

TOWN OF NEW GLASGOW
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2026

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Town of New Glasgow

Management's Responsibility for Financial Reporting

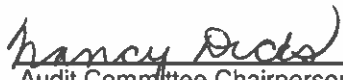
March 31, 2026

The accompanying consolidated financial statements of Town of New Glasgow are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of the estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town maintains systems 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.

Council 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 MacDonald & Murphy Inc., independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope to their examination and their opinion of the Town's consolidated financial statements.



Audit Committee Chairperson



Chief Administrative Officer

Date

September 21, 2026

Independent Auditors' Report

To the Mayor and Council of the
Town of New Glasgow
New Glasgow, Nova Scotia

Opinion

We have audited the consolidated financial statements of Town of New Glasgow (the Town), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statements of financial activities, changes in net financial liabilities and cash flow 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 financial position of the Town as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matters - Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 31 to 34 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of consolidated financial statements 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 the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

(continues)
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Independent Auditors Report to the Members of Town of New Glasgow (continued)

Auditor's Responsibilities for the Audit of the consolidated financial statements

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

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

New Glasgow, Nova Scotia
September 21, 2026

MacDonald & Murphy Inc.
Chartered Professional Accountants

Town of New Glasgow

Consolidated Statement of Financial Position

March 31

2026

2025

(in thousands)

(Restated
Note 18)

FINANCIAL ASSETS

Cash	\$ 15,230.6	\$ 13,296.4
Receivables		
Taxes (Note 2)	2,131.2	1,715.7
Due from Federal Government and its agencies	1,126.4	1,523.6
Due from Provincial Government and its agencies	597.5	2,142.1
Due from New Scotland Business Development Incorporated	-	117.7
Due from other Municipal Units	390.8	433.4
Trade accounts	342.0	194.8
Clean Energy Financing Program	242.8	255.6
Water rates	285.7	367.1
	<u>20,347.0</u>	<u>20,046.4</u>

FINANCIAL LIABILITIES

Trade payables and accruals (Note 8)	6,755.2	3,724.6
Deferred revenues (Note 10)	4,427.5	6,761.7
Tax sale surplus	109.0	55.5
Prepaid taxes	481.0	428.2
Long term debt (Note 5)	12,864.5	11,623.9
Capital lease obligations (Note 6)	205.9	250.8
Term loan obligations (Note 7)	-	3.6
Asset retirement obligation (Note 9)	173.4	164.4
	<u>25,016.5</u>	<u>23,012.7</u>

NET FINANCIAL ASSETS (LIABILITIES)

<u>(4,669.5)</u>	<u>(2,966.3)</u>
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NON-FINANCIAL ASSETS

Capital assets - net of accumulated amortization (Page 14)	80,965.2	70,501.1
Investment in New Scotland Business Development Incorporated (Note 14)	481.0	481.0
Inventories	548.3	505.3
Unamortized deferred charges	29.6	30.9
Prepaid expenses	77.6	96.4

NET NON-FINANCIAL ASSETS

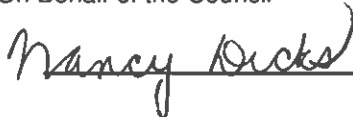
<u>82,101.7</u>	<u>71,614.7</u>
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ACCUMULATED SURPLUS

<u>\$ 77,432.2</u>	<u>\$ 68,648.4</u>
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COMMITMENTS (NOTE 13)

On Behalf of the Council



Mayor



CAO

Town of New Glasgow

Consolidated Statement of Operations

Year Ended March 31

2026

2025

		(in thousands)		
				(Restated Note 18)
	Page	Budget (Note 12)	Actual	Actual
Revenue				
Taxes	8	\$ 18,180.1	\$ 18,905.9	\$ 18,107.0
Grants in lieu of taxes	8	69.2	69.2	70.7
Services provided to other governments	9	1,173.4	1,180.8	1,113.2
Sale of services	9	299.0	356.2	438.3
Other revenue from own sources	9	576.2	826.0	872.1
Transfers from government	9	2,620.0	2,000.1	2,022.5
Water revenues	10	3,627.3	3,711.2	3,707.8
Grants for capital	10	10,790.2	9,405.6	2,942.8
Other revenue	10	-	16.3	32.6
Other proceeds	10	-	63.6	32.0
Total revenue		37,335.4	36,534.9	29,339.0
Expenditures				
General government services	11	4,358.5	4,900.4	4,079.0
Protective services	11	8,272.1	7,964.8	7,556.7
Transportation services	12	6,134.0	5,912.6	5,997.3
Environmental health services	12	2,210.0	2,168.5	1,969.7
Planning and community development	12	1,587.0	846.5	1,461.7
Recreation and cultural services	13	1,643.2	1,698.8	1,576.7
Water treatment and distribution	13	4,581.7	4,259.5	4,241.3
Total expenditures		28,786.5	27,751.1	26,882.5
Net surplus		\$ 8,548.9	8,783.8	2,456.5
Accumulated surplus, beginning of year			68,648.4	66,984.4
Prior period adjustment (Note 18)			-	(792.5)
Accumulated surplus, end of year			\$ 77,432.2	\$ 68,648.4

Town of New Glasgow

Consolidated Statement of Change in Net Financial Assets (Liabilities)

Year Ended March 31

2026

2025

(in thousands)

**(Restated
Note 18)**

	<u>Actual</u>	<u>Actual</u>
Net surplus	\$ 8,783.8	\$ 2,456.5
Changes in tangible capital assets		
Acquisition of capital assets	(14,154.9)	(6,757.1)
Amortization of capital assets	3,613.7	3,295.4
Net book value of disposals	77.1	
Increase in net book value of tangible capital assets	<u>(10,464.1)</u>	<u>(3,461.7)</u>
Changes in other non-financial assets		
Change in inventories	(43.0)	(70.6)
Change in prepaid expense	18.8	(0.5)
Amortization of debt discount	<u>1.3</u>	<u>(4.3)</u>
	<u>(22.9)</u>	<u>(75.4)</u>
Change in net financial assets (liabilities)	(1,703.2)	(1,080.6)
Net financial assets (liabilities), beginning of year	<u>(2,966.3)</u>	<u>(1,885.7)</u>
Net financial assets (liabilities), end of year	<u>\$ (4,669.5)</u>	<u>\$ (2,966.3)</u>

Town of New Glasgow

Consolidated Statement of Cash Flow

Year Ended March 31

2026

2025

(in thousands)

(Restated
Note 18)

Increase (decrease) in cash and cash equivalents

Operating activities

Net surplus	\$ 8,783.8	\$ 2,456.5
Change in taxes receivable	(415.5)	(187.3)
Change in water rates receivable	81.4	103.9
Change in accounts receivable	1,967.7	1,482.9
Change in other assets	(22.9)	(75.3)
Change in accounts payable and accrued liabilities	3,083.4	(619.0)
Change in deferred revenue	(2,334.2)	1,910.0
Change in tax sale surplus	53.5	2.2
Change in asset obligation liability	9.0	8.7

11,206.2

5,082.7

Capital activities

Increase in net book value of capital assets	<u>(10,464.1)</u>	<u>(3,461.7)</u>
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Financing activities

Long term debt issued	2,948.5	2,981.0
Debt principal repayment	(1,707.9)	(1,254.1)
Term loan repayment	(44.9)	(47.5)
Capital lease obligation repayment	(3.6)	(71.8)

1,192.1

1,607.6

Net change in cash and cash equivalents

1,934.2

3,228.7

Cash and cash equivalents

Beginning of year	<u>13,296.4</u>	<u>10,067.7</u>
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End of year	<u>\$ 15,230.6</u>	<u>\$ 13,296.4</u>
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Comprised of

Cash	<u>\$ 15,230.6</u>	<u>\$ 13,296.4</u>
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Town of New Glasgow

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

(in thousands)

	Budget	Actual	Actual
Taxes			
Assessable property			
Residential	\$ 11,323.1	\$ 11,335.9	\$ 10,644.9
Commercial	6,937.4	7,032.1	6,905.3
Resource	49.9	50.1	55.7
	<u>18,310.4</u>	<u>18,418.1</u>	<u>17,605.9</u>
Business property			
Based on revenue (Aliant)	46.0	46.8	46.6
Nova Scotia Power Inc.	1.5	1.5	1.5
H.S.T. offset grant	60.0	86.7	64.3
	<u>107.5</u>	<u>135.0</u>	<u>112.4</u>
Special assessments			
Environmental Health Services			
Pollution control	1,229.0	1,233.8	1,226.1
Solid waste disposal	698.0	692.3	634.5
Fire Protection Charges	68.9	70.6	71.3
	<u>1,995.9</u>	<u>1,996.7</u>	<u>1,931.9</u>
Deed transfer tax	<u>-</u>	<u>589.8</u>	<u>518.9</u>
Total tax levied	20,413.8	21,139.6	20,169.1
Less taxes collected on behalf of others;			
Regional centre for education	<u>(2,233.7)</u>	<u>(2,233.7)</u>	<u>(2,062.1)</u>
	<u>\$ 18,180.1</u>	<u>\$ 18,905.9</u>	<u>\$ 18,107.0</u>
Grants in lieu of taxes			
Federal Government	\$ 56.8	\$ 56.8	\$ 57.9
Provincial Government	12.4	12.4	12.8
	<u>\$ 69.2</u>	<u>\$ 69.2</u>	<u>\$ 70.7</u>

Town of New Glasgow

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

(in thousands)

	Budget	Actual	Actual
Services provided to other governments			
Sale of IT services	\$ 326.4	\$ 294.2	\$ 281.7
Sale of policing services	847.0	886.6	831.5
	<u>\$ 1,173.4</u>	<u>\$ 1,180.8</u>	<u>\$ 1,113.2</u>

Sales of services

Parking meters	\$ 70.0	\$ 74.4	\$ 89.8
Sale of power to NSPC	-	20.1	7.9
Rentals	94.0	99.3	105.6
Criminal record checks	135.0	162.4	235.0
	<u>\$ 299.0</u>	<u>\$ 356.2</u>	<u>\$ 438.3</u>

Other revenue from own sources

Licenses and permits	\$ 40.1	\$ 51.1	\$ 42.2
Fines	62.5	56.8	62.7
Interest on bank accounts	270.0	358.3	494.1
Penalties and interest on taxes	151.0	236.8	197.4
Mortgage service fees	10.0	13.4	17.1
Recreation revenue	3.0	5.1	3.2
AE Fraser Trust - tax exemption	12.0	8.3	11.2
Miscellaneous	27.6	96.2	44.2
	<u>\$ 576.2</u>	<u>\$ 826.0</u>	<u>\$ 872.1</u>

Transfers from government

Unconditional transfers from Provincial Government			
Financial capacity grant	\$ 1,211.9	\$ 1,211.9	\$ 1,211.9
Civic addressing initiative	3.1	3.1	3.1
	<u>1,215.0</u>	<u>1,215.0</u>	<u>1,215.0</u>
Conditional transfers from Federal and Provincial Governments and agencies			
Department of Justice Policing Program	500.0	500.0	500.0
Housing Accelerator Fund	759.0	210.7	246.3
Fuel tax rebate	30.0	41.3	36.2
MPAL program	25.0	25.0	25.0
Communities on the Move	91.0	8.1	-
	<u>1,405.0</u>	<u>785.1</u>	<u>807.5</u>
	<u>\$ 2,620.0</u>	<u>\$ 2,000.1</u>	<u>\$ 2,022.5</u>

Town of New Glasgow

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

(in thousands)

	Budget	Actual	Actual
Water revenues			
Metered sales	\$ 3,296.6	\$ 3,360.6	\$ 3,383.2
Flat rate sales	292.7	292.7	292.7
Public fire protection	8.0	7.5	7.5
Other	30.0	50.4	24.4
	<u>\$ 3,627.3</u>	<u>\$ 3,711.2</u>	<u>\$ 3,707.8</u>

Grants for capital

Canada Community Building Fund	\$ 750.0	\$ 757.6
Sustainable Services Growth Fund	172.5	674.2
Province of Nova Scotia, Dept of Communities, Culture, Tourism and Heritage-Community Development	219.2	65.9
Province of Nova Scotia, Dept of Communities, Culture, Tourism and Heritage and PARL-Library	4,250.0	9.1
GGVAF Contribution	31.6	180.9
DPW/Municipal trunks & routes	335.7	105.5
Housing Accelerator Fund	460.4	163.2
Infrastructure Canada (ICIP)	995.0	886.9
PNS-Combat Serious & Ongoing Crime Program	31.1	-
Heritage Canada	131.0	-
Green and Inclusive Community Building Program	750.0	-
ACOA	693.8	-
Rail Safety Improvement Program	11.7	-
Provincial Emergency Services Provider Fund	30.0	-
Municipal Capital Growth Program	543.6	-
Fire department grant	-	90.2
Other municipal unit	-	9.2
	<u>\$ 10,790.2</u>	<u>\$ 2,942.8</u>

Other revenue

Interest on capital and reserve funds	<u>\$ -</u>	<u>\$ 16.3</u>	<u>\$ 32.6</u>
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Other proceeds

Sale of assets, net of net book value	\$ -	\$ 63.6	\$ 28.3
Parkland transfers	-	-	3.7
	<u>\$ -</u>	<u>\$ 63.6</u>	<u>\$ 32.0</u>

Town of New Glasgow

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

(in thousands)

(Restated
Note 18)

	Budget	Actual	Actual
General government services			
Legislative	\$ 237.0	\$ 224.3	\$ 227.3
General administration	1,836.2	1,844.6	1,639.2
Taxation exemptions	149.3	145.6	134.3
Information Technology	888.0	841.8	765.1
Town owned buildings	310.0	350.4	93.2
Interest and bank charges	84.5	55.5	62.7
Deed Transfer Tax Trust	-	589.8	518.9
Property Valuation Services Corporation	116.0	116.0	113.1
Municipal elections	-	-	53.6
Uncollectible taxes allowance	33.5	33.5	33.5
Sick leave benefit	-	49.7	42.2
Other	313.0	257.8	65.8
	<u>3,967.5</u>	<u>4,509.0</u>	<u>3,748.9</u>
Amortization	<u>391.0</u>	<u>391.4</u>	<u>330.1</u>
	<u>\$ 4,358.5</u>	<u>\$ 4,900.4</u>	<u>\$ 4,079.0</u>

Protective services

Police protection			
Crime investigation, prevention and protective services	\$ 5,825.3	\$ 5,604.0	\$ 5,212.5
Provincial police program	<u>500.0</u>	<u>500.0</u>	<u>500.0</u>
	<u>6,325.3</u>	<u>6,104.0</u>	<u>5,712.5</u>
Fire protection			
Fire service operations	<u>1,484.8</u>	<u>1,422.3</u>	<u>1,463.5</u>
Emergency measures	<u>17.0</u>	<u>15.9</u>	<u>17.5</u>
Interest and bank charges	<u>50.0</u>	<u>26.9</u>	<u>22.9</u>
	<u>7,877.1</u>	<u>7,569.1</u>	<u>7,216.4</u>
Amortization	<u>395.0</u>	<u>394.1</u>	<u>338.8</u>
Accretion expense	<u>-</u>	<u>1.6</u>	<u>1.5</u>
	<u>\$ 8,272.1</u>	<u>\$ 7,964.8</u>	<u>\$ 7,556.7</u>

Town of New Glasgow

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

(in thousands)

	Budget	Actual	Actual
Transportation services			
Common services	\$ 2,493.5	\$ 2,624.5	\$ 2,342.9
Road transport			
Streets	1,520.0	1,227.3	1,315.8
Street lighting	85.0	73.6	56.7
Storm sewers & catchpits	65.0	47.3	35.5
Traffic activities	185.0	167.6	163.7
Parking	35.8	3.8	8.5
Storm/hurricane expenses	40.0	21.2	510.5
Other	186.1	235.8	181.5
Interest and bank charges	159.6	142.3	97.2
	4,770.0	4,543.4	4,712.3
Amortization	1,364.0	1,363.4	1,279.4
Accretion expense	-	5.8	5.6
	<u>\$ 6,134.0</u>	<u>\$ 5,912.6</u>	<u>\$ 5,997.3</u>
Environmental health services			
Sewage treatment and disposal	\$ 112.0	\$ 80.1	\$ 64.3
Central treatment plant operation	1,057.5	1,057.5	1,004.0
Garbage and waste collection and disposal	694.4	686.3	606.9
Recycling	40.8	39.6	60.7
Pictou County Shared Services Authority	20.3	20.0	17.5
Interest and bank charges	40.0	39.7	16.7
	1,965.0	1,923.2	1,770.1
Amortization	245.0	245.3	199.6
	<u>\$ 2,210.0</u>	<u>\$ 2,168.5</u>	<u>\$ 1,969.7</u>
Planning and community development			
Administration	\$ 539.0	\$ 502.4	\$ 581.0
Pictou County Partnership	48.3	48.5	47.4
New Scotland Business Development Incorporated	195.0	25.2	152.1
Housing Accelerator fund	759.0	210.7	246.3
Destination Eastern & Northumberland Shores	12.2	12.2	11.9
Marketing and communications	4.5	6.8	1.9
Demolition and community clean-up	15.0	26.7	398.5
Interest and bank charges	14.0	14.0	22.6
	<u>\$ 1,587.0</u>	<u>\$ 846.5</u>	<u>\$ 1,461.7</u>

Town of New Glasgow

Schedules to Consolidated Statement of Operations

Year Ended March 31

2026

2025

(in thousands)

	Budget	Actual	Actual
Recreation and cultural services			
Recreation instruction and sundry	\$ 190.1	\$ 76.3	\$ 98.5
Marina	33.6	44.7	28.4
Pictou County Wellness Centre Building Authority			
Incorporated	450.0	558.8	429.1
Community centres	40.5	45.7	40.3
Glasgow Square	52.3	112.9	121.9
Farmers Market	7.5	13.9	14.8
Parks and playgrounds	164.6	138.4	156.3
Summer grounds maintenance	146.6	151.2	158.6
Public grants	35.5	31.9	16.6
Public transit	134.7	134.7	135.0
Other recreation services	10.8	10.8	10.9
Pictou-Antigonish Regional Library	87.0	87.0	83.4
	<u>1,353.2</u>	<u>1,406.3</u>	<u>1,293.8</u>
Amortization	290.0	290.9	281.3
Accretion expense		1.6	1.6
	<u>\$ 1,643.2</u>	<u>\$ 1,698.8</u>	<u>\$ 1,576.7</u>

Water treatment and distribution

Operating expenditures			
Source of supply	\$ 271.1	\$ 222.1	\$ 223.9
Pumping	174.1	139.9	161.5
Water treatment	932.0	759.9	833.4
Transmission and distribution	1,074.0	934.8	860.6
Administrative and general	1,151.7	1,108.1	1,134.8
	<u>3,602.9</u>	<u>3,164.8</u>	<u>3,214.2</u>
Interest and bank charges	179.8	166.0	160.9
	<u>3,782.7</u>	<u>3,330.8</u>	<u>3,375.1</u>
Amortization	799.0	928.7	866.2
	<u>\$ 4,581.7</u>	<u>\$ 4,259.5</u>	<u>\$ 4,241.3</u>

Town of New Glasgow
Consolidated Statement of Property and Equipment

March 31

	Land	Land improvements	Buildings	Equipment	Roads and transportation services	Engineered structures	Total 2026	Total 2025
	(in thousands)							
General capital								
Cost:								
Balance, beginning of year	\$ 2,374.0	\$ 3,293.6	\$ 11,575.5	\$ 13,699.3	\$ 33,725.7	\$ 16,907.3	\$ 81,575.4	\$ 76,302.0
Acquisition of capital assets		31.6	6,581.5	1,992.3	1,325.9	2,791.7	12,723.0	5,317.1
Disposition of capital assets				(57.7)			(57.7)	(43.7)
Balance, end of year	<u>2,374.0</u>	<u>3,325.2</u>	<u>18,157.0</u>	<u>15,633.9</u>	<u>35,051.6</u>	<u>19,699.0</u>	<u>94,240.7</u>	<u>81,575.4</u>
Accumulated amortization:								
Balance, beginning of year		1,709.8	5,754.8	8,743.2	22,026.3	3,996.7	42,230.8	39,845.2
Annual amortization		67.0	326.4	988.0	1,011.2	292.4	2,685.0	2,429.3
Accumulated amortization on disposals				(57.7)			(57.7)	(43.7)
Balance, end of year		<u>1,776.8</u>	<u>6,081.2</u>	<u>9,673.5</u>	<u>23,037.5</u>	<u>4,289.1</u>	<u>44,858.1</u>	<u>42,230.8</u>
Net book value of general capital	<u>\$ 2,374.0</u>	<u>\$ 1,548.4</u>	<u>\$ 12,075.8</u>	<u>\$ 5,960.4</u>	<u>\$ 12,014.1</u>	<u>\$ 15,409.9</u>	<u>\$ 49,382.6</u>	<u>\$ 39,344.6</u>
Water capital								
Cost:								
Balance, beginning of year	\$ 602.7		\$ 16,792.1	\$ 5,100.3		\$ 23,428.5	\$ 45,923.7	\$ 44,483.7
Acquisition of capital assets				369.5		1,062.4	1,431.9	1,440.0
Disposition of capital assets				(556.7)			(556.7)	
Balance, end of year	<u>602.7</u>		<u>16,792.1</u>	<u>5,469.8</u>		<u>24,490.9</u>	<u>46,798.9</u>	<u>45,923.7</u>
Accumulated amortization:								
Balance, beginning of year			4,931.4	3,257.2		6,578.6	14,767.2	13,901.0
Annual amortization			301.8	263.5		363.4	928.7	866.2
Accumulated amortization on disposals				(479.6)			(479.6)	
Balance, end of year			<u>5,233.2</u>	<u>3,520.7</u>		<u>6,942.0</u>	<u>15,216.3</u>	<u>14,767.2</u>
Net book value of water capital	<u>\$ 602.7</u>	<u>\$</u>	<u>\$ 11,558.9</u>	<u>\$ 1,949.1</u>	<u>\$</u>	<u>\$ 17,548.9</u>	<u>\$ 31,582.6</u>	<u>\$ 31,156.5</u>
Total consolidated capital	<u>\$ 2,976.7</u>	<u>\$ 1,548.4</u>	<u>\$ 23,634.7</u>	<u>\$ 7,909.5</u>	<u>\$ 12,014.1</u>	<u>\$ 32,958.8</u>	<u>\$ 80,965.2</u>	<u>\$ 70,501.1</u>

Town of New Glasgow
Consolidated Schedule of Segmented Disclosure

March 31, 2026

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Planning and Community Development Services	Recreation and Cultural Services	Water	2026 Consolidated	2025 Consolidated
									(Restated Note 18)
Revenue									
Taxes, assessed	\$ 4,354.1	\$ 7,473.6	\$ 4,525.7	\$ 1,996.6	\$ 1,505.7	\$ 1,283.9	\$	\$ 21,139.6	\$ 20,169.1
Less amounts collected on behalf of others	(453.2)	(899.8)	(544.9)		(181.3)	(154.5)		(2,233.7)	(2,062.1)
Net taxes	3,900.9	6,573.8	3,980.8	1,996.6	1,324.4	1,129.4		18,905.9	18,107.0
Water rates							3,711.2	3,711.2	3,707.8
Grants in lieu of taxes	14.0	27.9	16.9		5.6	4.8		69.2	70.7
Services provided to other governments	294.2	886.6						1,180.8	1,113.2
Sale of services	94.5	162.4				99.3		356.2	438.3
Other revenue from own sources	225.9					5.1		231.0	378.0
Unconditional transfers from other governments	245.9	491.3	295.6		98.4	83.8		1,215.0	1,215.0
Conditional transfers from other governments	252.0	500.0			25.0	8.1		785.1	807.5
Interest and other proceeds	674.9							674.9	558.7
Capital contributions and grants	393.9	92.8	1,097.4	1,538.6		6,044.0	238.9	9,405.6	2,942.8
	6,096.2	8,734.8	5,390.7	3,535.2	1,453.4	7,374.5	3,950.1	36,534.9	29,339.0
Expenses									
Salaries, wages and benefits	1,518.5	6,689.9	1,348.2		459.7	171.2	1,129.7	11,317.2	11,119.2
Operating materials and supplies	1,577.5	792.0	2,915.7	80.1	49.6	274.8	1,753.1	7,442.8	8,163.2
Contracted services	28.8	60.3	137.1	1,803.4	87.4	569.8	215.5	2,902.3	2,425.2
Rents and financial expenses	1,130.8	26.9	142.4	39.7	249.8		232.5	1,822.1	1,302.6
Community grants and exemptions	253.4					390.5		643.9	568.2
Accretion		1.6	5.8			1.6		9.0	8.7
Amortization and writedowns	391.4	394.1	1,363.4	245.3		290.9	928.7	3,613.8	3,295.4
	4,900.4	7,964.8	5,912.6	2,168.5	846.5	1,698.8	4,259.5	27,751.1	26,882.5
Annual surplus	\$ 1,195.8	\$ 770.0	\$ (521.9)	\$ 1,366.7	\$ 606.9	\$ 5,675.7	\$ (309.4)	\$ 8,783.8	\$ 2,456.5

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

1. Significant accounting policies

The consolidated financial statements of the Town of New Glasgow are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

- (i) The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The operating funds, capital funds and reserve funds include the activities of all committees of Council. Interdepartmental and organization transactions and balances are eliminated.
- (ii) The financial activities of certain entities associated with the Town are not consolidated. The Town's contributions to these entities are recorded in the Consolidated Statements of Financial Activities as disclosed in Note 11.
- (iii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the centre for education are not reflected in the municipal fund balances of the consolidated financial statements.

(b) Basis of accounting

Revenues are recorded on the accrual basis of accounting, whereby revenues are recognized as they are earned and measurable. Certain sources of revenue are recorded on a cash basis. Expenditures are recognized in the period goods and services are acquired and a liability is incurred or transfers are due.

(c) Fund accounting

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

The operating funds reflects the financial activities associated with the provision of municipal government services for general and water.

The capital funds reflects the financial activities associated with the acquisition, construction and funding of capital assets.

The reserve funds reflects funds authorized by Council to be set aside for the funding of future operations, capital assets or the retirement of long term debt.

(d) Taxation and related revenue

Tax revenues are property tax billings which are prepared by the Town based on assessment rolls. Tax rates are established annually by Town Council. Taxes are based on the assessment rolls provided by the Property Services Valuation Corporation.

Taxation revenues are recorded at the time billings are issued with any supplementary billing adjustments approved and deemed necessary are recorded in the fiscal year they are determined.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

(e) **Other revenue**

Revenues from services to other governments, sale of services and other revenues are recognized when services are performed, amounts are reasonably estimated and collection is reasonably assured.

Grant revenues that are externally restricted for a specific purpose are recognized when the related expenditure or capital item has been incurred and related criteria has been met.

Unrestricted revenue is recognized when received or receivable when the amounts are reasonably estimated and collection is reasonably assured.

(f) **Tangible capital assets**

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

Sewer lines	50 years
Buildings	40 years
Sidewalks	30 years
Land improvements	25 years
Streets	20 years
Bridges	20 years
Traffic and street lights	20 years
Playground structures	20 years
Machinery and heavy equipment	10 years
Vehicles	5 years
Equipment	5 years
Computer equipment	3 years

Amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

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

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

(g) **Budget figures**

The budget figures contained in these consolidated financial statements were approved by Council on May 20, 2026 in its original fiscal plan; they also include budgets prepared and approved by controlled entities and are adjusted for amortization in accordance with Public Sector requirements. Note 12 outlines the original fiscal plan and the adjustments made to come to the budget figures shown in these consolidated financial statements.

(h) **Trust funds**

The trust funds being administered by the Town are not consolidated with the accounts of the Town. See page 30 for trust fund balances.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

(i) **Allocation of municipal costs to water utility funds**

Where identifiable, costs incurred by the Town general operating fund on behalf of the water utility are charged to the utility funds. Salary and wage related costs are allocated in proportion to time spent performing functions on behalf of the water utility. Administration and general expenses incurred for the benefit of both the municipal units and water utility are allocated on a percentage basis to each fund.

(j) **Unamortized deferred charges**

The discounts on the water capital fund debentures are being amortized to the water operating fund on a straight line basis over the term of the debenture.

(k) **Inventory**

Inventory is valued at the lower of cost and net realizable value.

(l) **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.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

(m) **Investment income**

Investment income earned on operating, capital and reserve funds are reported as revenue in the period earned.

(n) **Deferred revenue**

Deferred revenue relates to various operating and capital related funding and Canada Community Building Fund revenue. The operating and capital deferred revenue balance consists of grants for, but not limited to, the Housing Accelerator Fund, Library renovations and the Viola's Way project. These deferred grants will be recognized in the period in which stipulations and eligibility criteria have been met. Canada Community Building funding that is deferred revenue will be recognized in the period in which stipulations and eligibility criteria have been met. See Note 10.

(o) **Non-financial assets**

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

(p) **Use of estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles for municipal governments required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Where estimation uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(q) **Cash**

Cash is defined as cash on hand, net of cheques issued and outstanding at the reporting period.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

(r) Segmented information

The Town of New Glasgow is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by fund. This presentation is in accordance with the Provincial Financial Reporting and Accounting Manual, and was 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 administration, IT services, trade payables and receivables, budgets, financial statements and adherence to the *Municipal Government Act*.

Protective services

The Town is primarily responsible for fire protection for its residents. The Town pays the operating and capital expenditures for the police and fire departments. Other protective services include fees paid to the province for correctional services.

Transportation services

The Town is responsible for the maintenance and construction of local roads, sidewalks and trails including snow removal. They are also responsible for the street lighting within the Town.

Environmental health services

This department is responsible for the maintenance and operations of waste, storm and sewer services provided to the residents and other customers.

Planning and community development

The Town is responsible for the issuance of development permits and approval of development applications. This department also includes municipal contributions to the regional economic development organizations.

Recreation and cultural services

This department is responsible for community development and promoting and offering recreation opportunities and activities to the Town's residents. This department is also responsible for the maintenance and operations of parks and recreation facilities for the benefit of all residents.

(s) 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 Town of New Glasgow:
 - is directly responsible; or accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

As at March 31, 2026 there are no known contaminated sites identified.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

2. Taxes and rates receivable

			2026	2025
			(in thousands)	
	Current Year	Prior Years	Total	Total
Balance, beginning of year	\$ -	\$ 1,374.5	\$ 1,374.5	\$ 1,153.0
Current period tax & rate levy	20,641.7	-	20,641.7	19,646.9
	20,641.7	1,374.5	22,016.2	20,799.9
Collections & write-offs	(19,632.9)	(630.1)	(20,263.0)	(19,425.4)
Balance, end of year	<u>\$ 1,008.8</u>	<u>\$ 744.4</u>	1,753.2	1,374.5
Pollution control receivable			573.8	533.0
Interest receivable			122.8	93.3
			<u>2,449.8</u>	<u>2,000.8</u>
Less: Valuation allowance			(318.6)	(285.1)
			<u>\$ 2,131.2</u>	<u>\$ 1,715.7</u>

3. Valuation allowance - uncollected taxes and rates

	2026	2025
	(in thousands)	
Balance, beginning of year	\$ 285.1	\$ 251.6
Add: Increase in allowance for year	33.5	33.5
Less: Approved write offs/collections	-	-
Balance, end of year	<u>\$ 318.6</u>	<u>\$ 285.1</u>

4. Bank indebtedness

The Town has a consolidated operating line of credit with The Bank of Nova Scotia to an approved consolidated limit of \$4,000,000. The line of credit limit has been approved by the bank based on a resolution of the Town's Council authorizing the borrowing limit. The bank does not hold security on this debt and charges interest at prime minus 0.60% per annum.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

5. Long term debt

	2026	2025
	(in thousands)	
Debentures Issued to Provincial Government or its agencies		
NS Municipal Finance Corporation		
Glasgow Square 30-A-1 due 2025	\$ -	\$ 360.0
Equipment 35-A-1 due 2025	-	136.3
Equipment 36-A-1 due 2026	63.9	127.8
Equipment 37-A-1 due 2032	143.6	215.4
Water treatment plant 37-A-1 due 2032	840.0	910.0
Water 37-B-1 due 2033	540.0	585.0
Equipment 38-A-1 due 2033	277.6	348.1
Water 39-A-1 Due 2034	300.0	333.3
Equipment 39-A-1 Due 2034	276.1	329.0
Equipment 40-A-1 Due 2035	903.7	1,022.5
Water 40-A-1 Due 2035	266.7	293.3
Equipment 41-A-1 Due 2036	289.8	339.5
Equipment 42-A-1 Due 2033	718.9	830.0
Equipment FCM-N Due 2048	450.0	450.0
Water 42-A-1 Due 2037	1,400.0	1,516.7
Equipment 43-A-1 Due 2039	749.1	846.0
Various 44-A-1 due 2040	864.7	948.2
Various 44-B-1 due 2040	898.6	1,032.8
Water 44-A-1 due 2040	933.3	1,000.0
Various 45-A-1 due 2041	1,767.9	
Various 45-B-1 due 2042	921.9	
Water 45-A-1 due 2042	258.7	
	<u>\$ 12,864.5</u>	<u>\$ 11,623.9</u>

The above debentures bear interest at rates that range between 0.400% and 5.029%.

Principal repayments required during the next five years, assuming rates and terms remain the same on renewal, are as follows:

	General Capital	Water Capital	Total
2027	1,143.2	376.7	1,519.9
2028	1,072.6	376.7	1,449.3
2029	939.4	376.7	1,316.1
2030	835.6	376.7	1,212.3
2031	691.1	376.7	1,067.8

A temporary borrowing resolution has been issued until permanent financing is secured with the NS Municipal Finance Corporation. A debenture will be floated to finance capital acquisitions incurred to March 31, 2026 for the following purposes:

Transportation	\$ 228.5
Protective services	248.0
Environmental health services	694.4
General government	160.6
Water capital	365.9
	<u>\$ 1,697.4</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

6. Capital lease obligations

Capital lease obligation, with interest of 2.22% implicit in the lease payments, payable in monthly instalments of \$3,271, with a final payment in fiscal 2027. The obligation is secured by a street sweeper.

Capital lease obligation, repaid during the year.

<u>2026</u>	<u>2025</u>
(in thousands)	
\$ 205.9	\$ 240.2
-	10.6
<u>\$ 205.9</u>	<u>\$ 250.8</u>

Principal repayments required during the next year is as follows:

	<u>General capital</u>
2027	\$ 205.9

7. Term loan obligations

Term loan, repaid during the year.

<u>2026</u>	<u>2025</u>
(in thousands)	
\$ -	\$ 3.6

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

8. Trade payables and accruals

	2026	2025
	(in thousands)	
		(Restated Note 18)
General Operating		
Trade payables	\$ 4,027.7	\$ 1,377.4
Payroll accruals	1,557.5	1,278.3
Accrued sick leave benefit liability	884.4	834.7
Other accruals	120.9	83.8
	<u>6,590.5</u>	<u>3,574.2</u>
Water Operating		
Payroll accruals	91.0	76.5
Other accruals	73.7	73.9
	<u>164.7</u>	<u>150.4</u>
	<u>\$ 6,755.2</u>	<u>\$ 3,724.6</u>

9. Asset retirement obligation

Effective April 1, 2022 the Town recognized the asset retirement obligation (ARO) identified for the remediation of contaminants present within a number of buildings owned by the Town. The ARO reflected is the expected costs that will be incurred under the current provincial environmental regulations to decommission the buildings identified with contaminants which have a estimated useful life of six to 42 years.

The estimated cost of the asset retirement obligation to be expensed over 42 years equates to \$693,400. This amount represents the costs identified as \$833,400 adjusted to net present value at a discount rate of 5.5%. The current year accretion expense represents the portion of the future obligation to be recognized within the General Capital fund.

Balance of ARO liability (in thousands):

ARO liability, opening April 1, 2025	\$ 164.4
Current year accretion expense	<u>9.0</u>
ARO liability, ending March 31, 2026	<u>\$ 173.4</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

10. Deferred revenue

	CCBF	Operating and Capital	2026	2025
Deferred revenue, beginning of year	\$ 686.8	\$ 6,074.9	\$ 6,761.7	\$ 4,851.7
Current year additions	837.6	5,712.0	6,549.6	3,719.4
Current year usage	(750.0)	(8,133.8)	(8,883.8)	(1,809.4)
Deferred revenue, end of year	<u>\$ 774.4</u>	<u>\$ 3,653.1</u>	<u>\$ 4,427.5</u>	<u>\$ 6,761.7</u>

11. Contributions to Boards and Commissions

(a) Glasgow Square - 100% interest

The Town is to finance the operations of Glasgow Square out of its current operations. Contributions from the Town of New Glasgow for operational purposes during the fiscal year ended March 31, 2026 was \$112,936 (2025 - \$121,900).

(b) The Town of New Glasgow provides contributions for operations to the following:

	2026	2025
Pictou County Wellness Centre Building Authority Incorporated	\$ 558.8	\$ 429.1
Pictou Antigonish Regional Library	87.0	83.4
Pictou County Solid Waste Management (PCSSA)	725.9	667.6
East River Environmental Control Centre (PCSSA)	1,057.5	1,004.0
Pictou County Partnership	48.5	47.4
Pictou County Shared Services Authority	20.0	17.5
Chignecto Central Regional Centre for Education	2,233.7	2,062.1

12. Budget 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 statement of financial activities and Consolidated statement of changes in net financial assets (liabilities) has been adjusted to be presented on a basis consistent with the actual results. A reconciliation of the approved and reported budgets is set out below.

Approved budgeted deficit for the year	General operations	\$ -
	Water utility operations	(757.7)
Approved budgeted deficit		<u>(757.7)</u>
Add:	Transfers to other funds	(255.0)
	Grants for tangible capital assets	10,790.2
	Capital debt repayments	1,456.4
Less:	Annual amortization	(2,685.0)
Net PSAS adjustments		<u>9,306.6</u>
PSAS adjusted budgeted surplus for the year		<u>\$ 8,548.9</u>

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

13. Other Commitments

Pictou County Wellness Centre Building Authority Incorporated and Aberdeen Hospital Renovation Project

The Town of New Glasgow has implemented a deed transfer tax on all properties sold in the town. The proceeds from this tax will be contributed to the new Pictou County Wellness Centre project as well as towards the renovations and improvements to the Aberdeen Hospital. Since these projects will benefit all residents of Pictou County, a similar tax has been implemented by other participating municipalities within the County. During the year ending March 31, 2026 the amount transferred was \$589,781 (2025 - \$518,933).

The agreement with the Pictou County Wellness Centre Building Authority Incorporated also stipulates that the Town of New Glasgow, along with other participating municipalities within the County, will provide an annual contribution for operations. At March 31, 2026, the Town's contribution was \$558,821 (2025 - \$429,118).

The Town of New Glasgow has provided security for two debentures for the Aberdeen Hospital Renovation project that is being administered by the Pictou County Shared Services Authority in the amount of \$1,422,304 (21%) with the remaining portion of the total \$6,789,192 being secured by other participating municipal units located in Pictou County.

14. Investment in New Scotland Business Development Incorporated

The New Scotland Business Development Incorporated (NSBDI) was incorporated December 31, 2014 pursuant to Section 60 of the Municipal Government Act. The Town of New Glasgow and the Municipality of the County of Pictou entered into an inter-municipal services agreement representing equal ownership of NSBDI.

As a result of this agreement, the Town of New Glasgow, together with the Municipality of the County of Pictou have jointly guaranteed a bank loan for New Scotland Business Development Inc. to a maximum of \$6,250,000 for purchase of land for a business park. The outstanding balance of the mortgage loan at March 31, 2026 is \$4,612,161.

The method of accounting for the investment is the modified equity approach which results in the Town of New Glasgow recognizing the carrying value of capital contributions and 50% of the net assets of NSBDI.

The value of the investment at March 31, 2026 represents capital contributions only. There is no other income or loss recorded from NSBDI up to March 31, 2026.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

15. Pension Plans

Pension Plan for Employees of the Town of New Glasgow

The Town of New Glasgow sponsors a contributory defined benefit pension plan for substantially all employees. The most recent actuarial valuation at December 31, 2022 provided the value of the pension fund assets and the present value of the pension obligations as follows:

Going Concern Financial Position

Pension fund assets	<u>\$ 24,624,200</u>
Pension fund obligation	<u>\$ 18,056,000</u>

The net difference of \$5,580,000 represents a surplus in the plan.

Solvency Financial Position (Valuation method required by the Nova Scotia Pension Benefits Act)

Pension fund assets	<u>\$ 24,491,200</u>
Pension fund obligation	<u>\$ 23,621,000</u>

The net difference of \$870,200 represents a surplus in the plan.

The Town of New Glasgow realized pension expense of \$494,786 (2025 - \$453,993) for the defined benefit pension plan described above for the year ending March 31, 2026.

Atlantic Police Association Pension Plan

The Town of New Glasgow sponsors a contributory defined benefit pension plan for its Police employees. The most recent actuarial valuation at December 31, 2022 provided the value of the pension fund assets and the present value of the pension obligations as follows:

Going Concern Financial Position

Pension fund assets	<u>\$ 75,862,200</u>
Pension fund obligations including additional liability	<u>\$ 61,768,900</u>

The net difference of \$14,093,300 represents a surplus in the plan.

Solvency Financial Position (Valuation method required by the Nova Scotia Pension Benefits Act)

Pension fund assets	<u>\$ 69,508,600</u>
Pension fund obligation	<u>\$ 71,294,400</u>

The net difference of \$1,785,800 represents a deficit in the plan.

The Town of New Glasgow realized pension expense of \$264,972 (2025 - \$263,490) for the defined benefit pension plan described above for the year ending March 31, 2026.

Both Plans have a going concern surplus. The Plan for the Employees of the Town of New Glasgow has a surplus based on the Solvency Financial Position where the Atlantic Police Association Pension Plan has a deficit based on the Solvency Financial Position.

Both Plans satisfy the definition of a Municipality Pension Plan in the regulations of the Nova Scotia Pension Benefits Act and therefore are exempt from solvency special payments after December 31, 2012. The going concern surplus and exemption under the Pension Benefits Act means no special payments are required.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

16. Sick leave benefit liability

Section 3255 of the CPA Canada Public Sector Accounting Handbook (PS 3255) requires that a liability and expense be recorded for compensated absences that vest and/or accumulate. The Town has unionized workforces that have sick benefits that are accumulating and non-vesting. The Town also provides accumulating and non-vesting sick leave benefits for its non-union employees. An actuarial valuation was completed as at March 31, 2026.

Actuarial Method

The actuarial cost method used was the "Projected Unit Credit" method (also known as the "Projected Accrued Benefit" method) pro-rated on service.

Components of benefit expense under PS3250

	2026	2025
	(in thousands)	
Current period benefit cost	\$ 131.5	\$ 125.9
Interest expense	37.6	35.7
Benefit expense	<u>\$ 169.1</u>	<u>\$ 161.6</u>

Accrued benefit liability on the consolidated statement of financial position

	2026	2025
	(in thousands)	
Balance, beginning of year	\$ 834.7	\$ 792.5
Benefit expense	169.1	161.6
Benefit payments	<u>(119.4)</u>	<u>(119.4)</u>
Balance, end of year	<u>\$ 884.4</u>	<u>\$ 834.7</u>

Assumptions

Discount rate	4.47% per annum
Salary increases	3.50% per annum
Mortality	100% of CPM-2014 Public with future mortality improvements according to scale CPM-B
Retirement age	Age 65 or in one year if currently over 65

Plan Provisions

Eligible Non-Union, CUPE, APA (police) employees will be granted 144 sick leave hours per year. This number is prorated for those employees less than full-time, up to a maximum of 96 hours per year.

Employees may accumulate 100% of their unused sick days, up to a maximum sick leave bank of 155 days for Non-Union, and 1,440 hours for CUPE and APA (police).

Unused accumulated sick leave banks at termination or retirement are forfeited.

Town of New Glasgow

Notes to Consolidated Financial Statements

March 31, 2026

17. Other

Total remuneration and reimbursed expenses paid to elected and senior appointed officials of the Town of New Glasgow are as follows:

	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Nancy Dicks	Mayor	\$ 41,202	\$ 7,655	\$ 48,857
Jocelyn Dorrington	Councillor/Deputy Mayor	27,554	230	27,784
Clyde Fraser	Councillor	26,094	544	26,638
Joe MacDonald	Councillor	26,094	737	26,831
Dawn Peters	Councillor/Deputy Mayor	26,867	4,126	30,993
Jessica MacDonald	Councillor	26,094	4,341	30,435
James McKenna	Councillor	26,094	4,978	31,072
Lisa MacDonald	CAO	180,232	2,734	182,966

18. Prior period adjustment

In accordance with Section 3255 of the CPA Canada Public Sector Accounting Handbook (PS 3255), the Town of New Glasgow obtained an actuarial valuation related to their non-vesting, accumulating sick leave benefit liability. As a result of the valuation, it was determined that liabilities had been understated and accumulated surplus had been overstated by \$792,500 as of March 31, 2024.

As a result of the restatement, the following financial statement items as at March 31, 2025 have been increased (decreased) by the following amounts:

Consolidated statement of financial position	
Trade payables and accruals	\$ 834,700
Accumulated surplus, beginning of year	(792,500)
	<u>\$ 42,200</u>
Consolidated statement of operations	
Net surplus	<u>\$ (42,200)</u>

Town of New Glasgow
Schedule of Capital Projects Funding

March 31, 2026

	TOTAL CAPITAL COSTS	Temporary Borrowing	Depreciation reserve	Housing Accelerator Fund	Reserve Funds	Capital out of revenue	Canada Community Building Fund	External Funding
GENERAL CAPITAL								
Street Paving & Curbs	\$ 1,275,698	\$ 190,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ 335,698
Streets and intersections	50,193	38,523						11,670
Police Capital	264,754	189,049				12,952		62,753
Public Works								
- Equipment	488,594	138,594			350,000			
Sanitary sewer	1,382,851	839,297						543,554
Storm Sewer Separation Project	1,382,991	387,966						995,025
Recreation Capital	490,019	17,826						472,193
Fire Capital	135,348	105,220				128		30,000
Housing Accelerator Fund	393,979			393,979				
Town office - equipment	276,942	276,942						
Library building	5,571,792							5,571,792
Downtown Development	18,209	18,209						
Energy Efficiency Project								
- Fire Hall building upgrades	881,625	881,625						
- Town Hall building upgrades	110,000	110,000						
Sub-total	12,722,995	3,193,251	-	393,979	350,000	13,080	750,000	8,022,685
WATER CAPITAL								
Equipment	369,476	303,033		66,443				
Source of Supply	1,062,449	62,839	138,017		689,108			172,485
Sub-total	1,431,925	365,872	138,017	66,443	689,108	-	-	172,485
	\$ 14,154,920	\$ 3,559,123	\$ 138,017	\$ 460,422	\$ 1,039,108	\$ 13,080	\$ 750,000	\$ 8,195,170

TOWN OF NEW GLASGOW
TRUST FUND BALANCE SHEET
YEAR ENDED MARCH 31, 2028

ASSETS	School Library	A.E. Fraser Trust	James Roy Trust	Margaret C. Cameron Trust	W.G. Matheson Bursary	George Sylvester Trust	Lincoln Fraser Memorial	Carmichael Scholarship Trust	Graduation Class Trust	Graduation Class 95 Trust	Bruce Stewart Trust	Eric Doucette Trust	J.D. MacGregor Trust	Ivan MacInnis Trust	H. Goodman Trust	War Memorial Trust	2026 Total	2025 Total
Cash	\$ 56,031	\$ 167,629	\$ 4,036	\$ 1,795	\$ 1,017	\$ 3,791	\$ 1,638	\$ 4,324	\$ 1,249	\$ 1,288	\$ 388	\$ 2,009	\$ 13,030	\$ 2,360	\$ 703	\$ 1,301	\$ 282,589	\$ 271,150
Investments, at cost	93,363																93,363	91,134
Due from own funds																		
General operating fund		8,350															8,350	
	\$ 149,394	\$ 175,979	\$ 4,036	\$ 1,795	\$ 1,017	\$ 3,791	\$ 1,638	\$ 4,324	\$ 1,249	\$ 1,288	\$ 388	\$ 2,009	\$ 13,030	\$ 2,360	\$ 703	\$ 1,301	\$ 364,302	\$ 362,284
RESERVE																		
Due to own funds																		
General operating fund		\$ 2,448	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 2,448	\$ 3,790
Trust balance	148,946	175,979	4,036	1,795	1,017	3,791	1,638	4,324	1,249	1,288	388	2,009	13,030	2,360	703	1,301	361,854	358,494
Trust Fund Reserve	\$ 148,994	\$ 175,979	\$ 4,036	\$ 1,795	\$ 1,017	\$ 3,791	\$ 1,638	\$ 4,324	\$ 1,249	\$ 1,288	\$ 388	\$ 2,009	\$ 13,030	\$ 2,360	\$ 703	\$ 1,301	\$ 364,302	\$ 362,284

STATEMENT OF TRUST FUND RESERVES
YEAR ENDED MARCH 31, 2028

Balance, begin year	\$ 141,131	\$ 178,164	\$ 4,040	\$ 1,796	\$ 990	\$ 3,689	\$ 1,594	\$ 4,208	\$ 1,216	\$ 1,288	\$ 402	\$ 1,955	\$ 12,705	\$ 2,368	\$ 684	\$ 1,266	\$ 358,494	\$ 356,172
Add:																		
Interest Earned	1,490	5,166	111	49	27	102	44	116	33	35	11	54	350	64	19	35	7,706	11,777
Investment gain (loss)	2,229																2,229	1,450
Investment allocation	4,544																4,544	4,358
	149,394	184,330	4,151	1,845	1,017	3,791	1,638	4,324	1,249	1,323	413	2,009	13,055	2,430	703	1,301	372,973	373,766
Deduct:																		
Transfers	2,448	8,351	115	50						35	25		25	70			11,119	15,272
	2,448	8,351	115	50						35	25		25	70			11,119	15,272
	\$ 146,946	\$ 175,979	\$ 4,036	\$ 1,795	\$ 1,017	\$ 3,791	\$ 1,638	\$ 4,324	\$ 1,249	\$ 1,288	\$ 388	\$ 2,009	\$ 13,030	\$ 2,360	\$ 703	\$ 1,301	\$ 361,854	\$ 358,494

ON BEHALF OF THE TOWN

Nancy Deeks
Mayor
[Signature]
CAO

SUPPLEMENTARY SCHEDULES

Town of New Glasgow
Supplementary Schedule of Water Operating Fund
Non-consolidated Statement of Financial Position

Year Ended March 31

2026

2025

(in thousands)

Assets

Cash	\$ 2,127.5	\$ 2,818.9
Receivables		
Rates (less allowance for doubtful accounts)	285.7	367.1
Due from own funds and agencies		
General operating fund	522.2	-
Water capital fund	1.9	27.8
Inventories, at cost	23.9	23.9
	<u>\$ 2,961.1</u>	<u>\$ 3,237.6</u>

Liabilities

Payables and accruals	\$ 164.6	\$ 150.4
Due to own funds and agencies		
General operating fund	-	210.2
Total financial liabilities	164.6	360.6

Equity

Surplus	2,796.5	2,877.0
	<u>\$ 2,961.1</u>	<u>\$ 3,237.6</u>

Town of New Glasgow
Supplementary Schedule of Water Operating Fund
Non-consolidated Statement of Operations

Year Ended March 31

2026

2025

(in thousands)

	Budget	Actual	Actual
Operating revenue			
Metered sales	\$ 3,296.6	\$ 3,360.6	\$ 3,383.2
Flat rate sales	292.7	292.7	292.7
Public fire protection	833.0	832.5	832.5
Miscellaneous	30.0	50.4	24.4
	<u>4,452.3</u>	<u>4,536.2</u>	<u>4,532.8</u>
Operating expenditures			
Source of supply	271.1	222.1	223.9
Pumping	174.1	139.9	161.5
Water treatment	932.0	759.9	833.4
Transmission and distribution	1,074.0	934.8	860.6
Administration and general	1,151.7	1,108.1	1,134.8
Depreciation	799.0	758.9	726.8
Taxes	135.0	133.7	133.8
	<u>4,536.9</u>	<u>4,057.4</u>	<u>4,074.8</u>
Operating income	<u>(84.6)</u>	<u>478.8</u>	<u>458.0</u>
Non-operating expenditures			
Debt charges			
Debenture discount amortized	10.0	3.2	3.1
Principal	358.3	358.3	291.7
Interest	169.8	162.8	157.8
Capital expenditures out of operations	100.0	-	732.1
Transfer to Land Reserve	35.0	35.0	35.0
	<u>673.1</u>	<u>559.3</u>	<u>1,219.7</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (757.7)</u>	<u>(80.5)</u>	<u>(761.7)</u>
Surplus, beginning of year		<u>2,877.0</u>	<u>3,638.7</u>
Surplus, end of year		<u>\$ 2,796.5</u>	<u>\$ 2,877.0</u>

Town of New Glasgow
Supplementary Schedule of Water Capital Fund
Non-consolidated Statement of Financial Position

Year Ended March 31	2026	2025
	(in thousands)	
Assets		
Cash		
Water land reserve fund	\$ 115.9	\$ 754.8
Depreciation fund	3,185.4	1,754.5
Due to own funds and agencies		
General Operating fund	-	659.8
Unamortized debenture discount	29.6	30.9
Utility plant and equipment	46,798.9	45,923.7
	<u>\$ 50,129.7</u>	<u>\$ 49,123.6</u>
Liabilities		
Long term debt	\$ 4,538.7	\$ 4,638.3
Due to own funds and agencies		
Water operating fund	1.9	27.8
General operating fund	172.0	
Accumulated allowance for depreciation	15,216.3	14,767.2
Deferred contributions (net of accumulated amortization)	8,426.8	8,357.7
	<u>28,355.7</u>	<u>27,791.0</u>
Equity		
Investment in capital assets	21,548.1	20,577.8
Water land reserve	115.9	754.8
Capital reserve	110.0	-
	<u>21,774.0</u>	<u>21,332.6</u>
	<u>\$ 50,129.7</u>	<u>\$ 49,123.6</u>

Town of New Glasgow
Supplementary Schedule of Water Capital Fund
Non-consolidated Statement of Investment in Capital Assets

Year Ended March 31	2026	2025
	(in thousands)	
Balance, beginning of year	\$ 20,577.8	\$ 19,554.0
Capital out of revenue	-	732.1
Capital from land reserve	689.1	
Debt retired	358.3	291.7
Asset disposals - net book value	(77.1)	
Balance, end of year	<u>\$ 21,548.1</u>	<u>\$ 20,577.8</u>

Town of New Glasgow
Supplementary Schedule of Water Capital Fund
Statement of Utility Plant and Equipment

Year Ended March 31

2026

2025

	<u>Actual</u>	<u>Actual</u>
Intangible asset		
Working Capital	<u>\$ 80,000</u>	<u>\$ 80,000</u>
Tangible plant and equipment		
Land and land rights		
Source of supply	1,256,274	567,166
Reservoir	5,483	5,483
Transmission	7,693	7,693
Structures and improvements		
Source of supply	1,092,962	719,621
Intakes	474,010	474,010
Pumping	399,644	399,644
Water treatment plant	13,109,032	13,109,032
Distribution reservoirs and standpipes	2,899,870	2,899,870
Storage Barn	5,541	5,541
Capital lease		
Pumping	410,426	410,426
Water treatment plant	457,812	426,315
Office furniture and equipment	35,106	35,106
Transportation	2,673,134	2,958,319
Tools and work equipment	359,248	359,248
G.I.S. system	35,370	35,370
Other	180,749	180,749
Mains		
Transmission	4,145,804	4,145,804
Distribution	15,157,110	15,157,110
Services	703,857	637,414
Meters	2,845,949	2,845,949
Hydrants	252,286	252,286
Other	211,511	211,511
	<u>46,718,871</u>	<u>45,843,667</u>
	<u><u>\$ 46,798,871</u></u>	<u><u>\$ 45,923,667</u></u>