THE COMMUNITY OF THREE RIVERS

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

Buckley Professional Corporation
CHARTERED PROFESSIONAL ACCOUNTANT

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YEAR ENDED DECEMBER 31, 2024

CONTENTS

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CHARTERED PROFESSIONAL ACCOUNTANT

480 Main Street Unit 2
Sussex, N.B.
Canada E4E 2S4
Telephone (506)432-5020
Telecopier (506)432-6926

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, 2024, 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, 2024, 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.

D Buckley FCPA, FCA

Sussex, New Brunswick
July 16, 2025

CHARTERED PROFESSIONAL ACCOUNTANT

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2024

	2024 (Unaudited) Budget (note 18)	2024 Actual	2023 Actual
Revenue			
Property tax warrant	$ 3,046,779	$ 3,046,779	$ 2,633,279
Services provided to other governments	163,956	151,650	150,974
Sale of services, fines and other fees	231,019	333,618	259,609
Unconditional transfers from other governments	277,730	277,730	309,909
Conditional transfers from other governments		375,498	142,743
Sewer user fees	228,340	241,543	226,167
Interest		10,364	2,669
Gain on sale of tangible capital assets		16,516	429,184
Other government transfers			1,355,565
Federation of Canadian Municipalities			50,000
	3,947,824	4,453,698	5,560,099
Expenditures			
General government services	505,903	490,196	421,479
Protective services	1,305,173	1,439,895	1,220,086
Transportation services	815,079	1,016,943	1,214,240
Environmental health services	299,346	320,456	296,802
Environmental development services	164,187	154,772	129,217
Recreational and cultural services	360,143	429,503	446,471
Sewer	160,340	379,512	339,080
	3,610,171	4,231,277	4,067,375
Annual surplus (note 16)	$ 337,653	222,421	1,492,724
Accumulated surplus, beginning of year		11,142,632	9,649,908
Accumulated surplus, end of year		$11,365,053	$11,142,632

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash (note 3)	$ 1,748,219	$ 2,250,855
Receivables		
General	151,198	145,605
Federal government and its agencies (note 4)	150,274	49,269
Province of New Brunswick (note 5)		62,979
Investments (note 6)	6,180	5,900
	$ 2,055,871	$ 2,514,608
LIABILITIES		
Accounts payable and accrued liabilities	$ 250,772	$ 84,246
Matured bond liability	6,180	5,900
Long term debt (note 7)	2,663,785	2,916,883
Accrued sick leave (note 8)	36,000	36,000
Post employment benefits payable (note 9)	111,300	115,800
	3,068,037	3,158,829
NET ASSETS (DEBT)	(1,012,166)	(644,221)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 14)	25,000,924	23,827,114
Accumulated amortization	12,668,517	12,042,774
	12,332,407	11,784,340
Inventory of supplies	2,304	2,513
Prepaid expenses	42,508	
	12,377,219	11,786,853
ACCUMULATED SURPLUS	$11,365,053	$11,142,632

Approved by

Mayor

Clerk

THE COMMUNITY OF THREE RIVERS INCORPORATED 2023 NEW BRUNSWICK

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS (DEBT)

YEAR ENDED DECEMBER 31, 2024

	2024	2023
Annual deficit	$ 222,421	$ 1,492,724
Acquisition of tangible capital assets	(1,348,040)	(3,124,973)
Proceeds on disposal of tangible capital assets	16,516	715,646
Amortization of tangible capital assets	799,974	702,626
Gain on sale of tangible capital assets	(16,516)	(429,184)
	(548,066)	(2,135,885)
Acquisition (depletion) of prepaid assets	42,510	(31,135)
Acquisition (depletion) of inventories	210	(140)
	(42,300)	30,995
Decrease (increase) in net asset (debt)	(367,945)	(612,166)
Net assets (debt), beginning of the year	(644,221)	(32,055)
Net Assets (Debt), end of the year	$(1,012,166)	$ (644,221)

THE COMMUNITY OF THREE RIVERS

CONSOLIDATED STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2024

	2024	2023
Operating transactions		
Annual deficit	$ 222,421	$ 1,492,724
Gain on disposal of tangible capital assets	(16,516)	(429,184)
Amortization of tangible capital assets	799,974	702,626
Receivable - General	(5,591)	(44,268)
Receivable - Federal Government and its agencies	(101,005)	(22,723)
Receivable - Province of New Brunswick	62,979	(62,979)
Payables and accruals	166,522	182
Post employment benefits payable	(4,500)	2,800
Change in inventory/prepaid expenses	(42,298)	30,994
	1,081,986	1,670,172
Capital transactions		
Acquisition of tangible capital assets	(1,348,040)	(3,124,973)
Proceeds on sale of tangible capital assets	16,516	715,646
	(1,331,524)	(2,409,327)
Financing transactions		
Matured bond liability	(280)	(202)
Long term debt	(253,098)	1,706,883
	(253,378)	1,706,681
Investing transactions		
Investments	280	202
Net increase (decrease) in cash and cash equivalents	(502,636)	967,728
Cash and cash equivalents		
Beginning of year	2,250,855	1,283,127
End of year	$ 1,748,219	$ 2,250,855

THE COMMUNITY OF THREE RIVERS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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 7).

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 November 15, 2023 and the Minister of Local Government on January 11, 2024.

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 8 and a pension plan as documented in Note 9.

3. CASH

	2024	2023
Cash - restricted	$ 639,216	$ 1,411,156
Cash - unrestricted	1,109,003	839,699
	$ 1,748,219	$ 2,250,855

4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	2024	2023
Canada Revenue Agency (HST refund)	$ 44,895	$ 49,269
Canada Community-Building Fund	105,379	
	$ 150,274	$ 49,269

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 2025 and an interest rate of 4.25%.

7. LONG TERM DEBT

New Brunswick Municipal Finance Corporation Debentures	2024	2023
(a) BR 36-2017, 1.65% - 2.90% due 2027, OIC 16-0090	$ 122,000	$ 160,000
(b) BY 40-2020, 0.50% - 2.3% due 2035, OIC 19-0035	225,000	244,000
(c) D37-2017, 2.84% -3.70% due 2038	213,000	224,000
(d) CE-26 2023, 4.51% - 5.25% due 2038, OIC 22-0038 and 23-0040	1,006,000	1,080,000
(e) AZ 51-2008, 2.10% - 5.55% due 2023, OIC 08-0048	337,000	366,000
(f) BX 36-2020, 0.90% - 2.65% due 2035, OIC 08-0048 & 09-0043	304,000	329,000
	2,207,000	2,403,000
Province of New Brunswick Royal Bank capital sublease on equipment financed with annual payments of $57,098, due January 2033	456,785	513,883
	$ 2,663,785	$ 2,916,883

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:

2025	$ 261,098
2026	269,098
2027	276,098
2028	241,098
2029	249,098

There is a line of credit for $40,000 with Brunswick Credit Union with a rate of 4.95% signed March 15, 2023. There is no outstanding balance at end of year.

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 employee and employer representatives under the provisions of the Local Governance Act of New Brunswick. The NB MEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NB MEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2022 and resulted in an overall NB MEPP accrued benefit obligation of $148,620,600 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, 2023:

- the expected inflation rate is 2.10% per annum
- the discount rate used to determine the accrued benefit obligation is 6.05% per annum
- the expected rate of return on assets is 6.05% 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, 2022 indicated that the market value of net assets available for the accumulated plan benefits were less than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of $12,228,600, a change of $13,522,700 from the December 31, 2021 surplus of $1,294,100. Based on the assumptions as at December 31, 2022, 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, 2022, NB MEPP provides benefits for 315 retirees. Total benefit payments to retirees and terminating employees during 2024 are estimated to be approximately $5,440,900 (actual 2023, $7,516,800) 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, Real Estate, Infrastructure and Foreign Equities. Combined employees and participating bodies' contirbutions for 2024 are estimated to be approximately $9,335,000 (actual 2023, $9,159,600 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 50.2 (as at 31-Dec-2022)
- Benefit Payments were $104,500 in 2023 and were estimated to be $104,500 in 2024
- Combined Contributions were $62,800 in 2023 and were estimated to be $64,600 in 2024

In addition to determining the position of the NB MEPP as it relates to the Community of Three Rivers as at December 31, 2022 and December 31, 2023, NB MEPP's actuary performed an extrapolation of the December 31, 2023 accounting valuation to determine the estimated position as at December 31, 2024. The extrapolation assumes assumptions used as at December 31, 2024 remain unchanged from December 31, 2023. The extrapolation also assumes assets return 6.05% 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-2023 to 31-Dec-2023	Estimated 1-Jan-2024 to 31-Dec-2024
Accrued Benefit Liability / (Asset)		
Accrued benefit liability / (asset) at beginning of period	$ 111,000	$ 110,100
Pension Expense for the year	30,500	33,500
Less Employer contributions	(31,400)	(32,300)
Accrued benefit liability / (asset) at end of period	$ 110,100	$ 111,300

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 $111,300 as at December 31, 2024. This compares to $111,000 as at January 1, 2023 and $110,100 as at December 31, 2023. 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-2023	Estimated 31-Dec-2024
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	$ 1,714,800	$ 1,756,700
Plan assets	1,489,000	1,538,000
Plan deficit / (surplus)	225,800	218,700
Unamortized experience losses / (gains)	115,700	107,400
Accrued benefit liability / (asset) at end of period	$ 110,100	$ 111,300

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

	1-Jan-2023 to 31-Dec-2023	Estimated 1-Jan-2024 to 31-Dec-2024
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	$ 1,631,500	$ 1,714,800
Current Service Cost	40,100	44,500
Benefit Payments	(104,500)	(104,500)
Interest for Period	98,400	101,900
Experience loss / (gain) during period	49,300	
Accrued benefit obligation at end of period	$ 1,714,800	$ 1,756,700

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

	1-Jan-2023 to 31-Dec-2023	Estimated 1-Jan-2024 to 31-Dec-2024
Reconciliation of Plan Assets		
Plan assets at beginning of period	$ 1,403,300	$ 1,489,000
Employer Contributions	31,400	32,300
Employee Contribution	31,400	32,300
Benefit payments	(104,500)	(104,500)
Return on Plan assets during period	127,400	88,900
Plan assets at end of period	$ 1,489,000	$ 1,538,000

9. POST EMPLOYMENT BENEFITS PAYABLE (continued)

Total Expenses related to pensions include the following components:

	1-Jan-2023 to 31-Dec-2023	Estimated 1-Jan-2024 to 31-Dec-2024
Pension Expense		
Employer Current Service Cost	$ 8,700	$ 12,200
Interest on Accrued Benefit Obligation	98,400	101,900
Expected Return on assets	(85,000)	(88,900)
Amortization of unrecognized balances		
Experience loss / (gain)	8,400	8,300
Total Amortization	8,400	8,300
Pension Expense	$ 30,500	$ 33,500

The Pension Expense is included in the statement of operation.

10. CONTINGENCIES

The Community of Three Rivers provided a letter of guarantee in 2024 in support of the Westmorland County Agricultural Fair Association for a demand operating loan of $5,000 with Brunswick Credit Union which was made by motion March 6, 2024. The property is owned by The Community of Three Rivers. There is no outstanding loan balance at December 31, 2024.

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, 2024 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 2024, 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:

	2024	2023
2024 surplus	$ 51,828	
2023 surplus	35,706	$ 35,706
2022 surplus	39,807	39,807
2021 surplus	46	40,821
2020 surplus		4,725
	$ 127,387	$ 121,059

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	2024 Total	2023 Total
Cost										
Balance, beginning of year	$ 324,405	$ 197,106	$ 5,058,200	$ 335,890	$ 3,612,468	$ 6,838,804	$ 3,646,933	$ 3,813,308	$ 23,827,114	$ 21,159,604
Add:										
Net additions during the year			12,665		1,077,767	67,654		189,954	1,348,040	3,124,972
Less:										
Disposals during the year					174,230				174,230	457,462
BALANCE, END OF YEAR	324,405	197,106	5,070,865	335,890	4,516,005	6,906,458	3,646,933	4,003,262	25,000,924	23,827,114
Accumulated Amortization										
Balance, beginning 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
Add:										
Amortization during the year		10,575	141,471	23,060	198,862	224,209	144,144	57,653	799,974	702,626
Less:										
Accumulated amortization on disposals					174,231				174,231	171,000
BALANCE, END OF YEAR		138,217	2,370,606	152,128	1,022,272	5,279,110	2,184,302	1,521,882	12,668,517	12,042,774
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	$ 324,405	$ 58,889	$ 2,700,259	$ 183,762	$ 3,493,733	$ 1,627,348	$ 1,462,631	$ 2,481,380	$ 12,332,407	$ 11,784,340
Consists of:										
General Capital Assets	$ 264,134	$ 58,889	$ 2,700,259	$ 183,762	$ 3,493,733	$ 1,627,348			$ 8,328,125	$ 7,768,215
Sewer Fund Assets	60,271						$ 1,462,631	$ 2,481,380	4,004,282	4,016,125
	$ 324,405	$ 58,889	$ 2,700,259	$ 183,762	$ 3,493,733	$ 1,627,348	$ 1,462,631	$ 2,481,380	$ 12,332,407	$ 11,784,340

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	$ 570,981	57,343	$ 513,638

15. Schedule of Segment Disclosure

	General	Protective	Transportation	Environmental health	Environmental development	Recreation and culture	Sewer	2024 Consolidated	2023 Consolidated
Revenues									
Property tax warrant	$ 2,992,779	$ 19,000	$ 20,000			$ 15,000		$ 3,046,779	$ 2,633,279
Services provided to other governments		100,351	51,299					151,650	150,974
Sale of service, fines and other fees	145,629					187,989		333,618	259,609
Unconditional grant	277,730							277,730	309,909
Other government transfers	32,179		297,096			46,223		375,498	1,498,308
Sewer user fees							$ 241,543	241,543	226,167
Interest	9,216						1,148	10,364	2,669
Federation of Canadian Municipalities									50,000
Gain on sale of capital assets			16,516					16,516	429,184
	3,457,533	119,351	384,911			249,212	242,691	4,453,698	5,560,099
Expenses									
Salaries and benefits	290,169	16,358	281,120			150,094		737,741	695,292
Goods and services	76,059	1,193,403	395,704	$ 320,456	$ 154,772	184,130	153,992	2,478,516	2,494,328
Amortization		176,964	325,935			95,279	201,797	799,975	702,624
Interest		53,170	14,184				23,723	91,077	49,479
Other	123,968							123,968	125,652
	490,196	1,439,895	1,016,943	320,456	154,772	429,503	379,512	4,231,277	4,067,375
Surplus (deficit) for the year	$ 2,967,337	$ (1,320,544)	$ (632,032)	$ (320,456)	$ (154,772)	$ (180,291)	$ (136,821)	$	$ 1,492,724

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
2024 annual surplus	$ 651,183	$ (297,480)	$ 63,828	$ (201,797)	$ 116	$ 5,423	$ 1,148	$ 222,421
Adjustments to annual surplus for funding requirements								
Second previous year's surplus	78,347		45,500					123,847
Transfer between funds								
Transfer from sewer operating fund to the sewer capital reserve fund			(3,500)				3,500	
Transfer from general capital fund to the sewer capital fund		(189,954)		189,954				
Transfers from general capital reserve fund to the general capital fund		903,848				(903,848)		
Transfer from general operating fund to the general capital fund	(86,190)	86,190						
Transfer from general operating fund to the general capital reserve fund	(283,692)					283,692		
Transfers from general operating fund to the general capital reserve fund	(10,000)					10,000		
Transfer from the general operating fund to the general capital fund	(30,000)					30,000		
Long term debt principal repayment	(158,650)	158,650	(54,000)	54,000				
Amortization expense		598,175		201,797				799,972
Change in amount recorded under PSA for defined benefit liability (note 16)	(4,500)							(4,500)
Total adjustments to 2024 annual surplus	(494,685)	1,556,909	(12,000)	445,751		(580,156)	3,500	919,319
2024 annual fund surplus	$ 156,498	$ 1,259,429	$ 51,828	$ 243,954	$ 116	$ (574,733)	$ 4,648	$ 1,141,740

17. Statement of Reserves

	General Operating Reserve	General Capital Reserve	Sewer Capital Reserve	2024 Total	2023 Total
Assets					
Cash	$ 63,230	$ 773,431	$ 269,351	$ 1,106,012	$ 1,675,983
Revenue					
Transfer from general capital fund		$ 40,000		$ 40,000	
Transfers from sewer and general operating funds		283,692	$ 3,500	287,192	$ 203,940
Interest	$ 116	5,423	1,148	6,687	2,255
	116	329,115	4,648	333,879	206,195
Expenditures					
Transfers to general capital fund		903,848		903,848	344,047
Annual Surplus (deficit)	$ 116	$ (574,733)	$ 4,648	$ (569,969)	$ (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 Lymburner that $1,500 be transferred from the Sewer Operating Fund to the Sewer Capital Capital Reserve Fund.

Moved by Councilor Murphy, seconded by Councilor Silverthorn that $250,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councilor Murphy, seconded by Councilor Lymburner that $474,690 be transferred from the General Capital Reserve Fund to the General Capital Fund.
Moved by Councilor Murphy, seconded by Councilor Hall-Middleton that $429,158 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Councilor Murphy, seconded by Councilor Silverthorn that $33,692 be transferred from the General Operating Fund to the General Capital Reserve Fund.
Moved by Councilor Murphy, seconded by Councilor Hall-Middleton that $30,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

I hereby certify that the above are true and exact copies of resolutions adopted at a regular meetings of Council on May 1,2025, October 16, 2024, and December 18, 2024.

Janice Conley
Janice Conley
Clerk,
The Community of Three Rivers

THE COMMUNITY OF THREE RIVERS INCORPORATED 2023 NEW BRUNSWICK

July 28, 2025
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	(115,800)	
Change in amount recorded under PSA for defined benefit in current year	4,500	
Change in amount recorded under PSA for defined benefit liability as at December 31, 2024	(111,300)	
Balance to be funded in future years	$ 117,900	$ NIL

19. Operating Budget to PSA Budget

	Operating Budget General	Operating Budget Sewer	Amortization TCA	Other	Transfers	Total
Revenues						
Property tax warrant	$ 3,046,779					$ 3,046,779
Services provided to other governments	163,956					163,956
Sale of service, fines and other fees	231,019					231,019
Unconditional grant	277,730					277,730
Sewer user fees		$ 228,340				228,340
Surplus/deficit of second previous year	78,347	45,500			$ (123,847)	
	3,797,831	273,840			(123,847)	3,947,824
Expenditures						
General government services	505,903					505,903
Protective services	1,283,509					1,283,509
Transportation services	815,079					815,079
Environment health services	299,346					299,346
Environmental development services	164,187					164,187
Recreation and cultural services	360,143					360,143
Fiscal services						
- Long term debt repayments	223,000	75,000			(298,000)	
- Interest	21,664	6,590				28,254
- Transfer from the General Operating Fund to the General Capital Reserve Fund	125,000				(125,000)	
- Transfer from the General Operating Fund to the General Capital Fund						
- Transfer from the Sewer Operating Fund to the Sewer Capital Reserve Fund		38,500			(38,500)	
- Sewer		153,750				153,750
	3,797,831	273,840			(461,500)	3,610,171
Surplus for the year	NIL	NIL			$ 337,653	$ 337,653

20. REVENUE AND EXPENSE SUPPORT

	2024 (Unaudited) Budget	2024 Actual	2023 Actual
Revenue			
Services other Governments			
Fire	$ 119,686	$ 100,351	$ 108,225
Transportation	44,270	51,299	42,749
Sewer	228,340	241,543	226,167
	$ 392,296	$ 393,193	$ 377,141
Other own source			
Swimming pool	$ 15,019	$ 18,852	$ 11,761
Arena	135,000	165,316	151,537
Sewer administration	45,000	45,000	45,000
Licenses, permits, and fees	26,000	35,873	30,238
Recreation department	10,000	3,820	19,370
Recycling and miscellaneous		64,757	1,703
	$ 231,019	$ 333,618	$ 259,609
Expenditures			
General Government Services			
Mayor	$ 26,500	$ 26,211	$ 25,118
Councilors	48,100	47,668	45,887
Other	7,000	7,363	14,281
	81,600	81,242	85,286
Administrative			
Administrative personnel	201,000	238,670	159,370
Office building	15,000	11,977	10,740
Solicitor	10,000	4,287	12,984
Other	19,500	6,915	7,163
Employee Pension Plan		(4,500)	2,800
	245,500	257,349	193,057
Financial Management			
External audit	20,000	27,637	16,165
Other			
Other administrative services	10,000	3,698	2,292
Training and development	8,000	6,648	6,434
Civic relations	6,000	7,302	10,091
Conventions and delegations	9,000	4,005	6,482
Grants to organizations	6,000	3,889	3,533
Public liability insurance premium	43,200	23,838	32,546
Amortization			1,319
Bank charges	2,200	185	284
Cost of assessment	71,178	71,178	63,990
Regional and collaborative services	3,225	3,225	
	158,803	123,968	126,971
	$ 505,903	$ 490,196	$ 421,479

THE COMMUNITY OF THREE RIVERS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

20. REVENUE AND EXPENSE SUPPORT (continued)

	2024 (Unaudited) Budget	2024 Actual	2023 Actual
Protective Services			
Fire			
Fire fighting force	$ 197,700	$ 160,432	$ 232,528
Fire alarm systems	66,900	69,254	27,040
Fire investigation and prevention	1,800		
Training and development	20,726	14,228	5,127
Station building	122,500	56,538	63,110
Fighting equipment	50,500	93,020	99,529
Other	12,166	14,438	3,773
Fire Service outside COTR	105,529	105,529	
Amortization		176,964	89,828
Interest	21,664	53,170	17,043
Cost of issuing new debenture			6,466
	599,485	743,573	544,444
R.C.M.P.	686,707	687,707	666,705
Emergency measures	10,000		
Other			
Animal and pest control	8,981	8,615	8,937
	$ 1,305,173	$ 1,439,895	$ 1,220,086
Transportation services			
Common			
Administrative	$ 283,100	$ 265,926	$ 88,020
General equipment	203,600	129,572	160,288
Workshops and other buildings	22,000	32,555	111,302
Other	10,000	14,369	72,699
	518,700	442,422	432,309
Summer maintenance	105,000	69,299	191,931
Culverts and drainage ditches	10,000	9,331	761
Snow and ice removal	61,500	55,510	175,609
Street cleaning and flushing	10,000		3,450
Parking		1,453	4,036
Street lighting	76,200	67,247	57,585
Street signs	11,500	2,106	4,382
Traffic lane marking	8,500	20,317	6,595
Railway crossing signals	9,000	8,164	7,175
Other	4,679	975	9,847
Amortization		325,935	314,661
Cost of issuing new debenture			1,607
Interest		14,184	4,292
	296,379	574,521	781,931
	$ 815,079	$ 1,016,943	$ 1,214,240

20. REVENUE AND EXPENSE SUPPORT (continued)

	2024 (Unaudited) Budget	2024 Actual	2023 Actual
Environmental Health Services			
Solid waste collection	$ 220,346	$ 225,406	$ 202,245
Solid waste disposal	78,000	95,050	94,557
Recycling	1,000		
	$ 299,346	$ 320,456	$ 296,802
Environmental Development Services			
Beautification and land rehabilitation	8,000	4,327	3,287
Planning RSC	118,829	118,828	121,809
Tourism	10,031	5,552	3,716
Industrial park planning	6,000	4,067	
Other community development	17,327	20,043	
Public receptions	4,000	1,955	405
	$ 164,187	$ 154,772	$ 129,217
Recreational and Cultural Services			
Swimming pools - personnel	$ 27,000	$ 31,822	$ 27,240
Swimming pools - other	25,000	24,871	23,810
Recreation personnel		26,922	23,751
Arena	249,200	210,394	196,998
Parks and playgrounds	20,000	12,972	26,960
Libraries	25,000	17,834	18,760
Exhibitions and fairs	6,000	4,000	5,150
Recreation other	2,943	1,965	23,896
Other	5,000	3,444	6,387
Amortization		95,279	93,519
	$ 360,143	$ 429,503	$ 446,471
Sewer collection and disposal			
Administration	$ 99,600	$ 49,965	$ 48,903
Collection system	54,150	104,027	56,137
Amortization		201,797	203,297
Cost of issuing new debenture			2,599
Interest	6,590	23,723	28,144
	$ 160,340	$ 379,512	$ 339,080