

**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Financial Statements**  
Year Ended December 31, 2018



**VILLAGE OF BLACKS HARBOUR**  
Index to the Consolidated Financial Statements  
Year Ended December 31, 2018

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## INDEPENDENT AUDITORS' REPORT

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To Her Worship the Mayor and Members of Council of the Village of Blacks Harbour

### *Opinion*

We have audited the financial statements of the Village of Blacks Harbour (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of Blacks Harbour as at December 31, 2018, and the results of its operations and changes in net debt 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 *Auditors' Responsibilities for the Audit of the 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 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.

### *Other Matter*

The financial statements of Village of Blacks Harbour for the year ended December 31, 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on August 10, 2018.

### *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 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)

*Auditors' 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 auditors' 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 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:

- 1 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.
- 1 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.
- 1 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 1 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 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.
- 1 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.

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.

Saint John, New Brunswick  
May 22, 2019



CHARTERED PROFESSIONAL ACCOUNTANTS

teed saunders  
doyle | chartered professional  
accountants  
& advisors

VILLAGE OF BLACKS HARBOUR  
Consolidated Statement of Operations  
Year Ended December 31, 2018

	2018		2017
	( Unaudited )		
	Budget	Actual	Actual
	( Note 25)		
Revenue			
Property tax warrant	\$ 1,003,802	\$ 1,003,802	\$ 1,006,017
Community funding and equalization grant	175,753	175,753	217,234
Services provided to other governments	151,656	151,661	144,779
Sales of services	101,985	99,936	93,385
Other revenue from own sources	10,063	23,393	33,248
Unconditional transfers from other governments	10,605	14,080	4,683
Conditional transfers	8,000	123,626	344,568
Water and sewer fees	491,573	493,130	494,020
Gain on disposal of tangible capital assets	-	-	869
Interest	8,000	22,446	18,162
	1,961,437	2,107,827	2,356,965
Expenditures			
General government services	296,813	347,364	262,154
Protective services	551,052	505,825	492,506
Transportation services	308,480	285,299	293,683
Environmental health services	57,470	51,944	55,279
Environmental development services	66,286	52,276	47,783
Recreational and cultural services	355,084	370,142	331,775
Water & sewer	620,123	492,689	492,199
Loss on disposal of tangible capital assets	-	10,608	-
	2,255,308	2,116,147	1,975,379
Annual surplus (deficit)	\$ (293,871)	(8,320)	381,586
Accumulated surplus, beginning of year		5,310,751	4,929,165
Accumulated surplus, end of year		\$ 5,302,431	\$ 5,310,751

VILLAGE OF BLACKS HARBOUR  
Consolidated Statement of Financial Position  
As at December 31, 2018

	2018	2017
<b>Financial assets</b>		
Cash ( Note 3 )	\$ 283,650	\$ 165,837
Receivables		
General ( Note 4 )	54,250	83,157
Federal government and its agencies ( Note 5 )	46,915	205,370
Province of New Brunswick ( Note 6 )	6,619	4,521
Portfolio investments ( Note 7 )	1,130,882	959,181
	<u>1,522,316</u>	<u>1,418,066</u>
<b>Liabilities</b>		
Bank indebtedness ( Note 8 )	130,640	-
Payables and accruals	228,418	355,239
Holdbacks payable	8,195	18,926
Deferred revenue ( Note 9 )	188,302	131,064
Long term debt ( Note 10 )	515,000	596,000
Accrued sick leave ( Note 11 )	23,559	23,165
Post employment benefits payable ( Note 12 )	177,400	192,800
	<u>1,271,514</u>	<u>1,317,194</u>
<b>NET ASSETS</b>	<u>250,802</u>	<u>100,872</u>
<b>Non-Financial Assets</b>		
Tangible capital assets ( Note 20 )	11,907,007	11,726,935
Less: Accumulated amortization ( Note 20 )	(6,987,452)	(6,693,004)
	<u>4,919,555</u>	<u>5,033,931</u>
Inventory of supplies	75,737	75,295
Land inventory for resale	51,926	49,173
Prepaid expenses	4,411	51,480
	<u>5,051,629</u>	<u>5,209,879</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 5,302,431</u>	<u>\$ 5,310,751</u>

On behalf of Council

Approved by:

Mayor Mayor M. James  
Treasuer [Signature]

**VILLAGE OF BLACKS HARBOUR****Consolidated Statement of Changes in Net Debt**  
**Year Ended December 31, 2018**

	<b>2018</b>	<b>2017</b>
Annual surplus	\$ (8,320)	\$ 381,586
Add (deduct) :		
Acquisition of tangible capital assets	(303,656)	(556,461)
Amortization of tangible capital assets	405,642	401,633
Proceeds on sale of tangible capital assets	1,782	869
Loss (gain) on disposal of tangible capital assets	10,608	(869)
Consumption of inventories	(442)	(4,228)
Acquisition of prepaid assets	47,069	(2,406)
Acquisition of land inventory for resale	(2,753)	3,536
Increase (decrease) in Net Assets	149,930	223,660
Net Assets (Debt)		
Beginning of the year	100,872	(122,788)
End of the year	\$ 250,802	\$ 100,872

**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2018**

	2018	2017
Increase (decrease) in cash and cash equivalents		
<b>Operating transactions</b>		
Annual surplus	\$ (8,320)	\$ 381,586
Loss (gain) on disposal of tangible capital assets	10,608	(869)
Amortization of tangible capital assets	405,642	401,633
Receivable - General	28,907	3,873
Receivable - Federal Government and its agencies	158,455	(178,937)
Receivable - Province of New Brunswick	(2,098)	223
Payables and accruals	(126,821)	138,937
Holdbacks payable	(10,731)	(13,854)
Deferred revenue	57,238	41,370
Accrued sick leave	394	(2,235)
Post employment benefits payable	(15,400)	(22,100)
Change in inventory/prepaid expenses	43,874	(3,098)
	<u>541,748</u>	<u>746,529</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(303,656)	(556,461)
Proceeds on sale of tangible capital assets	1,782	869
	<u>(301,874)</u>	<u>(555,592)</u>
<b>Financing transactions</b>		
Issue(reduction) of bank indebtedness	130,640	(1,072)
Proceeds from issuance of debenture	89,000	-
Repayment of long-term debt	(170,000)	(79,000)
	<u>49,640</u>	<u>(80,072)</u>
<b>Investing transactions</b>		
Proceeds on sale of portfolio investments	1,830,387	727,774
Purchase of portfolio investments	(2,002,088)	(1,103,274)
	<u>(171,701)</u>	<u>(375,500)</u>
Net (decrease) increase in cash and cash equivalents	117,813	(264,635)
<b>Cash and cash equivalents</b>		
Beginning of year	165,837	430,472
End of year	<u>\$ 283,650</u>	<u>\$ 165,837</u>



## VILLAGE OF BLACKS HARBOUR

### Notes to the Consolidated Financial Statements

December 31, 2018

#### 1. Purpose of the Organization

The Municipality was incorporated as a Village by the Province of New Brunswick Municipalities Act on November 1, 1972 and was approved for status as a Municipality effective November 9, 1991 by an amendment of New Brunswick Regulation 85-6 under the Municipalities Act. On January 1, 2018, the Municipalities Act was repealed and under sections 192 and 193 of the Local Governance Act, the Village continued to exist and its territorial limits remained unchanged. As a municipality, the Municipality is exempt from income tax under section 149 (1)(c) of the Canadian Income Tax Act. The Municipality provides services pertaining to community development.

#### 2. Summary of 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 Standards Board of Chartered Professional Accountants of Canada.

The focus of Public Sector Accounting Standards ("PSAS") 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.

No other entities have been included in these consolidated financial statements.

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 and which are owned or controlled by the Municipality.

Interdepartmental and organizational transactions and balances are eliminated.

##### Budget

The budget figures contained in these financial statements were approved by Council on December 13, 2017 and the Department of Environment and Local Government on January 9, 2018.

##### 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.

##### Expenditure Recognition

Expenditures are recorded on an accrual basis.

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**VILLAGE OF BLACKS HARBOUR**
**Notes to the Consolidated Financial Statements**
**December 31, 2018**


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**2. Summary of significant accounting policies (continued)**
**Use of estimates**

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards 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 period in which they become known. Actual results may differ from those estimates.

Examples of significant estimates include:

- allowance for doubtful accounts
- amortization of tangible capital assets
- estimated useful life and residual value of tangible capital assets
- accrued sick leave liability
- post employment benefit liability

**Financial instruments**

The Municipality's financial instruments consist of cash, portfolio investments, accounts receivable, due from the Province of New Brunswick, due from the Federal Government, due from own funds, payables and accruals, holdbacks payable, deferred revenue, and long-term debt. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

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

**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. Bank borrowings are considered to be financing activities

**Inventory of land for resale**

Inventory is valued at the lower of cost and estimated net realizable value.

**Inventory of supplies**

Inventory is valued at the lower of cost and net replacement cost with cost being determined on the average cost basis.

2. Summary of significant accounting policies (continued)

Tangible capital assets

The municipality follows the provisions of PSA 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. Donated or contributed tangible capital assets are recorded at their fair market value at the date of construction or contribution. Tangible capital assets below a threshold of \$ 5,000 are expensed in the year of acquisition. Amortization shall begin in July of the year in which the costs were incurred. No amortization is recorded in the year of disposal. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Asset type	Years
Land improvements	5-25 years
Buildings	40 years
Vehicles	3-5 years
Machinery and equipment	5-15 years
Heavy equipment	10-15 years
Computer hardware & software & communication equipment	3-5 years
Furniture & fixtures	3-5 years
Road surface	5-15 years
Road grade	10-30 years
Water and wastewater networks	15-100 years
Dams and water structures	25-50 years
Leasehold improvements	Over the term of the lease

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

Contributed goods and services

With the exception of tangible capital assets which are recognized at their fair market value, the value of contributed goods and services are not recognized in the financial statements.

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.

2. Summary of significant accounting policies (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 solid 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 arena, ballfields, 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.

The Municipality has presented a schedule of segmented disclosure in Note 21 to the consolidated financial statements

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 11 and a pension plan as documented in Note 12.

3. Cash

	2018	2017
Restricted - Gas Tax Fund	\$ 188,254	\$ 139,007
Unrestricted	95,396	26,830
	<u>\$ 283,650</u>	<u>\$ 165,837</u>

VILLAGE OF BLACKS HARBOUR  
Notes to the Consolidated Financial Statements  
December 31, 2018

	2018	2017
4. Receivables- General		
Trade	\$ 51,814	\$ 73,455
Accrued investment income - Reserve Funds	2,417	9,644
Accrued investment income - Other	19	58
	<u>\$ 54,250</u>	<u>\$ 83,157</u>
5. Due from federal government and its agencies		
Canada Revenue Agency ( HST refund )	\$ 21,717	\$ 38,728
Atlantic Canada Opportunities Agency - Canada 150	-	35,062
Clean Water and Wastewater Fund	25,198	131,580
	<u>\$ 46,915</u>	<u>\$ 205,370</u>
6. Due from Province of New Brunswick		
Department of Finance	\$ -	\$ 4,397
NB Power	5,797	
Other	822	124
	<u>\$ 6,619</u>	<u>\$ 4,521</u>
7. Portfolio investments		
Restricted - Reserve Funds	\$ 1,125,578	\$ 953,997
Unrestricted	5,304	5,184
	<u>\$ 1,130,882</u>	<u>\$ 959,181</u>

The investments consist of guaranteed investment certificates with maturity dates in 2019 and interest rates ranging from 2.0% to 2.25%

VILLAGE OF BLACKS HARBOUR  
Notes to the Consolidated Financial Statements  
December 31, 2018

	2018	2017
8. Bank Indebtedness		
Bank demand loan	\$ 130,640	\$ -

The bank indebtedness is authorized to a limit of \$318,140 and bears interest at Scotiabank prime (3.95% at December 31, 2018)

9. Deferred revenue	2018	2017
Gas Tax Fund		
Transfer from the Canada-New Brunswick Agreement on the Transfer of Federal Gas Tax Revenues and the Provincial Gas Tax Top-up Fund to be applied to the cost of specific capital projects. The unspent balance is invested in portfolio investments and investment income reinvests in the fund.		
Balance, beginning of year	\$ 131,064	\$ 89,694
Contributions for the year	72,416	69,963
Interest earned	-	47
Transfer to revenue	(15,178)	(28,640)
Balance, end of year	\$ 188,302	\$ 131,064

VILLAGE OF BLACKS HARBOUR  
Notes to the Consolidated Financial Statements  
December 31, 2018

10. Long-term debt

	2018	2017
<u>New Brunswick Municipal Finance Corporation Debentures:</u>		
General Capital Fund		
AY28, 3.3% - 4.85%, due May 16,2018, OIC #06-0065 & 07-0042	\$ -	\$ 105,000
BA33, .95% - 5.0%, due June 11,2019, OIC #06-0065	7,000	8,000
BB38, 1.0% - 4.5%, due November 6,2019, OIC #08-0054	9,000	18,000
BK28, 1.15% - 3.1%, due May 15,2022, OIC #02-0021	127,000	164,000
BQ29, 1.2% - 1.85%, due June 1,2022, OIC #05-0087	44,000	54,000
BT23, 2.1% - 3.00%, due May 29,2023, OIC #06-0065 & 07-0042	89,000	
Water Capital Fund		
BA34, .95% - 5.0%, due June 11,2019, OIC #07-0042 & 07-0089	207,000	214,000
BB39, 1.0% - 4.5%, due November 6,2019, OIC #07-0042	32,000	33,000
	<u>\$ 515,000</u>	<u>\$ 596,000</u>

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

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

2019	\$	321,000
2020	\$	57,000
2021	\$	59,000
2022	\$	59,000
2023	\$	19,000

Refinancing options for future maturing debentures:

<u>Debenture</u>	<u>Maturity date</u>	<u>Amount eligible</u>	<u>Maximum refinancing term</u>
BA33	June 11,2019	\$ 6,000	Not exceeding 6 years
BA34	June 11,2019	\$ 200,000	Not exceeding 20 years
BB39	November 6,2019	\$ 31,000	Not exceeding 20 years

## VILLAGE OF BLACKS HARBOUR

### Notes to the Consolidated Financial Statements

December 31, 2018

#### 11. Accrued sick leave

The Municipality provides sick leave that accumulates at 12 hours per month for full-time non-administrative employees and 10.5 hours per month for full-time administrative employees. Full-time non-administrative employees can accumulate a maximum of 1,400 (2017 - 1,400) sick leave hours and full-time administrative employees can accumulate a maximum of 1,225 (2017 - 1,225) sick leave hours. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. Accumulated sick leave does not vest.

No actuarial valuation was performed at December 31, 2018 and the liability is based on management's best estimates. An actuarial valuation was last performed on the 8 (2017 - 8) employee plan in accordance with PSA 3255 at December 31, 2016. The actuarial method used was the Projected Unit Credit pro-rated on service to expected usage. 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 used reflect the Municipality's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3%;
- the discount rate used to determine the accrued benefit obligation is 3.17%
- retirement age is 60; and employees aged 60 or over as of the valuation date are assumed to retire one year from the valuation date
- no deaths, disabilities or terminations are assumed to occur prior to retirement
- estimated net excess utilization of rate of sick leave, based on actual experience from 2010 to 2014, is 22.1 hours per annum

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid out of general revenue as they come due.

The unfunded liability was \$ 23,559 on December 31, 2018 and \$ 23,165 on December 31, 2017.

#### 12. Post employment benefits payable

##### (a) Pension obligation

The Municipality and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Local Governance Act of New Brunswick. The NB MEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NB MEPP (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, 2016 and resulted in an overall NB MEPP accrued benefit obligation of \$ 115,347,700 based on the accounting basis.

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 management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2018:



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**VILLAGE OF BLACKS HARBOUR**
**Notes to the Consolidated Financial Statements**
**December 31, 2018**


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**12. Post employment benefits payable (continued)**

- the expected inflation rate is 2.25% (2017 - 2.25%)
- the discount rate used to determine the accrued benefit obligation is 5.50% (2017 - 5.50%) per annum
- the expected rate of return on assets is 5.50% (2017 - 5.50%) per annum
- retirement age varies by age and employment category
- estimated average remaining service life is (EARSL) is 14.0 years (2017 - 14.0 years)

The actuarial valuation prepared as at December 31, 2016 indicated that the market value of net assets available for the accumulated plan benefits were less than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of \$ 254,800, a change of \$ 1,005,400 from the December 31, 2015 deficit of \$ 1,260,200. Based on the assumptions as at December 31, 2016, the actuary expects the level of employer and employee contributions to be sufficient to fund the deficit in less than fifteen years, as allowed by the Pension Benefits Act.

As at December 31, 2016, the NB MEPP provides benefits for 233 retirees. Total benefit payments to retirees and terminating employees during 2018 are estimated to be approximately \$ 3,508,400 (actual 2017, \$ 4,638,400) in totality for the NB MEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.99%. Each municipality contributes an amount that equals their employees contribution amounts. Pension Fund Assets are invested in short term securities, bonds, Canadian equities and foreign equities. Combined employees and municipalities contributions for 2018 are estimated to be approximately \$ 6,377,000 (actual 2017, \$ 6,196,600) in totality for the NB MEPP.

The following summarizes the NB MEPP data as it relates to the Village of Blacks Harbour:

- The average age of the 8 active employees covered by the NB MEPP is 48 (as at December 31, 2016)
- Benefit payments were \$ 75,700 in 2017 and were estimated to be \$ 75,900 in 2018
- Combined contributions were \$ 55,600 in 2017 and were estimated to be \$ 57,200 in 2018

In addition to determining the position of the NB MEPP as it relates to the Village of Blacks Harbour as at December 31, 2016 and December 31, 2017, NB MEPP's actuary performed an extrapolation of the December 31, 2017 accounting valuation to determine the estimated position as at December 31, 2018. The extrapolation assumes that assumptions used as at December 31, 2018 remain unchanged from December 31, 2017. In addition, the extrapolation assumes assets return 5.50% 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:

12. Post employment benefits payable (continued)

	Estimated 1-Jan-2018 to 31-Dec-2018	1-Jan-2017 to 31-Dec-2017
Accrued Benefit Liability / (Asset)		
Accrued benefit liability / (asset) at beginning of period	\$ 196,300	\$ 215,700
Pension expense for the year	9,700	8,400
Less: Employer contributions	(28,600)	(27,800)
Accrued benefit liability / (asset) at end of period	\$ 177,400	\$ 196,300

In summary, the Accrued Benefit Liability as it relates to the Village of Blacks Harbour is estimated to be \$ 177,400 as at December 31, 2018. This compares to \$ 215,700 as at January 1, 2017 and \$ 196,200 as at December 31, 2017. 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 Accrued Benefit Liability is shown as follows and illustrates the unamortized amounts being recognized in Pension Expense over time:

	Estimated 31-Dec-2018	31-Dec-2017
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 2,027,100	\$ 1,949,600
Plan assets	1,990,600	1,905,000
Plan deficit / (surplus)	36,500	44,600
Unamortized prior service costs / (savings)	-	-
Unamortized experience losses / (gains)	(140,900)	(151,700)
Unamortized transitional obligation / (asset)	-	-
Accrued benefit liability / (asset) at end of period	\$ 177,400	\$ 196,300

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

	Estimated 1-Jan-2018 to 31-Dec-2018	1-Jan-2017 to 31-Dec-2017
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 1,949,600	\$ 1,976,200
Current service cost	47,000	44,200
Benefit payments	(75,900)	(75,700)
Interest for period	106,400	109,800
Cost / (savings) of plan amendments	-	-
Experience loss / (gain) during period	-	(104,900)
Accrued benefit obligation at end of period	\$ 2,027,100	\$ 1,949,600

12. Post employment benefits payable (continued)

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

	Estimated 1-Jan-2018 to 31-Dec-2018	1-Jan-2017 to 31-Dec-2017
<b>Reconciliation of Plan Assets</b>		
Plan assets at beginning of period	\$ 1,905,000	\$ 1,915,700
Employer contributions	28,600	27,800
Employee contributions	28,600	27,800
Benefit payments	(75,900)	(75,700)
Return on plan assets during period	104,300	9,400
Plan assets at end of year	\$ 1,990,600	\$ 1,905,000

Total expenses related to pensions include the following components:

	Estimated 1-Jan-2018 to 31-Dec-2018	1-Jan-2017 to 31-Dec-2017
<b>Pension Expense</b>		
Employer current service cost	\$ 18,400	\$ 16,400
Interest on accrued benefit obligation	106,400	109,800
Expected return on assets	(104,300)	(106,700)
	20,500	19,500
Amortization of unrecognized balances		
Prior service costs / (savings)	-	-
Experience loss / (gain)	(10,800)	(11,100)
Transitional obligation / (asset)	-	-
Total amortization	(10,800)	(11,100)
Pension expense	\$ 9,700	\$ 8,400

The Pension Expense is included in the statement of operations.

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements

December 31, 2018

13. Surplus/Deficit reconciliation

The Local Governance Act requires Water and Sewer Fund surplus/deficit amounts to be absorbed into one or more of three Operating Budgets commencing with the second following year. In addition, the General Operating Fund is not permitted to accumulate any surplus or deficit except for the current and immediately preceding year. The reconciliation of the surplus/deficit at the end of the year consists of:

	2018	2017
Net financial assets (liabilities)	\$ 250,802	\$ 100,872
Adjustments:		
Long term debt	515,000	596,000
Bank indebtedness	118,469	-
Accrued sick leave: Non-vesting / unfunded portion	23,559	23,165
Other unfunded liability - NBMEPP	177,400	192,800
Land inventory for resale	51,926	49,173
Less: Inventory transferred from General Capital Fund	- 11,891	- 11,891
Inventory of supplies	75,737	75,295
Less: Inventory transferred from Utility Capital Fund	- 26,364	- 26,364
Prepaid expenses	4,411	51,480
Current net assets	\$ 1,179,049	\$ 1,050,530
Composition of current net assets		
General Fund Surplus for 2016 PNB purposes		\$ 30,596
Utility Fund Surplus for 2016 PNB purposes		18,634
General Fund Surplus for 2017 PNB purposes	50,436	50,436
Utility Fund Deficit for 2017 PNB purposes	(12,777)	(12,777)
General Fund Deficit for 2018 PNB purposes	(6,934)	
Utility Fund Surplus for 2018 PNB purposes	20,329	
Reserve Fund balances	1,127,995	963,641
	\$ 1,179,049	\$ 1,050,530

14. 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, 2018 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.

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**VILLAGE OF BLACKS HARBOUR**
**Notes to the Consolidated Financial Statements**
**December 31, 2018**


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**15. Short-term borrowings compliance**
**Interim borrowing for capital**

The Municipality has outstanding ministerial authority for short-term borrowings under #18-0010 totalling \$ 450,000 for Protective Services for a term not to exceed 15 years

**Operating borrowing**

As prescribed in the Local Governance 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 2018, 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 the next year unless the borrowing is for a capital project. The municipality transacts all its operating transactions through one bank account which creates a balance payable from the Water and Sewer Operating Fund to the General Operating Fund. This balance is not in compliance with the requirements but interest is recorded at a rate of 5.5% on the average monthly balance to ensure that no benefit or cost is attributed to either fund.

**16. Water Cost Transfer**

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

**17. Non-monetary transactions**

Connors Bros. supplies potable water at no charge to the Village of Blacks Harbour from its source of supply in Pennfield, New Brunswick. The Village does not charge the company for water distributed through waterlines within the Village limits. No revenues or expenses are recorded in the financial statements for these transactions because the fair values are not reliably measurable.

**18. Economic dependence**

The Village of Blacks Harbour derives a significant portion of its property tax revenues from its major industry and its employees who reside within the Municipality.

The Village of Blacks Harbour is supplied potable water by Connor Bros. at no charge. The Village has completed potential well site exploration but no viable sources have been identified.

**19. Comparative figures**

Certain of the 2017 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

**VILLAGE OF BLACKS HARBOUR**

Notes to the Consolidated Financial Statements

December 31, 2018

**20. Schedule of Tangible Capital Assets**

	Land	Land Improvements	Buildings & Leasehold Improvements	Vehicles	Heavy Equipment	Machinery and Equipment	Infrastructure			Communication & Computer Equipment	Assets Under Construction	2018 Total	2017 Total
							Roads and Street	Treatment Facilities	Water and Sewer				
<b>COST</b>													
Balance, beginning of year	\$ 245,607	\$ 254,187	\$ 2,731,154	\$ 134,388	\$ 729,067	\$ 1,051,700	\$ 1,686,456	\$ 796,960	\$ 4,036,360	\$ 61,056	\$ -	\$ 11,726,935	\$ 11,242,605
Add:													
Net additions during the year	-	1,574	47,228	49,613	-	49,133	-	-	36,726	-	119,382	303,656	556,461
Less:													
Disposals during the year	-	-	15,840	74,463	-	33,281	-	-	-	-	-	123,584	72,131
Balance, end of year	245,607	255,761	2,762,542	109,538	729,067	1,067,552	1,686,456	796,960	4,073,086	61,056	119,382	11,907,007	11,726,935
<b>ACCUMULATED AMORTIZATION</b>													
Balance, beginning of year	-	134,787	1,265,206	131,969	509,480	680,889	1,253,727	609,390	2,046,500	61,056	-	6,693,004	6,363,502
Add:													
Amortization during the year	-	9,407	80,393	7,380	53,927	67,488	61,514	16,311	109,222	-	-	405,642	401,633
Less:													
Accumulated amortization on disposal	-	-	7,326	74,463	-	29,405	-	-	-	-	-	111,194	72,131
Balance, end of year	-	144,194	1,338,273	64,886	563,407	718,972	1,315,241	625,701	2,155,722	61,056	-	6,987,452	6,693,004
<b>NET BOOK VALUE OF TANGIBLE CAPITAL</b>	<b>\$ 245,607</b>	<b>\$ 111,567</b>	<b>\$ 1,424,269</b>	<b>\$ 44,652</b>	<b>\$ 165,660</b>	<b>\$ 348,580</b>	<b>\$ 371,215</b>	<b>\$ 171,259</b>	<b>\$ 1,917,364</b>	<b>\$ -</b>	<b>\$ 119,382</b>	<b>\$ 4,919,555</b>	<b>\$ 5,033,931</b>
Consists of:													
General Fund Assets	\$ 194,205	\$ 111,567	\$ 1,150,417	\$ 44,652	\$ 122,877	\$ 70,579	\$ 371,215	\$ -	\$ -		\$ 119,382	\$ 2,184,894	\$ 2,168,719
Water & Sewer Fund Assets	51,402	-	273,852	-	42,783	278,001	-	171,259	1,917,364	-	-	2,734,661	2,865,212
	<b>\$ 245,607</b>	<b>\$ 111,567</b>	<b>\$ 1,424,269</b>	<b>\$ 44,652</b>	<b>\$ 165,660</b>	<b>\$ 348,580</b>	<b>\$ 371,215</b>	<b>\$ 171,259</b>	<b>\$ 1,917,364</b>	<b>\$ -</b>	<b>\$ 119,382</b>	<b>\$ 4,919,555</b>	<b>\$ 5,033,931</b>

**VILLAGE OF BLACKS HARBOUR**
**Notes to the Consolidated Financial Statements**
**December 31, 2018**
**21. Schedule of Segment Disclosure**

	General	Protective	Transportation	Environmental Health	Environmental Development	Recreation & Culture	Water & Sewer	2018 Consolidated	2017 Consolidated
<b>Revenues</b>									
Property tax warrant	\$ 84,722	\$ 385,330	\$ 222,311	\$ 57,470	\$ 54,548	\$ 199,421	\$ -	\$ 1,003,802	\$ 1,006,017
Unconditional grant	175,753	-	-	-	-	-	-	175,753	217,234
Services provided to other governments	-	149,679	1,982	-	-	-	-	151,661	144,779
Sale of service and other fees	-	-	-	-	-	99,936	-	99,936	93,385
Other revenue from own sources	1,025	6,976	-	-	-	11,250	4,142	23,393	33,248
Unconditional transfers from other governments	14,080	-	-	-	-	-	-	14,080	4,683
Conditional transfers	65,179	-	-	-	-	28,806	29,641	123,626	344,568
Water and sewer fees	-	-	-	-	-	-	493,130	493,130	494,020
Gain on disposal of tangible capital assets	-	-	1,782	-	-	-	-	1,782	869
Interest	11,680	-	-	-	-	-	10,766	22,446	18,162
	352,439	541,985	226,075	57,470	54,548	339,413	537,679	2,109,609	2,356,965
<b>Expenses</b>									
Salaries and benefits	126,898	42,753	95,100	-	11,375	150,516	146,892	573,534	523,270
Goods and services	211,468	408,768	88,148	51,944	27,792	174,948	136,636	1,099,704	1,019,653
Amortization	7,262	49,780	99,830	-	12,738	44,678	191,354	405,642	401,634
Interest	1,734	4,524	2,221	-	371	-	17,809	26,659	30,822
Loss on disposal of tangible capital assets	-	-	-	-	-	8,514	3,876	12,390	-
	347,362	505,825	285,299	51,944	52,276	378,656	496,567	2,117,929	1,975,379
<b>Surplus (deficit) for the year</b>	\$ 5,077	\$ 36,160	\$ (59,224)	\$ 5,526	\$ 2,272	\$ (39,243)	\$ 41,112	\$ (8,320)	\$ 381,586

**VILLAGE OF BLACKS HARBOUR**

Notes to the Consolidated Financial Statements

December 31, 2018

**22. Reconciliation of Annual Surplus**

	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
<b>2018 Annual Surplus (Deficit)</b>	\$ 160,464	\$ (216,404)	\$ 198,355	\$ (165,589)	\$ 1,026	\$ 5,482	\$ 381	\$ 7,965	\$ (8,320)
<b>Adjustments to annual surplus (deficit) for funding requirements</b>									
Second previous year's surplus (deficit)	30,596	-	18,634	-	-	-	-	-	49,230
Transfer from water & sewer operating reserve fund to the water & sewer operating fund	-	-	500	-	-	-	(500)	-	-
Transfer from water & sewer operating fund to the water & sewer capital reserve fund	-	-	(150,000)	-	-	-	-	150,000	-
Transfer from general operating fund to the general capital fund	(115,893)	115,893	-	-	-	-	-	-	-
Transfer from water & sewer operating fund to the water & sewer capital fund	-	-	(35,038)	35,038	-	-	-	-	-
Long-term debt principal repayment	(73,000)	73,000	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	(8,000)	8,000	-	-	-	-	-
Proceeds from disposal of tangible capital assets	1,783	-	-	-	-	-	-	-	1,783
Loss (gain) on disposal of tangible capital assets	-	6,731	-	3,876	-	-	-	-	10,607
Amortization expense	-	214,288	-	191,354	-	-	-	-	405,642
Provision for sick leave accrual	286	-	108	-	-	-	-	-	394
Change in amount recorded under PSA for defined benefit liability	(11,170)	-	(4,230)	-	-	-	-	-	(15,400)
<b>Total adjustments to 2018 annual surplus (deficit)</b>	<b>(167,398)</b>	<b>409,912</b>	<b>(178,026)</b>	<b>238,268</b>	<b>-</b>	<b>-</b>	<b>(500)</b>	<b>150,000</b>	<b>452,256</b>
<b>2018 annual fund surplus (deficit) for PNB budgeting purposes</b>	<b>\$ (6,934)</b>	<b>\$ 193,508</b>	<b>\$ 20,329</b>	<b>\$ 72,679</b>	<b>\$ 1,026</b>	<b>\$ 5,482</b>	<b>\$ (119)</b>	<b>\$ 157,965</b>	<b>\$ 443,936</b>



23. Statement of Reserves

	General Operating Reserve	General Capital Reserve	Water & Sewer Operating Reserve	Water & Sewer Capital Reserve	2018 Total	2017 Total
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portfolio investments	67,900	362,707	24,733	670,238	1,125,578	953,997
Accrued interest receivable	146	779	53	1,439	2,417	9,644
	<u>\$ 68,046</u>	<u>\$ 363,486</u>	<u>\$ 24,786</u>	<u>\$ 671,677</u>	<u>\$ 1,127,995</u>	<u>\$ 963,641</u>
<b>Accumulated Surplus</b>						
	<u>\$ 68,046</u>	<u>\$ 363,486</u>	<u>\$ 24,786</u>	<u>\$ 671,677</u>	<u>\$ 1,127,995</u>	<u>\$ 963,641</u>
<b>Revenue</b>						
Other government transfers	\$ -	\$ -	\$ -		\$ -	\$ -
Transfers from Utility and General Operating Funds	-	-	-	150,000	150,000	100,000
Interest	1,026	5,482	381	7,965	14,854	10,436
	<u>1,026</u>	<u>5,482</u>	<u>381</u>	<u>157,965</u>	<u>164,854</u>	<u>110,436</u>
<b>Expenditures</b>						
Transfers to Utility Operating Funds			500		500	-
<b>Annual Surplus (Deficit)</b>	<u>\$ 1,026</u>	<u>\$ 5,482</u>	<u>\$ (119)</u>	<u>\$ 157,965</u>	<u>\$ 164,354</u>	<u>\$ 110,436</u>
<b>Accumulated Surplus</b>						
Beginning of year	67,020	358,004	24,905	513,712	963,641	853,205
End of year	<u>\$ 68,046</u>	<u>\$ 363,486</u>	<u>\$ 24,786</u>	<u>\$ 671,677</u>	<u>\$ 1,127,995</u>	<u>\$ 963,641</u>

The Water and Sewer Capital Reserve Fund includes replacement reserves totalling \$ 93,523 ( 2017 - \$ 92,113). The Village has complied with the total transfers required under the Canada/New Brunswick Infrastructure Program agreement and Canada/New Brunswick Municipal Rural Infrastructure Program agreement.

Under Regulation 97-145 to the Municipalities Act, money held in capital reserve funds shall be used for no purpose other than the payment of capital expenses. Money held in operating reserve funds shall be used for no purpose other than the payment of operating expenses.

**23. Statement of Reserves ( continued )**

**Council resolutions regarding transfers to and from reserves:**

**December 12, 2018 resolution 121218-08**

**21.3 Year End Transfers**

MOVED BY: Councillor Chase  
 SECONDED BY: Councillor Harris

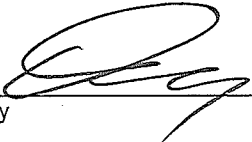
Be It Resolved:

That Council transfer \$ 500 from the Water and Sewer Utility Operating Reserve Fund to the Water and Sewer Utility Operating Fund

Be It Resolved:

That Council transfer \$ 150,000 from the Water and Sewer Utility Operating Fund to the Water and Sewer Capital Reserve Fund

CARRIED

  
 David Gray  
 Clerk  
 Village of Blacks Harbour

MAY 22/19  
 Date

**VILLAGE OF BLACKS HARBOUR****Notes to the Consolidated Financial Statements**

December 31, 2018

**24. Operating Budget to PSA Budget****Revenue**

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Controlled Entities	Transfers	Total
Property tax warrant	\$ 1,003,802	\$ -	\$ -	\$ -	\$ -	\$ 1,003,802
Community funding and equalization grant	175,753	-	-	-	-	175,753
Services provided to other governments	151,656	-	-	-	-	151,656
Sales of services	101,985	-	-	-	-	101,985
Other revenue from own sources	6,500	3,563	-	-	-	10,063
Conditional transfers	8,000	-	-	-	-	8,000
Water and sewer fees	-	491,573	-	-	-	491,573
Interest	5,000	3,000	-	-	-	8,000
Surplus of second previous year	30,596	18,634	-	-	(49,230)	-
	1,493,897	516,770	-	-	(49,230)	1,961,437

**Expenditures**

General government services	284,274	-	7,262	-	5,277	296,813
Protective services	487,086	-	49,780	-	14,186	551,052
Transportation services	206,703	-	99,830	-	1,947	308,480
Environmental health services	57,470	-	-	-	-	57,470
Environmental development services	53,174	-	12,738	-	374	66,286
Recreational and cultural services	310,406	-	44,678	-	-	355,084
Fiscal services						
- Long-term debt repayments	73,000	8,001	-	-	(81,001)	-
- Interest	18,284	18,800	-	-	(37,084)	-
- Bank service charge	3,500	-	-	-	(3,500)	-
- Discounts	-	12,000	-	-	(12,000)	-
- Transfer from the Water & Sewer Operating Fund to the Water & Sewer Capital Fund	-	80,000	-	-	(80,000)	-
Water & sewer	-	397,969	191,354	-	30,800	620,123
	1,493,897	516,770	405,642	-	(161,001)	2,255,308
<b>Surplus (Deficit)</b>	\$ -	\$ -	\$ (405,642)	\$ -	\$ 111,771	\$ (293,871)

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2018**

**25. Revenue and Expense Support**

	<b>2018</b>		<b>2017</b>	
	<b>( Unaudited )</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>	
<b>Revenue</b>				
Services provided to other governments				
Province of New Brunswick				
Fire- Local service districts	\$ 149,056	\$ 149,055	\$ 141,014	
Forest fires	-	624	1,150	
Transportation	2,600	1,982	2,615	
	<u>\$ 151,656</u>	<u>\$ 151,661</u>	<u>\$ 144,779</u>	
Sales of services				
Recreational and cultural services				
Skating rink and arena	\$ 101,985	\$ 99,936	\$ 93,385	
Other revenue from own sources				
Licenses and permits	\$ 5,400	\$ 6,976	\$ 3,694	
Rentals	3,563	3,563	3,563	
Miscellaneous	1,100	1,605	5,180	
Contributions	-	11,249	20,811	
	<u>\$ 10,063</u>	<u>\$ 23,393</u>	<u>\$ 33,248</u>	
Unconditional transfers from other governments				
Provincial Government				
Other transfers	\$ 10,605	\$ 14,080	\$ 4,683	
Conditional transfers				
Gas Tax transfer	\$ -	\$ 15,179	\$ 28,640	
Clean Water & Wastewater Fund	-	29,641	239,792	
Federal Government				
Atlantic Canada Opportunities Agency	-	4,615	60,335	
Asset management plan	-	50,000	-	
Recreation and culture	-	8,307	5,520	
Provincial Government				
NB Power energy rebate	-	7,997	-	
Recreation and culture	8,000	7,887	10,281	
	<u>\$ 8,000</u>	<u>\$ 123,626</u>	<u>\$ 344,568</u>	

VILLAGE OF BLACKS HARBOUR  
Notes to the Consolidated Financial Statements  
December 31, 2018

25. Revenue and Expense Support (continued)

	2018		2017	
	( Unaudited )			
	Budget	Actual	Actual	
Water and sewer fees				
Water and sewer user fees	\$ 440,773	\$ 442,475	\$ 442,361	
Connection and service charges	800	655	1,659	
Water supply for fire protection	50,000	50,000	50,000	
	<u>\$ 491,573</u>	<u>\$ 493,130</u>	<u>\$ 494,020</u>	
<b>Expenditures</b>				
General government services				
Legislative				
Mayor	\$ 9,920	\$ 8,704	\$ 9,848	
Councillors	29,830	27,208	24,678	
	<u>39,750</u>	<u>35,912</u>	<u>34,526</u>	
Administrative				
Personnel	129,730	126,898	106,947	
Other administrative services	30,800	90,135	37,221	
Office building	23,150	25,161	14,103	
Legal services	2,000	3,498	3,283	
	<u>185,680</u>	<u>245,692</u>	<u>161,554</u>	
Financial management				
External audit	16,000	11,210	11,807	
External accounting	-	5,214	5,631	
	<u>16,000</u>	<u>16,424</u>	<u>17,438</u>	
Common services				
Training and development	2,500	1,358	204	
Cost of assessment	12,495	12,495	12,523	
Regional and cooperative services	3,104	3,104	2,765	
	<u>18,099</u>	<u>16,957</u>	<u>15,492</u>	
Other				
Conventions and delegations	4,000	862	1,831	
Liability insurance	11,500	11,494	11,555	
Grants to organizations	2,500	2,500	2,500	
Other general services	6,745	6,780	6,663	
Bank service charges	3,500	1,214	962	
Debenture issue	-	533	318	
Amortization	7,262	7,262	7,262	
Interest	1,777	1,734	2,053	
	<u>37,284</u>	<u>32,379</u>	<u>33,144</u>	
Total general government services	<u>\$ 296,813</u>	<u>\$ 347,364</u>	<u>\$ 262,154</u>	

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2018**

**25. Revenue and Expense Support (continued)**

	<b>2018</b>		<b>2017</b>	
	<b>( Unaudited )</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>	
Protective services				
Fire Protection				
Administration - personnel	\$ 16,714	\$ 16,614	\$ 16,551	
Administration - other	4,580	3,861	3,774	
Firefighting force - personnel	25,984	26,139	25,984	
Firefighting force - other	21,710	14,746	23,838	
Alarm systems	13,803	15,239	10,986	
Investigation and prevention	2,500	1,844	1,786	
Water cost	50,000	50,000	50,000	
Training and development	4,000	3,521	1,267	
Station	23,144	19,909	17,197	
Fighting equipment	62,660	38,820	31,043	
Amortization	49,780	49,780	43,529	
Interest	14,186	4,524	6,944	
	<u>289,061</u>	<u>244,997</u>	<u>232,899</u>	
Police Protection				
R.C.M.P. contract	227,436	227,436	233,915	
Emergency measures	2,550	857	1,253	
Other				
Building inspection	29,755	32,403	24,137	
Animal and pest control	2,250	132	302	
	<u>32,005</u>	<u>32,535</u>	<u>24,439</u>	
Total protective services	<u>\$ 551,052</u>	<u>\$ 505,825</u>	<u>\$ 492,506</u>	
Transportation services				
Common services				
Personnel	\$ 50,100	\$ 44,435	\$ 60,126	
Administration	7,383	5,393	3,923	
General equipment	26,163	25,269	23,879	
Workshop, yard and other buildings	5,660	4,595	4,645	
	<u>89,306</u>	<u>79,692</u>	<u>92,573</u>	
Road transport				
Roads and streets				
Summer maintenance				
Department of Transportation	1,655	1,700	1,654	
Other	5,000	1,143	2,467	
Culverts and drainage ditches	2,500	-	876	
Street cleaning and flushing	500	3,103	848	
Snow and ice removal				
Personnel	55,850	50,665	44,429	
Other	13,000	10,255	8,578	
Department of Transportation	5,392	5,544	5,392	
	<u>83,897</u>	<u>72,410</u>	<u>64,244</u>	

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2018**

**25. Revenue and Expense Support (continued)**

	2018		2017
	( Unaudited )		
	Budget	Actual	Actual
Street lighting	27,700	27,247	26,818
Traffic services	5,800	3,899	5,330
Amortization	99,830	99,830	101,216
Interest	1,947	2,221	3,502
	<u>135,277</u>	<u>133,197</u>	<u>136,866</u>
Total transportation services	<u>\$ 308,480</u>	<u>\$ 285,299</u>	<u>\$ 293,683</u>
Environmental health services			
Solid waste collection	\$ 29,690	\$ 30,736	\$ 29,136
Solid waste disposal	27,780	21,208	26,143
Total environmental health services	<u>\$ 57,470</u>	<u>\$ 51,944</u>	<u>\$ 55,279</u>
Environmental development services			
Environmental planning and zoning	\$ 22,750	\$ 5,982	\$ 5,846
Community development	3,765	9,139	4,712
Other environmental development services			
Tourism			
Tourist bureau	18,375	13,651	14,955
Camps and parks	2,200	2,144	1,678
Pea Point development	-	1,150	3,171
Other	6,084	2,704	4,248
Provision for loss on accounts receivable	-	4,397	-
Amortization	12,738	12,738	12,755
Interest	374	371	418
Total environmental development services	<u>\$ 66,286</u>	<u>\$ 52,276</u>	<u>\$ 47,783</u>
Recreation and cultural services			
Recreation			
Rink and arena			
Personnel	\$ 94,395	\$ 123,075	\$ 98,485
Other	133,649	142,058	133,661
Exhibitions and fairs	2,300	1,325	1,925
Parks and playgrounds			
Personnel	33,775	18,167	14,281
Other	5,575	7,757	4,718
Other recreation facilities			
Personnel	12,100	9,274	12,168
Other	1,000	1,696	4,214
Cultural			
Museums and libraries	19,012	11,035	1,939
Other recreation and cultural services	8,600	11,077	15,327
Provision for loss on accounts receivable	-	-	300
Amortization	44,678	44,678	44,757
Total recreation and cultural services	<u>\$ 355,084</u>	<u>\$ 370,142</u>	<u>\$ 331,775</u>

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements

December 31, 2018

25. Revenue and Expense Support (continued)

	2018		2017
	( Unaudited )		
	Budget	Actual	Actual
Water and Sewer			
Water supply			
Administration			
Personnel	\$ 22,250	\$ 19,755	\$ 18,132
Other	16,550	8,204	10,149
Purification and treatment	8,500	6,776	8,451
Transmission and distribution			
Personnel	45,850	45,502	41,196
Other	33,700	3,686	10,388
Power and pumping	12,040	3,664	3,593
Billing and collection			
Personnel	8,150	7,903	7,831
Other	550	521	521
Workshop and equipment	14,580	12,761	11,547
Discounts for early payment	6,000	6,027	5,875
Provision for loss on accounts receivable	-		6
Amortization	98,505	98,505	99,721
Interest	7,206	8,031	7,617
	273,881	221,335	225,027
Sewer collection and disposal			
Administration			
Personnel	22,250	19,755	18,132
Other	16,550	7,485	11,893
Sewage collection system			
Personnel	45,850	46,082	39,802
Other	6,000	304	476
Sewage lift stations	22,610	22,144	12,490
Sewage treatment and disposal	94,259	46,014	55,917
Billing and collection			
Personnel	8,150	7,895	7,831
Other	550	261	521
Workshop and equipment	19,580	12,761	11,547
Discounts for early payment	6,000	6,026	5,875
Provision for loss on accounts receivable	-		6
Amortization	92,849	92,849	92,394
Interest	11,594	9,778	10,288
	346,242	271,354	267,172
Total water and sewer	\$ 620,123	\$ 492,689	\$ 492,199