

TOWN OF CORNWALL
Consolidated Financial Statements
March 31, 2024

TOWN OF CORNWALL
Index to Consolidated Financial Statements
March 31, 2024

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	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 - 29

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Town of Cornwall 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.

The council met 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 Cornwall:



Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Town of Cornwall

Opinion

We have audited the consolidated financial statements of the Town of Cornwall (the Town), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Public Sector.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Accounting Standards for Public Sector, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

(continues)

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 18, 2024

TOWN OF CORNWALL
Consolidated Statement of Financial Position
March 31, 2024

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and cash equivalents		
Cash	\$ 1,026,771	\$ 528,348
Restricted cash	202,011	937,460
Accounts receivable (Note 3)	1,313,314	1,208,996
Long term investments (Note 4)	175,272	147,972
	<u>2,717,368</u>	<u>2,822,776</u>
Liabilities		
Bank indebtedness (Note 5)	266,593	-
Demand loans (Note 6)	1,766,800	1,991,800
Accounts payable and accrued liabilities	1,010,465	1,014,731
Deferred revenue (Note 7)	1,216,626	735,820
Retirement obligation (Note 8)	193,381	185,974
Long term debt (Note 9)	1,745,764	2,218,111
	<u>6,199,629</u>	<u>6,146,436</u>
Contingent liability (Note 10)		
Commitments (Note 11)		
Net debt (Statement 6)	<u>(3,482,261)</u>	<u>(3,323,660)</u>
Non-financial assets		
Prepaid expense	65,761	34,303
Intangible assets (Note 12)	186,902	83,297
Tangible capital assets (Schedule 1 and 2)	41,956,813	38,834,979
	<u>42,209,476</u>	<u>38,952,578</u>
Accumulated surplus (Statement 5)	<u>\$ 38,727,215</u>	<u>\$ 35,628,918</u>

ON BEHALF OF COUNCIL

 _____ Mayor

 _____ Councillor

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Consolidated Statement of Operations
Year Ended March 31, 2024

	Budget 2024	Actual 2024	Actual 2023
Revenues			
Town (Schedule 3)	\$ 4,974,938	\$ 4,872,152	\$ 4,676,294
Parks and Recreation (Schedule 5)	458,900	557,570	564,783
Water and Sewer (Schedule 6)	2,014,432	1,900,302	2,078,515
	<u>7,448,270</u>	<u>7,330,024</u>	<u>7,319,592</u>
Expenditures			
Town (Schedule 3)	3,373,728	3,679,960	3,491,126
Parks and Recreation (Schedule 5)	1,411,423	1,595,623	1,299,982
Water and Sewer (Schedule 6)	1,658,941	1,850,371	1,612,088
	<u>6,444,092</u>	<u>7,125,954</u>	<u>6,403,196</u>
Operating surplus	<u>1,004,178</u>	<u>204,070</u>	<u>916,396</u>
Other revenues			
Town (Schedule 3)	2,974,356	2,350,775	626,786
Water and Sewer (Schedule 6)	3,687,349	543,452	3,030,467
	<u>6,661,705</u>	<u>2,894,227</u>	<u>3,657,253</u>
Annual surplus	<u>7,665,883</u>	<u>3,098,297</u>	<u>4,573,649</u>
Accumulated surplus - beginning of year	<u>35,628,918</u>	<u>35,628,918</u>	<u>31,055,269</u>
Accumulated surplus - end of year (Note 14)	<u>\$ 43,294,801</u>	<u>\$ 38,727,215</u>	<u>\$ 35,628,918</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Consolidated Statement of Changes in Net Debt
Year Ended March 31, 2024

	Budget 2024	Actual 2024	Actual 2023
Annual surplus	\$ 7,665,883	\$ 3,098,297	\$ 4,573,649
Amortization of intangible assets	26,088	44,711	29,394
Amortization of tangible capital assets	684,589	1,169,908	1,069,437
Purchase of intangible assets	(132,000)	(148,315)	(5,321)
Purchase of tangible capital assets	(10,440,832)	(4,291,744)	(6,261,227)
Increase in prepaid expense	-	(31,458)	(127)
Gain on disposal of tangible capital assets	-	(850)	(7,425)
Proceeds on disposal of tangible capital assets	-	850	7,425
	<u>(9,862,155)</u>	<u>(3,256,898)</u>	<u>(5,167,844)</u>
Increase in net debt	(2,196,272)	(158,601)	(594,195)
Net debt - beginning of year	(3,323,660)	(3,323,660)	(2,729,465)
Net debt - end of year	\$ (5,519,932)	\$ (3,482,261)	\$ (3,323,660)

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Consolidated Statement of Cash Flows
Year Ended March 31, 2024

	2024	2023
Cash flows from operating activities		
Annual surplus	\$ 3,098,297	\$ 4,573,649
Items not affecting cash:		
Amortization of intangible assets	44,711	29,394
Amortization of tangible assets	1,169,908	1,069,437
Gain on disposal of tangible capital assets	(850)	(7,425)
Income from government business enterprise	(27,300)	(21,558)
	<u>4,284,766</u>	<u>5,643,497</u>
Changes in non-cash working capital:		
Accounts receivable	(104,318)	(390,464)
Prepaid expense	(31,458)	(127)
Accounts payable and accrued liabilities	(4,266)	(395,931)
Deferred revenue	480,806	589,609
Retirement obligation	7,407	16,948
	<u>348,171</u>	<u>(179,965)</u>
	<u>4,632,937</u>	<u>5,463,532</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(4,291,744)	(6,261,227)
Purchase of intangible assets	(148,315)	(5,321)
Proceeds on disposal of tangible capital assets	850	7,425
	<u>(4,439,209)</u>	<u>(6,259,123)</u>
Cash flows from financing activities		
Advances (repayment) of operating loans	(225,000)	641,800
Repayment of long term debt	(472,347)	(459,587)
	<u>(697,347)</u>	<u>182,213</u>
Decrease in cash	(503,619)	(613,378)
Cash - beginning of year	1,465,808	2,079,186
Cash - end of year	\$ 962,189	\$ 1,465,808
Cash consists of:		
Cash	\$ 1,026,771	\$ 528,348
Restricted cash	202,011	937,460
Bank indebtedness	(266,593)	-
	<u>\$ 962,189</u>	<u>\$ 1,465,808</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

1. DESCRIPTION OF BUSINESS

The Town of Cornwall (the "Town") was incorporated under the Charlottetown Area Municipalities Act and continued under the Municipal Government Act. The Town is a non-profit organization under the Income Tax Act. The Town manages the municipal operations and also provides sewer and water services to its residents.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements for the Town of Cornwall 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 and 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 Cornwall 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 is the following:

Cornwall Water and Sewer Utility Corporation

A government business enterprise is a self-sustaining organization that has the financial and operating authority to sell goods and services to individuals and non-government organizations as its principal activity and source of revenue. Government business enterprises are accounted for on the modified equity basis. Their accounting principles are not adjusted to conform with those of the Town. The total net assets of all government business enterprises are reported as a separate item on the Consolidated Statement of Financial Position. The total net income from all government business enterprises is reported as a separate item on the Consolidated Statement of Operations. The Town's investment in government business enterprises include the following:

The Charlottetown Area Development Corporation (CADC)

Cash

Cash is comprised of cash on hand, unrestricted and restricted balances on deposit with banks and bank indebtedness.

(continues)

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable

Accounts receivable arise from sewer and water levies, government funding, miscellaneous 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 uncollectible 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.

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	50 years
Sidewalks	30 years
Trails, parks and gardens	30 years
Pool	30 years
Sportsfields	20 years
Transit bus	10 years
Public works equipment	10 years
Recreation equipment	10 years
Town equipment	5 years
Vehicles and trailers	7 years
Sewer system	75 years
Water system	75 years
Meters	25 years
SCADA	20 years
Utility equipment	10 years
Vehicles and trailers	7 years
Office equipment	5 years

One-half of the annual rate is recorded in the year of acquisition; no amortization is recorded in the year of disposal.

Cornwall Water and Sewer Utility Corporation anticipates recovery of all of the costs related to the waterline installation on Osprey Avenue from Ferry Road to Primrose Drive from the developer. Cornwall Water and Sewer Utility Corporation estimates the recovery to be approximately \$97,147.

The anticipated recovery of these costs has not been reflected in the financial statements as the events giving rise to the recovery have not yet occurred.

(continues)

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2024, no asset retirement obligations have been identified by management.

Intangible assets

The intangible assets consisting of official plan, utility rate study and electric transit plan are stated at cost and are being amortized on a straight-line basis over their estimated useful lives of five years.

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 year.

Employee future benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, retiring allowances, and defined contributions to employee benefit plans when it is probable that settlement will be required and they are capable of being measured reliably.

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.

(continues)

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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.

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 as amounts are received from Province of Prince Edward Island.

Sewer and water dues are charged based on rates approved by Council. These charges are assessed quarterly and are recognized when billings come due.

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 operating surplus. 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.

Management 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 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 those reported. The following are areas in which management makes significant accounting estimates:

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

3. ACCOUNTS RECEIVABLE

	2024	2023
Government funding receivable	\$ 1,006,458	\$ 782,202
Utility billings receivable	315,884	283,304
HST receivable	46,369	166,301
Other receivables	17,805	37,665
	1,386,516	1,269,472
Allowance for doubtful accounts	(73,202)	(60,476)
	\$ 1,313,314	\$ 1,208,996

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

4. LONG TERM INVESTMENTS

The Town of Cornwall holds a 2% portion of the Charlottetown Area Development Corporation (CADC). Condensed financial information for CADC for the years ended March 31, 2024 and 2023 are as follows:

	2024	2023
<u>Consolidated Statement of Financial Position</u>		
Assets		
Current assets	\$ 8,328,396	\$ 4,732,388
Property inventory	2,582,452	2,392,744
Mortgages receivable	251,071	232,671
Property and equipment	27,481	32,948
Investment properties	74,667,868	73,972,800
	\$ 85,857,268	\$ 81,363,551
Liabilities		
Current liabilities	\$ 9,468,894	\$ 10,388,415
Long term debt	17,554,920	18,440,225
Deferred revenues	45,097,786	40,164,228
	72,121,600	68,992,868
Shareholder's equity		
Capital stock	2,500	2,500
Contributed surplus	4,526,706	4,526,706
Retained earnings	9,206,462	7,841,447
	13,735,668	12,370,653
Total liabilities and shareholders' equity	\$ 85,857,268	\$ 81,363,551
<u>Consolidated Statement of Comprehensive Income</u>		
Revenues		
Operating income	\$ 1,911,172	\$ 1,702,916
Management fee	178,724	147,236
Interest	151,106	127,612
Miscellaneous	46,779	28,133
	2,287,781	2,005,897
Expenses		
	922,766	927,994
Net earnings for the year	1,365,015	1,077,903
Retained earnings - beginning of year	7,841,447	6,763,544
Retained earnings - end of year	\$ 9,206,462	\$ 7,841,447
<u>Investment</u>		
Investment - beginning of year	\$ 147,972	\$ 126,414
Share of net income (2%)	27,300	21,558
	175,272	147,972
Investment - end of year	\$ 175,272	\$ 147,972

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

4. LONG TERM INVESTMENTS (continued)

Key Activities and Commitments:

Demand loans of \$6,556,601 (2023 - \$7,131,601) are due on demand, interest at prime minus 0.1% and bankers' acceptance rate plus 0.75%. Interest paid monthly.

Long term debt and the demand loans are secured by general security agreement representing a first charge on all assets, continuing collateral mortgages representing a first charge on all real property known as Harbourside Complex and an undertaking not to encumber or mortgage the property at 119 Euston Street, assignment of mortgage receivable and fire insurance for Harbourside Complex and general assignment of rents representing a first charge on rent on the Harbourside Complex.

The Province of Prince Edward Island is the majority shareholder of the The Charlottetown Area Development Corporation and the City of Charlottetown, the Town of Stratford, and the Town of Cornwall are minority shareholders.

5. BANK INDEBTEDNESS

	2024	2023
<u>Water and Sewer Utility</u>		
National Bank of Canada	\$ 266,593	\$ -

The Utility has an approved line of credit with National Bank of \$550,000, which is due for renewal on November 30, 2024.

6. DEMAND LOANS

	2024	2023
<u>Water and Sewer Utility</u>		
National Bank - prime rate less 0.75%; interest due monthly; maximum limit of \$2,614,244; due on demand.	\$ 1,766,800	\$ 1,991,800

The Town also has an approved line of credit with National Bank of \$1,000,000, which is due for renewal on November 30, 2024, and was not utilized at the year end.

The Town must maintain the following financial ratios at all times:

- Working capital of at least \$1,000
- Working capital ratio of at least 1:1

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

7. DEFERRED REVENUE

	2024	2023
CMHC - Housing Accelerator Fund	\$ 1,065,165	\$ -
Parkland dedication reserves	45,603	17,815
Province of PEI Equalization grant	38,016	-
Canada Community Building Fund	33,574	442,888
Program funding	22,879	15,989
Province of PEI Community Revitalization funding	11,389	-
Active Transportation	-	259,128
	\$ 1,216,626	\$ 735,820

Under the Canada Community Building Fund, the Town was allocated annual funding of \$643,700 for fiscal 2024. 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 year.

During the year, the Town received Canada Community Building funding of \$643,700 earned interest of \$24,944 and incurred eligible expenditures of \$1,057,122.

8. RETIREMENT OBLIGATION

The Town accrues a retirement allowance for certain employees over the age of 50. The Town has calculated an estimated reserve based on one week retirement allowance for each employee anticipated to meet the criteria. The expense for the plan is equal to the change in estimated allowance for the year which was \$7,407 (2023 - \$38,747). The retirement obligation allowance is included in the restricted cash balance.

9. LONG TERM DEBT

	2024	2023
<u>Town of Cornwall</u>		
National Bank of Canada - 3.23%, repayable in monthly blended installments of \$8,534; unsecured. The loan renews on November 20, 2024.	\$ 773,449	\$ 849,417
National Bank of Canada - 2.65%, repayable in monthly blended installments of \$12,932; unsecured. The loan renews on July 20, 2026.	353,570	497,256
	1,127,019	1,346,673

(continues)

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

9. LONG TERM DEBT (continued)

	2024	2023
<u>Water and Sewer Utility</u>		
National Bank of Canada - 3%, repayable in monthly blended installments of \$13,178; unsecured. The loan renews on April 3, 2027.	465,670	607,452
National Bank of Canada - 2.4%, repayable in monthly blended installments of \$9,671; unsecured. The loan renews on July 26, 2025.	153,075	263,986
	618,745	871,438
	\$ 1,745,764	\$ 2,218,111

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

2025	\$ 1,180,839
2026	341,618
2027	209,612
2028	13,694

10. CONTINGENT LIABILITY

The Town commenced a legal action against a resident for reimbursement of expenses incurred in the cleanup of a property. The resident has filed a cross claim with no amount formally claimed as of yet. In the opinion of management and legal counsel, the likelihood of any liability to the Town is unknown at this time. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

The Town has an outstanding insurance claim regarding property damage caused by a sewer backup. Total anticipated costs for the claim are \$40,000 and the Town's deductible for the claim is \$10,000. The Town is uncertain whether this will be a successful claim at this time.

11. COMMITMENTS

The Town has entered into an agreement with the Eastern School District for the period of October 19, 2005 to October 18, 2025 for the development of sports fields located on the Eastern School District lands, including responsibilities for each party. The agreement may be extended for a further ten years on the same terms if both parties agree to the extension. The Eastern School District agrees to lease to the Town the Eastern School District portion of the Sports Fields during the twenty year term and can be extended a further ten years. The Town shall have right of first refusal should the Eastern School District be desirous of selling its interest in the sports field.

The Town has entered into a lease agreement with DeLage Landen Financial Services for the lease of a photocopier and a contract agreement with the PEI Humane Society for animal control services. The minimum payments due over the next three years are as follows:

2025	\$ 14,735
2026	13,551
2027	13,332

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

12. INTANGIBLE ASSETS

	2024	2023
Intangible assets	\$ 433,908	\$ 285,593
Accumulated amortization	(247,006)	(202,296)
	\$ 186,902	\$ 83,297

13. GOVERNMENT TRANSFERS

	2024	2023
<u>Government transfers for operations</u>		
<u>Town</u>		
Provincial equalization grant	\$ 419,029	\$ 387,047
Municipal Capital Expenditure Grant	271,665	119,223
Fiona assistance	170,712	299,642
	861,406	805,912
<u>Water and Sewer Utility</u>		
Municipal Capital Expenditure Grant	131,294	444,025
	992,700	1,249,937

<u>Government transfers for capital</u>		
<u>Town</u>		
Active Transportation Funding	1,020,444	181,103
Canada Community Building Fund	961,796	200,247
Province of PEI Community Revitalization program	265,297	73,298
Investing in Canada Infrastructure Program	102,388	164,713
	2,349,925	619,361
<u>Water and Sewer Utility</u>		
Investing in Canada Infrastructure Program	448,126	2,534,841
Canada Community Building Fund	95,326	495,626
	543,452	3,030,467
	2,893,377	3,649,828
	\$ 3,886,077	\$ 4,899,765

14. ACCUMULATED SURPLUS

	2024	2023
Unrestricted deficit	\$ (1,670,737)	\$ (1,071,246)
Investment in tangible capital assets (Note 15)	40,211,050	36,616,867
Investment in intangible assets (Note 12)	186,902	83,297
	\$ 38,727,215	\$ 35,628,918

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

15. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (Schedules 1 and 2)	\$ 60,523,145	\$ 56,231,400
Accumulated amortization (Schedules 1 and 2)	(18,566,331)	(17,396,422)
Long term debt (Note 9)	(1,745,764)	(2,218,111)
	\$ 40,211,050	\$ 36,616,867

16. ADMINISTRATION FEE

During the year, the Town received a management fee totaling \$100,000 (2023 - \$100,000) from the Cornwall Water and Sewer Utility Corporation for payment of the administration costs incurred by the Town on behalf of the Utility. The transaction was in the ordinary course of business and was reflected at fair market value.

17. BUDGET FIGURES

A reconciliation of the 2024 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

	2024
Town of Cornwall and Utility budgeted surplus	\$ 265
Add: Government transfers for capital	6,661,705
Add: Capital funded from operations	1,003,913
	\$ 7,665,883

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

18. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, retirement obligation, 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, 2024.

(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. In order to reduce its credit risk, the Town reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. 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.

(continues)

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2024

18. FINANCIAL INSTRUMENTS *(continued)*

(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 funds from its customers and other related sources, long-term debt, and accounts payable.

(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 floating interest rate credit facilities.

19. 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.

Parks and Recreation

This segment is responsible for promoting and offering recreation opportunities and activities for its residents. Its tasks include the operations and maintenance of the Town parks and recreational buildings.

Water and Sewer Utility

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

20. PRIOR PERIOD ADJUSTMENT

During the current year, it was determined that Active Transportation funding that was recognized as government transfers for capital during the year ended March 31, 2023 should have been deferred as related to capital purchases during the year ended March 31, 2024. As a result, the financial statements for the year ending March 31, 2023 have been restated to reflect a decrease of \$259,128 in government transfers for capital and an increase in deferred revenue.

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

(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	\$ 582,238	\$ -	\$ -	\$ 582,238	\$ -	\$ -	\$ -	\$ -	\$ 582,238
Town buildings	1,946,395	6,263	-	1,952,658	1,204,113	38,991	-	1,243,104	709,554
Public works buildings	513,278	54,108	-	567,386	258,395	10,591	-	268,986	298,400
Recreation buildings	3,642,079	201,768	-	3,843,847	1,820,401	73,999	-	1,894,400	1,949,447
Sidewalks	2,464,181	-	-	2,464,181	1,768,869	54,317	-	1,823,186	640,995
Trails, parks and gardens	3,179,649	2,521,036	-	5,700,685	289,568	143,643	-	433,211	5,267,474
Pool	123,391	2,750	-	126,141	123,391	42	-	123,433	2,708
Sportfields	4,908,194	58,756	-	4,966,950	3,713,423	160,695	-	3,874,118	1,092,832
Transit bus	549,347	33,939	-	583,286	463,158	20,155	-	483,313	99,973
Public works equipment	188,899	23,190	-	212,089	146,611	8,191	-	154,802	57,287
Recreation equipment	352,908	34,752	-	387,660	267,351	12,739	-	280,090	107,570
Town equipment	801,505	69,838	-	871,343	310,601	73,580	-	384,181	487,162
Public works vehicles and trailers	64,643	-	-	64,643	64,643	-	-	64,643	-
Recreations vehicles and trailers	246,773	7,348	-	254,121	186,684	10,573	-	197,257	56,864
Planning vehicles	17,027	-	-	17,027	3,649	2,432	-	6,081	10,946
	\$ 19,580,507	\$ 3,013,748	\$ -	\$ 22,594,255	\$ 10,620,857	\$ 609,948	\$ -	\$ 11,230,805	\$ 11,363,450

(continues)



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

(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
Water & Sewer									
Land	\$ 764,043	\$ -	\$ -	\$ 764,043	\$ -	\$ -	\$ -	\$ -	\$ 764,043
Sewer system	18,201,587	344,100	-	18,545,687	3,616,111	247,023	-	3,863,134	14,682,553
Water system	16,709,732	837,313	-	17,547,045	2,686,499	228,424	-	2,914,923	14,632,122
Buildings	4,011	-	-	4,011	1,243	81	-	1,324	2,687
Meters	48,270	2,031	-	50,301	6,860	1,842	-	8,702	41,599
SCADA	336,541	-	-	336,541	36,128	16,827	-	52,955	283,586
Equipment	118,406	88,283	-	206,689	95,379	7,349	-	102,728	103,961
Vehicles and trailers	175,021	-	-	175,021	138,143	7,252	-	145,395	29,626
Office equipment	293,282	6,270	-	299,552	195,202	51,164	-	246,366	53,186
	\$ 36,650,893	\$ 1,277,997	\$ -	\$ 37,928,890	\$ 6,775,565	\$ 559,962	\$ -	\$ 7,335,527	\$ 30,593,363
Total	\$ 56,231,400	\$ 4,291,744	\$ -	\$ 60,523,145	\$ 17,396,422	\$ 1,169,908	\$ -	\$ 18,566,331	\$ 41,956,813



TOWN OF CORNWALL
Schedules to Consolidated Financial Statements (Schedule 2)
Tangible Capital Assets
Year Ended March 31, 2023

	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	\$ 572,238	\$ 10,000	\$ -	\$ 582,238	\$ -	\$ -	\$ -	\$ -	\$ 582,238
Town buildings	1,944,953	1,442	-	1,946,395	1,165,200	38,913	-	1,204,113	742,282
Public works buildings	482,769	30,509	-	513,278	248,649	9,746	-	258,395	254,883
Recreation buildings	3,633,432	8,647	-	3,642,079	1,748,506	71,895	-	1,820,401	1,821,678
Sidewalks	2,464,181	-	-	2,464,181	1,714,552	54,317	-	1,768,869	695,312
Trails, parks, and gardens	2,469,795	709,854	-	3,179,649	199,577	89,991	-	289,568	2,890,081
Pool	123,391	-	-	123,391	123,391	-	-	123,391	-
Sportsfields	4,908,194	-	-	4,908,194	3,554,737	158,686	-	3,713,423	1,194,771
Transit bus	549,347	-	-	549,347	408,223	54,935	-	463,158	86,189
Public works equipment	160,315	28,584	-	188,899	141,008	5,603	-	146,611	42,288
Recreation equipment	348,627	9,712	(5,431)	352,908	263,869	8,913	(5,431)	267,351	85,557
Town equipment	321,858	479,647	-	801,505	263,178	47,423	-	310,601	490,904
Public works vehicles and trailers	64,643	-	-	64,643	64,643	-	-	64,643	-
Recreation vehicles and trailers	250,376	33,786	(37,389)	246,773	216,439	7,634	(37,389)	186,684	60,089
Planning vehicles	17,027	-	-	17,027	1,216	2,433	-	3,649	13,378
	\$ 18,311,146	\$ 1,312,181	\$ (42,820)	\$ 19,580,507	\$ 10,113,188	\$ 550,489	\$ (42,820)	\$ 10,620,857	\$ 8,959,650

(continues)



TOWN OF CORNWALL
Schedules to Consolidated Financial Statements (Schedule 2)
Tangible Capital Assets
Year Ended March 31, 2023

	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
Water & Sewer									
Land	\$ 764,043	\$ -	-	\$ 764,043	\$ -	-	-	\$ -	\$ 764,043
Sewer system	16,524,686	1,676,901	-	18,201,587	3,378,200	237,911	-	3,616,111	14,585,476
Water system	13,454,684	3,255,048	-	16,709,732	2,485,386	201,113	-	2,686,499	14,023,233
Buildings	4,011	-	-	4,011	1,163	80	-	1,243	2,768
Meters	34,359	13,911	-	48,270	5,337	1,523	-	6,860	41,410
SCADA	333,354	3,187	-	336,541	19,381	16,747	-	36,128	300,413
Equipment	118,406	-	-	118,406	92,500	2,879	-	95,379	23,027
Vehicles and trailers	175,021	-	-	175,021	130,891	7,252	-	138,143	36,878
Office equipment	293,282	-	-	293,282	143,757	51,445	-	195,202	98,080
	<u>\$ 31,701,846</u>	<u>\$ 4,949,047</u>	<u>\$ -</u>	<u>\$ 36,650,893</u>	<u>\$ 6,256,615</u>	<u>\$ 518,950</u>	<u>\$ -</u>	<u>\$ 6,775,565</u>	<u>\$ 29,875,328</u>
Total	\$ 50,012,992	\$ 6,261,227	\$ (42,820)	\$ 56,231,400	\$ 16,369,802	\$ 1,069,437	\$ (42,820)	\$ 17,396,422	\$ 38,834,979



TOWN OF CORNWALL
Statement of Operations - Town
Year Ended March 31, 2024

(Schedule 3)

	Budget 2024	Actual 2024	Actual 2023
Revenues			
Municipal property tax	\$ 3,845,499	\$ 3,686,742	\$ 3,519,866
Government transfers for operations (Note 13)	887,643	861,406	805,912
Administration fee (Note 16)	100,000	100,000	100,000
Other	8,050	47,789	12,785
Fines	55,000	47,784	52,528
Building permits and subdivision fees	55,000	43,436	101,432
Interest	5,000	37,533	21,540
Income from government business enterprise	-	27,300	21,558
Facility rentals	18,746	20,162	19,449
Contributions from developers	-	-	21,224
	<u>4,974,938</u>	<u>4,872,152</u>	<u>4,676,294</u>
Expenditures			
Administration (Schedule 4)	678,933	653,101	636,276
Planning (Schedule 4)	376,176	366,859	276,589
Professional Services (Schedule 4)	122,089	297,963	417,609
Public Works (Schedule 4)	563,776	633,020	532,702
Town Facilities (Schedule 4)	119,659	153,037	130,273
Town Services (Schedule 4)	1,513,095	1,575,980	1,497,677
	<u>3,373,728</u>	<u>3,679,960</u>	<u>3,491,126</u>
Operating surplus	<u>1,601,210</u>	<u>1,192,192</u>	<u>1,185,168</u>
Other revenues			
Government transfers for capital (Note 13)	2,974,356	2,349,925	619,361
Gain on disposal of tangible capital assets	-	850	7,425
	<u>2,974,356</u>	<u>2,350,775</u>	<u>626,786</u>
Annual surplus	<u>\$ 4,575,566</u>	<u>\$ 3,542,967</u>	<u>\$ 1,811,954</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Schedule of Expenditures - Town
Year Ended March 31, 2024

(Schedule 4)

	Budget 2024	Actual 2024	Actual 2023
Administration			
Advertising, printing and subscriptions	\$ 7,500	\$ 10,231	\$ 6,404
Amortization of intangible assets	22,688	25,680	25,562
Amortization of tangible capital assets	18,496	30,492	27,286
Bad debts (recovery)	-	(1,420)	(4,674)
Communities 13	11,149	10,668	10,618
Communities 13 capital projects	16,415	16,415	16,415
Council honoraria	58,074	55,075	50,565
Debit machine charges	5,480	7,074	5,134
Donations	21,500	20,439	21,752
Election	-	-	29,432
FCM annual meeting	17,000	6,636	8,333
Insurance	61,545	64,266	70,384
Interest on long term debt	49,203	39,579	43,891
Meetings and events	7,000	7,954	8,752
Miscellaneous	14,000	53,414	11,609
Office supplies and postage	15,000	13,454	12,277
Salaries and benefits	307,633	250,540	253,166
Telephone	38,000	38,077	35,674
Training	7,000	2,745	2,470
Travel	1,250	1,782	1,226
	678,933	653,101	636,276
Planning			
Affordable housing	12,000	11,804	19,596
Amortization of tangible capital assets	5,250	2,432	2,432
Annual conference and membership	4,500	300	300
Emergency measures plan	11,500	17,297	-
GIS	4,000	-	1,355
Professional fees	5,000	10,271	22,484
Salaries and benefits	322,426	319,585	222,499
Tools and equipment	3,500	1,683	3,335
Training and development	5,000	195	2,925
Vehicle	3,000	3,292	1,663
	376,176	366,859	276,589
Professional Services			
Accounting fees and audit	20,000	13,307	21,132
Bylaw enforcement	6,789	6,240	16,618
Engagement	5,000	2,275	1,064
Engineering fees	6,000	572	4,545
Federation of Canadian Municipalities	1,900	2,179	403
Federation of PEI Municipalities	11,000	12,945	10,662
Fiona	-	180,712	299,642
Information technology	31,400	36,427	31,919
Legal fees	35,000	28,282	25,389
Miscellaneous	5,000	15,024	6,235
	122,089	297,963	417,609

(continues)

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Schedule of Expenditures - Town
Year Ended March 31, 2024

(Schedule 4)

	Budget 2024	Actual 2024	Actual 2023
Public Works			
Amortization of tangible capital assets	71,354	136,342	144,737
Grass cutting	20,000	20,804	12,892
Property taxes	2,516	2,022	2,397
Public works maintenance and repairs	25,000	20,965	24,393
Salaries and benefits	383,906	401,378	304,932
Sidewalk maintenance	25,000	8,181	14,359
Small tools and supplies	10,500	15,401	10,343
Tractor	6,500	7,208	7,483
Trucks and snowblower	19,000	20,719	11,166
	563,776	633,020	532,702
Town Facilities			
Amortization of tangible capital assets	29,059	38,991	38,913
Dry storage building	2,000	1,295	601
Maintenance building	27,600	35,103	29,724
Town Hall	61,000	77,648	61,035
	119,659	153,037	130,273
Town Services			
Animal control	12,558	12,564	12,312
Charging stations	2,000	2,410	1,652
Fire dues	420,924	452,602	411,713
Policing services	786,199	808,465	797,626
Street lights	95,000	100,463	98,211
Transit	196,414	199,476	176,163
	1,513,095	1,575,980	1,497,677
	\$ 3,373,728	\$ 3,679,960	\$ 3,491,126

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Statement of Operations - Parks and Recreation **(Schedule 5)**
Year Ended March 31, 2024

	Budget 2024	Actual 2024	Actual 2023
Revenues			
Programs	\$ 268,500	\$ 358,179	\$ 324,084
Government transfers for operations			
Wage subsidies	120,000	96,020	146,683
Recreation leadership	5,000	5,000	5,000
Program support	3,000	4,655	6,394
Sportfield rentals	52,400	71,702	61,376
Special events	10,000	22,014	21,246
	<u>458,900</u>	<u>557,570</u>	<u>564,783</u>
Expenditures			
Amortization of tangible capital assets	168,919	401,690	337,119
APM Centre rental	2,500	2,879	2,470
Ballfield	2,200	3,798	1,858
Civic Centre	58,300	68,745	56,712
Events	58,000	39,381	26,189
Motor vehicles	20,500	17,337	16,749
Parks and park equipment maintenance	50,600	42,689	41,484
Pool	9,600	9,011	8,165
Programs	41,750	50,866	43,571
Salaries and benefits	926,154	901,515	716,174
Terry Fox Clubhouse	51,200	38,353	36,816
Terry Fox Sports Fields	15,000	13,398	10,850
Training and development	3,700	5,244	1,231
Travel	3,000	717	594
	<u>1,411,423</u>	<u>1,595,623</u>	<u>1,299,982</u>
Operating deficit	\$ (952,523)	\$ (1,038,053)	\$ (735,199)

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Statement of Operations - Water and Sewer Utility (Schedule 6)
Year Ended March 31, 2024

	Budget 2024	Actual 2024	Actual 2023
Revenues			
Sewer levies	\$ 870,639	\$ 885,076	\$ 810,304
Water levies	806,844	812,443	750,649
Government transfers for operations (Note 13)	300,443	131,294	444,025
Interest	24,200	59,035	60,541
Frontage rates	10,806	10,265	9,937
Other	-	1,799	2,649
Inspection fees	1,500	390	410
	<u>2,014,432</u>	<u>1,900,302</u>	<u>2,078,515</u>
Expenditures			
Administration fee	100,000	100,000	100,000
Amortization of intangible assets	3,400	19,031	3,832
Amortization of tangible capital assets	391,511	559,962	518,950
Bad debts	-	14,147	34,056
Council honoraria	28,604	27,127	23,932
Debit machine charges	6,000	8,152	5,679
Equipment	4,500	4,365	2,637
Insurance	49,000	58,035	53,571
Interest on long term debt	117,323	143,533	28,810
Maintenance - lagoon	15,000	20,947	9,729
Maintenance - sewer	45,000	32,751	40,214
Maintenance - water	50,000	50,065	37,768
Memberships	1,500	1,074	1,436
Motor vehicle	30,200	37,723	25,068
Office	18,500	15,584	19,449
Power - sewer	99,260	104,820	95,604
Power - water	80,019	83,805	71,324
Professional fees	40,000	16,499	27,090
Property tax	4,200	4,484	3,890
Salaries and benefits	530,924	505,424	476,556
Telephone	6,500	5,905	6,452
Training and development	17,500	15,398	5,215
Uniforms	2,000	2,713	1,749
Water conservation program	1,000	1,495	331
Water test and inspections	17,000	17,332	18,746
	<u>1,658,941</u>	<u>1,850,371</u>	<u>1,612,088</u>
Operating surplus	<u>355,491</u>	<u>49,931</u>	<u>466,427</u>
Other revenues			
Government transfers for capital (Note 13)	<u>3,687,349</u>	<u>543,452</u>	<u>3,030,467</u>
Annual surplus	<u>\$ 4,042,840</u>	<u>\$ 593,383</u>	<u>\$ 3,496,894</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Schedules to Consolidated Financial Statements **(Schedule 7)**
Segment Disclosures
Year Ended March 31, 2024

	General Government	Water and Sewer Utility	Parks and Recreation	Elimination	Consolidated 2024
Revenues					
Property taxes	\$ 3,686,742	\$ -	\$ -	\$ -	\$ 3,686,742
Government transfers for operations	861,406	131,294	105,675	-	1,098,375
Administration fee	100,000	-	-	(100,000)	-
Building permits and fees	43,436	-	-	-	43,436
Fines	47,784	-	-	-	47,784
Other	132,784	71,489	93,716	-	297,989
Water and sewer levies	-	1,697,519	-	(8,753)	1,688,766
Programs	-	-	358,179	-	358,179
	<u>4,872,152</u>	<u>1,900,302</u>	<u>557,570</u>	<u>(108,753)</u>	<u>7,221,271</u>
Expenditures					
Salaries and benefits	971,503	505,424	901,515	-	2,378,442
Goods and services	2,434,941	622,421	292,418	(108,753)	3,241,027
Amortization	233,937	578,993	401,690	-	1,214,620
Interest	39,579	143,533	-	-	183,112
	<u>3,679,960</u>	<u>1,850,371</u>	<u>1,595,623</u>	<u>(108,753)</u>	<u>7,017,201</u>
Operating surplus (deficit)	1,192,192	49,931	(1,038,053)	-	204,070
Government transfers for capital	2,349,925	543,452	-	-	2,893,377
Gain on disposal of tangible capital assets	850	-	-	-	850
Annual surplus (deficit)	\$ 3,542,967	\$ 593,383	\$ (1,038,053)	\$ -	\$ 3,098,297

Notes 1 to 20 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Schedules to Consolidated Financial Statements **(Schedule 8)**
Segment Disclosures
Year Ended March 31, 2023

	General Government	Water and Sewer Utility	Parks and Recreation	Elimination	Consolidated 2023
Revenues					
Property taxes	\$ 3,519,866	\$ -	\$ -	\$ -	\$ 3,519,866
Government transfers for operations	805,912	444,025	158,077	-	1,408,014
Administration fee	100,000	-	-	(100,000)	-
Building permits and fees	101,432	-	-	-	101,432
Fines	52,528	-	-	-	52,528
Other	75,332	73,537	82,622	-	231,491
Contributions from developers	21,224	-	-	-	21,224
Water and sewer levies	-	1,560,953	-	(7,510)	1,553,443
Programs	-	-	324,084	-	324,084
	<u>4,676,294</u>	<u>2,078,515</u>	<u>564,783</u>	<u>(107,510)</u>	<u>7,212,082</u>
Expenditures					
Salaries and benefits	780,597	476,556	716,174	-	1,973,327
Goods and services	2,427,708	583,940	246,689	(107,510)	3,150,827
Amortization	238,930	522,782	337,119	-	1,098,831
Interest	43,891	28,810	-	-	72,701
	<u>3,491,126</u>	<u>1,612,088</u>	<u>1,299,982</u>	<u>(107,510)</u>	<u>6,295,686</u>
Operating surplus (deficit)	1,185,168	466,427	(735,199)	-	916,396
Government transfers for capital	619,361	3,030,467	-	-	3,649,828
Gain on disposal of tangible capital assets	7,425	-	-	-	7,425
Annual surplus (deficit)	<u>\$ 1,811,954</u>	<u>\$ 3,496,894</u>	<u>\$ (735,199)</u>	<u>\$ -</u>	<u>\$ 4,573,649</u>

Notes 1 to 20 are an integral part of these consolidated financial statements