

Shannon & Buffett, LLP

Chartered Professional Accountants

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August 21, 2023

Independent Auditors' Report

To the Mayor and Members of the Council:

Opinion

We have audited the accompanying consolidated financial statements of the Village of Gagetown (the Village) which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village of Gagetown as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for the Public Sector.

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 Financial Statements* section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The schedules contained in notes 16, 17 and 18 respectively are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures only to the extent necessary to form an opinion on the consolidated financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for the Public Sector, 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 Village'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 Village's financial reporting process.

Continued...

Auditor's Responsibilities for the Audit of the 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 Village'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 Village'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 our auditor's report. However, future events or conditions may cause the Village 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.

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.



Chartered Professional Accountants

VILLAGE OF GAGETOWN


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
<u>Financial assets:</u>		
Cash (note 3)	\$ 635,835	\$ 519,251
Accounts receivable:		
Other	20,041	4,743
Federal Government and its agencies	228,318	81,844
Provincial Government	<u>30,000</u>	<u>30,000</u>
	<u>914,194</u>	<u>635,838</u>
<u>Liabilities:</u>		
Short-term bank debt (note 4)	1,331,414	66,489
Accounts payable and accrued liabilities	326,048	144,547
Deferred revenue (note 9)	193,818	152,680
Long-term debt (note 6)	<u>698,000</u>	<u>756,000</u>
	<u>2,549,280</u>	<u>1,119,716</u>
Net debt	<u>(1,635,086)</u>	<u>(483,878)</u>
<u>Non-financial assets:</u>		
Tangible capital assets (note 7)	8,489,920	7,064,702
Accumulated amortization (note 7)	<u>(3,968,803)</u>	<u>(3,746,518)</u>
	4,521,117	3,318,184
Prepaid expenses	<u>1,860</u>	<u>34,708</u>
	<u>4,522,977</u>	<u>3,352,892</u>
Accumulated surplus	<u>\$ 2,887,891</u>	<u>\$ 2,869,014</u>

APPROVED BY:

 Mayor

 Clerk or Treasurer

VILLAGE OF GAGETOWN

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2022

	(Unaudited) 2022 <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
Revenue:			
Property tax warrant	\$ 962,445	\$ 962,445	\$ 913,532
Services provided to other governments (page 20)	32,206	40,800	44,025
Sale of services, fines and other fees (page 20)	8,600	19,124	16,312
Community funding and equalization	2,357	2,357	2,345
Other government transfers (page 20)	-	119,833	48,313
Sewerage user fees	68,170	63,483	62,074
Other (page 20)	1,200	2,081	2,125
Gain on disposal of capital assets	-	92,654	-
Interest	<u>200</u>	<u>3,634</u>	<u>938</u>
	<u>1,075,178</u>	<u>1,306,411</u>	<u>1,089,664</u>
Expenditures:			
General government services (page 21)	196,577	244,429	112,124
Protective services (page 22)	302,686	308,492	293,817
Transportation services (page 23)	458,115	477,933	442,028
Environmental health (page 24)	72,778	69,619	66,011
Public health and welfare (page 24)	11,035	16,380	7,814
Environmental development (page 24)	64,394	29,667	29,155
Recreation and cultural services (page 24)	93,327	77,016	92,269
Sewerage services (page 25)	<u>87,440</u>	<u>63,998</u>	<u>122,142</u>
	<u>1,286,352</u>	<u>1,287,534</u>	<u>1,165,360</u>
Annual surplus (deficit) (note 16)	<u>\$ (211,174)</u>	<u>18,877</u>	<u>(75,696)</u>
Accumulated surplus, beginning of year		<u>2,869,014</u>	<u>2,944,710</u>
Accumulated surplus, end of year		<u>\$ 2,887,891</u>	<u>\$ 2,869,014</u>

VILLAGE OF GAGETOWN

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
Annual surplus (deficit)	\$ <u>18,877</u>	\$ <u>(75,696)</u>
Acquisition of tangible capital assets	(1,541,449)	(73,321)
Amortization of tangible capital assets	232,939	221,565
Gain on disposal of tangible capital assets	(92,654)	-
Proceeds on disposal of tangible capital assets	198,231	-
Decrease (increase) in prepaid expenses	<u>32,848</u>	<u>(34,708)</u>
	<u>(1,170,085)</u>	<u>113,536</u>
Change in net debt	(1,151,208)	37,840
Net debt, beginning of year	<u>(483,878)</u>	<u>(521,718)</u>
Net debt, end of year	<u>\$ (1,635,086)</u>	<u>\$ (483,878)</u>

VILLAGE OF GAGETOWN

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
Operating transactions:		
Annual surplus (deficit)	\$ 18,877	\$ (75,696)
Non-cash item:		
Amortization	232,939	221,565
Gain on disposal of tangible capital assets	(92,654)	-
Change in deferred revenue	41,138	101,020
Change in prepaid expenses	32,848	(34,708)
Change in accounts receivable	(161,772)	6,930
Change in accounts payable	<u>181,501</u>	<u>(24,476)</u>
	<u>252,877</u>	<u>194,635</u>
Capital transactions:		
Acquisition of tangible capital assets	(1,541,449)	(73,321)
Proceeds on disposal of tangible capital assets	<u>198,231</u>	<u>-</u>
	<u>(1,343,218)</u>	<u>(73,321)</u>
Financing transactions:		
Long-term debt repayment	(58,000)	(74,000)
Increase (decrease) in bank debt	<u>1,264,925</u>	<u>66,489</u>
	<u>1,206,925</u>	<u>(7,511)</u>
Net increase (decrease) in cash	116,584	113,803
Cash, beginning of year	<u>519,251</u>	<u>405,448</u>
Cash, end of year (note 3)	<u>\$ 635,835</u>	<u>\$ 519,251</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Reporting entity:

The municipality was incorporated as a Village by the Province of New Brunswick under the Municipalities Act. As a municipality, the Village is exempt from income tax under the Canadian Income Tax Act.

2. Significant accounting policies:

(a) Basis of accounting -

The consolidated financial statements of the Village are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The consolidated financial statements reflect assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the reporting entity. The reporting entity comprises all organizations and enterprises accountable for the administration of their affairs and resources to the Village and which are owned or controlled by the Village.

Interdepartmental and organizational transactions and balances have been eliminated.

(b) Budget -

The budget figures contained in these financial statements were approved by Council on November 8, 2021 and the Minister of Local Government on November 16, 2021.

(c) Revenue recognition -

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.

Other revenue is recorded when it is earned and collection is reasonably assured.

(d) Use of estimates -

The preparation of the consolidated financial statements in conformity with Canadian accounting standards for Public Sectors 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.

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. Significant accounting policies (continued):

(e) 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.

(f) 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. The cost of the tangible capital asset is amortized on a straight-line basis over the estimated useful life as follows:

<u>Asset type</u>	<u>Years</u>
Land improvements	15-30 years
Buildings	25-40 years
Roads, streets, sidewalks and storm sewers	15-40 years
Vehicles	5-15 years
Machinery and equipment	5-40 years
Sewerage infrastructure	25-75 years

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

Amortization commences in the year after acquisition.

There is no amortization in the year of disposal.

(g) Segmented information -

The Village is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Village's operations and activities are organized and reported by function. Municipal services are provided by departments as follows:

General government services

This department is responsible for the overall governance and financial administration of the Village. 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.

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. Significant accounting policies (continued):

(g) Segmented information (continued) -

Transportation services

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

Environmental health services

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

Public health

This department relates to the revenues and expenses related to the community health clinic.

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 maintenance and operation of recreational and cultural facilities, including the rink, parks and playgrounds and other recreational and cultural facilities.

Sewerage operations

This department is responsible for the maintenance and operation of the sewerage services which includes the maintenance and operation of collection, treatment plants, reservoirs, lagoons and related systems.

3. Cash:

	<u>2022</u>	<u>2021</u>
Internally restricted cash - Reserves	\$ 27,775	\$ 341,824
Internally restricted cash - Gas Tax Funds	193,818	152,680
Unrestricted cash	<u>414,242</u>	<u>24,747</u>
	<u>\$ 635,835</u>	<u>\$ 519,251</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

4. Short-term borrowing:

Interim borrowing for capital -

The municipality has arranged a non-revolving loan at the prime lending rate for the General Capital Fund. The loan is being used to provide interim financing for capital expenditures. This borrowing was approved to a maximum amount of \$1,026,000 for a period of three years under order number 21-0022.

Operating borrowing -

As prescribed in the Local Governance Act, borrowing to finance General Fund operations is limited to 4% of the municipality's previous year 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.

5. Outstanding authorization to borrow:

The Municipal Capital Borrowing Board has provided authorization to borrow, which the Village has yet to utilize, as follows:

<u>Term</u>	<u>Purpose</u>	<u>Order Number</u>	<u>Date</u>	<u>Amount</u>
15 years	Transportation	21-0022	January 28, 2021	\$300,000

6. Long-term debt:

	<u>2022</u>	<u>2021</u>
NB Municipal Finance Corp.		
- 1.65% to 3.20% due 2032 OIC# 15-0087	\$ 230,000	\$ 250,000
- 5.2% to 5.75% due 2033 OIC#s 17-0087 & 18-0022	<u>468,000</u>	<u>506,000</u>
	<u>\$ 698,000</u>	<u>\$ 756,000</u>

Approval of the Municipal Capital Borrowing Board has been obtained for all debenture debt reported on the consolidated statement of financial position.

Principal payments for the next five years are as follows:

2023	\$ 59,000
2024	61,000
2025	61,000
2026	64,000
2027	66,000

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. Tangible capital assets:

				<u>Infrastructure</u>			<u>2022</u> <u>Total</u>	<u>2021</u> <u>Total</u>	
	<u>Land</u>	<u>Land</u> <u>Improvements</u>	<u>Buildings</u>	<u>Vehicles &</u> <u>Equipment</u>	<u>Roads &</u> <u>Streets</u>	<u>Treatment</u> <u>Facilities</u>			<u>Sewer</u> <u>Collection</u>
Cost:									
Balance, beginning of year	\$ 210,461	\$ 336,314	\$ 368,878	\$ 1,161,431	\$ 3,336,690	\$ 726,401	\$ 924,527	\$ 7,064,702	\$ 6,991,381
Additions	-	36,915	-	-	1,504,534	-	-	1,541,449	73,321
Disposals	-	-	(116,231)	-	-	-	-	(116,231)	-
Balance, end of year	<u>210,461</u>	<u>373,229</u>	<u>252,647</u>	<u>1,161,431</u>	<u>4,841,224</u>	<u>726,401</u>	<u>924,527</u>	<u>8,489,920</u>	<u>7,064,702</u>
Accumulated amortization:									
Balance, beginning of year	-	216,627	126,051	811,536	1,271,969	677,831	642,504	3,746,518	3,524,953
Amortization	-	18,532	5,200	57,430	132,583	17,723	1,471	232,939	221,565
Disposals	-	-	(10,654)	-	-	-	-	(10,654)	-
Balance, end of year	<u>-</u>	<u>235,159</u>	<u>120,597</u>	<u>868,966</u>	<u>1,404,552</u>	<u>695,554</u>	<u>643,975</u>	<u>3,968,803</u>	<u>3,746,518</u>
Net book value of tangible capital assets	<u>\$ 210,461</u>	<u>\$ 138,070</u>	<u>\$ 132,050</u>	<u>\$ 292,465</u>	<u>\$ 3,436,672</u>	<u>\$ 30,847</u>	<u>\$ 280,552</u>	<u>\$ 4,521,117</u>	<u>\$ 3,318,184</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

8. **Accrued pension benefit liability:**

The Village 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, 2019 and resulted in an overall NB MEPP accrued benefit obligation of \$135,126,100 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, 2020:

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

The actuarial valuation prepared as at December 31, 2019 indicated that the market value of the net assets available for the accumulated plan benefits were less than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of \$641,800, a change of \$6,896,200 from the December 31, 2018 deficit of \$7,538,000. Based on the assumptions as at December 31, 2019, the actuary expects the level of employer and employee contributions to be sufficient to fund the current service cost and going concern special payments, as required by the Pension Benefits Act.

	Estimated January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021
Accrued benefit liability:		
Accrued benefit liability (asset), beginning of year	\$ (20,400)	\$ (15,200)
Pension expense for the year	9,500	4,300
Employer contributions	(9,000)	(9,500)
Adjustment related to prior year estimated amounts	<u>-</u>	<u>-</u>
Accrued benefit liability (asset), end of year	<u>\$ (19,900)</u>	<u>\$ (20,400)</u>

To summarize, the accrued benefit asset as it relates to the Village of Gagetown is estimated to be \$19,900 as at December 31, 2022. This amount has not been recorded on the Consolidated Statement of Financial Position.

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

9. Deferred revenue:

	<u>2022</u>	<u>2021</u>
Gas Tax Funds	\$ <u>193,818</u>	\$ <u>152,680</u>

10. Financial instruments:

The Village's financial instruments consist of cash, receivables, payables and accruals. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest, currency or any other risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Village is subject to credit risk through its accounts receivable. The Village manages credit risk through on-going credit management.

The Village is subject to interest rate risk with regard to its reserve fund savings and the long-term debt which is subject to re-financing.

The Village is subject to liquidity risk, which is the risk of not having enough liquid assets to meet its obligations. The Village mitigates this risk through on-going budgeting and maintaining alternate sources of financing.

11. Employee sick leave benefits:

Employees are not entitled to a cash payment for unused sick leave benefits upon leaving employment. Therefore, there is no unrecorded liability in respect of vested benefits at December 31, 2022.

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

12. Sewer fund surplus/deficit:

The Municipalities Act requires sewer fund surplus/deficit amounts to be absorbed into one or more of four operating budgets commencing with the second next ensuing year; the balance of the surplus/deficit at the end of the year consists of the following:

	<u>2022</u>	<u>2021</u>
2022 Surplus	\$ 28,834	\$ -
2021 Surplus	177	177
2020 Surplus	<u>-</u>	<u>76</u>
	<u>\$ 29,011</u>	<u>\$ 253</u>

13. Interfund balances:

The Department of Local Government requires that short-term inter-fund borrowings be repaid by end of the next year unless the borrowing is for a capital project. An amount due from the Sewer Operating Fund to the General Operating Fund in the prior year was not repaid during 2022. As a result, the interfund balances as at December 31, 2022 are not in compliance with this policy.

14. Subsequent event:

Effective January 1, 2023 the Village of Gagetown amalgamated with the Village of Cambridge Narrows and the LSDs of Cambridge, Upper Gagetown, Waterborough (part), Hampstead and Canning (part). The amalgamated municipal entity will be known as Arcadia. The financial impact of this amalgamation cannot be estimated.

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

15. Schedule of segment disclosure:

	<u>General</u>	<u>Protective</u>	<u>Transportation</u>	<u>Environmental Health</u>	<u>Environmental Development</u>	<u>Recreation & Culture</u>	<u>Health & Welfare</u>	<u>Sewerage</u>	<u>2022 Total</u>	<u>2021 Total</u>
Revenue:										
Property tax warrant	\$ 207,852	\$ 224,032	\$ 326,088	\$ 68,324	\$ 9,918	\$ 60,453	\$ 65,778	\$ -	\$ 962,445	\$ 913,532
Services provided to other governments	-	40,800	-	-	-	-	-	-	40,800	44,025
Sale of services, fines and other fees	-	20	-	-	14,904	-	4,200	-	19,124	16,312
Community funding and equalization	509	549	799	167	24	148	161	-	2,357	2,345
Transfers from other governments	-	-	119,833	-	-	-	-	-	119,833	48,313
Water and sewer user fees	-	-	-	-	-	-	-	63,483	63,483	62,074
Other	2,081	-	-	-	-	-	-	-	2,081	2,125
Gain on disposal of capital assets	92,654	-	-	-	-	-	-	-	92,654	-
Interest	2,994	-	-	-	-	-	-	640	3,634	938
	<u>306,090</u>	<u>265,401</u>	<u>446,720</u>	<u>68,491</u>	<u>24,846</u>	<u>60,601</u>	<u>70,139</u>	<u>64,123</u>	<u>1,306,411</u>	<u>1,089,664</u>
Expenses:										
Wages and benefits	116,333	18,922	-	-	-	41,872	-	9,704	186,831	194,045
Goods and services	125,665	214,888	344,813	69,619	29,667	11,882	15,910	35,100	847,544	728,188
Amortization	-	64,051	125,962	-	-	23,262	470	19,194	232,939	221,565
Interest - Long-term debt	2,431	10,631	7,158	-	-	-	-	-	20,220	21,562
	<u>244,429</u>	<u>308,492</u>	<u>477,933</u>	<u>69,619</u>	<u>29,667</u>	<u>77,016</u>	<u>16,380</u>	<u>63,998</u>	<u>1,287,534</u>	<u>1,165,360</u>
Surplus (deficit)	<u>\$ 61,661</u>	<u>\$ (43,091)</u>	<u>\$ (31,213)</u>	<u>\$ (1,128)</u>	<u>\$ (4,821)</u>	<u>\$ (16,415)</u>	<u>\$ 53,759</u>	<u>\$ 125</u>	<u>\$ 18,877</u>	<u>\$ (75,696)</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

16. Reconciliation of annual surplus:

	General Operating Fund	General Capital Fund	General Capital Reserve	General Operating Reserve	Sewerage Operating Fund	Sewerage Capital Fund	Sewerage Capital Reserve	Total
2022 annual surplus (deficit)	\$ <u>230,849</u>	\$ <u>(213,745)</u>	\$ <u>1,556</u>	\$ <u>92</u>	\$ <u>19,210</u>	\$ <u>(19,194)</u>	\$ <u>109</u>	\$ <u>18,877</u>
Adjustments to 2022 annual surplus (deficit) for funding requirements:								
Second previous year's surplus (deficit)	32,894	-	-	-	76	-	-	32,970
Transfers between funds:								
General Operating Reserve to General Operating	49,349	-	-	(49,349)	-	-	-	-
Utility Capital Reserve to Utility Operating	-	-	-	-	9,548	-	(9,548)	-
General Operating to General Capital	105,577	(105,577)	-	-	-	-	-	-
General Capital Reserve to General Operating	256,909	-	(256,909)	-	-	-	-	-
General Operating to General Capital	1,541,449	1,541,449	-	-	-	-	-	-
Amortization	-	213,745	-	-	-	19,194	-	232,939
Long-term debt principal repayment	(58,000)	58,000	-	-	-	-	-	-
Interim capital borrowing	<u>1,264,925</u>	<u>1,264,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total adjustments	<u>110,205</u>	<u>442,692</u>	<u>(256,909)</u>	<u>(49,349)</u>	<u>9,624</u>	<u>19,194</u>	<u>(9,548)</u>	<u>265,909</u>
2022 annual fund surplus (deficit)	<u>\$ 341,054</u>	<u>\$ 228,947</u>	<u>\$ (255,353)</u>	<u>\$ (49,257)</u>	<u>\$ 28,834</u>	<u>\$ -</u>	<u>\$ (9,439)</u>	<u>\$ 284,786</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

17. Statement of reserves:

	<u>General Capital Reserve</u>	<u>General Operating Reserve</u>	<u>Sewer Capital Reserve</u>	<u>Total 2022</u>	<u>Total 2021</u>
Assets:					
Cash	\$ <u>155</u>	\$ <u>9</u>	\$ <u>27,611</u>	\$ <u>27,775</u>	\$ <u>341,824</u>
Accumulated surplus	<u>\$ 155</u>	<u>\$ 9</u>	<u>\$ 27,611</u>	<u>\$ 27,775</u>	<u>\$ 341,824</u>
Revenue:					
Transfer from operating funds	\$ -	\$ -	\$ -	\$ -	\$ 230,000
Interest	<u>1,556</u>	<u>92</u>	<u>109</u>	<u>1,757</u>	<u>310</u>
Expenditures	<u>(256,909)</u>	<u>(49,349)</u>	<u>(9,548)</u>	<u>(315,806)</u>	<u>-</u>
Annual surplus	<u>\$ (255,353)</u>	<u>\$ (49,257)</u>	<u>\$ (9,439)</u>	<u>\$ (314,049)</u>	<u>\$ 230,310</u>

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

17. Statement of reserves (continued):

Council resolutions regarding transfers to and from reserves:

At the regular meeting of council November 21, 2022:

It was moved by Councillor Ryan and seconded by Councillor Plaster to transfer the entire balance from the General Operating Trust Account to our General Operating account, and to transfer the entire balance from the Capital Operating Trust Account to our General Operating Account.

Moved by: Councillor Ryan
Seconded by: Councillor Plaster

With all in favour the motion was passed in November 21, 2022.

I certify that above are true and exact copies of resolutions adopted at the meeting indicated.



Robert White
CAO, Village of Gagetown

Sept 13 23
Date

VILLAGE OF GAGETOWN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

18. Operating budget to public sector accounting budget:

	<u>General Operating Budget</u>	<u>Sewerage Operating Budget</u>	<u>Amortization Tangible Capital Assets</u>	<u>Transfers</u>	<u>Other</u>	<u>Total</u>
Revenue:						
Property tax warrant	\$ 962,445	\$ -	\$ -	\$ -	\$ -	\$ 962,445
Unconditional grant	2,357	-	-	-	-	2,357
Services to other governments	32,206	-	-	-	-	32,206
Sales of services, fines and other	8,600	-	-	-	-	8,600
Sewerage service fees	-	68,170	-	-	-	68,170
Interest	200	-	-	-	-	200
Other	1,200	-	-	-	-	1,200
Second prior year surplus	32,894	76	-	(32,970)	-	-
Transfers from Reserve	<u>3,265</u>	<u>-</u>	<u>-</u>	<u>(3,265)</u>	<u>-</u>	<u>-</u>
	<u>1,043,167</u>	<u>68,246</u>	<u>-</u>	<u>(36,235)</u>	<u>-</u>	<u>1,075,178</u>
Expenditures:						
General government services	175,981	-	-	20,596	-	196,577
Protective services	238,635	-	64,051	-	-	302,686
Transportation services	332,153	-	125,962	-	-	458,115
Environmental health	72,778	-	-	-	-	72,778
Public health and welfare	10,565	-	470	-	-	11,035
Environmental development	64,394	-	-	-	-	64,394
Recreation and cultural services	70,065	-	23,262	-	-	93,327
Sewerage	-	68,246	19,194	-	-	87,440
Fiscal services:						
Long-term debt repayments	58,000	-	-	(58,000)	-	-
Interest on long-term debt	20,346	-	-	(20,346)	-	-
Bank charges	<u>250</u>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>-</u>	<u>-</u>
	<u>1,043,167</u>	<u>68,246</u>	<u>232,939</u>	<u>(58,000)</u>	<u>-</u>	<u>1,286,352</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (232,939)</u>	<u>\$ 21,765</u>	<u>\$ -</u>	<u>\$ (211,174)</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 (Unaudited) <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
Sale of services, fines and other fees:			
Animal licenses	\$ 200	\$ 20	\$ 30
Building permits	4,200	14,904	12,082
Building rent	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>
	<u>\$ 8,600</u>	<u>\$ 19,124</u>	<u>\$ 16,312</u>
Services to other governments:			
Province of New Brunswick:			
Fire protection	<u>\$ 32,206</u>	<u>\$ 40,800</u>	<u>\$ 44,025</u>
Other government transfers:			
Province of New Brunswick/Government of Canada:			
Gas Tax Funding	\$ -	\$ 10,261	\$ -
Environmental Trust Fund - Climate Change Adaption	-	-	5,359
Other grants	<u>-</u>	<u>109,572</u>	<u>42,954</u>
	<u>\$ -</u>	<u>\$ 119,833</u>	<u>\$ 48,313</u>
Other revenue:			
Miscellaneous	<u>\$ 1,200</u>	<u>\$ 2,081</u>	<u>\$ 2,125</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 (Unaudited) <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
General government services:			
Legislative:			
Mayor	\$ 5,360	\$ 4,960	\$ 4,933
Councillors	17,560	17,360	15,026
Other legislative costs	<u>-</u>	<u>-</u>	<u>180</u>
	<u>22,920</u>	<u>22,320</u>	<u>20,139</u>
Administrative:			
Personnel benefits and related costs	32,815	36,685	17,023
Secretary treasurer	59,138	79,648	64,941
Sewer worker wages and related costs	15,190	17,264	17,307
Sewer cost recovery	(40,013)	(2,228)	(84,833)
Office building	12,925	14,048	11,076
Solicitor	2,500	-	-
Other	11,310	8,064	8,868
Civic relations	8,300	1,787	5,906
Public liability insurance	9,918	10,408	12,701
Cost of assessment	12,849	12,849	12,196
Grants to organizations	<u>5,775</u>	<u>6,805</u>	<u>1,575</u>
	<u>130,707</u>	<u>185,330</u>	<u>66,760</u>
Financial management:			
External audit	<u>4,000</u>	<u>9,823</u>	<u>7,153</u>
Other:			
Training and civic relations	1,000	1,264	1,415
Climate Change Adaptation Study	354	354	7,052
Bad debts	-	202	-
Bank charges	250	36	421
Interest - Long-term debt	20,346	2,431	3,034
Interest - Short-term debt	-	11,614	695
Other fees and taxes	-	7,234	2,840
Non-recoverable HST	<u>17,000</u>	<u>3,821</u>	<u>-</u>
	<u>38,950</u>	<u>26,956</u>	<u>15,457</u>
Amortization	<u>-</u>	<u>-</u>	<u>2,615</u>
	<u>\$ 196,577</u>	<u>\$ 244,429</u>	<u>\$ 112,124</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 (Unaudited) Budget	2022 Actual	2021 Actual
Protective services:			
Police - RCMP	\$ <u>115,552</u>	\$ <u>115,552</u>	\$ <u>104,843</u>
Fire:			
Administration	18,939	18,922	10,945
Firefighting force	6,375	248	7,955
Fire alarm system	8,885	5,427	7,407
Station and building	13,225	12,252	9,401
Firefighting equipment maintenance	63,659	75,750	59,311
Training	7,000	4,619	3,159
Other	-	1,040	2,600
Interest - Long-term debt	<u>-</u>	<u>10,631</u>	<u>10,949</u>
	<u>118,083</u>	<u>128,889</u>	<u>111,727</u>
Emergency measures	<u>5,000</u>	<u>-</u>	<u>-</u>
Amortization	<u>64,051</u>	<u>64,051</u>	<u>77,247</u>
	<u>\$ 302,686</u>	<u>\$ 308,492</u>	<u>\$ 293,817</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 (Unaudited) <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
Transportation services:			
Common services:			
Administration	\$ 17,712	\$ 23,797	\$ 62,659
General equipment	<u>13,000</u>	<u>198</u>	<u>-</u>
	<u>30,712</u>	<u>23,995</u>	<u>62,659</u>
Roads and streets:			
Summer maintenance	91,945	179,045	102,434
Winter maintenance	143,746	65,343	100,372
Culverts and drainage ditches	15,000	980	7,490
Storm sewers	10,000	-	-
Other	<u>-</u>	<u>33,588</u>	<u>23,072</u>
	<u>260,691</u>	<u>278,956</u>	<u>233,368</u>
Street lighting	<u>38,000</u>	<u>37,001</u>	<u>36,818</u>
Traffic:			
Street signs	2,500	4,861	2,496
Traffic lane markings	<u>250</u>	<u>-</u>	<u>-</u>
	<u>2,750</u>	<u>4,861</u>	<u>2,496</u>
Interest - Long-term debt	-	7,158	7,579
Amortization	<u>125,962</u>	<u>125,962</u>	<u>99,108</u>
	<u>\$ 458,115</u>	<u>\$ 477,933</u>	<u>\$ 442,028</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 (Unaudited) <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
Environmental health:			
Garbage collection	\$ 68,278	\$ 62,389	\$ 59,208
Other garbage disposal and recycling	<u>4,500</u>	<u>7,230</u>	<u>6,803</u>
	<u>\$ 72,778</u>	<u>\$ 69,619</u>	<u>\$ 66,011</u>
Public health and welfare:			
Medical clinic	\$ 10,565	\$ 15,910	\$ 7,344
Amortization	<u>470</u>	<u>470</u>	<u>470</u>
	<u>\$ 11,035</u>	<u>\$ 16,380</u>	<u>\$ 7,814</u>
Environmental development:			
Community planning	\$ 19,394	\$ 19,396	\$ 19,400
Tourism promotion	4,500	1,124	3,693
Administration and other	<u>40,500</u>	<u>9,147</u>	<u>6,062</u>
	<u>\$ 64,394</u>	<u>\$ 29,667</u>	<u>\$ 29,155</u>
Recreation and culture:			
Administration	\$ 43,277	\$ 41,872	\$ 45,320
Recreation Council - Transfers	-	2,399	6,500
Parks and playgrounds	7,210	-	-
Other recreation facilities	19,578	5,046	13,763
Property tax	-	4,437	3,755
Amortization	<u>23,262</u>	<u>23,262</u>	<u>22,931</u>
	<u>\$ 93,327</u>	<u>\$ 77,016</u>	<u>\$ 92,269</u>

VILLAGE OF GAGETOWN

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 (Unaudited) <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
Sewer collection and disposal:			
Administration	\$ 22,918	\$ 9,704	\$ 55,599
Bad debts (recovery)	-	498	(274)
Sewer collection system	20,147	4,315	13,007
Sewer treatment and disposal	22,343	27,654	33,295
Billing discounts	250	383	670
Other	2,588	2,250	651
Amortization	<u>19,194</u>	<u>19,194</u>	<u>19,194</u>
	<u>\$ 87,440</u>	<u>\$ 63,998</u>	<u>\$ 122,142</u>