

VILLAGE OF ARCADIA
Consolidated Financial Statements
Year Ended December 31, 2024

VILLAGE OF ARCADIA
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Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Village of Arcadia

Opinion

We have audited the consolidated financial statements of Village of Arcadia (the "organization"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the organization as at December 31, 2024, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

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

Emphasis of Matter

We draw attention to the prior period adjustment of Note 12, which explains that certain comparative information presented for the year ended December 31, 2023 has been restated. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 22, 2024.

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 5, 6, and 7 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Members of Village of Arcadia *(continued)*

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization'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 organization'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Teed Saunders Doyle

Fredericton, New Brunswick
May 20, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF ARCADIA
Consolidated Statement of Financial Position
December 31, 2024

	2024	2023 <i>(Restated)</i>
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 3)</i>	\$ 3,568,727	\$ 3,855,019
Accounts receivable <i>(Note 4)</i>	903,876	124,129
	<u>4,472,603</u>	<u>3,979,148</u>
LIABILITIES		
Bank indebtedness <i>(Note 5)</i>	242,499	-
Accounts payable and accrued liabilities <i>(Note 6)</i>	592,692	664,659
Deferred revenue	733,407	533,273
Long term debt <i>(Note 7)</i>	1,910,000	2,052,000
Pension obligation <i>(Note 8)</i>	24,800	55,400
Asset retirement obligation <i>(Note 9)</i>	199,029	193,232
	<u>3,702,427</u>	<u>3,498,564</u>
NET FINANCIAL ASSETS	<u>770,176</u>	<u>480,584</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Schedule 1)</i>	<u>8,026,317</u>	<u>7,395,987</u>
ACCUMULATED SURPLUS	<u>\$ 8,796,493</u>	<u>\$ 7,876,571</u>

ON BEHALF OF MAYOR & COUNCIL

Clinton Sharp Mayor
Shirley Black Councillor



VILLAGE OF ARCADIA
Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2024

	Budget 2024 <i>(Unaudited)</i>	Total 2024	Total 2023 <i>(Restated)</i>
REVENUES			
Property tax warrant	\$ 4,516,886	\$ 4,516,887	\$ 4,087,237
Other government transfers <i>(Schedule 2)</i>	-	634,431	1,061,353
Services to other governments	210,301	232,262	217,475
Sewer user charges	68,340	63,499	62,521
Interest	200	54,088	57,513
Sale of services, fines and other fees <i>(Schedule 2)</i>	46,605	45,621	46,827
Other <i>(Schedule 2)</i>	-	18,479	25,509
Community funding and equalization grant	15,419	15,419	20,569
Gain on disposal of tangible capital assets	-	9,040	-
	<u>4,857,751</u>	<u>5,589,726</u>	<u>5,579,004</u>
EXPENSES <i>(Schedule 3)</i>			
General government services	837,574	805,839	699,718
Protective services	1,958,843	1,841,511	1,549,253
Transportation services	989,682	919,373	798,147
Environmental health services	598,461	506,084	440,876
Public health and welfare	23,142	21,789	18,196
Environmental development	292,853	239,166	238,898
Recreation and cultural services	239,318	225,202	234,141
Sewerage services	123,313	110,840	91,862
	<u>5,063,186</u>	<u>4,669,804</u>	<u>4,071,091</u>
ANNUAL SURPLUS (DEFICIT)	<u>(205,435)</u>	<u>919,922</u>	<u>1,507,913</u>
ACCUMULATED SURPLUS - BEGINNING OF YEAR - AS PREVIOUSLY REPORTED	8,052,603	8,052,604	6,538,789
PRIOR PERIOD ADJUSTMENTS <i>(Note 12)</i>	<u>(176,033)</u>	<u>(176,033)</u>	<u>(170,131)</u>
ACCUMULATED SURPLUS - BEGINNING OF YEAR - AS RESTATED	<u>7,876,570</u>	<u>7,876,570</u>	<u>6,901,932</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 7,671,135</u>	<u>\$ 8,796,493</u>	<u>\$ 7,876,571</u>

VILLAGE OF ARCADIA
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2024

	Budget 2024 <i>(Unaudited)</i>	2024	2023 <i>(Restated)</i>
ANNUAL SURPLUS (DEFICIT)	\$ (205,435)	\$ 919,922	\$ 1,507,913
Amortization of tangible capital assets	-	497,905	331,484
Purchase of tangible capital assets	-	(1,128,235)	(40,980)
Proceeds on disposal of tangible capital assets	-	9,040	-
Loss (gain) on disposal of assets	-	(9,040)	-
Decrease in prepaid expenses	-	-	10,925
	-	(630,330)	301,429
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(205,435)	289,592	1,809,341
NET FINANCIAL (DEBT) ASSET - BEGINNING OF YEAR - AS PREVIOUSLY REPORTED	673,816	673,816	(1,141,151)
PRIOR PERIOD ADJUSTMENTS <i>(Note 12)</i>	(192,959)	(193,232)	(187,606)
NET FINANCIAL (DEBT) ASSET - BEGINNING OF YEAR - AS RESTATED	480,584	480,584	(1,328,757)
NET FINANCIAL ASSETS - END OF YEAR	\$ 275,149	\$ 770,176	\$ 480,584

VILLAGE OF ARCADIA
Consolidated Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023 <i>(Restated)</i>
OPERATING ACTIVITIES		
Annual surplus	\$ 919,922	\$ 1,507,913
Items not affecting cash:		
Amortization of tangible capital assets	497,905	331,484
Gain on disposal of tangible capital assets	(9,040)	-
Accretion expense	5,797	5,628
	<u>1,414,584</u>	<u>1,845,025</u>
Changes in non-cash working capital:		
Accounts receivable	(779,745)	233,996
Accounts payable and accrued liabilities	(71,969)	271,091
Deferred revenue	200,134	95,697
Prepaid expenses	-	10,925
Pension obligation	(30,600)	55,400
	<u>(682,180)</u>	<u>667,109</u>
	<u>732,404</u>	<u>2,512,134</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,128,235)	(40,980)
Proceeds on disposal of tangible capital assets	9,040	-
	<u>(1,119,195)</u>	<u>(40,980)</u>
FINANCING ACTIVITIES		
Increase (decrease) in bank indebtedness	242,499	(1,331,414)
Proceeds from long term debt	-	300,000
Repayment of long term debt	(142,000)	(124,000)
	<u>100,499</u>	<u>(1,155,414)</u>
INCREASE (DECREASE) IN CASH FLOW	(286,292)	1,315,740
Cash - beginning of year	<u>3,855,019</u>	<u>2,539,280</u>
CASH - END OF YEAR	\$ 3,568,727	\$ 3,855,020

VILLAGE OF ARCADIA
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

1. NATURE OF OPERATIONS

The municipality was incorporated as a Village by the Province of New Brunswick Municipalities Act and the Municipality is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements of the Village of Arcadia 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. These consolidated financial statements include the additional disclosure requirements by the Department of Environment and Local Government of New Brunswick.

The focus of Public Sector Accounting financial statements is on the financial position of the Village and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Village.

Changes in accounting policies

Effective April 1, 2022, the Village has adopted Public Sector Accounting Standard PS 3280. Under this new standard, a liability for a legal obligation associated with the retirement of a tangible capital asset is now recognized when the asset is acquired. The cost base of the asset is increased by an amount equal to the liability and amortized along with the acquisition costs. For liabilities associated with assets that are not recognized the asset retirement costs would be expensed as there is no cost base of the underlying asset to which the asset retirement costs can be attached. The Village has adopted this standard using a modified retroactive application where prior periods have been restated using assumptions and information current at the effective date. Note 12 to these Consolidated Financial Statements discloses the impact of this change in accounting policy on prior periods.

Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in net debt and cash flows of the reporting entity. The Village of Arcadia is comprised of all organizations accountable for the administration of their financial affairs and resources to the Village of Arcadia, and which are controlled by the Village of Arcadia.

Interdepartmental and organizational transactions and balances are eliminated.

Revenue recognition

Taxation revenues represents the annual levy administered and collected by the Province of New Brunswick on behalf of all New Brunswick Municipalities for municipal services they are recorded as warrant of assessment as the funds are received by the Village.

Government transfers are recognized in the financial statements as revenues in the period that the transfer is authorized, eligibility criteria, if any, have been met by the Village, and a reasonable estimate of the amount to be received can be made. Transfers are recognized as deferred revenue when transfer stipulations have not been met and revenue is recognized as the stipulations are settled.

Fee and charge revenue for building permits; water and wastewater, and transportation are recorded on the accrual basis and recognized as earned which is usually when services are provided or facilities are utilized.

Other revenues are recorded when it is earned, and collection is reasonably assured.

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VILLAGE OF ARCADIA
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Expense recognition

Expenses are recognized in the period that the goods and services were acquired, and a liability was incurred. Expenses are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Budget

The budget figures contained in these financial statements were approved by Council on December 18, 2023, and the Minister of Local Government on January 2, 2024.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful lives as follows:

Land improvements	20 years
Buildings	10-40 years
Vehicles and equipment	5-20 years
Roads, streets and wharves	10-40 years
Treatment facilities	15-50 years
Sewer collection	50 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also recorded as revenue.

Amortization commences in the year after acquisition and there is no amortization in the year of disposal.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Restricted cash consists of cash and cash equivalents designated in the reserve and trust funds. The restrictions are internally imposed only.

Employee future benefits

The Village and its employees contribute to the Village of Arcadia Municipal Pension Plan, a jointly trusted pension plan. The Plan provides for service pensions based on length of service and rate of pay (a defined benefit plan).

In addition to the Municipal Pension Plan, severance benefits also accrue to the Village's employees. The costs of these benefits are actuarially determined based on service and best estimate of retirement ages and expected future salary increases. The obligation under these benefits plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

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VILLAGE OF ARCADIA
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Reserves and trust funds

Certain amounts, as approved by Village Council, are set aside in reserve and trust funds for future operating and capital purposes. Transfers to and from reserve and trust funds are recorded as an adjustment within accumulated surplus. Schedule 5 to the consolidated financial statements is included to show the reserve and trust fund balances as supplementary information.

Segmented information

The Village of Arcadia 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. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

General government services

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

Protective services

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

Transportation services

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

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.

Public health

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

Recreation and cultural services

This department is responsible for the maintenance and operation of recreational and cultural facilities, including swimming pools, arenas, parks and playgrounds, tourism and other recreational and cultural facilities.

Sewerage operations

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

Measurement uncertainty

The preparation of consolidated financial statements in accordance with Canadian public sector standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue 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. Areas requiring the greatest degree of estimation include provision for future employee benefits, valuation of donated assets, assessment of contingent liabilities, and allowance for doubtful accounts receivable.

VILLAGE OF ARCADIA
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

3. CASH

	2024	2023
Internally restricted cash - Reserves	\$ 2,293,316	\$ 1,674,433
Internally restricted cash - Gas Tax Funds	733,407	533,273
Unrestricted cash	542,004	1,647,313
	\$ 3,568,727	\$ 3,855,019

4. ACCOUNTS RECEIVABLE

	2024	2023
Canada Revenue Agency (HST rebate)	\$ 306,163	\$ 98,112
Provincial Government	265,187	11,058
Accounts receivable - General	111,017	2,880
Accounts receivable - Water and sewer	244,809	35,379
	927,176	147,429
Allowance for doubtful accounts	(23,300)	(23,300)
	\$ 903,876	\$ 124,129

5. BANK INDEBTEDNESS

The Village has a overdraft facility with Scotiabank, up to a maximum of \$3,900,000, bearing interest at the bank's prime lending rate.

6. PAYABLES AND ACCRUALS

	2024	2023
Trade payables and accruals	\$ 215,211	\$ 196,239
Government organizations	377,481	468,420
	\$ 592,692	\$ 664,659

7. LONG TERM DEBT

	2024	2023
New Brunswick Municipal Financing Corporation loan bearing interest at 3.1% per annum, repayable in annual payments plus interest. The loan matures on September 20, 2042.	\$ 1,047,000	\$ 1,113,000
New Brunswick Municipal Financing Corporation - BR 28 - 2017 loan bearing interest at 2.6% per annum, repayable in annual payments plus interest. The loan matures on December 12, 2032.	189,000	210,000

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VILLAGE OF ARCADIA
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

7. LONG TERM DEBT *(continued)*

	2024	2023
New Brunswick Municipal Financing Corporation - BV 31 - 2019 loan bearing interest at 2.1% per annum, repayable in annual payments plus interest. The loan matures on May 14, 2034.	389,000	429,000
New Brunswick Municipal Financing Corporation CD 18 - 2023 loan bearing interest at 5.115% per annum, repayable in annual payments plus interest. The loan matures on June 21, 2038.	285,000	300,000
	\$ 1,910,000	\$ 2,052,000

Principal repayment terms are approximately:

2025	\$ 143,000
2026	150,000
2027	143,000
2028	145,000
2029	149,000
Thereafter	1,180,000
	\$ 1,910,000

8. PENSION OBLIGATION

The Municipality and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP is a multiple-employer defined benefit pension plan administered by a board elected by the 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 accounting valuation was prepared as at December 31, 2022 and resulted in an overall NB MEPP accrued benefit obligation of \$148,620,600 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, 2023:

- The expected inflation rate is 2.10%
- The discount rate used to determine the accrued benefit obligation is 6.05%
- 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 (EARSLS) is 14 years

(continues)

VILLAGE OF ARCADIA
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

8. PENSION OBLIGATION *(continued)*

The actuarial funding 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, the NB MEPP provides benefits for 325 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' contributions 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 Arcadia:

- The average age of the 4 active employees covered by NB MEPP is 49.3 (as at December 31, 2022)
- Benefit payments were \$2,300 in 2023 and were estimated to be \$0 in 2024
- Combined contributions were \$35,000 in 2023 and were estimated to be \$36,000 in 2024

In addition to determining the position of the NB MEPP as it relates to the Arcadia 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 adjusted to reflect actual experience.

The results are as follows:

	2024	2023
<u>Accrued benefit liability</u>		
Accrued benefit liability at beginning of period	\$ 55,400	\$ (27,400)
Pension expense for the year	(12,600)	94,900
Less employer contributions	(18,000)	(12,100)
	\$ 24,800	\$ 55,400

In summary, the Accrued Benefit Liability as it relates to the Arcadia is estimated to be \$24,800 as at December 31, 2024. This compares to \$(27,400) as at January 1, 2023 and \$55,400 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:

<u>Reconciliation of funded status at end of period</u>		
Accrued benefit obligation	\$ 205,500	\$ 182,400
Less plan assets	(243,400)	(194,500)
Accrued benefit liability at end of period	(37,900)	(12,100)

(continues)

VILLAGE OF ARCADIA
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

8. PENSION OBLIGATION *(continued)*

	2024	2023
<u>Reconciliation of funded status at end of period</u>		
Unamortized experience gains (losses)	62,700	67,500
Accrued benefit at end of period	\$ 24,800	\$ 55,400
Total expenses related to pensions include the following components:		
<u>Pension expenses</u>		
Employer current service cost	\$ (6,000)	\$ 90,200
Interest on accrued benefit obligation	11,100	12,400
Expected return on assets	(12,900)	(10,000)
Experience gain (loss)	(4,800)	2,300
	\$ (12,600)	\$ 94,900

The pension expense is included in the consolidated statement of operations.

9. ASSET RETIREMENT OBLIGATION

In accordance with PS 3280 (Asset Retirement Obligations) effective April 1, 2022, the Village recognizes a liability for legal obligations associated with the retirement of tangible capital assets. The obligations include the estimated disposal costs of regulated materials such as asbestos, lead, the removal of petroleum storage tanks, and the decommissioning of infrastructure in environmentally sensitive areas. The associated assets include buildings, site services, and other infrastructure. The liability is based on management's best estimates and includes a discount rate factor of 3% applied to costs.

	2024	2023
		<i>(Restated)</i>
Asset retirement obligations, beginning of year	\$ 193,232	\$ 187,604
Accretion expense	5,797	5,628
Asset retirement obligations, end of year	\$ 199,029	\$ 193,232

As disclosed in Note 12 (Prior Period Adjustment), prior period comparative figures of the financial statements have been retroactively restated to reflect the adoption of the PS 3280 accounting standard.

10. SHORT TERM BORROWING COMPLIANCE

Operating borrowing

As prescribed in the Municipalities Act, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2024, the Municipality has complied with these restrictions.

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 the order number 21-0022

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**Village of Arcadia
Consolidated Tangible Capital Assets
Year ended December 31, 2024**

(Schedule 1)

Description	Land	Land Improvements	Buildings	Vehicles & Equipment	Roads, streets & wharves	Treatment facilities	Sewer collection	Total 2024	Total 2023 <i>(Restated)</i>
<u>Cost</u>									
Opening cost	\$ 725,613	\$ 406,283	\$ 2,487,320	\$ 1,686,341	\$ 6,214,290	\$ 789,019	\$ 924,527	\$ 13,233,393	\$ 13,192,413
Additions and transfers	-	-	-	557,576	336,429	234,230	-	1,128,235	40,980
Disposals and transfers	-	-	-	-	-	-	-	-	-
Closing cost	725,613	406,283	2,487,320	2,243,917	6,550,719	1,023,250	924,527	14,361,628	13,233,393
<u>Accumulated amortization</u>									
Opening cost	-	264,166	711,270	1,444,624	2,029,330	717,856	670,160	5,837,406	5,505,922
Additions and transfers	-	19,661	73,269	114,358	254,928	21,863	13,827	497,905	331,484
Disposals and transfers	-	-	-	-	-	-	-	-	-
Closing cost	-	283,827	784,539	1,558,982	2,284,258	739,719	683,987	6,335,311	5,837,406
Asset net book value	\$ 725,613	\$ 122,456	\$ 1,702,781	\$ 684,935	\$ 4,266,461	\$ 283,531	\$ 240,540	\$ 8,026,317	\$ 7,395,987

VILLAGE OF ARCADIA
Consolidated Schedule of Revenues
Year Ended December 31, 2024

(Schedule 2)

	Budget 2024 <i>(Unaudited)</i>	Total 2024	Total 2023 <i>(Restated)</i>
Sale of services, fines and other fees			
Building permits	\$ 39,305	\$ 38,327	\$ 38,067
Building rent	7,300	7,294	8,760
	<u>\$ 46,605</u>	<u>\$ 45,621</u>	<u>\$ 46,827</u>
Other government transfers			
Wage subsidies	\$ -	\$ -	\$ 8,750
Active transportation	-	-	40,000
Infrastructure grants	-	631,670	1,007,156
Other	-	2,761	5,447
	<u>\$ -</u>	<u>\$ 634,431</u>	<u>\$ 1,061,353</u>
Other revenue			
Donations	\$ -	\$ 4,343	\$ 1,502
Miscellaneous	-	14,136	24,007
	<u>\$ -</u>	<u>\$ 18,479</u>	<u>\$ 25,509</u>

VILLAGE OF ARCADIA
Consolidated Schedule of Expenses
Year Ended December 31, 2024

(Schedule 3)

	Budget 2024 <i>(Unaudited)</i>	Total 2024	Total 2023 <i>(Restated)</i>
General government services			
Legislative:			
Mayor	\$ 34,270	\$ 32,016	\$ 29,592
Councillors	87,173	75,341	75,491
Other legislative costs	2,500	-	363
	<u>123,943</u>	<u>107,357</u>	<u>105,446</u>
Administrative:			
Personnel benefits and related costs	168,783	209,429	202,718
Secretary treasurer	85,309	89,509	70,320
Sewer worker wages and related costs	17,600	15,334	12,549
Sewer cost recovery	(47,745)	(48,434)	(35,918)
Office building	43,251	53,960	33,864
Other	41,921	73,533	26,691
Legal Services	10,000	6,106	-
Operating Contingency	93,000	28,569	-
Civic relations	12,200	9,479	17,924
Insurance	111,500	91,594	94,520
Cost of Assessment	92,252	92,252	85,915
Grants to organizations	16,500	10,363	12,100
	<u>644,571</u>	<u>631,694</u>	<u>520,683</u>
Financial management			
External audit	20,000	28,313	16,443
	<u>20,000</u>	<u>28,313</u>	<u>16,443</u>
Other			
Training and civic relations	14,500	2,414	4,163
Bank charges	1,500	356	580
Interest on short term debt	-	-	26,685
Other fees and taxes	6,000	6,383	5,565
	<u>-</u>	<u>-</u>	<u>2,417</u>
	<u>22,000</u>	<u>9,153</u>	<u>39,410</u>
Amortization	27,060	27,060	15,540
Accretion of asset retirement obligation	-	2,262	2,196
	<u>\$ 837,574</u>	<u>\$ 805,839</u>	<u>\$ 699,718</u>

(continues)

VILLAGE OF ARCADIA
Consolidated Schedule of Expenses (continued)
Year Ended December 31, 2024

(Schedule 3)

	Budget 2024 <i>(Unaudited)</i>	Total 2024	Total 2023 <i>(Restated)</i>
Protective services			
Police - RCMP	\$ 703,669	\$ 703,670	\$ 683,174
	<u>703,669</u>	<u>703,670</u>	<u>683,174</u>
Fire			
Administration	81,900	86,705	75,629
Firefighting force	60,474	36,663	53,420
Fire alarm system	87,462	57,339	43,664
Station and building	147,263	47,908	41,340
Equipment maintenance	372,257	438,141	356,879
Equipment operating lease	177,243	148,817	113,216
Emergency measures	33,652	-	-
Other	97,946	125,207	60,538
Interest on long term debt	44,447	44,450	46,077
	<u>1,102,644</u>	<u>985,230</u>	<u>790,763</u>
Other services			
Animal and pest control	12,217	12,299	17,169
Amortization	140,313	140,312	58,147
	<u>\$ 1,958,843</u>	<u>\$ 1,841,511</u>	<u>\$ 1,549,253</u>
Transportation services			
Common services			
Administration	\$ -	\$ 38,477	\$ 34,957
General equipment	13,000	9,371	946
	<u>13,000</u>	<u>47,848</u>	<u>35,903</u>
Roads and streets			
Summer maintenance	314,907	140,411	184,070
Winter maintenance	275,944	307,896	281,366
Culverts and drainage ditches	40,000	81,987	23,122
Storm sewers	10,000	5,277	-
Regional Service Commission	1,451	1,452	3,660
Street lighting	62,585	60,512	55,970
Street signs	3,000	3,467	1,038
Traffic lane markings	2,000	-	-
Other	-	3,728	4,821
	<u>709,887</u>	<u>604,730</u>	<u>554,047</u>
Interest on long term debt	18,847	18,847	13,549
Amortization	247,948	247,948	194,648
	<u>\$ 989,682</u>	<u>\$ 919,373</u>	<u>\$ 798,147</u>

(continues)

VILLAGE OF ARCADIA
Consolidated Schedule of Expenses (continued)
Year Ended December 31, 2024

(Schedule 3)

	Budget 2024 <i>(Unaudited)</i>	Total 2024	Total 2023 <i>(Restated)</i>
Environmental health services			
Garbage collection	\$ 371,853	\$ 369,508	\$ 235,815
Other garbage disposal and recycling	226,608	136,576	205,061
	<u>\$ 598,461</u>	<u>\$ 506,084</u>	<u>\$ 440,876</u>
Public health and welfare			
Medical clinic	20,000	18,647	15,090
Amortization	3,142	3,142	3,106
	<u>\$ 23,142</u>	<u>\$ 21,789</u>	<u>\$ 18,196</u>
Environmental development			
Community planning	\$ 165,090	\$ 165,088	\$ 160,718
Community development	24,176	19,176	26,248
Tourism promotion	31,587	26,588	27,200
Administration and other	72,000	28,314	24,732
	<u>\$ 292,853</u>	<u>\$ 239,166</u>	<u>\$ 238,898</u>
Recreation and cultural services			
Administration	\$ 56,272	\$ 60,792	\$ 54,474
Parks and playgrounds	18,500	14,731	15,174
Other recreation facilities	102,978	87,184	103,840
Property tax	-	4,738	4,420
Libraries	17,815	14,004	13,610
Amortization	43,753	43,753	42,623
	<u>\$ 239,318</u>	<u>\$ 225,202</u>	<u>\$ 234,141</u>
Sewer collection and disposal			
Administration	\$ 21,135	\$ 24,622	\$ 18,633
Bad debts (recovery)	3,000	-	2,500
Sewer collection system	12,008	18,503	12,352
Sewer treatment and disposal	30,981	22,608	33,917
Billing discounts	500	-	330
Other	-	5,883	3,278
Amortization	35,689	35,689	17,420
Accretion expense	-	3,535	3,432
Interest	20,000	-	-
	<u>\$ 123,313</u>	<u>\$ 110,840</u>	<u>\$ 91,862</u>

Village of Arcadia
Schedule of segment disclosure
Year ended December 31, 2024

(Schedule 4)

	General Government	Protection	Transportation	Environmental Health	Public Health and Welfare	Environmental Development	Recreation and Culture	Sewer	Total 2024	Total 2023 (Restated)
Revenues										
Property tax warrant	\$ 833,454	\$ 1,725,537	\$ 932,839	\$ 477,000	\$ 26,177	\$ 299,152	\$ 222,728	\$ -	\$ 4,516,887	\$ 4,087,237
Transfers from other governments	97,761	17,656	280,606	-	-	-	31,728	206,679	634,431	1,061,353
Services provided to other governments	-	232,262	-	-	-	-	-	-	232,262	\$ 217,475
Sewer users fees	-	-	-	-	-	-	-	63,499	63,499	62,521
Interest	54,088	-	-	-	-	-	-	-	54,088	57,513
Sale of services, fines and other fees	-	-	-	-	7,294	38,327	-	-	45,621	46,827
Other	24,479	-	-	-	-	-	-	-	24,479	25,509
Community funding and equalization grant	2,847	5,890	3,184	1,628	89	1,021	760	-	15,419	20,569
Gain on disposal of assets	9,040	-	-	-	-	-	-	-	9,040	-
	1,021,669	1,981,345	1,216,629	478,628	33,560	338,500	255,216	270,178	5,595,726	5,579,004
Expenses										
Salaries and benefits	253,593	86,704	-	-	-	-	-	24,622	364,919	367,300
Goods and services	522,924	1,570,045	652,578	506,084	18,647	239,166	187,449	46,994	3,743,887	3,307,054
Amortization	27,060	140,312	247,948	-	3,142	-	43,753	35,689	497,904	331,484
Interest	-	44,450	18,847	-	-	-	-	-	63,297	59,626
Accretion (asset retirements)	2,262	-	-	-	-	-	-	3,535	5,797	5,628
	805,839	1,841,511	919,373	506,084	21,789	239,166	231,202	110,840	4,675,804	4,071,092
	\$ 215,830	\$ 139,834	\$ 297,256	\$ (27,456)	\$ 11,771	\$ 99,334	\$ 24,014	\$ 159,338	\$ 919,922	\$ 1,507,912

VILLAGE OF ARCADIA
Consolidated Schedule Reserve and Trust Funds
Year Ended December 31, 2024

(Schedule 5)

	General operating reserve	General capital reserve	Sewar capital reserve	2024 Total	2023 Total
Accumulated surplus, beginning of year	\$ 313,523	\$ 2,387,401	\$ 37,315	\$ 2,738,239	\$ 1,957,899
Transfers from (to) general operating funds	186,545	(138,750)	-	47,795	723,001
Interest earned	(32)	53,864	130	53,962	57,339
Annual surplus (deficit)	186,513	(84,886)	130	101,757	780,340
Accumulated surplus, end of year	\$ 500,036	\$ 2,302,515	\$ 37,445	\$ 2,839,996	\$ 2,738,239
Assets					
Cash	\$ 313,571	\$ 1,942,300	\$ 37,445	\$ 2,293,316	\$ 1,674,432
Due from operating fund	186,465	360,215	-	546,680	1,063,807
Assets total	\$ 500,036	\$ 2,302,515	\$ 37,445	\$ 2,839,996	\$ 2,738,239

Village of Arcadia
Consolidated of Reserve and Trust Funds (continued)
Year ended December 31, 2024

(Schedule 5)

Council Resolutions regarding transfers to and from reserves:

Transfer from the General Operating Fund to the General Operating Reserve Fund

It was moved and seconded to transfer a portion of the 2024 surplus from the Arcadia General Operating Account in the amount of \$186,545 to the Arcadia Operating Reserve Account.

CARRIED

Transfer from the General Operating Fund to the General Capital Reserve Fund

It was moved and seconded to transfer a portion of the 2024 surplus from the Arcadia General Operating Account in the amount of \$390,000 to the Arcadia Capital Reserve Account.

CARRIED

Transfer from the General Capital Reserve to the General Operating Reserve Fund

It was moved and seconded to pay invoice #40052218 in the amount of \$28,750 from the Arcadia General Operating Account, to be repaid by the Arcadia Capital Reserve Account.

CARRIED

Transfer from the General Capital Reserve to the General Operating Reserve Fund

It was moved and seconded to transfer the amount of \$500,000 from the Arcadia General Capital Reserve Account to General Operating Account.

CARRIED

I hereby certify that the above are true and exact copies of resolutions adopted at the Regular Session of Council on December 16, and December 30, 2024.

Dan Gilman

Dan Gilman
CAO
Village of Arcadia



May 21, 2025

Village of Arcadia
Consolidated of Reconciliation of Annual Surplus
Year ended December 31, 2024

(Schedule 6)

Description	General operating fund	General capital fund	General capital reserve	General operating reserve	Sewerage Operating Fund	Sewerage Capital Fund	Sewerage Capital Reserve	Total all funds
2024 annual surplus (deficit) per PSAB for the year	\$ 1,171,230	\$ (464,478)	\$ 53,864	\$ (32)	\$ 198,432	\$ (39,224)	\$ 130	\$ 919,922
Adjustment to annual surplus (deficit) for funding requirements								
Second previous year's surplus (deficit)	80,317	-	-	-	19,286	-	-	99,603
Transfers between funds:								
General Operating to General Operating Reserve	(186,545)	-	-	186,545	-	-	-	-
General Operating to General Capital Reserve	(390,000)	-	390,000	-	-	-	-	-
General Capital reserve to General Operating	28,750	-	(28,750)	-	-	-	-	-
General Capital reserve to General Operating	500,000	-	(500,000)	-	-	-	-	-
General Operating to General Capital	(894,005)	894,005	-	-	-	-	-	-
Sewer Operating to Sewer Capital	-	-	-	-	(234,230)	234,230	-	-
Long-term debt principal repayment	(142,000)	142,000	-	-	-	-	-	-
Pension adjustment	(30,600)	-	-	-	-	-	-	(30,600)
Accretion of ARO	-	2,262	-	-	-	3,535	-	5,797
Amortization of tangible assets	-	462,216	-	-	-	35,689	-	497,905
Total adjustments	(1,034,083)	1,500,483	(138,750)	186,545	(214,944)	273,454	-	572,705
2024 annual fund surplus (deficit)	\$ 137,147	\$ 1,036,005	\$ (84,886)	\$ 186,513	\$ (16,512)	\$ 234,230	\$ 130	\$ 1,492,627

VILLAGE OF ARCADIA
Consolidated Schedule of Operating Budget to PSAB Budget
Year Ended December 31, 2024

(Schedule 7)

	Operating budget general	Sewerage Operating Budget	Amortization of Tangible Capital Assets	Transfers	Other	2024
REVENUES						
Warrant for property taxes	\$ 4,516,886	\$ -	\$ -	\$ -	\$ -	\$ 4,516,886
Unconditional grant	15,419	-	-	-	-	15,419
Services to other governments	210,301	-	-	-	-	210,301
Sale of services	46,605	-	-	-	-	46,605
Sewerage service fees	-	68,340	-	-	-	68,340
Interest	200	-	-	-	-	200
Second previous year's surplus	80,317	19,826	-	(100,143)	-	-
	<u>4,869,728</u>	<u>88,166</u>	<u>-</u>	<u>(100,143)</u>	<u>-</u>	<u>4,857,751</u>
EXPENDITURES						
General government services	809,014	-	27,060	1,500	-	837,574
Protective services	1,774,083	-	140,313	44,447	-	1,958,843
Transportation services	722,887	-	247,948	18,847	-	989,682
Environmental health services	598,461	-	-	-	-	598,461
Public health and welfare	20,000	-	3,142	-	-	23,142
Environmental development services	292,853	-	-	-	-	292,853
Recreation and cultural services	195,565	-	43,753	-	-	239,318
Sewerage	-	67,624	35,689	20,000	-	123,313
Fiscal services						
Long-term debt repayments	142,000	-	-	(142,000)	-	-
Interest on long term debt	63,300	-	-	(63,300)	-	-
Bank charges	1,500	-	-	(1,500)	-	-
	<u>4,619,663</u>	<u>67,624</u>	<u>497,905</u>	<u>(122,006)</u>	<u>-</u>	<u>5,063,186</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 250,065	\$ 20,542	\$ (497,905)	\$ 21,863	\$ -	\$ (205,435)