

**TANTRAMAR
FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Tantramar (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in the notes to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with certainty until future periods.


The Town's 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 financial statements. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Baker Tilly GMA LLP, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion of the Town's financial statements.



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Michael Beal



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Elizabeth Hartling

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INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Town Council of Tantramar:

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Tantramar ("the Town"), which comprise the statement of financial position as at December 31, 2025 and the statements of operations and accumulated surplus, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 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 are responsible for the preparation and fair presentation of the financial statements in accordance with 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 Town'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 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' 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 these 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 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 auditors' 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 Town 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Town to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

Riverview, N.B.
April 30, 2026

Baka T. Ly GRALLP
Chartered Professional Accountants

TANTRAMAR
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 PSA Budget	2025 Actual	2024 Actual
Revenue (Schedule 2)			
Property tax warrant	\$ 16,691,009	\$ 16,691,009	\$ 15,433,428
Unconditional transfers from the Provincial Government	108,615	108,615	137,344
Other contributions and government transfers	432,999	453,463	5,515,437
Sales of services	711,000	848,751	789,737
Other revenue from own sources	526,324	822,603	884,710
Water and sewer revenue	<u>2,355,852</u>	<u>2,420,299</u>	<u>2,298,723</u>
Total revenue	<u>20,825,799</u>	<u>21,344,740</u>	<u>25,059,379</u>
Expenses (Schedule 3)			
General government services	2,823,386	2,309,432	2,369,086
Protective services	4,717,839	4,120,491	3,874,709
Transportation services	2,863,348	2,585,435	5,783,394
Environmental health and development services	2,274,131	2,030,688	1,730,746
Recreation and cultural services	1,860,135	1,845,007	1,828,521
Water supply	1,288,185	1,167,034	1,180,375
Sewer collection and disposal	667,893	620,278	593,998
Amortization of tangible capital assets (Note 10)	3,220,020	3,220,020	3,100,360
Interest expense and miscellaneous	<u>235,906</u>	<u>199,007</u>	<u>212,152</u>
Total expenses	<u>19,950,843</u>	<u>18,097,392</u>	<u>20,673,341</u>
Annual surplus	<u>874,956</u>	<u>3,247,348</u>	<u>4,386,038</u>
Accumulated surplus at beginning of year, as previously stated	64,012,043	64,012,043	59,820,490
Prior period adjustment (Note 15)	<u>853,651</u>	<u>853,651</u>	<u>659,166</u>
Accumulated surplus at beginning of year	<u>64,865,694</u>	<u>64,865,694</u>	<u>60,479,656</u>
Accumulated surplus at end of year	<u>\$ 65,740,650</u>	<u>\$ 68,113,042</u>	<u>\$ 64,865,694</u>

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

TANTRAMAR
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash in bank (Note 3)	\$ 11,400,451	\$ 9,763,016
Receivables (Note 4)	1,403,840	2,477,937
Pension asset (Note 9)	<u>83,200</u>	<u>68,500</u>
	<u>12,887,491</u>	<u>12,309,453</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 3,054,934	\$ 3,984,451
Deferred government transfers (Note 6)	885,796	291,221
Long-term debt (Note 7)	<u>6,730,000</u>	<u>7,653,000</u>
	<u>10,670,730</u>	<u>11,928,672</u>
Net assets (debt)	<u>2,216,761</u>	<u>380,781</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	123,795,002	119,702,456
Accumulated amortization (Note 10)	<u>(58,328,948)</u>	<u>(55,663,080)</u>
	65,466,054	64,039,376
Inventories of materials and supplies	396,944	434,267
Prepaid expenses and deposits	<u>33,283</u>	<u>11,270</u>
	<u>65,896,281</u>	<u>64,484,913</u>
Accumulated surplus	<u>\$ 68,113,042</u>	<u>\$ 64,865,694</u>

COMMITMENTS (NOTE 13)

CONTINGENCIES (NOTE 14)

APPROVED BY:






 Mayor Clerk

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

TANTRAMAR
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 PSA Budget	2025	2024
Annual surplus	\$ <u>874,956</u>	\$ <u>3,247,348</u>	\$ <u>4,386,038</u>
Acquisition of tangible capital assets	(9,687,700)	(11,878,006)	(4,825,779)
Amortization of tangible capital assets	3,220,020	3,220,020	3,100,360
Gain (loss) on sale of tangible capital assets	-	24,842	(15,816)
Proceeds on sale of tangible capital assets	-	94,999	81,851
Transfer of assets under construction	<u>-</u>	<u>7,111,467</u>	<u>125,520</u>
	<u>(6,467,680)</u>	<u>(1,426,678)</u>	<u>(1,533,864)</u>
Change in inventories of materials and supplies	-	37,323	(6,512)
Change in prepaid expenses and deposits	<u>-</u>	<u>(22,013)</u>	<u>2,809</u>
	<u>-</u>	<u>15,310</u>	<u>(3,703)</u>
Reduction (increase) in net debt	<u>(5,592,724)</u>	<u>1,835,980</u>	<u>2,848,471</u>
Net assets (debt) at beginning of year	<u>380,781</u>	<u>380,781</u>	<u>(2,467,690)</u>
Net assets (debt) at end of year	\$ <u>(5,211,943)</u>	\$ <u>2,216,761</u>	\$ <u>380,781</u>

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

TANTRAMAR
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Operating transactions		
Annual surplus	\$ 3,247,348	\$ 4,386,038
Amortization of tangible capital assets	3,220,020	3,100,360
Gain (loss) on disposal of tangible capital assets	24,842	(15,816)
Change in accrued pension	(14,700)	(19,900)
Change in receivables	1,074,097	1,720,524
Change in accounts payable and accrued liabilities	(929,517)	(790,269)
Change in inventories of materials and supplies	37,323	(6,512)
Change in prepaid expenses and deposits	<u>(22,013)</u>	<u>2,809</u>
Cash provided by operating transactions	<u>6,637,400</u>	<u>8,377,234</u>
Capital transactions		
Acquisition of tangible capital assets	(11,878,006)	(4,825,779)
Change in assets under construction	7,111,467	125,520
Change in deferred government transfers	594,575	76,841
Proceeds on sale of tangible capital assets	<u>94,999</u>	<u>81,851</u>
Cash applied to capital transactions	<u>(4,076,965)</u>	<u>(4,541,567)</u>
Investing transactions		
Financing transactions		
Proceeds from long-term debt issue	300,000	343,000
Long-term debt repayment	<u>(1,223,000)</u>	<u>(1,269,000)</u>
Cash applied to financing transactions	<u>(923,000)</u>	<u>(926,000)</u>
Increase in cash and cash equivalents	1,637,435	2,909,667
Cash and cash equivalents at beginning of year	<u>9,763,016</u>	<u>6,853,349</u>
Cash and cash equivalents at end of year	<u>\$ 11,400,451</u>	<u>\$ 9,763,016</u>

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Purpose of organization

Tantramar (the "Town") is incorporated and operates under the provisions of the Province of New Brunswick Local Governance Act. As a Town, the Town is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act as a Public Service Body. The Town is as a result of an amalgamation of the Town of Sackville, the Village of Dorchester and all or part of three Local Service Districts (Sackville LSD - North, Sackville LSD - South and Pointe-de-Bute LSD).

The Town provides municipal services such as police, fire, public works, engineering, parks and recreation, community development and other general government operations.

1. Adoption of new and revised standards and interpretations

Future Standards Changes

At the date of authorization of these financial statements, the accounting standards board of Canada has issued the following new and revised standards, amendments and interpretations which are not yet effective during the period covered by these financial statements:

New conceptual framework becomes effective for year ends beginning on or after April 1, 2026. This section will replace the current conceptual framework. This section establishes updated core concepts guiding recognition, measurement, presentation, and disclosure. In addition, PS 1202 Financial Statement presentation, will replace the current PS 1201 Financial statement presentation. This section will result in significant changes in the structure of the financial statements. The Town is currently assessing the potential impact on its financial statements.

New Standards Adopted

There are no Public Sector standards that are effective for the current year that have a material impact on the Town's financial statements.

2. Summary of significant accounting policies

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

The focus of Public Sector Accounting financial statements is on the financial position of the Town and the changes thereto. The statement of financial position includes all of the assets and liabilities of the Town.

The significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

These 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 Town, and which are owned or controlled by the Town.

Interdepartmental and organizational transactions and balances are eliminated.

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. Summary of significant accounting policies (continued)

(b) Budget

The budget figures contained in these financial statements were approved by Council on November 28, 2024 and the Minister of Local Government approved the Operating budgets on December 4, 2024

(c) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in annual surplus in the period in which they become known. Actual results may differ from those estimates. Estimates are used when accounting for certain items such as allowance for doubtful accounts and the useful life of tangible capital assets.

(d) Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred. Financial instruments consist of cash in bank, restricted cash, receivables, pension assets/liabilities, investments, accounts payable and accrued liabilities, long-term debt and accrued retirement allowances.

Subsequent measurement

At each reporting date, the Town measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The Town does not measure any assets or liabilities at fair value. The Town uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized costs are cash in bank, restricted cash, receivables, pension assets/liabilities, investments, accounts payable and accrued liabilities, long-term debt and accrued retirement allowances.

For financial assets measured at cost or amortized cost, the Town regularly assesses whether there are any indications of impairment. If there is impairment, and the Town determines there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, credit, liquidity or market risk arising from financial instruments.

(e) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. Summary of significant accounting policies (continued)

(f) Deferred revenue

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired. In addition, all funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenues until used for the purpose specified.

(g) Employee future benefits

The Town and its employees contribute to two pension plans, one for the former employees of the Village of Dorchester, which is a defined benefit pension plan and one for the former employees of the Municipality of the Town of Sackville, which is a defined contribution plan. Details of these plans are seen in Note 9. New employees are added in the pension plan of the former Town of Sackville.

Employees may carry forward unused sick leave throughout their employment. This sick leave vests to the employees as detailed in Note 8, and as such the Town is required to compensate employees for unused amounts upon leaving employment with the Town.

(h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for 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 excess of revenues over expenses, provides the change in net debt for the year.

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:

Land	Not amortized
Land improvements	5 - 25 years
Buildings	20 - 60 years
Vehicles and equipment	5 - 25 years
Roads, streets, sidewalks and culverts	10 - 50 years
Water and sewer pipes	30 - 100 years

Assets under construction

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

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. Summary of significant accounting policies (continued)

(h) Non-financial assets (continued)

Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value, and as revenue at the date of receipt. Fair value is determined by the Town's engineering staff using current expected construction costs of similar assets.

Inventories of materials and supplies

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued on an average cost basis, at the lower of cost and net realizable value.

(i) Reserve funds

Under the Province of New Brunswick Local Governance Act, Council may establish discretionary reserves for each type of its operating and capital funds. In addition, the Community Planning Act requires that a statutory Land Reserve be established and maintained for the purpose of acquiring and developing land held for public purposes.

Certain amounts, as approved by Town Council, are set aside in reserve funds for future operating and capital purposes. Transfers to and from reserve funds are recorded as an adjustment to accumulated surplus of that fund. Note 2 included in the Schedules of Regulatory Reporting Requirements is included to show the reserve fund balances as supplementary information.

(j) Segmented information

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

General government services

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

Protective services

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

Transportation services

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

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. Summary of significant accounting policies (continued)

(j) Segmented information (continued)

Environmental health services and development services

This department is responsible for the provision of waste collection and disposal, planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and cultural services

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

Water supply and wastewater collection and disposal

This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks.

(k) Revenue recognition

Warrant revenue represents an annual property tax levy administered and collected by the Province of New Brunswick on behalf of all New Brunswick Municipalities for municipal services.

Sale of services and other charge revenue including sales of services, licences and permits, fines, other, and water and wastewater are recorded on an accrual basis and recognized as earned, which is usually when services are provided or facilities are utilized.

Other revenues are recorded when they are earned, and collection is reasonably assured.

(l) Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, provided the transfers are authorized, all eligibility criteria or stipulations have been met and reasonable estimates of the amounts can be made. Transfers received for which the above have not been met are included in deferred government transfers. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized.

(m) Expense recognition

Expenses are recognized in the period that the goods and services were acquired and a liability was incurred. Expenses are recorded on an accrual basis.

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. Summary of significant accounting policies (continued)

(n) Liability for contaminated sites and asset retirement obligation

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Town is directly responsible or accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

Management has reviewed potential sites where a material liability may exist and has concluded there is no known material liability at this time.

Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The past transaction or event giving rise to the liability has occurred;
- c) It is expected that future economic benefits will be given up; and
- d) A reasonable estimate of the amount can be made.

Management has reviewed potential sites where a material liability may exist and has concluded there is no known material liability at this time.

3. Cash in bank

	2025	2024
Cash - restricted	\$10,767,436	\$ 9,015,035
Cash - unrestricted	<u>633,015</u>	<u>747,981</u>
	<u>\$11,400,451</u>	<u>\$ 9,763,016</u>

Restricted cash

The Town has restricted cash balances which consist of amounts included in Reserve funds, which can only be accessed through Council Resolution.

Restricted cash is as follows:

	2025	2024
Gas Tax Fund	\$ 907,765	\$ 294,273
General Operating Reserve	566,229	551,421
General Capital Reserve	6,610,030	6,013,219
General Parkland Reserve	1,502	1,462
Utility Operating Reserve	73,266	42,095
Utility Capital Reserve	<u>2,608,644</u>	<u>2,112,565</u>
	<u>\$ 10,767,436</u>	<u>\$ 9,015,035</u>

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

4. Receivables

	2025	2024
<u>General</u>		
Trade receivables - General operating	\$ 261,494	\$ 280,531
Water and sewer receivables - Utility operating	216,196	189,710
Water and sewer accruals - Utility operating	541,288	535,354
Water and sewer non-connected accounts - Utility operating	278,560	236,817
Allowance for doubtful accounts	<u>(335,178)</u>	<u>(302,473)</u>
	962,360	939,939
<u>Federal Government</u>		
Canada Revenue Agency (HST refundable)	405,880	771,419
<u>Provincial Government</u>		
Capital grants and other receivable	<u>35,600</u>	<u>766,579</u>
	<u>\$ 1,403,840</u>	<u>\$ 2,477,937</u>

5. Accounts payable and accrued liabilities

	2025	2024
Accounts payable	\$ 2,199,677	\$ 2,623,255
Contractors' holdbacks	250,054	781,902
Accrued interest on long-term debt	14,063	9,413
Accrued sick leave	537,990	569,881
Deferred revenue	<u>53,150</u>	<u>-</u>
	<u>\$ 3,054,934</u>	<u>\$ 3,984,451</u>

6. Deferred government transfers

Deferred government transfers represent amounts held at year end to be applied to approved projects. These deferred contributions consist of Gas Tax Funds of \$885,796 (2024 - \$291,221).

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

7. Long-term debt

New Brunswick Municipal Finance Corporation

<u>Interest rates</u>	<u>Due date</u>	<u>Debenture/OIC #</u>	<u>2025</u>	<u>2024</u>
0.95% to 2.80%	2025	BM-16, 13-0020, 14-0006	\$ -	\$ 137,000
0.95% to 2.80%	2025	BM-17, 14-0006	-	10,000
1.45% to 2.90%	2026	BO-20, 14-0006, 15-0006	26,000	51,000
1.45% to 2.90%	2026	BO-21, 14-0006, 14-0014, 15-0006	38,000	75,000
1.45% to 2.90%	2026	BO-37, 04-0007	39,000	77,000
1.20% to 2.70%	2027	BQ-17, 14-0014, 15-0006, 16-0010	65,000	96,000
2.10% to 3.45%	2028	BT-15, 16-0010, 16-0072, 17-0015	223,000	293,000
2.00% to 2.85%	2029	BV-14, 16-0010	112,000	138,000
2.00% to 2.85%	2029	BV-15, 17-0015, 18-0002	80,000	99,000
0.90% to 2.05%	2030	BX-19, 09-0012, 18-0002, 19-0008	45,000	105,000
0.30% to 2.30%	2031	BZ-19, 09-0012, 19-0008, 20-0002	222,000	327,000
2.00%	2032	FCM 10346 1-2012, 10-0061	3,650,000	4,131,000
3.00% to 4.08%	2032	CB-12, 20-0002, 21-0001	228,000	256,000
4.05% to 5.12%	2033	CD-17, 20-0002, 21-0001	124,000	137,000
1.55% to 4.15%	2034	BK-11, 10-0061, 11-0033, 12-0007, 13-0020	1,112,000	1,214,000
0.30% to 2.70%	2036	BZ-28, 17-0088, 20-0045	152,000	164,000
3.36% to 3.96%	2034	CG 24, 22-0001, 23-0054	314,000	343,000
2.85% to 4.20%	2035	CH-25, 23-0061, 24-0003	300,000	-
			<u>\$ 6,730,000</u>	<u>\$ 7,653,000</u>

All of the long-term debt above has annual principal payments ranging from \$13,000 to \$491,000 per debenture in 2026 and semi-annual interest payments.

The above debentures outstanding by fund are as follows:

Utility Capital Fund	\$ 1,678,000	\$ 1,818,000
General Capital Fund	<u>5,052,000</u>	<u>5,835,000</u>
	<u>\$ 6,730,000</u>	<u>\$ 7,653,000</u>

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

2026	1,090,000
2027	929,000
2028	916,000
2029	862,000
2030	832,000

Approval of the Municipal Capital Borrowing Board has been obtained for the debenture debt reported and all the long-term debt has been approved by Order-in-Council of the Provincial Legislature.

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

8. Accrued sick leave obligation

The town and its employees operate under a collective bargaining agreement with CUPE Local 1188 effective from December 1, 2023 to December 31, 2027.

Under the terms of the contract with the employees, the Town is required to pay each employee a percentage of their accumulated unused sick leave up to a maximum of 120 days, on termination of employment. The amount of this sick leave, which has vested to the employees is as follows:

	2025	2024
General Operating Fund	\$ 506,479	\$ 508,037
Utility Operating Fund	<u>31,511</u>	<u>61,844</u>
	<u>\$ 537,990</u>	<u>\$ 569,881</u>

The amounts above have been included in accounts payable and accrued liabilities in Note 5.

9. Post Employment Benefits:

Defined Contribution Pension Plan

Under the terms of the contract with the employees (former Sackville Employees), the Town is part of a defined contribution pension plan. Employees' contributions are matched by the Town and fully funded in the year the obligations are incurred. The pension plan is administered and maintained by Great-West Life. The Town has no other obligations in the future under this plan.

Pension Asset

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

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

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

9. Post Employment Benefits (continued):

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

The expected inflation rate is 2.10% per annum

The discount rate used to determine the accrued benefit obligation is 6.05% per annum

The expected rate of return on assets is 6.05% per annum, net of fees and expenses

Retirement age varies by age and employment category

The 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 to 332 retirees. Total benefit payments to retirees and terminating employees during 2024 are estimated to be approximately \$5,705,700 (actual 2024 - \$8,265,100) in totality for the NB MEPP.

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

The following summarizes the NB MEPP data as it relates to the Town (for former Dorchester employees):

The average age of the 3 active employees covered by the NB MEPP is 49 (as at December 31, 2023)

Benefit payments were \$21,000 in 2024 and were estimated to be \$21,000 in 2025.

Combined contributions were \$42,800 in 2024 and were estimated to be \$44,000 in 2025.

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

9. Post Employment Benefits (continued):

In addition to determining the position of the NB MEPP as it relates to the Town (for former Dorchester employees) 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 experiences. Results of the extrapolation are as follows:

	Estimated 2025	Actual 2024
Accrued benefit asset (liability)		
Fair market value of plan assets	\$ 460,400	\$ 411,800
Accrued benefit obligation	<u>(432,000)</u>	<u>(400,400)</u>
Funded status	28,400	11,400
Unamortized actuarial losses	<u>54,800</u>	<u>57,100</u>
Accounting pension asset	<u>\$ 83,200</u>	<u>\$ 68,500</u>
Pension Expenses		
Current service cost	\$ 6,200	\$ (300)
Interest on accrued benefit obligation	24,400	20,800
Expected return on assets	(25,600)	(22,000)
Experience loss	<u>4,200</u>	<u>2,900</u>
Pension expense	<u>\$ 9,200</u>	<u>\$ 1,400</u>

In summary, the accrued benefit asset as it relates to the Town is estimated to be \$83,200 as at December 31, 2025. This compares to an asset of \$50,400 as of January 1, 2024 and an asset of \$70,400 as at December 31, 2024. This amount is included in the post employment benefits receivable on the Statement of Financial Position.

TANTRAMAR
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2025

10. Schedule of Tangible Capital Assets

	General Fund							Total 2025	
	Land	Land Improvements	Buildings	Assets Under Construction	Vehicles and Equipment	Roads Streets Sidewalks Culverts	Water and Sewer Buildings		Water and Sewer Pipes
Cost									
Balance, beginning of year	\$ 1,523,415	\$ 4,917,637	\$ 23,871,370	6,905,204	\$ 11,282,501	\$ 33,378,939	\$ 9,786,109	\$ 28,037,281	\$ 119,702,456
Add:									
Additions	16,200	83,102	302,649	2,299,295	1,102,406	6,590,047	1,412,511	71,796	11,878,006
Less:									
Disposals	(12,000)	-	(115,601)	(7,111,467)	(483,012)	-	(61,662)	(1,718)	(7,785,460)
Balance, end of year	<u>1,527,615</u>	<u>5,000,739</u>	<u>24,058,418</u>	<u>2,093,032</u>	<u>11,901,895</u>	<u>39,968,986</u>	<u>11,136,958</u>	<u>28,107,359</u>	<u>123,795,002</u>
Accumulated amortization									
Balance, beginning of year	-	3,142,548	12,112,009	-	4,818,970	15,624,626	5,551,689	14,413,238	55,663,080
Add:									
Amortization during the year	-	186,165	759,964	-	592,720	1,035,710	230,100	415,361	3,220,020
Less:									
Disposals	-	-	(35,847)	-	(478,733)	-	(37,854)	(1,718)	(554,152)
Balance, end of year	-	<u>3,328,713</u>	<u>12,836,126</u>	-	<u>4,932,957</u>	<u>16,660,336</u>	<u>5,743,935</u>	<u>14,826,881</u>	<u>58,328,948</u>
Asset net book value	<u>\$ 1,527,615</u>	<u>\$ 1,672,026</u>	<u>\$ 11,222,292</u>	<u>\$ 2,093,032</u>	<u>\$ 6,968,938</u>	<u>\$ 23,308,650</u>	<u>\$ 5,393,023</u>	<u>\$ 13,280,478</u>	<u>\$ 65,466,054</u>

TANTRAMAR
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
DECEMBER 31, 2025

10. Schedule of Tangible Capital Assets (continued)

	General Fund							Water and Sewer Fund		Total 2024
	Land	Land Improvements	Buildings	Assets Under Construction	Vehicles and Equipment	Roads Streets Sidewalks Culverts	Water and Sewer Buildings	Water and Sewer Pipes		
Cost										
Balance, beginning of year	\$ 1,483,615	\$ 4,837,280	\$ 23,644,542	\$ 5,207,003	\$ 9,844,462	\$ 33,014,762	\$ 9,580,943	\$ 27,945,931	\$ 115,558,538	
Add:										
Additions	39,800	80,357	226,828	1,823,721	1,951,798	364,177	205,166	133,932	4,825,779	
Less:										
Disposals	-	-	-	(125,520)	(513,759)	-	-	(42,582)	(681,861)	
Balance, end of year	<u>1,523,415</u>	<u>4,917,637</u>	<u>23,871,370</u>	<u>6,905,204</u>	<u>11,282,501</u>	<u>33,378,939</u>	<u>9,786,109</u>	<u>28,037,281</u>	<u>119,702,456</u>	
Accumulated amortization										
Balance, beginning of year	-	2,958,334	11,362,779	-	4,805,695	14,597,519	5,330,822	13,997,877	53,053,026	
Add:										
Amortization during the year	-	184,214	749,230	-	503,049	1,027,107	220,867	415,893	3,100,360	
Less:										
Disposals	-	-	-	-	(489,774)	-	-	(532)	(490,306)	
Balance, end of year	-	<u>3,142,548</u>	<u>12,112,009</u>	-	<u>4,818,970</u>	<u>15,624,626</u>	<u>5,551,669</u>	<u>14,413,238</u>	<u>55,663,080</u>	
Asset net book value	<u>\$ 1,523,415</u>	<u>\$ 1,775,089</u>	<u>\$ 11,759,361</u>	<u>\$ 6,905,204</u>	<u>\$ 6,463,531</u>	<u>\$ 17,754,313</u>	<u>\$ 4,234,420</u>	<u>\$ 13,624,043</u>	<u>\$ 64,039,376</u>	

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

11. Short-term borrowings compliance

Interim borrowing for capital

Bank overdrafts are amounts due to the bank with a limit of \$5,097,120 and interest payable on a monthly basis at prime (at December 31, 2025 - 4.45%) These amounts are secured by resolutions signed by the Municipal Capital Borrowing Board, Province of New Brunswick. Under the resolutions, the Town has Orders in Council (OIC) amounts available of \$4,300,000 and \$2,162,000 for the General Capital and Utility Capital Funds respectively.

		General Capital	Utility Capital	Total
OIC# 23-0054	June 21, 2023	\$ 800,000	\$ 212,000	\$ 1,012,000
OIC# 23-0061	August 16, 2023	-	900,000	900,000
OIC# 24-0003	January 8, 2024	-	400,000	400,000
OIC# 25-0038	November 28, 2024	<u>\$ 3,500,000</u>	<u>\$ 650,000</u>	<u>\$ 4,150,000</u>
		<u>\$ 4,300,000</u>	<u>\$ 2,162,000</u>	<u>\$ 6,462,000</u>

As at December 31, 2025 the Town's temporary advances net of amounts receivable in the general and utility capital funds were within the limits prescribed by with the Province of New Brunswick Local Governance Act.

Operating borrowing

As prescribed in the Province of New Brunswick Local Governance Act, the borrowing to finance its General Fund operations is limited to 4% of the Town's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the Town's operating budget.

The outstanding amounts of borrowings and overdrafts in operating funds were as follows:

General Operating	Utility Operating
<u>\$ NIL</u>	<u>\$ 83,548</u>

In 2025 the Town has complied with these restrictions.

Inter-fund borrowing

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

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

12. Financial Instrument Risk

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town has exposure to credit risk in its receivables. The Town reduces exposure to this risk by conducting a thorough assessment of debtors prior to granting credit and actively monitors the financial health of its debtors on an ongoing basis. For deferred local improvement receivables and water and sewer receivables, the owner of the properties are required to satisfy these receivables prior to transferring the property to another owner. As a result, exposure risk of these receivables is low. In management's opinion, credit risk exposure to the Town is low and has not changed significantly from the previous fiscal year. The Town's maximum exposure to credit risk is \$1,403,840 (2024 - \$2,477,937).

Liquidity Risk

Liquidity risk arises from the potential that the Town will not be able to meet all cash outflow obligations as they come due. The Town has exposure to liquidity risk in its accounts payable and current year long-term debt payments. The Town reduces exposure to this risk by monitoring cash activities and expected outflows and maintains a line of credit sufficient to assist in discharging its short-term financial obligations. In management's opinion, liquidity risk exposure to the Town is low and has not changed significantly from the previous fiscal year.

The maturity analysis of long-term debt is noted in Note 7. Other financial instruments have no specific maturity date.

13. Commitments

The Town has entered into a number of multi-year contracts for delivery of services, the construction of assets and other expenditures. None of these multi-year contracts involve a high-degree of speculative risk, are abnormal in relation to the financial position or usual business operations and govern the level of any type of expenditure for a considerable period into the future. These contract obligations will become financial liabilities in the future when the terms of the contract are met.

14. Contingencies

In the normal course of the Town's activities, the Town is subject to a number of claims and litigations. The Town intends to defend and negotiate such claims and litigations. The eventual outcome of these claims and litigations are not determinable at year end.

TANTRAMAR
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

15. Prior period adjustment

During the current fiscal year, management identified a prior period adjustment required relating to the accounting for contributed tangible capital assets. In prior years, certain tangible capital assets deemed to have been received from developers were not recorded in the financial statements at their fair value on the date of contribution, as required by public sector accounting standards.

As a result, tangible capital assets and accumulated surplus were understated in the affected prior periods.

The organization has corrected this error by restating the comparative figures. The correction involved recognizing the contributed tangible capital assets at their estimated fair values at the dates they were deemed received.

The impact of the correction on the previously reported financial statements is as follows:

Increase to opening tangible capital assets and opening accumulated surplus in the December 31, 2024 period of \$659,166 for contributed tangible capital assets from the 2012 year of \$316,155 and 2015 year of \$343,011.

Increase to opening accumulated surplus for the December 31, 2025 year and an increase to tangible capital assets and contributed asset revenue of \$194,485 for the December 31, 2024 year .

The comparative figures in the financial statements have been restated to reflect the above.

TANTRAMAR
SCHEDULE OF SEGMENT DISCLOSURES
DECEMBER 31, 2025

Schedule 1

	General Government	Protective	Transportation	Environmental Health & Development	Recreational and Cultural	Water & Sewer	Total 2025
Revenue							
Property tax warrant	\$ 2,834,903	\$ 5,655,781	\$ 4,132,546	\$ 2,255,150	\$ 1,812,629	\$ -	\$ 16,691,009
Unconditional transfers from the Provincial Government	18,447	36,805	26,892	14,675	11,796	-	108,615
Other contributions and government transfers	-	1,870	451,593	-	-	-	453,463
Sales of services	-	374,280	16,581	-	457,890	-	848,751
Other revenue from own sources	666,380	11,490	-	-	-	144,733	822,603
Water and sewer revenue	-	-	-	-	-	2,420,299	2,420,299
Total revenue	<u>3,519,730</u>	<u>6,080,226</u>	<u>4,627,612</u>	<u>2,269,825</u>	<u>2,282,315</u>	<u>2,565,032</u>	<u>21,344,740</u>
Expenses							
Salaries and benefits	1,043,881	597,456	1,182,099	530,839	887,782	1,083,162	5,325,219
Goods and services	1,259,249	3,523,035	1,403,336	1,473,129	988,997	705,400	9,353,146
Amortization, disposals and transfers	687,856	194,646	1,328,903	-	287,356	721,259	3,220,020
Interest	8,330	130,791	2,852	1,597	-	55,437	199,007
	2,999,316	4,445,928	3,917,190	2,005,565	2,164,135	2,565,258	18,097,392
Surplus	<u>\$ 520,414</u>	<u>\$ 1,634,298</u>	<u>\$ 710,422</u>	<u>\$ 264,260</u>	<u>\$ 118,180</u>	<u>\$ (226)</u>	<u>\$ 3,247,348</u>

TANTRAMAR
SCHEDULE OF SEGMENT DISCLOSURES
DECEMBER 31, 2025

Schedule 1

	<u>General Government</u>	<u>Protective</u>	<u>Transportation</u>	<u>Environmental Health & Development</u>	<u>Recreational and Cultural</u>	<u>Water & Sewer</u>	<u>Total 2024</u>
Revenue							
Property tax warrant	\$ 2,827,262	\$ 5,535,156	\$ 3,241,769	\$ 2,021,976	\$ 1,807,265	\$ -	\$ 15,433,428
Unconditional transfers from the Provincial Government	25,160	49,258	28,849	17,994	16,083	-	137,344
Other contributions and government transfers	11	1,554	4,886,167	-	-	627,705	5,515,437
Sales of services	-	359,410	21,030	-	409,297	-	789,737
Other revenue from own sources	680,002	13,700	-	-	-	191,008	884,710
Water and sewer revenue	-	-	-	-	-	2,298,723	2,298,723
Total revenue	<u>3,532,435</u>	<u>5,959,078</u>	<u>8,177,815</u>	<u>2,039,970</u>	<u>2,232,645</u>	<u>3,117,436</u>	<u>25,059,379</u>
Expenses							
Salaries and benefits	1,092,395	565,441	1,153,857	448,347	908,320	1,010,754	5,179,114
Goods and services	1,271,962	3,309,266	4,627,199	1,244,291	960,177	768,820	12,181,715
Amortization, disposals and transfers	680,711	145,008	1,301,693	-	265,336	707,612	3,100,360
Interest	8,773	147,569	3,986	-	4,702	47,122	212,152
	3,053,841	4,167,284	7,086,735	1,692,638	2,138,535	2,534,308	20,673,341
Surplus	<u>\$ 478,594</u>	<u>\$ 1,791,794</u>	<u>\$ 1,091,080</u>	<u>\$ 347,332</u>	<u>\$ 94,110</u>	<u>\$ 583,128</u>	<u>\$ 4,386,038</u>

TANTRAMAR
SCHEDULE OF REVENUES
DECEMBER 31, 2025

Schedule 2

	2025 PSA Budget	2025 Actual	2024 Actual
Other contributions and government transfers			
Department of transportation and infrastructure	\$ 300,556	\$ 300,556	\$ 3,063,428
Gas tax program	-	-	312,517
Contributed assets	-	-	222,285
Grants from outside sources	33,056	33,056	1,815,289
Federal grant adjustments	-	-	11
Fire - local service district	1,554	1,870	1,554
Roads and streets	92,333	109,855	91,469
Lane marking	5,500	8,126	8,884
	<u>\$ 432,999</u>	<u>\$ 453,463</u>	<u>\$ 5,515,437</u>
Sales of services			
Swimming pools	\$ 4,700	\$ -	\$ 2,426
Skating rinks and arenas	278,000	327,467	277,871
Other recreational programs	54,300	130,423	129,000
RCMP building lease	340,500	340,500	340,500
Fire - Other	12,000	33,780	18,910
Other - culverts, curb cutting	21,500	16,581	21,030
	<u>\$ 711,000</u>	<u>\$ 848,751</u>	<u>\$ 789,737</u>
Other revenue from own sources			
Licences and permits			
Building	\$ 100,000	\$ 386,925	\$ 131,073
Animal	10,000	6,750	8,750
Fines			
Municipal By-Laws	15,000	11,490	13,700
Other			
Miscellaneous	5,000	6,885	174,404
Gain (loss) on disposal of assets	-	(24,842)	15,816
Return on investments			
Interest on cash in bank	16,000	28,385	37,929
Interest on past due accounts	92,500	119,186	145,432
Interest on reserve funds	287,824	287,824	357,606
	<u>\$ 526,324</u>	<u>\$ 822,603</u>	<u>\$ 884,710</u>
Water and sewer revenue			
Water user charges - residential	\$ 719,785	\$ 893,606	\$ 857,779
- other	476,021	338,434	307,594
Sewer user charges - residential	610,318	726,082	678,595
- other	383,841	255,406	260,978
Sprinkler sand hydrants	38,500	39,438	36,144
Water and sewer - other revenue	26,500	67,466	60,247
3rd party utility agreements	100,887	99,867	97,386
	<u>\$ 2,355,852</u>	<u>\$ 2,420,299</u>	<u>\$ 2,298,723</u>

TANTRAMAR
SCHEDULE OF EXPENSES
DECEMBER 31, 2025

Schedule 3

	2025 PSA Budget	2025 Actual	2024 Actual
General government services			
Legislative			
Mayor	\$ 93,160	\$ 60,365	\$ 74,766
Councillors	<u>274,002</u>	<u>277,934</u>	<u>252,332</u>
	<u>367,162</u>	<u>338,299</u>	<u>327,098</u>
Administrative			
Manager	445,673	368,901	418,954
Office building	181,094	176,608	183,637
Solicitor	90,000	59,366	47,479
Other	<u>350,956</u>	<u>271,084</u>	<u>281,899</u>
	<u>1,067,723</u>	<u>875,959</u>	<u>931,969</u>
Financial and Human Resources			
Administrative	385,532	361,271	335,346
Accounting and human resources	<u>139,829</u>	<u>54,436</u>	<u>89,779</u>
	<u>525,361</u>	<u>415,707</u>	<u>425,125</u>
Other General Government Services			
Other general government services	433,140	275,950	263,628
Public liability insurance premiums	<u>430,000</u>	<u>403,517</u>	<u>421,266</u>
	<u>863,140</u>	<u>679,467</u>	<u>684,894</u>
	<u>\$ 2,823,386</u>	<u>\$ 2,309,432</u>	<u>\$ 2,369,086</u>
Protective services			
Police			
Station and building	\$ 149,606	\$ 155,181	\$ 162,650
RCMP	2,564,321	2,324,987	2,197,747
Other	<u>243,724</u>	<u>205,520</u>	<u>214,144</u>
	<u>2,957,651</u>	<u>2,685,688</u>	<u>2,574,541</u>
Fire			
Administration and volunteers	507,190	376,724	325,859
Training and development	70,000	44,585	48,386
Station and building	154,000	153,132	155,175
Firefighting equipment	344,000	249,851	224,393
Other	<u>184,885</u>	<u>151,649</u>	<u>131,159</u>
	<u>1,260,075</u>	<u>975,941</u>	<u>884,972</u>

TANTRAMAR
SCHEDULE OF EXPENSES (CONTINUED)
DECEMBER 31, 2025

Schedule 3

	2025 PSA Budget	2025 Actual	2024 Actual
Protective services (continued)			
Other			
Bylaw enforcement	440,113	421,285	382,679
Animal and pest control	<u>60,000</u>	<u>37,577</u>	<u>32,517</u>
	500,113	458,862	415,196
	<u>\$ 4,717,839</u>	<u>\$ 4,120,491</u>	<u>\$ 3,874,709</u>
Transportation services			
Common Services			
Administration	\$ 1,537,885	\$ 1,232,872	\$ 1,202,853
General equipment	84,500	100,309	74,685
Workshops, yard and other buildings	<u>180,216</u>	<u>195,103</u>	<u>176,402</u>
	<u>1,802,601</u>	<u>1,528,284</u>	<u>1,453,940</u>
Road transport			
Roads and streets			
Summer maintenance	422,997	430,192	362,646
Department of transportation and infrastructure streets	-	17,797	3,429,168
Snow and ice removal	<u>351,500</u>	<u>320,008</u>	<u>270,552</u>
	<u>774,497</u>	<u>767,997</u>	<u>4,062,366</u>
Street lighting	<u>228,000</u>	<u>236,731</u>	<u>212,673</u>
Traffic services			
Street signs	15,000	12,516	18,768
Traffic lane marking	30,000	25,357	22,061
Traffic signals	<u>13,250</u>	<u>14,550</u>	<u>13,586</u>
	58,250	52,423	54,415
	<u>\$ 2,863,348</u>	<u>\$ 2,585,435</u>	<u>\$ 5,783,394</u>
Environmental health and development services			
Environmental health services			
Garbage and waste collection	\$ 695,759	\$ 692,946	\$ 513,386
Landfill costs	<u>140,146</u>	<u>137,767</u>	<u>180,265</u>
	<u>835,905</u>	<u>830,713</u>	<u>693,651</u>
Environmental development services			
Wages and benefits	524,909	457,246	395,869
Community development agency	533,285	366,086	317,503
Economic development and tourism	<u>380,032</u>	<u>376,643</u>	<u>323,723</u>
	1,438,226	1,199,975	1,037,095
	<u>\$ 2,274,131</u>	<u>\$ 2,030,688</u>	<u>\$ 1,730,746</u>

TANTRAMAR
SCHEDULE OF EXPENSES (CONTINUED)
DECEMBER 31, 2025

Schedule 3

	2025 PSA Budget	2025 Actual	2024 Actual
Recreation and cultural services			
Wages and benefits	\$ 992,821	\$ 906,733	\$ 925,941
Community centres and halls	52,500	51,600	41,840
Swimming pools	39,700	52,142	49,016
Rinks and arenas	380,860	460,356	454,162
Parks and playgrounds	199,978	203,140	186,269
Library	72,776	54,378	47,480
Events and fairs	121,500	116,658	123,813
	<u>\$ 1,860,135</u>	<u>\$ 1,845,007</u>	<u>\$ 1,828,521</u>
Water supply			
Administration	\$ 194,831	\$ 172,910	\$ 170,419
Power and pumping	1,021,760	916,579	932,181
Other	71,594	77,545	77,775
	<u>\$ 1,288,185</u>	<u>\$ 1,167,034</u>	<u>\$ 1,180,375</u>
Sewer collection and disposal			
Administration	\$ 174,830	\$ 172,630	\$ 162,680
Sewer lift stations	413,126	364,847	359,474
Other	79,937	82,801	71,844
	<u>\$ 667,893</u>	<u>\$ 620,278</u>	<u>\$ 593,998</u>
Interest and miscellaneous			
Interest on bank overdraft	\$ 45,000	\$ 20,371	\$ 10,544
Interest on long-term debt	190,906	178,636	201,608
	<u>\$ 235,906</u>	<u>\$ 199,007</u>	<u>\$ 212,152</u>

TANTRAMAR
SCHEDULES OF REGULATORY REPORTING REQUIREMENTS
DECEMBER 31, 2025

The Department of Local Government of New Brunswick has requested some disclosures in addition to Canadian Public Sector Accounting Standards for monitoring purposes. The Town has provided these disclosure requirements in the following pages.

1. Reconciliation of Annual Surplus in Financial Statements to Provincial Municipal Reporting Standards

	General Operating Fund	General Capital Fund	Water & Sewer Operating Fund	Water & Sewer Capital Fund	General Reserve Fund	Water & Sewer Reserve Fund	Total
2025 annual fund surplus (deficit) per financial statements	\$ 5,473,916	\$ (2,843,797)	\$ 837,616	\$ (508,214)	\$ 220,577	\$ 67,250	\$ 3,247,348
<i>Adjustments to annual surplus (deficit) for funding requirements</i>							
Second previous year surplus	154,669	-	15,744	-	-	-	170,413
Transfer from operating to capital	(4,732,382)	4,732,382	(750,680)	750,680	-	-	-
Transfer from operating to reserve	(410,000)	-	(460,000)	-	410,000	460,000	-
Amortization expense	-	2,498,761	-	721,259	-	-	3,220,020
Disposal of tangible capital assets	-	119,840	-	12,147	-	-	131,987
Water cost transfer	(376,000)	-	376,000	-	-	-	-
Pension adjustment	(14,700)	-	-	-	-	-	(14,700)
Total adjustments to 2025 annual surplus (deficit)	(5,378,413)	7,350,983	(818,936)	1,484,086	410,000	460,000	3,507,720
2025 annual surplus	\$ 95,503	\$ 4,507,186	\$ 18,680	\$ 975,872	\$ 630,577	\$ 527,250	\$ 6,755,068

TANTRAMAR
SCHEDULES OF REGULATORY REPORTING REQUIREMENTS
DECEMBER 31, 2025

2. Statement of reserves									
	General Operating	General Capital	General Parkland	Gas Tax Funds	Water&Sewer Operating	Water&Sewer Capital	Total 2025	Total 2024	
Assets									
Cash	\$ 566,229	\$ 6,610,030	\$ 1,502	\$ 907,765	\$ 73,266	\$ 2,608,644	\$ 10,767,436	\$ 9,015,035	
Liabilities									
Deferred government transfers	\$ -	\$ -	\$ -	\$ 885,796	-	\$ -	\$ 885,796	\$ 291,221	
Surplus									
Accumulated Surplus, beginning of year	551,421	6,013,219	1,462	3,051	42,095	2,112,565	8,723,813	7,277,307	
Annual surplus	14,808	596,811	40	18,918	31,171	496,079	1,157,827	1,446,507	
Accumulated Surplus and liabilities, end of year	\$ 566,229	\$ 6,610,030	\$ 1,502	\$ 907,765	\$ 73,266	\$ 2,608,644	\$ 10,767,436	\$ 9,015,035	
Revenue									
Interest	\$ 14,808	\$ 186,811	\$ 40	\$ 18,918	1,171	\$ 66,079	\$ 287,827	\$ 357,606	
Transfers from operating funds	-	410,000	-	-	30,000	430,000	870,000	1,595,000	
Expenses									
Transfer to operating funds	-	-	-	-	-	-	-	506,099	
Annual surplus (deficit)	\$ 14,808	\$ 596,811	\$ 40	\$ 18,918	\$ 31,171	\$ 496,079	\$ 1,157,827	\$ 1,446,507	

All amounts above consist of savings accounts with the following terms:

RBP less 2.25% (2.25%) to \$749,999, RBP less 2.00% (2.00%) \$750,000 to \$1,499,999 and RBP less 1.85% (1.85%) over \$1,499,999, no maturity

**TANTRAMAR
SCHEDULES OF REGULATORY REPORTING REQUIREMENTS
DECEMBER 31, 2025**

2. Statement of reserves (continued)

Council Resolutions regarding transfers to and from reserves:

Resolution #25-173

Moved by: Councillor Barry Hicks
Seconded by: Councillor Bruce Phinney

BE IT RESOLVED that Council authorize the transfer, for the Budget year 2025, of \$400,000 from the General Operating Budget to the General Capital Reserve Fund.

Resolution #25-174

Moved by: Councillor Barry Hicks
Seconded by: Councillor Greg Martin

BE IT RESOLVED that Council authorize the transfer, for the Budget year 2025, of \$430,000 from the Utility Operating Budget to the Utility Capital Reserve Fund.

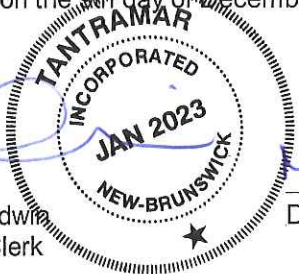
Resolution #25-175

Moved by: Councillor Barry Hicks
Seconded by: Councillor Michael Tower

BE IT RESOLVED that Council authorize the transfer, for the Budget year 2025, of \$30,000 from the Utility Operating Budget to the Utility Operating Reserve Fund.

I certify that the above is a true and exact copy of the Motions passed by the Council of the Tantramar on the 9th day of December, 2025.

Becky Goodwin
Assistant Clerk
Tantramar



Date

May 22, 2026

TANTRAMAR
SCHEDULES OF REGULATORY REPORTING REQUIREMENTS
DECEMBER 31, 2025

3. Reconciliation of Operating Budget to Public Sector Accounting for year ended December 31, 2025

	<u>Operating</u>	<u>Amortization</u>	<u>Other</u>	<u>Transfers</u>	<u>Total</u>
Revenue					
Warrant of assessment	\$ 16,691,009	\$ -	\$ -	\$ -	\$ 16,691,009
Unconditional transfers from Provincial Government	108,615	-	-	-	108,615
Other contributions and government transfers	99,387	-	333,612	-	432,999
Sales of services	711,000	-	-	-	711,000
Other revenue from own sources	238,500	-	287,824	-	526,324
Water and sewer revenue	<u>2,731,852</u>	-	-	<u>(376,000)</u>	<u>2,355,852</u>
	<u>20,580,363</u>	-	<u>621,436</u>	<u>(376,000)</u>	<u>20,825,799</u>
Expenses					
General government services	2,838,086	-	(14,700)	-	2,823,386
Protective services	5,093,839	-	-	(376,000)	4,717,839
Transportation services	2,863,348	-	-	-	2,863,348
Environment health and development	2,274,131	-	-	-	2,274,131
Recreation and cultural services	1,860,135	-	-	-	1,860,135
Water supply	1,288,185	-	-	-	1,288,185
Sewer collection and disposal	667,893	-	-	-	667,893
Amortization of tangible capital assets	-	3,220,020	-	-	3,220,020
Interest expense and miscellaneous	<u>235,906</u>	-	-	-	<u>235,906</u>
	<u>17,121,523</u>	<u>3,220,020</u>	<u>(14,700)</u>	<u>(376,000)</u>	<u>19,950,843</u>
Fiscal services					
Transfer from operating fund to capital fund	3,019,253	-	-	(3,019,253)	-
Transfer from operating fund to reserve fund	610,000	-	-	(610,000)	-
Second previous years' surplus	<u>(170,413)</u>	-	-	<u>170,413</u>	-
	<u>3,458,840</u>	-	-	<u>(3,458,840)</u>	-
	<u>20,580,363</u>	<u>3,220,020</u>	<u>(14,700)</u>	<u>(3,834,840)</u>	<u>19,950,843</u>
Annual surplus	\$ -	\$ (3,220,020)	\$ 636,136	\$ 3,458,840	\$ 874,956