

VILLAGE OF ARCADIA
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

VILLAGE OF ARCADIA

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Claude C Leger Professional Corporation

Claude Leger, CPA, CGA, CA

82 Westmorland Street, Suite 314
Fredericton NB E3B 3L3
506 282 6016

October 22, 2024

Independent Auditors' Report

To the Mayor and Members of the Council:

Qualified Opinion

I have audited the accompanying consolidated financial statements of the Village of Arcadia (the Village) which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, these financial statements present fairly, in all material respects, the financial position of the Village of Arcadia as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for the Public Sector.

Basis for Qualified Opinion

As part of the municipal restructuring that occurred during the current fiscal year, assets and related liabilities from predecessor entities that were former Local Service Districts were absorbed by the Village. I was unable to obtain sufficient audit evidence about the carrying value of the assets, the detailed terms of the debt including any security obligations because the information was not forthcoming from the Province of New Brunswick who were the party responsible for the predecessor entities in question.

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.

Other information

My audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The schedules contained in notes 15, 16 and 17 respectively are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information, except for the portion marked "unaudited" on which I express no opinion, has been subjected to the auditing procedures only to the extent necessary to form an opinion on the consolidated financial statements taken as a whole.

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

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

Continued...

In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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.
- 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.


Chartered Professional Accountant

VILLAGE OF ARCADIA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

Financial assets:

Cash (note 3)	\$ 3,855,019
Accounts receivable:	
Other	14,959
Federal Government and its agencies	98,112
Provincial Government	<u>11,058</u>
	<u>3,979,148</u>

Liabilities:

Accounts payable and accrued liabilities	664,659
Deferred revenue (note 8)	533,273
Long-term debt (note 5)	2,052,000
Accrued pension benefit liability (note 7)	<u>55,400</u>
	<u>3,305,332</u>

Net assets (debt) 673,816

Non-financial assets:

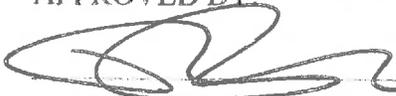
Tangible capital assets (note 6)	13,173,810
Accumulated amortization (note 6)	<u>(5,795,023)</u>

7,378,787

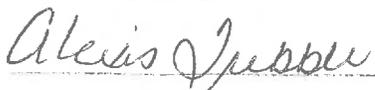
7,378,787

Accumulated surplus \$ 8,052,603

APPROVED BY:

 Mayor



 Clerk or Treasurer

VILLAGE OF ARCADIA

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2023

	(Unaudited)	
	2023	2023
	<u>Budget</u>	<u>Actual</u>
Revenue:		
Property tax warrant	\$ 4,087,245	\$ 4,087,235
Services provided to other governments (page 20)	225,526	217,475
Sale of services, fines and other fees (page 20)	36,603	46,827
Community funding and equalization	20,559	20,569
Other government transfers (page 20)	-	1,061,353
Sewerage user fees	68,340	62,521
Other (page 20)	-	25,509
Interest	<u>200</u>	<u>57,513</u>
	<u>4,438,473</u>	<u>5,579,002</u>
Expenditures:		
General government services (page 21)	740,206	697,523
Protective services (page 22)	1,924,776	1,549,253
Transportation services (page 23)	926,738	798,147
Environmental health (page 24)	441,828	440,876
Public health and welfare (page 24)	18,106	18,196
Environmental development (page 24)	290,973	238,898
Recreation and cultural services (page 24)	262,445	234,141
Sewerage services (page 25)	<u>85,661</u>	<u>88,154</u>
	<u>4,690,733</u>	<u>4,065,188</u>
Annual surplus (deficit) (note 15)	\$ <u>(252,260)</u>	1,513,814
Accumulated surplus, beginning of year		<u>6,538,789</u>
Accumulated surplus, end of year		\$ <u>8,052,603</u>

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

Annual surplus	\$ <u>1,513,814</u>
Acquisition of tangible capital assets	(40,980)
Amortization of tangible capital assets	331,208
Decrease (increase) in prepaid expenses	<u>10,925</u>
	<u>301,153</u>
Change in net assets (debt)	1,814,967
Net debt, beginning of year	<u>(1,141,151)</u>
Net assets, end of year	\$ <u><u>673,816</u></u>

VILLAGE OF ARCADIA

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

Operating transactions:

Annual surplus	\$ 1,513,814
Non-cash item:	
Amortization	331,208
Change in deferred revenue	95,697
Change in prepaid expenses	10,925
Change in accounts receivable	233,998
Change in accounts payable	271,091
Change in accrued pension benefit liability	<u>55,400</u>
	<u>2,512,133</u>

Capital transactions:

Acquisition of tangible capital assets	<u>(40,980)</u>
	<u>(40,980)</u>

Financing transactions:

Long-term debt repayment	(124,000)
Increase (decrease) in bank debt	(1,331,414)
Proceeds of long-term debt issues	<u>300,000</u>
	<u>(1,155,414)</u>

Net increase (decrease) in cash	1,315,739
Cash, beginning of year	<u>2,539,280</u>
Cash, end of year (note 3)	<u>\$ 3,855,019</u>

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Reporting entity:

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

2. Significant accounting policies:

(a) Basis of accounting -

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

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

Interdepartmental and organizational transactions and balances have been eliminated.

(b) Budget -

The budget figures contained in these financial statements were approved by the Transition Facilitator, on behalf of the Minister of Local Government and Local Governance Reform on December 13, 2022 and the Director of Community Finances, on behalf of the Minister of Local Government on December 13, 2022.

(c) Revenue recognition -

Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

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

(d) Use of estimates -

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

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Significant accounting policies (continued):

(e) Cash and cash equivalents -

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with maturities of three months or less.

(f) Tangible capital assets -

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

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

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

Amortization commences in the year after acquisition.

There is no amortization in the year of disposal.

(g) Segmented information -

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

General government services

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

Protective services

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

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. **Significant accounting policies (continued):**

(g) **Segmented information (continued) -**

Transportation services

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

Environmental health services

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

Public health

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

Environmental development services

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

Recreation and cultural services

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

Sewerage operations

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

3. **Cash:**

Internally restricted cash - Reserves	\$ 1,674,433
Internally restricted cash - Gas Tax Funds	533,273
Unrestricted cash	<u>1,647,313</u>
	<u>\$ 3,855,019</u>

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

4. Short-term borrowing:

Interim borrowing for capital -

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

Operating borrowing -

As prescribed in the Local Governance Act, borrowing to finance General Fund operations is limited to 4% of the municipality's previous year operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2023, the Municipality has complied with these restrictions.

5. Long-term debt:

NB Municipal Finance Corp.

- 4.048% to 5.115%, due 2038 OIC# 21-0022	\$ 300,000
- 1.65% to 3.20% due 2032 OIC# 15-0087	210,000
- 5.2% to 5.75% due 2033 OIC#s 17-0087 & 18-0022	429,000

Debt assigned by Department of Local Government

- 2.87% to 3.84%, due 2042	<u>1,113,000</u>
	<u>\$ 2,052,000</u>

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

Principal payments for the next five years are as follows:

2024	\$ 142,000
2025	143,000
2026	150,000
2027	143,000
2028	145,000

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

6. Tangible capital assets:

	<u>Infrastructure</u>							<u>2023 Total</u>
	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Vehicles & Equipment</u>	<u>Roads, streets & wharves</u>	<u>Treatment Facilities</u>	<u>Sewer Collection</u>	
Cost:								
Amounts from amalgamation:								
Former Village of Gagetown	\$ 210,461	\$ 373,229	\$ 252,647	\$ 1,161,431	\$ 4,841,224	\$ 726,401	\$ 924,527	\$ 8,489,920
Former Village of Cambridge Narrows	515,152	-	1,045,632	524,910	1,379,216	-	-	3,464,910
Local Service Districts	<u>-</u>	<u>-</u>	<u>1,178,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,178,000</u>
Totals from predecessors	725,613	373,229	2,476,279	1,686,341	6,220,440	726,401	924,527	13,132,830
Additions	<u>-</u>	<u>22,580</u>	<u>-</u>	<u>-</u>	<u>4,325</u>	<u>14,075</u>	<u>-</u>	<u>40,980</u>
Balance, end of year	<u>725,613</u>	<u>395,809</u>	<u>2,476,279</u>	<u>1,686,341</u>	<u>6,224,765</u>	<u>740,476</u>	<u>924,527</u>	<u>13,173,810</u>
Accumulated amortization:								
Amounts from amalgamation:								
Former Village of Gagetown	-	235,159	120,597	868,966	1,404,552	683,197	656,332	3,968,803
Former Village of Cambridge Narrows	-	-	547,370	510,497	437,145	-	-	1,495,012
Amortization	<u>-</u>	<u>29,007</u>	<u>32,262</u>	<u>65,162</u>	<u>187,633</u>	<u>3,316</u>	<u>13,828</u>	<u>331,208</u>
Balance, end of year	<u>-</u>	<u>264,166</u>	<u>700,229</u>	<u>1,444,625</u>	<u>2,029,330</u>	<u>686,513</u>	<u>670,160</u>	<u>5,795,023</u>
Net book value of tangible capital assets	<u>\$ 725,613</u>	<u>\$ 131,643</u>	<u>\$ 1,776,050</u>	<u>\$ 241,716</u>	<u>\$ 4,195,435</u>	<u>\$ 53,963</u>	<u>\$ 254,367</u>	<u>\$ 7,378,787</u>

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

7. Accrued pension benefit liability:

The Village and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Municipalities Act of New Brunswick. The NB MEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NB MEPP. In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2021 and resulted in an overall NB MEPP accrued benefit obligation of \$140,299,800 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, 2022:

- the expected inflation rate is 2.10%
- the discount rate used to determine the accrued benefit obligation is 6.15%
- the expected rate of return on assets is 6.15%
- 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 the net assets available for the accumulated plan benefits were greater than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan surplus of \$1,294,100, a change of \$2,127,600 from 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.

	Estimated January 1, 2023 to December 31, 2023	January 1, 2022 to December 31, 2022
Accrued benefit liability:		
Accrued benefit liability (asset), beginning of year	\$ (27,400)	\$ (20,600)
Pension expense for the year	94,900	83,800
Employer contributions	(12,100)	(90,600)
Adjustment related to prior year estimated amounts	-	-
Accrued benefit liability (asset), end of year	<u>\$ 55,400</u>	<u>\$ (27,400)</u>

To summarize, the accrued benefit liability as it relates to the Village of Arcadia is estimated to be \$55,400 as at December 31, 2023. This amount is included in the Post Employment Benefits Payable on the Consolidated Statement of Financial Position.

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. Deferred revenue:

Gas Tax Funds	\$ <u>533,273</u>
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9. Financial instruments:

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

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

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

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

10. Employee sick leave benefits:

Employees are not entitled to a cash payment for unused sick leave benefits upon leaving employment. Therefore, there is no unrecorded liability in respect of vested benefits at December 31, 2023.

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

11. Sewer fund surplus/deficit:

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

2023 Deficit	\$ (11,487)
2022 Surplus	<u>19,286</u>
	<u>\$ 7,799</u>

12. Interfund balances:

The Department of Local Government requires that short-term inter-fund borrowings be repaid by end of the next year unless the borrowing is for a capital project. Amounts due from the General and Sewer Operating Funds to the General Capital Reserve, General Operating Reserve and Sewer Capital Reserve Funds in the prior year were not repaid during 2023. As a result, the interfund balances as at December 31, 2023 are not in compliance with this policy.

13. Amalgamation:

Effective January 1, 2023 the Village of Arcadia was created through the amalgamation of the Village of Gagetown, the Village of Cambridge Narrows and the LSDs of Cambridge, Upper Gagetown, Waterborough (part), Hampstead and Canning (part).

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

14. Schedule of segment disclosure:

	<u>General</u>	<u>Protective</u>	<u>Transportation</u>	<u>Environmental Health</u>	<u>Environmental Development</u>	<u>Recreation & Culture</u>	<u>Health & Welfare</u>	<u>Sewerage</u>	<u>2023 Total</u>
Revenue:									
Property tax warrant	\$ 703,931	\$ 1,667,334	\$ 816,569	\$ 392,145	\$ 258,253	\$ 232,933	\$ 16,070	\$ -	\$ 4,087,235
Services provided to other governments	-	217,475	-	-	-	-	-	-	217,475
Sale of services, fines and other fees	-	-	-	-	38,067	-	8,760	-	46,827
Community funding and equalization	3,543	8,391	4,109	1,973	1,300	1,172	81	-	20,569
Transfers from other governments	-	-	996,098	-	54,197	-	-	11,058	1,061,353
Water and sewer user fees	-	-	-	-	-	-	-	62,521	62,521
Other	25,498	-	-	-	-	-	-	11	25,509
Interest	<u>57,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,513</u>
	<u>790,485</u>	<u>1,893,200</u>	<u>1,816,776</u>	<u>394,118</u>	<u>351,817</u>	<u>234,105</u>	<u>24,911</u>	<u>73,590</u>	<u>5,579,002</u>
Expenses:									
Wages and benefits	273,038	75,629	-	-	-	-	-	18,633	367,300
Goods and services	408,945	1,369,400	589,950	440,876	238,898	191,518	15,090	52,377	3,307,054
Amortization	15,540	58,147	194,648	-	-	42,623	3,106	17,144	331,208
Interest - Long-term debt	<u>-</u>	<u>46,077</u>	<u>13,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,626</u>
	<u>697,523</u>	<u>1,549,253</u>	<u>798,147</u>	<u>440,876</u>	<u>238,898</u>	<u>234,141</u>	<u>18,196</u>	<u>88,154</u>	<u>4,065,188</u>
Surplus (deficit)	<u>\$ 92,962</u>	<u>\$ 343,947</u>	<u>\$ 1,018,629</u>	<u>\$ (46,758)</u>	<u>\$ 112,919</u>	<u>\$ (36)</u>	<u>\$ 6,715</u>	<u>\$ (14,564)</u>	<u>\$ 1,513,814</u>

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

15. Reconciliation of annual surplus:

	General Operating Fund	General Capital Fund	General Capital Reserve	General Operating Reserve	Sewerage Operating Fund	Sewerage Capital Fund	Sewerage Capital Reserve	Total
2023 annual surplus (deficit)	\$ <u>1,785,271</u>	\$ <u>(314,064)</u>	\$ <u>57,381</u>	\$ <u>(199)</u>	\$ <u>2,412</u>	\$ <u>(17,144)</u>	\$ <u>157</u>	\$ <u>1,513,814</u>
Adjustments to 2023 annual surplus (deficit) for funding requirements:								
Second previous year's surplus (deficit)	63,375	-	-	-	177	-	-	63,552
Transfers between funds:								
General Operating to General Capital Reserve	(533,000)	-	533,000	-	-	-	-	-
General Operating to General Operating Reserve	(215,000)	-	-	215,000	-	-	-	-
General Capital Reserve to General Operating	24,999	-	(24,999)	-	-	-	-	-
General Operating to General Capital	(26,905)	26,905	-	-	-	-	-	-
Utility Operating to Utility Capital	-	-	-	-	(14,076)	14,076	-	-
Change in accrued pension obligation	55,400	-	-	-	-	-	-	55,400
Amortization	-	314,064	-	-	-	17,144	-	331,208
Long-term debt principal repayment	(124,000)	124,000	-	-	-	-	-	-
Proceeds of debenture issue	300,000	(300,000)	-	-	-	-	-	-
Interim capital borrowing	(1,331,414)	1,331,414	-	-	-	-	-	-
Total adjustments	(1,786,545)	1,496,383	508,001	215,000	(13,899)	31,220	-	450,160
2023 annual fund surplus (deficit)	\$ <u>(1,274)</u>	\$ <u>1,182,319</u>	\$ <u>565,382</u>	\$ <u>214,801</u>	\$ <u>(11,487)</u>	\$ <u>14,076</u>	\$ <u>157</u>	\$ <u>1,963,974</u>

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. Statement of reserves:

	General Capital Reserve	General Operating Reserve	Sewer Capital Reserve	Total
Assets:				
Cash	\$1,597,491	\$ 49,174	\$ 27,767	\$1,674,432
Due from Operating Funds	<u>789,910</u>	<u>264,349</u>	<u>9,548</u>	<u>1,063,807</u>
Accumulated surplus	<u>\$2,387,401</u>	<u>\$ 313,523</u>	<u>\$ 37,315</u>	<u>\$2,738,239</u>
Revenue:				
Transfer from operating funds	\$ 533,000	\$ 215,000	\$ -	\$ 748,000
Interest (net of bank charges)	<u>57,381</u>	<u>(199)</u>	<u>157</u>	<u>57,339</u>
Expenditures	<u>(24,999)</u>	<u>-</u>	<u>-</u>	<u>(24,999)</u>
Annual surplus	<u>\$ 565,382</u>	<u>\$ 214,801</u>	<u>\$ 157</u>	<u>\$ 780,340</u>

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. Statement of reserves (continued):

Council resolutions regarding transfers to and from reserves:

At the regular meeting of council November 20, 2023:

It was moved by Councillor Black and seconded by Deputy Mayor Sharpe to move \$24,998.70 from the Cambridge Narrows 0076511 (note: that account number refers to the General Capital Reserve account of the former Village of Cambridge Narrows) to the Arcadia General Operating account 0809713.

With no questions to the motion and all in favour the motion was carried on November 20, 2023.

At the special meeting of council December 29, 2023:

Motion to transfer the 2023 surplus in the amount of seven hundred and forty-eight thousand dollars and no cents (\$748,000) from the Village of Arcadia's General Operating fund to the Village of Arcadia's Capital Reserve account and Arcadia's Operating Reserve account in the amounts of five hundred and thirty-three thousand dollars and no cents (\$533,000) and two hundred and fifteen thousand dollars and no cents (\$215,000) respectively.

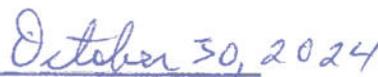
It was moved by Councillor Black and seconded by Deputy Mayor Sharpe to approved the above-noted motion.

With no further questions to the motion and all in favour, the motion was carried on December 29, 2023.

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



Dan Gilman
CAO, Village of Arcadia



Date

VILLAGE OF ARCADIA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

17. **Operating budget to public sector accounting budget:**

	<u>General Operating Budget</u>	<u>Sewerage Operating Budget</u>	<u>Amortization Tangible Capital Assets</u>	<u>Transfers</u>	<u>Other</u>	<u>Total</u>
Revenue:						
Property tax warrant	\$ 4,087,245	\$ -	\$ -	\$ -	\$ -	\$ 4,087,245
Unconditional grant	20,559	-	-	-	-	20,559
Services to other governments	225,526	-	-	-	-	225,526
Sales of services, fines and other	36,603	-	-	-	-	36,603
Sewerage service fees	-	68,340	-	-	-	68,340
Interest	200	-	-	-	-	200
Second prior year surplus	<u>92,354</u>	<u>177</u>	<u>-</u>	<u>(92,531)</u>	<u>-</u>	<u>-</u>
	<u>4,462,487</u>	<u>68,517</u>	<u>-</u>	<u>(92,531)</u>	<u>-</u>	<u>4,438,473</u>
Expenditures:						
General government services	723,166	-	15,540	1,500	-	740,206
Protective services	1,820,432	-	58,147	46,197	-	1,924,776
Transportation services	725,377	-	194,648	6,713	-	926,738
Environmental health	441,828	-	-	-	-	441,828
Public health and welfare	15,000	-	3,106	-	-	18,106
Environmental development	290,973	-	-	-	-	290,973
Recreation and cultural services	219,822	-	42,623	-	-	262,445
Sewerage	-	68,517	17,144	-	-	85,661
Second prior year deficit	28,979	-	-	(28,979)	-	-
Fiscal services:						
Long-term debt repayments	142,500	-	-	(142,500)	-	-
Interest on long-term debt	52,910	-	-	(52,910)	-	-
Bank charges	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>-</u>	<u>-</u>
	<u>4,462,487</u>	<u>68,517</u>	<u>331,208</u>	<u>(171,479)</u>	<u>-</u>	<u>4,690,733</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (331,208)</u>	<u>\$ 78,948</u>	<u>\$ -</u>	<u>\$ (252,260)</u>

VILLAGE OF ARCADIA

SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 (Unaudited) <u>Budget</u>	2023 <u>Actual</u>
Sale of services, fines and other fees:		
Animal licenses	\$ 300	\$ -
Building permits	29,003	38,067
Building rent	<u>7,300</u>	<u>8,760</u>
	<u>\$ 36,603</u>	<u>\$ 46,827</u>
Services to other governments:		
Province of New Brunswick:		
Fire protection	<u>\$ 225,526</u>	<u>\$ 217,475</u>
Other government transfers:		
Province of New Brunswick/Government of Canada:		
Grants - Wage subsidies	\$ -	\$ 8,750
Active Transportation - Government of Canada	-	40,000
Infrastructure grants - Province of New Brunswick		
General Operating fund	-	996,098
Sewerage Operating Fund	-	11,058
Other grants	<u>-</u>	<u>5,447</u>
	<u>\$ -</u>	<u>\$ 1,061,353</u>
Other revenue:		
Donations	\$ -	\$ 1,502
Miscellaneous	-	23,996
Miscellaneous - Utility	<u>-</u>	<u>11</u>
	<u>\$ -</u>	<u>\$ 25,509</u>

VILLAGE OF ARCADIA

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 (Unaudited) <u>Budget</u>	2023 <u>Actual</u>
General government services:		
Legislative:		
Mayor	\$ 34,270	\$ 29,593
Councillors	87,175	75,491
Other legislative costs	<u>-</u>	<u>363</u>
	<u>121,445</u>	<u>105,447</u>
Administrative:		
Personnel benefits and related costs	165,870	202,718
Secretary treasurer	86,186	70,320
Sewer worker wages and related costs	-	12,549
Sewer cost recovery	(44,899)	(35,918)
Office building	42,913	33,864
Solicitor	10,000	-
Other	67,236	26,691
Civic relations	11,500	17,924
Public liability insurance	125,000	94,520
Cost of assessment	85,915	85,915
Grants to organizations	<u>11,000</u>	<u>12,100</u>
	<u>560,721</u>	<u>520,683</u>
Financial management:		
External audit	<u>15,000</u>	<u>16,443</u>
Other:		
Training and civic relations	8,000	4,163
Bank charges	1,500	580
Interest - Short-term debt	12,000	26,685
Other fees and taxes	6,000	5,565
Debenture issue costs	<u>-</u>	<u>2,417</u>
	<u>27,500</u>	<u>39,410</u>
Amortization	<u>15,540</u>	<u>15,540</u>
	<u>\$ 740,206</u>	<u>\$ 697,523</u>

VILLAGE OF ARCADIA

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 (Unaudited) <u>Budget</u>	2023 <u>Actual</u>
Protective services:		
Police - RCMP	\$ <u>683,174</u>	\$ <u>683,174</u>
Fire:		
Administration	118,529	75,629
Firefighting force	74,642	53,420
Fire alarm system	67,505	43,664
Station and building	194,040	41,340
Firefighting equipment maintenance	411,249	356,879
Training	-	-
Equipment operating leases	166,892	113,216
Other	55,745	60,538
Interest - Long-term debt	<u>46,197</u>	<u>46,077</u>
	<u>1,134,799</u>	<u>790,763</u>
Emergency measures	<u>33,652</u>	<u>-</u>
Other:		
Animal and pest control	<u>15,004</u>	<u>17,169</u>
Amortization	<u>58,147</u>	<u>58,147</u>
	<u>\$ 1,924,776</u>	<u>\$ 1,549,253</u>

VILLAGE OF ARCADIA

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 (Unaudited) <u>Budget</u>	2023 <u>Actual</u>
Transportation services:		
Common services:		
Administration	\$ 67,362	\$ 34,957
General equipment	<u>13,000</u>	<u>946</u>
	<u>80,362</u>	<u>35,903</u>
Roads and streets:		
Summer maintenance	283,229	184,070
Winter maintenance	264,530	281,366
Culverts and drainage ditches	15,000	23,122
Storm sewers	10,000	-
Regional Service Commission	3,661	3,660
Other	<u>5,000</u>	<u>4,821</u>
	<u>581,420</u>	<u>497,039</u>
Street lighting	<u>58,595</u>	<u>55,970</u>
Traffic:		
Street signs	3,000	1,038
Traffic lane markings	<u>2,000</u>	<u>-</u>
	<u>5,000</u>	<u>1,038</u>
Interest - Long-term debt	6,713	13,549
Amortization	<u>194,648</u>	<u>194,648</u>
	<u>\$ 926,738</u>	<u>\$ 798,147</u>

VILLAGE OF ARCADIA

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 (Unaudited) <u>Budget</u>	2023 <u>Actual</u>
Environmental health:		
Garbage collection	\$ 255,281	\$ 235,815
Other garbage disposal and recycling	<u>186,547</u>	<u>205,061</u>
	<u>\$ 441,828</u>	<u>\$ 440,876</u>
Public health and welfare:		
Medical clinic	\$ 15,000	\$ 15,090
Amortization	<u>3,106</u>	<u>3,106</u>
	<u>\$ 18,106</u>	<u>\$ 18,196</u>
Environmental development:		
Community planning	\$ 155,523	\$ 160,718
Community development	31,250	26,248
Tourism promotion	32,200	27,200
Administration and other	<u>72,000</u>	<u>24,732</u>
	<u>\$ 290,973</u>	<u>\$ 238,898</u>
Recreation and culture:		
Administration	\$ 55,693	\$ 54,474
Parks and playgrounds	16,000	15,174
Other recreation facilities	130,373	103,840
Property tax	-	4,420
Libraries	17,756	13,610
Amortization	<u>42,623</u>	<u>42,623</u>
	<u>\$ 262,445</u>	<u>\$ 234,141</u>

VILLAGE OF ARCADIA

SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 (Unaudited) <u>Budget</u>	2023 <u>Actual</u>
Sewer collection and disposal:		
Administration	\$ 23,665	\$ 18,633
Bad debts (recovery)	1,271	2,500
Sewer collection system	13,217	12,352
Sewer treatment and disposal	29,864	33,917
Billing discounts	500	330
Other	-	3,278
Amortization	<u>17,144</u>	<u>17,144</u>
	<u>\$ 85,661</u>	<u>\$ 88,154</u>

