

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Financial Statements
Year Ended March 31, 2025

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
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Year Ended March 31, 2025

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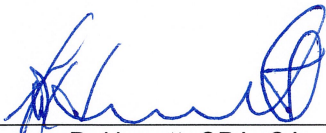
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of the Municipality of the County of Cumberland have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

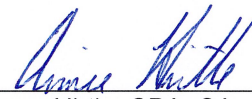
The integrity and reliability of the Municipality of the County of Cumberland's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Mayor and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Mayor and Council carry out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Mayor and Council and meets periodically with management and the Mayor and Council's auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Mayor and Council prior to its approval of the financial statements. The Committee also considers, for review by the Mayor and Council and approval by the Mayor and Council, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the Mayor and Council by McIsaac Darragh Inc. Chartered Professional Accountants. The accompanying Auditor's report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



Gregory D. Herrett, CPA, CA
Chief Administrative Officer



Aimee Hirtle, CPA, CA
Director of Finance

Upper Nappan, Nova Scotia
September 17, 2025

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of The Municipality of the County of Cumberland

Opinion

We have audited the consolidated financial statements of The Municipality of the County of Cumberland (the Municipality), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, changes in accumulated surplus, 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 consolidated financial position of the Municipality as at March 31, 2025, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 29-33 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied only to the extent necessary to express an opinion on the audit of the consolidated financial statements as a whole.

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

The Municipality's administration is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 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 administration 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.

(continues)

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

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

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

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

McIsaac Darragh Inc.

Amherst, Nova Scotia
September 17, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Financial Position
March 31, 2025

	2025	2024
ASSETS		
Cash and cash equivalents <i>(Note 4)</i>	\$ 18,218,730	\$ 20,381,686
Term deposits <i>(Note 5)</i>	266,148	1,000,000
Taxes receivable, net of valuation allowances <i>(Note 6)</i>	1,691,594	2,035,368
Other receivables <i>(Note 7)</i>	11,409,846	9,247,833
Inventory held for resale	-	12,709
	31,586,318	32,677,596
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities <i>(Note 9)</i>	3,814,962	6,449,184
Other liabilities <i>(Note 10)</i>	2,577,062	1,782,707
Prepayment of taxes	1,126,421	932,024
Asset retirement obligation <i>(Note 11)</i>	154,235	201,400
Employee future benefits payable <i>(Note 12)</i>	417,346	547,588
Deferred revenue <i>(Note 13)</i>	3,586,981	3,930,916
Long term debt <i>(Note 14)</i>	16,273,898	18,130,532
	27,950,905	31,974,351
NET FINANCIAL ASSETS	3,635,413	703,245
NON-FINANCIAL ASSETS		
Prepaid expenses	208,502	177,674
Inventory	351,760	347,406
Tangible capital assets <i>(Note 15)</i>	120,856,698	124,863,256
	121,416,960	125,388,336
ACCUMULATED SURPLUS <i>(Note 16)</i>	\$125,052,373	\$126,091,581

COMMITMENTS *(Note 17)*

CONTINGENT LIABILITIES *(Note 18)*

OTHER SIGNIFICANT MATTERS *(Note 19)*

On Behalf of the Municipality of the County of Cumberland

Mayor

Chief Administrative Officer

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Operations
Year Ended March 31, 2025

	(Note 22) Budget 2025	2025	2024
REVENUES			
Taxes	\$ 28,789,815	\$ 29,146,523	\$ 26,810,671
Grants in lieu of taxes	2,279,696	2,274,700	2,194,937
Long term care facilities	16,633,425	18,423,097	24,519,660
Other revenue from own sources	1,349,540	2,536,333	2,790,122
Conditional transfers	2,686,483	2,810,753	6,763,186
Unconditional transfers	1,915,013	1,915,176	1,902,977
Cumberland Joint Services Management Authority	-	-	2,024
Water utilities	1,828,778	2,037,462	1,890,285
Gain on disposal of assets	-	-	27,234
	<u>55,482,750</u>	<u>59,144,044</u>	<u>66,901,096</u>
EXPENSES			
General government	6,939,154	5,722,034	6,358,746
Protective services	9,598,572	9,611,711	9,410,381
Transportation services	3,072,186	3,114,919	2,792,258
Environmental health services	6,537,475	6,707,640	6,598,975
Public health and welfare	16,019,198	16,944,099	23,480,018
Environmental development	1,007,510	951,037	884,761
Recreation and culture	3,158,725	3,045,959	2,620,355
Education	5,929,707	5,929,704	5,304,852
Water utilities	2,298,880	2,585,047	2,372,968
Loss on disposal of assets	-	799,760	-
	<u>54,561,407</u>	<u>55,411,910</u>	<u>59,823,314</u>
ANNUAL SURPLUS	<u>\$ 921,343</u>	<u>\$ 3,732,134</u>	<u>\$ 7,077,782</u>

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Changes in Accumulated Surplus
Year Ended March 31, 2025

	2025	2024
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$126,091,581	\$119,013,799
ANNUAL SURPLUS	<u>3,732,134</u>	<u>7,077,782</u>
	129,823,715	126,091,581
OTHER ITEMS AFFECTING SURPLUS <i>(Note 19)</i>	<u>(4,771,342)</u>	-
ACCUMULATED SURPLUS - END OF YEAR	<u>\$125,052,373</u>	\$126,091,581

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Changes in Net Financial Assets (Debt)
Year Ended March 31, 2025

	(Note 22) Budget 2025	2025	2024
ANNUAL SURPLUS	\$ 921,343	\$ 3,732,134	\$ 7,077,782
Acquisition of tangible capital assets	(15,473,069)	(13,580,414)	(18,225,526)
Amortization of tangible capital assets	3,513,311	4,111,605	4,146,469
Proceeds on disposal of tangible capital assets	-	68,840	36,734
Proceeds on disposal of intangible assets	-	-	-
Loss (gain) on disposal of assets	-	799,760	(27,234)
Asset retirement obligation	-	(15,958)	-
Decrease (increase) in prepaid expenses	-	(30,828)	(23,766)
Other items affecting surplus	-	7,851,383	-
Decrease (increase) in inventory	-	(4,354)	51,000
	<u>(11,959,758)</u>	<u>(799,966)</u>	<u>(14,042,323)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(11,038,415)	2,932,168	(6,964,541)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	703,245	703,245	7,667,786
NET FINANCIAL ASSETS (DEBT) - END OF YEAR	<u>\$ (10,335,170)</u>	<u>\$ 3,635,413</u>	<u>\$ 703,245</u>

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Cash Flows
Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Cash receipts from provincial and federal funding and residents	\$ 50,345,243	\$ 55,014,779
Cash receipts from sale of services	4,597,904	5,170,619
Cash from fundraisers and donations	19,029	76,548
Cash paid to suppliers and employees	<u>(44,773,311)</u>	<u>(52,634,900)</u>
Cash flow from operating activities	<u>10,188,865</u>	<u>7,627,046</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(13,580,418)	(18,268,215)
Proceeds on disposal of tangible capital assets	68,840	36,734
Government funding for tangible capital assets	1,165,656	1,527,369
Donations for tangible capital assets	<u>-</u>	<u>4,934</u>
Cash flow used by capital activities	<u>(12,345,922)</u>	<u>(16,699,178)</u>
INVESTING ACTIVITIES		
Purchase of term deposits	(252,459)	(1,000,000)
Matured term deposits	1,000,000	-
Change in restricted cash	1,626,748	(1,000,892)
Change in designated cash	(1,242,538)	(2,565,502)
Net remeasurement gains (losses)	<u>-</u>	<u>(2,128)</u>
	<u>1,131,751</u>	<u>(4,568,522)</u>
FINANCING ACTIVITIES		
Proceeds from capital financing	-	893,440
Proceeds from long term financing	-	710,846
Repayment of long term debt	(951,377)	(1,549,324)
Cash receipts from Province of NS - debt repayment	<u>197,935</u>	<u>186,904</u>
Cash flow from (used by) financing activities	<u>(753,442)</u>	<u>241,866</u>
DECREASE IN CASH FLOW	(1,778,748)	(13,398,788)
Cash (deficiency) - beginning of year	<u>(5,699,688)</u>	<u>7,699,100</u>
DEFICIENCY - END OF YEAR	\$ (7,478,436)	\$ (5,699,688)
CASH CONSISTS OF:		
Unrestricted / undesignated cash	\$ (7,478,436)	\$ (5,699,688)
Restricted cash (Note 4)	9,985,979	11,612,725
Designated cash (Note 4)	<u>15,711,187</u>	<u>14,468,649</u>
	<u>\$ 18,218,730</u>	<u>\$ 20,381,686</u>

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality of the County of Cumberland ("the Municipality") were prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board.

Basis of accounting

Revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable and expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Fund accounting

Funds within the consolidated financial statements consist of the operating, capital and reserve funds for general operations and water utilities.

Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and change in fund balances of all organizations accountable for the administration of their financial affairs and resources to the Municipal Council and which are owned or controlled by the County. Inter-fund and inter-entity transactions have been eliminated.

Entities included in the consolidated financial statement of the Municipality include the following:

- The Municipality of the County of Cumberland ("the County")
- Cumberland Senior Care Corporation ("CSCC")
- Sunset Community Incorporated ("Sunset") (Note 19)

Trust funds administered by the Municipality are not included in the financial statements (Note 20).

Financial instruments policy

The Municipality's financial instruments are comprised of cash and cash equivalents, restricted cash, receivables, payables, short term debt, other liabilities, and long term debt. All financial instruments are measured at cost or amortized cost.

It is management's opinion that the Municipality is not exposed to significant currency or market risks from these financial instruments. The Municipality is exposed to interest rate risk due to its short term and long term debt.

As the Municipality has no assets subject to re-measurement, no statement of re-measurement gains and losses has been presented.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and bank balances and does not include restricted or designated cash (Note 4).

(continues)

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee future benefits

The contributions to pension plans are expensed when contributions are due. The costs of post-employment benefits are recognized when the event that obligates the Municipality occurs.

- (a) CSCC and Sunset contribute to a multi-employer defined benefit plan, administered by the Nova Scotia Association of Health Organizations, which provides a pension on retirement based on the member's age at retirement and length of service. The most recent actuarial valuation was conducted as at July 1, 2021, which indicated a funded liability. The corporations bear no direct financial responsibility for the liability of the pension plan. The contribution rates are based on salary level and range from 7.82% to 10.18% for the employee from 9.22% to 11.58% for the employer.
- (b) The County contributes to a defined contribution pension plan administered through Sun Life Financial in which the employer and employee contribute between 6% and 18% of eligible income to the pension plan.

The Municipality's total expense for the defined contribution pension plans for 2025 was \$1,109,939 (2024 - \$1,329,840) and is included in salaries and benefits (Schedule 1).

- (c) Employees are provided with sick leave benefits. The cost of vesting sick leave benefits is calculated based on accumulated sick time multiplied by the percentage that vests and applying current salary and benefit rates. The liability for non-vesting sick leave benefits is based on management's best estimate (Note 12).

Asset retirement obligation

The Municipality has adopted PSAS section 3280 outlining the accounting treatment of asset retirement obligations. Management has utilized the transitional provisions under PSAS 3280.72 which allows for prospective application of the standard. The following is the Municipality's accounting policy and the impact of the adoption of this new section can be seen in Note 11.

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 of 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 for all asset retirement obligations has been recognized based on estimated future expenses.

The liability is discounted using a present value calculation, and adjusted annually for accretion expense. The increase to the tangible capital assets is being amortized in accordance with the tangible capital assets accounting policy.

(continues)

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Liability for contaminated sites

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

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) The Municipality of the County of Cumberland:
 - is directly responsible; or
 - accepts responsibility; and
- d) a reasonable estimate of the amount can be made.

As at March 31, 2025, the Municipality has not identified any contaminated sites for which it is responsible.

Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

Non-financial assets

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

Inventory

Inventories held for sale are recorded at the lower of cost and net realizable value.

(continues)

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost, which includes all amounts that are directly attributable to acquisition, construction, design, development or betterment of the assets. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life.

Depreciation in the Water Utility Operating fund is calculated based on rates prescribed by the Nova Scotia Utility and Review Board.

Land and land improvements	N/A
Landfill cell	% of usage
Buildings	10 to 40 years
Machinery and equipment	10 to 25 years
Streets and sidewalks	20 to 30 years
Vehicles	5 to 10 years
Traffic and street lights	10 years
Water and sewer systems	50 to 75 years

Tangible capital assets are written down when conditions indicate that they are no longer contributing to the Municipality's ability to provide services. Assets under construction are not amortized until the asset is available for productive use. Amortization is not taken in the year of acquisition.

Interest capitalization

Interest costs relating to construction in progress are capitalized to the cost of the asset. Total interest capitalized in 2025 - \$nil (2024- \$nil). Capitalization of interest ceases when the asset is substantially complete and ready for its intended productive use.

Taxation and related revenue recognition

Property tax billings are prepared by the County based on assessed rolls issued by Property Valuation Services Corporation (PVSC) and adjusted for estimates of appeals and reassessments. Tax rates are established annually by Municipal Council during the budget approval process. Tax revenue is recorded at the time tax billings are issued. Tax adjustments as a result of appeals and reassessments are recorded when the results of the appeal process are known. Valuation allowances are established based on the estimated losses that may be incurred in collecting outstanding receivables. The County includes interest on overdue taxes in other revenue from own sources.

(continues)

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other revenue recognition

- a) Other revenue from own sources is recognized when services are performed and/or when earned as long as amounts can be reasonably estimated and collection is reasonably assured.
- b) Revenue from long term care facilities, including patient pays and per diems, sales of meals and laundry services, apartment rentals and cafeteria revenue are recognized at the time the service is rendered in the normal course of operations.
- c) Externally restricted contributions are recognized as revenue when the resources are used for their intended purpose. Externally restricted contributions received before this time are reported as deferred revenue.
- d) The Municipality collected revenue on behalf of the Villages of Pugwash and River Hebert. Revenue collected is not recorded in the consolidated financial statements of the Municipality. The amount collected and remitted to the Villages is \$297,854 (2024 - \$262,566).

Government transfers

Conditional and unconditional government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

Measurement uncertainty

Certain amounts in the consolidated financial statements are subject to measurement uncertainty and are based on management's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- asset retirement obligations;
- estimated useful lives of tangible capital assets and impairment of tangible capital assets;
- asset valuation allowances;
- assumptions used in determining the obligation of accrued sick time;
- salary and benefit rates used in determining the obligation of accrued vacation and holiday pay.

(continues)

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Segmented information

The Municipality of the County of Cumberland is a diversified municipal government that provides a wide range of municipal programs and services to its constituents, including fire, RCMP, waste and recycling services, water supply and distribution, waste water treatment, libraries, recreation and tourism. Segmented information has been prepared by major functional classification, consistent with the Consolidated Statement of Operations and provincially legislated requirements.

The major segments are as follows:

- General government: Activities that provide for the overall operation of the Municipality and that are common to or affect all of the services provided by the Municipality. This includes the administrative arm of the Municipality (finance, taxation & collection, facilities management (including interest on debt charges), information services, Chief Administrative Officer, human resources) and legislative activities related to Mayor and Council of the Municipality, including their remuneration and expenses.
 - Protective services: Activities that provide for the public safety of the inhabitants of the municipality, such as: RCMP protection, correctional services, bylaw enforcement, building inspectors, emergency measures, fire departments and fire hydrants.
 - Transportation services: Activities, transfers and related debt for roads, sidewalks and LED lighting.
 - Environmental health services: Activities that provide environmentally regulated services, including sewage collection, treatment & disposal, waste management centre operations, multi-stream waste collection and disposal programs and engineering/environmental stewardship.
 - Public health and welfare: Operation of long term care facilities.
 - Environmental development: Activities that support and control the municipality's economic development including environmental planning and zoning, industrial park development, tourism and community development.
 - Recreational and culture: Activities that provide recreation and cultural services, including recreational facilities, libraries and cultural buildings.
 - Education: Mandatory education transfers to the Chignecto-Central Regional School Board.
 - Water utilities: Activities related to the operations of the Cumberland Water Utility. The Cumberland Water Utility has 2,487 customers. The utility operates water distribution and treatment facilities and related infrastructure.
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THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

2. CONTRIBUTIONS TO BOARDS

The Municipality of the County of Cumberland, along with other municipal units in Cumberland County, is required to finance the operations of various Boards and Commissions to the extent of its participation based on assessment or population formulas.

Cumberland Regional Housing Authority

The Municipality of the County of Cumberland is required to finance its share of the operating deficit in the Cumberland Regional Housing Authority out of the current year's operations. The deficit financed for 2025 was \$Nil (2024 - \$334,609) and is included in the expenses for Public Health & Welfare Services. In addition to any budgeted contributions, the municipal units share in deficits or surpluses of the Authority based on their sharing percentage.

Cumberland Regional Library

During the year, the Municipality of the County of Cumberland paid \$230,545 (2024 - \$186,168) to the Cumberland Regional Library and is included in the expenses for Recreation and Culture. The Municipality of the County of Cumberland does not share in any surpluses or deficits.

3. CONTRIBUTIONS TO PROVINCIAL GOVERNMENT DEPARTMENTS & AGENCIES

The Municipality of the County of Cumberland, along with other municipal units in the province, is required to finance the operations of various provincial government departments and boards, based upon formula defined in legislation

Education Contribution

The Municipality of the County of Cumberland is required to contribute to the Chignecto Central Regional School Board based on a formula calculation. For 2025 the education contribution was \$5,929,704 (2024 - \$5,304,852).

Corrections Contributions

Municipalities in Nova Scotia are required to make a mandatory contribution to fund the cost of correctional services. The contribution rate is set by the provincial formula. During 2025 the Municipality of the County of Cumberland paid \$Nil (2024 - \$307,796) to the province for correction services.

Assessment Services Contributions

The Municipality of the County of Cumberland is required to contribute to Property Valuation Services Corporation on a formula calculation. During 2025 the Municipality of the County of Cumberland paid \$552,915 (2024 - \$541,402) to the province for assessment services.

Roads Contributions

The Municipality of the County of Cumberland is required to contribute to fund the cost of road maintenance of provincial roads. The contribution rate is set by the provincial formula. During 2025 the Municipality of the County of Cumberland paid \$266,924 (2024 - \$258,130) to the province for road maintenance.

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

4. CASH AND CASH EQUIVALENTS

	2025	2024
Restricted cash and cash equivalents		
Tax sale surplus (Note 10)	\$ 1,385,316	\$ 998,967
Capital replacement	351,956	314,251
Springhill Community Centre	269,876	263,609
Gas tax reserves	6,903,038	7,292,963
Water Utility depreciation	1,075,793	2,677,430
Landfill proceeds (in trust)	-	65,505
	\$ 9,985,979	\$ 11,612,725

Restricted cash for capital replacement includes guaranteed investment certificates with maturity dates ranging from July 2025 to April 2026 and interest rates ranging from 3.1% to 4.75% (2024 maturity dates from April 2024 to January 2026 and interest rates ranging from 4.1% to 5.25%).

Funding received through the Gas Tax Grant Program is restricted for use on eligible capital projects, as approved under the Canada - Nova Scotia Gas Tax Agreement. Gas tax reserves are held in cash.

Designated cash and equivalents

Capital reserves	\$ 8,186,305	\$ 8,975,826
Operating reserves	7,524,882	5,492,823
	\$ 15,711,187	\$ 14,468,649

The Municipality has designated assets that are distinct from restricted assets. Unlike restricted assets, the Municipality can readily change the legislation, by-law or resolution and use the designated assets for another purpose if the need arises.

The capital reserves are intended to be used for replacement or repair of tangible capital assets. Included is cash of \$8,596,511 (2024 - \$10,851,420) and guaranteed investment certificates of \$222,863 (2024 - \$216,208) with maturity dates ranging from April 2026 to August 2026 and interest rates of 2.75% (2024 maturity dates from March 2025 to April 2025 and interest rates of 3.15%).

Operating reserves are held in cash and are designated for various purposes as listed in Note 16.

Unrestricted / undesignated cash	\$ (7,478,436)	\$ (5,699,688)
Total cash and cash equivalents	\$ 18,218,730	\$ 20,381,686

5. TERM DEPOSITS

Term deposits include guaranteed investment certificates with maturity dates ranging from October 2025 to January 2026 and interest rates ranging from 2.60% to 2.75% (2024 October 2024 to February 2025 and interest rates ranging from 4.2% to 5.25%).

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

6. TAXES RECEIVABLE

	2025	2024
Beginning balance, taxes receivable	\$ 3,237,879	\$ 2,998,401
Tax levy - current year	27,888,886	25,518,889
Cash receipts and adjustments	(28,044,731)	(25,159,590)
Exemptions	(753,297)	(607,844)
Interest	500,949	488,022
	2,829,686	3,237,878
Ending balances, taxes receivable	(1,138,092)	(1,202,510)
Valuation allowance	2,829,686	3,237,878
Net taxes receivable	\$ 1,691,594	\$ 2,035,368

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Municipality is exposed to credit risk from customers. A valuation allowance is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Municipality's receivables are from a significant number of individuals and entities which reduces concentration of credit risk.

7. OTHER RECEIVABLES

	2025	2024
Federal Government and agencies	\$ 1,340,868	\$ 4,072,341
Provincial Government and agencies	1,570,628	3,827,498
Other receivables	8,463,511	1,472,547
Other municipal units	195,715	36,323
Valuation allowance	(160,876)	(160,876)
	\$ 11,409,846	\$ 9,247,833

Credit risk

Management is of the opinion that the Municipality is not exposed to significant credit risk from other receivables. A valuation allowance is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

8. SHORT TERM DEBT

The Municipality has an overdraft limit on its operating bank account of \$11,500,000. The overdraft is payable on demand and bears interest at prime less 1.72%. It is secured by a borrowing resolution under corporate seal.

The Municipality also has a \$340,000 revolving line of credit. Bank advances on the credit lines are payable on demand and bears interest at prime plus 0.5%. The credit line is secured by a resolution to borrow passed by the Municipality of the County of Cumberland. At year end this line of credit was not in use (2024 - \$nil).

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Accounts payable and accrued liabilities	\$ 2,643,816	\$ 4,417,080
Salaries and benefits	457,614	923,443
Accrued vacation and holiday pay	713,532	1,108,661
	\$ 3,814,962	\$ 6,449,184

10. OTHER LIABILITIES

	2025	2024
Due to Provincial Government and agencies	\$ 1,180,253	\$ 585,467
Due to Federal Government and agencies	1,388	19,604
Due to other municipal units	37,775	-
Tax sale surplus	1,357,646	1,123,358
Landfill Trust - proceeds of sale	-	54,278
	\$ 2,577,062	\$ 1,782,707

Tax sale surplus - The Municipality is required to hold any surplus from tax sales for a period of 20 years. This surplus represents excess funds received at tax sale over and above amounts owing to the Municipality at the time a particular property was sold. Surplus proceeds still held after 20 years are to be transferred to the Capital Reserve Fund. Provincial regulations require the tax sale surplus be included on the consolidated financial statements as a liability. Of the tax sale surplus liability, \$8,185 is to be transferred to the capital reserve in 2026 (2025 - \$2,675).

The Municipality holds restricted cash of \$1,385,316 (2024 - \$998,967) to fund this liability (Note 4). The Municipal Government Act requires that the surplus liability be fully funded. Cash was transferred subsequent to year end to fully fund this liability.

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

11. ASSET RETIREMENT OBLIGATION

The Municipality owns several buildings that potentially have asbestos, which represents a health hazard upon demolition of the buildings and there is a legal obligation to remove it. Following the adoption of PSAS 3280 - Asset Retirement Obligations, the Municipality recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at March 31, 2025. Estimated costs have been discounted to the present value using a discount rate of 3.4% per annum. The transition and recognition of asset retirement obligations involved an accompanying increase to the Municipal Buildings and Other Buildings capital asset carrying value (Note 15).

Asset retirement obligations recognized as at March 31, 2025 include the following:

	Years Remaining	2025 Present Value Cost	2024 Present Value Cost
<u>Municipal Buildings</u>			
Municipal Office	10	\$ 469	\$ 452
Parrsboro Service Centre	38	1,773	1,669
Springhill Office/Police Station	20	2,114	2,023
		4,356	4,144
<u>Other Buildings</u>			
Springhill Fire Hall	-	-	53,004
Parrsboro Fire Hall	6	2,446	2,362
Cape D'Or Lightstation	30	11,352	10,771
Parrsboro Public Library	6	3,807	3,677
Parrsboro Park Recreation building	4	9,630	9,312
Parrsboro shower building	4	4,563	4,412
Comfort stations	4	1,482	1,433
Springhill Senior Citizens Recreation Centre	10	18,085	17,426
Isabel Simpson Heritage Centre	23	8,760	8,364
Old River Hebert School	10	38,242	36,849
Amherst Court House	25	4,022	3,833
Parrsboro Equipment Depot	8	46,155	44,527
Parrsboro Chlorination Building	10	1,335	1,286
		149,879	197,256
		\$ 154,235	\$ 201,400

12. EMPLOYEE FUTURE BENEFITS PAYABLE

	2025	2024
Accrued sick leave	\$ 417,346	\$ 547,588

The County's employees earn sick leave per year at a rate of 1.5 days per month. Maximum accumulation of sick leave is 150 working days. Upon termination, the balance is not paid out. The accrued sick leave liability of \$130,000 (2024 - \$130,000) has been estimated based on 10% of non-vested days using current salary and benefit rates.

CSCC's full time employees earn sick leave per year at the rate of 1.5 days per month. Part time employees earn 1.5 days for each 20 shifts worked. Maximum accumulation of sick leave is 150 working days/1,200 hours. Upon termination, unionized employees are paid 25% of accumulated sick leave. Non-union employees are paid at 40% of accumulated sick leave. The accrued sick pay liability of \$287,346 (2024 - \$321,988) has been estimated based on the number of accumulated sick days (100% of vested days and 15% of non-vested days) and current salary and benefit rates.

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

13. DEFERRED REVENUE

	March 31, 2024	Receipts	Recognized as revenue	March 31, 2025
Restricted capital contributions - CSCC	\$ 305,358	\$ 39,430	\$ -	\$ 344,788
Donations - CSCC and Sunset N.S. Department of Health and Wellness - CSCC	322,182	19,029	(285,728)	55,483
Sustainable Service Growth Fund	318,518	409,967	(542,316)	186,169
Parrsboro playground	1,169,136	89,304	(982,313)	276,127
Federal Grant - Comfort Centres	43,696	-	-	43,696
Provincial Grant - BSP	-	156,243	(156,243)	-
Provincial letter of intent - post transition	-	25,000	(3,061)	21,939
Provincial letter of intent - capital	37,833	-	-	37,833
Provincial capital grants - other	642,493	-	-	642,493
Other	822,413	42,997	-	865,410
	269,287	1,196,162	(352,406)	1,113,043
	\$ 3,930,916	\$ 1,978,132	\$ (2,322,067)	\$ 3,586,981

Restricted capital contributions received by CSCC are set aside for specific purposes as required by agreement.

Deferred donations consist of donations received by CSCC that are restricted by the donors to be used on capital projects, long term care resident activities and staff training.

N.S. Department of Health and Wellness funds received by CSCC is capital funding to replace facility components.

Sustainable Services Growth Fund (SSGF) is provincial funding to be used towards municipal infrastructure projects that support growing populations, accessibility and active transportation.

Parrsboro playground project consists of grants and donations received for the construction of a playground.

Provincial letter of intent grants to the County are to be used for specific programs and capital projects identified in the letter of intent agreements for the former Towns of Springhill and Parrsboro.

Provincial capital grants are to be used for various projects.

Included in other are a number of small individual restricted grants and donations.

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

14. LONG TERM DEBT

	<u>2025</u>	<u>2024</u>
Nova Scotia Municipal Finance Corporation ("NSMFC") loan bearing interest at rates varying from 2.490% to 3.389% over the term of the loan, repayable in 3 annual payments of \$371,650 and one payment of \$4,088,150. The loan matures in November 2028 and is unsecured.	\$ 5,203,100	\$ 5,574,750
NSMFC loan bearing interest at rates varying from 1.734% to 3.073% over the term of the loan, repayable in 2 annual payments of \$360,000 and one payment of \$3,960,000. The loan matures in November 2027 and is guaranteed by the NS Department of Community Development.	4,680,000	5,040,000
NSMFC loan bearing interest at rates varying from 3.847% to 4.177% over the term of the loan, repayable in 8 annual payments of \$261,980 with interest paid semi-annually. The loan matures in October 2032. \$1,840,000 of the balance is guaranteed by the NS Department of Community Development with the remaining unsecured.	2,095,835	2,357,815
Nova Scotia Housing Development Corporation loan bearing interest at 4.42% per annum, repayable in monthly blended payments of \$14,549. The loan matures in September 2036 and is secured by a building with a net book value of \$5,309,567.	1,531,096	1,631,425
NSMFC loan bearing interest at rates varying from 0.678% to 1.879% over the term of the loan, repayable in 1 annual payments of \$181,720 and 5 annual payments of \$159,220 with interest paid semi-annually. The loan matures in July 2030 and is unsecured.	977,820	1,159,540
NSMFC loan bearing interest at rates varying from 3.550% to 4.741% over the term of the loan. The loan is repayable in 19 annual payments of \$30,042 with interest paid semi-annually. The loan matures in May 2043 and is unsecured.	570,804	600,846
NSMFC loan bearing interest at rates varying from 2.575% to 3.290% over the term of the loan, repayable in 3 annual payments of \$138,050 with interest paid semi-annually. The loan matures in May 2027 and is unsecured.	414,150	552,200
NSMFC loan bearing interest at rates varying from 0.4% to 2.376% over the term of the loan. The loan is repayable in 6 annual payments of \$24,115 and one payment of \$265,274 with interest paid semi-annually. The loan matures in May 2031 and is guaranteed by the NS Department of Community Development.	409,964	434,079
Nova Scotia Housing Development Corporation loan bearing interest at 3.72% per annum, repayable in monthly blended payments of \$2,406. The loan matures in March 2040 and is secured by a building with a net book value of \$5,309,567.	332,462	348,401
Nova Scotia Housing Development Corporation loan bearing interest at 8% per annum, repayable in monthly blended payments of \$7,496. The loan matures in November 2025 and is secured by a building with a net book value of \$5,309,567.	58,667	140,334

(continues)

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

14. LONG TERM DEBT *(continued)*

	2025	2024
Micro Home loan related to divestment (Note 19).	-	201,439
Scotiabank loan related to divestment (Note 19).	-	70,346
Scotiabank loan related to divestment (Note 19).	-	19,357
	-	-
Amounts payable within one year	-	-
	\$ 16,273,898	\$ 18,130,532

Principal repayment terms are approximately:

2026	\$ 1,551,000
2027	1,475,300
2028	5,080,800
2029	4,705,400
2030	624,740

15. TANGIBLE CAPITAL ASSETS

Cost	2024 Balance	Additions	Disposals	2025 Balance
Land and land improvements	\$ 5,137,933	\$ 316,723	\$ 70,834	\$ 5,383,822
Long term care buildings	24,329,725	1,527,291	17,718,955	8,138,061
Municipal buildings	13,947,464	253,924	720,890	13,480,498
Joggins Fossil Centre	6,020,089	-	-	6,020,089
Fire protection facilities	5,272,484	52,006	832,889	4,491,601
Other buildings	1,598,477	259,303	51,120	1,806,660
Sanitary sewer systems	33,777,311	-	-	33,777,311
Water treatment plant	12,589,392	127,286	-	12,716,678
Fire protection vehicles	6,798,022	(15,958)	80,000	6,702,064
Vehicles	1,601,812	459,452	344,646	1,716,618
Machinery and equipment	9,557,442	2,134,051	816,815	10,874,678
Electronic data equipment	1,016,962	117,801	-	1,134,763
Streets and sidewalks	13,974,006	3,215,571	308,814	16,880,763
Traffic and street lights	1,494,675	-	-	1,494,675
Water mains and meters	22,703,138	1,062,420	-	23,765,558
Storm sewers	6,746,206	62,767	-	6,808,973
Fire hydrants	1,019,242	-	-	1,019,242
Assets under construction	2,745,072	4,007,777	-	6,752,849
	\$ 170,329,452	\$ 13,580,414	\$ 20,944,963	\$ 162,964,903

Accumulated Amortization	2024 Balance	Amortization	Accumulated Amortization on Disposals	2025 Balance
Land and land improvements	\$ 235,761	\$ 63,367	\$ -	\$ 299,128
Long term care buildings	8,421,888	226,986	5,820,383	2,828,491
Municipal buildings	3,848,351	336,701	690,325	3,494,727
Joggins Fossil Centre	2,408,034	150,503	-	2,558,537

(continues)

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

15. TANGIBLE CAPITAL ASSETS *(continued)*

<u>Accumulated Amortization</u>	2024		Amortization on Disposals	2025
	Balance	Amortization		Balance
Fire protection facilities	1,169,134	137,307	19,087	1,287,354
Other buildings	521,815	55,844	51,120	526,539
Sanitary sewer systems	11,130,869	867,504	-	11,998,373
Water treatment plant	1,355,685	242,762	-	1,598,447
Fire protection vehicles	5,383,503	159,698	80,000	5,463,201
Vehicles	1,025,689	149,672	225,424	949,937
Machinery and equipment	3,866,033	507,007	274,444	4,098,596
Electronic data equipment	988,892	8,663	-	997,555
Streets and sidewalks	2,782,582	555,304	308,813	3,029,073
Traffic and street lights	448,404	149,467	-	597,871
Water mains and meters	1,291,367	345,536	-	1,636,903
Storm sewers	473,736	138,218	-	611,954
Fire hydrants	114,453	17,066	-	131,519
Assets under construction	-	-	-	-
	\$ 45,466,196	\$ 4,111,605	\$ 7,469,596	\$ 42,108,205

<u>Net Book Value</u>	2025	2024
Land and land improvements	\$ 5,084,694	\$ 4,902,172
Long term care buildings	5,309,570	15,907,837
Municipal buildings	9,985,771	10,099,113
Joggins Fossil Centre	3,461,552	3,612,055
Fire protection facilities	3,204,247	4,103,350
Other buildings	1,280,121	1,076,662
Sanitary sewer systems	21,778,938	22,646,442
Water treatment plant	11,118,231	11,233,707
Fire protection vehicles	1,238,863	1,414,519
Vehicles	766,681	576,123
Machinery and equipment	6,776,082	5,691,409
Electronic data equipment	137,208	28,070
Streets and sidewalks	13,851,690	11,191,424
Traffic and street lights	896,804	1,046,271
Water mains and meters	22,128,655	21,411,771
Storm sewers	6,197,019	6,272,470
Fire hydrants	887,723	904,789
Assets under construction	6,752,849	2,745,072
	\$120,856,698	\$124,863,256

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

16. ACCUMULATED SURPLUS

	<u>2025</u>	<u>2024</u>
Capital reserves		
Gas tax	\$ 3,087,275	\$ 5,366,944
Parrsboro sewer	2,420,128	2,534,874
Parrsboro Aboiteau	51,066	-
Fire purposes	1,021,325	-
Unappropriated	1,591,886	1,798,647
Landfill proceeds	2,000,542	2,045,686
Springhill Community Centre	507,779	490,848
Capital reserves	<u>10,680,001</u>	<u>12,236,999</u>
Operating reserves		
Unappropriated	3,064,085	3,697,976
Springhill area rate	9,082	34,049
Sewer purposes	518,256	721,896
Economic development	342,496	355,338
School enhancement	263,968	259,296
Solid waste	216,663	252,513
Street light reserve	137,036	79,780
Public open space	24,951	24,202
Springhill streets	108,571	106,649
Solar reserve	148,251	113,633
Fire purposes	80,680	79,252
Parrsboro area rate	40,372	59,713
Elections	5,361	73,766
CSCC donations reserve	24,100	24,464
Glooscap Park	10,045	9,867
Operating reserves	<u>4,993,917</u>	<u>5,892,394</u>
Total reserves	<u>15,673,918</u>	<u>18,129,393</u>
Unreserved		
County	105,311,934	100,619,645
CJSMA	-	65,268
Sunset	-	4,221,519
CSCC	4,066,521	3,055,756
Total unreserved	<u>109,378,455</u>	<u>107,962,188</u>
Accumulated surplus	<u>\$125,052,373</u>	<u>\$126,091,581</u>

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

17. COMMITMENTS

- a) The Municipality has entered an agreement for solid waste collection effective April 1, 2023 to March 31, 2028. The Municipality is committed to paying \$12,608,684 plus HST over the life of the contract, with adjustments for increases in fuel costs to an annual maximum of \$1,485 plus HST per 1 cent increase in fuel prices.
 - b) On October 23, 2019 Council passed a borrowing guarantee resolution on behalf of the Pugwash Village Commission in the amount of \$90,000. This guarantee received Ministerial approval on January 24, 2020. The Village Commission borrowed through the sale of debentures of \$58,000 in July 2020.
 - c) On August 21, 2020, The Municipality of the County of Cumberland and the Municipality of the County of Colchester entered into an agreement with Xplornet Communications Inc. in relation for the acquisition of exclusive Indefeasible Right of Use (IRU) on dark optical fibre strands for the entire network fibre build to the Municipalities and acquisition of other valuable community benefits. The initial term for the IRU is twenty years, with options to renew for two additional ten-year terms. The remaining contribution from the Municipality of Cumberland is \$1,709,975 plus HST.
 - d) On November 22, 2023 Council approved a \$300,000 grant to Sunset Community Inc. for their proposed housing development, conditional on other funding being approved.
 - e) On February 26, 2025 Council approved Cumberland YMCA operation funding of \$124,240 per year until Fiscal 2029. Adjusted annually for CPI.
-

18. CONTINGENT LIABILITIES

The Municipality may, from time to time, be involved in legal proceedings, claims and litigation arising in the normal course of operations. As of March 31, 2025, management believes it is not exposed to material, adverse impact on its financial position as a result of any such claims.

19. OTHER SIGNIFICANT MATTERS

During the year, the Municipality of the County of Cumberland divested of its interest in Sunset Community Inc. effective August 21, 2024. The following changes came into effect upon divestment:

- a) The Municipality no longer controls Sunset Community Inc.
 - b) Land and buildings previously owned by the Municipality were transferred to Sunset Community Inc.
 - c) Long term debt with the Municipality will be transferred to a new lender by November 2027 (Note 14).
-

20. TRUSTS UNDER ADMINISTRATION

At March 31, 2025, the balance of funds held in trusts under administration was \$64,266 (2024 - \$333,562).

21. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

22. BUDGET

The County budgets for rate setting purposes in the general operating fund. Council approved a balanced budget in the general operating fund County-wide operations. Council approves separate area rates which may budget for surplus funds, and water utility budgets which have regulated rates. Council also approves a separate capital budget. The CSCC budget was approved by its Board of Directors and the Sunset Budget was established by the Nova Scotia Department of Community Services.

The following adjustments reconcile the approved budgets to the financial reporting presentation under Canadian Public Sector Accounting Standards.

	2025
Revenue	
County approved general operating	\$ 38,935,554
County approved reserves	1,245,893
County approved capital	14,709,015
County approved Cumberland water utility capital	764,054
County approved Cumberland water utility	2,513,860
Sunset approved operating	8,053,097
CSCC approved operating	8,580,328
	74,801,801
Remove inter-entity and inter-fund transactions	(1,400,694)
Remove transfers from reserves for operating	(2,472,714)
Remove transfers from reserves for capital funding	(11,379,084)
Remove transfers from revenue for capital funding	(1,526,783)
Remove debt for capital funding	(1,392,038)
Remove tax exemptions	(703,525)
Remove collections for other governments	(298,986)
Remove inter-entity debt repayment	(145,227)
	\$ 55,482,750
Expenses	
County approved general operating	\$ 38,935,554
County approved Cumberland water utility	2,513,860
Sunset approved operating	7,635,023
CSCC approved operating	8,384,175
	57,468,612
Add amortization for County operating	3,086,548
Remove inter-entity and inter-fund transactions	(1,400,694)
Remove loan principal repayments	(1,367,557)
Remove reserve appropriations	(1,722,991)
Remove capital appropriations	(500,000)
Remove tax exemptions	(703,525)
Remove transmission of taxes collected for other governments	(298,986)
	\$ 54,561,407

Budgeted figures are unaudited and have been provided by management for comparison purposes.

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

23. REMUNERATION PAID TO ELECTED OFFICIALS AND CAO

The gross earnings paid during the year and expenses paid on behalf of each member of Council and CAO are as follows:

	Gross Earnings	Expenses	Hospitality
Roderick Gilroy - Councillor/ Mayor	\$ 34,916	\$ 2,042	\$ -
Murray Scott - Former Mayor/ Deputy Mayor	25,627	204	-
Frederick Gould - Councillor	29,012	1,473	-
Anthony Fromm - Councillor	10,609	530	-
Jennifer Houghtaling - Councillor	28,029	4,576	-
Kathleen Redmond - Councillor	25,224	2,021	-
Angela McCormick - Councillor	28,029	781	-
Mark Joseph - Councillor	15,897	41	-
Scott Lockhart - Councillor	10,610	1,445	-
Dale Porter - Councillor	15,897	266	-
Carrie Lee - Councillor	10,610	1,968	-
Carrie Goodwin - Councillor	15,897	343	-
Marchel Strong - Councillor	10,610	2,823	-
Gregory Herrett - CAO	256,751	8,385	-
	<u>\$ 517,718</u>	<u>\$ 26,898</u>	<u>\$ -</u>

MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Consolidated Statement of Segmented Disclosure
(Schedule 1)
Year ended, March 31, 2025

	(Note 22)	General	Protective	Transportation	Environmental	Public Health	Environmental	Recreation	Education	Water	Total	
	Budget	Government	Services	Services	Health Services	and Welfare	Development	and Culture		Utility	2025	2024
Revenue												
Taxes	\$ 28,789,815	27,792,068	-	81,900	1,272,554	-	-	-	-	-	\$ 29,146,523	26,810,671
Grants in lieu of taxes	2,279,696	2,274,700	-	-	-	-	-	-	-	-	2,274,700	2,194,937
Long term care facilities	16,633,425	-	-	-	-	18,423,097	-	-	-	-	18,423,097	24,519,660
Other revenue from own sources	1,349,540	1,783,524	151,525	33,122	136,182	-	36,702	303,606	-	91,672	2,536,333	2,792,146
Conditional transfers	2,686,483	1,343,802	-	1,315,976	-	-	103,334	47,640	-	-	2,810,753	6,763,186
Unconditional transfers	1,915,013	1,915,176	-	-	-	-	-	-	-	-	1,915,176	1,902,977
Water utility	1,828,778	-	-	-	-	-	-	-	-	2,037,462	2,037,462	1,890,285
Gain on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	27,234
	55,482,750	35,109,271	151,525	1,430,998	1,408,736	18,423,097	140,036	351,246	-	2,129,134	59,144,044	66,901,096
Expenses												
Advertising and promotion	78,694	41,722	3,661	-	-	-	150	1,671	-	-	47,204	51,753
Allowance for Bad debts	7,639	33,140	-	-	-	-	-	-	-	-	33,140	29,843
Amortization	3,513,311	94,056	403,718	931,752	1,035,726	-	50,033	522,264	-	689,339	3,726,889	3,395,382
Contracted services	5,789,436	176,241	480,482	43,630	4,118,358	-	16,356	188,673	-	13,205	5,036,943	6,103,317
Goods and service from public sector	12,800,505	552,915	5,820,512	266,924	-	-	-	230,545	5,929,704	-	12,800,600	12,415,636
Grants and transfer to organizations	1,033,597	814,155	62,924	-	-	-	114,554	17,312	-	-	1,008,945	1,003,209
Insurance	787,776	114,613	440,650	62,417	31,019	-	1,505	69,274	-	66,706	786,185	828,715
Interest on long term debt	498,906	1,457	-	23,018	196,721	145,227	-	-	-	25,763	392,185	532,054
Interest on short term debt	-	39	-	-	-	-	-	-	-	7,271	7,310	10,612
Leases	32,498	31,084	-	-	-	-	-	-	-	5,952	37,036	27,779
Long-term care facilities	15,775,114	-	-	-	-	16,798,872	-	-	-	-	16,798,872	22,883,162
Materials, goods and supplies	2,476,326	532,084	545,689	625,261	287,441	-	25,051	232,833	-	526,753	2,775,112	2,634,075
Other expenses	34,847	28,806	4,817	111	-	-	323	364	-	39	34,460	31,127
Professional services	1,047,863	705,725	11,253	29,857	20,535	-	12,125	1,435	-	133,672	914,601	652,660
Salaries and benefits	8,875,629	2,319,511	1,342,698	952,626	766,435	-	719,001	1,507,294	-	869,003	8,476,569	7,557,975
Travel and professional development	374,103	91,262	104,598	13,454	7,541	-	8,838	27,278	-	8,971	261,940	241,162
Utilities	1,435,164	185,223	390,709	165,870	243,864	-	3,102	247,016	-	238,374	1,474,158	1,424,853
Loss on disposal of assets	-	(68,840)	868,600	-	-	-	-	-	-	-	799,760	-
Total	54,561,407	5,653,194	10,480,311	3,114,919	6,707,640	16,944,099	951,037	3,045,959	5,929,704	2,585,047	55,411,910	59,823,314
Annual Surplus (Deficit)	\$921,343	\$29,456,077	\$(10,328,786)	\$(1,683,921)	\$(5,298,904)	\$1,478,999	\$(811,001)	\$(2,694,714)	\$(5,929,704)	\$(455,913)	\$3,732,134	\$7,077,782

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Cumberland Water Utility Operating Fund Statement of Financial Position
(Schedule 2)
Year Ended March 31, 2025

	2025	2024
Assets		
Cash	\$ -	\$ 2,516,022
Receivables		
Water rates	564,143	298,898
Due from general capital fund	1,399,925	163,191
Due from general operating fund	-	-
Inventory not held for resale	73,320	96,642
Prepaid expenses	-	5,000
	<u>\$ 2,037,388</u>	<u>\$ 3,079,753</u>
Liabilities		
Short term debt	\$ 976,404	\$ -
Accounts payable and accrued liabilities	136,676	69,031
Prepaid water rates	72,590	48,152
Due to water capital fund	710,037	2,772,246
Other liabilities	2,780	4,194
	<u>1,898,487</u>	<u>2,893,623</u>
Accumulated surplus	<u>138,901</u>	<u>186,130</u>
	<u>\$ 2,037,388</u>	<u>\$ 3,079,753</u>

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Cumberland Water Utility Operating Fund Statement of Operations
(Schedule 3)

Year Ended March 31, 2025

	Budget 2025	Total 2025	Total 2024
Operating revenues			
Flat rate sales	\$ 1,647	\$ 49,429	\$ 964,472
Metered sales	1,800,890	1,918,769	889,095
Public fire protection	682,980	682,980	601,038
Other	7,959	97,935	67,338
Sprinkler service	8,000	5,700	(4,617)
Interest	12,384	10,190	8,405
	<u>2,513,860</u>	<u>2,765,003</u>	<u>2,525,731</u>
Operating expenditures			
Source of supply	11,305	7,295	9,906
Power and pumping	45,725	42,553	38,907
Water treatment	943,738	849,496	914,773
Transmission and distribution	521,707	653,290	559,759
Administration and general	323,914	320,805	283,838
Depreciation	426,763	689,339	525,774
Taxes	43,938	47,500	43,810
	<u>2,317,090</u>	<u>2,610,278</u>	<u>2,376,767</u>
Net operating revenue	<u>196,770</u>	<u>154,725</u>	<u>148,964</u>
Non-operating expenditures			
Principal	170,030	170,030	170,030
Interest	26,740	31,924	41,062
Capital expenditures out of revenue	-	-	2,245,362
	<u>196,770</u>	<u>201,954</u>	<u>2,456,454</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>(47,229)</u>	<u>(2,307,490)</u>
Accumulated Surplus Beginning	<u>186,132</u>	<u>186,130</u>	<u>2,493,620</u>
Accumulated Surplus Ending	<u>\$ 186,132</u>	<u>\$ 138,901</u>	<u>\$ 186,130</u>

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Cumberland Water Utility Capital Fund Statement of Financial Position
(Schedule 4)
Year Ended March 31, 2025

	2025	2024
Assets		
Cash	\$ 442,724	\$ 585,628
Receivables		
Due from capital reserves	-	41,669
Due from general capital	156,918	-
Due from general operating	26,407	911,033
Due from water operating fund	710,037	2,774,246
Other	2,220	3,341
	<u>1,338,306</u>	<u>4,315,917</u>
Tangible plant and equipment	<u>41,498,671</u>	<u>41,060,028</u>
	<u>\$ 42,836,977</u>	<u>\$ 45,375,945</u>
Liabilities		
Accounts payable	\$ 47,437	\$ 72,438
Due to general operating	-	-
Due to general capital	-	3,492,893
Accumulated allowance for depreciation	3,706,087	3,016,748
Deferred revenue	863,664	820,667
Long term debt	669,985	840,015
	<u>5,287,173</u>	<u>8,242,761</u>
Investment in capital assets	<u>37,549,804</u>	<u>37,131,184</u>
	<u>\$ 42,836,977</u>	<u>\$ 45,373,945</u>

See accompanying notes to the financial statements

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Cumberland Water Utility Capital Fund Statement of Operations (Schedule 5)
Year Ended March 31, 2025

	Budget 2025	2025	2024
Revenue			
Other revenue from own sources	\$ -	\$ 91,672	\$ 117,764
Conditional transfers	-	-	704,084
	-	91,672	821,848
Expenditures			
Bank charges	-	-	7
Annual surplus	-	91,672	821,841
Financing and transfers			
Transfers from own funds	156,918	156,918	2,287,031
Principal payments	170,030	170,030	170,030
	326,948	326,948	2,457,061
	326,948	418,620	3,278,902
Accumulated Surplus Beginning	37,131,184	37,131,184	33,852,282
Accumulated Surplus Ending	\$ 37,458,132	\$ 37,549,804	\$ 37,131,184

Cumberland Water Utility Capital Fund Statement of Utility Plant and Equipment
(Schedule 6)
Year Ended March 31, 2025

	2025	2024
Tangible plant and equipment		
Land and land rights	\$ 2,237,442	\$ 2,237,442
Structures and improvements	12,716,678	12,589,392
Equipment	1,692,132	1,468,442
Mains	21,999,918	21,999,918
Services	-	-
Meters	1,604,031	541,610
Hydrants	1,019,242	1,019,242
Vehicles	152,500	152,500
Assets under construction	76,728	1,051,482
	\$ 41,498,671	\$ 41,060,028

THE MUNICIPALITY OF THE COUNTY OF CUMBERLAND
Cumberland Water Utility Capital Fund Statement of Investment in Capital Assets
(Schedule 7)
Year Ended March 31, 2025

	2025	2024
Balance, beginning of year	\$ 37,131,184	\$ 33,852,282
Water operating fund	-	2,245,362
Term debt retired	170,030	170,030
ICIP Funding	-	704,084
Gas tax	156,918	41,669
Interest earned on depreciation funds	91,672	117,764
Bank charges	-	(7)
Balance, end of year	\$ 37,549,804	\$ 37,131,184