

VILLAGE OF BLACKS HARBOUR
Consolidated Financial Statements
Year Ended December 31, 2022



VILLAGE OF BLACKS HARBOUR
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Year Ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

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, 2022, 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, 2022, 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.

Saint John, New Brunswick
October 4, 2023



CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF BLACKS HARBOUR
Consolidated Statement of Operations
Year Ended December 31, 2022

	2022		2021
	(Unaudited)		
	Budget	Actual	Actual
	(Note 24)		
REVENUE			
Property tax warrant	\$ 865,384	\$ 865,384	\$ 843,105
Community funding and equalization grant	359,578	370,266	315,189
Services provided to other governments	261,398	281,426	162,505
Sales of services	63,000	81,344	62,907
Other revenue from own sources	8,645	130,707	44,641
Unconditional transfers	-	-	61,340
Conditional transfers	73,000	117,584	301,138
Water and sewer fees	488,476	490,325	494,126
Interest	2,000	11,447	10,790
	<u>2,121,481</u>	<u>2,348,483</u>	<u>2,295,741</u>
EXPENDITURE			
General government services	365,656	377,866	315,274
Protective services	606,631	518,853	571,611
Transportation services	292,854	394,236	300,222
Environmental health services	97,220	104,992	94,388
Environmental development services	64,187	134,988	38,947
Recreational and cultural services	361,664	349,231	283,749
Water and sewer	663,016	546,042	614,425
Loss on disposal of tangible capital assets	-	26	5,546
	<u>2,451,228</u>	<u>2,426,234</u>	<u>2,224,162</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (329,747)</u>	(77,751)	71,579
ACCUMULATED SURPLUS			
BEGINNING OF YEAR		5,333,957	5,262,378
END OF YEAR		<u>\$ 5,256,206</u>	<u>\$ 5,333,957</u>

VILLAGE OF BLACKS HARBOUR
Consolidated Statement of Financial Position
As at December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash (Note 3)	\$ 475,500	\$ 669,079
Receivables		
General (Note 4)	94,906	65,806
Federal government and its agencies (Note 5)	184,836	47,304
Province of New Brunswick (Note 6)	23,018	16,804
Portfolio investments (Note 7)	1,133,405	1,128,628
	<u>1,911,665</u>	<u>1,927,621</u>
LIABILITIES		
Bank indebtedness (Note 8)	1,748	1,681
Payables and accruals	487,296	292,777
Holdbacks payable	-	8,944
Deferred revenue (Note 9)	269,480	209,995
Long term debt (Note 10)	485,000	572,000
Accrued sick leave (Note 11)	15,049	15,318
Post employment benefits payable (Note 12)	172,300	180,600
	<u>1,430,873</u>	<u>1,281,315</u>
NET FINANCIAL ASSETS	<u>480,792</u>	<u>646,306</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 20)	13,118,007	12,633,628
Less: Accumulated amortization (Note 20)	(8,440,059)	(8,050,724)
	<u>4,677,948</u>	<u>4,582,904</u>
Inventory of supplies	81,516	74,918
Land inventory for resale	11,482	20,102
Deferred financing charges	4,318	4,652
Prepaid expenses	150	5,075
	<u>4,775,414</u>	<u>4,687,651</u>
ACCUMULATED SURPLUS	<u>\$ 5,256,206</u>	<u>\$ 5,333,957</u>
CONTINGENT LIABILITY (Note 14)		

APPROVED BY:

Mayor 

Treasurer 

VILLAGE OF BLACKS HARBOUR**Consolidated Statement of Changes in Net Financial Assets****Year Ended December 31, 2022**

	2022	2021
Annual surplus (deficit)	\$ (77,751)	\$ 71,579
Add (deduct) :		
Acquisition of tangible capital assets	(487,590)	(322,325)
Amortization of tangible capital assets	392,520	391,785
Amortization of deferred financing charges	334	334
Loss on disposal of tangible capital assets	26	5,546
Consumption (acquisition) of inventories	(6,598)	3,270
Consumption (acquisition) of land inventory for resale	8,620	(237)
Consumption (acquisition) of prepaid assets	4,925	(210)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(165,514)	149,742
NET FINANCIAL ASSETS		
BEGINNING OF YEAR	646,306	496,564
END OF YEAR	\$ 480,792	\$ 646,306

APPROVED BY:

Mayor _____

Treasurer _____

VILLAGE OF BLACKS HARBOUR
Consolidated Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ (77,751)	\$ 71,579
Loss on disposal of tangible capital assets	26	5,546
Amortization of tangible capital assets	392,520	391,785
Amortization of deferred financing charges	334	334
Receivable - General	(29,100)	8,403
Receivable - Federal Government and its agencies	(137,532)	(32,682)
Receivable - Province of New Brunswick	(6,214)	(12,009)
Payables and accruals	194,519	164,743
Holdbacks payable	(8,944)	8,944
Deferred revenue	59,485	(200,129)
Accrued sick leave	(269)	(9,208)
Post employment benefits payable	(8,300)	2,200
Change in inventory/prepaid expenses	6,947	2,823
	<u>385,721</u>	<u>402,329</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(487,590)	(322,325)
FINANCING TRANSACTIONS		
Issue of bank indebtedness	67	1,606
Repayment of long-term debt	(87,000)	(87,000)
	<u>(86,933)</u>	<u>(85,394)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	1,962,729	913,328
Purchase of portfolio investments	(1,967,506)	(921,008)
	<u>(4,777)</u>	<u>(7,680)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(193,579)	(13,070)
CASH AND CASH EQUIVALENTS		
BEGINNING OF YEAR	<u>669,079</u>	<u>682,149</u>
END OF YEAR	<u>\$ 475,500</u>	<u>\$ 669,079</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

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.

Effective January 1, 2023, the Town of St. George and the Village of Blacks Harbour are amalgamated to incorporate a rural community called Eastern Charlotte by New Brunswick Regulation 2022-50 section 67(1) under the Local Governance Act. Under section 67(2), certain unincorporated areas contiguous to Eastern Charlotte are annexed to Eastern Charlotte. Assets acquired and liabilities incurred by the Minister in connection with the provision of services by the Minister in the annexed areas before the annexation shall, on annexation, become assets and liabilities of Eastern Charlotte.

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 29, 2021 and the Department of Environment and Local Government on December 14, 2021.

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, 2022

2. Summary of significant accounting policies (continued)

Government transfers

The Commission follows the provisions of CPA Canada PS 3410 standards.

- (a) Transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized.
- (b) Transfers with eligibility criteria but without stipulations are recognized as revenue when the transfer is authorized and all eligibility criteria have been met.
- (c) Transfers with or without eligibility criteria but with stipulations are recognized as revenue in the period

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, 2022

2. Summary of significant accounting policies (continued)

Tangible capital assets

The municipality follows the provisions of PSA 3150; Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Donated or contributed tangible capital assets are recorded at their fair market value at the date of construction or contribution. Tangible capital assets below a threshold of \$ 5,000 are expensed in the year of acquisition. Amortization shall begin in July of the year in which the costs were incurred. No amortization is recorded in the year of disposal. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

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

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

Contributed goods and services

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

Segmented information

The Municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

General Government Services

This department is responsible for the overall governance and financial administration of the Municipality. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.

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.

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

2. Summary of significant accounting policies (continued)

Environmental Health Services

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

Environmental Development Services

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

Recreation and Cultural Services

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

Water and Wastewater Systems

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

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

Post-employment benefits

The Municipality recognizes its obligations under post-employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in Note 11 and a pension plan as documented in Note 12.

3. Cash

	2022	2021
Restricted - Canada Community-Building Fund	\$ 269,480	\$ 165,030
Restricted - Reserve Funds	-	230,421
Unrestricted	206,020	273,628
	<u>\$ 475,500</u>	<u>\$ 669,079</u>

4. Receivables- General

	2022	2021
Trade	\$ 91,354	\$ 65,214
Accrued investment income - Reserve Funds	3,537	590
Accrued investment income - Other	15	2
	<u>\$ 94,906</u>	<u>\$ 65,806</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

5. Due from federal government and its agencies	2022	2021
Canada Revenue Agency - Harmonized Sales Tax	\$ 102,731	\$ 47,304
Canada Community Building Fund - Unincorporated Areas Funding	34,605	-
Federation of Canadian Municipalities	47,500	-
	<u>\$ 184,836</u>	<u>\$ 47,304</u>

6. Due from Province of New Brunswick	2022	2021
Dept of Environment and Local Government	\$ 4,883	\$ -
Integrated Bilateral Agreement for Investing in Canadian Infrastructure Program	11,923	-
Department of Education	6,212	3,983
Working NB - Workplace Connections	-	2,673
Regional Development Corporation	-	10,148
	<u>\$ 23,018</u>	<u>\$ 16,804</u>

7. Portfolio investments	2022	2021
Restricted - Reserve Funds	\$ 1,089,607	\$ 1,123,094
Unrestricted	43,798	5,534
	<u>\$ 1,133,405</u>	<u>\$ 1,128,628</u>

The investments consist of guaranteed investment certificates with maturity dates in 2023 and interest rates ranging from 2.00% to 3.25%

8. Bank Indebtedness	2022	2021
Visa Business Card, \$ 15,000 credit limit, unsecured	\$ 1,748	\$ 1,681

Authorized bank indebtedness for operating purposes totals \$ 61,624 in the General Fund and \$ 246,508 in the Water and Sewer Fund. These operating loan balances were not utilized at December 31, 2022

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

9. Deferred revenue

	2022	2021
Government of Canada - Preserving Our History Through Memories Project		
Balance, beginning of year	\$ 579	\$ 7,579
Transfer to revenue	(579)	(7,000)
Balance, end of year	-	579
Contributions for arena programs		
Balance, beginning of year	3,200	-
Contributions for the year	-	3,200
Transfer to revenue	(3,200)	-
Balance, end of year	-	3,200
Contributions for purchase of webcam		
Balance, beginning of year	3,335	-
Contributions for the year	-	3,335
Transfer to revenue	(3,335)	-
Balance, end of year	-	3,335
Government of Canada - Improving Accessibility Program		
Transfer for installation of wheelchair lift at Fundy Arena		
Balance, beginning of year	-	14,235
Transfer to revenue	-	(14,235)
Balance, end of year	-	-
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	202,881	388,310
Contributions for the year	64,406	64,406
Interest earned	2,193	313
Transfer to revenue	-	(250,148)
Balance, end of year	269,480	202,881
	\$ 269,480	\$ 209,995

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

10. Long-term debt

	2022	2021
<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
BQ29, 1.2% - 1.85%, due June 1, 2022, OIC #05-0087	-	11,000
BT23, 2.1% - 3.00%, due May 29, 2023, OIC #06-0065 & 07-0042	19,000	37,000
BV28, 2.05% - 3.15%, due May 14, 2034, OIC #18-0010	290,000	310,000
Water Capital Fund		
BV29, 2.05% - 3.35%, due May 14, 2039, OIC #07-0042 & 07-0089	176,000	184,000
	<u>\$ 485,000</u>	<u>\$ 572,000</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:

2023	\$ 48,000
2024	\$ 29,000
2025	\$ 31,000
2026	\$ 31,000
2027	\$ 32,000

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

11. Accrued sick leave

The Municipality provides sick leave that accumulates at 12 hours per month for full-time non-administrative employees and ranging from 8.75 to 10.5 hours per month for full-time administrative employees. Full-time non-administrative employees can accumulate a maximum of 1,400 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, 2022 and the liability is based on management's best estimates. An actuarial valuation was last performed on the 8 (2021 - 7) employee plan in accordance with PSA 3255 at December 31, 2016. The actuarial method used was the Projected Unit Credit pro-rated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Municipality's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3%;
- the discount rate used to determine the accrued benefit obligation is 3.50%
- 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

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 \$ 15,049 on December 31, 2022 and \$ 15,318 on December 31, 2021.

12. Post employment benefits payable

(a) Pension obligation

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

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NB MEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2020 and resulted in an overall NB MEPP accrued benefit obligation of \$ 135,126,100 based on the accounting basis.

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2021.

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

12. Post employment benefits payable (continued)

- the expected inflation rate is 2.10% (2020 - 2.10%)
- the discount rate used to determine the accrued benefit obligation is 5.70% (2020 - 5.55%) per annum
- the expected rate of return on assets is 5.70% (2020 - 5.55%) per annum
- retirement age varies by age and employment category
- estimated average remaining service life is (EARSLS) is 14.0 years (2020 - 13.0 years)

The actuarial valuation prepared as at December 31, 2020 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 \$ 833,500, a change of \$ 191,700 from the December 31, 2019 deficit of \$ 641,800. Based on the assumptions as at December 31, 2020, 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, 2020, the NB MEPP provides benefits for 294 retirees. Total benefit payments to retirees and terminating employees during 2022 are estimated to be approximately \$ 4,957,200 (actual 2021, \$ 6,360,300) 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 2022 are estimated to be approximately \$ 7,421,400 (actual 2021, \$ 7,235,200) 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 7 active employees covered by the NB MEPP is 51 (as at Dec 31, 2020)
- Benefit payments were \$ 131,300 in 2021 and were estimated to be \$ 131,300 in 2022
- Combined contributions were \$ 57,200 in 2021 and were estimated to be \$ 59,000 in 2022

In addition to determining the position of the NB MEPP as it relates to the Village of Blacks Harbour as at December 31, 2020 and December 31, 2021, NB MEPP's actuary performed an extrapolation of the December 31, 2021 accounting valuation to determine the estimated position as at December 31, 2022. The extrapolation assumes assumptions used as at December 31, 2022 remain unchanged from December 31, 2021. The extrapolation also assumes assets return 5.70% 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, 2022

12. Post employment benefits payable (continued)

	Estimated 1-Jan-2022 to 31-Dec-2022	1-Jan-2021 to 31-Dec-2021
Accrued Benefit Liability / (Asset)		
Accrued benefit liability / (asset) at beginning of period	\$ 183,100	\$ 180,400
Pension expense for the year	21,500	31,300
Less: Employer contributions	(32,300)	(28,600)
Accrued benefit liability / (asset) at end of period	<u>\$ 172,300</u>	<u>\$ 183,100</u>

In summary, the Accrued Benefit Liability as it relates to the Village of Blacks Harbour is estimated to be \$ 172,300 as at December 31, 2022. This compares to \$ 180,400 as at January 1, 2021 and \$ 183,100 as at December 31, 2021. 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-2022	31-Dec-2021
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 2,217,000	\$ 2,177,100
Plan assets	2,106,600	2,060,700
Plan deficit / (surplus)	110,400	116,400
Unamortized experience losses / (gains)	(61,900)	(66,700)
Accrued benefit liability / (asset) at end of period	<u>\$ 172,300</u>	<u>\$ 183,100</u>

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

	Estimated 1-Jan-2022 to 31-Dec-2022	1-Jan-2021 to 31-Dec-2021
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 2,177,100	\$ 2,160,900
Current service cost	49,400	61,500
Benefit payments	(131,300)	(131,300)
Interest for period	121,800	118,000
Experience loss / (gain) during period	-	(32,000)
Accrued benefit obligation at end of period	<u>\$ 2,217,000</u>	<u>\$ 2,177,100</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

12. Post employment benefits payable (continued)

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

	Estimated 1-Jan-2022 to 31-Dec-2022	1-Jan-2021 to 31-Dec-2021
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 2,060,700	\$ 2,073,100
Employer contributions	29,500	28,600
Employee contributions	32,300	28,600
Benefit payments	(131,300)	(131,300)
Return on plan assets during period	115,400	61,700
Plan assets at end of year	<u>\$ 2,106,600</u>	<u>\$ 2,060,700</u>

Total expenses related to pensions include the following components:

	Estimated 1-Jan-2022 to 31-Dec-2022	1-Jan-2021 to 31-Dec-2021
Pension Expense		
Employer current service cost	\$ 19,900	\$ 32,900
Interest on accrued benefit obligation	121,800	118,000
Expected return on assets	(115,400)	(113,000)
Amortization of unrecognized balances		
Experience loss / (gain)	(4,800)	(6,600)
Pension expense	<u>\$ 21,500</u>	<u>\$ 31,300</u>

The Pension Expense is included in the statement of operations.

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

13. Surplus/Deficit reconciliation

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

	2022	2021
Net financial assets	\$ 480,792	\$ 646,306
Adjustments:		
Long term debt	485,000	572,000
Accrued sick leave: Non-vesting / unfunded portion	15,049	15,318
Other unfunded liability - NBMEPP	172,300	180,600
Land inventory for resale	11,482	20,102
Less: Inventory transferred from General Capital Fund	(8,240)	(11,891)
Inventory of supplies	81,516	74,918
Less: Inventory transferred from Utility Capital Fund	(20,338)	(26,364)
Prepaid expenses	150	5,075
Current net assets	<u>\$ 1,217,711</u>	<u>\$ 1,476,064</u>
Composition of current net assets		
General Fund Surplus for 2020 PNB purposes	\$ -	\$ 37,356
Utility Fund Surplus for 2020 PNB purposes	-	23,286
General Fund Surplus for 2021 PNB purposes	25,779	25,779
Utility Fund Surplus for 2021 PNB purposes	35,538	35,538
General Fund Surplus for 2022 PNB purposes	58,445	-
Utility Fund Surplus for 2022 PNB purposes	(192,879)	-
Reserve Fund balances	1,290,828	1,354,105
	<u>\$ 1,217,711</u>	<u>\$ 1,476,064</u>

14. 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, 2022 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, 2022

15. Short-term borrowings compliance

Interim borrowing for capital

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

Operating borrowing

As prescribed in the Local Governance Act, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2022, 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% (2021 - 4.0%) on the average monthly balance to ensure that no benefit or cost is attributed to either fund.

16. Water Cost Transfer

The Municipality's water cost transfer for fire protection is within the maximum allowable by Regulation 2020-52 under the Local Governance Act based upon the applicable percentage of water system expenditures for the population.

17. Non-monetary transactions

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

18. Economic dependence

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

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

19. Comparative figures

Certain of the 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, 2022

20. Schedule of Tangible Capital Assets

COST	Land	Land Improvements	Buildings & Leasehold Improvements	Vehicles	Heavy Equipment	Machinery and Equipment	Roads and Street	Infrastructure Treatment Facilities	Water and Sewer	Communication & Computer Equipment	Assets Under Construction	2022 Total	2021 Total
Balance, beginning of year	\$ 265,954	\$ 255,761	\$ 2,787,571	\$ 109,538	\$ 1,186,197	\$ 1,204,656	\$ 1,814,478	\$ 803,204	\$ 4,073,086	\$ 61,056	\$ 72,127	\$ 12,633,628	\$ 12,381,534
Add:	-	-	44,535	-	-	43,548	-	72,127	336,768	27,734	(37,122)	487,590	322,325
Less:	-	-	-	-	-	-	-	-	3,211	-	-	3,211	70,231
Balance, end of year	265,954	255,761	2,832,106	109,538	1,186,197	1,248,204	1,814,478	875,331	4,406,643	88,790	35,005	13,118,007	12,633,628
ACCUMULATED AMORTIZATION													
Balance, beginning 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
Add:	-	8,907	75,932	9,923	63,278	67,867	49,593	18,137	96,110	2,773	-	392,520	391,785
Less:	-	-	-	-	-	-	-	-	3,185	-	-	3,185	64,685
Accumulated amortization on disposal:	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	-	181,072	1,632,372	104,578	818,993	924,572	1,458,431	693,707	2,562,505	63,829	-	8,440,059	8,050,724
NET BOOK VALUE OF TANGIBLE CAPITAL	\$ 265,954	\$ 74,689	\$ 1,199,734	\$ 4,960	\$ 367,204	\$ 323,632	\$ 356,047	\$ 181,624	\$ 1,844,138	\$ 24,961	\$ 35,005	\$ 4,677,948	\$ 4,582,904
Consists of:													
General Fund Assets	\$ 211,544	\$ 74,689	\$ 978,938	\$ 4,960	\$ 350,750	\$ 104,160	\$ 356,047	\$ -	\$ -	\$ 24,961	\$ 35,005	\$ 2,141,054	\$ 2,219,082
Water & Sewer Fund Assets	54,410	-	220,796	-	16,454	219,472	-	181,624	1,844,138	-	-	2,536,894	2,363,822
	\$ 265,954	\$ 74,689	\$ 1,199,734	\$ 4,960	\$ 367,204	\$ 323,632	\$ 356,047	\$ 181,624	\$ 1,844,138	\$ 24,961	\$ 35,005	\$ 4,677,948	\$ 4,582,904

VILLAGE OF BLACKS HARBOUR

 Notes to the Consolidated Financial Statements
 December 31, 2022

21. Schedule of Segment Disclosure

	General	Protective	Transportation	Environmental Health	Environmental Development	Recreation & Culture	Water & Sewer	2022 Consolidated	2021 Consolidated
REVENUE									
Property tax warrant	218,087	\$ 283,794	\$ 167,539	\$ 61,693	\$ 39,252	\$ 95,019	\$ -	\$ 865,384	\$ 843,105
Unconditional grant	82,344	133,993	50,430	17,882	11,377	74,240	-	370,266	315,189
Services provided to other governments	-	173,584	2,620	-	-	105,222	-	281,426	162,505
Sale of service and other fees	-	-	-	-	-	81,344	-	81,344	62,907
Other revenue from own sources	1,208	3,953	3,745	-	16,811	104,330	660	130,707	44,641
Unconditional transfers	-	-	-	-	-	-	-	-	61,340
Conditional transfers	49,962	-	8,532	-	2,463	44,704	11,923	117,584	301,138
Water and sewer fees	-	-	-	-	-	-	490,325	490,325	494,126
Interest	2,351	-	-	-	-	-	9,096	11,447	10,790
	353,952	595,324	232,866	79,575	69,903	504,859	512,004	2,348,483	2,295,741
EXPENDITURE									
Salaries and benefits	138,784	42,888	164,910	42,834	4,381	110,756	175,858	680,411	589,701
Goods and services	228,732	409,508	155,994	45,801	117,869	176,530	201,249	1,335,683	1,218,905
Amortization	7,262	57,573	72,976	16,357	12,738	61,945	163,669	392,520	391,785
Interest	3,088	8,884	356	-	-	-	5,266	17,594	18,225
Loss on disposal of tangible capital assets	-	-	-	-	-	-	26	26	5,546
	377,866	518,853	394,236	104,992	134,988	349,231	546,088	2,426,234	2,224,162
SURPLUS (DEFICIT) FOR THE YEAR	\$ (23,914)	\$ 76,471	\$ (161,370)	\$ (25,417)	\$ (65,085)	\$ 155,628	\$ (34,064)	\$ (77,751)	\$ 71,579

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

22. Reconciliation of Annual Surplus

	General Operating Fund	General Capital Fund	Water & Sewer Operating Fund	Water & Sewer Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Water & Sewer Operating Reserve Fund	Water & Sewer Capital Reserve Fund	Total
2022 Annual Surplus (Deficit)	\$ 148,237	\$ (194,246)	\$ 124,240	\$ (163,695)	\$ 405	\$ 1,914	\$ 136	\$ 5,258	\$ (77,751)
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus	37,356	-	23,286	-	-	-	-	-	60,642
Transfers between funds									
Transfer from general operating reserve fund to the general operating fund	70,990	-	-	-	(70,990)	-	-	-	-
Transfer from general operating fund to the general capital fund	(116,217)	116,217	-	-	-	-	-	-	-
Transfer from water & sewer operating fund to the water & sewer capital fund	-	-	(336,768)	336,768	-	-	-	-	-
Transfer from general capital fund to the general operating fund	3,651	(3,651)	-	-	-	-	-	-	-
Transfer from water and sewer capital fund to the water and sewer operating fund	-	-	6,025	(6,025)	-	-	-	-	-
Long-term debt principal repayment	(79,000)	79,000	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	(8,000)	8,000	-	-	-	-	-
Loss (gain) on disposal of tangible capital assets	-	-	-	26	-	-	-	-	26
Amortization expense	-	228,851	-	163,669	-	-	-	-	392,520
Deferred financing charges	230	-	104	-	-	-	-	-	334
Provision for sick leave accrual	(184)	-	(84)	-	-	-	-	-	(268)
Change in amount recorded under PSA for defined benefit liability	(6,618)	-	(1,682)	-	-	-	-	-	(8,300)
Total adjustments to 2022 annual surplus (deficit)	(89,792)	420,417	(317,119)	502,438	(70,990)	-	-	-	444,954
2022 annual fund surplus (deficit) for PNB budgeting purposes	\$ 58,445	\$ 226,171	\$ (192,879)	\$ 338,743	\$ (70,585)	\$ 1,914	\$ 136	\$ 5,258	\$ 367,203

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

23. Statement of Reserves

	General Operating Reserve	General Capital Reserve	Water & Sewer Operating Reserve	Water & Sewer Capital Reserve	2022 Total	2021 Total
Assets						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,421
Receivable from Utility Operating Fund	-	-	-	197,684	197,684	-
Portfolio investments	404	336,909	23,906	728,388	1,089,607	1,123,094
Accrued interest receivable	1	1,094	78	2,364	3,537	590
	<u>\$ 405</u>	<u>\$ 338,003</u>	<u>\$ 23,984</u>	<u>\$ 928,436</u>	<u>\$ 1,290,828</u>	<u>\$ 1,354,105</u>
 Accumulated Surplus	 \$ 405	 \$ 338,003	 \$ 23,984	 \$ 928,436	 \$ 1,290,828	 \$ 1,354,105
 Revenue						
Interest	\$ 405	\$ 1,914	\$ 136	\$ 5,258	\$ 7,713	\$ 7,348
 Expenditures						
Transfers to Capital Funds	-	-	-	-	-	17,500
Transfers to Operating Funds	70,990	-	-	-	70,990	-
	<u>70,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,990</u>	<u>17,500</u>
 Annual Surplus (Deficit)	 (70,585)	 1,914	 136	 5,258	 (63,277)	 (10,152)
 Accumulated Surplus						
Beginning of year	70,990	336,089	23,848	923,178	1,354,105	1,364,257
End of year	<u>\$ 405</u>	<u>\$ 338,003</u>	<u>\$ 23,984</u>	<u>\$ 928,436</u>	<u>\$ 1,290,828</u>	<u>\$ 1,354,105</u>

The Water and Sewer Capital Reserve Fund includes replacement reserves totalling \$ 98,126, (2021 - \$ 97,570). 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, 2022****23. Statement of Reserves (continued)**

Portfolio investments	Maturity Date	Interest Rate	2022	2021
Cashable GIC	October 29, 2023	3.25%	\$ 102,347	
Cashable GIC	October 29, 2023	3.25%	106,278	
Cashable GIC	November 14, 2023	2.00%	231,195	
Cashable GIC	November 14, 2023	2.00%	231,195	
Cashable GIC	November 14, 2023	2.00%	231,195	
Cashable GIC	November 14, 2023	2.00%	231,195	
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
			1,133,405	1,128,628
Less: Allocation to Operating Funds			43,798	5,534
			<u>\$ 1,089,607</u>	<u>\$ 1,123,094</u>

Council resolutions regarding transfers to and from reserves:**Special Meeting November 24, 2022 resolution 11242022-02**

6. New Business
Year End Allocation of Funds

MOVED BY: Councillor Thompson
SECONDED BY: Councillor Welles

Be it resolved;

That operating reserved funds be reallocated to general funds for the fiscal year of 2022 in the amount of \$ 70,990.00 committed to Eastern Charlotte Waterways.

CARRIED

Jason Gaudet
Clerk
Municipality of Eastern Charlotte

Oct. 30 2023
Date



VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

24. Operating Budget to PSA Budget

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Controlled Entities	Transfers	Total
Revenue						
Property tax warrant	\$ 865,384	\$ -	\$ -	\$ -	\$ -	\$ 865,384
Community funding and equalization grant	359,578	-	-	-	-	359,578
Services provided to other governments	261,398	-	-	-	-	261,398
Sales of services	63,000	-	-	-	-	63,000
Other revenue from own sources	8,645	-	-	-	-	8,645
Conditional transfers	73,000	-	-	-	-	73,000
Water and sewer fees	-	488,476	-	-	-	488,476
Interest	-	2,000	-	-	-	2,000
Other transfers	-	-	-	-	-	-
Surplus of second previous year	37,356	23,286	-	-	(60,642)	-
Transfer from Operating Reserve Fund	6,000	-	-	-	(6,000)	-
	<u>1,674,361</u>	<u>513,762</u>	<u>-</u>	<u>-</u>	<u>(66,642)</u>	<u>2,121,481</u>
Expenditure						
General government services	356,678	-	7,262	-	1,716	365,656
Protective services	540,017	-	57,573	-	9,041	606,631
Transportation services	219,503	-	72,976	-	375	292,854
Environmental health services	80,863	-	16,357	-	-	97,220
Environmental development services	51,449	-	12,738	-	-	64,187
Recreational and cultural services	299,719	-	61,945	-	-	361,664
Fiscal services	-	-	-	-	-	-
Long-term debt repayments	79,000	8,000	-	-	(87,000)	-
Interest	9,632	5,288	-	-	(14,920)	-
Bank service charge	1,500	-	-	-	(1,500)	-
Discounts	-	15,000	-	-	(15,000)	-
Transfer from the General Operating Fund to the General Capital Fund	36,000	-	-	-	(36,000)	-
Transfer from the Water & Sewer Operating Fund to the Water & Sewer Capital Fund	-	6,415	-	-	(6,415)	-
Water and sewer	-	479,059	163,669	-	20,288	663,016
	<u>1,674,361</u>	<u>513,762</u>	<u>392,520</u>	<u>-</u>	<u>(129,415)</u>	<u>2,451,228</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (392,520)</u>	<u>\$ -</u>	<u>\$ 62,773</u>	<u>\$ (329,747)</u>

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

25. Revenue and Expense Support

	2022		2021	
	(Unaudited)			
	Budget	Actual	Actual	
Revenue				
Services provided to other governments				
Local Governments				
Recreation and Culture	\$ 85,113	\$ 105,222	\$ -	
Province of New Brunswick				
Fire- Local service districts	173,585	173,584	158,167	
Forest fires	-	-	4,338	
Transportation	2,700	2,620	-	
	<u>\$ 261,398</u>	<u>\$ 281,426</u>	<u>\$ 162,505</u>	
Sales of services				
Recreational and cultural services				
Skating rink and arena	\$ 63,000	\$ 81,344	\$ 62,907	
Other revenue from own sources				
Licenses and permits	\$ 4,900	\$ 3,953	\$ 6,634	
Rentals	3,745	9,495	9,995	
Contributions	-	97,298	18,600	
Miscellaneous	-	19,961	9,412	
	<u>\$ 8,645</u>	<u>\$ 130,707</u>	<u>\$ 44,641</u>	
Unconditional transfers				
Provincial Government				
Assessment Gap	\$ -	\$ -	\$ 12,808	
Covid Safe Restart agreement	-	-	48,532	
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,340</u>	
Conditional transfers				
Federal Government				
Canada Community-Building Fund	\$ 10,000	\$ 34,605	\$ 250,148	
Integrated Bilateral Agreement for Investing in Canadian Infrastructure Program	-	11,923	-	
Improving Accessibility Program	-	-	14,235	
Celebrate Canada	1,000	-	-	
Museums assistance program	-	579	7,000	
Employment programs	-	9,851	7,401	
Federal Government Agencies				
Federation of Canadian Municipalities	50,000	47,500	-	
Provincial Government				
Regional Development Corporation	2,000	393	11,127	
Employment programs	10,000	12,733	11,227	
	<u>\$ 73,000</u>	<u>\$ 117,584</u>	<u>\$ 301,138</u>	
Water and sewer fees				
Water and sewer user fees	\$ 448,176	\$ 449,875	\$ 443,901	
Connection and service charges	300	450	225	
Water supply for fire protection	40,000	40,000	50,000	
	<u>\$ 488,476</u>	<u>\$ 490,325</u>	<u>\$ 494,126</u>	

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

25. Revenue and Expense Support (continued)

	2022		2021	
	(Unaudited)			
	Budget	Actual	Actual	
Expenditures				
General government services				
<u>Legislative</u>				
Mayor: personnel	\$ 7,099	\$ 8,203	\$ 7,063	
Mayor: other	3,340	2,112	1,885	
Councillors: personnel	29,579	33,824	28,295	
Councillors: other	4,100	-	2,941	
	<u>44,118</u>	<u>44,139</u>	<u>40,184</u>	
<u>General administration</u>				
Administrative				
Personnel	127,960	138,784	143,127	
Office building	23,540	19,964	19,334	
Legal services	10,000	5,414	11,870	
Other administrative services	87,260	31,542	27,340	
	<u>248,760</u>	<u>195,704</u>	<u>201,671</u>	
Financial management				
External audit	13,000	13,741	12,141	
External accounting	6,200	11,095	8,612	
Asset management plan	-	62,556	2,793	
	<u>19,200</u>	<u>87,392</u>	<u>23,546</u>	
Common services				
Training and development	1,500	1,672	2,107	
Cost of assessment	10,506	10,506	10,229	
Regional and cooperative services (RSC)	2,182	2,192	2,973	
	<u>14,188</u>	<u>14,370</u>	<u>15,309</u>	
<u>Other general government services</u>				
Conventions and delegations	2,000	-	-	
Liability insurance	17,020	13,531	13,769	
Grants for social or environmental purposes	2,500	2,000	1,100	
Other general services	8,892	9,195	8,854	
Bank service charges	1,500	955	1,377	
Debenture issue	-	230	230	
Amortization	7,262	7,262	7,262	
Interest	216	3,088	1,972	
	<u>39,390</u>	<u>36,261</u>	<u>34,564</u>	
Total general government services	<u>\$ 365,656</u>	<u>\$ 377,866</u>	<u>\$ 315,274</u>	

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

25. Revenue and Expense Support (continued)

	2022		2021	
	(Unaudited)			
	Budget	Actual	Actual	
Protective services				
<u>Police Protection</u>				
R.C.M.P. contract	\$ 217,298	\$ 217,296	\$ 225,050	
<u>Fire Protection</u>				
Administration: personnel	18,064	19,943	17,424	
Administration: other	4,605	8,025	10,264	
Firefighting force: personnel	25,984	22,945	24,821	
Firefighting force: other	16,900	16,375	17,249	
Alarm systems	19,733	13,515	24,465	
Investigation and prevention	2,500	-	880	
Water cost	40,000	40,000	50,000	
Training and development: other	4,000	3,371	157	
Station and building	18,779	18,052	15,629	
Fighting equipment	112,457	51,656	72,141	
Amortization	57,573	57,573	64,158	
Interest	9,041	8,884	10,242	
	329,636	260,339	307,430	
<u>Emergency measures</u>				
Training and development	1,050	2,055	833	
<u>Other protection</u>				
Building inspection and By-law enforcement				
Personnel	38,447	38,794	37,201	
Other	20,000	-	1,097	
Animal and pest control	200	369	-	
	58,647	39,163	38,298	
Total protective services	\$ 606,631	\$ 518,853	\$ 571,611	
Transportation services				
<u>Common services</u>				
Administration: personnel	\$ 42,700	\$ 70,676	\$ 65,428	
Administration: other	12,053	10,878	11,531	
General equipment	24,300	49,290	30,009	
Workshops, yards and other buildings	7,800	5,909	6,195	
	86,853	136,753	113,163	
<u>Road transport</u>				
Roads and streets				
Summer maintenance: other	20,000	17,745	4,878	
Summer maintenance: DTI	1,850	2,849	1,706	
Culverts and drainage ditches	1,500	1,326	1,809	
Street cleaning and flushing	3,400	5,345	3,129	
Snow and ice removal: Personnel	52,700	94,234	61,702	
Snow and ice removal: Other	13,500	19,790	10,724	
Snow and ice removal: DTI	5,500	4,920	5,563	
	98,450	146,209	89,511	

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

25. Revenue and Expense Support (continued)

	2022		2021	
	(Unaudited)			
	Budget	Actual	Actual	
Street lights	28,700	28,634	28,199	
Traffic services	5,500	9,308	890	
Amortization	72,976	72,976	67,877	
Interest	375	356	582	
	107,551	111,274	97,548	
Total transportation services	\$ 292,854	\$ 394,236	\$ 300,222	
Environmental health services				
Solid waste collection				
Personnel / contract	\$ 32,000	\$ 42,834	\$ 34,085	
Other	23,863	22,312	18,861	
Solid waste disposal	25,000	23,489	25,085	
Amortization	16,357	16,357	16,357	
Total environmental health services	\$ 97,220	\$ 104,992	\$ 94,388	
Environmental development services				
Environmental planning and zoning				
Planning (RSC)	\$ -	\$ 12,656	\$ 4,393	
Other	31,879	18,715	6,565	
Community development				
Beautification and land rehabilitation	-	-	3,245	
Other	2,000	5,075	8,044	
Economic development	-	75,990	-	
Other development services				
Tourism				
Tourist bureau	12,200	4,462	80	
Tourist camps and parks	2,600	2,053	2,290	
Other	2,770	3,299	1,592	
Amortization	12,738	12,738	12,738	
Total environmental development services	\$ 64,187	\$ 134,988	\$ 38,947	
Recreation and cultural services				
Recreation				
Rink and arena				
Personnel	\$ 82,400	\$ 85,667	\$ 67,286	
Other	110,704	110,227	81,797	
Exhibitions and fairs	2,000	1,425	1,738	
Parks and playgrounds				
Personnel	46,540	14,916	11,701	
Other	4,094	9,623	26,531	
Other recreation facilities				
Personnel	7,000	2,102	8,660	
Other	1,000	8,344	799	
Cultural				
Museums and libraries				
Personnel	5,000	8,071	5,346	
Other	6,214	6,717	12,923	
Other recreation and cultural services				
Festivals and events	20,100	25,397	7,351	
Contribution to regional recreation (RSC)	14,667	14,667	-	
Provision for loss on accounts receivable	-	130	350	
Amortization	61,945	61,945	59,267	
Total recreation and cultural services	\$ 361,664	\$ 349,231	\$ 283,749	

VILLAGE OF BLACKS HARBOUR
Notes to the Consolidated Financial Statements
December 31, 2022

25. Revenue and Expense Support (continued)

	2022		2021	
	(Unaudited)			
	Budget	Actual	Actual	
Water and Sewer				
Water supply				
Administration and general				
Personnel	\$ 18,892	\$ 20,375	\$ 18,275	
Other	20,977	13,890	17,172	
Purification and treatment	8,500	10,106	9,415	
Transmission and distribution				
Personnel	48,031	59,967	45,931	
Other	30,000	8,829	37,627	
Power and pumping	8,700	4,138	9,357	
Source of supply				
Other	-	12,775	-	
Billing and collection				
Personnel	9,011	7,317	10,565	
Other	500	391	391	
Workshop and equipment	18,505	14,496	17,620	
Discounts for early payment	7,500	7,279	7,506	
Provision for loss on accounts receivable	-	-	301	
Amortization of deferred financing charges	-	32	32	
Amortization	75,027	75,027	80,493	
Interest	1,613	1,606	1,656	
	247,256	236,228	256,341	
Wastewater Disposal				
Administration and general				
Personnel	18,892	20,915	18,359	
Other	22,974	11,927	11,907	
Wastewater collection system				
Personnel	48,031	59,967	46,425	
Other	4,000	5,587	6,882	
Wastewater lift stations	35,550	29,278	44,977	
Wastewater treatment and disposal	153,480	60,583	105,673	
Billing and collection				
Personnel	9,011	7,317	10,566	
Other	500	391	391	
Workshop and equipment	23,505	14,196	17,620	
Discounts for early payment	7,500	7,279	7,505	
Provision for loss on accounts receivable	-	-	301	
Amortization of deferred financing charges	-	72	72	
Amortization	88,642	88,642	83,633	
Interest	3,675	3,660	3,773	
	415,760	309,814	358,084	
Total water and sewer	\$ 663,016	\$ 546,042	\$ 614,425	