

GRAND FALLS

CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2025

GRAND FALLS

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Year ended December 31, 2025

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GRAND FALLS
MANAGEMENT'S REPORT
Year ended December 31, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements in this report are prepared in accordance with Canadian public sector accounting standards, as described in Note 2 to the consolidated financial statements.

The consolidated financial statements and all other information in this annual financial report are the responsibility of management. Management has also ensured consistency between the consolidated financial statements and all other information disclosed in the annual financial report.

To assess certain facts and operations, management has made estimates based on its best judgment of the situation and by taking into account materiality.

Management is responsible for maintaining appropriate internal control and accounting systems that provide reasonable assurance that the Town's policies are adopted, that its operations are carried out in accordance with the appropriate laws and authorizations, that its assets are adequately safeguarded, and that the consolidated financial statements are based on reliable accounting records.

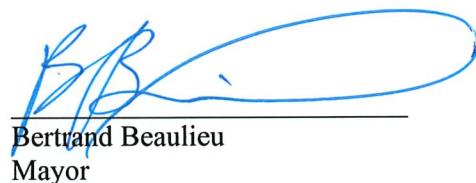
The Town's powers and responsibilities are exercised by the municipal council.

The Town council's responsibilities include overseeing financial reporting and presentation procedures, which includes reviewing the consolidated financial statement and other information contained in this annual financial report.

The independent auditor, Nadeau Picard & Associés, CPA, have audited the consolidated financial statements and presented the following reports.



Éric Gagnon
Chief Administrative Officer



Bertrand Beaulieu
Mayor

Grand Falls, New Brunswick
April 15, 2026



INDEPENDANT AUDITORS' REPORT

To His Worship The Mayor
and Members of Council

Opinion

We have audited the consolidated financial statements of Grand Falls (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operation, 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 consolidated financial position of the Municipality as at December 31, 2025, and the results of its consolidated operation, change in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter

Without modifying our opinion, we draw attention to the fact that the Municipality includes in its financial statements certain financial information not required under Canadian public sector accounting standards. This information is prepared according to the form prescribed by the Department of Environment and Local Government of the Province of New Brunswick.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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 related 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Municipality's audit. We remain solely responsible for our audit opinion.

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.

Nadeau Picard & Associés, CPA
Nadeau Picard & Associés, CPA
Chartered Professional Accountants

Grand Falls, New Brunswick
April 15, 2026

GRAND FALLS
CONSOLIDATED STATEMENT OF OPERATION
Year ended December 31

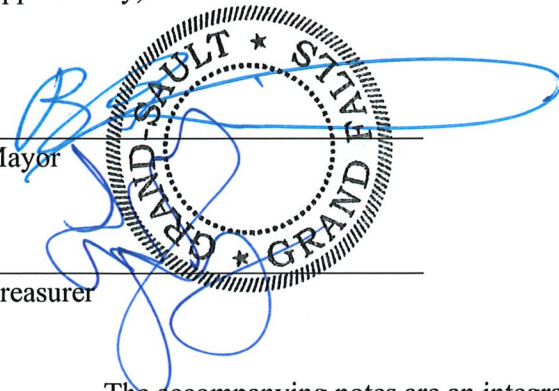
	<u>2025</u>		<u>2024</u>
	(Unaudited) Budget (Note 21)	Actual (Note 17)	Actual (Note 17)
REVENUES			
Property tax warrant	\$ 17,066,853	\$ 17,066,853	\$ 15,761,907
Services provided to other governments (note 22)	545,658	624,361	638,795
Sale of services, fines and other fees	1,674,865	2,112,245	1,795,423
Unconditional grant	709,350	709,350	787,301
Other government transfers (note 22)	30,567	1,556,357	662,121
Water and sewer user fees	2,797,730	2,998,398	2,523,076
Interest	46,825	188,306	228,730
Donations & others	-	83,723	33,214
Gain on disposal of tangible capital assets	-	104,115	4,123
	<u>22,871,848</u>	<u>25,443,708</u>	<u>22,434,690</u>
EXPENDITURES (note 22)			
General government services	2,864,837	2,967,178	2,889,826
Protective services	6,061,577	5,310,718	5,119,965
Transportation services	4,613,629	5,201,354	4,263,607
Environmental health services	1,066,676	991,863	1,064,386
Environmental development and tourism services	2,125,466	2,114,352	1,779,057
Recreational and cultural services	3,899,676	4,076,552	3,895,898
Water and sewer	<u>3,507,572</u>	<u>3,729,052</u>	<u>3,356,152</u>
	<u>24,139,433</u>	<u>24,391,069</u>	<u>22,368,891</u>
Annual surplus (deficit)	\$ <u>(1,267,585)</u>	1,052,639	65,799
Accumulated surplus, beginning of year,		<u>54,004,307</u>	<u>53,938,508</u>
Accumulated surplus, end of year		\$ <u>55,056,946</u>	\$ <u>54,004,307</u>

The accompanying notes are an integral part of these consolidated financial statements.

GRAND FALLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31

	<u>2025</u>	<u>2024</u>
FINANCIAL ASSETS		
Cash	\$ 4,155,776	\$ 2,143,690
Cash - restricted (Note 3)	5,365,669	5,219,155
Receivables		
General	637,410	338,936
Federal government and its agencies (Note 4)	1,017,190	786,485
Province of New Brunswick (Note 5)	1,077,988	2,124,180
Post employment benefits (Note 9)	<u>78,900</u>	<u>-</u>
	<u>12,332,933</u>	<u>10,612,446</u>
LIABILITIES		
Bank loans	1,173,921	2,720,751
Payables and accruals	3,190,243	2,366,612
Unearned revenues - Canada Community-Building Fund	2,501,878	2,070,718
Long-term debt (Note 7)	21,169,000	17,809,000
Accrued sick leave (Note 8)	1,150,500	1,273,025
Termination benefits	-	50,000
Post employment benefits (Note 9)	<u>-</u>	<u>139,600</u>
	<u>29,185,542</u>	<u>26,429,706</u>
NET DEBT	<u>(16,852,609)</u>	<u>(15,817,260)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	148,349,666	142,198,297
Accumulated amortization	<u>(76,895,177)</u>	<u>(72,932,829)</u>
	71,454,489	69,265,468
Inventory of supplies	455,066	464,813
Prepaid expenses	<u>-</u>	<u>91,286</u>
	<u>71,909,555</u>	<u>69,821,567</u>
ACCUMULATED SURPLUS	<u>\$ 55,056,946</u>	<u>\$ 54,004,307</u>

Approved by,



Mayor

Treasurer

The accompanying notes are an integral part of these consolidated financial statements.

GRAND FALLS
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
Year ended December 31

	2025		2024
	(Unaudited) Budget	Actual	Actual
Annual surplus	\$ (1,267,585)	\$ 1,052,639	\$ 65,799
Acquisition of tangible capital assets	(6,900,000)	(6,874,513)	(4,451,605)
Proceeds on disposal of tangible capital assets	200,000	208,285	4,123
Amortization of tangible capital assets	4,581,322	4,581,322	4,445,921
Gain on disposal of tangible capital assets	<u>(100,000)</u>	<u>(104,115)</u>	<u>(4,123)</u>
	<u>(2,218,678)</u>	<u>(1,136,382)</u>	<u>60,115</u>
Acquisition of inventories	(450,000)	(455,066)	(464,813)
Acquisition of prepaid assets	-	-	(91,286)
Consumption of inventories	460,000	464,813	430,965
Use of prepaid assets	<u>90,000</u>	<u>91,286</u>	<u>19,906</u>
	<u>100,000</u>	<u>101,033</u>	<u>(105,228)</u>
Decrease (increase) in Net Debt	(2,118,678)	(1,035,349)	(45,113)
Net Debt, beginning of the year	<u>(15,817,260)</u>	<u>(15,817,260)</u>	<u>(15,772,147)</u>
Net Debt, end of the year	<u>(17,935,938)</u>	<u>\$ (16,852,609)</u>	<u>\$ (15,817,260)</u>

The accompanying notes are an integral part of these consolidated financial statements.

**GRAND FALLS
CONSOLIDATED STATEMENT OF CASH FLOW**

Year ended December 31

	<u>2025</u>	<u>2024</u>
(Indirect method)		
Operation transactions		
Annual surplus (Note 17)	\$ 1,052,639	\$ 65,799
Items not affecting cash:		
Gain on disposal of tangible capital assets	(104,115)	(4,123)
Amortization of tangible capital assets	<u>4,581,322</u>	<u>4,445,921</u>
	<u>5,529,846</u>	<u>4,507,597</u>
Net changes in non-cash working capital items:		
Receivable - General	(298,474)	(3,068)
Receivable - Federal Government and its agencies	(230,705)	283,544
Receivable - Province of New Brunswick	1,046,192	(1,500,463)
Payables and accruals	823,631	871,378
Unearned revenues - Gas Tax Fund	431,160	721,766
Accrued sick leave	(122,525)	-
Accrued retirement benefits	(50,000)	(90,000)
Post employment benefits payable	(218,500)	(235,400)
Change in inventory/prepaid expenses	<u>101,033</u>	<u>(105,228)</u>
	<u>1,481,812</u>	<u>(57,471)</u>
	<u>7,011,658</u>	<u>4,450,126</u>
Capital transactions		
Acquisition of tangible capital assets	(6,874,513)	(4,451,605)
Proceeds on disposal of tangible capital assets	<u>208,285</u>	<u>4,123</u>
	<u>(6,666,228)</u>	<u>(4,447,482)</u>
Financing transactions		
Bank loan	(1,546,830)	1,704,746
Additional financing	4,989,000	2,204,000
Long-term debt	<u>(1,629,000)</u>	<u>(1,496,000)</u>
	<u>1,813,170</u>	<u>2,412,746</u>
Investing transactions		
Variation in restricted cash	<u>(146,514)</u>	<u>48,088</u>
Net increase (decrease) in cash and cash equivalents	2,012,086	2,463,478
Cash and bank overdraft, beginning of year	<u>2,143,690</u>	<u>(319,788)</u>
Cash, end of year	\$ <u>4,155,776</u>	\$ <u>2,143,690</u>

The accompanying notes are an integral part of these consolidated financial statements.

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

1. STATUS AND PURPOSE OF THE ORGANIZATION

The Grand Falls Regional Municipality has been created following an amalgamation of Grand Falls, Drummond, St-André, the LSD of Grand Falls and the LSD of Drummond as a municipality under the *Local Governance Act* on January 1st, 2023. As a municipality, Grand Falls is exempt from income tax under section 149(1)(c) of the *Canadian Income Tax Act*. The Municipality has the following vision statement, "A bilingual town that has built on its rich history, natural beauty and community spirit to become a full-service and accessible town with an innovative economy and excellent quality of life".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The focus of Public Sector Accounting Standards' financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Municipality.

The entities included in the financial statements are as follows:

Grand Falls Golf Club Inc.
Société de développement du centre des affaires
Falls & Gorge Commission
Les Habitations Sociales de St-André de Madawaska Inc.

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

Reporting entity

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

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budgets figures contained in these financial statements were approved by Council on December 18, 2024 and the Minister of Environment and Local Government on December 19, 2024.

Government transfers

Government transfers are accounted for in the financial statements as revenues during the period the activities giving rise to the transfer occurred provided that transfers are authorized, that the eligibility criterias are met and reasonable estimates of the amounts can be made. Transfers received for which expenses have not yet occurred are included in deferred income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

- a) Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.
- b) Other revenue is recorded when it is earned.
- c) Grants and donations received from a third party to assist with the construction or purchase of a capital asset owned by the Municipality are recognized as revenue at the fair market value.

Deferred revenues

Deferred revenues consist of grants, contributions and other amounts received from a third party under legislature, regulations and agreements that can only be used for certain programs, for the completion of particular projects or for the purchase of capital assets. Revenues are recognized in the period in which the related expenses are incurred. Furthermore, all funds from external sources and revenues limited by agreement or legislation are accounted for as deferred revenues until they are utilized for the specified purposes.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known. Actual results may differ from those estimates.

The main estimates relate to the useful life of tangible capital assets and employee future benefits.

Financial instruments

The Municipality's financial instruments consist of cash, investments, receivables, bank loan, payables and accruals, post employment benefits and long-term debt. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Municipality is exposed to credit risk through accounts receivable. The Municipality minimizes credit risk through ongoing credit management.

The Municipality is also exposed to interest rate risk on its fixed-rate and variable rate financial instruments.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

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

Asset type	<u>Years</u>
Land improvements	20-25 years
Buildings	15-40 years
Vehicles	3-5 years
Machinery and equipment	5-40 years
Heavy equipment	12-15 years
Computer hardware & software & communication equipment	3-5 years
Furniture & fixtures	5 years
Road surface	10 years
Lighting / traffic lights	15 years
Water and wastewater networks	15-60 years
Dams and water structures	10-15 years
Leasehold improvements	Over the term of the lease

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

Impairment

Capital assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the total of the undiscounted cash flows expected from its use and disposition. If the asset is impaired, the impairment loss to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a write-down of the asset and a charge to operations during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Segmented information

The Municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality'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 Municipality. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Segmented information (continued)

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, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

Environmental health services

This department is responsible for the provision of waste collection and disposal.

Environmental development services

This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and cultural services

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

Water and Wastewater Systems

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

Inventory of supplies

Inventory is valued at the lower of cost and net replacement cost with cost being determined on the first-in, first out basis.

Post Employment Benefits

The Municipality recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in Note 8 and a long-term service award and pension plan as documented in Note 9.

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

3. CASH - RESTRICTED	2025	2024
Capital reserves	\$ 3,069,207	\$ 2,908,718
Operating reserves	746,540	730,382
Canada Community Building Fund	785,613	769,328
Sick days fund	728,419	777,406
CMHC reserve fund	<u>35,890</u>	<u>33,321</u>
	\$ 5,365,669	\$ 5,219,155

4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES	2025	2024
Canada Revenue Agency (HST refund)	\$ 661,474	\$ 412,552
Canada Community Building Fund	355,716	341,487
Atlantic Canada Opportunities Agency	<u>-</u>	<u>32,446</u>
	\$ 1,017,190	\$ 786,485

5. DUE FROM PROVINCE OF NEW BRUNSWICK	2025	2024
Environment and Local Government	\$ 12,500	\$ -
Regional Development Corporation	24,871	183,880
Small Communities Fund	163,208	-
Transportation and Infrastructure	<u>877,409</u>	<u>1,940,300</u>
	\$ 1,077,988	\$ 2,124,180

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

6. **SCHEDULE OF TANGIBLE CAPITAL ASSETS**

	Land	Land improvements	Buildings	Vehicles	Machinery and equipment	Infrastructure			Assets under construction	2025 Total	2024 Total
						Roads and streets	Treatment facilities	Water and sewer			
Cost											
Balance, beginning of year	\$ 6,379,232	\$ 6,031,586	\$ 39,374,547	\$ 7,760,286	\$ 12,621,938	\$ 19,891,812	\$ 12,959,344	\$ 37,179,552	\$ -	\$ 142,198,297	\$ 137,750,815
Add:											
Net additions during the year	-	138,882	537,807	1,779,199	830,032	6,257	-	3,582,336	-	6,874,513	4,451,605
Less:											
Disposals during the year	-	-	-	(455,381)	(267,763)	-	-	-	-	(723,144)	(4,123)
Balance, end of year	6,379,232	6,170,468	39,912,354	9,084,104	13,184,207	19,898,069	12,959,344	40,761,888	-	148,349,666	142,198,297
Accumulated Amortization											
Balance, beginning of year	-	2,949,437	17,386,829	5,212,589	8,384,852	11,691,989	5,588,176	21,718,957	-	72,932,829	68,491,031
Add:											
Amortization during the year	-	319,859	1,028,714	527,241	600,478	1,021,431	204,401	879,198	-	4,581,322	4,445,921
Less:											
Accumulated amortization on disposition	-	-	-	(370,699)	(248,275)	-	-	-	-	(618,974)	(4,123)
Balance, end of year	-	3,269,296	18,415,543	5,369,131	8,737,055	12,713,420	5,792,577	22,598,155	-	76,895,177	72,932,829
Net book value	\$ 6,379,232	\$ 2,901,172	\$ 21,496,811	\$ 3,714,973	\$ 4,447,152	\$ 7,184,649	\$ 7,166,767	\$ 18,163,733	\$ -	\$ 71,454,489	\$ 69,265,468
Consist of:											
General Fund Assets	\$ 5,540,660	\$ 2,793,101	\$ 20,393,806	\$ 3,696,855	\$ 3,581,357	\$ 7,184,649	\$ 7,166,767	\$ -	\$ -	\$ 50,357,195	\$ 50,627,429
Water & Sewer Fund Assets	838,572	108,071	1,103,005	18,118	865,795	-	-	18,163,733	-	21,097,294	18,638,039
	\$ 6,379,232	\$ 2,901,172	\$ 21,496,811	\$ 3,714,973	\$ 4,447,152	\$ 7,184,649	\$ 7,166,767	\$ 18,163,733	\$ -	\$ 71,454,489	\$ 69,265,468

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

7. LONG-TERM DEBT

2025

2024

New Brunswick Municipal Financing Corporation

Debentures:

BO-15 1.45% - 2.9%, due 2026, OIC #06-21	15,000	30,000
BO-14 1.45% -2.9%, due 2026, OIC #05-61 and 05-89	15,000	30,000
BP-14 1.2% - 2.95%, due 2026, OIC #15-21	13,000	25,000
CA-37 0.855% - 1.786%, due 2026, OIC #01-25	15,000	30,000
BP-28 1.2% - 2.95%, due 2026, OIC #15-4	21,000	41,000
BT-13 2.1% - 3.45%, due 2028, OIC #15-56, #17-18 and #17-25	140,000	183,000
BU-14 2.55% - 3.4%, due 2028, OIC #15-56 and # 18-20	93,000	122,000
BW-21 1.95% - 2.45%, due 2029, OIC #09-47, #09-81, #18-20, #18-68 and #19-43	451,000	558,000
BW-22 1.95% - 2.45%, due 2029, OIC #09-19 and #09-41	206,000	254,000
BV-13 2% - 2.85%, due 2029, OIC #08-76, #08-77 and #15-56	399,000	493,000
BW-55 1.95% - 2.45%, due 2029, OIC #19-19	53,000	66,000
BY-19 0.5% - 1.8%, due 2030, OIC #19-43	152,000	181,000
CA-17 0.855% - 2.378%, due 2031, OIC #09-41	109,000	126,000
BO-38 1.45% - 3.5%, due 2031, OIC #15-55	65,000	75,000
BZ-30 0.3% - 2.3%, due 2031, OIC #09-134	113,000	131,000
BH-20 1.35% - 3.8%, due 2032, OIC #09-47, #10-17, #11-15 and #12-12	68,000	76,000
BR-14 1.65% - 3.2%, due 2032, OIC #15-56 and #17-18	704,000	839,000
BQ-13 1.2% - 3.3%, due 2032, OIC #15-56	50,000	56,000
BI-18 1.35% - 4%, due 2033, OIC #01-79 and #09-41	125,000	138,000
BJ-15 1.25% - 4.4%, due 2033, OIC #11-115	409,000	451,000
BL-20 1.2% - 3.7%, due 2034, OIC #01-79, #03-64, #03-83 and #04-26	355,000	405,000
CF-4 4.835% - 4.506%, due 2034, OIC #23-48	348,000	379,000
CG-13 3.360% - 3.962%, due 2034, OIC #23-48, #24-20 and #24-31	658,000	775,000
BM-12 0.95% - 3.5%, due 2035, OIC #01-79 and #04-26	493,000	566,000
BN-13 1.05% - 3.9%, due 2035, OIC #04-26, #05-25, #05-61, #14-34, #14-40, #14-41 and #15-21	80,000	147,000
BN-14 1.05% - 3.9%, due 2035, OIC #04-26 and #05-25	248,000	268,000
BM-47 0.95% - 3.5%, due 2035, OIC #04-24 and #12-35	707,000	754,000
BN-34 1.05% - 3.9%, due 2035, OIC #12-35 and #12-70	797,000	838,000
CH-13 2.85% - 4.2%, due 2035, OIC #23-48 and #24-20	1,630,000	-
BP-15 1.2% - 3.8%, due 2036, OIC #06-25	66,000	71,000
BZ-15 0.3% - 2.7%, due 2036, OIC #18-68	120,000	130,000
BZ-42 0.3% - 2.7%, due 2036, OIC #21-06	163,000	176,000
CC-19 3.953% - 4.709%, due 2037, OIC #22-43	337,000	359,000
BY-20 0.5% - 2.6%, due 2040, OIC #09-41	251,000	266,000
CI-7 2.48% - 4.497%, due 2040, OIC #24-20 and #25-27	1,334,000	-
BZ-29 0.3% - 2.95%, due 2041, OIC #20-24	<u>165,000</u>	<u>174,000</u>
Balance to carry forward	<u>10,968,000</u>	<u>9,213,000</u>

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

7. LONG-TERM DEBT (continued)	2025	2024
Balance carried forward	10,968,000	9,213,000
CA-16 0.855% - 2.961%, due 2041, OIC #19-69 and 21-23	920,000	1,044,000
CB-9 3.005% - 4.462%, due 2042, OIC #18-68, #19-69 and #21-23	2,081,000	2,197,000
CC-12 3.953% - 4.848%, due 2042, OIC #19-69 and #21-39	3,142,000	3,267,000
CD-9 4.048% - 5.115%, due 2043, OIC #21-39	1,002,000	1,038,000
CG-14 3.360% - 4.463%, due 2044, OIC #23-71 and #24-20	1,031,000	1,050,000
CI-8 2.48% - 4.773%, due 2045, OIC #19-75, #24-20, #24-31 and #25-20	2,025,000	-
	\$ 21,169,000	\$ 17,809,000

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

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

	<u>Repayments</u>
2026	\$1,887,000
2027	\$1,859,000
2028	\$1,818,000
2029	\$1,710,000
2030	\$1,373,000

8. ACCRUED SICK LEAVE

The Municipality provides sick leave that accumulates at a rate of 1.25 days per month. All employees can accumulate a maximum of 250 days. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. Upon termination or retirement, employees hired since the signing of the most recent employment contract receive an amount equal to 50% of the number of unused sick days accumulated at the then current rate of pay. Employees hired before the signing of the contract receive an amount equal to 100% of the number of unused sick days accumulated at the then current rate of pay. We have assumed the 50% benefit multiple is effective for hires after May 12, 2017 for police officers and December 19, 2017 for all other employees.

An actuarial valuation was performed in 2024 on the 79 employee plan in accordance with Public Sector Accounting Standards 3255. The actuarial method used was the Projected Unit Credit pro-rated on service to the date of retirement. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions use reflect the Municipality's best estimates.

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

8. ACCRUED SICK LEAVE (continued)

The following summarizes the major assumptions in the valuation:

- annual salary increases range from 3% to 3.7% for employees;
- the discount rate used to determine the accrued benefit obligation is 4.26%;
- Net proportion of sick leave utilized is 50% per employee per year;
- retirement age range from 60 to 65; and
- estimated net excess utilization of rate of sick leave varies with age.

The sick leave is a unfunded benefit. The municipality has restricted fund of \$577,468 on December 31, 2025 and \$711,888 on December 31, 2024 for the accrued sick leave.

9. POST EMPLOYMENT BENEFITS PAYABLE

Pension Obligation

Defined benefit pension plan

The Municipality sponsors a contributory defined pension plan for substantially all of its employees. The New Brunswick Municipal Employees Pension Plan (NBMEPP) provides employees of participating municipalities with a defined benefit pension arrangement. These defined pension benefit arrangements are governed by the New Brunswick Pension Benefits Act and the Income Tax Act. The average age of the 75 active employees covered by the plan is 45.9.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 8.00%. The Municipality matches the amounts contributed by its employees. Total benefit payments to retirees during the year was approximately \$411,200 (2024 - \$400,900).

Pensions fund assets are invested in Short Term Securities, Bonds Canadian Equities and Foreign Equities.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NBMEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2023.

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 the Municipality's best estimates.

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

9. POST EMPLOYMENT BENEFITS PAYABLE (continued)

The following summarizes the major assumptions in the valuation:

- 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 is 6.05% per annum;
- retirement age varies by age and employment category;
- estimated average remaining service life is 14.0 years.

Combined employer and employee contributions during the year were \$896,400 (2024 - \$824,000).

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

Accrued Benefit Liability/(Asset)	As at December 31, 2025	As at December 31, 2024
Accrued benefit liability/(asset) at beginning of period	\$ 139,600	\$ 375,000
Pension expense for the year	277,300	299,700
Less employer contributions	(448,200)	(412,000)
Adjustment to prior year liability	(47,600)	(123,100)
Accrued benefit liability/(asset) at end of period	<u>\$ (78,900)</u>	<u>\$ 139,600</u>

In summary, the Accrued Benefit Asset as it relates to Grand Falls is estimated to be \$78,900 as at December 31, 2025. This compares to an Accrued Benefit Liability of \$139,600 as at December 31, 2024. This amount is included in the Post Employment Benefits Payable on the Consolidated Statement of Financial Position.

The financial position as it relates to the estimated Accrued Benefit Liability is shown as follows and illustrates the unamortized amounts being recognized in Pension Expense over time:

Reconciliation of Funded Status at End of Period	As at December 31, 2025	As at December 31, 2024
Accrued benefit obligation	\$ 15,734,000	\$ 14,687,500
Plan assets	<u>15,302,900</u>	<u>13,595,700</u>
Plan deficit/(surplus)	431,100	1,091,800
Unamortized experience gains/(losses)	<u>510,000</u>	<u>952,200</u>
Accrued benefit liability/(asset) at end of period	<u>\$ (78,900)</u>	<u>\$ 139,600</u>

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

9. POST EMPLOYMENT BENEFITS PAYABLE (continued)

The following illustrates the reconciliation of the estimated Accrued Benefit Obligation from the beginning of period to the end of period:

	As at <u>December 31, 2025</u>	As at <u>December 31, 2024</u>
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 14,687,500	\$ 14,001,800
Adjustment to prior year estimate	(87,800)	(315,400)
Current service cost	654,800	568,900
Benefit payments	(411,200)	(400,900)
Interest for period	<u>890,700</u>	<u>833,100</u>
Accrued benefit obligation at end of period	<u>\$ 15,734,000</u>	<u>\$ 14,687,500</u>

The following illustrates the reconciliation of the estimated Plan assets from the beginning of the period to the end of the period:

	As at <u>December 31, 2025</u>	As at <u>December 31, 2024</u>
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 13,595,700	\$ 12,195,300
Adjustment to prior year estimate	362,800	213,800
Employer contributions	448,200	412,000
Employee contributions	448,200	412,000
Benefit payments	(411,200)	(400,900)
Return on plan assets during period	<u>859,200</u>	<u>763,500</u>
Plan assets at end of period	<u>\$ 15,302,900</u>	<u>\$ 13,595,700</u>

Total estimated expenses related to pensions include the following components:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Pension Expense		
Employer current service cost	\$ 206,600	\$ 156,900
Interest on accrued benefit obligation	890,700	833,100
Expected return on assets	(859,200)	(763,500)
Experience loss/(gain)	<u>39,200</u>	<u>73,200</u>
Pension expense	<u>\$ 277,300</u>	<u>\$ 299,700</u>

The pension expense is included in the statements of operations.

10. CONTINGENCIES

In the normal course of operations, the Municipality becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2025 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as the Municipality maintains insurance coverage in amounts considered appropriate.

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

11. COMMITMENTS

The Municipality has equipment lease commitments. The balance of the commitments including taxes is payable over the next 5 years as follows:

2026 - \$252,987
2027 - \$139,544
2028 - \$ 86,026
2029 - \$ 17,561
2030 - \$ 1,329

12. SHORT-TERM BORROWINGS COMPLIANCE

Interim borrowing for capital

The Municipality has arranged a revolving operating facility bearing interest at prime rate for the Water and Sewer capital fund and the General capital fund. The facility is used to provide interim financing for capital expenditures.

The Municipality has ministerial authority for borrowing as follows:

Water and Sewer Capital Fund, M.O. #24-0020	\$ 130,000
Water and Sewer Capital Fund, M.O. #24-0031	\$ 102,000
General Capital Fund, M.O. #21-0039	\$ 300,000
General Capital Fund, M.O. #23-0048	\$ 78,000
General Capital Fund, M.O. #24-0020	\$ 926,000
General Capital Fund, M.O. #24-0031	\$ 100,000
General Capital Fund, M.O. #25-0027	\$ 1,631,000

Operating borrowing

As prescribed in the Municipalities Act, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2025, the Municipality has complied with these restrictions.

Inter-fund borrowing

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

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

13. WATER AND SEWER FUND SURPLUS/DEFICIT

The Municipalities Act requires Water and Sewer Fund surplus/deficit amounts to be absorbed into one or more of four Operating Budgets commencing with the second next ensuing year; the balance of the surplus at the end of the year consists of:

	<u>2025</u>	<u>2024</u>
2025 surplus	\$ 24,828	\$ -
2024 surplus	29,353	29,353
2023 surplus	-	11,799
	<u>\$ 54,181</u>	<u>\$ 41,152</u>

14. WATER COST TRANSFER

The Municipality's water cost transfer for fire protection is within the maximum allowable by Regulation 81-195 under the Municipalities Act based upon the applicable percentage of water system expenditures for the population.

15. REGULATORY REPORTING

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 consolidated financial statements provided to the Department of Local Government of New Brunswick.

According to the Local Governance Act section 84(1), municipalities need to provide, by by-law, for the annual bonding of its officers and employees. The Town is in compliance with this regulation.

16. GENERAL CAPITAL FUND

In 2024, the municipality received a debenture CG13-2024 of the amount of \$775,000. However, an amount of \$190,000 for the recreation and cultural services was not used. The municipality will use these funds in 2026.

In 2025, the municipality received a debenture CI7-2025 of the amount of \$1,334,000. However, an amount of \$318,678 for the protection services was not used. The municipality will use these funds in 2026.

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

17. SCHEDULE OF SEGMENT DISCLOSURE

	General	Protective	Transportation	Environmental health	Environmental development and tourism	Recreation and culture	Water and sewer	2025 Consolidated	2024 Consolidated
Revenues									
Property tax warrant *	\$ 2,128,153	\$ 5,890,262	\$ 3,695,889	\$ 1,051,098	\$ 1,726,059	\$ 2,575,392	-	\$ 17,066,853	\$ 15,761,907
Services provided to other governments	424,115	65,971	134,275	-	-	-	-	624,361	638,795
Sale of service, fines and other fees	193,445	17,617	-	-	732,337	1,168,846	-	2,112,245	1,795,423
Unconditional grant *	88,453	244,817	153,612	43,687	71,740	107,041	-	709,350	787,301
Other government transfers	13,837	-	-	-	11,737	233,137	1,297,646	1,556,357	662,121
Water and sewer user fees	-	-	-	-	-	-	2,998,398	2,998,398	2,523,076
Interest	88,085	-	-	-	349	-	99,872	188,306	228,730
Donations and others	10,601	72,672	-	-	-	450	-	83,723	33,214
Gain (loss) on disposal of capital assets	-	22,672	19,069	86,660	-	-	(24,286)	104,115	4,123
	2,946,689	6,291,339	3,983,776	1,094,785	2,542,222	4,084,866	4,395,916	25,443,708	22,434,690
Expenditures									
Salaries and benefits	1,302,343	3,100,229	1,215,706	-	1,080,073	1,498,503	771,057	8,967,911	8,069,342
Goods and services	1,433,992	1,338,577	2,328,559	986,816	845,368	1,531,652	1,534,638	9,999,602	9,122,108
Amortization	217,166	590,734	1,504,858	1,071	140,814	956,538	1,170,141	4,581,322	4,445,921
Interest	13,677	281,178	152,231	3,976	48,097	89,859	253,216	842,234	731,520
	2,967,178	5,310,718	5,201,354	991,863	2,114,352	4,076,552	3,729,052	24,391,069	22,368,891
Surplus (deficit) for the year	\$ (20,489)\$	980,621 \$	(1,217,578)\$	102,922 \$	427,870 \$	8,314 \$	666,864 \$	1,052,639 \$	65,799

* The property tax warrant and the unconditional grant have been reported on the basis of the budgeted expenses for segment disclosure.

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

18. RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

	General Operating Fund	General Capital Fund	Water & Sewer Operating Fund	Water & Sewer Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Water & Sewer Operating Reserve Fund	Water & Sewer Capital Reserve Fund	Total
2025 annual surplus	\$ 3,502,306	\$ (3,186,662)	\$ 468,199	\$ 177,241	\$ 14,509	\$ 17,670	\$ 1,649	\$ 57,726	\$ 1,052,638
Adjustments to annual surplus for funding requirements									
Second previous year's surplus	75,942	-	11,799	-	-	-	-	-	87,741
Transfers between funds									
Transfer to (from) water & sewer operating fund to the water capital fund	-	-	(113,493)	113,493	-	-	-	-	-
water & sewer capital reserve fund	-	-	(165,000)	-	-	-	-	165,000	-
Transfer to (from) general operating fund to the general capital fund	(1,393,040)	1,393,040	-	-	-	-	-	-	-
general capital reserve fund	(460,000)	-	-	-	-	460,000	-	-	-
water & sewer operating fund	(179,990)	-	179,990	-	-	-	-	-	-
Long-term debt principal repayment	(1,248,000)	1,248,000	(381,000)	381,000	-	-	-	-	-
Proceeds from disposal of tangible capital assets	170,335	(170,335)	37,950	(37,950)	-	-	-	-	-
Gain on disposal of tangible capital assets	(128,401)	128,401	24,286	(24,286)	-	-	-	-	-
Amortization expense	-	3,411,180	-	1,170,141	-	-	-	-	4,581,321
Reduction in amount recorded under PSA for defined benefit liability	(249,713)	-	(18,787)	-	-	-	-	-	(268,500)
Amount of funding for vested employee benefit liability	31,011	-	(19,116)	-	-	-	-	-	11,895
Adjustment to the surplus for control entities	(2,568)	-	-	-	-	-	-	-	(2,568)
Total adjustments to 2025 annual surplus (deficit)	(3,384,424)	6,010,286	(443,371)	1,602,398	-	460,000	-	165,000	4,409,889
2025 annual funds surplus	\$ 117,882	\$ 2,823,624	\$ 24,828	\$ 1,779,639	\$ 14,509	\$ 477,670	\$ 1,649	\$ 222,726	\$ 5,462,527

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

19. **STATEMENT OF RESERVES**

	General Operating Reserve	General Capital Reserve	Water & Sewer Operating Reserve	Water & Sewer Capital Reserve	2025 Total	2024 Total
<u>Assets</u>						
Cash	\$ 661,770	\$ 774,845	\$ 84,770	\$ 2,294,362	\$ 3,815,747	\$ 3,639,099
Receivable from General Operating Fund	-	460,000	-	-	460,000	-
Receivable from Sick Reserve Fund	-	-	-	-	-	85,093
Receivable from Water & Sewer Operating Fund	-	-	-	165,000	165,000	-
<u>Accumulated Surplus</u>	\$ 661,770	\$ 1,234,845	\$ 84,770	\$ 2,459,362	\$ 4,440,747	\$ 3,724,192
<u>Revenues</u>						
Other revenues	\$ 350	\$ -	\$ -	\$ -	\$ 350	\$ 350
Transfers from Water & Sewer Operating Fund	-	-	-	165,000	165,000	128,500
Transfers from General Operating Fund	-	460,000	-	-	460,000	780,000
Interest	14,159	17,670	1,649	57,726	91,204	109,840
<u>Annual surplus (deficit)</u>	\$ 14,509	\$ 477,670	\$ 1,649	\$ 222,726	\$ 716,554	\$ 1,018,690

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

19. STATEMENT OF RESERVES (Continued)

Council Resolutions regarding transfers to and from reserves;

Moved by France Roussel, seconded by Claudette Goguen Kavanaugh, that the amount of \$310,000 be transferred from the general operating fund to the general capital reserve fund.

Moved by France Roussel, seconded by Claudette Goguen Kavanaugh, that the amount of \$150,000 be transferred from the general operating fund to the general capital reserve fund.

Moved by Claudette Goguen Kavanaugh, seconded by France Roussel, that an amount of \$165,000 be transferred from the water and sewer operating fund to the water and sewer capital reserve fund.

I hereby certify that the above are true and exact copies of resolutions adopted at a public meeting of Council on December 17, 2025.

Éric Gagnon
Chief Administrative Officer
Town of Grand Falls



April 16, 2026

Date

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

20. STATEMENT OF CONTROLLED ENTITIES OPERATIONS

	Grand Falls Golf Club Inc	Central Business Development Corp. Inc.	Falls & Gorge Commission	Les Habitations Sociales de St-André Inc	2025 Total	2024 Total
Assets	\$ 690,191	\$ 235,976	\$ 72,454	\$ 212,940	\$ 1,211,561	\$ 1,193,620
Liabilities	1,672,791	-	2,946,120	2,000	4,620,911	4,512,300
Accumulated Surplus (Deficit)	(982,600)	\$ 235,976	\$ (2,873,666)	\$ 210,940	\$ (3,409,350)	\$ (3,318,680)
Revenues	702,082	\$ 58,504	\$ 660,678	\$ 23,089	\$ 1,444,353	\$ 1,275,820
Expenditures	724,960	30,890	753,220	25,952	1,535,022	1,297,347
Surplus (Deficit)	\$ (22,878)	\$ 27,614	\$ (92,542)	\$ (2,863)	\$ (90,669)	\$ (21,527)

The above noted entities are included in the consolidated financial statements.

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

21. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Transfers	Total
Revenues					
Property tax warrant	\$ 17,066,853	\$ -	\$ -	\$ -	\$ 17,066,853
Services provided to other governments	545,658	-	-	-	545,658
Sales of services, fines and other fees	1,674,865	-	-	-	1,674,865
Unconditional grant	709,350	-	-	-	709,350
Other government transfers	30,567	-	-	-	30,567
Other transfers	-	-	-	-	-
Water and sewer user fees	-	2,977,720	-	(179,990)	2,797,730
Interest	36,825	10,000	-	-	46,825
Gain on disposal of capital assets	-	-	-	-	-
Surplus of second previous year	75,942	11,799	-	(87,741)	-
	<u>20,140,060</u>	<u>2,999,519</u>	<u>-</u>	<u>(267,731)</u>	<u>22,871,848</u>
Expenditures					
General government services	2,621,391	-	217,166	26,280	2,864,837
Protective services	5,335,940	-	590,734	134,903	6,061,577
Transportation services	2,858,864	-	1,504,858	249,907	4,613,629
Environmental health services	1,062,150	-	1,071	3,455	1,066,676
Environmental development and tourism services	1,956,268	-	140,814	28,384	2,125,466
Recreational cultural services	2,881,537	-	956,538	61,601	3,899,676
Fiscal services					
Long-term debt repayments	1,340,004	381,372	-	(1,721,376)	-
Interest	684,520	305,818	-	(990,338)	-
Transfer from the General Operating Fund to the					
General Capital Fund	900,180	-	-	(900,180)	-
General Capital Reserve Fund	373,176	-	-	(373,176)	-
General Operating Reserve Fund	126,030	-	-	(126,030)	-
Transfer from the Water and Sewer Operating Fund					
to the Water and Sewer Capital Fund	-	73,700	-	(73,700)	-
to the Water and Sewer Operating Reserve Fund	-	20,000	-	(20,000)	-
to the Water and Sewer Capital Reserve Fund	-	187,016	-	(187,016)	-
Water and Sewer services	-	2,031,613	1,170,141	305,818	3,507,572
	<u>20,140,060</u>	<u>2,999,519</u>	<u>4,581,322</u>	<u>(3,581,468)</u>	<u>24,139,433</u>
Deficit	\$ -	\$ -	\$ (4,581,322)	\$ 3,313,737	\$ (1,267,585)

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

22. REVENUES AND EXPENDITURES SUPPORT

	2025		2024
	(Unaudited) Budget	Actual	Actual
Revenues			
Services to other Governments			
Fire	\$ 54,617	\$ 63,871	\$ 63,408
Transportation	127,425	134,275	127,424
Police	-	2,100	51,587
Rentals	363,616	424,115	396,376
Total - Services to other Governments	\$ 545,658	\$ 624,361	\$ 638,795
Other government transfers			
Atlantic Canada Opportunities Agency	\$ -	\$ 144,500	\$ 153,974
Environment and Local Government	-	26,337	79,512
Regional Development Corporation	-	224,503	209,756
Small Communities Fund	-	841,354	-
Canada Community Building Fund	-	301,209	-
Transportation and Infrastructure	-	-	125,796
Association Francophone des Municipalités du Nouveau-Brunswick	-	-	33,991
Justice and Public Safety	-	-	26,604
Other project	-	-	1,305
Employment projects	30,567	18,454	31,183
Total - Other government transfers	\$ 30,567	\$ 1,556,357	\$ 662,121
Expenditures			
General government services			
Legislative			
Mayor	\$ 61,610	\$ 56,566	\$ 59,061
Councillors	226,545	224,275	218,456
Other	89,000	29,250	50,583
	377,155	310,091	328,100
Administrative			
Manager	200,545	161,219	173,844
Clerk	345,145	310,134	361,081
Accounting	536,560	511,485	512,939
Office building	424,600	484,629	450,263
Professional fees	95,000	276,448	257,652
Grants	123,000	78,723	74,397
Other	39,700	57,959	28,976
	1,764,550	1,880,597	1,859,152
Other			
Office expense	150,425	199,551	155,191
Delegations and training	66,115	74,941	41,248
Amortization	217,166	217,166	223,184
Interest	26,280	13,677	6,743
Cost of assessment	263,146	254,606	241,385
Other	-	16,549	34,823
	723,132	776,490	702,574
Total - General government services	\$ 2,864,837	\$ 2,967,178	\$ 2,889,826

GRAND FALLS
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22. REVENUES AND EXPENDITURES SUPPORT (continued)

	2025		2024
	(Unaudited) Budget	Actual	Actual
Protective services			
Fire			
Administration	\$ 124,445	\$ 127,379	\$ 119,680
Forces	142,825	135,409	103,856
Training	52,500	66,184	56,137
Station	124,650	177,626	120,201
Amortization	389,046	389,046	338,556
Interest	314,893	281,178	284,609
Supplies	135,200	150,124	124,765
Other	181,075	170,542	170,662
	1,464,634	1,497,488	1,318,466
Police			
Administration	377,355	560,900	429,253
Forces	2,382,770	2,633,171	2,190,803
Training	70,000	57,494	42,481
Station	174,775	173,830	190,611
Vehicles	80,250	144,718	81,803
Jail	16,000	7,811	12,820
R.C.M.P.	1,252,395	-	699,940
Amortization	201,688	201,688	117,176
Other	23,210	23,539	18,568
	4,578,443	3,803,151	3,783,455
Other			
Animal control	18,500	10,079	18,044
Total - Protective services	\$ 6,061,577	\$ 5,310,718	\$ 5,119,965
Transportation services			
Common			
Administration	\$ 1,241,565	\$ 1,266,229	\$ 1,080,928
General equipment	329,525	537,730	398,764
Workshop and sundry	183,724	235,109	214,687
	1,754,814	2,039,068	1,694,379
Street maintenance	452,550	764,420	393,417
Culverts	3,250	4,961	837
Snow removal	214,750	303,418	175,910
Street lighting	372,000	368,775	343,109
Traffic signals	9,500	4,715	9,289
Traffic lane marking	52,000	58,908	56,868
Amortization	1,504,858	1,504,858	1,468,715
Interest	249,907	152,231	121,083
Total - Transportation services	\$ 4,613,629	\$ 5,201,354	\$ 4,263,607

GRAND FALLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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22. REVENUES AND EXPENDITURES SUPPORT (continued)

	2025		2024
	(Unaudited) Budget	Actual	Actual
Environmental health services			
Collection	\$ 1,061,850	\$ 986,520	\$ 1,026,925
Amortization	1,071	1,071	33,651
Interest	3,455	3,976	3,527
Other	300	296	283
Total - Environmental health services	\$ 1,066,676	\$ 991,863	\$ 1,064,386
Environmental development and tourism services			
Community planning	\$ 1,021,690	\$ 967,862	\$ 774,805
Tourism promotion	719,720	777,164	638,208
Amortization	140,814	140,814	136,297
Interest	41,484	48,097	45,256
Community development	201,758	180,415	184,491
Total - Environmental development services	\$ 2,125,466	\$ 2,114,352	\$ 1,779,057
Recreation and cultural services			
Administration	\$ 1,132,822	\$ 1,078,523	\$ 1,010,689
Swimming pool	82,975	90,228	83,803
Arena	719,795	880,830	847,945
Golf	509,725	638,509	509,607
Parks and playgrounds	136,075	132,542	140,040
Day camps	53,600	42,973	53,553
Curling Club	10,000	23,926	10,314
Library	70,210	45,651	40,150
Museum	4,285	4,277	3,649
Amortization	956,538	956,538	962,928
Interest	89,301	89,859	88,222
Other	134,350	92,696	144,998
Total - Recreation and cultural services	\$ 3,899,676	\$ 4,076,552	\$ 3,895,898
Water and Sewer			
Water supply			
Administration	\$ 538,948	\$ 509,337	\$ 489,796
Transmission and distribution	596,100	833,285	644,480
Amortization	742,298	742,298	750,050
Interest	121,187	108,750	79,537
Other	238,725	231,317	188,340
Total - Water supply	2,237,258	2,424,987	2,152,203
Sewer collection and disposal			
Administration	370,025	397,407	329,844
Collection system	409,665	422,662	403,535
Amortization	427,843	427,843	415,364
Interest	62,781	56,153	55,206
Total - Sewer collection and disposal	1,270,314	1,304,065	1,203,949
Total - Water and Sewer	\$ 3,507,572	\$ 3,729,052	\$ 3,356,152