

Consolidated Financial Statements

Town of Wolfville

March 31, 2025



A cultivated experience for the mind, body, and soil

| | Page(s) |
|---|----------------|
| Independent Auditor's Report | 1-2 |
| Management's Responsibility for the Consolidated Financial Statements | 3 |
| Consolidated Statement of Financial Position | 4 |
| Consolidated Statement of Operations | 5 |
| Consolidated Statement of Changes in Net Financial Assets (Debt) | 6 |
| Consolidated Statement of Cash Flows | 7 |
| Notes to the Consolidated Financial Statements | 8-23 |
| Schedules to the Consolidated Financial Statements | 24-34 |
| Trust Fund Statements (non-consolidated) | 35-36 |

Independent auditor's report

Doane Grant Thornton LLP
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To the Mayor and Council of the Town of Wolfville

Opinion

We have audited the consolidated financial statements of the Town of Wolfville ("the Town"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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

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

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

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.

Other matters

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The supplementary schedules on pages 24-34 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

Doane Grant Thornton LLP

Kentville, Canada
October 21, 2025

Chartered Professional Accountants



Management’s Responsibility for the Consolidated Financial Statements

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these financial statements are management’s responsibility. Management is also responsible for all the notes to the consolidated financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies 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 judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

Town Council fulfils its responsibility through its budget process and review of quarterly financial updates vetted first through Audit Committee. The Audit Committee also meets with management and the external auditors to review the consolidated financial statements and discuss any significant reporting or internal control matters prior to the approval of the consolidated financial statements by Town Council.

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

On behalf of the Town of Wolfville:

Signed by:


CR2E5C70163B47E8
Jodi Mackay, Mayor

Signed by:


9C70FF33B40C4C8
Glenn Horne, CAO

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

| | 2025 | 2024 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Financial Assets | | |
| Cash | 4,610,785 | 3,579,871 |
| Cash – capital reserve & restricted funds (note 11) | 7,488,983 | 6,571,861 |
| Receivables (note 4) | 1,651,584 | 1,934,954 |
| | <u>13,751,352</u> | <u>12,086,686</u> |
| Liabilities | | |
| Temporary bank indebtedness | 311,344 | 1,023,733 |
| Payables and accruals | 1,398,842 | 1,420,179 |
| Deferred revenue (note 15) | 3,815,128 | 2,560,719 |
| Other | 112,815 | 172,475 |
| Asset retirement obligation (note 17) | 90,615 | 90,826 |
| Long-term operating debt (note 16) | 792,223 | 792,223 |
| Long-term capital debt (note 5) | 8,715,499 | 8,682,716 |
| | <u>15,236,466</u> | <u>14,742,871</u> |
| Net financial debt | <u>(1,485,114)</u> | <u>(2,656,185)</u> |
| Non-financial assets | | |
| Tangible capital assets (note 6) | 35,588,486 | 33,622,310 |
| Prepaid | 418,278 | 363,470 |
| Inventories | 175,634 | 163,237 |
| Work-in-process | 1,423,476 | 2,570,055 |
| | <u>37,605,874</u> | <u>36,719,072</u> |
| Accumulated surplus | <u>36,120,760</u> | <u>34,062,887</u> |

On Behalf of the Town

Signed by: Jodi Mackay Mayor
C82E5C10163B4EB...

Signed by: Glenn Horne Chief Administrative Officer
9C76FF33B46C4C8...

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

Town of Wolfville
Consolidated Statement of Operations
For the year ended March 31, 2025

| | Budget | Actual | Actual |
|---|-----------------------|--------------------------|--------------------------|
| | (note 13) | 2025 | 2024 |
| | 2025 | 2025 | 2024 |
| | \$ | \$ | \$ |
| Revenue | | | |
| Taxes | 10,264,300 | 10,512,216 | 9,605,554 |
| Grants in lieu of taxes | 1,163,500 | 1,171,087 | 1,048,379 |
| Sale of services | 1,235,300 | 1,304,847 | 1,172,679 |
| Other revenue from own sources | 335,900 | 704,208 | 630,564 |
| Unconditional transfers from other governments | 347,200 | 347,466 | 71,223 |
| Conditional transfers from governments and others | 852,700 | 781,973 | 610,634 |
| Metered sales | 998,900 | 977,186 | 820,390 |
| Sprinkler services | 11,000 | 11,050 | 10,925 |
| Other | 55,600 | 58,622 | 60,920 |
| | <u>15,264,400</u> | <u>15,868,655</u> | <u>14,031,268</u> |
| Expenses | | | |
| General government services | 2,688,750 | 2,554,356 | 2,410,663 |
| Protective services | 2,719,700 | 2,524,685 | 2,596,544 |
| Transportation services | 3,060,400 | 3,016,046 | 2,792,078 |
| Environmental health services | 1,707,100 | 1,568,508 | 1,328,545 |
| Environmental development services | 1,266,900 | 1,216,875 | 842,896 |
| Recreational and cultural services | 1,549,950 | 1,545,566 | 1,489,517 |
| Water | | | |
| Source of supply | - | - | - |
| Power and pumping | 127,400 | 123,898 | 116,670 |
| Treatment | 203,800 | 195,593 | 193,890 |
| Transmission and distribution | 438,200 | 457,624 | 406,162 |
| Administrative | 342,100 | 382,425 | 333,455 |
| Interest and other debt charges | 63,100 | 42,182 | 42,347 |
| Accretion - ARO | - | 755 | 1,009 |
| Amortization | 190,200 | 182,269 | 182,866 |
| | <u>14,357,600</u> | <u>13,810,782</u> | <u>12,736,642</u> |
| Surplus | <u><u>906,800</u></u> | 2,057,873 | 1,294,626 |
| Accumulated surplus – Beginning of year | | <u>34,062,887</u> | <u>32,768,261</u> |
| Accumulated surplus – End of year | | <u><u>36,120,760</u></u> | <u><u>34,062,887</u></u> |

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

Town of Wolfville
Consolidated Statement of Changes Net Financial Debt
For the year ended March 31, 2025

| | Budget (note 13) 2025 \$ | Actual 2025 \$ | Actual 2024 \$ |
|--|---|---|---|
| Annual surplus | 906,800 | 2,057,873 | 1,294,626 |
| Acquisition of tangible capital assets | (6,282,000) | (3,961,710) | (988,037) |
| TCA addition - ARO | - | - | - |
| (Gain)/loss on disposal | - | - | - |
| Proceeds on disposal | - | - | - |
| Amortization | 1,823,700 | 1,995,535 | 1,816,553 |
| | <u>(4,458,300)</u> | <u>(1,966,175)</u> | <u>828,516</u> |
| Prepays | - | (54,809) | (265,628) |
| Inventory | - | (12,397) | 20,467 |
| Work-in-progress | - | 1,146,579 | (2,038,928) |
| | <u>-</u> | <u>1,079,373</u> | <u>(2,284,089)</u> |
| Changes in net debt | <u>(3,551,500)</u> | <u>1,171,071</u> | <u>(160,947)</u> |
| Net debt – beginning of year | | <u>(2,656,185)</u> | <u>(2,495,238)</u> |
| Net debt – end of year | | <u>(1,485,114)</u> | <u>(2,656,185)</u> |

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

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

| | 2025 | 2024 |
|--|--------------------------|--------------------------|
| | \$ | \$ |
| Cash provided by (used in) | | |
| Operating activities | | |
| Annual surplus | 2,057,873 | 1,294,626 |
| Changes to annual surplus not involving cash | | |
| Fair value adjustment on accretion estimate | (2,798) | - |
| Accretion expense | 2,587 | 1,392 |
| Amortization of tangible capital assets | 1,995,534 | 1,816,553 |
| | <u>4,053,196</u> | <u>3,112,571</u> |
| Change in non-cash working capital | | |
| Increase in receivables | 283,370 | 17,973 |
| (Decrease) increase in payables | (21,337) | 43,206 |
| Increase in other liabilities | 1,194,749 | 1,406,599 |
| Decrease in prepaids | (54,809) | (265,628) |
| (Decrease) increase in inventories | (12,397) | 20,467 |
| | <u>5,442,772</u> | <u>4,335,187</u> |
| Capital transactions | | |
| Acquisition of tangible capital assets | (3,961,710) | (988,037) |
| Decrease (increase) in work in progress, excluding impairment write-down | 1,146,579 | (2,038,928) |
| Proceeds on disposal of tangible capital assets | - | - |
| | <u>(2,815,131)</u> | <u>(3,026,965)</u> |
| Financing activities | | |
| (Decrease) increase in bank loan | (712,389) | 34,353 |
| Proceeds from debt issue | 774,900 | 1,411,000 |
| Proceeds from long term operating loan | - | - |
| Long-term debt principal repayment | (742,117) | (686,750) |
| | <u>(679,606)</u> | <u>758,603</u> |
| Net increase in cash | 1,948,035 | 2,066,825 |
| Cash – beginning of year | <u>10,151,732</u> | <u>8,084,907</u> |
| Cash – end of year | <u><u>12,099,767</u></u> | <u><u>10,151,732</u></u> |
| Cash represented by: | | |
| Cash | 4,610,785 | 3,579,871 |
| Cash - capital reserve funds (note 11) | 7,488,983 | 6,571,861 |
| | <u><u>12,099,768</u></u> | <u><u>10,151,732</u></u> |

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

1. Status and nature of activities

The consolidated financial statements of the Town of Wolfville (the "Town") are prepared by management in accordance with Public Sector Accounting Standards, as recommended by the Public Sector Accounting Board of CPA Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

2. Summary of significant accounting policies

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 for the administration of their affairs and resources to the Town and which are owned or controlled by the Town.

Inter-departmental and organizational transactions and balances are eliminated.

Trust funds are excluded from the consolidated financial statements but are disclosed on pages 35 and 36.

b) Basis of accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues in the period in which the measurable transactions or events occurred that gave rise to the revenues and measurable expenditures in the period the goods and services are acquired, and a liability is incurred or transfers are due. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occurred; provided the transfers are authorized, any eligibility criteria have been met by the Town, and reasonable estimates of the amounts can be made.

c) Fund accounting

Funds within the consolidated financial statements consist of the Town Operating, Town Capital, Water Operating, Water Capital, Operating Reserve fund and Capital Reserve fund. Transfers between funds are recorded as adjustments to the appropriate fund balance.

d) Valuation allowance

For uncollected taxes and rates, the Town provides a valuation allowance for estimated losses that will be incurred in collecting receivables outstanding.

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and short-term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

2. Summary of significant accounting policies (continued)

f) Use of estimates

In preparing the Town's consolidated 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 at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. Estimates include the expected useful life of assets and the defined pension obligations.

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

Actual results could differ from these estimates.

g) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty.

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or services performed.

h) Work-in-process

Work-in-process ("WIP") is recorded at cost and occurs with instances where a capital project is not complete as at year end. Costs include any costs applicable to tangible capital assets. The capital cost reported as WIP as at year end becomes capitalized to tangible capital asset costs when the project is subsequently complete. In some cases, the costs are related to pre-construction engineering design for projects identified through the Town's Ten-Year Capital Investment Plan. The Town annually reviews the engineering costs for future projects to ensure the value of the work performed has not been impaired.

2. Summary of significant accounting policies (continued)

i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair market value upon acquisition.

The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis over its useful life. Assets under construction are not amortized until the asset is put into use. Amortization is recorded as an expense commencing in the year of acquisition.

The estimated useful lives are as follows:

Town general capital

| | |
|--|-------------|
| Land Improvements (includes LED Street lights) | 10-25 years |
| Traffic lights | 25 years |
| Small and office equipment | 4-5 years |
| Motor vehicles | 10-15 years |
| Fixed and moveable equipment | 10 years |
| Streets, road and curbs | 25 years |
| Sidewalks | 25 years |
| Operating plants (sewage treatment) | 25-50 years |
| Lift stations | 25 years |
| Municipal buildings | 40 years |
| Other infrastructure | 50 years |

Water utility

| | |
|---|-------------|
| Structures, improvements and wells | 25-75 years |
| Equipment | 1-10 years |
| Transmission, distribution and hydrants | 50-75 years |
| Services | 50 years |
| Meters | 25 years |

j) 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 the future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted 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.

2. Summary of significant accounting policies (continued)

k) Employee future benefits

Defined benefit plan

The Town maintains a contributory defined benefit pension plan for a past employee that provides pensions based on length of service and annual earnings. The Town uses the immediate recognition approach to account for its defined benefit pension plan. The accrued benefit obligations are determined using the most recent actuarial valuation report prepared for funding purposes.

An actuarial valuation of the plan was completed for January 1, 2024 and has been updated by extrapolation to March 31, 2025. Actuarial valuations are performed every three years.

Plan assets are measured at fair value.

The Town would recognize the plan funded deficiency if the accrued obligation was greater than the fair value of the plan assets on the consolidated statement of financial position.

Actuarial gains and losses and past service costs are included in the cost of the plan for the year in the consolidated statement of operations.

Defined contribution plan

The Town offers a defined contribution pension plan to employees. An expense is recorded in the period when the Town is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included in payables and accruals on the consolidated statement of financial position.

l) Inventories

Inventories of materials and supplies held for consumption are valued at the lower of cost and net realizable value, with cost determined by the average cost method.

m) Capital reserve fund

Capital reserve funds represent the amounts set aside to finance future capital expenditures. Reserves are established at the discretion of Council and/or in accordance with the Province of Nova Scotia Financial Reporting and Accounting Manual ("FRAM"). Transfers from the reserve funds are restricted in use in accordance with FRAM.

n) Budget

The budget figures contained in these financial statements were approved by Council on April 1, 2024 in its original operating plan. The budget figures contained in these financial statements have been adjusted to include amortization in accordance with Public Sector accounting requirements. Note 13 outlines the original operating plan and the adjustments made to come to the budget figures shown in these financial statements.

3. Contributions to Boards and Commissions

Other Boards and Commissions - less than 100% interest

The Town is required to finance the operation of the various Boards and Commissions, along with the other Municipal Units in Kings and Annapolis Counties, to the extent of its participation based on assessment or population formula. The financial results of these Boards and Commissions are not consolidated in the Town's financial statements.

In addition to any budgeted contributions, the Municipal Units share in the deficits or surpluses of these Boards based on their sharing percentages. Where shareable deficits or surpluses are measurable, they are accrued in the current year results, otherwise they are recorded in the following year results.

Annapolis Valley Regional Housing Authority

For the year ended March 31, 2025, the Town's share of the deficit recorded was \$Nil (2024 - \$65,900).

Annapolis Valley Regional Centre for Education - 4.40%

For the year ended March 31, 2025, the Town contributed \$968,856 (2024 - \$828,696) to the Centre as its share of the operating expenditures.

Valley Waste Management Authority - 8.85%

For the year ended March 31, 2025, the Town's share of the Authority's capital and operating expenditures was \$598,907 net of previous '23/24 year surplus rebate (\$69,869), (2024 - \$422,785).

Valley Community Fibre Network- 6.20%

For the year ended March 31, 2025, the Town's share of the Authority's capital and operating expenditures was \$1,306 (2024 - \$1,306)

Annapolis Valley Regional Library - 3.5%

For the year ended March 31, 2025, the Town's share of the deficit was \$30,300 (2024 - \$30,300).

Kings Transit Authority – 15%

For the year ended March 31, 2025, the Town's share of the Authority's capital and operating expenditures was \$276,204 including share of previous year deficit (\$4,753) (2024 - \$247,841).

Valley Regional Enterprise Network – 8.2%

For the year ended March 31, 2025, the Town's share of Valley Regional Enterprise Network to develop regional economic development strategies was \$24,238 (2024 – \$24,238).

Inter-Municipal Service Agreement – Kings Transit Authority & Valley Waste Management Authority 8.43%

For the year ended March 31, 2025, the Town's share of the Inter-Municipal Service Agreement with Kings Transit Authority and Valley Waste Management Authority was \$43,180 (2024 – \$22,695)

4. Receivables

| | 2025 | 2024 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Taxes receivable | | |
| Balance – beginning of year | 195,254 | 614,796 |
| Current year’s levy | 10,690,838 | 9,937,781 |
| | <u>10,886,092</u> | <u>10,552,577</u> |
| Collections | <u>(10,682,927)</u> | <u>(10,357,323)</u> |
| Balance – end of year | 203,165 | 195,254 |
| Water rates (net of \$3,500 valuation allowance) | 238,367 | 223,534 |
| Sewer rates (net of \$1,000 valuation allowance) | 207,093 | 174,665 |
| PACE receivables (up to 15 year repayments terms) | 497,977 | 635,386 |
| Intermunicipal billings | 87,423 | 160,860 |
| Other receivables (net of \$355 valuation allowance) | 417,559 | 545,255 |
| | <u>1,651,584</u> | <u>1,934,954</u> |

All receivables are current assets except for PACE receivables. PACE (Property Assessed Clean Energy) customers have contractual obligations as defined by the Towns PACE Bylaw and PACE Policy. Customers have repayment terms up to a maximum of fifteen years.

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

5. Long-term debt

| | 2025 \$ | 2024 \$ |
|---|------------|------------|
| MFC debenture, bearing interest from 4.94% to 5.141%, payable in annual instalment of \$25,830 to May 2043, with \$284,130 to be refinanced in 2044, plus interest maturing fiscal 2044 | 774,900 | - |
| MFC debenture, bearing interest from 3.55% to 4.714%, payable in annual instalment of \$55,367 to May 2037, \$55,362 to May 2036 with \$57,500 to be refinanced in 2037 payable annual installments \$38,700 thereafter, plus interest maturing fiscal 2043 | 1,355,633 | 1,411,000 |
| MFC debenture, bearing interest from 2.575% to 4.119%, payable in annual instalment of \$18,500 to November 2032, \$11,500 to May 2023 with \$57,500 to be refinanced in 2037 payable annual installments \$11,500 thereafter, plus interest maturing fiscal 2042 | 263,000 | 281,500 |
| MFC debenture, bearing interest from 0.50% to 2.677%, payable in annual instalment of \$65,000 to October 2036, with \$325,000 to be refinanced in 2036 payable annual installments \$65,000 thereafter, plus interest maturing fiscal 2041 | 1,105,000 | 1,170,000 |
| MFC debenture, bearing interest from 0.40% to 2.809%, payable in annual instalment of \$29,333 to May 2031, \$13,338 thereafter, plus interest maturing fiscal 2036 | 272,001 | 301,334 |
| MFC debenture, bearing interest from 0.678% to 2.378%, payable in annual instalment of \$80,671 to May 2035, with 403,360 to be refinanced in 2035 payable in annual installments \$80,671 thereafter, plus interest maturing fiscal 2040 | 1,290,741 | 1,371,412 |
| MFC debenture, bearing interest from 2.95% to 3.05%, payable in annual instalment of \$53,805 to May 2029, 43,805 to 2034, \$219,025 to be refinanced in 2034 payable in annual installments \$43,805 thereafter, plus interest maturing fiscal 2039 | 707,075 | 760,880 |
| MFC debenture, bearing interest from 2.06% to 3.501%, payable in annual instalment of \$64,150 to May 2033, with 67,500 to be refinanced in 2033 payable in annual installments \$13,500 thereafter, plus interest, maturing in fiscal 2033 | 644,850 | 709,000 |
| MFC debenture, bearing interest from 1.2% to 3.209%, payable in annual instalment of \$95,875 to May 2022, \$80,875 to 2032, with 79,375 refinanced in 2032 payable in annual installments \$15,875 thereafter, plus interest, maturing in fiscal 2033 | 726,375 | 807,250 |
| MFC debenture, bearing interest from 1.15% to 3.48%, payable in annual instalment of \$111,617 to May 2021, \$109,612 thereafter, plus interest, maturing in fiscal 2032 | 767,314 | 876,931 |
| MFC debenture, bearing interest from 1.33% to 3.489%, payable in annual instalment of \$36,733 plus interest, maturing in fiscal 2029 | 146,937 | 183,670 |
| MFC debenture, bearing interest from 1.245% to 3.792%, payable in annual instalment of \$56,733 plus interest, maturing in fiscal 2030 | 283,670 | 340,403 |
| MFC debenture, bearing interest from 1.245% to 3.792%, payable in annual instalment of \$91,333 to June 2025, \$57,333 thereafter, plus interest, maturing in fiscal 2031 | 378,003 | 469,336 |
| | 8,715,499 | 8,682,716 |

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

| | |
|----------------------------|---------|
| Year ending March 31, 2026 | 767,947 |
| Year ending March 31, 2027 | 733,947 |
| Year ending March 31, 2028 | 733,947 |
| Year ending March 31, 2029 | 733,947 |
| Year ending March 31, 2030 | 697,214 |

All long-term debt outstanding at year end has been authorized by the Minister of Municipal Affairs.

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

6. Capital assets

| | Cost March 31, 2024 | Additions | Disposals | Cost March 31, 2025 | Accumulated depreciation 2024 | Adjustments | Amortization expense | Accumulated depreciation 2025 | Net book value 2025 | Net book value 2024 |
|---------------------------------|---------------------------|-----------|-----------|---------------------------|-------------------------------------|-------------|-------------------------|-------------------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Town General Capital | | | | | | | | | | |
| Land | 1,597,548 | - | - | 1,597,548 | - | - | - | - | 1,597,548 | 1,597,548 |
| Land improvements | 4,285,296 | 828,546 | - | 5,113,842 | 2,268,744 | - | 198,426 | 2,467,170 | 2,646,673 | 2,016,552 |
| Buildings and structures | 4,730,098 | 803,426 | - | 5,533,524 | 2,290,696 | - | 137,101 | 2,427,797 | 3,105,727 | 2,439,402 |
| IT infrastructures | 163,584 | 59,352 | - | 222,936 | 163,584 | - | 14,883 | 178,467 | 44,469 | - |
| Equipment | 1,348,436 | 76,481 | - | 1,424,917 | 674,669 | - | 129,430 | 804,099 | 620,818 | 673,767 |
| Traffic lights and poles | 276,773 | - | - | 276,773 | 126,775 | - | 9,862 | 136,637 | 140,136 | 149,998 |
| Sewer systems | 9,836,668 | 1,290 | - | 9,837,958 | 3,762,694 | - | 189,896 | 3,952,590 | 5,885,368 | 6,073,974 |
| Sewer plant(s) | 4,903,341 | - | - | 4,903,341 | 1,334,464 | - | 172,177 | 1,506,641 | 3,396,700 | 3,568,877 |
| Sidewalks | 1,905,722 | - | - | 1,905,722 | 807,045 | - | 66,279 | 873,324 | 1,032,398 | 1,098,677 |
| Streets | 12,964,988 | 1,640,591 | - | 14,605,579 | 6,479,897 | - | 548,111 | 7,028,008 | 7,577,571 | 6,485,091 |
| Vehicles and heavy equipment | 5,631,094 | 552,024 | - | 6,183,118 | 4,031,596 | - | 347,102 | 4,378,698 | 1,804,420 | 1,599,498 |
| | 47,643,548 | 3,961,710 | - | 51,605,258 | 21,940,164 | - | 1,813,267 | 23,753,431 | 27,851,828 | 25,703,384 |
| Water Utility | | | | | | | | | | |
| Land and land rights | | | | | | | | | | |
| Source of supply | 15,226 | - | - | 15,226 | - | - | - | - | 15,226 | 15,226 |
| Structures and improvements | | | | | | | | | | |
| Source of supply | 638,702 | - | - | 638,702 | 305,354 | - | 11,824 | 317,178 | 321,524 | 333,348 |
| Power and pumping | 108,269 | - | - | 108,269 | 50,483 | - | 1,570 | 52,053 | 56,216 | 57,786 |
| Dist. Reservoirs and standpipes | 1,845,986 | - | - | 1,845,986 | 758,938 | - | 25,123 | 784,061 | 1,061,925 | 1,087,048 |
| Equipment | | | | | | | | | | |
| Pumping | 478,147 | - | - | 478,147 | 231,791 | - | 14,161 | 245,952 | 232,195 | 246,356 |
| Water treatment | 93,348 | - | - | 93,348 | 92,985 | - | - | 92,985 | 363 | 363 |
| Transportation | 87,820 | - | - | 87,820 | 67,157 | - | 11,948 | 79,105 | 8,715 | 20,663 |
| Tools and work equipment | 325,509 | - | - | 325,509 | 325,509 | - | - | 325,509 | - | - |
| Office furniture and equipment | 21,378 | - | - | 21,378 | 21,378 | - | - | 21,378 | - | - |
| Mains | | | | | | | | | | |
| Transportation | 1,260,939 | - | - | 1,260,939 | 446,493 | - | 16,392 | 462,885 | 798,054 | 814,446 |
| Distribution | 6,766,986 | - | - | 6,766,986 | 1,719,466 | - | 85,220 | 1,804,686 | 4,962,300 | 5,047,520 |
| Services | 112,556 | - | - | 112,556 | 41,278 | - | 2,251 | 43,529 | 69,027 | 71,278 |
| Meters | 451,484 | - | - | 451,484 | 319,535 | - | 10,384 | 329,919 | 121,565 | 131,949 |
| Hydrants | 192,652 | - | - | 192,652 | 99,709 | - | 3,395 | 103,104 | 89,548 | 92,943 |
| | 12,399,002 | - | - | 12,399,002 | 4,480,076 | - | 182,268 | 4,662,344 | 7,736,658 | 7,918,926 |
| | 60,042,550 | 3,961,710 | - | 64,004,260 | 26,420,240 | - | 1,995,535 | 28,415,775 | 35,588,486 | 33,622,310 |

7. Pension plans

Defined benefit plan - Deferred Pension Plan Asset

The Town established a pension plan for a retired town clerk to provide for pension benefits based upon years of service. The most recent actuarial valuation for funding purposes was January 1, 2024.

The significant actuarial assumptions adopted in measuring the Town's accrued benefit obligation as at March 31, 2025 are as follows:

| | |
|--|-------|
| Expected long-term rate of return on plan assets | 4.10% |
| Rate of compensation increase | 1.80% |

There were no significant changes to the plan during the year.

All plan assets are held in funds administered by Manulife Financial. The Town's current period benefit cost was \$6,578 (2024- \$6,578).

| | 2025 | 2024 |
|---|-----------------|------------------|
| | \$ | \$ |
| Accrued benefit obligation – Closing balance | <u>385,800</u> | <u>394,100</u> |
| Pension fund assets – Closing balance | <u>286,200</u> | <u>280,800</u> |
| Plan surplus (deficit) | (99,600) | (113,300) |
| Unamortized actuarial losses | <u>-</u> | <u>-</u> |
| Net Pension deficit calculated | <u>(99,600)</u> | <u>(113,300)</u> |
| Net Pension deficit recorded | <u>99,600</u> | <u>113,300</u> |

Defined contribution plan

All of the Town's full-time employees, as well as part-time employees meeting certain requirements, are members of a defined contribution pension plan. Employees have the option to contribute 6%, 7% or 8% (based on regular earnings) and the Town's obligation is to match that contribution amount.

During the year, the Town's required contribution was \$224,805 (2024 - \$220,195) to the plan.

8. Remuneration and expenses

The total remuneration and expenses (includes professional development/conference costs) paid to members of the council and senior management officials are as follows:

Town of Wolfville
Schedule of Remuneration and Expenses for Reportable Individuals
For the Fiscal Year Ended March 31, 2025

| | <u>Remuneration</u> | <u>Expenses</u> | 2025 <u>Total</u> \$ | 2024 <u>Total</u> \$ |
|--------------------------------------|---------------------|-----------------|----------------------------|----------------------------|
| Mayor MacKay | 20,454 | 3,821 | 24,275 | - |
| Mayor Donovan | 28,578 | 3,547 | 32,125 | 53,502 |
| Deputy Mayor Ingham | 12,116 | 3,214 | 15,330 | - |
| Deputy Mayor Madera-Voss | 15,234 | - | 15,234 | 24,917 |
| Deputy Mayor Elliott | 27,628 | - | 27,628 | 5,080 |
| Councillor Butler | 25,913 | 393 | 26,306 | 26,529 |
| Councillor Elliott | - | 1,634 | 1,634 | 22,395 |
| Councillor Ingham | 14,999 | 1,247 | 16,246 | 26,597 |
| Councillor MacKay | 13,588 | 1,548 | 15,136 | 31,355 |
| Councillor Madera-Voss | - | - | - | 3,467 |
| Councillor Palmetter | 25,913 | 1,801 | 27,714 | 26,466 |
| Councillor van Niekerk | 10,680 | 2,119 | 12,799 | - |
| Councillor Williams | 10,680 | 1,309 | 11,989 | - |
| | <u>205,783</u> | <u>20,633</u> | <u>226,416</u> | <u>220,309</u> |
| Chief Administrative Officer | 120,962 | 3,351 | 124,313 | 138,323 |
| Interim Chief Administrative Officer | | 1,951 | | 1,688 |
| | <u>120,962</u> | <u>5,302</u> | <u>124,313</u> | <u>140,011</u> |

* Expenses include 15% HST, before rebate applied the non rebateable HST portion

9. 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 1.91% (2024 – 0.51%).

10. Segmented information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens. For management reporting purposes, the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Town services are provided by departments and their activities are reported in those segments. The following departments have been separately disclosed in the segmented information along with the services they provide:

General government services

Includes the Mayor and Council, the CAO's office, human resources, finance and information technology. Council collectively determines policies to be administered by Town employees, Boards and Commissions; and establishes the direction and approves matters in conducting Town affairs. The administrative departments assist Council with the development of policies and ensure proper management and utilization of financial resources in a legally correct and responsible way, following all guidelines as they pertain to municipal finance.

10. Segmented information (continued)

Protective services

Provides police protection through contracted service with the Royal Canadian Mounted Police; enforcement of bylaws through Bylaw Enforcement Officer; fire protection by a volunteer-based department; supports both local and regional emergency measures organizations; and includes other protective services for animal control and crosswalk guards.

Transportation services

Provides the administration and provision of engineering and works; provides services to maintain the roadway systems, the wastewater systems and street lighting; and preserves the investment made in infrastructure and equipment.

Environmental health services

Provides sanitary sewer collection and treatment service; collection of solid waste and recyclables in an efficient and environmentally friendly manner.

Environmental development services

Provides civic planning for future development and administers the building inspection services for the Town; contributes to regional planning; and promotes tourism and economic development activities.

Recreational and cultural services

Provides and facilitates quality leisure services for citizens of all ages in the Town; provides the widest possible variety of constructive leisure pursuits including parks, trails, tennis, soccer and playground facilities; and provides for cultural facilities such as a library and museum.

Water services

The Wolfville Water Utility provides the delivery of drinking water through the supply, pumping, treatment and distribution of water to its users.

Certain allocation methodologies are employed in the preparation of the segmented financial information. The General Operating Fund reports on municipal services that are funded primarily by property taxation and rates. The Wolfville Water Operating Fund reports on municipal services that are funded primarily by water rates.

The accounting policies used in these separate segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 2.

11. Cash – capital & restricted reserves

| | 2025 | 2024 |
|---|------------------|------------------|
| | \$ | \$ |
| Source of funds | | |
| External sources | | |
| Federal gas tax grant | 358,470 | 361,199 |
| Provincial Sustainable Service Growth Fund | - | - |
| Interest earned | 269,236 | 265,894 |
| Proceeds on sale of land | - | - |
| Contributions/donations | 32,301 | 27,725 |
| Internal sources | | |
| Allocation from Town Operating Fund | 1,480,000 | 1,260,600 |
| Allocation from Water Operating Fund – Dep’n | 182,269 | 182,866 |
| | <u>2,322,276</u> | <u>2,098,284</u> |
| Use of funds | | |
| Capital project funding – Town Capital | 1,405,154 | 976,672 |
| Capital project funding - Water Utility | - | - |
| Operating Fund - COVID SRA revenue recognized | - | - |
| | <u>1,405,154</u> | <u>976,672</u> |
| Net increase to capital reserves | 917,122 | 1,121,612 |
| Balance, beginning of year | <u>6,571,861</u> | <u>5,450,249</u> |
| Balance, end of year | <u>7,488,983</u> | <u>6,571,861</u> |

12. Commitments

The town guaranteed its share of the loans taken by the Valley Waste Resource Management Authority for purposes of capital projects. The Town is only required to make payments on these debentures if Valley Waste Resource Management Authority defaults on their repayment obligations. The Minister of Municipal Affairs and Housing has authorized all loan guarantees.

The details of the guarantees are:

| Debenture number and date | Principal and interest | | Share | Amount |
|---------------------------|------------------------|------|-------|----------------|
| | outstanding | | | |
| | \$ | % | | \$ |
| 37A-1 July 24, 2017 | 399,096 | 6.46 | | 25,782 |
| 38A-1 July 25, 2016 | 73,087 | 8.26 | | 6,037 |
| 41A-1 September 27, 2021 | 354,902 | 8.31 | | 29,492 |
| 42A-1 May 30, 2022 | 628,479 | 8.24 | | 51,787 |
| 44A-1 May 17, 2024 | 543,972 | 9.58 | | 52,113 |
| | | | | <u>165,211</u> |

Additionally, the Town has guaranteed a demand loan on behalf of Valley Waste Resource Management Authority to the extent of \$188,000, of which \$Nil has been drawn to date.

13. Budget figures

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the consolidated statement of operations and consolidated statement of change in net debt has been adjusted to be on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the consolidated financial statements. Adjustments consist of revenues between Town and Water Utility operating funds, budgeted capital funding and amortization of tangible capital assets:

| | <u>Approved Fiscal Plan</u> | <u>Adjustments</u> | <u>Fiscal Plan per Consolidated Financial Statements</u> |
|--|---------------------------------|--------------------|--|
| | \$ | \$ | \$ |
| Revenue | | | |
| Taxes | 10,323,000 | (58,700) | 10,264,300 |
| Grants in lieu of taxes | 1,163,500 | - | 1,163,500 |
| Sale of services | 1,235,300 | - | 1,235,300 |
| Other revenue from own sources | 741,700 | (405,800) | 335,900 |
| Unconditional transfers from other governments | 347,200 | - | 347,200 |
| Conditional transfers from governments and other | 402,700 | 450,000 | 852,700 |
| Metered sales | 998,900 | - | 998,900 |
| Public Fire Protection - Hydrants | 497,500 | (497,500) | - |
| Sprinkler services | 11,000 | - | 11,000 |
| Other | 55,600 | - | 55,600 |
| | <u>15,776,400</u> | <u>(512,000)</u> | <u>15,264,400</u> |
| Expenditures | | | |
| General government services | 2,814,350 | (125,600) | 2,688,750 |
| Protective services | 3,052,100 | (332,400) | 2,719,700 |
| Transportation services | 2,425,600 | 634,800 | 3,060,400 |
| Environmental health services | 1,293,800 | 413,300 | 1,707,100 |
| Environmental development services | 1,142,100 | 124,800 | 1,266,900 |
| Recreational and cultural services | 1,484,650 | 65,300 | 1,549,950 |
| Local, Regional, Provincial Expenditures | - | - | - |
| Fund Transfers and Debt repayment | 2,001,000 | (2,001,000) | - |
| Water | | | |
| Source of supply | - | - | - |
| Power and pumping | 127,400 | - | 127,400 |
| Treatment | 203,800 | - | 203,800 |
| Transmission and distribution | 438,200 | - | 438,200 |
| Administrative | 342,100 | - | 342,100 |
| Property Taxes | 58,700 | (58,700) | - |
| Interest and other debt charges | 63,100 | - | 63,100 |
| Dividend | 50,000 | (50,000) | - |
| Fund Transfers and Debt repayment | 141,300 | (141,300) | - |
| Amortization | 190,200 | - | 190,200 |
| | <u>15,828,400</u> | <u>(1,470,800)</u> | <u>14,357,600</u> |
| Surplus (deficit) | <u>\$ (52,000)</u> | <u>\$ 958,800</u> | <u>\$ 906,800</u> |

14. Segment by object

| | General Government Services \$ | Protective Services \$ | Transportation Services \$ | Environmental Health Services \$ | Environmental Development Services \$ | Recreation and Cultural Services \$ | Water Utility Services \$ | 2025 Consolidated \$ | 2024 Consolidated \$ |
|---|---|------------------------------|----------------------------------|--|--|--|------------------------------------|----------------------------|----------------------------|
| Revenue | | | | | | | | | |
| Taxes | 9,920,426 | 492,538 | - | - | 99,252 | - | - | 10,512,216 | 9,605,554 |
| Grants in lieu of taxes | 1,171,087 | - | - | - | - | - | - | 1,171,087 | 1,048,379 |
| Sale of services | 3,150 | 377,400 | 12,804 | 805,570 | 667 | 105,256 | - | 1,304,847 | 1,172,679 |
| Other revenue from own sources | 636,517 | 38,505 | - | - | 29,186 | - | - | 704,208 | 630,564 |
| Unconditional transfers from other governments | 347,466 | - | - | - | - | - | - | 347,466 | 71,223 |
| Conditional transfers from governments and other: | 659,649 | 1,964 | 79,318 | - | 1,500 | 39,542 | - | 781,973 | 610,634 |
| Metered sales | - | - | - | - | - | - | 977,186 | 977,186 | 820,390 |
| Sprinkler services | - | - | - | - | - | - | 11,050 | 11,050 | 10,925 |
| Other | - | - | - | - | - | - | 58,622 | 58,622 | 60,920 |
| Total Revenues | 12,738,295 | 910,407 | 92,122 | 805,570 | 130,605 | 144,798 | 1,046,858 | 15,868,655 | 14,031,268 |
| Expenditures | | | | | | | | | |
| Salaries, wages, and benefits | 873,042 | 261,388 | 793,807 | 100,990 | 694,925 | 891,614 | 529,221 | 4,144,987 | 3,712,682 |
| Contracted Services | 185,512 | 1,697,769 | 291,786 | 125,328 | 43,595 | 28,476 | 82,990 | 2,455,456 | 2,617,197 |
| Purchases of goods & services from public sector | 148,965 | 8,851 | 276,204 | 598,907 | 1,306 | - | - | 1,034,233 | 808,057 |
| Materials, goods, supplies, and utilities | 557,092 | 328,633 | 512,512 | 318,422 | 166,172 | 420,036 | 545,589 | 2,848,456 | 2,594,036 |
| Grants and transfers to organizations | 146,000 | - | - | - | 130,000 | 128,780 | - | 404,780 | 333,511 |
| Other Expenses | 587,338 | 37,519 | 17,688 | - | 965 | - | 1,740 | 645,250 | 590,062 |
| Interest on Long term debt | 7,448 | 1,499 | 160,297 | 62,788 | - | 5,285 | 42,182 | 279,499 | 262,148 |
| Amortization and accretion | 48,959 | 189,026 | 963,752 | 362,073 | 179,912 | 71,375 | 183,024 | 1,998,121 | 1,818,950 |
| Total Expenditures | 2,554,356 | 2,524,685 | 3,016,046 | 1,568,508 | 1,216,875 | 1,545,566 | 1,384,746 | 13,810,782 | 12,736,644 |
| Annual Surplus (deficit) | 10,183,939 | (1,614,278) | (2,923,924) | (762,938) | (1,086,270) | (1,400,768) | (337,888) | 2,057,873 | 1,294,626 |

15. Deferred Revenue

| | 2025 | 2024 |
|---|------------------|------------------|
| | \$ | \$ |
| Prepaid property taxes. At March 31st this balance relates to amounts that will be owing on subsequent Interim Property Tax Bill issued at end of April. | 483,083 | 437,003 |
| Federal & provincial and other grants received for which terms of grant agreements have not all been completed by March 31, and revenue recognition is deferred until such time as grant terms have been met. | 3,316,590 | 2,105,088 |
| Land lease annual paid in advance | 3,385 | 3,319 |
| Program Fees and Mudley Fund donations | 12,070 | 15,309 |
| | <u>3,815,128</u> | <u>2,560,719</u> |

16. Long-term operating debt

The Town has entered an agreement with the Federation of Canadian Municipalities (FCM) to receive grant and loan funding under the FCM’s Green Municipal Fund Program. Wolfville, along with the Town of Stratford (PEI) and City of Charlottetown (PEI), launched PACE Maritimes, branded as Switch Program, a multi-provincial Property Assessed Clean Energy Program (PACE) to fund residential energy efficiency, renewable energy improvements in each community. The Town of Wolfville’s program is run in accordance with the terms of the FCM Agreement as well as the Town’s specific PACE Bylaw Ch. 108 and PACE Policy 610-007. The Program, per FCM Agreement, is four years from date of Agreement with loan repayment to a maximum of twenty years.

The Program includes loan facilities to residential property owners to fund energy improvements, with repayment terms of 5, 10 or 15 years (refer to Note 4). The FCM provides the Town grant funds to offset a portion of the cost to run the program, and also loan proceeds to support the Town’s loan facilities to residential property owners. Town Council has approved borrowings from FCM up to a maximum of \$839,084, with the program incurring operating debt of \$792,223 as of March 31, 2025.

The debt is non-interest bearing, payable in annual installments of \$46,601 commencing March 2027, maturing March 2043.

17. Asset retirement obligations

The Town’s asset retirement obligations consist of a couple of items as follows:

a) Asbestos Obligation

The Town’s asset retirement obligation includes of the liability for the remediation of contaminants present within a building owned by the Town. These contaminants represent a health hazard upon demolition and/or major renovation therefore there is a legal obligation for removal of these contaminants on decommissioning. Following the adoption of PS 3280 – Asset retirement obligations, the Town recognized an obligation relating to this decommissioning and remediation of contaminants as estimated as at April 1, 2022. This building has an expected useful life of ten years. As of the date of adoption of the standard the relevant discount rates on tangible assets held was 4% per annum.

17. Asset retirement obligations (continued)

b) Water Well Decommissioning Obligation

The Town’s asset retirement obligation includes costs associated with the decommissioning of three Water Utility wells. Proper decommissioning of retired water source wells and water test wells is required to meet environmental standards therefore there is a legal obligation for services of a certified well driller. Following the adoption of PS 3280 – Asset retirement obligations, the Town recognized an obligation relating to this decommissioning and remediation as estimated as at April 1, 2022. The wells have expected useful lives of 67 years, 42 years, and one currently inactive well within 5 years decommissioning. As of the date of adoption of the standard the relevant discount rates on tangible assets held was 3.4% per annum.

Changes in the asset retirement obligations during the year are as follows:

| Asset Retirement Obligation | Asbestos Removal | Decommission Wells | 2025 |
|--------------------------------------|---------------------|-----------------------|---------|
| | \$ | \$ | \$ |
| Opening Balance, April 1 | 59,750 | 31,076 | 90,826 |
| ARO liability recognized | 236 | - | 236 |
| Net change in fair value of estimate | (3,034) | - | (3,034) |
| Accretion Expense | 1,832 | 755 | 2,587 |
| Ending Balance, March 31 | 58,784 | 31,831 | 90,615 |

Town of Wolfville
Schedules to the Consolidated Statement of Operations
For the year ended March 31, 2025

| | Budget 2025 \$ | Actual 2025 \$ | Actual 2024 \$ |
|---|-------------------------------|-------------------------------|-------------------------------|
| Taxes | | | |
| Assessable property | | | |
| Residential | 8,592,300 | 8,599,115 | 7,901,492 |
| Commercial | | | |
| Commercial property | 1,503,600 | 1,485,255 | 1,429,784 |
| BID area rate | 100,000 | 99,252 | 103,855 |
| Resource | 15,500 | 14,677 | 13,664 |
| Fire protection area rate | 497,600 | 492,538 | 488,986 |
| | <u>10,709,000</u> | <u>10,690,837</u> | <u>9,937,781</u> |
| Business property | | | |
| Based on revenue (Aliant) | 21,000 | 18,346 | 18,578 |
| NSPI (HST rebate) | 35,000 | 48,518 | 34,268 |
| | <u>56,000</u> | <u>66,864</u> | <u>52,846</u> |
| Deed transfer tax | <u>500,000</u> | <u>753,671</u> | <u>580,782</u> |
| Total tax levied | <u>11,265,000</u> | <u>11,511,372</u> | <u>10,571,409</u> |
| Taxes collected on behalf of others | | | |
| Regional school board | (968,700) | (968,856) | (828,696) |
| Provincial correctional service | - | - | (41,206) |
| Regional housing authority | - | - | (65,653) |
| Regional library board | (32,000) | (30,300) | (30,300) |
| | <u>(1,000,700)</u> | <u>(999,156)</u> | <u>(965,855)</u> |
| | <u>10,264,300</u> | <u>10,512,216</u> | <u>9,605,554</u> |
| Grants in lieu of taxes | | | |
| Federal government agencies (Post office) | 20,500 | 20,170 | 20,348 |
| Provincial government | | | |
| Property of supported institution (Acadia University) | 1,143,000 | 1,150,917 | 1,028,031 |
| | <u>1,163,500</u> | <u>1,171,087</u> | <u>1,048,379</u> |
| Sales of services | | | |
| General government | 1,800 | 3,150 | 3,550 |
| Protective services | 347,300 | 377,400 | 350,100 |
| Transportation | 17,500 | 12,804 | 21,863 |
| Environmental health | 806,900 | 805,570 | 695,303 |
| Environmental development | 3,000 | 667 | 3,320 |
| Recreation, tourism and cultural | 58,800 | 105,256 | 98,543 |
| | <u>1,235,300</u> | <u>1,304,847</u> | <u>1,172,679</u> |

Town of Wolfville
Schedules to the Consolidated Statement of Operations
For the year ended March 31, 2025

| | Budget 2025 \$ | Actual 2025 \$ | Actual 2024 \$ |
|---|----------------------|----------------------|----------------------|
| Other revenue from sources | | | |
| Licenses and permits | 33,400 | 29,186 | 39,996 |
| Fines and fees | 51,000 | 38,505 | 44,866 |
| Rentals | 26,500 | 24,780 | 22,366 |
| Interest on investments | 160,000 | 476,246 | 452,781 |
| Interest on taxes and charges | 65,000 | 46,717 | 63,664 |
| Change in fair value of accretion estimate | - | 3,034 | - |
| Miscellaneous | - | 85,740 | 6,891 |
| | 335,900 | 704,208 | 630,564 |
| Unconditional transfers from other governments | | | |
| Provincial government | | | |
| Municipal grant act – equalization | 346,000 | 346,090 | 69,869 |
| Farm property acreage | 1,200 | 1,376 | 1,354 |
| | 347,200 | 347,466 | 71,223 |
| Conditional transfers from other governments and organizations | | | |
| Federal government | | | |
| Federal gas tax program | - | - | 470,492 |
| Infrastructure grant | - | - | - |
| Other federal | 814,000 | 658,824 | 8,191 |
| Provincial government | | | |
| Capital project grants | - | - | - |
| Other provincial | 1,900 | 3,464 | 38,203 |
| Other | 36,800 | 119,685 | 93,748 |
| | 852,700 | 781,973 | 610,634 |

Town of Wolfville
Schedules to the Consolidated Statement of Operations
For the year ended March 31, 2025

| | Budget | Actual | Actual |
|----------------------------|------------------|------------------|------------------|
| | 2025 | 2025 | 2024 |
| | \$ | \$ | \$ |
| Protective services | | | |
| Contracted service police | 1,917,500 | 1,670,219 | 1,821,898 |
| By-law enforcement | 149,900 | 142,796 | 134,525 |
| Building maintenance | 16,700 | 4,395 | 5,910 |
| Other | 12,000 | 9,342 | 9,413 |
| | <u>2,096,100</u> | <u>1,826,752</u> | <u>1,971,746</u> |
| Fire protection | | | |
| Fire fighting | 401,400 | 467,435 | 407,101 |
| Emergency measures (REMO) | 11,600 | 8,851 | 11,032 |
| Debt charges | 1,600 | 1,499 | 1,676 |
| Other | 43,900 | 31,122 | 39,856 |
| Amortization | 165,100 | 189,026 | 165,133 |
| | <u>2,719,700</u> | <u>2,524,685</u> | <u>2,596,544</u> |

Town of Wolfville
Schedules to the Consolidated Statement of Operations
For the year ended March 31, 2025

| | Budget | Actual | Actual |
|------------------------------------|------------------|------------------|------------------|
| | 2025 | 2025 | 2024 |
| | \$ | \$ | \$ |
| General government services | | | |
| Legislative | | | |
| Mayor remuneration | 48,730 | 49,032 | 47,378 |
| Council remuneration | 158,770 | 157,334 | 153,265 |
| Other expenses | 55,500 | 41,662 | 42,653 |
| | <u>263,000</u> | <u>248,028</u> | <u>243,296</u> |
| General administrative | | | |
| Administrative | 1,825,000 | 1,803,228 | 1,729,395 |
| Audit | 29,500 | 44,558 | 35,386 |
| Taxation | | | |
| Reduced taxes | 137,000 | 148,965 | 125,092 |
| Transfer provincial assessments | 78,000 | 77,336 | 75,639 |
| | <u>2,069,500</u> | <u>2,074,087</u> | <u>1,965,512</u> |
| Debt charges | | | |
| Interest and other debt charges | 10,000 | 7,448 | 9,866 |
| Valuation allowances | | | |
| Doubtful taxes (recovered) | - | - | - |
| Doubtful receivables other | 2,500 | - | - |
| | <u>2,500</u> | <u>-</u> | <u>-</u> |
| Other general government services | | | |
| Grants to organizations | 225,050 | 146,000 | 132,011 |
| Regional cooperative initiatives | 70,000 | 29,834 | 9,880 |
| | <u>295,050</u> | <u>175,834</u> | <u>141,891</u> |
| Amortization | 48,700 | 47,127 | 48,706 |
| ARO accretion | - | 1,832 | 1,392 |
| | <u>48,700</u> | <u>48,959</u> | <u>50,098</u> |
| | <u>2,688,750</u> | <u>2,554,356</u> | <u>2,410,663</u> |

Town of Wolfville
Schedules to the Consolidated Statement of Operations
For the year ended March 31, 2025

| | Budget 2025 \$ | Actual 2025 \$ | Actual 2024 \$ |
|---|----------------------|----------------------|----------------------|
| Transportation services | | | |
| Common services | | | |
| Administration | 246,700 | 202,879 | 199,210 |
| Buildings and equipment, other | 111,300 | 120,911 | 71,129 |
| | <u>358,000</u> | <u>323,790</u> | <u>270,339</u> |
| Road transport | | | |
| Roads and streets | 1,270,800 | 1,219,646 | 1,227,055 |
| Street lighting | 49,400 | 37,210 | 33,108 |
| Traffic services | 120,500 | 35,147 | 58,686 |
| Other road transport | - | - | - |
| | <u>1,440,700</u> | <u>1,292,003</u> | <u>1,318,849</u> |
| Public transport | <u>287,900</u> | <u>276,204</u> | <u>247,841</u> |
| Debt charges | <u>157,500</u> | <u>160,297</u> | <u>138,704</u> |
| Amortization | <u>816,300</u> | <u>963,752</u> | <u>816,345</u> |
| | <u>3,060,400</u> | <u>3,016,046</u> | <u>2,792,078</u> |
| Environmental health services | | | |
| Sewage collection and disposal | | | |
| Administration | 56,700 | 60,520 | 33,700 |
| Sewage collection | 129,100 | 112,841 | 67,210 |
| Sewage left stations | 75,700 | 81,192 | 89,626 |
| Sewage treatment | 215,500 | 258,192 | 208,426 |
| | <u>477,000</u> | <u>512,745</u> | <u>398,962</u> |
| Garbage and waste collection and disposal | | | |
| Garbage and waste collection | 675,800 | 598,907 | 422,786 |
| Other | 49,000 | 31,995 | 29,906 |
| | <u>724,800</u> | <u>630,902</u> | <u>452,692</u> |
| Debt charges | <u>92,000</u> | <u>62,788</u> | <u>63,555</u> |
| Amortization | <u>413,300</u> | <u>362,073</u> | <u>413,336</u> |
| | <u>1,707,100</u> | <u>1,568,508</u> | <u>1,328,545</u> |

Town of Wolfville
Schedules to the Consolidated Statement of Operations
For the year ended March 31, 2025

| | Budget 2025 \$ | Actual 2025 \$ | Actual 2024 \$ |
|---|-------------------------------|-------------------------------|-------------------------------|
| Environmental development services | | | |
| Planning and zoning | 931,600 | 797,820 | 551,226 |
| Community development | | | |
| Grant – Business Development Corp | 100,000 | 100,000 | 100,000 |
| REN | - | - | - |
| Transfer to Valley Community Fibre | 2,000 | 1,306 | 1,306 |
| | <u>1,033,600</u> | <u>899,126</u> | <u>652,532</u> |
| Community development administration | <u>35,500</u> | <u>54,238</u> | <u>10,000</u> |
| Tourism | <u>73,000</u> | <u>83,598</u> | <u>55,534</u> |
| Debt charges | <u>-</u> | <u>-</u> | <u>-</u> |
| Amortization | <u>124,800</u> | <u>179,913</u> | <u>124,830</u> |
| | <u>1,266,900</u> | <u>1,216,875</u> | <u>842,896</u> |
| Recreational and cultural services | | | |
| Recreation | | | |
| Administration | 222,700 | 210,877 | 266,804 |
| Program expenses | 127,600 | 180,289 | 165,659 |
| Parks, playgrounds, and sports fields | 796,400 | 798,020 | 745,094 |
| Grants to organizations | 70,850 | 68,780 | 81,500 |
| Other - Festival & Events | 145,900 | 131,770 | 125,417 |
| | <u>1,363,450</u> | <u>1,389,736</u> | <u>1,384,474</u> |
| Cultural buildings and facilities | | | |
| Library – local branch | 55,600 | 19,170 | 23,710 |
| Museums and cemetery | 60,000 | 60,000 | 10,000 |
| | <u>115,600</u> | <u>79,170</u> | <u>33,710</u> |
| Debt charges | <u>5,600</u> | <u>5,285</u> | <u>6,000</u> |
| Amortization | <u>65,300</u> | <u>71,375</u> | <u>65,333</u> |
| | <u>1,549,950</u> | <u>1,545,566</u> | <u>1,489,517</u> |

Town of Wolfville
Schedules to the Consolidated Statement of Operations
For the year ended March 31, 2025

| | Budget | Actual | Actual |
|-------------------------------|----------------|----------------|----------------|
| | 2025 | 2025 | 2024 |
| | \$ | \$ | \$ |
| Administrative | | | |
| Salary and benefits | 219,800 | 284,526 | 235,548 |
| General office expenses | 49,500 | 31,546 | 40,402 |
| Audit | 8,500 | 5,805 | 8,100 |
| Building and vehicle expenses | 56,300 | 58,082 | 48,675 |
| Doubtful accounts recovery | 2,000 | - | - |
| Training and travel | 6,000 | 2,466 | 730 |
| | 342,100 | 382,425 | 333,455 |

Town of Wolfville
Schedules of Water Utility Operating Fund
For the year ended March 31, 2025

| | Budget 2025 \$ | Actual 2025 \$ | Actual 2024 \$ |
|--|----------------------|----------------------|----------------------|
| Revenue | | | |
| Metered sales | 998,900 | 977,186 | 820,390 |
| Public fire protection | 497,500 | 497,936 | 434,600 |
| Sprinkler services | 11,000 | 11,050 | 10,925 |
| Other | 55,600 | 58,622 | 60,920 |
| | <u>1,563,000</u> | <u>1,544,794</u> | <u>1,326,835</u> |
| Expenditures | | | |
| Power and pumping | 127,400 | 123,898 | 116,670 |
| Treatment | 203,800 | 195,593 | 193,890 |
| Transmission and distribution | 438,200 | 457,624 | 406,162 |
| Administrative | 342,100 | 382,425 | 333,455 |
| Accretion | - | 755 | 381 |
| Depreciation | 190,200 | 182,269 | 182,866 |
| Taxes | 58,700 | 55,121 | 55,343 |
| | <u>1,360,400</u> | <u>1,397,685</u> | <u>1,288,767</u> |
| Non-operating expenditures | | | |
| Debt-charges | | | |
| Principal | 61,300 | 61,327 | 48,460 |
| Interest | 60,100 | 41,754 | 39,169 |
| Other debt changes | 3,000 | 428 | 3,178 |
| Capital expenditures out of operations | 40,000 | - | - |
| Dividend to Town | 50,000 | - | - |
| | <u>214,400</u> | <u>103,509</u> | <u>90,807</u> |
| Excess of revenue over expenditures | <u>(11,800)</u> | 43,600 | (52,739) |
| Surplus (beginning of year) – end of year | | 293,041 | 345,780 |
| Transfer to water capital fund | | <u>-</u> | <u>-</u> |
| Surplus (deficit) – end of year | | <u>336,641</u> | <u>293,041</u> |

Town of Wolfville
Schedules of Water Utility Operating Fund
For the year ended March 31, 2025

| | 2025 | 2024 |
|---|------------------|----------------|
| | \$ | \$ |
| Assets | | |
| Current assets | | |
| Cash | - | 75,980 |
| Receivables | | |
| Rates, net of allowance for doubtful accounts | 238,367 | 223,809 |
| Own funds and agencies | | |
| Town capital fund | | |
| Town operating fund | 65,259 | 169,682 |
| Water capital fund | - | 97,029 |
| Prepaid expenses | 6,219 | 4,146 |
| Work In Progress | 603,094 | 208,040 |
| Inventory, at cost | 168,988 | 156,592 |
| | 1,081,927 | 935,278 |
| Liabilities | | |
| Current liabilities | | |
| Bank Indebtedness | 86,920 | - |
| Payables and accruals | 30,493 | 15,060 |
| Customer deposits | 6,095 | 6,154 |
| Deferred revenue | 621,023 | 621,023 |
| Own funds and agencies | | |
| Water Capital Fund | 755 | - |
| | 745,286 | 642,237 |
| Surplus | 336,641 | 293,041 |
| | 1,081,927 | 935,278 |

**Schedule of Water Utility Capital Fund
Consolidated Statement of Financial Position
As at March 31, 2025**

| | 2025 | 2024 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Assets | | |
| Cash | 716,104 | 455,795 |
| Due from water operating | 755 | - |
| Due from town operating | 547,006 | - |
| Utility plant and equipment | <u>12,398,909</u> | <u>12,398,909</u> |
| | <u>13,662,774</u> | <u>12,854,704</u> |
| Liabilities | | |
| Asset retirement obligation | 31,831 | 31,076 |
| Due to water operating fund | | - |
| Deferred revenue | 585,146 | - |
| Long-term debt | <u>1,129,183</u> | <u>1,150,610</u> |
| | <u>1,746,160</u> | <u>1,181,686</u> |
| Accumulated allowance for depreciation | <u>4,662,344</u> | <u>4,480,075</u> |
| Equity | | |
| Reserve fund balance | 678,719 | 455,795 |
| Investment in capital assets | <u>6,575,551</u> | <u>6,737,148</u> |
| | <u>7,254,270</u> | <u>7,192,943</u> |
| | <u>13,662,774</u> | <u>12,854,704</u> |

**Schedule of Water Utility Capital Fund
Consolidated Statement of Investment in Capital Assets
For the year ended March 31, 2025**

| | 2025 | 2024 |
|--|------------------|------------------|
| | \$ | \$ |
| Balance – beginning of year | <u>6,737,148</u> | <u>6,814,427</u> |
| Add: | | |
| Term debt retired | 21,427 | 48,460 |
| Gain/(loss) on disposal of tangible capital assets | - | - |
| Capital from capital reserve | - | 57,510 |
| Capital from operating fund - accumulated surplus | - | - |
| Capital from operations | - | - |
| | <u>21,427</u> | <u>105,970</u> |
| Less: | | |
| Accretion expense - ARO | 755 | 383 |
| Amortization of capital assets | <u>182,269</u> | <u>182,866</u> |
| Balance – end of year | <u>6,575,551</u> | <u>6,737,148</u> |

Trust Fund Balance Sheet

| | | | | | | 2025 | 2024 |
|---------------------------------------|--------------------------------|----------------------|---------------------------|------------------------|----------------------------|--------|--------|
| | South Mountain Nature Trust | Luc Massery Trust | Jessie L. Bishop Trust | Doug Cochrane Trust | Chipman Jefferson Trust | Total | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Assets | | | | | | | |
| Cash | 30 | 5,876 | | 69 | | 5,975 | 5,645 |
| Account receivable | | | | | 59,199 | 59,199 | 56,813 |
| Dominion of Canada bonds 3% perpetual | | | 100 | | | 100 | 100 |
| | 30 | 5,876 | 100 | 69 | 59,199 | 65,274 | 62,558 |
| Liabilities | | | | | | | |
| Reserves | 30 | 5,876 | 100 | 69 | 59,199 | 65,274 | 62,558 |

Statement of Trust Fund Reserve

| | | | | | | 2025 | 2024 |
|------------------------------------|--------------------------------|----------------------|---------------------------|------------------------|----------------------------|--------|--------|
| | South Mountain Nature Trust | Luc Massery Trust | Jessie L. Bishop Trust | Doug Cochrane Trust | Chipman Jefferson Trust | Total | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance – beginning of year | 30 | 5,546 | 100 | 69 | 56,813 | 62,558 | 60,643 |
| Revenues | | | | | | | |
| Investment income | - | 330 | - | - | 2,386 | 2,716 | 1,915 |
| Expenses | | | | | | | |
| Bank fees | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | 30 | 5,876 | 100 | 69 | 59,199 | 65,274 | 62,558 |