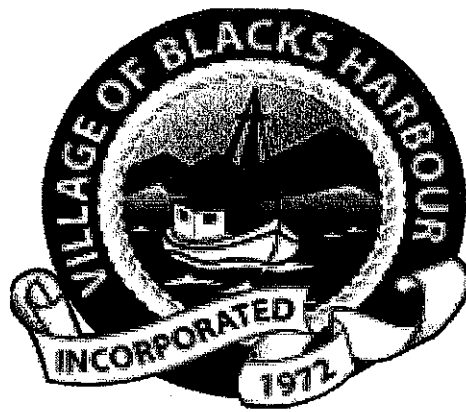


VILLAGE OF BLACKS HARBOUR
Consolidated Financial Statements
Year Ended December 31, 2020



VILLAGE OF BLACKS HARBOUR
Index to the Consolidated Financial Statements
Year Ended December 31, 2020

<u>Contents</u>	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements	
Consolidated Statement of Operations	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Net Financial Assets	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, 2020, and the consolidated statements of operations, changes in net financial assets 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, 2020, and the results of its operations and changes in net financial assets 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:

- 1 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.
- 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 auditors' 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 auditors' 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 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
May 19, 2021



CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF BLACKS HARBOUR
Consolidated Statement of Operations
Year Ended December 31, 2020

	2020		2019	
	(Unaudited)			
	Budget	Actual	Actual	
	(Note 23)			
REVENUE				
Property tax warrant	\$ 932,916	\$ 932,916	\$	965,397
Community funding and equalization grant	270,935	270,935		239,161
Services provided to other governments	147,396	152,580		147,588
Sales of services	112,700	71,972		98,350
Other revenue from own sources	14,000	61,687		37,005
Conditional transfers	8,600	17,848		125,293
Other transfers	-	10,197		5,803
Water and sewer fees	493,306	493,106		494,547
Gain on disposal of tangible capital assets	-	-		1,319
Interest	8,200	24,808		26,565
	<u>1,988,053</u>	<u>2,036,049</u>		<u>2,141,028</u>
EXPENDITURE				
General government services	300,039	285,842		279,980
Protective services	561,466	566,499		538,600
Transportation services	269,248	257,957		402,470
Environmental health services	62,179	86,409		73,644
Environmental development services	42,548	64,575		36,763
Recreational and cultural services	384,865	260,996		362,765
Water and sewer	588,304	508,408		492,222
	<u>2,208,649</u>	<u>2,030,686</u>		<u>2,186,444</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (220,596)</u>	5,363		(45,416)
ACCUMULATED SURPLUS				
BEGINNING OF YEAR		<u>5,257,015</u>		<u>5,302,431</u>
END OF YEAR		<u>\$ 5,262,378</u>		<u>\$ 5,257,015</u>

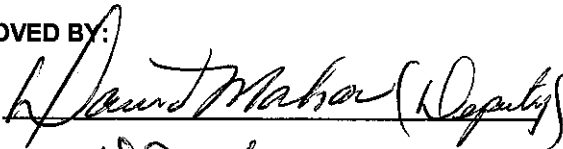
VILLAGE OF BLACKS HARBOUR
Consolidated Statement of Financial Position
As at December 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash (Note 3)	\$ 682,149	\$ 380,275
Receivables		
General (Note 4)	74,209	52,700
Federal government and its agencies (Note 5)	14,622	21,653
Province of New Brunswick (Note 6)	4,795	5,882
Portfolio investments (Note 7)	1,120,948	1,254,127
	<u>1,896,723</u>	<u>1,714,637</u>
LIABILITIES		
Payables and accruals	128,109	187,752
Deferred revenue (Note 8)	410,124	361,606
Long term debt (Note 9)	659,000	744,000
Accrued sick leave (Note 10)	24,526	23,127
Post employment benefits payable (Note 11)	178,400	184,500
	<u>1,400,159</u>	<u>1,500,985</u>
NET FINANCIAL ASSETS	<u>496,564</u>	<u>213,652</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 19)	12,381,534	12,240,560
Less: Accumulated amortization (Note 19)	(7,723,624)	(7,338,023)
	<u>4,657,910</u>	<u>4,902,537</u>
Inventory of supplies	78,188	73,335
Land inventory for resale	19,865	57,366
Deferred financing charges	4,986	5,321
Prepaid expenses	4,865	4,804
	<u>4,765,814</u>	<u>5,043,363</u>
ACCUMULATED SURPLUS	<u>\$ 5,262,378</u>	<u>\$ 5,257,015</u>

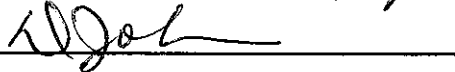
CONTINGENT LIABILITY (Note 13)

APPROVED BY:

Mayor



Treasurer



VILLAGE OF BLACKS HARBOUR**Consolidated Statement of Changes in Net Financial Assets**

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
Annual surplus (deficit)	\$ 5,363	\$ (45,416)
Add (deduct) :		
Acquisition of tangible capital assets	(140,974)	(359,410)
Amortization of tangible capital assets	385,601	375,138
Amortization of deferred financing charges	334	211
Proceeds on sale of tangible capital assets	-	2,609
Loss (gain) on disposal of tangible capital assets	-	(1,319)
Consumption (acquisition) of inventories	(4,853)	2,402
Consumption (acquisition) of land inventory for resale	37,501	(5,440)
Acquisition of deferred financing charges		(5,532)
Consumption (acquisition) of prepaid assets	(60)	(393)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	282,912	(37,150)
NET FINANCIAL ASSETS		
BEGINNING OF YEAR	<u>213,652</u>	<u>250,802</u>
END OF YEAR	<u>\$ 496,564</u>	<u>\$ 213,652</u>

VILLAGE OF BLACKS HARBOUR
Consolidated Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 5,363	\$ (45,416)
Loss (gain) on disposal of tangible capital assets	-	(1,319)
Amortization of tangible capital assets	385,601	375,138
Amortization of deferred financing charges	334	211
Receivable - General	(21,509)	1,550
Receivable - Federal Government and its agencies	7,031	25,262
Receivable - Province of New Brunswick	1,087	737
Payables and accruals	(59,643)	(40,666)
Holdbacks payable	-	(8,195)
Deferred revenue	48,518	173,304
Accrued sick leave	1,399	(432)
Post employment benefits payable	(6,100)	7,100
Change in inventory/prepaid expenses	32,588	(3,431)
	<u>394,669</u>	<u>483,843</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(140,974)	(359,410)
Proceeds on sale of tangible capital assets	-	2,609
	<u>(140,974)</u>	<u>(356,801)</u>
FINANCING TRANSACTIONS		
Issue(reduction) of bank indebtedness	-	(130,640)
Issue of long term debt	-	550,000
Debenture issue costs	-	(5,532)
Repayment of long-term debt	(85,000)	(321,000)
	<u>(85,000)</u>	<u>92,828</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	1,152,272	1,130,882
Purchase of portfolio investments	(1,019,093)	(1,254,127)
	<u>133,179</u>	<u>(123,245)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	301,874	96,625
CASH AND CASH EQUIVALENTS		
BEGINNING OF YEAR	<u>380,275</u>	<u>283,650</u>
END OF YEAR	<u>\$ 682,149</u>	<u>\$ 380,275</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

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. 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 18, 2019 and the Department of Environment and Local Government on January 8, 2020.

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, 2020

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, 2020

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:

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

2. Summary of significant accounting policies (continued)

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.

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 20 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 10 and a pension plan as documented in Note 11.

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

3. Cash	2020	2019
Restricted - Gas Tax Fund	\$ 388,204	\$ 323,980
Restricted - Reserve Funds	247,922	-
Unrestricted	46,023	56,295
	<u>\$ 682,149</u>	<u>\$ 380,275</u>
4. Receivables- General	2020	2019
Trade	\$ 73,314	\$ 50,523
Accrued investment income - Reserve Funds	891	2,167
Accrued investment income - Other	4	10
	<u>\$ 74,209</u>	<u>\$ 52,700</u>
5. Due from federal government and its agencies	2020	2019
Canada Revenue Agency - Harmonized Sales Tax	\$ 14,622	\$ 21,166
Clean Water and Wastewater Fund	-	487
	<u>\$ 14,622</u>	<u>\$ 21,653</u>
6. Due from Province of New Brunswick	2020	2019
Environment and Local Government	\$ 3,774	\$ 2,893
Internal Services Agency	-	2,676
NB Power	-	125
Regional Development Corporation	1,021	-
Other	-	188
	<u>\$ 4,795</u>	<u>\$ 5,882</u>
7. Portfolio investments	2020	2019
Restricted - Reserve Funds	\$ 1,115,444	\$ 1,248,713
Unrestricted	5,504	5,414
	<u>\$ 1,120,948</u>	<u>\$ 1,254,127</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

7. Portfolio investments (continued)

The investments consist of guaranteed investment certificates with maturity dates in 2021 and interest rates ranging from .40% to 1.85%

8. Deferred revenue

	2020	2019
Government of Canada - Preserving Our History Through Memories Project		
Balance, beginning of year	\$ 7,579	\$ -
Contributions for the year	-	9,533
Transfer to revenue	-	(1,954)
Balance, end of year	<u>7,579</u>	<u>7,579</u>
Contributions for purchase of ice resurfacer		
Balance, beginning of year	30,000	-
Contributions for the year	14,504	30,000
Transfer to revenue	(44,504)	-
Balance, end of year	<u>-</u>	<u>30,000</u>
Government of Canada - Improving Accessibility Program		
Transfer for installation of wheelchair lift at Fundy Arena		
Contributions for the year	<u>14,235</u>	<u>-</u>
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 an interest bearing bank account and investment income accumulates in the fund.		
Balance, beginning of year	324,027	188,302
Contributions for the year	61,606	134,767
Interest earned	2,677	958
Transfer to revenue	-	-
Balance, end of year	<u>388,310</u>	<u>324,027</u>
	<u>\$ 410,124</u>	<u>\$ 361,606</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

9. Long-term debt

	2020	2019
<u>New Brunswick Municipal Finance Corporation Debentures:</u>		
General Capital Fund		
BK28, 1.15% - 3.1%, due May 15,2022, OIC #02-0021	\$ 60,000	\$ 89,000
BQ29, 1.2% - 1.85%, due June 1,2022, OIC #05-0087	22,000	33,000
BT23, 2.1% - 3.00%, due May 29,2023, OIC #06-0065 & 07-0042	55,000	72,000
BV28, 2.05% - 3.15%, due May 14,2034, OIC #18-0010	330,000	350,000
Water Capital Fund		
BV29, 2.05% - 3.35%, due May 14,2039, OIC #07-0042 & 07-0089	192,000	200,000
	<u>\$ 659,000</u>	<u>\$ 744,000</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:

2021	\$	87,000
2022	\$	87,000
2023	\$	48,000
2024	\$	29,000
2025	\$	31,000

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

10. 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 sick leave hours and full-time administrative employees can accumulate a maximum of 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, non-administrative employees of the bargaining unit receive a 20% payout and administrative employees receive a 25% payout of their earned and accumulated sick time. Accumulated sick leave does not vest.

No actuarial valuation was performed at December 31, 2020 and the liability is based on management's best estimates. An actuarial valuation was last performed on the 8 (2019 - 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 5.75%
- retirement age is 65; and employees aged 65 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 \$ 24,526 on December 31, 2020 and \$ 23,127 on December 31, 2019

11. 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, 2018 and resulted in an overall NB MEPP accrued benefit obligation of \$ 125,249,500 based on the accounting basis.

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

11. Post employment benefits payable (continued)

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, 2020:

- the expected inflation rate is 2.10% (2019 - 2.10%)
- the discount rate used to determine the accrued benefit obligation is 5.75% (2019 - 5.75%) per annum
- the expected rate of return on assets is 5.75% (2019 - 5.75%) per annum
- retirement age varies by age and employment category
- estimated average remaining service life is (EARSL) is 14.0 years (2019 - 14.0 years)

The actuarial valuation prepared as at December 31, 2018 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 \$ 7,538,000, a change of \$ 7,581,100 from the December 31, 2017 surplus of \$ 43,100. Based on the assumptions as at December 31, 2018, 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, 2018, the NB MEPP provides benefits for 258 retirees. Total benefit payments to retirees and terminating employees during 2020 are estimated to be approximately \$ 4,313,800 (actual 2019, \$ 5,759,400) 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 8.00%. Each participating body 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 participating bodies' contributions for 2020 are estimated to be approximately \$ 6,940,000 (actual 2019, \$ 6,775,300) 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 52.7 (as at Dec 31, 2018)
- Benefit payments were \$ 74,300 in 2019 and were estimated to be \$ 74,300 in 2020
- Combined contributions were \$ 59,400 in 2019 and were estimated to be \$ 60,400 in 2020

In addition to determining the position of the NB MEPP as it relates to the Village of Blacks Harbour as at December 31, 2018 and December 31, 2019, NB MEPP's actuary performed an extrapolation of the December 31, 2019 accounting valuation to determine the estimated position as at December 31, 2020. The extrapolation assumes assumptions used as at December 31, 2020 remain unchanged from December 31, 2019. The extrapolation also assumes assets return 5.75% 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, 2020

11. Post employment benefits payable (continued)

	Estimated 1-Jan-2020 to 31-Dec-2020	1-Jan-2019 to 31-Dec-2019
Accrued Benefit Liability / (Asset)		
Accrued benefit liability / (asset) at beginning of period	\$ 186,300	\$ 176,000
Pension expense for the year	22,900	40,400
Less: Employer contributions	(30,800)	(30,100)
Accrued benefit liability / (asset) at end of period	<u>\$ 178,400</u>	<u>\$ 186,300</u>

In summary, the Accrued Benefit Liability as it relates to the Village of Blacks Harbour is estimated to be \$ 178,400 as at December 31, 2020. This compares to \$ 176,000 as at January 1, 2019 and \$ 186,300 as at December 31, 2019. 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-2020	31-Dec-2019
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 2,141,900	\$ 2,042,900
Plan assets	2,063,500	1,964,300
Plan deficit / (surplus)	78,400	78,600
Unamortized experience losses / (gains)	(100,000)	(107,700)
Accrued benefit liability / (asset) at end of period	<u>\$ 178,400</u>	<u>\$ 186,300</u>

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

	Estimated 1-Jan-2020 to 31-Dec-2020	1-Jan-2019 to 31-Dec-2019
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 2,042,900	\$ 2,016,700
Current service cost	56,400	57,200
Benefit payments	(74,300)	(74,300)
Interest for period	116,900	110,400
Experience loss / (gain) during period	-	(67,100)
Accrued benefit obligation at end of period	<u>\$ 2,141,900</u>	<u>\$ 2,042,900</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

11. 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-2020 to 31-Dec-2020	1-Jan-2019 to 31-Dec-2019
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 1,964,300	\$ 1,819,000
Employer contributions	30,800	30,100
Employee contributions	30,200	29,300
Benefit payments	(74,300)	(74,300)
Return on plan assets during period	112,500	160,200
Plan assets at end of year	<u>\$ 2,063,500</u>	<u>\$ 1,964,300</u>

Total expenses related to pensions include the following components:

	Estimated 1-Jan-2020 to 31-Dec-2020	1-Jan-2019 to 31-Dec-2019
Pension Expense		
Employer current service cost	\$ 26,200	\$ 27,900
Interest on accrued benefit obligation	116,900	110,400
Expected return on assets	(112,500)	(99,600)
Amortization of unrecognized balances		
Experience loss / (gain)	(7,700)	1,700
Pension expense	<u>\$ 22,900</u>	<u>\$ 40,400</u>

The Pension Expense is included in the statement of operations.

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

12. 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:

	<u>2020</u>	<u>2019</u>
Net financial assets (liabilities)	\$ 496,564	\$ 213,652
Adjustments:		
Long term debt	659,000	744,000
Accrued sick leave: Non-vesting / unfunded portion	24,526	23,127
Other unfunded liability - NBMEPP	178,400	184,500
Land inventory for resale	19,865	57,366
Less: Inventory transferred from General Capital Fund	(11,891)	(11,891)
Inventory of supplies	78,188	73,335
Less: Inventory transferred from Utility Capital Fund	(26,364)	(26,364)
Prepaid expenses	4,865	4,804
Current net assets	<u>\$ 1,423,153</u>	<u>\$ 1,262,529</u>
Composition of current net assets		
General Fund Deficit for 2018 PNB purposes		\$ (6,934)
Utility Fund Surplus for 2018 PNB purposes		20,329
General Fund Deficit for 2019 PNB purposes	\$ (20,648)	(20,648)
Utility Fund Surplus for 2019 PNB purposes	18,902	18,902
General Fund Surplus for 2020 PNB purposes	37,356	
Utility Fund Surplus for 2020 PNB purposes	23,286	
Reserve Fund balances	1,364,257	1,250,880
	<u>\$ 1,423,153</u>	<u>\$ 1,262,529</u>

13. Contingent liability

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, 2020 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, 2020

14. 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 2020, 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 4.0% (2019-5.5%) on the average monthly balance to ensure that no benefit or cost is attributed to either fund.

15. 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.

16. 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.

17. 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.

18. Comparative figures

Certain of the 2019 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, 2020

19. Schedule of Tangible Capital Assets

COST	Land	Land Improvements	Buildings & Leasehold Improvements	Vehicles	Heavy Equipment	Machinery and Equipment	Infrastructure		Communication & Computer Equipment	Assets Under Construction	2020 Total	2019 Total
							Roads and Street	Water and Sewer Treatment Facilities				
Balance, beginning of year	\$ 263,833	\$ 255,761	\$ 2,762,542	\$ 109,538	\$ 1,144,978	\$ 1,085,701	\$ 1,688,456	\$ 4,073,086	\$ 61,056	\$ 649	\$ 12,240,560	\$ 11,907,007
Add:	2,121	-	-	-	22,970	110,288	-	6,244	-	(649)	140,974	359,410
Less:	-	-	-	-	-	-	-	-	-	-	-	25,857
Balance, end of year	265,954	255,761	2,762,542	109,538	1,167,948	1,195,989	1,688,456	4,079,330	61,056	-	12,381,534	12,240,560
ACCUMULATED AMORTIZATION												
Balance, beginning of year	-	153,601	1,411,373	74,809	619,773	743,684	1,366,275	2,265,440	61,056	-	7,338,023	6,987,452
Add:	-	9,407	71,908	9,923	66,327	63,430	41,764	106,219	-	-	385,601	375,138
Less:	-	-	-	-	-	-	-	-	-	-	-	24,657
Accumulated amortization on disposal	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	-	163,008	1,483,281	84,732	686,100	807,114	1,408,039	2,371,659	61,056	-	7,723,624	7,338,023
NET BOOK VALUE OF TANGIBLE CAPITAL												
Balance, end of year	\$ 265,954	\$ 92,753	\$ 1,279,261	\$ 24,806	\$ 481,848	\$ 388,875	\$ 278,417	\$ 1,707,671	\$ -	\$ -	\$ 4,657,910	\$ 4,902,537
Consists of:												
General Fund Assets	\$ 211,544	\$ 92,753	\$ 1,031,937	\$ 24,806	\$ 452,229	\$ 133,199	\$ 278,417	\$ -	\$ -	\$ -	\$ 2,224,885	\$ 2,302,826
Water & Sewer Fund Assets	54,410	-	247,324	-	29,619	255,676	-	144,569	-	-	2,433,025	2,599,711
	\$ 265,954	\$ 92,753	\$ 1,279,261	\$ 24,806	\$ 481,848	\$ 388,875	\$ 278,417	\$ 1,707,671	\$ -	\$ -	\$ 4,657,910	\$ 4,902,537

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

20. Schedule of Segment Disclosure

	General	Protective	Transportation	Environmental			Recreation & Culture	Water & Sewer	2020 Consolidated	2019 Consolidated
				Health	Development	Environmental				
REVENUE										
Property tax warrant	\$ 37,177	\$ 395,644	\$ 209,407	\$ 54,000	\$ 29,810	\$ 206,878	\$ -	\$ 932,916	\$ 965,397	
Unconditional grant	270,935	-	-	-	-	-	-	270,935	239,161	
Services provided to other governments	-	149,904	2,676	-	-	-	-	152,580	147,588	
Sale of service and other fees	-	-	-	-	-	71,972	-	71,972	98,350	
Other revenue from own sources	788	4,817	3,745	-	-	52,337	-	61,687	37,005	
Conditional transfers	-	-	4,108	-	3,021	5,651	-	17,848	125,293	
Other transfers	10,197	-	-	-	-	-	-	10,197	5,803	
Water and sewer fees	-	-	-	-	-	-	493,106	493,106	494,547	
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	-	2,609	
Interest	8,129	-	-	-	-	-	16,679	24,808	26,565	
	327,226	550,365	219,936	54,000	32,831	336,838	514,853	2,036,049	2,142,318	
EXPENDITURE										
Salaries and benefits	130,212	44,340	97,145	16,684	-	104,809	131,219	524,409	585,314	
Goods and services	144,553	439,141	95,170	61,546	51,837	108,000	198,730	1,098,977	1,198,381	
Amortization	7,262	71,511	64,855	8,179	12,738	48,187	172,869	385,601	375,138	
Interest	3,815	11,507	787	-	-	-	5,590	21,699	27,611	
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	1,290	
	285,842	566,499	257,957	86,409	64,575	260,996	508,408	2,030,686	2,187,734	
SURPLUS (DEFICIT) FOR THE YEAR	\$ 41,384	\$ (16,134)	\$ (38,021)	\$ (32,409)	\$ (31,744)	\$ 75,842	\$ 6,445	\$ 5,363	\$ (45,416)	

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

21. 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
2020 Annual Surplus (Deficit)	\$ 159,109	\$ (166,228)	\$ 160,906	\$ (167,801)	\$ 1,186	\$ 6,851	\$ 432	\$ 12,908	\$ 5,363
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus (deficit)	(6,934)	-	20,329	-	-	-	-	-	13,395
Transfers between funds	-	-	2,000	-	-	-	(2,000)	-	-
Transfer from water & sewer operating reserve fund to the water & sewer operating fund	-	56,000	-	-	-	(56,000)	-	-	-
Transfer from general capital reserve fund to the general capital fund	-	-	(150,000)	-	-	-	-	150,000	-
Transfer from water & sewer operating fund to the water & sewer capital reserve fund	(34,287)	34,287	-	-	-	-	-	-	-
Transfer from general operating fund to the general capital fund	-	-	(1,115)	1,115	-	-	-	-	-
Transfer from water & sewer operating fund to the water & sewer capital fund	(77,000)	77,000	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	(8,000)	8,000	-	-	-	-	-
Long-term debt principal repayment	-	212,732	-	172,869	-	-	-	-	385,601
Amortization expense	230	-	104	-	-	-	-	-	334
Deferred financing charges	1,102	-	297	-	-	-	-	-	1,399
Provision for sick leave accrual	(4,864)	-	(1,235)	-	-	-	-	-	(6,099)
Change in amount recorded under PSA for defined benefit liability	-	-	-	-	-	-	-	-	-
Total adjustments to 2020 annual surplus (deficit)	(121,753)	380,019	(137,620)	181,984	-	(56,000)	(2,000)	150,000	394,630
2020 annual fund surplus (deficit) for PNB budgeting purposes	\$ 37,356	\$ 211,791	\$ 23,286	\$ 14,183	\$ 1,186	\$ (49,149)	\$ (1,568)	\$ 162,908	\$ 399,993

VILLAGE OF BLACKS HARBOUR

Notes to the Consolidated Financial Statements
December 31, 2020

22. Statement of Reserves

	General Operating Reserve	General Capital Reserve	Water & Sewer Operating Reserve	Water & Sewer Capital Reserve	2020 Total	2019 Total
Assets						
Cash	\$ 12,832	\$ 63,912	\$ 4,311	\$ 166,867	\$ 247,922	\$ -
Portfolio investments	57,732	287,553	19,394	750,765	1,115,444	1,248,713
Accrued interest receivable	46	230	15	600	891	2,167
	<u>\$ 70,610</u>	<u>\$ 351,695</u>	<u>\$ 23,720</u>	<u>\$ 918,232</u>	<u>\$ 1,364,257</u>	<u>\$ 1,250,880</u>
Accumulated Surplus	<u>\$ 70,610</u>	<u>\$ 351,695</u>	<u>\$ 23,720</u>	<u>\$ 918,232</u>	<u>\$ 1,364,257</u>	<u>\$ 1,250,880</u>
Revenue						
Transfers from Utility Operating Fund	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 70,000
Transfers from General Operating Fund	-	-	-	-	-	30,000
Interest	1,186	6,851	432	12,908	21,377	22,885
	<u>1,186</u>	<u>6,851</u>	<u>432</u>	<u>162,908</u>	<u>171,377</u>	<u>122,885</u>
Expenditures						
Transfers to Capital Funds		56,000			56,000	-
Transfers to Operating Funds			2,000		2,000	-
	<u>-</u>	<u>56,000</u>	<u>2,000</u>	<u>-</u>	<u>58,000</u>	<u>-</u>
Annual Surplus (Deficit)	1,186	(49,149)	(1,568)	162,908	113,377	122,885
Accumulated Surplus						
Beginning of year	69,424	400,844	25,288	755,324	1,250,880	1,127,995
End of year	<u>\$ 70,610</u>	<u>\$ 351,695</u>	<u>\$ 23,720</u>	<u>\$ 918,232</u>	<u>\$ 1,364,257</u>	<u>\$ 1,250,880</u>

The Water and Sewer Capital Reserve Fund includes replacement reserves totalling \$ 97,047 (2019 - \$ 95,417). 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, 2020

22. Statement of Reserves (continued)

Portfolio investments	Maturity Date	Interest Rate	2020	2019
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	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, 2021	0.75%	\$ 228,332	
Cashable GIC	November 14, 2021	0.75%	228,332	
Cashable GIC	November 14, 2021	0.75%	228,332	
Cashable GIC	November 14, 2021	0.75%	228,332	
Cashable GIC	December 20, 2021	0.40%	105,765	
Cashable GIC	December 31, 2021	1.85%	101,855	
			1,120,948	1,254,127
Less: Allocation to General Operating Fund			5,504	5,414
			<u>\$ 1,115,444</u>	<u>\$ 1,248,713</u>

Council resolutions regarding transfers to and from reserves:**December 16, 2020 resolution 121620-14****20.2 Year End Transfers 2020**

MOVED BY: Councillor G. Maillett
 SECONDED BY: Councillor M, Chase

Be It Resolved:

- (a) That Council transfer \$150,000 from the Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund.
- (b) That Council transfer \$56,000 from the General Capital Reserve Fund to the General Capital Fund to purchase the Zamboni.
- (a) That Council transfer \$2,000 from the Water and Sewer Operating Reserve Fund to the Water and Sewer Operating Fund.

CARRIED

Stacey Frost
 Stacey Frost
 Assistant Clerk
 Village of Blacks Harbour

May 19, 2021
 Date

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

23. Operating Budget to PSA Budget

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Controlled Entities	Transfers	Total
Revenue						
Property tax warrant	\$ 932,916	\$ -	\$ -	\$ -	\$ -	\$ 932,916
Community funding and equalization grant	270,935	-	-	-	-	270,935
Services provided to other governments	147,396	-	-	-	-	147,396
Sales of services	112,700	-	-	-	-	112,700
Other revenue from own sources	14,000	-	-	-	-	14,000
Conditional transfers	8,600	-	-	-	-	8,600
Other transfers	-	-	-	-	-	-
Water and sewer fees	-	493,306	-	-	-	493,306
Interest	5,000	3,200	-	-	-	8,200
Surplus of second previous year	-	20,329	-	-	-	-
	1,491,547	516,835	-	-	(20,329)	1,988,053
Expenditure						
General government services	288,263	-	7,262	-	4,514	300,039
Protective services	478,312	-	71,511	-	11,643	561,466
Transportation services	203,590	-	64,855	-	803	269,248
Environmental health services	54,000	-	8,179	-	-	62,179
Environmental development services	29,810	-	12,738	-	-	42,548
Recreational and cultural services	336,678	-	48,187	-	-	384,865
Fiscal services						
- Long-term debt repayments	77,000	8,000	-	-	(85,000)	-
- Interest	13,460	5,612	-	-	(19,072)	-
- Bank service charge	3,500	-	-	-	(3,500)	-
- Discounts	-	13,750	-	-	(13,750)	-
- Deficit of second previous year	6,934	-	-	-	(6,934)	-
- Transfer from the Water & Sewer Operating Fund to the Water & Sewer Capital Fund	-	93,400	-	-	(93,400)	-
Water and sewer	-	396,073	172,869	-	19,362	588,304
	1,491,547	516,835	385,601	-	(185,334)	2,208,649
Surplus (Deficit)	\$ -	\$ -	\$ (385,601)	\$ -	\$ 165,005	\$ (220,596)

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

24. Revenue and Expense Support

	2020		2019
	(Unaudited) Budget	Actual	Actual
Revenue			
Services provided to other governments			
Province of New Brunswick			
Fire- Local service districts	\$ 144,696	\$ 144,696	\$ 142,776
Forest fires	-	5,208	2,145
Transportation	2,700	2,676	2,667
	<u>\$ 147,396</u>	<u>\$ 152,580</u>	<u>\$ 147,588</u>
Sales of services			
Recreational and cultural services			
Skating rink and arena	\$ 112,700	\$ 71,972	\$ 98,350
Other revenue from own sources			
Licenses and permits	\$ 5,400	\$ 4,817	\$ 4,398
Rentals	-	3,745	4,356
Miscellaneous	1,600	1,488	8,971
Contributions	7,000	51,637	19,280
	<u>\$ 14,000</u>	<u>\$ 61,687</u>	<u>\$ 37,005</u>
Conditional transfers			
Clean Water & Wastewater Fund	\$ -	\$ 5,068	\$ 487
Federal Government			
Celebrate Canada	-	-	2,000
Museums assistance program	-	-	1,954
Employment programs	-	5,651	5,693
Provincial Government			
Regional Development Corporation	-	3,021	-
Designated Highway Program	-	-	98,423
Employment programs	8,600	4,108	16,736
	<u>\$ 8,600</u>	<u>\$ 17,848</u>	<u>\$ 125,293</u>
Other transfers			
Provincial Government			
LNG adjustment	\$ -	\$ 6,423	\$ 5,803
Covid Safe Restart agreement	-	3,774	-
	<u>\$ -</u>	<u>\$ 10,197</u>	<u>\$ 5,803</u>
Water and sewer fees			
Water and sewer user fees	\$ 442,506	\$ 443,701	\$ 443,691
Connection and service charges	800	405	856
Water supply for fire protection	50,000	49,000	50,000
	<u>\$ 493,306</u>	<u>\$ 493,106</u>	<u>\$ 494,547</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

24. Revenue and Expense Support (continued)

	2020		2019
	(Unaudited) Budget	Actual	Actual
Expenditures			
General government services			
<u>Legislative</u>			
Mayor: personnel	\$ 6,850	\$ 7,089	\$ 6,935
Mayor: other	3,265	921	2,862
Councillors: personnel	28,650	29,390	26,774
Councillors: other	4,100	197	2,751
	<u>42,865</u>	<u>37,597</u>	<u>39,322</u>
<u>General administration</u>			
Administrative			
Personnel	134,035	130,212	121,761
Human resources	-	-	3,211
Office building	23,340	20,672	21,215
Legal services	2,000	735	755
Other administrative services	27,260	28,752	30,177
	<u>186,635</u>	<u>180,371</u>	<u>177,119</u>
Financial management			
External audit	11,905	11,821	12,120
External accounting	5,215	5,469	5,214
	<u>17,120</u>	<u>17,290</u>	<u>17,334</u>
Common services			
Training and development	1,500	1,058	1,167
Cost of assessment	11,390	11,390	11,902
Regional and cooperative services	2,224	2,224	2,901
	<u>15,114</u>	<u>14,672</u>	<u>15,970</u>
<u>Other general government services</u>			
Conventions and delegations	2,000	-	385
Liability insurance	13,304	12,211	10,607
Grants for social or environmental purposes	2,500	2,500	2,500
Other general services	8,725	8,845	6,812
Bank service charges	3,500	1,049	1,180
Debenture issue	-	230	145
Amortization	7,262	7,262	7,262
Interest	1,014	3,815	1,344
	<u>38,305</u>	<u>35,912</u>	<u>30,235</u>
Total general government services	\$ 300,039	\$ 285,842	\$ 279,980

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

24. Revenue and Expense Support (continued)

	2020		2019
	(Unaudited) Budget	Actual	Actual
Protective services			
<u>Police Protection</u>			
R.C.M.P. contract	\$ 228,161	\$ 228,161	\$ 229,011
<u>Fire Protection</u>			
Administration: personnel	17,814	17,650	17,197
Administration: other	4,605	2,516	4,399
Firefighting force: personnel	25,984	26,690	26,957
Firefighting force: other	20,460	20,026	16,460
Alarm systems	13,803	20,273	14,917
Investigation and prevention	2,500	602	1,675
Water cost	50,000	49,000	50,000
Training and development: other	4,000	4,405	3,123
Station and building	16,915	17,140	14,016
Fighting equipment	60,390	57,387	51,330
Amortization	71,511	71,511	61,705
Interest	11,643	11,507	14,376
	<u>299,625</u>	<u>298,707</u>	<u>276,155</u>
<u>Emergency measures</u>	1,050	1,205	854
<u>Other protection</u>			
Building inspection and By-law enforcement	32,430	38,259	32,424
Animal and pest control	200	167	156
	<u>32,630</u>	<u>38,426</u>	<u>32,580</u>
Total protective services	\$ 561,466	\$ 566,499	\$ 538,600
Transportation services			
<u>Common services</u>			
Administration: personnel	\$ 54,175	\$ 45,024	\$ 48,631
Administration: other	6,070	4,955	7,327
General equipment	21,800	29,151	25,354
Workshops, yards and other buildings	5,700	4,317	7,391
	<u>87,745</u>	<u>83,447</u>	<u>88,703</u>
<u>Road transport</u>			
Roads and streets			
Summer maintenance: other	4,500	2,951	106,688
Summer maintenance: DTI	1,700	1,700	1,700
Culverts and drainage ditches	1,500	146	760
Street cleaning and flushing	3,000	5,457	2,946
Snow and ice removal: Personnel	54,175	52,121	63,209
Snow and ice removal: Other	11,500	7,921	14,398
Snow and ice removal: DTI	5,545	5,544	5,544
	<u>81,920</u>	<u>75,840</u>	<u>195,245</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

24. Revenue and Expense Support (continued)

	2020		2019
	(Unaudited) Budget	Actual	Actual
Street lights	28,225	28,142	27,711
Traffic services	5,700	4,886	4,654
Amortization	64,855	64,855	84,848
Interest	803	787	1,309
	<u>99,583</u>	<u>98,670</u>	<u>118,522</u>
Total transportation services	<u>\$ 269,248</u>	<u>\$ 257,957</u>	<u>\$ 402,470</u>
Environmental health services			
Solid waste collection			
Personnel / contract	\$ 21,500	\$ 31,675	\$ 44,404
Other	10,000	21,388	7,560
Solid waste disposal	22,500	25,167	21,680
Amortization	8,179	8,179	-
Total environmental health services	<u>\$ 62,179</u>	<u>\$ 86,409</u>	<u>\$ 73,644</u>
Environmental development services			
Environmental planning and zoning	\$ 20,250	\$ 6,894	\$ 1,511
Community development	3,060	41,986	1,792
Other development services			
Tourism			
Tourist bureau	-	-	15,007
Tourist camps and parks	2,300	885	1,665
Promotion of tourist attractions	1,500	281	-
Other	2,700	1,791	3,894
Amortization	12,738	12,738	12,738
Interest	-	-	156
Total environmental development services	<u>\$ 42,548</u>	<u>\$ 64,575</u>	<u>\$ 36,763</u>
Recreation and cultural services			
<u>Recreation</u>			
Rink and arena			
Personnel	\$ 91,300	\$ 70,324	\$ 106,541
Other	167,056	84,173	139,981
Exhibitions and fairs	2,000	-	1,950
Parks and playgrounds			
Personnel	38,390	31,999	27,154
Other	5,932	3,946	4,172
Other recreation facilities			
Personnel	7,000	-	6,972
Other	1,000	543	737
<u>Cultural</u>			
Museums and libraries			
Personnel	4,870	2,486	15,979
Other	10,030	6,971	8,738
Other recreation and cultural services	9,100	12,192	10,558
Provision for loss on accounts receivable	-	175	688
Amortization	48,187	48,187	39,295
Total recreation and cultural services	<u>\$ 384,865</u>	<u>\$ 260,996</u>	<u>\$ 362,765</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2020

24. Revenue and Expense Support (continued)

	2020		2019
	(Unaudited)		
	Budget	Actual	Actual
Water and Sewer			
Water supply			
Administration and general			
Personnel	\$ 20,830	\$ 18,632	\$ 18,765
Other	15,857	16,790	6,963
Purification and treatment	10,500	7,807	9,799
Transmission and distribution			
Personnel	44,175	38,021	42,173
Other	38,700	4,472	1,596
Power and pumping	8,450	3,893	3,558
Billing and collection			
Personnel	8,805	8,742	8,693
Other	500	556	391
Workshop and equipment	14,695	18,070	17,380
Discounts for early payment	6,875	6,616	6,870
Provision for loss on accounts receivable	2,500	-	-
Amortization of deferred financing charges	-	32	20
Amortization	90,684	90,684	95,107
Interest	1,712	1,705	4,232
	<u>264,283</u>	<u>216,020</u>	<u>215,547</u>
Wastewater Disposal			
Administration and general			
Personnel	20,830	20,531	18,765
Other	16,876	12,060	8,743
Wastewater collection system			
Personnel	49,175	36,551	42,889
Other	6,000	1,932	711
Wastewater lift stations	26,520	31,197	28,246
Wastewater treatment and disposal	80,160	69,884	63,559
Billing and collection			
Personnel	8,805	8,742	8,697
Other	500	556	391
Workshop and equipment	19,695	18,178	17,382
Discounts for early payment	6,875	6,615	6,869
Provision for loss on accounts receivable	2,500	-	-
Amortization of deferred financing charges	-	72	46
Amortization	82,185	82,185	74,183
Interest	3,900	3,885	6,194
	<u>324,021</u>	<u>292,388</u>	<u>276,675</u>
Total water and sewer	\$ 588,304	\$ 508,408	\$ 492,222