

TOWN OF SOURIS
Consolidated Financial Statements
March 31, 2025

TOWN OF SOURIS
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March 31, 2025

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Town of Souris 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 Souris:



Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Town of Souris

Opinion

We have audited the consolidated financial statements of the Town of Souris (the Town), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Public Sector.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Accounting Standards for Public Sector, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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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 11, 2025

TOWN OF SOURIS
Consolidated Statement of Financial Position
March 31, 2025

| | 2025 | 2024 |
|---|----------------------|----------------------|
| Financial assets | | |
| Cash and cash equivalents | | |
| Unrestricted cash | \$ 1,334,600 | \$ 820,632 |
| Restricted cash | 584,845 | 904,795 |
| Accounts receivable (Note 3) | 370,918 | 481,560 |
| | <u>2,290,363</u> | <u>2,206,987</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 64,625 | 100,455 |
| Retiring allowances payable | 85,767 | 79,813 |
| Deferred revenue (Note 4) | 709,341 | 635,632 |
| Long term debt (Note 5) | 961,201 | 1,043,009 |
| | <u>1,820,934</u> | <u>1,858,909</u> |
| Net financial assets (Statement 6) | <u>469,429</u> | <u>348,078</u> |
| Non-financial assets | | |
| Prepaid expense | 53,952 | 3,134 |
| Tangible capital assets (Schedules 1 and 2) | 14,499,636 | 14,693,010 |
| Intangible assets (Note 6) | 37,481 | 41,411 |
| | <u>14,591,069</u> | <u>14,737,555</u> |
| Accumulated surplus (Statement 5) | <u>\$ 15,060,498</u> | <u>\$ 15,085,633</u> |

ON BEHALF OF COUNCIL

 Mayor

 Councillor

Notes 1 - 14 are an integral part of these consolidated financial statements

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

| | Budget 2025 | Actual 2025 | Actual 2024 |
|---|----------------------|----------------------|----------------------|
| Revenues | | | |
| Town (Schedule 3) | \$ 1,510,368 | \$ 1,628,341 | \$ 1,567,362 |
| Sewer (Schedule 5) | 378,500 | 379,425 | 377,029 |
| Water (Schedule 6) | 262,500 | 249,231 | 248,834 |
| | <u>2,151,368</u> | <u>2,256,997</u> | <u>2,193,225</u> |
| Expenditures | | | |
| Town (Schedule 3) | 1,466,068 | 1,672,510 | 1,638,034 |
| Sewer (Schedule 5) | 268,855 | 412,357 | 375,824 |
| Water (Schedule 6) | 283,055 | 333,048 | 290,431 |
| | <u>2,017,978</u> | <u>2,417,915</u> | <u>2,304,289</u> |
| Operating surplus (deficit) | <u>133,390</u> | <u>(160,919)</u> | <u>(111,064)</u> |
| Other revenues | | | |
| Town (Schedule 3) | 267,500 | 126,775 | 296,081 |
| Sewer (Schedule 5) | - | 2,712 | 425,538 |
| Water (Schedule 6) | - | 6,297 | 2,300 |
| | <u>267,500</u> | <u>135,784</u> | <u>723,919</u> |
| Annual surplus (deficit) | 400,890 | (25,135) | 612,855 |
| Accumulated surplus - beginning of year | <u>15,085,633</u> | <u>15,085,633</u> | <u>14,472,778</u> |
| Accumulated surplus - end of year (Note 8) | <u>\$ 15,486,523</u> | <u>\$ 15,060,498</u> | <u>\$ 15,085,633</u> |

Notes 1 - 14 are an integral part of these consolidated financial statements

TOWN OF SOURIS
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2025

| | Budget 2025 | Actual 2025 | Actual 2024 |
|--|-------------------|--------------------|-------------------|
| Annual surplus | \$ 400,890 | \$ (25,135) | \$ 612,855 |
| Purchase of tangible capital assets | (410,000) | (334,987) | (996,482) |
| Purchase of intangible assets | (23,000) | (746) | (13,974) |
| Proceeds on disposal of tangible capital assets | - | 4,800 | 7,000 |
| Decrease (increase) in prepaid expense | - | (50,813) | 6,685 |
| Amortization of tangible capital assets | - | 527,081 | 516,073 |
| Amortization of intangible assets | - | 4,676 | 4,601 |
| (Gain) loss on disposal of tangible capital assets | - | (3,525) | 6,252 |
| | (433,000) | 146,486 | (469,845) |
| Increase (decrease) in net financial assets | (32,110) | 121,351 | 143,010 |
| Net financial assets - beginning of year | 348,078 | 348,078 | 205,068 |
| Net financial assets - end of year | \$ 315,968 | \$ 469,429 | \$ 348,078 |

Notes 1 - 14 are an integral part of these consolidated financial statements

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

| | 2025 | 2024 |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Annual surplus | \$ (25,135) | \$ 612,855 |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 527,081 | 516,073 |
| Amortization of intangible assets | 4,676 | 4,601 |
| Loss on disposal of tangible capital assets | (3,525) | 6,252 |
| | <u>503,097</u> | <u>1,139,781</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | 110,642 | 164,503 |
| Prepaid expense | (50,818) | 6,686 |
| Accounts payable and accrued liabilities | (35,823) | (7,195) |
| Retiring allowance payable | 5,954 | 4,158 |
| Deferred revenue | 73,709 | 411,588 |
| | <u>103,664</u> | <u>579,740</u> |
| | <u>606,761</u> | <u>1,719,521</u> |
| Cash flows from capital activities | | |
| Purchase of tangible capital assets | (334,987) | (996,482) |
| Proceeds on disposal of tangible capital assets | 4,800 | 7,000 |
| Purchase of intangible assets | (746) | (13,974) |
| | <u>(330,933)</u> | <u>(1,003,456)</u> |
| Cash flows from financing activity | | |
| Repayment of long term debt | (81,808) | (66,164) |
| | <u>(81,808)</u> | <u>(66,164)</u> |
| Increase in cash | <u>194,020</u> | <u>649,901</u> |
| Cash - beginning of year | <u>1,725,425</u> | <u>1,075,526</u> |
| Cash - end of year | <u>\$ 1,919,445</u> | <u>\$ 1,725,427</u> |
| Cash consists of: | | |
| Unrestricted cash | \$ 1,334,600 | \$ 820,632 |
| Restricted cash | 584,845 | 904,795 |
| | <u>\$ 1,919,445</u> | <u>\$ 1,725,427</u> |

Notes 1 - 14 are an integral part of these consolidated financial statements

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

1. DESCRIPTION OF BUSINESS

The Town of Souris (the "Town") was incorporated under the Municipalities Act of Prince Edward Island. The Town is a non-profit organization under the Income Tax Act and accordingly is exempt from income taxes provided certain requirements of the Income Tax Act are met. Its principal activities include the provision of legal government services to residents of the incorporated area.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements for the Town of Souris 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 Souris reflect the assets, liabilities, revenues, expenditures, and annual surplus of all funds of the Town. The Town is comprised of all organizations and committees that are accountable to the Town for the administration of their financial affairs and resources, and which are owned or controlled by the Town. This includes the Town of Souris Sewer and Water Utility Corporation.

The financial activities of certain entities associated with the Town of Souris are considered to be separate government business enterprises and are not consolidated. These entities include:

Eastern Kings Sportsplex Ltd.

Cash

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

Accounts receivable

Accounts receivable arise from sewer and water dues, 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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis:

Town:

| | |
|-------------------------|----------|
| Storm drains | 50 years |
| Road infrastructure | 50 years |
| Buildings | 40 years |
| Beach development | 25 years |
| Waterfront development | 25 years |
| Sidewalks | 25 years |
| Street improvements | 25 years |
| Sportsfield | 20 years |
| Multi-court development | 20 years |
| Paving | 20 years |
| Fire trucks | 20 years |
| Heavy equipment | 20 years |
| Boardwalk | 15 years |
| Park improvements | 15 years |
| Fencing | 15 years |
| Equipment | 15 years |
| Motor vehicles | 10 years |
| Zodiac boat | 10 years |
| Lawnmower | 10 years |
| Computer equipment | 5 years |
| Computer software | 5 years |
| Signage | 5 years |
| Costume | 5 years |
| Dog park | 15 years |

Utility:

| | |
|------------------|-------------------|
| Water | 1.2%, 5%, and 10% |
| Sewer | 1.2%, 5%, and 10% |
| Buildings | 10% |
| Equipment | 10% |
| Office equipment | 10% |

Tangible capital assets of the Sewer and Water Utility are stated at cost and amortized using the straight-line method at the rates as directed by the Island Regulatory and Appeals Commission.

One half of the annual rate is recorded in the year of acquisition for Town tangible capital assets; no amortization is recorded in the year of disposal.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible assets

The intangible assets consist of official plan stated at cost and being amortized on a straight-line basis over their estimated useful lives of ten years.

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

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Impairment of long lived assets

The Town tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Asset Retirement Obligation

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Consolidated Statement of Operations. As at March 31, 2025, no asset retirement obligations have been identified by management.

Reserves

The reserve funds are credited by specific charges as a direct transfer from or to the funds.

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 financial assets for the year.

Employee future benefits

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

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates on the amounts can be determined.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Property tax billings are based on the assessed value of real property in the Town and are payable in each calendar year. Municipal tax rates are reviewed, established, and approved annually by the Town Council. These revenues are recognized when amounts received monthly from the Province.

Sewer and water dues are charged based on rates approved by the Island Regulatory and Appeals Commission (IRAC). These charges are assessed quarterly and are recognized when billings come due.

Revenue from transactions with performance obligations are recognized when (or as) the Town satisfies a performance obligation. Revenue from transactions with no performance obligations are recognized when the Town has the authority to claim or retain an inflow of economic resources and a past transaction has given rise to an asset.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in 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 on the consolidated statement of operations is subject to management's assessment of the estimated useful life of the Town's tangible capital assets;
- The recognized amounts of potential claims and liabilities depend on management's assessment of future costs and the probability these events will occur.

3. ACCOUNTS RECEIVABLE

| | <u>2025</u> | <u>2024</u> |
|---------------------------------|-------------------|-------------------|
| Government funding receivable | \$ 223,213 | \$ 222,166 |
| Water and sewer receivables | 124,891 | 145,811 |
| HST receivable | 15,884 | 25,876 |
| Miscellaneous receivables | 10,596 | 18,621 |
| Fiona claim | - | 72,062 |
| Allowance for doubtful accounts | (3,666) | (2,976) |
| | <u>\$ 370,918</u> | <u>\$ 481,560</u> |

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

4. DEFERRED REVENUE

| | <u>2025</u> | <u>2024</u> |
|--|-------------------|-------------------|
| Canada Community Building Fund | \$ 707,091 | \$ 600,176 |
| Miscellaneous | 2,250 | - |
| Sportsplex Analysis Funding | - | 10,000 |
| Province of PEI - Roof Replacement Grant | - | 1,600 |
| Equalization Grant | - | 23,856 |
| | <u>\$ 709,341</u> | <u>\$ 635,632</u> |

Under the Canada Community Building Fund, the Town received \$100,246 (2024 - \$363,692) in funding, earned interest of \$25,719 and incurred eligible expenditures of \$19,049 for the year then ended March 31, 2025.

5. LONG TERM DEBT

| | <u>2025</u> | <u>2024</u> |
|---|---------------|---------------|
| <u>Town of Souris</u> | | |
| Souris Credit Union Limited - prime; repayable in monthly blended installments of \$1,680. The loan matures on August 26, 2026 and is secured by demand note and general security agreement which provides a first floating charge over all assets. | \$ 34,812 | \$ 52,140 |
| Souris Credit Union Limited - prime; repayable in monthly blended installments of \$1,091. The loan matures on July 18, 2026 and is secured by demand note and general security agreement which provides a first floating charge over all assets. | 16,148 | 27,791 |
| | <u>50,960</u> | <u>79,931</u> |

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

5. LONG TERM DEBT (continued)

| | 2025 | 2024 |
|---|-------------------|---------------------|
| <u>Sewer and Water Utility Corporation</u> | | |
| Souris Credit Union Limited - prime; repayable in monthly blended installments of \$3,920. The loan matures on November 15, 2032 and is secured by demand note and general security agreement which provides a first floating charge over all assets. | 523,576 | 536,614 |
| Souris Credit Union Limited - prime; repayable in monthly blended installments of \$2,134. The loan matures on July 30, 2032 and is secured by demand note and general security agreement which provides a first floating charge over all assets. | 158,361 | 174,574 |
| CIBC - 5.42%, repayable in monthly blended installments of \$1,007. The loan matures on February 1, 2028. | 111,311 | 117,193 |
| Bank of Montreal - 5.15%; repayable in monthly blended installments of \$848. The loan matures on July 31, 2026. | 55,122 | 62,733 |
| Bank of Montreal - 3.54%; repayable in monthly blended installments of \$554. The loan matures on April 30, 2030. | 33,216 | 39,146 |
| Bank of Montreal - prime + 3%; repayable in monthly blended installments of \$493. The loan matures on March 31, 2029. | 28,655 | 32,818 |
| | <u>910,241</u> | <u>963,078</u> |
| | <u>\$ 961,201</u> | <u>\$ 1,043,009</u> |

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

| | |
|------------|-----------|
| 2026 | \$ 95,148 |
| 2027 | 126,137 |
| 2028 | 153,598 |
| 2029 | 57,773 |
| 2030 | 60,633 |
| Thereafter | 467,912 |

6. INTANGIBLE ASSETS

| | 2025 | 2024 |
|--------------------------|------------------|------------------|
| Official plan | \$ 46,758 | \$ 46,012 |
| Accumulated amortization | <u>(9,277)</u> | <u>(4,601)</u> |
| | <u>\$ 37,481</u> | <u>\$ 41,411</u> |

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

7. GOVERNMENT TRANSFERS FOR CAPITAL

| | <u>2025</u> | <u>2024</u> |
|--|-------------------|-------------------|
| <u>Town</u> | | |
| Province of PEI Community Revitalization Program | \$ 57,329 | \$ 24,795 |
| Province of PEI Rural Growth Initiative | 24,329 | 3,300 |
| Canada Community Building Fund | 19,049 | 17,348 |
| Municipal Capital Expenditure Grant | 17,543 | 41,985 |
| Tourism PEI | 5,000 | - |
| ACOA | - | 214,905 |
| | <u>123,250</u> | <u>302,333</u> |
| <u>Sewer</u> | | |
| Municipal Capital Expenditure Grant | 2,712 | 47,118 |
| Investing in Canada Infrastructure Program | - | 378,420 |
| | <u>2,712</u> | <u>425,538</u> |
| <u>Water</u> | | |
| Municipal Capital Expenditure Grant | <u>6,297</u> | <u>2,300</u> |
| Total government transfers for capital | <u>\$ 132,259</u> | <u>\$ 730,171</u> |

8. ACCUMULATED SURPLUS

| | <u>2025</u> | <u>2024</u> |
|---|----------------------|----------------------|
| Unrestricted surplus | \$ 452,324 | \$ 361,962 |
| Reserve funds (Note 9) | 1,032,260 | 1,032,260 |
| Investment in tangible capital assets (Note 10) | 13,538,433 | 13,650,000 |
| Investment in intangible assets (Note 6) | 37,481 | 41,411 |
| | <u>\$ 15,060,498</u> | <u>\$ 15,085,633</u> |

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

9. RESERVE FUNDS

| | <u>2025</u> | <u>2024</u> |
|-------------------------------------|---------------------|---------------------|
| Balance - beginning of year | \$ 1,032,260 | \$ 972,260 |
| Allocation from revenue | - | 60,000 |
| Balance - end of year | <u>\$ 1,032,260</u> | <u>\$ 1,032,260</u> |
| Comprised of: | | |
| Fire Hall | \$ 230,000 | \$ 230,000 |
| Fire truck | 167,160 | 167,160 |
| Water tank upgrades | 150,000 | 150,000 |
| Sidewalks, streets and storm drains | 138,000 | 138,000 |
| Street equipment | 110,000 | 110,000 |
| Rink upgrades and replacements | 100,000 | 100,000 |
| Alternative Energy | 100,000 | 100,000 |
| Economic Development | 24,000 | 24,000 |
| Town hall | 10,000 | 10,000 |
| Special events | 3,100 | 3,100 |
| | <u>\$ 1,032,260</u> | <u>\$ 1,032,260</u> |

10. INVESTMENT IN TANGIBLE CAPITAL ASSET

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|----------------------|
| Tangible capital assets (Schedules 1 and 2) | \$ 24,063,855 | \$ 23,738,440 |
| Accumulated amortization (Schedules 1 and 2) | (9,564,221) | (9,045,431) |
| Long term debt (Note 5) | (961,201) | (1,043,009) |
| | <u>\$ 13,538,433</u> | <u>\$ 13,650,000</u> |

11. RATE REGULATION

The Town is subject to rate regulation on the sewer and water utilities provided to residents in Prince Edward Island under the Island Regulatory and Appeals Commissions Act. The purpose of this Act, which is administered by the Island Regulatory and Appeals Commission (IRAC), is to regulate the rate municipalities may charge for sewer and water utilities provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for sewer and water services.

Utility rates and charges are fixed and determined in accordance with the generally accepted public utility practices after taking into consideration local conditions and circumstances. Municipalities may apply for changes to sewer utility rates with IRAC. The commission will review these requests and adjust the price accordingly.

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

12. BUDGET FIGURES

A reconciliation of the 2025 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

| | <u>2025</u> |
|--|-------------------|
| Town of Souris budgeted annual surplus | \$ 63,300 |
| Town of Souris Sewer and Water Utility Corporation budgeted annual surplus | (22,554) |
| Add: Capital expenditures | 360,000 |
| Add: Term debt principal repayments | 100,144 |
| Less: Reserve funds | <u>(100,000)</u> |
| | <u>\$ 400,890</u> |

The budget figures provided on Statements 5 and 6 and Schedules 3 - 16 have not been audited or reviewed by the external auditor.

13. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, retiring allowances payable and long term debt.

The Town is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Town's risk exposure and concentration as of March 31, 2025.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from customers. In order to reduce its credit risk, the Town reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Town has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, and accounts payable.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Town manages exposure through its normal operating and financing activities. The Town is exposed to interest rate risk primarily through its floating interest rate credit facilities.

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

14. SEGMENT DISCLOSURES

The Town is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes, the Town's operations and activities are organized and reported by segment. The major segments are as follows:

General Government

This segment is responsible for the overall financial and local government administration. Its tasks include, but are not limited to, daily accounting functions, preparation and coordination of annual consolidated audited financial statements, development of the annual budget, human resource functions for the entire Town, maintenance of bylaws and policies, oversight of public works, maintenance of Town facilities, and administration of Town services.

Fire Department

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

Water Utility

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

Sewer Utility

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

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

(Schedule 1)

| | Cost beginning of year | Additions | Disposals and write downs | Cost end of year | Accum amort beginning of year | Amort in the year | Disposals and write downs | Accum amort end of year | Net book value |
|----------------------------|------------------------------|-----------|---------------------------------|------------------------|--|-------------------------|---------------------------------|----------------------------------|----------------------|
| Town | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Land | 317,585 | 5,669 | - | 323,254 | - | - | - | - | 323,254 |
| Storm drains | 781,099 | - | - | 781,099 | 324,290 | 15,623 | - | 339,913 | 441,186 |
| Road infrastructure | 431,869 | - | - | 431,869 | - | 4,319 | - | 4,319 | 427,550 |
| Buildings | 2,894,947 | 89,296 | - | 2,984,243 | 1,559,978 | 71,550 | - | 1,631,528 | 1,352,715 |
| Beach development | 1,223,151 | 25,783 | - | 1,248,934 | 415,566 | 49,441 | - | 465,007 | 783,927 |
| Waterfront development | 889,867 | - | - | 889,867 | 882,924 | 751 | - | 883,675 | 6,192 |
| Sidewalks | 1,056,754 | - | - | 1,056,754 | 497,816 | 30,966 | - | 528,782 | 527,972 |
| Street improvements | 355,837 | - | - | 355,837 | 323,414 | 2,227 | - | 325,641 | 30,196 |
| Sportsfield | 342,609 | - | - | 342,609 | 225,388 | 9,008 | - | 234,396 | 108,213 |
| Mulit-court development | 61,808 | - | - | 61,808 | 48,813 | 838 | - | 49,651 | 12,157 |
| Paving | 178,450 | - | - | 178,450 | 103,477 | 8,692 | - | 112,169 | 66,281 |
| Fire trucks | 1,340,976 | - | - | 1,340,976 | 749,074 | 48,377 | - | 797,451 | 543,525 |
| Heavy equipment | 348,160 | 6,450 | - | 354,610 | 157,143 | 17,569 | - | 174,712 | 179,898 |
| Boardwalk | 752,670 | - | - | 752,670 | 212,322 | 47,227 | - | 259,549 | 493,121 |
| Park improvements | 62,585 | 2,097 | - | 64,682 | 36,603 | 4,242 | - | 40,845 | 23,837 |
| Fencing | 20,035 | - | - | 20,035 | 11,549 | 1,335 | - | 12,884 | 7,151 |
| Equipment | 1,166,232 | 65,545 | - | 1,231,777 | 815,911 | 40,788 | - | 856,699 | 375,078 |
| Motor vehicles | 60,974 | 48,687 | (9,569) | 100,092 | 42,963 | 5,573 | (8,294) | 40,242 | 59,850 |
| Zodiac boat | 23,181 | - | - | 23,181 | 15,647 | 2,319 | - | 17,966 | 5,215 |
| Lawnmower | 30,218 | - | - | 30,218 | 24,067 | 1,060 | - | 25,127 | 5,091 |
| Computer equipment | 61,834 | 4,627 | - | 66,461 | 45,287 | 5,354 | - | 50,641 | 15,820 |

(continues)

Notes 1 - 14 are an integral part of these consolidated financial statements

TOWN OF SOURIS

Schedules to Consolidated Financial Statements (continued)
Tangible Capital Assets
Year Ended March 31, 2025

(Schedule 1)

| | Cost beginning of year | Additions | Disposals and write downs | Cost end of year | Accum amort beginning of year | Amort in the year | Disposals and write downs | Accum amort end of year | Net book value |
|------------------------|------------------------------|-------------------|---------------------------------|------------------------|--|-------------------------|---------------------------------|----------------------------------|----------------------|
| Computer software | 13,149 | - | - | 13,149 | 13,149 | - | - | 13,149 | - |
| Signage | 85,318 | - | - | 85,318 | 62,165 | 7,076 | - | 69,241 | 16,077 |
| Costume | 3,745 | - | - | 3,745 | 3,745 | - | - | 3,745 | - |
| Dog Park | 31,343 | - | - | 31,343 | 1,045 | 2,089 | - | 3,134 | 28,209 |
| | \$ 12,534,396 | \$ 248,154 | \$ (9,569) | \$ 12,772,981 | \$ 6,572,336 | \$ 376,424 | \$ (8,294) | \$ 6,940,466 | \$ 5,832,515 |
| Sewer and Water | | | | | | | | | |
| Land | \$ 24,289 | \$ - | \$ - | \$ 24,289 | \$ - | \$ - | \$ - | \$ - | \$ 24,289 |
| Water | 2,999,327 | 69,263 | - | 3,068,590 | 959,383 | 37,744 | - | 997,127 | 2,071,463 |
| Sewer | 7,900,678 | 17,567 | - | 7,918,245 | 1,338,138 | 97,883 | - | 1,436,021 | 6,482,224 |
| Buildings | 112,611 | - | - | 112,611 | 109,971 | 528 | - | 110,499 | 2,112 |
| Equipment | 145,052 | - | - | 145,052 | 43,516 | 14,505 | - | 58,021 | 87,031 |
| Office equipment | 22,087 | - | - | 22,087 | 22,087 | - | - | 22,087 | - |
| | \$ 11,204,044 | \$ 86,830 | \$ - | \$ 11,290,874 | \$ 2,473,095 | \$ 150,660 | \$ - | \$ 2,623,755 | \$ 8,667,119 |
| Total | \$ 23,738,440 | \$ 334,987 | \$ (9,569) | \$ 24,063,855 | \$ 9,045,431 | \$ 527,081 | \$ (8,294) | \$ 9,564,221 | \$ 14,499,636 |

Notes 1 - 14 are an integral part of these consolidated financial statements

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

(Schedule 2)

| | Cost beginning of year | Additions | Disposals and write downs | Cost end of year | Accum amort beginning of year | Amort in the year | Disposals and write downs | Accum amort end of year | Net book value |
|----------------------------|------------------------------|-----------|---------------------------------|------------------------|--|-------------------------|---------------------------------|----------------------------------|----------------------|
| Town | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Land | 317,585 | - | - | 317,585 | - | - | - | - | 317,585 |
| Storm drains | 781,099 | - | - | 781,099 | 308,668 | 15,622 | - | 324,290 | 456,809 |
| Road infrastructure | 336,794 | 95,075 | - | 431,869 | - | - | - | - | 431,869 |
| Buildings | 2,702,244 | 192,703 | - | 2,894,947 | 1,491,952 | 68,026 | - | 1,559,978 | 1,334,969 |
| Beach development | 1,217,067 | 6,084 | - | 1,223,151 | 366,761 | 48,805 | - | 415,566 | 807,585 |
| Waterfront development | 889,867 | - | - | 889,867 | 882,174 | 750 | - | 882,924 | 6,943 |
| Sidewalks | 1,050,924 | 5,830 | - | 1,056,754 | 466,123 | 31,693 | - | 497,816 | 558,938 |
| Street improvements | 341,904 | 13,933 | - | 355,837 | 321,599 | 1,815 | - | 323,414 | 32,423 |
| Sportsfield | 290,951 | 51,658 | - | 342,609 | 217,672 | 7,716 | - | 225,388 | 117,221 |
| Multi-court development | 61,808 | - | - | 61,808 | 47,974 | 839 | - | 48,813 | 12,995 |
| Paving | 178,450 | - | - | 178,450 | 94,784 | 8,693 | - | 103,477 | 74,973 |
| Fire trucks | 1,362,612 | - | (21,636) | 1,340,976 | 709,081 | 48,377 | (8,384) | 749,074 | 591,902 |
| Heavy equipment | 348,160 | - | - | 348,160 | 139,735 | 17,408 | - | 157,143 | 191,017 |
| Boardwalk | 751,630 | 1,040 | - | 752,670 | 165,130 | 47,192 | - | 212,322 | 540,348 |
| Park improvements | 62,585 | - | - | 62,585 | 32,431 | 4,172 | - | 36,603 | 25,982 |
| Fencing | 20,035 | - | - | 20,035 | 10,213 | 1,336 | - | 11,549 | 8,486 |
| Equipment | 1,129,929 | 36,303 | - | 1,166,232 | 777,776 | 38,135 | - | 815,911 | 350,321 |
| Motor vehicles | 60,974 | - | - | 60,974 | 36,865 | 6,098 | - | 42,963 | 18,011 |
| Zodiac boat | 23,181 | - | - | 23,181 | 13,329 | 2,318 | - | 15,647 | 7,534 |
| Lawnmower | 25,155 | 5,063 | - | 30,218 | 23,261 | 806 | - | 24,067 | 6,151 |
| Computer equipment | 61,834 | - | - | 61,834 | 39,944 | 5,343 | - | 45,287 | 16,547 |
| Computer software | 13,149 | - | - | 13,149 | 13,149 | - | - | 13,149 | - |

(continues)

TOWN OF SOURIS

Schedules to Consolidated Financial Statements (continued)
Tangible Capital Assets
Year Ended March 31, 2024

(Schedule 2)

| | Cost beginning of year | Additions | Disposals and write downs | Cost end of year | Accum amort beginning of year | Amort in the year | Disposals and write downs | Accum amort end of year | Net book value |
|------------------------|------------------------------|-------------------|---------------------------------|------------------------|--|-------------------------|---------------------------------|----------------------------------|----------------------|
| Signage | 76,556 | 8,762 | - | 85,318 | 55,471 | 6,694 | - | 62,165 | 23,153 |
| Costume | 3,745 | - | - | 3,745 | 3,745 | - | - | 3,745 | - |
| Dog Park | - | 31,343 | - | 31,343 | - | 1,045 | - | 1,045 | 30,298 |
| | \$ 12,108,238 | \$ 447,794 | \$ (21,636) | \$ 12,534,396 | \$ 6,217,837 | \$ 362,883 | \$ (8,384) | \$ 6,572,336 | \$ 5,962,060 |
| Sewer and Water | | | | | | | | | |
| Land | \$ 24,289 | - | - | \$ 24,289 | - | - | - | - | \$ 24,289 |
| Water | 2,974,028 | 25,299 | - | 2,999,327 | 922,453 | 36,928 | - | 959,383 | 2,039,944 |
| Sewer | 7,377,289 | 523,389 | - | 7,900,678 | 1,236,911 | 101,227 | - | 1,338,138 | 6,562,540 |
| Buildings | 112,611 | - | - | 112,611 | 109,443 | 528 | - | 109,971 | 2,640 |
| Equipment | 145,052 | - | - | 145,052 | 29,010 | 14,506 | - | 43,516 | 101,536 |
| Office equipment | 22,087 | - | - | 22,087 | 22,087 | - | - | 22,087 | - |
| | \$ 10,655,356 | \$ 548,688 | \$ - | \$ 11,204,044 | \$ 2,319,904 | \$ 153,189 | \$ - | \$ 2,473,095 | \$ 8,730,949 |
| Total | \$ 22,763,594 | \$ 996,482 | \$ (21,636) | \$ 23,738,440 | \$ 8,537,741 | \$ 516,073 | \$ (8,384) | \$ 9,045,431 | \$ 14,693,010 |

Notes 1 - 14 are an integral part of these consolidated financial statements

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

(Schedule 3)

| | Budget 2025 | Actual 2025 | Actual 2024 |
|--|-------------------|------------------|-------------------|
| Revenues | | | |
| Municipal taxes | \$ 885,768 | \$ 884,858 | \$ 876,235 |
| Municipal grant | 263,000 | 286,269 | 301,555 |
| Fire dues | 227,600 | 249,260 | 210,612 |
| Interest | 20,000 | 54,401 | 35,407 |
| Matthew MacLean building rent | 49,600 | 49,616 | 41,916 |
| Miscellaneous | 3,600 | 41,596 | 44,244 |
| Beachfront rentals | 24,000 | 23,500 | 23,500 |
| Sportsplex contribution | 10,000 | 11,643 | 9,835 |
| Fines | 12,000 | 10,931 | 10,674 |
| License fees | 2,000 | 4,669 | 2,330 |
| Rent | 3,600 | 3,600 | 3,600 |
| Newsletter | 3,000 | 2,754 | 3,119 |
| Music in the Park | 3,500 | 2,600 | 3,100 |
| Souvenir sales | 2,500 | 2,442 | 1,082 |
| History book sales | 200 | 202 | 153 |
| | 1,510,368 | 1,628,341 | 1,567,362 |
| Expenditures | | | |
| Amortization of tangible capital assets | - | 376,425 | 362,883 |
| Amortization of intangible assets | - | 4,676 | 4,601 |
| Economic Development (Schedule 4) | 1,500 | - | - |
| Emergency Measures Operations (Schedule 4) | 5,000 | 462 | 457 |
| Fire Department (Schedule 4) | 131,650 | 120,695 | 109,425 |
| Fire protection water supply | 110,000 | 96,801 | 94,098 |
| Gateway Park (Schedule 4) | 42,890 | 44,617 | 41,494 |
| General Administration (Schedule 4) | 319,090 | 282,043 | 281,585 |
| Improvement and Beautification (Schedule 4) | 28,200 | 25,632 | 21,746 |
| Information Technology (Schedule 4) | 25,000 | 14,815 | 11,350 |
| Matthew MacLean Building (Schedule 4) | 51,290 | 43,214 | 42,718 |
| Police Protection | 112,258 | 111,258 | 106,852 |
| Public Property (Schedule 4) | 38,590 | 35,178 | 50,639 |
| Publicity and Town Promotion (Schedule 4) | 53,700 | 64,373 | 62,056 |
| Recreation and Youth (Schedule 4) | 40,000 | 33,807 | 25,616 |
| Seniors grant | 2,000 | 1,100 | 1,900 |
| Streets and Sidewalks (Schedule 4) | 500,500 | 407,856 | 418,104 |
| Tourism (Schedule 4) | 4,400 | 9,558 | 2,510 |
| | 1,466,068 | 1,672,510 | 1,638,034 |
| Operating surplus (deficit) | 44,300 | (44,169) | (70,672) |
| Other revenues | | | |
| Government transfers for capital (Note 7) | 267,500 | 123,250 | 302,333 |
| Gain (loss) on sale of tangible capital assets | - | 3,525 | (6,252) |
| | 267,500 | 126,775 | 296,081 |
| Annual surplus | \$ 311,800 | \$ 82,606 | \$ 225,409 |

Notes 1 - 14 are an integral part of these consolidated financial statements

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

(Schedule 4)

| | Budget 2025 | Actual 2025 | Actual 2024 |
|--------------------------------------|----------------|----------------|----------------|
| Economic Development | | | |
| Economic development | \$ 1,500 | \$ - | \$ - |
| | <u>1,500</u> | <u>-</u> | <u>-</u> |
| Emergency Measures Operations | | | |
| Policy updates and training | 2,300 | 462 | 457 |
| Presentation | 2,700 | - | - |
| | <u>5,000</u> | <u>462</u> | <u>457</u> |
| Fire Department | | | |
| Advertising | 1,000 | 253 | 3,701 |
| Electricity | 8,500 | 8,254 | 7,964 |
| Firehall - fuel | 7,000 | 6,714 | 5,682 |
| Firehall - maintenance | 5,600 | 3,745 | 4,012 |
| Firemen's life insurance | 5,000 | 4,324 | 4,324 |
| Firemen's recreation | 7,000 | 6,878 | 6,250 |
| Fire truck - fuel | 5,000 | 3,971 | 4,233 |
| Fire truck - maintenance | 12,000 | 5,015 | 5,819 |
| Licenses and fees | 4,000 | 2,758 | 1,922 |
| Monitor repairs and maintenance | 1,000 | 352 | 402 |
| Phone system | 3,500 | 3,253 | 3,111 |
| Property tax | 250 | 175 | 171 |
| Supplies and maintenance | 18,000 | 19,094 | 17,190 |
| Telephone | 3,000 | 2,325 | 2,648 |
| Training | 10,000 | 7,556 | 2,217 |
| Wages | 40,000 | 45,244 | 38,995 |
| Water and sewer | 800 | 784 | 784 |
| | <u>131,650</u> | <u>120,695</u> | <u>109,425</u> |
| Gateway Park | | | |
| Electricity and internet | 6,500 | 4,581 | 4,298 |
| Garbage removal | 3,500 | 1,761 | 2,776 |
| Insurance | 2,600 | 5,779 | 2,131 |
| Maintenance and supplies | 13,000 | 9,761 | 9,195 |
| Maintenance wages | 16,500 | 21,951 | 22,310 |
| Water and sewer | 790 | 784 | 784 |
| | <u>42,890</u> | <u>44,617</u> | <u>41,494</u> |

(continues)

Notes 1 - 14 are an integral part of these consolidated financial statements

TOWN OF SOURIS
Schedule of Expenditures - Town *(continued)*
Year Ended March 31, 2025

(Schedule 4)

| | Budget 2025 | Actual 2025 | Actual 2024 |
|--|----------------|----------------|----------------|
| General Administration | | | |
| Administration salaries | 29,090 | 16,730 | 6,230 |
| Advertising | 3,000 | 1,512 | 1,822 |
| Bank charges | 300 | 303 | 131 |
| Bylaw enforcement officer | 12,500 | 12,480 | 12,480 |
| Council and administrative travel | 3,500 | 2,656 | 5,768 |
| Council honoraria | 18,000 | 17,339 | 18,590 |
| Donations | 11,500 | 11,440 | 3,760 |
| Election | - | 2,034 | - |
| Employee benefits | 15,000 | 17,372 | 16,559 |
| Events coordinator | 48,500 | 50,183 | 46,339 |
| Federation fees | 2,800 | 2,713 | 2,704 |
| Federation meeting | 1,400 | 1,119 | 1,320 |
| Generator | 1,500 | 2,872 | 48 |
| Hospitality | 2,500 | 1,977 | 1,693 |
| Insurance | 35,000 | 38,379 | 29,586 |
| Mayor's expense | 1,000 | 635 | 751 |
| Office and supplies | 8,000 | 8,647 | 8,621 |
| Other | 1,000 | - | 28,606 |
| Professional fees | 29,000 | 10,839 | 18,799 |
| Planning services | 10,000 | 495 | - |
| Retiring allowance | 1,700 | 1,489 | 1,040 |
| Scholarships | 1,500 | 800 | 1,400 |
| Seniors development | 5,000 | - | - |
| Staff training | 4,000 | 525 | 2,161 |
| Sundry | 2,100 | 2,200 | 2,092 |
| Telephone | 4,800 | 3,837 | 4,515 |
| Town administrator salary and benefits | 63,000 | 69,880 | 64,661 |
| Workers compensation | 3,400 | 3,587 | 1,909 |
| | 319,090 | 282,043 | 281,585 |
| Improvement and Beautification | | | |
| Flowers and trees | 1,200 | 1,774 | 1,707 |
| Flower bed planting and maintenance | 27,000 | 23,858 | 20,039 |
| | 28,200 | 25,632 | 21,746 |
| Information Technology | | | |
| Computer repairs and website maintenance | 17,000 | 8,683 | 5,544 |
| Computer training staff/council | 500 | - | - |
| Miscellaneous | 1,500 | 1,242 | 1,144 |
| Sharepoint system | 5,000 | 4,890 | 4,662 |
| Software | 1,000 | - | - |
| | 25,000 | 14,815 | 11,350 |

(continues)

TOWN OF SOURIS
Schedule of Expenditures - Town *(continued)*
Year Ended March 31, 2025

(Schedule 4)

| | Budget 2025 | Actual 2025 | Actual 2024 |
|--|----------------|----------------|----------------|
| Matthew MacLean Building | | | |
| Electricity | 15,000 | 15,838 | 13,226 |
| Elevator maintenance and inspection | 1,000 | 683 | 806 |
| Garbage removal | 2,500 | 2,427 | 2,427 |
| Insurance | 9,000 | 10,079 | 8,442 |
| Janitor | 7,000 | 5,210 | 5,082 |
| Maintenance and repairs | 12,000 | 4,326 | 8,095 |
| Property tax | 4,000 | 3,867 | 3,856 |
| Water and sewer | 790 | 784 | 784 |
| | 51,290 | 43,214 | 42,718 |
| Public Property | | | |
| Alarm monitoring | 800 | 1,329 | 627 |
| Electricity | 7,000 | 6,486 | 7,655 |
| Elevator maintenance contract | 3,500 | 3,970 | 3,391 |
| Fuel | 8,000 | 8,766 | 9,909 |
| Miscellaneous | - | - | 12,390 |
| Property tax | 3,500 | 3,315 | 3,284 |
| Repairs and maintenance | 15,000 | 10,529 | 12,599 |
| Water and sewer | 790 | 783 | 784 |
| | 38,590 | 35,178 | 50,639 |
| Publicity and Town Promotion | | | |
| Beach sign electricity | 1,500 | 1,068 | 1,068 |
| Canada Day | 15,000 | 21,965 | 18,951 |
| Christmas parade | 4,500 | 6,273 | 9,976 |
| Event advertisements | 1,000 | 363 | 461 |
| Float construction and decorations | 2,000 | 1,027 | 1,114 |
| Home lighting contest | 700 | 500 | 550 |
| Music in the Park | 4,000 | 3,645 | 3,040 |
| Newsletter | 1,500 | 1,787 | 1,451 |
| Other events | 14,000 | 5,031 | 11,915 |
| Seaglass festival | 4,500 | 18,211 | 9,817 |
| Souvenirs | 5,000 | 4,503 | 3,713 |
| | 53,700 | 64,373 | 62,056 |
| Recreation and Youth | | | |
| Eastern Kings Sportsplex water and sewer | 2,500 | 2,415 | 2,017 |
| Maintenance, repairs and electricity | 7,500 | 4,274 | 4,141 |
| Miscellaneous | 1,000 | 1,752 | 2,198 |
| Playground and sports equipment | 10,000 | 8,431 | 657 |
| Property tax | 2,500 | 2,044 | 1,985 |
| Recreation grants | 2,500 | 1,650 | 8,450 |
| Sundry events | 14,000 | 13,241 | 6,168 |
| | 40,000 | 33,807 | 25,616 |

(continues)

Notes 1 - 14 are an integral part of these consolidated financial statements

TOWN OF SOURIS
Schedule of Expenditures - Town *(continued)*
Year Ended March 31, 2025

(Schedule 4)

| | Budget 2025 | Actual 2025 | Actual 2024 |
|-------------------------------------|----------------|----------------|----------------|
| Streets and Sidewalks | | | |
| Backhoe, holder and dump truck fuel | 13,500 | 11,717 | 13,676 |
| Backhoe maintenance | 1,500 | 415 | 712 |
| EDA and casual wages | 41,000 | 15,395 | 17,628 |
| Electricity | 52,000 | 53,714 | 51,509 |
| Garage maintenance and repairs | 5,000 | 5,466 | 4,888 |
| Garbage cans and disposal | 3,000 | 3,592 | 2,838 |
| Holder maintenance | 20,000 | 7,355 | 24,443 |
| Ice control | 23,000 | 26,196 | 26,126 |
| Interest on long term debt | 4,000 | 2,834 | 4,297 |
| Lawnmower supplies and maintenance | 4,500 | 5,166 | 4,564 |
| Maintenance and repairs | 18,000 | 17,319 | 19,780 |
| Paving and patching | 90,000 | 5,840 | 12,543 |
| Plowing and sanding streets | 122,000 | 128,845 | 133,893 |
| Salaries and benefits | 67,000 | 80,522 | 77,594 |
| Sidewalk replacement and repairs | 5,000 | 12,411 | - |
| Sidewalk salting and sanding | 1,000 | 275 | 1,265 |
| Street decorations | 4,000 | 5,497 | 4,051 |
| Street signs and advertising | 1,000 | 4,217 | 587 |
| Staff overtime | 15,000 | 14,595 | 12,056 |
| Tree removal | 4,000 | - | - |
| Truck maintenance | 6,000 | 6,485 | 5,654 |
| | 500,500 | 407,856 | 418,104 |
| Tourism | | | |
| Advertising | 4,400 | 9,558 | 2,510 |
| | 4,400 | 9,558 | 2,510 |

Notes 1 - 14 are an integral part of these consolidated financial statements

TOWN OF SOURIS
Statement of Operations - Sewer
Year Ended March 31, 2025

(Schedule 5)

| | Budget 2025 | Actual 2025 | Actual 2024 |
|--|-------------------|--------------------|-------------------|
| Revenues | | | |
| Sewer rates | | | |
| Domestic sewer | \$ 239,000 | \$ 238,211 | \$ 237,811 |
| Metered sewer | 138,000 | 139,535 | 137,974 |
| Connection fees and interest | 1,500 | 1,679 | 1,244 |
| | 378,500 | 379,425 | 377,029 |
| Expenditures | | | |
| Administration | | | |
| Amortization of tangible capital assets | - | 105,400 | 108,744 |
| Council fees | 5,160 | 4,668 | 5,005 |
| Insurance | 4,000 | 9,141 | 3,784 |
| Island Regulatory and Appeals Commission | 3,400 | 4,359 | 3,942 |
| Office | 3,075 | 5,122 | 3,910 |
| Professional fees | 9,500 | 2,323 | 1,691 |
| Property tax | 900 | 943 | 872 |
| Rent | 1,800 | 1,800 | 1,800 |
| Telephone | 600 | 475 | 461 |
| Wages and wage levies | 46,200 | 49,792 | 44,373 |
| | 74,635 | 184,023 | 174,582 |
| Operating | | | |
| Backhoe | 3,000 | 3,628 | 4,379 |
| Electricity | 39,000 | 36,964 | 33,455 |
| Fuel | 1,000 | - | - |
| Garage | | | |
| Fuel | 2,750 | 2,584 | 2,685 |
| Insurance | 2,000 | 1,767 | 1,546 |
| Property tax | 500 | 375 | 445 |
| Repairs | 750 | 190 | 518 |
| Utilities | 3,000 | 1,554 | 1,856 |
| Water and sewer | 395 | 294 | 294 |
| Repairs and maintenance | 42,500 | 30,644 | 9,201 |
| Supplies | 500 | 769 | 352 |
| Wages, travel allowance and benefits | 86,075 | 88,032 | 78,731 |
| | 181,470 | 166,801 | 133,462 |
| Other | | | |
| Interest on advances from the Town of Souris | - | 11,346 | 7,550 |
| Interest on long term debt | 12,750 | 50,187 | 60,230 |
| | 12,750 | 61,533 | 67,780 |
| | 268,855 | 412,357 | 375,824 |
| Operating surplus (deficit) | 109,645 | (32,932) | 1,205 |
| Other revenues | | | |
| Government transfers for capital (Note 7) | - | 2,712 | 425,538 |
| Annual surplus | \$ 109,645 | \$ (30,220) | \$ 426,743 |

Notes 1 - 14 are an integral part of these consolidated financial statements

TOWN OF SOURIS
Statement of Operations - Water
Year Ended March 31, 2025

(Schedule 6)

| | Budget 2025 | Actual 2025 | Actual 2024 |
|--|--------------------|--------------------|--------------------|
| Revenues | | | |
| Fire protection and water supply | \$ 110,000 | \$ 96,801 | \$ 94,098 |
| Water rates | | | |
| Domestic | 79,000 | 78,571 | 78,498 |
| Metered | 72,000 | 73,397 | 74,384 |
| Interest | 1,000 | 1,319 | 924 |
| Miscellaneous | 500 | (857) | 930 |
| | <u>262,500</u> | <u>249,231</u> | <u>248,834</u> |
| Expenditures | | | |
| Administration | | | |
| Amortization of tangible capital assets | - | 45,260 | 44,446 |
| Council fees | 5,160 | 4,668 | 5,005 |
| Dues and fees | 150 | 580 | 124 |
| Insurance | 4,000 | 9,141 | 3,784 |
| Island Regulatory and Appeals Commission | 3,400 | 4,359 | 3,942 |
| Office | 2,925 | 4,542 | 3,786 |
| Professional fees | 9,500 | 2,323 | 1,691 |
| Property tax | 900 | 943 | 872 |
| Rent | 1,800 | 1,800 | 1,800 |
| Telephone | 600 | 475 | 461 |
| Wages and wage levies | 46,200 | 49,792 | 45,513 |
| | <u>74,635</u> | <u>123,883</u> | <u>111,424</u> |
| Operating | | | |
| Backhoe | 3,000 | 3,628 | 4,379 |
| Electricity | 42,000 | 40,397 | 39,215 |
| Garage | | | |
| Fuel | 2,750 | 2,584 | 2,685 |
| Insurance | 2,000 | 1,767 | 1,546 |
| Property tax | 500 | 375 | 445 |
| Repairs | 750 | 190 | 518 |
| Utilities | 3,000 | 1,554 | 1,856 |
| Water and sewer | 395 | 294 | 294 |
| Repairs and maintenance | 54,700 | 54,286 | 34,398 |
| Supplies | 500 | 769 | 352 |
| Wages, travel allowance and benefits | 86,075 | 85,363 | 78,731 |
| | <u>195,670</u> | <u>191,207</u> | <u>164,419</u> |
| Other | | | |
| Interest on advances from the Town of Souris | - | 11,346 | 7,550 |
| Interest on long term debt | 12,750 | 6,612 | 7,038 |
| | <u>12,750</u> | <u>17,958</u> | <u>14,588</u> |
| | <u>283,055</u> | <u>333,048</u> | <u>290,431</u> |
| Operating surplus (deficit) | <u>(20,555)</u> | <u>(83,817)</u> | <u>(41,597)</u> |
| Other revenues | | | |
| Government transfers for capital (Note 7) | - | 6,297 | 2,300 |
| Annual surplus (deficit) | <u>\$ (20,555)</u> | <u>\$ (77,520)</u> | <u>\$ (39,297)</u> |

Notes 1 - 14 are an integral part of these consolidated financial statements

TOWN OF SOURIS
Schedules to Consolidated Financial Statements (Schedule 7)
Segment Disclosures
Year Ended March 31, 2025

| | Town | Sewer | Water | Elimination | Consolidated 2025 |
|--|------------------|--------------------|--------------------|------------------|----------------------|
| Revenues | | | | | |
| Property taxes | \$ 884,858 | \$ - | \$ - | \$ - | \$ 884,858 |
| Municipal grant | 286,269 | - | - | - | 286,269 |
| Fire dues | 249,260 | - | - | - | 249,260 |
| Matthew MacLean building rent | 49,616 | - | - | - | 49,616 |
| Other | 68,794 | 1,679 | (857) | (3,600) | 66,016 |
| Interest | 54,401 | - | 1,319 | (22,693) | 33,027 |
| Beachfront rentals | 23,500 | - | - | - | 23,500 |
| Sportsplex contribution | 11,643 | - | - | - | 11,643 |
| Sewer | - | 377,746 | - | (4,026) | 373,720 |
| Water | - | - | 151,968 | (1,328) | 150,640 |
| Fire protection and water supply | - | - | 96,801 | (96,801) | - |
| | 1,628,341 | 379,425 | 249,231 | (128,448) | 2,128,549 |
| Expenditures | | | | | |
| Salaries and benefits | 354,287 | 142,489 | 139,823 | - | 636,599 |
| Goods and services | 933,985 | 102,935 | 130,007 | (105,755) | 1,061,172 |
| Amortization of tangible capital assets | 376,425 | 105,400 | 45,260 | - | 527,085 |
| Interest | 3,137 | 61,533 | 17,958 | (22,693) | 59,935 |
| Amortization of intangible capital assets | 4,676 | - | - | - | 4,676 |
| | 1,672,510 | 412,357 | 333,048 | (128,448) | 2,289,467 |
| Operating surplus (deficit) | (44,169) | (32,932) | (83,817) | - | (160,919) |
| Other revenues | 126,775 | 2,712 | 6,297 | - | 135,784 |
| Annual surplus (deficit) | \$ 82,606 | \$ (30,220) | \$ (77,520) | \$ - | \$ (25,135) |

Notes 1 - 14 are an integral part of these consolidated financial statements

TOWN OF SOURIS
Schedules to Consolidated Financial Statements (Schedule 8)
Segment Disclosures
Year Ended March 31, 2024

| | Town | Sewer | Water | Elimination | Consolidated 2023 |
|--|-------------------|-------------------|--------------------|--------------------|------------------------------|
| Revenues | | | | | |
| Property taxes | \$ 876,235 | \$ - | \$ - | \$ - | \$ 876,235 |
| Municipal grant | 301,555 | - | - | - | 301,555 |
| Fire dues | 210,612 | - | - | - | 210,612 |
| Matthew MacLean building rent | 41,916 | - | - | - | 41,916 |
| Interest | 35,407 | - | 924 | (15,101) | 21,230 |
| Other | 68,302 | 1,244 | 930 | (3,600) | 66,876 |
| Government transfer | | | | | |
| Beachfront rentals | 23,500 | - | - | - | 23,500 |
| Sportsplex contribution | 9,835 | - | - | - | 9,835 |
| Sewer | - | 375,785 | - | (3,728) | 372,057 |
| Water | - | - | 152,882 | (1,229) | 151,653 |
| Fire protection and water supply | - | - | 94,098 | (94,098) | - |
| | <u>1,567,362</u> | <u>377,029</u> | <u>248,834</u> | <u>(117,756)</u> | <u>2,075,469</u> |
| Expenditures | | | | | |
| Salaries and benefits | 323,911 | 128,109 | 129,249 | - | 581,269 |
| Goods and services | 942,211 | 71,191 | 102,148 | (102,655) | 1,012,895 |
| Amortization of tangible capital assets | 362,883 | 108,744 | 44,446 | - | 516,073 |
| Interest | 4,428 | 67,780 | 14,588 | (15,101) | 71,695 |
| Amortization of intangible capital assets | 4,601 | - | - | - | 4,601 |
| | <u>1,638,034</u> | <u>375,824</u> | <u>290,431</u> | <u>(117,756)</u> | <u>2,186,533</u> |
| Operating surplus (deficit) | <u>(70,672)</u> | <u>1,205</u> | <u>(41,597)</u> | <u>-</u> | <u>(111,064)</u> |
| Other revenues | 296,081 | 425,538 | 2,300 | - | 723,919 |
| Annual surplus (deficit) | <u>\$ 225,409</u> | <u>\$ 426,743</u> | <u>\$ (39,297)</u> | <u>\$ -</u> | <u>\$ 612,855</u> |

Notes 1 - 14 are an integral part of these consolidated financial statements