

---

---

**VILLAGE OF BLACKS HARBOUR**  
**Financial Statements**  
Year Ended December 31, 2014

---

# VILLAGE OF BLACKS HARBOUR

Index to the Financial Statements

Year Ended December 31, 2014

## Contents

## Page

Independent Auditor's Report	1
Financial Statements	
Consolidated Statement of Operations	2
Consolidated Statement of Financial Position	3
Consolidated Statement of Changes in Net Debt	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	6-29

---

**INDEPENDENT AUDITOR'S REPORT**

---

To Her Worship The Mayor and members of the Council of Village of Blacks Harbour

**Report on the Financial Statements**

We have audited the accompanying financial statements of Village of Blacks Harbour, which comprise the consolidated statement of financial position as at December 31, 2014 and December 31, 2013 and the consolidated statement of operations, consolidated statement of changes in net debt and consolidated statement of cash flows for the years ended December 31, 2014 and December 31, 2013, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Village of Blacks Harbour as at December 31, 2014 and December 31, 2013 and its financial performance, its changes in net debt and its cash flows for the years ended December 31, 2014 and December 31, 2013 in accordance with Canadian accounting standards for the public sector.



Mark H Porter, Chartered Accountant

April 15, 2015

St. Stephen, New Brunswick

**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2014**

	<b>2014</b>		<b>2013</b>
	( Unaudited )		
	Budget	Actual	Actual
	( Note 22)		
<b>Revenue</b>			
Property tax warrant	\$ 976,272	\$ 976,272	\$ 969,630
Unconditional grant	170,595	170,595	154,877
Services provided to other governments	150,527	150,820	140,308
Sales of services	80,000	84,653	56,157
Other revenue from own sources	17,620	43,326	119,385
Unconditional transfers from other governments	4,500	4,450	4,686
Conditional transfers	50,000	1,500	134,664
Other transfers	-	-	4
Water and sewer fees	491,945	488,873	491,031
Interest	5,000	12,479	11,079
	<u>1,946,459</u>	<u>1,932,968</u>	<u>2,081,821</u>
<b>Expenditures</b>			
General government services	253,181	227,072	242,449
Protective services	497,597	461,038	473,150
Transportation services	268,454	266,931	273,330
Environmental health services	56,000	51,463	49,175
Environmental development services	59,843	62,976	49,338
Recreational and cultural services	272,498	300,671	267,088
Water & sewer	567,990	503,917	538,944
Loss on disposal of tangible capital assets	-	1,616	-
	<u>1,975,563</u>	<u>1,875,684</u>	<u>1,893,474</u>
Annual surplus ( deficit ) ( Note 20 )	<u>\$ (29,104)</u>	\$ 57,284	\$ 188,347
Accumulated surplus, beginning of year		<u>4,250,517</u>	<u>4,062,170</u>
Accumulated surplus, end of year		<u>\$ 4,307,801</u>	<u>\$ 4,250,517</u>

**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>Financial assets</b>		
Cash ( Note 3 )	\$ 117,853	\$ 181,717
Receivables		
General ( Note 4 )	70,341	94,492
Federal government and its agencies ( Note 5 )	19,169	21,236
Province of New Brunswick ( Note 6 )	7,376	4,051
Portfolio investments ( Note 7 )	735,321	483,498
	<u>950,060</u>	<u>784,994</u>
<b>Liabilities</b>		
Payables and accruals	192,530	263,155
Holdbacks payable	16,398	16,398
Deferred revenue ( Note 8 )	202,932	204,033
Long term debt ( Note 9 )	824,000	914,000
Accrued sick leave ( Note 10 )	34,000	30,000
Post employment benefits payable ( Note 11 )	276,100	287,400
	<u>1,545,960</u>	<u>1,714,986</u>
<b>NET ASSETS (DEBT)</b>	<u>(595,900)</u>	<u>(929,992)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets ( Note 18 )	10,517,863	10,458,169
Accumulated amortization	(5,713,561)	(5,376,637)
	<u>4,804,302</u>	<u>5,081,532</u>
Inventory of supplies	72,086	72,165
Land inventory for resale	22,442	22,020
Prepaid expenses	4,871	4,792
	<u>4,903,701</u>	<u>5,180,509</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 4,307,801</u>	<u>\$ 4,250,517</u>

On behalf of Council

Approved by:

Mayor \_\_\_\_\_

Treasurer \_\_\_\_\_

**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Statement of Changes in Net Debt**  
**Year Ended December 31, 2014**

	<u>2014</u>	<u>2013</u>
Annual surplus	\$ 57,284	\$ 188,347
Add (deduct) :		
Acquisition of tangible capital assets	(65,815)	(331,421)
Amortization of tangible capital assets	341,208	343,222
Proceeds on sale of tangible capital assets	221	
Loss on disposal of tangible capital assets	1,616	-
Acquisition of inventories		(3,172)
Acquisition of prepaid assets	(79)	734
Acquisition of land inventory for resale	(422)	(2,840)
Consumption of inventories	79	
	<u>334,092</u>	<u>194,870</u>
(Increase) decrease in Net Assets (Debt)		
Net Assets (Debt), beginning of the year	(929,992)	(1,124,862)
Net Assets (Debt), end of the year	<u>\$ (595,900)</u>	<u>\$ (929,992)</u>

**VILLAGE OF BLACKS HARBOUR**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2014**

	<u>2014</u>	<u>2013</u>
Increase ( decrease ) in cash and cash equivalents		
<b>Operating transactions</b>		
Annual surplus	\$ 57,284	\$ 188,347
Loss on disposal of tangible capital assets	1,616	-
Amortization of tangible capital assets	341,208	343,222
Receivable - General	24,151	(31,041)
Receivable - Contributions		29,000
Receivable - Federal Government and its agencies	2,067	98,809
Receivable - Province of New Brunswick	(3,325)	146,242
Receivable - Canada/NB Municipal Rural Infrastructure Program		106,420
Loans receivable		13,290
Payables and accruals	(70,625)	(323,927)
Holdbacks payable	-	(32,518)
Deferred revenue	(1,101)	57,974
Accrued sick leave	4,000	(3,400)
Post employment benefits payable	(11,300)	9,800
Change in inventory/prepaid expenses	(422)	(5,278)
	<u>343,553</u>	<u>596,940</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(65,815)	(331,421)
Proceeds on sale of tangible capital assets	221	-
	<u>(65,594)</u>	<u>(331,421)</u>
<b>Financing transactions</b>		
Long-term debt	<u>(90,000)</u>	<u>(92,000)</u>
<b>Investing transactions</b>		
Investments	<u>(251,823)</u>	<u>(166,967)</u>
Net ( decrease ) increase in cash and cash equivalents	(63,864)	6,552
Cash and cash equivalents		
Beginning of year	\$ 181,717	\$ 175,165
End of year	<u>\$ 117,853</u>	<u>\$ 181,717</u>

---

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

---

**1. Purpose of the Organization**

The Municipality was incorporated as a village by the Province of New Brunswick Municipalities Act on November 1, 1972 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. As a municipality, the Municipality is exempt from income tax under section 149 (1)(c) of the Canadian Income Tax Act. The Municipality provides services pertaining to community development.

**2. Summary of significant accounting policies**

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

The focus of PSA financial statements is on the financial position of the Municipality and the changes thereto. The consolidated Statement of Financial Position includes all of the assets and liabilities of the Municipality.

No other entities have been included in these consolidated financial statements.

Significant aspects of the accounting policies adopted by the Municipality are as follows:

**Reporting entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt 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 Municipality and which are owned or controlled by the Municipality.

Interdepartmental and organizational transactions and balances are eliminated.

**Budget**

The budget figures contained in these financial statements were approved by Council on January 15, 2014 and the Minister of Local Government on January 24, 2014.

**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.



---

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

---

**2. Summary of 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 Municipality's financial instruments consist of cash, portfolio investments, accounts receivable, due from the Province of New Brunswick, due from the Federal Government, due from own funds, payables and accruals, holdbacks payable, deferred revenue, and long-term debt. Unless otherwise noted, it is management's opinion that the Municipality 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 Municipality is subject to credit risk through accounts receivable. The Municipality 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.

**Inventory of land for resale**

Inventory is valued at the lower of cost and estimated net realizable value.

**Inventory of supplies**

Inventory is valued at the lower of cost and net replacement cost with cost being determined on the average cost basis.

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**2. Summary of significant accounting policies (continued)**

**Tangible capital assets**

The municipality follows 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. Donated or contributed tangible capital assets are recorded at their fair market value at the date of construction or contribution. Tangible capital assets below a threshold of \$ 5,000 are expensed in the year of acquisition. Amortization shall begin in July of the year in which the costs were incurred. No amortization is recorded in the year of disposal. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

<b>Asset type</b>	<b>Years</b>
Land improvements	5-25 years
Buildings	40 years
Vehicles	3-5 years
Machinery and equipment	5-15 years
Heavy equipment	10-15 years
Computer hardware & software & communication equipment	3-5 years
Furniture & fixtures	3-5 years
Road surface	5-15 years
Road grade	10-30 years
Water and wastewater networks	15-100 years
Dams and water structures	25-50 years
Leasehold improvements	Over the term of the lease

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

**Contributed goods and services**

With the exception of tangible capital assets which are recognized at their fair market value, the value of contributed goods and services are not recognized in the financial statements.

**Segmented Information**

The Municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality'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.

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**2. Summary of significant accounting policies (continued)**

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 solid 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 arena, ballfields, parks and playgrounds and other recreational and cultural facilities.

Water and wastewater systems

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.

**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 10 and a pension plan as documented in Note 11.

**3. Cash**

	<u>2014</u>	<u>2013</u>
Restricted - Reserve Funds	\$ 6	\$ 137,008
Unrestricted	117,847	44,709
	<u>\$ 117,853</u>	<u>\$ 181,717</u>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

	2014	2013
<b>4. Receivables- General</b>		
Trade	\$ 67,721	\$ 93,580
Accrued investment income - Reserve Funds	1,842	548
Accrued investment income - Gas Tax Fund	714	315
Accrued investment income - Other	64	49
	<u>\$ 70,341</u>	<u>\$ 94,492</u>
<b>5. Due from federal government and its agencies</b>		
Canada Revenue Agency ( HST refund )	\$ 19,169	\$ 21,236
<b>6. Due from Province of New Brunswick</b>		
Department of Transportation	\$ 2,750	\$ 3,540
Department of Finance	4,397	
Department of Local Government	229	511
	<u>\$ 7,376</u>	<u>\$ 4,051</u>
<b>7. Portfolio investments</b>		
Externally restricted - Gas Tax Fund	\$ 200,296	\$ 199,313
Externally restricted - Reserve Funds	517,033	235,711
Unrestricted	17,992	48,474
	<u>\$ 735,321</u>	<u>\$ 483,498</u>

The investments consist of guaranteed investment certificates with maturity dates in 2015 and interest rates ranging from 0.15% to 1.24%.

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**8. Deferred revenue**

	2014	2013
Cans for Kids program		
Restricted contributions required to be spent on recreational or cultural programs for children.		
Balance, beginning of year	\$ 1,101	\$ 1,101
Contributions for the year	-	-
Transfer to revenue	-	-
Balance, end of year	<u>1,101</u>	<u>1,101</u>
Charlotte County Volunteer Website		
Restricted contributions required to be spent to develop volunteer website.		
Balance, beginning of year	\$ 3,304	\$ -
Contributions for the year		4,000
Transfer to revenue	(2,483)	(696)
Balance, end of year	<u>821</u>	<u>3,304</u>
Gas Tax Fund		
Transfer from the Canada-New Brunswick Agreement on the Transfer of Federal Gas Tax Revenues and the Provincial Gas Tax Top-up Fund to be applied to the cost of specific capital projects. The unspent balance is invested in portfolio investments and investment income reinvests in the fund.		
Balance, beginning of year	199,628	144,958
Contributions for the year	-	147,968
Interest earned	1,382	1,195
Transfer to revenue for capital projects	-	(94,493)
Balance, end of year	<u>201,010</u>	<u>199,628</u>
Total	<u>\$ 202,932</u>	<u>\$ 204,033</u>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

9. Long-term debt

	2014	2013
<u>New Brunswick Municipal Finance Corporation Debentures:</u>		
General Capital Fund		
AQ23, 2.75% - 5.5%, due July 8, 2014, OIC #02-0021	\$ -	\$ 296,000
BK28, 1.15% - 3.1%, due May 15, 2022, OIC #02-0021	271,000	
AW21, 4.3% - 4.55%, due May 25, 2017, OIC #05-0087	83,000	92,000
AY28, 3.3% - 4.85%, due May 16, 2018, OIC #06-0065 & 07-0042	148,000	161,000
BA33, .95% - 5.0%, due June 11, 2019, OIC #06-0065	11,000	12,000
BB38, 1.0% - 4.5%, due November 6, 2019, OIC #08-0054	42,000	77,000
Water Capital Fund		
BA34, .95% - 5.0%, due June 11, 2019, OIC #07-0042 & 07-0089	233,000	239,000
BB39, 1.0% - 4.5%, due November 6, 2019, OIC #07-0042	36,000	37,000
	<u>\$ 824,000</u>	<u>\$ 914,000</u>

Approval of the Municipal Capital Borrowing Board has been obtained for long-term debt.

Principal payments required during the next five years are as follows:

2015	\$	74,000
2016	\$	75,000
2017	\$	133,000
2018	\$	160,000
2019	\$	293,000

Principal payments on debenture AW21 due May 25, 2017 totalling \$ 54,000 can be refinanced for a term not to exceed 5 years. Principal payments on debenture AY28 due May 16, 2018 totalling \$ 89,000 can be refinanced for a term not to exceed 5 years. Principal payments on debenture BA33 due June 11, 2019 totalling \$ 6,000 can be refinanced for a term not to exceed 6 years. Principal payments on debenture BA34 due June 11, 2019 totalling \$ 200,000 can be refinanced for a term not to exceed 20 years. Principal payments on debenture BB39 due November 6, 2019 totalling \$ 31,000 can be refinanced for a term not to exceed 20 years.

---

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

---

**10. Accrued sick leave**

The Municipality provides sick leave that accumulates at 12 hours per month for full-time non-administrative employees and 10.5 hours per month for full-time administrative employees. Full-time non-administrative employees can accumulate a maximum of 1,400 (2013-1,280) sick leave hours and full-time administrative employees can accumulate a maximum of 1,225 (2013-1,120) sick leave hours. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. Accumulated sick leave does not vest.

No actuarial valuation was performed at December 31, 2014 and the liability is based on management's best estimates. An actuarial valuation was last performed on the 7 (2014 - 8) employee plan in accordance with PSA 3255 at December 31, 2012. The actuarial method used was the Projected Unit Credit pro-rated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Municipality's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3%;
- the discount rate used to determine the accrued benefit obligation is 3.38%;
- retirement age is 60; and
- estimated net excess utilization of rate of sick leave varies with age.

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid out of general revenue as they come due.

The unfunded liability was \$ 30,000 on December 31, 2013 and \$ 34,000 on December 31, 2014.

**11. Post employment benefits payable**

(a) Pension obligation

The Municipality and its employees participate in the New Brunswick Municipal Employees Pension Plan (NBMEPP). The NBMEPP 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 NBMEPP 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 NBMEPP (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, 2012 and resulted in an overall NBMEPP accrued benefit obligation of \$ 85,323,300 based 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 (which has now been updated for expected improvements in mortality for 2013 results). The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2013 :

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**11. Post employment benefits payable (continued)**

- the expected inflation rate is 2.35% (prior 2.35%)
- the discount rate used to determine the accrued benefit obligation is 5.6% (prior 5.5%)
- the expected rate of return on assets is 5.6% (prior 5.5%)
- retirement age varies by age and employment category
- estimated average remaining service life is (EARSL) is 14.0 years (prior 15.1 years)

The actuarial valuation prepared as at December 31, 2012 indicated that the present value of the accumulated plan benefits exceeded the market value of the net assets available for 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 \$ 11,581,900, an decrease of \$ 1,047,700 from the December 31, 2011 deficit of \$ 12,629,600. Based on the assumptions as at December 31, 2012, the actuary expected the level of employer and employee contributions to be sufficient to fund the deficit in less than fifteen years, as allowed by the Pension Benefits Act.

As at December 31, 2012, the NBMEPP provides benefits for 171 retirees. Total benefit payments to retirees and terminating employees during 2014 are estimated to be approximately \$ 2,745,900 (actual 2013, \$ 2,678,900) in totality for the NBMEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.6%. Each municipality contributes an amount that equals their employees contribution amounts. Pension fund assets are invested in short term securities, bonds, canadian equities and foreign equities. Combined employees and municipalities contributions for 2014 are estimated to be approximately \$ 5,456,800 (actual 2013, \$ 5,306,000) in totality for the NBMEPP.

The following summarizes the NBMEPP data as it relates to the Village of Blacks Harbour:

- The average age of the 8 active employees covered by the NBMEPP is 47.3 (as at December 31,2012)
- Benefit payments were \$ 54,300 in 2013 and were estimated to be \$ 54,300 in 2014
- Combined contributions were \$ 48,600 in 2013 and were estimated to be \$ 50,000 in 2014

In addition to determining the position of the NBMEPP as it relates to the Village of Blacks Harbour as at December 31, 2012 and December 31, 2013, NBMEPP's actuary performed an extrapolation of the December 31, 2013 accounting valuation to determine the estimated position as at December 31, 2014. The extrapolation assumes that assumptions used as at December 31, 2014 remain unchanged from December 31, 2013. In addition, the extrapolation assumes assets return 5.6% 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:



**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**11. Post employment benefits payable (continued)**

	Estimated 1-Jan-2014 to 31-Dec-2014	1-Jan-2013 to 31-Dec-2013
<b>Accrued Benefit Liability / (Asset)</b>		
Accrued benefit liability / (asset) at beginning of period	\$ 287,400	\$ 277,600
Pension expense for the year	13,000	36,000
Less: Employer contributions	(24,300)	(26,200)
Accrued benefit liability / (asset) at end of period	<u>\$ 276,100</u>	<u>\$ 287,400</u>

In summary, the Accrued Benefit Liability as it relates to the Village of Blacks Harbour is estimated to be \$ 287,400 as at December 31, 2013. This compares to \$ 277,600 as at December 31, 2012 and \$ 262,700 as at January 1, 2012. 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:

	Estimated 31-Dec-2014	31-Dec-2013
<b>Reconciliation of Funded Status at End of Period</b>		
Accrued benefit obligation	\$ 1,896,900	\$ 1,801,100
Plan assets	1,749,900	1,466,000
Plan deficit / (surplus)	147,000	335,100
Unamortized prior service costs / (savings)	-	-
Unamortized experience losses / (gains)	(129,100)	47,700
Unamortized transitional obligation / (asset)	-	-
Accrued benefit liability / (asset) at end of period	<u>\$ 276,100</u>	<u>\$ 287,400</u>

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

	Estimated 1-Jan-2014 to 31-Dec-2014	1-Jan-2013 to 31-Dec-2013
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued benefit obligation at beginning of period	\$ 1,801,100	\$ 1,698,300
Current service cost	39,200	40,400
Benefit payments	(61,700)	(35,400)
Interest for period	100,800	94,500
Cost / (savings) of plan amendments	-	-
Experience loss / (gain) during period	17,500	3,300
Accrued benefit obligation at end of period	<u>\$ 1,896,900</u>	<u>\$ 1,801,100</u>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**11. Post employment benefits payable (continued)**

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

	<b>Estimated 1-Jan-2014 to 31-Dec-2014</b>	<b>1-Jan-2013 to 31-Dec-2013</b>
<b>Reconciliation of Plan Assets</b>		
Plan assets at beginning of period	\$ 1,466,000	\$ 1,311,400
Employer contributions	24,300	26,200
Employee contributions	24,600	25,900
Benefit payments	(61,700)	(35,400)
Return on plan assets during period	296,700	137,900
Plan assets at end of year	<u>\$ 1,749,900</u>	<u>\$ 1,466,000</u>

Total expenses related to pensions include the following components:

	<b>Estimated 1-Jan-2014 to 31-Dec-2014</b>	<b>1-Jan-2013 to 31-Dec-2013</b>
<b>Pension Expense</b>		
Employer current service cost	\$ 14,600	\$ 14,500
Interest on accrued benefit obligation	100,800	94,500
Expected return on assets	(92,500)	(76,500)
	<u>22,900</u>	<u>32,500</u>
Amortization of unrecognized balances		
Prior service costs / (savings)	-	-
Experience loss / (gain)	(9,900)	3,500
Transitional obligation / (asset)	-	-
Total amortization	<u>(9,900)</u>	<u>3,500</u>
Pension expense	<u>\$ 13,000</u>	<u>\$ 36,000</u>

The Pension Expense is included in the statement of operations.

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**12. Surplus/Deficit reconciliation**

The Municipalities Act requires Water and Sewer Fund surplus/deficit amounts to be absorbed into one or more of three Operating Budgets commencing with the second following year. In addition, the General Operating Fund is not permitted to accumulate any surplus or deficit except for the current and immediately preceding year. The reconciliation of the surplus/deficit at the end of the year consists of:

	<u>2014</u>	<u>2013</u>
Net financial assets (Liabilities)	- 595,900	- 929,992
Adjustments:		
Long term debt	824,000	914,000
Accrued sick leave: Non-vesting / unfunded portion	34,000	30,000
Other unfunded liability - NBMEPP	276,100	287,400
Inventory of supplies	72,086	72,165
Less: Inventory Transferred from Utility Capital Fund	- 26,843	- 28,335
Prepaid expenses	4,871	4,792
Current net assets	<u>588,314</u>	<u>350,030</u>
Composition of current net assets		
General Fund Surplus <Deficit> for 2012 PNB purposes	-	9,633
Utility Fund Surplus <Deficit> for 2012 PNB purposes	-	1,468
General Fund Surplus <Deficit> for 2013 PNB purposes	- 8,045	- 8,045
Utility Fund Surplus <Deficit> for 2013 PNB purposes	- 4,091	- 4,091
General Fund Surplus <Deficit> for 2014 PNB purposes	13,072	
Utility Fund Surplus <Deficit> for 2014 PNB purposes	68,497	
Reserve Fund balances	518,881	373,267
	<u>588,314</u>	<u>350,030</u>

**13. Contingencies**

In the normal course of operations, the Municipality becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2014 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 Municipality maintains insurance coverage in amounts considered appropriate.

---

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

---

**14. Short-term borrowings compliance**

**Interim borrowing for capital**

The Municipality has no outstanding ministerial authority for short-term borrowings.

**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 2014, the Municipality 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 amount payable between the General Operating Fund and Water and Sewer Operating Fund is not in compliance with the requirements but interest is recorded at a rate of 5.5% to ensure that no benefit or cost is attributed to either fund.

**15. Water Cost Transfer**

The Municipality's water cost transfer for fire protection is within the maximum allowable by Regulation 81-195 under the Municipalities Act based upon the applicable percentage of water system expenditures for the population.

**16. Non-monetary transactions**

Connors Bros. supplies potable water at no charge to the Village of Blacks Harbour from its source of supply in Pennfield, New Brunswick. The Village does not charge the company for water distributed through waterlines within the Village limits. No revenues or expenses are recorded in the financial statements for these transactions because the fair values are not reliably measurable.

**17. Economic dependence**

The Village of Blacks Harbour derives a significant portion of its property tax revenues from its major industry and its employees who reside within the Municipality.

The Village of Blacks Harbour is supplied potable water by Connor Bros. at no charge. The Village has completed potential well site exploration but no viable sources have been identified.

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**18. Schedule of Tangible Capital Assets**

	Land	Land Improvements	Buildings & Leasehold Improvements	Vehicles	Machinery and Equipment	Infrastructure		Water and Sewer	Communication & Computer Equipment	Assets Under Construction	2014 Total	2013 Total
						Roads and Street	Treatment Facilities					
<b>COST</b>												
Balance, beginning of year	\$ 207,558	\$ 254,330	\$ 2,450,302	\$ 140,509	\$ 1,387,383	\$ 1,455,295	\$ 790,352	\$ 3,711,384	\$ 61,056	\$ -	\$ 10,458,169	\$ 10,126,748
Add:												
Net additions during the year	1,497	3,306	21,990		32,415		6,607				65,815	451,371
Less:												
Disposals during the year				(6,121)							(6,121)	(119,950)
<b>BALANCE, END OF YEAR</b>	<b>209,055</b>	<b>257,636</b>	<b>2,472,292</b>	<b>134,388</b>	<b>1,419,798</b>	<b>1,455,295</b>	<b>796,959</b>	<b>3,711,384</b>	<b>61,056</b>	<b>-</b>	<b>10,517,863</b>	<b>10,458,169</b>
<b>ACCUMULATED AMORTIZATION</b>												
Balance, beginning of year	-	115,355	966,894	111,536	936,276	1,025,872	544,146	1,615,502	61,056	-	5,376,637	5,033,415
Add:												
Amortization during the year	-	9,863	69,914	8,263	80,628	46,982	16,311	109,247			341,208	343,222
Less:												
Accumulated amortization on disposals	-			(4,284)							(4,284)	-
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>125,218</b>	<b>1,036,808</b>	<b>115,515</b>	<b>1,016,904</b>	<b>1,072,854</b>	<b>560,457</b>	<b>1,724,749</b>	<b>61,056</b>	<b>-</b>	<b>5,713,561</b>	<b>5,376,637</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL</b>	<b>\$ 209,055</b>	<b>\$ 132,418</b>	<b>\$ 1,435,484</b>	<b>\$ 18,873</b>	<b>\$ 402,894</b>	<b>\$ 382,441</b>	<b>\$ 236,502</b>	<b>\$ 1,986,635</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,804,302</b>	<b>\$ 5,081,532</b>
Consists of:												
General Fund Assets	\$ 168,235	\$ 132,418	\$ 1,090,649	\$ 1,937	\$ 287,020	\$ 382,441					\$ 2,062,700	\$ 2,171,522
Water & Sewer Fund Assets	40,820	-	344,835	16,936	115,874		236,502	1,986,635	-	-	2,741,602	2,910,010
	<b>\$ 209,055</b>	<b>\$ 132,418</b>	<b>\$ 1,435,484</b>	<b>\$ 18,873</b>	<b>\$ 402,894</b>	<b>\$ 382,441</b>	<b>\$ 236,502</b>	<b>\$ 1,986,635</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,804,302</b>	<b>\$ 5,081,532</b>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**19. Schedule of Segment Disclosure**

	General	Protective	Transportation	Environmental Health	Environmental Development	Recreation & Culture	Water & Sewer	2014 Consolidated	2013 Consolidated
<b>Revenues</b>									
Property tax warrant	\$ 256,884	\$ 294,275	\$ 162,493	\$ 56,000	\$ 48,450	\$ 158,170	\$ -	\$ 976,272	\$ 969,630
Unconditional grant	170,595	-	-	-	-	-	-	170,595	154,877
Services provided to other governments	-	148,562	2,258	-	-	-	-	150,820	140,308
Sale of service and other fees	-	-	-	-	-	84,653	-	84,653	56,157
Other revenue from own sources	32	12,500	12,120	-	6,268	8,843	3,563	43,326	119,385
Unconditional transfers from other governments	-	4,450	-	-	-	-	-	4,450	4,686
Conditional transfers	1,500	-	-	-	-	-	-	1,500	134,664
Other transfers	-	-	-	-	-	-	-	-	4
Water and sewer fees	-	-	-	-	-	-	488,873	488,873	491,031
Interest	6,694	-	-	-	-	-	5,785	12,479	11,079
	435,705	459,787	176,871	56,000	54,718	251,666	498,221	1,932,968	2,081,821
<b>Expenses</b>									
Salaries and benefits	92,571	44,108	89,904	-	12,658	111,485	123,919	474,645	506,710
Goods and services	121,725	371,198	87,179	51,463	38,929	156,458	186,547	1,013,499	989,340
Amortization	7,262	31,510	83,842	-	10,850	32,728	175,016	341,208	343,222
Interest	5,514	14,222	6,006	-	539	-	18,435	44,716	54,202
Other	-	-	1,616	-	-	-	-	1,616	-
	227,072	461,038	268,547	51,463	62,976	300,671	503,917	1,875,684	1,893,474
<b>Surplus ( deficit ) for the year</b>	<b>\$ 208,633</b>	<b>\$ (1,251)</b>	<b>\$ (91,676)</b>	<b>\$ 4,537</b>	<b>\$ (8,258)</b>	<b>\$ (49,005)</b>	<b>\$ (5,696)</b>	<b>\$ 57,284</b>	<b>\$ 188,347</b>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**20. Reconciliation of Annual Surplus**

	General Operating Fund	General Capital Fund	Water & Sewer Operating Fund	Water & Sewer Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Water & Sewer Operating Reserve Fund	Water & Sewer Capital Reserve Fund	Total
<b>2014 annual surplus ( deficit )</b>	\$ 229,236	\$ (167,808)	\$ 167,758	\$ (175,016)	\$ 521	\$ 1,032	\$ 207	\$ 1,354	\$ 57,284
<b>Adjustments to annual surplus ( deficit ) for funding requirements</b>									
Second previous year's surplus ( deficit )	(9,633)	-	(1,468)	-	-	-	-	-	(11,101)
Transfers between funds	-	-	-	-	-	-	-	-	-
Transfer from general operating reserve fund to the general operating fund	7,000	-	-	-	(7,000)	-	-	-	-
Transfer from water & sewer operating reserve fund to the water & sewer operating fund	-	-	500	-	-	-	(500)	-	-
Transfer from general capital reserve fund to the general capital fund	-	12,000	-	-	-	(12,000)	-	-	-
Transfer from water & sewer capital reserve fund to the water & sewer capital fund	-	-	-	-	-	-	-	-	-
Transfer from general operating fund to the general capital reserve fund	(70,000)	-	-	-	-	70,000	-	-	-
Transfer from water & sewer operating fund to the water & sewer capital reserve fund	-	-	(85,000)	-	-	-	-	85,000	-
Transfer from general operating fund to the general operating reserve fund	(7,000)	-	-	-	7,000	-	-	-	-
Transfer from general operating fund to the general capital fund	(45,972)	45,972	-	-	-	-	-	-	-
Transfer from water & sewer operating fund to the water & sewer capital fund	-	-	(6,607)	6,607	-	-	-	-	-
Transfer from general capital fund to the general operating fund	(422)	422	-	-	-	-	-	-	-
Transfer from water and sewer capital fund to the water and sewer operating fund	-	-	1,492	(1,492)	-	-	-	-	-
Long-term debt principal repayment	(83,000)	83,000	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	(7,000)	7,000	-	-	-	-	-
Contributions for tangible capital asset acquisitions	(1,236)	1,236	-	-	-	-	-	-	-
Proceeds from disposal of tangible capital assets	221	(221)	-	-	-	-	-	-	-
Provision for sick leave accrual	2,823	-	1,177	-	-	-	-	-	4,000
Amortization expense	-	166,192	-	175,016	-	-	-	-	341,208
Change in amount recorded under PSA for defined benefit liability	(8,945)	-	(2,355)	-	-	-	-	-	(11,300)
Amount of funding for vested employee benefit liability	-	-	-	-	-	-	-	-	-
Amount of funding for defined benefit liability	-	-	-	-	-	-	-	-	-
<b>Total adjustments to 2014 annual surplus ( deficit )</b>	<b>(216,164)</b>	<b>308,601</b>	<b>(99,261)</b>	<b>187,131</b>	<b>-</b>	<b>58,000</b>	<b>(500)</b>	<b>85,000</b>	<b>322,807</b>
<b>2014 annual fund surplus ( deficit ) for PNB budgeting purposes</b>	<b>\$ 13,072</b>	<b>\$ 140,793</b>	<b>\$ 68,497</b>	<b>\$ 12,115</b>	<b>\$ 521</b>	<b>\$ 59,032</b>	<b>\$ (293)</b>	<b>\$ 86,354</b>	<b>\$ 380,091</b>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**21. Statement of Reserves**

	<u>General Operating Reserve</u>	<u>General Capital Reserve</u>	<u>Water &amp; Sewer Operating Reserve</u>	<u>Water &amp; Sewer Capital Reserve</u>	<u>2014 Total</u>	<u>2013 Total</u>
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ 6	\$ 6	\$ 137,008
Portfolio investments	64,924	184,200	24,126	243,783	517,033	235,711
Accrued interest receivable	231	656	86	869	1,842	548
	<u>\$ 65,155</u>	<u>\$ 184,856</u>	<u>\$ 24,212</u>	<u>\$ 244,658</u>	<u>\$ 518,881</u>	<u>\$ 373,267</u>
<b>Accumulated Surplus</b>						
	<u>\$ 65,155</u>	<u>\$ 184,856</u>	<u>\$ 24,212</u>	<u>\$ 244,658</u>	<u>\$ 518,881</u>	<u>\$ 373,267</u>
<b>Revenue</b>						
Other government transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from Utility and General Operating Funds	✓ 7,000	✓ 70,000	-	✓ 85,000	162,000	143,000
Interest	521	1,032	207	1,354	3,114	1,393
	<u>7,521</u>	<u>71,032</u>	<u>207</u>	<u>86,354</u>	<u>165,114</u>	<u>144,393</u>
<b>Expenditures</b>						
Transfers to Utility and General Operating Funds	✓ 7,000	✓ 12,000	✓ 500		19,500	1,000
<b>Annual Surplus ( Deficit )</b>	<u>\$ 521</u>	<u>\$ 59,032</u>	<u>\$ (293)</u>	<u>\$ 86,354</u>	<u>\$ 145,614</u>	<u>\$ 143,393</u>
<b>Accumulated Surplus</b>						
Beginning of year	64,634	125,824	24,505	158,304	373,267	229,874
End of year	<u>\$ 65,155</u>	<u>\$ 184,856</u>	<u>\$ 24,212</u>	<u>\$ 244,658</u>	<u>\$ 518,881</u>	<u>\$ 373,267</u>

The Water and Sewer Capital Reserve Fund includes replacement reserves totalling \$ 89,550. All annual transfers required under the Canada/New Brunswick Infrastructure Program agreement and Canada/New Brunswick Municipal Rural Infrastructure Program agreement have been recorded.



**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**21. Statement of Reserves ( continued )**

**Council resolutions regarding transfers to and from reserves:**

**June 25, 2014 resolution 06252014-14**

20.2 Transfer from General Capital Reserve – Computers  
 MOVED BY: Deputy Mayor Harris, SECONDED BY: Councillor Mahar  
 Whereas Council wishes to transition to a paperless system, and; Whereas Council has saved sufficient funds to purchase computers and make required modifications to Chambers;  
 Be it resolved that Council instruct the CAO to transfer \$7,000 from the General Capital Reserve to the General Operating Fund for the purchase of new computers and related modifications to the Council Chambers.  
 CARRIED

**June 25, 2014 resolution 06252014-13**

20.1 Transfer from General Capital Reserve – Arena Sign  
 MOVED BY: Councillor Breau, SECONDED BY: Councillor Anthony  
 Whereas the municipality wishes to replace the sign at the arena, and; Whereas Council has saved sufficient funds to purchase a new sign over the last 3 years;  
 Be it resolved that Council instruct the CAO to transfer \$12,000 from the General Capital Reserve to the General Operating Fund for the purchase of a new LED sign at the arena.  
 CARRIED

**November 19, 2014 resolution 111914-14**

21.4 Amendment to Resolution Number 06252014-14  
 MOVED BY: Councillor Breau, SECONDED BY: Councillor Anthony  
 Whereas the original resolution should have referred a transfer of \$7,000 from the general operating reserve, not the general capital reserve, for the purchase of new computers,  
 Be it resolved:  
 That Resolution Number 06252014-14 be amended to reflect the transfer from the general operating reserve, not the general capital reserve.  
 CARRIED

**December 17, 2014 resolution 121714-18**

20.6 (A) Year-end Transfers from the General Fund  
 MOVED BY: Deputy Mayor Harris, SECONDED BY: Councillor Mahar  
 Be it resolved:  
 That Council transfer \$7,000 from the General Fund to the General Operating Reserve; \$50,000 from the General Fund to the General Capital Reserve for the purchase of a backhoe and \$20,000 from the General Fund to the General Capital Reserve.  
 CARRIED

**December 17, 2014 resolution 121714-19**


20.6 (B) Year-end Transfers from the Utility Fund  
 MOVED BY: Councillor Breau, SECONDED BY: Councillor Anthony  
 Be it resolved:  
 That Council transfer \$50,000 from the Utility Fund to the Utility Capital Reserve for the purchase of a backhoe and \$35,000 from the Utility Fund to the Utility Capital Reserve.  
 CARRIED

**December 17, 2014 resolution 121714-20**

20.6 (C) Year-end Transfers to the Utility Fund  
 MOVED BY: Councillor Anthony, SECONDED BY: Councillor Mahar  
 Be it resolved:  
 That Council transfer \$500 from the Utility Operating Reserve Fund to the Utility Operating Fund.  
 CARRIED

**December 17, 2014 resolution 121714-20**

~~20.6 (C) Year-end Transfers to the Utility Fund  
 MOVED BY: Councillor Anthony, SECONDED BY: Councillor Mahar  
 Be it resolved:  
 That Council transfer \$500 from the Utility Operating Reserve Fund to the Utility Operating Fund.  
 CARRIED~~

  
 Heather Chase  
 Clerk  
 Village of Blacks Harbour

*April 13, 2015*  
 Date

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**22. Operating Budget to PSA Budget**

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Controlled Entities	Transfers	Total
<b>Revenue</b>						
Property tax warrant	\$ 976,272	\$ -	\$ -	\$ -	\$ -	\$ 976,272
Unconditional grant	170,595	-	-	-	-	170,595
Services provided to other governments	150,527	-	-	-	-	150,527
Sales of services	80,000	-	-	-	-	80,000
Other revenue from own sources	17,620	-	-	-	-	17,620
Unconditional transfers from other governments	4,500	-	-	-	-	4,500
Conditional transfers	-	50,000	-	-	-	50,000
Other transfers	-	-	-	-	-	-
Water and sewer fees	-	491,945	-	-	-	491,945
Interest	5,000	-	-	-	-	5,000
	<u>1,404,514</u>	<u>541,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,946,459</u>
<b>Expenditures</b>						
General government services	238,340	-	7,262	-	7,579	253,181
Protective services	449,417	-	31,510	-	16,670	497,597
Transportation services	178,398	-	83,842	-	6,214	268,454
Environmental health services	56,000	-	-	-	-	56,000
Public health and welfare services	-	-	-	-	-	-
Environmental development services	48,450	-	10,850	-	543	59,843
Recreational and cultural services	239,770	-	32,728	-	-	272,498
Fiscal services						
- Long-term debt repayments	83,000	12,743	-	-	(95,743)	-
- Interest	31,006	10,694	-	-	(41,700)	-
- Discounts	-	4,500	-	-	(4,500)	-
- Deficit of second previous year	9,633	1,468	-	-	(11,101)	-
- Transfer from the General Operating Fund to the General Capital Fund	70,500	-	-	-	(70,500)	-
- Transfer from the Water & Sewer Operating Fund to the Water & Sewer Capital Fund	-	134,760	-	-	(134,760)	-
- Transfer from the Water & Sewer Operating Fund to the Water & Sewer Operating Reserve Fund	-	-	-	-	-	-
Water & sewer	-	377,780	175,016	-	15,194	567,990
	<u>1,404,514</u>	<u>541,945</u>	<u>341,208</u>	<u>-</u>	<u>(312,104)</u>	<u>1,975,563</u>
<b>Surplus ( Deficit )</b>	\$ -	\$ -	\$ (341,208)	\$ -	\$ 312,104	\$ (29,104)

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**23. Revenue and Expense Support**

	2014		2013
	( Unaudited ) Budget	Actual	Actual
<b>Revenue</b>			
Services provided to other governments			
Province of New Brunswick			
Fire- Local service districts	\$ 146,742	\$ 146,741	\$ 135,631
Forest fires	-	1,821	1,137
Transportation	3,785	2,258	3,540
	<u>\$ 150,527</u>	<u>\$ 150,820</u>	<u>\$ 140,308</u>
Sales of services			
Recreational and cultural services			
Skating rink and arena	\$ 80,000	\$ 84,653	\$ 56,157
Other revenue from own sources			
Licenses and permits	\$ 3,900	\$ 12,140	\$ 6,387
Rentals - machinery and equipment	12,120	15,683	15,498
Miscellaneous	1,600	7,267	2,010
Contributions - business and individuals	-	8,236	92,863
Loan loss recovery	-	-	2,627
	<u>\$ 17,620</u>	<u>\$ 43,326</u>	<u>\$ 119,385</u>
Unconditional transfers from other governments			
Municipal fine revenue sharing	\$ 4,500	\$ 4,450	\$ 4,686
Conditional transfers			
Municipal Rural Infrastructure Fund	\$ -	\$ -	\$ -
Gas Tax transfer	50,000	-	94,493
Government of Canada			
Environmental development			
Tourism	-	-	3,400
Recreation and culture	-	1,500	20,060
Province of New Brunswick			
Transportation	-	-	7,107
Recreation and culture	-	-	9,604
	<u>\$ 50,000</u>	<u>\$ 1,500</u>	<u>\$ 134,664</u>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**23. Revenue and Expense Support (continued)**

	2014		2013
	( Unaudited ) Budget	Actual	Actual
Other transfers			
Adjustment for payment in lieu of taxes	\$ -	\$ -	\$ 4
Water and sewer fees			
Water and sewer user fees	\$ 436,045	\$ 438,228	\$ 440,506
Connection and service charges	5,900	645	525
Water supply for fire protection	50,000	50,000	50,000
	<u>\$ 491,945</u>	<u>\$ 488,873</u>	<u>\$ 491,031</u>
<b>Expenditures</b>			
General government services			
Legislative			
Mayor	\$ 7,895	\$ 7,997	\$ 7,618
Councillors	20,850	21,052	18,209
	<u>28,745</u>	<u>29,049</u>	<u>25,827</u>
Administrative			
Personnel	114,140	92,571	107,810
Other	22,900	21,862	21,763
Office building	16,950	16,296	13,065
Solicitor	1,500	734	3,853
	<u>155,490</u>	<u>131,463</u>	<u>146,491</u>
Financial management			
External audit	15,000	14,997	16,031
Common services			
Training and development	2,000	668	1,459
Cost of assessment	12,153	12,153	12,067
	<u>14,153</u>	<u>12,821</u>	<u>13,526</u>
Other			
Conventions and delegations	2,500	2,645	2,732
Public liability	12,000	11,960	12,089
Grants to organizations	2,500	2,500	2,350
Other	6,452	6,314	6,250
Bank service charges	1,500	697	1,286
Debenture issue	-	1,850	-
Amortization	7,262	7,262	7,262
Interest	7,579	5,514	8,605
	<u>39,793</u>	<u>38,742</u>	<u>40,574</u>
Total general government services	<u>\$ 253,181</u>	<u>\$ 227,072</u>	<u>\$ 242,449</u>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**23. Revenue and Expense Support (continued)**

	2014		2013
	( Unaudited )		
	Budget	Actual	Actual
Protective services			
Fire			
Administration - personnel	\$ 16,714	\$ 16,949	\$ 16,714
Administration - other	5,030	3,547	4,059
Firefighting force - personnel	32,384	32,293	31,884
Firefighting force - other	16,195	10,944	12,733
Alarm systems	12,016	10,626	8,878
Investigation and prevention	1,000	1,866	1,197
Water purchased	50,000	50,000	50,000
Training and development	3,000	3,937	2,490
Station	19,884	21,792	17,207
Fire fighting equipment	64,360	55,937	66,646
Amortization	31,510	31,510	30,701
Interest	16,670	14,222	17,663
	<u>268,763</u>	<u>253,623</u>	<u>260,172</u>
Police			
R.C.M.P.	194,109	194,109	188,089
Emergency measures	4,050	1,716	1,224
Other			
Building inspector	28,500	11,370	21,022
Animal control	2,175	220	2,643
	<u>30,675</u>	<u>11,590</u>	<u>23,665</u>
Total protective services	\$ 497,597	\$ 461,038	\$ 473,150
Transportation services			
Common			
Personnel	\$ 49,650	\$ 35,875	\$ 52,908
Administration	4,985	4,605	4,510
General equipment	25,650	25,835	18,788
Workshop, yard and other buildings	5,325	6,722	4,349
	<u>85,610</u>	<u>73,037</u>	<u>80,555</u>
Road transport			
Roads and streets	13,140	7,047	7,016
Snow and ice removal			
Personnel	33,100	54,029	43,207
Department of Transportation	5,348	5,348	5,348
Other	10,000	7,981	7,633
	<u>61,588</u>	<u>74,405</u>	<u>63,204</u>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**23. Revenue and Expense Support (continued)**

	2014		2013
	( Unaudited )		
	Budget	Actual	Actual
Other			
Street lighting	26,200	24,578	25,062
Traffic services	5,000	5,063	6,084
Amortization	83,842	83,842	91,071
Interest	6,214	6,006	7,354
	<u>121,256</u>	<u>119,489</u>	<u>129,571</u>
Total transportation services	<u>\$ 268,454</u>	<u>\$ 266,931</u>	<u>\$ 273,330</u>
Environmental health services			
Solid waste collection	\$ 31,000	\$ 29,540	\$ 28,424
Solid waste disposal	25,000	21,923	20,751
Total environmental health services	<u>\$ 56,000</u>	<u>\$ 51,463</u>	<u>\$ 49,175</u>
Environmental development services			
Environmental planning and zoning	\$ 13,050	\$ 7,305	\$ 2,200
Community development	5,400	8,265	16,579
Regional development commissions	2,000	1,929	2,123
Other environmental development services			
Tourism			
Tourist bureau	17,900	24,569	12,712
Camps and parks	2,200	1,484	1,586
Other	7,900	8,035	7,044
Amortization	10,850	10,850	6,523
Interest	543	539	571
Total environmental development services	<u>\$ 59,843</u>	<u>\$ 62,976</u>	<u>\$ 49,338</u>
Recreation and cultural services			
Recreation			
Administration	\$ 2,500	\$ -	\$ 2,300
Rink and arena			
Personnel	85,200	82,480	92,911
Other	96,095	141,045	93,352
Exhibitions and fairs	1,700	1,445	1,617
Parks and playgrounds			
Personnel	28,400	29,005	23,687
Other	7,750	2,247	2,228
Other recreation facilities			
Personnel	4,200	-	3,818
Other	3,825	287	1,115
Cultural			
Museums	1,100	1,862	-
Other recreation and cultural services	9,000	9,316	21,650
Provision for loss on accounts receivable	-	256	-
Amortization	32,728	32,728	24,410
Total recreation and cultural services	<u>\$ 272,498</u>	<u>\$ 300,671</u>	<u>\$ 267,088</u>

**VILLAGE OF BLACKS HARBOUR**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2014**

**23. Revenue and Expense Support (continued)**

	2014		2013
	( Unaudited )		
	Budget	Actual	Actual
Water and Sewer			
Water supply			
Administration			
Personnel	\$ 16,965	\$ 16,805	\$ 13,683
Other	14,825	5,636	8,648
Purification and treatment	7,500	7,739	7,941
Transmission and distribution			
Personnel	41,375	39,009	40,106
Other	28,200	9,413	14,637
Power and pumping	9,420	3,691	3,929
Billing and collection			
Personnel	7,365	7,296	6,046
Other	790	526	548
Workshop and equipment	22,960	21,074	18,165
Seniors discounts	2,250	2,178	2,098
Amortization	101,471	101,471	101,438
Interest	4,132	7,908	9,330
	<u>257,253</u>	<u>222,746</u>	<u>226,569</u>
Sewer collection and disposal			
Administration			
Personnel	16,965	16,805	13,683
Other	14,825	9,106	14,156
Sewage collection system			
Personnel	41,375	36,708	38,569
Other	1,000	916	216
Sewage lift stations	19,250	25,193	17,956
Sewage treatment and disposal	98,850	77,356	108,086
Billing and collection			
Personnel	7,365	7,296	6,046
Other	790	526	548
Workshop and equipment	27,960	20,410	18,154
Seniors discounts	2,250	2,178	2,098
Provision for loss on accounts receivable	-	605	367
Amortization	73,545	73,545	81,817
Interest	6,562	10,527	10,679
	<u>310,737</u>	<u>281,171</u>	<u>312,375</u>
Total water and sewer	\$ <u>567,990</u>	\$ <u>503,917</u>	\$ <u>538,944</u>