

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

CONSOLIDATED FINANCIAL STATEMENTS

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Independent Auditor's Report

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Independent Auditor's Report

To Her Worship the Mayor and Members of Council, of
Regional Community of Southern Victoria

Opinion

We have audited the consolidated financial statements of Regional Community of Southern Victoria, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2023, and the results of its consolidated operations, changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Notes 15-19 on pages 15-22 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Independent Auditor's Report, continued

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality'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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Leahlin McGain + Associates

Chartered Professional Accountants

**Perth-Andover, New Brunswick
October 21, 2024**

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

2023

Financial Assets

Cash (Note 3)	\$ 933,478
Accounts receivable (Note 4)	1,228,252
Marketable securities (Note 5)	7,852,147

10,013,877

Liabilities

Accounts payable (Note 6)	1,295,155
Deferred revenue (Note 7)	296,287

1,591,442

Net financial assets

8,422,435

Non-financial Assets

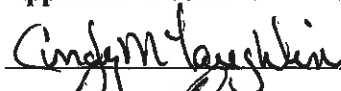
Tangible capital assets (Note 14)	14,551,370
Prepaid expenses	24,240
Inventory	297,662

14,873,272

Accumulated Surplus

\$ 23,295,707

Approved on behalf of the Regional Community of Southern Victoria

 Mayor

 Clerk

The accompanying notes are an integral part of the financial statements

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (unaudited)	2023 Actual
Surplus	\$ (222,547)	\$ 1,285,333
Acquisition of tangible capital assets	-	(1,632,665)
Amortization of tangible capital assets	940,718	940,718
Net disposal of tangible capital assets	-	52,285
	940,718	(639,662)
Change in prepaid asset	(499)	(499)
Change in inventory	-	(86,403)
Increase in net financial assets	717,672	558,769
Net financial assets at beginning of year	-	7,863,666
Net financial assets at end of year	\$ -	\$ 8,422,435

The accompanying notes are an integral part of the financial statements

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (unaudited)	2023 Actual
Revenue		
Warrant of assessment	\$ 2,200,399	\$ 2,200,400
Unconditional grants	411,871	411,871
Other government transfers	16,252	16,252
Services to other governments	136,530	140,493
Sales of services - Environmental health services	-	7,564
Sales of services - Recreation and cultural	158,104	275,438
Sales of services - Water and sewer	692,670	693,885
Sales of services - Light commission	3,912,811	3,808,352
Other revenues from own source	53,700	413,686
Outside funding	-	528,496
Investment income (loss)	-	455,282
Fire lottery	-	316,583
	7,582,337	9,268,302
Expenditures		
General government services	520,015	547,735
Protective services	934,974	936,936
Transportation services	646,810	516,136
Environmental health services	219,837	233,822
Environmental development services	180,898	233,704
Recreation and cultural services	798,162	872,052
Water and sewer	742,419	699,632
Light commission	3,761,769	3,714,237
Fire lottery	-	228,715
	7,804,884	7,982,969
Surplus	(222,547)	1,285,333
Accumulated surplus at beginning of year	-	22,010,374
Accumulated surplus at end of year	\$ -	\$ 23,295,707

The accompanying notes are an integral part of the financial statements

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023
Cash flows from	
Operating activities	
Surplus	\$ 1,285,333
Items not affecting cash	
Amortization of tangible capital assets	940,718
(Gain) loss on sale of tangible capital assets	20,677
	2,246,728
Change in non-cash operating working capital	
Accounts receivable	(373,549)
Accounts payable	293,533
Deferred revenue	(549,323)
Inventory	(86,403)
Prepaid expenses	(499)
	1,530,487
Capital activities	
Acquisition of tangible capital assets	(1,632,665)
Proceeds on disposal of tangible capital assets	31,608
	(1,601,057)
Investing activities	
Increase in Investments	(466,083)
	(466,083)
Decrease in cash and cash equivalents	(536,653)
Cash and cash equivalents, beginning of year	1,470,131
	1,470,131
Cash and cash equivalents, end of year	\$ 933,478
	\$ 933,478

The accompanying notes are an integral part of the financial statements

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Description of entity

The Village is incorporated and operates under the provisions of the Province of New Brunswick Municipalities Act.

The Village provides municipal services such as police, fire, public works, engineering, parks and recreation, community development and general government operations.

New Brunswick Regulation 2022-50 under the Local Governance Act filed on August 30, 2022, stated "For the purpose of the elections held under An Act Respecting Local Governance Reform, former "Village of Perth-Andover" and "Village of Aroostook" amalgamated to incorporate a village called "Regional Community of Southern Victoria" and will continue with certain unincorporated areas contiguous to Regional Community of Southern Victoria and are annexed to Regional Community of Southern Victoria. The effective date of the annexation is January 1, 2023.

2. Basis of Presentation and Significant Accounting Policies

The consolidated financial statements of the Municipality are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board ("PSAB") of CPA Canada.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

The focus of Public Sector Accounting (PSA) financial statements is on the financial position of the Municipality and the charges thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality.

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

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenditures, changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises that are owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

There are no other organizations or entities included in these consolidated financial statements.

Inter-departmental and organizational transactions and balances are eliminated.

(b) Investments

Investments are comprised of portfolio investments and are recorded at fair market value.

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Basis of Presentation and Significant Accounting Policies, continued

(c) Budget

The budget figures contained in these financial statements were approved by Council on December 22, 2022 and were approved by the Minister of Local Government on January 9, 2023. The budget figures are unaudited.

(d) Cash and cash equivalents

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

(e) Revenue recognition

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

Government Transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the Village, and a reasonable estimate of the amount to be received can be made.

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

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

(f) Expenditure recognition

Expenses are recorded on the accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the statement of financial position date.

(g) Government transfers

Government transfers are transfer of monetary or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Basis of Presentation and Significant Accounting Policies, continued

(h) 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.
- **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, road and street maintenance, street lighting and other transportation related functions.
- **Environmental health services**
This department is responsible for the provision of waste collection and disposal.
- **Environmental development services**
This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.
- **Recreation and cultural services**
This department is responsible for the maintenance and operation of recreational and cultural facilities, including the swimming pool, arena, parks and playgrounds and other recreational and cultural facilities.
- **Water supply**
This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks and lagoons.
- **Light Commission**
This department is responsible for the provision of electric power services including the maintenance and operation of power lines and substations.
- **Fire Lottery**
The Village operates a lottery to raise funds to assist in the purchasing of necessary equipment and supplies for the use of the fire department in providing protection services.

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Basis of Presentation and Significant Accounting Policies, continued

(i) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village: is directly responsible; or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(j) Reserves

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

(k) Tangible capital assets

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

Buildings	15-80 years
Motor vehicles	5-10 years
Computer equipment	5-10 years
Equipment	5-80 years
Land improvements	5-80 years
Distribution and lighting systems	10-40 years
Infrastructure	10-80 years
Water and sewer systems	25-60 years

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

Amortization is not recognized in the year assets are acquired.

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. Basis of Presentation and Significant Accounting Policies, continued

(l) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventory of supplies.

(m) Supplies inventory

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

(n) Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Significant estimates reported in these financial statements include amortization of tangible capital assets, allowance for doubtful accounts and accrued sick leave obligation. Actual results may differ from those estimates.

(o) Financial instruments

Financial instruments are financial assets or liabilities of the Village where the Village has the right to receive cash or another financial asset from another party or has the obligation to pay cash or other financial assets to another party or equity instruments of another entity.

The Village's financial instruments consist of cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is council's opinion that the Village 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 Village is subject to credit risk through accounts receivable. The Village minimizes credit risk through ongoing credit management.

(p) Deferred revenue

Funding is recorded as deferred revenue if it has been restricted by the government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Basis of Presentation and Significant Accounting Policies, continued

(q) Net debt or net financial assets

The consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by the difference between liabilities and financial assets. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

(r) Employee future benefits

The Village provides continuation of unused sick banks which do not vest to be used during the employees' period of employment.

3. Cash

	2023
Unrestricted	\$ 638,248
Cash - restricted (Gas Tax Funds)	249,797
Cash - restricted (reserve funds)	45,433
	<hr/>
	\$ 933,478

4. Accounts receivable

	2023
Light commission	\$ 706,244
Water and sewer	126,901
Province of New Brunswick	29,187
Sales tax	154,568
Other accounts receivable	303,304
Allowance for doubtful accounts	(91,952)
	<hr/>
	\$ 1,228,252

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Marketable securities

The marketable securities consist of fixed income securities with maturity dates ranging from January 2024 to December 2051 and interest rates ranging from 1.25% to 7.05%.

	2023
Cash and short term investments	\$ 827,934
Fixed income	6,962,129
Accrued interest	62,084
	<hr/>
	\$ 7,852,147

6. Accounts payable

	2023
Light commission	\$ 802,429
Water and sewer	32,999
Payroll deductions	45,274
Sick liability	214,674
Accrued payroll	57,876
Other accounts payable and accruals	126,233
Minister of Finance	15,670
	<hr/>
	\$ 1,295,155

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

7. Deferred revenue

	December 31, 2022	Funding received, 2023	Revenue recognized, 2023	December 31, 2023
Federal government				
Gas Tax Fund	\$ 770,168	\$ 8,125	\$ (528,496)	\$ 249,797
Senior park grant	4,912	-	-	4,912
Sliding hill grant	220	-	(220)	-
Trail infrastructure grant	15,353	-	(15,353)	-
Fire Lottery	36,232	311,929	(316,583)	31,578
Miscellaneous deferred donations	1,850	-	(1,850)	-
Winter Freeze Festival grants	16,875	6,000	(16,875)	6,000
Roller skating program	-	4,000	-	4,000
	75,442	321,929	(350,881)	46,490
	\$ 845,610	\$ 330,054	\$ (879,377)	\$ 296,287

8. Operating borrowing

As prescribed in the Municipalities Act of New Brunswick, borrowing to finance General Fund operations is limited to 4% of the Municipality's 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.

9. Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short term inter-fund borrowing be repaid in the year unless the borrowing is for a capital project.

10. Water cost transfer

The Municipality's water cost transfer is within the maximum allowable by regulation based on the applicable percentage of system expenditures for the population.

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

11. Water and Sewer Fund Surplus/Deficit

The Municipalities Act requires Water and 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:

	2023
2023 surplus	\$ 98,830
2022 surplus	155,184
	<hr/>
	\$ 254,014

12. Sick leave benefits

The Village provides every employee who works full time hours a sick leave entitlement that accumulates at a rate of 1.25 days for each calendar month. Management employees can accumulate a maximum of 180 days, while other employees can accumulate up to 90 days. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. The estimated obligation at the end of the year has been accrued. The sick leave is a non-vesting benefit and is unfunded.

13. Contingent Liabilities

In the normal course of operations, the Village becomes involved in various claims and legal proceedings. As the final outcome with respect to claims and legal proceedings pending at December 31, 2023 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters, if any will not have a material adverse effect as the Village maintains insurance coverage in amounts considered appropriate.

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

Perth 31,509,718
 Arcadia 1,864,740

14. Schedule of Tangible Capital Assets

	Land	Land Improvements	Buildings	Computer Equipment	Infrastructure	Motor Vehicles	Equipment	Assets under construction	2023 Total
COST									
Balance, beginning of year	\$ 865,587	\$ 2,274,657	\$ 6,012,278	\$ 392,897	\$ 17,860,864	\$ 598,130	\$ 5,430,125	\$ -	\$ 33,434,538
Add: Net additions during the year	225,446	44,194	31,035	-	491,840	43,318	484,816	312,016	1,632,665
Less: Disposals during the year	-	-	-	-	(86,291)	-	(31,713)	-	(118,004)
BALANCE, END OF YEAR	1,091,033	2,318,851	6,043,313	392,897	18,266,413	641,448	5,883,228	312,016	34,949,199
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	1,298,430	3,395,227	285,959	11,209,551	338,468	2,995,195	-	19,322,830
Add: Amortization during the year	-	57,048	147,791	20,023	479,341	26,893	209,622	-	940,718
Less: Accumulated amortization on disposals	-	-	-	-	(54,574)	-	(11,145)	-	(65,719)
BALANCE, END OF YEAR	-	1,355,478	3,543,018	305,982	11,634,318	365,361	3,193,672	-	20,397,829
NET BOOK VALUE OF TANGIBLE CAPITAL	\$ 1,091,033	\$ 963,373	\$ 2,500,295	\$ 86,915	\$ 6,632,095	\$ 276,087	\$ 2,689,556	\$ 312,016	\$ 14,551,370
Consists of:									
General Capital Fund	\$ 1,004,043	\$ 302,439	\$ 2,245,719	\$ -	\$ 1,640,023	\$ 276,087	\$ 1,460,935	\$ -	\$ 6,929,246
Water and Sewer Capital Fund	80,190	616,740	254,576	81,961	2,813,158	-	1,228,621	-	5,075,246
Light Commission Capital Fund	6,800	44,194	-	4,954	2,178,914	-	-	312,016	2,546,878
BALANCE, END OF YEAR	\$ 1,091,033	\$ 963,373	\$ 2,500,295	\$ 86,915	\$ 6,632,095	\$ 276,087	\$ 2,689,556	\$ 312,016	\$ 14,551,370

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

15. Schedule of Segment Disclosure

	General Government services	Protective services	Transportation services	Environmental health services	Environmental development services	Recreation and cultural services	Water and Sewer	Light Commission	Fire Lottery	2023 Consolidated
Revenues										
Warrant of assessment	\$ 402,443	\$ 666,403	\$ 317,128	\$ 159,172	\$ 132,841	\$ 522,413	\$ -	\$ -	\$ -	\$ 2,200,400
Unconditional grant	75,330	124,737	59,360	29,794	24,865	97,785	-	-	-	411,871
Other government transfers	16,252	-	-	-	-	-	-	-	-	16,252
Services provided to other governments	-	97,769	-	-	-	42,724	-	-	-	140,493
Sale of services	-	-	-	7,564	-	275,438	693,885	3,808,352	-	4,785,239
Other revenue from own sources	269,991	-	-	-	-	-	27,055	116,640	-	413,686
Outside funding	-	-	153,885	-	-	-	18,401	356,210	-	528,496
Investment income (net)	268,899	-	-	-	-	-	76,247	110,136	-	455,282
Fire lottery	-	-	-	-	-	-	-	-	316,583	316,583
	\$ 1,032,915	\$ 888,909	\$ 530,373	\$ 196,530	\$ 157,706	\$ 938,360	\$ 815,588	\$ 4,391,338	\$ 316,583	\$ 9,268,302
Expenses										
Salaries and benefits	\$ 322,528	\$ 66,709	\$ 23,779	\$ 18,182	\$ 66,032	\$ 338,074	\$ 250,405	\$ 149,573	\$ -	\$ 1,235,282
Goods and services	209,999	736,921	242,755	200,779	157,842	403,160	221,525	3,384,596	228,715	5,786,292
Amortization	9,639	133,306	249,602	14,861	9,830	130,818	227,702	164,960	-	940,718
Loss (gain) on disposal of assets	5,569	-	-	-	-	-	-	15,108	-	20,677
	\$ 547,735	\$ 936,936	\$ 516,136	\$ 233,822	\$ 233,704	\$ 872,052	\$ 699,632	\$ 3,714,237	\$ 228,715	\$ 7,982,969
Surplus (deficit) for the year	\$ 485,180	\$ (48,027)	\$ 14,237	\$ (37,292)	\$ (75,998)	\$ 66,308	\$ 115,956	\$ 677,101	\$ 87,868	\$ 1,285,333

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. Reconciliation of Operating Budget to PSAB Budget

Revenue	General Operating Budget	Water and Sewer Operating Budget	Light Commission Operating Budget	Amortization	Transfers	Total
Warrant of assessment	\$ 2,200,399	\$ -	\$ -	\$ -	\$ -	2,200,399
Unconditional grant	411,871	-	-	-	-	411,871
Other government transfers	16,252	-	-	-	-	16,252
Services provided to other governments	136,530	-	-	-	-	136,530
Sales of services	-	-	-	-	-	-
Environmental health services	-	-	-	-	-	-
Recreation and cultural services	163,504	-	-	-	(5,400)	158,104
Water and sewer	-	692,670	-	-	-	692,670
Light commission	-	-	3,912,811	-	-	3,912,811
Other revenue from own sources	22,000	56,500	31,700	-	(56,500)	53,700
Transfers from other funds	64,229	-	22,355	-	(86,584)	-
Surplus of second previous year	51,704	111,347	107,322	-	(270,373)	-
	3,066,489	860,517	4,074,188	-	(418,857)	7,582,337
Expenditures						
General government services	510,376	-	-	9,639	-	520,015
Protective services	858,168	-	-	133,306	(56,500)	934,974
Transportation services	408,386	-	-	249,602	(11,178)	646,810
Environmental health services	204,976	-	-	14,861	-	219,837
Environmental development services	171,068	-	-	9,830	-	180,898
Recreation and cultural services	672,744	-	-	130,818	(5,400)	798,162
Water and sewer	-	544,891	3,642,040	227,702	(30,174)	742,419
Light commission	240,771	315,626	432,148	164,960	(45,231)	3,761,769
Fiscal services	-	-	-	-	(988,545)	-
	3,066,489	860,517	4,074,188	940,718	(1,137,028)	7,804,884
Surplus (deficit)	\$ -	\$ -	\$ -	\$ (940,718)	\$ 718,171	\$ (222,547)

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

17. Reconciliation of Annual Surplus

	General Operating Fund	Water and Sewer Operating Fund	Light Commission Operating Fund	Operating Reserve Funds	General Capital Fund	Sewer Capital Fund	Water and Sewer Capital Fund	Light Commission Capital Fund	Total
2023 annual surplus (deficit) per PSAB	\$ (13,314)	\$ 317,677	\$ 341,308	\$ -	\$ 505,590	\$ (201,721)	\$ 335,793	\$ 1,285,333	
Adjustments to annual surplus (deficit) for funding requirements									
Amortization of tangible capital assets	-	-	-	-	548,056	227,702	164,960	940,718	
Tangible capital asset additions	-	-	-	-	(1,074,215)	(25,981)	(532,469)	(1,632,665)	
Net proceeds from disposal of tangible capital assets	-	-	-	-	20,569	-	31,716	52,285	
Second previous year's surplus	51,704	111,347	107,322	-	-	-	-	270,373	
Transfer between Operating Fund and Operating Reserve Fund	55,230	(341,247)	(270,136)	556,153	-	-	-	-	
Interfund transfers	(3,451)	26,326	(22,875)	-	-	-	-	-	
Net fire lottery annual surplus	(42,053)	-	-	-	-	-	-	(42,053)	
Sick leave accrual	15,209	(15,273)	3,888	-	-	-	-	3,824	
Total adjustments to 2023 annual surplus (deficit)	76,639	(218,847)	(181,801)	556,153	(505,590)	201,721	(335,793)	(407,518)	
2023 annual fund surplus (deficit)	\$ 63,325	\$ 98,830	\$ 159,507	\$ 556,153	\$ -	\$ -	\$ -	\$ 877,815	

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

18. Statement of Reserve Funds Balances

	General Reserve	Water and Sewer Reserve	Light Commission Reserve	2023
Accumulated surplus, beginning of year	\$4,417,235	\$1,264,555	\$1,756,862	\$7,438,652
Revenues/ Expenditures				
Investment Income	104,926			
Transfers from operating funds	75,871	25,189	38,535	168,650
Increase (decrease) in unrealized gains on investments	163,972	265,000	160,000	500,871
Transfers from capital funds	(400,000)	51,058	71,601	286,632
		-	-	(400,000)
Annual surplus	(\$5,230)	341,247	270,136	556,153
Accumulated surplus, end of year	\$4,362,005	\$1,605,802	\$2,026,998	\$7,994,805

Reserve funds are made up of cash of \$45,433 marketable securities of \$7,852,147 and interfund loans payable of \$97,225 totaling \$7,994,805.

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

19. Statement of Detailed Revenue and Expenditures

	2023 Budget (Unaudited)	2023
Revenue		
Services to other governments	\$	\$
Local governments		
Fire	4,000	3,648
Province of New Brunswick		
Fire	94,121	94,121
Recreation	38,409	42,724
	<u>136,530</u>	<u>140,493</u>
Sales of service		
Recreation and cultural services		
Civic centre	95,354	137,248
Recreation commission	62,750	138,190
	<u>158,104</u>	<u>275,438</u>
Water and sewer		
Water	464,711	465,815
Sewer	227,959	228,070
	<u>692,670</u>	<u>693,885</u>
Light commission		
Power sales and rentals	3,912,811	3,808,352
Other revenue from own source		
Licenses and permits		
Animal	-	-
Construction	2,000	3,509
Rentals		
Trailer Park	16,500	17,490
Return on investments		
Interest	28,500	72,971
Miscellaneous		
Village other income	-	232,723
Water other income	-	8,549
Light other income	-	57,585
Services provided to other utilities	4,000	18,093
Line extensions, electrical waiver and connection fees	2,700	2,766
	<u>53,700</u>	<u>413,686</u>

(continues)

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

19. Statement of Detailed Revenue and Expenditures

	2023 Budget (Unaudited)	2023
Expenses		
General government services		
Legislative		
Mayor	13,129	12,645
Councilors	53,598	47,622
Mayor and council travel expenses	15,700	21,732
Administrative		
Administration salaries and other	286,388	312,944
Office building	38,928	40,640
Solicitor	8,000	137
Financial management		
Audit	15,000	10,950
Other general government services		
Conventions	3,500	5,525
Public liability insurance	5,806	5,920
Grants to organizations	25,000	25,750
Training and development	7,000	10,335
Assessment costs	38,327	38,327
Amortization	9,639	9,639
Loss (gain) on disposal of tangible capital assets	-	5,569
	520,015	547,735
Protective services		
Police		
R.C.M.P.	559,832	559,832
Fire		
Administration	-	25
Firefighting force	83,226	66,709
Fire alarm system	21,000	21,584
Station and building	37,340	40,514
Fighting equipment	58,120	57,311
Training and development	32,000	45,604
Emergency measures		
EMO	5,000	4,693
Other		
By-law enforcement	-	1,052
Animal and pest control	3,761	4,917
Regional public safety committee (RSC)	1,389	1,389
Amortization	133,306	133,306
	934,974	936,936

(continues)

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

19. Statement of Detailed Revenue and Expenditures

	2023 Budget (Unaudited)	2023
Expenses (continued)		
Transportation services		
Roadway transport		
Summer maintenance	209,264	113,760
Culvert and drainage	10,000	4,023
Storm sewers	2,500	2,693
Street cleaning	2,500	3,419
Snow and ice removal	156,823	125,814
Street lights	11,000	9,423
Street signs	1,750	6,531
Crosswalks	2,500	-
Other		
Contribution to RSC	871	871
Amortization	249,602	249,602
	<u>646,810</u>	<u>516,136</u>
Environmental health services		
Administration	16,374	15,094
Solid waste collection and disposal	169,960	184,745
Recycling	18,642	19,122
Amortization	14,861	14,861
	<u>219,837</u>	<u>233,822</u>
Environmental development services		
Community development	63,277	107,101
Tourism promotion	39,560	51,557
Beautification and land rehabilitation	49,206	49,167
Industrial park	4,000	1,024
Contribution to RSC	15,025	15,025
Amortization	9,830	9,830
	<u>180,898</u>	<u>233,704</u>

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REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

19. Statement of Detailed Revenue and Expenditures

	2023 Budget (Unaudited)	2023
Expenses (continued)		
Recreation and cultural services		
Administration	156,709	154,428
Civic centre	324,988	334,791
Recreation commission, pool and marina	146,577	205,913
Library	36,130	39,633
Museums	2,300	5,829
Contribution to RSC	640	640
Amortization	130,818	130,818
	<u>798,162</u>	<u>872,052</u>
Water and sewer		
Administration	81,687	61,433
Transmission and distribution	207,774	197,966
Purification and treatment	16,000	20,566
Power and pumping	45,200	45,713
Discounts	7,400	13,672
Sewerage and collection and disposal	156,656	132,580
Amortization	227,702	227,702
	<u>742,419</u>	<u>699,632</u>
Light commission		
Administration	286,421	312,457
Energy services	28,989	12,207
Power purchases	2,931,483	2,826,057
Transmission and distribution	318,346	351,591
Discounts	31,570	31,857
Amortization	164,960	164,960
Loss on disposal of tangible capital assets	-	15,108
	<u>3,761,769</u>	<u>3,714,237</u>
Fire Lottery		
Lottery payouts	-	158,133
Donations	-	25,000
Interest and bank charges	-	256
Repairs and maintenance	-	-
Supplies	-	45,326
	<u>\$ -</u>	<u>\$ 228,715</u>