

Organized Hamlet of Day's Beach

Finance Report

Agenda item 7

2025 Revenue & Expenses

In 2025 we recorded a higher surplus than budgeted because of a number of individually insignificant budget variances and a favourable variance of \$2,000 because we didn't have to do any repairs to our water line. In 2025 we received a donation of two fire carts which was recorded as miscellaneous revenue and the offset recorded as beach maintenance expenses. The surplus of approximately \$7,000 was contributed to our Hamlet reserve – see discussion below.

Your Board recommends that a motion be made to accept the actual 2025 revenue & expenses

Hamlet Reserve

As at December 31, 2025 our reserve of \$160,978 is fully funded and held in a credit union account that includes all R.M. of Meota hamlet reserves. As agreed in 2023 the reserve fund should not be viewed as uncommitted funds available for discretionary spending or to meet annual expenses. It should be considered a reserve for the future replacement of the Hamlet's essential assets. The assets we consider essential are the road, the waterline, the maintenance shed, the tractor, snow blower and the lawn mower.

Your Hamlet Board, in conjunction with the Maintenance committee, reviewed the estimated useful lives and replacement cost of our essential assets and assuming the contribution of the 2026 interest earned on the reserve funds, the Hamlet's Asset Replacement forecast will be 83% funded at the end of 2026 (2025 – 82%). Your Hamlet Board has concluded that the Hamlet reserve is currently sufficient, and no additional funds need to be collected at this time.

The Asset Register is available for review upon request to the Board.

2026 Revenue & Expenses

2026 budget – the submitted budget included reallocations between 6 lines but had the same surplus as the budget approved during the 2025 Annual meeting.

2026 Mill Rate - 2.5 approved at the 2025 AGM.

2026 year to date – expenditures to date are as budgeted.

Your Board recommends that a motion be made to approve the revised 2026 budget submitted on January 29th, 2026 and the 2026 mill rate of 2.5.

2027 Revenue & Expenses

2027 budget – a proposed 2027 budget has been prepared. We have estimated expenses based on review of actual 2025 and year-to-date 2026 results and the routine maintenance that we expect we will have to do in 2026.

Important items to note are as follows:

- This budget does not include any funds to allow us to pay for any projects.
- We are proposing a mill rate of 2.5. This is the same as the 2026's mill rate.
- Interest revenue has been decreased to reflect that our Hamlet reserve is now earning less interest; assumed an annual interest rate of 2.5% on \$160,000

Your Board recommends that a motion is made to approve the preliminary 2027 budget and the 2027 mill rate of 2.5.