TOWN OF CORNWALL

Consolidated Financial Statements

March 31, 2026

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TOWN OF CORNWALL
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March 31, 2026

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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

139 Queen Street
PO Box 2679
Charlottetown, PE
C1A 8C3
902-368-2643

500 Granville Street
Suite 2B
Summerside, PE
C1N 5Y1
902- 888-3897

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, 2026, 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, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for the Public Sector.

Basis for 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

August 19, 2026

TOWN OF CORNWALL
Consolidated Statement of Financial Position
March 31, 2026

	2026	2025
Financial assets		
Cash and cash equivalents		
Cash	$ **962,063**	$ 158,719
Restricted cash	**2,591,351**	2,418,970
Accounts receivable (Note 3)	**727,023**	1,058,245
Long term investments (Note 4)	**223,180**	197,298
	4,503,617	3,833,232
Liabilities		
Bank indebtedness (Note 5)	**-**	62,717
Demand loan (Note 6)	**2,766,800**	2,766,800
Accounts payable and accrued liabilities	**956,352**	1,080,303
Deferred revenue (Note 7)	**2,561,139**	2,384,201
Retirement obligation (Note 8)	**235,170**	222,827
Long term debt (Note 9)	**840,226**	1,260,699
	7,359,687	7,777,547
Contingent liability (Note 10)		
Commitments (Note 11)		
Net debt (Statement 6)	**(2,856,070)**	(3,944,315)
Non-financial assets		
Prepaid expense	**88,026**	77,602
Intangible assets (Note 12)	**149,827**	158,973
Tangible capital assets (Schedule 1 and 2)	**48,040,753**	45,809,647
	48,278,606	46,046,221
Accumulated surplus (Statement 5)	$ **45,422,536**	$ 42,101,906

ON BEHALF OF COUNCIL

_______________ *Mayor*

_______________ *Councillor*

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

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TOWN OF CORNWALL
Consolidated Statement of Operations
Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Town (Schedule 3)	$ 5,490,941	$ 5,547,687	$ 5,405,768
Parks and Recreation (Schedule 5)	631,000	890,650	757,129
Water and Sewer (Schedule 6)	2,449,171	2,283,034	2,147,156
	8,571,112	8,721,371	8,310,053
Expenditures			
Town (Schedule 3)	4,111,657	4,001,123	4,138,123
Parks and Recreation (Schedule 5)	2,115,657	2,002,848	1,824,673
Water and Sewer (Schedule 6)	2,137,083	2,061,144	1,951,664
	8,364,397	8,065,115	7,914,460
Operating surplus	206,715	656,256	395,593
Other revenues			
Town (Schedule 3)	2,376,727	1,207,108	1,045,955
Water and Sewer (Schedule 6)	2,923,795	1,457,266	1,933,144
	5,300,522	2,664,374	2,979,099
Annual surplus	5,507,237	3,320,630	3,374,692
Accumulated surplus - beginning of year	42,101,906	42,101,906	38,727,214
Accumulated surplus - end of year (Note 14)	$ 47,609,143	$ 45,422,536	$ 42,101,906

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

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TOWN OF CORNWALL
Consolidated Statement of Changes in Net Debt
Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Annual surplus	$ 5,507,237	$ 3,320,630	$ 3,374,692
Amortization of intangible assets	43,537	44,847	63,055
Amortization of tangible capital assets	1,562,645	1,418,913	1,319,103
Purchase of intangible assets	-	(35,700)	(35,127)
Purchase of tangible capital assets	(8,903,733)	(3,650,019)	(5,171,934)
Increase in prepaid expense	-	(10,426)	(11,844)
Gain on disposal of tangible capital assets	-	(10,391)	(4,000)
Proceeds on disposal of tangible capital assets	-	10,391	4,000
	(7,297,551)	(2,232,385)	(3,836,747)
Increase in net debt	(1,790,314)	1,088,245	(462,055)
Net debt - beginning of year	(3,944,315)	(3,944,315)	(3,482,260)
Net debt - end of year	$ (5,734,629)	$ (2,856,070)	$ (3,944,315)

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

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TOWN OF CORNWALL
Consolidated Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025
Cash flows from operating activities		
Annual surplus	$ 3,320,630	$ 3,374,692
Items not affecting cash:		
Amortization of intangible assets	44,847	63,055
Amortization of tangible assets	1,418,913	1,319,103
Gain on disposal of tangible capital assets	(10,391)	(4,000)
Income from government business enterprise	(25,882)	(22,027)
	4,748,117	4,730,823
Changes in non-cash working capital:		
Accounts receivable	331,222	255,069
Prepaid expense	(10,424)	(11,841)
Accounts payable and accrued liabilities	(123,954)	69,837
Deferred revenue	176,938	1,167,575
Retirement obligation	12,343	29,446
	386,125	1,510,086
	5,134,242	6,240,909
Cash flows from capital activities		
Purchase of tangible capital assets	(3,650,019)	(5,171,934)
Purchase of intangible assets	(35,700)	(35,127)
Proceeds on disposal of tangible capital assets	10,391	4,000
	(3,675,328)	(5,203,061)
Cash flows from financing activities		
Advances of operating loans	-	1,000,000
Repayment of long term debt	(420,472)	(485,065)
	(420,472)	514,935
Increase in cash	1,038,442	1,552,783
Cash - beginning of year	2,514,972	962,189
Cash - end of year	$ 3,553,414	$ 2,514,972
Cash consists of:		
Cash	$ 962,063	$ 158,719
Restricted cash	2,591,351	2,418,970
Bank indebtedness	-	(62,717)
	$ 3,553,414	$ 2,514,972

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

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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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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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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, 2026, 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 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 other 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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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

	2026	2025
Government funding receivable	$ **352,359**	$ 636,854
Utility billings receivable	**343,377**	317,031
Miscellaneous receivables	**56,220**	24,626
HST receivable	**53,157**	157,824
	805,113	1,136,335
Allowance for doubtful accounts	**(78,090)**	(78,090)
	$ **727,023**	$ 1,058,245

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, 2026 and 2025 are as follows:

	2026	2025
Consolidated Statement of Financial Position		
Assets		
Current assets	$ 4,930,451	$ 5,618,665
Property inventory	1,723,979	1,617,860
Mortgages receivable	98,382	153,906
Property and equipment	81,410	40,280
Investment properties	81,797,950	76,836,529
	$ 88,632,172	$ 84,267,240
Liabilities		
Current liabilities	$ 10,335,526	$ 4,246,420
Long term debt	10,651,128	16,636,496
Deferred revenues	51,514,400	48,547,295
	72,501,054	69,430,211
Shareholder's equity		
Capital stock	2,500	2,500
Contributed surplus	4,526,706	4,526,706
Retained earnings	11,601,912	10,307,823
	16,131,118	14,837,029
Total liabilities and shareholders' equity	$ 88,632,172	$ 84,267,240
Consolidated Statement of Comprehensive Income		
Revenues		
Operating income	$ 1,965,658	$ 1,793,820
Management fee	165,923	164,155
Interest	148,616	160,583
Miscellaneous	27,185	15,603
	2,307,382	2,134,161
Expenses	1,013,293	1,032,800
Net earnings for the year	1,294,089	1,101,361
Retained earnings - beginning of year	10,307,823	9,206,462
Retained earnings - end of year	$ 11,601,912	$ 10,307,823
Investment		
Investment - beginning of year	$ 197,298	$ 175,271
Share of net income (2%)	25,882	22,027
Investment - end of year	$ 223,180	$ 197,298

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4. LONG TERM INVESTMENTS *(continued)*

Key Activities and Commitments:

Demand loans of $2,161,601 (2025 - $2,161,601) are due on demand, interest at prime minus 0.1%. 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, first mortgage on land and buildings located at BioCommons Park and general assignment of rents.

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

	2026	2025
Water and Sewer Utility		
Town of Cornwall		
National Bank of Canada	$ -	$ 62,717
	$ -	$ 62,717

The Utility has an approved line of credit with National Bank of $550,000, which is due for renewal on November 30, 2026.

6. DEMAND LOAN

	2026	2025
Water and Sewer Utility		
National Bank - prime rate less 0.5%; interest due monthly; maximum limit of $3,000,000; due on demand.	**$ 2,766,800**	$ 2,766,800

The Town also has an approved line of credit with National Bank of $1,000,000, which is due for renewal on November 30, 2026, 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

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7. DEFERRED REVENUE

	2026	2025
CMHC - Housing Accelerator Fund	$ **2,235,343**	$ 1,570,992
Canada Community Building Fund	**146,642**	504,077
Active Transportation	**101,675**	158,704
Program funding	**51,313**	44,685
Parkland dedication reserves	**26,166**	45,603
Province of PEI Community Revitalization funding	**-**	60,140
	$ **2,561,139**	$ 2,384,201

Under the Canada Community Building Fund, the Town was allocated annual funding of $641,734 for fiscal 2026. 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 $641,734 earned interest of $8,186 and incurred eligible expenditures of $1,007,356.

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 $12,343 (2025 - $47,574). The retirement obligation allowance is included in the restricted cash balance.

9. LONG TERM DEBT

	2026	2025
Town of Cornwall		
National Bank of Canada - 4.1%, repayable in monthly blended installments of $8,826; unsecured. The loan renews on November 20, 2026.	$ **616,908**	$ 695,768
National Bank of Canada - 2.65%, repayable in monthly blended installments of $12,932; unsecured. The loan matures on July 20, 2026.	**54,422**	205,976
	671,330	901,744

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9. LONG TERM DEBT *(continued)*

	2026	2025
Water and Sewer Utility		
National Bank of Canada - 3%, repayable in monthly blended installments of $13,178; unsecured. The loan matures on April 3, 2027.	**168,896**	319,506
National Bank of Canada - 2.4%, repaid during the year.	**-**	39,449
	168,896	358,955
	$ 840,226	$ 1,260,699

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

2027	$ 826,525
2028	13,702

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 Town renewed the lease agreement for a further ten years ending December 31, 2036. 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, Pitney Bowes for a postage machine, 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:

2027	$ 16,292
2028	2,960
2029	1,040

12. INTANGIBLE ASSETS

	2026	2025
Intangible assets	$ 504,735	$ 469,035
Accumulated amortization	(354,908)	(310,062)
	$ 149,827	$ 158,973

13. GOVERNMENT TRANSFERS

	2026	2025
Government transfers for operations		
Town		
Provincial equalization grant	$ 490,822	$ 456,196
Municipal Capital Expenditure Grant	162,108	214,085
Fiona assistance	20,774	(48,565)
School Age stabilization funding	14,570	3,209
New Horizons	8,507	17,420
CMHC housing accelerator fund	7,569	375,013
	704,350	1,017,358
Water and Sewer Utility		
Municipal Capital Expenditure Grant	173,538	261,888
	877,888	1,279,246
Government transfers for capital		
Town		
Canada Community Building Fund	616,589	107,249
Active Transportation Funding	369,918	102,897
Province of PEI Community Revitalization program	172,601	693,903
Canada Games Legacy	45,000	45,000
Province of PEI Forests, Fish, and Wildlife Division 2 billion trees	-	75,000
Investing in Canada Infrastructure Program	-	1,906
Province of PEI paving	-	20,000
	1,204,108	1,045,955
Water and Sewer Utility		
Investing in Canada Infrastructure Program	665,864	1,710,437
CMHC housing accelerator fund	393,245	184,324
Canada Community Building Fund	390,766	34,383
	1,449,875	1,929,144
	2,653,983	2,975,099
	$ 3,531,871	$ 4,254,345

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14. ACCUMULATED SURPLUS

	2026	2025
Unrestricted surplus	$ 838,987	$ 160,784
Investment in tangible capital assets (Note 15)	44,433,722	41,782,149
Investment in intangible assets (Note 12)	149,827	158,973
	$ 45,422,536	$ 42,101,906

15. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2026	2025
Tangible capital assets (Schedules 1 and 2)	$ 69,280,546	$ 65,646,031
Accumulated amortization (Schedules 1 and 2)	(21,239,798)	(19,836,383)
Long term debt (Note 9)	(840,226)	(1,260,699)
Demand loan (Note 6)	(2,766,800)	(2,766,800)
	$ 44,433,722	$ 41,782,149

16. ADMINISTRATION FEE

During the year, the Town received a management fee totaling $100,000 (2025 - $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 2026 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

	2026
Town of Cornwall and Utility budgeted surplus (deficit)	$ (766,580)
Add: Government transfers for capital	5,300,522
Add: Capital funded from operations	973,295
	$ 5,507,237

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, 2026.

(a) Credit risk

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

<u>General Government</u>

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.

<u>Parks and Recreation</u>

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.

<u>Water and Sewer Utility</u>

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

(Schedule 1)

Tangible Capital Assets

Year Ended March 31, 2026

	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	1,958,110	6,007	-	1,964,117	1,282,157	39,222	-	1,321,379	642,738
Public works buildings	575,311	5,062	-	580,373	280,198	11,342	-	291,540	288,833
Recreation buildings	3,997,731	30,839	-	4,028,570	1,971,956	79,403	-	2,051,359	1,977,211
Sidewalks	2,464,181	3,753	-	2,467,934	1,877,503	48,319	-	1,925,822	542,112
Trails, parks and gardens	6,254,552	875,264	-	7,129,816	628,253	218,689	-	846,942	6,282,874
Pool	126,141	-	-	126,141	123,516	92	-	123,608	2,533
Sportfields	6,422,652	509,164	-	6,931,816	4,071,572	247,666	-	4,319,238	2,612,578
Transit bus	583,286	78,485	-	661,771	497,869	18,480	-	516,349	145,422
Public works equipment	319,207	29,926	-	349,133	169,509	21,025	-	190,534	158,599
Recreation equipment	403,866	116,011	-	519,877	295,376	21,898	-	317,274	202,603
Town equipment	872,473	25,828	-	898,301	460,817	75,783	-	536,600	361,701
Public works vehicles and trailers	78,393	12,392	(5,500)	85,285	65,625	2,849	(5,500)	62,974	22,311
Recreations vehicles and trailers	302,820	84,170	-	386,990	211,833	24,067	-	235,900	151,090
Planning vehicles	17,027	-	-	17,027	8,514	2,432	-	10,946	6,081
	$ 24,957,988	$ 1,776,901	$ (5,500)	$ 26,729,389	$ 11,944,698	$ 811,267	$ (5,500)	$ 12,750,465	$ 13,978,924

(continues)

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

MRSB

TOWN OF CORNWALL

Schedules to Consolidated Financial Statements

Tangible Capital Assets

Year Ended March 31, 2026

(Schedule 1)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Water & Sewer									
Land	$ 764,043	$ -	$ -	$ 764,043	$ -	$ -	$ -	$ -	$ 764,043
Sewer system	18,651,039	470,702	-	19,121,741	4,113,335	254,042	-	4,367,377	14,754,364
Water system	19,984,493	1,364,185	-	21,348,678	3,165,190	275,672	-	3,440,862	17,907,816
Buildings	4,011	-	-	4,011	1,404	80	-	1,484	2,527
Meters	58,633	11,710	-	70,343	10,751	2,451	-	13,202	57,141
SCADA	336,541	-	-	336,541	69,783	16,827	-	86,610	249,931
Equipment	207,515	20,530	-	228,045	114,592	12,816	-	127,408	100,637
Vehicles and trailers	372,847	4,934	(10,000)	367,781	120,970	42,088	(10,000)	153,058	214,723
Office equipment	308,920	1,054	-	309,974	295,661	3,672	-	299,333	10,641
	$ 40,688,042	$ 1,873,115	$ (10,000)	$ 42,551,157	$ 7,891,686	$ 607,646	$ (10,000)	$ 8,489,334	$ 34,061,823
Total	$ 65,646,031	$ 3,650,019	$ (15,500)	$ 69,280,546	$ 19,836,383	$ 1,418,913	$ (15,500)	$ 21,239,798	$ 48,040,753

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

MRSB

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

(Schedule 2)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Town									
Land	$ 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
Sportsfields	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
Recreation 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

MRSB

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

(Schedule 2)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
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)	$ 65,646,031	$ 18,566,331	$ 1,319,103	$ (49,050)	$ 19,836,383	$ 45,809,647

TOWN OF CORNWALL

Statement of Operations - Town (Schedule 3)

Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Municipal property tax	$ 4,237,926	$ 4,451,723	$ 4,024,035
Government transfers for operations (Note 13)	882,877	704,350	1,017,358
Administration fee (Note 16)	100,000	100,000	100,000
Fines	55,000	89,354	62,354
Building permits and subdivision fees	60,000	53,118	60,648
Interest	60,000	52,680	52,431
Income from government business enterprise	22,000	25,882	22,027
Other	45,000	23,961	45,284
Facility rentals	20,938	21,782	21,631
Contributions from developers	-	19,437	-
Digital sign lease	7,200	5,400	-
	5,490,941	5,547,687	5,405,768
Expenditures			
Administration (Schedule 4)	833,695	711,685	671,031
Planning (Schedule 4)	401,267	356,274	364,477
Professional Services (Schedule 4)	122,186	154,767	138,034
Public Works (Schedule 4)	769,952	761,575	712,562
Town Facilities (Schedule 4)	132,392	134,557	143,947
Town Services (Schedule 4)	1,852,165	1,882,265	2,108,072
	4,111,657	4,001,123	4,138,123
Operating surplus	1,379,284	1,546,564	1,267,645
Other revenues			
Government transfers for capital (Note 13)	2,376,727	1,204,108	1,045,955
Gain on disposal of tangible capital assets	-	3,000	-
	2,376,727	1,207,108	1,045,955
Annual surplus	$ 3,756,011	$ 2,753,672	$ 2,313,600

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

MRSB

	Budget 2026	Actual 2026	Actual 2025
Administration			
Advertising, printing and subscriptions	$ 8,000	$ 4,089	$ 3,053
Amortization of intangible assets	43,537	389	25,680
Amortization of tangible capital assets	53,649	29,720	30,735
Communities 13	11,000	10,750	10,670
Communities 13 capital projects	23,000	23,000	16,415
Council honoraria	68,199	64,715	65,892
Debit machine charges	12,000	15,560	12,454
Donations	22,500	23,071	21,026
FCM annual meeting	24,400	22,959	18,676
Insurance	75,000	88,035	70,052
Interest on long term debt	105,496	30,854	39,510
Meetings and events	8,500	9,574	8,217
Miscellaneous	10,000	5,489	11,031
Office supplies and postage	15,000	13,862	12,625
Salaries and benefits	310,914	329,900	284,935
Telephone	35,500	38,206	37,321
Training	5,000	-	1,355
Travel	2,000	1,512	1,384
	833,695	711,685	671,031
Planning			
Affordable housing	12,500	13,143	12,443
Amortization of tangible capital assets	2,432	2,432	2,432
Annual conference and membership	500	300	560
Emergency measures plan	7,500	4,437	2,750
GIS	3,000	-	-
Professional fees	5,000	3,533	3,501
Salaries and benefits	362,835	327,451	338,794
Tools and equipment	1,000	347	220
Training and development	3,000	2,729	1,812
Travel	500	487	248
Vehicle	3,000	1,415	1,717
	401,267	356,274	364,477
Professional Services			
Accounting fees and audit	15,000	13,215	13,041
Bylaw enforcement	6,240	6,600	6,000
Engagement	5,000	2,180	1,689
Engineering fees	4,000	-	4,617
Federation of Canadian Municipalities	2,500	-	2,186
Federation of PEI Municipalities	13,446	13,822	12,945
Fiona	-	9,394	20,057
Information technology	41,000	55,238	40,362
Legal fees	30,000	43,692	27,599
Miscellaneous	5,000	10,626	9,538
	122,186	154,767	138,034

(continues)

TOWN OF CORNWALL
Schedule of Expenditures - Town (Schedule 4)
Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Public Works			
Amortization of tangible capital assets	**164,250**	**148,078**	141,674
Grass cutting	**27,566**	**30,201**	27,026
Property taxes	**2,000**	**1,758**	1,739
Public works maintenance and repairs	**30,000**	**29,397**	24,278
Salaries and benefits	**446,636**	**459,754**	445,438
Sidewalk maintenance	**15,000**	**10,785**	15,147
Small tools and supplies	**20,500**	**16,510**	17,249
Snow removal	**32,000**	**29,252**	-
Tractor	**10,000**	**1,305**	11,203
Training	**2,500**	**2,424**	-
Trucks and snowblower	**19,500**	**32,111**	28,808
	769,952	**761,575**	712,562
Town Facilities			
Amortization of tangible capital assets	**39,092**	**39,222**	39,053
Dry storage building	**1,500**	**1,465**	1,419
Maintenance building	**22,800**	**24,921**	30,698
Town Hall	**69,000**	**68,949**	72,777
	132,392	**134,557**	143,947
Town Services			
Animal control	**13,072**	**13,068**	13,034
Charging stations	**2,500**	**4,192**	3,022
Fire dues	**513,450**	**522,320**	486,448
Housing Accelerator Fund	-	**7,569**	375,013
Meals on Wheels	**5,000**	**5,000**	5,000
Policing services	**960,407**	**960,735**	923,068
Street lights	**107,736**	**112,592**	107,500
Transit	**250,000**	**256,789**	194,987
	1,852,165	**1,882,265**	2,108,072
	$ 4,111,657	**$ 4,001,123**	$ 4,138,123

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

MRSB

TOWN OF CORNWALL

Statement of Operations - Parks and Recreation (Schedule 5)

Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Programs	$ 422,000	$ 573,432	$ 492,642
Government transfers for operations			
Wage subsidies	102,000	178,222	157,086
Recreation leadership	5,000	5,000	5,000
Program support	3,000	4,000	3,267
Sportfield rentals	72,500	95,333	67,931
Special events	25,000	34,663	29,608
Sponsorship	1,500	-	1,595
	631,000	890,650	757,129
Expenditures			
Amortization of tangible capital assets	612,026	591,814	499,999
APM Centre rental	11,500	16,810	4,823
Ballfield	8,000	4,141	4,122
Civic Centre	64,500	78,489	81,222
Events	65,000	59,322	49,206
Motor vehicles	25,800	13,822	15,326
Parks and park equipment maintenance	47,000	40,501	44,495
Pool	9,400	9,025	6,781
Programs	61,000	75,713	63,032
Salaries and benefits	1,151,231	1,058,980	983,917
Terry Fox Clubhouse	39,200	40,032	53,746
Terry Fox Sports Fields	15,000	11,135	14,882
Training and development	5,000	2,867	2,499
Travel	1,000	197	623
	2,115,657	2,002,848	1,824,673
Operating deficit	$ (1,484,657)	$ (1,112,198)	$ (1,067,544)

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

MRSB

TOWN OF CORNWALL

Statement of Operations - Water and Sewer Utility (Schedule 6)

Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Sewer levies	$ 1,050,267	$ 1,112,394	$ 971,009
Water levies	899,212	942,325	868,491
Government transfers for operations (Note 13)	463,692	173,538	261,888
Interest	21,000	36,733	31,518
Frontage rates	12,000	15,880	13,366
Other	1,000	1,149	194
Inspection fees	2,000	1,015	690
	2,449,171	2,283,034	2,147,156
Expenditures			
Administration fee	100,000	100,000	100,000
Amortization of intangible assets	35,973	44,458	37,375
Amortization of tangible capital assets	655,223	607,646	605,209
Bad debts	-	-	4,888
Council honoraria	33,591	31,875	32,454
Debit machine charges	8,000	7,774	7,311
Equipment	4,590	3,559	4,558
Insurance	64,200	79,014	62,874
Interest on long term debt	163,687	119,093	124,734
Maintenance - lagoon	20,000	11,284	22,455
Maintenance - sewer	50,000	25,465	48,277
Maintenance - water	55,000	70,713	53,448
Memberships	1,500	2,108	261
Motor vehicle	21,500	22,987	23,153
Office	19,139	16,687	15,751
Power - sewer	117,290	109,004	110,106
Power - water	83,458	91,745	79,455
Professional fees	36,860	39,420	20,816
Property tax	4,500	4,689	4,573
Salaries and benefits	610,392	630,019	541,019
Telephone	6,630	3,936	5,655
Training and development	20,000	16,568	19,271
Uniforms	2,550	2,434	2,710
Water conservation program	5,000	4,273	143
Water test and inspections	18,000	16,393	25,168
	2,137,083	2,061,144	1,951,664
Operating surplus	312,088	221,890	195,492
Other revenues			
Government transfers for capital (Note 13)	2,923,795	1,449,875	1,929,144
Gain on disposal of tangible capital assets	-	7,391	4,000
	2,923,795	1,457,266	1,933,144
Annual surplus	$ 3,235,883	$ 1,679,156	$ 2,128,636

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

MRSB

TOWN OF CORNWALL

Schedules to Consolidated Financial Statements (Schedule 7)
Segment Disclosures
Year Ended March 31, 2026

	General Government	Water and Sewer Utility	Parks and Recreation	Elimination	Consolidated 2026
Revenues					
Property taxes	$ 4,451,723	$ -	$ -	$ -	$ 4,451,723
Government transfers for operations	704,350	173,538	187,222	-	1,065,110
Contributions from developers	19,437	-	-	-	19,437
Administration fee	100,000	-	-	(100,000)	-
Building permits and fees	53,118	-	-	-	53,118
Fines	89,354	-	-	-	89,354
Other	129,705	54,777	129,996	-	314,478
Water and sewer levies	-	2,054,719	-	(10,961)	2,043,758
Programs	-	-	573,432	-	573,432
	5,547,687	2,283,034	890,650	(110,961)	8,610,410
Expenditures					
Salaries and benefits	1,117,105	630,019	1,058,980	-	2,806,104
Goods and services	2,633,323	659,928	352,054	(110,961)	3,534,344
Amortization	219,841	652,104	591,814	-	1,463,759
Interest	30,854	119,093	-	-	149,947
	4,001,123	2,061,144	2,002,848	(110,961)	7,954,154
Operating surplus (deficit)	1,546,564	221,890	(1,112,198)	-	656,256
Govenment transfers for capital	1,204,108	1,449,875	-	-	2,653,983
Gain on disposal of tangible capital assets	3,000	7,391	-	-	10,391
Annual surplus (deficit)	$ 2,753,672	$ 1,671,765	$ (1,112,198)	$ -	$ 3,320,630

MRSB

TOWN OF CORNWALL

Schedules to Consolidated Financial Statements (Schedule 8)
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
Contributions from					
Water and sewer levies	-	1,839,500	-	(10,032)	1,829,468
Programs	-	-	492,642	-	492,642
	5,405,768	2,147,156	757,129	(110,032)	8,200,021
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
	4,138,123	1,951,664	1,824,673	(110,032)	7,804,428
Operating surplus (deficit)	1,267,645	195,492	(1,067,544)	-	395,593
Govenment 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	$ 2,128,636	$(1,067,544)	$ -	$ 3,374,692