VILLAGE OF FREDERICTON JUNCTION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

Shannon & Buffett, LLP
Chartered Professional Accountants

VILLAGE OF FREDERICTON JUNCTION

CONSOLIDATED FINANCIAL STATEMENTS

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Shannon & Buffett, LLP

Chartered Professional Accountants

GARRY L. ARMSTRONG, CPA, CA RON W. SAUNTRY, CPA, CA

July 13, 2026

INDEPENDENT AUDITOR'S REPORT

To the Mayor and the Members of the Council

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Village of Fredericton Junction (the Village), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes 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 Village as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for the Public Sector.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Village 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Notes 18, 19 and 20 on pages 19, 20 and 21 respectively are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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.

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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 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 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 Village 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.

Shannon & Buffett LLP

Chartered Professional Accountants

VILLAGE OF FREDERICTON JUNCTION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

	2025	2024
Financial assets:		
Cash (note 3)	$ 130,373	$ 140,342
Receivables:		
- Federal government and its agencies (note 4)	44,546	129,942
- Province of New Brunswick (note 5)	23,774	630,507
- Other	36,419	59,449
	235,112	960,240
Liabilities:		
Bank indebtedness (note 6)	358,957	423,526
Payables and accruals	75,251	763,476
Deferred revenue (note 7)	67,303	51,498
Long-term debt (note 8)	1,659,000	1,811,000
Accrued pension benefit liability (asset) (note 9)	(23,600)	(18,300)
	2,136,911	3,031,200
Net debt	(1,901,799)	(2,070,960)
Non-financial assets:		
Tangible capital assets (note 10)	9,982,716	9,909,001
Accumulated amortization	(4,225,800)	(3,998,720)
	5,756,916	5,910,281
Prepaid expenses	23,241	32,951
	5,780,157	5,943,232
Accumulated surplus (page 4)	$ 3,878,358	$ 3,872,272

Approved by:

_____ Mayor

_____ Clerk or Treasurer

VILLAGE OF FREDERICTON JUNCTION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2025

	(Unaudited) 2025 Budget	2025 Actual	2024 Actual
Revenue:			
Property tax warrant	$ 831,563	$ 831,563	$ 762,484
Services provided to other governments	200,076	174,177	199,475
Unconditional grant	47,994	47,994	51,415
Other government transfers	7,000	82,514	1,435,408
Water and sewerage user fees	153,000	152,812	152,101
Interest	-	1,416	3,479
Rental	45,266	49,954	45,554
Gain on disposal of tangible capital assets	-	11,735	-
Other	1,950	10,818	7,571
	1,286,849	1,362,983	2,657,487
Expenses:			
General government services	232,306	225,127	219,927
Protective services	462,037	453,736	463,937
Transportation services	361,782	360,626	1,520,809
Environmental health services	65,281	54,401	55,914
Environmental development services	32,255	46,919	28,675
Recreation and cultural services	23,262	23,994	23,485
Water and sewerage services	160,390	192,094	165,683
Loss on disposal of tangible capital assets	-	-	5,408
	1,337,313	1,356,897	2,483,838
Annual surplus (deficit) (note 18)	$ (50,464)	6,086	173,649
Accumulated surplus, beginning of year		3,872,272	3,698,623
Accumulated surplus, end of year		$ 3,878,358	$ 3,872,272

VILLAGE OF FREDERICTON JUNCTION

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Annual surplus	$ 6,086	$ 173,649
Acquisition of tangible capital assets	(92,041)	(487,707)
Amortization of tangible capital assets	245,406	213,334
Loss (gain) on disposal of tangible capital assets	(11,735)	5,408
Proceeds on disposal of tangible capital assets	11,735	-
(Increase) decrease in prepaid expenses	9,710	(7,051)
	163,075	(276,016)
(Increase) decrease in net debt	169,161	(102,367)
Net debt, beginning of year	(2,070,960)	(1,968,593)
Net debt, end of year	$ (1,901,799)	$ (2,070,960)

VILLAGE OF FREDERICTON JUNCTION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Operating transactions:		
Annual surplus	$ 6,086	$ 173,649
Non-cash items:		
-Amortization	245,406	213,334
- Loss (gain) on disposal of tangible capital assets	(11,735)	5,408
Change in deferred revenue	15,805	(97,109)
Change in prepaid expenses	9,710	(7,051)
Other (note 14)	21,634	68,849
	286,906	357,080
Capital transactions:		
Acquisition of tangible capital assets	(92,041)	(487,707)
Proceeds on disposal of tangible capital assets	11,735	-
	(80,306)	(487,707)
Financing transactions:		
(Decrease) in bank indebtedness	(64,569)	(244,131)
Increase in long-term debt	-	425,000
Long-term debt retirement	(152,000)	(142,000)
	(216,569)	38,869
(Decrease) in cash position	(9,969)	(91,758)
Cash position, beginning of year	140,342	232,100
Cash position, end of year	$ 130,373	$ 140,342

1. Reporting entity:

The municipality was incorporated as a Village by the Province of New Brunswick Municipalities Act. As a municipality, the Village is exempt from income tax under Section 149 (l) (c) of the Canadian Income Tax Act.

2. Significant accounting policies:

(a) Basis of accounting -

The consolidated financial statements of the Village are the representations of management prepared in accordance with Canadian accounting standards for local governments, as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada.

The focus of PSAB financial statements is on the financial position of the Village and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Village.

The consolidated financial statements reflect assets, liabilities, revenues, expenditures and changes in net debt 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 Village and which are owned or controlled by the Village.

Interdepartmental and organizational transactions and balances have been eliminated.

(b) Budget -

The operating budget figures contained in these consolidated financial statements were approved by Council on December 9, 2024 (General and Utility).

(c) Revenue recognition -

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.

Other revenue is recorded when it is earned.

(d) Use of estimates -

The preparation of the consolidated financial statements in conformity with Canadian accounting standards for the Public Sector 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.

2. Significant accounting policies (continued):

(e) 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.

(f) 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	Years
Buildings	25-40 years
Vehicles	7-25 years
Machinery and equipment	5-11 years
Roads, curbs, sidewalks and storm sewers	15-60 years
Water and sewerage infrastructure	25-100 years

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

Amortization commences with the year after acquisition.

There is no amortization in the year of disposal.

(g) Segmented information -

The Village is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Village'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 Village. 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):

(g) 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 maintenance and operation of recreational and cultural facilities, including parks and playgrounds and other recreational and cultural facilities.

Water and sewerage services
This department is responsible for the provision of water and sewerage services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

3. Cash:

	2025	2024
Internally restricted cash - Reserves and gas tax (CCBF)	$ 129,454	$ 139,266
Unrestricted cash	919	1,076
	$ 130,373	$ 140,342

4. Receivables – Federal government and its agencies:

	2025	2024
Canada Revenue Agency (HST)	$ 44,546	$ 129,942

5. Receivables – Province of New Brunswick:

	2025	2024
Department of Environment and Local Government	$ 23,774	$ -
Regional Development Corporation	-	3,000
Department of Transportation	-	627,507
	$ 23,774	$ 630,507

6. Bank indebtedness:

	2025	2024
Bank loan	$ 198,700	$ 198,700
Bank overdraft and outstanding cheques	145,443	114,535
Outstanding cheques in excess of funds on deposit	14,814	110,291
	$ 358,957	$ 423,526

The bank loan bears interest at prime and is payable to Bank of Montreal. The amount represents temporary financing for capital purposes. The Village has ministerial authority for this bank loan (see note 8). The bank overdraft is $143,356 and is payable to Bank of Montreal.

7. Deferred revenue:

	2025	2024
Water and sewerage user fees	$ 33,950	$ 32,240
CCBF Funding	28,587	14,892
Other amounts	4,766	4,366
	$ 67,303	$ 51,498

8. Long-term debt:

	2025	2024
New Brunswick Municipal Finance Corporation:		
- 0.855% to 1.786%, due 2026 (OIC # 10-91)	$ 25,000	$ 49,000
- 2.1% to 3.7%, due 2038 (OIC # 06-50, # 15-48, # 18-82)	1,028,000	1,099,000
- 0.5% to 1.1%, paid off in 2025 (OIC # 19-36)	-	21,000
- 1.95% to 2.45%, due 2029 (OIC # 08-72, # 17-106)	76,000	94,000
- 0.5% to 2.6%, due 2040 (OIC # 19-04)	57,000	60,000
- 0.855% to 2.378%, due 2031 (OIC # 11-14)	55,000	63,000
- 4.151% to 4.911%, due 2044 (OIC # 18-26)	418,000	425,000
	$ 1,659,000	$ 1,811,000

Approval of the Municipal Capital Borrowing Board has been obtained for the $1,659,000 debentures amount.

8. Long-term debt (continued):

Principal payments required during the next five years are as follows:

2026	-	$ 134,000
2027	-	113,000
2028	-	117,000
2029	-	122,000
2030	-	105,000

The Village has additional ministerial authority for long-term borrowing (and temporary borrowing) for capital purposes as follows:

OIC # 18-0026	Water and Sewerage Capital Fund - Utility	$ 885,000
OIC # 19-0004	Water and Sewerage Capital Fund - Utility	216,000
OIC # 19-0036	General Capital Fund – Protective Services	20,000
OIC # 24-0059	General Capital Fund – Protective Services	870,000
		$ 1,991,000

$198,700 of the General Capital Fund authority is being utilized at December 31, 2025 (see note 6).

9. Accrued pension benefit liability:

The Village 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 members under the provisions of the Province of New Brunswick Local Governance Act. The NB MEPP provides pensions based on length of service and best average earnings.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.93%. Each municipality contributes an amount that equals their employee's contribution amounts. Pension Fund Assets are invested in Short-Term Securities, Bonds, Canadian Equities, Real Estate, Infrastructure and Foreign Equities.

9. Accrued pension benefit liability (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 2.1%
- The discount rate used to determine the accrued benefit obligation is 6.05%
- The expected rate of return on assets is 6.05%
- Retirement age varies by age and employment category
- Estimated average remaining service life (EARSL) is 14 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 greater 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 deficit 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.

The following summarizes the NB MEPP data as it relates to the Village of Fredericton Junction:

- The average age of the 3 active employees covered by the NB MEPP is 52.1
- Benefit Payments were $0 in 2024 and were estimated to be $0 in 2025
- Combined contributions were $18,400 in 2024 and were estimated to be $19,000 in 2025

In addition to determining the position of the NB MEPP as it relates to the Village of Fredericton Junction 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 adjust to reflect actual experience. Results of the extrapolation are as follows:

9. **Accrued pension benefit liability (continued):**

	(Estimated) Jan. 1, 2025 to Dec. 31, 2025	Jan. 1, 2024 to Dec. 31, 2024
Accrued benefit liability (asset):		
Accrued benefit liability (asset), beginning of year	$ (18,300)	$ (22,800)
Adjustment to estimate	(2,500)	4,800
Pension expense for the year	6,700	7,700
Less employer contributions	(9,500)	(8,000)
Accrued benefit liability (asset), end of year	$ (23,600)	$ (18,300)

	(Estimated) Jan. 1, 2025 to Dec. 31, 2025	Jan. 1, 2024 to Dec. 31, 2024
Reconciliation of funded status at end of year:		
Accrued benefit obligation	$ 101,500	$ 78,200
Plan assets	120,200	89,000
Plan deficit (surplus)	(18,700)	(10,800)
Unamortized experience losses	4,900	7,500
Accrued benefit liability (asset), end of year	$ (23,600)	$ (18,300)

	(Estimated) Jan. 1, 2025 to Dec. 31, 2025	Jan. 1, 2024 to Dec. 31, 2024
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation, beginning of year	$ 78,200	$ 57,600
Adjustment to estimate	1,200	900
Current service cost	16,800	15,700
Interest for year	5,300	4,000
Accrued benefit obligation, end of year	$ 101,500	$ 78,200

9. **Accrued pension benefit liability (continued):**

	(Estimated) Jan. 1, 2025 to Dec. 31, 2025	Jan. 1, 2024 to Dec. 31, 2024
Reconciliation of plan assets:		
Plan assets, beginning of year	$ 89,000	$ 71,600
Adjustment to estimate	5,900	(3,200)
Employer contributions	9,500	8,000
Employee contributions	9,500	8,000
Return on plan assets during year	6,300	4,600
Plan assets, end of year	$ 120,200	$ 89,000

	(Estimated) Jan. 1, 2025 to Dec. 31, 2025	Jan. 1, 2024 to Dec. 31, 2024
Pension expense:		
Employer current service cost	$ 6,500	$ 7,700
Interest on accrued benefit obligation	4,000	4,000
Expected return on assets	(4,700)	(4,600)
Experience loss (gain)	600	600
	$ 6,400	$ 7,700

10. Tangible capital assets:

	Land	Buildings	Vehicles	Machinery and Equipment	Roads and Streets	Water and Sewerage	2025 Total	2024 Total
Cost:								
Balance, beginning of year	$ 189,448	$ 1,853,400	$ 1,051,316	$ 277,782	$ 2,031,715	$ 4,505,340	$ 9,909,001	$ 9,524,651
Additions	-	-	6,882	74,731	-	10,428	92,041	487,707
Disposals	-	-	(18,326)	-	-	-	(18,326)	(103,357)
Balance, end of year	189,448	1,853,400	1,039,872	352,513	2,031,715	4,515,768	9,982,716	9,909,001
Accumulated amortization:								
Balance, beginning of year	-	422,234	539,755	151,782	1,370,505	1,514,444	3,998,720	3,883,335
Amortization	-	43,855	51,412	22,795	64,576	62,768	245,406	213,334
Disposals	-	-	(18,326)	-	-	-	(18,326)	(97,949)
Balance, end of year	-	466,089	572,841	174,577	1,435,081	1,577,212	4,225,800	3,998,720
Net Book Value of Tangible Capital Assets	$ 189,448	$ 1,387,311	$ 467,031	$ 177,936	$ 596,634	$ 2,938,556	$ 5,756,916	$ 5,910,281
Consists of:								
General Fund Assets	$ 168,148	$ 1,387,311	$ 467,031	$ 137,170	$ 596,634	$ -	$ 2,756,294	$ 2,849,855
Water and Sewerage Fund Assets	21,300	-	-	40,766	-	2,938,556	3,000,622	3,060,426
	$ 189,448	$ 1,387,311	$ 467,031	$ 177,936	$ 596,634	$ 2,938,556	$ 5,756,916	$ 5,910,281

11. Short-term borrowings compliance:

(i) Operating borrowing

As prescribed in the Province of New Brunswick Local Governance Act, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2025, the Village Water and Sewerage Operating Fund bank overdraft exceeded the prescribed limit and therefore the Village did not fully comply with these restrictions.

(ii) 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. In 2025, two interfund balances between reserves and operating funds were not repaid and therefore the Village did not fully comply with these requirements.

12. Water and Sewerage Operating Fund Surplus/Deficit:

The Province of New Brunswick Local Governance Act requires Water and Sewerage Operating Fund surplus/deficit amounts to be absorbed into one or more of four operating budgets commencing with the second next ensuing year. The balance of the surplus/deficit at the end of the year consists of:

	2025	2024
2025 Deficit	$ (12,806)	$ -
2024 Deficit	(4,720)	(4,720)
2023 Deficit	(75,819)	(90,819)
	$ (93,345)	$ (95,539)

13. Water cost transfer:

The Village's Water cost transfer is within the maximum allowable by regulation based on the applicable percentage of water system expenditures for the population.

14. Other (Statement of Cash Flows):

	2025	2024
(Increase) decrease in amounts receivable	$ 715,159	$ (657,429)
Increase (decrease) in accounts payable and accrued liabilities	(688,225)	721,778
(Increase) decrease in accrued pension benefit asset	(5,300)	4,500
	$ 21,634	$ 68,849

15. Financial instruments:

The Village's financial instruments consist of cash, receivables, bank loans, payables and accruals and long-term debt. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest or currency risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Village is subject to credit risk through receivables. The Village minimizes credit risk through on-going credit management.

16. Commitments:

The Village leases dispatch services under an operating lease. Minimum annual payments (excluding HST) in 2026 are expected to be approximately $8,200.

17. Schedule of Segment Disclosure:

	General	Protective	Transportation	Environmental Health	Environmental Development	Recreation and Cultural	Water and Sewerage	2025 Total	2024 Total
Revenue:									
Property tax warrant	$ 164,137	$ 326,455	$ 255,620	$ 46,125	$ 22,790	$ 16,436	$ -	$ 831,563	$ 762,484
Services provided to other governments	-	169,160	5,017	-	-	-	-	174,177	199,475
Unconditional grant	9,473	18,842	14,753	2,662	1,315	949	-	47,994	51,415
Other government transfers	23,245	8,587	38,437	-	5,000	-	7,245	82,514	1,435,408
Water and sewerage user fees	-	-	-	-	-	-	152,812	152,812	152,101
Interest	932	-	-	-	-	-	484	1,416	3,479
Rental	49,954	-	-	-	-	-	-	49,954	45,554
Gain on disposal of tangible capital assets	-	-	11,735	-	-	-	-	11,735	-
Other	3,848	6,970	-	-	-	-	-	10,818	7,571
	251,589	530,014	325,562	48,787	29,105	17,385	160,541	1,362,983	2,657,487
Expenses:									
Wages and employee benefits	106,499	24,850	57,896	18,454	-	-	23,503	231,202	233,979
Goods and services	108,300	292,654	223,409	33,006	46,919	23,602	73,587	801,477	1,965,751
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	5,408
Amortization	5,297	88,260	78,285	2,941	-	392	70,231	245,406	213,334
Interest	-	47,972	1,036	-	-	-	24,773	73,781	61,818
Other	5,031	-	-	-	-	-	-	5,031	3,548
	225,127	453,736	360,626	54,401	46,919	23,994	192,094	1,356,897	2,483,838
Surplus (deficit) for the year	$ 26,462	$ 76,278	$ (35,064)	$ (5,614)	$ (17,814)	$ (6,609)	$ (31,553)	$ 6,086	$ 173,649

18. Reconciliation of Annual Surplus (Deficit):

	General Operating Fund	General Capital Fund	Water and Sewerage Operating Fund	Water and Sewerage Capital Fund	General Capital Reserve	General Operating Reserve	Water and Sewerage Capital Reserve	Water and Sewerage Operating Reserve	Total
2025 Annual surplus (deficit)	$ 211,882	$ (175,175)	$ 38,194	$ (70,231)	$ 545	$ 387	$ 467	$ 17	$ 6,086
Adjustments to annual surplus (deficit) for funding requirements:									
Second previous year's surplus	7,199	-	-	-	-	-	-	-	7,199
Second previous year's deficit	-	-	(15,000)	-	-	-	-	-	(15,000)
Transfers:									
- General Operating Fund to General Capital Fund	(81,612)	81,612	-	-	-	-	-	-	-
- General Operating Fund to General Operating Reserve	(5,000)	-	-	-	-	5,000	-	-	-
- W&S Operating Fund to W&S Capital Fund	-	-	(10,429)	10,429	-	-	-	-	-
- W&S Capital Reserve to W&S Operating Fund	-	-	10,429	-	-	-	(10,429)	-	-
Long-term debt principal repayment	(116,000)	116,000	(36,000)	36,000	-	-	-	-	-
Proceeds on disposal of tangible capital assets	11,735	-	-	-	-	-	-	-	11,735
Gain on disposal of tangible capital assets	(11,735)	-	-	-	-	-	-	-	(11,735)
Disposal of tangible capital assets	-	(18,326)	-	-	-	-	-	-	(18,326)
Change in accrued pension benefit liability (asset)	(5,300)	-	-	-	-	-	-	-	(5,300)
Amortization expense	-	175,175	-	70,231	-	-	-	-	245,406
Total adjustments to 2025 annual surplus (deficit)	(200,713)	354,461	(51,000)	116,660	-	5,000	(10,429)	-	213,979
2025 Annual Fund surplus (deficit)	$ 11,169	$ 179,286	$ (12,806)	$ 46,429	$ 545	$ 5,387	$ (9,962)	$ 17	$ 220,065

19. Statement of reserves:

	General Capital Reserve	General Operating Reserve	Water and Sewerage Capital Reserve	Water and Sewerage Operating Reserve	2025 Total	2024 Total
Assets						
Cash	$ 15,580	$ 9,099	$ 17,819	$ 17	$ 42,515	$ 66,022
Due from (to) other Reserves and Funds	(588)	35,546	1,596	17	36,571	17,077
Accumulated surplus	$ 14,992	$ 44,645	$ 19,415	$ 34	$ 79,086	$ 83,099
Revenue						
Transfers from General and Water and Sewerage Operating Funds	$ -	$ 5,000	$ -	$ -	$ 5,000	$ 20,000
Interest	545	387	467	17	1,416	1,577
	545	5,387	467	17	6,416	21,577
Expenditures						
Transfers to General and Water and Sewerage Operating Funds	-	-	10,429	-	10,429	32,923
Annual surplus (deficit)	$ 545	$ 5,387	$ (9,962)	$ 17	$ (4,013)	$ (11,346)

As prescribed in the Province of New Brunswick Local Governance Act, the amounts held in the General Operating Reserve and Water and Sewerage Operating Reserve are limited to 5% of the Village's General and Water and Sewerage expenditures (respectively) in the previous year's operating budget (i.e.) 2024. As at December 31, 2025, the Village is in compliance with these restrictions.

20. Operating Budget to PSAB Budget: (Unaudited)

	General Operating Budget	Water and Sewerage Operating Budget	TCA Amortization	Transfers	Total
Revenue:					
Property tax warrant	$ 831,563	$ -	$ -	$ -	$ 831,563
Services provided to other governments	200,076	-	-	-	200,076
Unconditional grant	47,994	-	-	-	47,994
Other government transfers	7,000	-	-	-	7,000
Other transfers	25,000	33,000	-	(58,000)	-
Water and sewerage user fees	-	153,000	-	-	153,000
Rental	45,266	-	-	-	45,266
Second previous year's surplus	7,199	-	-	(7,199)	-
Other	1,950	-	-	-	1,950
	1,166,048	186,000	-	(65,199)	1,286,849
Expenditures:					
General government services	232,309	-	5,297	(5,300)	232,306
Protective services	323,223	-	88,260	50,554	462,037
Transportation services	307,417	-	78,285	(23,920)	361,782
Environmental health services	62,340	-	2,941	-	65,281
Environmental developmental services	32,255	-	-	-	32,255
Recreation and cultural services	22,870	-	392	-	23,262
Fiscal services:					
- Long-term debt repayments	134,000	47,841	-	(181,841)	-
- Interest	51,634	18,957	-	(70,591)	-
Water and sewerage services	-	104,202	70,231	(14,043)	160,390
Second previous year's deficit	-	15,000	-	(15,000)	-
	1,166,048	186,000	245,406	(260,141)	1,337,313
	$ -	$ -	$ (245,406)	$ 194,942	$ (50,464)

21. Revenue and Expense Support:

	(Unaudited) 2025 Budget	2025 Actual	2024 Actual
Revenue:			
Services provided to other Governments:			
Fire protection	$ 197,076	$ 169,160	$ 194,458
Lane marking	3,000	5,017	5,017
	$ 200,076	$ 174,177	$ 199,475
Other government transfers:			
Government of Canada:			
- Grants – Wage subsidies	$ 4,000	$ 4,385	$ 4,284
Province of New Brunswick:			
- CCBF Funding	-	38,437	122,063
- Grants – Wage subsidies	3,000	2,331	4,559
- Dept of Environment and Local Govt	-	23,774	30,427
- Regional Development Corporation	-	2,000	30,292
- Tourism, Heritage and Culture	-	3,000	2,350
- Department of Transportation	-	-	1,225,849
- Department of Natural Resources	-	8,587	15,584
	$ 7,000	$ 82,514	$ 1,435,408
Rental:			
Building and office rentals	$ 45,266	$ 49,954	$ 45,554
Other:			
Licenses and permits:			
- Animal	$ 50	$ 60	$ 51
- Construction	1,800	2,243	4,155
Donations	100	6,910	-
Other	-	1,605	3,365
	$ 1,950	$ 10,818	$ 7,571

21. **Revenue and Expense Support (continued):**

	(Unaudited) 2025 Budget	2025 Actual	2024 Actual
Expenditures:			
General government services:			
Legislative:			
- Mayor	$ 6,900	$ 6,900	$ 6,900
- Councillors	24,360	24,360	24,360
	31,260	31,260	31,260
Administrative:			
- Clerk	44,880	45,526	46,914
- Office and building	39,800	18,728	20,017
- Solicitor	1,000	-	-
- Other	62,338	67,434	56,205
- Pension adjustment	(5,300)	(5,300)	4,500
	142,718	126,388	127,636
Financial Management:			
- External audit	12,655	10,423	10,507
- Consulting fees	6,500	954	-
	19,155	11,377	10,507
Other:			
- Employment grant wages	11,490	13,650	17,821
- Liability insurance	-	14,889	14,443
- Cost of assessment	11,936	11,935	10,944
- Grants to organizations	10,450	10,331	3,630
- Amortization	5,297	5,297	3,686
	39,173	56,102	50,524
	$ 232,306	$ 225,127	$ 219,927

21. Revenue and Expense Support (continued):

	(Unaudited) 2025 Budget	2025 Actual	2024 Actual
Expenditures (continued):			
Protective services:			
RCMP	$ 106,511	$ 106,512	$ 102,909
Fire:			
- Administration	23,000	23,493	22,744
- Water costs	33,000	35,347	35,000
- Station and building	77,320	55,520	58,378
- Fighting and equipment	60,000	37,201	84,899
- Training	16,000	32,507	16,783
- Other	1,200	16,703	16,320
- Amortization	88,260	88,260	79,178
- Interest	50,554	47,972	39,995
	349,334	337,003	353,297
Emergency Measures	3,600	3,497	3,534
Other:			
- Animal and pest control	2,400	2,400	2,400
- Other	192	4,324	1,797
	2,592	6,724	4,197
	$ 462,037	$ 453,736	$ 463,937

21. Revenue and Expense Support (continued):

	(Unaudited) 2025 Budget	2025 Actual	2024 Actual
Expenditures (continued):			
Transportation services:			
Common services:			
- Administration	$ 104,623	$ 85,073	$ 89,478
- General equipment	20,432	10,005	15,574
- Public works supplies	11,380	9,411	5,054
- Other	25,000	6,691	8,672
- Allocation of wages to water and sewerage operations	(25,000)	(23,503)	(23,156)
	136,435	87,677	95,622
Roads and streets:			
- Summer maintenance	9,200	7,142	22,288
- Road repairs	20,000	46,603	8,675
- Provincial highway upgrades	-	-	1,225,849
- Winter maintenance and snow removal	43,000	56,644	32,077
- Catch basins	2,000	772	-
- Sidewalks	12,000	16,425	-
- Culverts	15,000	13,973	12,839
- Amortization	78,285	78,285	76,067
- Interest	1,080	1,036	1,399
	180,565	220,880	1,379,194
Street lighting	34,812	42,042	36,696
Traffic services:			
- Street signs	470	-	-
- Lane marking	9,500	10,027	9,297
	9,970	10,027	9,297
	$ 361,782	$ 360,626	$ 1,520,809

21. Revenue and Expense Support (continued):

	(Unaudited) 2025 Budget	2025 Actual	2024 Actual
Expenditures (continued):			
Environmental health services:			
Solid waste collection	$ 33,500	$ 29,157	$ 28,641
Solid waste disposal	22,440	22,303	24,332
Recycling	6,400	-	-
Amortization	2,941	2,941	2,941
	$ 65,281	$ 54,401	$ 55,914
Environmental development services:			
Planning and zoning	$ 25,255	$ 26,632	$ 26,308
Other community development	7,000	20,287	2,367
	$ 32,255	$ 46,919	$ 28,675
Recreation and cultural services:			
Parks and recreation	$ 22,870	$ 23,602	$ 23,093
Amortization	392	392	392
	$ 23,262	$ 23,994	$ 23,485

21. Revenue and Expense Support (continued):

	(Unaudited) 2025 Budget	2025 Actual	2024 Actual
Expenditures (continued):			
Water and sewerage services:			
Water supply:			
- Administration	$ 27,000	$ 29,698	$ 27,432
- Purification and treatment	2,000	2,523	2,095
- Source of supply	8,668	32,682	32,069
- Transmission and distribution	6,167	9,370	23,805
- Amortization	35,116	35,116	25,535
- Interest	6,000	22,735	18,408
- Provision for loss on accounts receivable	-	-	(41)
- Other	-	7,300	-
- Allocation of costs to fire protection	(33,000)	(35,347)	(35,000)
	51,951	104,077	94,303
Sewerage services:			
- Administration	31,713	29,698	27,432
- Sewerage lift stations	14,150	7,254	7,465
- Sewerage collection	2,500	12,009	8,973
- Storm sewers	1,004	1,903	-
- Amortization	35,115	35,115	25,535
- Interest	12,957	2,038	2,016
- Provision for loss on accounts receivable	-	-	(41)
- Other	11,000	-	-
	108,439	88,017	71,380
	$ 160,390	$ 192,094	$ 165,683