Consolidated Financial Statements of

WEST HANTS REGIONAL MUNICIPALITY

Year ended March 31, 2026

WEST HANTS REGIONAL MUNICIPALITY

Consolidated Financial Statements
Year ended March 31, 2026

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West Hants Regional Municipality
Management's Responsibility for Financial Reporting

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

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Municipality. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Mayor

Chief Administrative Officer

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BDO Canada LLP
6940 Mumford Road, Suite 510
Halifax, Nova Scotia B3L 0B7 Canada

Independent Auditor's Report

To the Board of Directors of West Hants Regional Municipality

Opinion

We have audited the accompanying consolidated financial statements of West Hants Regional Municipality (the "Municipality"), which comprise the consolidated statement of financial position as at March 31, 2026 and the consolidated statements of operations, change in net financial assets (liabilities) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, 2026, and the results of its operations, its change in net financial assets (liabilities), and 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 Matters

The 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 29-51 is presented for the 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.

The consolidated financial statements of the Municipality for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on February 3, 2026.

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 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 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 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, the 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 the 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.

BDO Canada LLP

Chartered Professional Accountants

Halifax, Nova Scotia
October 7, 2026

WEST HANTS REGIONAL MUNICIPALITY

Consolidated Statement of Financial Position

As at March 31, 2026

	2026	2025
Financial Assets		
Cash	$ 23,045,294	$ 27,244,617
Accounts receivable (net of valuation of allowance) (Note 3)	10,864,052	9,017,322
Equity in Valley Waste Resource Management	152,558	152,558
	34,061,904	36,414,497
Liabilities		
Bank indebtedness	30,000	30,000
Accounts payable	8,327,721	5,105,214
Asset retirement obligations (Note 5)	1,915,359	731,600
Deferred revenue (Note 9)	12,874,586	14,662,196
Tax sales surplus	964,745	658,795
Long-term debt (Note 4)	19,474,353	17,881,218
	43,586,764	39,069,023
Net financial liabilities	(9,524,860)	(2,654,526)
Non-financial Assets		
Tangible capital assets (Note 6)	116,543,654	102,800,196
Prepaid expenses	265,740	188,489
	116,809,394	102,988,685
Accumulated surplus	$ 107,284,534	$ 100,334,159

On Behalf of the Municipality:

Mayor

Chief Administrative Officer

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

WEST HANTS REGIONAL MUNICIPALITY

Consolidated Statement of Operations

Year ended March 31, 2026

	Budget	2026	2025
Revenues			
Taxes	$ 31,362,873	$ 31,890,013	$ 28,946,097
Grants in lieu of taxes	251,659	274,198	276,114
Services provided to other governments	1,193,311	1,359,681	1,074,685
Sale of services	1,014,055	1,397,245	1,121,278
Revenue from own sources	1,442,388	6,330,392	4,737,499
Unconditional transfers from other governments	1,723,746	1,715,063	1,722,896
Conditional transfers from Federal and Provincial governments and agencies	147,594	254,624	215,584
Gas tax transfers	-	1,272,999	867,309
Cemetery	124,607	138,620	116,926
Water rates	4,604,349	4,129,375	3,278,218
	41,864,582	48,762,210	42,356,606
Expenses			
General government services	10,895,633	11,204,222	6,671,604
Protective services	10,801,282	10,802,880	12,717,384
Transportation services	1,939,110	3,688,911	3,620,291
Environmental health services	3,882,039	4,782,089	5,224,460
Public health services	175,056	231,711	180,401
Environmental development services	2,137,180	1,773,745	1,660,994
Recreation and cultural services	3,704,138	4,781,992	4,794,994
Water treatment and distribution	3,925,970	4,546,285	4,844,211
	37,460,408	41,811,835	39,714,339
Annual surplus	4,404,174	6,950,375	2,642,267
Accumulated surplus, beginning of the year	100,334,159	100,334,159	97,691,892
Accumulated surplus, end of the year	$ 104,738,333	$ 107,284,534	$ 100,334,159

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

WEST HANTS REGIONAL MUNICIPALITY

Consolidated Statement of Change in Net Financial Assets (Liabilities)

Year ended March 31, 2026

	Budget	2026	2025
Annual surplus	$ 4,404,174	$ 6,950,375	$ 2,642,267
Acquisition of tangible capital assets	-	(18,332,851)	(12,637,146)
Revaluation of asset retirement obligations	-	(1,183,759)	-
Amortization of tangible capital assets	-	5,773,152	5,857,195
Write-down of tangible capital assets	-	-	(9,964)
	4,404,174	(6,793,083)	(4,147,648)
Change in prepaid expenses		(77,251)	22,311
Change in net financial assets (liabilities)	4,404,174	(6,870,334)	(4,125,337)
Net financial assets (liabilities), beginning of the year	(2,654,526)	(2,654,526)	1,470,811
Net financial liabilities, end of the year	$ 1,749,648	$ (9,524,860)	$ (2,654,526)

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

WEST HANTS REGIONAL MUNICIPALITY

Consolidated Statement of Cash Flows

Year ended March 31, 2026

	2026	2025
Cash flows from (used by) operating activities		
Annual surplus	$ 6,950,375	$ 2,642,267
Amortization of tangible capital assets	5,773,152	5,857,195
Write-down of tangible capital assets	-	(9,964)
	12,723,527	8,489,498
Increase in accounts receivable	(1,846,730)	(1,152,502)
Increase (decrease) in accounts payable	3,222,507	(1,095,638)
(Decrease) increase in deferred revenue	(1,787,610)	1,891,643
Increase in tax sale surplus	305,950	127,784
(Increase) decrease in prepaid expenses	(77,251)	22,311
	12,540,393	8,283,096
Cash flows from (used by) capital activity		
Purchase of tangible capital assets	(18,332,851)	(12,637,146)
Cash flows from (used by) financing activity		
Proceeds from issuance of long-term debt	4,174,835	3,050,153
Repayment of long-term debt	(2,581,700)	(1,571,125)
	1,593,135	1,479,028
Decrease in cash	(4,199,323)	(2,875,022)
Cash, beginning of the year	27,244,617	30,119,639
Cash, end of the year	$ 23,045,294	$ 27,244,617

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

1. Nature of operations and summary of significant accounting policies

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

(a) Reporting entity

The Consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable to the Municipality for the administration of their financial affairs and resources and which are owned or controlled by the Municipality.

Trust funds administered by the Municipality amounting to $556,216 (2025 - $546,824) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

Interdepartmental and organization transactions and balances have been eliminated.

(b) Basis of accounting

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

(c) Fund accounting

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

(d) Cash and cash equivalents

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

1. Nature of operations and summary of significant accounting policies (continued)

(e) Revenue recognition

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

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

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

Other revenues
Revenue from exchange transactions is recognized when the Municipality satisfies its performance obligations by transferring promised goods or services to the customer, and the amount can be reasonably estimated. Revenue from transactions without performance obligations is recognized when the Municipality has the authority to claim or retain the related economic resources and a past transaction or event has occurred giving rise to an asset. The Municipality's revenues recognized under PS 3400 include, but are not limited to: services to other governments, sale of services, water fire protection, and other revenues.

Revenue from services and user fees is recognized as the services are rendered or the related goods are provided. Amounts received in advance of service delivery are recorded as deferred revenue and recognized as revenue in the period in which the related performance obligations are satisfied. Licence, permit, and similar fee revenues that do not contain performance obligations are recognized when the Municipality has the authority to claim or retain the revenue and the underlying transaction or event has occurred.

(f) Government transfers

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

1. Nature of operations and summary of significant accounting policies (continued)

(g) Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Items subject to such estimates include the useful lives of tangible capital assets, the remediation costs associated with asset retirement obligations, the valuation of pension costs, and the disclosure of contingent assets/liabilities.

(h) Financial instruments

Cash is measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position and the effective interest rate method is used to determine interest revenue or expense. Transaction costs are added to the carrying value for financial instruments measured using cost.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Consolidated Statement of Operations.

The Municipality has no equity instruments quoted in an active market and therefore there are no remeasurement gains and losses presented in the consolidated financial statements.

(i) Allocation of municipal costs to water utility funds

Where identifiable, costs incurred by the Municipality on behalf of the Water Utility are charged to the Utility funds. Salary and wage related costs are allocated based on time spent performing functions on behalf of the Water Utility. Administration and general expenses incurred for both the Municipality and Water Utility are partially allocated to the Water Utility.

(j) Depreciation - water utility

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

1. Nature of operations and summary of significant accounting policies (continued)

(k) 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.

Contributed capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue, when fair value can be reasonably estimated.

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

Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year the asset is available for productive use as follows:

Assets	Rate
Land improvements	40 years
Buildings	40 years
Parks	40 years
Equipment	5-25 years
Vehicles	5 years
Roads, streets and sidewalks	30 years
Sewer system	25-50 years
Structures, improvements, and wells	20-77 years
Transmission	77 years
Distribution	77 years
Meters	20 years
Hydrants	50-77 years
Services	50 years

Tangible capital assets under construction are not amortized until construction is completed and the assets are available for use.

Additions and amortization expenses include costs related to asset retirement obligations.

1. **Nature of operations and summary of significant accounting policies (continued)**

(l) Asset retirement obligation

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

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date and is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

(m) Equity in Valley Waste Resource Management

The Valley Waste Resource Management is a corporate body formed under an Inter-Municipal Services Agreement including the Municipality of Annapolis County, the Municipality of the County of Kings, and the Towns of Annapolis Royal, Berwick, Kentville, Middleton, Wolfville, for the purpose of collective resource management within the region. The modified equity method is used to record the investment in Valley Waste Resource Management.

(n) Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the Municipality is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. As at March 31, 2026, there are no known contaminated sites identified.

2. Contributions to boards, regional authorities, and other entities

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

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

Nova Scotia Housing Development Corporation

An amount of $nil (2025 - $133,565) was provided for as at March 31, 2026 as the Municipality's share of the deficit of the Nova Scotia Housing Development Corporation for the period April 1 2025 to March 31, 2026. The expense is presented in public health services expenditures.

Annapolis Valley Regional Library Board

During 2025-26, the Municipality paid $134,400 (2025 - $134,400) as its share in the operations of the Annapolis Valley Regional Library Board, serving Annapolis, Kings, and West Hants. The expense is presented in recreation and culture expenditures.

Annapolis Valley Regional School Board

During 2025-26, the Municipality paid $6,276,864 (2025 - $5,611,284) as its share in the operations of the Annapolis Valley Regional School Board, serving Annapolis, Kings, and West Hants. The expense is presented in general government expenditures.

Region 6 Solid Waste Management

During 2025-26, the Municipality paid $27,448 (2025 - $32,323) as its share in the operations of the Region 6 Solid Waste Management, serving West Hants, Chester, Mahone Bay, Bridgewater, Lunenburg, Queens, Shelburne, Lockeport, Barrington and Clark's Harbour. The expense is presented in environmental health services.

3. Accounts Receivable

	Current year	Prior years	2026 Total	2025 Total
Taxes receivable				
Balance, beginning of the year	$ -	$ 2,987,739	$ 2,987,739	$ 2,271,818
Current year tax levy	31,890,013	-	31,890,013	23,608,449
	31,890,013	2,987,739	34,877,752	25,880,267
Deduct:				
Current year collections	29,899,870	1,883,293	31,783,163	23,256,244
Reduced taxes	(56,677)	-	(56,677)	(56,677)
	29,843,193	1,883,293	$ 31,726,486	23,199,567
Total taxes receivable	$ 2,046,820	$ 1,104,446	$ 3,151,266	$ 2,680,700
Interest on taxes			-	367,177
Valuation allowance			(60,138)	(60,138)
Net taxes receivable			3,091,128	2,987,739
Water rates and sewer charges			3,446,062	1,552,558
Due from federal government and its agencies			713,590	1,118,531
Other receivables			3,613,272	3,358,494
			$ 10,864,052	$ 9,017,322

4. Long-term debt

	2026	2025
Municipal Finance Corporation, bearing interest at a variable rate from 3.123% to 4.119%, with annual principal repayments of $15,422 plus interest, maturing in 2037.	$ 185,057	$ 200,479
Municipal Finance Corporation, bearing interest at a variable rate from 3.971% to 4.026%, with annual principal repayments of $37,667 plus interest, maturing in 2026.	37,662	75,329
Municipal Finance Corporation, bearing interest at a variable rate from 2.799% to 2.925%, with annual principal repayments of $218,603 plus interest, maturing in 2026.	218,605	437,208
Municipal Finance Corporation, bearing interest at a variable rate from 2.374% to 3.108%, with annual principal repayments of $154,000 plus interest, maturing in 2031.	554,000	708,000
Municipal Finance Corporation, bearing interest at a variable rate from 2.892% to 3.073%, with annual principal repayments of $59,700 plus interest, maturing in 2027.	119,400	179,100
Municipal Finance Corporation, bearing interest at a variable rate from 3.0965% to 3.501%, with annual principal repayments of $49,944 plus interest, maturing in 2033.	$ 898,995	$ 948,939
Municipal Finance Corporation, bearing interest at a variable rate from 4.367% to 5.029%, with annual principal repayments of $69,024 plus interest, maturing in 2039.	982,407	1,051,431
Municipal Finance Corporation, bearing interest at a variable rate from 1.241% to 2.378%, with annual principal repayments of $43,334 plus interest, maturing in 2035.	433,335	476,669
Municipal Finance Corporation, bearing interest at a variable rate of 4.875%, repaid in the year.	-	70,000
Municipal Finance Corporation, bearing interest at a variable rate from 3.711% to 3.856%, with annual principal repayments of $8,000 plus interest, maturing in 2027.	56,000	64,000

4. Long-term debt (continued)

	2026	2025
Municipal Finance Corporation, bearing interest at a variable rate from 3.55% to 4.448%, with annual principal repayments of $188,717 plus interest, maturing in 2043.	**3,748,470**	3,937,187
Municipal Finance Corporation, bearing interest at a variable rate from 4.897% to 5.536%, with annual principal repayments of $30,127 plus interest, maturing in 2043.	**631,439**	661,566
Municipal Finance Corporation, bearing interest at a variable rate from 3.428% to 4.731%, with annual principal repayments of $126,762 plus interest, maturing in 2044.	**1,871,960**	1,998,722
Municipal Finance Corporation, bearing interest rate of 4.875%, repaid in the year.	**-**	965,300
Municipal Finance Corporation, bearing interest rate of 4.875%, repaid in the year.	**-**	123,093
Municipal Finance Corporation, bearing interest at a variable rate of 3.814% to 4.114% with annual principal repayments of $4,307 plus interest, maturing in 2028.	**12,916**	17,223
Municipal Finance Corporation, bearing interest at a variable rate of 2.894% to 3.449% with annual principal repayments of $11,740 plus interest, maturing in 2030.	**58,700**	70,440
Municipal Finance Corporation, bearing interest at a variable rate of 2.892% to 3.382% with annual principal repayments of $181,574 plus interest, maturing in 2032.	**2,178,878**	2,360,452
Municipal Finance Corporation, bearing interest at a variable rate of 2.36% to 3.048% with annual principal repayments of $10,888 plus interest, maturing in 2034.	**152,422**	163,310
Municipal Finance Corporation, bearing interest at a variable rate of 1.148% to 2.809% with annual principal repayments of $91,446 plus interest, maturing in 2036.	**993,671**	1,085,117

4. Long-term debt (continued)

	2026	2025
Municipal Finance Corporation, bearing interest at a variable rate of 1.148% to 2.809% with annual principal repayments of $7,446 plus interest, maturing in 2036.	37,259	44,705
Municipal Finance Corporation, bearing interest at a variable rate of 3.847% to 4.567% with annual principal repayments of $30,930 plus interest, maturing in 2037.	371,162	402,092
Municipal Finance Corporation, bearing interest at a variable rate of 1.3% to 2.677% with annual principal repayments of $83,676 plus interest, maturing in 2036.	1,757,180	1,840,856
Municipal Finance Corporation, bearing interest at a variable rate of 2.72% to 4.874% with annual principal repayments of $305,467 plus interest, maturing in 2045.	3,611,434	-
Municipal Finance Corporation, bearing interest at a variable rate of 2.511% to 3.872% with annual principal repayments of $43,440 plus interest, maturing in 2035.	563,401	-
	$19,474,353	$ 17,881,218

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

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

2027 - $1,633,291
2028 - $1,299,936
2029 - $1,240,234
2030 - $1,231,754
2031 - $1,220,919

5. Asset Retirement Obligation

a) Well obligation

The Municipality owns a water hauler well, which will need to be decommissioned and properly capped following the Nova Scotia Water Well Decommissioning Guidelines. The liability for the closure of this well and post-closure care has been recognized as an asset retirement obligation. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the well. Estimated costs at retirement of $5,000.

b) Asbestos obligation

The Municipality owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building or to meet environmental standards, and therefore there is a legal obligation for the removal of these contaminants on the decommissioning. As a result, the Municipality recognized an obligation relating to the decommissioning and remediation of contaminants. The buildings have estimated useful lives ranging between 15 to 20 years. Estimated costs have been re-calculated using a range of $42 (2025 - $15) per square foot for asbestos removal, totalling estimated costs at retirement of $2,039,480 (2025 - $726,600).

Annually the Municipality will revalue the obligation and when applicable record the increase, following the cost escalation method. Changes to the asset retirement obligation in the year are as follows:

	Asbestos removal	Well remediation	2026 Total
Opening balance	$ 726,600	$ 5,000	$ 731,600
Accretion expense	52,033	-	52,033
Current year change in estimate	1,131,726	-	1,131,726
Closing balance	1,910,359	5,000	1,915,359

The Municipality's reserve fund is $942,325 and they plan to fund the ARO reserve at a value of $558,060 per year for the following two years.

6. Tangible Capital Assets

General Capital Fund and Cemetery Fund	Land	Parks	Buildings	Vehicles & equipment	Sewer	Roads, Streets & Sidewalks	Assets under Construction	2026 Total
Cost:								
Balance, beginning of year	$ 3,968,123	$ 2,847,027	$ 42,416,923	$ 22,610,525	$ 26,399,954	$ 25,680,263	$ 1,445,732	$125,368,547
Additions	-	1,100,678	1,424,089	717,511	1,087,929	1,792,973	7,474,681	13,597,861
Disposals/Reallocations	-	-	-	(812,409)	-	-	(1,445,732)	(2,258,141)
Balance, end of year	3,968,123	3,947,705	43,841,012	22,515,627	27,487,883	27,473,236	7,474,681	36,708,267
Accumulated amortization:								
Balance, beginning of year	-	576,056	10,407,834	14,082,321	11,525,497	9,973,805	-	46,565,513
Amortization expense	-	97,331	1,061,680	1,905,599	687,742	866,128	-	4,618,480
Disposals	-	-	-	(812,409)	-	-	-	(812,409)
Balance, end of year	-	673,387	11,469,514	15,175,511	12,213,239	10,839,933	-	50,371,584
Net book value	$ 3,968,123	$ 3,274,318	$32,371,498	$ 7,340,116	$15,274,644	$16,633,303	$ 7,474,681	$86,336,683

6. Tangible Capital Assets (continued)

General Capital Fund and Cemetery Fund	Land	Parks	Buildings	Vehicles & equipment	Sewer	Roads, Streets & Sidewalks	Assets under Construction	2025 Total
Cost:								
Balance, beginning of year	$ 3,944,639	$ 2,782,453	$ 41,909,366	$ 19,128,778	$ 25,969,912	$ 21,858,508	$ 1,935,561	$117,529,217
Additions	23,484	64,574	507,557	3,510,204	430,042	3,811,110	1,445,732	9,792,703
Disposals/Adjustments	-	-	-	(28,457)	-	10,645	(1,935,561)	(1,953,373)
Balance, end of year	3,968,123	2,847,027	42,416,923	22,610,525	26,399,954	25,680,263	1,445,732	125,368,547
Accumulated amortization:								
Balance, beginning of year	-	505,291	9,329,141	11,910,905	10,888,104	9,130,800	-	41,764,241
Amortization expense	-	70,765	1,078,693	2,182,799	637,393	831,622	-	4,801,272
Disposals/Adjustments	-	-	-	(11,383)	-	11,383	-	-
Balance, end of year	-	576,056	10,407,834	14,082,321	11,525,497	9,973,805	-	46,565,513
Net book value	$ 3,968,123	$ 2,270,971	$ 32,009,089	$ 8,528,204	$ 14,874,457	$ 15,706,458	$ 1,445,732	$ 78,803,034

6. Tangible Capital Assets (continued)

Water Capital March 31, 2026	Land and land rights	Structures	Plants & equipment	Mains	Meters & Hydrants	Services & Other assets	Assets under Construction	Total
Cost:								
Balance, beginning of year	$ 695,884	$ 10,887,430	$ 3,327,858	$ 13,277,862	$ 1,845,117	$ 1,282,661	$ 3,683,404	$35,000,216
Additions	-	1,512,530	77,037	804,479	97,933	130,031	8,425,875	11,047,885
Disposals/Adjustments	-	-	-	-	-	-	(3,683,404)	(3,683,404)
Balance, end of year	695,884	12,399,960	3,404,895	14,082,341	1,943,050	1,412,692	8,425,875	42,364,697
Accumulated amortization:								
Balance, beginning of year	-	4,488,891	1,610,991	3,260,763	1,176,168	466,241	-	11,003,054
Amortization expense	-	373,547	453,140	187,643	79,759	60,583	-	1,154,672
Disposals/Adjustments	-	-	-	-	-	-	-	-
Balance, end of year	-	4,862,438	2,064,131	3,448,406	1,255,927	526,824	-	12,157,726
Net book value	$ 695,884	$ 7,537,522	$ 1,340,764	$10,633,935	$ 687,123	$ 885,868	$ 8,425,875	$30,206,971

6. Tangible Capital Assets (continued)

Water Capital March 31, 2025	Land and land rights	Structures	Plants & equipment	Mains	Meters & Hydrants	Services & Other assets	Assets under Construction	Total
Cost:								
Balance, beginning of year	$ 695,884	$ 7,325,667	$ 5,880,552	$ 13,171,131	$ 1,822,202	$ 1,262,882	$ 44,082	$ 30,202,400
Additions	-	590,364	418,705	501,072	22,915	35,448	3,683,404	5,251,908
Disposals/Adjustments	-	2,971,399	(2,971,399)	(394,341)	-	(15,669)	(44,082)	(454,092)
Balance, end of year	695,884	10,887,430	3,327,858	13,277,862	1,845,117	1,282,661	3,683,404	35,000,216
Accumulated amortization:								
Balance, beginning of year	-	2,673,721	2,681,666	3,093,542	1,101,305	406,861	-	9,957,095
Amortization expense	-	303,114	441,381	177,185	74,863	59,380	-	1,055,923
Disposals/Adjustments	-	1,512,056	(1,512,056)	(9,964)	-	-	-	(9,964)
Balance, end of year	-	4,488,891	1,610,991	3,260,763	1,176,168	466,241	-	11,003,054
Net book value	$ 695,884	$ 6,398,539	$ 1,716,867	$ 10,017,099	$ 668,949	$ 816,420	$ 3,683,404	$ 23,997,162

7. Rate of return on rate base

For the year ended March 31, 2026, the Water Utility had a rate of return on rate base of 3.09% (2025 - 0.05%). The rate of return is calculated using the amortization approved by the Nova Scotia Regulatory and Appeals Board.

8. Disclosure of Remuneration

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

	Salary	Expenses
Mayor Abraham Zebian	$ 75,116	$ 956
Councillor District #1	40,547	1,660
Councillor District #2	40,489	1,023
Councillor District #3	40,547	1,315
Councillor District #4	40,547	-
Councillor District #5	44,622	-
Councillor District #6	40,547	-
Councillor District #7	40,547	2,319
Councillor District #8	40,547	-
Councillor District #9	40,547	-
Councillor District #10	40,547	-
Councillor District #11	37,454	-
	522,057	7,273
Chief Administrative Officer	217,551	3,703

9. Deferred revenue

	2026	2025
Tax and user charges	**449,085**	154,807
Property taxes	**1,387,792**	1,148,178
Canada Community Building Fund	**5,647,008**	6,835,303
Provincial grants	**4,454,230**	4,454,230
Other	**936,471**	2,069,678
	12,874,586	14,662,196

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

Canada Community Building Fund represents funds received from the Federal Government that have not yet been used to fund eligible projects under the terms of the Gas Tax Agreement.

10. Pension plans

a) Defined contribution plan

The Municipality provides its employees with a defined contribution pension plan. The Municipality will match the employees' contribution up to a maximum of 9%. During the year the Municipality contributed $660,766 (2025 - $465,900).

b) Defined benefit plan

The Municipality provides a pension to the surviving spouses of retired Municipal clerks and uses the accrual method of accounting. The Municipality estimates its obligation to the retired clerk based on estimated life expectancy and future inflation rate of 2%. During the year the total pension costs were $40,152 (2025 - $50,085).

11. Financial Instrument Risk Management

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that the Municipality is not exposed to significant interest or currency risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss because a counterparty to a financial instrument fails to discharge its contractual obligations. The carrying amount of the Municipality's financial instruments best represents the maximum exposure to credit risk. The Municipality manages its credit risk by providing allowances for potentially uncollectible accounts receivable. The risk has not increased from the prior year.

As at March 31	2026			2025		
	Accounts receivable	Impairment allowance	Total	Accounts receivable	Impairment allowance	Total
Current	$ 9,819,745	$ -	$ 9,819,745	$ 8,302,604	$ -	$ 8,302,604
1 to 2 years	552,221	-	552,221	399,730	-	399,730
2 to 3 years	68,987	-	68,987	94,869	-	94,869
Over 3 years	483,237	(60,138)	423,099	280,257	(60,138)	220,119
	$10,924,190	$ (60,138)	$10,864,052	$ 9,077,460	$ (60,138)	$ 9,017,322

11. Financial Instrument Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting its obligations associated with financial liabilities. The Municipality enters into transactions to borrow funds from financial institutions or other creditors for which repayment is required at various maturity dates. The Municipality manages liquidity risk by monitoring forecasted and actual cash flows. Liquidity risk has increased during the year due to the increase in net financial liabilities.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Current	Due within 1 year	Due within 2 to 5 years	Thereafter	Total
Bank indebtedness	$ 30,000	$ -	$ -	$ -	$ 30,000
Accounts payable	8,327,721	-	-	-	8,327,721
Tax sales surplus	964,745	-	-	-	964,745
Long-term debt	-	1,633,291	4,992,843	12,848,219	19,474,353
	$ 9,322,466	$ 1,633,291	$ 4,992,843	$12,848,219	$28,796,819

12. Operating budget data

The unaudited operating budget data presented in these consolidated financial statements is based upon the 2025 - 2026 budgets approved by Council. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget
Approved budget deficit for the year	$ (5,876)
Budget adjustments:	
Other transfers	1,828,350
Debt principal repayments	2,581,700
Total PSAS adjustments	4,410,050
PSAS adjusted budget surplus	$ 4,404,174

13. Comparative information

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

14. Segmented Information

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

General government services

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

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

Protection services

The Municipality contracts with the Royal Canadian Mounted Police for police services. Fire protection is provided by grants to fire departments throughout the Municipality. The Municipality supplies animal control services through this department.

Transportation services

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

Environmental health services

Environmental health services provide for sewage collection and treatment, solid waste collection and recycling.

Public health services

Public health services include cemetery expenditures.

Environmental development services

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

Recreation and cultural services

Recreation and cultural services is responsible for promoting and offering opportunities and activities to residents.

Water treatment and distribution

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

15. Consolidated schedule of operations by segment

March 31, 2026	General government	Protective services	Transportation services	Environmental health services	Public health services	Environmental development	Recreation and cultural services	Water utility	Total
Revenue									
Taxes	$ 28,870,051	$ -	$ -	$ 2,909,563	$ -	$ -	$ 110,399	$ -	$ 31,890,013
Grants in lieu of taxes	274,198	-	-	-	-	-	-	-	274,198
Services provided to other governments	-	320,823	-	1,038,858	-	-	-	-	1,359,681
Sale of services	364,779	-	-	-	-	-	1,032,466	-	1,397,245
Revenue from own sources	6,130,720	-	-	-	-	7,763	191,909	-	6,330,392
Unconditional government transfers	1,715,063	-	-	-	-	-	-	-	1,715,063
Conditional government transfers and gas tax	1,527,623	-	-	-	-	-	-	-	1,527,623
Water rates	-	-	-	-	-	-	-	4,129,375	4,129,375
Other	-	-	-	-	138,620	-	-	-	138,620
	38,882,434	320,823	-	3,948,421	138,620	7,763	1,334,774	4,129,375	48,762,210
Expenditures									
Personnel costs	2,305,904	904,572	948,064	871,251	61,827	1,083,649	1,964,285	1,477,576	9,617,128
Operating costs	7,729,503	8,262,389	1,301,059	3,071,549	161,638	678,355	1,833,309	1,865,044	24,902,846
Amortization	473,193	1,356,158	1,134,869	745,535	8,246	11,741	940,771	1,154,672	5,825,185
Other	695,622	79,285	7,550	13,924	-	-	-	-	796,381
Interest	-	200,476	297,369	79,830	-	-	43,627	48,993	670,295
	11,204,222	10,802,880	3,688,911	4,782,089	231,711	1,773,745	4,781,992	4,546,285	41,811,835
Surplus (deficit)	$ 27,678,212	$(10,482,057)	$ (3,688,911)	$ (833,668)	$ (93,091)	$ (1,765,982)	$ (3,447,218)	$ (416,910)	$ 6,950,375

15. Consolidated schedule of operations by segment (continued)

March 31, 2025	General government	Protective services	Transportation services	Environmental health services	Public health services	Environmental development	Recreation and cultural services	Water utility	Total
Revenue									
Taxes	$ 26,484,652	$ -	$ -	$ 2,356,886	$ -	$ -	$ 104,559	$ -	$ 28,946,097
Grants in lieu of taxes	275,939	175	-	-	-	-	-	-	276,114
Services provided to other governments	92,793	171,355	-	827,675	-	-	-	-	1,091,823
Sale of services	160,790	-	754	-	-	-	925,474	-	1,087,018
Revenue from own sources	2,758,220	-	-	-	-	-	-	-	2,758,220
Unconditional government transfers	1,722,896	-	-	-	-	-	-	-	1,722,896
Conditional government transfers and gas tax	1,082,893	-	-	-	-	-	-	-	1,082,893
Water rates	-	-	-	-	-	-	-	3,278,218	3,278,218
Other	1,998,968	-	-	-	114,359	-	-	-	2,113,327
	34,577,151	171,530	754	3,184,561	114,359	-	1,030,033	3,278,218	42,356,606
Expenditures									
Personnel costs	2,005,982	750,127	731,813	881,313	71,970	914,727	1,886,441	1,518,225	8,760,598
Operating costs	4,133,890	9,273,481	1,590,751	3,242,653	100,185	734,526	1,749,603	2,129,676	22,954,765
Amortization	488,300	1,644,706	1,027,988	690,455	8,246	11,741	929,836	1,055,922	5,857,194
Other	42,240	784,758	174,936	319,817	-	-	139,114	110,248	1,571,113
Interest	1,192	264,312	94,803	90,222	-	-	90,000	30,140	570,669
	6,671,604	12,717,384	3,620,291	5,224,460	180,401	1,660,994	4,794,994	4,844,211	39,714,339
Surplus (deficit)	$ 27,905,547	$(12,545,854)	$ (3,619,537)	$ (2,039,899)	$ (66,042)	$ (1,660,994)	$ (3,764,961)	$ (1,565,993)	$ 2,642,267

Non-consolidated Supplementary Financial Information of:

WEST HANTS REGIONAL MUNICIPALITY

Year ended March 31, 2026

WEST HANTS REGIONAL MUNICIPALITY

General Operating Fund
Non-consolidated Balance Sheet

As at March 31, 2026
(Unaudited)

	2026	2025
Assets		
Cash	$ 4,926,228	$ 3,583,243
Taxes receivable	3,092,402	2,989,012
Sewer rates receivable	791,848	617,050
Due from Province of Nova Scotia	6,716	6,716
Due from other local governments	27,398	27,398
Other accounts receivable	2,399,017	2,095,193
Harmonized sales tax	713,590	1,118,531
Due from		
General capital	25,506,272	20,519,256
Water capital	7,203,478	3,708,277
Due from perpetual care	2,816	2,816
Prepaid expenses	260,440	183,189
	44,930,205	34,850,681
Liabilities		
Bank indebtedness	30,000	30,000
Accounts Payable and Accrued Liabilities	7,873,048	4,680,655
Due to Region 6 Waste Management	190,680	98,273
Due to trust funds	4,280	4,280
Due to		
Capital reserve	15,546,307	13,617,875
Special reserve	5,975,737	3,425,095
Water operating	1,189,242	488,053
Hantsport cemetery	279,292	224,726
Operating reserve	10,260,941	6,360,752
Deferred revenue	2,466,977	2,288,403
Tax sales surplus	964,745	658,795
	44,781,249	31,876,907
Fund balance	148,956	2,973,774
Total liabilities and fund balance	$ 44,930,205	$ 34,850,681

WEST HANTS REGIONAL MUNICIPALITY

General Operating Fund
Non-consolidated Schedule of Operations

Year ended March 31, 2026
(Unaudited)

	2026 Budget	2026 Actual	2025 Actual
Revenue			
Taxes	$ 31,362,873	$ 31,890,013	$ 28,946,097
Grants in lieu of taxes	251,659	274,198	276,114
Services to other governments	1,193,311	1,359,681	1,638,661
Sales of services	1,008,055	1,389,483	1,087,018
Other revenue from own sources	1,448,388	2,430,211	1,276,278
Unconditional transfers	1,723,746	1,715,063	1,722,896
Conditional transfers from federal or provincial	147,594	254,624	215,584
	37,135,626	39,313,273	35,162,648
Expenses			
General government services	4,506,196	4,506,196	3,992,564
Protective services	10,803,579	10,777,848	9,914,861
Transportation services	1,939,110	2,256,673	2,821,722
Environmental health services	4,091,406	4,464,441	4,045,064
Public health services	141,057	141,057	133,565
Environmental development services	2,137,180	1,762,004	1,649,253
Recreation	3,704,138	3,797,594	3,556,526
Interest on long-term debt	609,084	630,414	540,529
Appropriation to school board	6,278,180	6,276,864	5,611,284
	34,209,930	34,613,091	32,265,368
Excess of revenue over expenses	2,925,696	4,700,182	2,897,280
Debenture principal instalments	(2,337,423)	(2,293,965)	(1,460,865)
Net transfer from (to) own reserves	(567,626)	(2,257,261)	27,103
Change in fund balance	20,647	148,956	1,463,518
Opening fund balance	2,973,774	2,973,774	1,510,256
Opening surplus transferred to operating reserve	$ -	(2,973,774)	-
Closing fund balance	$ 2,994,421	$ 148,956	$ 2,973,774

WEST HANTS REGIONAL MUNICIPALITY

General Capital Fund
Non-consolidated Balance Sheet

Year ended March 31, 2026
(Unaudited)

	2026	2025
Assets		
Cash	$ 686,605	$ 1,195,000
Receivables	1,078,943	1,188,246
Due from		
Capital reserves	8,152,539	6,175,732
Operating reserves	2,339,024	1,106,884
Water operating	-	6,024
Water capital	267,720	-
Special reserves	8,510,009	5,933,552
Property and equipment, at cost	136,666,149	125,325,957
Accumulated amortization	(50,372,056)	(46,565,513)
Investment in Valley Waste Resource Management	152,558	152,558
	$ 107,481,491	$ 94,518,440
Liabilities		
Payables and accruals	287,823	142,225
Due to		
Municipal operating	25,506,272	20,519,256
Water capital	-	15,215
Deferred revenue	1,362,566	1,339,448
Asset retirement obligations	1,910,359	726,600
Long-term debt	17,746,273	16,271,547
	46,813,293	39,014,291
Investment in capital assets	60,668,198	55,504,149
Total liabilities and investment in capital assets	$ 107,481,491	$ 94,518,440

WEST HANTS REGIONAL MUNICIPALITY

General Capital Fund
Non-consolidated Statement of Investment in Capital Assets

Year ended March 31, 2026
(Unaudited)

	2026	2025
Balance, beginning of year	**$ 55,504,149**	$ 53,867,455
Add:		
Capital additions	**12,328,281**	7,839,330
Repayment of debt	**2,287,092**	1,460,865
Grants	**-**	1,900,274
Interest and other revenue	**-**	37,931
Insurance proceeds	**-**	86,127
Proceeds from disposal of assets	**-**	10,000
Transfers and others	**(1,221,410)**	(2,464,554)
Less:		
Proceeds of long-term debt	**(3,611,434)**	(2,432,007)
Amortization	**(4,618,480)**	(4,801,272)
	5,164,049	1,636,694
Balance, end of year	**$ 60,668,198**	$ 55,504,149

WEST HANTS REGIONAL MUNICIPALITY

West Hants Water Utility Operating Fund
Non-consolidated Balance Sheet

Year ended March 31, 2026
(Audited)

	2026	2025
Assets		
Cash	$ 512,692	$ 2,073,340
Receivables (net of allowance $21,950)	2,652,939	934,235
Prepaids	5,300	5,300
Due from		
General operating	1,189,242	488,053
	4,360,173	3,500,928
Liabilities		
Payables and accruals	270,211	244,989
Deferred revenue	36,560	36,365
Due to		
General capital	-	6,024
Water capital	2,367,574	1,805,220
Operating reserves	10,000	10,000
Reserves for future expenditures	142,362	132,362
	2,826,707	2,234,960
Fund balance	1,533,466	1,265,968
Total liabilities and fund balance	$ 4,360,173	$ 3,500,928

WEST HANTS REGIONAL MUNICIPALITY

West Hants Water Utility Operating Fund
Non-consolidated Schedule of Operations

Year ended March 31, 2026
(Audited)

	2026	2025
Operating revenue		
Revenue from water rates	$ 2,544,260	$ 2,095,247
Flat rate sales	1,462,661	1,191,514
Water supply for fire protection	1,563,926	1,199,977
Sprinkler service	7,950	7,164
Interest	30,374	49,732
Other	29,298	79,295
	5,638,469	4,622,929
Operating expenses		
Source of supply	14,903	208,154
Water treatment	1,209,251	1,075,770
Transmission and distribution	1,768,117	1,627,233
Administration and general	605,917	573,228
Taxes	78,946	72,502
Depreciation	1,154,672	1,055,922
	4,831,806	4,612,809
Net operating revenue	806,663	10,120
Non-operating expenditures		
Capital expenditures out of revenue	201,550	71,012
Principal LTD	287,735	110,248
Interest on LTD	39,880	30,140
Transfer to reserves	10,000	20,000
	539,165	231,400
Change in fund balance	267,498	(221,280)
Opening fund balances	1,265,968	1,487,248
Closing fund balance	$ 1,533,466	$ 1,265,968

WEST HANTS REGIONAL MUNICIPALITY

West Hants Water Utility Capital Fund
Non-consolidated Balance Sheet

Year ended March 31, 2026
(Audited)

	2026	2025
Assets		
Cash	$ 3,296,060	$ 926,520
Cash - depreciation	414,973	2,229,782
Receivables	4,204	4,204
Due from		
General capital	-	15,215
Special reserves	564,668	425,453
Water operating	2,367,574	1,805,220
Operating reserves	12,885	-
Capital assets at cost	42,364,697	35,000,216
Accumulated amortization	(12,157,726)	(11,003,054)
	36,867,335	29,403,556
Liabilities		
Payables and accruals	39,419	39,910
Deferred government assistance	4,159,387	4,159,387
Asset retirement obligations	5,000	5,000
Nova Scotia Municipal Finance Corporation	1,728,080	1,609,671
Due to		
General operating	7,203,478	3,708,277
General capital	267,720	-
Reserves	2,754,457	-
	16,157,541	9,522,245
Fund balance	20,709,794	19,881,311
Total liabilities and fund balance	$ 36,867,335	$ 29,403,556

WEST HANTS REGIONAL MUNICIPALITY

West Hants Water Utility Capital Fund
Non-consolidated Statement of Investment in Capital Assets

Year ended March 31, 2026
(Unaudited)

	2026	2025
Balance, beginning of year	**$ 19,881,311**	$ 19,355,038
Add:		
Capital additions	**7,364,484**	4,797,816
Repayment of debt	**287,735**	110,248
Less:		
Proceeds of long-term debt	**(406,144)**	(618,146)
Transfers and others	**(5,262,920)**	(2,707,722)
Amortization	**(1,154,672)**	(1,055,923)
	828,483	526,273
Balance, end of year	**$ 20,709,794**	$ 19,881,311

WEST HANTS REGIONAL MUNICIPALITY

Operating Reserves Fund
Non-consolidated Balance Sheet

Year ended March 31, 2026
(Unaudited)

	2026	2025
Assets		
Cash	$ 3,047,793	$ 3,852,888
PACE program receivable	289,136	136,472
Due from		
General operating	10,260,941	6,360,752
West Hants water operating	10,000	10,000
Special reserves	469,074	419,766
	14,076,944	10,779,878
Liabilities		
Due to		
General capital	2,339,024	1,106,884
Capital reserves	812,413	789,328
Water capital	12,885	-
	3,164,322	1,896,212
Fund balance	10,912,622	8,883,666
Total liabilities and fund balances	$ 14,076,944	$ 10,779,878

WEST HANTS REGIONAL MUNICIPALITY

Operating Reserves Fund
Non-consolidated Schedule of Operations

Year ended March 31, 2026
(Unaudited)

	Sewer reserve	Carryover reserve	Region operating reserve	West Hants operating reserve	Windsor operating reserve	Equipment reserve	Landfill reserve	Brought forward
Revenue								
Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	-	18,300	135,211	-	-	-	-	153,511
	-	18,300	135,211	-	-	-	-	153,511
Expenditures								
Contributions	-	-	163,527	-	-	-	-	163,527
Net revenue	-	18,300	(28,316)	-	-	-	-	(10,016)
Financing and transfers	(242)	(108,555)	2,969,359	(46,058)	(924,063)	(22,844)	(692)	1,866,905
Change in fund balance	(242)	(90,255)	2,941,043	(46,058)	(924,063)	(22,844)	(692)	1,856,889
Opening fund balance	242	1,548,319	1,807,922	2,383,550	924,063	22,844	692	6,687,632
Closing fund balance	$ -	$ 1,458,064	$ 4,748,965	$ 2,337,492	$ -	$ -	$ -	$ 8,544,521

WEST HANTS REGIONAL MUNICIPALITY

Operating Reserves Fund
Non-consolidated Schedule of Operations

Year ended March 31, 2026
(Unaudited)

	Swimming Pool reserve	Hantsport snow removal reserve	RCMP operating reserve	Acquisition of land	Election reserve	5% res land & improvement reserve	Open space (Brison) reserve	Brought forward
Revenue								
Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Expenditures								
Contributions	-	-	-	-	-	-	-	-
Net revenue	-	-	-	-	-	-	-	-
Financing and transfers	-	(27,105)	(219,270)	117,848	50,000	-	45,885	(32,642)
Change in fund balance	-	(27,105)	(219,270)	117,848	50,000	-	45,885	(32,642)
Opening fund balance	68,518	27,105	1,284,108	303,252	-	30,916	(45,885)	1,668,014
Closing fund balance	$ 68,518	$ -	$ 1,064,838	$ 421,100	$ 50,000	$ 30,916	$ -	$ 1,635,372

WEST HANTS REGIONAL MUNICIPALITY

Operating Reserves Fund
Non-consolidated Schedule of Operations

Year ended March 31, 2026
(Unaudited)

	Fire equipment reserve	Boundary reserve	General fund snow removal reserve	Sports Complex reserve	Interest earned	Balance brought forward	2026	2025
Revenue								
Interest	$ -	$ -	$ -	$ -	$ 89,110	$ -	$ 89,110	$ 117,744
Other	38,348	-	-	-	-	153,511	191,859	10,000
	38,348	-	-	-	89,110	153,511	280,969	127,744
Expenditures								
Contributions	-	-	-	-	-	163,527	163,527	150,000
Net revenue	38,348	-	-	-	89,110	(10,016)	117,442	(22,256)
Financing and transfers	82,852	12,250	(17,851)	-	-	1,834,263	1,911,514	(458,815)
Change in fund balance	121,200	12,250	(17,851)	-	89,110	1,824,247	2,028,956	(481,071)
Opening fund balance	75,625	36,750	17,851	2,000	395,794	8,355,646	8,883,666	9,364,737
Closing fund balance	$ 196,825	$ 49,000	$ -	$ 2,000	$ 484,904	$ 10,179,893	$10,912,622	$ 8,883,666

WEST HANTS REGIONAL MUNICIPALITY

Capital Reserves Fund
Non-consolidated Balance Sheet

Year ended March 31, 2026
(Unaudited)

	2026	2025
Assets		
Cash	$ 1,283,589	$ 1,944,061
Due from		
Municipal operating	15,546,307	13,617,875
Operating reserves	812,413	789,328
	17,642,309	16,351,264
Liabilities		
Due to		
General capital	8,152,539	6,175,732
Cemetery	167,927	167,927
Special reserves	4,939,692	4,939,692
	13,260,158	11,283,351
Fund balance	4,382,151	5,067,913
Total liabilities and fund balance	$ 17,642,309	$ 16,351,264

WEST HANTS REGIONAL MUNICIPALITY

Capital Reserves Fund
Non-consolidated Schedule of Operations

Year ended March 31, 2026
(Unaudited)

	Building reserve	Transportation reserve	Vehicle reserve	West Hants sewer reserve	Windsor sewer reserve	Windsor fire reserve	Sale of land reserve	West Hants equipment reserve	Balance forward
Revenue									
Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Expenditures									
Contributions	-	-	-	-	-	-	-	-	-
Net revenue	-	-	-	-	-	-	-	-	-
Financing and transfers	(40,073)	-	206,152	(702,152)	(341,423)	(50,702)	-	23,002	(905,196)
Change in fund balance	(40,073)	-	206,152	(702,152)	(341,423)	(50,702)	-	23,002	(905,196)
Opening fund balance	768,712	183,388	64,627	1,704,393	427,003	219,582	274,355	-	3,642,060
Closing fund balance	$ 728,639	$ 183,388	$ 270,779	$ 1,002,241	$ 85,580	$ 168,880	$ 274,355	$ 23,002	$ 2,736,864

WEST HANTS REGIONAL MUNICIPALITY

Capital Reserves Fund
Non-consolidated Schedule of Operations (continued)

Year ended March 31, 2026
(Unaudited)

	Road infrastructure reserve	Windsor equipment reserve	Recreation reserve	Capital reserve	Hantsport fire reserve	Interest earned	Balance forward	2026	2025
Revenue									
Interest	$ -	$ -	$ -	$ -	$ -	$ 39,527	$ -	$ 39,527	$ 115,741
Other	-	-	-	68,661	-	-	-	68,661	252,885
	-	-	-	68,661	-	39,527	-	108,188	368,626
Expenditures									
Contributions	-	-	-	-	-	-	-	-	95,049
Net revenue	-	-	-	68,661	-	39,527	-	108,188	273,577
Financing and transfers	111,246	-	-	-	(19,294)	19,294	(905,196)	(793,950)	18,434
Change in fund balance	111,246	-	-	68,661	(19,294)	58,821	(905,196)	(685,762)	292,011
Opening fund balance	809,739	35,667	215,633	(66,558)	19,719	411,653	3,642,060	5,067,913	4,775,902
Closing fund balance	$ 920,985	$ 35,667	$ 215,633	$ 2,103	$ 425	$ 470,474	$ 2,736,864	$ 4,382,151	$ 5,067,913

WEST HANTS REGIONAL MUNICIPALITY

School Capital Fund Assets
Non-consolidated Balance Sheet

Year ended March 31, 2026, with comparative figures for 2025
(Unaudited)

	2026	2025
Assets		
Falmouth District School	$ 277,199	$ 277,199
School bus garage	407,273	407,273
	684,472	684,472
Accumulated amortization	(684,472)	(684,472)
	-	-
Fund balance	$ -	$ -

WEST HANTS REGIONAL MUNICIPALITY

Cemetery Fund
Non-consolidated Balance Sheet

Year ended March 31, 2026
(Unaudited)

	2026	2025
Assets		
Cash	$ 55,524	$ 53,878
Land	42,591	42,591
Due from		
Capital reserves	167,927	167,927
General capital	279,292	224,726
Perpetual care	2	2
	545,336	489,124
Liabilities		
Due to special reserves	167,927	167,927
Deferred revenue	1,000	1,000
Fund balance	376,409	320,197
Total liabilities and fund balance	$ 545,336	$ 489,124

WEST HANTS REGIONAL MUNICIPALITY

Cemetery Fund
Non-consolidated Schedule of Operations

Year ended March 31, 2026
(Unaudited)

	2026	2025
Revenue		
Operating grant	$ 90,607	$ 80,758
Interest income	1,645	2,568
Sale of lots	19,644	8,784
Care of lots	10,101	7,157
Burial fees	16,623	17,659
	138,620	116,926
Expenses		
Wages	61,826	71,970
Ground maintenance	15,407	14,766
Equipment maintenance	379	661
General projects	693	185
Miscellaneous	4,103	3,812
	82,408	91,394
Change in fund balance	56,212	25,532
Opening fund balance	320,197	294,665
Closing fund balance	$ 376,409	$ 320,197

WEST HANTS REGIONAL MUNICIPALITY

Trust Funds
Non-consolidated Balance Sheet and Statement of Operations

Year ended March 31, 2026
(Unaudited)

	Perpetual Care Cemetery	Grace Oulton	Ellen Beazley Scholarship	Windsor trust Fund	Windsor youth recreation	2026	2025
Assets							
Cash	$ 94,680	$ -	$ (15)	$ 94,595	$ 36,049	$ 225,309	$ 218,780
Investment	73,919	22,665	-	260,682	-	357,266	354,403
Land	-	1	-	-	-	1	1
	168,599	22,666	(15)	355,277	36,049	582,576	573,184
Liabilities							
Due to municipal operating	(11,453)	4,113	(8,358)	37,354	4,704	26,360	26,360
Trust balances	180,052	18,553	8,343	317,923	31,345	556,216	546,824
Total liabilities and trust balances	$ 168,599	$ 22,666	$ (15)	$ 355,277	$ 36,049	$ 582,576	$ 573,184
Interest revenue	$ 4,997	$ 672	$ -	$ 2,655	$ 1,068	$ 9,392	$ 14,062
Opening trust balances	175,055	17,881	8,343	315,268	30,277	546,824	532,762
Closing trust balances	$ 180,052	$ 18,553	$ 8,343	$ 317,923	$ 31,345	$ 556,216	$ 546,824

WEST HANTS REGIONAL MUNICIPALITY

Special Reserves Fund
Non-consolidated Balance Sheet

Year ended March 31, 2026
(Unaudited)

	2026	2025
Assets		
Cash	$ 8,821,828	$ 11,385,903
Due from		
General operating	5,975,737	3,425,095
Capital reserves	4,939,692	4,939,692
Cemetery	167,927	167,927
	19,905,184	19,918,617
Liabilities		
Due to		
General capital	8,510,009	5,933,552
Water capital	564,668	425,453
Operating reserves	469,074	419,766
	9,543,751	6,778,771
Reserve fund balances	10,361,433	13,139,846
Total liabilities and reserve fund balances	$ 19,905,184	$ 19,918,617

WEST HANTS REGIONAL MUNICIPALITY

Special Reserves Fund
Non-consolidated Statement of Operations

Year ended March 31, 2026
(Unaudited)

	Consolidation reserve	Capital grant reserve	Hantsport capital grant reserve	Sale of land reserve	Hantsport sale of land reserve	Tax sale surplus reserve	Sinking Fund reserve	Dissolution sale of asset reserve	Balance forward
Revenue									
Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Expenditures									
Contributions	-	-	-	-	-	-	-	-	-
Net revenue	-	-	-	-	-	-	-	-	-
Financing and transfers	(1,078,833)	-	-	-	-	-	-	-	(1,078,833)
Change in fund balance	(1,078,833)	-	-	-	-	-	-	-	(1,078,833)
Opening fund balance	2,760,912	2,327	56,801	4,583	1,479	22,499	765	35,566	2,884,932
Closing fund balance	$ 1,682,079	$ 2,327	$ 56,801	$ 4,583	$ 1,479	$ 22,499	$ 765	$ 35,566	$ 1,806,099

WEST HANTS REGIONAL MUNICIPALITY

Special Reserves Fund
Non-consolidated Statement of Operations (continued)

Year ended March 31, 2026
(Unaudited)

	Housing accelerator fund reserve	Landfill closure reserve	West Hants gas tax reserve	Consolidated gas tax reserve	Sustainability services growth reserve	ARO reserve	Investment in capital assets reserve	Balance forward
Revenue								
Interest	$ -	$ -	$ -	$ 194,435	$ 21,916	$ -	$ -	$ 216,351
Conditional transfers	270,472	-	-	-	-	-	-	270,472
	270,472	-	-	194,435	21,916	-	-	486,823
Expenditures								
Contributions	-	-	-	-	-	49,321	-	49,321
Net revenue	270,472	-	-	194,435	21,916	(49,321)	-	437,502
Financing and transfers	(206,079)	(1,662)	(1,051,299)	(222,128)	(1,189,003)	560,412	-	(2,109,759)
Change in fund balance	64,393	(1,662)	(1,051,299)	(27,693)	(1,167,087)	511,091	-	(1,672,257)
Opening fund balance	488,247	1,662	2,627,210	3,019,847	1,167,087	431,234	56,475	7,791,762
Closing fund balance	$ 552,640	$ -	$ 1,575,911	$ 2,992,154	$ -	$ 942,325	$ 56,475	$ 6,119,505

WEST HANTS REGIONAL MUNICIPALITY

Special Reserves Fund
Non-consolidated Statement of Operations (continued)

Year ended March 31, 2026
(Unaudited)

	Dissolution transition reserve	Hantsport infrastructure reserve	Windsor infrastructure reserve	Hantsport tax sale surplus reserve	Interest earned	Balance brought forward	2026	2025
Revenue								
Interest	$ -	$ -	$ -	$ -	$ 108,468	$ 216,351	$ 324,819	$ 511,478
Other	-	-	-	-	-	270,472	270,472	1,625,312
	-	-	-	-	108,468	486,823	595,291	2,136,790
Expenditures								
Contributions	-	-	-	-	-	49,321	49,321	54,900
Net revenue	-	-	-	-	108,468	437,502	545,970	2,081,890
Financing and transfers	(173,675)	(403,111)	440,996	-	(1)	(3,188,592)	(3,324,383)	(1,121,104)
Change in fund balance	(173,675)	(403,111)	440,996	-	108,467	(2,751,090)	(2,778,413)	960,786
Opening fund balance	173,675	1,348,773	423,604	4,690	512,410	10,676,694	13,139,846	12,179,060
Closing fund balance	$ -	$ 945,662	$ 864,600	$ 4,690	$ 620,877	$ 7,925,604	$10,361,433	$ 13,139,846