

TOWN OF NORTH RUSTICO
Consolidated Financial Statements
March 31, 2026

TOWN OF NORTH RUSTICO
Index to Consolidated Financial Statements
March 31, 2026

	Page
MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Debt	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 18
Schedules to Consolidated Financial Statements	19 - 30

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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

INDEPENDENT AUDITOR'S REPORT

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, 2026, 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, 2026, 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, 2026 and March 31, 2025, and current assets as at March 31 for both the 2026 and 2025 periods and net assets as at April 1 and March 31 for both 2026 and 2025 years. Our audit opinion on the consolidated financial statements for the year ended March 31, 2025 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.

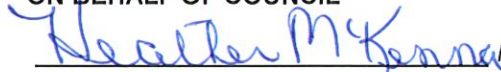
Charlottetown, PE

October 5, 2026

TOWN OF NORTH RUSTICO
Consolidated Statement of Financial Position
March 31, 2026

	2026	2025
Financial assets		
Cash		
Unrestricted cash	\$ 1,838,398	\$ 1,719,415
Restricted cash	120,333	118,089
Accounts receivable (Note 3)	407,101	592,900
Funds held in trust	938,834	1,641,640
	<u>3,304,666</u>	<u>4,072,044</u>
Liabilities		
Accounts payable and accrued liabilities	444,203	961,490
Deferred revenue (Note 4)	184,719	390,263
Long term debt (Note 5)	8,616,576	8,522,836
	<u>9,245,498</u>	<u>9,874,589</u>
Contingent liability (Note 6)		
Lease commitments (Note 7)		
Net debt (Statement 6)	<u>(5,940,832)</u>	<u>(5,802,545)</u>
Non-financial assets		
Inventory	2,248	2,248
Prepaid expense	166,181	98,664
Official Plan (Note 8)	42,882	42,882
Tangible capital assets (Schedules 1 and 2)	28,007,644	27,964,514
	<u>28,218,955</u>	<u>28,108,308</u>
Accumulated surplus (Statement 5)	<u>\$ 22,278,123</u>	<u>\$ 22,305,764</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, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Town (Schedule 3)	\$ 963,560	\$ 1,071,952	\$ 939,214
Eliyahu Wellness Centre (Schedule 5)	834,200	1,055,870	785,944
Fire Department (Schedule 6)	113,783	215,357	559,404
Sewer Utility (Schedule 7)	205,200	213,515	210,610
Water Utility (Schedule 8)	186,000	178,689	189,262
	<u>2,302,743</u>	<u>2,735,383</u>	<u>2,684,434</u>
Expenditures			
Town (Schedule 3)	1,125,098	1,479,460	1,234,646
Eliyahu Wellness Centre (Schedule 5)	828,750	1,240,456	1,154,945
Fire Department (Schedule 6)	113,275	125,778	95,942
Sewer Utility (Schedule 7)	176,450	236,539	207,304
Water Utility (Schedule 8)	153,950	177,143	169,148
	<u>2,397,523</u>	<u>3,259,376</u>	<u>2,861,985</u>
Operating surplus (deficit)	<u>(94,780)</u>	<u>(523,993)</u>	<u>(177,551)</u>
Other revenues			
Town (Schedule 3)	60,500	492,086	827,773
Sewer Utility (Schedule 7)	-	4,266	387,709
	<u>60,500</u>	<u>496,352</u>	<u>1,215,482</u>
Annual surplus (deficit)	<u>(34,280)</u>	<u>(27,641)</u>	<u>1,037,931</u>
Accumulated surplus - beginning of year	<u>22,305,764</u>	<u>22,305,764</u>	<u>21,267,833</u>
Accumulated surplus - end of year (Note 10)	<u>\$ 22,271,484</u>	<u>\$ 22,278,123</u>	<u>\$ 22,305,764</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, 2026

	Budget 2026	Actual 2026	Actual 2025
Annual surplus (deficit)	\$ (34,280)	\$ (27,641)	\$ 1,037,931
Amortization of tangible capital assets	-	603,254	577,426
Purchase of tangible capital assets	(525,799)	(646,384)	(1,519,841)
Proceeds on disposal of tangible capital assets	-	348	-
Gain on disposal of tangible capital assets	-	(350)	-
Increase in prepaid expense	-	(67,514)	(10,793)
Increase in inventory	-	-	(2,246)
Purchase of official plan	-	-	(16,081)
	<u>(525,799)</u>	<u>(110,646)</u>	<u>(971,535)</u>
Increase (decrease) in net debt	(560,079)	(138,287)	66,396
Net debt - beginning of year	(5,802,545)	(5,802,545)	(5,868,941)
Net debt - end of year	<u>\$ (6,362,624)</u>	<u>\$ (5,940,832)</u>	<u>\$ (5,802,545)</u>

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, 2026

	2026	2025
Cash flows from operating activities		
Annual surplus (deficit)	\$ (27,641)	\$ 1,037,931
Items not affecting cash:		
Amortization of tangible capital assets	603,254	577,426
Gain on disposal of tangible capital assets	(350)	-
	<u>575,263</u>	<u>1,615,357</u>
Changes in non-cash working capital:		
Accounts receivable	185,799	(282,339)
Inventory	-	(2,248)
Prepaid expense	(67,517)	(10,790)
Accounts payable and accrued liabilities	(517,283)	(1,290,293)
Deferred revenue	(205,544)	(180,661)
Funds held in trust	702,806	(1,641,640)
	<u>98,261</u>	<u>(3,407,971)</u>
	<u>673,524</u>	<u>(1,792,614)</u>
Cash flows from capital activity		
Purchase of tangible capital assets	(646,384)	(1,519,841)
Proceeds on disposal of tangible capital assets	348	-
Purchase of intangible assets	-	(16,081)
	<u>(646,036)</u>	<u>(1,535,922)</u>
Cash flows from financing activities		
Repayment of long term debt	(139,200)	(3,476,683)
Proceeds from long term debt	232,939	6,899,015
	<u>93,739</u>	<u>3,422,332</u>
Increase in cash	<u>121,227</u>	<u>93,796</u>
Cash - beginning of year	<u>1,837,504</u>	<u>1,743,708</u>
Cash - end of year	<u>\$ 1,958,731</u>	<u>\$ 1,837,504</u>
Cash consists of:		
Unrestricted cash	\$ 1,838,398	\$ 1,719,415
Restricted cash	120,333	118,089
	<u>\$ 1,958,731</u>	<u>\$ 1,837,504</u>

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, 2026

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, 2026

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	25 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
Booster pump	83 1/3 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 and full amortization recorded in the year of purchase.

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, 2026

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, 2026, 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, 2026

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.

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, 2026

3. ACCOUNTS RECEIVABLE

	2026	2025
Government funding receivable	\$ 237,458	\$ 427,402
Trade receivables	158,094	87,636
Sewer and water fees receivable	31,547	40,715
HST receivable	9,183	40,499
	436,282	596,252
Allowance for doubtful accounts	(29,181)	(3,352)
	<u>\$ 407,101</u>	<u>\$ 592,900</u>

4. DEFERRED REVENUE

	2026	2025
<u>Town</u>		
Canada Community Building Fund	\$ 74,752	\$ 72,508
Active Transportation Boardwalk replacement project	28,346	200,336
Prepaid ice rentals	26,891	-
Active Transportation Fund	25,000	-
Tourism PEI Hauling Day	12,450	12,450
Rent	5,667	5,667
Fire dues	3,806	3,806
Insurance proceeds	-	85,528
	176,912	380,295
<u>Utility</u>		
Sewer and water fees	7,807	9,968
	7,807	9,968
	<u>\$ 184,719</u>	<u>\$ 390,263</u>

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 \$2,245, and incurred eligible expenditures of \$Nil.

5. LONG TERM DEBT

	2026	2025
<u>Town</u>		
Finance PEI - 6.4%, repayable in monthly blended installments of \$25,094 commencing October 1, 2026 with interest accruing as of October 1, 2025. 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.	\$ 3,732,939	\$ 3,500,000

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TOWN OF NORTH RUSTICO
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

5. LONG TERM DEBT (continued)

	2026	2025
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.	664,867	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.	664,467	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.	664,391	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.	664,050	678,245
RBC - 4.84%, repayable in monthly blended installments of \$3,920. The loan matures on February 6, 2031 and is secured by Town borrowing resolution.	664,010	678,237
RBC - 4.84%, repayable in monthly blended installments of \$835. The loan matures on February 8, 2031 and is secured by Town borrowing resolution.	103,610	109,537
RBC - 4.84%, repayable in monthly blended installments of \$740. The loan matures on February 9, 2031 and is secured by Town borrowing resolution.	92,023	97,257
	<u>7,250,357</u>	<u>7,098,077</u>
<u>Utility</u>		
RBC - 4.84%, repayable in monthly blended installments of \$6,850. The loan matures on February 8, 2031 and is secured by guarantee and postponement of claim in the amount of \$1,825,000 signed by the Town of North Rustico.	1,007,878	1,049,762
RBC - 4.84%, repayable in monthly blended installments of \$2,690. The loan matures on February 8, 2031 and is secured by guarantee and postponement of claim in the amount of \$1,825,000 signed by the Town of North Rustico.	358,341	374,997
	<u>1,366,219</u>	<u>1,424,759</u>
	<u>\$ 8,616,576</u>	<u>\$ 8,522,836</u>

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

2027	\$ 809,548
2028	817,014
2029	795,122
2030	772,968
2031	5,421,924
	<u>\$ 8,616,576</u>

TOWN OF NORTH RUSTICO
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

6. CONTINGENT LIABILITY

A Human Rights claim has been filed against the Town. 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 next year are as follows:

2027	\$ <u>1,171</u>
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8. INTANGIBLE ASSETS

	<u>2026</u>	<u>2025</u>
Official Plan	\$ 42,882	\$ 42,882
Accumulated amortization	-	-
	<u>\$ 42,882</u>	<u>\$ 42,882</u>

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

9. GOVERNMENT TRANSFERS

	<u>2026</u>	<u>2025</u>
<u>Government Transfers for Capital</u>		
<u>Town</u>		
Active Transportation Fund - Boardwalk Replacement Project	\$ 324,963	\$ 81,111
Municipal Capital Expenditure Grant	65,366	154,062
Province of PEI - Rural Growth Initiative	24,948	90,557
Atlantic Canada Opportunities Agency	-	480,959
Canada Community Building Fund	-	21,084
	<u>415,277</u>	<u>827,773</u>
<u>Sewer Utility</u>		
Municipal Capital Expenditure Grant	4,266	31,640
Canada Community Building Fund	-	356,069
	<u>4,266</u>	<u>387,709</u>
	<u>419,543</u>	<u>1,215,482</u>

(continues)

TOWN OF NORTH RUSTICO
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

9. GOVERNMENT TRANSFERS (continued)

	2026	2025
<u>Government Transfers for Operations</u>		
<u>Town</u>		
Province of PEI - Jobs for Youth	5,125	-
PEI Department of Health and Wellness training	4,483	-
Province of PEI - Property tax grant in lieu	2,265	2,221
Canada Summer Jobs	2,240	2,060
	<u>14,113</u>	<u>4,281</u>
<u>Wellness Center</u>		
Province of PEI - Property tax grant in lieu	78,215	78,091
Province of PEI - Post Secondary Student Program	9,374	15,366
Province of PEI - Arena Support Grant	8,500	8,500
Province of PEI - Special Projects Program	8,495	-
	<u>104,584</u>	<u>101,957</u>
	<u>118,697</u>	<u>106,238</u>
	<u>\$ 538,240</u>	<u>\$ 1,321,720</u>

10. ACCUMULATED SURPLUS

	2026	2025
Unrestricted surplus	\$ 2,844,174	\$ 2,821,202
Investment in tangible capital assets (Note 11)	19,391,067	19,441,680
Investment in intangible assets (Note 8)	42,882	42,882
	<u>\$ 22,278,123</u>	<u>\$ 22,305,764</u>

11. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2026	2025
Tangible capital assets - Schedule 1 and 2	\$ 32,918,470	\$ 32,289,096
Accumulated amortization - Schedule 1 and 2	(4,910,827)	(4,324,580)
Long term debt (Note 5)	(8,616,576)	(8,522,836)
	<u>\$ 19,391,067</u>	<u>\$ 19,441,680</u>

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.

TOWN OF NORTH RUSTICO
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

13. ADMINISTRATION

During the year, the Town received a management fee totaling \$25,000 (2025 - \$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 2026 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

Town of North Rustico budgeted annual surplus	\$ 7,462
Eliyahu Wellness Centre annual budgeted surplus	5,450
Fire Department budgeted annual surplus	508
Sewer and Water budgeted annual surplus	300
Add: Debt repayment	72,000
Less: Loan transfer from FPEI	<u>(120,000)</u>
	<u>\$ (34,280)</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, 2026

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, 2026.

(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, 2026

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, 2026

(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
Town									
Land	\$ 116,032	\$ -	\$ -	\$ 116,032	\$ -	\$ -	\$ -	\$ -	\$ 116,032
Buildings	183,011	-	-	183,011	101,557	5,373	-	106,930	76,081
Park equipment	183,169	5,363	-	188,532	117,804	10,088	-	127,892	60,640
Furniture and equipment	87,663	1,935	-	89,598	55,025	6,252	-	61,277	28,321
Fire hall	281,850	-	-	281,850	246,490	4,403	-	250,893	30,957
Fire equipment	374,775	30,130	-	404,905	159,749	30,351	-	190,102	214,803
Fire trucks	1,127,809	-	-	1,127,809	527,077	58,894	-	585,973	541,838
Jaws of life	41,375	-	-	41,375	33,611	2,068	-	35,679	5,696
Downtown economic project	263,262	-	-	263,262	228,762	17,551	-	246,313	16,949
Computer equipment	32,704	-	-	32,704	32,108	239	-	32,347	357
Vehicles	31,799	46,629	(17,010)	61,418	29,730	3,453	(17,010)	16,173	45,245
Seawalk park	1,433,022	1,242	-	1,434,264	489,404	57,346	-	546,750	887,514
Boardwalk	578,966	347,944	-	926,910	18,151	30,118	-	48,269	878,641
Wellness Centre	18,807,713	156,482	-	18,964,195	542,790	251,810	-	794,602	18,169,593
Wellness Centre equipment	893,211	13,585	-	906,796	77,197	36,002	-	113,197	793,599
Walking trails	11,826	-	-	11,826	473	473	-	946	10,880
	\$ 24,448,187	\$ 603,310	\$ (17,010)	\$ 25,034,487	\$ 2,659,928	\$ 514,421	\$ (17,010)	\$ 3,157,343	\$ 21,877,146

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, 2026

(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
Sewer and Water Utility									
Land	\$ 81,637	\$ -	\$ -	\$ 81,637	\$ -	\$ -	\$ -	\$ -	\$ 81,637
Treatment plant	3,898,054	14,079	-	3,912,133	547,535	46,945	-	594,480	3,317,653
Sewer system	782,236	24,152	-	806,388	204,116	9,676	-	213,792	592,596
Water system	998,100	4,296	-	1,002,396	198,579	12,028	-	210,607	791,789
Wellsite upgrades	1,313,977	-	-	1,313,977	225,430	15,768	-	241,198	1,072,779
Treatment and disposal equipment	398,885	-	-	398,885	392,550	817	-	393,367	5,518
Vehicles	59,934	-	-	59,934	59,934	-	-	59,934	-
Equipment	25,989	547	-	26,536	25,989	258	-	26,247	289
Computers	3,841	-	-	3,841	3,841	-	-	3,841	-
Booster pump	278,256	-	-	278,256	6,678	3,341	-	10,019	268,237
	\$ 7,840,909	\$ 43,074	\$ -	\$ 7,883,983	\$ 1,664,652	\$ 88,833	\$ -	\$ 1,753,485	\$ 6,130,498
Total	\$ 32,289,096	\$ 646,384	\$ (17,010)	\$ 32,918,470	\$ 4,324,580	\$ 603,254	\$ (17,010)	\$ 4,910,827	\$ 28,007,644

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, 2025

(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
Town									
Land	\$ 116,032	\$ -	\$ -	\$ 116,032	\$ -	\$ -	\$ -	\$ -	\$ 116,032
Buildings	183,011	-	-	183,011	96,184	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	22,815	-	159,749	215,026
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
Parks and boardwalk	1,433,022	-	-	1,433,022	432,083	57,321	-	489,404	943,618
Celebration of life park	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
	\$23,276,389	\$ 1,171,798	\$ -	\$ 24,448,187	\$ 2,173,358	\$ 486,571	\$ -	\$ 2,659,928	\$ 21,788,259

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, 2025

(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
Sewer and Water Utility									
Land	\$ 81,637	\$ -	\$ -	\$ 81,637	\$ -	\$ -	\$ -	\$ -	\$ 81,637
Treatment plant	3,550,011	348,043	-	3,898,054	500,756	46,779	-	547,535	3,350,517
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	209,663	15,767	-	225,430	1,088,547
Treatment and disposal equipment	398,885	-	-	398,885	391,736	814	-	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	3,339	3,339	-	6,678	271,578
	\$ 7,492,866	\$ 348,043	\$ -	\$ 7,840,909	\$ 1,573,797	\$ 90,855	\$ -	\$ 1,664,652	\$ 6,176,255
Total	\$ 30,769,255	\$ 1,519,841	\$ -	\$ 32,289,096	\$ 3,747,155	\$ 577,426	\$ -	\$ 4,324,580	\$ 27,964,514

TOWN OF NORTH RUSTICO
Statement of Operations - Town
Year Ended March 31, 2026

(Schedule 3)

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Property tax	\$ 700,000	\$ 767,091	\$ 664,775
Town/ Planning grant	48,500	81,794	10,544
Wellness Center sponsorships	104,000	65,200	157,707
Canada Day and special events	45,000	45,796	41,559
Miscellaneous	3,000	38,658	4,419
Retail space	30,000	30,094	27,209
Administration transfer from Utility (Note 13)	24,000	25,000	20,000
Government transfers for operations (Note 9)	2,060	14,113	4,281
Buildings permits and subdivision fees	7,000	3,289	6,919
Interest	-	917	1,801
	963,560	1,071,952	939,214
Expenditures			
Administration (Schedule 4)	324,500	328,965	310,984
Advertising and Promotions (Schedule 4)	2,500	3,254	1,319
Amortization of tangible capital assets	-	228,276	203,100
Fire protection	54,258	54,590	50,873
Grant to Wellness Centre	90,000	90,000	100,000
Infrastructure (Schedule 4)	82,275	85,325	78,435
Interest on Wellness Centre loan	240,315	396,615	226,704
Office and Building (Schedule 4)	39,650	31,420	33,997
Professional Services (Schedule 4)	210,500	200,167	160,931
Special Events (Schedule 4)	81,100	60,848	68,303
	1,125,098	1,479,460	1,234,646
Operating deficit	(161,538)	(407,508)	(295,432)
Other revenues			
Government transfers for capital (Note 9)	60,000	415,277	827,773
Insurance recoveries	-	47,489	-
Boardwalk donations	500	28,970	-
Gain on disposal of tangible capital assets	-	350	-
	60,500	492,086	827,773
Annual surplus (deficit)	\$ (101,038)	\$ 84,578	\$ 532,341

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

TOWN OF NORTH RUSTICO
Statement of Expenditures - Town
Year Ended March 31, 2026

(Schedule 4)

	Budget 2026	Actual 2026	Actual 2025
Administration			
Bad debts	\$ -	\$ -	\$ 500
Dues and fees	2,000	2,170	1,688
Honorariums	37,000	26,494	26,342
Insurance	30,000	29,862	35,896
Interest and bank charges	3,000	1,979	1,198
Interest on long term debt	5,500	5,409	5,097
Mayoral discretionary fund	5,000	1,024	1,183
Miscellaneous	2,100	1,650	2,487
Office supplies and postage	9,500	9,913	9,767
Salaries and benefits	225,000	245,239	221,956
Travel and meetings	5,400	5,225	4,870
	<u>324,500</u>	<u>328,965</u>	<u>310,984</u>
Advertising and Promotions			
Advertising	2,500	1,555	601
Newsletters	-	1,699	718
	<u>2,500</u>	<u>3,254</u>	<u>1,319</u>
Infrastructure			
EMO	500	174	-
Hydrants	16,000	11,003	19,466
Park and boardwalk	7,000	7,429	5,718
Rental properties	12,375	32,546	13,652
Snow removal	900	1,260	894
Street lights	35,000	26,766	31,771
Waste watch	8,000	6,147	6,934
Wellnes Centre fundraising	2,500	-	-
	<u>82,275</u>	<u>85,325</u>	<u>78,435</u>
Office and Building			
Electricity and heat	7,700	5,420	7,585
Property tax	4,800	4,698	3,122
Repairs and maintenance	14,700	10,912	11,929
Sewer and water	950	520	850
Telephone	11,500	9,870	10,511
	<u>39,650</u>	<u>31,420</u>	<u>33,997</u>
Professional Services			
Accounting fees	25,000	16,635	24,960
Bylaw enforcement	5,000	5,346	4,680
Development officer	15,500	10,495	13,726
Legal fees	45,000	60,975	46,955
Other professional fees	120,000	106,716	70,610
	<u>210,500</u>	<u>200,167</u>	<u>160,931</u>
Special Events			
Canada Day	45,000	43,517	48,056
Special events	36,100	17,331	20,247
	<u>81,100</u>	<u>60,848</u>	<u>68,303</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, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Ice rentals	\$ 458,500	\$ 529,743	\$ 398,249
Fundraising	20,500	122,208	10,881
Government transfers for operations (Note 9)	22,000	104,584	101,957
Town operating grant	90,000	90,000	100,000
Fitness centre	85,500	76,356	80,971
Food service	76,800	70,459	49,646
Room rental	80,000	61,821	42,957
Miscellaneous	900	699	1,283
	<u>834,200</u>	<u>1,055,870</u>	<u>785,944</u>
Expenditures			
Advertising and fundraising	4,550	29,156	14,710
Amortization of tangible capital assets	-	286,146	283,471
Bad debts	-	28,289	2,852
Food service	45,000	45,431	27,387
Insurance	62,000	66,430	56,224
Interest and bank charges	800	579	596
Office	4,200	8,163	5,039
Professional fees	-	1,716	(3,117)
Property tax	-	78,215	78,091
Repairs and maintenance	79,000	84,309	95,319
Sewer	16,300	14,263	16,259
Supplies	15,500	21,937	15,355
Telephone	22,400	22,909	22,425
Utilities	249,000	253,552	249,252
Wages and levies	330,000	299,361	291,082
	<u>828,750</u>	<u>1,240,456</u>	<u>1,154,945</u>
Operating surplus (deficit)	<u>\$ 5,450</u>	<u>\$ (184,586)</u>	<u>\$ (369,001)</u>

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, 2026

(Schedule 6)

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Fire dues	\$ 107,783	\$ 132,119	\$ 99,873
Fundraising	5,000	66,937	448,499
Interest	-	16,301	10,832
Miscellaneous	1,000	-	200
	<u>113,783</u>	<u>215,357</u>	<u>559,404</u>
Expenditures			
Building maintenance and utilities	8,800	11,748	8,084
Fundraising, social and uniforms	26,000	20,047	17,322
Honorariums	25,100	29,700	25,100
Insurance	15,950	16,783	14,468
Medical supplies, equipment maintenance and office	8,250	10,646	5,806
Telephone	10,075	11,241	10,726
Training	6,000	9,105	1,737
Truck repairs and fuel	13,100	16,508	12,699
	<u>113,275</u>	<u>125,778</u>	<u>95,942</u>
Operating surplus	<u>\$ 508</u>	<u>\$ 89,579</u>	<u>\$ 463,462</u>

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, 2026

(Schedule 7)

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Sewer rates	\$ 205,000	\$ 212,244	\$ 209,330
Miscellaneous	-	648	640
Interest	200	623	640
	<u>205,200</u>	<u>213,515</u>	<u>210,610</u>
Expenditures			
Amortization of tangible capital assets	-	58,745	59,657
Contract labour	69,000	61,503	59,257
Dues and fees	2,500	2,470	2,666
Electricity	29,000	30,648	27,669
Honorariums	1,500	500	417
Insurance	5,800	5,232	5,238
Interest and bank charges	800	412	678
Interest on long term debt	30,000	31,218	27,706
Office	12,500	12,492	10,000
Professional fees	4,000	3,187	3,132
Property tax	1,450	1,528	1,413
Repairs and maintenance	13,500	24,366	5,166
Telephone	6,400	4,238	4,305
	<u>176,450</u>	<u>236,539</u>	<u>207,304</u>
Operating surplus (deficit)	<u>28,750</u>	<u>(23,024)</u>	<u>3,306</u>
Other revenues			
Government transfers for capital (Note 9)	-	4,266	387,709
Annual surplus (deficit)	<u>\$ 28,750</u>	<u>\$ (18,758)</u>	<u>\$ 391,015</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, 2026

(Schedule 8)

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Water rates	\$ 186,000	\$ 178,689	\$ 189,262
Expenditures			
Amortization of tangible capital assets	-	30,087	31,198
Contract labour	71,000	64,291	66,715
Dues and fees	2,500	2,470	2,666
Electricity	17,000	14,078	15,700
Honorariums	1,500	500	417
Insurance	6,000	6,565	7,738
Interest and bank charges	1,000	412	685
Interest on long term debt	12,500	7,797	6,747
Office	13,500	12,610	9,576
Professional fees	4,000	3,187	3,132
Property tax	1,350	1,378	1,282
Repairs and maintenance	10,100	19,138	10,949
Telephone	5,000	6,722	6,760
Water testing	8,500	7,908	5,583
	<u>153,950</u>	<u>177,143</u>	<u>169,148</u>
Annual surplus	<u>\$ 32,050</u>	<u>\$ 1,546</u>	<u>\$ 20,114</u>

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, 2026

(Schedule 9)

	General Government	Wellness Center	Sewer	Water	Fire	Elimination	Consolidated 2026
Revenues							
Property taxes	\$ 767,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 767,091
Donations and fundraising	-	-	-	-	66,937	-	66,937
Sewer and water dues	-	-	212,244	178,689	-	(25,786)	365,147
Fire dues	-	-	-	-	132,119	(54,590)	77,529
Planning grant	81,794	-	-	-	-	-	81,794
Miscellaneous	227,030	212,907	1,271	-	16,301	(90,000)	367,509
Government transfers for operations	14,113	104,584	-	-	-	-	118,697
Administration	25,000	-	-	-	-	(25,000)	-
Buiding permits and subdivision fees	3,289	-	-	-	-	-	3,289
Retail space	30,094	-	-	-	-	-	30,094
Fitness Centre	-	76,356	-	-	-	-	76,356
Rentals	-	591,564	-	-	-	-	591,564
Canteen	-	70,459	-	-	-	-	70,459
	1,148,411	1,055,870	213,515	178,689	215,357	(195,376)	2,616,466
Expenditures							
Salaries and benefits	271,733	299,361	61,503	64,291	29,700	-	726,588
Goods and services	575,448	654,949	84,661	74,556	96,078	(195,376)	1,290,316
Amortization of tangible capital assets	228,276	286,146	58,745	30,087	-	-	603,254
Interest	404,003	-	31,630	8,209	-	-	443,842
	1,479,460	1,240,456	236,539	177,143	125,778	(195,376)	3,064,000
Operating surplus (deficit)	(331,049)	(184,586)	(23,024)	1,546	89,579	-	(447,534)
Government transfers for capital	415,277	-	4,266	-	-	-	419,543
Gain on disposal of tangible capital assets	350	-	-	-	-	-	350
Annual surplus (deficit)	\$ 84,578	\$ (184,586)	\$ (18,758)	\$ 1,546	\$ 89,579	\$ -	\$ (27,641)

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 10)

	General Government	Wellness Centre	Sewer Utility	Water Utility	Fire Department	Elimination	Consolidated 2025
Revenues							
Property taxes	\$ 664,776	\$ -	\$ -	\$ -	-	-	\$ 664,776
Donations	-	-	-	-	448,499	-	448,499
Sewer and water dues	-	-	209,330	189,262	-	(36,575)	362,017
Fire dues	-	-	-	-	99,873	(50,873)	49,000
Planning grant	10,544	-	-	-	-	-	10,544
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
Miscellaneous	205,486	112,164	1,280	-	11,032	(100,000)	229,962
Rentals	-	441,206	-	-	-	-	441,206
Canteen	-	49,646	-	-	-	-	49,646
Fitness Centre	-	80,971	-	-	-	-	80,971
	<u>939,215</u>	<u>785,944</u>	<u>210,610</u>	<u>189,262</u>	<u>559,404</u>	<u>(207,448)</u>	<u>2,476,987</u>
Expenditures							
Salaries and benefits	248,298	291,082	59,257	66,715	25,100	-	690,452
Goods and services	550,250	580,392	60,006	63,803	70,842	(207,448)	1,117,845
Amortization for tangible capital assets	203,100	283,471	59,657	31,198	-	-	577,426
Interest	232,999	-	28,384	7,432	-	-	268,815
	<u>1,234,647</u>	<u>1,154,945</u>	<u>207,304</u>	<u>169,148</u>	<u>95,942</u>	<u>(207,448)</u>	<u>2,654,538</u>
Operating surplus (deficit)	<u>(295,432)</u>	<u>(369,001)</u>	<u>3,306</u>	<u>20,114</u>	<u>463,462</u>	<u>-</u>	<u>(177,551)</u>
Government transfers for capital	827,773	-	387,709	-	-	-	1,215,482
Annual surplus (deficit)	<u>\$ 532,341</u>	<u>\$ (369,001)</u>	<u>\$ 391,015</u>	<u>\$ 20,114</u>	<u>\$ 463,462</u>	<u>\$ -</u>	<u>\$ 1,037,931</u>

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