

TOWN OF THREE RIVERS
Consolidated Financial Statements
March 31, 2026

TOWN OF THREE RIVERS
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March 31, 2026

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Town of Three Rivers 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.

Mayor and Council meet 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 of Three Rivers. 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 Three Rivers:



Mayor

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the Town of Three Rivers

Opinion

We have audited the consolidated financial statements of the Town of Three Rivers (the Town), which comprise the consolidated statement of financial position as at March 31, 2026, 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, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for the Public Sector.

Basis for Opinion

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

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

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

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

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

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MRSB Chartered Professional Accountants Inc.

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Charlottetown, PE

September 14, 2026

TOWN OF THREE RIVERS
Consolidated Statement of Financial Position
March 31, 2026

	2026	2025
Financial assets		
Cash		
Unrestricted cash	\$ 4,311,042	\$ 4,225,272
Internally restricted cash	63,686	109,686
Restricted cash - gas tax	1,809,272	2,675,644
Accounts receivable (Note 3)	1,276,346	2,211,515
	<u>7,460,346</u>	<u>9,222,117</u>
Liabilities		
Accounts payable and accrued liabilities	927,819	2,742,133
Deferred revenue (Note 4)	3,142,612	3,943,320
Long term debt (Note 5)	1,803,883	2,244,079
	<u>5,874,314</u>	<u>8,929,532</u>
Contingent liability (Note 6)		
Commitments (Note 7)		
Net financial assets (Statement 6)	<u>1,586,032</u>	<u>292,585</u>
Non-financial assets		
Inventory	-	9,648
Prepaid expense	433,558	384,643
Tangible capital assets (Schedules 1 and 2)	38,169,533	37,058,995
Intangibles (Note 8)	279,821	239,184
	<u>38,882,912</u>	<u>37,692,470</u>
Accumulated surplus (Statement 5)	<u>\$ 40,468,944</u>	<u>\$ 37,985,055</u>

ON BEHALF OF THE COUNCIL

 _____ Mayor

 _____ Councillor

Notes 1 - 17 are an integral part of these consolidated financial statements

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

	Budget 2026	Actual 2026	Actual 2025
Revenues			
General Government (Schedule 5)	\$ 4,461,518	\$ 4,980,120	\$ 4,961,176
Montague Water & Sewer Utility (Schedule 6)	977,614	999,188	930,568
Cavendish Wellness Centre (Schedule 7)	479,070	517,916	473,319
King's Playhouse (Schedule 8)	516,700	339,651	533,636
Waterfront Development Corporation (Schedule 9)	-	334,007	301,249
Cardigan Volunteer Fire Department (Schedule 10)	230,763	254,655	223,770
Georgetown Sewer Utility (Schedule 11)	126,000	132,408	129,534
Georgetown Volunteer Fire Department (Schedule 12)	105,641	117,138	105,246
Museum (Schedule 13)	-	45,582	62,417
	<u>6,897,306</u>	<u>7,720,665</u>	<u>7,720,915</u>
Expenditures			
General Government (Schedule 5)	4,595,314	6,022,848	5,851,465
Montague Water & Sewer Utility (Schedule 6)	831,429	1,020,959	999,702
Cavendish Wellness Centre (Schedule 7)	477,429	590,495	444,303
King's Playhouse (Schedule 8)	516,575	426,628	452,578
Waterfront Development Corporation (Schedule 9)	-	323,440	302,092
Cardigan Volunteer Fire Department (Schedule 10)	210,326	173,060	165,994
Georgetown Sewer Utility (Schedule 11)	146,946	115,306	112,479
Georgetown Volunteer Fire Department (Schedule 12)	92,811	85,410	54,066
Museum (Schedule 13)	-	58,664	58,851
	<u>6,870,830</u>	<u>8,816,810</u>	<u>8,441,530</u>
Operating surplus (deficit)	26,476	(1,096,145)	(720,615)
Other revenues			
Government transfers for capital (Note 12)	131,210	3,580,034	7,831,425
Annual surplus	157,686	2,483,889	7,110,810
Accumulated surplus - beginning of year	37,985,055	37,985,055	30,874,245
Accumulated surplus - end of year (Note 9)	\$ 38,142,741	\$ 40,468,944	\$ 37,985,055

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Annual surplus	\$ 157,686	\$ 2,483,889	\$ 7,110,810
Gain on disposal of tangible capital assets	-	(5,000)	(20,560)
Decrease in prepaid expenses	-	(48,915)	(322,451)
Decrease in inventory	-	9,648	1,654
Purchase of tangible capital assets	(5,025,709)	(3,265,429)	(8,786,081)
Amortization of tangible capital assets	-	2,154,889	1,841,753
Purchase of intangible assets	-	(79,467)	(75,239)
Amortization of intangible capital assets	-	38,832	28,691
Proceeds on disposal of tangible capital assets	-	5,000	69,565
	<u>(5,025,709)</u>	<u>(1,190,442)</u>	<u>(7,262,668)</u>
Increase (decrease) in net financial assets	(4,868,023)	1,293,447	(151,858)
Net financial assets - beginning of year	292,585	292,585	444,443
Net financial assets (debt) - end of year	\$ (4,575,438)	\$ 1,586,032	\$ 292,585

Notes 1 - 17 are an integral part of these consolidated financial statements

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

	Actual 2026	Actual 2025
Cash flows from operating activities		
Annual surplus	\$ 2,483,889	\$ 7,110,810
Items not affecting cash:		
Amortization of intangible assets	38,832	28,900
Amortization of tangible capital assets	2,154,889	1,841,543
Gain on disposal of tangible capital assets	(5,000)	(20,560)
	<u>4,672,610</u>	<u>8,960,693</u>
Changes in non-cash working capital:		
Accounts receivable	935,169	(1,605,180)
Inventory	9,648	1,654
Prepaid expense	(48,915)	(322,451)
Accounts payable and accrued liabilities	(1,814,313)	2,264,002
Deferred revenue	(800,708)	(769,721)
	<u>(1,719,119)</u>	<u>(431,696)</u>
	<u>2,953,491</u>	<u>8,528,997</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(3,265,429)	(8,786,081)
Proceeds on disposal of tangible capital assets	5,000	69,565
Purchase of intangible assets	(79,467)	(75,239)
	<u>(3,339,896)</u>	<u>(8,791,755)</u>
Cash flows from financing activities		
Repayment of long term debt	(581,573)	(697,671)
Proceeds from long term debt	141,376	1,191,185
	<u>(440,197)</u>	<u>493,514</u>
Increase (decrease) in cash	<u>(826,602)</u>	<u>230,756</u>
Cash - beginning of year	<u>7,010,602</u>	<u>6,779,846</u>
Cash - end of year	<u>\$ 6,184,000</u>	<u>\$ 7,010,602</u>
Cash consists of:		
Unrestricted cash	\$ 4,311,042	\$ 4,225,272
Internally restricted cash	63,686	109,686
Restricted cash - gas tax	1,809,272	2,675,644
	<u>\$ 6,184,000</u>	<u>\$ 7,010,602</u>

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

1. DESCRIPTION OF BUSINESS

Town of Three Rivers (the "Town") was incorporated under the Municipalities Act of Prince Edward Island. Its principal activities include the provision of local government services to residents of the incorporated area. 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.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the Town of Three Rivers are the representations of management prepared in accordance with Canadian Accounting Standards for the Public Sector.

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes 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

The consolidated financial statements for the Town of Three Rivers reflect the assets, liabilities, revenues, expenditures and annual surplus of all funds of the Town. The Town is comprised of all organizations and committees accountable to the Town for the administration of their financial affairs and resources. Included in the Town are the following:

- Town of Three Rivers
- Montague Sewerage and Water Collection and Treatment Corporation
- Montague Waterfront Development Corporation
- Garden of the Gulf Museum
- Georgetown Volunteer Fire Department
- Georgetown Sewer Corporation
- King's Playhouse
- Cardigan Volunteer Fire Department
- Cavendish Wellness Centre

The financial activities of the Montague Volunteer Fire Department are associated with but not controlled by the Town of Three Rivers. Therefore the operations of the fire department are not included in the consolidated financial statements of the Town. The Town's transactions with this entity are recorded as expenditures in the consolidated statement of operations.

The inter-entity transactions and balances have been eliminated.

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TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash

Cash is comprised of unrestricted, internally restricted and restricted balances on deposits with banks and temporary investments.

Accounts receivable

Accounts receivable arise from trade sales, government grants, HST receivable, sewer and water dues and other miscellaneous receivables. An allowance for bad debts has been calculated through 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.

Inventory

Inventories are stated at the lower of cost and net realizable value. Cost includes the costs to purchase and other costs directly attributable to the inventories. Cost is determined using the first in, first out method. Net realizable value represents the amount that may be realized from the sale of an inventory item under normal business conditions. When inventories are sold, the carrying amount of those inventories are recognized as an expense in the period in which the related revenues is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the loss or write-down occurs. The amount of reversal of any write-downs, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

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TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Tangible capital assets are stated at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized over the estimated useful life on a straight-line basis as follows:

Land improvements	25 years
Municipal buildings	40 years
Small equipment	5 years
Equipment	10 years
Motor vehicles	10 years
Computer	5 years
Streets	50 years
Sidewalks	25 years
Waterfront equipment and structures	15 years
Water and sewer systems	1.2% and 2%
Pumping equipment	5%

Amortization rates for the Utilities were established using the estimated useful life of the asset in accordance with the Island Regulatory and Appeals Commission guidelines.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use. Included in building additions is \$9,813 not available for use.

One-half of the annual rate is recorded in the year of acquisition; no amortization is recorded in the year of disposal.

Intangible assets

The intangible assets consist of official plan, capital asset management plan, strategic plans and master plan for services. The intangible assets are stated at cost and are being amortized on a straight-line basis over their estimated useful lives of ten years.

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, 2026, no asset retirement obligations have been identified by management.

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TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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.

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.

Revenue recognition

Property tax billings are based on the assessed value of real property in the Municipality and is payable in each calendar year. Tax rates are reviewed, established, and approved annually by the Municipality. These revenues are recognized when payments are received from the Province.

Water and Sewer dues are charged based on rates approved by the Island Regulatory and Appeals Commission (IRAC). These charges are assessed quarterly for Montague Water and Sewer Utility and triennially for Georgetown Sewer Corporation and are recognized when billings come due.

Fire dues are reviewed, established, and approved annually by the Council upon recommendation of Fire Departments. These revenues are recognized when monthly 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 issuance of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

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TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 management's best estimates as additional information becomes available in the future. 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 and schedules 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

	2026	2025
Government grants	\$ 619,776	\$ 1,388,463
Other	206,078	67,702
HST receivable	193,254	541,397
Montague Sewerage and Water Utility	190,983	147,746
Cavendish Wellness Centre	56,303	55,523
Georgetown Sewer Utility	11,664	12,396
	<u>1,278,058</u>	<u>2,213,227</u>
Allowance for doubtful accounts	(1,712)	(1,712)
	<u>\$ 1,276,346</u>	<u>\$ 2,211,515</u>

4. DEFERRED REVENUE

	2026	2025
Canada Community Building Fund	\$ 1,809,273	\$ 2,426,458
Other deferred revenue	1,333,339	1,516,862
	<u>\$ 3,142,612</u>	<u>\$ 3,943,320</u>

Under the Canada Community Building Fund, the Town was allocated \$769,514 for fiscal 2025-26. These funds, along with interest earned, must be used for eligible infrastructure and capacity building projects. Any funds received under this program, including interest earned but not yet spent, are recognized as deferred revenue at the end of the year.

During the year, the Town received Canada Community Building funding of \$769,514, incurred eligible expenditures of \$1,434,989 and earned interest of \$48,290.

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

5. LONG TERM DEBT

	<u>2026</u>	<u>2025</u>
<u>Town of Three Rivers</u>		
Bank of Montreal - 3.38%, repayable in monthly blended installments of \$4,304. The loan matures on February 28, 2027 and is secured by general security agreement and a resolution authorizing the Town to borrow.	\$ 634,463	\$ 664,107
Canadian Imperial Bank of Commerce - 4.47%, repayable in monthly blended installments of \$4,493. The loan matures on November 1, 2029 and is secured by resolution authorizing the Town to borrow.	456,435	489,147
Scotiabank - 5.27%; repayable in monthly blended installments of \$5,790. The loan matures on April 11, 2029 and is secured by general security agreement and a resolution authorizing the Town to borrow.	197,268	254,670
Scotiabank - 4.482%, repayable in monthly blended installments of \$4,266. The loan matures on October 10, 2026 and is secured by general security agreement and a resolution authorizing the Town to borrow.	29,411	78,089
Scotiabank - 3.943%; repayable in monthly blended installments of \$453. The loan matures on October 10, 2026 and is secured by general security agreement and a resolution authorizing the Town to borrow.	4,883	10,012
Scotiabank - 3.849%, repayable in monthly blended installments of \$1,923. The loan matures on August 30, 2028 and is secured by resolution authorizing the Town to borrow.	130,984	-
Canadian Imperial Bank of Commerce - 2.83%, repaid during the year.	-	145,927
	<u>1,453,444</u>	<u>1,641,952</u>

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TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

5. LONG TERM DEBT (continued)

	2026	2025
<u>Water and Sewer Utility</u>		
Scotiabank - 5.368%; repayable in monthly blended installments of \$1,642. The loan matures on March 28, 2028 and is secured by general security agreement and a resolution authorizing the Town to borrow.	174,168	184,178
Scotiabank - 3.943%; repayable in monthly blended installments of \$12,074. The loan matures on October 10, 2026 and is secured by general security agreement and a resolution authorizing the Town to borrow.	130,180	266,947
Federation of Canadian Municipalities - 3.41%, repayable in semi-annual principal installments of \$15,364 plus interest. The loan matures on May 16, 2027 and is secured by general security agreement and a resolution authorizing the Town to borrow.	46,091	76,818
Canadian Imperial Bank of Commerce - 2.405%, repaid during the year.	-	74,184
	<u>350,439</u>	<u>602,127</u>
	<u>\$ 1,803,883</u>	<u>\$ 2,244,079</u>

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

2027	\$ 952,652
2028	296,458
2029	196,711
2030	358,062
	<u>\$ 1,803,883</u>

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

6. CONTINGENT LIABILITY

The Town has a Statement of Claim filed from a resident appeal of development permit issuance. The Town also has an appeal of a development permit issuance outstanding with IRAC. The Town has filed a Small Claim against a resident for outstanding water and sewage utility charges and expenses. The amount of any liability is undeterminable as of audit report date and no amount has been accrued in the consolidated financial statements.

7. COMMITMENTS

Both councils of the Town of Montague and the Town of Three Rivers approved a motion to transfer ownership of all streets within the Town to the Province of Prince Edward Island for \$1. When this is finalized it will result in the reduction of the tangible capital assets and accumulated surplus by approximately \$5,400,000. At the current time, it is uncertain when the transfer will actually occur.

The Town has entered into lease agreements for lease of a photocopier and printer. The minimum lease payments due over the next year are as follows:

2027	<u>\$ 3,630</u>
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8. INTANGIBLE ASSETS

	<u>2026</u>	<u>2025</u>
Intangible assets	\$ 388,324	\$ 308,855
Accumulated amortization	<u>(108,503)</u>	<u>(69,671)</u>
	<u>\$ 279,821</u>	<u>\$ 239,184</u>

9. ACCUMULATED SURPLUS

	<u>2026</u>	<u>2025</u>
Unrestricted surplus	\$ 3,678,275	\$ 2,732,026
Reserve funds (Note 10)	145,198	198,928
Investment in tangible capital assets (Note 11)	36,365,650	34,814,917
Investment in intangible assets (Note 8)	<u>279,821</u>	<u>239,184</u>
	<u>\$ 40,468,944</u>	<u>\$ 37,985,055</u>

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

10. RESERVE FUNDS

The net financial assets or debt excluding long term debt from each former Municipality has been transferred in to Three Rivers as reserve funds on September 28, 2018. All long term debt was assumed by the Town of Three Rivers.

	<u>2026</u>	<u>2025</u>
Balance - beginning of year	\$ 198,928	\$ 244,928
Expenditures from reserves	(53,730)	(46,000)
Allocation to reserves	-	-
Balance - end of year	<u>\$ 145,198</u>	<u>\$ 198,928</u>

	<u>2026</u>	<u>2025</u>
Reserved funds are comprised of:		
Georgetown Fire Truck Reserve	\$ 68,953	\$ 68,953
Town of Georgetown	63,686	63,686
Wellness Centre Capital Reserve	9,919	9,919
Maintenance and upgrades of municipal recreation and public spaces	2,640	2,640
Town of Montague	-	53,730
	<u>\$ 145,198</u>	<u>\$ 198,928</u>

11. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	<u>2026</u>	<u>2025</u>
Tangible capital assets (Schedules 1 and 2)	\$ 63,988,200	\$ 60,722,771
Accumulated amortization (Schedules 1 and 2)	(25,818,667)	(23,663,775)
Long term debt (Note 5)	(1,803,883)	(2,244,079)
	<u>\$ 36,365,650</u>	<u>\$ 34,814,917</u>

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

12. GOVERNMENT TRANSFERS

Government transfers for capital

	2026	2025
<u>General Government</u>		
Canada Community Building Fund	\$ 1,179,603	\$ 434,661
Province of PEI - Active Transportation	526,091	569,109
Municipal Capital Expenditure Grant	265,790	228,456
Province of PEI - Community Revitalization	150,570	151,234
Innovation PEI - Wastewater study	12,500	-
ACOA - Generator	-	46,400
ACOA - Waterfront Development	-	113,778
	<u>2,134,554</u>	<u>1,543,638</u>
<u>Georgetown Sewer Utility</u>		
Municipal Capital Expenditure Grant	-	854
<u>Montague Water & Sewer Utility</u>		
CMHC - Housing Accelerator Fund	947,402	625,485
Canada Community Building Fund	255,228	1,191,827
Municipal Capital Expenditure Grant	39,399	635,908
ICIP - Brudenell Extension	-	3,668,009
	<u>1,242,029</u>	<u>6,121,229</u>
<u>King's Playhouse</u>		
Innovation PEI	-	30,000
Province of PEI - Community Revitalization	-	24,172
Municipal Capital Expenditure Grant	-	12,341
	-	<u>66,513</u>
<u>Georgetown Volunteer Fire Department</u>		
Province of PEI - Community Revitalization	66,398	-
Municipal Capital Expenditure Grant	9,649	280
	<u>76,047</u>	<u>280</u>
<u>Cardigan Volunteer Fire Department</u>		
Province of PEI - Community Revitalization	76,195	87,860
Municipal Capital Expenditure Grant	9,116	11,051
	<u>85,311</u>	<u>98,911</u>
<u>Waterfront development</u>		
Province of PEI - Community Revitalization	42,093	-
	<u>\$ 3,580,034</u>	<u>\$ 7,831,425</u>

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

12. GOVERNMENT TRANSFERS (continued)

Government transfers for operations

	2026	2025
<u>General Government</u>		
Property tax credit	\$ 689,986	\$ 501,133
Property tax offset	144,596	176,381
Equalization	108,750	101,079
Wage subsidies	79,802	81,617
Grant in lieu	20,000	54,321
Other	3,044	-
	<u>1,046,178</u>	<u>914,531</u>
 <u>King's Playhouse</u>		
Wage subsidies	114,257	104,488
Other	37,040	110,748
	<u>151,297</u>	<u>215,236</u>
 <u>Montague Waterfront Development Corporation</u>		
Wage subsidies	90,874	89,316
Other	-	21,673
	<u>90,874</u>	<u>110,989</u>
 <u>Garden of the Gulf Museum</u>		
Wage subsidies	35,609	32,442
Other	-	7,012
	<u>35,609</u>	<u>39,454</u>
 <u>Cavendish Wellness Centre</u>		
Wage subsidies	105,140	97,803
Other	8,679	49,900
	<u>113,819</u>	<u>147,703</u>
	<u>\$ 1,437,777</u>	<u>\$ 1,427,913</u>

13. LINE OF CREDIT AVAILABILITY

The Town of Three Rivers has combined operating lines of credit with Scotiabank of \$1,000,000 with a rate of prime minus 0.25%, of which \$Nil (2025 - \$Nil) was utilized at March 31, 2026.

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

14. RATE REGULATION

Water and Sewer Utility

The Town is subject to rate regulation on wastewater utility rates in Prince Edward Island in accordance with the Water and Sewerage Act. The purpose of this Act, which is administered by the Island Regulatory and Appeals Commission (IRAC), is to regulate the utility rates within the Province of Prince Edward Island.

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 utility rates with IRAC. The commission will review these requests and adjust the price accordingly.

15. BUDGET FIGURES

Town of Three Rivers budget deficit	\$ (133,796)
Montague Sewer and Water Corporation budget surplus	162,185
Georgetown Sewer Utility budget surplus	94,264
King's Playhouse budget surplus	125
Waterfront Development Corporation budget surplus	-
Garden of the Gulf Museum budget surplus	-
Cardigan Volunteer Fire Department budget surplus	20,437
Georgetown Volunteer Fire Department budget surplus	12,830
Cavendish Wellness Centre budget surplus	1,641
	<u>\$ 157,686</u>

The budget figures provided on Statements 5 and 6 and Schedules 5 to 13 have not been audited or reviewed by the external auditor and are presented for information purposes only.

16. FINANCIAL INSTRUMENTS

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

The Town is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Town's risk exposure and concentration as of March 31, 2026.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from customers. 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 government funding, long term debt and accounts payable and accrued liabilities.

TOWN OF THREE RIVERS
Notes to Consolidated Financial Statements
Year Ended March 31, 2026

17. SEGMENT DISCLOSURE

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 services

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 audited consolidated 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 municipal facilities, and administration of municipal services.

Museum

This segment is responsible for presentation and appreciation of culture and history of Three Rivers.

Water and Sewer Utility

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

Waterfront Development

This segment is responsible for the maintenance and operations of the Montague Waterfront.

King's Playhouse

This segment is responsible for promoting and offering live productions and creative performances to the Town's residents.

Fire Protection

This segment is responsible for providing fire protection services to residents.

Cavendish Wellness Centre

This segment is responsible for operating the building that includes the arena, walking tracks, and rental spaces.

TOWN OF THREE RIVERS
Schedules to Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2026

(Schedule 1)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Land and improvements	\$ 1,853,662	\$ 19,448	-	\$ 1,873,110	\$ 688,691	\$ 60,817	-	\$ 749,508	\$ 1,123,602
Buildings and leasehold improvements	15,115,659	143,068	-	15,258,727	6,655,018	371,538	-	7,026,556	8,232,171
Streets and sidewalks	10,693,798	1,936,755	-	12,630,553	5,765,681	308,145	-	6,073,826	6,556,727
Machinery and equipment	11,420,472	718,786	-	12,139,258	6,034,636	1,035,865	-	7,070,501	5,068,757
Water system	8,523,250	194,793	-	8,718,043	1,895,750	112,837	-	2,008,587	6,709,456
Sewer system	13,115,930	252,579	-	13,368,509	2,624,001	265,687	-	2,889,688	10,478,821
Total tangible capital assets	\$ 60,722,771	\$ 3,265,429	\$ -	\$ 63,988,200	\$ 23,663,775	\$ 2,154,889	\$ -	\$ 25,818,667	\$ 38,169,533

Notes 1 - 17 are an integral part of these consolidated financial statements

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

(Schedule 2)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Land and improvements	\$ 1,853,662	\$ -	\$ -	\$ 1,853,662	\$ 628,262	\$ 60,429	\$ -	\$ 688,691	\$ 1,164,971
Buildings and leasehold improvements	15,792,614	166,722	(843,677)	15,115,659	6,318,412	368,132	(31,526)	6,655,018	8,460,641
Streets and sidewalks	9,698,921	994,877	-	10,693,798	5,516,169	249,512	-	5,765,681	4,928,117
Machinery and equipment	10,037,223	1,495,187	(111,938)	11,420,472	5,196,056	838,580	-	6,034,636	5,385,836
Water system	5,735,465	2,787,785	-	8,523,250	1,805,578	90,172	-	1,895,750	6,627,500
Sewer system	8,899,337	4,216,593	-	13,115,930	2,389,073	234,928	-	2,624,001	10,491,929
Total tangible capital assets	\$ 52,017,222	\$ 9,661,163	\$ (955,615)	\$ 60,722,771	\$ 21,853,550	\$ 1,841,753	\$ (31,526)	\$ 23,663,775	\$ 37,058,995

TOWN OF THREE RIVERS

Schedules to Consolidated Financial Statements Segment Disclosures Year Ended March 31, 2026

(Schedule 3)

	General Government	Water & Sewer Utilities	Cavendish Wellness Centre	King's Development Playhouse Corporation	Waterfront	Museum Department	Cardigan & Georgetown Volunteer Fire	Elimination	Consolidated 2026
Revenues									
Government transfers									
for operations	\$ 1,046,178	\$ -	\$ 113,819	\$ 151,297	\$ 90,874	\$ 35,609	\$ -	\$ -	\$ 1,437,777
Property taxes	2,611,085	-	-	-	-	-	-	-	2,611,085
Fire dues	822,533	-	-	-	-	-	358,613	(345,137)	836,009
Third party revenue	247,985	-	-	-	-	-	-	-	247,985
Other	195,739	35,170	404,097	188,354	243,133	9,973	13,180	(111,808)	977,838
Interest	56,601	19,204	-	-	-	-	-	-	75,805
Water and sewer	-	1,077,222	-	-	-	-	-	(102,537)	974,685
	<u>4,980,120</u>	<u>1,131,596</u>	<u>517,916</u>	<u>339,651</u>	<u>334,007</u>	<u>45,582</u>	<u>371,793</u>	<u>(559,482)</u>	<u>7,161,184</u>
Expenditures									
Salaries and benefits	1,633,868	316,643	322,469	213,199	188,268	37,627	16,515	(33,050)	2,695,539
Goods and services	2,603,213	423,961	265,633	194,025	125,862	19,657	158,764	(526,432)	3,264,684
Amortization	1,734,726	378,525	-	17,885	2,968	1,269	58,350	-	2,193,723
Interest	51,041	17,136	2,393	1,519	6,342	111	24,841	-	103,383
	<u>6,022,848</u>	<u>1,136,265</u>	<u>590,495</u>	<u>426,628</u>	<u>323,440</u>	<u>58,664</u>	<u>258,470</u>	<u>(559,482)</u>	<u>8,257,329</u>
Operating surplus (deficit)	(1,042,728)	(4,669)	(72,579)	(86,977)	10,567	(13,082)	113,323	-	(1,096,145)
Government transfers for capital	2,134,554	1,242,029	-	-	42,093	-	161,357	-	3,580,034
Annual surplus (deficit)	\$ 1,091,826	\$ 1,237,360	\$ (72,579)	\$ (86,977)	\$ 52,660	\$ (13,082)	\$ 274,680	\$ -	\$ 2,483,889

Notes 1 - 17 are an integral part of these consolidated financial statements
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TOWN OF THREE RIVERS
Schedules to Consolidated Financial Statements
Segment Disclosures
Year Ended March 31, 2025

(Schedule 4)

	General Government	Water & Sewer Utilities	Cavendish Wellness Centre	King's Development Playhouse Corporation	Waterfront Development Corporation	Museum Departments	Cardigan & Georgetown Volunteer Fire Departments	Elimination	Consolidated 2025
Revenues									
Government transfers	\$ 914,531	\$ -	\$ 147,703	\$ 215,236	\$ 110,989	\$ 39,454	\$ -	\$ -	\$ 1,427,913
Operations	2,432,378	-	-	-	-	-	-	-	2,432,378
Property taxes	752,815	-	-	-	-	-	326,116	(318,222)	760,709
Fire dues	306,239	-	-	-	-	-	-	-	306,239
Third party revenue	466,112	22,814	325,616	318,400	190,260	22,963	2,900	(96,238)	1,252,827
Other	89,101	20,812	-	-	-	-	-	-	109,913
Interest	-	1,016,476	-	-	-	-	-	(94,484)	921,992
Water and sewer									
	4,961,176	1,060,102	473,319	533,636	301,249	62,417	329,016	(508,944)	7,211,971
Expenditures									
Salaries and benefits	1,577,783	273,220	201,004	166,358	163,456	39,256	15,820	(31,500)	2,405,397
Goods and services	2,736,345	484,827	241,318	271,146	132,926	18,415	151,743	(477,444)	3,559,277
Amortization	1,490,140	325,099	-	12,425	-	1,119	41,661	-	1,870,444
Interest	47,197	29,035	1,981	2,649	5,710	61	10,836	-	97,469
	5,851,465	1,112,181	444,303	452,578	302,092	58,851	220,060	(508,944)	7,932,587
Operating surplus (deficit)	(890,289)	(52,079)	29,016	81,058	(843)	3,566	108,956	-	(720,615)
Government transfers for capital	1,543,638	6,122,083	-	66,513	-	-	99,191	-	7,831,425
Annual surplus (deficit)	\$ 653,349	\$ 6,070,004	\$ 29,016	\$ 147,571	\$ (843)	\$ 3,566	\$ 208,147	\$ -	\$ 7,110,810

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - General Government
Year Ended March 31, 2026

(Schedule 5)

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Property taxes	\$ 2,462,877	\$ 2,611,085	\$ 2,432,378
Government transfers for operations (Note 12)	886,060	1,046,178	914,531
Fire dues	782,855	822,533	752,815
Other third party revenue	204,726	247,985	306,239
Development permits	100,000	101,284	358,552
Office services	-	89,455	87,000
Interest	25,000	56,600	89,101
Gain on disposal of tangible capital assets	-	5,000	20,560
	4,461,518	4,980,120	4,961,176
Expenditures			
Protective Services			
Bylaw enforcement	20,000	14,355	11,899
EMO joint partnership	10,000	-	2,200
Fire protection services	794,855	822,521	756,458
Policing services	113,483	115,750	111,258
Water supply and hydrants	65,100	72,429	66,939
	1,003,438	1,025,055	948,754
Maintenance and Infrastructure Services			
Beautification	80,057	51,318	62,968
Maintenance buildings	70,000	79,115	75,806
Maintenance wages	683,520	555,093	545,497
Sidewalks	21,420	23,391	17,483
Street lights	108,747	97,171	94,782
Vehicles, equipment and tools	115,001	151,179	114,578
	1,078,745	957,267	911,114
Community Services			
Biting Fly program	40,436	40,385	38,398
Cavendish Farms Wellness Centre	68,752	70,176	101,882
Community parks	70,706	49,097	48,230
Economic development	20,400	21,730	9,669
Electric charging station	-	3,178	2,796
Emergency funding	35,000	35,000	35,000
Facility upgrades	118,004	44,906	-
Garden of the Gulf Museum	24,036	24,743	27,907
Grants and sponsorships	51,663	44,349	39,718
King's Playhouse	78,410	78,560	74,392
Libraries	10,710	7,159	8,196
Outdoor rink	5,610	1,388	2,027
Public receptions and festivals	89,960	54,801	47,755
Recreational programming	33,966	57,738	29,503
Small halls	40,000	36,581	39,665
Three Rivers Sportsplex	38,814	40,513	39,438
Waterfront developments	29,591	23,324	25,877
Winterval	42,000	34,760	35,134
	798,058	668,388	605,587

(continues)

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - General Government *(continued)* **(Schedule 5)**
Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Financial and Corporate Services			
Amortization of intangible assets	-	35,919	25,777
Amortization of tangible capital assets	-	1,698,807	1,464,363
Interest and bank charges	3,749	2,202	3,921
Interest on long term debt	47,836	48,839	43,276
	<u>51,585</u>	<u>1,785,767</u>	<u>1,537,337</u>
Administrative Services			
Elections	30,000	-	-
Employee travel	15,000	18,322	2,880
Insurance	45,441	41,252	16,660
Mayor and council	20,000	17,029	10,248
Mayor and council honorarium	109,694	90,372	92,192
Memberships and other professional services	30,600	29,934	34,410
Municipal offices	165,974	131,368	62,345
Office	56,100	34,711	21,371
Professional fees	284,779	204,430	655,115
Public relations	-	30,550	13,358
Staff training and development	30,000	31,602	12,328
Wages and wage levies	875,900	956,801	927,766
	<u>1,663,488</u>	<u>1,586,371</u>	<u>1,848,673</u>
	<u>4,595,314</u>	<u>6,022,848</u>	<u>5,851,465</u>
Operating deficit	<u>\$ (133,796)</u>	<u>\$ (1,042,728)</u>	<u>\$ (890,289)</u>

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Montague Water & Sewer Utility (Schedule 6)
Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Sewer charges	\$ 580,929	\$ 576,263	\$ 548,856
Water charges	304,785	311,069	284,061
Fire protection	62,000	71,140	65,100
Other	16,900	29,621	18,025
Interest	13,000	11,095	14,526
	<u>977,614</u>	<u>999,188</u>	<u>930,568</u>
Expenditures			
Administration	24,000	23,562	23,100
Amortization of tangible capital assets	-	349,862	296,577
Dues and fees	12,280	10,875	11,775
Insurance	27,000	19,379	21,409
Interest and bank charges	4,000	4,064	3,718
Interest on long term debt	47,949	12,380	24,318
Miscellaneous	3,000	-	838
Office	9,000	5,256	7,402
Professional fees	18,400	8,309	9,815
Property taxes	3,200	3,085	2,879
Repairs and maintenance	215,500	148,062	207,151
Training and development	8,000	2,777	6,272
Utilities	110,900	110,313	102,639
Vehicle	7,200	6,392	8,589
Wages and wage levies	341,000	316,643	273,220
	<u>831,429</u>	<u>1,020,959</u>	<u>999,702</u>
Operating surplus (deficit)	<u>\$ 146,185</u>	<u>\$ (21,771)</u>	<u>\$ (69,134)</u>

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Cavendish Wellness Centre (Schedule 7)
Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Rentals	\$ 306,970	\$ 321,505	\$ 273,834
Government transfers for operations (Note 12)	132,100	113,819	147,703
Other revenues	40,000	36,542	18,782
Subsidies and grants	-	28,000	33,000
Bar sales	-	18,050	-
	<u>479,070</u>	<u>517,916</u>	<u>473,319</u>
Expenditures			
Advertising	500	1,051	873
Bad debts	-	600	-
Interest and bank charges	1,100	2,393	1,981
Miscellaneous	-	368	50,919
Office	5,500	3,193	2,979
Professional fees	2,000	2,115	1,408
Property taxes	-	2,220	-
Repairs and maintenance	89,800	101,511	70,328
Supplies	-	6,704	-
Travel and training	7,264	676	2,770
Utilities	134,575	147,195	112,041
Wages and wage levies	236,690	322,469	201,004
	<u>477,429</u>	<u>590,495</u>	<u>444,303</u>
Operating surplus (deficit)	<u>\$ 1,641</u>	<u>\$ (72,579)</u>	<u>\$ 29,016</u>

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - King's Playhouse
Year Ended March 31, 2026

(Schedule 8)

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Government transfers for operations (Note 12)	\$ 171,500	\$ 151,297	\$ 215,236
Admissions	199,000	123,508	194,510
Other	34,900	35,635	32,692
Canteen and catering	32,300	18,542	29,189
Fundraising, donations and sponsorships	64,000	10,669	45,009
Grants and subsidies	15,000	-	17,000
	516,700	339,651	533,636
Expenditures			
Advertising and promotions	12,200	8,804	11,730
Amortization of intangible assets	-	2,000	2,000
Amortization of tangible capital assets	-	15,885	10,425
Canteen and catering purchases	38,650	28,160	35,521
Dues and fees	800	9,894	16,587
Equipment	1,500	3,423	1,630
Insurance	-	1,320	1,320
Interest and bank charges	2,700	1,519	2,649
Office	25,900	6,463	10,523
Program	167,700	96,669	161,335
Repairs and maintenance	10,700	11,288	12,458
Utilities	24,000	28,004	20,042
Wages and wage levies	232,425	213,199	166,358
	516,575	426,628	452,578
Operating surplus (deficit)	\$ 125	\$ (86,977)	\$ 81,058

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Waterfront Development Corporation (Schedule 9)
Year Ended March 31, 2026

	Actual 2026	Actual 2025
Revenues		
Fees	\$ 117,866	\$ 107,474
Government transfers for operations (Note 12)	90,874	110,989
Product sales	57,932	55,870
Rental	41,946	24,337
Miscellaneous	25,389	2,579
	<u>334,007</u>	<u>301,249</u>
Expenditures		
Advertising and promotions	1,014	589
Amortization of tangible capital assets	2,968	-
Bad debts	-	1,712
Dues and fees	328	340
Interest and bank charges	6,342	5,710
Office	2,622	5,760
Professional fees	475	450
Property taxes	5,195	5,081
Purchases	47,537	46,610
Repairs and maintenance	42,495	45,177
Travel and entertainment	8,003	5,767
Utilities	18,193	21,440
Wages and wage levies	188,268	163,456
	<u>323,440</u>	<u>302,092</u>
Operating surplus (deficit)	<u>\$ 10,567</u>	<u>\$ (843)</u>

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Cardigan Volunteer Fire Department (Schedule 10)
Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Fire dues	\$ 230,763	\$ 247,623	\$ 223,270
Grants and subsidies	-	7,032	500
	<u>230,763</u>	<u>254,655</u>	<u>223,770</u>
Expenditures			
Advertising and promotions	-	12,519	9,306
Amortization of tangible capital assets	-	49,735	38,286
Dues and fees	1,200	882	837
Fireman's training	10,008	8,007	7,451
Gas and oil	4,800	1,977	3,409
Honorariums	12,600	10,010	10,290
Insurance	18,936	18,907	15,963
Interest and bank charges	108	86	107
Interest on long term debt	105,097	23,714	10,552
Repairs and maintenance	46,800	32,638	54,228
Supplies	1,200	4,669	7,319
Telephone	5,977	6,184	5,774
Utilities	3,600	3,732	2,472
	<u>210,326</u>	<u>173,060</u>	<u>165,994</u>
Operating surplus	<u>\$ 20,437</u>	<u>\$ 81,595</u>	<u>\$ 57,776</u>

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Georgetown Sewer Utility **(Schedule 11)**
Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Sewer charges	\$ 118,500	\$ 118,750	\$ 118,459
Interest	3,000	8,109	6,286
Other	4,500	5,549	4,789
	<u>126,000</u>	<u>132,408</u>	<u>129,534</u>
Expenditures			
Amortization of tangible capital assets	-	28,663	28,522
Dues and fees	1,950	1,563	1,559
Insurance	4,200	4,005	3,950
Interest and bank charges	1,500	692	999
Miscellaneous	2,200	-	-
Office	23,996	24,207	22,242
Professional fees	6,000	4,000	4,235
Repairs and maintenance	95,000	43,808	42,845
Utilities	12,100	8,368	8,127
	<u>146,946</u>	<u>115,306</u>	<u>112,479</u>
Operating surplus (deficit)	<u>\$ (20,946)</u>	<u>\$ 17,102</u>	<u>\$ 17,055</u>

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Georgetown Volunteer Fire Department (Schedule 12)
Year Ended March 31, 2026

	Budget 2026	Actual 2026	Actual 2025
Revenues			
Fire dues	\$ 105,641	\$ 110,990	\$ 102,846
Other	-	6,148	2,400
	<u>105,641</u>	<u>117,138</u>	<u>105,246</u>
Expenditures			
Advertising	2,120	1,845	732
Amortization of tangible capital assets	-	8,615	3,375
Bookkeeping	1,272	1,000	1,300
Communications	6,996	6,689	5,582
Equipment maintenance	11,342	10,936	4,504
Honorariums	10,388	6,505	5,530
Insurance	11,660	14,347	12,901
Janitorial services	1,272	1,000	-
Miscellaneous	-	-	2,165
Office and bank fees	1,590	1,041	177
Property taxes	1,060	-	-
Snow removal	2,000	1,568	(1,173)
Social functions	3,180	3,331	3,749
Supplies and equipment	27,868	8,744	5,412
Training	4,240	1,930	2,611
Travel	933	-	-
Utilities	3,180	6,679	3,640
Vehicle maintenance	3,710	11,180	3,561
	<u>92,811</u>	<u>85,410</u>	<u>54,066</u>
Operating surplus	<u>\$ 12,830</u>	<u>\$ 31,728</u>	<u>\$ 51,180</u>

Notes 1 - 17 are an integral part of these consolidated financial statements

TOWN OF THREE RIVERS
Statement of Operations - Museum
Year Ended March 31, 2026

(Schedule 13)

	Actual 2026	Actual 2025
Revenues		
Government transfers for operations (Note 12)	\$ 35,609	\$ 39,454
Museum	9,973	22,963
	<u>45,582</u>	<u>62,417</u>
Expenditures		
Advertising and promotions	65	454
Amortization of intangible assets	914	914
Amortization of tangible capital assets	355	205
Interest and bank charges	111	61
Miscellaneous	1,000	1,059
Office	1,057	2,612
Repairs and maintenance	1,217	643
Supplies	3,056	-
Training	172	189
Utilities	13,090	13,458
Wages and wage levies	37,627	39,256
	<u>58,664</u>	<u>58,851</u>
Operating surplus (deficit)	<u>\$ (13,082)</u>	<u>\$ 3,566</u>

Notes 1 - 17 are an integral part of these consolidated financial statements