

TOWN OF GRAND BAY - WESTFIELD

REPORT AND CONSOLIDATED

FINANCIAL STATEMENTS

DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT

To Her Worship The Mayor and Members of the Council
Town of Grand Bay - Westfield

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of the Town of Grand Bay - Westfield, which comprise the statement of financial position as at December 31, 2023 and December 31, 2022 and the statements of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Grand Bay - Westfield as at December 31, 2023 and December 31, 2022, the results of its operations, change in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of these 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the entity's financial reporting process

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 entity'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Saint John, N.B.
March 18, 2024



Chartered Professional Accountants

TOWN OF GRAND BAY - WESTFIELD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash - Note 3	\$ 2,940,444	\$ 3,309,375
Accounts receivable		
General	162,007	46,954
Federal government and its agencies - Note 4	135,379	111,462
Investment - Note 7	15,126	14,602
	3,252,956	3,482,393
Liabilities		
Accounts payable	\$ 405,339	\$ 563,526
Long-term debt - Note 5	3,791,269	2,868,096
Post employment benefits - Note 6	224,100	214,700
Deferred revenue	7,578	2,070
	4,428,286	3,648,392
Net debt	(1,175,330)	(165,999)
Non-Financial Assets		
Tangible capital assets - Note 11	56,205,050	53,224,554
Less accumulated amortization - Note 11	27,004,509	25,232,288
	29,200,541	27,992,266
Inventory of supplies	23,771	50,796
Prepaid expenses	81,465	87,373
	29,305,777	28,130,435
Accumulated surplus	\$ 28,130,447	\$ 27,964,436

APPROVED BY:

Mayor

Chief Administrative Officer

TOWN OF GRAND BAY - WESTFIELD

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Annual surplus (deficit)	\$ 289,339	\$ 599,939
Acquisition of tangible capital assets	(3,013,985)	(1,208,979)
Prior Period Adjustment - tangible capital asset additions	(123,328)	-
Amortization of tangible capital assets	<u>1,805,710</u>	<u>1,687,827</u>
	<u>(1,042,264)</u>	<u>1,078,787</u>
Acquisition of inventories	(23,771)	(50,795)
Acquisition of prepaid assets	(81,465)	(87,372)
Consumption of prepaid assets	87,373	36,800
Consumption of inventories	<u>50,796</u>	<u>46,617</u>
	32,933	(54,750)
Decrease in net debt	(1,009,331)	1,024,037
Net debt, beginning of year	<u>(165,999)</u>	<u>(1,190,036)</u>
Net debt, end of year	<u>\$ (1,175,330)</u>	<u>\$ (165,999)</u>

TOWN OF GRAND BAY - WESTFIELD

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023 Budget</u>	<u>2023</u>	<u>2022</u>
Revenue			
Warrant of assessment	\$ 6,934,139	\$ 6,934,139	\$ 5,966,534
Sales of services	90,983	91,533	195,709
Other revenue from own sources	73,333	261,939	152,437
Community funding and equalization grant	257,866	257,866	265,869
Sewerage user fees	635,350	642,636	588,345
Other government transfers	574,258	574,258	839,750
	<u>8,565,929</u>	<u>8,762,371</u>	<u>8,008,644</u>
Expenses			
General government services	\$ 1,531,388	\$ 1,490,501	\$ 1,351,220
Protective services	1,972,988	2,008,421	1,698,297
Transportation services	3,140,272	3,181,348	2,910,556
Environmental health services	73,887	73,797	1,008
Recreation and cultural services	674,319	612,633	549,358
Environmental development services	635,155	515,979	320,428
Sewerage collection and disposal	625,880	590,353	577,838
	<u>8,653,889</u>	<u>8,473,032</u>	<u>7,408,705</u>
Annual surplus (deficit)	\$ <u>(87,960)</u>	289,339	599,939
Prior period adjustment		(123,328)	-
Accumulated surplus - beginning of year		<u>27,964,436</u>	<u>27,364,497</u>
Accumulated surplus - end of year		<u>\$ 28,130,447</u>	<u>\$ 27,964,436</u>

TOWN OF GRAND BAY - WESTFIELD

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Operating transactions:		
Annual surplus	\$ 289,339	\$ 599,939
Non-cash items included on annual surplus	(259,240)	(139,643)
Amortization of tangible capital assets	1,805,708	1,687,827
Change in accrued pension liability	<u>9,400</u>	<u>(27,100)</u>
Cash provided by operations	<u>1,845,207</u>	<u>2,121,023</u>
Capital transactions:		
Acquisition of capital assets	(3,013,985)	(1,208,979)
Prior period adjustment to capital assets	<u>(123,328)</u>	<u>-</u>
Cash used in capital transactions	<u>(3,137,313)</u>	<u>(1,208,979)</u>
Financing transactions:		
Long-term debt issues	1,339,000	-
Long-term debt retirement	<u>(415,827)</u>	<u>(401,797)</u>
Cash provided by financing transactions	<u>923,173</u>	<u>(401,797)</u>
Increase in cash and cash equivalents	(368,933)	510,247
Cash and cash equivalents, beginning of year	<u>3,309,375</u>	<u>2,799,128</u>
Cash and cash equivalents, end of year	<u>\$ 2,940,442</u>	<u>\$ 3,309,375</u>

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Purpose of the Organization

The Municipality was incorporated as town by the Province of New Brunswick Local Governance Act on January 1, 2023. As a municipality, the Town of Grand Bay-Westfield is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act. The municipality has the following vision statement, "A welcoming place for all to live, grow and thrive."

2. Summary of Significant Accounting Policies

The consolidated financial statements of the Town of Grand Bay-Westfield have been prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

The Town adopted Public Sector Accounting standards as of January 1, 2011.

Significant aspects of the accounting policies adopted by the Town are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cashflows 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 Town and which are owned or controlled by the Town.

Budget

The budget figures contained in these financial statements were approved by Council on November 14, 2022 and the Minister of Local Government on December 9, 2022.

Revenue Recognition

Revenues are recognized on the accrual basis and measurable as they are earned. Revenue received prior to being earned is recorded as deferred revenue until such time as the revenue is earned.

Expenditure Recognition

Expenditures are recorded on an accrual basis as they are incurred and are measurable based on receipt of goods and services and obligation to pay. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Use of Estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Summary of Significant Accounting Policies (Cont'd)

Financial Instruments

The Town's financial instruments consist of cash, accounts receivable, bank loans, accounts payable and long-term debt. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from those financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Town is subject to credit risk through its accounts receivable. The Town 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.

Inventory of supplies

Inventory of supplies is valued at the lower of cost and net replacement cost with cost being determined on the first-in, first out basis.

Tangible Capital Assets

Effective January 1, 2011, the Town adopted the provisions of PSA section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight-line basis over the estimated useful life, as follows:

Land improvements	5-25 years
Buildings	25-40 years
Vehicles	3-5 years
Machinery and equipment	5-10 years
Heavy equipment	10-15 years
Computer hardware, software and communication equipment	3-5 years
Furniture and fixtures	3-5 years
Road surface	15-20 years
Road grade	30 years
Sidewalks and curbs	15 years
Water and wastewater networks	40-100 years

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

Segmented Information

The Town of Grand Bay-Westfield is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town'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 the special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Summary of Significant Accounting Policies (Cont'd)

Segmented Information (Cont'd)

General Government Services

This department is responsible for the overall governance and financial administration of the Town. This includes council functions and general and financial management.

Protective Services

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

Transportation Services

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

Environmental Development Services

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

Recreation and Culture

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

Wastewater Systems

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

Post-Employment Benefits

The Town recognizes its obligations under post employment benefit plans and the related cost, net of plan assets. The Town has a defined benefit pension plan as documented in Note 7.

3. Cash and cash equivalents

	<u>2023</u>	<u>2022</u>
Cash - unrestricted	\$ 709,778	\$ 719,328
Cash - restricted	<u>2,230,666</u>	<u>2,590,047</u>
	<u>\$ 2,940,444</u>	<u>\$ 3,309,375</u>

4. Due from Federal Government and Agencies

	<u>2023</u>	<u>2022</u>
Canada Revenue Agency (HST refund)	<u>\$ 135,379</u>	<u>\$ 111,462</u>

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Long-Term Debt

New Brunswick Municipal Financing Corporation

	<u>2023</u>	<u>2022</u>
Debtentures:		
4.512%-5.245% series, due 2038	\$ 1,339,000	\$ -
1.95%-2.80% series, due 2034	109,000	129,000
0.855% - 2.762% series, due 2036	350,000	374,000
1.20%-2.70% series, due 2027	244,000	302,000
0.90%-1.50% series, due 2025	50,000	75,000
1.65%-3.780% series, due 2027	62,000	76,000
1.35%-3.55% series, due 2027	118,000	145,000
1.35% - 3.70% series, due 2028	230,000	272,000
1.20% - 3.50% series, due 2029	186,000	214,000
2.55% - 3.55% series, due 2033	248,000	269,000
0.50% - 2.33% series, due 2035	342,000	368,000
0.30% -2.700% series, due 2036	167,000	191,000
<u>CMHC</u>		
3.92%, due 2026	<u>346,269</u>	<u>453,096</u>
	<u>\$ 3,791,269</u>	<u>\$ 2,868,096</u>

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

2024	\$	514,014
2025		515,366
2026		507,889
2027		382,000
2028		282,000
Thereafter		<u>1,590,000</u>
	\$	<u>3,791,269</u>

6. Post-Employment Benefits Payable

Defined Benefit Pension Plan

The Town 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 Municipalities 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. 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, 2021 and resulted in an overall NB MEPP accrued benefit obligation of \$140,299,800 based on the accounting basis.

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

6. Post-Employment Benefits Payable (Cont'd)

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, 2022:

- the expected inflation rate is 2.10% per annum
- the discount rate used to determine the accrued benefit obligation is 6.15% per annum
- the expected rate of return on assets is 6.15% per annum
- retirement age varies by age and employment category
- estimated average remaining service life is 14.0 years

The actuarial valuation prepared as at December 31, 2021 indicated that the market value of the of the net assets available for the accumulated pan benefits were greater than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan surplus of \$1,294,100, a change of \$2,127,600 from December 31, 2020 deficit of \$833,500. Based on the assumptions as at December 31, 2021, the actuary expected the level of employer and employee contributions to be sufficient to fund the current service cost and going concern special payments, as allowed by the Pensions Benefit Act.

As at December 31, 2021 the NB MEPP provides benefits for 310 retirees. Total benefit payments to retirees and terminating employees during 2023 are estimated to be approximately \$5,210,400 (actual 2022, \$6,836,300) 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 7.95%. 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 2023 are estimated to be approximately \$7,978,000 (2022 actual, \$7,988,500 in totality for the NB MEPP).

The following summarizes the data as it relates to the Town of Grand Bay Westfield:

The average age of the 17 active employees covered by the NB MEPP is 50.2 (as at December 31, 2021)
Benefit payments were \$171,400 in 2022 and were estimated to be \$167,600 in 2023
Combined Contributions were \$181,400 in 2022 and were estimated to be \$186,800 in 2023.

In addition to determining the position of the NB MEPP as it relates to the Town of Grand Bay-Westfield as at December 31, 2021 and December 31, 2022, NB MEPP's actuary performed an extrapolation of the December 31, 2022 accounting valuation to determine the estimated position as at December 31, 2023. The extrapolation assumptions used as at December 31, 2023 remain unchanged from December 31, 2022. The extrapolation also assumes assets return 6.15% 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:

	<u>Estimated</u> <u>Jan 1- Dec 31, 2023</u>	<u>Actual</u> <u>Jan 1- Dec 31, 2022</u>
Accrued Benefit Liability (asset)		
Accrued benefit liability, beginning	\$ 201,700	\$ 231,700
Pension expense for the year	115,800	60,700
Less employer contributions	(93,400)	(90,700)
Accrued benefit liability, ending	<u>\$ 224,100</u>	<u>\$ 201,700</u>

These amounts are included in the Post-Employment Benefits Payable on the Consolidated Statement of Financial Position.

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

7. Investment

	<u>2023</u>	<u>2022</u>
Saint John Community Fund interest at 3%, due March 2025.	\$ <u>15,126</u>	\$ <u>14,602</u>

8. Contingencies

In the normal course of operations, the Town becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2023 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 Town maintains insurance coverage in amounts considered appropriate.

9. Water and Sewer Fund Surplus

	<u>2023</u>	<u>2022</u>
2023 Surplus	\$ 34,958	\$ -
2022 Surplus	31,036	31,036
2021 Surplus	25,203	33,603
2020 Surplus	<u>14,240</u>	<u>21,359</u>
	\$ <u>105,437</u>	\$ <u>85,998</u>

10. Short-term borrowings compliance

Interim borrowing for capital

The Municipality has arranged a revolving operating facility bearing interest at prime less 0.25% for the General Operating Fund and the Sewerage Operating Fund. The facility is intended for interim financing for capital expenditures. As at December 31, 2023 this facility has not been used.

The Municipality has no outstanding 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 or \$15,000 - whichever is greater. Borrowing to finance Sewerage Fund operations is limited to 50% of the operating budget for the year.

In 2023, the Municipality has complied with these restrictions for all borrowing.

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 amounts payable between Funds are in compliance with the requirements.

TOWN OF GRAND BAY - WESTFIELD
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

11. Schedule of Tangible Capital Assets

COST	Land	Land improvements	Building and leasehold improvements	Vehicles	Machinery and equipment	Assets Under Construction	Infrastructure		2023 Total	2022 Total
							Roads and streets	Treatment facilities		
							Water	sewer		
Balance, beginning of year	\$ 2,253,304	3,659,232	5,643,126	366,269	3,770,896	235,842	20,855,827	15,070,733	53,224,554	52,133,175
Add:	-	-	244,134	67,782	2,268,239	-	482,512	43,794	3,106,261	1,222,015
Less:	-	-	-	-	-	(92,276)	(33,489)	-	(125,765)	(130,656)
Balance, end of year	<u>2,253,304</u>	<u>3,659,232</u>	<u>3,887,260</u>	<u>434,051</u>	<u>6,039,135</u>	<u>143,566</u>	<u>21,284,650</u>	<u>15,114,527</u>	<u>56,205,050</u>	<u>53,224,554</u>
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	2,011,302	1,918,651	265,482	2,385,152	-	12,419,444	1,073,087	25,232,288	23,662,060
Add:	-	145,146	85,446	52,954	295,900	-	885,642	75,074	1,805,710	1,687,828
Less:	-	-	-	-	-	-	(33,489)	-	(33,489)	(117,600)
Balance, end of year	<u>-</u>	<u>2,156,448</u>	<u>2,004,097</u>	<u>318,436</u>	<u>2,681,052</u>	<u>-</u>	<u>13,271,597</u>	<u>1,148,161</u>	<u>27,004,509</u>	<u>25,252,288</u>
NET BOOK VALUE	\$ 2,253,304	\$ 1,502,784	\$ 1,883,163	\$ 115,615	\$ 3,358,083	\$ 143,566	\$ 8,013,053	\$ 2,241,164	\$ 29,200,541	\$ 27,992,266
Consists of:										
General Fund Assets	\$ 2,171,487	\$ 1,493,469	\$ 1,863,281	\$ 115,615	\$ 3,289,922	\$ 129,173	\$ 8,013,053	\$ -	\$ 22,911,971	\$ 21,605,652
Water & Sewerage Fund Assets	81,817	9,315	19,882	-	68,161	14,393	-	3,853,838	6,288,570	6,386,614
	<u>\$ 2,253,304</u>	<u>\$ 1,502,784</u>	<u>\$ 1,883,163</u>	<u>\$ 115,615</u>	<u>\$ 3,358,083</u>	<u>\$ 143,566</u>	<u>\$ 8,013,053</u>	<u>\$ 2,241,164</u>	<u>\$ 29,200,541</u>	<u>\$ 27,992,266</u>

TOWN OF GRAND BAY - WESTFIELD
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

12. Schedule of Segment Disclosure

	General	Protective	Transportation	Environmental Health	Environmental development	Recreation and culture	Water and sewer	2023 Consolidated	2022 Consolidated
Revenues									
Warrant of assessment	\$ 1,519,415	\$ 1,977,506	\$ 2,073,394	\$ 84,141	\$ 658,221	\$ 621,462	\$ -	\$ 6,954,139	\$ 5,966,554
Sales of services	-	79,976	-	-	-	11,557	-	91,533	195,709
Other revenue from own sources	121,525	-	-	-	-	-	-	121,525	90,553
Community Funding and Equalization Grant	56,504	73,539	77,105	3,129	24,478	23,111	-	257,866	265,869
Sewerage user fees	-	-	-	-	-	-	642,636	642,636	588,345
Interest	125,343	-	-	-	-	-	15,271	140,614	61,884
Other government transfers	35,533	-	399,540	-	-	-	159,185	574,258	839,750
	<u>1,858,120</u>	<u>2,131,021</u>	<u>2,550,039</u>	<u>87,270</u>	<u>682,699</u>	<u>656,130</u>	<u>797,092</u>	<u>8,762,571</u>	<u>8,008,044</u>
Expenses									
Salaries and benefits	680,618	504,682	653,670	-	107,509	188,831	150,692	2,286,002	1,783,179
Goods and services	545,438	1,276,676	1,223,335	73,797	375,742	256,905	212,602	3,964,495	3,545,542
Amortization	58,704	163,104	1,242,628	-	32,728	105,535	203,011	1,805,710	1,687,828
Interest	86,902	-	-	-	-	-	24,048	110,950	86,620
Other	118,839	63,959	61,715	-	-	61,362	-	305,875	305,536
	<u>1,490,501</u>	<u>2,008,421</u>	<u>3,181,348</u>	<u>73,797</u>	<u>515,979</u>	<u>612,633</u>	<u>590,553</u>	<u>8,473,032</u>	<u>7,408,705</u>
Surplus (deficit) for the year	\$ 367,619	\$ 122,600	\$ (631,309)	\$ 13,473	\$ 166,720	\$ 43,497	\$ 206,739	\$ 289,339	\$ 599,939

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

13. Reconciliation of Annual Surplus

	General Operating Fund	General Capital Fund	Sewerage Operating Fund	Sewerage Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Sewerage Operating Reserve Fund	Sewerage Capital Reserve Fund	Land for Public Purpose Reserve Fund	Total
2023 annual surplus (deficit)	638,607	(766,839)	264,439	214,540	19,970	51,405	-	(1,335,038)	275	289,339
Adjustment to annual surplus (deficit) for funding requirements										
Second previous year's surplus	187,750	-	15,519	-	-	-	-	-	-	203,269
Transfers between funds										
Transfer from General Operating Fund to General Capital Fund	(839,125)	839,125	-	-	-	-	-	-	-	-
Transfer from Sewerage Utility Fund to Sewerage Operating Reserve Fund	-	-	(75,000)	-	-	-	-	75,000	-	-
Transfer from Sewerage Utility Fund to Sewerage Operating Reserve Fund	-	-	(30,000)	-	-	-	30,000	-	-	-
Transfer from Sewerage Capital Reserve Fund to General Operating Fund	139,185	-	-	(139,185)	-	-	-	-	-	-
Transfer to General Operating Fund from General Capital Reserve Fund	1,012,147	-	-	-	-	(1,012,147)	-	-	-	-
Transfer to General Operating Fund from General Operating Reserve Fund	51,444	-	-	-	(51,444)	-	-	-	-	-
Transfer from General Operating Fund to General Operating Reserve Fund	(53,500)	-	-	-	53,500	-	-	-	-	-
Transfer from General Operating Fund to General Capital Reserve Fund	(600,000)	-	-	-	-	600,000	-	-	-	-
Long-term debt principal repayment	-	-	(140,000)	140,000	-	-	-	-	-	-
Long-term debt principal repayment	(275,827)	275,827	-	-	-	-	-	-	-	9,400
Increase in pension plan expenses	9,400	-	-	-	-	-	-	-	-	-
Amortization expense	-	1,602,699	-	203,011	-	-	-	-	-	1,805,710
Total adjustments to 2023 annual surplus (deficit)	(568,526)	2,717,651	(229,481)	203,826	2,056	(412,147)	30,000	75,000	-	2,018,379
2023 annual surplus (deficit)	270,081	1,950,812	34,958	418,366	22,026	(360,742)	30,000	(88,058)	275	2,307,718

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

14. Statement of Reserves

	General Capital Reserve Fund	General Operating Reserve Fund	Utility Capital Reserve Fund	Utility Operating Reserve Fund	Land for Public Purpose Reserve Fund	2023	2022
Assets							
Cash	1,472,321	524,883	185,110	30,000	6,695	2,219,009	2,585,508
Accumulated Surplus	1,472,321	524,883	185,110	30,000	6,695	2,219,009	2,585,508
Revenue							
Interest	51,405	19,970	6,127	-	275	77,777	38,808
Transfers from General and Sewerage Operating Funds	600,000	53,500	75,000	30,000	-	758,500	507,500
Other funds received	-	-	-	-	-	-	-
	651,405	73,470	81,127	30,000	275	836,277	546,308
Expenditures							
Interest and bank charges	-	-	-	-	-	-	-
Transfers to General and Sewerage Capital Funds	1,012,147	51,444	139,185	-	-	1,202,776	22,143
	1,012,147	51,444	139,185	-	-	1,202,776	22,143
Annual Surplus (Deficit)	(360,742)	22,026	(58,058)	30,000	275	(366,499)	524,165

c) General Revenue Fund: First Quarter Financial Report

That the Council of the Town of Grand Bay-Westfield receive and file the 2023 First Quarter Financial Report as presented.

Motioned by: Councillor Balcomb

Seconded by: Councillor Balemans

Carried

d) Sewerage Utility: First Quarter Financial Report

That the Council of the Town of Grand Bay-Westfield receive and file the Sewerage Utility 2023 First Quarter Financial Report as presented.

Motioned by: Councillor Burpee

Seconded by: Councillor McIntosh Lawrence

Carried

e) Reserve Transfers

That the Council of the Town of Grand Bay-Westfield authorize the following transfers:

- Transfer \$900,000 from General Revenue Capital reserve into the General Revenue Fund for the purchase of winter fleet equipment; and,
- Transfer \$51,444.28 from the General Revenue Operating Reserves into General Revenue Fund to reimburse Operations for the purchase of the Fire Review Services; and,
- Transfer \$139,185.33 from the Sewerage Capital Reserve into the General Revenue Fund to pay for the solar array from the Utility Reserve per provincial regulations.

Motioned by: Councillor Balcomb

Seconded by: Councillor Burpee

Carried

That the Council of the Town of Grand Bay-Westfield direct Administration to amend the capital plan to:

- Add northbound right turn lanes with storage to the Brittain Rd., Epworth Park Rd., Station St. and Pamdenec Rd. in their next Road Ahead Plan for consideration under Designated Highway Capital Improvements.
- Improve shoulder conditions to allow for improved vehicle pull-off while waiting for trains.

Motioned by: Councillor Balcomb

Seconded by: Councillor Burpee

Carried

b) Town Fees 2024

That the Council of the Town of Grand Bay-Westfield adopt the Various 2024 Town Fees effective January 1, 2024.

Motioned by: Councillor Burpee

Seconded by: Deputy Mayor Toole

Carried

c) General Revenue Reserve Transfers 2023

That the Council of Grand Bay-Westfield Council authorize the following transfers:

- Transfer \$600,000 from the General Revenue Fund to the General Revenue Capital Reserve.
- Transfer \$112,147 from the General Revenue Capital Reserve to the General Revenue Fund.
- Transfer \$53,500 from the General Revenue Fund to the General Revenue Operating Reserve.

Motioned by: Councillor Burpee

Seconded by: Councillor McIntosh Lawrence

Carried

d) Sewerage Revenue Reserve Transfers 2023

That the Council of Grand Bay-Westfield Council authorize the following transfers:

- Transfer \$30,000 from the Sewerage Utility Fund to the Sewerage Utility Operating Reserve
- Transfer \$75,000 from the Sewerage Utility Fund to the Sewerage Utility Capital Reserve

Motioned by: Councillor Balemans

Seconded by: Deputy Mayor Toole

Carried

e) Term Loan Repayment

That the Council of the Town of Grand Bay-Westfield authorize the Mayor and CFO to instruct Scotiabank to transfer \$1,062,925.25 from the operating account to pay off the amounts outstanding on the term loans.

Motioned by: Councillor McIntosh Lawrence

Seconded by: Councillor Balcomb

Carried

f) Council Calendar 2024

That the Council of the Town of Grand Bay-Westfield approve the calendar as presented.

Motioned by: Councillor Burpee

Seconded by: Councillor Balemans

Carried

12. Bills for Payment

- a) That the Council of the Town of Grand Bay-Westfield authorize the December 11, 2023 bills for payment as presented in the amount for \$119,566.53.

Motioned by: Deputy Mayor Toole

Seconded by: Councillor Balemans

Carried

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

14. Statement of Reserves (Cont'd)


Council Resolutions regarding transfers to and from reserves:

Moved by Councillor Balcomb, seconded by Councillor Burpee that \$900,000 be transferred from the General Revenue Capital Reserve Fund to the General Revenue Fund; \$51,444 be transferred from the General Revenue Operating Reserve Fund to the General Revenue Fund; and, \$139,185 be transferred from the Sewerage Capital Reserve Fund into the General Revenue Fund.

Moved by Councillor Burpee, seconded by Councillor McIntosh Lawrence that \$600,000 be transferred from the General Revenue Fund to the General Capital Reserve Fund; \$112,147 be transferred from the General Revenue Capital Reserve Fund to the General Revenue Fund; \$53,500 be transferred from the General Revenue Fund to the General Revenue Operating Reserve Fund.

Moved by Councillor Balemans, seconded by Deputy Mayor Toole that \$30,000 be transferred from the Sewerage Utility Fund to the Sewerage Utility Operating Reserve Fund; \$75,000 be transferred from the Sewerage Utility Fund to the Sewerage Utility Capital Reserve Fund

I hereby certify the above are true and exact copies of resolutions adopted at meetings of Council on March 28, April 24 and December 11, 2023.


James Barrington, CPA, CMA
Chief Financial Officer
Town of Grand Bay-Westfield

March 28, 2024
Date

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

15. Operating Budget to PSA Budget

	Operating Budget General	Operating Budget Sewerage	Amortization TCA	Transfers	Other	Total
Revenue						
Warrant of assessment	\$ 6,934,139	-	-	-	-	\$ 6,934,139
Sales of services	90,983	-	-	-	-	90,983
Other revenue from own sources	71,333	2,000	-	-	-	73,333
Community Funding and Equalization Grant	257,866	-	-	-	-	257,866
Sewerage user fees	-	635,350	-	-	-	635,350
Government transfer for special projects	-	-	-	-	574,258	574,258
Surplus (deficit) of second previous year	187,750	15,519	-	(203,269)	-	-
	<u>7,542,071</u>	<u>652,869</u>	<u>-</u>	<u>(203,269)</u>	<u>574,258</u>	<u>8,565,929</u>
Expenditures						
General government services	1,393,744	-	58,704	-	78,940	1,531,388
Protective services	1,809,884	-	163,104	-	-	1,972,988
Transportation services	1,897,644	-	1,242,628	-	-	3,140,272
Environmental health services	73,887	-	-	-	-	73,887
Recreation and cultural services	568,784	-	105,535	-	-	674,319
Environmental development services	602,427	-	32,728	-	-	635,155
Fiscal services						
- Long-term debt repayment	275,827	140,000	-	(415,827)	-	-
- Interest	69,539	23,407	-	(92,946)	-	-
- Transfer to General Capital Fund	850,335	-	-	(850,335)	-	-
- Transfer to General Capital Reserve Fund	-	-	-	-	-	-
- Transfer to General Operating Reserve Fund	-	90,000	-	(90,000)	-	-
- Transfer to Sewerage Capital Reserve Fund	-	399,462	203,011	-	23,407	625,880
Sewerage collection and disposal	7,542,071	652,869	1,805,710	(1,449,108)	102,347	8,653,889
Surplus (Deficit)	<u>-</u>	<u>-</u>	<u>(1,805,710)</u>	<u>1,245,839</u>	<u>471,911</u>	<u>(87,960)</u>

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. Revenue and Expense Support

Revenue	2023 <u>Budget</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
<i>Services other governments</i>			
Recreation	\$ 11,500	\$ 11,557	\$ 12,901
Fire	79,483	79,976	182,808
	<u>\$ 90,983</u>	<u>\$ 91,533</u>	<u>\$ 195,709</u>
<i>Other own source</i>			
Licenses, permits and fines	\$ 22,433	\$ 30,254	\$ 35,498
Interest	6,000	53,693	61,884
Miscellaneous	44,900	177,992	55,055
	<u>\$ 73,333</u>	<u>\$ 261,939</u>	<u>\$ 152,437</u>
 Expenditures			
<i>General Government Services</i>			
Legislative			
Mayor	\$ 57,862	\$ 56,379	\$ 49,916
Council	126,812	116,196	97,535
Other	16,264	17,437	12,121
	<u>\$ 200,938</u>	<u>\$ 190,012</u>	<u>\$ 159,572</u>
Administrative			
Personnel and office	\$ 711,932	\$ 680,713	\$ 540,915
Buildings	68,048	64,277	66,231
Solicitor	35,000	80,395	33,857
Other	219,405	194,179	219,113
	<u>\$ 1,034,385</u>	<u>\$ 1,019,564</u>	<u>\$ 860,116</u>
Financial management			
External audit	\$ 12,500	\$ 13,000	\$ 10,000
 Other			
Public liability insurance	\$ 22,629	\$ 21,104	\$ 17,707
Grants to organizations	-	-	102,003
Economic development	132,693	101,215	83,460
Interest	69,539	86,902	60,468
Amortization	58,704	58,704	57,894
	<u>\$ 283,565</u>	<u>\$ 267,925</u>	<u>\$ 321,532</u>
	<u>\$ 1,531,388</u>	<u>\$ 1,490,501</u>	<u>\$ 1,351,220</u>

TOWN OF GRAND BAY-WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. Revenue and Expense Support - (Cont'd)

Protective Services

Fire

Forces	\$ 446,529	\$ 434,353	\$ 392,467
Fire alarm system	51,061	48,693	42,366
Training	24,050	19,134	13,615
Station and building	74,725	69,476	84,620
Fighting and equipment	145,095	166,718	133,254
Other	117,241	156,007	92,262
Amortization	163,104	163,104	146,939
	<u>\$ 1,021,805</u>	<u>\$ 1,057,485</u>	<u>\$ 905,523</u>

Police

Administration - RCMP	\$ 886,946	\$ 886,946	\$ 742,392
Traffic activities	14,460	14,422	12,620
	<u>\$ 901,406</u>	<u>\$ 901,368</u>	<u>\$ 755,012</u>

Emergency Measures

Disaster control	\$ 19,460	\$ 19,935	\$ 16,717
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Other

Animal control	\$ 30,317	\$ 29,633	\$ 21,045
	<u>\$ 1,972,988</u>	<u>\$ 2,008,421</u>	<u>\$ 1,698,297</u>

Transportation Services

Common services

Administration	\$ 845,547	\$ 735,227	\$ 568,185
General equipment	183,222	279,128	122,467
Workshops and other buildings	39,232	61,715	39,574
	<u>\$ 1,068,001</u>	<u>\$ 1,076,070</u>	<u>\$ 730,226</u>

Roadway surfaces	\$ 239,594	\$ 259,757	\$ 289,190
Storm sewers	19,500	6,666	2,430
Snow and ice removal	388,271	429,673	595,016
Street lighting	121,723	122,012	116,766
Street signs	20,400	11,916	1,516
Transit service	38,405	31,072	32,467
Traffic signals	1,750	1,554	1,750
Amortizations	1,242,628	1,242,628	1,141,195
	<u>\$ 2,072,271</u>	<u>\$ 2,105,278</u>	<u>\$ 2,180,330</u>
	<u>\$ 3,140,272</u>	<u>\$ 3,181,348</u>	<u>\$ 2,910,556</u>

Environmental Health Services

Collection and disposal	\$ 73,887	\$ 73,797	\$ 1,008
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TOWN OF GRAND BAY-WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. Revenue and Expense Support - (Cont'd)

Recreation and Cultural Services

Administration	\$ 218,401	\$ 208,031	\$ 158,653
Parks and playgrounds	257,137	226,170	213,287
Buildings	90,846	71,308	72,186
Training and development	2,400	1,589	450
Amortization	105,535	105,535	104,782
	<u>\$ 674,319</u>	<u>\$ 612,633</u>	<u>\$ 549,358</u>

Environmental Development Services

Community planning	\$ 226,712	\$ 165,475	\$ 9,050
Community development	336,296	288,138	204,844
Tourism promotion	6,150	2,792	41,343
Beautification	11,720	6,204	11,700
Other	21,549	20,642	20,763
Amortization	32,728	32,728	32,728
	<u>\$ 635,155</u>	<u>\$ 515,979</u>	<u>\$ 320,428</u>

Sewerage

Collection and disposal			
Administration	\$ 116,487	\$ 111,408	\$ 98,393
Collection systems	114,408	87,498	86,275
Lift stations	106,411	114,461	114,786
Treatment and disposal	62,156	49,927	47,947
Interest	23,407	24,048	26,147
Amortization	203,011	203,011	204,290
	<u>\$ 625,880</u>	<u>\$ 590,353</u>	<u>\$ 577,838</u>

TOWN OF GRAND BAY - WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

17. Transfers to Reserves

Under New Brunswick regulation 97-145 for municipal reserve funds, municipalities are permitted to have a maximum accumulation in operating reserve funds of 5% of previous year's budgeted expenditures. For the previous year 2022, the Town had budgeted \$6,606,755 for its General Operating Fund. At the end of 2023, the Town had accumulated in its General Operating Reserve Fund \$524,833 thereby exceeding the limit of \$330,338 by \$194,495. Management's intention is to remedy the overcontribution by transferring the excess funds (a minimum of \$147,729 based on the 2023 budgeted expenditures) out of the General Operating Reserve prior to December 31, 2024. The maximum accumulated amount in the General Operating Reserve Fund for 2024 will be \$377,104 based on the 2023 budgeted General Revenue Fund expenditures.