

**TOWN OF NORTH RUSTICO**  
**Consolidated Financial Statements**  
**March 31, 2025**

**TOWN OF NORTH RUSTICO**  
**Index to Consolidated Financial Statements**  
**March 31, 2025**

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## MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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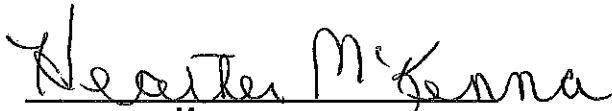
The accompanying consolidated financial statements of the Town of North Rustico are the responsibility of management and have been prepared in accordance with Canadian Accounting Standards for the Public Sector. A summary of the significant accounting policies are described in the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with a certainty until future periods.

To meet its responsibility, 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.

Mayor and Council meet 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 MRSB Chartered Professional Accountants Inc., independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Town of North Rustico:

  
\_\_\_\_\_  
Mayor

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## INDEPENDENT AUDITOR'S REPORT

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### To the Mayor and Councillors of the Town of North Rustico

#### Qualified Opinion

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

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for the Public Sector.

#### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Town derives revenue from lotteries, donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts reported in the records and we were not able to determine whether any adjustments might be necessary to lottery, donations and fundraising revenues, annual surplus and cash flows for the year ended March 31, 2025 and March 31, 2024, and current assets as at March 31 for both the 2025 and 2024 periods and net assets as at April 1 and March 31 for both 2025 and 2024 years. Our audit opinion on the consolidated financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### 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.

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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.

#### 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.

*MRSB Chartered Professional Accountants Inc.*

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.

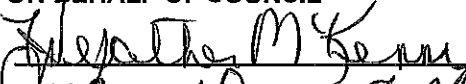
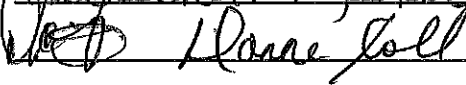
Charlottetown, PE

September 2, 2025

**TOWN OF NORTH RUSTICO**  
**Consolidated Statement of Financial Position**  
**March 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>Financial assets</b>		
Cash		
Unrestricted cash	\$ 1,719,415	\$ 1,308,354
Restricted cash	118,089	435,354
Accounts receivable (Note 3)	592,900	310,561
Funds held in trust	1,641,640	-
	<u>4,072,044</u>	<u>2,054,269</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	961,490	2,251,782
Deferred revenue (Note 4)	390,263	570,924
Long term debt (Note 5)	8,522,836	5,100,504
	<u>9,874,589</u>	<u>7,923,210</u>
<b>Contingent liability (Note 6)</b>		
<b>Lease commitments (Note 7)</b>		
<b>Net debt (Statement 6)</b>	<u>(5,802,545)</u>	<u>(5,868,941)</u>
<b>Non-financial assets</b>		
Inventory	2,248	-
Prepaid expense	98,664	87,874
Official Plan (Note 8)	42,882	26,801
Tangible capital assets (Schedules 1 and 2)	27,964,514	27,022,099
	<u>28,108,308</u>	<u>27,136,774</u>
<b>Accumulated surplus (Statement 5)</b>	<u>\$ 22,305,763</u>	<u>\$ 21,267,832</u>

ON BEHALF OF COUNCIL

 Mayor  
 Councillor

Notes 1 - 18 are an integral part of these consolidated financial statements

**TOWN OF NORTH RUSTICO**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2025**

	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>			
Town (Schedule 3)	\$ 906,908	\$ 941,065	\$ 862,703
Eliyahu Wellness Centre (Schedule 5)	815,000	784,095	580,133
Fire Department (Schedule 6)	121,919	559,404	129,141
Sewer Utility (Schedule 7)	195,200	210,610	199,701
Water Utility (Schedule 8)	171,000	189,262	171,007
	<u>2,210,027</u>	<u>2,684,436</u>	<u>1,942,685</u>
<b>Expenditures</b>			
Town (Schedule 3)	1,008,690	1,164,227	1,083,175
Sewer Utility (Schedule 7)	184,000	207,304	205,272
Water Utility (Schedule 8)	153,100	169,148	165,260
Fire Department (Schedule 6)	121,900	95,752	90,960
Eliyahu Wellness Centre (Schedule 5)	805,350	1,225,556	1,186,704
	<u>2,273,040</u>	<u>2,861,987</u>	<u>2,731,371</u>
<b>Operating surplus (deficit)</b>	<u>(63,013)</u>	<u>(177,551)</u>	<u>(788,686)</u>
<b>Other revenues</b>			
Town (Schedule 3)	1,261,598	827,773	234,881
Sewer Utility (Schedule 7)	450,211	387,709	297,643
Fire Department (Schedule 6)	-	-	28,500
	<u>1,711,809</u>	<u>1,215,482</u>	<u>561,024</u>
<b>Annual surplus (deficit)</b>	<u>1,648,796</u>	<u>1,037,931</u>	<u>(227,662)</u>
<b>Accumulated surplus - beginning of year</b>	<u>21,267,832</u>	<u>21,267,832</u>	<u>21,495,494</u>
<b>Accumulated surplus - end of year (Note 10)</b>	<u>\$ 22,916,628</u>	<u>\$ 22,305,763</u>	<u>\$ 21,267,832</u>

Notes 1 - 18 are an integral part of these consolidated financial statements

**TOWN OF NORTH RUSTICO**  
**Consolidated Statement of Changes in Net Debt**  
**Year Ended March 31, 2025**

	Budget 2025	Actual 2025	Actual 2024
<b>Annual surplus (deficit)</b>	<b>\$ 1,648,796</b>	<b>\$ 1,037,931</b>	<b>\$ (227,662)</b>
Amortization of tangible capital assets	-	577,434	534,864
Purchase of tangible capital assets	(1,699,377)	(1,519,841)	(1,775,443)
Proceeds on disposal of tangible capital assets	-	-	28,500
Gain on disposal of tangible capital assets	-	-	(28,500)
Increase in prepaid expense	-	(10,801)	(59,461)
Increase in inventory	-	(2,246)	-
Purchase of official plan	-	(16,081)	(26,801)
	<u>(1,699,377)</u>	<u>(971,535)</u>	<u>(1,326,841)</u>
<b>Increase (decrease) in net debt</b>	<b>(50,581)</b>	<b>66,396</b>	<b>(1,554,503)</b>
<b>Net debt - beginning of year</b>	<b>(5,868,941)</b>	<b>(5,868,941)</b>	<b>(4,314,438)</b>
<b>Net debt - end of year</b>	<b>\$ (5,919,522)</b>	<b>\$ (5,802,545)</b>	<b>\$ (5,868,941)</b>

Notes 1 - 18 are an integral part of these consolidated financial statements

**TOWN OF NORTH RUSTICO**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2025**

	2025	2024
<b>Cash flows from operating activities</b>		
Annual surplus (deficit)	\$ 1,037,931	\$ (227,662)
Items not affecting cash:		
Amortization of tangible capital assets	577,434	534,856
Gain on disposal of tangible capital assets	-	(28,500)
	<b>1,615,365</b>	<b>278,694</b>
Changes in non-cash working capital:		
Accounts receivable	(282,339)	800,482
Inventory	(2,248)	-
Prepaid expense	(10,790)	(59,452)
Operating loan	-	(40,000)
Accounts payable and accrued liabilities	(1,290,301)	873,203
Deferred revenue	(180,661)	26,404
Funds held in trust	(1,641,640)	-
	<b>(3,407,979)</b>	<b>1,600,637</b>
	<b>(1,792,614)</b>	<b>1,879,331</b>
<b>Cash flows from capital activity</b>		
Purchase of tangible capital assets	(1,519,841)	(1,775,443)
Purchase of intangible assets	(16,081)	(26,801)
Proceeds on disposal of tangible capital assets	-	28,500
	<b>(1,535,922)</b>	<b>(1,773,744)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term debt	(3,476,683)	(68,441)
Proceeds from long term debt	6,899,015	-
	<b>3,422,332</b>	<b>(68,441)</b>
<b>Increase in cash</b>	<b>93,796</b>	<b>37,146</b>
<b>Cash - beginning of year</b>	<b>1,743,708</b>	<b>1,706,562</b>
<b>Cash - end of year</b>	<b>\$ 1,837,504</b>	<b>\$ 1,743,708</b>
<b>Cash consists of:</b>		
Unrestricted cash	\$ 1,719,415	\$ 1,308,354
Restricted cash	118,089	435,354
	<b>\$ 1,837,504</b>	<b>\$ 1,743,708</b>

Notes 1 - 18 are an integral part of these consolidated financial statements

**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

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**1. DESCRIPTION OF BUSINESS**

The Town of North Rustico (the "Town") was incorporated under the Prince Edward Island Municipalities Act. The Town is a non-profit organization under the Income Tax Act. Its principal activities include the provision of local government services to residents of the incorporated area. These include fire protection, town development, infrastructure maintenance, maintenance of sewer and water systems, and parks and recreation.

**2. SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

These consolidated financial statements of the Town of North Rustico have been prepared by management in accordance with Canadian Accounting Standards for the Public Sector.

These consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the year when the related expenditures are incurred, services are performed or the tangible capital assets are acquired.

Basis of consolidation

These consolidated financial statements for the Town of North Rustico reflect the assets, liabilities, revenues, expenditures, change in net debt and annual surplus of the Town. The Town is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Town Council for the administration of their financial affairs and resources. Included with the municipality are the following:

North Rustico Fire Department  
North Rustico Sewer and Water Utility Corporation  
Eliyahu Wellness Centre

Cash

Cash and cash equivalents include cash on hand, restricted and unrestricted balances on deposit with financial institutions.

Accounts receivable

Accounts receivable arise from trade receivable, sewer and water fees receivable, grants receivable, and Harmonized Sales Tax receivable. An allowance for bad debts has been calculated through discussions with management, assessment of the other circumstances influencing the collectibility of amounts, and using historical loss experience. Amounts deemed non-collectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

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**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Inventory

Inventories are stated at the lower of cost and net realizable value. Cost includes the costs to purchase and other costs directly attributable to the inventories. Cost is determined using the first in, first out method. Net realizable value represents the amount that may be realized from the sale of an inventory item under normal business conditions. When inventories are sold, the carrying amount of those inventories are recognized as an expense in the year in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the loss or write-down occurs. The amount of reversal of any write-downs, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Tangible capital assets

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

Buildings	25 years
Park equipment	15 years
Furniture and equipment	10 years
Fire hall	25 years
Fire equipment	10 years
Fire trucks	15 years
Jaws of life	20 years
Downtown economic project	15 years
Computer equipment	3 years
Vehicles	10 years
Seawalk park	25 years
Boardwalk	15 years
Wellness Centre	75 years
Wellness Centre equipment	25 years
Walking trails	25 years
Treatment plant	83 1/3 years
Sewer system	83 1/3 years
Water system	83 1/3 years
Wellsite upgrades	83 1/3 years
Treatment and disposal equipment	83 1/3 years
Vehicles	5 years
Utility equipment	5 and 20 years
Computers	5 years

Half year rule annual amortization is charged in the year of acquisition.

Assets under construction are not amortized until the asset is available for productive use.

The Utility tangible capital assets are amortized using the straight-line method over the estimated useful life as directed by the Island Regulatory and Appeals Commission.

The Town regularly reviews its tangible capital assets to eliminate obsolete items.

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**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Interest capitalization

Interest costs relating to major capital projects in progress are capitalized as part of tangible capital assets. Capitalization of interest ceases when the asset is substantially complete and ready for its intended productive use.

Impairment of long lived assets

The Town tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Consolidated Statement of Operations. As at March 31, 2025, no asset retirement obligations have been identified by management.

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates on the amounts can be determined.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for the 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 annual surplus, provides the consolidated change in net debt for the period.

Intangible assets

The intangible assets consist of official plan stated at cost and being amortized on a straight-line basis over their estimated useful lives of ten years.

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**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue recognition

Property tax billings are based on the assessed value of real property in the Town and are payable in each calendar year. Municipal tax rates are reviewed, established, and approved annually by the Town Council. These revenues are recognized monthly when received from the Province.

Sewer and water dues are charged based on rates approved by the Island Regulatory and Appeals Commission (IRAC). These charges are assessed annually and are recognized when billings come due.

Fire dues are based on the assessed value of property in the town and are payable each calendar year.

Land sale revenue is recorded at the time the sale is finalized and ownership of the land has been transferred to the purchaser.

Revenue from transactions with performance obligations are recognized when (or as) the Town satisfies a performance obligation. Revenue from transactions with no performance obligations are recognized when the Town has the authority to claim or retain an inflow of economic resources and a past transaction has given rise to an asset.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument

Use of estimates

The presentation of the consolidated financial statements in conformity with Canadian Accounting Standards for the Public Sector requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. The following are areas in which management makes significant accounting estimates:

- The amounts recorded for amortization of tangible capital assets on the consolidated statement of operations is subject to management's assessment of the estimated useful life of the Town's tangible capital assets
- The recognized amounts of potential claims and liabilities depend on management's assessment of future costs and the probability these events will occur.

**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

**3. ACCOUNTS RECEIVABLE**

	2025	2024
Government funding receivable	\$ 430,340	\$ 168,806
Trade receivables	84,698	68,780
HST receivable	40,499	34,701
Sewer and water fees receivable	40,715	38,274
	596,252	310,561
Allowance for doubtful accounts	(3,352)	-
	\$ 592,900	\$ 310,561

**4. DEFERRED REVENUE**

	2025	2024
<u>Town</u>		
Active Transportation Boardwalk replacement project	\$ 200,336	\$ 10,000
Insurance proceeds	85,528	85,528
Canada Community Building Fund	72,508	425,909
Tourism PEI Hauling Day	12,450	12,450
Rent	5,667	-
Fire dues	3,806	3,806
Prepaid summer rentals	-	12,250
	380,295	549,943
<u>Utility</u>		
Sewer and water fees	9,968	20,981
	9,968	20,981
	\$ 390,263	\$ 570,924

Under the Canada Community Building Fund for Incorporated Communities, the Town is allocated funding. These funds, along with interest earned, must be used for eligible infrastructure and capacity building projects. Any funds received under this program, including interest earned, but not yet spent are recognized as deferred revenue at the end of the period.

During the year, the Town received Canada Community Building funding of \$Nil, earned interest of \$9,370, and incurred eligible expenditures of \$285,848. The Town also received Municipal Strategic Component funding of \$14,381, and incurred eligible expenditures of \$90,511.

**5. LONG TERM DEBT**

	2025	2024
<u>Town</u>		
RBC - 2.36%, repayable in monthly blended installments of \$706. The loan matures on February 8, 2026 and is secured by Town borrowing resolution.	\$ 109,537	\$ 115,303
RBC - 2.36%, repayable in monthly blended installments of \$624. The loan matures on February 9, 2026 and is secured by Town borrowing resolution.	97,257	102,362

*(continues)*

**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

**5. LONG TERM DEBT (continued)**

	2025	2024
Finance PEI - 6.4%, repayable in monthly blended installments of \$25,094. The loan matures on March 1, 2031 and is secured by by promissory note, first charge on collateral mortgage and general security agreement on EWC Arena, assignment of fire insurance and general assignment of leases and rents.	3,500,000	-
RBC - 5.34%, repayable in monthly blended installments of \$4,110. The loan matures on February 6, 2030 and is secured by Town borrowing resolution.	678,279	-
RBC - 5.15%, repayable in monthly blended installments of \$4,034. The loan matures on February 6, 2029 and is secured by Town borrowing resolution.	678,262	-
RBC - 5.1%, repayable in monthly blended installments of \$4,012. The loan matures on February 6, 2028 and is secured by Town borrowing resolution.	678,260	-
RBC - 4.95%, repayable in monthly blended installments of \$3,955. The loan matures on February 6, 2027 and is secured by Town borrowing resolution.	678,245	-
RBC - 4.85%, repayable in monthly blended installments of \$3,915. The loan matures on February 6, 2026 and is secured by Town borrowing resolution.	678,237	-
RBC - prime plus .25%, repaid during year.	-	3,399,012
	<b>7,098,077</b>	<b>3,616,677</b>
 <u>Utility</u>		
RBC - 2.37%, repayable in monthly blended installments of \$5,573. The loan matures on February 8, 2026 and is secured by guarantee and postponement of claim in the amount of \$1,825,000 signed by the Town of North Rustico.	1,049,762	1,091,084
RBC - 2.37%, repayable in monthly blended installments of \$2,243. The loan matures on February 8, 2026 and is secured by guarantee and postponement of claim in the amount of \$1,825,000 signed by the Town of North Rustico.	374,997	392,743
	<b>1,424,759</b>	<b>1,483,827</b>
	<b>\$ 8,522,836</b>	<b>\$ 5,100,504</b>

Principal repayments of long term debt are expected to be repaid over the next five years as follows:

2026	\$ 2,364,901
2027	766,802
2028	764,684
2029	740,631
2030	716,224
Thereafter	3,169,594
	<b>\$ 8,522,836</b>

**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

**6. CONTINGENT LIABILITY**

Two statements of claim has been filed against the Town for payment of services and materials in connection with the new arena and wellness centre. The Town has entered a statement of defense and claim is in the case management process with the Supreme Court. The parties are working on identifying deficiencies and defects that need to be completed or repaired and an agreement to complete the necessary work and pay the claimant and resolve the claims. The potential liability to the Town is uncertain at this time.

**7. LEASE COMMITMENTS**

The Town has entered into a lease agreement with Sharp Direct for the lease of a photocopier. The minimum lease payments due over the next two years are as follows:

2026	\$	2,342
2027		1,171

**8. INTANGIBLE ASSETS**

	2025	2024
Official Plan	\$ 42,882	\$ 26,801
Accumulated amortization	-	-
	\$ 42,882	\$ 26,801

Official plan is still in progress, therefore there was no amortization taken in the current and prior years.

**9. GOVERNMENT TRANSFERS**

	2025	2024
<u>Government Transfers for Capital</u>		
<u>Town</u>		
Atlantic Canada Opportunities Agency	\$ 480,959	\$ -
Municipal Capital Expenditure Grant	154,062	169,146
Province of PEI - Rural Growth Initiative	90,557	38,934
Active Transportation - Boardwalk Replacement Project	81,111	-
Canada Community Building Fund	21,084	26,801
	827,773	234,881
<u>Sewer Utility</u>		
Canada Community Building Fund	356,069	269,073
Municipal Capital Expenditure Grant	31,640	28,570
	387,709	297,643
	1,215,482	532,524

*(continues)*

**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

**9. GOVERNMENT TRANSFERS (continued)**

	2025	2024
<u>Government Transfers for Operations</u>		
<u>Town</u>		
Province of PEI - Property tax grant in lieu	2,221	-
Canada Summer Jobs	2,060	-
Province of PEI - Fiona Proceeds	-	9,000
Province of PEI wage grants	-	4,069
	<b>4,281</b>	<b>13,069</b>
<u>Wellness Center</u>		
Province of PEI - Property tax grant in lieu	78,091	-
Employment Development Agency - wage grants	15,366	-
Province of PEI - Arena Support Grant	8,500	8,500
Province of PEI - Election Rentals	-	1,875
Canada Summer Jobs	-	1,479
	<b>101,957</b>	<b>11,854</b>
	<b>106,238</b>	<b>24,923</b>
	<b>\$ 1,321,720</b>	<b>\$ 557,447</b>

**10. ACCUMULATED SURPLUS**

	2025	2024
Unrestricted surplus (deficit)	\$ 2,821,202	\$ (680,564)
Investment in tangible capital assets (Note 11)	19,441,679	21,921,595
Investment in intangible assets (Note 8)	42,882	26,801
	<b>\$ 22,305,763</b>	<b>\$ 21,267,832</b>

**11. INVESTMENT IN TANGIBLE CAPITAL ASSETS**

	2025	2024
Tangible capital assets - Schedule 1 and 2	\$ 32,289,096	\$ 30,769,255
Accumulated amortization - Schedule 1 and 2	(4,324,581)	(3,747,156)
Long term debt (Note 5)	(8,522,836)	(5,100,504)
	<b>\$ 19,441,679</b>	<b>\$ 21,921,595</b>

**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

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**12. RATE REGULATION**

The Town is subject to rate regulation on the water and sewerage utilities provided to residents in Prince Edward Island under the Island Regulatory and Appeals Commission Act. The purpose of this Act, which is administered by the Island Regulatory and Appeals Commission (IRAC), is to regulate the rate municipalities may charge for water and sewerage utilities provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for water and sewerage services. Changes in water and sewerage rates can only be implemented with approval from IRAC.

**13. ADMINISTRATION**

During the year, the Town received a management fee totaling \$20,000 (2024 - \$20,000) from the Town of North Rustico Water and Sewer Utility Corporation for payment of the administration costs incurred by the Town on behalf of the Sewer and Water Utility. The transaction was in the ordinary course of business and is reflected at the exchange amount.

**14. BUDGET FIGURES**

A reconciliation of the 2025 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

Sewer and Water budgeted annual deficit	\$ (26,900)
Town of North Rustico budgeted annual deficit	(11,982)
Fire Department budgeted annual surplus	19
Eliyahu Wellness Centre annual budgeted surplus	9,650
Add: Debt repayment	66,200
Add: Capital funding	<u>1,611,809</u>
	<u>\$ 1,648,796</u>

The budget figures provided on Statements 5 and 6 and Schedules 3 to 8 have not been audited or reviewed by the external auditor.

**15. LINE OF CREDIT AVAILABILITY**

The Town has an approved line of credit with Royal Bank of Canada with interest at Prime + .25%; maximum limit of \$250,000; secured by General Security Agreement; operating line was not utilized at year end.

The Utility has an approved line of credit of Royal Bank of Canada with interest at Prime + .25%; maximum limit of \$150,000; secured by General Security Agreement; operating line was not utilized at year end.

**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

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**16. FINANCIAL INSTRUMENTS**

The Town's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long term debt.

The Town is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Town's risk exposure and concentration as of March 31, 2025.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Town has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to this risk mainly in respect of its receipt of government funding and customer payments, long term debt and accounts payable and accrued liabilities.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Town manages exposure through its normal operating and financing activities. The Town is exposed to interest rate risk primarily through its credit facilities.

**17. SEGMENT DISCLOSURES**

The Town is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes, the Town's operations and activities are organized and reported by segment.

The major segments are as follows:

General Government

This segment is responsible for the overall financial and local government administration. Its tasks include, but are not limited to, daily accounting functions, preparation and coordination of annual consolidated audited financial statements, development of the annual budget, human resource functions for the entire Town, maintenance of bylaws and policies, oversight of public works, maintenance of Town facilities, and administration of Town services.

Water and Sewer Utility

This segment is responsible for the maintenance and operations of water and sewer services provided to residents and other customers.

Fire Department

This segment is responsible for providing fire protection services for residents. Its tasks include providing critical, life saving services in preventing or minimizing loss of life and property from fire and natural or man made emergencies.

Eliyahu Wellness Centre

This segment is responsible for providing recreation facilities for residents.

**TOWN OF NORTH RUSTICO**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2025**

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**18. COMPARATIVE FIGURES**

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

**TOWN OF NORTH RUSTICO**  
**Schedules to Consolidated Financial Statements**  
**Tangible Capital Assets**  
**Year Ended March 31, 2025**

(Schedule 1)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
<b>Town</b>									
Land	\$ 116,032	-	-	\$ 116,032	-	-	-	-	\$ 116,032
Buildings	183,011	-	-	183,011	96,183	5,374	-	101,557	81,454
Park equipment	183,169	-	-	183,169	107,895	9,909	-	117,804	65,365
Furniture and equipment	87,663	-	-	87,663	48,562	6,463	-	55,025	32,638
Fire hall	281,850	-	-	281,850	237,781	8,709	-	246,490	35,360
Fire equipment	227,021	147,754	-	374,775	136,934	22,816	-	159,750	215,025
Fire trucks	1,125,946	1,863	-	1,127,809	468,244	58,833	-	527,077	600,732
Jaws of life	41,375	-	-	41,375	31,542	2,069	-	33,611	7,764
Downtown economic project	263,262	-	-	263,262	211,211	17,551	-	228,762	34,500
Computer equipment	31,989	715	-	32,704	31,565	543	-	32,108	596
Vehicles	31,799	-	-	31,799	28,608	1,122	-	29,730	2,069
Seawalk park	1,433,022	-	-	1,433,022	432,083	57,321	-	489,404	943,618
Boardwalk	16,940	562,026	-	578,966	6,233	11,918	-	18,151	560,815
Wellness Centre	18,363,325	444,388	-	18,807,713	294,983	247,807	-	542,790	18,264,923
Wellness Centre equipment	889,985	3,226	-	893,211	41,533	35,664	-	77,197	816,014
Walking trails	-	11,826	-	11,826	-	473	-	473	11,353
	<b>\$ 23,276,389</b>	<b>\$ 1,171,798</b>	<b>\$ -</b>	<b>\$ 24,448,187</b>	<b>\$ 2,173,357</b>	<b>\$ 486,572</b>	<b>\$ -</b>	<b>\$ 2,659,929</b>	<b>\$ 21,788,258</b>

Notes 1 - 18 are an integral part of these consolidated financial statements  
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**TOWN OF NORTH RUSTICO**  
**Schedules to Consolidated Financial Statements**  
**Tangible Capital Assets**  
**Year Ended March 31, 2025**

(Schedule 1)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
<b>Sewer and Water Utility</b>									
Land	\$ 81,637	-	-	\$ 81,637	-	-	-	\$ -	\$ 81,637
Treatment plant	3,550,011	348,043	-	3,898,054	500,758	46,776	-	547,534	3,350,520
Sewer system	782,236	-	-	782,236	194,729	9,387	-	204,116	578,120
Water system	998,100	-	-	998,100	186,602	11,977	-	198,579	799,521
Wellsite upgrades	1,313,977	-	-	1,313,977	209,662	15,768	-	225,430	1,088,547
Treatment and disposal equipment	398,885	-	-	398,885	391,734	816	-	392,550	6,335
Vehicles	59,934	-	-	59,934	59,934	-	-	59,934	-
Equipment	25,989	-	-	25,989	23,704	2,285	-	25,989	-
Computers	3,841	-	-	3,841	3,334	507	-	3,841	-
Booster pump	278,256	-	-	278,256	3,338	3,342	-	6,680	271,576
	<b>\$ 7,492,866</b>	<b>\$ 348,043</b>	<b>-</b>	<b>\$ 7,840,909</b>	<b>\$ 1,573,795</b>	<b>\$ 90,858</b>	<b>\$ -</b>	<b>\$ 1,664,653</b>	<b>\$ 6,176,256</b>
<b>Total</b>	<b>\$ 30,769,255</b>	<b>\$ 1,519,841</b>	<b>-</b>	<b>\$ 32,289,096</b>	<b>\$ 3,747,152</b>	<b>\$ 577,434</b>	<b>\$ -</b>	<b>\$ 4,324,581</b>	<b>\$ 27,964,514</b>

Notes 1 - 18 are an integral part of these consolidated financial statements



**TOWN OF NORTH RUSTICO**  
**Schedules to Consolidated Financial Statements**  
**Tangible Capital Assets**  
**Year Ended March 31, 2024**

(Schedule 2)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
<b>Town</b>									
Land	\$ 116,032	-	-	\$ 116,032	-	-	-	\$ -	116,032
Buildings	183,011	-	-	183,011	90,809	5,375	-	96,183	86,828
Park equipment	183,169	-	-	183,169	96,151	11,744	-	107,895	75,274
Furniture and equipment	71,163	16,500	-	87,663	42,402	6,160	-	48,562	39,101
Fire hall	281,850	-	-	281,850	229,072	8,709	-	237,781	44,069
Fire equipment	192,696	34,325	-	227,021	122,383	14,551	-	136,934	90,087
Fire trucks	794,290	331,656	-	1,125,946	420,529	47,715	-	468,244	657,702
Jaws of life	41,375	-	-	41,375	29,473	2,069	-	31,542	9,833
Downtown economic project	263,262	-	-	263,262	193,660	17,551	-	211,211	52,051
Computer equipment	31,989	-	-	31,989	31,142	423	-	31,565	424
Vehicles	31,799	-	-	31,799	25,936	2,672	-	28,608	3,191
Parks and boardwalk	1,433,022	-	-	1,433,022	374,762	57,321	-	432,083	1,000,939
Celebration of life park	16,940	-	-	16,940	5,555	678	-	6,233	10,707
Wellness Centre	17,256,064	1,107,261	-	18,363,325	57,520	237,463	-	294,983	18,068,342
Wellness Centre equipment	889,985	-	-	889,985	5,933	35,600	-	41,533	848,452
	\$ 21,786,647	\$ 1,489,742	\$ -	\$ 23,276,389	\$ 1,725,327	\$ 448,031	\$ -	\$ 2,173,357	\$ 21,103,032

Notes 1 - 18 are an integral part of these consolidated financial statements  
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**MRSB**

**TOWN OF NORTH RUSTICO**  
**Schedules to Consolidated Financial Statements**  
**Tangible Capital Assets**  
**Year Ended March 31, 2024**

(Schedule 2)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
<b>Sewer and Water Utility</b>									
Land	\$ 81,637	-	-	\$ 81,637	-	-	-	-	\$ 81,637
Treatment plant	3,397,826	152,185	-	3,550,011	458,158	42,599	-	500,757	3,049,254
Sewer system	782,236	-	-	782,236	185,341	9,388	-	194,729	587,507
Water system	994,841	3,259	-	998,100	174,625	11,977	-	186,602	811,498
Wellsite upgrades	1,313,977	-	-	1,313,977	193,895	15,767	-	209,662	1,104,315
Treatment and disposal equipment	398,885	-	-	398,885	390,918	816	-	391,734	7,151
Vehicles	59,934	-	-	59,934	59,934	-	-	59,934	-
Equipment	25,989	-	-	25,989	21,270	2,434	-	23,704	2,285
Computers	3,841	-	-	3,841	2,828	506	-	3,334	507
Booster Pump	147,999	130,257	-	278,256	-	3,339	-	3,339	274,917
	\$ 7,207,165	\$ 285,701	\$ -	\$ 7,492,866	\$ 1,486,969	\$ 86,826	\$ -	\$ 1,573,795	\$ 5,919,071
<b>Total</b>	\$ 28,993,812	\$ 1,775,443	\$ -	\$ 30,769,255	\$ 3,212,296	\$ 534,864	\$ -	\$ 3,747,156	\$ 27,022,099

**MRSB**

**TOWN OF NORTH RUSTICO**  
**Statement of Operations - Town**  
**Year Ended March 31, 2025**

(Schedule 3)

	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>			
Property tax	\$ 642,408	\$ 675,320	\$ 582,243
Wellness Center sponsorships	150,000	157,707	140,517
Canada Day and special events	42,500	41,559	43,803
Retail space	30,000	27,209	25,100
Administration transfer from Utility (Note 13)	24,000	20,000	20,000
Buildings permits and subdivision fees	6,000	6,919	3,407
Miscellaneous	500	6,269	28,505
Government transfers for operations (Note 9)	9,000	4,281	13,069
Interest	-	1,801	3,518
Donations	2,500	-	2,541
	<u>906,908</u>	<u>941,065</u>	<u>862,703</u>
<b>Expenditures</b>			
Administration (Schedule 4)	305,200	311,834	305,951
Advertising and Promotions (Schedule 4)	2,500	3,589	4,897
Amortization of tangible capital assets	-	203,100	174,966
Fire protection	54,590	51,063	45,669
Grant to Wellness Centre	100,000	100,000	-
Infrastructure (Schedule 4)	60,850	75,933	106,806
Interest on Wellness Centre loan	297,000	226,704	248,203
Office and Building (Schedule 4)	35,300	35,650	39,057
Professional Services (Schedule 4)	78,500	90,321	82,453
Special Events (Schedule 4)	74,750	66,033	75,173
	<u>1,008,690</u>	<u>1,164,227</u>	<u>1,083,175</u>
<b>Operating surplus (deficit)</b>	<u>(101,782)</u>	<u>(223,162)</u>	<u>(220,472)</u>
<b>Other revenues</b>			
Government transfers for capital (Note 9)	1,261,598	827,773	234,881
<b>Annual surplus</b>	<u>\$ 1,159,816</u>	<u>\$ 604,611</u>	<u>\$ 14,409</u>

Notes 1 - 18 are an integral part of these consolidated financial statements

**TOWN OF NORTH RUSTICO**  
**Statement of Expenditures - Town**  
**Year Ended March 31, 2025**

**(Schedule 4)**

	Budget 2025	Actual 2025	Actual 2024
<b>Administration</b>			
Bad debts	\$ -	\$ 500	\$ -
Dues and fees	1,950	1,688	1,936
Honorariums	28,500	26,342	25,600
Insurance	27,500	35,896	10,247
Interest and bank charges	3,000	1,198	3,200
Interest on long term debt	5,500	5,097	5,273
Mayoral discretionary fund	5,000	1,183	478
Miscellaneous	1,050	2,487	2,762
Office supplies and postage	9,500	9,767	11,029
Salaries and benefits	215,000	221,956	241,474
Sewer and water	4,200	850	298
Travel and meetings	4,000	4,870	3,654
	<u>305,200</u>	<u>311,834</u>	<u>305,951</u>
<b>Advertising and Promotions</b>			
Advertising	2,500	2,871	2,822
Newsletters	-	718	2,075
	<u>2,500</u>	<u>3,589</u>	<u>4,897</u>
<b>Infrastructure</b>			
EMO	250	-	109
Hydrants	11,700	19,466	15,573
North Star Arena	-	-	2,735
Park and boardwalk	6,500	5,718	9,085
Public property	6,800	11,150	44,041
Snow removal	900	894	913
Street lights	29,000	31,771	28,687
Waste watch	5,700	6,934	5,663
	<u>60,850</u>	<u>75,933</u>	<u>106,806</u>
<b>Office and Building</b>			
Electricity and heat	5,000	7,585	7,195
Property tax	5,000	3,122	3,761
Repairs and maintenance	14,300	14,432	17,255
Telephone	11,000	10,511	10,846
	<u>35,300</u>	<u>35,650</u>	<u>39,057</u>
<b>Professional Services</b>			
Accounting fees	18,000	24,960	20,812
Development officer	11,000	13,726	8,836
Legal fees	45,000	46,955	44,694
Other professional fees	4,500	4,680	8,111
	<u>78,500</u>	<u>90,321</u>	<u>82,453</u>
<b>Special Events</b>			
Canada Day	40,000	48,056	44,590
Special events	34,750	17,977	30,583
	<u>74,750</u>	<u>66,033</u>	<u>75,173</u>

Notes 1 - 18 are an integral part of these consolidated financial statements

**TOWN OF NORTH RUSTICO**  
**Statement of Operations - Eliyahu Wellness Center** (Schedule 5)  
**Year Ended March 31, 2025**

	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>			
Ice rentals	\$ 450,500	\$ 398,249	\$ 364,414
Government transfers for operations (Note 9)	12,500	101,957	11,854
Town operating grant	100,000	100,000	-
Rentals	88,000	72,957	48,336
Memberships	56,500	49,073	65,036
Canteen	60,000	47,796	25,821
Advertising	-	8,500	4,000
Fundraising	44,000	2,381	12,974
Key fob deposit	1,500	1,899	-
Miscellaneous	2,000	858	31,267
Summer camp	-	425	16,431
	<b>815,000</b>	<b>784,095</b>	<b>580,133</b>
<b>Expenditures</b>			
Advertising and donations	8,500	14,518	15,945
Amortization of tangible capital assets	-	283,471	273,062
Bad debts	-	2,852	-
Food products	50,000	27,387	18,673
Insurance	56,500	56,224	44,236
Interest and bank charges	1,250	596	1,226
Internet	22,300	18,633	22,293
Office	5,350	4,619	16,167
Professional fees	-	67,493	3,193
Property tax	-	78,091	-
Repairs and maintenance	62,550	95,931	91,855
Sewer	17,600	16,259	16,259
Supplies	18,000	15,355	35,040
Telephone	4,000	3,793	3,965
Utilities	192,000	249,252	220,363
Wages and levies	367,300	291,082	424,427
	<b>805,350</b>	<b>1,225,556</b>	<b>1,186,704</b>
<b>Operating surplus (deficit)</b>	<b>\$ 9,650</b>	<b>\$ (441,461)</b>	<b>\$ (606,571)</b>

Notes 1 - 18 are an integral part of these consolidated financial statements

**TOWN OF NORTH RUSTICO**  
**Statement of Operations - Fire Department**  
**Year Ended March 31, 2025**

**(Schedule 6)**

	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>			
Fundraising	\$ 15,000	\$ 448,499	\$ 28,357
Fire dues	101,919	99,873	94,337
Interest	-	10,832	6,447
Miscellaneous	5,000	200	-
	<b>121,919</b>	<b>559,404</b>	<b>129,141</b>
<b>Expenditures</b>			
Building maintenance and utilities	9,200	8,084	7,705
Fundraising, social and uniforms	35,500	17,132	16,375
Honorariums	25,000	25,100	24,900
Insurance	12,750	14,468	6,787
Medical supplies, equipment maintenance and office	8,450	5,806	5,670
Telephone	9,400	10,726	9,427
Training	8,000	1,737	8,114
Truck repairs and fuel	13,600	12,699	11,982
	<b>121,900</b>	<b>95,752</b>	<b>90,960</b>
<b>Operating surplus</b>	<b>19</b>	<b>463,652</b>	<b>38,181</b>
<b>Other revenues</b>			
Gain on disposal of tangible capital assets	-	-	28,500
<b>Annual surplus</b>	<b>\$ 19</b>	<b>\$ 463,652</b>	<b>\$ 66,681</b>

Notes 1 - 18 are an integral part of these consolidated financial statements

**TOWN OF NORTH RUSTICO**  
**Statement of Operations - Sewer Utility**  
**Year Ended March 31, 2025**

(Schedule 7)

	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>			
Sewer rates	\$ 195,000	\$ 209,330	\$ 195,696
Interest	200	640	3,628
Miscellaneous	-	640	377
	<u>195,200</u>	<u>210,610</u>	<u>199,701</u>
<b>Expenditures</b>			
Amortization of tangible capital assets	-	59,657	55,630
Bad debts	-	-	678
Contract labour	70,000	59,257	61,340
Dues and fees	2,500	2,666	2,082
Electricity	30,000	27,669	28,950
Honorariums	1,000	417	-
Insurance	7,800	5,238	1,704
Interest and bank charges	1,000	678	744
Interest on long term debt	32,000	27,706	28,879
Office	12,500	10,000	10,022
Professional fees	5,000	3,132	4,095
Property tax	500	1,413	204
Repairs and maintenance	19,200	5,166	7,906
Telephone	2,500	4,305	3,038
	<u>184,000</u>	<u>207,304</u>	<u>205,272</u>
<b>Operating surplus (deficit)</b>	<u>11,200</u>	<u>3,306</u>	<u>(5,571)</u>
<b>Other revenues</b>			
Government transfers for capital (Note 9)	450,211	387,709	297,643
<b>Annual surplus</b>	<u>\$ 461,411</u>	<u>\$ 391,015</u>	<u>\$ 292,072</u>

Notes 1 - 18 are an integral part of these consolidated financial statements

**TOWN OF NORTH RUSTICO**  
**Statement of Operations - Water Utility**  
**Year Ended March 31, 2025**

(Schedule 8)

	Budget 2025	Actual 2025	Actual 2024
<b>Revenues</b>			
Water rates	\$ 171,000	\$ 189,262	\$ 171,007
<b>Expenditures</b>			
Amortization of tangible capital assets	-	31,198	31,198
Contract labour	70,000	66,715	66,401
Dues and fees	2,100	2,666	2,082
Electricity	16,500	15,700	15,505
Honorariums	1,000	417	-
Insurance	7,800	7,738	1,704
Interest and bank charges	1,000	685	744
Interest on long term debt	10,000	6,747	7,060
Office	13,500	9,576	11,198
Professional fees	4,200	3,132	4,095
Property tax	500	1,282	192
Repairs and maintenance	10,000	10,949	9,312
Telephone	7,800	6,760	7,253
Water testing	8,700	5,583	8,516
	<b>153,100</b>	<b>169,148</b>	<b>165,260</b>
<b>Annual surplus</b>	<b>\$ 17,900</b>	<b>\$ 20,114</b>	<b>\$ 5,747</b>

Notes 1 - 18 are an integral part of these consolidated financial statements

**TOWN OF NORTH RUSTICO**  
**Schedules to Consolidated Financial Statements**  
**Segment Disclosures**  
**Year Ended March 31, 2025**

(Schedule 9)

	General Government	Wellness Center	Sewer	Water	Fire	Elimination	Consolidated 2025
<b>Revenues</b>							
Property taxes	\$ 675,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,320
Donations and fundraising	-	-	-	-	448,499	-	448,499
Sewer and water dues	-	-	209,330	189,262	-	(36,575)	362,017
Fire dues	-	-	-	-	99,873	(50,873)	49,000
Miscellaneous	207,336	114,063	1,280	-	11,032	(100,000)	333,711
Government transfers for operations	4,281	101,957	-	-	-	-	106,238
Administration	20,000	-	-	-	-	(20,000)	-
Building permits and subdivision fees	6,919	-	-	-	-	-	6,919
Retail space	27,209	-	-	-	-	-	27,209
Memberships	-	49,073	-	-	-	-	49,073
Rentals	-	471,206	-	-	-	-	471,206
Canteen	-	47,796	-	-	-	-	47,796
	<b>941,065</b>	<b>784,095</b>	<b>210,610</b>	<b>189,262</b>	<b>559,404</b>	<b>(207,448)</b>	<b>2,576,988</b>
<b>Expenditures</b>							
Salaries and benefits	248,298	291,082	59,257	66,715	25,100	-	690,452
Goods and services	479,830	651,003	60,006	63,803	70,652	(207,448)	1,117,846
Amortization of tangible capital assets	203,100	283,471	59,657	31,198	-	-	577,426
Interest	232,999	-	28,384	7,432	-	-	268,815
	<b>1,164,227</b>	<b>1,225,556</b>	<b>207,304</b>	<b>169,148</b>	<b>95,752</b>	<b>(207,448)</b>	<b>2,654,539</b>
<b>Operating surplus (deficit)</b>	<b>(223,162)</b>	<b>(441,461)</b>	<b>3,306</b>	<b>20,114</b>	<b>463,652</b>	<b>-</b>	<b>(177,551)</b>
Government transfers for capital	827,773	-	387,709	-	-	-	1,215,482
<b>Annual surplus (deficit)</b>	<b>\$ 604,611</b>	<b>\$ (441,461)</b>	<b>\$ 391,015</b>	<b>\$ 20,114</b>	<b>\$ 463,652</b>	<b>\$ -</b>	<b>\$ 1,037,931</b>

Notes 1 - 18 are an integral part of these consolidated financial statements 29



**TOWN OF NORTH RUSTICO**  
**Schedules to Consolidated Financial Statements**  
**Segment Disclosures**  
**Year Ended March 31, 2024**

(Schedule 10)

	General Government	Wellness Centre	Sewer Utility	Water Utility	Fire Department	Elimination	Consolidated 2024
<b>Revenues</b>							
Property taxes	\$ 582,243	\$ -	\$ -	\$ -	\$ -	-	\$ 582,243
Donations	2,541	-	-	-	28,357	-	30,898
Sewer and water dues	-	-	195,696	171,007	-	(32,130)	334,573
Fire dues	-	-	-	-	94,337	(45,669)	48,668
Government transfers for operations	13,069	11,854	-	-	-	(20,000)	24,923
Administration	20,000	-	-	-	-	-	-
Building permits and subdivision fees	3,407	-	-	-	-	-	3,407
Retail space	25,100	-	-	-	6,447	-	25,100
Miscellaneous	216,343	64,672	4,005	-	-	-	291,467
Rentals	-	412,750	-	-	-	-	412,750
Canteen	-	25,821	-	-	-	-	25,821
Memberships	-	65,036	-	-	-	-	65,036
	<u>862,703</u>	<u>580,133</u>	<u>199,701</u>	<u>171,007</u>	<u>129,141</u>	<u>(97,799)</u>	<u>1,844,886</u>
<b>Expenditures</b>							
Salaries and benefits	267,074	424,427	61,340	66,401	24,900	-	844,142
Goods and services	384,459	489,215	58,679	59,857	66,060	(97,799)	960,471
Amortization for tangible capital assets	174,966	273,062	55,630	31,198	-	-	534,856
Interest	256,676	-	29,623	7,804	-	-	294,103
	<u>1,083,175</u>	<u>1,186,704</u>	<u>205,272</u>	<u>165,260</u>	<u>90,960</u>	<u>(97,799)</u>	<u>2,633,572</u>
<b>Operating surplus (deficit)</b>	<u>(220,472)</u>	<u>(606,571)</u>	<u>(5,571)</u>	<u>5,747</u>	<u>38,181</u>	<u>-</u>	<u>(788,686)</u>
Government transfers for capital	234,881	-	297,643	-	-	-	532,524
Gain on disposal of tangible capital asset	-	-	-	-	28,500	-	28,500
<b>Annual surplus (deficit)</b>	<u>\$ 14,409</u>	<u>\$ (606,571)</u>	<u>\$ 292,072</u>	<u>\$ 5,747</u>	<u>\$ 66,681</u>	<u>\$ -</u>	<u>\$ (227,662)</u>

**M R S B**