

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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CONSOLIDATED FINANCIAL STATEMENTS

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REGIONAL COMMUNITY OF SOUTHERN VICTORIA
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

DECEMBER 31, 2024

The accompanying consolidated financial statements of Regional Community of Southern Victoria are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors annually, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Lenahan McCain & Associates, CPA's, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Regional Community of Southern Victoria and meet when required.

On behalf of Regional Community of Southern Victoria:

Cindy McLaughlin
Mayor

October 20, 2025
Date

J. Wallace
CAO

October 20, 2025
Date

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, 2024, 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, 2024, 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.

Perth-Andover, New Brunswick
October 6, 2025

Laura McCall + Associates
Chartered Professional Accountants

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash (Note 3)	\$ 1,066,389	\$ 933,478
Accounts receivable (Note 4)	1,146,090	1,228,252
Marketable securities (Note 5)	8,207,809	7,852,147
	10,420,288	10,013,877
Liabilities		
Accounts payable (Note 6)	1,314,398	1,295,155
Deferred revenue (Note 7)	383,581	296,287
	1,697,979	1,591,442
Net financial assets	8,722,309	8,422,435
Non-financial Assets		
Tangible capital assets (Note 14)	14,724,008	14,551,370
Prepaid expenses	82,184	24,240
Inventory	389,319	297,662
	15,195,511	14,873,272
Accumulated Surplus	\$ 23,917,820	\$ 23,295,707

Approved on behalf of the Regional Community of Southern Victoria

Cindy M. Lough, Mayor
Johnnie, CAO

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, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Surplus	\$ (255,277)	\$ 622,113	\$ 1,285,333
Acquisition of tangible capital assets	-	(1,547,486)	(1,632,665)
Amortization of tangible capital assets	995,662	995,662	940,718
Net disposal of tangible capital assets	-	379,186	52,285
	995,662	(172,638)	(639,662)
Change in prepaid asset	(57,944)	(57,944)	(499)
Change in inventory	(91,657)	(91,657)	(86,403)
Increase in net financial assets	590,784	299,874	558,769
Net financial assets at beginning of year	-	8,422,435	7,863,666
Net financial assets at end of year	\$ -	\$ 8,722,309	\$ 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, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
Warrant of assessment	\$ 2,377,595	\$ 2,377,595	\$ 2,200,400
Unconditional grants	387,600	387,600	411,871
Other government transfers	6,105	6,105	16,252
Services to other governments	171,381	171,453	140,493
Sales of services - Environmental health services	39,463	45,516	7,564
Sales of services - Recreation and cultural	191,504	270,470	275,438
Sales of services - Water and sewer	704,913	708,061	693,885
Sales of services - Light commission	3,896,185	4,007,579	3,808,352
Other revenues from own source	65,340	370,543	413,686
Outside funding	-	142,195	528,496
Investment income	-	256,291	455,282
Fire lottery	-	291,602	316,583
	7,840,086	9,035,010	9,268,302
Expenditures			
General government services	518,787	519,303	547,735
Protective services	969,054	936,605	936,936
Transportation services	664,914	529,083	516,136
Environmental health services	269,528	284,797	233,822
Environmental development services	187,507	309,186	233,704
Recreation and cultural services	868,400	924,634	872,052
Water and sewer	770,042	867,849	699,632
Light commission	3,847,131	3,814,098	3,714,237
Fire lottery	-	227,342	228,715
	8,095,363	8,412,897	7,982,969
Surplus	(255,277)	622,113	1,285,333
Accumulated surplus at beginning of year	-	23,295,707	22,010,374
Accumulated surplus at end of year	\$ -	\$ 23,917,820	\$ 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, 2024

	2024	2023
Cash flows from		
Operating activities		
Surplus	\$ 622,113	\$ 1,285,333
Items not affecting cash		
Amortization of tangible capital assets	995,662	940,718
Loss on sale of tangible capital assets	1,540	20,677
	<u>1,619,315</u>	<u>2,246,728</u>
Change in non-cash operating working capital		
Accounts receivable	82,162	(373,549)
Accounts payable	19,243	293,533
Deferred revenue	87,294	(549,323)
Inventory	(91,657)	(86,403)
Prepaid expenses	(57,944)	(499)
	<u>1,658,413</u>	<u>1,530,487</u>
Capital activities		
Acquisition of tangible capital assets	(1,547,486)	(1,632,665)
Proceeds on disposal of tangible capital assets	377,646	31,608
	<u>(1,169,840)</u>	<u>(1,601,057)</u>
Investing activities		
Increase in Investments	(355,662)	(466,083)
Increase (decrease) in cash and cash equivalents	132,911	(536,653)
Cash and cash equivalents, beginning of year	933,478	1,470,131
Cash and cash equivalents, end of year	\$ 1,066,389	\$ 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, 2024

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, 2024

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 28, 2023 and were approved by the Minister of Local Government on January 2 - 8, 2024. 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, 2024

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, 2024

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. "Statement 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, 2024

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, 2024

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

	2024	2023
Unrestricted	\$ 679,541	\$ 638,248
Cash - restricted (Gas Tax Funds)	339,985	249,797
Cash - restricted (reserve funds)	46,863	45,433
	\$ 1,066,389	\$ 933,478

4. Accounts receivable

	2024	2023
Light commission	\$ 831,547	\$ 706,244
Water and sewer	120,134	126,901
Province of New Brunswick	12,208	29,187
Sales tax	54,009	154,568
Other accounts receivable	241,110	303,304
Allowance for doubtful accounts	(112,918)	(91,952)
	\$ 1,146,090	\$ 1,228,252

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. Marketable securities

The marketable securities consist of fixed income securities with maturity dates ranging from March 2025 to October 2052 and interest rates ranging from 1.25% to 7.05%.

	2024	2023
Cash and short term investments	\$ 2,301,273	\$ 827,934
Fixed income	5,845,022	6,962,129
Accrued interest	61,514	62,084
	<u>\$ 8,207,809</u>	<u>\$ 7,852,147</u>

6. Accounts payable

	2024	2023
Light commission	\$ 661,501	\$ 802,429
Water and sewer	29,130	32,999
Payroll deductions	50,353	45,274
Sick liability	231,635	214,674
Accrued payroll	68,589	57,876
Other accounts payable and accruals	128,933	126,233
Minister of Finance	144,257	15,670
	<u>\$ 1,314,398</u>	<u>\$ 1,295,155</u>

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

7. Deferred revenue

	December 31, 2023	Funding received, 2024	Revenue recognized, 2024	December 31, 2024
Federal government				
Gas Tax Fund	\$ 249,797	\$ 232,384	\$ (142,195)	\$ 339,986
Senior park grant	4,912	-	-	4,912
Fire Lottery	31,578	291,708	(291,602)	31,684
Winter Freeze Festival grants	6,000	2,000	(6,000)	2,000
Roller skating program	4,000	-	(4,000)	-
Pending land purchase	-	5,000	-	5,000
	46,490	298,708	(301,602)	43,596
	\$ 296,287	\$ 531,092	\$ (443,797)	\$ 383,581

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 2024, 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, 2024

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	\$ 116,286	\$ -
2023 surplus	98,830	98,830
2022 surplus	-	155,184
	<u>\$ 215,116</u>	<u>\$ 254,014</u>

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, 2024 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, 2024

14. Schedule of Tangible Capital Assets

	Land	Land Improvements	Buildings	Computer Equipment	Infrastructure	Motor Vehicles	Equipment	Assets under construction	2024 Total	2023 Total
COST										
Balance, beginning 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	\$ 33,434,538
Add:										
Net additions during the year	326,372	-	133,045	-	843,227	51,896	154,184	38,562	1,547,486	1,632,665
Less:										
Disposals during the year	(39,120)	-	-	-	(53,859)	-	-	(312,016)	(404,995)	(118,004)
BALANCE, END OF YEAR	1,378,485	2,318,851	6,176,358	392,897	19,055,781	693,344	6,037,412	38,562	36,091,690	34,949,199
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	1,355,478	3,543,018	305,982	11,634,318	365,361	3,193,672	-	20,397,829	19,522,830
Add:										
Amortization during the year	-	50,350	149,644	20,023	493,842	35,556	246,247	-	995,662	940,718
Less:										
Accumulated amortization on disposals	-	-	-	-	(25,809)	-	-	-	(25,809)	(65,719)
BALANCE, END OF YEAR	-	1,405,828	3,692,662	326,005	12,102,351	400,917	3,439,919	-	21,367,682	20,397,829
NET BOOK VALUE OF TANGIBLE CAPITAL	\$ 1,378,485	\$ 913,023	\$ 2,483,696	\$ 66,892	\$ 6,953,430	\$ 292,427	\$ 2,597,493	\$ 38,562	\$ 14,724,008	\$ 14,551,370
Consists of:										
General Capital Fund	\$ 1,291,495	\$ 267,077	\$ 2,217,669	\$ -	\$ 1,514,679	\$ 240,534	\$ 1,412,979	\$ 38,562	\$ 6,982,995	\$ 6,929,246
Water and Sewer Capital Fund	80,190	606,171	266,027	64,184	2,686,571	51,893	1,184,514	-	4,939,550	5,075,246
Light Commission Capital Fund	6,800	39,775	-	2,708	2,752,180	-	-	-	2,801,463	2,546,878
BALANCE, END OF YEAR	\$ 1,378,485	\$ 913,023	\$ 2,483,696	\$ 66,892	\$ 6,953,430	\$ 292,427	\$ 2,597,493	\$ 38,562	\$ 14,724,008	\$ 14,551,370

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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	2024 Consolidated	2023 Consolidated
Revenues											
Warrant of assessment	\$ 416,577	\$ 716,535	\$ 332,369	\$ 177,950	\$ 143,190	\$ 590,974	\$ -	\$ -	\$ -	\$ 2,377,595	\$ 2,200,400
Unconditional grant	67,911	116,811	54,183	29,010	23,343	96,342	-	-	-	387,600	411,871
Other government transfers	6,105	-	-	-	-	-	-	-	-	6,105	16,252
Services provided to other governments	-	114,540	-	-	-	56,913	-	-	-	171,453	140,493
Sale of services	-	-	-	45,516	-	270,470	708,061	4,007,579	-	5,031,626	4,785,239
Other revenue from own sources	284,784	-	-	-	-	37,550	29,513	56,246	-	370,543	413,686
Outside funding	-	-	-	-	-	-	18,772	85,873	-	142,195	528,496
Investment income (net)	152,301	-	-	-	-	-	42,588	61,402	-	256,291	455,282
Fire lottery	-	-	-	-	-	-	-	-	291,602	291,602	316,583
	\$ 927,678	\$ 947,886	\$ 386,552	\$ 252,476	\$ 166,533	\$ 1,052,249	\$ 798,934	\$ 4,211,100	\$ 291,602	\$ 9,035,010	\$ 9,268,302
Expenses											
Salaries and benefits	\$ 288,931	\$ 68,299	\$ 52,356	\$ 59,955	\$ 77,465	\$ 380,774	\$ 364,545	\$ 160,072	\$ -	\$ 1,452,397	\$ 1,235,282
Goods and services	244,653	732,861	216,587	176,122	221,891	403,367	285,469	3,455,006	227,342	5,963,298	5,786,292
Amortization	10,099	135,445	260,140	48,720	9,830	140,493	217,835	173,100	-	995,662	940,718
Loss (gain) on disposal of assets	(24,380)	-	-	-	-	-	-	25,920	-	1,540	20,677
	\$ 519,303	\$ 936,605	\$ 529,083	\$ 284,797	\$ 309,186	\$ 924,634	\$ 867,849	\$ 3,814,098	\$ 227,342	\$ 8,412,897	\$ 7,982,969
Surplus (deficit) for the year	\$ 408,375	\$ 11,281	\$ (142,531)	\$ (32,321)	\$ (142,653)	\$ 127,615	\$ (68,915)	\$ 397,002	\$ 64,260	\$ 622,113	\$ 1,285,333

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

16. Reconciliation of Operating Budget to PSAB Budget

	General Operating Budget	Water and Sewer Operating Budget	Light Commission Operating Budget	Amortization	Transfers	Total
Revenue						
Warrant of assessment	\$ 2,377,595	\$ -	\$ -	\$ -	\$ -	2,377,595
Unconditional grant	387,600	-	-	-	-	387,600
Other government transfers	6,105	-	-	-	-	6,105
Services provided to other governments	171,381	-	-	-	-	171,381
Sales of services						
Environmental health services	39,463	-	-	-	-	39,463
Recreation and cultural services	196,904	-	-	-	(5,400)	191,504
Water and sewer	-	704,913	-	-	-	704,913
Light commission	-	-	3,896,185	-	-	3,896,185
Other revenue from own sources	20,040	66,700	34,100	-	(55,500)	65,340
Transfers from other funds	72,630	-	15,290	-	(87,920)	-
Surplus of second previous year	(22,963)	155,184	151,744	-	(283,965)	-
	3,248,755	926,797	4,097,319	-	(432,785)	7,840,086
Expenditures						
General government services	508,688	-	-	10,099	-	518,787
Protective services	889,109	-	-	135,445	(55,500)	969,054
Transportation services	412,418	-	-	260,140	(7,644)	664,914
Environmental health services	220,808	-	-	48,720	-	269,528
Environmental development services	177,677	-	-	9,830	-	187,507
Recreation and cultural services	733,307	-	-	140,493	(5,400)	868,400
Water and sewer	-	583,465	-	217,835	(31,258)	770,042
Light commission	-	-	3,723,049	173,100	(49,018)	3,847,131
Fiscal services	306,748	343,332	374,270	-	(1,024,350)	-
	3,248,755	926,797	4,097,319	995,662	(1,173,170)	8,095,363
Surplus (deficit)	\$ -	\$ -	\$ -	\$ (995,662)	\$ 740,385	\$ (255,277)

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

17. Reconciliation of Annual Surplus

	General Operating Fund	Water and Sewer Operating Fund	Light Commission Operating Fund	Operating Reserve Funds	General Capital Fund	Water and Sewer Capital Fund	Light Commission Capital Fund	Total
2024 annual surplus (deficit) per PSAB	\$ 240,280	\$ 66,777	\$ 142,418	\$ -	\$ 53,747	\$ (135,693)	\$ 254,584	\$ 622,113
Adjustments to annual surplus (deficit) for funding requirements								
Amortization of tangible capital assets	-	-	-	-	604,727	217,835	173,100	995,662
Tangible capital asset additions	-	-	-	-	(697,594)	(82,142)	(767,750)	(1,547,486)
Net proceeds from disposal of tangible capital assets	-	-	-	-	39,120	-	340,066	379,186
Second previous year's surplus	(22,963)	155,184	151,744	-	-	-	-	283,965
Transfer between Operating Fund and Operating Reserve Fund	(388,977)	(132,588)	(121,402)	642,967	-	-	-	-
Interfund transfers	9,486	24,242	(33,728)	-	-	-	-	-
Net fire lottery annual surplus	34,879	-	-	-	-	-	-	34,879
Sick leave accrual	12,447	2,671	1,843	-	-	-	-	16,961
Total adjustments to 2024 annual surplus (deficit)	(355,128)	49,509	(1,543)	642,967	(53,747)	135,693	(254,584)	163,167
2024 annual fund surplus (deficit)	\$ (114,848)	\$ 116,286	\$ 140,875	\$ 642,967	\$ -	\$ -	\$ -	\$ 785,280

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

18. Statement of Reserve Funds Balances

	General Reserve	Water and Sewer Reserve	Light Commission Reserve	2024	2023
Accumulated surplus, beginning of year	\$4,362,005	\$1,605,802	\$2,026,998	\$7,994,805	\$7,438,652
Revenues/ Expenditures					
Investment Income	141,622	34,975	49,692	226,289	168,650
Transfers from operating funds	236,676	90,000	60,000	386,676	500,871
Increase (decrease) in unrealized gains on investments	10,679	7,613	11,710	30,001	286,632
Transfers from capital funds	-	-	-	-	(400,000)
Annual surplus	388,977	132,588	121,402	642,967	556,153
Accumulated surplus, end of year	<u>\$4,750,982</u>	<u>\$1,738,390</u>	<u>\$2,148,400</u>	<u>\$8,637,772</u>	<u>\$7,994,805</u>

Reserve funds are made up of cash of \$46,863 marketable securities of \$8,207,809 and interfund loans payable of \$383,100 totaling \$8,637,772.

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

19. Statement of Detailed Revenue and Expenditures

	2024 Budget (Unaudited)	2024	2023
Revenue			
Services to other governments	\$	\$	\$
Local governments			
Fire	-	72	3,648
Province of New Brunswick			
Fire	114,468	114,468	94,121
Recreation	56,913	56,913	42,724
	<u>171,381</u>	<u>171,453</u>	<u>140,493</u>
Sales of service			
Environmental health services			
Recycling products	39,463	45,516	7,564
Recreation and cultural services			
Civic centre	105,254	161,240	137,248
Recreation commission	86,250	109,230	138,190
	<u>191,504</u>	<u>270,470</u>	<u>275,438</u>
Water and sewer			
Water	472,383	474,551	465,815
Sewer	232,530	233,510	228,070
	<u>704,913</u>	<u>708,061</u>	<u>693,885</u>
Light commission			
Power sales and rentals	3,896,185	4,007,579	3,808,352
Other revenue from own source			
Licenses and permits			
Animal	-	155	-
Construction	2,000	5,943	3,509
Rentals			
Trailer Park	14,520	15,840	17,490
Return on investments			
Interest	39,700	73,701	72,971
Miscellaneous			
Village other income	-	247,446	232,723
Water other income	-	9,757	8,549
Light other income	2,500	1,449	57,585
Adjustment in lieu of tax	20	20	-
Services provided to other utilities	4,000	13,852	18,093
Line extensions, electrical waiver and connection fees	2,600	2,380	2,766
	<u>65,340</u>	<u>370,543</u>	<u>413,686</u>

(continues)

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

19. Statement of Detailed Revenue and Expenditures

	2024 Budget (Unaudited)	2024	2023
Expenses			
General government services			
Legislative			
Mayor	13,511	13,064	12,645
Councilors	55,187	53,884	47,622
Mayor and council travel expenses	21,200	19,275	21,732
Administrative			
Administration salaries and other	273,945	298,265	312,944
Office building	38,531	30,873	40,640
Solicitor	10,000	25,646	137
Financial management			
Audit	12,500	9,068	10,950
Other general government services			
Conventions	4,500	4,812	5,525
Public liability insurance	6,513	6,144	5,920
Grants to organizations	25,000	23,950	25,750
Training and development	7,000	7,802	10,335
Assessment costs	40,801	40,801	38,327
Amortization	10,099	10,099	9,639
Loss (gain) on disposal of tangible capital assets	-	(24,380)	5,569
	518,787	519,303	547,735
Protective services			
Police			
R.C.M.P.	576,626	576,626	559,832
Fire			
Administration	-	37	25
Firefighting force	83,506	68,299	66,709
Fire alarm system	22,000	24,459	21,584
Station and building	38,481	41,069	40,514
Fighting equipment	59,502	48,950	57,311
Training and development	32,000	28,120	45,604
Emergency measures			
EMO	5,000	1,157	4,693
Other			
By-law enforcement	10,000	5,026	1,052
Animal and pest control	4,375	5,298	4,917
Regional public safety committee (RSC)	2,119	2,119	1,389
Amortization	135,445	135,445	133,306
	969,054	936,605	936,936

(continues)

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

19. Statement of Detailed Revenue and Expenditures

	2024 Budget (Unaudited)	2024	2023
Expenses (continued)			
Transportation services			
Roadway transport			
Summer maintenance	228,084	87,791	113,760
Culvert and drainage	7,000	21,253	4,023
Storm sewers	2,500	500	2,693
Street cleaning	4,250	5,510	3,419
Snow and ice removal	147,324	129,030	125,814
Street lights	11,000	10,769	9,423
Street signs	1,750	3,153	6,531
Crosswalks	2,500	10,571	-
Other			
Contribution to RSC	366	366	871
Amortization	260,140	260,140	249,602
	<u>664,914</u>	<u>529,083</u>	<u>516,136</u>
Environmental health services			
Administration	20,813	20,507	15,094
Solid waste collection and disposal	175,763	199,977	184,745
Recycling	24,232	15,593	19,122
Amortization	48,720	48,720	14,861
	<u>269,528</u>	<u>284,797</u>	<u>233,822</u>
Environmental development services			
Community development	63,421	170,646	107,101
Tourism promotion	39,502	51,632	51,557
Beautification and land rehabilitation	56,648	63,810	49,167
Industrial park	4,000	-	1,024
Contribution to RSC	14,106	13,268	15,025
Amortization	9,830	9,830	9,830
	<u>187,507</u>	<u>309,186</u>	<u>233,704</u>

(continues)

REGIONAL COMMUNITY OF SOUTHERN VICTORIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

19. Statement of Detailed Revenue and Expenditures

	2024 Budget (Unaudited)	2024	2023
Expenses (continued)			
Recreation and cultural services			
Administration	166,535	158,456	154,428
Civic centre	343,865	341,743	334,791
Recreation commission, pool and marina	176,183	242,186	205,913
Library	37,013	39,845	39,633
Museums	2,400	-	5,829
Contribution to RSC	1,911	1,911	640
Amortization	140,493	140,493	130,818
	<u>868,400</u>	<u>924,634</u>	<u>872,052</u>
Water and sewer			
Administration	102,787	97,364	61,433
Transmission and distribution	221,100	290,470	197,966
Purification and treatment	21,000	14,421	20,566
Power and pumping	45,000	51,855	45,713
Discounts	7,600	13,000	13,672
Sewerage and collection and disposal	154,720	182,904	132,580
Amortization	217,835	217,835	227,702
	<u>770,042</u>	<u>867,849</u>	<u>699,632</u>
Light commission			
Administration	323,601	307,019	312,457
Energy services	26,170	20,010	12,207
Power purchases	2,927,377	2,966,696	2,826,057
Transmission and distribution	365,916	290,312	351,591
Discounts	30,967	31,041	31,857
Amortization	173,100	173,100	164,960
Loss on disposal of tangible capital assets	-	25,920	15,108
	<u>3,847,131</u>	<u>3,814,098</u>	<u>3,714,237</u>
Fire Lottery			
Lottery payouts	-	145,604	158,133
Donations	-	25,000	25,000
Interest and bank charges	-	490	256
Repairs and maintenance	-	-	-
Supplies	-	56,248	45,326
	<u>\$ -</u>	<u>\$ 227,342</u>	<u>\$ 228,715</u>

REGIONAL COMMUNITY OF SOUTHERN VICTORIA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

20. Statements of Reserves - Council Resolutions regarding transfers to and from reserves:

Councillor Cummings MOVED Transfer from the Village General Operation account to the Recreation Capital Reserve Account- \$12,000. SECONDED BY Councillor McGuire. MOTION CARRIED.

Councillor Cummings MOVED the transfer from the Village General Operation account to the Village Capital Reserve Account- \$100,000 for the new municipal building. SECONDED BY Councillor Legace. MOTION CARRIED.

Councillor McPhail MOVED the Transfer from Village General Operation Account to the Fire Dept Capital Reserve Account - \$124,676. This is from \$24,676 debenture payments and \$100,000 for future capital (truck and Fire Hall). SECONDED BY Councillor Cummings. MOTION CARRIED.


Councillor Cummings MOVED the Transfer from Light General Account to Light Capital Reserve Fund - \$60,000. SECONDED BY Deputy Mayor Shaw. MOTION CARRIED.

Councillor McPhail MOVED the Transfer from Water General Account to P-A System Water Capital Reserve Fund - \$90,000. SECONDED BY Councillor Legace. MOTION CARRIED.

I hereby certify that the above are true and exact copies of resolutions adopted at a special meeting of Council on December 30, 2024.


Justine Waldeck

Clerk


Date

Regional Community of Southern Victoria