Consolidated Financial Statements

Municipality of the District of Chester

March 31, 2025

Contents

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 statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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.

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

The external auditors, Doane Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Municipality of the District of Chester 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 Municipality of the District of Chester

Tim Topping, CPA, CA	Tara Maguire
Director of Finance	Chief Administrative Officer

September 18, 2025

Independent auditor's report

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To the Council of the Municipality of the District of Chester

Opinion

We have audited the consolidated financial statements of Municipality of the District of Chester ("the Municipality"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, change in net financial assets 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 Municipality of the District of Chester as at March 31, 2025, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in the Schedules on pages 21 to 26 is presented for purposes of additional analysis 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.

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Bridgewater, Canada
September 18, 2025

Chartered Professional Accountants

Municipality of the District of Chester
Consolidated Statement of Operations

Year Ended March 31	2025	**2025**	2024
	Budget	**Actual**	Actual
Revenue			
Taxes	$ 18,365,827	**$ 18,624,703**	$ 16,045,411
Grants in lieu of taxes	230,569	**231,392**	219,721
Sales of services	6,295,350	**6,274,309**	4,501,593
Other revenue from own sources	354,760	**2,120,656**	578,139
Transfers from Federal and Provincial governments and agencies			
Unconditional	75,230	**107,518**	87,243
Conditional	44,844	**3,113,076**	2,130,973
Grants for capital projects	619,013	**591,956**	606,876
Interest	75,000	**2,540,584**	2,247,277
Gain on disposal of assets	-	**66,963**	35,905
Revenue from Chester Fire Services Committee	-	**-**	1,342,285
	$ 26,060,593	**$ 33,671,157**	$ 27,795,423
Expenditures			
General government services	$ 6,566,298	**$ 6,737,399**	$ 5,597,927
Protective services	4,468,483	**4,160,718**	3,454,357
Transportation services	1,393,447	**1,434,738**	1,731,534
Environmental health services	8,218,831	**8,086,969**	10,259,787
Environmental development services	2,080,255	**1,905,701**	1,588,312
Recreational and cultural services	1,085,094	**1,091,944**	1,088,016
	$ 23,812,408	**$ 23,417,469**	$ 23,719,933
Annual surplus	$ 2,248,185	**$ 10,253,688**	$ 4,075,490
Accumulated surplus, beginning of the year		**51,338,102**	47,262,612
Accumulated surplus, end of the year		**$ 61,591,790**	$ 51,338,102

Municipality of the District of Chester
Consolidated Statement of Change in Net Financial Assets

Year Ended March 31	2025	**2025**	2024
	Budget	**Actual**	Actual
Annual surplus	$ 2,248,185	**$ 10,253,688**	$ 4,075,490
Acquisition of tangible capital assets	-	**(6,115,023)**	(8,656,547)
Amortization of tangible capital assets	3,759,624	**3,759,624**	5,663,649
Disposal of tangible capital assets	-	**157,992**	136,967
	6,007,809	**8,056,281**	1,219,559
Decrease (increase) in prepaid expense	-	**(138,300)**	37,819
Increase in net financial assets	6,007,809	**7,917,981**	1,257,378
Net financial assets			
Beginning of year	18,241,797	**18,241,797**	16,984,419
End of year	$ 24,249,606	**$ 26,159,778**	$ 18,241,797

See accompanying notes and schedules to the consolidated financial statements.

Municipality of the District of Chester
Consolidated Statement of Financial Position

March 31	2025	2024
Financial Assets		
Cash and cash equivalents (Note 4)	**$ 51,470,305**	$ 36,264,098
Receivables (Note 5)	**8,767,215**	6,676,285
Long Term Investments (Note 6)	**10,000,000**	10,000,000
	70,237,520	52,940,383
Liabilities		
Payables and accruals	**4,404,436**	4,720,453
Employee future benefits (Note 7)	**201,979**	205,754
Deferred revenue (Note 8)	**8,388,298**	4,983,327
Tax sale surplus (Note 9)	**361,138**	319,884
Long term debt (Note 10)	**11,921,102**	6,118,999
Asset retirement obligation (Note 14)	**18,800,789**	18,350,169
	44,077,742	34,698,586
NET FINANCIAL ASSETS	**26,159,778**	18,241,797
Tangible capital assets (Note 11)	**35,169,424**	32,972,017
Prepaids	**262,588**	124,288
	35,432,012	33,096,305
ACCUMULATED SURPLUS (Note 21)	**$ 61,591,790**	$ 51,338,102

Commitments (Note 15)

On behalf of the Municipality of the District of Chester

Warden

Clerk

See accompanying notes and schedules to the consolidated financial statements.

Municipality of the District of Chester
Consolidated Statement of Cash Flows

Year Ended March 31		**2025**		2024
Cash and cash equivalents provided by (used):				
Operating activities				
Annual surplus	**$**	**10,253,688**	$	4,075,490
Amortization of tangible capital assets		**3,759,624**		5,663,649
Accretion expense		**496,621**		534,773
		14,509,933		10,273,912
Changes in non-cash assets and liabilities				
(Increase) decrease in receivables		**(2,090,929)**		(2,466,590)
(Increase) decrease in prepaid expenses		**(138,300)**		37,819
(Decrease) increase in payables		**(316,017)**		1,899,186
(Decrease) in employee future benefits		**(3,775)**		(37,279)
Increase in deferred revenue		**3,404,970**		3,614,900
Increase (decrease) in tax sale surplus		**41,254**		(29,539)
(Decrease) in asset retirement liabilities		**(46,001)**		-
		15,361,135		13,292,409
Investing activities				
Acquisition of tangible capital assets		**(6,115,023)**		(8,656,547)
Disposal of tangible capital assets		**157,992**		136,967
		(5,957,031)		(8,519,580)
Financing activities				
Proceeds from issuance of long term debt		**6,854,600**		1,648,851
Repayment of long term debt		**(1,052,497)**		(921,538)
		5,802,103		727,313
Increase in cash and cash equivalents		**15,206,207**		5,500,142
Cash and cash equivalents				
Beginning of year		**36,264,098**		30,763,956
End of year	**$**	**51,470,305**	$	36,264,098

See accompanying notes and schedules to the consolidated financial statements.

1. Significant accounting policies

The consolidated financial statements of the Municipality of the District of Chester (the "Municipality") are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). Significant aspects of the accounting policies adopted by the Municipality are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in accumulated surplus and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality. During the year ended March 31, 2024, the Municipality entered into an agreement with The Village of Chester, whereby both entities share common ownership and control of the Chester Village Fire Department ("CVFD"), through an established body corporate. The Municipality participates in decision making processes and financially with a 50% interest in CVFD's operations and assets. The financial activities and position of CVFD have been proportionately consolidated into these financial statements to the extent of the Municipality's financial participation and involvement.

Interdepartmental and organizational transactions and balances are eliminated. The consolidated entity consists of the general operating fund, general capital fund, operating reserve fund and the capital reserve fund.

b) Basis of accounting

The accrual basis of accounting followed in the financial statement presentation includes recognizing revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred.

c) Valuation allowance

The Municipality provides a valuation allowance for estimated losses that will be incurred in collecting receivables outstanding.

d) Cash and cash equivalents

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

e) Use of estimates

The presentation of financial statements, in conformity with PSAS, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets, valuation allowances for receivables, assets and obligations related to employees future benefits and landfill closure liability. Actual results could differ from those reported. In addition, implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs, and estimates of discount and inflation rates.

f) Asset retirement obligation:

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

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

The Municipality operates a solid waste landfill site. Landfill closure costs for the landfill site include closure costs at retirement for capping the cells as well as post closure costs for ongoing environmental monitoring. These factors together with assumptions for timing of closure, annual inflation and rate of return are used to calculate the net present value of the cost. The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses.

Additional liabilities have also been recognized based on estimated future expenses at the end of useful life for the removal of asbestos in buildings, remediation costs for wharves, and retirement costs for wind turbines owned by the Municipality.

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 in h).

1. Significant accounting policies (continued)

g) 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:

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

As at March 31, 2025 there are no known contaminated sites identified.

h) Tangible capital assets

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

Buildings - Plants	20 years
Electronic Data Equipment	3 years
Lagoons	10 years
Land Improvements	20 years
Landfill	as estimated capacity is utilized
Machinery and Equipment	5-10 years
Municipal Buildings	40 years
Sewer Lines	50 years
Sidewalks	20 years
Small Equipment	5 years
Streets, Roads & Curbs	25 years
Vehicles	5 years
Wharves	25 years
Wind Turbines	20 years

Full amount of the annual amortization is charged in the year of acquisition except for wind turbines. Wind turbines are amortized beginning on the date power generation occurs in accordance with the provincial community feed-in tariff (COMFIT) program agreement. Assets under construction are not amortized until the asset is available for productive use.

All costs associated with placing an asset in service, including freight, installation costs, site preparation costs, alterations and professional fees are included in the capitalized value.

i) Revenue and expenditure

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

<u>Tax and related revenue</u>

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

<u>Government transfers</u>

Grant proceeds from other governments are recognized as revenue when the transfer is authorized and eligibility criteria and stipulations are met. Grant proceeds where eligibility criteria and stipulations are not met are recorded as deferred revenue.

<u>Other revenues</u>

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

j) Budget figures

The budget figures contained in these consolidated financial statements were approved by council on May 16, 2024 in its original fiscal plan. Note 20 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

2. Contributions to boards and commissions

The Municipality, along with other municipal units in Lunenburg County, is required to provide funding for the operations of various Boards and regional authorities.

In addition to any budgeted contributions, the municipal units share in the deficit or surplus of these Boards based on their sharing percentages. The municipality's share of the surplus or deficit is set up as payable to, or receivable from, the Boards.

Lunenburg County Regional Housing Authority
This item has been removed from the MOU with the Province of Nova Scotia for 2024-2025. During 2024, the Municipality incurred costs payable of $45,313 to the Lunenburg County Regional Housing Authority as its share of operations.

South Shore Regional Library Board - 18.55% share
During 2025, the Municipality paid $85,700 (2024 - $85,700) to the South Shore Regional Library Board.

3. Contributions to provincial government departments & agencies

The Municipality, along with other municipal units in Lunenburg County, is required to finance the operations of various provincial departments based upon formulas defined in legislation.

Corrections contribution
This item has been removed from the MOU with the Province of Nova Scotia for 2024-2025. During 2024, the Municipality paid $233,005 to the province for correction services.

Education contribution
The contribution to the South Shore Regional Centre for Education is calculated using the mandatory municipal education rate (set by the Minister of Education) times the Municipality's uniform assessment. For 2025 the education tax rate of $.3048 (2024 - $.3048) per $100 of uniform assessment times the uniform assessment of $2,123,425,000 (2024 - $1,894,549,276) for a total amount paid of $6,472,199 (2024 - $5,774,586).

Assessment services contribution
The required contribution for assessment services is calculated first using an amount, set by the PVSC, to be recovered from all municipal units for 2025 $17,882,884 (2024 - $17,532,239). Fifty percent of this recovery amount is allocated among municipal units using each unit's uniform assessment as a percentage of provincial uniform assessment. The other fifty percent is allocated using each unit's number of assessment accounts as a percentage of the provincial assessment accounts. During 2025 the Municipality paid $355,974 (2024 - $347,817) to the PVSC for assessment services.

4. Cash and cash equivalents

The Cash and cash equivalents amount on the Consolidated Statement of Financial Position includes portfolio investments as follows:

	Operating	Capital	Reserves	CVFD	**2025**	2024
Cash	$ 9,321,807	$ 97,889	$ 41,987,799	62,810	**$ 51,470,305**	$ 36,264,098

Included in the cash and cash equivalents are restricted amounts. The Canada Community-Building Fund ("CCBF", formerly known as "gas tax grant") program funds are restricted to eligible capital projects. The tax sale surplus funds are restricted as they are required to be held as described in note 8.

	Operating	Capital	Reserves	CVFD	**2025**	2024
CCBF program	$ -	$ -	$ 4,813,868	-	**$ 4,813,868**	$ 4,326,109
Tax sale surplus account	367,608	-	-	-	**367,608**	367,479
CVFD	-	-	-	62,810	**62,810**	
Unrestricted cash	8,954,199	97,889	37,173,931	-	**46,226,019**	31,570,511
	$ 9,321,807	$ 97,889	$ 41,987,799	62,810	**$ 51,470,305**	$ 36,264,098

5. Receivables

Taxes receivable - rate roll:	Current Year	2024	2023 and Prior	**2025 Total**	2024 Total
Balance, beginning of year	$ 1,011,553	$ 320,388	$ 131,047	**$ 1,462,988**	$ 1,490,719
Collections for other governments	2,074,445	-	-	**2,074,445**	2,157,250
Current year's levy	22,018,864	-	-	**22,018,864**	19,584,478
	25,104,862	320,388	131,047	**25,556,297**	23,232,447
Deduct					
Current year's collections	23,333,098	-	-	**23,333,098**	21,395,047
Reduced taxes	416,264	-	-	**416,264**	374,412
	23,749,362	-	-	**23,749,362**	21,769,459
Balance, end of year	$ 1,355,500	$ 320,388	$ 131,047	**$ 1,806,935**	$ **1,462,988**

	2025	2024
Allowance for uncollectible taxes & unresolved assessments	**(66,210)**	(71,880)
Allowance for other doubtful accounts	**(243,355)**	(174,027)
Taxes receivable - interest	**156,992**	132,369
HST receivable	**441,923**	319,596
Due from Federal government	**758,485**	1,386,251
Due from Provincial government	**921,138**	1,470,151
Due from other local governments	**141,336**	(120,105)
Landfill receivable	**893,445**	643,479
Water supply upgrade loans	**150,440**	103,921
Private road upgrade loans	**13,884**	16,460
CVFD Chester Volunteer Fire Department	**12,301**	504,758
Other	**3,779,901**	1,002,324
Receivables, end of year	**$ 8,767,215**	$ 6,676,285

6. Long term Investments

	2025	2024
The Bank of Nova Scotia (BNS) Long Term Non Redeemable GIC	**$ 10,000,000**	$ 10,000,000
	$ 10,000,000	$ 10,000,000

BNS Long Term Non Redeemable GIC, certificate number 10000001YJSJ9, was issued in the amount of $10,000,000 on September 16, 2022 with a 5 year term. The maturity date is September 16, 2027, and the maturity value is $12,715,902.85. Interest is compounded annually at an interest rate of 4.92%. This GIC is held to cover the Landfill Asset Retirement Obligation.

7. Employee future benefits - non-vested sick leave benefits

The Municipality provides non-vested sick leave benefits to eligible Municipal employees. Municipal employees are provided with 15 days per year (1.25 days per month) and are allowed to accumulate unused sick day credits each year, up to the allowable maximum of 150 days. New employees are granted 3 days of sick leave on their date of hire with respect to the probationary period and any unused days can be carried over when the probationary period is completed. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. No benefit in respect of accumulated sick leave is payable upon termination, retirement, or death.

The benefit costs and liabilities related to the plan are included in the consolidated financial statements. The most recent actuarial valuation was received for fiscal period ending March 31, 2025, with estimates for March 31, 2026.

The Municipality has provided non-vested sick leave benefits as follows:

		2025		2024
Accrued benefit liability				
Accrued benefit obligation, beginning of the year	$	**205,754**	$	209,037
Current service cost for the year		**24,243**		23,576
Interest cost for the year		**6,903**		7,045
Fiscal payments for employees		**(34,921)**		(33,904)
Accrued benefit liability		**201,979**		205,754
Unamortized gains		**6,569**		32,669
Accrued benefit obligation	$	**208,548**	$	238,423
Employee future benefits, non-vested sick leave benefits				
Current service costs	$	**24,243**	$	23,576
Interest cost for the year		**6,903**		7,045
	$	**31,146**	$	30,621

The significant actuarial assumptions adopted in measuring the municipality's non-vested sick leave benefits are as follows:

Assumptions:	2025	2024
Discount rate		
At start of year	2.97%	2.97%
At end of year	3.00%	2.97%
Retirement age at	age 60	age 65
Rate of compensation increase	3.00%	3.00%

Actuarial gains are amortized starting the year following the year in which the gain occurs. Amortization is on a straight line basis over the expected average remaining service life (15 years).

8. Deferred revenue

Funds received with specific eligibility criteria and stipulations that result in a liability, are recorded in deferred revenue until these initial criteria and stipulations have been met.

	2025	2024
Prepayment of taxes	**$ 418,269**	$ 381,275
Other deferred revenue	**7,970,029**	4,602,052
Total Deferred Revenue	**$ 8,388,298**	$ 4,983,327

9. Tax sale surplus account

The Municipality is required to deposit in a tax sale surplus account the balance of proceeds of properties sold for taxes, after deducting the taxes owing to the Municipality at the time a property was sold. Where a balance remains in the tax sale surplus account twenty years after the sale, the Municipality is required to transfer it to the Capital Reserve Fund. As per provincial accounting rules for municipalities the tax sale surplus is shown as a liability on the consolidated financial statements.

The tax sale surplus account amounts and the years in which they arose are as follows:

	2025	2024
2005	**$ 8,267**	$ 8,267
2011	**20,026**	20,026
2012	**10,731**	10,731
2014	**9,944**	9,944
2015	**1,000**	1,000
2016	**40,158**	40,158
2018	**72,071**	72,071
2019	**15,407**	15,407
2020	**83,570**	83,570
2022	**58,710**	58,710
2024	**41,254**	-
	$ 361,138	$ 319,884

10. Long term debt

	2025	2024
Capital asset loans		
Municipal Finance Corporation debenture, bearing interest from 3.347% - 3.792%, repayable in an installment of 330,333 in 2020 followed by annual instalments of $235,333 plus interest, maturing in 2030. The original debenture of $4,005,000 was taken out in 2015 for environmental health and environmental development services use.	**$ 1,176,670**	$ 1,412,003
Municipal Finance Corporation debenture, bearing interest from 2.648% - 2.925%, repayable in annual instalments of $62,700 plus interest to fiscal 2022, then reduced to annual installments of $41,500 plus interest, maturing in 2027. The original debenture of $521,000 was taken out in 2016 for environmental health.	**83,000**	124,500
Municipal Finance Corporation debenture, bearing interest from 2.992% - 3.2995%, repayable in annual instalments of $259,810 plus interest, maturing in 2029. The original debenture of $2,598,104 was taken out in 2019 for environmental health.	**1,039,244**	1,299,054
Municipal Finance Corporation debenture, bearing interest from 3.141% - 3.389%, repayable in annual instalments of $34,000 plus interest, maturing in 2029. The original debenture of $340,000 was taken out in 2019 for environmental health.	**136,000**	170,000
Municipal Finance Corporation debenture, bearing interest from 0.85% - 2.376%, repayable in annual instalments of $132,317 plus interest to fiscal 2027, then reduced to annual installments of $54,183 plus interest, maturing in 2032. The original debenture of $932,503 was taken out in 2022 for environmental health.	**535,552**	667,869
Municipal Finance Corporation debenture, bearing interest from 1.041% - 1.489%, repayable in annual instalments of $50,000 plus interest, maturing in 2027. The original debenture of $250,000 was taken out in 2022 for environmental health.	**100,000**	150,000
Municipal Finance Corporation debenture, bearing interest from 2.908% - 3.782%, repayable in annual instalments of $59,536 plus interest, maturing in 2032. The original debenture of $595,356 was taken out in 2022 for environmental health.	**476,284**	535,820
Municipal Finance Corporation debenture, bearing interest of 3.550% - 4.02%, repayable in annual instalments of $181,550 plus interest to 2031,and $45,375 thereafter, maturing in 2038. The original debenture of $1,633,851 was taken out in 2023 for environmental health.	**1,452,301**	1,633,851
Municipal Finance Corporation debenture, bearing interest of 4.897% - 5.46%, repayable in two annual instalments of $58,451 plus interest, and three payments of $3,000, maturing in 2028. The debenture taken out in 2023 includes $15,000 for general government services and a refinancing component of $110,902 for environmental health.	**67,451**	125,902
Municipal Finance Corporation debenture, bearing interest of 4.367% - 4.94%, repayable in five annual instalments of $1,144,294 plus interest, and four payments of $21,013, maturing in 2034. The debenture for $6,854,600 taken out in 2025 includes $6,746,373 for environmental health and $108,277 for Shaw Island road repair.	**6,854,600**	-
	$ 11,921,102	$ 6,118,999

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

2026	$	2,196,791
2027	$	2,141,340
2028	$	1,971,706
2029	$	1,971,710
2030	$	1,674,903

All long term debt outstanding at year end has been properly authorized by Service Nova Scotia and the Department of Municipal Affairs.

Interest expensed on long term debt during the year was $440,500 (2024 - $198,639).

11. Tangible capital assets	**Opening Cost**	**Asset Retirement Obligation Asset**	**Additions**	**Disposals**	**Transfers**	**Ending Cost**
Buildings - Plants	$ 11,985,928	$ -	95,551	$ -	$ -	$ 12,081,479
Electronic Data Equipment	1,604,783	-	208,195	-	-	1,812,978
Lagoons	233,493	-	-	-	-	233,493
Land	3,961,931	-	111,073	(13,065)	-	4,059,939
Land Improvements	2,263,524	-	179,882	(2,331)	-	2,441,075
Landfill	31,203,832	-	-	-	-	31,203,832
Machinery and Equipment	6,775,706	-	34,091	(1,027,851)	(7,843)	5,774,103
Municipal Buildings	3,772,297	(44,360)	372,942	(127,001)	-	3,973,878
Sewer Lines	8,337,116	-	-	-	-	8,337,116
Sidewalks	2,726,065	-	3,340,106	-	-	6,066,171
Small Equipment	412,340	-	99,890	(54,780)	-	457,450
Streets, Roads & Curbs	5,998,139	-	-	-	-	5,998,139
Vehicles	1,619,576	-	77,493	(73,568)	7,843	1,631,344
Wharves	410,006	-	-	(69,224)	-	340,782
Wind Turbine	5,264,658	-	-	-	-	5,264,658
Work in Progress	3,865,922	-	5,086,970	-	(3,491,170)	5,461,722
	$ 90,435,316	$ (44,360)	$ 9,606,193	$ (1,367,820)	$ (3,491,170)	$ 95,138,159

	Opening Accumulated Amortization	**Asset Retirement Obligation Asset**	**Amortization During the Year**	**Amortization on Disposals**	**Ending Accumulated Amortization**
Buildings - Plants	$ 7,978,444	$ -	$ 440,746	$ -	$ 8,419,190
Electronic Data Equipment	1,489,850	-	70,372	-	1,560,222
Lagoons	114,162	-	13,751	-	127,913
Land Improvements	1,729,739	-	81,552	(2,331)	1,808,960
Landfill	23,326,309	-	1,670,474	-	24,996,783
Machinery and Equipment	3,908,420	-	457,196	(1,033,240)	3,332,376
Municipal Buildings	1,832,481	(44,360)	101,617	(25,400)	1,864,338
Sewer Lines	6,307,956	-	75,027	-	6,382,983
Sidewalks	2,059,182	-	266,509	-	2,325,691
Small Equipment	366,861	-	33,284	(54,780)	345,365
Streets, Roads & Curbs	4,758,328	-	142,801	-	4,901,129
Vehicles	732,684	-	129,804	(65,725)	796,763
Wharves	205,422	-	13,060	(28,352)	190,130
Wind Turbine	2,653,461	-	263,431	-	2,916,892
	$ 57,463,299	(44,360)	$ 3,759,624	$ (1,209,828)	$ 59,968,735

	NBV 2025	NBV 2024
Buildings - Plants	**$ 3,662,289**	$ 4,007,484
Electronic Data Equipment	**252,756**	114,933
Lagoons	**105,580**	119,331
Land	**4,059,939**	3,961,931
Land Improvements	**632,114**	533,784
Landfill	**6,207,049**	7,877,523
Machinery and Equipment	**2,441,727**	2,867,286
Municipal Buildings	**2,109,540**	1,939,816
Sewer Lines	**1,954,133**	2,029,160
Sidewalks	**3,740,481**	666,884
Small Equipment	**112,085**	45,479
Streets, Roads & Curbs	**1,097,010**	1,239,811
Vehicles	**834,581**	886,892
Wharves	**150,652**	204,584
Wind Turbines	**2,347,766**	2,611,197
Work in Progress	**5,461,722**	3,865,922
	$ 35,169,424	$ 32,972,017

12. School Capital Fund

On January 31, 1982, the Municipality joined with the other Municipalities and Towns of Lunenburg County to form the South Shore District School Board, now the South Shore Regional Centre for Education. Under the agreement, all school buildings on hand at December 31, 1981, will remain assets of the Municipality, but will be under the control of the Regional Centre until such time as the Regional Centre no longer requires the asset for school purposes. At that time, control will revert to the Municipality. Since the Municipality does not have control over these assets at this time, they are not included in the consolidated financial statements of the Municipality. When control reverts back to the Municipality, they will be added as donated assets.

13. Pension plans

Defined Contribution Plan to June 9, 2025 and NS PSSP Defined Benefit Plan after June 9, 2025

The Municipality currently makes contributions to a pension plan on behalf of employees. The pension plan, up until June 9, 2024, was a defined contribution plan administered by Manulife on behalf of the Municipality. Contributions to this plan were shared by the Municipality and its employees with both contributing 5% or 6% of base salary. Effective June 10, 2024, the Municipality began contributing to the NS Public Service Superannuation Plan (PSSP) defined benefit plan. Contributions were shared 8.4% up to annual salary of $71,300, with contributions of 10.9% thereafter. During the year, the Municipality contributed $424,825 (2024 - $254,134) to the pension.

14. Asset retirement obligation

The Municipality's asset retirement obligation consists of several obligations as follows:

a) Landfill obligation

The liability for the closure of operational sites and post-closure care for the Municipality owned landfill has been recognized under PS 3280 - Asset Retirement Obligation. Landfill closure costs include estimated expenses for capping the cell sites as well as ongoing environmental monitoring and care as calculated for Landfill Cells 1 - 4B using 2022 CBCL and 2025 Dillon reports. The landfill had an estimated 27 year useful life, with eight years remaining. Post closure care is estimated to be required for 25 years from the date of site closure. These costs were discounted using a discount rate of 3% per annum. Accretion expense is $480,485 (2025) and $517,580 (2024). The ending ARO liability balance for landfill is $18,250,720 as at March 31, 2025.

Estimated closure and post closure costs as well as landfill capacity are examined annually. The calculated liability is revised annually based on the capacity of the landfill utilized during the year and any revisions for estimated closure and post closure costs. Any changes in the estimates used to calculate the accrued landfill closure and post closure costs, including cost, total capacity and discount rate, could result in a material change to the consolidated financial statements. The factors used in the calculation will be reviewed annual to assess their ongoing appropriateness.

b) Asbestos abatement

Municipal buildings are believed to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. The Municipality is recognizing a liability, adjusted for inflation and discounted using a rate of 3% per annum. A Hazardous Materials Assessment Report was completed for each of the following municipal buildings: Annex Building; New Ross Family Resource Centre (NRFRC), 4689 NS-12, New Ross, NS; and 34 Harbourview Lane, Chester, NS. The Annex building was established in 1956 and is estimated to have a 103 year life; the NRFRC was established in 1962 and is estimated to have an 96 year useful life; and 34 Harbourview was purchased in 2023 and was demolished in 2024. The estimated undiscounted future cash values for asbestos and other remediation are $287,856 and $267,029. Asset values are $13,707 and $21,016 (April 1, 2021). Opening asset retirement obligations are $93,618, $120,213 (April 1, 2021), Total accretion expense is $7,128 (2025) and $8,447 (2024) for a total ending ARO liability balance for municipal buildings of $240,788 as at March 31, 2025.

d) Wharf removal

The Municipality has wharves, originally built in 1962 and with an expected 86 year life, that will have to be removed at end of life. The Municipality is recognizing a liability, adjusted for inflation and discounted using a rate of 3% per annum, and based on external contractor and internal assessment. The estimated undiscounted future cash value for meeting the obligation is $225,835, and with an asset value of $17,774 depreciated on a straight-line basis. The opening asset retirement obligation is valued at $101,669, with accretion expense $3,333 (2025) and $3,236 (2024) for an ending ARO liability balance of $114,429 as at March 31, 2025.

e) Wind Turbine retirement

The Municipality has a Wind Turbine that went into service March 2014, with a current contract to operate for twenty years after initial operation, or to 2034. The Municipality is recognizing a liability for retiring the Wind Turbine after the twenty years, adjusted for inflation and discounted using a rate of 3% per annum based on external contractor and internal assessment. The estimated undiscounted future cash value for meeting the obligation is $254,238, with asset value of $140,765 depreciated on a straight-line basis. The opening asset retirement obligation is valued at $173,123, with accretion expense $5,675 (2025) and $5,510 (2024) for an ending ARO liability balance of $194,852 as at March 31, 2025.

14. Asset retirement obligation (continued)

Asset retirement obligation:

	Landfill Closure	Asbestos Removal	Wharf Removal	Wind Turbine Retirement	2025 Asset Retirement Liability	2024 Asset Retirement Liability
Opening balance	$ 17,770,235	$ 279,661	$ 111,096	$ 189,177	$ **18,350,169**	$ 17,815,396
Retirement	-	(46,001)	-	-	**(46,001)**	-
Accretion expense	480,485	7,128	3,333	5,675	**496,621**	534,773
Closing balance	$ 18,250,720	$ 240,788	$ 114,429	$ 194,852	$ **18,800,789**	$ 18,350,169

15. Commitments

Solid Waste - Sales of Services
The Municipality has contractually entered into agreements with the Valley Region Solid Waste Authority for the next 12 years, expiring on March 31, 2036, and with the Town of Lunenburg and the Lunenburg Regional Solid Waste Management Committee for the next 2 years, expiring March 31, 2026, to accept solid waste at its landfill site. Fees charged to Valley Region Solid Waste Authority are a proportionate share of operating costs calculated annually on the basis of tonnes delivered to the site as a percentage of total tonnes accepted from all sources. Fees charged to the Town of Lunenburg and the Lunenburg Regional Solid Waste Management Committee are based on a per tonne charge which is adjusted annually for inflation. The Municipality of the District of Chester collects a host community fee from users based on the number of tonnes delivered to the landfill site.

Solid Waste - Processing of Waste Agreement
In August 2016, the Municipality entered into an agreement with Sustane Chester Inc. to provide Sustane with all municipal solid waste (MSW) for 20 years after construction of their facility on land leased from the Municipality. The Municipality will pay Sustane a base fee per tonne for waste delivered to Sustane's facility. Sustane will separate MSW and convert it into marketable by-products with the goal to reduce MSW going to the landfill (up to 90%), create employment in the region, increase recycling rates and reduce the carbon footprint of the landfill site. Sustane will pay the Municipality a fee per tonne for any residual waste that cannot be processed and must go to the landfill. An estimate of the financial impact on future operations cannot be made at this time. The agreement with Sustane has not yet been triggered.

Waste Collection
In April 2019, the Municipality signed a contract for waste collection services with a 6 year term starting April 2020 and expiring in March 2026. Total payments remaining amount to $814,252 plus HST.

16. Remuneration

The Municipality is required by legislation to disclose the remuneration paid to each council member and the chief administrative officer.

Councilor	Remuneration	Mileage	Expenses	2025 Total	2024 Total
Andre Veinotte	$ 29,876	$ -	$ 8,036	**$ 37,912**	$ 28,578
Clarissa Coolen	13,899	1,183	8,797	**23,879**	-
Floyd Shatford	17,420	1,390	-	**18,810**	34,404
Thomas Bremner	14,097	313	7,027	**21,437**	-
Derek Wells	15,243	537	-	**15,780**	28,156
Allen Webber	62,962	94	8,738	**71,794**	64,690
Abdella Assaff	32,878	856	4,993	**38,727**	31,074
Tina Connors	30,646	3,778	4,151	**38,575**	34,558
Sharon Church	29,900	659	8,114	**38,673**	30,224
Staff					
Daniel McDougall	-	-	-	**-**	2,937
Tara Maguire	188,988	1,361	2,444	**192,793**	194,544
	$ 435,909	$ 10,171	$ 52,300	**$ 498,380**	$ 449,165

Expenses include remuneration benefits (i.e. CPP, group insurance), conferences, meals, accommodations, cell phone, and iPad.

17. Segmented Information

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Culture Services	2025 Consolidated	2024 Consolidated
Revenue								
Taxes	$ 12,592,357	$ 1,082,240	$ 398,429	$ 3,840,737	$ 710,940	$ -	$ **18,624,703**	$ 16,045,411
Grants in lieu of taxes	225,455	5,937	-	-	-	-	**231,392**	219,721
Sales of Services	129,888	74,221	-	5,109,170	817,679	143,351	**6,274,309**	4,501,593
Other revenue from own sources	1,860,600	132,828	12,267	20,811	94,150	-	**2,120,656**	578,139
Unconditional transfers from other governments	8,009	-	-	99,509	-	-	**107,518**	87,243
Conditional transfers from other governments	2,898,673	24,744	-	-	164,659	25,000	**3,113,076**	2,130,973
Grants for capital projects	591,956	-	-	-	-	-	**591,956**	606,876
Interest	2,518,373	22,211	-	-	-	-	**2,540,584**	2,247,277
Gain on disposal of capital assets	29,245	-	-	37,718	-	-	**66,963**	35,905
Revenue from Chester Fire Services Committee	-	-	-	-	-		**-**	1,342,285
	20,854,556	1,342,181	410,696	9,107,945	1,787,428	168,351	**33,671,157**	27,795,423
Expenditures								
Salaries and benefits	3,337,166	547,725	19,006	1,459,500	926,917	614,364	**6,904,678**	5,982,534
Goods and services	1,289,645	3,556,056	1,043,369	3,050,182	631,633	211,877	**9,782,762**	9,792,625
Gov't transfers & board contributions	441,674	-	-	-	-	-	**441,674**	433,518
Amortization	300,905	56,937	367,389	2,660,947	295,122	78,326	**3,759,626**	5,663,649
Interest	699	-	4,974	433,400	43,972	-	**483,045**	210,762
Accretion	10,461	-	-	480,486	5,675	-	**496,622**	534,773
Other	1,255,249	-	-	-	2,382	187,377	**1,445,008**	1,102,072
Loss on disposal of capital assets	101,600	-	-	2,454	-	-	**104,054**	-
	6,737,399	4,160,718	1,434,738	8,086,969	1,905,701	1,091,944	**23,417,469**	23,719,933
Annual surplus (deficit)	$ **14,117,157**	$ **(2,818,537)**	$ **(1,024,042)**	$ **1,020,976**	$ **(118,273)**	$ **(923,593)**	$ **10,253,688**	$ 4,075,490

17. Segmented Information (continued)

The Municipality is a diversified municipal unit that provides a wide range of services to it's citizens. For management reporting purposes the Municipality'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.

Municipal services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows.

General government services
This department is responsible for the overall financial and local government administration. Its tasks include tax billings and payments, accounts payable and receivables, budgets and financial statements, the Municipal Government Act, administration and maintenance of bylaws and change of address.

Protective services
This department is responsible for overseeing police and legal services, animal control, fire protection issuing building permits and fire safety inspections.

Transportation servicers
This department is responsible for the development and maintenance of roads, sidewalks and street lighting.

Environmental health services
This department is responsible for the maintenance and operations of waste and sewer services provided to residents and other customers. Its tasks include waste collection, recycling, composting and sewer hook-up.

Environmental development services
This department is responsible for planning and development within the municipality. Its tasks include operations of the wind turbine, issuing development permits, developing strategies, economic development and planning reports.

Recreational and cultural services
This department is responsible for promoting and offering recreation opportunities and activities to the Municipality's residents.

18. Contingency

The Municipality is required to comply with environmental permit directives for two waste water treatment plants. As a result the Municipality was required to complete upgrades to these waste water treatment system by December 31, 2020. As of the date of these financial statements, no remediation work had begun, as an assessment of options was required. Remediation work is expected to be completed in 2025, 2026 and 2027. No contingent liability is considered necessary.

19. Budgeted figures

Public Sector Accounting Standards ("PSAS") require a comparison of the results for the period with those originally planned on the same basis as that used for the actual results. The fiscal plan presented in the Consolidated statements of operations and changes in net financial assets has been adjusted to be presented on a basis consistent with the actual results. A reconciliation of the approved and reported budget is set out below:

	Budget
Approved budget - annual surplus (deficit)	$ 74,125
Amortization of tangible capital assets	(3,759,626)
Transfers to (from) other funds	4,881,188
Principle payments on debt	1,052,498
Annual surplus per consolidated financial statements	$ 2,248,185

20. Comparatives

Prior year figures have been updated to agree with current year presentation.

21. Accumulated surplus

	Operating	Capital	Reserves	**2025**	2024
Accumulated surplus, beginning of the year	$ 5,178,947	$ 11,813,858	$ 34,345,297	$ **51,338,102**	$ 47,262,612
Prior period adjustment [1]	(429,000)	438,006	(9,006)	**-**	-
Prior period adjustment [2]	(50,000)	-	50,000	**-**	-
Prior period adjustment [3]	-	(80,000)	80,000	**-**	-
Prior period adjustment [4]	-	(13,977,285)	13,977,285	**-**	-
Accumulated surplus, beginning of the year	$ 4,699,947	$ (1,805,421)	$ 48,443,576	$ **51,338,102**	$ 47,262,612
Financial activities					
Revenue (fund transfer):					
Interest revenue	$ 206,492	$ 4,160	$ 2,329,932	$ **2,540,584**	$ 2,247,277
Gain on disposal of assets	-	66,963	-	**66,963**	35,905
Tax sale surplus transferred to reserves	-	-	-	**-**	8,396
Other revenue	27,823,114	2,883,138	357,358	**31,063,610**	25,503,845
Transfers between funds	(6,434,783)	1,683,005	4,751,778	**-**	-
	21,594,823	4,637,266	7,439,068	**33,671,157**	27,795,423
Expenditures					
Repayment of debt principal	1,052,497	-	-	**1,052,497**	921,538
Other expenditures (excluding amortization)	18,775,175	386,024	25	**19,161,224**	17,521,511
	19,827,672	386,024	25	**20,213,721**	18,443,049
Annual surplus before PSA adjustments	1,767,151	4,251,242	7,439,043	**13,457,436**	9,352,374
Public sector accounting (PSA) standards adjustments:					
Eliminate (add) expenses to comply with PSA standards					
Amortization of capital assets	-	(3,759,624)	-	**(3,759,624)**	(5,663,649)
Accretion	-	(496,621)	-	**(496,621)**	(534,773)
Repayment of debt principal	-	1,052,497	-	**1,052,497**	921,538
	-	(3,203,748)	-	**(3,203,748)**	(5,276,884)
Annual surplus (deficit)	1,767,151	1,047,494	7,439,043	**10,253,688**	4,075,490
Accumulated surplus, end of the year	**$ 6,467,098**	**$ (757,927)**	**$ 55,882,619**	**$ 61,591,790**	$ 51,338,102
Financial position					
Cash	$ 9,384,617	$ 97,889	$ 41,987,799	**$ 51,470,305**	$ 36,264,098
Receivables	5,194,976	2,271,747	1,300,492	**8,767,215**	6,676,285
Long Term Investments	-	-	10,000,000	**10,000,000**	10,000,000
Due from (to) own funds	4,810,068	(7,404,396)	2,594,328	**-**	-
	19,389,661	(5,034,760)	55,882,619	**70,237,520**	52,940,383
Other liabilities (payables and accruals)	4,813,553	154,000	-	**4,967,553**	5,246,091
Deferred revenue	8,371,598	16,700	-	**8,388,298**	4,983,327
Asset Retirement Obligation	-	18,800,789	-	**18,800,789**	18,350,169
Long term debt	-	11,921,102	-	**11,921,102**	6,118,999
	13,185,151	30,892,591	-	**44,077,742**	34,698,586
Net financial assets	6,204,510	(35,927,351)	55,882,619	**26,159,778**	18,241,797
Non-financial assets	262,588	35,169,424	-	**35,432,012**	33,096,305
Accumulated surplus	**$ 6,467,098**	**$ (757,927)**	**$ 55,882,619**	**$ 61,591,790**	$ 51,338,102

[1] Chester Basin Land Purchase AAN 00853798
[2] Correct recording of 23-24 Council Grants funded from Wind Reserve
[3] Sale of 59 Rainbow Drive, Kaiser Meadows AAN 10481481
[4] Landfill ARO Funding moved from Fund 02 to Fund 04

Municipality of the District of Chester
Schedules to Consolidated Statement of Operations
(Unaudited)

Year Ended March 31	2025	**2025**	2024
	Budget	**Actual**	Actual
REVENUE			
Taxes			
Residential assessable property	$ 14,451,702	**$ 14,384,092**	$ 13,207,792
Commercial based taxable assessments	1,902,638	**1,884,309**	1,688,516
Resource			
Taxable assessments	390,949	**388,346**	364,156
Non-profit acreage	6,281	**6,281**	5,998
Forest property tax (less than 50,000 acres)	26,437	**26,472**	26,458
Forest property tax (50,000 acres or more)	7,958	**7,958**	7,958
	431,625	**429,057**	404,570
Area rates			
Protective services	965,490	**1,082,240**	405,343
Transportation services	435,865	**398,429**	342,771
Environmental Health services	3,846,634	**3,840,737**	3,535,487
	5,247,989	**5,321,406**	4,283,601
Business property			
Based on revenue (Aliant)	43,549	**45,917**	43,549
NS Power HST rebate	49,583	**71,692**	49,583
	93,132	**117,609**	93,132
Deed Transfer tax	2,000,000	**2,272,103**	1,730,043
Wind Farm Developer tax	710,941	**710,940**	703,902
Transfers and collections for other governments			
Collection - other governments	2,396,100	**2,074,445**	2,157,250
Transfers to local fire commissions	(2,396,100)	**(2,097,059)**	(2,170,491)
	-	**(22,614)**	(13,241)
	24,838,027	**25,096,902**	22,098,315
Education mandatory contribution (Note 3)	(6,472,199)	**(6,472,199)**	(5,774,586)
Correction services (Note 3)	-	**-**	(233,005)
Regional Housing Authority (Note 2)	-	**-**	(45,313)
	(6,472,199)	**(6,472,199)**	(6,052,904)
	$ 18,365,828	**$ 18,624,703**	$ 16,045,411

Municipality of the District of Chester
Schedules to Consolidated Statement of Operations
(Unaudited)

Year Ended March 31	2025	**2025**	2024
	Budget	**Actual**	Actual
Grants in lieu of taxes			
Federal government	$ 57,163	**$ 57,527**	$ 52,998
Provincial government			
Real property	91,795	**92,457**	84,547
Crown timberland	32,574	**32,475**	32,296
Fire protection	5,376	**5,937**	5,376
Conservation	14,252	**13,587**	12,303
	201,160	**201,983**	187,520
Provincial government agencies			
NS Power Incorporated	29,409	**29,409**	32,201
	$ 230,569	**$ 231,392**	$ 219,721
Sales of services			
General government services - other local governments	$ 189,948	**$ 129,888**	$ 80,261
Animal control fees - other local govt	41,000	**39,529**	39,317
Waste Collection fees - other local governments	5,125,382	**5,109,170**	3,535,007
Waste Collection fees - surplus repayment	-	**-**	(112,525)
Planning services - other local governments	54,930	**54,930**	91,403
Building/fire inspection services - other local gov't	29,436	**29,436**	28,605
Recreation and cultural services	80,300	**117,497**	110,457
FHCS	13,300	**25,853**	16,827
REMO - other local governments	5,054	**5,256**	5,054
Wind Energy	756,000	**762,750**	707,187
	$ 6,295,350	**$ 6,274,309**	$ 4,501,593
Other revenue from own sources			
Administrative services	$ 207,710	**$ 1,860,600**	$ 306,833
Transportation services	13,910	**12,267**	8,559
Building inspection services	55,000	**130,563**	62,260
Animal control services	2,450	**2,265**	1,873
Sewer hookup services	-	**3,649**	3,079
Solid waste & disposal services	10,500	**17,161**	109,773
Planning services	31,000	**57,336**	50,062
Industrial park services	34,190	**36,815**	35,700
	$ 354,760	**$ 2,120,656**	$ 578,139

See accompanying notes and schedules to the consolidated financial statements.

Municipality of the District of Chester
Schedules to Consolidated Statement of Operations
(Unaudited)

Year Ended March 31	2025	**2025**	2024
	Budget	**Actual**	Actual
Unconditional transfers from			
Federal and Provincial governments and agencies			
Provincial government			
Service Nova Scotia			
Assessment Act - farm acreage	$ 8,030	**$ 8,009**	$ 7,766
Recycling projects	67,200	**99,509**	79,477
	$ 75,230	**$ 107,518**	$ 87,243
Conditional transfers from Federal			
and Provincial governments and agencies			
Federal government			
Employment grants	$ 8,000	**$ 6,384**	$ 10,150
Infrastructure grant	-	**1,331,284**	1,073,298
Provincial government			
Infrastructure grant	3,141	**1,575,005**	949,153
Emergency measures	4,702	**4,744**	4,702
Economic development	-	**164,659**	24,585
Recreation	25,000	**25,000**	44,810
Other agencies	4,000	**6,000**	24,275
	$ 44,843	**$ 3,113,076**	$ 2,130,973
Grants for Capital Projects			
CCBF program	619,014	**591,956**	606,876
	$ 619,014	**$ 591,956**	$ 606,876

See accompanying notes and schedules to the consolidated financial statements.

Municipality of the District of Chester
Schedules to Consolidated Statement of Operations
(Unaudited)

Year Ended March 31	2025	**2025**	2024
EXPENDITURES	Budget	**Actual**	Actual
General government services			
Legislative			
Council/committee remuneration	$ 253,424	**$ 245,999**	$ 217,287
Administrative expenses	140,801	**128,948**	84,303
Grants to organizations	178,000	**772,357**	416,493
Elections	76,000	**42,060**	-
	648,225	**1,189,364**	718,083
CAO/Clerk administrative			
Administration salaries and benefits	822,260.53	**942,761**	774,281
Administrative expenses	414,435.86	**123,586**	182,711
Town crier	500.00	**-**	-
Surveys/appraisals	200.00	**-**	-
Newsletter/promotions	20,000.00	**12,263**	8,873
Joint occupational health and safety	49,000.00	**38,487**	13,939
Health & wellness	10,000.00	**6,612**	6,007
	1,316,396.39	**1,123,709**	985,811
Finance/property tax administrative			
Administration salaries and benefits	705,572	**716,439**	622,758
Administrative expenses	266,531	**246,330**	222,889
Auditor services	55,000	**58,427**	35,519
Property tax administration	434,639	**465,812**	436,390
	1,461,742	**1,487,008**	1,317,556
Information services administrative			
Administration salaries and benefits	451,115	**450,741**	408,372
Administrative expenses	242,106	**298,354**	184,624
Debenture interest	650	**699**	335
	693,871	**749,794**	593,331
Municipal property services			
Salaries and benefits and benefits	404,001	**398,835**	295,748
Administrative expenses	70,143	**53,618**	48,057
Property services	473,596	**252,270**	270,373
Wharves	15,000	**7,657**	10,402
Community Development	5,000	**-**	-
	967,740	**712,380**	624,580
Public works general			
Salaries and benefits	539,630	**556,273**	474,610
Administrative expenses	111,564	**78,542**	140,181
Special Projects	50,688	**87,289**	45,343
	701,882	**722,104**	660,134
Other general government services			
Assessment recovery costs	389,836	**355,974**	347,817
Regional library	85,700	**85,700**	85,700
Amortization	-	**300,905**	253,232
Accretion	10,461	**10,461**	11,683
	485,997	**753,040**	698,432
	$ 6,275,854	**$ 6,737,399**	$ 5,597,927

See accompanying notes and schedules to the consolidated financial statements.

Municipality of the District of Chester
Schedules to Consolidated Statement of Operations
(Unaudited)

Year Ended March 31	2025	**2025**	2024
	Budget	**Actual**	Actual
Protective services			
Police services	$ 2,472,773	**$ 2,477,920**	$ 2,335,051
Legal prosecution services	5,000	**5,251**	(222)
By-law enforcement	84,810	**76,286**	65,620
CVFD Chester Volunteer Fire Department		**-**	
Animal control	78,762	**69,667**	69,517
Emergency measures	159,881	**166,934**	70,497
	2,801,226	**2,796,058**	2,540,463
Fire services			
Fire coordinator/advisory	199,751	**127,481**	88,138
Fire protection agreement	807,141	**684,916**	378,920
Fire rescue boat	11,868	**15,073**	11,462
	1,018,760	**827,470**	478,520
Building/fire inspections			
Salaries and benefits	505,091	**405,995**	374,827
Administrative expenses	86,470	**74,258**	60,547
Amortization	56,937	**56,937**	-
	648,498	**537,190**	435,374
	$ 4,468,484	**$ 4,160,718**	$ 3,454,357
Transportation services			
Road transport			
Administration	$ 29,195	**$ 39,924**	$ 23,125
Road and sidewalk maintenance	830,550	**883,931**	1,377,517
Street lighting	143,760	**139,264**	136,643
Debenture interest	22,554	**4,230**	116
Amortization	-	**367,389**	194,133
	$ 1,026,059	**$ 1,434,738**	$ 1,731,534
Environmental health services			
Sewage collection and disposal	$ 896,886	**$ 704,167**	$ 881,060
Waste collection and disposal	4,113,598	**3,776,683**	3,827,159
Recycling project	88,854	**73,087**	72,225
Debenture interest	458,547	**391,599**	146,268
Amortization	-	**2,660,947**	4,815,495
Accretion	-	**480,486**	517,580
Loss on sale			
	$ 5,557,885	**$ 8,086,969**	$ 10,259,787

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Municipality of the District of Chester
Schedules to Consolidated Statement of Operations
(Unaudited)

Year Ended March 31	2025	**2025**	2024
	Budget	**Actual**	Actual
Environmental development services			
Planning and zoning	$ 1,026,403	**$ 852,466**	$ 763,364
Economic Development	374,322	**491,794**	165,874
Tourism development	45,500	**21,933**	21,940
Eco Park	72,050	**8,876**	63,580
Regional economic network	-	**-**	-
Wind Turbine	222,848	**185,863**	188,766
Debenture interest	44,009	**43,972**	51,920
Amortization	-	**295,122**	327,358
Accretion	-	**5,675**	5,510
	$ 1,785,132	**$ 1,905,701**	$ 1,588,312
Recreational and cultural services			
Administration	$ 871,745	**$ 883,629**	$ 885,350
Program expenses	40,000	**58,198**	60,727
Heritage properties	500	**-**	-
Forest Heights Community School	43,668	**27,976**	23,187
New Ross Community School	14,327	**4,804**	8,294
After school programs	36,527	**39,011**	37,027
Amortization	78,326	**78,326**	73,431
	$ 1,085,093	**$ 1,091,944**	$ 1,088,016