

Consolidated Financial Statements of

**NASHWAAK RURAL
COMMUNITY**

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and the Members of the Council of Nashwaak Rural Community

Opinion

We have audited the consolidated financial statements of Nashwaak Rural Community (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations and changes in accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025 and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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.



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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 the 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Fredericton, Canada

August 20, 2026

NASHWAAK RURAL COMMUNITY

Consolidated Statement of Financial Position

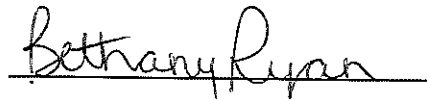
December 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
Cash (note 2)	\$ 490,419	\$ 324,195
Accounts receivable	97,106	442,441
Federal government and its agencies (note 3)	32,880	96,160
Pension asset (note 4)	7,400	-
	627,805	862,796
Financial liabilities:		
Bank indebtedness	-	350,000
Accounts payable and accrued liabilities	71,645	460,370
Deferred revenue (note 6)	251,177	26,835
Accrued payroll expenses	3,069	-
Long-term debt (note 7)	510,000	170,000
	835,891	1,007,205
Net debt	(208,086)	(144,409)
Non financial assets:		
Tangible capital assets (note 5)	2,675,983	2,825,326
Accumulated surplus	\$ 2,467,897	\$ 2,680,917

See accompanying notes to consolidated financial statements.

On behalf of Council:

 Mayor

 CAO



NASHWAAK RURAL COMMUNITY

Consolidated Statement of Operations and Changes in Accumulated Surplus

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Property tax warrant	\$ 2,226,471	\$ 2,226,501	\$ 1,968,572
Revenue from own sources	97,381	176,225	162,214
Services provided to other governments	-	14,321	23,184
Community funding and equalization	18,432	18,432	22,596
Other government transfers	-	-	291,355
Water and wastewater services	130,360	129,061	129,750
	2,472,644	2,564,540	2,597,671
Expenses:			
General government services	555,988	662,616	623,170
Protective services	542,443	575,445	479,575
Transportation services	183,097	305,358	280,723
Environmental health services	514,470	526,454	496,271
Environmental development services	208,361	246,462	191,086
Recreation and cultural services	284,608	263,431	256,893
Public health services	20,000	20,000	5,000
Water and wastewater services	120,651	177,794	172,427
	2,429,618	2,777,560	2,505,145
Annual surplus (deficit)	43,026	(213,020)	92,526
Accumulated surplus, beginning of year	2,680,917	2,680,917	2,588,391
Accumulated surplus, end of year	\$ 2,723,943	\$ 2,467,897	\$ 2,680,917

See accompanying notes to consolidated financial statements.

NASHWAAK RURAL COMMUNITY

Consolidated Statement of Changes in Net Debt

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Annual surplus	\$ (213,020)	\$ 92,526
Acquisition of tangible capital assets	(106,562)	(718,190)
Amortization of tangible capital assets	255,905	249,846
Change in net financial assets	(63,677)	(375,818)
Net assets (debt), beginning of year	(144,409)	231,409
Net debt, end of year	\$ (208,086)	\$ (144,409)

See accompanying notes to consolidated financial statements.

NASHWAAK RURAL COMMUNITY

Consolidated Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (213,020)	\$ 92,526
Item not involving cash:		
Amortization of tangible capital assets	255,905	249,846
Changes in non-cash operating working capital:		
Accounts receivable	345,335	(325,864)
Federal government and its agencies	63,280	(16,696)
Post employment benefits payable (receivable)	(7,400)	-
Accounts payable and accrued liabilities	(388,725)	339,816
Deferred revenue	224,342	-
Accrued payroll expenses	3,069	-
	282,786	339,628
Financing activities:		
Bank indebtedness	(350,000)	350,000
Advance of long-term debt	350,000	(44,000)
Payment of long-term debt	(10,000)	-
	(10,000)	306,000
Capital activities:		
Acquisition of tangible capital assets	(106,562)	(718,190)
Increase (decrease) in cash	166,224	(72,562)
Cash, beginning of year	324,195	396,757
Cash, end of year	\$ 490,419	\$ 324,195

See accompanying notes to consolidated financial statements.

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements

Year ended December 31, 2025

The Rural Community was officially established on January 1, 2023 by the Province of New Brunswick as a part of a comprehensive local governance restructuring.

The legacy communities included the Village of Stanley and parts of adjacent Local Service Districts.

As a Rural Community, it is exempt from income tax under section 149(1)(d) of the Canadian Income Tax Act.

1. Significant accounting policies:

The consolidated financial statements of the Rural Community are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of CPA Canada and the New Brunswick Municipal Reporting Handbook.

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

Significant aspects of the accounting policies adopted by the Rural Community are as follows:

(a) Reporting entity:

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

Interdepartmental and organizational transactions and balances are eliminated.

(b) Budget:

The budget figures contained in these consolidated financial statements were approved by Council on November 23, 2024 and the Minister of Environment and Local Government on January 11, 2025.

(c) 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.

(d) Post employment benefits:

The Rural Community has a pension plan as documented in Note 4.

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(e) 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 eligible expenditures are incurred.

Government transfers that contain external stipulations, such as Canada Community Building Fund allocations, are recognized as liabilities until the conditions for use have been met.

Other revenue is recorded when it is earned.

(f) Tangible capital assets:

The Rural Community has adopted the provisions of PSA section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Asset	Rate
Land improvements (parks and trails)	10-50 years
Buildings	10-60 years
Machinery and equipment	5-50 years
Vehicles	3-15 years
Computer equipment	3-5 years
Furniture and fixtures	3-5 years
Pavement and parking lots	5-15 years
Signs	10-15 years
Roads and streets	20-80 years
Engineering structures	10-80 years

(g) Financial instruments:

The Rural Community's financial instruments consist of cash, accounts receivable, accounts payable and accruals, deferred revenue, and long-term debt. Unless otherwise noted, it is management's opinion that the Rural Community is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of the instruments approximate their carrying value, unless otherwise noted.

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(h) Segmented information:

The Rural Community is a diversified entity that provides a wide range of services to its residents. For management reporting purposes, the Rural Community'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. Community services are provided by departments as follows:

General government services

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

Protective services

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

Transportation services

This department is responsible for 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 community development and promotion services.

Recreation and cultural services

This department is responsible for the maintenance and operation of recreational and cultural facilities, including the parks and playgrounds and other recreational and cultural facilities.

Water and wastewater systems

This department is responsible for the Rural Community's provision of water and wastewater services including the maintenance and operation of the underground networks, reservoirs, and lagoons.

(i) Deferred revenue:

Funding is recorded as deferred revenue if it has been restricted for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized as revenue as the program expenses or purchases are incurred.

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(j) Use of estimates:

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

2. Cash:

	2025	2024
Unrestricted cash	\$ 17,002	\$ 66,553
General Capital Reserve	38,109	31,543
General Operating Reserve	25,140	505
Utility Capital Reserve	211,503	220,499
Utility Operating Reserve	5,073	5,073
Utility Capital Fund	193,592	22
	\$ 490,419	\$ 324,195

3. Federal government and its agencies:

	2025	2024
Canada Revenue Agency (HST refund)	\$ 32,880	\$ 96,160

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

4. Pension asset:

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

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

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

The actuarial valuation prepared as at December 31, 2023 indicated that the market value of net assets available for the accumulated plan benefits were less than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of \$9,496,000, a change of \$2,732,600 from the December 31, 2022 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.

As at December 31, 2023, the NB MEPP provides benefits for 332 retirees. Total benefit payments to retirees and terminating employees during 2025 are estimated to be approximately \$5,705,700 (actual 2024, \$10,407,800) in totality for the NB MEPP.

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

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

4. Pension asset (continued):

The following summarizes the NB MEPP data as it relates to the Municipality:

- The average age of the 0 active employees covered by the NB MEPP is 0 (as at December 31, 2023)
- Benefit Payments were \$0 in 2024 and were estimated to be \$0 in 2025
- Combined Contributions were \$1,800 in 2024 and were estimated to be \$22,200 in 2025

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

	2025	2024
Pension expense for the year	\$ (3,700)	\$ -
Employer contributions	11,100	-
Accrued benefit asset / (liability) at end of period	\$ 7,400	\$ -

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

5. Tangible capital assets:

Cost	December 31, 2024	Additions	Disposals	December 31, 2025
Land	\$ 162,481	\$ -	\$ -	\$ 162,481
Land improvements	122,935	-	-	122,935
Buildings	1,351,143	47,442	-	1,398,585
Equipment and vehicles	2,161,319	-	-	2,161,319
Roads and streets	3,974,943	59,120	-	4,034,063
Water and wastewater	1,930,768	-	-	1,930,768
	\$ 9,703,589	\$ 106,562	\$ -	\$ 9,810,151

Accumulated amortization	December 31, 2024	Amortization expense	Disposals	December 31, 2025
Land improvements	\$ 57,521	\$ 5,027	\$ -	\$ 62,548
Buildings	1,350,832	32,440	-	1,383,272
Equipment and vehicles	2,023,094	101,028	-	2,124,122
Roads and streets	2,668,284	66,493	-	2,734,777
Water and wastewater	778,532	50,917	-	829,449
	\$ 6,878,263	\$ 255,905	\$ -	\$ 7,134,168

Net book value	December 31, 2024	December 31, 2025
Land	\$ 162,481	\$ 162,481
Land improvements	65,414	60,387
Buildings	311	15,313
Equipment and vehicles	138,225	37,197
Roads and streets	1,306,659	1,299,286
Water and wastewater	1,152,236	1,101,319
	\$ 2,825,326	\$ 2,675,983

Management has reviewed its tangible capital assets for potential asset retirement obligations in accordance with PS 3280. Based on its assessment, management determined that no material asset retirement obligations existed as at year end.

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

6. Deferred revenue:

	2025	2024
Volunteer fire department	\$ 26,835	\$ 26,835
Canada Community Building Fund	224,342	-
	\$ 251,177	\$ 26,835

Under PS 3410 and municipal policy, Canada Community Building Fund (CCBF) revenues are recognized as the related eligible expenditures are incurred; unspent funds and related interest are recorded as deferred revenue.

Volunteer fire department amounts are kept until applied for by the department.

	Fire	CCBF
Balance, beginning	\$ 26,835	\$ -
Contributions	-	224,342
Funds used in year	-	-
Balance, ending	\$ 26,835	\$ 224,342

7. Long-term debt:

	2025	2024
Debenture - Province of New Brunswick - 2.85% to 4.20% - due 2035 - OIC #CH-32	\$ 350,000	\$ -
Debenture - Province of New Brunswick - .30% to 2.95% - due 2041 - OIC #BZ-38	152,000	158,000
Debenture - Province of New Brunswick - 2.63% to 3.00% - due 2027 - OIC #BQ-38	8,000	12,000
	\$ 510,000	\$ 170,000

Approval of the Municipal Capital Borrowing Board has been obtained for the long-term debt.

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

8. Short-term borrowings compliance:

Operating borrowing

The Local Governance Act prescribes a limit to bank indebtedness of 4% of the current year's budget for the General Operating Fund. The Rural Community is within this limit.

Interfund borrowing

Interfund accounts at December 31, 2025 do not represent current year transactions and are not in compliance with the policy established by the Department of Local Government. The Utility operating fund owes the General operating fund \$133,522 (2024 - \$66,370).

Interim borrowing for capital

The Rural Community does not have any interim borrowing for capital.

9. Water and Wastewater cumulative surplus (deficit):

The Local Governance Act requires Utility fund surplus/deficit amounts to be absorbed into one or more of the four operating budgets commencing with the second next ensuing year. The balance of surplus/deficit at the end of the year consists of the following:

	2025	2024
2025 surplus	\$ 4,000	\$ -
2024 surplus	578	578
2023 deficit	-	(788)
	\$ 4,578	\$ (210)

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

10. Reserve funds:

All transfers of funds into and disbursed from Reserve Funds require a resolution of Council and the amount held in the Operating Reserve Funds shall not exceed 5% of the total expenditures that were budgeted for the previous fiscal year. The Rural Community is in compliance with these requirements.

		General Capital Reserve	General Operating Reserve	Utility Capital Reserve	Utility Operating Reserve	Total
Cash	\$	38,109	\$ 25,140	\$ 211,503	\$ 5,073	279,825
Due from (to) other funds		-	-	-	299	299
Accumulated surplus	\$	38,109	\$ 25,140	\$ 211,503	\$ 5,372	280,124
Accumulated surplus, beginning	\$	37,708	\$ 15,134	\$ 220,499	\$ 5,372	278,713
Interest earned		401	6	2,554	-	2,961
Transfers in		-	10,000	-	-	10,000
Transfers out		-	-	(11,550)	-	(11,550)
Accumulated surplus	\$	38,109	\$ 25,140	\$ 211,503	\$ 5,372	280,124

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

10. Reserve funds (continued):

Utility Capital Reserve treasury account, Interest 2.54%	\$	211,503
General Capital Reserve treasury account, Interest 2.54%		38,109
General Operating Reserve treasury account, Interest 2.54%		25,140
Utility Operating Reserve treasury account, Interest 2.54%		5,073
	\$	279,825

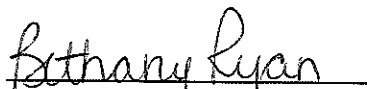
Resolutions:

Moved by Councillor Foster, seconded by Councillor Ferris to transfer \$11,550 from the Utility Capital Fund to the Utility Operating Fund.

- Regular meeting of Council, December 17, 2025

Transfer of \$10,000 from the General Operating Fund to the General Operating Reserve Fund was completed with no resolution.

I hereby certify that the above are true and exact copies of resolutions adopted by Council


Chief Administration Officer

Nashwaak Rural Community



Incorporated 2023

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

11. Segmented disclosure:

	General government	Protective	Environmental health	Environmental development	Transportation	Recreation and culture	Waste and wastewater	2025 Total	2024 Total
Revenue:									
Property tax warrant	\$ 494,096	\$ 532,110	\$ 455,644	\$ 202,249	\$ 285,886	\$ 256,516	\$ -	\$ 2,226,501	\$ 1,968,572
Sale of service, fines and other fees	145,696	43,075	-	-	-	1,775	129,061	319,607	315,148
Community funding and equalization	4,090	4,405	3,772	1,674	2,367	2,124	-	18,432	22,596
Other government transfers	-	-	-	-	-	-	-	-	291,355
	643,882	579,590	459,416	203,923	288,253	260,415	129,061	2,564,540	2,597,671
Expenses:									
Salaries and benefits	258,621	-	-	44,872	-	13,510	-	317,003	294,410
Goods and services	380,036	517,079	526,454	221,590	165,659	244,895	122,790	2,178,503	1,957,020
Amortization	1,897	58,366	-	-	139,699	5,026	50,917	255,905	244,425
Interest/Leasing	22,062	-	-	-	-	-	4,087	26,149	9,290
	662,616	575,445	526,454	266,462	305,358	263,431	177,794	2,777,560	2,505,145
Surplus (deficit) for the year	\$ (18,734)	\$ 4,145	\$ (67,038)	\$ (62,539)	\$ (17,105)	\$ (3,016)	\$ (48,733)	\$ (213,020)	\$ 92,526

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

12. Reconciliation of annual surplus:

	General operating fund	General capital fund	Utility operating fund	Utility capital fund	General capital reserve fund	General operating reserve	Utility capital reserve fund	Utility operating reserve fund	Total
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus	\$ 65,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	65,683
Second previous year's deficit	-	-	(3,709)	-	-	-	-	-	(3,709)
Pension adjustment	(7,400)	-	-	-	-	-	-	-	(7,400)
Transfer from operating fund to operating reserve fund	(10,000)	-	-	-	-	10,000	-	-	-
Transfer from utility capital reserve to utility operating fund	-	-	11,550	-	-	-	(11,550)	-	-
Transfer from general operating fund to general capital fund	(47,443)	47,443	-	-	-	-	-	-	-
Long-term debt principal repayment	(4,000)	4,000	(6,000)	6,000	-	-	-	-	-
Amortization expense	204,988	(204,988)	50,917	(50,917)	-	-	-	-	-
	201,828	(153,545)	52,758	(44,917)	-	10,000	(11,550)	-	54,574
Annual surplus (deficit)	(167,249)	-	(48,758)	-	401	7	2,579	-	(213,020)
Annual fund surplus (deficit)	\$ 34,579	\$ (153,545)	\$ 4,000	\$ (44,917)	\$ 401	\$ 10,007	\$ (8,971)	\$ -	\$ (158,446)

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

13. Operating budget to PSA Budget:

	Operating budget general	Transfers	Total
Revenue:			
Property tax warrant	\$ 2,226,471	\$ -	\$ 2,226,471
Revenue from own sources	97,381	-	97,381
Community funding and equalization	18,432	-	18,432
Surplus of second previous year	65,683	(65,683)	-
Water and wastewater services	130,360	-	130,360
	2,538,327	(65,683)	2,472,644
Expenditures:			
General government services	640,988	(85,000)	555,988
Protective services	542,443	-	542,443
Transportation services	183,097	-	183,097
Environmental health services	514,470	-	514,470
Environmental development services	208,361	-	208,361
Recreational and cultural services	284,608	-	284,608
Public health services	20,000	-	20,000
Fiscal services - Long-term debt repayments	4,000	(4,000)	-
Fiscal services - Interfund transfers	10,000	(10,000)	-
Water and wastewater services	130,360	(9,709)	120,651
	2,538,327	(108,709)	2,429,618
Surplus	\$ -	\$ 43,026	\$ 43,026

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support:

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Services to other governments:			
Fire protection	\$ -	\$ 14,321	\$ 23,184
Other own source:			
Licenses and building permits	70,000	87,728	59,098
Other	27,381	85,534	99,868
Interest	-	2,962	3,247
	\$ 97,381	\$ 176,224	\$ 162,213

General Government Services:

Legislative:

Mayor	\$ 11,500	\$ 14,427	\$ 11,699
Councillors	44,000	40,250	45,711
Professional development	14,000	6,350	6,690
Other legislative expenses	2,400	11,700	2,142
	71,900	72,727	66,242

Administrative:

Salaries and wages	187,664	202,628	158,595
Pension adjustment	-	(7,400)	-
Office building	40,000	64,145	74,658
Legal services	6,000	7,480	1,787
Other expenses	5,000	43,583	20,243
	238,664	310,436	255,283

Financial management and common services:

External audit	20,000	26,650	15,000
Salaries and wages (summer students)	15,000	9,769	24,855
Training and development	4,457	4,460	9,408
Cost of assessment	88,705	88,705	77,836
	128,162	129,584	127,099

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support (continued):

	2025 Budget	2025 Actual	2024 Actual
Other general government services:			
Public liability insurance	\$ 70,000	\$ 75,529	\$ 71,284
Memberships	5,000	5,601	4,710
Bank fees	7,762	20,814	3,720
Interest on long-term debt	1,500	1,249	1,458
Non-refundable HST	20,000	18,080	66,131
Other expenses	13,000	26,699	26,502
Amortization	-	1,897	740
	117,262	149,869	174,545
	\$ 555,988	\$ 662,616	\$ 623,169
Protective Services:			
Police:			
Police protection	\$ 64,180	\$ 64,180	\$ 62,010
Fire:			
Administration	17,800	-	-
Force	36,700	39,245	18,163
Station and building	135,375	175,941	154,051
Equipment	233,000	199,626	151,188
Training	25,500	11,669	11,848
Other fire services	17,000	11,878	11,425
	465,375	438,359	346,675
Other:			
Animal and pest control	11,500	13,151	10,206
RSC Contributions - Public Safety	1,388	1,388	1,308
Amortization	-	58,366	59,376
	12,888	72,905	70,890
	\$ 542,443	\$ 575,444	\$ 479,575

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support (continued):

	2025 Budget	2025 Actual	2024 Actual
Transportation Services:			
Roads and streets:			
Summer maintenance	\$ 8,000	\$ 12,294	\$ 4,362
Culverts, drainage, and ditches	20,000	14,250	6,056
Storm sewers	20,000	14,335	15,369
Street cleaning and flushing	8,000	6,522	1,777
Snow and ice removal	28,000	31,913	35,178
Sidewalks	20,000	-	30,422
Administration	47,019	58,525	19,440
	151,019	137,839	112,604
Other:			
Street lights	\$ 15,000	\$ 17,533	\$ 16,342
Traffic signs	16,500	9,710	16,459
Contribution to RSC - Public transportation	578	576	1,532
Amortization	-	139,699	133,786
	32,078	167,518	168,119
	\$ 183,097	\$ 305,357	\$ 280,723
Environmental Health Services:			
Solid waste disposal	\$ 509,470	\$ 526,454	\$ 485,753
Recycling	-	-	10,518
Other	5,000	-	-
	\$ 514,470	\$ 526,454	\$ 496,271

NASHWAAK RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support (continued):

	2025 Budget	2025 Actual	2024 Actual
Environmental Development Services:			
Contribution to RSC - Local planning	\$ 142,917	\$ 142,916	\$ 130,796
Contribution to RSC - Economic development	16,384	16,384	15,600
Contribution to RSC - Community development	4,136	4,136	4,592
Contribution to RSC - Tourism	16,924	16,924	21,636
Administration	-	44,872	10,539
Tourism	-	-	-
Beautification	28,000	21,231	7,923
	\$ 208,361	\$ 246,463	\$ 191,086
Recreational and Culture Services:			
Community centres and halls	\$ 92,325	\$ 92,461	\$ 81,070
Administration	16,519	13,510	43,607
Parks and playgrounds	30,000	6,749	16,311
Exhibitions	5,000	5,000	3,000
Libraries	15,000	10,680	9,260
Other recreation and culture	12,000	16,267	3,029
Contribution to RSC - Recreation	110,764	110,763	94,336
Cenotaph	3,000	2,975	1,252
Amortization	-	5,026	5,027
	\$ 284,608	\$ 263,431	\$ 256,892
Public Health Services:			
Other	\$ 20,000	\$ 20,000	\$ 5,000
Water and Wastewater Services:			
Administration	\$ 76,712	\$ 75,100	\$ 50,000
Sewage collection system	40,000	47,690	67,398
Amortization	-	50,917	50,917
Interest on long term debt	3,939	3,939	3,994
Bank charges	-	148	118
	\$ 120,651	\$ 177,794	\$ 172,427

NASHWAAK RURAL COMMUNITY

Schedule 1 - Consolidated Comparison of Revenue and Expenditures to Budget and Previous Year

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
General Services:			
Revenue:			
Property tax warrant	\$ 2,226,471	\$ 2,226,501	\$ 1,968,572
Community funding and equalization	18,432	18,432	22,596
Services provided to other governments	-	14,321	23,184
Surplus of 2nd previous year	65,683	65,683	109,855
Miscellaneous income	27,381	85,534	99,868
Licenses and permits	70,000	87,728	59,098
	2,407,967	2,498,199	2,283,173
Expenditures:			
General government services	526,726	627,976	551,120
Protective services	542,443	517,078	420,199
Transportation services	183,097	165,658	146,937
Environmental health services	514,470	526,454	496,271
Environmental development services	208,361	246,463	191,086
Recreation and cultural services	284,608	258,405	251,865
Public health services	20,000	20,000	5,000
Fiscal services	128,262	101,586	189,642
	2,407,967	2,463,620	2,252,120
Surplus for the year	\$ -	\$ 34,579	\$ 31,053

Water and Wastewater Services:

Revenue:			
Sales of services	\$ 130,360	\$ 128,861	\$ 129,650
Other	-	200	100
Surplus from prior years	-	-	-
Transfer from reserves	-	11,550	6,258
	130,360	140,611	136,008
Expenditures:			
Sewage collection and disposal:			
Administration	76,712	75,100	50,000
Collection system	40,000	47,690	67,398
Fiscal services:			
Interest on long term debt	3,939	3,939	3,994
Principal	6,000	6,000	6,000
Transfer to reserves	-	-	5,000
Bank charges	-	148	118
Deficit from prior years	3,709	3,709	2,920
	130,360	136,586	135,430
Surplus for the year	\$ -	\$ 4,025	\$ 578

NASHWAAK RURAL COMMUNITY

Schedule 2 - Consolidated General Operating Fund - Revenue and Expenditures Support

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
General Government Services:			
Legislative:			
Mayor	\$ 11,500	\$ 14,427	\$ 11,699
Councillors	44,000	40,250	45,711
Professional development	14,000	6,350	6,690
Other legislative expenses	2,400	11,700	2,142
	71,900	72,727	66,242
Administrative:			
Salaries - admin	187,664	202,628	158,595
Legal services	6,000	7,480	1,787
Office building	40,000	64,145	74,658
Other expenses	5,000	43,583	20,243
	238,664	317,836	255,283
Financial management and common services:			
External audit	20,000	26,650	15,000
Salaries and wages (summer students)	15,000	9,769	24,855
Cost of assessment	88,705	88,705	77,836
Regional and collaborative services	4,457	4,460	9,408
	128,162	129,584	127,099
Other general administrative services:			
Public liability insurance	70,000	75,529	71,284
Membership	5,000	5,601	4,710
Other expenses	13,000	26,699	26,502
	88,000	107,829	102,496
	\$ 526,726	\$ 627,976	\$ 551,120

NASHWAAK RURAL COMMUNITY

Schedule 2 - Consolidated General Operating Fund - Revenue and Expenditures Support
(continued)

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Protective Services:			
Police:			
Police protection	\$ 64,180	\$ 64,180	\$ 62,010
Fire:			
Fire administration	17,800	-	-
Fire force	36,700	39,245	18,163
Station and building	135,375	175,941	154,051
Fire training	25,500	11,669	11,848
Fire equipment	233,000	199,626	151,188
Contract with other local government	17,000	11,878	11,425
	465,375	438,359	346,675
Other:			
Animal and pest control	11,500	13,151	10,206
RSC Contributions - Public Safety	1,388	1,388	1,308
	12,888	14,539	11,514
	\$ 542,443	\$ 517,078	\$ 420,199

Transportation Services:

Roads and streets:			
Summer maintenance	\$ 8,000	\$ 12,294	\$ 4,362
Culverts, drainage, and ditches	20,000	14,250	6,056
Sidewalks	20,000	-	30,422
Street cleaning and flushing	8,000	6,522	1,777
Snow and ice removal	28,000	31,913	35,178
Administration	47,019	58,525	19,440
Storm sewers	20,000	14,335	15,369
	151,019	137,839	112,604
Other:			
Street lights	15,000	17,533	16,342
Traffic signs	16,500	9,710	16,459
Contribution to RSC - Public transit	578	576	1,532
	32,078	27,819	34,333
	\$ 183,097	\$ 165,658	\$ 146,937

NASHWAAK RURAL COMMUNITY

Schedule 2 - Consolidated General Operating Fund - Revenue and Expenditures Support
(continued)

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Environmental Health Services:			
Solid waste disposal	\$ 509,470	\$ 526,454	\$ 485,753
Recycling	-	-	10,518
Other	5,000	-	-
	\$ 514,470	\$ 526,454	\$ 496,271
Environmental Development Services:			
RSC Contributions - Local planning	\$ 142,917	\$ 142,916	\$ 130,796
Beautification	28,000	21,231	7,923
Tourism	-	-	-
Contribution to RSC- Community development	4,136	4,136	4,592
Contribution to RSC- Economic development	16,384	16,384	15,600
Contribution to RSC - Tourism	16,924	16,924	21,636
Administration	-	44,872	10,539
	\$ 208,361	\$ 246,463	\$ 191,086
Recreation and Culture Services:			
Community centres and halls	\$ 92,325	\$ 92,461	\$ 81,070
Administration	16,519	13,510	43,607
Cenotaph	3,000	2,975	1,252
Parks and playgrounds	30,000	6,749	16,311
Exhibitions	5,000	5,000	3,000
Libraries	15,000	10,680	9,260
Contribution to RSC - Recreation	110,764	110,763	94,336
Other recreation and culture	12,000	16,267	3,029
	\$ 284,608	\$ 258,405	\$ 251,865

NASHWAAK RURAL COMMUNITY

Schedule 2 - Consolidated General Operating Fund - Revenue and Expenditures Support
(continued)

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Public Health Services:			
Other	\$ 20,000	\$ 20,000	\$ 5,000
	2025 Budget	2025 Actual	2024 Actual
Fiscal Services:			
Debt charges:			
Principal	\$ 4,000	\$ 4,000	\$ 38,000
Interest on long-term debt	7,762	20,814	3,720
Bank charges	1,500	1,249	1,458
Other fiscal services	20,000	18,080	66,131
Deficit from second previous year	-	-	55,333
	33,262	44,143	164,642
Capital expenditures	85,000	47,443	25,000
Transfer to operating reserve	10,000	10,000	-
	95,000	57,443	25,000
	\$ 128,262	\$ 101,586	\$ 189,642

