

BEURIVAGE

Consolidated Financial Statements

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To His Worship the Mayor and Members of Council

Opinion

We have audited the accompanying consolidated financial statements of Beaurivage, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Beaurivage as at December 31, 2024, and the results of its consolidated operations 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 village 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.

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 Village 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.



**Bourque
Richard
Boutot** P.C. INC.

CHARTERED PROFESSIONAL ACCOUNTANTS | COMPTABLES PROFESSIONNELS AGRÉÉS

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is included in the appendix of this auditor's report. This description, which is located on page 3, forms part of our auditor's report.

The budget figures are presented for comparison purposes. They have been prepared and approved by the Municipal Council. These figures have not been audited or reviewed.

Bourque Richard Boutot

Chartered Professional Accountants

Dieppe, NB

April 15, 2025

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APPENDIX TO INDEPENDENT AUDITOR'S REPORT

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Village to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

BEAURIVAGEConsolidated Statement of Operations
Year ended December 31

	2024 Budget (Unaudited) (Note 17)	2024 Actual	2023 Actual
REVENUES			
Property tax warrant	\$ 5,121,753	\$ 5,121,753	\$ 4,436,170
Unconditional grant	166,146	166,146	198,486
Services provided to other governments	228,293	147,635	159,780
Sale of services, fines and other fees	882,260	965,555	936,792
Other government transfers	42,253	3,949,521	1,247,161
Water and sewer user fees	865,792	924,125	886,911
Interest	8,250	9,301	5,333
Other	15,000	259,616	142,130
Gain on disposal of tangible capital assets	-	20,479	32,158
	<u>7,329,747</u>	<u>11,564,131</u>	<u>8,044,921</u>
EXPENDITURES			
General government services	1,276,585	1,341,486	1,329,916
Protective services	1,679,980	1,618,626	1,521,287
Transportation services	1,198,816	1,257,295	1,047,012
Environmental health services	648,928	628,159	626,942
Environmental development services	530,899	536,131	503,620
Recreational and cultural services	2,105,255	1,771,987	1,898,910
Water and sewer	1,177,956	1,181,826	1,041,255
	<u>8,618,419</u>	<u>8,335,510</u>	<u>7,968,942</u>
Annual surplus (deficit) (note 15)	<u>\$ (1,288,672)</u>	<u>3,228,621</u>	<u>75,979</u>
Accumulated surplus, beginning of year		<u>21,597,490</u>	<u>21,521,511</u>
Accumulated surplus, end of year		<u>\$ 24,826,111</u>	<u>\$ 21,597,490</u>

BEAURIVAGEConsolidated Statement of Financial Position
December 31**2024****2023****FINANCIAL ASSETS**

Cash (note 3)	\$	645,640	\$	117,649
Receivables				
General		567,896		524,226
Federal government and its agencies (note 4)		261,314		147,457
Province of New Brunswick (note 5)		494,900		901,330
Post employment benefits receivable (note 9)		72,400		-
	\$	2,042,150	\$	1,690,662

LIABILITIES

Bank loan	\$	1,326,927	\$	205,776
Payables and accruals		685,665		409,510
Deferred revenue (note 6)		254,975		673,486
Long term debt (note 7)		3,212,907		3,534,271
Accrued sick leave (note 8)		115,053		105,620
Post employment benefits payable (note 9)		-		35,900
Due to related organizations		104,845		178,126
		5,700,372		5,142,689

NET DEBT**(3,658,222)** **(3,452,027)****NON-FINANCIAL ASSETS**

Tangible capital assets (note 13)		53,060,342		48,252,571
Accumulated amortization (note 13)		24,580,644		23,207,653
		28,479,698		25,044,918
Prepaid expenses		4,635		4,599
		28,484,333		25,049,517

ACCUMULATED SURPLUS**\$ 24,826,111** **\$ 21,597,490**

APPROVED BY


_____, Mayor
_____, Treasurer

BEAURIVAGE**Consolidated Statement of Change in Net Debt**
Year ended December 31, 2024

Annual surplus	\$ 3,228,621	\$ 75,979
Acquisition of tangible capital assets	(4,807,771)	(1,641,908)
Proceeds on disposal of tangible capital assets	20,479	32,158
Amortization of tangible capital assets	1,372,991	1,277,261
Gain on sale of tangible capital assets	(20,479)	(32,158)
	<u>(206,159)</u>	<u>(288,668)</u>
Acquisition of prepaid expenses	(36)	-
Increase in net debt	(206,195)	(288,668)
Net debt, beginning of the year	<u>(3,452,027)</u>	<u>(3,163,359)</u>
Net debt, end of the year	<u>\$ (3,658,222)</u>	<u>\$ (3,452,027)</u>

BEAURIVAGEConsolidated Statement of Cash Flows
Year ended December 31, 2024

Increase (decrease) in cash and cash equivalents

Operating transactions

Annual surplus	\$ 3,228,621	\$ 75,979
Gain on disposal of tangible capital assets	(20,479)	(32,158)
Amortization of tangible capital assets	1,372,991	1,277,261
Receivable - General	(43,670)	122,897
Receivable - Federal Government and its agencies	(113,857)	(89,263)
Receivable - Province of New Brunswick	406,430	(852,088)
Payables and accruals	276,155	234,136
Deferred revenue	(418,511)	(72,580)
Accrued sick leave	9,433	(1,434)
Post employment benefits payable	(108,300)	(54,679)
Acquisition of prepaid expenses	(36)	-
Due to related organizations	(73,281)	25,833
	<u>4,515,496</u>	<u>633,904</u>

Capital transactions

Acquisition of tangible capital assets	(4,807,771)	(1,641,908)
Proceeds on sale of tangible capital assets	20,479	32,158
	<u>(4,787,292)</u>	<u>(1,609,750)</u>

Financing transactions

Bank loan	1,121,151	77,788
Long-term debt	(321,364)	(314,120)
	<u>799,787</u>	<u>(236,332)</u>

Net increase (decrease) in cash and cash equivalents 527,991 (1,212,178)

Cash and cash equivalents

Beginning of year	<u>117,649</u>	<u>1,329,827</u>
End of year	<u>\$ 645,640</u>	<u>\$ 117,649</u>

BEAURIVAGE

Notes to the Consolidated Financial Statements
December 31, 2024

1. Purpose of the organization

Beaurivage was incorporated as a town by the Province of New Brunswick *Municipalities Act* on January 1, 2023. As a Municipality, Beaurivage is exempt from income tax under section 149(1)(c) of the *Canadian Income Tax Act*.

2. Summary of significant accounting policies

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

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

Reporting entity

These 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 the Council on November 9, 2023 and the Minister of Local Government on December 5, 2023.

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.

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.

BEAURIVAGE

Notes to the Consolidated Financial Statements
December 31, 2024

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

The Municipality's financial instruments consist of cash, accounts receivable, due from the Province of New Brunswick, due from the Federal Government, due from own funds, bank loan, payables and accruals 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.

Tangible capital assets

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

Asset type	<u>Years</u>
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
Bridges	30-50 years
Marine structures	25-30 years
Lighting / traffic lights	10-15 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.

Segmented information

Beaurivage 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:

BEAURIVAGENotes to the Consolidated Financial Statements
December 31, 2024

2. Summary of significant accounting policies (continued)General government services

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

Protective services

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

Transportation services

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

Environmental health services

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

Environmental development services

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

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 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 8 and a long-term service award and pension plan as documented in Note 9.

3. Cash

	<u>2024</u>		<u>2023</u>
Cash - restricted (note 16)	\$ 287,669	\$	286,700
Cash - unrestricted	357,971		(169,051)
	<u>\$ 645,640</u>	<u>\$</u>	<u>117,649</u>

BEAURIVAGENotes to the Consolidated Financial Statements
December 31, 2024

4. Due from Federal government and its agencies	2024	2023
Canada Revenue Agency (HST refund)	\$ 261,314	\$ 146,045
Clean Water and Wastewater Fund	-	1,412
	\$ 261,314	\$ 147,457

5. Due from Province of New Brunswick	2024	2023
Canada Community-Building Fund (CCBF)	\$ 177,192	\$ 182,506
Regional Development Corporation	317,708	718,824
	\$ 494,900	\$ 901,330

6. Deferred revenue	2024	2023
Canada Community-Building Fund (CCBF)	\$ 245,308	\$ 657,758
Water and sewer user fees	3,667	9,728
Rental and other	6,000	6,000
	\$ 254,975	\$ 673,486

7. Long-term debt	2024	2023
<u>New Brunswick Municipal Financing Corporation</u>		
Debentures:		
General		
BW27-2019, 1.95% to 2.95%, due in 2039, OIC #17-0105	\$ 846,000	\$ 878,000
BL25-2014, 1.20% to 3.10%, due in 2024, OIC #13-0067	-	33,000
BI46-2013, 1.35%-4.00%, due en 2033, OIC # 11-0105&12-0004	355,000	404,000
BL41-2014, 1.20%-3.70%, due in 2034, OIC # 11-0105, 12-0049&13-0017	50,000	56,000
CA36-2021, 0.855%-2.762%, due en 2036, OIC # 19-0017	217,000	233,000
Water and waste water		
BQ16-2017, 1.20%-3.30%, due en 2032, OIC # 14-0053	53,000	59,000
BM15-2015, 0.95%-2.80%, due en 2025, OIC # 03-0007	32,000	63,000
BP19 -2016, 1.20%-3.80%, due in 2036, OIC # 09-0027	216,000	231,000
BU19-2018, 2.55%-3.55%, due en 2033, OIC # 17-0049	96,000	105,000
B045-2016, 1.45%-2.90%, due en 2026, OIC # 15-0074	70,000	104,000
BZ37-2021, 0.30%-2.95%, due en 2041, OIC # 17-0091	828,000	852,000
	2,763,000	3,018,000

BEAURIVAGENotes to the Consolidated Financial Statements
December 31, 2024

7. Long-term debt (continued)

Other

General

Loan, original amount \$1,200,000, repayable in annual instalments of \$84,433 including interest calculated at a rate of 3.50%, maturing 2030

	<u>449,907</u>	<u>516,271</u>
\$	3,212,907	\$ 3,534,271

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

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

2025 -	\$	295,687
2026 -	\$	270,091
2027 -	\$	243,579
2028 -	\$	249,154
2029 -	\$	225,819

8. Accrued sick leave

The Municipality provides sick leave that accumulates at 1.25 days per month for full-time employees. All employees can accumulate a maximum of 120 sick leave days. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. 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 \$115,053 on December 31, 2024.

9. Post employment benefits payable

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

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

BEAURIVAGE

Notes to the Consolidated Financial Statements
December 31, 2024

9. Post employment benefits payable (continued)

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2023:

- the expected inflation rate is 2.1%
- the discount rate used to determine the accrued benefit obligation is 6.05%
- the expected rate of return on assets is 6.05%
- retirement age varies by age and employment category
- estimated average remaining service life (EARSL) is 14.0 years.

The actuarial valuation prepared as at December 31, 2022 indicated that the market value of net assets available for the accumulated plan benefits were less than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a deficit of \$12,228,600, a change of \$13,522,700 from the December 31, 2021 surplus of \$1,294,100. Based on the assumptions as at December 31, 2022, the actuary expected the level of employer and employee contributions to be sufficient to fund the current service cost and going concern special payments, as required by the Pension Benefits Act.

As at December 31, 2022, the NB MEPP provides benefits for 315 retirees. Total benefit payments to retirees and terminating employees during 2024 are estimated to be approximately \$5,440,900 (actual 2023, \$7,516,800) in totality for the NB MEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.95%. Each municipality contributes an amount that equals their employees contribution amounts. Pension fund assets are invested in short term securities, bonds, canadian equities, real estate, infrastructure and foreign equities. Combined employees and municipalities contributions for 2024 are estimated to be approximately \$9,335,000 (actual 2023, \$9,159,600 in totality for the NB MEPP).

The following summarizes the NB MEPP data as it relates to Beaurivage:

- The average age of the 9 active employees covered by the NB MEPP is 45.7 as at December 31, 2022
- Benefit Payments were \$93,600 in 2023 and were estimated to be \$93,600 in 2024
- Combined Contributions were \$120,000 in 2023 and were estimated to be \$123,600 in 2024

In addition to determining the position of the NB MEPP as it relates to the Beaurivage as at December 31, 2022 and December 31, 2023, NB MEPP's actuary performed an extrapolation of the December 31, 2023 accounting valuation to determine the estimated position as at December 31, 2024. The extrapolation assumes assumptions used as at December 31, 2024 remain unchanged from December 31, 2023. The extrapolation also assumes assets return 6.05% net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

BEAURIVAGENotes to the Consolidated Financial Statements
December 31, 2024

9. Post employment benefits payable (continued)

	2023	Estimated 2024
Accrued benefit liability (asset)		
Accrued benefit liability at beginning of period	\$ 36,000	\$ (14,400)
Pension expense for the year	9,600	3,800
Less Employer contributions	(60,000)	(61,800)
	<u> </u>	<u> </u>
Accrued benefit liability/(asset) at end of period	\$ (14,400)	\$ (72,400)

In summary, the accrued benefit liability as it relates to Beaurivage is estimated to be \$(72,400) as at December 31, 2024. This compares to \$36,000 as at January 1, 2023 and \$(14,400) as at December 31, 2023. This amount is included in the post employment benefits payable on the consolidated statement of financial position.

The financial position as it relates to the accrued benefit liability is shown as follows and illustrates the unamortized amounts being recognized in pension expense over time:

	2023	Estimated 2024
Reconciliation of funded status at end of period		
Accrued benefit obligation	\$ 1,746,400	\$ 1,805,500
Plan assets	1,607,000	1,735,100
	<u> </u>	<u> </u>
Plan deficit / (surplus)	139,400	70,400
Unamortized experience losses / (gains)	153,800	142,800
	<u> </u>	<u> </u>
Accrued benefit liability/(asset) at end of period	\$ (14,400)	\$ (72,400)

The following illustrates the reconciliation of accrued benefit obligation from the beginning of period to the end of period:

	2023	Estimated 2024
Reconciliation of accrued benefit obligation		
Accrued benefit obligation at beginning of period	\$ 1,660,700	\$ 1,746,400
Current service cost	45,800	48,400
Benefit payments	(93,600)	(93,600)
Interest for period	100,700	104,300
Experience loss / (gain) during period	32,800	-
	<u> </u>	<u> </u>
Accrued benefit obligation at end of period	\$ 1,746,400	\$ 1,805,500

BEAURIVAGENotes to the Consolidated Financial Statements
December 31, 2024

9. Post employment benefits payable (continued)

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

	2023	Estimated 2024
Reconciliation of plan assets		
Plan assets at beginning of period	\$ 1,446,100	\$ 1,607,000
Employer contributions	60,000	61,800
Employee contributions	60,000	61,800
Benefit payments	(93,600)	(93,600)
Return on plan assets during period	134,500	98,100
	<hr/>	<hr/>
Plan assets at end of period	\$ 1,607,000	\$ 1,735,100

Total expenses related to pensions include the following components:

	2023	Estimated 2024
Pension expense		
Employer current service cost	\$ (14,200)	\$ (13,400)
Interest on accrued benefit obligation	100,700	104,300
Expected return on assets	(89,700)	(98,100)
Amortization of unrecognized balances		
Experience loss / (gain)	12,800	11,000
	<hr/>	<hr/>
Total amortization	12,800	11,000
	<hr/>	<hr/>
Pension expense	\$ 9,600	\$ 3,800

The pension expense is included in the statement of operations.

BEAURIVAGENotes to the Consolidated Financial Statements
December 31, 2024

10. Short-term borrowings compliance**Interim borrowing for capital**

The Municipality has ministerial authority for short-term borrowings as follows:

Water & Sewer Capital Fund, DC 20-0037	\$	3,227,000
Water & Sewer Capital Fund, DC 20-0062	\$	92,000

The Municipality holds outstanding ministerial orders as follows:

Water & Sewer Capital Fund, DC 20-0037	\$	243,000
Water & Sewer Capital Fund, DC 20-0062	\$	92,000

Operating borrowing

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

Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in next the year unless the borrowing is for a capital project. The amounts payable between funds are not in compliance with the requirements.

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:

	2024	2023
2024 Surplus	\$ 12,657	\$ -
2023 Surplus	66,453	66,453
2022 Surplus	-	76,644
	<u>\$ 79,110</u>	<u>\$ 143,097</u>

12. Commitments

The Municipality is committed to a contract for snow removal. The annual minimum payments are the following:

2025 - \$	345,127
2026 - \$	359,531
2027 - \$	374,480

BEAURIVAGE

Notes to the Consolidated Financial Statements
December 31, 2024

13. Schedule of Tangible Capital Assets

	Land improvements	Land improvements	Buildings and leasehold improvements	Vehicles	Machinery and equipment	Roads and street	Infrastructure Treatment facilities	Water and sewer	Assets under construction	2024 Total	2023 Total
COST											
Balance, beginning of year	\$ 518,918	\$ 7,083,645	\$ 13,917,012	\$ 864,900	\$ 5,985,367	\$ 5,962,958	\$ 1,914,278	\$ 10,606,783	\$ 1,398,710	\$ 48,252,571	\$ -
Transferred balance	-	-	-	-	-	-	-	-	-	-	46,610,663
Add: Net additions during the year	4,268	351	2,178,073	21,212	431,063	134,185	-	84,566	1,954,053	4,807,771	1,641,908
Balance, end of year	523,186	7,083,996	16,095,085	886,112	6,416,430	6,097,143	1,914,278	10,691,349	3,352,763	53,060,342	48,252,571
ACCUMULATED AMORTIZATION											
Balance, beginning of year	-	3,406,304	3,727,921	491,016	4,039,383	4,438,312	979,039	6,125,678	-	23,207,653	-
Transferred balance	-	-	-	-	-	-	-	-	-	-	21,930,392
Add: Amortization during the year	-	192,170	537,213	67,749	246,399	117,936	42,657	168,867	-	1,372,991	1,277,261
Less: Accumulated amortization on disposal	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	-	3,598,474	4,265,134	558,765	4,285,782	4,556,248	1,021,696	6,294,545	-	24,580,644	23,207,653
NET BOOK VALUE OF TANGIBLE CAPITAL											
	\$ 523,186	\$ 3,485,522	\$ 11,829,951	\$ 327,347	\$ 2,130,648	\$ 1,540,895	\$ 892,582	\$ 4,396,804	\$ 3,352,763	\$ 28,479,698	\$ 25,044,918
Consists of:											
General Fund Assets	\$ 356,781	\$ 1,302,046	\$ 11,829,951	\$ 327,347	\$ 1,801,677	\$ 1,540,895	\$ -	\$ 183,011	\$ 492,322	\$ 17,834,030	\$ 15,805,625
Water & Sewer Fund Assets	166,405	2,183,476	-	-	328,971	-	892,582	4,213,793	2,860,441	10,645,668	9,239,293
	\$ 523,186	\$ 3,485,522	\$ 11,829,951	\$ 327,347	\$ 2,130,648	\$ 1,540,895	\$ 892,582	\$ 4,396,804	\$ 3,352,763	\$ 28,479,698	\$ 25,044,918

BEURIVAGENotes to the Consolidated Financial Statements
December 31, 2024**14. Schedule of Segment Disclosure**

	General	Protective	Transportation	Environmental health	Environmental development	Recreation and cultural	Water and Sewer	2024 Consolidated	2023 Consolidated
Revenues									
Property tax warrant	\$ 878,756	\$ 1,156,439	\$ 825,223	\$ 446,699	\$ 365,452	\$ 1,449,183	\$ -	\$ 5,121,752	\$ 4,436,170
Unconditional grant	28,506	37,514	26,770	14,491	11,855	47,010	-	166,146	198,486
Services provided to other governments	-	12,592	37,835	-	-	97,208	-	147,635	159,780
Sale of service, fines and other fees	47,819	70	-	-	307,671	609,995	-	965,555	936,792
Other government transfers	42,253	-	576,882	-	-	1,771,551	1,558,836	3,949,522	1,247,161
Water and sewer user fees	-	-	-	-	-	-	924,125	924,125	886,911
Interest	3,910	-	-	-	-	-	5,391	9,301	5,333
Other	280,095	-	-	-	-	-	-	280,095	174,288
	<u>1,281,339</u>	<u>1,206,615</u>	<u>1,466,710</u>	<u>461,190</u>	<u>684,978</u>	<u>3,974,947</u>	<u>2,488,352</u>	<u>11,564,131</u>	<u>8,044,921</u>
Expenses									
Salaries and benefits	743,709	74,092	214,232	-	170,394	372,455	191,665	1,766,547	1,515,245
Goods and services	509,142	1,349,761	881,822	627,520	309,166	759,783	598,309	5,035,503	4,889,095
Amortization	34,799	163,388	161,241	639	47,526	611,877	353,521	1,372,991	1,277,261
Interest	9,948	31,383	-	-	-	25,744	38,333	105,408	117,461
Other	43,887	-	-	-	9,045	2,129	-	55,061	169,880
	<u>1,341,485</u>	<u>1,618,624</u>	<u>1,257,295</u>	<u>628,159</u>	<u>536,131</u>	<u>1,771,988</u>	<u>1,181,828</u>	<u>8,335,510</u>	<u>7,968,942</u>
Surplus (deficit) for the year	\$ (60,146)	\$ (412,009)	\$ 209,415	\$ (166,969)	\$ 148,847	\$ 2,202,959	\$ 1,306,524	\$ 3,228,621	\$ 75,979

BEAURIVAGENotes to the Consolidated Financial Statements
December 31, 2024

15. 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 Fund	Water & Sewer Capital Reserve Fund	Total
2024 annual surplus (deficit)	\$ 481,155	\$ 1,440,334	\$ 100,847	\$ 1,205,316	\$ 454	\$ 153	\$ 343	\$ 19	\$ 3,228,621
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus	209,402	-	76,644	-	-	-	-	-	286,046
Transfers between funds									
Transfer from general operating fund to general capital fund	(420,553)	420,553	-	-	-	-	-	-	-
Transfer from water and sewer operating fund to water and sewer capital fund	-	-	(32,728)	32,728	-	-	-	-	-
Long-term debt principal repayment	(202,364)	202,364	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	(119,000)	119,000	-	-	-	-	-
Proceeds from disposal of tangible capital assets	20,479	(20,479)	-	-	-	-	-	-	-
Provision for sick leave accrual	22,539	-	(13,106)	-	-	-	-	-	9,433
Amortization expense	-	1,019,470	-	353,520	-	-	-	-	1,372,990
Change in amount recorded under PSA for defined benefit liability	(108,300)	-	-	-	-	-	-	-	(108,300)
Total adjustments to 2024 annual surplus (deficit)	(478,797)	1,621,908	(88,190)	505,248	-	-	-	-	1,560,169
2024 annual fund surplus	\$ 2,358	\$ 3,062,242	\$ 12,657	\$ 1,710,564	\$ 454	\$ 153	\$ 343	\$ 19	\$ 4,788,790

BEAURIVAGENotes to the Consolidated Financial Statements
December 31, 2024

16. Statement of Reserves

	General Operating Reserve	General Capital Reserve	Water & Sewer Operating Reserve	Water & Sewer Capital Reserve	2024 Total	2023 Total
Assets						
Cash	\$ 36,777	\$ 45,505	\$ 5,897	\$ -	\$ 88,179	\$ 86,714
Accounts receivable (payable)	98,031	-	-	101,459	199,490	199,986
Accumulated Surplus	\$ 134,808	\$ 45,505	\$ 5,897	\$ 101,459	\$ 287,669	\$ 286,700
Revenue						
Interest	\$ 454	\$ 153	\$ 343	\$ 19	\$ 969	\$ 1,110
Expenditures						
Transfer to General Capital Funds	-	-	-	-	-	93,326
Annual Surplus (deficit)	\$ 454	\$ 153	\$ 343	\$ 19	\$ 969	\$ (92,216)

BEAURIVAGENotes to the Consolidated Financial Statements
December 31, 2024**17. Operating Budget to PSA Budget**

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Transfers	Total
Revenue					
Property tax warrant	\$ 5,121,753	\$ -	\$ -	\$ -	\$ 5,121,753
Unconditional grant	166,146	-	-	-	166,146
Services provided to other governments	228,293	-	-	-	228,293
Sales of services, fines and other fees	882,260	-	-	-	882,260
Other government transfers	-	-	-	42,253	42,253
Other transfers	15,000	-	-	-	15,000
Water and sewer user fees	-	865,792	-	-	865,792
Interest	250	8,000	-	-	8,250
Surplus of second previous year	268,732	76,644	-	(345,376)	-
	<u>6,682,434</u>	<u>950,436</u>	<u>-</u>	<u>(303,123)</u>	<u>7,329,747</u>
Expenditures					
General government services	1,225,408	-	34,799	16,378	1,276,585
Protective services	1,484,689	-	163,388	31,903	1,679,980
Transportation services	1,037,575	-	161,241	-	1,198,816
Environmental health services	648,289	-	639	-	648,928
Environmental development services	483,373	-	47,526	-	530,899
Recreational and cultural services	1,467,548	-	611,877	25,830	2,105,255
Fiscal services					
Long-term debt repayments	202,364	126,000	-	(328,364)	-
Interest	74,111	38,855	-	(112,966)	-
- Transfer from the General Operating Fund to the General Capital Fund	42,000	-	-	(42,000)	-
Water and wastewater	-	785,581	353,520	38,855	1,177,956
Deficit of second previous year	17,077	-	-	(17,077)	-
	<u>6,682,434</u>	<u>950,436</u>	<u>1,372,990</u>	<u>(387,441)</u>	<u>8,618,419</u>
Surplus (deficit)	\$ -	\$ -	\$ (1,372,990)	\$ 84,318	\$ (1,288,672)

BEAURIVAGENotes to the Consolidated Financial Statements
December 31, 2024**18. Expense support**

	Budget 2024	Actual 2024	Actual 2023
General government services			
Legislative			
Mayor	\$ 54,869	\$ 48,469	\$ 53,158
Councillors	168,668	166,306	143,661
Other	15,000	18,503	14,748
	238,537	233,278	211,567
General administrative			
Administrative			
Administration	520,901	481,284	317,648
Office building	115,677	141,541	136,989
Legal services	15,000	4,407	22,736
Financial management			
Administration	66,760	67,427	61,507
External audit	13,000	33,163	10,410
Common services			
Civic relations	10,000	10,671	10,276
Training and development	12,400	10,031	8,021
Other general administrative services			
Cost of assessment	90,220	90,220	80,414
Liability insurance	48,913	47,083	44,466
Consultation fees	-	64,259	147,449
Grants for social or environmental purposes	32,500	23,624	24,156
Provision for loss on accounts receivable	-	-	136,886
Amortization	34,799	34,799	34,980
Interest	16,378	9,948	14,418
Other	61,500	89,751	67,993
	1,038,048	1,108,208	1,118,349
	\$ 1,276,585	\$ 1,341,486	\$ 1,329,916
Protective services			
Police protection			
Contractual agreement - RCMP	\$ 1,113,897	\$ 1,113,897	\$ 1,081,453
Fire protection			
Administration	82,000	53,751	50,031
Firefighting force	21,000	26,485	20,244
Station and building	56,476	60,729	48,986
Fighting equipment	126,938	113,388	95,289
Training and development	5,000	11,103	3,197
Other			
By-law enforcement	14,927	3,129	9,709
Animal and pest control	11,451	11,562	11,037
Regional collaboration	15,314	11,050	10,908
Other protective services	37,686	18,761	26,991
Amortization	163,388	163,388	127,851
Interest	31,903	31,383	35,591
	\$ 1,679,980	\$ 1,618,626	\$ 1,521,287

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Notes to the Consolidated Financial Statements

December 31, 2024

18. Expense support

	Budget 2024		Actual 2024		Actual 2023
Transportation services					
Common services					
Administration	\$ 222,951	\$	214,232	\$	58,212
Roads and street					
Summer maintenance	154,705		115,306		177,858
Sidewalks	7,000		8,263		20,627
Culverts and draining ditches	2,800		-		-
Storm sewers	10,000		28,672		22,121
Street cleaning and flushing	49,558		17,542		14,246
Snow and ice removal	234,544		280,475		261,875
Street lights	283,896		324,608		269,097
Traffic services					
Street signs	8,381		15,042		1,791
Traffic lane marking	10,000		12,384		10,175
Other					
Regional transport - Contribution to KRSC	11,740		11,996		11,486
Other transportation	42,000		67,534		58,150
Amortization	161,241		161,241		141,374
	<u>\$ 1,198,816</u>	\$	<u>1,257,295</u>	\$	<u>1,047,012</u>
Environmental health services					
Solid waste collection - KRSC	\$ 465,816	\$	465,816	\$	446,445
Solid waste collection - KRSC	179,795		161,704		179,858
Solid waste collection - Other	2,678		-		-
Amortization	639		639		639
	<u>\$ 648,928</u>	\$	<u>628,159</u>	\$	<u>626,942</u>
Environmental development services					
Planning and zoning					
Contribution to KRSC	\$ 132,777	\$	131,494	\$	151,460
Other	-		-		685
Land development					
Beautification and rehabilitation	7,000		298		-
Community and social development - Contribution to KRSC	4,142		4,142		3,910
Economic development - Contribution to KRSC	7,520		7,520		8,041
Other development services					
Tourism bureau	10,250		585		567
Jardine Park	263,124		272,594		261,488
Tourism - Contribution to KRSC	7,526		7,986		8,496
Other - Trailer park	2,000		1,487		1,371
Amortization	47,526		47,526		44,311
Other	49,034		62,499		23,291
	<u>\$ 530,899</u>	\$	<u>536,131</u>	\$	<u>503,620</u>

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Notes to the Consolidated Financial Statements

December 31, 2024

18. Expense support

	Budget 2024		Actual 2024		Actual 2023
Recreational and cultural services					
Recreation services					
Community centres and halls	\$ 21,400	\$	55,321	\$	62,545
Swimming pool - Aqua Kent	326,875		94,554		152,177
Arena - Kent North Center	858,246		833,491		733,749
Contribution to KRSC (curling club)	4,246		2,830		4,321
Parks and playgrounds	186,186		63,344		280,103
Other recreation services					
Gazibo	15,432		13,887		14,062
Summer camps, special events and other	10,000		29,787		20,795
Amortization	611,877		611,877		572,885
Interest	25,830		25,744		26,594
	2,060,092		1,730,835		1,867,231
Cultural services					
Library	32,090		28,079		24,997
Other recreation and cultural services - Contribution to KRSC					
	13,073		13,073		6,682
	\$ 2,105,255	\$	1,771,987	\$	1,898,910
Water and wastewater					
Water supply					
Administration and general	\$ 187,136	\$	176,225	\$	86,498
Transmission and distribution	123,301		132,953		163,941
Power and pumping	34,000		47,673		37,318
Amortization	123,256		123,256		230,203
Other	13,000		4,381		4,297
Wastewater disposal					
Administration and general	198,636		209,021		84,819
Wastewater collection system	108,330		88,162		151,631
Wastewater lift stations	121,178		131,558		116,457
Amortization	230,264		230,264		125,018
Provision for loss on accounts receivable	-		-		215
Interest	38,855		38,333		40,858
	\$ 1,177,956	\$	1,181,826	\$	1,041,255