

TOWN OF BAY ROBERTS
Financial Statements
December 31, 2021

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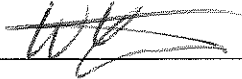
STATEMENT OF RESPONSIBILITY

The accompanying Financial Statements are the responsibility of the management of the TOWN OF BAY ROBERTS and have been prepared in compliance with legislation, and in accordance with Canadian accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

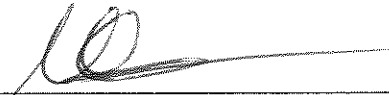
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Council of the Municipality met with management and its external auditor to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

Byron Smith, Chartered Professional Accountant as the Municipality's appointed external auditor, has audited the Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. His opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as he considers necessary to obtain reasonable assurance that the Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.



Mayor



Deputy Mayor

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of:
Town of Bay Roberts

Qualified Opinion

I have audited the financial statements of the Town of Bay Roberts (Town), which comprise the Statement of Financial Position as at December 31, 2021, Statement of Operations, Statement of Change in Net Financial Assets (Net Debt), Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph and adjustments, if any, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Basis for Qualified Opinion

The Town's events, the Seafood Festival and Light the Lamp, derives revenue from various sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of revenue was limited to the amounts recorded in the records and I was not able to determine whether any adjustments might be necessary for revenue, surplus for the year and net assets of the Town.

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

Other Matters

In compliance with the requirements of Section 91 of the Municipalities Act, 1999, my report on statutory requirements is included herewith.

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

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

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

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

BYRON SMITH

CHARTERED
PROFESSIONAL
ACCOUNTANTS

BYRON D. SMITH

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Spaniard's Bay, NL
June 30, 2022

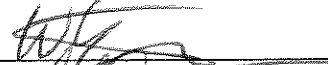


CHARTERED PROFESSIONAL ACCOUNTANT

TOWN OF BAY ROBERTS
Statement of Financial Position
As at December 31,

	2021	2020
FINANCIAL ASSETS		
Cash (Note 5)	\$ 588,949	\$ 274,370
Accounts receivable (Note 6)	2,919,252	3,347,466
Due from Government, Provincial share of long term debt	23,130	49,627
Real estate properties held for sale (Note 1)	<u>703,029</u>	<u>703,029</u>
	<u>4,234,360</u>	<u>4,374,492</u>
LIABILITIES		
Operating line of credit (Note 10)	1,300,000	1,000,000
Accounts payable and accrued liabilities (Note 7)	1,993,989	1,120,493
Severance payable	318,768	292,397
Deferred revenue		148,299
Deferred revenue - Summer Games (Note 13)	60,030	21,481
Long term debt (Note 8)	<u>6,778,271</u>	<u>7,380,005</u>
	<u>10,451,058</u>	<u>9,962,675</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(6,216,698)</u>	<u>(5,588,183)</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 1)	44,037,428	42,843,393
Prepays and other assets	<u>24,641</u>	<u>23,715</u>
	<u>44,062,069</u>	<u>42,867,108</u>
ACCUMULATED SURPLUS	<u>\$ 37,845,371</u>	<u>\$ 37,278,925</u>

Commitments (Note 11)

On Behalf of the Town:


 _____ Mayor

 _____ Deputy Mayor

The accompanying notes are an integral part
of these financial statements.

TOWN OF BAY ROBERTS
Statement of Operations

For the Year Ended December 31,	PSAB Budget (Schedule 4)	Actual	
		2021	2020
Revenue			
Taxation Revenue (Schedule 2)	\$ 6,479,341	\$ 6,543,623	\$ 6,491,235
Sale of Goods and Services (Schedule 2)	686,500	700,419	415,339
Grants and Transfers (Schedule 2)	<u>1,291,742</u>	<u>1,524,753</u>	<u>1,190,745</u>
Total Revenue	<u>8,457,583</u>	<u>8,768,795</u>	<u>8,097,319</u>
Expenditures			
General Government Services (Schedule 3)	994,392	1,034,650	949,585
Protective Services (Schedule 3)	348,700	318,698	290,995
Transportation Services (Schedule 3)	2,506,248	2,414,947	2,371,666
Environmental Health Services (Schedule 3)	1,934,376	2,153,321	2,111,891
Regional planning and development (Schedule 3)	622,579	605,574	507,364
Recreation and Cultural Services (Schedule 3)	1,201,318	1,442,927	1,129,115
Fiscal Services (Schedule 3)	<u>302,963</u>	<u>232,232</u>	<u>246,684</u>
Total Expenditures	<u>7,910,576</u>	<u>8,202,349</u>	<u>7,607,300</u>
Surplus for the year	<u>\$ 547,007</u>	<u>\$ 566,446</u>	<u>\$ 490,019</u>
Accumulated surplus, beginning of the year		\$ 37,278,925	\$ 36,788,906
Surplus for the year		<u>566,446</u>	<u>490,019</u>
Accumulated surplus, end of the year		<u>\$ 37,845,371</u>	<u>\$ 37,278,925</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF BAY ROBERTS
Statement of Change in Net Financial Assets (Net Debt)

For the Year Ended December 31,	PSAB Budget	Actual	
		2021	2020
ANNUAL SURPLUS	\$ 547,007	\$ 566,446	\$ 490,019
Acquisition of tangible capital assets	(3,374,887)	(3,374,887)	(1,690,552)
Amortization of tangible capital assets	2,180,851	2,180,851	1,996,578
Write down of tangible capital assets			31,825
Decrease (increase) in prepaids and other assets		(925)	1,588
CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	(647,029)	(628,515)	829,458
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	(5,588,183)	(5,588,183)	(6,417,641)
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	\$ (6,235,212)	\$ (6,216,698)	\$ (5,588,183)

The accompanying notes are an integral part of these financial statements.

TOWN OF BAY ROBERTS
Statement of Cash Flows
For the Year Ended December 31,

2021

2020

Cash provided From (Used For):

Cash Flows from Operating activities

Surplus for the year	\$ 566,446	\$ 490,019
Amortization - non cash item	2,180,851	1,996,578
Write down of tangible capital asset		31,825

Changes in:

Receivables	428,214	(350,776)
Prepaid expenses	(926)	1,589
Payables and accruals	873,496	(1,099,966)
Severance pay	26,371	14,835
Deferred revenue	(109,751)	56,188
	<u>3,964,701</u>	<u>1,140,292</u>

Cash Flows from Capital Activities

Capital asset purchases - net	<u>(3,374,887)</u>	<u>(1,690,552)</u>
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Cash Flows from Financing Activities

Repayment of long term debt	(601,732)	(591,627)
Decrease (increase) in Due from the Province of Newfoundland	26,497	24,497
Loans obtained during the year		1,193,138
	<u>(575,235)</u>	<u>626,008</u>

Net cash provided (used)

14,579 75,748

Cash, beginning of year

(725,630) (801,378)

Cash, end of year

\$ (711,051) \$ (725,630)

Consists of:

Cash (Note 5)	\$ 588,949	\$ 274,370
Operating line of credit (Note 10)	<u>(1,300,000)</u>	<u>(1,000,000)</u>
	\$ <u>(711,051)</u>	\$ <u>(725,630)</u>

The accompanying notes are an integral part of these financial statements.

1. Status of the Town of Bay Roberts

The incorporated Town of Bay Roberts is a municipal government that was incorporated in 1951 pursuant to the Province of Newfoundland and Labrador's Municipalities Act. The Municipality provides or funds municipal services such as fire, public works, parks and recreation, library, tourism and other general government services.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

Investments

Temporary investments are accounted for at the lower of cost and market value. Portfolio investments are accounted for at cost.

Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees and improvements to prepare the properties for sale or servicing. Land and development costs are being amortized against the cost of lot sales.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the statement of financial position date.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets (net debt) for the year.

2. Significant Accounting Policies (continued)

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets under construction are not amortized until the asset is put into use and one-half of the annual amortization is charged in the year of acquisition and in the year of disposal. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

General Tangible Capital Assets

Land	Indefinite
Land improvements	10 to 50 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Term of lease
Vehicles and Equipment	
Vehicles	5 to 10 years
Machinery, equipment and furniture	5 to 10 years
Maintenance and road construction equipment	10 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	5 to 20 years
Road grade	30 years
Bridges	30 to 50 years
Traffic lights and equipment	10 to 15 years
Marine structures	25 years
Water and Sewer	
Land	Indefinite
Land improvements	50 years
Buildings	25 to 40 years
Underground networks	15 to 100 years
Machinery and equipment	15 years
Dams and other surface water structures	25 to 50 years

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of the property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Revenue Recognition

Revenues are recognized as earned and when collection is reasonably assured. Tax rates are approved annually by Council.

2. Significant Accounting Policies (continued)

Expenditure Recognition

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

Interest on long term debt is accrued at year end.

Use of Estimates

The preparation of the Municipality's financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues during the reporting period. Actual results could differ from those estimates.

Inventories

Inventories held for sale are recorded at the lower of cost and net realizable value. Inventories held for consumption are recorded at the lower of cost and replacement value.

Severance Pay

The Municipality records severance pay liability for both management and union employees. Management employees are entitled to one week of pay for each year of service after ten years of service to a maximum of 25 weeks pay. Bargaining unit employees are entitled to one week of pay for each year of service after five years of service to a maximum of \$15,000.

Donated Materials

Donated materials are recorded at fair market value at the date of receipt.

3. The manner in which the accounts have been kept and the safeguards against fraud

The Town's position in this respect was considered satisfactory, however there are some control weaknesses which are inherent with the municipalities of this size.

4. Sufficiency of Bonds

Fidelity bond coverage of \$50,000 is carried on employees of the municipality who are in a position of trust and this coverage is considered to be adequate.

5. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash and bank	\$ <u>588,949</u>	\$ <u>274,370</u>

TOWN OF BAY ROBERTS
Notes to the Financial Statements
December 31, 2021

6. Accounts Receivable	<u>2021</u>	<u>2020</u>
Taxes:		
Business	\$ 373,858	\$ 420,182
Property	1,366,144	1,536,065
Water and sewer	<u>493,345</u>	<u>536,859</u>
	<u>2,233,347</u>	<u>2,493,106</u>
GST Rebate	520,561	303,313
Interest on taxation accounts	707,259	722,456
Due from provincial government - grants	99,243	101,312
Other	172,648	107,513
Federal gas tax funding		489,355
Provincial gas tax funding	<u>28,808</u>	<u>28,808</u>
	<u>1,528,519</u>	<u>1,752,757</u>
	3,761,866	4,245,863
Allowance for doubtful accounts	<u>(842,614)</u>	<u>(898,397)</u>
	<u>\$ 2,919,252</u>	<u>\$ 3,347,466</u>
7. Accounts Payable and Accrued Liabilities	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 365,798	\$ 603,954
Source deductions payable	83,594	20,571
Capital accounts payable	1,483,823	423,143
Prepaid taxes	<u>60,774</u>	<u>72,825</u>
	<u>\$ 1,993,989</u>	<u>\$ 1,120,493</u>
8. Long Term Debt	<u>2021</u>	<u>2020</u>
Bank of Montreal		
Fixed rate loan at a rate of 2.97%, repayable in blended monthly installments of \$7,030 commencing January 31, 2017, maturing in 2027.	\$ 248,220	\$ 317,171
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$893, maturing on December 31, 2027.	59,159	67,485
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$3,330, maturing on December 31, 2027.	<u>218,496</u>	<u>249,260</u>
	<u>525,875</u>	<u>633,916</u>

TOWN OF BAY ROBERTS
Notes to the Financial Statements
December 31, 2021

8. Long Term Debt (continued)	<u>2021</u>	<u>2020</u>
Balance forward	525,875	633,916
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$3,366, maturing on December 31, 2027.	224,079	255,167
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$2,244, maturing on December 31, 2027.	148,594	169,510
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$4,143, maturing on December 31, 2027.	274,383	312,999
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$3,960, maturing on December 31, 2027.	262,206	299,109
Fixed rate loan at a rate of 2.97%, repayable in blended monthly installments of \$5,169, maturing in 2032.	540,438	580,673
Fixed rate loan at a rate of 4.26%, repayable in blended monthly installments of \$5,082, maturing on October 31, 2038.	571,030	601,994
Fixed rate loan at a rate of 2.49%, repayable in blended semi-annual installments of \$17,821, maturing on February 28, 2023.	23,888	49,627
Fixed rate loan at a rate of 2.97%, repayable in blended monthly installments of \$4,722, maturing in 2032.	493,754	530,513
Fixed rate loan at a rate of 3.31%, repayable in blended monthly installments of \$9,878, maturing in 2032.	1,087,453	1,159,004
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$4,227, maturing in 2032.	<u>411,518</u>	<u>448,994</u>
	<u>4,563,218</u>	<u>5,041,506</u>

TOWN OF BAY ROBERTS
Notes to the Financial Statements
December 31, 2021

8. Long Term Debt (continued)	<u>2021</u>	<u>2020</u>
Balance forward	4,563,218	5,041,506
Fixed rate loan at a rate of 3.31%, repayable in blended monthly installments of \$7,491, maturing in 2032.	885,209	933,757
Fixed rate loan at a rate of 4.03%, repayable in blended monthly installments of \$1,853, maturing in 2032.	214,248	225,783
Fixed rate loan at 2.10%, repayable in blended monthly installments of \$2,386, maturing 2035.	339,593	360,855
Fixed rate loan at 2.10%, repayable in blended monthly installments of \$4,050, maturing 2035.	590,215	622,061
Fixed rate loan at 3.10%, repayable in blended monthly installments of \$1,296, maturing 2035.	<u>185,788</u>	<u>196,043</u>
Total long term debt	<u>\$ 6,778,271</u>	<u>\$ 7,380,005</u>

The annual principal repayments estimated over the next 5 years on existing long term debt are as follows:

2022	\$ 659,421
2023	\$ 679,421
2024	\$ 741,862
2025	\$ 672,330
2026	\$ 692,788

9. Budget

In accordance with the Province of Newfoundland and Labrador's Municipalities Act, every council must adopt a financial plan for each fiscal period in a form approved by the Minister. The financial plan is prepared on a revenue and expenditure basis that does not meet the recommendations of the PSAB.

For comparative purposes, the Town has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results.

The budget figures used in these financial statements have been approved by Council and the Minister.

The reconciliation between the Municipality's cash based financial plan and the PSAB accrual based budget figures used in these statements is disclosed in Schedule 4 - Reconciliation of the Financial Plan to the Budget.

10. CREDIT FACILITIES

The Town has a \$1,400,000 revolving demand credit arrangement with the Bank of Nova Scotia. This line of credit balance was \$1,300,000 (2020 - \$1,000,000) at year-end. This credit arrangement is secured by a general security agreement over the Town's assets.

11. Commitments

Council approved Priority One request – Storm sewer upgrades on Shearstown Road and Water Street at a cost of \$9,760,000 for the 2022-23 Municipal Capital Works and investing in Canada Infrastructure Program.

12. Financial Instruments

Transactions in financial instruments may result in the Municipality assuming or transferring to another party one or more of the financial risks described below. The disclosures below provide information that assists users of these financial statements in assessing the extent of risk related to financial instruments.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Municipality is exposed to credit risk on the accounts receivable from its customers. The Municipality has a significant number of customers which minimizes their concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by changes in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Municipality manages exposure through its normal operating and financing activities. The Municipality is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Fair Value

The carrying value of the Municipality's financial assets and financial liabilities as at December 31, 2021 approximates their fair value.

13. Deferred Revenue - Summer Games

\$60,030 represents unspent funding for the Newfoundland and Labrador 2020 Summer Games. These funds were received and costs administered by the Town of Bay Roberts on behalf of the Committee.

TOWN OF BAY ROBERTS
 Schedule of Tangible Capital Assets
 December 31, 2021

Schedule 1



	General Capital Assets										Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets and Bridges	Water and Sewer	Recreational Facilities	2021	2020		
Cost												
Opening Costs	\$ 609,887	\$ 4,668,624	\$ 4,951,071			\$ 12,570,710	\$ 48,236,948	\$ 4,016,003	\$ 75,053,243	\$ 73,394,516		
Additions during the year		550,660	353,697			2,460,233		10,297	3,374,887	1,690,552		
Disposals and adjustments										(31,825)		
Closing Costs	609,887	5,219,284	5,304,768			15,030,943	48,236,948	4,026,300	78,428,130	75,053,243		
Accumulated Amortization												
Opening accum'd amortization		4,116,070	2,819,484			4,365,807	19,922,581	997,909	32,209,851	30,213,272		
Amortization		60,959	379,293			567,593	964,738	208,267	2,180,851	1,996,578		
Closing accum'd amortization		4,177,029	3,198,777			4,921,400	20,887,319	1,206,176	34,390,702	32,209,850		
Net Book Value of Tangible Capital Assets	\$ 609,887	\$ 1,042,255	\$ 2,105,991	\$ NIL	\$ NIL	\$ 10,109,543	\$ 27,349,629	\$ 2,820,124	\$ 44,037,428	\$ 42,843,393		

TOWN OF BAY ROBERTS
Schedule of Revenues

Schedule 2

For the Year Ended December 31,	Financial Plan	Actual	
		2021	2020
Taxation revenue			
Property tax	\$ 4,403,294	\$ 4,284,245	\$ 4,248,379
Business tax	1,200,000	1,276,982	1,228,276
Water and sewer tax	900,480	1,009,970	1,023,650
Penalties and interest on taxes receivable	90,000	77,905	89,095
Discounts	<u>(114,433)</u>	<u>(105,479)</u>	<u>(98,165)</u>
	<u>6,479,341</u>	<u>6,543,623</u>	<u>6,491,235</u>
Sale of goods and services			
Permits and certificates	25,500	35,418	18,225
Recreation and cultural services	25,000	87,800	35,064
Seafood festival	30,000	36,712	
Arena	408,000	359,274	252,488
Fire protection service fees	53,000	52,150	51,700
Swimming pool	65,000	17,791	6,964
Light the Lamp	55,000	41,780	
Water supply	15,000	43,050	30,000
Other sales of goods and services	<u>10,000</u>	<u>26,444</u>	<u>20,898</u>
	<u>686,500</u>	<u>700,419</u>	<u>415,339</u>
Grants and transfers			
Government of Canada			
Other federal revenue		85,263	29,091
Government transfers - Provincial			
Municipal operating grant	198,600	198,486	198,486
Municipal capital grant	393,000	1,052,816	40,535
Gas tax revenue - Federal	500,000		489,355
Gas tax revenue - Provincial	57,615	57,615	57,615
Interest on government loans	145,968	7,527	11,145
Safe restart grant			353,291
Other provincial grants and/or subsidies	<u>135,000</u>	<u>123,046</u>	<u>11,227</u>
	<u>1,430,183</u>	<u>1,524,753</u>	<u>1,190,745</u>
Total Revenue	\$ <u>8,596,024</u>	\$ <u>8,768,795</u>	\$ <u>8,097,319</u>

TOWN OF BAY ROBERTS
Schedule of Expenses

Schedule 3

For the Year Ended December 31,	Financial Plan	Actual	
		2021	2020
General Government Services			
Salaries and benefits	\$ 490,952	\$ 495,910	\$ 445,827
Office	75,906	75,613	81,807
Other general expenses	211,690	218,122	220,470
Insurance - General	77,250	87,337	86,457
Council	77,635	96,709	81,458
Amortization		60,959	33,566
	<u>\$ 933,433</u>	<u>\$ 1,034,650</u>	<u>\$ 949,585</u>
Protective Services			
Fire protection	\$ 183,600	\$ 162,473	\$ 163,103
Enforcement officer	89,981	81,106	74,745
Amortization		75,119	53,147
	<u>\$ 273,581</u>	<u>\$ 318,698</u>	<u>\$ 290,995</u>
Transportation Services			
Road maintenance	\$ 956,800	\$ 851,055	\$ 999,627
Snow clearing	249,950	184,512	195,364
Street lighting	195,000	187,823	184,739
Equipment maintenance	232,731	319,790	237,942
Amortization		871,767	753,994
	<u>\$ 1,634,481</u>	<u>\$ 2,414,947</u>	<u>\$ 2,371,666</u>
Fiscal Services			
Doubtful accounts	\$ 60,000	\$ (10,731)	\$ (56,168)
Capital expenditures from own revenue and grants	2,251,552		
Debt charges	767,709	179,071	248,619
Bank charges	50,000	63,892	54,233
	<u>\$ 3,129,261</u>	<u>\$ 232,232</u>	<u>\$ 246,684</u>
Environmental Health Services			
Garbage and waste collection and disposal	\$ 631,221	\$ 650,878	\$ 595,556
Water and sewage utility, operation and maintenance	338,417	537,705	556,599
Amortization		964,738	959,736
	<u>\$ 969,638</u>	<u>\$ 2,153,321</u>	<u>\$ 2,111,891</u>

TOWN OF BAY ROBERTS
Schedule of Expenses

Schedule 3

For the Year Ended December 31,	Financial Plan	Actual	
		2021	2020
Regional planning and development			
Community improvement and development	\$ 108,000	\$ 55,924	\$ 40,410
Tourism and marketing	<u>514,579</u>	<u>549,650</u>	<u>466,954</u>
	<u>\$ 622,579</u>	<u>\$ 605,574</u>	<u>\$ 507,364</u>
Recreation and Cultural Services			
Swimming Pool	\$ 115,722	\$ 138,554	\$ 49,769
Parks and playgrounds	213,092	349,972	294,448
Arena	445,093	521,460	467,451
Other recreation and cultural services	219,144	224,674	121,312
Amortization	<u> </u>	<u>208,267</u>	<u>196,135</u>
	<u>\$ 993,051</u>	<u>\$ 1,442,927</u>	<u>\$ 1,129,115</u>
Total Expenses	<u>\$ 8,556,024</u>	<u>\$ 8,202,349</u>	<u>\$ 7,607,300</u>

TOWN OF BAY ROBERTS
Reconciliation of the Financial Plan to the Budget (PSAB)
For The Year Ended December 31, 2021

Schedule 4



	Financial Plan	Amortization - Town	Interest	Transfers	Long Term Accruals	Actual Amounts Consolidated Entities	PSAB Budget
REVENUE							
Taxation revenue	\$ 6,479,341						\$ 6,479,341
Sale of goods and services	686,500						686,500
Grants and transfers	1,430,183		\$ (138,441)				1,291,742
Total revenue	\$ 8,596,024		(138,441)				8,457,583
EXPENSES							
General government services	\$ 933,433	\$ 60,959					994,392
Protective services	273,581	75,119					348,700
Transportation services	1,634,481	871,767					2,506,248
Environmental health services	969,638	964,738					1,934,376
Recreation and cultural services	993,051	208,267					1,201,318
Regional planning and development	622,579						622,579
Fiscal Services	3,129,261		13,892	(2,840,190)			302,963
Total expenses	\$ 8,556,024	2,180,850	13,892	(2,840,190)			7,910,576
Surplus(Deficit)		\$ (2,180,850)	\$ (152,333)	\$ 2,840,190	\$ NIL	\$ NIL	\$ 547,007

June 30, 2022

To the Mayor and Councillors of:
TOWN OF BAY ROBERTS

In compliance with the requirements of section 91 of the Municipalities Act, my report as follows on the audit of the accounts of the Council for the year ended December 31, 2021.

Expenditures in relation to budget:

Actual expenditures of \$8,202,349 were within the limits of the adopted budget by \$353,675. These expenditures include amortization in the amount of \$2,180,850 which was not included in the adopted financial plan. Section 81 of the Act provides that except with the approval of the Minister, the Council's expenditures shall not exceed the estimated amount of expenditures set out in an approved budget.

Arrears on revenue:

Taxes and interest receivable totaled \$2,940,608 at December 31, 2021. Of this amount, \$1,562,296 has been outstanding for one year or longer, while the balance of \$1,378,312 represents arrears on account of taxes and rates levied in 2021.

The manner in which the accounts have been kept and the adequacy of safeguards against fraud:

The Town's position in this respect was considered satisfactory, however there are some control weaknesses which are inherent with the municipalities of this size.

Sufficiency of bonds:

Fidelity bond coverage of \$50,000 is carried on employees of the Council who are in a position of trust. In my opinion, the coverage provided is sufficient.

BYRON D. SMITH
CHARTERED PROFESSIONAL ACCOUNTANT
Spaniard's Bay, NL

**Auditor's Report
On Compliance with Federal Gas Tax Funding Agreement**

To the Mayor and Councillors of:
TOWN OF BAY ROBERTS, NL

Opinion

I have audited the 2021 Ultimate Recipient Annual Expenditure Report (the "Report") for the Town of Bay Roberts ("the Municipality") for the year ended December 31, 2021.

In my opinion, this financial statement presents fairly, in all material respects, the results of operations in respect to the receipt and disbursement of Gas Tax Funding for the year then ended, in accordance with the standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In my opinion, the Town of Bay Roberts has complied in all material respects, to the terms and conditions of the Ultimate Recipient Gas Tax Agreement, as prescribed under the Canada - Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund 2014-2024.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Ultimate Recipient Annual Expenditure Report section of my report. I am independent of the Municipality in accordance with the ethical requirements that are relevant to my audit of the Report in Canada, and I have fulfilled my other ethical responsibilities in accordance with those requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the 2021 Ultimate Recipient Annual Expenditure Report

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

In preparing the Report, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating 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 2021 Ultimate Recipient Annual Expenditure Report

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

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

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

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

Spaniard's Bay, NL
June 30, 2022


CHARTERED PROFESSIONAL ACCOUNTANT

TOWN OF BAY ROBERTS
Summary of Ultimate Recipients Funding & Certification
2021 Annual Expenditure Report
For the Year Ended December 31, 2021

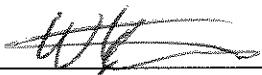
Appendix A

	<u>2021</u>	<u>Cumulative</u>
Opening balance, receivable	\$ NIL	\$ NIL
Spent on eligible projects		(2,731,501)
Received from Newfoundland and Labrador		<u>2,731,501</u>
Closing balance, deferred revenue	\$ <u>NIL</u>	\$ <u>NIL</u>

Certification

I, Walter Yetman, Mayor of the Town of Bay Roberts certify that the information reported is a true and accurate representation of the Municipality's position with respect to its federal gas tax revenues. I acknowledge and understand that any contravention of the terms and conditions of the Ultimate Recipient Gas Tax Funding Agreement may result in funding being withheld.

The Municipality does not maintain a separate bank account for Gas Tax Funding.



 Signature

Aug 3, 2022

 Date