

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW,
CAVENDISH AND NORTH RUSTICO**

Non-Consolidated Financial Statements

March 31, 2025

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

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March 31, 2025

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MANAGEMENT'S RESPONSIBILITY FOR THE NON-CONSOLIDATED FINANCIAL STATEMENTS

The non-consolidated financial statements of the Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico are the responsibility of management and have been prepared in accordance with Canadian Accounting Standards for the Public Sector. A summary of the significant accounting policies are described in the non-consolidated financial statements. The preparation of non-consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with a certainty until future periods.

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

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

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

On behalf of the Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico:



Mayor

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of the Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico

Opinion

We have audited the non-consolidated financial statements of the Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico (the Municipality), which comprise the non-consolidated statement of financial position as at March 31, 2025, and the non-consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes and schedules to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for the Public Sector.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian Accounting Standards for the Public Sector, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

(continues)

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

Our objectives are to obtain reasonable assurance about whether the non-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 non-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 non-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 non-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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

MRSB Chartered Professional Accountants Inc.

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Charlottetown, PE

August 18, 2025

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

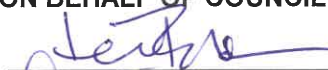

Non-Consolidated Statement of Financial Position

March 31, 2025

	2025	2024
Financial assets		
Cash		
Unrestricted cash	\$ 723,567	\$ 554,273
Restricted cash	84,932	58,130
Accounts receivable (Note 3)	20,802	86,024
Funds held in trust	28,628	29,384
Recreation fund (Note 4)	64,333	62,145
Contingency fund (Note 5)	17,944	17,696
	940,206	807,652
Liabilities		
Accounts payable and accrued liabilities	88,968	91,356
Security deposits payable	28,628	29,384
Deferred revenue (Note 6)	165,438	83,948
Long term debt (Note 7)	33,768	66,191
Due to related party	175,609	72,093
	492,411	342,972
Net financial assets (Statement 6)	447,795	464,680
Non-financial assets		
Prepaid expense	15,506	13,907
Tangible capital assets (Schedules 1 and 2)	1,476,996	1,526,295
Intangibles (Note 8)	115,699	108,262
	1,608,201	1,648,464
Accumulated surplus (Statement 5)	\$ 2,055,996	\$ 2,113,144

Lease Commitments (Note 9)

ON BEHALF OF COUNCIL


 _____ Mayor

 _____ Councillor

Notes 1 - 15 are an integral part of these non-consolidated financial statements

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

Non-Consolidated Statement of Operations

Year Ended March 31, 2025

	Budget 2025	Actual 2025	Actual 2024
Revenues			
Municipal tax	\$ 358,180	\$ 394,589	\$ 356,291
Building permits	8,000	20,556	26,989
Administration fees	21,000	20,480	20,480
Miscellaneous	8,000	11,300	3,420
Government transfers for operations (Note 12)	-	9,614	12,714
Interest	5,000	9,077	10,145
	<u>400,180</u>	<u>465,616</u>	<u>430,039</u>
Expenditures			
Advertising	5,000	4,486	5,545
Amortization of intangible assets	-	19,049	15,111
Amortization of tangible capital assets	99,474	105,051	101,144
Bad debts	-	243	-
Community projects	30,000	8,604	36,739
Election	-	12,786	-
Fire protection	100,000	103,593	90,544
Honorariums	20,000	16,744	18,100
Hospitality	9,000	6,427	6,011
Insurance	16,000	14,170	13,381
Interest and bank charges	500	1,021	264
Meetings and seminars	1,500	40	96
Memberships and dues	1,500	1,234	1,111
Office	14,000	10,491	10,739
Professional fees	72,000	26,427	39,520
Property tax and sewer	600	537	528
Recreation rebate	250	-	100
Rent	13,000	11,319	11,319
Street lighting and maintenance	42,000	43,982	46,778
Telephone	5,000	4,906	4,793
Travel	9,000	2,770	6,702
Wages and wage levies	180,000	138,803	138,220
	<u>618,824</u>	<u>532,683</u>	<u>546,745</u>
Operating deficit	(218,644)	(67,067)	(116,706)
Other revenues			
Government transfers for capital (Note 12)	-	7,483	47,286
Annual deficit	(218,644)	(59,584)	(69,420)
Accumulated surplus - beginning of year	2,113,144	2,113,144	2,174,792
Change in restricted funds	-	2,436	7,772
Accumulated surplus - end of year (Note 10)	\$ 1,894,500	\$ 2,055,996	\$ 2,113,144

Notes 1 - 15 are an integral part of these non-consolidated financial statements

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Non-Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2025**

	Budget 2025	Actual 2025	Actual 2024
Annual deficit	\$ (218,644)	\$ (59,584)	\$ (69,420)
Amortization of tangible capital assets	99,474	105,051	101,144
Purchase of tangible capital assets	-	(55,749)	(41,630)
Amortization of intangible assets	-	19,049	15,111
Purchase of intangible assets	-	(26,486)	(34,129)
Increase in prepaid expense	-	(1,602)	(387)
Increase in recreation fund	-	2,189	7,451
Increase in contingency fund	-	247	318
	<u>99,474</u>	<u>42,699</u>	<u>47,878</u>
Decrease in net financial assets	(119,170)	(16,885)	(21,542)
Net financial assets - beginning of year	464,680	464,680	486,222
Net financial assets - end of year	<u>\$ 345,510</u>	<u>\$ 447,795</u>	<u>\$ 464,680</u>

Notes 1 - 15 are an integral part of these non-consolidated financial statements

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Non-Consolidated Statement of Cash Flows
Year Ended March 31, 2025**

	2025	2024
Cash flows from operating activities		
Annual deficit	\$ (59,584)	\$ (69,420)
Items not affecting cash:		
Amortization of tangible capital assets	105,051	101,144
Amortization of intangible assets	19,049	15,111
	64,516	46,835
Changes in non-cash working capital:		
Accounts receivable	65,222	(68,368)
Funds held in trust	756	18,801
Prepaid expense	(1,599)	(388)
Accounts payable and accrued liabilities	(2,391)	(12,912)
Security deposits payable	(756)	(18,801)
Deferred revenue	81,490	(212,520)
	142,722	(294,188)
	207,238	(247,353)
Cash flows from capital activities		
Purchase of tangible capital assets	(55,749)	(41,630)
Purchase of intangible assets	(26,486)	(34,129)
	(82,235)	(75,759)
Cash flows from financing activities		
Advances from related party	103,516	144,604
Repayment of long term debt	(32,423)	(31,131)
	71,093	113,473
Increase (decrease) in cash	196,096	(209,639)
Cash - beginning of year	612,403	822,042
Cash - end of year	\$ 808,499	\$ 612,403
Cash consists of:		
Unrestricted cash	\$ 723,567	\$ 554,273
Restricted cash	84,932	58,130
	\$ 808,499	\$ 612,403

Notes 1 - 15 are an integral part of these non-consolidated financial statements

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2025

1. DESCRIPTION OF BUSINESS

The Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico (the "Municipality") was incorporated under the Municipalities Act of Prince Edward Island. The Municipality is a non-profit organization under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met. Its principal activities include the provision of local government services to residents of the incorporated area.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The non-consolidated financial statements of the Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico are the representations of management prepared in accordance with Canadian Accounting Standards for the Public Sector.

The non-consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

Cash

Cash is comprised of unrestricted, internally restricted and restricted balances on deposits with banks.

Accounts receivable

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

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**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

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

Street lights	25 years
Land improvements	20 years
Leasehold improvements	20 years
Sidewalks and trails	20 years
Heritage Park	20 years
Boardwalk	15 years
Fencing	10 years
Equipment	10 years
Signage	5 years
Computer equipment	5 years
Motor vehicles	10 years

The Municipality regularly reviews its tangible capital assets to eliminate obsolete items.

Intangible assets

The official plan and water study are recorded at cost and amortized on a straight-line basis over their estimated useful life of ten years.

The trail management plan is recorded at cost and amortized on a straight-line basis over its estimated useful life of five years.

Impairment of long lived assets

The Municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Asset retirement obligation

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Non-Consolidated Statement of Operations. As at March 31, 2025, no asset retirement obligations have been identified by management.

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RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO

Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Non-financial assets

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

Government transfers

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

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

Financial instruments

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

Revenue recognition

Property tax billings are based on the assessed value of real property in the Municipality and are payable in each calendar year. Municipal tax rates are reviewed, established, and approved annually by the Council. These revenues are recognized when received monthly from Province.

Revenue from transactions with performance obligations are recognized when (or as) the Municipality satisfies a performance obligation. Revenue from transactions with no performance obligations are recognized when the Municipality has the authority to claim or retain an inflow of economic resources and a past transaction has given rise to an asset.

Interest revenue is recognized on a time proportion basis.

(*continues*)

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

The presentation of the non-consolidated financial statements in conformity with Canadian Accounting Standards for the Public Sector requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. The following are areas in which management makes significant accounting estimates:

- The amounts recorded for amortization of tangible capital assets on the non-consolidated statement of operations and schedules is subject to management's assessment of the estimated useful life of the Resort's tangible capital assets;
- The recognized amounts of potential claims and liabilities depend on management's assessment of future costs and the probability these events will occur.

3. ACCOUNTS RECEIVABLE

	2025	2024
Other receivables	\$ 9,391	\$ 6,422
HST receivable	8,320	4,232
Government funding receivable	3,334	75,370
Allowance for doubtful accounts	(243)	-
	\$ 20,802	\$ 86,024

4. RECREATION FUND

The Members of Council have internally restricted the purpose for which recreation funds arising from subdivision fees may be used. During the year, the Members of Council did not approve the release of funds for the purpose of funding general operating activities.

	2025	2024
Balance - beginning of year	\$ 62,145	\$ 54,692
Subdivision fees	1,568	6,653
Interest	620	800
	\$ 64,333	\$ 62,145

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2025**

5. CONTINGENCY FUND

The Members of Council have internally restricted the purpose for which contingency funds set aside in an earlier fiscal year may be used. During the year, the Members of Council did not approve the release of any funds for the purpose of funding general operating activities.

	2025	2024
Balance - beginning of year	\$ 17,696	\$ 17,378
Interest	248	318
	\$ 17,944	\$ 17,696

6. DEFERRED REVENUE

	2025	2024
Government of PEI - Active Transportation	\$ 143,750	\$ -
Canada Community Building Fund	21,688	83,948
	\$ 165,438	\$ 83,948

During the year, the Municipality was allocated \$0 under the Canada Community Building Fund and earned interest of \$984. Total funds expended for projects during the year totaled \$63,244. The Municipality must use its allocation for eligible infrastructure and capacity building projects.

7. LONG TERM DEBT

	2025	2024
Canada Mortgage and Housing Corporation - 4.15%; repayable in annual blended installments of \$35,170. The loan matures on May 1, 2025.	\$ 33,768	\$ 66,191

8. INTANGIBLE ASSETS

	2025	2024
Official plan	\$ 143,005	\$ 134,669
Water study	33,502	33,502
Trail management plan	18,150	-
Accumulated amortization	(78,958)	(59,909)
	\$ 115,699	\$ 108,262

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2025

9. LEASE COMMITMENTS

The Municipality has entered into a lease agreement with the Department of Transportation and Public Works for the lease of office space. The lease is due to expire February 28, 2027 at an annual fixed rate of \$10,290.

The Municipality has entered into a lease agreement with RCAP leasing for the lease of a photocopier. The lease payments due over the next year are \$1,263.

10. ACCUMULATED SURPLUS

	2025	2024
Unrestricted surplus	\$ 414,792	\$ 464,937
Restricted surplus		
Recreation fund (Note 4)	64,333	62,145
Contingency fund (Note 5)	17,944	17,696
Investment in tangible capital assets (Note 11)	1,443,228	1,460,104
Investment in intangible assets (Note 8)	115,699	108,262
	\$ 2,055,996	\$ 2,113,144

11. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2025	2024
Tangible capital assets (Schedules 1 and 2)	\$ 2,811,974	\$ 2,983,509
Accumulated amortization (Schedules 1 and 2)	(1,334,978)	(1,457,214)
Long term debt (Note 7)	(33,768)	(66,191)
	\$ 1,443,228	\$ 1,460,104

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2025

12. GOVERNMENT TRANSFERS

	2025	2024
<u>Government transfers for operations</u>		
Province of PEI Transportation and Infrastructure	\$ 6,694	\$ 5,929
Government of Canada - MCH Day	1,920	-
Province of PEI - Seniors' Secretariat Grant	1,000	1,500
Innovation PEI	-	800
Province of PEI - 2 Billion Tree Program	-	4,485
	9,614	12,714
 <u>Government transfers for capital</u>		
Municipal Capital Expenditure Grant	7,483	6,899
Province of PEI Transportation and Infrastructure	-	35,870
Canada Community Building Fund	-	4,517
	7,483	47,286
	\$ 17,097	\$ 60,000

13. BUDGET FIGURES

A reconciliation of the 2025 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

	2025
Resort Municipality budgeted annual deficit	\$ -
Deduct: Prior year surplus	(218,644)
	\$ (218,644)

14. RELATED PARTY TRANSACTIONS

During the year, Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico received administrative fees in the amount of \$20,480 (2024 - \$20,480) and paid sewer fees of \$538 (2024 - \$528) to the Cavendish Sewer Utility, a related party.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2025

15. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash, restricted cash, accounts receivable, funds held in trust, accounts payable and accrued liabilities, security deposits payable, due to related party, and long term debt.

The Municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Municipality's risk exposure and concentration as of March 31, 2025.

(a) Credit risk

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

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, and accounts payable.

RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH AND NORTH RUSTICO
Schedules to Non-Consolidated Financial Statements (Schedule 1)

Tangible Capital Assets
Year Ended March 31, 2025

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Resort Municipality	\$ 58,300	\$ -	\$ -	\$ 58,300	\$ -	\$ -	\$ -	\$ -	\$ 58,300
Land	138,036	-	-	138,036	105,923	1,524	-	107,447	30,589
Land improvements	4,500	-	-	4,500	3,544	225	-	3,769	731
Leasehold improvements	61,166	-	-	61,166	61,166	-	-	61,166	-
Sidewalks and trails	964,707	-	-	964,707	241,682	48,235	-	289,917	674,790
Heritage Park	823,435	-	-	823,435	196,629	41,171	-	237,800	585,635
Boardwalk	844,090	-	227,284	616,806	805,597	2,958	227,284	581,270	35,536
Fencing	53,021	-	-	53,021	19,856	5,017	-	24,873	28,148
Equipment	15,519	771	-	16,290	6,122	1,308	-	7,430	8,860
Signage	9,662	825	-	10,487	9,144	421	-	9,565	922
Computer equipment	11,073	-	-	11,073	7,551	1,484	-	9,035	2,038
Motor vehicles	-	54,153	-	54,153	-	2,706	-	2,706	51,447
	\$ 2,983,509	\$ 55,749	\$ 227,284	\$ 2,811,974	\$ 1,457,214	\$ 105,051	\$ 227,284	\$ 1,334,978	\$ 1,476,996



RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH AND NORTH RUSTICO
Schedules to Non-Consolidated Financial Statements
(Schedule 2)

Tangible Capital Assets
Year Ended March 31, 2024

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Resort Municipality	\$			\$	\$	\$	\$	\$	\$
Land	58,200	100	-	58,300	-	-	-	-	58,300
Street lights	138,036	-	-	138,036	104,398	1,525	-	105,923	32,113
Land improvements	4,500	-	-	4,500	3,319	225	-	3,544	956
Leasehold improvements	61,166	-	-	61,166	61,166	-	-	61,166	-
Sidewalks and trails	964,707	-	-	964,707	193,445	48,238	-	241,682	723,025
Heritage Park	823,435	-	-	823,435	155,457	41,172	-	196,629	626,806
Boardwalk	808,221	35,869	-	844,090	803,552	2,045	-	805,597	38,493
Fencing	53,021	-	-	53,021	14,839	5,017	-	19,856	33,165
Equipment	10,039	5,480	-	15,519	5,038	1,084	-	6,122	9,397
Signage	9,481	181	-	9,662	8,824	320	-	9,144	518
Computer equipment	11,073	-	-	11,073	6,030	1,521	-	7,551	3,522
	\$ 2,941,879	\$ 41,630	\$ -	\$ 2,983,509	\$ 1,356,068	\$ 101,144	\$ -	\$ 1,457,214	\$ 1,526,295

Notes 1 - 15 are an integral part of these non-consolidated financial statements

