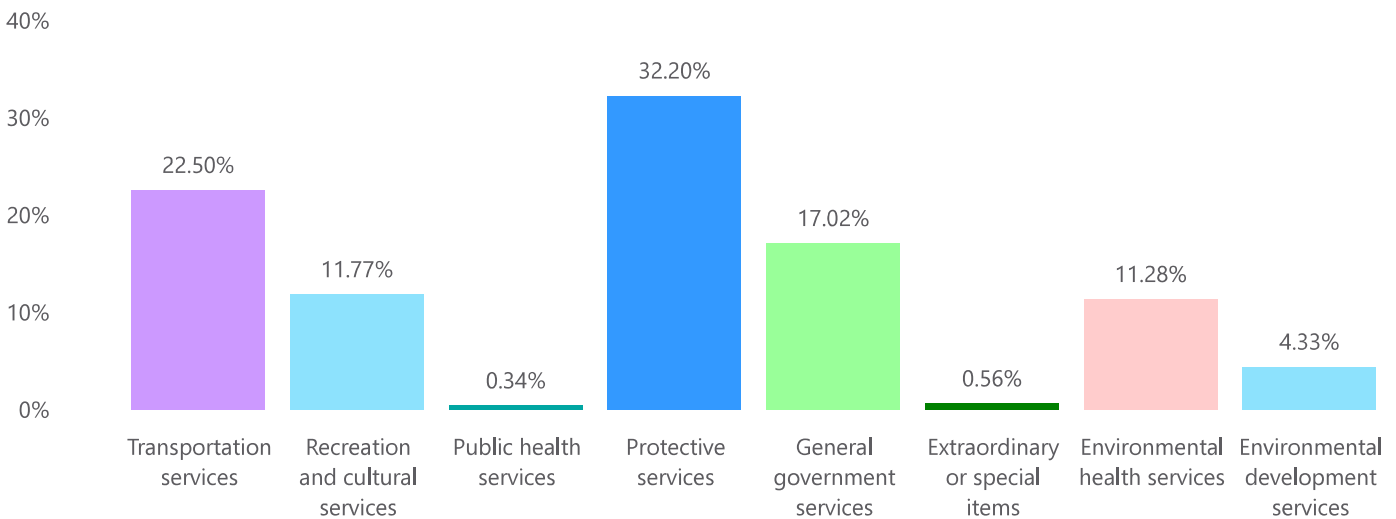


Figure 18 - Comparison of General Operating Fund Expenses to Provincial Average. Source: 2022-23 Financial Information Return

Accumulated Surplus (Deficit)

Annual surplus (deficit): Revenue - Expenses

Note: Annual surplus (deficit) is added to the accumulated surplus (deficit)

Annual consolidated surplus (deficit): \$7.2 Million

Consolidated accumulated surplus (deficit): \$93.9 Million

Annual general operating surplus (deficit): \$1.2 Million

Number of Deficits in the Last 5 Years Financial Condition Indicator (FCI): 0

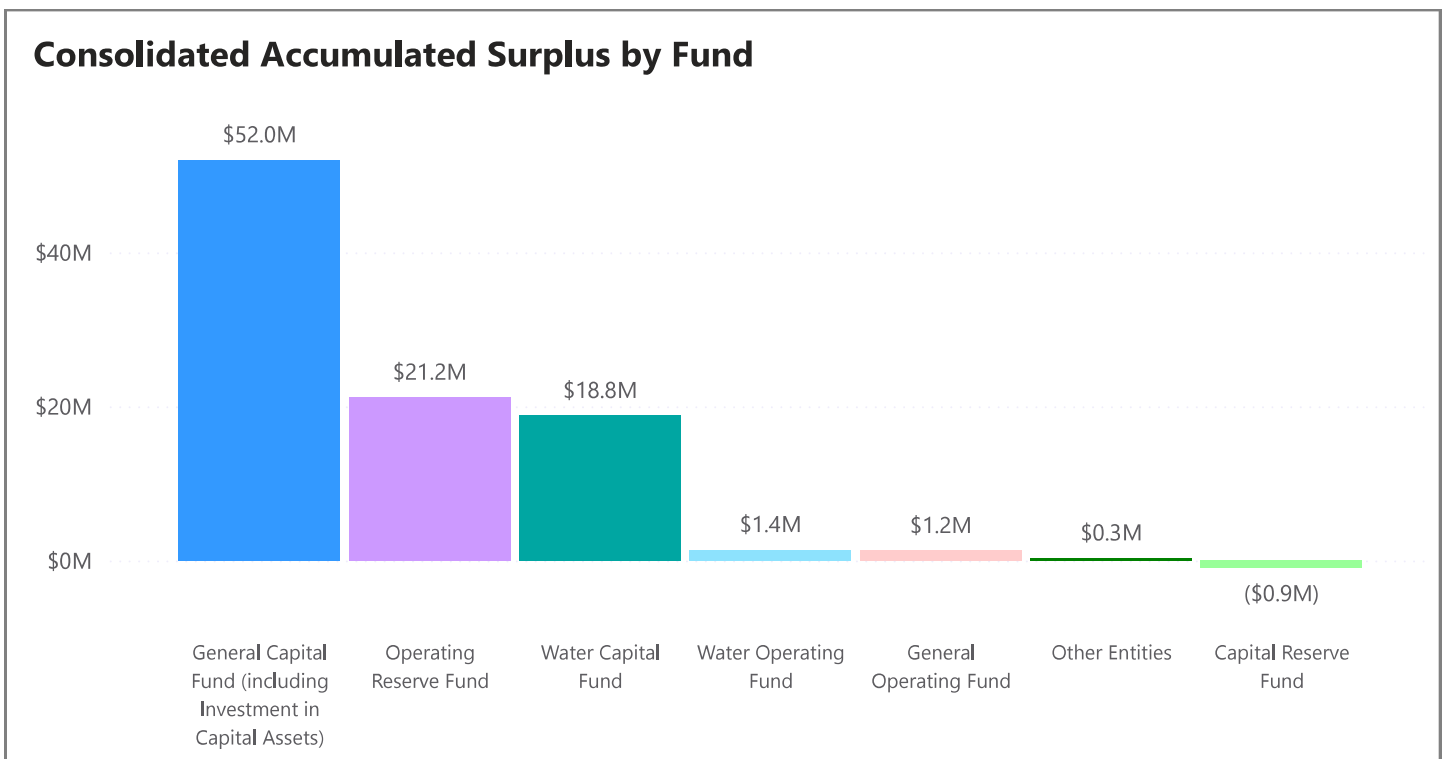


Figure 19 - Consolidated Accumulated Surplus by Fund. Source: 2022-23 Financial Information Return

Debt

Total consolidated long-term debt:	\$13.1 Million
Total general capital fund long-term debt:	\$11.9 Million
Debt Service Financial Condition Indicator (FCI):	7.8%
Operating fund bank indebtedness:	\$0
Outstanding Operating Debt FCI (as a percentage of Net Property Taxes/Payment in Lieu of Taxes, Grants in Lieu of Taxes and Government Transfers):	0.0%

Chapter 4 - Financial Condition Indicators: House Model

The Financial Condition Indicators (FCIs) condense multiple sources of information into a single visual “House Model” graph. The House Model gives a quick visual of a municipality’s strengths and possible areas where a municipality may want to focus its attention.

The Model:

The Model consists of twelve indicators organized into base, structure and roof, focusing on:

- Base: Three indicators relating to internal and external factors that could impact the municipality's revenue stream.
- Structure: Five financial indicators that concern management and debt; and
- Roof: Four key performance indicators, that reflect the municipality's ability to meet current and future needs in a balanced and independent manner.

Risk thresholds:

Each indicator is assessed against a risk threshold:

- low risk (**green**);
- moderate risk (**yellow**); and
- high risk (**red**).

Overall assessment:

The Department calculates an overall assessment for fiscal instability:

- low risk (**green**): 9-12 FCIs meet low risk threshold;
- moderate risk (**yellow**): 7-8 FCIs meet low risk threshold; and
- high risk (**red**): 6 or less FCIs meet low risk threshold.

Overall Assessment

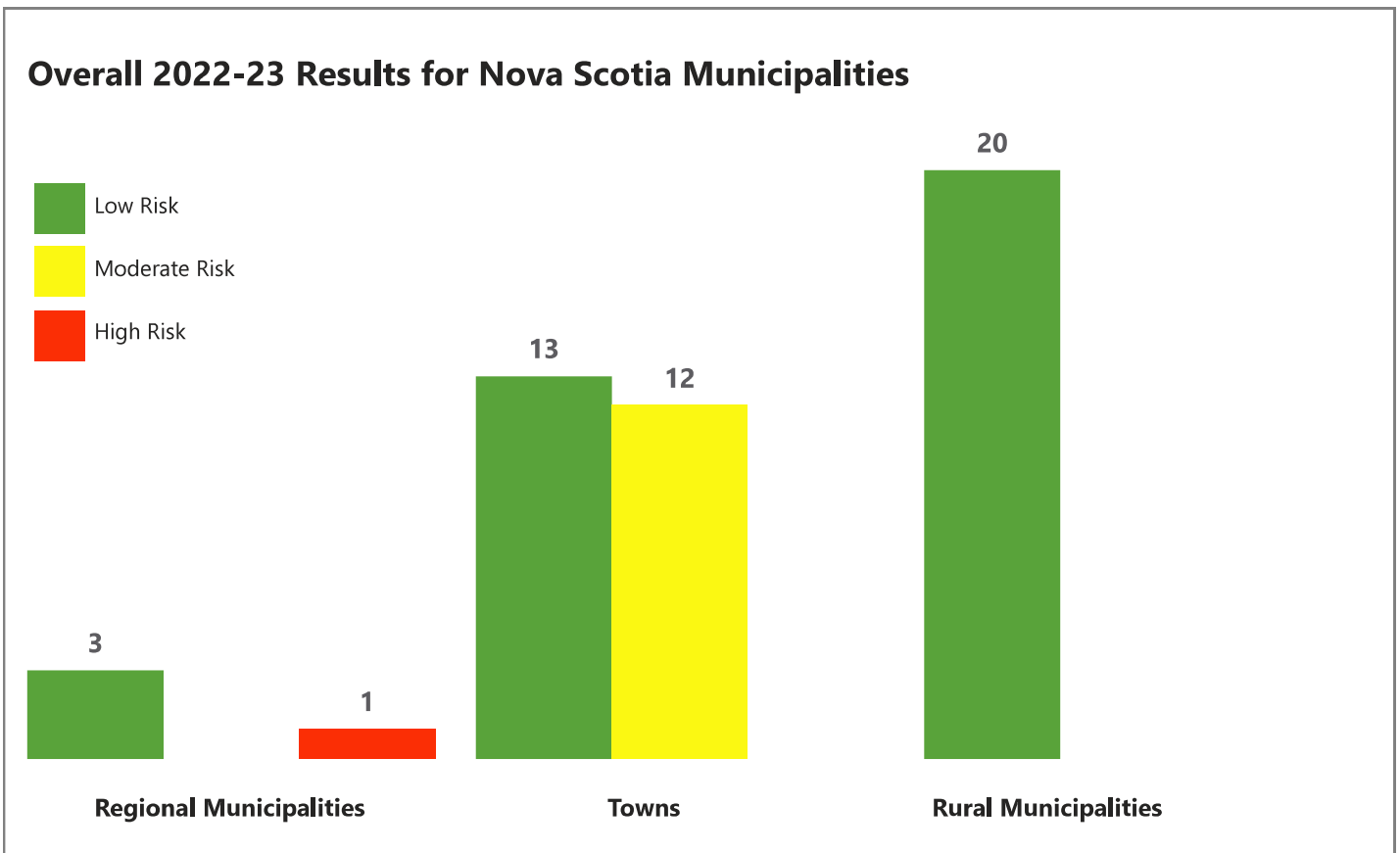
Overall Assessment for: West Hants Regional Municipality

Financial Condition: Low Risk

The overall Financial Conditions Index assessment for the West Hants Regional Municipality is Low Risk.

This means that while the Municipality might face some challenges, it is considered low risk for fiscal instability.

Comparison: The majority of Municipalities are at low risk (see chart below).



Financial Condition Indicators Highlights for 2022-23

Overall Assessment

Green (Low Risk)

The overall Financial Conditions Index assessment for the West Hants Regional Municipality is Green (Low Risk).

This means that while the Municipality might face some challenges, it is considered low risk for fiscal instability.

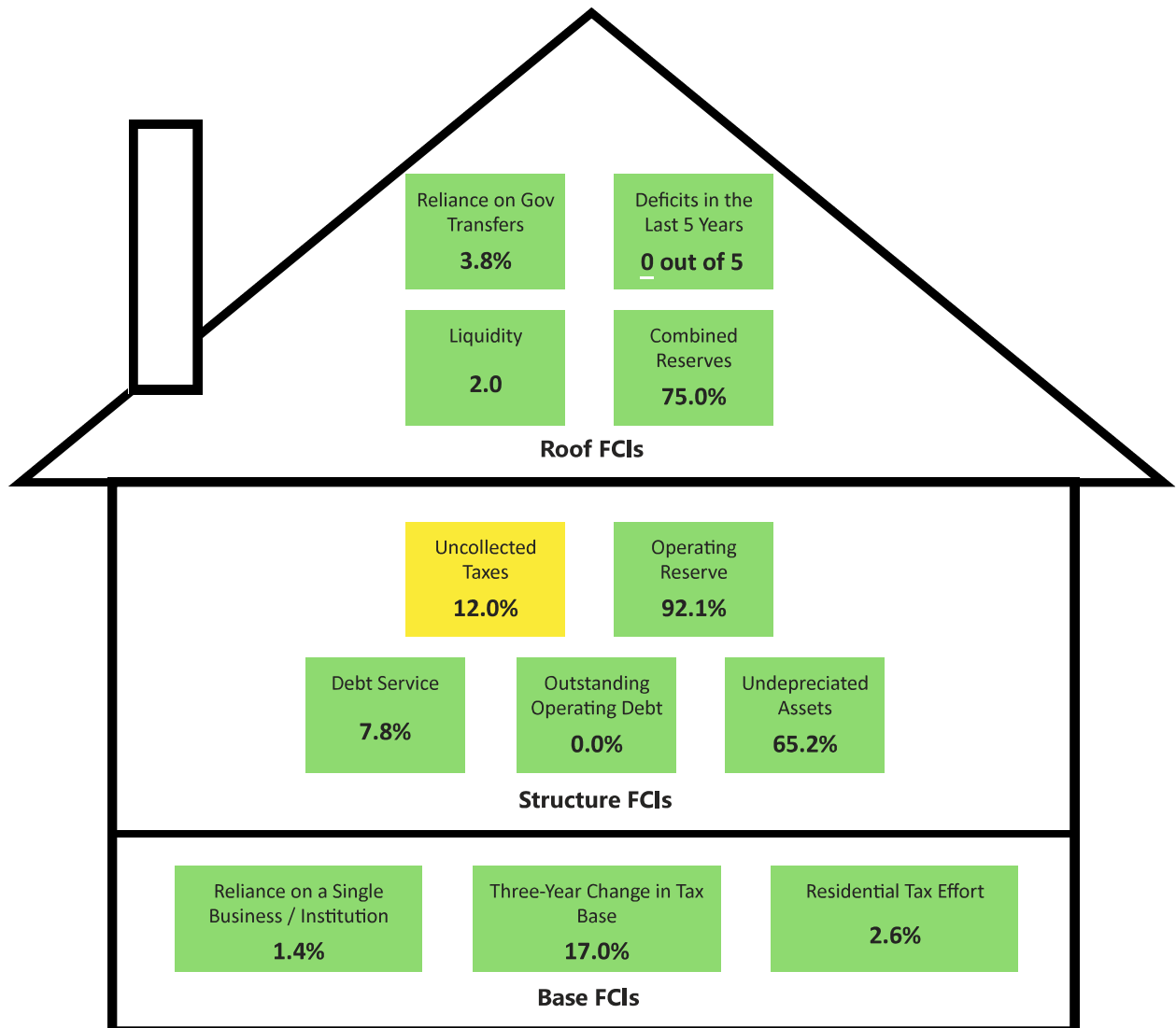
As shown in the House model below, the West Hants Regional Municipality's FCIs are comprised of:

Low Risk (green): 11 Indicators

Moderate Risk (yellow): 1 Indicators

High Risk (red): 0 Indicators

Individual FCI results are presented in the House below and are compared to last year's result on the next page.



Two-Year Comparison of Financial Condition Indicators

BASE	2021-22	2022-23	+/-
Reliance on a Single Business or Institution	1.4%	1.4%	0.0%
Three-Year change in Tax Base	0.0%	17.0%	17.0%
Residential Tax Effort	2.4%	2.6%	0.2%

STRUCTURE	2021-22	2022-23	+/-
Uncollected Taxes	10.6%	12.0%	1.4%
Operating Reserve	75.7%	92.1%	16.4%
Debt Service	6.4%	7.8%	1.4%
Outstanding Operating Debt	0.2%	0.0%	-0.2%
Undepreciated Assets	66.8%	65.2%	-1.6%

ROOF	2021-22	2022-23	+/-
Reliance on Government Transfers	6.3%	3.8%	-2.5%
Number of Deficits in the Last 5 Years	0	0	0
Liquidity	1.8	2.0	0.2
Combined Reserves	55.5%	75.0%	19.5%

*For 3-year Change in Tax Base, CPI change for 2021-22 was 12.1% and for 2022-23 is 13.3%.

Base FCI Indicator - Municipal Revenue Dimension

Reliance on a Single Business or Institution

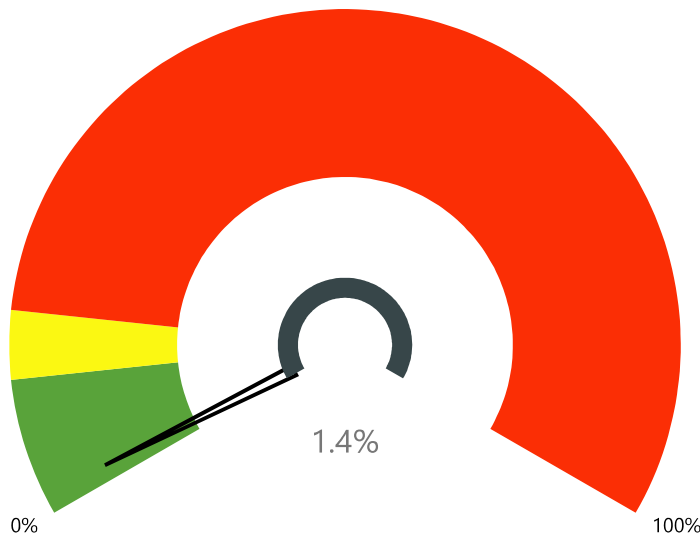
2022-23 Results: **Low Risk 1.4 %**

The largest single commercial or institutional account is 1.4 % of the Municipality's total Uniform Assessment.

What does it mean? The Municipality is showing no vulnerability in this area. The Municipality's tax base is not dependent on one single business or institution.

Calculation:
$$\frac{\text{Taxable assessment value of the largest business or institution}}{\text{Uniform assessment}} = 1.4\%$$

- Risk Thresholds:
- Low: Less than 10%
 - Moderate: 10% to 15%
 - High: Greater than 15%



Base FCI Indicator - Municipal Revenue Dimension

Three-Year Change in Tax Base

2022-23 Results: **Low Risk 17.0 %**

What does it mean? Growth is above the CPI % change of 13.3%.
The Municipality's tax base is in a strong position to cover the cost of municipal services and programs.

Calculation:
$$\frac{\text{Current uniform assessment} - \text{Uniform assessment 3 years prior}}{\text{Uniform assessment 3 years prior}} = 17.0\%$$

- Risk Thresholds:
- Low: Equal or above CPI % change (Three Year CPI 2022-23: 13.3 %)
 - Moderate: Below CPI % change, but not negative growth
 - High: Negative growth

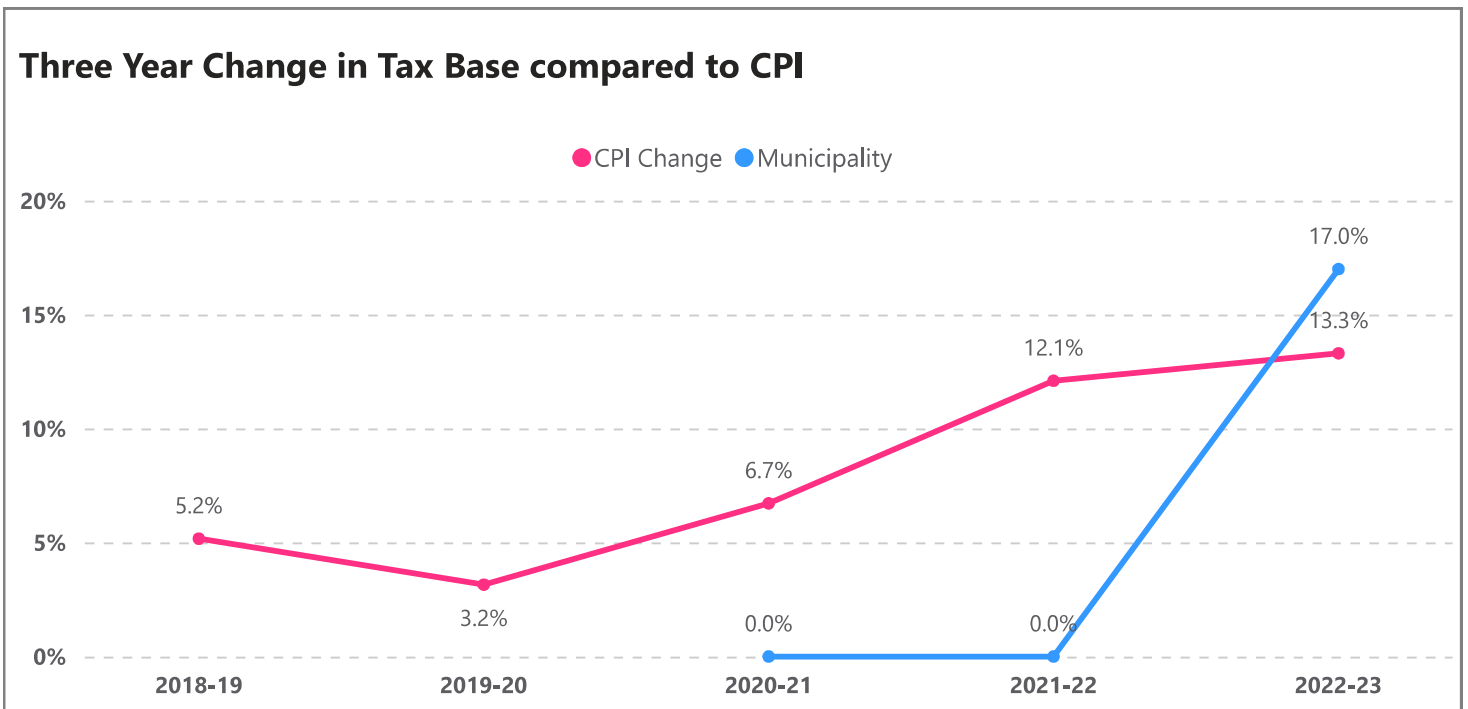


Figure 20 - Three-year change in Uniform Assessment in comparison to three-year change in CPI for the last 5 years.
Source: Statement of Estimates-Assessment and Statistics Canada

Base FCI Indicator - Municipal Revenue Dimension

Residential Tax Effort

2022-23 Results: **Low Risk 2.6 %**

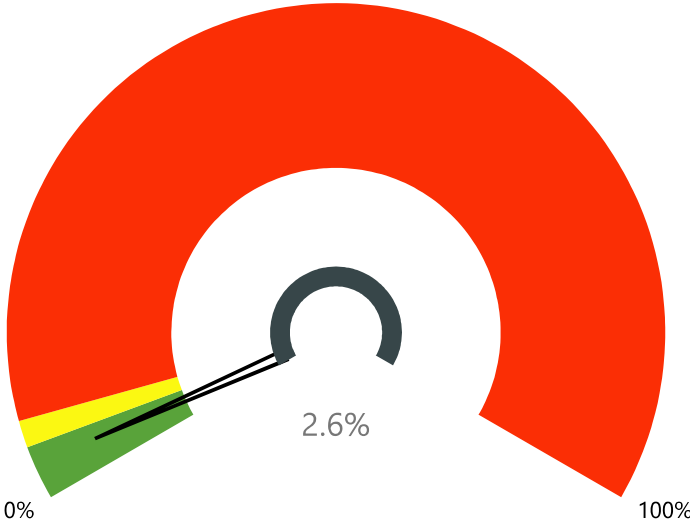
2.6 % of median household income is required to pay the average tax bill.

What does it mean? The Municipality has some flexibility to increase the taxes, if required.

This indicator helps council assess the affordability of municipal taxes in relation to the current service levels.

Calculation:
$$\frac{\text{Total residential tax revenue per dwelling unit}}{\text{Median household income}} = 2.6\%$$

- Risk Thresholds:
- Low: Less than 4%
 - Moderate: 4% to 6%
 - High: Greater than 6%



Structure (Management) FCI Indicator - Municipal Management Dimension

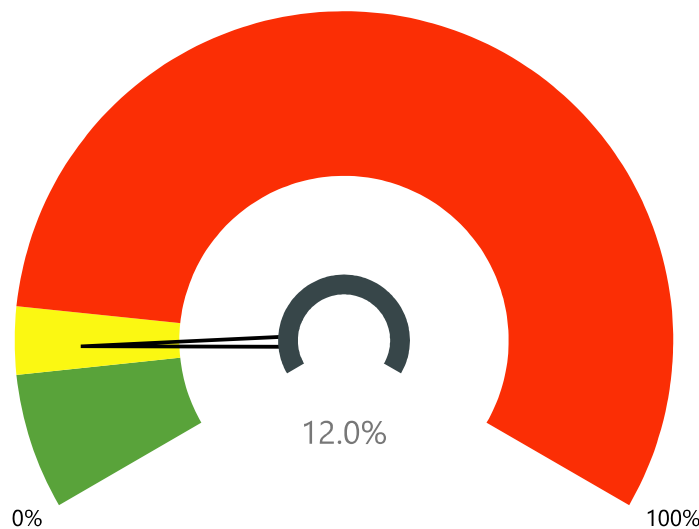
Uncollected Taxes

2022-23 Results: **Moderate Risk 12.0 %**

What does it mean? The Municipality is experiencing challenges managing tax revenue collection.

Calculation:
$$\frac{\text{Total cumulative uncollected taxes}}{\text{Total taxes billed in current fiscal year}} = 12.0\%$$

- Risk Thresholds:
- Low: Less than 10%
 - Moderate: 10% to 15%
 - High: Greater than 15%



Structure (Management) FCI Indicator - Municipal Management Dimension

Operating Reserve

2022-23 Results: **Low Risk 92.1 %**

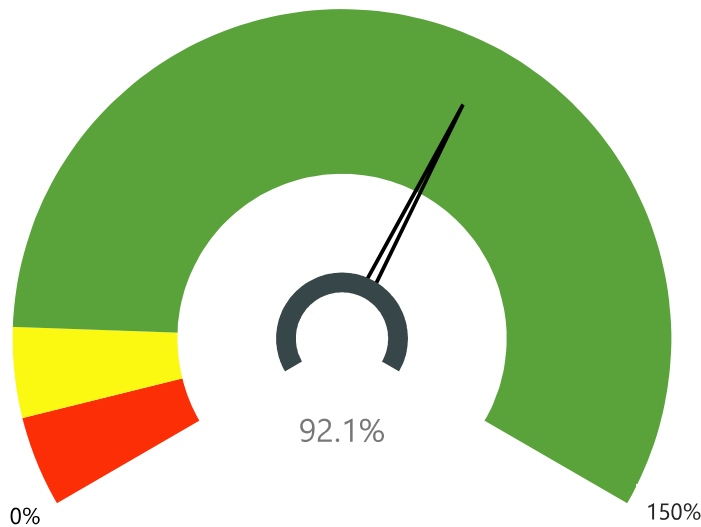
What does it mean? The Municipality is setting aside sufficient funds to help mitigate any unforeseen risks or future needs.

This indicator provides the value of funds set aside for planned future needs, to smooth expenses, or for unexpected expenses.

Calculation:

$$\frac{\text{Total operating reserve fund balance}}{\text{Total operating expenditures}} = 92.1\%$$

- Risk Thresholds:
- Low: Greater than 20%
 - Moderate: 10% to 20%
 - High: Less than 10%



Structure (Management) FCI Indicator - Municipal Management Dimension

Debt Service

2022-23 Results: **Low Risk 7.8 %**

7.8% of own source revenue is spent on principal and interest payments.

What does it mean?

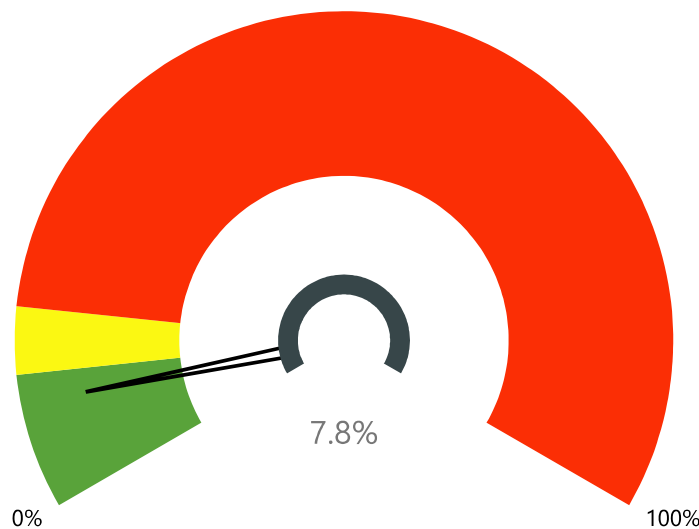
With adequate cash flow, the Municipality may have the flexibility to increase borrowing levels to help finance future capital expenditures.

Calculation:

$$\frac{\text{Principal and interest paid on long-term debt}}{\text{Total own source operating revenue}} = 7.8\%$$

Risk Thresholds:

- Low: Less than 10%
- Moderate: 10% to 15%
- High: Greater than 15%



Structure (Management) FCI Indicator - Municipal Management Dimension

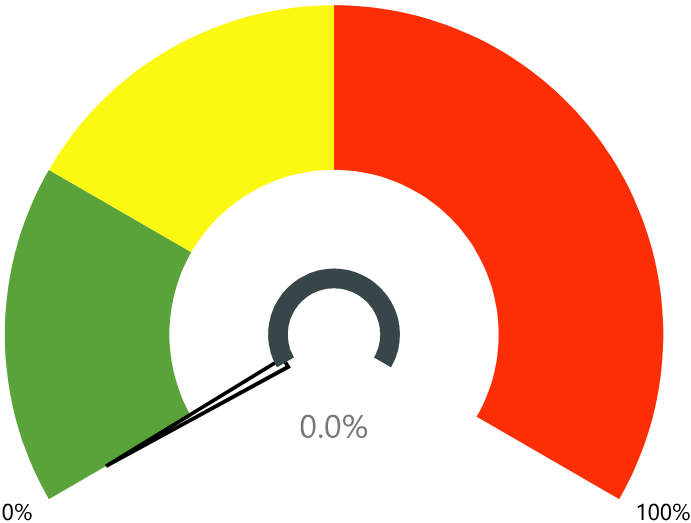
Outstanding Operating Debt

2022-23 Results: **Low Risk 0.0 %**

What does it mean? The Municipality is not carrying any operating debt.

Calculation:
$$\frac{\text{Total outstanding operating debt}}{\text{Total own source operating revenue}} = 0.0\%$$

- Risk Thresholds:
- Low: Less than 25%
 - Moderate: 25% to 50%
 - High: Greater than 50%



Structure (Management) FCI Indicator - Municipal Management Dimension

Undepreciated Assets

2022-23 Results: **Low Risk 65.2 %**

What does it mean?

This indicator estimates that the Municipality's capital assets have 65.2 % of their useful life remaining

Municipalities across Canada are facing sufficient infrastructure challenges. This indicates that the Municipality may be experiencing less of an infrastructure challenge than other municipalities.

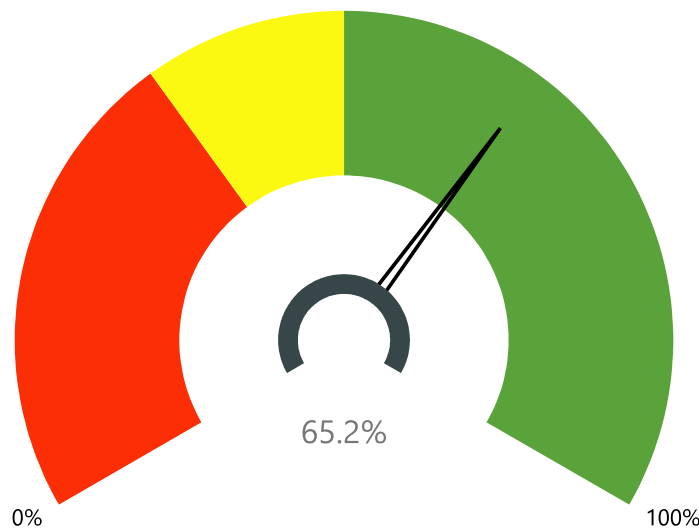
While this indicator provides an estimate of the useful life left in the Municipality/Town's recorded capital assets, it does not necessarily indicate the condition of those assets. For instance, some older assets could still be in good working condition, while the opposite could also be true.

Calculation:

$$\frac{\text{Total net book value of capital assets}}{\text{Gross costs of capital assets}} = 65.2\%$$

Risk Thresholds:

- Low: Greater than 50%
- Moderate: 35% to 50%
- High: Less than 35%



Roof (Key Performance) FCI Indicator - Overall Assessment Dimension

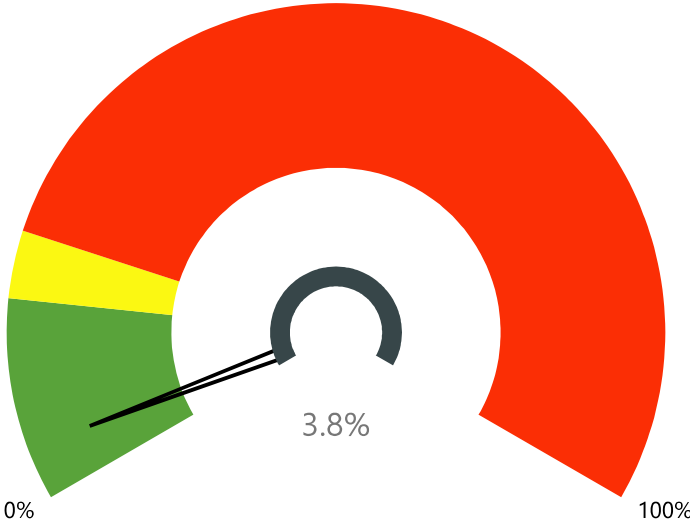
Reliance on Government Transfers

2022-23 Results: **Low Risk 3.8 %**

What does it mean? The Municipality is not dependent on another level of government to meet its service obligations.

Calculation:
$$\frac{\text{Total government transfers}}{\text{Total revenue}} = 3.8\%$$

- Risk Thresholds:
- Low: Less than 15%
 - Moderate: 15% to 20%
 - High: Greater than 20%



Roof (Key Performance) FCI Indicator - Overall Assessment Dimension

Number of Deficits in the last 5 Years

2022-23 Results: **Low Risk: 0 Operating deficit in the last five years**

What does it mean? Deficits are important indications of financial health. The result indicates that the Municipality is able to meet its needs in a balanced manner and maintains a balanced budget.

Calculation: Number of non-consolidated operating deficits in the last five years = 0

- Risk Thresholds:
- Low: 0 in the last five years
 - Moderate: 1 or more in the last 5 years
 - High: 1 or more in the last 2 years with one material deficit (0.5% of operating expenses)

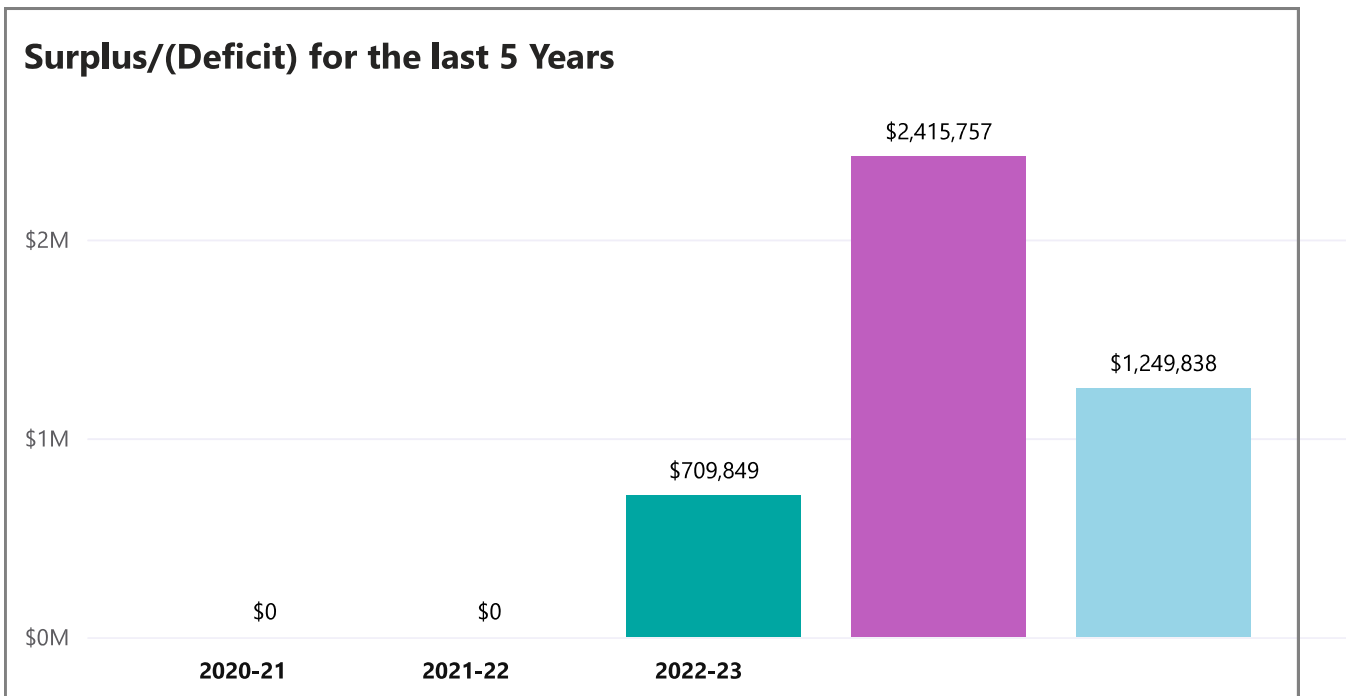


Figure 21 - Annual operating fund surplus (deficit) for the last 5 years. Source: Financial Information Return

Roof (Key Performance) FCI Indicator - Overall Assessment Dimension

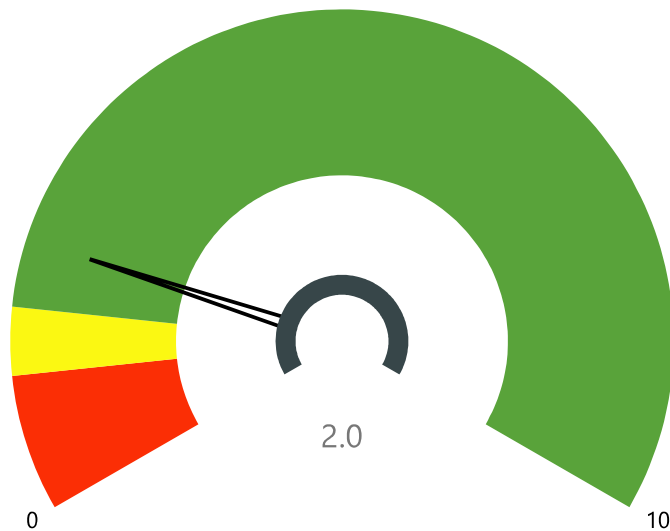
Liquidity

2022-23 Results: **Low Risk 2.0**

What does it mean? Liquidity is key to financial performance. The result indicates that the Municipality does not have a cash flow problem and is able to meet its service obligations.

Calculation:
$$\frac{\text{Total current financial assets}}{\text{Total current liabilities}} = 2.0$$

- Risk Thresholds:
- Low: Greater than 1.5
 - Moderate: 1 to 1.5
 - High: Less than 1



Roof (Key Performance) FCI Indicator - Overall Assessment Dimension

Combined Reserves

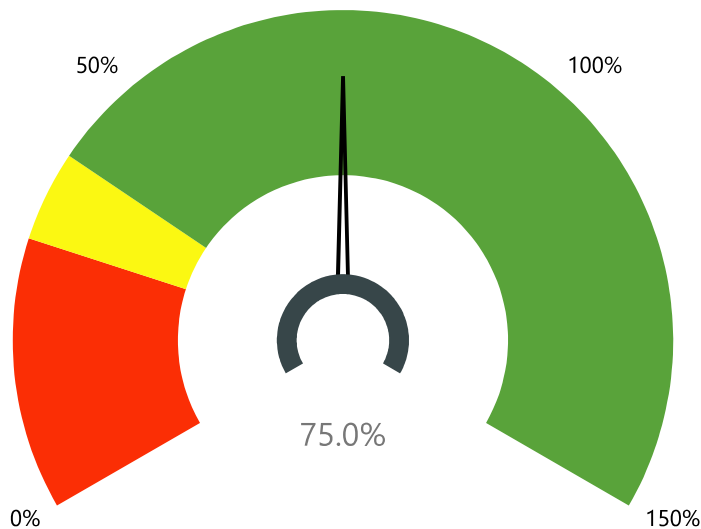
2022-23 Results: **Low Risk 75.0 %**

What does it mean? This result indicates that the Municipality does appear to have sufficient reserves needed to address unexpected events or provide flexibility to address future projects.

Calculation: Reserves are critical components of a municipality's long-term sustainability. This indicator shows the value of the funds held in the reserves compared to a single year's operation including amortization expenses.

Risk Thresholds:
$$\frac{\text{Total operating and capital reserves}}{\text{Total operating expenses plus amortization expense}} = 75.0\%$$

- Low: Greater than 40%
- Moderate: 30% to 40%
- High: Less than 30%



Appendix I - Additional Resources

Nova Scotia Government's Open Data Portal (data.novascotia.ca)

This portal provides access to various government data in a free, accessible, machine-readable format.

Financial datasets currently published through the Nova Scotia Government's Open Data Portal:

- Consolidated Revenues and Expenses by Municipality
- Municipal Affairs Funding Programs
- Farm Land Grant
- Financial Condition Indicators by Municipality
- Municipal Contributions to Roads
- Municipal Financial Capacity Grant
- Municipal Operating Fund- Summary of Revenue and Expenses by Municipality
- Municipal Operating Expenses by Function - 10 Year Summary
- Municipal Operating Revenue by Source - 10 Year Summary
- Municipal Property Tax Rates
- Nova Scotia Power Grant-in-Lieu
- Uniform Assessment

Appendix II - Municipal Website

The municipal website is westhants.ca

A municipality's website can be a helpful resource to access various financial information. Currently, most municipal websites provide:

- Audited Financial Statements
- Approved Operating Budget
- Quarterly Municipal Councilor and CAO Expense Report
- Quarterly Municipal Hospitality Expense Report

Contact Municipal Affairs

For more information, for support in action plan development, or to obtain a guide on action plan development:

municipalfinance@novascotia.ca.



**WEST HANTS REGIONAL MUNICIPALITY
2025-26 WEST HANTS REGIONAL WATER
FINANCIAL UPDATE AS OF OCTOBER 31, 2025**

REVENUE	2025-26 BUDGET	ACTUALS OCTOBER 31, 2025	VARIANCE % (BASED ON ACTUALS)	FORECAST MARCH 31, 2026	VARIANCE % (BASED ON FORECAST)	VARIANCE (BASED ON FORECAST)
Rate Sales	\$ 2,904,863	\$ 1,959,747	-32.5%	\$ 2,852,526	-1.8%	\$ (52,337)
Fire Protection	\$ 1,560,237	\$ 1,875	-99.9%	\$ 1,560,862	0.0%	\$ 625
Sprinkler Services	\$ 6,550	\$ 3,525	-46.2%	\$ 6,550	0.0%	\$ -
Other Operating Revenue	\$ 112,700	\$ 176,836	56.9%	\$ 246,018	118.3%	\$ 133,318
Total Operating Revenue	\$ 4,584,350	\$ 2,141,983	-53.3%	\$ 4,665,956	1.8%	\$ 81,606
EXPENDITURES						
Source of Supply	\$ 30,000	\$ 5,536	-81.5%	\$ 24,474	-18.4%	\$ (5,526)
Water Treatment	\$ 1,218,790	\$ 619,793	-49.1%	\$ 1,267,631	4.0%	\$ 48,841
Transmission & Distribution	\$ 1,479,801	\$ 848,156	-42.7%	\$ 1,637,551	10.7%	\$ 157,750
Administration & General	\$ 1,457,932	\$ 316,972	-78.3%	\$ 1,780,118	22.1%	\$ 322,186
Total Operating Expenditures	\$ 4,186,523	\$ 1,790,457	-57.2%	\$ 4,709,774	12.5%	\$ 523,251
Total Non-Operating Revenue	\$ 20,000	\$ 10,890	-45.6%	\$ 13,252	-33.7%	\$ (6,748)
Total Non-Operating Expenditures	\$ 423,702	\$ 254,972	-39.8%	\$ 423,702	0.0%	\$ -
Operating Surplus/Deficit	\$ (5,875)	\$ 107,444	-1928.7%	\$ (454,268)	7631.6%	\$ (448,393)

Notes: The utility is projecting a deficit of \$454,268.

Revenue

- Other operating revenue is projecting higher due to bulk water sales.
- Rate Sales are expected to be lower with the conservation efforts, but will be monitored as the year progresses.
- Non-operating revenues are projecting lower due to prime rate trends with the Bank of Canada.

Expenditures

- Administration & General expense are projecting higher due to estimated depreciation costs.
- Transmission & Distribution is projecting higher due to fuel, and maintenance on water mains and leak detection.
- Water Treatment is projecting lower due to watershed road maintenance, but this will be monitored as the year progresses.

**2025-26 WEST HANTS REGIONAL OPERATING BUDGET UPDATE
SEVENTH MONTH ENDING OCTOBER 31, 2025**

REVENUE	2025-26 BUDGET	% OF THE BUDGET	FORECAST MARCH 31, 2026	VARIANCE % (BASED ON FORECAST)	VARIANCE (BASED ON FORECAST)	ACTUALS October 31, 2025	BUDGET UTILIZATION %
TAXES	\$ 26,504,112	71%	\$ 26,022,096	-1.8%	\$ (482,016)	\$ 26,091,670	98.4%
SEWER	\$ 2,427,776	7%	\$ 2,965,720	22.2%	\$ 537,944	\$ 1,481,855	61.0%
BUSINESS PROPERTY / DEED TRANSFER TAX	\$ 2,531,417	7%	\$ 2,864,729	13.2%	\$ 333,312	\$ 1,391,120	55.0%
GRANTS	\$ 251,659	1%	\$ 278,055	10.5%	\$ 26,396	\$ 493	0.2%
SERVICES PROVIDED TO OTHER GOVERNMENTS ¹	\$ 1,502,983	4%	\$ 1,455,731	-3.1%	\$ (47,252)	\$ 567,772	37.8%
SALES OF SERVICES	\$ 977,499	3%	\$ 1,048,242	7.2%	\$ 70,743	\$ 439,032	44.9%
OTHER REVENUE ²	\$ 1,031,805	3%	\$ 1,261,108	22.2%	\$ 229,303	\$ 810,395	78.5%
UNCONDITIONAL TRANSFERS	\$ 1,623,314	4%	\$ 1,623,314	0.0%	\$ -	\$ 813,137	50.1%
TRANSFERS FROM FED OR PROV GOVT.	\$ 74,000	0%	\$ 118,581	60.2%	\$ 44,581	\$ 115,643	156.3%
TRANSFERS FROM OTHER LOCAL GOVERNMENTS	\$ 269,393	1%	\$ 269,312	0.0%	\$ (81)	\$ 85,460	31.7%
TOTAL	\$ 37,193,959	100%	\$ 37,906,888	1.9%	\$ 712,929	\$ 31,796,577	85.5%
EXPENSES							
GENERAL GOVERNMENT SERVICES ³	\$ 4,720,543	13%	\$ 4,603,376	-2.5%	\$ (117,167)	\$ 2,819,778	59.7%
PROTECTIVE SERVICES ⁴	\$ 10,803,577	29%	\$ 10,741,230	-0.6%	\$ (62,348)	\$ 2,936,661	27.2%
TRANSPORTATION	\$ 1,939,110	5%	\$ 2,107,954	8.7%	\$ 168,844	\$ 1,217,531	62.8%
ENVIRONMENTAL HEALTH SERVICES ⁵	\$ 4,445,586	12%	\$ 4,434,164	-0.3%	\$ (11,422)	\$ 2,429,535	54.7%
PUBLIC HEALTH SERVICES ⁶	\$ 90,607	0%	\$ 90,607	0.0%	\$ -	\$ -	0.0%
PLANNING	\$ 1,742,266	5%	\$ 1,794,096	3.0%	\$ 51,830	\$ 651,988	37.4%
RECREATION	\$ 3,955,805	11%	\$ 4,074,816	3.0%	\$ 119,011	\$ 2,185,508	55.2%
EDUCATION	\$ 6,278,180	17%	\$ 6,278,180	0.0%	\$ -	\$ 3,661,504	58.3%
PRINCIPAL INSTALLMENTS	\$ 2,485,686	7%	\$ 2,485,686	0.0%	\$ -	\$ 1,688,866	67.9%
NET TRANSFERS	\$ 727,599	2%	\$ 727,599	0.0%	\$ -	\$ -	0.0%
TOTAL	\$ 37,188,959	100%	\$ 37,337,706	0.4%	\$ 148,747	\$ 17,591,371	47.3%
SURPLUS / DEFICIT	\$ -		\$ 569,182	1.5%		\$ 14,205,206	

Please note that if revenue and expenditures were incurred evenly over the year approximately 58.3% of the budget would be used. This percentage provides a guideline when reviewing the above. However, it is important to keep in mind that account variances (up or down) will occur throughout the fiscal year. For example, seasonal activities such as summer programs and facility maintenance, as well as winter snow removal, will influence the budget in a non-uniform manner throughout the year. Items such as transfers from reserves, will also impact budget to actuals throughout the year as they occur at fiscal year end.

The overall projected surplus based on the variance analysis for the general fund is \$569,182.

Keynotes:

Revenue Highlights

- Sewer Revenue is projecting higher based on the first quarter, however we anticipate this will fluctuate with the mandatory conservation
- Deed Transfer Tax is projecting slightly higher we anticipate this trend to even out over the fall and winter periods.
- Transfers from other levels of Government are projecting higher than originally budgeted, as more grants were received.
- Other Revenue is projecting higher as a result of outstanding balances increasing interest and penalties on outstanding balances.

Expenditure Highlights

- Transportation is higher, due to a few factors including: the addition of Dial-A-Ride; increases in insurance; and higher costs for road repairs and maintenance, including tree removal.

LEGEND:

- 1 - SERVICES PROVIDED TO OTHER GOVERNMENTS INCLUDES: RECYCLING/ENFORCEMENT, HOST COMMUNITY FEES, ADMINISTRATION FEES, COURTHOUSE
- 2 - OTHER REVENUE INCLUDES: INTEREST AND PENALTIES, RETURN ON INVESTMENTS, ADMINISTRATIVE RENTALS AND LEASES, FINES, LICENSES AND PERMITS
- 3 - GENERAL GOVERNMENT SERVICES INCLUDES: LEGISLATIVE, ADMINISTRATION, FINANCIAL SERVICES, FACILITIES, LIBRARIES
- 4 - PROTECTIVE SERVICES INCLUDES: RCMP, FIRE, EMO, BY-LAW, COURTHOUSE, BUILDING INSPECTION
- 5 - ENVIRONMENTAL HEALTH SERVICES INCLUDES: SEWER, WASTE COLLECTION, WASTE DIVERSION, LANDFILL
- 6 - PUBLIC HEALTH SERVICES INCLUDES: CEMETERIES, PUBLIC HOUSING