THE COMMUNITY OF THREE RIVERS

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Buckley Professional Corporation
CHARTERED PROFESSIONAL ACCOUNTANT

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YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To His Worship The Mayor and
Members of the Council of the The Community of Three Rivers

Opinion

I have audited the financial statements of The Community of Three Rivers (the Village), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, changes in net assets (debt) and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2023, and its financial performance and its cash flow for the year then ended in accordance with Canadian accounting standards for public sector organizations (PSA).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Village in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 PSA, 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 Village 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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.

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INDEPENDENT AUDITOR'S REPORT (Continued)

• 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Sussex, New Brunswick
June 5, 2024

Buckley FCPA, FCA

CHARTERED PROFESSIONAL ACCOUNTANT

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2023

	2023 (Unaudited) Budget (note 18)	2023 Actual	2022 Actual
Revenue			
Property tax warrant	$ 2,633,280	$ 2,633,279	$ 1,317,799
Services provided to other governments	150,985	150,974	257,177
Sale of services, fines and other fees	239,644	259,609	200,860
Unconditional transfers from other governments	309,908	309,909	317,849
Conditional transfers from other governments		142,743	99,635
Sewer user fees	216,200	226,167	223,305
Interest		2,669	1,343
Gain (loss) on sale of tangible capital assets		429,184	12,412
Other government transfers		1,355,565	
Federation of Canadian Municipalities		50,000	
Fire department donation			12,483
	3,550,017	5,560,099	2,442,863
Expenditures			
General government services	419,607	421,479	249,398
Protective services	1,239,745	1,220,086	537,391
Transportation services	781,938	1,214,240	1,102,568
Environmental health services	307,943	296,802	95,218
Environmental development services	139,809	129,217	41,691
Recreational and cultural services	366,100	446,471	393,848
Sewer	179,511	339,080	340,095
	3,434,653	4,067,375	2,760,209
Annual surplus (deficit) (note 16)	$ 115,364	1,492,724	(317,346)
Accumulated surplus, beginning of year		9,649,908	9,967,254
Accumulated surplus, end of year		$11,142,632	$ 9,649,908

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash (note 3)	$ 2,250,855	$ 1,283,127
Receivables		
General	145,605	101,338
Federal government and its agencies (note 4)	49,269	26,546
Province of New Brunswick (note 5)	62,979	
Investments (note 6)	5,900	5,698
	$ 2,514,608	$ 1,416,709
LIABILITIES		
Accounts payable and accrued liabilities	$ 84,246	$ 84,066
Matured bond liability	5,900	5,698
Long term debt (note 7)	2,916,883	1,210,000
Accrued sick leave (note 9)	36,000	36,000
Post employment benefits payable (note 9)	115,800	113,000
	3,158,829	1,448,764
NET ASSETS (DEBT)	(644,221)	(32,055)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 14)	23,827,114	21,159,604
Accumulated amortization	12,042,774	11,511,148
	11,784,340	9,648,456
Inventory of supplies	2,513	2,373
Prepaid expenses		31,134
	11,786,853	9,681,963
ACCUMULATED SURPLUS	$11,142,632	$ 9,649,908

Approved by

THE COMMUNITY OF THREE RIVERS
NEW BRUNSWICK
INCORPORATED 2023

Mayor

Clerk

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS (DEBT)

YEAR ENDED DECEMBER 31, 2023

	2023	2022
Annual deficit	$ 1,492,724	$ (317,346)
Acquisition of tangible capital assets	(3,124,973)	(446,637)
Proceeds on disposal of tangible capital assets	715,646	27,800
Amortization of tangible capital assets	702,626	634,409
Gain on sale of tangible capital assets	(429,184)	(12,412)
	(2,135,885)	203,160
Acquisition (depletion) of prepaid assets	31,135	22,005
Depletion of inventories	(140)	(394)
	30,995	21,611
Decrease (increase) in net asset (debt)	(612,166)	(92,575)
Net assets (debt), beginning of the year	(32,055)	60,520
Net Assets (Debt), end of the year	$ (644,221)	$ (32,055)

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2023

	2023	2022
Operating transactions		
Annual deficit	$ 1,492,724	$ (317,346)
Gain on disposal of tangible capital assets	(429,184)	(12,412)
Amortization of tangible capital assets	702,626	634,409
Receivable - General	(44,268)	2,163
Receivable - Federal Government and its agencies	(22,723)	(20,899)
Receivable - Province of New Brunswick	(62,979)	
Payables and accruals	182	(67,454)
Post employment benefits payable	2,800	(400)
Change in inventory/prepaid expenses	30,994	21,610
	1,670,172	239,671
Capital transactions		
Acquisition of tangible capital assets	(3,124,973)	(446,637)
Proceeds on sale of tangible capital assets	715,646	27,800
	(2,409,327)	(418,837)
Financing transactions		
Matured bond liability	(202)	(40)
Long term debt	1,706,883	(108,000)
	1,706,681	(108,040)
Investing transactions		
Investments	202	40
Net increase (decrease) in cash and cash equivalents	967,728	(287,166)
Cash and cash equivalents		
Beginning of year	1,283,127	1,570,293
End of year	$ 2,250,855	$ 1,283,127

THE COMMUNITY OF THREE RIVERS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

1. PURPOSE OF THE ORGANIZATION

The Community of Three Rivers, formerly known as the Village of Petitcodiac, was incorporated as a village by the province of New Brunswick Municipalities Act on November 9, 1966 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. Under sections 31,32,and 33 of the Local Governance Act, and Section 9 and subsection 14(2) of an Act Respecting Local Governance Reform, chapter 44 of the Acts of New Brunswick, 2021.The Local Governments Establishment Regulation - Local Governance Act came into effect January 1, 2023.

On January 1, 2023, the Village of Petitcodiac, which is renamed The Community of Three Rivers is continued. Certain unincorporated areas contiguous to The Community of three Rivers are annexed, being the local service district of Elgin centre, a portion of each local service districts of Elgin Parish, Salisbury and Cardwell. The community received a building, fire trucks, fire equipment and other equipment along with the associated debt (note 6).

As a municipality, The Community of Three Rivers is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Community of Three Rivers 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 Chartered Professional Accountants Canada Handbook.

The Community of Three Rivers has adopted PSA as of January 1, 2011.

The focus of PSA financial statements is on the financial position of The Community of Three Rivers and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of The Community of Three Rivers.

Significant aspects of the accounting policies adopted by The Community of Three Rivers are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net assets 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 Community of Three Rivers and which are owned or controlled by The Community of Three Rivers.

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by Council on December 16, 2022 and the Minister of Local Government on January 9, 2023.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Financial Instruments

The Community of Three Rivers's financial instruments consist of cash, short-term investments, accounts receivable, due from the Federal Government, due from own funds, bank loan, payables and accruals, funds held in trust and long-term debt. Unless otherwise noted, it is management's opinion that The Community of Three Rivers 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 Community of Three Rivers is subject to credit risk through accounts receivable. The Community of Three Rivers 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.

Tangible capital assets

Effective January 1, 2011, The Community of Three Rivers adopted the provisions of PSA section 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. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Asset type	Useful Years
Land improvements	20 - 25 years
Buildings	25 - 60 years
Vehicles	10 years
Machinery and equipment	15 - 40 years
Roads base, surface, sidewalks and curb	15 - 40 years
Storm drains network	60 - 80 years
Wastewater networks	40 - 80 years
Sewer treatment facility	20 - 60 years

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

Segmented information

The Community of Three Rivers is a diversified municipal unit that provides a range of services to its residents. For management reporting purposes, The Community of Three Rivers'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 Community of Three Rivers. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)
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.

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 swimming pool, arena, parks and playground and other recreational and cultural facilities.

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

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

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 7 and a pension plan as documented in Note 8.

3. CASH

	2023	2022
Cash - restricted	$ 1,411,156	$ 310,537
Cash - unrestricted	839,699	972,590
	$ 2,250,855	$ 1,283,127

4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	2023	2022
Canada Revenue Agency (HST refund)	$ 49,269	$ 26,546

5. DUE FROM PROVINCE OF NEW BRUNSWICK

	2023
Reform expense funding	$ 38,777
Line painting	4,867
Fire services	19,335
	$ 62,979

6. INVESTMENTS
The investment consists of a guaranteed investment certificate with maturity date of August 15, 2024 and an interest rate of 4.75%.

7. LONG TERM DEBT

New Brunswick Municipal Finance Corporation Debentures	2023	2022
(a) BR 36-2017, 1.65% - 2.90% due 2027, OIC 16-0090	$ 160,000	$ 198,000
(b) BY 40-2020, 0.50% - 2.3% due 2035, OIC 19-0035	244,000	263,000
(c) D37-2017, 2.84% -3.70% due 2038	224,000	
(d) CE-26 2023, 4.51% - 5.25% due 2038, OIC 22-0038 and 23-0040	1,080,000	
(e) AZ 51-2008, 2.10% - 5.55% due 2023, OIC 08-0048	366,000	396,000
(f) BX 36-2020, 0.90% - 2.65% due 2035, OIC 08-0048 & 09-0043	329,000	353,000
	2,403,000	1,210,000
Province of New Brunswick		
Royal Bank capital sublease on equipment financed with annual payments of $57,098, due January 2033	513,883	
	$ 2,916,883	$ 1,210,000

Approval of the Municipal Capital Borrowing Board has been obtained for the long term debt. Principal payments required during the next five years are as follows:

2024	$ 252,098
2025	261,098
2026	269,098
2027	276,098
2028	195,098

8. ACCRUED SICK LEAVE

The Community of Three Rivers provides sick leave that accumulates at 8 hours per month for full-time employees. All employees can accumulate a maximum of 1,000 sick leave hours. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. Any unused sick leave does not get paid out to the employee at the time of departure from The Community of Three Rivers employ. The sick leave is fully funded

9. POST EMPLOYMENT BENEFITS PAYABLE

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 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 (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.

9. POST EMPLOYMENT BENEFITS PAYABLE (continued)

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 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 (EARSL) is 14.0 years

The actuarial valuation prepared as at December 31, 2021 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 surplus of $1,294,100, a change of $2,127,600 from the December 31, 2020 deficit of $833,500. Based on the assumptions as at December 31, 2021, 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, 2021, 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 contirbutions for 2023 are estimated to be approximately $7,978,000 (actual 2022, $7,988,500 in totality for the NB MEPP).
The following summarizes the NB MEPP data as it relates to the Community of Three Rivers:

- The average age of the 8 active employees covered by the NB MEPP is 49.2 (as at 31-Dec-2021)
- Benefit Payments were $127,200 in 2022 and were estimated to be $109,100 in 2023
- Combined Contributions were $55,600 in 2022 and were estimated to be $57,200 in 2023

In addition to determining the position of the NB MEPP as it relates to the Community of Three Rivers 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 assumes assumptions used as at December 31, 2023 remain unchanged from December 31, 2022. 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:

	1-Jan-2022 to 31-Dec-2022	Estimated 1-Jan-2023 to 31-Dec-2023
Accrued Benefit Liability / (Asset)		
Accrued benefit liability / (asset) at beginning of period	$ 122,800	$ 111,000
Pension Expense for the year	16,000	33,400
Less Employer contributions	(27,800)	(28,600)
Accrued benefit liability / (asset) at end of period	$ 111,000	$ 115,800

9. POST EMPLOYMENT BENEFITS PAYABLE (continued)

In summary, the Accrued Benefit Liability as it relates to The Community of Three Rivers is estimated to be $115,800 as at December 31, 2023. This compares to $122,800 as at January 1, 2022 and $111,000 as at December 31, 2022. 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:

	31-Dec-2022	Estimated 31-Dec-2023
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	$ 1,631,500	$ 1,660,700
Plan assets	1,403,300	1,436,100
Plan deficit / (surplus)	228,200	224,600
Unamortized experience losses / (gains)	117,200	108,800
Accrued benefit liability / (asset) at end of period	$ 111,000	$ 115,800

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

	1-Jan-2022 to 31-Dec-2022	Estimated 1-Jan-2023 to 31-Dec-2023
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	$ 1,690,200	$ 1,631,500
Current Service Cost	44,300	40,100
Benefit Payments	(127,200)	(109,100)
Interest for Period	94,000	98,200
Experience loss / (gain) during period	(69,800)	
Accrued benefit obligation at end of period	$ 1,631,500	$ 1,660,700

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

	1-Jan-2022 to 31-Dec-2022	Estimated 1-Jan-2023 to 31-Dec-2023
Reconciliation of Plan Assets		
Plan assets at beginning of period	$ 1,623,000	$ 1,403,300
Employer Contributions	27,800	28,600
Employee Contribution	27,800	28,600
Benefit payments	(127,200)	(109,100)
Return on Plan assets during period	(148,100)	84,700
Plan assets at end of period	$ 1,403,300	$ 1,436,100

9. POST EMPLOYMENT BENEFITS PAYABLE (continued)

Total Expenses related to pensions include the following components:

	1-Jan-2022 to 31-Dec-2022	Estimated 1-Jan-2023 to 31-Dec-2023
Pension Expense		
Employer Current Service Cost	$ 16,500	$ 11,500
Interest on Accrued Benefit Obligation	94,000	98,200
Expected Return on assets	(90,500)	(84,700)
Amortization of unrecognized balances		
Experience loss / (gain)	(4,000)	8,400
Total Amortization	(4,000)	8,400
Pension Expense	$ 16,000	$ 33,400

The Pension Expense is included in the statement of operation.

10. CONTINGENCIES

The Community of Three Rivers provided a letter of guarantee in 2018 in support of the Westmorland County Agricultural Fair Association for a demand operating loan of $10,000 with Brunswick Credit Union which was renewed by motion August 26, 2020. The property is owned by The Community of Three Rivers. There is no outstanding loan balance at December 31, 2023.

In the normal course of operations, The Community of Three Rivers 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 Community of Three Rivers maintains insurance coverage in amounts considered appropriate.

11. SHORT-TERM BORROWINGS COMPLIANCE

Operating borrowing

As prescribed in the Municipalities Act, borrowing to finance General Fund operations is limited to 4% of The Community of Three Rivers's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2022, The Community of Three Rivers 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 amounts payable between Funds are in compliance with the requirements.

12. FIRE DEPARTMENT FUNDRAISING

The members of the Petitcodiac Fire Department Association do fundraising for the acquisition of equipment and accessories to assist in the work of the Petitcodiac Volunteer Fire Department. These financial statements do not include the fundraising account as it is not controlled or administered by the Village. The amounts recorded as fire department donaton includes only the amounts received by The Community of Three Rivers for the fire equipment purchases.

13. SEWERAGE OPERATING FUND DEFICIT

The Municipalities Act requires Sewerage Fund surplus or deficit amounts to be absorbed into one or more of four operating budgets, commencing with the second following year. The balance of the surplus at the end of the year consists of:

	2023	2022
2023 surplus	$ 35,706	
2022 surplus	39,807	$ 39,807
2021 surplus	40,821	40,821
2020 surplus	4,725	36,092
2018 surplus		9,454
	$ 121,059	$ 126,174

14. Schedule of Tangible Capital Assets

	Land	Land improvements	Buildings and leasehold improvements	Vehicles	Machinery and equipment	Infrastructure: Roads and streets	Infrastructure: Treatment facility	Infrastructure: Sewer	2023 Total	2022 Total
Cost										
Balance, beginning of year	$ 323,074	$ 197,106	$ 4,251,993	$ 249,299	$ 1,887,073	$ 6,838,804	$ 3,646,933	$ 3,765,322	$ 21,159,604	$ 21,089,716
Add:										
Net additions during the year	1,331		858,896	99,074	2,117,685			47,986	3,124,972	446,637
Less:										
Disposals during the year			52,689		404,773				457,462	376,749
BALANCE, END OF YEAR	324,405	197,106	5,058,200	348,373	3,599,985	6,838,804	3,646,933	3,813,308	23,827,114	21,159,604
Accumulated Amortization										
Balance, beginning of year		118,404	2,156,819	109,077	995,131	4,830,628	1,892,614	1,408,475	11,511,148	11,238,100
Add:										
Amortization during the year		9,238	125,005	19,991	120,821	224,273	147,544	55,754	702,626	634,409
Less:										
Accumulated amortization on disposals			52,689		118,311				171,000	361,361
BALANCE, END OF YEAR		127,642	2,229,135	129,068	997,641	5,054,901	2,040,158	1,464,229	12,042,774	11,511,148
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	$ 324,405	$ 69,464	$ 2,829,065	$ 219,305	$ 2,602,344	$ 1,783,903	$ 1,606,775	$ 2,349,079	$ 11,784,340	$ 9,648,456
Consists of:										
General Capital Assets	$ 264,134	$ 69,464	$ 2,829,065	$ 219,305	$ 2,602,344	$ 1,783,903			$ 7,768,215	$ 5,477,019
Sewer Fund Assets	60,271						$ 1,606,775	$ 2,349,079	4,016,125	4,171,437
	$ 324,405	$ 69,464	$ 2,829,065	$ 219,305	$ 2,602,344	$ 1,783,903	$ 1,606,775	$ 2,349,079	$ 11,784,340	$ 9,648,456

The Community of Three Rivers has a tangible capital asset under a capital lease as follows, included in the amounts listed above:

	Historical Cost	Accumulated Amortization	Net Book Value
Fire Truck	$ 573,430		$ 573,430

15. Schedule of Segment Disclosure

	General	Protective	Transportation	Environmental health	Environmental development	Recreation and culture	Sewer	2023 Consolidated	2022 Consolidated
Revenues									
Property tax warrant	$ 2,579,279	$ 19,000	$ 20,000			$ 15,000		$ 2,633,279	$ 1,317,799
Services provided to other governments		108,225	42,749					150,974	257,179
Sale of service, fines and other fees	76,941					182,668		259,609	213,341
Unconditional grant	309,909							309,909	317,849
Other government transfers	38,777	1,355,565	103,966					1,498,308	99,635
Sewer user fees							$ 226,167	226,167	223,305
Interest	2,222						447	2,669	1,343
Federation of Canadian Municipalities	50,000							50,000	
Gain on sale of capital assets			429,184					429,184	12,412
	3,057,128	1,482,790	595,899			197,668	226,614	5,560,099	2,442,863
Expenses									
Salaries and benefits	231,776		329,291			134,225		695,292	456,915
Goods and services	62,732	1,113,215	565,995	$ 296,802	$ 129,217	218,727	107,639	2,494,327	1,570,898
Amortization	1,319	89,828	314,661			93,519	203,297	702,624	634,409
Interest		17,043	4,292				28,144	49,479	42,614
Other	125,652							125,652	55,373
	421,479	1,220,086	1,214,239	296,802	129,217	446,471	339,080	4,067,374	2,760,209
Surplus (deficit) for the year	$ 2,635,649	$ 262,704	$ (618,340)	$ (296,802)	$ (129,217)	$ (248,803)	$ (112,466)	$ 1,492,725	$ (317,346)

16. Reconciliation of Annual Surplus

	General Operating Fund	General Capital Fund	Sewer Operating Fund	Sewer Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Sewer Capital Reserve Fund	Total
2023 annual surplus	$ 929,328	$ 674,398	$ 90,385	$ (203,297)	$ 122	$ 1,341	$ 447	$ 1,492,724
Adjustments to annual surplus for funding requirements								
Second previous year's surplus	135,405		40,821					176,226
Transfer between funds								
Transfer from sewer operating fund to the sewer capital reserve fund			(41,500)				41,500	
Transfer from general capital fund to the general capital Reserve fund		(472,828)				472,828		
Transfers from general operating fund to the general capital reserve fund	(405,887)					405,887		
Transfer from general operating fund to the general capital fund	(436,156)	436,156						
Transfer from general capital reserve fund to the general capital fund		41,074				(41,074)		
Transfer from the general operating fund to the sewer capital reserve fund		(47,986)		47,986				
Long term debt principal repayment	(127,546)	127,546	(54,000)	54,000				
Amortization expense		499,328		203,298				702,626
Change in amount recorded under PSA for defined benefit liability (note 16)	(2,800)							(2,800)
Total adjustments to 2023 annual surplus	(836,984)	583,290	(54,679)	305,284		837,641	41,500	876,052
2023 annual fund surplus	$ 92,344	$ 1,257,688	$ 35,706	$ 101,987	$ 122	$ 838,982	$ 41,947	$ 2,368,776

17. Statement of Reserves

	General Operating Reserve	General Capital Reserve	Sewer Capital Reserve	2023 Total	2022 Total
Assets					
Cash	$ 63,114	$ 1,348,165	$ 264,703	$ 1,675,982	$ 794,932
Revenue					
Transfer from general capital fund		$ 868,715		$ 868,715	
Transfers from sewer and general operating funds		10,000	$ 41,500	51,500	$ 203,940
Interest	$ 122	1,341	447	1,910	2,255
	122	880,056	41,947	922,125	206,195
Expenditures					
Transfers to general capital fund		41,074		41,074	344,047
Annual Surplus	$ 122	$ 838,982	$ 41,947	$ 881,051	$ (137,852)

Council resolutions regarding transfers to and from reserves:

Moved by Councilor Murphy, seconded by Councilor Silverthorn that $10,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.
Moved by Councilor Murphy, seconded by Councilor Silverthorn that $2,000 be transferred from the Sewer Operating Fund to the Sewer Capital Reserve Fund.
Moved by Councilor Murphy, seconded by Councilor Hall-Middleton that $1,500 be transferred from the Sewer Operating Fund to the Sewer Capital Capital Reserve Fund.

Moved by Councilor Murphy, seconded by Councilor Lymburner that $38,000 be transferred from the Sewer Operating Fund to the Sewer Capital Reserve Fund.
Moved by Councilor Murphy, seconded by Councilor Hall-Middleton that $472,828 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councilor Murphy, seconded by Councilor Lymburner that $395,887 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councilor Murphy, seconded by Councilor Hall-Middleton that $41,074 be transferred from the General Capital Reserve Fund to the General Capital Fund.
I hereby certify that the above are true and exact copies of resolutions adopted at a regular meetings of Council on October 4, 2023, December 20, 2023, and January 3, 2024.

Janice Conley
Janice Conley
Clerk,
The Community of Three Rivers

June 12, 2024
Date

Buckley Professional Corporation
CHARTERED PROFESSIONAL ACCOUNTANT

18. Reconciliation of Funding Deficit upon Adoption of PSA

	Defined Benefit	Non Vested Sick leave
Liability at December 31, 2011 as calculated on adoption of PSA	$ 229,200	$ 31,500
Amount of December 31, 2011 liability funded in current year		0
Amounts funded in prior years		(31,500)
Change in amount recorded under PSA for defined benefit in previous years	(116,200)	
Change in amount recorded under PSA for defined benefit in current year	2,800	
Change in amount recorded under PSA for defined benefit liability as at December 31, 2023	(113,400)	
Balance to be funded in future years	$ 115,800	$ NIL

19. Operating Budget to PSA Budget

	Operating Budget General	Operating Budget Sewer	Amortization TCA	Other	Transfers	Total
Revenues						
Property tax warrant	$ 2,633,280					$ 2,633,280
Services provided to other governments	150,985					150,985
Sale of service, fines and other fees	239,644					239,644
Unconditional grant	309,908					309,908
Sewer user fees		$ 216,200				216,200
Surplus/deficit of second previous year	135,405	40,821			$ (176,226)	
	3,469,222	257,021			(176,226)	3,550,017
Expenditures						
General government services	419,607					419,607
Protective services	1,230,081					1,230,081
Transportation services	781,938					781,938
Environment health services	307,943					307,943
Environmental development services	139,809					139,809
Recreation and cultural services	366,100					366,100
Fiscal services						
- Long term debt repayments	57,000	53,000			(110,000)	
- Interest	9,664	33,660				43,324
- Transfer from the General Operating Fund to the General Capital Reserve Fund	90,000				(90,000)	
- Transfer from the General Operating Fund to the General Capital Fund	67,080				(67,080)	
- Transfer from the Sewer Operating Fund to the Sewer Capital Reserve Fund		24,510			(24,510)	
- Sewer		145,851				145,851
	3,469,222	257,021			(291,590)	3,434,653
Surplus for the year	NIL	NIL			$ 115,364	$ 115,364

THE COMMUNITY OF THREE RIVERS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

20. REVENUE AND EXPENSE SUPPORT

	2023 (Unaudited) Budget	2023 Actual	2022 Actual
Revenue			
Services other Governments			
Fire	$ 106,715	$ 108,225	$ 212,915
Transportation	44,270	42,749	44,261
Sewer	216,200	226,167	223,305
	$ 367,185	$ 377,141	$ 480,481
Other own source			
Swimming pool	$ 18,000	$ 11,761	$ 13,133
Arena	140,000	151,537	111,397
Sewer administration		45,000	45,000
Licenses, permits, and fees	65,843	30,238	13,361
Recreation department	15,801	19,370	8,902
Recycling and miscellaneous		1,703	9,067
	$ 239,644	$ 259,609	$ 200,860
Expenditures			
General Government Services			
Mayor	$ 27,200	$ 25,118	$ 9,134
Councilors	52,684	45,887	35,949
Other	7,500	14,281	3,591
	87,384	85,286	48,674
Administrative			
Administrative personnel	134,408	159,370	99,360
Office building	14,000	10,740	15,145
Solicitor	5,000	12,984	8,489
Other	5,000	7,163	5,745
Employee Pension Plan		2,800	(400)
	158,408	193,057	128,339
Financial Management			
External audit	25,000	16,165	14,913
Other			
Other administrative services	3,713	2,292	578
Training and development	5,000	6,434	4,879
Civic relations	10,012	10,091	7,035
Conventions and delegations	20,000	6,482	5,167
Grants to organizations	29,000	3,533	3,804
Public liability insurance premium	15,000	32,546	12,464
Amortization		1,319	2,099
Bank charges	2,100	284	1,464
Cost of assessment	63,990	63,990	19,982
	148,815	126,971	57,472
	$ 419,607	$ 421,479	$ 249,398

20. REVENUE AND EXPENSE SUPPORT (continued)

	2023 (Unaudited) Budget	2023 Actual	2022 Actual
Protective Services			
Fire			
Fire fighting force	$ 168,592	$ 232,528	$ 82,201
Fire alarm systems	55,200	27,040	10,335
Fire investigation and prevention	1,800		604
Training and development	15,750	5,127	936
Station building	135,000	63,110	48,406
Fighting equipment	144,500	99,529	72,484
Other		3,773	539
Amortization		89,828	49,140
Interest	22,084	17,043	6,179
Cost of issuing new debenture	12,192	6,466	
	555,118	544,444	270,824
Police			
R.C.M.P.	666,705	666,705	247,244
Emergency measures	10,000		15,643
Other			
Animal and pest control	7,922	8,937	3,680
	$ 1,239,745	$ 1,220,086	$ 537,391
Transportation services			
Common			
Administrative	$ 163,430	$ 88,020	$ 71,334
General equipment	125,000	160,288	159,377
Workshops and other buildings	39,500	111,302	107,496
Other		72,699	30,958
	327,930	432,309	369,165
Summer maintenance	170,540	191,931	165,016
Culverts and drainage ditches	8,000	761	9,385
Snow and ice removal	165,300	175,609	165,751
Street cleaning and flushing		3,450	13,375
Parking	4,000	4,036	4,045
Street lighting	76,720	57,585	54,396
Street signs	3,000	4,382	6,301
Traffic lane marking	8,500	6,595	10,167
Railway crossing signals	7,400	7,175	7,918
Other	7,500	9,847	4,969
Amortization		314,661	287,671
Cost of issuing new debenture	3,048	1,607	
Interest		4,292	4,409
	454,008	781,931	733,403
	$ 781,938	$ 1,214,240	$ 1,102,568

THE COMMUNITY OF THREE RIVERS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

20. REVENUE AND EXPENSE SUPPORT (continued)

	2023 (Unaudited) Budget	2023 Actual	2022 Actual
Environmental Health Services			
Solid waste collection	$ 212,917	$ 202,245	$ 65,816
Solid waste disposal	94,526	94,557	29,402
Recycling	500		
	$ 307,943	$ 296,802	$ 95,218
Environmental Development Services			
Planning	$ 121,809	$ 121,809	$ 33,945
Beautification and land rehabilitation	3,000	3,287	2,574
Other tourism	9,000	3,716	3,802
Industrial park planning	6,000		510
Public receptions		405	860
	$ 139,809	$ 129,217	$ 41,691
Recreational and Cultural Services			
Swimming pools - personnel	$ 25,000	$ 27,240	$ 24,121
Swimming pools - other	25,000	23,810	19,276
Recreation personnel	30,000	23,751	32,179
Arena	196,600	196,998	170,848
Parks and playgrounds	12,000	26,960	15,733
Libraries	23,000	18,760	22,890
Exhibitions and fairs	6,000	5,150	9,000
Recreation other	16,500	23,896	903
Other	32,000	6,387	5,496
Amortization		93,519	93,402
	$ 366,100	$ 446,471	$ 393,848
Sewer collection and disposal			
Administration	$ 90,200	$ 48,903	$ 47,992
Collection system	50,161	56,137	57,980
Amortization		203,297	202,097
Cost of issuing new debenture	5,490	2,599	
Interest	33,660	28,144	32,026
	$ 179,511	$ 339,080	$ 340,095