

TOWN OF CORNWALL
Consolidated Financial Statements
March 31, 2025

TOWN OF CORNWALL
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March 31, 2025

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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, 2025, 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, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for the Public Sector.

Basis for 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 the 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.

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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 17, 2025

TOWN OF CORNWALL
Consolidated Statement of Operations
Year Ended March 31, 2025

	Budget 2025	Actual 2025	Actual 2024
Revenues			
Town (Schedule 3)	\$ 5,178,052	\$ 5,405,768	\$ 4,872,152
Parks and Recreation (Schedule 5)	481,283	757,129	557,570
Water and Sewer (Schedule 6)	2,273,696	2,147,156	1,900,302
	<u>7,933,031</u>	<u>8,310,053</u>	<u>7,330,024</u>
Expenditures			
Town (Schedule 3)	3,771,849	4,138,123	3,679,960
Parks and Recreation (Schedule 5)	1,766,485	1,824,673	1,595,623
Water and Sewer (Schedule 6)	2,014,416	1,951,664	1,850,371
	<u>7,552,750</u>	<u>7,914,460</u>	<u>7,125,954</u>
Operating surplus	<u>380,281</u>	<u>395,593</u>	<u>204,070</u>
Other revenues			
Town (Schedule 3)	1,670,945	1,045,955	2,350,775
Water and Sewer (Schedule 6)	3,260,598	1,933,144	543,452
	<u>4,931,543</u>	<u>2,979,099</u>	<u>2,894,227</u>
Annual surplus	<u>5,311,824</u>	<u>3,374,692</u>	<u>3,098,297</u>
Accumulated surplus - beginning of year	<u>38,727,214</u>	<u>38,727,214</u>	<u>35,628,917</u>
Accumulated surplus - end of year (Note 14)	<u>\$ 44,039,038</u>	<u>\$ 42,101,906</u>	<u>\$ 38,727,214</u>

Notes 1 - 19 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Consolidated Statement of Changes in Net Debt
Year Ended March 31, 2025

	Budget 2025	Actual 2025	Actual 2024
Annual surplus	\$ 5,311,824	\$ 3,374,692	\$ 3,098,297
Amortization of intangible assets	29,880	63,055	44,711
Amortization of tangible capital assets	1,260,871	1,319,103	1,169,908
Purchase of intangible assets	-	(35,127)	(148,315)
Purchase of tangible capital assets	(8,662,072)	(5,171,934)	(4,291,744)
Increase in prepaid expense	-	(11,845)	(31,457)
Gain on disposal of tangible capital assets	-	(4,000)	(850)
Proceeds on disposal of tangible capital assets	-	4,000	850
	<u>(7,371,321)</u>	<u>(3,836,748)</u>	<u>(3,256,897)</u>
Increase in net debt	(2,059,497)	(462,056)	(158,600)
Net debt - beginning of year	(3,482,260)	(3,482,260)	(3,323,660)
Net debt - end of year	\$ (5,541,757)	\$ (3,944,316)	\$ (3,482,260)

Notes 1 - 19 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Consolidated Statement of Cash Flows
Year Ended March 31, 2025

	2025	2024
Cash flows from operating activities		
Annual surplus	\$ 3,374,692	\$ 3,098,297
Items not affecting cash:		
Amortization of intangible assets	63,055	44,711
Amortization of tangible assets	1,319,103	1,169,908
Gain on disposal of tangible capital assets	(4,000)	(850)
Income from government business enterprise	(22,027)	(27,300)
	<u>4,730,823</u>	<u>4,284,766</u>
Changes in non-cash working capital:		
Accounts receivable	255,069	(104,318)
Prepaid expense	(11,841)	(31,458)
Accounts payable and accrued liabilities	69,837	(4,266)
Deferred revenue	1,167,575	480,806
Retirement obligation	29,446	7,407
	<u>1,510,086</u>	<u>348,171</u>
	<u>6,240,909</u>	<u>4,632,937</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(5,171,934)	(4,291,744)
Purchase of intangible assets	(35,127)	(148,315)
Proceeds on disposal of tangible capital assets	4,000	850
	<u>(5,203,061)</u>	<u>(4,439,209)</u>
Cash flows from financing activities		
Advances (repayment) of operating loans	1,000,000	(225,000)
Repayment of long term debt	(485,065)	(472,347)
	<u>514,935</u>	<u>(697,347)</u>
Increase (decrease) in cash	1,552,783	(503,619)
Cash - beginning of year	962,189	1,465,808
Cash - end of year	\$ 2,514,972	\$ 962,189
Cash consists of:		
Cash	\$ 158,719	\$ 1,026,771
Restricted cash	2,418,970	202,011
Bank indebtedness	(62,717)	(266,593)
	<u>\$ 2,514,972</u>	<u>\$ 962,189</u>

Notes 1 - 19 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

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.

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TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

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.

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TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

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, 2025, 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 and seven 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.

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TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

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

	2025	2024
Government funding receivable	\$ 636,854	\$ 1,006,458
Utility billings receivable	317,031	315,884
HST receivable	157,824	46,369
Other receivables	24,626	17,805
	1,136,335	1,386,516
Allowance for doubtful accounts	(78,090)	(73,202)
	\$ 1,058,245	\$ 1,313,314

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

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, 2025 and 2024 are as follows:

	2025	2024
<u>Consolidated Statement of Financial Position</u>		
Assets		
Current assets	\$ 5,618,665	\$ 8,328,396
Property inventory	1,617,860	2,582,452
Mortgages receivable	153,906	251,071
Property and equipment	40,280	27,481
Investment properties	76,836,529	74,667,868
	\$ 84,267,240	\$ 85,857,268
Liabilities		
Current liabilities	\$ 4,246,420	\$ 9,468,894
Long term debt	16,636,496	17,554,920
Deferred revenues	48,547,295	45,097,786
	69,430,211	72,121,600
Shareholder's equity		
Capital stock	2,500	2,500
Contributed surplus	4,526,706	4,526,706
Retained earnings	10,307,823	9,206,462
	14,837,029	13,735,668
Total liabilities and shareholders' equity	\$ 84,267,240	\$ 85,857,268
 <u>Consolidated Statement of Comprehensive Income</u>		
Revenues		
Operating income	\$ 1,793,820	\$ 1,911,172
Management fee	164,155	178,724
Interest	160,583	151,106
Miscellaneous	15,603	46,779
	2,134,161	2,287,781
Expenses	1,032,800	922,766
Net earnings for the year	1,101,361	1,365,015
Retained earnings - beginning of year	9,206,462	7,841,447
Retained earnings - end of year	\$ 10,307,823	\$ 9,206,462
 <u>Investment</u>		
Investment - beginning of year	\$ 175,272	\$ 147,972
Share of net income (2%)	22,027	27,300
Investment - end of year	\$ 197,298	\$ 175,272

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

4. LONG TERM INVESTMENTS (continued)

Key Activities and Commitments:

Demand loans of \$2,161,601 (2024 - \$6,556,601) 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

	2025	2024
<u>Water and Sewer Utility</u>		
National Bank of Canada	\$ -	\$ 266,593
Town of Cornwall		
National Bank of Canada	62,717	-
	\$ 62,717	\$ 266,593

The Utility has an approved line of credit with National Bank of \$550,000, which is due for renewal on November 30, 2025.

6. DEMAND LOANS

	2025	2024
<u>Water and Sewer Utility</u>		
National Bank - prime rate less 0.75%; interest due monthly; maximum limit of \$3,000,000; due on demand.	\$ 2,766,800	\$ 1,766,800

The Town also has an approved line of credit with National Bank of \$1,000,000, which is due for renewal on November 30, 2025, 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, 2025

7. DEFERRED REVENUE

	2025	2024
CMHC - Housing Accelerator Fund	\$ 1,570,992	\$ 1,065,165
Canada Community Building Fund	504,077	33,574
Active Transportation	158,704	-
Province of PEI Community Revitalization funding	60,140	11,389
Parkland dedication reserves	45,603	45,603
Program funding	44,685	22,879
Province of PEI Equalization grant	-	38,016
	\$ 2,384,201	\$ 1,216,626

Under the Canada Community Building Fund, the Town was allocated annual funding of \$610,767 for fiscal 2025. 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 \$610,767 earned interest of \$1,368 and incurred eligible expenditures of \$141,631.

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 \$47,574 (2024 - \$7,407). The retirement obligation allowance is included in the restricted cash balance.

9. LONG TERM DEBT

	2025	2024
<u>Town of Cornwall</u>		
National Bank of Canada - 4.1%, repayable in monthly blended installments of \$8,826; unsecured. The loan renews on November 20, 2025.	\$ 695,768	\$ 773,449
National Bank of Canada - 2.65%, repayable in monthly blended installments of \$12,932; unsecured. The loan matures on July 20, 2026.	205,976	353,570
	901,744	1,127,019

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TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

9. LONG TERM DEBT (continued)

	2025	2024
<u>Water and Sewer Utility</u>		
National Bank of Canada - 3%, repayable in monthly blended installments of \$13,178; unsecured. The loan matures on April 3, 2027.	319,506	465,670
National Bank of Canada - 2.4%, repayable in monthly blended installments of \$9,671; unsecured. The loan matures on July 26, 2025.	39,449	153,075
	358,955	618,745
	\$ 1,260,699	\$ 1,745,764

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

2026	\$ 1,037,386
2027	209,614
2028	13,698

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.

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 two years are as follows:

2026	\$ 13,551
2027	13,332

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

12. INTANGIBLE ASSETS

	2025	2024
Intangible assets	\$ 469,035	\$ 433,908
Accumulated amortization	(310,062)	(247,006)
	\$ 158,973	\$ 186,902

13. GOVERNMENT TRANSFERS

	2025	2024
<u>Government transfers for operations</u>		
<u>Town</u>		
Provincial equalization grant	\$ 456,196	\$ 419,029
CMHC housing accelerator fund	375,013	-
Municipal Capital Expenditure Grant	214,085	271,665
New Horizons	17,420	-
School Age stabilization funding	3,209	-
Fiona assistance	(48,565)	170,712
	1,017,358	861,406
<u>Water and Sewer Utility</u>		
Municipal Capital Expenditure Grant	261,888	131,294
	1,279,246	992,700
<u>Government transfers for capital</u>		
<u>Town</u>		
Province of PEI Community Revitalization program	693,903	265,297
Canada Community Building Fund	107,249	961,796
Active Transportation Funding	102,897	1,020,444
Province of PEI Forests, Fish, and Wildlife Division 2 billion trees	75,000	-
Canada Games Legacy	45,000	-
Province of PEI paving	20,000	-
Investing in Canada Infrastructure Program	1,906	102,388
	1,045,955	2,349,925
<u>Water and Sewer Utility</u>		
Investing in Canada Infrastructure Program	1,710,437	448,126
CMHC housing accelerator fund	184,324	-
Canada Community Building Fund	34,383	95,326
	1,929,144	543,452
	2,975,099	2,893,377
	\$ 4,254,345	\$ 3,886,077

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

14. ACCUMULATED SURPLUS

	2025	2024
Unrestricted deficit	\$ 160,784	\$ 96,062
Investment in tangible capital assets (Note 15)	41,782,149	38,444,250
Investment in intangible assets (Note 12)	158,973	186,902
	\$ 42,101,906	\$ 38,727,214

15. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2025	2024
Tangible capital assets (Schedules 1 and 2)	\$ 65,646,031	\$ 60,523,145
Accumulated amortization (Schedules 1 and 2)	(19,836,383)	(18,566,331)
Long term debt (Note 9)	(1,260,699)	(1,745,764)
Demand loan (Note 6)	(2,766,800)	(1,766,800)
	\$ 41,782,149	\$ 38,444,250

16. ADMINISTRATION FEE

During the year, the Town received a management fee totaling \$100,000 (2024 - \$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 2025 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

	2025
Town of Cornwall and Utility budgeted surplus (deficit)	\$ (656,839)
Add: Government transfers for capital	4,911,544
Add: Capital funded from operations	1,057,119
	\$ 5,311,824

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

TOWN OF CORNWALL
Notes to Consolidated Financial Statements
Year Ended March 31, 2025

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, 2025.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from customers. 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.

(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.

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

(Schedule 1)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Town									
Land	\$ 582,238	\$ -	\$ -	\$ 582,238	\$ -	\$ -	\$ -	\$ -	\$ 582,238
Town buildings	1,952,658	5,452	-	1,958,110	1,243,104	39,053	-	1,282,157	675,953
Public works buildings	567,386	7,925	-	575,311	268,986	11,212	-	280,198	295,113
Recreation buildings	3,843,847	153,884	-	3,997,731	1,894,400	77,556	-	1,971,956	2,025,775
Sidewalks	2,464,181	-	-	2,464,181	1,823,186	54,317	-	1,877,503	586,678
Trails, parks and gardens	5,700,685	553,867	-	6,254,552	433,211	195,042	-	628,253	5,626,299
Pool	126,141	-	-	126,141	123,433	83	-	123,516	2,625
Sportfields	4,966,950	1,455,702	-	6,422,652	3,874,118	197,454	-	4,071,572	2,351,080
Transit bus	583,286	-	-	583,286	483,313	14,556	-	497,869	85,417
Public works equipment	212,089	107,118	-	319,207	154,802	14,707	-	169,509	149,698
Recreation equipment	387,660	16,206	-	403,866	280,090	15,286	-	295,376	108,490
Town equipment	871,343	1,130	-	872,473	384,181	76,636	-	460,817	411,656
Public works vehicles and trailers	64,643	13,750	-	78,393	64,643	982	-	65,625	12,768
Recreations vehicles and trailers	254,121	48,699	-	302,820	197,257	14,576	-	211,833	90,987
Planning vehicles	17,027	-	-	17,027	6,081	2,433	-	8,514	8,513
	\$ 22,594,255	\$ 2,363,733	\$ -	\$ 24,957,988	\$ 11,230,805	\$ 713,893	\$ -	\$ 11,944,698	\$ 13,013,290

(continues)

Notes 1 - 19 are an integral part of these consolidated financial statements

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

(Schedule 1)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Water & Sewer									
Land	\$ 764,043	\$ -	\$ -	\$ 764,043	\$ -	\$ -	\$ -	\$ -	\$ 764,043
Sewer system	18,545,687	105,352	-	18,651,039	3,863,134	250,201	-	4,113,335	14,537,704
Water system	17,547,045	2,437,448	-	19,984,493	2,914,923	250,267	-	3,165,190	16,819,303
Buildings	4,011	-	-	4,011	1,324	80	-	1,404	2,607
Meters	50,301	8,332	-	58,633	8,702	2,049	-	10,751	47,882
SCADA	336,541	-	-	336,541	52,955	16,828	-	69,783	266,758
Equipment	206,689	826	-	207,515	102,728	11,864	-	114,592	92,923
Vehicles and trailers	175,021	246,876	(49,050)	372,847	145,395	24,625	(49,050)	120,970	251,877
Office equipment	299,552	9,368	-	308,920	246,366	49,295	-	295,661	13,259
	\$ 37,928,890	\$ 2,808,202	\$ (49,050)	\$ 40,688,042	\$ 7,335,527	\$ 605,209	\$ (49,050)	\$ 7,891,686	\$ 32,796,356
Total	\$ 60,523,145	\$ 5,171,934	\$ (49,050)	\$ 65,646,030	\$ 18,566,332	\$ 1,319,103	\$ (49,050)	\$ 19,836,383	\$ 45,809,647

Notes 1 - 19 are an integral part of these consolidated financial statements

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

(Schedule 2)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
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, Trails, parks, and gardens	2,464,181	-	-	2,464,181	1,768,869	54,317	-	1,823,186	640,995
Pool	3,179,649	2,521,036	-	5,700,685	289,568	143,643	-	433,211	5,267,474
Sportsfields	123,391	2,750	-	126,141	123,391	42	-	123,433	2,708
Transit bus	4,908,194	58,756	-	4,966,950	3,713,423	160,695	-	3,874,118	1,092,832
Public works equipment	549,347	33,939	-	583,286	463,158	20,155	-	483,313	99,973
Recreation equipment	188,899	23,190	-	212,089	146,611	8,191	-	154,802	57,287
Town equipment	352,908	34,752	-	387,660	267,351	12,739	-	280,090	107,570
Public works vehicles and trailers	801,505	69,838	-	871,343	310,601	73,580	-	384,181	487,162
Recreation vehicles and trailers	64,643	-	-	64,643	64,643	-	-	64,643	-
Planning vehicles	246,773	7,348	-	254,121	186,684	10,573	-	197,257	56,864
	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)

Notes 1 - 19 are an integral part of these consolidated financial statements



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

(Schedule 2)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
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	\$ 17,396,421	\$ 1,169,908	\$ -	\$ 18,566,331	\$ 41,956,813

Notes 1 -19 are an integral part of these consolidated financial statements



TOWN OF CORNWALL
Statement of Operations - Town
Year Ended March 31, 2025

(Schedule 3)

	Budget 2025	Actual 2025	Actual 2024
Revenues			
Municipal property tax	\$ 4,051,405	\$ 4,024,035	\$ 3,686,742
Government transfers for operations (Note 13)	770,063	1,017,358	861,406
Administration fee (Note 16)	100,000	100,000	100,000
Fines	55,000	62,354	47,784
Building permits and subdivision fees	55,000	60,648	43,436
Interest	60,000	52,431	37,533
Other	46,500	45,284	47,789
Facility rentals	18,526	21,631	20,162
Income from government business enterprise	21,558	22,027	27,300
	5,178,052	5,405,768	4,872,152
Expenditures			
Administration (Schedule 4)	746,219	671,031	653,101
Planning (Schedule 4)	386,040	364,477	366,859
Professional Services (Schedule 4)	113,482	138,034	297,963
Public Works (Schedule 4)	668,542	712,562	633,020
Town Facilities (Schedule 4)	138,474	143,947	153,037
Town Services (Schedule 4)	1,719,092	2,108,072	1,575,980
	3,771,849	4,138,123	3,679,960
Operating surplus	1,406,203	1,267,645	1,192,192
Other revenues			
Government transfers for capital (Note 13)	1,670,945	1,045,955	2,349,925
Gain on disposal of tangible capital assets	-	-	850
	1,670,945	1,045,955	2,350,775
Annual surplus	\$ 3,077,148	\$ 2,313,600	\$ 3,542,967

Notes 1 - 19 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Schedule of Expenditures - Town
Year Ended March 31, 2025

(Schedule 4)

	Budget 2025	Actual 2025	Actual 2024
Administration			
Advertising, printing and subscriptions	\$ 11,000	\$ 3,053	\$ 10,231
Amortization of intangible assets	25,680	25,680	25,680
Amortization of tangible capital assets	49,311	30,735	30,492
Bad debts (recovery)	-	-	(1,420)
Communities 13	11,149	10,670	10,668
Communities 13 capital projects	16,415	16,415	16,415
Council honoraria	66,265	65,892	55,075
Debit machine charges	7,000	12,454	7,074
Donations	32,500	21,026	20,439
FCM annual meeting	17,000	18,676	6,636
Insurance	70,000	70,052	64,266
Interest on long term debt	79,190	39,510	39,579
Meetings and events	8,500	8,217	7,954
Miscellaneous	10,000	11,031	53,414
Office supplies and postage	15,000	12,625	13,454
Salaries and benefits	282,209	284,935	250,540
Telephone	38,000	37,321	38,077
Training	5,000	1,355	2,745
Travel	2,000	1,384	1,782
	746,219	671,031	653,101
Planning			
Affordable housing	12,000	12,443	11,804
Amortization of tangible capital assets	2,432	2,432	2,432
Annual conference and membership	3,000	560	300
Emergency measures plan	12,000	2,750	17,297
Professional fees	7,000	3,501	10,271
Salaries and benefits	340,608	338,794	319,585
Tools and equipment	2,500	220	1,683
Training and development	3,000	1,812	195
Travel	500	248	-
Vehicle	3,000	1,717	3,292
	386,040	364,477	366,859
Professional Services			
Accounting fees and audit	15,000	13,041	13,307
Bylaw enforcement	6,240	6,000	6,240
Engagement	5,000	1,689	2,275
Engineering fees	4,000	4,617	572
Federation of Canadian Municipalities	2,242	2,186	2,179
Federation of PEI Municipalities	13,000	12,945	12,945
Fiona	-	20,057	180,712
Information technology	33,000	40,362	36,427
Legal fees	30,000	27,599	28,282
Miscellaneous	5,000	9,538	15,024
	113,482	138,034	297,963

(continues)

Notes 1 - 19 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Schedule of Expenditures - Town
Year Ended March 31, 2025

(Schedule 4)

	Budget 2025	Actual 2025	Actual 2024
Public Works			
Amortization of tangible capital assets	119,546	141,674	136,342
Grass cutting	26,378	27,026	20,804
Property taxes	2,022	1,739	2,022
Public works maintenance and repairs	25,000	24,278	20,965
Salaries and benefits	437,096	445,438	401,378
Sidewalk maintenance	15,000	15,147	8,181
Small tools and supplies	15,000	17,249	15,401
Tractor	6,500	11,203	7,208
Trucks and snowblower	22,000	28,808	20,719
	668,542	712,562	633,020
Town Facilities			
Amortization of tangible capital assets	38,991	39,053	38,991
Dry storage building	1,500	1,419	1,295
Maintenance building	28,883	30,698	35,103
Town Hall	69,100	72,777	77,648
	138,474	143,947	153,037
Town Services			
Animal control	12,809	13,034	12,564
Charging stations	2,514	3,022	2,410
Fire dues	482,793	486,448	452,602
Housing Accelerator Fund	-	375,013	-
Meals on Wheels	5,000	5,000	-
Policing services	903,000	923,068	808,465
Street lights	111,100	107,500	100,463
Transit	201,876	194,987	199,476
	1,719,092	2,108,072	1,575,980
	\$ 3,771,849	\$ 4,138,123	\$ 3,679,960

Notes 1 - 19 are an integral part of these consolidated financial statements

TOWN OF CORNWALL
Statement of Operations - Parks and Recreation **(Schedule 5)**
Year Ended March 31, 2025

	Budget 2025	Actual 2025	Actual 2024
Revenues			
Programs	\$ 321,000	\$ 492,642	\$ 358,179
Government transfers for operations			
Wage subsidies	85,000	157,086	96,020
Recreation leadership	5,000	5,000	5,000
Program support	3,000	3,267	4,655
Sportfield rentals	52,283	67,931	71,702
Special events	15,000	29,608	22,014
Sponsorship	-	1,595	-
	481,283	757,129	557,570
Expenditures			
Amortization of tangible capital assets	435,591	499,999	401,690
APM Centre rental	2,500	4,823	2,879
Ballfield	4,100	4,122	3,798
Civic Centre	67,263	81,222	68,745
Events	47,250	49,206	39,381
Motor vehicles	27,300	15,326	17,337
Parks and park equipment maintenance	49,000	44,495	42,689
Pool	10,600	6,781	9,011
Programs	53,500	63,032	50,866
Salaries and benefits	997,481	983,917	901,515
Terry Fox Clubhouse	51,200	53,746	38,353
Terry Fox Sports Fields	14,200	14,882	13,398
Training and development	5,000	2,499	5,244
Travel	1,500	623	717
	1,766,485	1,824,673	1,595,623
Operating deficit	\$ (1,285,202)	\$ (1,067,544)	\$ (1,038,053)

Notes 1 - 19 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, 2025

	Budget 2025	Actual 2025	Actual 2024
Revenues			
Sewer levies	\$ 931,761	\$ 971,009	\$ 885,076
Water levies	863,723	868,491	812,443
Government transfers for operations (Note 13)	430,259	261,888	131,294
Interest	36,453	31,518	59,035
Frontage rates	9,500	13,366	10,265
Inspection fees	1,000	690	390
Other	1,000	194	1,799
	<u>2,273,696</u>	<u>2,147,156</u>	<u>1,900,302</u>
Expenditures			
Administration fee	100,000	100,000	100,000
Amortization of intangible assets	4,200	37,375	19,031
Amortization of tangible capital assets	615,000	605,209	559,962
Bad debts	-	4,888	14,147
Council honoraria	33,000	32,454	27,127
Debit machine charges	7,000	7,311	8,152
Equipment	4,500	4,558	4,365
Insurance	60,000	62,874	58,035
Interest on long term debt	179,893	124,734	143,533
Maintenance - lagoon	15,000	22,455	20,947
Maintenance - sewer	45,000	48,277	32,751
Maintenance - water	50,000	53,448	50,065
Memberships	1,500	261	1,074
Motor vehicle	33,200	23,153	37,723
Office	18,500	15,751	15,584
Power - sewer	109,390	110,106	104,820
Power - water	89,770	79,455	83,805
Professional fees	36,000	20,816	16,499
Property tax	4,500	4,573	4,484
Salaries and benefits	558,463	541,019	505,424
Telephone	6,500	5,655	5,905
Training and development	17,500	19,271	15,398
Uniforms	2,500	2,710	2,713
Water conservation program	5,000	143	1,495
Water test and inspections	18,000	25,168	17,332
	<u>2,014,416</u>	<u>1,951,664</u>	<u>1,850,371</u>
Operating surplus	<u>259,280</u>	<u>195,492</u>	<u>49,931</u>
Other revenues			
Government transfers for capital (Note 13)	3,240,598	1,929,144	543,452
Gain on disposal of tangible capital assets	20,000	4,000	-
	<u>3,260,598</u>	<u>1,933,144</u>	<u>543,452</u>
Annual surplus	<u>\$ 3,519,878</u>	<u>\$ 2,128,636</u>	<u>\$ 593,383</u>

Notes 1 - 19 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, 2025

	General Government	Water and Sewer Utility	Parks and Recreation	Elimination	Consolidated 2025
Revenues					
Property taxes	\$ 4,024,035	\$ -	\$ -	\$ -	\$ 4,024,035
Government transfers for operations	1,017,358	261,888	165,353	-	1,444,599
Administration fee	100,000	-	-	(100,000)	-
Building permits and fees	60,648	-	-	-	60,648
Fines	62,354	-	-	-	62,354
Other	141,373	45,768	99,134	-	286,275
Water and sewer levies	-	1,839,500	-	(10,032)	1,829,468
Programs	-	-	492,642	-	492,642
	<u>5,405,768</u>	<u>2,147,156</u>	<u>757,129</u>	<u>(110,032)</u>	<u>8,200,021</u>
Expenditures					
Salaries and benefits	1,069,167	541,019	983,917	-	2,594,103
Goods and services	2,789,872	643,327	340,757	(110,032)	3,663,924
Amortization	239,574	642,584	499,999	-	1,382,157
Interest	39,510	124,734	-	-	164,244
	<u>4,138,123</u>	<u>1,951,664</u>	<u>1,824,673</u>	<u>(110,032)</u>	<u>7,804,428</u>
Operating surplus (deficit)	1,267,645	195,492	(1,067,544)	-	395,593
Government transfers for capital	1,045,955	1,929,144	-	-	2,975,099
Gain on disposal of tangible capital assets	-	4,000	-	-	4,000
Annual surplus (deficit)	\$ 2,313,600	\$ 2,124,636	\$ (1,067,544)	\$ -	\$ 3,374,692

Notes 1 - 19 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, 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
Contributions from Water and sewer levies Programs	-	1,697,519	-	(8,753)	1,688,766
	-	-	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)	<u>\$ 3,542,967</u>	<u>\$ 593,383</u>	<u>\$ (1,038,053)</u>	<u>\$ -</u>	<u>\$ 3,098,297</u>

Notes 1 -19 are an integral part of these consolidated financial statements