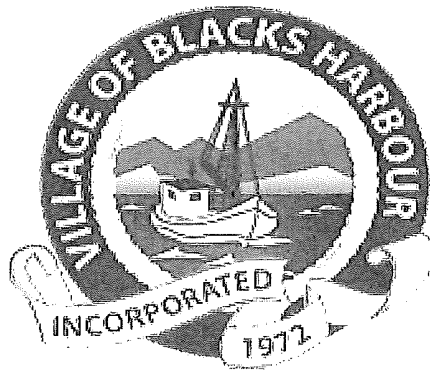


VILLAGE OF BLACKS HARBOUR
Consolidated Financial Statements
Year Ended December 31, 2019



VILLAGE OF BLACKS HARBOUR

Index to the Consolidated Financial Statements

Year Ended December 31, 2019

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Consolidated Statement of Operations	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Net Debt	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7-30

INDEPENDENT AUDITORS' REPORT

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, 2019, 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, 2019, 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.

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 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)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- | Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- | Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- | Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- | Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- | Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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
August 19, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF BLACKS HARBOUR
Consolidated Statement of Operations
Year Ended December 31, 2019

	2019		2018
	(Unaudited)		
	Budget	Actual	Actual
	(Note 25)		
Revenue			
Property tax warrant	\$ 965,397	\$ 965,397	\$ 1,003,802
Community funding and equalization grant	239,161	239,161	175,753
Services provided to other governments	145,376	147,588	151,661
Sales of services	113,225	98,350	99,936
Other revenue from own sources	7,500	37,005	23,393
Unconditional transfers from other governments	-	5,803	14,080
Conditional transfers	14,500	125,293	123,626
Water and sewer fees	489,817	494,547	493,130
Gain on disposal of tangible capital assets	-	1,319	-
Interest	8,200	26,565	22,446
	<u>1,983,176</u>	<u>2,141,028</u>	<u>2,107,827</u>
Expenditures			
General government services	283,526	279,980	347,364
Protective services	567,363	538,600	505,825
Transportation services	281,321	402,470	285,299
Environmental health services	70,535	73,644	51,944
Environmental development services	59,627	36,763	52,276
Recreational and cultural services	384,071	362,765	370,142
Water and sewer	586,529	492,222	492,689
Loss on disposal of tangible capital assets	-	-	10,608
	<u>2,232,972</u>	<u>2,186,444</u>	<u>2,116,147</u>
Annual surplus (deficit)	<u>\$ (249,796)</u>	(45,416)	(8,320)
Accumulated surplus, beginning of year		5,302,431	5,310,751
Accumulated surplus, end of year		<u>\$ 5,257,015</u>	<u>\$ 5,302,431</u>

VILLAGE OF BLACKS HARBOUR
Consolidated Statement of Financial Position
As at December 31, 2019


	2019	2018
Financial assets		
Cash (Note 3)	\$ 380,275	\$ 283,650
Receivables		
General (Note 4)	52,700	54,250
Federal government and its agencies (Note 5)	21,653	46,915
Province of New Brunswick (Note 6)	5,882	6,619
Portfolio investments (Note 7)	1,254,127	1,130,882
	<u>1,714,637</u>	<u>1,522,316</u>
Liabilities		
Bank indebtedness (Note 8)	-	130,640
Payables and accruals	187,752	228,418
Holdbacks payable	-	8,195
Deferred revenue (Note 9)	361,606	188,302
Long term debt (Note 10)	744,000	515,000
Accrued sick leave (Note 11)	23,127	23,559
Post employment benefits payable (Note 12)	184,500	177,400
	<u>1,500,985</u>	<u>1,271,514</u>
NET ASSETS	<u>213,652</u>	<u>250,802</u>
Non-Financial Assets		
Tangible capital assets (Note 21)	12,240,560	11,907,007
Less: Accumulated amortization (Note 21)	(7,338,023)	(6,987,452)
	<u>4,902,537</u>	<u>4,919,555</u>
Inventory of supplies	73,335	75,737
Land inventory for resale	57,366	51,926
Deferred financing charges	5,321	-
Prepaid expenses	4,804	4,411
	<u>5,043,363</u>	<u>5,051,629</u>
ACCUMULATED SURPLUS	<u>\$ 5,257,015</u>	<u>\$ 5,302,431</u>

Contingencies (Note 14)

On behalf of Council

Approved by:

Mayor: 

Treasurer: 

VILLAGE OF BLACKS HARBOUR**Consolidated Statement of Changes in Net Debt**

Year Ended December 31, 2019

	2019	2018
Annual surplus	\$ (45,416)	\$ (8,320)
Add (deduct) :		
Acquisition of tangible capital assets	(359,410)	(303,656)
Amortization of tangible capital assets	375,138	405,642
Amortization of deferred financing charges	211	
Proceeds on sale of tangible capital assets	2,609	1,782
Loss (gain) on disposal of tangible capital assets	(1,319)	10,608
Consumption (acquisition) of inventories	2,402	(442)
Consumption (acquisition) of land inventory for resale	(5,440)	(2,753)
Acquisition of deferred financing charges	(5,532)	-
Consumption (acquisition) of prepaid assets	(393)	47,069
Increase (decrease) in Net Assets	(37,150)	149,930
Net Assets (Debt)		
Beginning of the year	250,802	100,872
End of the year	\$ 213,652	\$ 250,802

VILLAGE OF BLACKS HARBOUR
Consolidated Statement of Cash Flows
Year Ended December 31, 2019

Increase (decrease) in cash and cash equivalents

Operating transactions

Annual surplus	\$ (45,416)	\$ (8,320)
Loss (gain) on disposal of tangible capital assets	(1,319)	10,608
Amortization of tangible capital assets	375,138	405,642
Amortization of deferred financing charges	211	-
Receivable - General	1,550	28,907
Receivable - Federal Government and its agencies	25,262	158,455
Receivable - Province of New Brunswick	737	(2,098)
Payables and accruals	(40,666)	(126,821)
Holdbacks payable	(8,195)	(10,731)
Deferred revenue	173,304	57,238
Accrued sick leave	(432)	394
Post employment benefits payable	7,100	(15,400)
Change in inventory/prepaid expenses	(3,431)	43,874
	<u>483,843</u>	<u>541,748</u>

Capital transactions

Acquisition of tangible capital assets	(359,410)	(303,656)
Proceeds on sale of tangible capital assets	2,609	1,782
	<u>(356,801)</u>	<u>(301,874)</u>

Financing transactions

Issue(reduction) of bank indebtedness	(130,640)	130,640
Issue of long term debt	550,000	-
Debenture issue costs	(5,532)	-
Repayment of long-term debt	(321,000)	(81,000)
	<u>92,828</u>	<u>49,640</u>

Investing transactions

Proceeds on sale of portfolio investments	1,130,882	1,830,387
Purchase of portfolio investments	(1,254,127)	(2,002,088)
	<u>(123,245)</u>	<u>(171,701)</u>

Net (decrease) increase in cash and cash equivalents

96,625 117,813

Cash and cash equivalents

Beginning of year	283,650	165,837
End of year	<u>\$ 380,275</u>	<u>\$ 283,650</u>

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements

December 31, 2019

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 12, 2018 and the Department of Environment and Local Government on January 10, 2019.

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.

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

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 expenditures 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.

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements

December 31, 2019

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	<u>Years</u>
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.

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements

December 31, 2019

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 22 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

	2019	2018
Restricted - Gas Tax Fund	\$ 323,980	\$ 188,254
Unrestricted	56,295	95,396
	<u>\$ 380,275</u>	<u>\$ 283,650</u>

VILLAGE OF BLACKS HARBOUR**Notes to the Consolidated Financial Statements****December 31, 2019**

	2019	2018
4. Receivables- General		
Trade	\$ 50,523	\$ 51,814
Accrued investment income - Reserve Funds	2,167	2,417
Accrued investment income - Other	10	19
	<u>\$ 52,700</u>	<u>\$ 54,250</u>
5. Due from federal government and its agencies		
Canada Revenue Agency (HST refund)	\$ 21,166	\$ 21,717
Clean Water and Wastewater Fund	487	25,198
	<u>\$ 21,653</u>	<u>\$ 46,915</u>
6. Due from Province of New Brunswick		
Environment and Local Government	\$ 2,893	\$ 686
Internal Services Agency	2,676	10
NB Power	125	5,797
Other	188	126
	<u>\$ 5,882</u>	<u>\$ 6,619</u>
7. Portfolio investments		
Restricted - Reserve Funds	\$ 1,248,713	\$ 1,125,578
Unrestricted	5,414	5,304
	<u>\$ 1,254,127</u>	<u>\$ 1,130,882</u>

The investments consist of guaranteed investment certificates with maturity dates in 2020 and interest rates ranging from 1.75% to 2.00%

VILLAGE OF BLACKS HARBOUR**Notes to the Consolidated Financial Statements****December 31, 2019**

	2019	2018
8. Bank Indebtedness		
Bank demand loan	\$ -	\$ 130,640
9. Deferred revenue		
Preserving Our History Through Memories Project		
Contributions for the year	\$ 9,533	\$ -
Transfer to revenue	(1,954)	-
Balance, end of year	7,579	-
Contributions for purchase of ice resurfacer		
Contributions for the year	30,000	-
Balance, end of year	30,000	-
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	188,302	131,064
Contributions for the year	134,767	72,416
Interest earned	958	-
Transfer to revenue	-	(15,178)
Balance, end of year	324,027	188,302
	\$ 361,606	\$ 188,302

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements

December 31, 2019

10. Long-term debt

	2019	2018
<u>New Brunswick Municipal Finance Corporation Debentures:</u>		
General Capital Fund		
BA33, .95% - 5.0%, due June 11,2019, OIC #06-0065	\$ -	\$ 7,000
BB38, 1.0% - 4.5%, due November 6,2019, OIC #08-0054	-	9,000
BK28, 1.15% - 3.1%, due May 15,2022, OIC #02-0021	89,000	127,000
BQ29, 1.2% - 1.85%, due June 1,2022, OIC #05-0087	33,000	44,000
BT23, 2.1% - 3.00%, due May 29,2023, OIC #06-0065 & 07-0042	72,000	89,000
BV28, 2.05% - 3.15%, due May 14,2034, OIC #18-0010	350,000	
Water Capital Fund		
BA34, .95% - 5.0%, due June 11,2019, OIC #07-0042 & 07-0089	-	207,000
BB39, 1.0% - 4.5%, due November 6,2019, OIC #07-0042	-	32,000
BV29, 2.05% - 3.35%, due May 14,2039, OIC #07-0042 & 07-0089	200,000	
	<u>\$ 744,000</u>	<u>\$ 515,000</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:

2020	\$	85,000
2021	\$	87,000
2022	\$	87,000
2023	\$	48,000
2024	\$	29,000

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements

December 31, 2019

11. Accrued sick leave

The Municipality provides sick leave that accumulates at 12 hours per month for full-time non-administrative employees and ranging from 8.75 to 10.5 hours per month for full-time administrative employees. Full-time non-administrative employees can accumulate a maximum of 1,400 (2018 - 1,400) sick leave hours and full-time administrative employees can accumulate a maximum of 1,225 (2018 - 1,225) sick leave hours. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. Upon retirement, employees of the bargaining unit receive a 20% payout of their earned and accumulated banked sick time. Accumulated sick leave does not vest.

No actuarial valuation was performed at December 31, 2019 and the liability is based on management's best estimates. An actuarial valuation was last performed on the 8 (2018 - 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 \$ 23,127 on December 31, 2019 and \$ 23,559 on December 31, 2018.

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, 2017 and resulted in an overall NB MEPP accrued benefit obligation of \$ 122,959,100 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, 2019:

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

12. Post employment benefits payable (continued)

- the expected inflation rate is 2.25% (2018 - 2.25%)
- the discount rate used to determine the accrued benefit obligation is 5.50% (2018 - 5.50%) per annum
- the expected rate of return on assets is 5.50% (2018 - 5.50%) per annum
- retirement age varies by age and employment category
- estimated average remaining service life is (EARSLS) is 13.0 years (2018 - 13.0 years)

The actuarial valuation prepared as at December 31, 2017 indicated that the market value of net assets available for the accumulated plan benefits were greater 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 surplus of \$ 43,100, a change of \$ 297,900 from the December 31, 2016 deficit of \$ 254,800. Based on the assumptions as at December 31, 2017, the actuary expects the level of employer and employee contributions to be sufficient to fund the current service cost and going concern special payments, as required by the Pension Benefits Act.

As at December 31, 2017, the NB MEPP provides benefits for 236 retirees. Total benefit payments to retirees and terminating employees during 2019 are estimated to be approximately \$ 3,932,100 (actual 2018, \$ 5,502,500) 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 2019 are estimated to be approximately \$ 6,713,200 (actual 2018, \$ 6,532,500) 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 51.7 (as at December 31, 2017)
 - Benefit payments were \$ 87,200 in 2018 and were estimated to be \$ 75,900 in 2019
 - Combined contributions were \$ 59,100 in 2018 and were estimated to be \$ 60,400 in 2019

In addition to determining the position of the NB MEPP as it relates to the Village of Blacks Harbour as at December 31, 2017 and December 31, 2018, NB MEPP's actuary performed an extrapolation of the December 31, 2018 accounting valuation to determine the estimated position as at December 31, 2019. The extrapolation assumes assumptions used as at December 31, 2019 remain unchanged from December 31, 2018. 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:

VILLAGE OF BLACKS HARBOUR**Notes to the Consolidated Financial Statements****December 31, 2019****12. Post employment benefits payable (continued)**

	Estimated 1-Jan-2019 to 31-Dec-2019	1-Jan-2018 to 31-Dec-2018
Accrued Benefit Liability / (Asset)		
Accrued benefit liability / (asset) at beginning of period	\$ 176,000	\$ 196,300
Pension expense for the year	38,700	9,500
Less: Employer contributions	(30,200)	(29,800)
Accrued benefit liability / (asset) at end of period	<u>\$ 184,500</u>	<u>\$ 176,000</u>

In summary, the Accrued Benefit Liability as it relates to the Village of Blacks Harbour is estimated to be \$184,500 as at December 31, 2019. This compares to \$ 196,300 as at January 1, 2018 and \$ 176,000 as at December 31, 2018. 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-2019	31-Dec-2018
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 2,107,600	\$ 2,016,700
Plan assets	1,903,100	1,819,000
Plan deficit / (surplus)	204,500	197,700
Unamortized prior service costs / (savings)	-	-
Unamortized experience losses / (gains)	20,000	21,700
Unamortized transitional obligation / (asset)	-	-
Accrued benefit liability / (asset) at end of period	<u>\$ 184,500</u>	<u>\$ 176,000</u>

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

	Estimated 1-Jan-2019 to 31-Dec-2019	1-Jan-2018 to 31-Dec-2018
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 2,016,700	\$ 1,949,600
Current service cost	56,400	47,500
Benefit payments	(75,900)	(87,200)
Interest for period	110,400	106,100
Cost / (savings) of plan amendments	-	-
Experience loss / (gain) during period	-	700
Accrued benefit obligation at end of period	<u>\$ 2,107,600</u>	<u>\$ 2,016,700</u>

VILLAGE OF BLACKS HARBOUR**Notes to the Consolidated Financial Statements****December 31, 2019****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-2019 to 31-Dec-2019	1-Jan-2018 to 31-Dec-2018
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 1,819,000	\$ 1,905,000
Employer contributions	30,200	29,800
Employee contributions	30,200	29,300
Benefit payments	(75,900)	(87,200)
Return on plan assets during period	99,600	(57,900)
Plan assets at end of year	<u>\$ 1,903,100</u>	<u>\$ 1,819,000</u>

Total expenses related to pensions include the following components:

	Estimated 1-Jan-2019 to 31-Dec-2019	1-Jan-2018 to 31-Dec-2018
Pension Expense		
Employer current service cost	\$ 26,200	\$ 18,200
Interest on accrued benefit obligation	110,400	106,100
Expected return on assets	(99,600)	(104,000)
	<u>37,000</u>	<u>20,300</u>
Amortization of unrecognized balances		
Prior service costs / (savings)	-	-
Experience loss / (gain)	1,700	(10,800)
Transitional obligation / (asset)	-	-
Total amortization	<u>1,700</u>	<u>(10,800)</u>
Pension expense	<u>\$ 38,700</u>	<u>\$ 9,500</u>

The Pension Expense is included in the statement of operations.

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements

December 31, 2019

13. Surplus/Deficit reconciliation

The Local Governance Act requires Water and Sewer Fund surplus/deficit amounts to be absorbed into one or more of four 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:

	2019	2018
Net financial assets (liabilities)	\$ 213,652	\$ 250,802
Adjustments:		
Long term debt	744,000	515,000
Bank indebtedness	-	118,469
Accrued sick leave: Non-vesting / unfunded portion	23,127	23,559
Other unfunded liability - NBMEPP	184,500	177,400
Land inventory for resale	57,366	51,926
Less: Inventory transferred from General Capital Fund	(11,891)	(11,891)
Inventory of supplies	73,335	75,737
Less: Inventory transferred from Utility Capital Fund	(26,364)	(26,364)
Prepaid expenses	4,804	4,411
Current net assets	\$ 1,262,529	\$ 1,179,049
Composition of current net assets		
General Fund Surplus for 2017 PNB purposes	\$	50,436
Utility Fund Deficit for 2017 PNB purposes		(12,777)
General Fund Deficit for 2018 PNB purposes	\$ (6,934)	(6,934)
Utility Fund Surplus for 2018 PNB purposes	20,329	20,329
General Fund Deficit for 2019 PNB purposes	(20,648)	
Utility Fund Surplus for 2019 PNB purposes	18,902	
Reserve Fund balances	1,250,880	1,127,995
	\$ 1,262,529	\$ 1,179,049

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, 2019 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.

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

15. Short-term borrowings compliance
Interim borrowing for capital

The Municipality has no ministerial authority for short-term borrowings.

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 2019, 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 2018 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

20. Subsequent event

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact the length and severity of these developments will have on the financial assets and condition of the Municipality in future periods.

VILLAGE OF BLACKS HARBOURNotes to the Consolidated Financial Statements
December 31, 2019**21. Schedule of Tangible Capital Assets**

	Land	Land Improvements	Buildings & Leasehold Improvements	Vehicles	Heavy Equipment	Machinery and Equipment	Roads and Street	Infrastructure Treatment Facilities	Water and Sewer	Communication & Computer Equipment	Assets Under Construction	2019 Total	2018 Total
COST													
Balance, beginning 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
Add:													
Net additions during the year	18,226	-	-	-	415,911	44,006	-	-	-	-	(118,733)	359,410	303,656
Less:													
Disposals during the year	-	-	-	-	-	25,857	-	-	-	-	-	25,857	123,584
Balance, end of year	263,833	255,761	2,762,542	109,538	1,144,978	1,085,701	1,686,456	796,960	4,073,086	61,056	649	12,240,560	11,907,007
ACCUMULATED AMORTIZATION													
Balance, beginning 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
Add:													
Amortization during the year	-	9,407	73,100	9,923	56,366	49,279	51,034	16,311	109,718	-	-	375,138	405,642
Less:													
Accumulated amortization on disposals	-	-	-	-	-	24,567	-	-	-	-	-	24,567	111,194
Balance, end of year	-	153,601	1,411,373	74,809	619,773	743,684	1,366,275	642,012	2,265,440	61,056	-	7,338,023	6,987,452
NET BOOK VALUE OF TANGIBLE CAPITAL	\$ 263,833	\$ 102,160	\$ 1,351,169	\$ 34,729	\$ 525,205	\$ 342,017	\$ 320,181	\$ 154,948	\$ 1,807,646	\$ -	\$ 649	\$ 4,902,537	\$ 4,919,555
Consists of:													
General Fund Assets	\$ 210,011	\$ 102,160	\$ 1,090,581	\$ 34,729	\$ 489,004	\$ 56,160	\$ 320,181	\$ -	\$ -	\$ -	\$ -	\$ 2,302,826	\$ 2,184,894
Water & Sewer Fund Assets	53,822	-	260,588	-	36,201	285,857	-	154,948	1,807,646	-	649	2,599,711	2,734,661
	\$ 263,833	\$ 102,160	\$ 1,351,169	\$ 34,729	\$ 525,205	\$ 342,017	\$ 320,181	\$ 154,948	\$ 1,807,646	\$ -	\$ 649	\$ 4,902,537	\$ 4,919,555

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

22. Schedule of Segment Disclosure

	General	Protective	Transportation	Environmental Health	Environmental Development	Recreation & Culture	Water & Sewer	2019 Consolidated	2018 Consolidated
Revenues									
Property tax warrant	\$ 40,070	\$ 379,194	\$ 203,608	\$ 68,226	\$ 46,321	\$ 227,978	\$ -	\$ 965,397	\$ 1,003,802
Unconditional grant	239,161	-	-	-	-	-	-	239,161	175,753
Services provided to other governments	-	144,921	2,667	-	-	-	-	147,588	151,661
Sale of service and other fees	-	-	-	-	-	98,350	-	98,350	99,936
Other revenue from own sources	9,582	4,398	3,745	-	6,000	10,980	2,300	37,005	23,393
Unconditional transfers from other governments	5,803	-	-	-	-	-	-	5,803	14,080
Conditional transfers	2,466	-	100,033	-	-	22,307	487	125,293	123,626
Other transfers	-	-	-	-	-	-	-	-	-
Water and sewer fees	-	-	-	-	-	-	494,547	494,547	493,130
Gain on disposal of tangible capital assets	-	-	-	-	-	2,609	-	2,609	1,782
Interest	9,837	-	-	-	-	-	16,728	26,565	22,446
	306,919	528,513	310,053	68,226	52,321	362,224	514,062	2,142,318	2,109,609
Expenses									
Salaries and benefits	121,761	44,154	111,840	-	10,931	156,646	139,982	585,314	573,534
Goods and services	149,613	418,365	204,473	73,644	12,938	166,824	172,524	1,198,381	1,099,704
Amortization	7,262	61,705	84,848	-	12,738	39,295	169,290	375,138	405,642
Interest	1,344	14,376	1,309	-	156	-	10,426	27,611	26,659
Loss on disposal of tangible capital assets	-	-	-	-	-	-	1,290	1,290	12,390
	279,980	538,600	402,470	73,644	36,763	362,765	493,512	2,187,734	2,117,929
Surplus (deficit) for the year	\$ 26,939	\$ (10,087)	\$ (92,417)	\$ (5,418)	\$ 15,558	\$ (541)	\$ 20,550	\$ (45,416)	\$ (8,320)

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

23. 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
2019 Annual Surplus (Deficit)	\$ 122,537	\$ (197,239)	\$ 174,194	\$ (167,793)	\$ 1,378	\$ 7,358	\$ 502	\$ 13,647	\$ (45,416)
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus (deficit)	50,436	-	(12,777)	-	-	-	-	-	37,659
Transfers between funds									
Transfer from general operating fund to the general capital reserve fund	(30,000)	-	-	-	-	30,000	-	-	-
Transfer from water & sewer operating fund to the water & sewer capital reserve fund	-	-	(70,000)	-	-	-	-	70,000	-
Transfer from general operating fund to the general capital fund	(86,250)	86,250	-	-	-	-	-	-	-
Transfer from water & sewer operating fund to the water & sewer capital fund	-	-	(32,843)	32,843	-	-	-	-	-
Long-term debt principal repayment	(82,000)	82,000	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	(39,000)	39,000	-	-	-	-	-
Proceeds from disposal of tangible capital assets	2,609	-	-	-	-	-	-	-	2,609
Loss (gain) on disposal of tangible capital assets	-	(2,609)	-	1,290	-	-	-	-	(1,319)
Amortization expense	-	205,848	-	169,290	-	-	-	-	375,138
Deferred financing charges	(3,302)	-	(2,019)	-	-	-	-	-	(5,321)
Provision for sick leave accrual	(339)	-	(92)	-	-	-	-	-	(431)
Change in amount recorded under PSA for defined benefit liability	5,661	-	1,439	-	-	-	-	-	7,100
Total adjustments to 2019 annual surplus (deficit)	(143,185)	371,489	(155,292)	242,423	-	30,000	-	70,000	415,435
2019 annual fund surplus (deficit) for PNB budgeting purposes	\$ (20,648)	\$ 174,250	\$ 18,902	\$ 74,630	\$ 1,378	\$ 37,358	\$ 502	\$ 83,647	\$ 370,019

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements
December 31, 2019

24. Statement of Reserves

	General Operating Reserve	General Capital Reserve	Water & Sewer Operating Reserve	Water & Sewer Capital Reserve	2019 Total	2018 Total
Assets						
Portfolio investments	\$ 69,304	\$ 400,149	\$ 25,244	\$ 754,016	\$ 1,248,713	\$ 1,125,578
Accrued interest receivable	120	694	44	1,309	2,167	2,417
	<u>\$ 69,424</u>	<u>\$ 400,843</u>	<u>\$ 25,288</u>	<u>\$ 755,325</u>	<u>\$ 1,250,880</u>	<u>\$ 1,127,995</u>
Accumulated Surplus						
	<u>\$ 69,424</u>	<u>\$ 400,844</u>	<u>\$ 25,288</u>	<u>\$ 755,324</u>	<u>\$ 1,250,880</u>	<u>\$ 1,127,995</u>
Revenue						
Transfers from Utility and General Operating Funds	\$ -	\$ 30,000	\$ -	\$ 70,000	\$ 100,000	\$ 150,000
Interest	1,378	7,358	502	13,647	22,885	14,854
	<u>1,378</u>	<u>37,358</u>	<u>502</u>	<u>83,647</u>	<u>122,885</u>	<u>164,854</u>
Expenditures						
Transfers to Utility Operating Funds			-		-	500
Annual Surplus (Deficit)	1,378	37,358	502	83,647	122,885	164,354
Accumulated Surplus						
Beginning of year	68,046	363,486	24,786	671,677	1,127,995	963,641
End of year	<u>\$ 69,424</u>	<u>\$ 400,844</u>	<u>\$ 25,288</u>	<u>\$ 755,324</u>	<u>\$ 1,250,880</u>	<u>\$ 1,127,995</u>

The Water and Sewer Capital Reserve Fund includes replacement reserves totalling \$ 95,417 (2018 - \$ 93,523). 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.

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

24. Statement of Reserves (continued)

Portfolio investments	Maturity Date	Interest Rate	2019	2018
Cashable GIC	November 14, 2020	1.75%	\$ 224,394	
Cashable GIC	November 14, 2020	1.75%	224,394	
Cashable GIC	November 14, 2020	1.75%	224,394	
Cashable GIC	November 14, 2020	1.75%	224,395	
Cashable GIC	December 20, 2020	2.00%	103,685	
Cashable GIC	December 20, 2020	2.00%	152,864	
Cashable GIC	December 31, 2020	1.85%	100,000	
Cashable GIC	November 14, 2019	2.00%		\$ 219,995
Cashable GIC	November 14, 2019	2.00%		219,995
Cashable GIC	November 14, 2019	2.00%		219,994
Cashable GIC	November 14, 2019	2.00%		219,994
Cashable GIC	December 20, 2019	2.25%		101,404
Cashable GIC	December 20, 2019	2.25%		149,500
			1,254,126	1,130,882
			5,413	5,304
			<u>\$ 1,248,713</u>	<u>\$ 1,125,578</u>
Less: Allocation to General Operating Fund				

Council resolutions regarding transfers to and from reserves:

December 18, 2019 resolution 121819-17

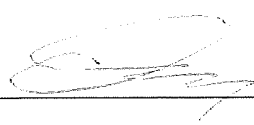
20.3 Year End Transfers 2019

MOVED BY: Councillor Harris
 SECONDED BY: Councillor H. Chase

Be It Resolved:

That Council transfer \$30,000 from the General Fund to the General Fund Capital Reserve and that Council transfer \$70,000 from the Utility Fund to the Utility Capital Reserve.

CARRIED


 David Gray
 Clerk
 Village of Blacks Harbour

Aug. 19, 2020
 Date

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements
December 31, 2019

25. Operating Budget to PSA Budget

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Controlled Entities	Transfers	Total
Revenue						
Property tax warrant	\$ 965,397	\$ -	\$ -	\$ -	\$ -	\$ 965,397
Community funding and equalization grant	239,161	-	-	-	-	239,161
Services provided to other governments	145,376	-	-	-	-	145,376
Sales of services	113,225	-	-	-	-	113,225
Other revenue from own sources	7,500	-	-	-	-	7,500
Conditional transfers	14,500	-	-	-	-	14,500
Water and sewer fees	-	489,817	-	-	-	489,817
Interest	5,000	3,200	-	-	-	8,200
Surplus of second previous year	50,436	-	-	-	(50,436)	-
	1,540,595	493,017	-	-	(50,436)	1,983,176
Expenditures						
General government services	271,367	-	7,262	-	4,897	283,526
Protective services	486,258	-	61,705	-	19,400	567,363
Transportation services	195,090	-	84,848	-	1,383	281,321
Environmental health services	70,535	-	-	-	-	70,535
Environmental development services	46,714	-	12,738	-	175	59,627
Recreational and cultural services	344,776	-	39,295	-	-	384,071
Fiscal services						
- Long-term debt repayments	76,000	8,001	-	-	(84,001)	-
- Interest	22,355	6,615	-	-	(28,970)	-
- Bank service charge	3,500	-	-	-	(3,500)	-
- Discounts	-	12,400	-	-	(12,400)	-
- Deficit of second previous year	-	12,777	-	-	(12,777)	-
- Transfer from the General Operating Fund to the General Capital Fund	24,000	-	-	-	(24,000)	-
- Transfer from the Water & Sewer Operating Fund to the Water & Sewer Capital Fund	-	55,000	-	-	(55,000)	-
Water and sewer	-	398,224	169,290	-	19,015	586,529
	1,540,595	493,017	375,138	-	(175,778)	2,232,972
Surplus (Deficit)	\$ -	\$ -	\$ (375,138)	\$ -	\$ 125,342	\$ (249,796)

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

26. Revenue and Expense Support

	2019		2018	
	(Unaudited)			
	Budget	Actual	Actual	
Revenue				
Services provided to other governments				
Province of New Brunswick				
Fire- Local service districts	\$ 142,776	\$ 142,776	\$ 149,055	
Forest fires	-	2,145	624	
Transportation	2,600	2,667	1,982	
	<u>\$ 145,376</u>	<u>\$ 147,588</u>	<u>\$ 151,661</u>	
Sales of services				
Recreational and cultural services				
Skating rink and arena	\$ 113,225	\$ 98,350	\$ 99,936	
Other revenue from own sources				
Licenses and permits	\$ 6,400	\$ 4,398	\$ 6,976	
Rentals	-	4,356	3,563	
Miscellaneous	1,100	8,971	1,605	
Contributions	-	19,280	11,249	
	<u>\$ 7,500</u>	<u>\$ 37,005</u>	<u>\$ 23,393</u>	
Unconditional transfers from other governments				
Provincial Government				
Other transfers	\$ -	\$ 5,803	\$ 14,080	
Conditional transfers				
Gas Tax transfer	\$ -	\$ -	\$ 15,179	
Clean Water & Wastewater Fund	-	487	29,641	
Federal Government				
Atlantic Canada Opportunities Agency	-	-	4,615	
Asset management plan	-	-	50,000	
Celebrate Canada	-	2,000	-	
Museums assistance program	-	1,954	-	
Employment programs	-	5,693	8,307	
Provincial Government				
NB Power energy rebate	-	-	7,997	
Designated Highway Program	-	98,423	-	
Employment programs	14,500	16,736	7,887	
	<u>\$ 14,500</u>	<u>\$ 125,293</u>	<u>\$ 123,626</u>	

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

26. Revenue and Expense Support (continued)

	2019		2018	
	(Unaudited)			
	Budget	Actual	Actual	
Water and sewer user fees	\$ 439,217	\$ 443,691	\$ 442,475	
Connection and service charges	600	856	655	
Water supply for fire protection	50,000	50,000	50,000	
	<u>\$ 489,817</u>	<u>\$ 494,547</u>	<u>\$ 493,130</u>	

Expenditures

General government services

Legislative

Mayor: personnel	\$ 6,580	\$ 6,935	\$ 6,260
Mayor: other	3,240	2,862	2,444
Councillors: personnel	27,275	26,774	25,889
Councillors: other	2,800	2,751	1,319
	<u>39,895</u>	<u>39,322</u>	<u>35,912</u>

General administration

Administrative

Personnel	121,010	121,761	126,898
Human resources	-	3,211	-
Office building	23,725	21,215	25,161
Legal services	2,000	755	3,498
Other administrative services	29,300	30,177	90,135
	<u>176,035</u>	<u>177,119</u>	<u>245,692</u>

Financial management

External audit	11,940	12,120	11,210
External accounting	5,215	5,214	5,214
	<u>17,155</u>	<u>17,334</u>	<u>16,424</u>

Common services

Training and development	1,500	1,167	1,358
Cost of assessment	11,902	11,902	12,495
Regional and cooperative services	2,901	2,901	3,104
	<u>16,303</u>	<u>15,970</u>	<u>16,957</u>

Other general government services

Conventions and delegations	2,000	385	862
Liability insurance	10,609	10,607	11,494
Grants for social or environmental purposes	2,500	2,500	2,500
Other general services	6,870	6,812	6,780
Bank service charges	3,500	1,180	1,214
Debenture issue	-	145	533
Amortization	7,262	7,262	7,262
Interest	1,397	1,344	1,734
	<u>34,138</u>	<u>30,235</u>	<u>32,379</u>

Total general government services

	<u>\$ 283,526</u>	<u>\$ 279,980</u>	<u>\$ 347,364</u>
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VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

26. Revenue and Expense Support (continued)

	2019		2018
	(Unaudited)		
	Budget	Actual	Actual
Protective services			
<u>Police Protection</u>			
R.C.M.P. contract	\$ 229,011	\$ 229,011	\$ 227,436
<u>Fire Protection</u>			
Administration: personnel	16,714	17,197	16,614
Administration: other	4,580	4,399	3,861
Firefighting force: personnel	25,984	26,957	26,139
Firefighting force: other	21,710	16,460	14,746
Alarm systems	13,803	14,917	15,239
Investigation and prevention	2,500	1,675	1,844
Water cost	50,000	50,000	50,000
Training and development: other	4,000	3,123	3,521
Station and building	22,541	14,016	19,909
Fighting equipment	60,185	51,330	38,820
Amortization	61,705	61,705	49,780
Interest	19,400	14,376	4,524
	303,122	276,155	244,997
<u>Emergency measures</u>	2,050	854	857
<u>Other protection</u>			
Building inspection and By-law enforcement	32,030	32,424	32,403
Animal and pest control	1,150	156	132
	33,180	32,580	32,535
Total protective services	\$ 567,363	\$ 538,600	\$ 505,825
Transportation services			
<u>Common services</u>			
Administration: personnel	\$ 47,025	\$ 48,631	\$ 44,435
Administration: other	5,943	7,327	5,393
General equipment	21,400	25,354	25,269
Workshops, yards and other buildings	5,650	7,391	4,595
	80,018	88,703	79,692
<u>Road transport</u>			
Roads and streets			
Summer maintenance: other	4,000	106,688	1,143
Summer maintenance: DTI	1,655	1,700	1,700
Culverts and drainage ditches	2,500	760	-
Street cleaning and flushing	500	2,946	3,103
Snow and ice removal: Personnel	57,025	63,209	50,665
Snow and ice removal: Other	10,500	14,398	10,255
Snow and ice removal: DTI	5,392	5,544	5,544
	81,572	195,245	72,410

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

26. Revenue and Expense Support (continued)

	2019		2018	
	(Unaudited)			
	Budget	Actual	Actual	
Street lights	27,700	27,711	27,247	
Traffic services	5,800	4,654	3,899	
Amortization	84,848	84,848	99,830	
Interest	1,383	1,309	2,221	
	119,731	118,522	133,197	
Total transportation services	\$ 281,321	\$ 402,470	\$ 285,299	
Environmental health services				
Solid waste collection	\$ 50,665	\$ 51,964	\$ 30,736	
Solid waste disposal	19,870	21,680	21,208	
Total environmental health services	\$ 70,535	\$ 73,644	\$ 51,944	
Environmental development services				
Environmental planning and zoning	\$ 20,250	\$ 1,511	\$ 5,982	
Community development	2,765	1,792	9,139	
Other development services				
Tourism				
Tourist bureau	17,200	15,007	13,651	
Tourist camps and parks	2,300	1,665	2,144	
Pea Point development	-	-	1,150	
Other	4,199	3,894	2,704	
Provision for loss on accounts receivable	-	-	4,397	
Amortization	12,738	12,738	12,738	
Interest	175	156	371	
Total environmental development services	\$ 59,627	\$ 36,763	\$ 52,276	
Recreation and cultural services				
<u>Recreation</u>				
Rink and arena				
Personnel	\$ 100,920	\$ 106,541	\$ 123,075	
Other	171,106	139,981	142,058	
Exhibitions and fairs	1,700	1,950	1,325	
Parks and playgrounds				
Personnel	28,210	27,154	18,167	
Other	5,930	4,172	7,757	
Other recreation facilities				
Personnel	8,200	6,972	9,274	
Other	1,000	737	1,696	
<u>Cultural</u>				
Museums and libraries				
Personnel	5,100	15,979	8,375	
Other	13,510	8,738	2,660	
Other recreation and cultural services	9,100	10,558	11,077	
Provision for loss on accounts receivable	-	688	-	
Amortization	39,295	39,295	44,678	
Total recreation and cultural services	\$ 384,071	\$ 362,765	\$ 370,142	

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2019

26. Revenue and Expense Support (continued)

	2019		2018
	(Unaudited)		
	Budget	Actual	Actual
Water and Sewer			
Water supply			
Administration and general			
Personnel	\$ 21,710	\$ 18,765	\$ 19,755
Other	14,917	6,963	8,204
Purification and treatment	8,500	9,799	6,776
Transmission and distribution			
Personnel	47,025	42,173	45,502
Other	33,700	1,596	3,686
Power and pumping	8,781	3,558	3,664
Billing and collection			
Personnel	8,610	8,693	7,903
Other	500	391	521
Workshop and equipment	13,659	17,380	12,761
Discounts for early payment	6,200	6,870	6,027
Provision for loss on accounts receivable	2,500	-	-
Amortization of deferred financing charges	-	20	-
Amortization	95,107	95,107	98,505
Interest	3,026	4,232	8,031
	264,235	215,547	221,335
Wastewater Disposal			
Administration and general			
Personnel	21,710	18,765	19,755
Other	16,320	8,743	7,485
Wastewater collection system			
Personnel	47,025	42,889	46,082
Other	6,000	711	304
Wastewater lift stations	25,078	28,246	22,144
Wastewater treatment and disposal	91,920	63,559	46,014
Billing and collection			
Personnel	8,610	8,697	7,895
Other	500	391	261
Workshop and equipment	18,659	17,382	12,761
Discounts for early payment	6,200	6,869	6,026
Provision for loss on accounts receivable	2,500	-	-
Amortization of deferred financing charges	-	46	-
Amortization	74,183	74,183	92,849
Interest	3,589	6,194	9,778
	322,294	276,675	271,354
Total water and sewer	\$ 586,529	\$ 492,222	\$ 492,689