

Consolidated Financial Statements of

HARVEY RURAL COMMUNITY

And Independent Auditor's Report thereon

Year ended December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in blue ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal line.

Chartered Professional Accountants

Fredericton, Canada

August 10, 2026

HARVEY RURAL COMMUNITY

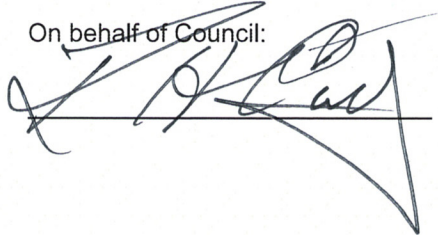
Consolidated Statement of Financial Position

December 31, 2025, with comparative information for 2024

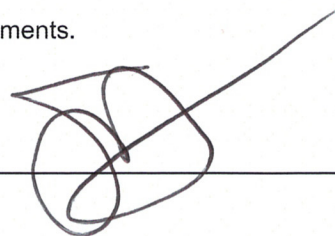
	2025	2024
Financial assets:		
Cash (note 2)	\$ 1,231,339	\$ 634,114
Accounts receivable	289,866	84,256
Federal government and its agencies (note 3)	135,069	78,873
	<u>1,656,274</u>	<u>797,243</u>
Financial liabilities:		
Accounts payable and accrued liabilities	616,285	7,184
Deferred revenue (note 5)	328,091	296,214
Long-term debt (note 6)	52,000	58,000
	<u>996,376</u>	<u>361,398</u>
Net financial assets	659,898	435,845
Non-financial assets:		
Tangible capital assets (note 4)	6,340,663	5,442,669
Accumulated surplus	<u>\$ 7,000,561</u>	<u>\$ 5,878,514</u>

See accompanying notes to consolidated financial statements.

On behalf of Council:



Mayor



CAO



HARVEY RURAL COMMUNITY

Consolidated Statement of Operations and Changes in Accumulated Surplus

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

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Property tax warrant	\$ 3,255,060	\$ 3,255,060	\$ 2,911,274
Other government transfers (note 13)	11,470	222,620	2,269,620
Water and wastewater services	93,263	94,319	75,791
Community funding and equalization	125,810	125,810	73,158
Revenue from own sources (note 14)	68,448	761,411	66,532
Services to other governments (note 14)	48,438	253,243	82,992
Interest	-	19,812	25,266
CCBF contributions (note 5)	-	490,142	134,557
	3,602,489	5,222,417	5,639,190
Expenses:			
General government services	532,909	666,458	617,499
Protective services	1,725,374	1,901,223	1,692,457
Transportation services	100,341	233,010	143,908
Environmental health services	472,885	451,471	434,911
Environmental development services	252,515	362,393	309,218
Recreation and cultural services	225,041	317,080	140,398
Water and wastewater services	88,340	168,735	171,512
	3,397,405	4,100,370	3,509,903
Annual surplus	205,084	1,122,047	2,129,287
Accumulated surplus, beginning of year	5,878,514	5,878,514	3,749,227
Accumulated surplus, end of year	\$ 6,083,598	\$ 7,000,561	\$ 5,878,514

See accompanying notes to consolidated financial statements.

HARVEY RURAL COMMUNITY

Consolidated Statement of Changes in Net Financial Assets

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

	2025	2024
Annual surplus	\$ 1,122,047	\$ 2,129,287
Acquisition of tangible capital assets	(1,120,285)	(238,322)
Amortization of tangible capital assets	222,291	195,262
Amalgamation of local governments	-	(1,946,890)
Change in net financial assets	224,053	139,337
Net financial assets, beginning of year	435,845	296,508
Net financial assets, end of year	\$ 659,898	\$ 435,845

See accompanying notes to consolidated financial statements.

HARVEY RURAL COMMUNITY

Consolidated Statement of Cash Flows

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

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,122,047	\$ 2,129,287
Items not involving cash:		
Amortization of tangible capital assets	222,291	195,262
Amalgamation of local governments	-	(1,946,890)
Changes in non-cash operating working capital:		
Accounts receivable	(205,610)	(39,199)
Federal government and its agencies	(56,196)	(68,661)
Accounts payable and accrued liabilities	609,101	(45,441)
Deferred revenue	31,877	224,088
	1,723,510	448,446
Financing activities:		
Long-term debt	(6,000)	(12,000)
Capital activities:		
Acquisition of tangible capital assets	(1,120,285)	(238,322)
Increase in cash	597,225	198,124
Cash, beginning of year	634,114	435,990
Cash, end of year	\$ 1,231,339	\$ 634,114

See accompanying notes to consolidated financial statements.

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements

Year ended December 31, 2025

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

The legacy communities included the Village of Harvey and parts of the local service districts of: Manners Sutton, Dumfries, Prince William, and Kingsclear.

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

1. Significant accounting policies:

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

The focus of PSA 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.

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

(a) Reporting entity:

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

Interdepartmental and organizational transactions and balances are eliminated on consolidation, but Schedules 1 and 2 show the operations prior to consolidation.

(b) Budget:

The budget figures contained in these consolidated financial statements were approved by Council on November 24, 2024 and the Minister of Environment and Local Government on November 25, 2024.

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(c) Revenue recognition:

Revenue is recognized in the period in which the transactions or events giving rise to the revenue occur, provided the amount can be reasonably estimated and collection is reasonably assured.

Property taxes are recognized as revenue in the year they are levied. Adjustments resulting from supplementary assessments, appeals, or other changes are recognized in the period in which the adjustment is determined.

Restricted contributions, including government transfers are recognized as revenue when the transfer is authorized and the Municipality has met the eligibility criteria, unless the transfer creates an obligation that meets the definition of a liability. Transfers received for which the related obligations have not been satisfied are recorded as deferred revenue. Deferred amounts are recognized as revenue as the related eligible expenses are incurred or other terms of the funding agreement are satisfied.

Revenue from services, user fees, rentals, permits, and other exchange transactions is recognized when the Municipality has satisfied the performance obligations associated with the transaction and the related consideration becomes due. Amounts received before the applicable goods or services are provided are recorded as deferred revenue.

Contributed tangible capital assets are recognized as revenue on the date the Municipality obtains control of the asset.

Interest and investment income are recognized as earned. Interest attributable to externally restricted funding is added to the restricted balance and recognized as revenue when the related restrictions or obligations are satisfied.

(d) Deferred revenue:

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

(e) 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.

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(f) Financial instruments:

The Municipality's financial instruments consist of cash, accounts receivable, amounts receivable from the federal government and its agencies, accounts payable and accrued liabilities, and long-term debt.

Financial instruments are initially measured at fair value and subsequently at amortized cost and assessed for indicators of impairment at each financial statement date. When there is objective evidence of impairment, the financial asset is written down to its net recoverable value, with the impairment loss recognized in the consolidated statement of operations.

Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of the instruments approximate their carrying value, unless otherwise noted.

The Municipality is subject to credit risk through its accounts receivable. The Municipality minimizes credit risk through ongoing credit management policies.

(g) Tangible capital assets:

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

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

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(g) Tangible capital assets (continued):

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that they no longer contribute to the Municipality's ability to provide services, or that the value of their future economic benefits is less than their carrying amount. When conditions indicate that a tangible capital asset is impaired, the carrying amount is written down to its appropriate value. A write-down is recognized as an expense in the statement of operations and is not reversed.

Management reviewed the Municipality's tangible capital assets for indicators of impairment as at December 31, 2025. Based on this review, management identified no impairment requiring a write-down.

Management also reviewed the Municipality's tangible capital assets for legal obligations associated with their retirement. No asset retirement obligations requiring recognition were identified as at December 31, 2025.

Assets under construction are not amortized until completed and available for use.

(h) Use of estimates:

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

(i) Post employment benefits:

The Municipality does not provide post-employment benefits to its staff.

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(j) Segmented information:

The Municipality is a diversified entity 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. Community 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, civic relations, and compliance with legislation.

Protective services

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

Transportation services

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

Environmental health services

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

Recreation and cultural services

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

Water and wastewater systems

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

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

2. Cash:

	2025	2024
General Capital Reserve (Village)	\$ 62,866	\$ 61,451
General Capital Reserve (HRC)	236,819	291,004
General Operating Reserve	67,817	66,337
General Capital (CCBF)	202,327	110,509
General Capital (Housing Accelerator)	412,362	193,896
Utility Capital Reserve	131,699	128,692
Total restricted	1,113,890	851,889
General Operating	87,524	(227,717)
Utility Operating	29,925	9,942
	\$ 1,231,339	\$ 634,114

Restricted cash are bank accounts held for specific purposes and includes Canada Community Building Fund, General and Utility Capital Funds, General and Utility Capital Reserve Funds, and General and Utility Operating Reserve Funds.

3. Federal government and its agencies:

	2025	2024
Canada Revenue Agency (HST refund)	\$ 135,069	\$ 78,873

4. Tangible capital assets:

During the year, the Harvey Memorial Community Centre Inc. made a contribution of assets to the Municipality. These have been reflected in the current year as an addition to tangible capital assets on the Statement of Financial Position and Community contributions on the Statement of Operations for the year in the amount of \$489,706 which was the estimated fair value of the assets at the time of contribution.

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

4. Tangible capital assets (continued):

Cost	December 31, 2024	Additions	Disposals	December 31, 2025
Land	\$ 16,433	\$ 47,626	\$ -	\$ 64,059
Land improvements	332,239	162,607	-	494,846
Buildings	2,002,590	531,518	-	2,534,108
Equipment and vehicles	383,988	296,947	-	680,935
Roads and streets	418,132	32,240	-	450,372
Water and wastewater	3,897,251	-	-	3,897,251
Assets under construction	114,827	49,347	-	164,174
	\$ 7,165,460	\$ 1,120,285	\$ -	\$ 8,285,745
Accumulated amortization	December 31, 2024	Amortization expense	Disposals	December 31, 2025
Land improvements	\$ 15,703	\$ 2,243	\$ -	\$ 17,946
Buildings	80,917	65,126	-	146,043
Equipment and vehicles	101,448	46,491	-	147,939
Roads and streets	335,544	16,609	-	352,153
Water and wastewater	1,189,179	91,822	-	1,281,001
	\$ 1,722,791	\$ 222,291	\$ -	\$ 1,945,082
Net book value	December 31, 2024			December 31, 2025
Land	\$ 16,433			\$ 64,059
Land improvements	316,536			476,900
Buildings	1,921,673			2,388,065
Equipment and vehicles	282,540			532,996
Roads and streets	82,588			98,219
Water and wastewater	2,708,072			2,616,250
Assets under construction	114,827			164,174
	\$ 5,442,669			\$ 6,340,663

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

5. Deferred revenue:

	2025	2024
Canada Mortgage and Housing Corporation	\$ 346,825	\$ 193,896
Canada Community Building Fund	(18,734)	101,243
Prepaid wastewater deposits	-	1,075
	\$ 328,091	\$ 296,214

Deferred revenue consists of several different components:

	CCBF	Housing	PNB	Deposits	Total
Opening	\$ 101,243	\$ 193,896	-	\$ 1,075	\$ 296,214
Contributions	362,897	210,000	-	-	572,897
Interest	7,268	5,154	-	-	12,422
Recognized	(490,142)	(62,225)	-	(1,075)	(553,442)
	\$ (18,734)	\$ 346,825	-	\$ -	\$ 328,091

6. Long-term debt:

	2025	2024
Debenture - Province of New Brunswick - 3.005% to 4.083% - due 2032 - OIC #CB 22-2022	\$ 52,000	\$ 58,000

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

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

7. Short-term borrowings compliance:

Operating borrowing

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

Interfund borrowing

Interfund accounts at December 31, 2025 represents current year transactions and are in compliance with the policy established by the Department of Local Government.

Interim borrowing for capital

The Municipality does not have any interim borrowing for capital and did not have any new capital borrowings in the current or previous year.

8. Water and Wastewater cumulative surplus:

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

	2025	2024
2025 surplus	\$ 562	\$ -
2024 surplus	16,411	16,411
2023 surplus	-	6,077
	\$ 16,973	\$ 22,488

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

9. Reserve funds:

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

		General Capital Reserve	General Operating Reserve	Utility Capital Reserve	Utility Operating Reserve	Total
Cash	\$	299,685	\$ 67,817	\$ 131,699	\$ -	499,201
Due from (to) other funds		130,414	108,594	15,000	5,271	259,279
Accumulated Surplus	\$	430,099	\$ 176,411	\$ 146,699	\$ 5,271	758,480

		General Capital Reserve	General Operating Reserve	Utility Capital Reserve	Utility Operating Reserve	Total
Accumulated surplus, beginning	\$	352,455	\$ 66,336	\$ 128,692	\$ -	547,483
Interest earned		7,230	1,481	3,007	-	11,718
Transfers in		231,378	108,594	15,000	5,271	360,243
Transfers out		(160,964)	-	-	-	(160,964)
Accumulated surplus	\$	430,099	\$ 176,411	\$ 146,699	\$ 5,271	758,480

Regular meeting of Council, April 14, 2025

\$60,000 be transferred from the General Capital Reserve to the General Capital Fund.

Special meeting of Council, October 27, 2025

\$100,964 be transferred from the General Capital Reserve to the General Operating Fund.

Regular meeting of Council, December 15, 2025

\$231,378 be transferred from the General Operating Fund to the General Capital Reserve Fund.

\$108,594 be transferred from the General Operating Fund to the General Operating Reserve Fund.

\$15,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund.

\$5,271 be transferred from the Utility Operating Fund to the Utility Operating Reserve Fund.

Cash balances are held in interest bearing bank accounts as follows:

HARVEY RURAL COMMUNITY

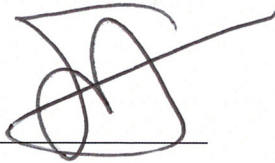
Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

9. Reserve funds (continued):

General Capital Reserve treasury account, Interest 2.54%	\$	299,685
General Operating Reserve treasury account, Interest 2.54%		67,817
Utility Capital Reserve treasury account, Interest 2.54%		131,699
		\$ 499,201

Certified by Chief Administration Officer



HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

10. Segmented disclosure:

	General government	Protective	Environmental health	Environmental development	Transportation	Recreation and culture	Water and wastewater	2025 Total	2024 Total
Revenue:									
Property tax warrant	\$ 637,709	\$ 1,555,195	\$ 369,302	\$ 296,436	\$ 160,804	\$ 235,614	\$ -	\$ 3,255,060	\$ 2,911,274
Sale of service, fines and other fees	648,410	188,430	64,812	100,964	-	12,037	94,319	1,108,972	225,315
Community funding	24,648	60,109	14,274	11,457	6,215	9,107	-	125,810	73,158
Other government transfers	190,446	-	-	-	-	32,174	-	222,620	2,269,620
CCBF	-	145,367	-	42,090	32,240	270,445	-	490,142	134,557
Interest	15,110	-	-	-	-	-	4,701	19,811	25,266
	1,516,323	1,949,101	448,388	450,947	199,259	559,377	99,020	5,222,415	5,639,190
Expenses:									
Salaries and benefits	298,394	-	-	-	52,000	136,157	41,090	527,641	217,835
Goods and services	367,744	1,743,303	451,471	361,508	151,520	156,667	34,167	3,266,380	3,008,497
Amortization	320	73,862	-	885	29,490	24,256	93,478	222,291	195,262
Interest/Leasing	-	84,058	-	-	-	-	-	84,058	88,309
	666,458	1,901,223	451,471	362,393	233,010	317,080	168,735	4,100,370	3,509,903
Surplus (deficit) for the year	\$ 849,865	\$ 47,878	\$ (3,083)	\$ 88,554	\$ (33,751)	\$ 242,297	\$ (69,715)	\$ 1,122,045	\$ 2,129,287

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

11. Reconciliation of annual surplus:

	General operating fund	General capital fund	Utility operating fund	Utility capital fund	General capital reserve fund	General operating reserve	Utility capital reserve fund	Utility operating reserve	Total
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus	\$ 3,373	\$ -	\$ 6,077	\$ -	\$ -	\$ -	\$ -	\$ -	9,450
Transfer from reserves	-	60,000	-	-	(60,000)	-	-	-	-
Transfer to reserves	(239,008)	-	(20,271)	-	130,414	108,594	15,000	5,271	-
Long-term debt principal repayment	-	-	(6,000)	6,000	-	-	-	-	-
Amortization expense	144,456	(144,456)	93,478	(93,478)	-	-	-	-	-
CCBF contributions	(490,142)	490,142	-	-	-	-	-	-	-
Housing accelerator revenue	(62,225)	62,225	-	-	-	-	-	-	-
Transfer from operating	(49,796)	49,796	-	-	-	-	-	-	-
Asset contributions	(489,706)	489,706	-	-	-	-	-	-	-
Total adjustments to annual surplus (deficit)	(1,183,048)	1,007,413	73,284	(87,478)	70,414	108,594	15,000	5,271	9,450
Annual surplus	1,183,049	-	(72,722)	-	7,230	1,481	3,007	-	1,122,045
Annual fund surplus (deficit)	\$ 1	\$ 1,007,413	\$ 562	\$ (87,478)	\$ 77,644	\$ 110,075	\$ 18,007	\$ 5,271	\$ 1,131,495

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

12. Operating budget to PSA Budget:

	Operating budget general	Transfers	Total
Revenue:			
Property tax warrant	\$ 3,255,060	\$ -	\$ 3,255,060
Revenue from own sources	68,448	-	68,448
Services provided to other governments	48,438	-	48,438
Community funding and equalization	125,810	-	125,810
Other government transfers	11,470	-	11,470
Surplus of second previous year	3,373	(3,373)	-
Water and wastewater services	99,340	(6,077)	93,263
	3,611,939	(9,450)	3,602,489
Expenditures:			
General government services	532,189	720	532,909
Protective services	1,641,316	84,058	1,725,374
Transportation services	100,341	-	100,341
Environmental health services	472,885	-	472,885
Environmental development services	252,515	-	252,515
Recreational and cultural services	225,041	-	225,041
Fiscal services - Long-term debt repayments	146,657	(146,657)	-
Fiscal services - Interest	720	(720)	-
Fiscal services - Interfund transfers	140,935	(140,935)	-
Water and wastewater services	99,340	(11,000)	88,340
	3,611,939	(214,534)	3,397,405
Surplus	\$ -	\$ 205,084	\$ 205,084

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

13. Other government transfers:

The municipality received several government grants in the year.

	2025	2024
Local governance reform funding	\$ 51,248	\$ 141,000
Regional Development Corporation	76,973	114,331
Other provincial operating funding	20,438	34,877
Housing accelerator projects	62,225	21,014
Student grants	11,736	11,472
Payment in lieu of taxes	-	36
Amalgamation of local government	-	1,946,890
	\$ 222,620	\$ 2,269,620

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support:

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Services to other governments:			
Fire protection	\$ 438	\$ 188,430	\$ 33,914
Environmental health services	48,000	64,812	49,078
	48,438	253,242	82,992
Other own source:			
Building permits	66,348	49,652	61,109
Miscellaneous	2,100	210,016	5,423
Rentals and events	-	12,037	-
Community contribution	-	489,706	-
	\$ 68,448	\$ 761,411	\$ 66,532

General Government Services:

Legislative:

Mayor	\$ 10,611	\$ 15,166	\$ 9,763
Councillors	25,233	29,588	21,234
	35,844	44,754	30,997

Administrative:

Salaries and wages	160,927	150,244	119,824
Office building	21,364	60,388	119,611
Legal services	15,000	7,215	16,768
Other expenses	16,300	65,175	94,108
	213,591	283,022	350,311

Financial management and common services:

External audit	16,000	25,811	9,396
Accounting	54,832	57,095	31,846
Training and development	25,000	13,869	4,154
Cost of assessment	100,491	100,491	91,960
Regional & collaborative services	4,253	4,252	8,884
Conventions and delegations	10,000	4,082	10,312
Interest on long-term debt	-	-	-
Bank charges	720	11,517	1,945
	211,296	217,117	158,497

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support (continued):

	2025 Budget	2025 Actual	2024 Actual
Other general government services:			
Public liability insurance	\$ 27,548	\$ 61,338	\$ 15,892
Grants to organizations	18,000	15,508	46,742
Municipal association memberships	6,630	6,121	8,054
Other	20,000	38,278	6,686
Amortization	-	320	320
	72,178	121,565	77,694
	\$ 532,909	\$ 666,458	\$ 617,499
Protective Services:			
Police:			
Police protection	\$ 1,046,782	\$ 1,046,781	\$ 1,011,383
Fire:			
Administration	26,811	22,585	11,420
Force	23,915	58,965	53,616
Alarms	-	-	1,366
Station and building	75,875	269,443	83,761
Equipment	243,755	87,122	103,302
Training	30,350	3,568	17,303
Other fire services	105,326	105,325	172,069
Capital leases	84,058	84,058	84,058
	590,090	631,066	526,895
Other:			
Emergency measures	9,000	69,082	13,807
By-law enforcement	-	-	-
Building inspection	65,072	65,072	71,188
Animal and pest control	13,106	14,036	11,541
RSC Contributions - Public Safety	1,324	1,324	1,232
Amortization	-	73,862	56,411
	88,502	223,376	154,179
	\$ 1,725,374	\$ 1,901,223	\$ 1,692,457

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support (continued):

	2025 Budget	2025 Actual	2024 Actual
Transportation Services:			
Roads and streets:			
Summer maintenance	\$ 34,255	\$ 35,268	\$ 2,055
Culverts, drainage, and ditches	6,199	6,348	2,532
Storm sewers	-	-	-
Street cleaning and flushing	4,971	4,474	3,945
Snow and ice removal	19,113	24,402	31,855
Sidewalks	6,374	5,954	9,981
Building and equipment	9,118	86,628	38,295
	80,030	163,074	88,663
Other:			
Bridges	\$ -	\$ -	\$ -
Street lights	16,800	19,387	15,670
Traffic signs	2,960	20,507	2,045
Contribution to RSC - Public transportation	551	552	1,444
Amortization	-	29,490	36,086
	20,311	69,936	55,245
	\$ 100,341	\$ 233,010	\$ 143,908
Environmental Health Services:			
Solid waste disposal	\$ 401,674	\$ 439,936	\$ 375,617
Recycling	15,000	500	36,149
Public health	56,211	11,035	23,145
	\$ 472,885	\$ 451,471	\$ 434,911

HARVEY RURAL COMMUNITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support (continued):

	2025 Budget	2025 Actual	2024 Actual
Environmental Development Services:			
Contribution to RSC - Local planning	\$ 168,815	\$ 168,304	\$ 181,148
Contribution to RSC - Economic development	19,353	19,352	18,036
Contribution to RSC - Community development	3,947	3,948	4,332
Contribution to RSC - Tourism	19,990	19,992	25,008
Other community development	-	6,397	25,730
Other economic development	24,110	-	-
Tourism	10,000	4,447	12,229
Beautification	6,300	9,398	41,850
Other rehabilitation	-	91,558	-
Amortization	-	885	885
Surveying and site prep	-	15,643	-
Research and planning	-	22,469	-
	\$ 252,515	\$ 362,393	\$ 309,218
Recreational and Culture Services:			
Community centres and halls	\$ 103,599	\$ 129,132	\$ 40,000
Administration	23,094	67,220	44,322
Pools and beaches	1,713	-	2,936
Parks and playgrounds	62,110	83,279	26,049
Exhibitions	500	1,226	600
Libraries	10,000	10,000	6,800
Other recreation facilities	10,000	83	9,557
Other recreation and culture	10,300	80	80
Contribution to RSC - Recreation	1,802	1,804	1,972
Other recreation personnel	1,923	-	-
Amortization	-	24,256	8,082
	\$ 225,041	\$ 317,080	\$ 140,398
Water and Wastewater Services:			
Administration	\$ 56,306	\$ 41,971	\$ 39,614
Sewage collection system	36,109	29,325	31,608
Amortization	-	93,478	93,478
Interest on long term debt	2,002	2,105	2,305
Bank charges	-	192	567
External audit	-	1,664	3,940
	\$ 94,417	\$ 168,735	\$ 171,512

HARVEY RURAL COMMUNITY

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

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

	2025 Budget	2025 Actual	2024 Actual
General Services:			
Revenue:			
Property tax warrant	\$ 3,255,060	\$ 3,255,060	\$ 2,911,274
Funding and equalization	125,810	125,810	73,158
Fire protection services	438	188,430	33,914
Environmental health services	48,000	64,812	49,078
Surplus of 2nd previous year	3,373	3,373	61,810
Miscellaneous income	2,100	210,016	5,423
Community events and rentals	-	12,037	-
Licenses and permits	66,348	49,652	61,109
Provincial grants	11,470	160,395	301,680
Interest	-	6,400	13,829
Payment in lieu of taxes	-	-	36
	3,512,599	4,075,985	3,511,311
Expenditures:			
General government services	532,189	654,621	615,234
Protective services	1,641,316	1,743,303	1,551,988
Transportation services	100,341	203,520	107,822
Environmental health services	472,885	451,471	434,911
Environmental development services	252,515	345,865	308,333
Recreation and cultural services	225,041	292,824	132,316
Fiscal services	288,312	384,379	382,903
	3,512,599	4,075,983	3,533,507
Surplus (deficit) for the year	\$ -	\$ 2	\$ (22,196)
Water and Wastewater Services:			
Revenue:			
Sales of services	\$ 99,340	\$ 96,013	\$ 79,749
Water & wastewater grants received	-	-	-
Surplus from prior years	6,077	6,077	20,696
	105,417	102,090	100,445
Expenditures:			
Sewerage collection and disposal:			
Administration	56,306	41,971	39,614
Sewage collection system	36,109	29,325	31,608
Fiscal services:			
Interest on long term debt	2,002	2,105	2,305
Principal	6,000	6,000	6,000
Transfer to reserves	5,000	20,271	-
Bank charges	-	192	567
External audit	-	1,664	3,940
	105,417	101,528	84,034
Surplus (deficit) for the year	\$ -	\$ 562	\$ 16,411

HARVEY RURAL COMMUNITY

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

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

	2025 Budget	2025 Actual	2024 Actual
General Government Services:			
Legislative:			
Mayor	\$ 10,611	\$ 15,166	\$ 9,763
Councillors	25,233	29,588	21,234
	35,844	44,754	30,997
Administrative:			
Salaries - admin	160,927	150,244	119,824
Legal services	15,000	7,215	16,768
Office building	21,364	60,388	119,611
Other expenses	16,300	65,175	94,108
	213,591	283,022	350,311
Financial management and common services:			
External audit	16,000	25,811	9,396
Accounting	54,832	57,095	31,846
Training and development	25,000	13,869	4,154
Cost of assessment	100,491	100,491	91,960
Regional and collaborative services	4,253	4,252	8,884
	200,576	201,518	146,240
Other general administrative services:			
Public liability insurance	27,548	61,338	15,892
Municipal association membership	6,630	6,121	8,054
Grants to organizations	18,000	15,508	46,742
Conventions and delegations	10,000	4,082	10,312
Other	20,000	38,278	6,686
	82,178	125,327	87,686
	\$ 532,189	\$ 654,621	\$ 615,234

HARVEY RURAL COMMUNITY

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

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

	2025 Budget	2025 Actual	2024 Actual
Protective Services:			
Police:			
Police protection	\$ 1,046,782	\$ 1,046,781	\$ 1,011,383
Fire:			
Fire administration	26,811	22,585	11,420
Fire force	23,915	58,965	53,616
Fire alarms	-	-	1,366
Station and building	75,875	269,443	83,761
Fire investigation	-	-	-
Fire training	30,350	3,568	17,303
Fire equipment	243,755	87,122	103,302
Other fire services	105,326	105,325	172,069
	506,032	547,008	442,837
Other:			
Emergency measures	9,000	69,082	13,807
Bylaw enforcement	-	-	-
Building inspection	65,072	65,072	71,188
Animal and pest control	13,106	14,036	11,541
RSC Contributions - Public Safety	1,324	1,324	1,232
	88,502	149,514	97,768
	\$ 1,641,316	\$ 1,743,303	\$ 1,551,988
Transportation Services:			
Roads and streets:			
Summer maintenance	\$ 34,255	\$ 35,268	\$ 2,055
Culverts, drainage, and ditches	6,199	6,348	2,532
Sidewalks	6,374	5,954	9,981
Street cleaning and flushing	4,971	4,474	3,945
Snow and ice removal	19,113	24,402	31,855
Building and equipment	9,118	86,628	38,295
	80,030	163,074	88,663
Other:			
Street lights	16,800	19,387	15,670
Traffic signs	2,960	20,507	2,045
Contribution to RSC - Public transit	551	552	1,444
	20,311	40,446	19,159
	\$ 100,341	\$ 203,520	\$ 107,822

HARVEY RURAL COMMUNITY

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

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

	2025 Budget	2025 Actual	2024 Actual
Environmental Health Services:			
Solid waste disposal	\$ 401,674	\$ 439,936	\$ 375,617
Recycling	15,000	500	36,149
Public health	56,211	11,035	23,145
	\$ 472,885	\$ 451,471	\$ 434,911
Environmental Development Services:			
RSC Contributions - Local planning	\$ 168,815	\$ 168,304	\$ 181,148
Research and planning	-	22,469	-
Beautification	6,300	9,398	41,850
Other rehabilitation	-	91,558	-
Tourism	10,000	4,447	12,229
Other community development	-	6,397	25,730
Other economical development	24,110	-	-
Contribution to RSC- Community development	3,947	3,948	4,332
Contribution to RSC- Economic development	19,353	19,352	18,036
Contribution to RSC - Tourism	19,990	19,992	25,008
	\$ 252,515	\$ 345,865	\$ 308,333
Recreation and Culture Services:			
Community centres and halls	\$ 103,599	\$ 129,132	\$ 40,000
Administration	23,094	67,220	44,322
Pools and beaches	1,713	-	2,936
Parks and playgrounds	62,110	83,279	26,049
Exhibitions	500	1,226	600
Other recreation facilities	10,000	83	9,557
Libraries	10,000	10,000	6,800
Contribution to RSC - Recreation	1,802	1,804	1,972
Other recreation and culture	10,300	80	80
Other recreation - Personnel	1,923	-	-
	\$ 225,041	\$ 292,824	\$ 132,316

HARVEY RURAL COMMUNITY

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

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

	2025 Budget	2025 Actual	2024 Actual
Fiscal Services:			
Debt charges:			
Principal	\$ 62,599	\$ -	\$ 6,000
Capital leases	84,058	84,058	84,058
Bank charges	720	11,517	1,945
Deficit of 2nd prior year	-	-	-
Capital expenditures	-	49,796	-
	147,377	145,371	92,003
Transfer to operating reserve	60,935	108,594	40,900
Transfer to capital reserve	80,000	130,414	250,000
	140,935	239,008	290,900
	\$ 288,312	\$ 384,379	\$ 382,903