THE COMMUNITY OF THREE RIVERS

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

Buckley Professional Corporation
CHARTERED PROFESSIONAL ACCOUNTANT

THE COMMUNITY OF THREE RIVERS

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INDEPENDENT AUDITOR'S REPORT

To His Worship The Mayor and
Members of the Council of the The Community of Three Rivers

Opinion

I have audited the financial statements of The Community of Three Rivers (the Village), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, changes in net assets (debt) and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2025, and its financial performance and its cash flow for the year then ended in accordance with Canadian accounting standards for public sector organizations (PSA).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Village in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSA, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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.

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INDEPENDENT AUDITOR'S REPORT (Continued)

• 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 Village'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 Village's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Sussex, New Brunswick
May 6, 2026

J Buckley FCPA, FCA
CHARTERED PROFESSIONAL ACCOUNTANT

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2025

	2025 (Unaudited) Budget (note 20)	2025 Actual	2024 Actual
Revenue			
Property tax warrant	$ 3,422,084	$ 3,422,082	$ 3,046,779
Services provided to other governments	169,691	176,127	151,650
Sale of services, fines and other fees	236,000	485,063	333,618
Unconditional transfers from other governments	253,310	253,312	277,730
Conditional transfers from other governments		219,540	375,498
Sewer user fees	230,380	247,566	241,543
Interest		7,173	10,364
Gain on sale of tangible capital assets			16,516
Building donation	54,364	410,000	
	4,365,829	5,220,863	4,453,698
Expenditures			
General government services	565,436	585,446	490,196
Protective services	1,453,818	1,579,165	1,439,895
Transportation services	889,300	1,120,110	1,016,943
Environmental health services	422,303	419,798	320,456
Environmental development services	176,156	159,667	154,772
Recreational and cultural services	406,280	551,132	429,503
Sewer	170,880	350,557	379,512
	4,084,173	4,765,875	4,231,277
Annual surplus (note 16)	$ 281,656	454,988	222,421
Accumulated surplus, beginning of year		11,365,053	11,142,632
Accumulated surplus, end of year		$11,820,041	$11,365,053

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash (note 3)	$ 2,240,500	$ 1,748,219
Receivables		
General	143,809	151,198
Federal government and its agencies (note 4)	133,250	150,274
Province of New Brunswick (note 5)	10,879	
Investments (note 6)	6,444	6,180
	$ 2,534,882	$ 2,055,871
LIABILITIES		
Accounts payable and accrued liabilities	$ 210,389	$ 250,772
Matured bond liability	6,444	6,180
Long term debt (note 7)	2,402,687	2,663,785
Accrued sick leave (note 8)	36,000	36,000
Post employment benefits payable (note 9)	128,600	111,300
	2,784,120	3,068,037
NET ASSETS (DEBT)	(249,238)	(1,012,166)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 14)	25,548,684	25,000,924
Accumulated amortization	13,481,565	12,668,517
	12,067,119	12,332,407
Inventory of supplies	2,160	2,304
Prepaid expenses		42,508
	12,069,279	12,377,219
ACCUMULATED SURPLUS	$11,820,041	$11,365,053

Approved by

Mayor

Clerk

THE COMMUNITY OF THREE RIVERS INCORPORATED 2023 NEW BRUNSWICK

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS (DEBT)

YEAR ENDED DECEMBER 31, 2025

	2025	2024
Annual surplus	$ 454,988	$ 222,421
Acquisition of tangible capital assets	(547,761)	(1,348,040)
Proceeds on disposal of tangible capital assets		16,516
Amortization of tangible capital assets	813,052	799,974
Gain on sale of tangible capital assets		(16,516)
	265,291	(548,066)
Acquisition (depletion) of prepaid assets	(42,508)	42,510
Acquisition (depletion) of inventories	141	210
	42,649	(42,300)
Decrease (increase) in net asset (debt)	762,928	(367,945)
Net assets (debt), beginning of the year	(1,012,166)	(644,221)
Net Assets (Debt), end of the year	$ (249,238)	$(1,012,166)

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2025

	2025	2024
Operating transactions		
Annual surplus	$ 454,988	$ 222,421
Gain on disposal of tangible capital assets		(16,516)
Amortization of tangible capital assets	813,052	799,974
Receivable - General	7,389	(5,591)
Receivable - Federal Government and its agencies	17,024	(101,005)
Receivable - Province of New Brunswick	(10,879)	62,979
Payables and accruals	(40,383)	166,522
Post employment benefits payable	17,300	(4,500)
Change in inventory/prepaid expenses	42,649	(42,298)
	1,301,140	1,081,986
Capital transactions		
Acquisition of tangible capital assets	(547,761)	(1,348,040)
Proceeds on sale of tangible capital assets		16,516
	(547,761)	(1,331,524)
Financing transactions		
Matured bond liability	(263)	(280)
Long term debt	(261,098)	(253,098)
	(261,361)	(253,378)
Investing transactions		
Investments	263	280
Net increase (decrease) in cash and cash equivalents	492,281	(502,636)
Cash and cash equivalents		
Beginning of year	1,748,219	2,250,855
End of year	$ 2,240,500	$ 1,748,219

1. PURPOSE OF THE ORGANIZATION

The Community of Three Rivers, formerly known as the Village of Petitcodiac, was incorporated as a village by the province of New Brunswick Municipalities Act on November 9, 1966 and was approved for status as a Municipality effective November 9, 1991 by an amendment of New Brunswick Regulation 85-6 under the Municipalities Act. Under sections 31,32 and 33 of the Local Governance Act, and Section 9 and subsection 14(2) of an Act Respecting Local Governance Reform, chapter 44 of the Acts of New Brunswick, 2021. The Local Governments Establishment Regulation - Local Governance Act came into effect January 1, 2023.

On January 1, 2023, the Village of Petitcodiac, which is renamed The Community of Three Rivers is continued. Certain unincorporated areas contiguous to The Community of three Rivers are annexed, being the local service district of Elgin centre, a portion of each local service districts of Elgin Parish, Salisbury and Cardwell. The community received a building, fire trucks, fire equipment and other equipment along with the associated debt (note 7).

As a municipality, The Community of Three Rivers is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Community of Three Rivers are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada Handbook.

The Community of Three Rivers has adopted PSA as of January 1, 2011.

The focus of PSA financial statements is on the financial position of The Community of Three Rivers and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of The Community of Three Rivers.

Significant aspects of the accounting policies adopted by The Community of Three Rivers are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net assets and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to The Community of Three Rivers and which are owned or controlled by The Community of Three Rivers.

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by Council on December 4, 2024 and the Minister of Local Government on January 6, 2025.

Revenue recognition

(a) Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

(b) Other revenue is recorded when it is earned.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

Financial Instruments

The Community of Three Rivers's financial instruments consist of cash, short-term investments, accounts receivable, due from the Federal Government, due from own funds, bank loan, payables and accruals, funds held in trust and long-term debt. Unless otherwise noted, it is management's opinion that The Community of Three Rivers is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Community of Three Rivers is subject to credit risk through accounts receivable. The Community of Three Rivers minimizes credit risk through ongoing credit management.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Tangible capital assets

Effective January 1, 2011, The Community of Three Rivers adopted the provisions of PSA section 3150 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 of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Asset type	Useful Years
Land improvements	20 - 25 years
Buildings	25 - 60 years
Vehicles	10 years
Machinery and equipment	15 - 40 years
Roads base, surface, sidewalks and curb	15 - 40 years
Storm drains network	60 - 80 years
Wastewater networks	40 - 80 years
Sewer treatment facility	20 - 60 years

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

Segmented information

The Community of Three Rivers is a diversified municipal unit that provides a range of services to its residents. For management reporting purposes, The Community of Three Rivers's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

General Government services

This department is responsible for the overall governance and financial administration of The Community of Three Rivers. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.

Protective services

This department is responsible for the provision of policing services, fire protection, emergency measures, animal control and other protective measures.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)
Segmented information (continued)

Transportation services
This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

Environmental health services
This department is responsible for the provision of waste collection and disposal.

Environmental development services
This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and cultural services
This department is responsible for the maintenance and operation of recreational and cultural facilities, including the swimming pool, arena, parks and playground and other recreational and cultural facilities.

Wastewater systems
This department is responsible for the provision of sewer services including the maintenance and operation of the underground networks, treatment plants, and lagoons.

Inventory of supplies
Inventory is valued at the lower of cost and net replacement cost with cost being determined on the first-in, first out basis.

Post Employment Benefits
The municipality recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in Note 8 and a pension plan as documented in Note 9.

3. CASH

	2025	2024
Cash - restricted	$ 949,347	$ 639,216
Cash - unrestricted	1,291,153	1,109,003
	$ 2,240,500	$ 1,748,219

4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	2025	2024
Canada Revenue Agency (HST refund)	$ 23,480	$ 44,895
Canada Community-Building Fund	109,770	105,379
	$ 133,250	$ 150,274

5. DUE FROM PROVINCE OF NEW BRUNSWICK

	2025
Unsightly premise funding	$ 10,879

6. INVESTMENTS
The investment consists of a guaranteed investment certificate with maturity date of August 2026 and an interest rate of 3.25%.

7. LONG TERM DEBT

New Brunswick Municipal Finance Corporation Debentures	2025	2024
(a) BR 36-2017, 1.65% - 2.90% due 2027, OIC 16-0090	$ 83,000	$ 122,000
(b) BY 40-2020, 0.50% - 2.3% due 2035, OIC 19-0035	206,000	225,000
(c) D37-2017, 2.84% -3.70% due 2038	201,000	213,000
(d) CE-26 2023, 4.51% - 5.25% due 2038, OIC 22-0038 and 23-0040	928,000	1,006,000
(e) AZ 51-2008, 2.10% - 5.55% due 2023, OIC 08-0048	306,000	337,000
(f) BX 36-2020, 0.90% - 2.65% due 2035, OIC 08-0048 & 09-0043	279,000	304,000
	2,003,000	2,207,000
Province of New Brunswick		
Royal Bank capital sublease on equipment financed with annual payments of $57,098, due January 2033	399,687	456,785
	$ 2,402,687	$ 2,663,785

Approval of the Municipal Capital Borrowing Board has been obtained for the long term debt. Principal payments required during the next five years are as follows:

2026	$ 269,098
2027	276,098
2028	241,098
2029	249,098
2030	256,098

There is a line of credit for $40,000 with Brunswick Credit Union with a rate of 4.95% signed March 15, 2023. There is no outstanding balance at end of year.

8. ACCRUED SICK LEAVE

The Community of Three Rivers provides sick leave that accumulates at 8 hours per month for full-time employees. All employees can accumulate a maximum of 1,000 sick leave hours. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. Any unused sick leave does not get paid out to the employee at the time of departure from The Community of Three Rivers employ. The sick leave is fully funded

9. POST EMPLOYMENT BENEFITS PAYABLE

The Municipality and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP is a multiple-employer defined benefit pension plan administered by a board elected by the employee and employer representatives under the provisions of the Local Governance Act of New Brunswick. The NB MEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NB MEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2023 and resulted in an overall NB MEPP accrued benefit obligation of $158,648,800 based on the accounting basis.

9. POST EMPLOYMENT BENEFITS PAYABLE (continued)

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2024:

- the expected inflation rate is 2.10% per annum
- the discount rate used to determine the accrued benefit obligation is 6.05% per annum
- the expected rate of return on assets is 6.05% per annum
- retirement age varies by age and employment category
- estimated average remaining service life (EARSL) is 14.0 years

The actuarial valuation prepared as at December 31, 2023 indicated that the market value of net assets available for the accumulated plan benefits were less than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of $9,496,000, a change of $2,732,600 from the December 31, 2022 surplus of $12,228,600. Based on the assumptions as at December 31, 2023, the actuary expects the level of employer and employee contributions to be sufficient to fund the current service cost and going concern special payments, as required by the Pension Benefits Act.

As at December 31, 2023, NB MEPP provides benefits for 332 retirees. Total benefit payments to retirees and terminating employees during 2025 are estimated to be approximately $5,705,700 (actual 2024, $8,265,100) in totality for the NB MEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.93%. Each participating body contributes an amount that equals their employees contribution amounts. Pension Fund Assets are invested in Short Term Securities, Bonds, Canadian Equities, Real Estate, Infrastructure and Foreign Equities. Combined employees and participating bodies' contirbutions for 2025 are estimated to be approximately $10,714,400 (actual 2024, $10,407,800) in totality for the NB MEPP).

The following summarizes the NB MEPP data as it relates to the Community of Three Rivers:

- The average age of the 9 active employees covered by the NB MEPP is 52.1 (as at 31-Dec-2023)
- Benefit Payments were $104,500 in 2024 and were estimated to be $104,500 in 2025
- Combined Contributions were $65,800 in 2024 and were estimated to be $67,800 in 2025

In addition to determining the position of the NB MEPP as it relates to the Community of Three Rivers as at December 31, 2023 and December 31, 2024, NB MEPP's actuary performed an extrapolation of the December 31, 2024 accounting valuation to determine the estimated position as at December 31, 2025. The extrapolation assumes assumptions used as at December 31, 2025 remain unchanged from December 31, 2024. The extrapolation also assumes assets return 6.05% net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

	1-Jan-2024 to 31-Dec-2024	Estimated 1-Jan-2025 to 31-Dec-2054
Accrued Benefit Liability / (Asset)		
Accrued benefit liability / (asset) at beginning of period	$ 110,100	$ 110,100
Pension Expense for the year	32,900	52,400
Less Employer contributions	(32,900)	(33,900)
Accrued benefit liability / (asset) at end of period	$ 110,100	$ 128,600

9. POST EMPLOYMENT BENEFITS PAYABLE (continued)

In summary, the Accrued Benefit Liability as it relates to The Community of Three Rivers is estimated to be $128,600 as at December 31, 2025. This compares to $110,100 as at January 1, 2024 and $110,100 as at December 31, 2024. This amount is included in the Post Employment Benefits Payable on the Consolidated Statement of Financial Position.

The financial position as it relates to the Accrued Benefit Liability is shown as follows and illustrates the unamortized amounts being recognized in Pension Expense over time:

	31-Dec-2024	Estimated 31-Dec-2025
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	$ 1,839,100	$ 1,907,700
Plan assets	1,602,500	1,661,600
Plan deficit / (surplus)	236,600	246,100
Unamortized experience losses / (gains)	126,500	117,500
Accrued benefit liability / (asset) at end of period	$ 110,100	$ 128,600

The following illustrates the reconciliation of Accrued Benefit Obligation from the beginning of period to the end of period:

	1-Jan-2024 to 31-Dec-2024	Estimated 1-Jan-2025 to 31-Dec-2025
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	$ 1,714,800	$ 1,839,100
Current Service Cost	44,500	63,100
Benefit Payments	(104,500)	(104,500)
Interest for Period	101,900	110,000
Experience loss / (gain) during period	82,400	
Accrued benefit obligation at end of period	$ 1,839,100	$ 1,907,700

The following illustrates the reconciliation of Plan assets from the beginning of period to the end of period:

	1-Jan-2024 to 31-Dec-2024	Estimated 1-Jan-2025 to 31-Dec-2025
Reconciliation of Plan Assets		
Plan assets at beginning of period	$ 1,489,000	$ 1,602,500
Employer Contributions	32,900	33,900
Employee Contribution	32,900	33,900
Benefit payments	(104,500)	(104,500)
Return on Plan assets during period	152,200	95,800
Plan assets at end of period	$ 1,602,500	$ 1,661,600

9. POST EMPLOYMENT BENEFITS PAYABLE (continued)

Total Expenses related to pensions include the following components:

	1-Jan-2024 to 31-Dec-2024	Estimated 1-Jan-2025 to 31-Dec-2025
Pension Expense		
Employer Current Service Cost	$ 11,600	$ 29,200
Interest on Accrued Benefit Obligation	101,900	110,000
Expected Return on assets	(88,900)	(95,800)
Amortization of unrecognized balances		
Experience loss / (gain)	8,300	9,000
Total Amortization	8,300	9,000
Pension Expense	$ 32,900	$ 52,400

The Pension Expense is included in the statement of operation.

10. CONTINGENCIES

The Community of Three Rivers provided a letter of guarantee in 2025 in support of the Westmorland County Agricultural Fair Association for a demand operating loan of $5,000 with Brunswick Credit Union which was made by motion March 6, 2024. The property is owned by The Community of Three Rivers. There is no outstanding loan balance at December 31, 2025.

In the normal course of operations, The Community of Three Rivers becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2025 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as The Community of Three Rivers maintains insurance coverage in amounts considered appropriate.

11. SHORT-TERM BORROWINGS COMPLIANCE

Operating borrowing

As prescribed in the Municipalities Act, borrowing to finance General Fund operations is limited to 4% of The Community of Three Rivers's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2024, The Community of Three Rivers has complied with these restrictions.

Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between Funds are in compliance with the requirements.

12. FIRE DEPARTMENT FUNDRAISING

The members of the Petitcodiac Fire Department Association do fundraising for the acquisition of equipment and accessories to assist in the work of the Petitcodiac Volunteer Fire Department. These financial statements do not include the fundraising account as it is not controlled or administered by the Village. The amounts recorded as fire department donaton includes only the amounts received by The Community of Three Rivers for the fire equipment purchases.

13. SEWERAGE OPERATING FUND DEFICIT

The Municipalities Act requires Sewerage Fund surplus or deficit amounts to be absorbed into one or more of four operating budgets, commencing with the second following year. The balance of the surplus at the end of the year consists of:

	2025	2024
2025 surplus	$ 40,993	
2024 surplus	51,828	$ 51,828
2023 surplus	34,559	35,706
2022 surplus		38,807
2021 surplus		46
	$ 127,380	$ 126,387

14. Schedule of Tangible Capital Assets

						Infrastructure				
	Land	Land improvements	Buildings and leasehold improvements	Vehicles	Machinery and equipment	Roads and streets	Treatment facility	Sewer	2025 Total	2024 Total
Cost										
Balance, beginning of year	$ 324,405	$ 197,106	$ 5,070,865	$ 335,890	$ 4,516,005	$ 6,906,458	$ 3,704,792	$ 3,945,403	$ 25,000,924	$ 23,827,114
Add:										
Net additions during the year		22,772	410,000		63,230	31,135	31,443	18,023	576,603	1,348,040
Less:										
Disposals during the year					28,843				28,843	174,230
BALANCE, END OF YEAR	324,405	219,878	5,480,865	335,890	4,550,392	6,937,593	3,736,235	3,963,426	25,548,684	25,000,924
Accumulated Amortization										
Balance, beginning of year		136,876	2,369,951	151,507	1,024,887	5,279,110	2,184,301	1,521,881	12,668,513	12,042,774
Add:										
Amortization during the year		6,019	141,239	23,060	219,089	220,159	143,708	59,778	813,052	799,974
Less:										
Accumulated amortization on disposals										174,231
BALANCE, END OF YEAR		142,895	2,511,190	174,567	1,243,976	5,499,269	2,328,009	1,581,659	13,481,565	12,668,517
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	$ 324,405	$ 76,983	$ 2,969,675	$ 161,323	$ 3,306,416	$ 1,438,324	$ 1,408,226	$ 2,381,767	$ 12,067,119	$ 12,332,407
Consists of:										
General Capital Assets	$ 264,134	$ 76,983	$ 2,969,675	$ 161,323	$ 3,306,416	$ 1,438,324			$ 8,216,855	$ 8,328,125
Sewer Fund Assets	60,271						$ 1,408,226	$ 2,381,767	3,850,264	4,004,282
	$ 324,405	$ 76,983	$ 2,969,675	$ 161,323	$ 3,306,416	$ 1,438,324	$ 1,408,226	$ 2,381,767	$ 12,067,119	$ 12,332,407

The Community of Three Rivers has a tangible capital asset under a capital lease as follows, included in the amounts listed above:

	Historical Cost	Accumulated Amortization	Net Book Value
Fire Truck	$ 570,981	95,409	$ 475,572

15. Schedule of Segment Disclosure

	General	Protective	Transportation	Environmental health	Environmental development	Recreation and culture	Sewer	2025 Consolidated	2024 Consolidated
Revenues									
Property tax warrant	$ 3,368,082	$ 19,000	$ 20,000			$ 15,000		$ 3,422,082	$ 3,046,779
Services provided to other governments		125,421	50,706					176,127	151,650
Sale of service, fines and other fees	294,043					601,020		895,063	365,797
Unconditional grant	253,312							253,312	277,730
Other government transfers			219,540					219,540	343,319
Sewer user fees							$ 247,566	247,566	241,543
Interest	4,199						2,974	7,173	10,364
Federation of Canadian Municipalities									
Gain on sale of capital assets									16,516
	3,919,636	144,421	290,246			616,020	250,540	5,220,863	4,453,698
Expenses									
Salaries and benefits	325,086	16,395	281,581			172,881		795,943	737,741
Goods and services	108,877	1,339,600	485,968	$ 419,798	$ 159,667	283,971	125,228	2,923,109	2,478,516
Amortization		175,599	339,686			94,280	203,486	813,051	799,975
Interest		47,571	12,875				21,843	82,289	91,077
Other	151,483							151,483	123,968
	585,446	1,579,165	1,120,110	419,798	159,667	551,132	350,557	4,765,875	4,231,277
Surplus (deficit) for the year	$ 3,334,190	$ (1,434,744)	$ (829,864)	$ (419,798)	$ (159,667)	$ 64,888	$ (100,017)	$ 454,988	$ 222,421

16. Reconciliation of Annual Surplus

	General Operating Fund	General Capital Fund	Sewer Operating Fund	Sewer Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Sewer Capital Reserve Fund	Total
2025 annual surplus	$ 531,214	$ 19,810	$ 100,493	$ (203,486)	$ 112	$ 3,871	$ 2,974	$ 454,988
Adjustments to annual surplus for funding requirements								
Second previous year's surplus	92,344		40,000					132,344
Transfer between funds								
Transfer from sewer operating fund to the sewer capital reserve fund			(43,500)				43,500	
Transfer from general capital fund to the sewer capital fund		(49,466)		49,466				
Transfer from general operating fund to the general capital fund	(84,223)	84,223						
Transfer from general operating fund to the general capital reserve fund	(200,000)					200,000		
Transfers from general operating fund to the general capital reserve fund	(10,000)					10,000		
Long term debt principal repayment	(166,098)	166,098	(56,000)	56,000				
Amortization expense		609,563		203,486				813,049
Change in amount recorded under PSA for defined benefit liability (note 9)	17,300							17,300
Total adjustments to 2025 annual surplus	(350,677)	810,418	(59,500)	308,952		210,000	43,500	962,693
2025 annual fund surplus	$ 180,537	$ 830,228	$ 40,993	$ 105,466	$ 112	$ 213,871	$ 46,474	$ 1,417,681

17. Statement of Reserves

	General Operating Reserve	General Capital Reserve	Sewer Capital Reserve	2025 Total	2024 Total
Assets					
Cash	$ 63,342	$ 987,302	$ 315,825	$ 1,366,469	$ 1,106,012
Revenue					
Transfer from general capital fund					$ 40,000
Transfers from sewer and general operating funds		$ 210,000	$ 43,500	$ 253,500	287,192
Interest	$ 112	3,871	2,974	6,957	6,687
	112	213,871	46,474	260,457	333,879
Expenditures					
Transfers to general capital fund					903,848
Annual Surplus (deficit)	$ 112	$ 213,871	$ 46,474	$ 260,457	$ (569,969)

Council resolutions regarding transfers to and from reserves:

Moved by Councilor Murphy, seconded by Councilor Lymburner that $10,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.
Moved by Councilor Murphy, seconded by Councilor Lymburner that $2,000 be transferred from the Sewer Operating Fund to the Sewer Capital Reserve Fund.
Moved by Councilor Murphy, seconded by Councilor Hall-Middleton that $1,500 be transferred from the Sewer Operating Fund to the Sewer Capital Reserve Fund.
Moved by Councilor Murphy, seconded by Councilor Lymburner that $200,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.
Moved by Councilor Murphy, seconded by Councilor Lymburner that $40.000 be transferred from the Sewer Operating Fund to the Sewer Capital Reserve Fund.
I hereby certify that the above are true and exact copies of resolutions adopted at a regular meetings of Council on October 1,2025 and December 23, 2025.

Janice Conley
Janice Conley
Clerk,
The Community of Three Rivers

May 22, 2026
Date

18. Reconciliation of Funding Deficit upon Adoption of PSA

	Defined Benefit	Non Vested Sick leave
Liability at December 31, 2011 as calculated on adoption of PSA	$ 229,200	$ 31,500
Amount of December 31, 2011 liability funded in current year		0
Amounts funded in prior years		(31,500)
Change in amount recorded under PSA for defined benefit in previous years	(111,300)	
Change in amount recorded under PSA for defined benefit in current year	(17,300)	
Change in amount recorded under PSA for defined benefit liability as at December 31, 2025	(128,600)	
Balance to be funded in future years	$ 100,600	$ NIL

19. Operating Budget to PSA Budget

	Operating Budget General	Operating Budget Sewer	Amortization TCA	Other	Transfers	Total
Revenues						
Property tax warrant	$ 3,422,084					$ 3,422,084
Services provided to other governments	169,691					169,691
Sale of service, fines and other fees	236,000					236,000
Unconditional grant	253,310					253,310
Other government transfers	54,364					54,364
Sewer user fees		$ 230,380				230,380
Surplus/deficit of second previous year	92,344	40,000			$ (132,344)	
	4,227,793	270,380			(132,344)	4,365,829
Expenditures						
General government services	565,436					565,436
Protective services	1,402,037					1,402,037
Transportation services	889,300					889,300
Environment health services	422,303					422,303
Environmental development services	176,156					176,156
Recreation and cultural services	406,280					406,280
Fiscal services						
- Long term debt repayments	182,500	56,000			(238,500)	
- Interest	51,781	21,977				73,758
- Transfer from the General Operating Fund to the General Capital Reserve Fund	132,000				(132,000)	
- Transfer from the Sewer Operating Fund to the Sewer Capital Reserve Fund		43,500			(43,500)	
- Sewer		148,903				148,903
	4,227,793	270,380			(414,000)	4,084,173
Surplus for the year	NIL	NIL			$ 281,656	$ 281,656

THE COMMUNITY OF THREE RIVERS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

20. REVENUE AND EXPENSE SUPPORT	2025 (Unaudited) Budget	2025 Actual	2024 Actual
Revenue			
Services other Governments			
Fire	$ 125,421	$ 125,421	$ 100,351
Transportation	44,270	50,706	51,299
Sewer	230,380	247,566	241,543
	$ 400,071	$ 423,693	$ 393,193
Other own source			
Swimming pool	$ 16,000	$ 22,582	$ 18,852
Arena	145,000	165,291	165,316
Sewer administration		45,000	45,000
Licenses, permits, and fees	67,000	168,610	35,873
Recreation department	8,000	3,147	3,820
Recycling and miscellaneous		80,433	64,757
	$ 236,000	$ 485,063	$ 333,618
Expenditures			
General Government Services			
Mayor	$ 27,295	$ 27,000	$ 26,211
Councilors	49,543	46,696	47,668
Other	7,800	7,433	7,363
	84,638	81,129	81,242
Administrative			
Administrative personnel	224,199	250,486	238,670
Office equipment		4,941	
Office building	15,000	13,786	11,977
Solicitor	10,000	17,237	4,287
Other	8,000	4,489	6,915
Employee Pension Plan	17,000	17,300	(4,500)
HR Services		16,958	
	274,199	325,197	257,349
Financial Management			
External audit	25,000	27,637	27,637
Other			
Other administrative services	7,500	1,589	3,698
Training and development	8,000	9,032	6,648
Civic relations	6,000	6,816	7,302
Conventions and delegations	9,000	2,439	4,005
Grants to organizations	6,000	4,166	3,889
Public liability insurance premium	46,000	38,076	23,838
Cost of debenture	8,000		
Bank charges	2,200	466	185
Cost of assessment	78,101	78,101	71,178
Regional and collaborative services	10,798	10,798	3,225
	181,599	151,483	123,968
	$ 565,436	$ 585,446	$ 490,196

THE COMMUNITY OF THREE RIVERS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

20. REVENUE AND EXPENSE SUPPORT (continued)

	2025 (Unaudited) Budget	2025 Actual	2024 Actual
Protective Services			
Fire			
Fire fighting personnel	$ 144,300	$ 133,059	$ 160,432
Fire fighting other	97,500	159,259	69,254
Fire alarm systems	72,400	31,719	
Training,development, meals and travel	19,750	13,038	14,228
Station building	130,000	53,265	56,538
Fighting equipment	62,500	109,981	93,020
Fire investigation	1,800		14,438
Fire Service outside COTR	110,530	110,531	105,529
Amortization		175,599	176,964
Interest	51,781	47,571	53,170
	690,561	834,022	743,573
R.C.M.P.	710,742	710,742	687,707
Emergency measures	10,000		
Other			
By-law enforcement	30,000	22,347	
Animal control (dogs)	11,501	11,040	8,615
RSC Public safety	1,014	1,014	
	42,515	34,401	8,615
	$ 1,453,818	$ 1,579,165	$ 1,439,895
Transportation services			
Common			
Administrative	$ 382,605	$ 281,581	$ 265,926
General equipment	145,000	150,131	129,572
Workshops and other buildings	34,000	37,207	32,555
Other	37,000	44,733	14,369
	598,605	513,652	442,422
Summer maintenance	83,000	76,962	69,299
Culverts and drainage ditches	20,000	24,356	9,331
Snow and ice removal	61,500	49,372	55,510
Parking	5,395	4,173	1,453
Street lighting	79,000	79,260	67,247
Street signs	8,500	2,257	2,106
Traffic lane marking	14,000	8,290	20,317
Railway crossing signals	9,300	8,572	8,164
Other	10,000	655	975
Amortization		339,686	325,935
Interest		12,875	14,184
	290,695	606,458	574,521
	$ 889,300	$ 1,120,110	$ 1,016,943

THE COMMUNITY OF THREE RIVERS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

20. REVENUE AND EXPENSE SUPPORT (continued)

	2025 (Unaudited) Budget	2025 Actual	2024 Actual
Environmental Health Services			
Solid waste collection	$ 360,037	$ 358,455	$ 225,406
Solid waste disposal	61,266	61,343	95,050
Recycling	1,000		
	$ 422,303	$ 419,798	$ 320,456
Environmental Development Services			
Beautification and land rehabilitation	25,000	6,883	4,327
Planning RSC	128,034	128,034	118,828
Tourism	8,000	6,290	5,552
Industrial park planning			4,067
Other community development	9,415	13,955	20,043
Public receptions	5,707	4,505	1,955
	$ 176,156	$ 159,667	$ 154,772
Recreational and Cultural Services			
Swimming pools - personnel	$ 48,000	$ 37,215	$ 31,822
Swimming pools - other	22,000	29,687	24,871
Recreation personnel	30,000	29,585	26,922
Arena	230,279	257,510	210,394
Parks and playgrounds	44,112	40,433	12,972
Libraries	20,000	38,094	17,834
Exhibitions and fairs	6,000	4,000	4,000
Elgin Eco Assoc.		14,112	
Recreation other	889	889	1,965
Other	5,000	5,327	3,444
Amortization		94,280	95,279
	$ 406,280	$ 551,132	$ 429,503
Sewer collection and disposal			
Administration	$ 55,000	$ 49,030	$ 49,965
Collection system	93,903	76,198	104,027
Amortization		203,486	201,797
Interest	21,977	21,843	23,723
	$ 170,880	$ 350,557	$ 379,512