

**TOWN OF BORDEN-CARLETON
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020**

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

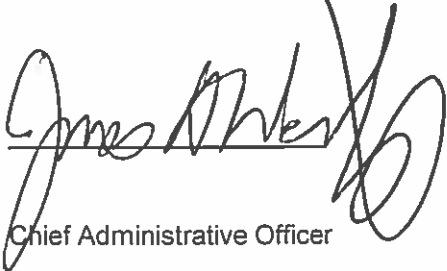
The accompanying consolidated financial statements of the Town of Borden-Carleton are the responsibility of management and have been prepared in accordance with Canadian accounting standards for the public sector. A summary of the significant accounting policies are described in the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with a certainty until future periods.

To meet its responsibility, management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The council met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MRSB Chartered Professional Accountants Inc., independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Town of Borden-Carleton



Chief Administrative Officer



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COUNCIL:

Opinion

We have audited the consolidated financial statements of the Town of Borden-Carleton, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town of Borden-Carleton as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for the public sector.

Basis for Opinion

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

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

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

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

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

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

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

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

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

MRSB Chartered Professional Accountants Inc.

CHARLOTTETOWN, P.E.I.

OCTOBER 12, 2021

**TOWN OF BORDEN-CARLETON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2020**

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Financial Assets | | |
| Cash and cash equivalents | | |
| Unrestricted | \$ 137,157 | \$ 98,066 |
| Restricted | 419,329 | 337,899 |
| Accounts receivable | <u>313,528</u> | <u>263,610</u> |
| | <u>870,014</u> | <u>699,575</u> |
| Liabilities | | |
| Credit Union indebtedness - Note 3 | 185,414 | 69,504 |
| Accounts payable and accrued liabilities | 140,739 | 115,043 |
| Deferred revenue - Note 4 | 445,349 | 406,409 |
| Long term debt - Note 5 | <u>1,211,079</u> | <u>1,304,204</u> |
| | <u>1,982,581</u> | <u>1,895,160</u> |
| Net Debt - Statement 3 | <u>(1,112,567)</u> | <u>(1,195,585)</u> |
| Non-Financial Assets | | |
| Tangible capital assets - Town and Arena - Schedule 1 | 1,667,447 | 1,413,339 |
| Tangible capital assets - Water and Sewer - Schedule 1 | 6,673,275 | 6,766,803 |
| Prepaid expenses | <u>18,112</u> | <u>5,977</u> |
| | <u>8,358,834</u> | <u>8,186,119</u> |
| Accumulated Surplus | <u>\$ 7,246,267</u> | <u>\$ 6,990,534</u> |
| Commitments - Note 6 | | |
| Municipal Position | | |
| Accumulated surplus - Statement 2 | <u>\$ 7,246,267</u> | <u>\$ 6,990,534</u> |

ON BEHALF OF THE COUNCIL:

Charles McKenzie Mayor

Michelle Wenzel Councillor



(Notes 1 to 16 are an integral part of these consolidated financial statements)

M|R|S|B

**TOWN OF BORDEN-CARLETON
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2020**

| | Budget 2020 | Actual 2020 | Actual 2019 (15 months) |
|---|---------------------|---------------------|-------------------------------|
| Revenues | | | |
| Town - Schedule 2 | \$ 639,113 | \$ 1,072,827 | \$ 1,174,881 |
| Sewerage - Schedule 6 | 197,766 | 153,762 | 199,742 |
| Water - Schedule 7 | 168,189 | 131,260 | 157,728 |
| Gateway Arena - Schedule 8 | 149,400 | 153,016 | 199,543 |
| | <u>1,154,468</u> | <u>1,510,865</u> | <u>1,731,894</u> |
| Expenditures | | | |
| Town - Schedule 2 | 695,674 | 705,768 | 764,010 |
| Sewerage - Schedule 6 | 250,215 | 173,374 | 206,326 |
| Water - Schedule 7 | 192,777 | 185,321 | 223,861 |
| Gateway Arena - Schedule 8 | 184,085 | 190,669 | 245,659 |
| | <u>1,322,751</u> | <u>1,255,132</u> | <u>1,439,856</u> |
| Annual Surplus | <u>\$ (168,283)</u> | 255,733 | 292,038 |
| Accumulated Surplus - Beginning of Year | | <u>6,990,534</u> | 6,698,496 |
| Accumulated Surplus - End of Year - Note 9 | | <u>\$ 7,246,267</u> | <u>\$ 6,990,534</u> |
| Annual Surplus Consists of: | | | |
| Town - Schedule 2 | | \$ 367,059 | \$ 410,871 |
| Sewerage - Schedule 6 | | (19,612) | (6,584) |
| Water - Schedule 7 | | (54,061) | (66,133) |
| Gateway Arena - Schedule 8 | | <u>(37,653)</u> | <u>(46,116)</u> |
| | | <u>\$ 255,733</u> | <u>\$ 292,038</u> |

(Notes 1 to 16 are an integral part of these consolidated financial statements)

TOWN OF BORDEN-CARLETON
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
YEAR ENDED MARCH 31, 2020

| | Budget 2020 | Actual 2020 | Actual 2019 (15 months) |
|---|-----------------------------|-----------------------------|-------------------------------|
| Annual surplus | \$ (168,283) | \$ 255,733 | \$ 292,038 |
| Amortization of tangible capital assets | - | 199,653 | 245,259 |
| Purchase of tangible capital assets | - | (360,233) | (317,299) |
| (Increase) decrease in prepaid expenses | - | (12,135) | 1,279 |
| Decrease in Net Debt | (168,283) | 83,018 | 221,277 |
| Net Debt - Beginning of Year | (1,195,585) | (1,195,585) | (1,416,862) |
| Net Debt - End of Year | <u>\$(1,363,868)</u> | <u>\$(1,112,567)</u> | <u>\$(1,195,585)</u> |

(Notes 1 to 16 are an integral part of these consolidated financial statements)

M|R|S|B

**TOWN OF BORDEN-CARLETON
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2020**

| | 2020 | 2019 (15 months) |
|---|-------------------|---------------------|
| Cash Flows From Operating Activities | | |
| Annual surplus | \$ 255,733 | \$ 292,038 |
| Amortization of tangible capital assets | 199,653 | 245,259 |
| Increase in accounts receivable | (49,918) | (97,054) |
| (Increase) decrease in prepaid expenses | (12,137) | 1,278 |
| Increase (decrease) in accounts payable and accrued liabilities | 25,699 | (63,729) |
| Increase in deferred revenue | 38,940 | 167,841 |
| | 457,970 | 545,633 |
| Cash Flows From Capital Activity | | |
| Purchase of tangible capital assets | (360,233) | (317,299) |
| Cash Flows From Financing Activity | | |
| Repayment of long term debt | (93,126) | (147,335) |
| Increase in Cash and Cash Equivalents | 4,611 | 80,999 |
| Cash and Cash Equivalents - Beginning of Year | 366,461 | 285,462 |
| Cash and Cash Equivalents - End of Year | \$ 371,072 | \$ 366,461 |
| Cash and Cash Equivalents Consists of: | | |
| Unrestricted cash | \$ 137,157 | \$ 98,066 |
| Restricted cash | 419,329 | 337,899 |
| Credit Union indebtedness | (185,414) | (69,504) |
| | \$ 371,072 | \$ 366,461 |

(Notes 1 to 16 are an integral part of these consolidated financial statements)

**TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

1. Description of Business

The Town of Borden-Carleton (the "Town") is incorporated under the PEI Municipalities Act. The Town is a non-profit organization under the Income Tax Act.

2. Accounting Policies

Basis of Preparation

These consolidated financial statements of the Town of Borden-Carleton have been prepared by management in accordance with Canadian accounting standards for the public sector.

These consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs and in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the year when the related expenditures are incurred, services are performed or the tangible capital assets are acquired.

Funds within the consolidated financial statements consist of the operating funds for the general operations and the water and sewerage utilities. Transfers between funds are recorded as adjustments to the appropriate fund balance.

Basis of Consolidation

These consolidated financial statements for the Town of Borden-Carleton reflect the assets, liabilities, revenues, expenditures, and changes in fund balances and in municipal position of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the Town for administration of their financial affairs and resources, and which are owned or controlled by the Town. The organizations included in the consolidated financial statements are as follows:

Borden-Carleton Water and Sewerage Corporation; and

Gateway Arena

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, unrestricted and restricted balances on deposit with banks, and Credit Union indebtedness.

TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

2. Accounting Policies (cont'd)

Accounts Receivable

Accounts receivable arise from sewer dues, trade receivables, government assistance receivable and Harmonized Sales Tax receivable. An allowance for bad debts has been calculated through discussions with management, assessment of the other circumstances influencing the collectibility of amounts, and using historical loss experience. Amounts deemed non-collectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

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 and have a value of more than \$2,000. The cost of the tangible capital assets is amortized on a straight-line basis over the estimated useful lives as follows:

| | |
|-----------------------|-------------|
| Park | 4% |
| Buildings | 2.5% and 5% |
| Fire vehicles | 6.67% |
| Equipment | 10.0% |
| Electronic equipment | 25.0% |
| Streets and sidewalks | 4.0% |
| Vehicles | 20% |
| Sewerage system | 1.2% |
| Sewerage equipment | 1.2% |
| Water system | 1.2% |
| Water equipment | 5.0% |
| Water reservoir | 1.2% |

Full amount of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

Interest expense on capital debt incurred during the construction or renovation of an asset is included in the capitalized value.

No amortization has been recorded on the park as not available for use during the current period.

Government Transfers

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

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

**TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

2. Accounting Policies (cont'd)

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net debt for the year.

Revenue Recognition

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

Utility dues are charged based on rates approved by the Island Regulatory and Appeals Commission (IRAC). These charges are assessed annually and are recognized when billings become due.

The Town follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issuance of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

Use of Estimates

The presentation of the consolidated financial statements in conformity with Canadian accounting standards for the public sector requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

3. Credit Union Indebtedness

| | 2020 | 2019 |
|---|-------------------|------------------|
| Gateway Arena | | |
| Consolidated Credit Union Ltd. - prime plus 2%; approved limit of \$20,000; secured by general security agreement; any amounts over the maximum limit bear interest at 30%; renewable June 30, 2023 | \$ - | \$ 9,967 |
| Town | | |
| Consolidated Credit Union Ltd. - prime plus 1%; approved limit of \$160,000; secured by general security agreement; renewable June 30, 2023 | <u>185,414</u> | <u>59,537</u> |
| | <u>\$ 185,414</u> | <u>\$ 69,504</u> |

The Water and Sewerage account with the Consolidated Credit Union has an approved overdraft limit of \$110,000 with a rate of prime plus 1%. The overdraft on this account was not utilized at year end and the terms of this account are renewable June 30, 2023.

4. Deferred Revenue

| | 2020 | 2019 |
|--|-------------------|-------------------|
| New Deals Gas Tax | \$ 436,074 | \$ 338,909 |
| Province of PEI Community Revitalization Program | 9,275 | - |
| Rural and Regional Development | - | 67,500 |
| | <u>\$ 445,349</u> | <u>\$ 406,409</u> |

Under the New Deals Gas Tax Funding for Incorporated Communities and the New Deals for Cities & Communities, the Town is allocated \$100,000 per year for fiscal years ending March 31, 2015 to 2019 and \$200,000 for 2020. These funds, along with interest earned, must be used for eligible infrastructure and capacity building projects. Any funds received under this program, including interest earned, but not yet spent are recognized as deferred revenue at the end of the year.

During the year, the Town received Gas Tax funding of \$200,000, earned interest of \$389, and incurred eligible expenditures of \$103,224.

**TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

5. Long Term Debt

| | 2020 | 2019 |
|---|---------------------|---------------------|
| Town | | |
| Consolidated Credit Union Ltd. - prime plus 0.5%; repayable in monthly principal installments of \$1,667 plus interest; secured by general security agreement giving first charge on Metalfab pumper fire truck with a carrying value of \$164,854; renewal on February 16, 2024 and maturing on February 16, 2029. | \$ 163,861 | \$ 183,865 |
| Consolidated Credit Union Ltd. - prime plus 0.5%; repayable in monthly principal installments of \$278 plus interest; secured by general security agreement giving first charge on fixed and floating assets; renewal on March 19, 2023 and maturing on March 19, 2043. | 76,648 | 79,984 |
| Consolidated Credit Union Ltd. - 4.14%; repayable in blended monthly installments of \$580; secured by parcels of land with a carrying value of \$48,062; renewal on September 2, 2020 and maturing on September 2, 2021. | 9,477 | 15,900 |
| Consolidated Credit Union Ltd. - 3.09%; repaid during year | - | 9,095 |
| | <u>249,986</u> | <u>288,844</u> |
| Water and Sewerage | | |
| Consolidated Credit Union Ltd. - prime plus 0.5%; repayable in monthly principal installments of \$2,627 plus interest; secured by general security agreement; renewal on December 31, 2024 and maturing on January 14, 2037. | 530,624 | 562,148 |
| Consolidated Credit Union Ltd. - prime plus 0.5%; repayable in monthly principal installments of \$1,493 plus interest; secured by general security agreement; renewal on November 30, 2023 and maturing on November 30, 2038. | 353,821 | 373,228 |
| Consolidated Credit Union Ltd. - prime plus 0.5%; repayable in monthly principal installments of \$278 plus interest; secured by general security agreement giving first charge on fixed and floating assets; renewal on March 19, 2023 and maturing on March 19, 2043. | 76,648 | 79,984 |
| | <u>961,093</u> | <u>1,015,360</u> |
| | <u>\$ 1,211,079</u> | <u>\$ 1,304,204</u> |

TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

5. Long Term Debt (cont'd)

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

| | |
|------|-----------|
| 2021 | \$ 85,594 |
| 2022 | 76,115 |
| 2023 | 209,395 |
| 2024 | 435,449 |
| 2025 | 404,528 |

6. Commitments

The Town has entered into lease agreements for the lease of office equipment and office space. The minimum lease payments due over the next two years are as follows:

| | |
|------|-----------|
| 2021 | \$ 12,866 |
| 2022 | 2,014 |

7. Government Transfers for Capital

| | 2020 | 2019 |
|---|-------------------|-------------------|
| Town | | |
| Innovation PEI - Tourism Revitalization | \$ 172,000 | \$ 150,000 |
| New Deals Gas Tax | 85,863 | - |
| ACOA - Tourism Revitalization | 59,597 | 135,927 |
| Municipal Capital Expenditure Grant | 15,286 | 28,203 |
| | <u>\$ 332,746</u> | <u>\$ 314,130</u> |
| Water and Sewerage | | |
| Municipal Capital Expenditure Grant | <u>\$ 1,727</u> | <u>\$ 370</u> |
| Gateway Arena | | |
| New Deals Gas Tax | \$ 17,361 | - |
| Municipal Capital Expenditure Grant | 2,635 | - |
| | <u>\$ 19,996</u> | <u>\$ -</u> |

8. Government Transfers for Operations

| | | |
|--|-----------------|-----------------|
| Town | | |
| Tourism PEI - 100 Anniversary Celebration | \$ 2,500 | \$ - |
| Innovation PEI - Touristic/Spatial Master Plan | - | 9,984 |
| | <u>\$ 2,500</u> | <u>\$ 9,984</u> |

TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

9. Accumulated Surplus

| | 2020 | 2019 |
|---|---------------------|---------------------|
| Unrestricted surplus | \$ 116,624 | \$ 114,596 |
| Investment in tangible capital assets - Note 10 | <u>7,129,643</u> | <u>6,875,938</u> |
| | <u>\$ 7,246,267</u> | <u>\$ 6,990,534</u> |

10. Investment in Tangible Capital Assets

| | | |
|---------------------------------------|---------------------|---------------------|
| Tangible capital assets - Schedule 1 | \$11,789,830 | \$11,429,597 |
| Accumulated amortization - Schedule 1 | (3,449,108) | (3,249,455) |
| Long term debt - Note 5 | <u>(1,211,079)</u> | <u>(1,304,204)</u> |
| | <u>\$ 7,129,643</u> | <u>\$ 6,875,938</u> |

11. Budget Figures

A reconciliation of the 2020 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

| | 2020 |
|---|---------------------|
| Town of Borden-Carleton budgeted annual deficit | \$ (168,283) |
| | <u>\$ (168,283)</u> |

The budgeted figures have not been audited and have been included in the consolidated financial statements for comparative purposes only.

12. Rate Regulation

The Town is subject to rate regulation on the water and sewerage utilities provided to residents in Prince Edward Island under the Island Regulatory Appeals Commission Act. The purpose of this Act, which is administered by the Island Regulatory and Appeal Commission (IRAC), is to regulate the rate municipalities may charge for water and sewerage utilities provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for water and sewerage services. Changes in water and sewerage rates can only be implemented with approval from IRAC.

**TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

13. Financial Instruments

The Town's financial instruments consist of cash and cash equivalents, accounts receivable, Credit Union indebtedness, accounts payable and accrued liabilities and long term debt.

The Town is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Town's risk exposure and concentration as of March 31, 2020.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Town has a significant number of customers which minimizes concentration of credit risk.

Interest rate risk

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

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to this risk mainly in respect of receipt of government funding, long term debt and accounts payable.

**TOWN OF BORDEN-CARLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

14. Segment Disclosure

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

The major segments are as follows:

Town

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

Water and Sewerage

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

Gateway Arena

This segment is responsible for promoting and offering recreation opportunities and activities for its residents. Its tasks include the operations and maintenance of the Town arena.

15. Comparative Figures

Some of the prior year's figures have been reclassified to conform to current period consolidated financial statement presentation.

16. Subsequent Events

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Town or its residents, employees, contractors, suppliers and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Town's business, the continued spread of COVID-19 and the measures taken by the federal and provincial governments to contain its impact could adversely impact the Town's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the Town's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

**TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
TANGIBLE CAPITAL ASSETS
YEAR ENDED MARCH 31, 2020**

Schedule 1

| | Cost Beginning of Year | Additions | Disposals and Write- Downs | Cost End of Year | Accum Amort Beginning | Amort in Year | Accum Amort Ending | Net Book Value |
|--|------------------------------|-------------------|----------------------------------|------------------------|-----------------------------|-------------------|--------------------------|----------------------|
| Town and Arena | | | | | | | | |
| Land | \$ 413,225 | \$ 8,525 | - | \$ 421,750 | \$ - | \$ - | \$ - | \$ 421,750 |
| Park | 138,700 | 11,574 | - | 150,274 | - | - | - | 150,274 |
| Buildings | 1,005,693 | 123,448 | - | 1,129,141 | 674,332 | 14,438 | 688,770 | 440,371 |
| Fire vehicles | 546,688 | - | - | 546,688 | 348,168 | 22,312 | 370,480 | 176,208 |
| Equipment | 345,724 | 131,939 | - | 477,663 | 261,146 | 28,748 | 289,894 | 187,769 |
| Electronic equipment | 32,054 | 4,882 | - | 36,936 | 32,054 | 1,220 | 33,274 | 3,662 |
| Streets and sidewalks | 413,526 | 60,863 | - | 474,389 | 170,768 | 18,007 | 188,775 | 285,614 |
| Vehicles | 15,735 | - | - | 15,735 | 11,538 | 2,398 | 13,936 | 1,799 |
| | \$ 2,911,345 | \$ 341,231 | - | \$ 3,252,576 | \$ 1,498,006 | \$ 87,123 | \$ 1,585,129 | \$ 1,667,447 |
| Water and Sewer | | | | | | | | |
| Land | \$ 35,435 | - | - | \$ 35,435 | \$ - | \$ - | \$ - | \$ 35,435 |
| Building | 3,000 | - | - | 3,000 | 188 | 150 | 338 | 2,662 |
| Sewerage system | 4,966,668 | 19,002 | - | 4,985,670 | 742,359 | 59,827 | 802,186 | 4,183,484 |
| Sewerage equipment | 64,187 | - | - | 64,187 | 64,187 | - | 64,187 | - |
| Water system | 2,379,975 | - | - | 2,379,975 | 575,239 | 28,559 | 603,798 | 1,776,177 |
| Water equipment | 311,223 | - | - | 311,223 | 229,123 | 14,901 | 244,024 | 67,199 |
| Water reservoir | 757,764 | - | - | 757,764 | 140,353 | 9,093 | 149,446 | 608,318 |
| | \$ 8,518,252 | \$ 19,002 | - | \$ 8,537,254 | \$ 1,751,449 | \$ 112,530 | \$ 1,863,979 | \$ 6,673,275 |
| Total Tangible Capital Assets | \$ 11,429,597 | \$ 360,233 | - | \$ 11,789,830 | \$ 3,249,455 | \$ 199,653 | \$ 3,449,108 | \$ 8,340,722 |

(Notes 1 to 16 are an integral part of these consolidated financial statements)



**TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
TANGIBLE CAPITAL ASSETS
15 MONTHS ENDED MARCH 31, 2019**

| | Schedule 1 (cont'd) | | | | | | | | | |
|--|--------------------------------|-------------------|----------------------------------|--------------------------|-----------------------------|--------------------|--------------------------|----------------------|--|--|
| | Cost Beginning of Period | Additions | Disposals and Write- Downs | Cost End of Period | Accum Amort Beginning | Amort in Period | Accum Amort Ending | Net Book Value | | |
| Town and Arena | | | | | | | | | | |
| Land | \$ 246,085 | \$ 167,140 | \$ - | \$ 413,225 | \$ - | \$ - | \$ - | \$ 413,225 | | |
| Park | - | 138,700 | - | 138,700 | - | - | - | 138,700 | | |
| Buildings | 1,005,693 | - | - | 1,005,693 | 660,142 | 14,190 | 674,332 | 331,361 | | |
| Fire vehicles | 546,688 | - | - | 546,688 | 306,144 | 42,024 | 348,168 | 198,520 | | |
| Equipment | 341,335 | 4,389 | - | 345,724 | 236,574 | 24,572 | 261,146 | 84,578 | | |
| Electronic equipment | 32,054 | - | - | 32,054 | 32,054 | - | 32,054 | - | | |
| Streets and sidewalks | 413,526 | - | - | 413,526 | 150,092 | 20,676 | 170,768 | 242,758 | | |
| Vehicles | 15,735 | - | - | 15,735 | 8,541 | 2,997 | 11,538 | 4,197 | | |
| | <u>\$ 2,601,116</u> | <u>\$ 310,229</u> | <u>\$ -</u> | <u>\$ 2,911,345</u> | <u>\$ 1,393,547</u> | <u>\$ 104,459</u> | <u>\$ 1,498,006</u> | <u>\$ 1,413,339</u> | | |
| Water and Sewer | | | | | | | | | | |
| Land | \$ 35,435 | \$ - | \$ - | \$ 35,435 | \$ - | \$ - | \$ - | \$ 35,435 | | |
| Building | - | 3,000 | - | 3,000 | - | 188 | 188 | 2,812 | | |
| Sewerage system | 4,962,598 | 4,070 | - | 4,966,668 | 667,859 | 74,500 | 742,359 | 4,224,309 | | |
| Sewerage equipment | 64,187 | - | - | 64,187 | 64,187 | - | 64,187 | - | | |
| Water system | 2,379,975 | - | - | 2,379,975 | 539,539 | 35,700 | 575,239 | 1,804,736 | | |
| Water equipment | 311,223 | - | - | 311,223 | 210,078 | 19,045 | 229,123 | 82,100 | | |
| Water reservoir | 757,764 | - | - | 757,764 | 128,986 | 11,367 | 140,353 | 617,411 | | |
| | <u>\$ 8,511,182</u> | <u>\$ 7,070</u> | <u>\$ -</u> | <u>\$ 8,518,252</u> | <u>\$ 1,610,649</u> | <u>\$ 140,800</u> | <u>\$ 1,751,449</u> | <u>\$ 6,766,803</u> | | |
| Total Tangible Capital Assets | \$ 11,112,298 | \$ 317,299 | \$ - | \$ 11,429,597 | \$ 3,004,196 | \$ 245,259 | \$ 3,249,455 | \$ 8,180,142 | | |

(Notes 1 to 16 are an integral part of these consolidated financial statements)



**TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF OPERATIONS - TOWN
YEAR ENDED MARCH 31, 2020**

| | Budget 2020 | Actual 2020 | Schedule 2 Actual 2019 (15 months) |
|--|--------------------|-------------------|---|
| Revenues | | | |
| Property taxes | \$ 436,235 | \$ 553,828 | \$ 680,093 |
| Government transfers for capital - Note 7 | - | 332,746 | 314,130 |
| Fire dues | 50,000 | 50,101 | 71,375 |
| Grants - job creation | 6,000 | 44,285 | 42,293 |
| Miscellaneous | 20,000 | 37,046 | 20,207 |
| Grants - municipal support | 102,178 | 34,308 | 12,424 |
| Donations | 4,000 | 9,405 | 5,381 |
| Grants - recreation | 5,000 | 5,640 | 5,000 |
| Fines and fees | 9,000 | 3,784 | 8,880 |
| Government transfers for operations - Note 8 | - | 2,500 | 9,984 |
| Licenses and permits | 1,700 | 104 | 920 |
| Newsletter | 5,000 | (920) | 4,194 |
| | <u>639,113</u> | <u>1,072,827</u> | <u>1,174,881</u> |
| Expenditures | | | |
| Fire Protection - Schedule 3 | 123,245 | 126,719 | 159,703 |
| General Government - Schedule 3 | 228,385 | 218,135 | 220,940 |
| Police Protection | 139,516 | 138,000 | 166,947 |
| Properties and Planning - Schedule 4 | 39,573 | 28,113 | 33,640 |
| Public Works - Schedule 4 | 69,125 | 69,625 | 84,598 |
| Recreation - Schedule 5 | 95,830 | 125,176 | 98,182 |
| | <u>695,674</u> | <u>705,768</u> | <u>764,010</u> |
| Annual Surplus | <u>\$ (56,561)</u> | <u>\$ 367,059</u> | <u>\$ 410,871</u> |

(Notes 1 to 16 are an integral part of these consolidated financial statements)

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF EXPENDITURES - TOWN
YEAR ENDED MARCH 31, 2020

| | Budget 2020 | Actual 2020 | Schedule 3 Actual 2019 (15 months) |
|---|-------------------|-------------------|---|
| Fire Protection | | | |
| Amortization of tangible capital assets | \$ 20,000 | \$ 32,049 | \$ 54,274 |
| Convention and training | 4,000 | 3,926 | 1,506 |
| Gas, oil and repairs | 5,200 | 4,181 | 7,878 |
| Honorariums | 9,000 | 9,350 | 8,150 |
| Insurance | 6,800 | 7,059 | 9,756 |
| Interest on long term debt | 8,100 | 7,730 | 10,172 |
| Licenses and dues | 200 | 60 | 90 |
| Miscellaneous | 1,500 | 120 | 41 |
| Supplies | 3,300 | 2,288 | 3,539 |
| Telephone | 7,000 | 4,712 | 7,594 |
| Water charge | 38,000 | 38,000 | 38,000 |
| | <u>103,100</u> | <u>109,475</u> | <u>141,000</u> |
| Portion of civic building costs | 20,145 | 17,244 | 18,703 |
| | <u>\$ 123,245</u> | <u>\$ 126,719</u> | <u>\$ 159,703</u> |
| General Government | | | |
| Advertising and donations | \$ 4,800 | \$ 5,200 | \$ 4,101 |
| Amortization of tangible capital assets | 15,500 | 16,485 | 15,223 |
| Conference and travel | 3,000 | 1,289 | 3,332 |
| Equipment rental and repairs | 3,860 | 1,720 | 2,201 |
| Honorariums | 17,200 | 16,821 | 21,306 |
| Interest and bank charges | 4,000 | 2,242 | 5,599 |
| Interest on long term debt | 4,200 | 3,941 | 5,230 |
| Legion tax rebate | 825 | - | 825 |
| Liability insurance | 8,300 | 1,263 | 13,001 |
| Memberships and dues | 1,850 | 1,833 | 2,423 |
| Miscellaneous | 2,000 | 4,029 | 4,293 |
| Office supplies and postage | 12,190 | 10,973 | 11,295 |
| Professional fees | 19,500 | 52,773 | 10,906 |
| Rent | 11,454 | 10,956 | 13,503 |
| Repairs and maintenance | 2,800 | 9,518 | 5,137 |
| Salary and benefits | 213,132 | 178,444 | 207,216 |
| Supplies | 1,250 | 696 | 855 |
| Telephone | 4,400 | 4,190 | 5,641 |
| Tractor gas and repairs | 2,600 | 2,696 | 2,863 |
| Truck allowance maintenance | 3,000 | 2,087 | 2,974 |
| | <u>335,861</u> | <u>327,156</u> | <u>337,924</u> |
| Portion allocated to sewerage and water | (107,476) | (109,021) | (116,984) |
| | <u>\$ 228,385</u> | <u>\$ 218,135</u> | <u>\$ 220,940</u> |

(Notes 1 to 16 are an integral part of these consolidated financial statements)

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF EXPENDITURES - TOWN
YEAR ENDED MARCH 31, 2020

| | Budget 2020 | Actual 2020 | Schedule 4 Actual 2019 (15 months) |
|---|----------------|----------------|---|
| Properties and Planning | | | |
| Civic building | \$ 23,700 | \$ 24,634 | \$ 32,812 |
| Development officer | 3,500 | 3,337 | 7,541 |
| Garbage cleanup | 800 | 1,162 | 728 |
| Library and capsite | 665 | 64 | 181 |
| Maintenance building | 3,900 | 5,323 | 5,643 |
| Marine rail park | 6,570 | 10,745 | 4,850 |
| Property tax - other properties | 438 | 92 | 588 |
| | 39,573 | 45,357 | 52,343 |
| Department allocation - civic building | - | (17,244) | (18,703) |
| | \$ 39,573 | \$ 28,113 | \$ 33,640 |
| Public Works | | | |
| Amortization of tangible capital assets | \$ 19,375 | \$ 18,007 | \$ 20,676 |
| Boardwalk | 2,000 | - | 25 |
| Equipment | 500 | - | - |
| Signs | 250 | 222 | 204 |
| Snow removal | 23,000 | 28,342 | 36,540 |
| Street lights | 22,000 | 22,235 | 27,088 |
| Street repairs | 2,000 | 819 | 65 |
| | \$ 69,125 | \$ 69,625 | \$ 84,598 |

(Notes 1 to 16 are an integral part of these consolidated financial statements)

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF EXPENDITURES - TOWN
YEAR ENDED MARCH 31, 2020

| | Budget 2020 | Actual 2020 | Schedule 5 Actual 2019 (15 months) |
|---|------------------|-------------------|---|
| Recreation | | | |
| Amortization of tangible capital assets | \$ 12,000 | \$ 14,962 | \$ 9,231 |
| Arena transfer | 15,000 | 20,500 | 15,000 |
| Ball field | 500 | 7,758 | 1,955 |
| Conference and training | 100 | - | 577 |
| Insurance | 4,100 | - | 6,928 |
| Interest on long term debt | 2,500 | - | 741 |
| Membership fees | 150 | - | - |
| Salaries and benefits | 38,400 | 41,900 | 34,136 |
| Special events | 22,080 | 38,190 | 27,460 |
| Supplies and day camp | 500 | 294 | 1,453 |
| Travel | 500 | 1,572 | 701 |
| | \$ 95,830 | \$ 125,176 | \$ 98,182 |

(Notes 1 to 16 are an integral part of these consolidated financial statements)

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF OPERATIONS - SEWERAGE
YEAR ENDED MARCH 31, 2020

| | Budget 2020 | Actual 2020 | Actual 2019 (15 months) |
|---|--------------------|--------------------|-------------------------------|
| Schedule 6 | | | |
| Revenues | | | |
| Residential | \$ 120,000 | \$ 94,545 | \$ 120,159 |
| Commercial | 70,625 | 58,328 | 76,659 |
| Dumping fees | 1,111 | 889 | 1,779 |
| Interest | 6,030 | - | 987 |
| Other | - | - | 158 |
| | <u>197,766</u> | <u>153,762</u> | <u>199,742</u> |
| Expenditures | | | |
| Operating | | | |
| Electricity | 9,420 | 6,306 | 9,863 |
| Repairs and maintenance | 22,380 | 3,507 | 5,174 |
| Salaries and wages | 20,700 | 21,450 | 24,774 |
| | <u>52,500</u> | <u>31,263</u> | <u>39,811</u> |
| General | | | |
| Bad debts | - | - | 1,303 |
| Insurance | 415 | 374 | 525 |
| Interest and bank charges | 350 | 304 | 409 |
| Memberships and dues | 2,312 | 2,168 | 1,696 |
| Professional fees | 1,950 | 2,118 | 1,750 |
| Property taxes | 720 | 927 | - |
| Supplies | 1,875 | - | 216 |
| | <u>7,622</u> | <u>5,891</u> | <u>5,899</u> |
| Other | | | |
| Amortization of tangible capital assets | 89,840 | 59,903 | 74,594 |
| Interest on long term debt | 46,865 | 21,806 | 27,529 |
| | <u>136,705</u> | <u>81,709</u> | <u>102,123</u> |
| Subtotal Expenditures | <u>196,827</u> | <u>118,863</u> | <u>147,833</u> |
| Allocation from general government | <u>53,388</u> | <u>54,511</u> | <u>58,493</u> |
| Total Expenditures | <u>250,215</u> | <u>173,374</u> | <u>206,326</u> |
| Annual Surplus | <u>\$ (52,449)</u> | <u>\$ (19,612)</u> | <u>\$ (6,584)</u> |

(Notes 1 to 16 are an integral part of these consolidated financial statements)

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF OPERATIONS - WATER
YEAR ENDED MARCH 31, 2020

| | Budget 2020 | Actual 2020 | Schedule 7 Actual 2019 (15 months) |
|---|--------------------|--------------------|---|
| Revenues | | | |
| Residential | \$ 70,016 | \$ 56,849 | \$ 70,139 |
| Public fire protection service | 43,798 | 38,000 | 38,000 |
| Commercial | 47,500 | 36,524 | 48,112 |
| Government transfers for capital - Note 7 | - | 1,727 | 370 |
| Miscellaneous | 750 | 60 | - |
| Interest | 6,005 | (1,900) | 987 |
| Inspection/connection fees | 120 | - | 120 |
| | <u>168,189</u> | <u>131,260</u> | <u>157,728</u> |
| Expenditures | | | |
| Operating | | | |
| Electricity | 14,800 | 14,748 | 16,833 |
| Repairs and maintenance | 22,985 | 17,913 | 25,858 |
| Salaries and wages | 20,700 | 18,150 | 24,774 |
| | <u>58,485</u> | <u>50,811</u> | <u>67,465</u> |
| General | | | |
| Insurance | 415 | 374 | 525 |
| Interest and bank charges | 350 | 100 | 71 |
| Memberships and dues | 2,312 | 2,168 | 1,696 |
| Professional fees | 1,950 | 2,118 | 1,750 |
| Property taxes | 302 | 584 | - |
| Supplies | 1,250 | 219 | 162 |
| | <u>6,579</u> | <u>5,563</u> | <u>4,204</u> |
| Other | | | |
| Amortization of tangible capital assets | 49,888 | 52,630 | 66,204 |
| Interest on long term debt | 24,437 | 21,806 | 27,495 |
| | <u>74,325</u> | <u>74,436</u> | <u>93,699</u> |
| Subtotal Expenditures | <u>139,389</u> | <u>130,810</u> | <u>165,368</u> |
| Allocation from general government | 53,388 | 54,511 | 58,493 |
| Total Expenditures | <u>192,777</u> | <u>185,321</u> | <u>223,861</u> |
| Annual Surplus | <u>\$ (24,588)</u> | <u>\$ (54,061)</u> | <u>\$ (66,133)</u> |

(Notes 1 to 16 are an integral part of these consolidated financial statements)

TOWN OF BORDEN-CARLETON
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF OPERATIONS - GATEWAY ARENA
YEAR ENDED MARCH 31, 2020

| | Budget 2020 | Actual 2020 | Schedule 8 Actual 2019 (15 months) |
|---|--------------------|--------------------|---|
| Revenues | | | |
| Ice rentals | \$ 61,055 | \$ 57,439 | \$ 84,721 |
| Canteen sales | 40,000 | 31,436 | 60,215 |
| Grants - Town of Borden-Carleton | 25,000 | 20,500 | 21,928 |
| Government transfers for capital - Note 7 | - | 19,996 | - |
| Grants - salaries | 6,200 | 13,187 | 13,545 |
| Grants - recreation | 8,500 | 8,500 | 8,500 |
| Gym membership fees | 1,500 | 1,309 | 2,111 |
| Miscellaneous | 600 | 471 | 2,659 |
| Signage | 4,800 | 150 | 3,397 |
| Vending machines | 120 | 28 | 110 |
| Grant - Province of PEI | - | - | 1,607 |
| Donations | 1,625 | - | 750 |
| | 149,400 | 153,016 | 199,543 |
| Expenditures | | | |
| Advertising and donations | 100 | - | - |
| Amortization of tangible capital assets | 5,050 | 5,620 | 5,057 |
| Bad debts | - | - | 1,580 |
| Canteen purchases | 30,000 | 18,321 | 28,348 |
| Conferences and travel | 2,000 | - | 2,895 |
| Electricity | 45,000 | 38,365 | 58,574 |
| Fuel | 13,020 | 11,048 | 13,774 |
| Insurance | - | 4,553 | 6,928 |
| Interest and bank charges | 1,200 | 1,695 | 1,643 |
| Memberships and dues | 380 | 200 | 349 |
| Office supplies | 70 | - | 453 |
| Professional fees | 1,000 | 3,494 | 3,248 |
| Property taxes | 5,100 | 2,780 | 6,762 |
| Repairs and maintenance | 31,815 | 32,069 | 47,402 |
| Telephone | 1,650 | 1,102 | 1,210 |
| Tournaments | 500 | - | 584 |
| Wages - canteen | 33,700 | 26,712 | 31,159 |
| - rink workers | 13,500 | 44,710 | 35,693 |
| | 184,085 | 190,669 | 245,659 |
| Annual Surplus | \$ (34,685) | \$ (37,653) | \$ (46,116) |

(Notes 1 to 16 are an integral part of these consolidated financial statements)