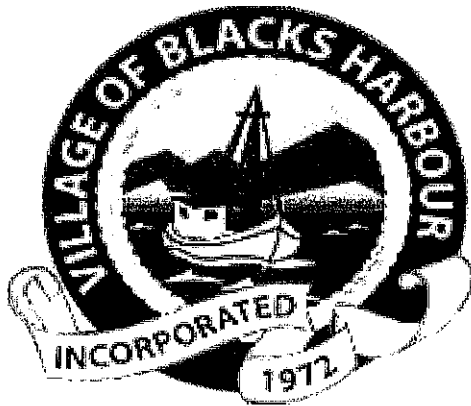


**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Financial Statements**  
Year Ended December 31, 2021



**VILLAGE OF BLACKS HARBOUR**  
**Index to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

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To His 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, 2021, 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, 2021, 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 ("PSAS").

### *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 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 these 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 PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related 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.

### *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 financial statements.

(continues)

Independent Auditors' Report to the Worship the Mayor and Members of Council of Village of Blacks Harbour  
(continued)

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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Teed Saunders Doyle*

Saint John, New Brunswick  
August 2, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Statement of Operations**  
Year Ended December 31, 2021

	2021		2020
	( Unaudited )		
	Budget	Actual	Actual
	( Note 23)		
<b>REVENUE</b>			
Property tax warrant	\$ 843,105	\$ 843,105	\$ 932,916
Community funding and equalization grant	308,470	315,189	277,358
Services provided to other governments	160,867	162,505	152,580
Sales of services	27,500	62,907	66,097
Other revenue from own sources	23,370	44,641	67,562
Unconditional transfers	-	61,340	3,774
Conditional transfers	12,546	301,138	17,848
Water and sewer fees	498,360	494,126	493,106
Interest	8,200	10,790	24,808
	<u>1,882,418</u>	<u>2,295,741</u>	<u>2,036,049</u>
<b>EXPENDITURE</b>			
General government services	299,854	315,274	285,842
Protective services	554,653	576,004	566,499
Transportation services	269,010	300,222	257,957
Environmental health services	86,732	94,388	86,409
Environmental development services	48,118	34,554	64,575
Recreational and cultural services	250,502	283,749	260,996
Water and sewer	594,988	614,425	508,408
Loss on disposal of tangible capital assets	-	5,546	-
	<u>2,103,857</u>	<u>2,224,162</u>	<u>2,030,686</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (221,439)</u>	<u>71,579</u>	<u>5,363</u>
<b>ACCUMULATED SURPLUS</b>			
<b>BEGINNING OF YEAR</b>		<u>5,262,378</u>	<u>5,257,015</u>
<b>END OF YEAR</b>		<u>\$ 5,333,957</u>	<u>\$ 5,262,378</u>


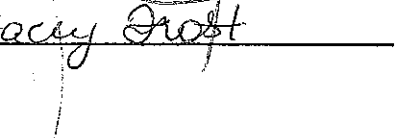
**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Statement of Financial Position**  
As at December 31, 2021

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash ( Note 3 )	\$ 669,079	\$ 682,149
Receivables		
General ( Note 4 )	65,806	74,209
Federal government and its agencies ( Note 5 )	47,304	14,622
Province of New Brunswick ( Note 6 )	16,804	4,795
Portfolio investments ( Note 7 )	1,128,628	1,120,948
	<u>1,927,621</u>	<u>1,896,723</u>
<b>LIABILITIES</b>		
Bank indebtedness ( Note 8 )	-	-
Payables and accruals	294,458	128,109
Holdbacks payable	8,944	-
Deferred revenue ( Note 8 )	209,995	410,124
Long term debt ( Note 9 )	572,000	659,000
Accrued sick leave ( Note 10 )	15,318	24,526
Post employment benefits payable ( Note 11 )	180,600	178,400
	<u>1,281,315</u>	<u>1,400,159</u>
<b>NET FINANCIAL ASSETS</b>	<u>646,306</u>	<u>496,564</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets ( Note 19 )	12,633,628	12,381,534
Less: Accumulated amortization ( Note 19 )	(8,050,724)	(7,723,624)
	<u>4,582,904</u>	<u>4,657,910</u>
Inventory of supplies	74,918	78,188
Land inventory for resale	20,102	19,865
Deferred financing charges	4,652	4,986
Prepaid expenses	5,075	4,865
	<u>4,687,651</u>	<u>4,765,814</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 5,333,957</u>	<u>\$ 5,262,378</u>
<b>CONTINGENT LIABILITY (Note 13)</b>		

APPROVED BY:

Mayor

Treasurer

**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
Annual surplus	\$ 71,579	\$ 5,363
Add (deduct) :		
Acquisition of tangible capital assets	(322,325)	(140,974)
Amortization of tangible capital assets	391,785	385,601
Amortization of deferred financing charges	334	334
Loss on disposal of tangible capital assets	5,546	-
Consumption (acquisition) of inventories	3,270	(4,853)
Consumption (acquisition) of land inventory for resale	(237)	37,501
Consumption (acquisition) of prepaid assets	(210)	(60)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>149,742</b>	<b>282,912</b>
<b>NET FINANCIAL ASSETS</b>		
<b>BEGINNING OF YEAR</b>	<b>496,564</b>	<b>213,652</b>
<b>END OF YEAR</b>	<b>\$ 646,306</b>	<b>\$ 496,564</b>

**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Statement of Cash Flows**  
Year Ended December 31, 2021

	2021	2020
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 71,579	\$ 5,363
Loss on disposal of tangible capital assets	5,546	-
Amortization of tangible capital assets	391,785	385,601
Amortization of deferred financing charges	334	334
Receivable - General	8,403	(21,509)
Receivable - Federal Government and its agencies	(32,682)	7,031
Receivable - Province of New Brunswick	(12,009)	1,087
Payables and accruals	166,349	(59,643)
Holdbacks payable	8,944	-
Deferred revenue	(200,129)	48,518
Accrued sick leave	(9,208)	1,399
Post employment benefits payable	2,200	(6,100)
Change in inventory/prepaid expenses	2,823	32,588
	<u>403,935</u>	<u>394,669</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(322,325)	(140,974)
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	(87,000)	(85,000)
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of portfolio investments	913,328	1,152,272
Purchase of portfolio investments	(921,008)	(1,019,093)
	<u>(7,680)</u>	<u>133,179</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(13,070)</b>	<b>301,874</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>BEGINNING OF YEAR</b>	<u>682,149</u>	<u>380,275</u>
<b>END OF YEAR</b>	<u>\$ 669,079</u>	<u>\$ 682,149</u>



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**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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**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 November 18, 2020 and the Department of Environment and Local Government on November 24, 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.

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**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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

**Use of estimates**

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and 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.

**Capital Reserves**

The use of the Capital Reserve funds is restricted to capital expenditures. The intention is to use these funds for future expenditures and reduce future borrowing requirements.

**Operating Reserves**

The use of these funds is restricted to payment of operating expenses.

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

**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:

<b>Asset type</b>	<b>Years</b>
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.

Capital assets are subject to the half year rule of amortization in the year of acquisition.

**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.

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**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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

Protective Services

This department is responsible for the provision of policing services, fire protection, emergency measures, animal control and other protective measures.

Transportation Services

This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

Environmental Health Services

This department is responsible for the provision of solid waste collection and disposal.

Environmental Development Services

This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and Cultural Services

This department is responsible for the maintenance and operation of recreational and cultural facilities, including the arena, ballfields, parks and playgrounds and other recreational and cultural facilities.

Water and Wastewater Systems

This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

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

**Post-employment benefits**

The Municipality recognizes its obligations under post-employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in Note 10 and a pension plan as documented in Note 11.

**3. Cash**

	<u>2021</u>	<u>2020</u>
Restricted - Canada Community-Building Fund	\$ 165,030	\$ 388,204
Restricted - Reserve Funds	230,421	247,922
Unrestricted	273,628	46,023
	<u>\$ 669,079</u>	<u>\$ 682,149</u>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

<b>4. Receivables- General</b>	<b>2021</b>	<b>2020</b>
Trade	\$ 65,214	\$ 73,314
Accrued investment income - Reserve Funds	590	891
Accrued investment income - Other	2	4
	<u>\$ 65,806</u>	<u>\$ 74,209</u>
<b>5. Due from federal government and its agencies</b>	<b>2021</b>	<b>2020</b>
Canada Revenue Agency - Harmonized Sales Tax	\$ 47,304	\$ 14,622
	<u>\$ 47,304</u>	<u>\$ 14,622</u>
<b>6. Due from Province of New Brunswick</b>	<b>2021</b>	<b>2020</b>
Environment and Local Government	\$ -	\$ 3,774
Department of Education	3,983	-
Working NB - Workplace Connections	2,673	-
Regional Development Corporation	10,148	1,021
	<u>\$ 16,804</u>	<u>\$ 4,795</u>
<b>7. Portfolio investments</b>	<b>2021</b>	<b>2020</b>
Restricted - Reserve Funds	\$ 1,123,094	\$ 1,115,444
Unrestricted	5,534	5,504
	<u>\$ 1,128,628</u>	<u>\$ 1,120,948</u>

The investments consist of guaranteed investment certificates with maturity dates in 2021 and 2022 and interest rates ranging from .40% to .75%

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

8. Deferred revenue	2021	2020
Government of Canada - Preserving Our History Through Memories Project		
Balance, beginning of year	\$ 7,579	\$ 7,579
Transfer to revenue	(7,000)	-
Balance, end of year	579	7,579
Contributions for arena programs		
Contributions for the year	3,200	-
Contributions for purchase of webcam		
Contributions for the year	3,335	-
Contributions for purchase of ice resurfacers		
Balance, beginning of year	-	30,000
Contributions for the year	-	14,504
Transfer to revenue	-	(44,504)
Balance, end of year	-	-
Government of Canada - Improving Accessibility Program		
Transfer for installation of wheelchair lift at Fundy Arena		
Balance, beginning of year	14,235	-
Contributions for the year	-	14,235
Transfer to revenue	(14,235)	-
Balance, end of year	-	14,235
Canada Community-Building 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	388,310	324,027
Contributions for the year	64,406	61,606
Interest earned	313	2,677
Transfer to revenue	(250,148)	-
Balance, end of year	202,881	388,310
	\$ 209,995	\$ 410,124

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**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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**9. Long-term debt**

	2021	2020
<u>New Brunswick Municipal Finance Corporation Debentures:</u>		
General Capital Fund		
BK28, 1.15% - 3.1%, due May 15,2022, OIC #02-0021	\$ 30,000	\$ 60,000
BQ29, 1.2% - 1.85%, due June 1,2022, OIC #05-0087	11,000	22,000
BT23, 2.1% - 3.00%, due May 29,2023, OIC #06-0065 & 07-0042	37,000	55,000
BV28, 2.05% - 3.15%, due May 14,2034, OIC #18-0010	310,000	330,000
Water Capital Fund		
BV29, 2.05% - 3.35%, due May 14,2039, OIC #07-0042 & 07-0089	184,000	192,000
	<u>\$ 572,000</u>	<u>\$ 659,000</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:

2022	\$	87,000
2023	\$	48,000
2024	\$	29,000
2025	\$	31,000
2026	\$	31,000

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**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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**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, 2021 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 5.55%
- 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 \$ 15,318 on December 31, 2021 and \$ 24,526 on December 31, 2020

**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, 2019 and resulted in an overall NB MEPP accrued benefit obligation of \$ 135,126,100 based on the accounting basis.



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**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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**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, 2021:

- the expected inflation rate is 2.10% (2020 - 2.10%)
- the discount rate used to determine the accrued benefit obligation is 5.55% (2020 - 5.75%) per annum
- the expected rate of return on assets is 5.55% (2020 - 5.75%) per annum
- retirement age varies by age and employment category
- estimated average remaining service life is (EARSL) is 13.0 years (2020 - 14.0 years)

The actuarial valuation prepared as at December 31, 2019 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 \$ 641,800, a change of \$ 6,896,200 from the December 31, 2018 deficit of \$ 7,538,000. Based on the assumptions as at December 31, 2019, 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, 2019, the NB MEPP provides benefits for 277 retirees. Total benefit payments to retirees and terminating employees during 2021 are estimated to be approximately \$ 4,641,200 (actual 2020, \$ 5,662,100) 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 2021 are estimated to be approximately \$ 7,136,800 (actual 2020, \$ 6,929,400) 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 53.8 (as at Dec 31, 2019)
- Benefit payments were \$ 89,500 in 2020 and were estimated to be \$ 89,500 in 2021
- Combined contributions were \$ 59,000 in 2020 and were estimated to be \$ 60,800 in 2021

In addition to determining the position of the NB MEPP as it relates to the Village of Blacks Harbour as at December 31, 2019 and December 31, 2020, NB MEPP's actuary performed an extrapolation of the December 31, 2020 accounting valuation to determine the estimated position as at December 31, 2021. The extrapolation assumes assumptions used as at December 31, 2021 remain unchanged from December 31, 2020. The extrapolation also assumes assets return 5.55% 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, 2021**

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

	Estimated 1-Jan-2021 to 31-Dec-2021	1-Jan-2020 to 31-Dec-2020
<b>Accrued Benefit Liability / (Asset)</b>		
Accrued benefit liability / (asset) at beginning of period	\$ 180,400	\$ 186,300
Pension expense for the year	28,900	23,600
Less: Employer contributions	(28,700)	(29,500)
Accrued benefit liability / (asset) at end of period	<u>\$ 180,600</u>	<u>\$ 180,400</u>

In summary, the Accrued Benefit Liability as it relates to the Village of Blacks Harbour is estimated to be \$ 180,600 as at December 31, 2021. This compares to \$ 186,300 as at January 1, 2020 and \$ 180,400 as at December 31, 2020. 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-2021	31-Dec-2020
<b>Reconciliation of Funded Status at End of Period</b>		
Accrued benefit obligation	\$ 2,252,100	\$ 2,160,900
Plan assets	2,158,700	2,073,100
Plan deficit / (surplus)	93,400	87,800
Unamortized prior service costs / (savings)	-	-
Unamortized experience losses / (gains)	(85,500)	(92,600)
Unamortized transitional obligation / (asset)	-	-
Accrued benefit liability / (asset) at end of period	<u>\$ 178,900</u>	<u>\$ 180,400</u>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
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**11. Post employment benefits payable (continued)**

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

	<b>Estimated</b>	
	<b>1-Jan-2021</b>	<b>1-Jan-2020</b>
	<b>to</b>	<b>to</b>
	<b>31-Dec-2021</b>	<b>31-Dec-2020</b>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued benefit obligation at beginning of period	\$ 2,160,900	\$ 2,042,900
Current service cost	61,500	56,400
Benefit payments	(89,500)	(89,500)
Interest for period	119,200	116,500
Cost / (savings) of plan amendments	-	-
Experience loss / (gain) during period	-	34,600
Accrued benefit obligation at end of period	<u>\$ 2,252,100</u>	<u>\$ 2,160,900</u>

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

	<b>Estimated</b>	
	<b>1-Jan-2021</b>	<b>1-Jan-2020</b>
	<b>to</b>	<b>to</b>
	<b>31-Dec-2021</b>	<b>31-Dec-2020</b>
<b>Reconciliation of Plan Assets</b>		
Plan assets at beginning of period	\$ 2,073,100	\$ 1,964,300
Employer contributions	30,400	29,500
Employee contributions	30,400	29,500
Benefit payments	(89,500)	(89,500)
Return on plan assets during period	114,300	139,300
Plan assets at end of year	<u>\$ 2,158,700</u>	<u>\$ 2,073,100</u>

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**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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

Total expenses related to pensions include the following components:

	Estimated 1-Jan-2021 to 31-Dec-2021	1-Jan-2020 to 31-Dec-2020
<b>Pension Expense</b>		
Employer current service cost	\$ 31,100	\$ 26,900
Interest on accrued benefit obligation	119,200	116,500
Expected return on assets	(114,300)	(112,100)
Amortization of unrecognized balances		
Prior service costs / (savings)	-	-
Experience loss / (gain)	(7,100)	(7,700)
Transitional obligation / (asset)	-	-
Pension expense	<u>\$ 28,900</u>	<u>\$ 23,600</u>

The Pension Expense is included in the statement of operations.

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

**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:

	<b>2021</b>	<b>2020</b>
Net financial assets (liabilities)	\$ 646,306	\$ 496,564
Adjustments:		
Long term debt	572,000	659,000
Accrued sick leave: Non-vesting / unfunded portion	15,318	24,526
Other unfunded liability - NBMEPP	180,600	178,400
Land inventory for resale	20,102	19,865
Less: Inventory transferred from General Capital Fund	(11,891)	(11,891)
Inventory of supplies	74,918	78,188
Less: Inventory transferred from Utility Capital Fund	(26,364)	(26,364)
Prepaid expenses	5,075	4,865
Current net assets	<u>\$ 1,476,064</u>	<u>\$ 1,423,153</u>
Composition of current net assets		
General Fund Deficit for 2019 PNB purposes		\$ (20,648)
Utility Fund Surplus for 2019 PNB purposes		18,902
General Fund Surplus for 2020 PNB purposes	\$ 37,356	37,356
Utility Fund Surplus for 2020 PNB purposes	23,286	23,286
General Fund Surplus for 2021 PNB purposes	25,779	
Utility Fund Surplus for 2021 PNB purposes	35,538	
Reserve Fund balances	1,354,105	1,364,257
	<u>\$ 1,476,064</u>	<u>\$ 1,423,153</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, 2021 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as the Municipality maintains insurance coverage in amounts considered appropriate.

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**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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**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 2021, 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% (2020 - 4.0%) 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 2020-52 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 2021 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, 2021

**19. Schedule of Tangible Capital Assets**

	Land	Land Improvements	Buildings & Leasehold Improvements	Vehicles	Heavy Equipment	Machinery and Equipment	Infrastructure		Communication & Computer Equipment	Assets Under Construction	2021 Total	2020 Total
							Roads and Street	Treatment Facilities				
<b>COST</b>												
Balance, beginning of year	\$ 265,954	\$ 255,761	\$ 2,762,542	\$ 109,538	\$ 1,167,948	\$ 1,195,989	\$ 1,686,456	\$ 805,204	\$ 4,073,086	\$ 61,056	\$ 12,381,534	\$ 12,240,560
Add:												
Net additions during the year	-	-	25,029	-	18,249	28,899	178,021	-	-	-	322,325	140,974
Less:												
Disposals during the year	-	-	-	-	-	20,232	49,999	-	-	-	70,231	-
Balance, end of year	265,954	255,761	2,787,571	109,538	1,186,197	1,204,656	1,814,478	805,204	4,073,086	61,056	12,633,628	12,381,534
<b>ACCUMULATED AMORTIZATION</b>												
Balance, beginning of year	-	163,008	1,483,281	84,732	686,100	807,114	1,408,039	658,635	2,371,659	61,056	7,723,624	7,338,023
Add:												
Amortization during the year	-	9,157	73,159	9,923	69,615	69,823	45,252	16,935	97,921	-	391,785	385,801
Less:												
Accumulated amortization on disposal	-	-	-	-	-	20,232	44,453	-	-	-	64,685	-
Balance, end of year	-	172,165	1,556,440	94,655	755,715	856,705	1,408,838	675,570	2,469,580	61,056	8,050,724	7,723,624
<b>NET BOOK VALUE OF TANGIBLE CAPITAL</b>												
	\$ 265,954	\$ 83,596	\$ 1,231,131	\$ 14,883	\$ 430,482	\$ 347,951	\$ 405,640	\$ 127,634	\$ 1,603,506	\$ -	\$ 4,582,904	\$ 4,657,910
Consists of:												
General Fund Assets	\$ 211,544	\$ 83,596	\$ 997,071	\$ 14,883	\$ 407,446	\$ 98,902	\$ 405,640	\$ -	\$ -	\$ -	\$ 2,219,082	\$ 2,224,885
Water & Sewer Fund Assets	54,410	-	234,060	-	23,036	249,049	-	127,634	1,603,506	-	2,363,822	2,433,025
	\$ 265,954	\$ 83,596	\$ 1,231,131	\$ 14,883	\$ 430,482	\$ 347,951	\$ 405,640	\$ 127,634	\$ 1,603,506	\$ -	\$ 4,582,904	\$ 4,657,910

**VILLAGE OF BLACKS HARBOUR**  
Notes to the Consolidated Financial Statements  
December 31, 2021

**20. Schedule of Segment Disclosure**

REVENUE	General	Protective	Transportation	Environmental		Recreation & Culture	Water & Sewer	2021 Consolidated	2020 Consolidated
				Health	Development				
Property tax warrant	\$ 13,637	\$ 383,793	\$ 202,856	\$ 70,375	\$ 35,380	\$ 137,064	\$ -	\$ 843,105	\$ 932,916
Unconditional grant	315,189	-	-	-	-	-	-	315,189	277,358
Services provided to other governments	-	162,505	-	-	-	-	-	162,505	152,580
Sale of service and other fees	-	-	-	-	-	62,907	-	62,907	66,097
Other revenue from own sources	69	5,834	3,745	-	800	34,193	-	44,841	67,562
Unconditional transfers	61,340	-	-	-	-	-	-	61,340	3,774
Conditional transfers	2,467	-	182,981	-	979	42,585	72,126	301,138	17,848
Water and sewer fees	-	-	-	-	-	-	494,126	494,126	493,106
Interest	2,303	-	-	-	-	-	8,487	10,790	24,808
	<u>395,005</u>	<u>552,132</u>	<u>389,582</u>	<u>70,375</u>	<u>37,159</u>	<u>276,749</u>	<u>574,739</u>	<u>2,295,741</u>	<u>2,036,049</u>
EXPENDITURE									
Salaries and benefits	143,127	42,245	127,130	34,085	-	92,993	150,121	589,701	524,409
Goods and services	162,913	459,359	104,633	43,946	21,816	131,489	294,749	1,218,905	1,098,977
Amortization	7,262	64,158	67,877	16,367	12,738	59,267	164,126	391,785	385,601
Interest	1,972	10,242	582	-	-	-	5,429	18,225	21,699
Loss on disposal of tangible capital assets	5,546	-	-	-	-	-	-	5,546	-
	<u>320,820</u>	<u>576,004</u>	<u>300,222</u>	<u>94,388</u>	<u>34,554</u>	<u>283,749</u>	<u>614,425</u>	<u>2,224,162</u>	<u>2,030,686</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>\$ 74,185</b>	<b>\$ (23,872)</b>	<b>\$ 89,360</b>	<b>\$ (24,013)</b>	<b>\$ 2,605</b>	<b>\$ (7,000)</b>	<b>\$ (39,686)</b>	<b>\$ 71,579</b>	<b>\$ 5,363</b>



VILLAGE OF BLACKS HARBOUR  
Notes to the Consolidated Financial Statements  
December 31, 2021

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
2021 Annual Surplus (Deficit)	\$ 149,940	\$ (40,949)	\$ 47,239	\$ (91,999)	\$ 380	\$ 1,894	\$ 128	\$ 4,946	\$ 71,579
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus (deficit)	(20,848)	-	18,902	-	-	-	-	-	(1,746)
Transfers between funds									
Transfer from general capital reserve fund to the general capital fund		17,500				(17,500)			
Transfer from general operating fund to the general capital fund	(17,646)	17,646							
Transfer from water & sewer operating fund to the water & sewer capital fund			(22,796)	22,796					
Long-term debt principal repayment	(79,000)	79,000							
Long-term debt principal repayment			(8,000)	8,000					
Amortization expense		227,659		164,128					391,785
Deferred financing charges	230		104						334
Provision for sick leave accrual	(8,851)		(357)						(9,208)
Change in amount recorded under PSA for defined benefit liability	1,754		446						2,200
Total adjustments to 2021 annual surplus (deficit)	(124,161)	341,805	(11,701)	194,922	-	(17,500)	-	-	383,365
2021 annual fund surplus (deficit) for PNB budgeting purposes	\$ 25,779	\$ 300,856	\$ 35,538	\$ 102,923	\$ 380	\$ (15,606)	\$ 128	\$ 4,946	\$ 454,944

**VILLAGE OF BLACKS HARBOUR**

Notes to the Consolidated Financial Statements

December 31, 2021

**22. Statement of Reserves**

	General Operating Reserve	General Capital Reserve	Water & Sewer Operating Reserve	Water & Sewer Capital Reserve	2021 Total	2020 Total
<b>Assets</b>						
Cash	\$ 12,080	\$ 57,191	\$ 4,058	\$ 157,092	\$ 230,421	\$ 247,922
Portfolio investments	58,879	278,752	19,780	765,683	1,123,094	1,115,444
Accrued interest receivable	31	146	10	403	590	891
	<u>\$ 70,990</u>	<u>\$ 336,089</u>	<u>\$ 23,848</u>	<u>\$ 923,178</u>	<u>\$ 1,354,105</u>	<u>\$ 1,364,257</u>
<b>Accumulated Surplus</b>						
	<u>\$ 70,990</u>	<u>\$ 336,089</u>	<u>\$ 23,848</u>	<u>\$ 923,178</u>	<u>\$ 1,354,105</u>	<u>\$ 1,364,257</u>
<b>Revenue</b>						
Transfers from Utility Operating Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Interest	380	1,894	128	4,946	7,348	21,377
	<u>380</u>	<u>1,894</u>	<u>128</u>	<u>4,946</u>	<u>7,348</u>	<u>171,377</u>
<b>Expenditures</b>						
Transfers to Capital Funds		17,500			17,500	56,000
Transfers to Operating Funds						2,000
	<u>-</u>	<u>17,500</u>	<u>-</u>	<u>-</u>	<u>17,500</u>	<u>58,000</u>
<b>Annual Surplus (Deficit)</b>	380	(15,606)	128	4,946	(10,152)	113,377
<b>Accumulated Surplus</b>						
Beginning of year	70,610	351,695	23,720	918,232	1,364,257	1,250,880
End of year	<u>\$ 70,990</u>	<u>\$ 336,089</u>	<u>\$ 23,848</u>	<u>\$ 923,178</u>	<u>\$ 1,354,105</u>	<u>\$ 1,364,257</u>

The Water and Sewer Capital Reserve Fund includes replacement reserves totalling \$ 97,570 (2020 - \$ 97,047). 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, 2021

22. Statement of Reserves ( continued )

Portfolio Investments	Maturity Date	Interest Rate	2021	2020
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	0.40%		101,855
Cashable GIC	November 14, 2022	0.75%	\$ 230,045	
Cashable GIC	November 14, 2022	0.75%	230,045	
Cashable GIC	November 14, 2022	0.75%	230,045	
Cashable GIC	November 14, 2022	0.75%	230,045	
Cashable GIC	December 20, 2022	0.40%	106,186	
Cashable GIC	December 31, 2022	0.40%	102,262	
			1,128,628	1,120,948
Less: Allocation to General Operating Fund			5,534	5,504
			<u>\$ 1,123,094</u>	<u>\$ 1,115,444</u>

Council resolutions regarding transfers to and from reserves:

Regular Meeting October 20, 2021 resolution 10202021-16

15.4 Purchase of Trackless

MOVED BY: Deputy Mayor Hatt  
SECONDED BY: Councillor Welles

Be It Resolved:

That Council transfer \$ 15,000 plus HST from the General Capital Reserve Fund to the General Capital Fund to purchase of a used trackless.

CARRIED

Special Meeting October 25, 2021 resolution 10252021-04

7. Purchase of Sander for Trackless

MOVED BY: Councillor Ritchie  
SECONDED BY: Councillor Welles

Be It Resolved:

That Council transfer \$2500 plus HST from the General Capital Reserve Fund to the General Capital Fund to Purchase of a used sander to accompany the trackless, from the City of Fredericton,

CARRIED

Stacey Frost  
Stacey Frost  
Clerk  
Village of Blacks Harbour

Aug 7/22  
Date

**VILLAGE OF BLACKS HARBOUR**  
 Notes to the Consolidated Financial Statements  
 December 31, 2021

**23. Operating Budget to PSA Budget**

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Controlled Entities	Transfers	Total
<b>Revenue</b>	\$	\$	\$	\$	\$	\$
Property tax warrant	843,105	-	-	-	-	843,105
Community funding and equalization grant	308,470	-	-	-	-	308,470
Services provided to other governments	160,867	-	-	-	-	160,867
Sales of services	27,500	-	-	-	-	27,500
Other revenue from own sources	23,370	-	-	-	-	23,370
Conditional transfers	12,546	-	-	-	-	12,546
Water and sewer fees	-	498,360	-	-	-	498,360
Interest	5,000	3,200	-	-	-	8,200
Surplus of second previous year	-	18,902	-	-	(18,902)	-
	<b>1,380,858</b>	<b>520,462</b>	<b>-</b>	<b>-</b>	<b>(18,902)</b>	<b>1,882,418</b>
<b>Expenditure</b>						
General government services	288,456	-	7,262	-	4,136	299,854
Protective services	480,105	-	64,158	-	10,390	554,653
Transportation services	200,533	-	67,877	-	600	269,010
Environmental health services	70,375	-	16,357	-	-	86,732
Environmental development services	35,380	-	12,738	-	-	48,118
Recreational and cultural services	191,235	-	59,267	-	-	250,502
Fiscal services						
- Long-term debt repayments	79,000	8,000	-	-	(87,000)	-
- Interest	11,626	5,450	-	-	(17,076)	-
- Bank service charge	3,500	-	-	-	(3,500)	-
- Discounts	-	13,500	-	-	(13,500)	-
- Deficit of second previous year	20,648	-	-	-	(20,648)	-
- Transfer from the Water & Sewer Operating Fund to the Water & Sewer Capital Fund	-	411,912	164,126	-	(81,600)	594,988
Water and sewer	-	520,462	391,785	-	(189,248)	2,103,857
	<b>1,380,858</b>	<b>520,462</b>	<b>391,785</b>	<b>-</b>	<b>(189,248)</b>	<b>2,103,857</b>
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (391,785)</b>	<b>\$ -</b>	<b>\$ 170,346</b>	<b>\$ (221,439)</b>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

**24. Revenue and Expense Support**

	2021		2020	
	( Unaudited ) Budget	Actual	Actual	
<b>Revenue</b>				
Services provided to other governments				
Province of New Brunswick				
Fire- Local service districts	\$ 158,167	\$ 158,167	\$ 144,696	
Forest fires	-	4,338	5,208	
Transportation	2,700	-	2,676	
	<u>\$ 160,867</u>	<u>\$ 162,505</u>	<u>\$ 152,580</u>	
Sales of services				
Recreational and cultural services				
Skating rink and arena	\$ 27,500	\$ 62,907	\$ 66,097	
Other revenue from own sources				
Licenses and permits	\$ 5,400	\$ 6,634	\$ 4,817	
Rentals	9,370	9,995	9,620	
Miscellaneous	1,600	9,412	1,488	
Contributions	7,000	18,600	51,637	
	<u>\$ 23,370</u>	<u>\$ 44,641</u>	<u>\$ 67,562</u>	
Unconditional transfers				
Provincial Government				
Assessment Gap	\$ -	\$ 12,808	\$ -	
Covid Safe Restart agreement	-	48,532	3,774	
	<u>\$ -</u>	<u>\$ 61,340</u>	<u>\$ 3,774</u>	
Conditional transfers				
Federal Government				
Canada Community-Building Fund	\$ -	\$ 250,148	\$ -	
Clean Water & Wastewater Fund	-	-	5,068	
Improving Accessibility Program	-	14,235	-	
Museums assistance program	-	7,000	-	
Employment programs	-	7,401	5,651	
Provincial Government				
Regional Development Corporation	-	11,127	3,021	
Employment programs	12,546	11,227	4,108	
	<u>\$ 12,546</u>	<u>\$ 301,138</u>	<u>\$ 17,848</u>	
Water and sewer fees				
Water and sewer user fees	\$ 447,560	\$ 443,901	\$ 443,701	
Connection and service charges	800	225	405	
Water supply for fire protection	50,000	50,000	49,000	
	<u>\$ 498,360</u>	<u>\$ 494,126</u>	<u>\$ 493,106</u>	

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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

	2021		2020
	( Unaudited ) Budget	Actual	Actual
<b>Expenditures</b>			
General government services			
<u>Legislative</u>			
Mayor: personnel	\$ 7,085	\$ 7,063	\$ 7,089
Mayor: other	3,290	1,885	921
Councillors: personnel	29,520	28,295	29,390
Councillors: other	4,100	2,941	197
	<u>43,995</u>	<u>40,184</u>	<u>37,597</u>
<u>General administration</u>			
Administrative			
Personnel	126,582	143,127	130,212
Office building	23,540	19,334	20,672
Legal services	2,000	11,870	735
Other administrative services	32,260	30,133	28,752
	<u>184,382</u>	<u>204,464</u>	<u>180,371</u>
Financial management			
External audit	12,000	12,141	11,821
External accounting	5,215	8,612	5,469
	<u>17,215</u>	<u>20,753</u>	<u>17,290</u>
Common services			
Training and development	1,500	2,107	1,058
Cost of assessment	10,229	10,229	11,390
Regional and cooperative services	2,973	2,973	2,224
	<u>14,702</u>	<u>15,309</u>	<u>14,672</u>
<u>Other general government services</u>			
Conventions and delegations	2,000	-	-
Liability insurance	14,800	13,769	12,211
Grants for social or environmental purposes	2,500	1,100	2,500
Other general services	8,862	8,854	8,845
Bank service charges	3,500	1,377	1,049
Debenture issue	-	230	230
Amortization	7,262	7,262	7,262
Interest	636	1,972	3,815
	<u>39,560</u>	<u>34,564</u>	<u>35,912</u>
Total general government services	\$ 299,854	\$ 315,274	\$ 285,842

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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

	2021		2020
	( Unaudited ) Budget	Actual	Actual
Protective services			
<u>Police Protection</u>			
R.C.M.P. contract	\$ 225,050	\$ 225,050	\$ 228,161
<u>Fire Protection</u>			
Administration: personnel	17,614	17,424	17,650
Administration: other	4,605	10,264	2,516
Firefighting force: personnel	25,984	24,821	26,690
Firefighting force: other	20,460	17,249	20,026
Alarm systems	18,254	24,465	20,273
Investigation and prevention	2,500	880	602
Water cost	50,000	50,000	49,000
Training and development: other	4,000	157	4,405
Station and building	17,165	15,629	17,140
Fighting equipment	60,793	72,141	57,387
Amortization	64,158	64,158	71,511
Interest	10,390	10,242	11,507
	<u>295,923</u>	<u>307,430</u>	<u>298,707</u>
<u>Emergency measures</u>	1,050	833	1,205
<u>Other protection</u>			
Building inspection and By-law enforcement	32,430	42,691	38,259
Animal and pest control	200	-	167
	<u>32,630</u>	<u>42,691</u>	<u>38,426</u>
Total protective services	<u>\$ 554,653</u>	<u>\$ 576,004</u>	<u>\$ 566,499</u>
Transportation services			
<u>Common services</u>			
Administration: personnel	\$ 47,500	\$ 65,428	\$ 45,024
Administration: other	6,378	11,531	4,955
General equipment	21,800	30,009	29,151
Workshops, yards and other buildings	5,700	6,195	4,317
	<u>81,378</u>	<u>113,163</u>	<u>83,447</u>
<u>Road transport</u>			
Roads and streets			
Summer maintenance: other	4,500	4,878	2,951
Summer maintenance: DTI	1,700	1,706	1,700
Culverts and drainage ditches	1,500	1,809	146
Street cleaning and flushing	3,000	3,129	5,457
Snow and ice removal: Personnel	57,500	61,702	52,121
Snow and ice removal: Other	11,500	10,724	7,921
Snow and ice removal: DTI	5,545	5,563	5,544
	<u>85,245</u>	<u>89,511</u>	<u>75,840</u>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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

	2021		2020
	( Unaudited )		
	Budget	Actual	Actual
Street lights	28,210	28,199	28,142
Traffic services	5,700	890	4,886
Amortization	67,877	67,877	64,855
Interest	600	582	787
	102,387	97,548	98,670
Total transportation services	\$ 269,010	\$ 300,222	\$ 257,957
Environmental health services			
Solid waste collection			
Personnel / contract	\$ 32,000	\$ 34,085	\$ 31,675
Other	14,085	18,861	21,388
Solid waste disposal	24,290	25,085	25,167
Amortization	16,357	16,357	8,179
Total environmental health services	\$ 86,732	\$ 94,388	\$ 86,409
Environmental development services			
Environmental planning and zoning	\$ 25,750	\$ 6,565	\$ 6,894
Community development			
Beautification and land rehabilitation	-	3,245	-
Other	3,060	8,044	41,986
Other development services			
Tourism			
Tourist camps and parks	2,300	2,290	885
Promotion of tourist attractions	1,500	80	281
Other	2,770	1,592	1,791
Amortization	12,738	12,738	12,738
Total environmental development services	\$ 48,118	\$ 34,554	\$ 64,575
Recreation and cultural services			
<u>Recreation</u>			
Rink and arena			
Personnel	\$ 26,500	\$ 67,286	\$ 70,324
Other	78,997	81,797	84,173
Exhibitions and fairs	2,000	1,738	-
Parks and playgrounds			
Personnel	45,220	11,701	31,999
Other	5,993	26,531	3,946
Other recreation facilities			
Personnel	7,000	8,660	-
Other	1,000	799	543
<u>Cultural</u>			
Museums and libraries			
Personnel	5,250	5,346	2,486
Other	10,175	12,923	6,971
Other recreation and cultural services	9,100	7,351	12,192
Provision for loss on accounts receivable	-	350	175
Amortization	59,267	59,267	48,187
Total recreation and cultural services	\$ 250,502	\$ 283,749	\$ 260,996



**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2021**

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

	2021		2020
	( Unaudited )		
	Budget	Actual	Actual
Water and Sewer			
Water supply			
Administration and general			
Personnel	\$ 18,765	\$ 18,275	\$ 18,632
Other	18,955	17,172	16,790
Purification and treatment	10,500	9,415	7,807
Transmission and distribution			
Personnel	47,500	45,931	38,021
Other	33,700	37,627	4,472
Power and pumping	14,000	9,357	3,893
Billing and collection			
Personnel	8,815	10,565	8,742
Other	500	391	556
Workshop and equipment	16,130	17,620	18,070
Discounts for early payment	6,750	7,506	6,616
Provision for loss on accounts receivable	2,500	301	-
Amortization of deferred financing charges	-	32	32
Amortization	80,493	80,493	90,684
Interest	1,662	1,656	1,705
	<u>260,270</u>	<u>256,341</u>	<u>216,020</u>
Wastewater Disposal			
Administration and general			
Personnel	18,765	18,359	20,531
Other	20,692	11,907	12,060
Wastewater collection system			
Personnel	47,500	46,425	36,551
Other	6,000	3,170	1,932
Wastewater lift stations	29,290	44,977	31,197
Wastewater treatment and disposal	85,355	109,385	69,884
Billing and collection			
Personnel	8,815	10,566	8,742
Other	500	391	556
Workshop and equipment	21,130	17,620	18,178
Discounts for early payment	6,750	7,505	6,615
Provision for loss on accounts receivable	2,500	301	
Amortization of deferred financing charges	-	72	72
Amortization	83,633	83,633	82,185
Interest	3,788	3,773	3,885
	<u>334,718</u>	<u>358,084</u>	<u>292,388</u>
Total water and sewer	\$ 594,988	\$ 614,425	\$ 508,408