

TOWN OF BAY ROBERTS
Financial Statements
December 31, 2022

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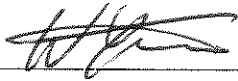
STATEMENT OF RESPONSIBILITY

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.

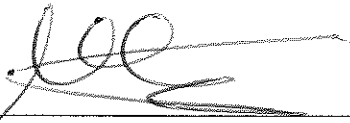
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial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

The Council of the Town 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 Town'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 Town in accordance with Canadian accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.



Mayor



Deputy Mayor

BYRON SMITH

CHARTERED
PROFESSIONAL
ACCOUNTANTS

BYRON D. SMITH

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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, 2022, 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, 2022, 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.

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
September 27th, 2023



CHARTERED PROFESSIONAL ACCOUNTANT

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

	2022	2021
FINANCIAL ASSETS		
Cash (Note 5)	\$ 1,078,598	\$ 588,949
Accounts receivable (Note 6)	2,305,983	2,919,252
Due from Government, Provincial share of long term debt		23,130
Real estate properties held for sale (Note 1)	<u>703,029</u>	<u>703,029</u>
	<u>4,087,610</u>	<u>4,234,360</u>
LIABILITIES		
Operating line of credit (Note 10)	1,300,000	1,300,000
Accounts payable and accrued liabilities (Note 7)	994,501	1,993,989
Severance payable	359,693	318,768
Deferred revenue - Summer Games (Note 13)	58,552	60,030
Long term debt (Note 8)	<u>8,440,595</u>	<u>6,778,271</u>
	<u>11,153,341</u>	<u>10,451,058</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(7,065,731)</u>	<u>(6,216,698)</u>

NON-FINANCIAL ASSETS



Tangible Capital Assets (Schedule 1)	43,430,251	44,037,428
Prepays and other assets	<u>44,458</u>	<u>24,641</u>
	<u>43,474,709</u>	<u>44,062,069</u>

ACCUMULATED SURPLUS

	\$ <u>36,408,978</u>	\$ <u>37,845,371</u>
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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	
		2022	2021
Revenue			
Taxation Revenue (Schedule 2)	\$ 6,455,800	\$ 6,304,123	\$ 6,543,623
Sale of Goods and Services (Schedule 2)	757,500	888,965	700,419
Grants and Transfers (Schedule 2)	<u>296,215</u>	<u>480,130</u>	<u>1,524,753</u>
Total Revenue	<u>7,509,515</u>	<u>7,673,218</u>	<u>8,768,795</u>
Expenditures			
General Government Services (Schedule 3)	1,024,245	1,011,833	1,034,650
Protective Services (Schedule 3)	341,564	327,454	318,698
Transportation Services (Schedule 3)	2,611,906	2,525,991	2,414,947
Environmental Health Services (Schedule 3)	1,963,315	2,207,418	2,153,321
Regional planning and development (Schedule 3)	739,481	729,709	605,574
Recreation and Cultural Services (Schedule 3)	1,244,446	1,691,834	1,442,927
Fiscal Services (Schedule 3)	<u>508,863</u>	<u>615,372</u>	<u>232,232</u>
Total Expenditures	<u>8,433,820</u>	<u>9,109,611</u>	<u>8,202,349</u>
(Deficit) Surplus for the year	\$ <u>(924,305)</u>	\$ <u>(1,436,393)</u>	\$ <u>566,446</u>
Accumulated surplus, beginning of the year		\$ 37,845,371	\$ 37,278,925
(Deficit) Surplus for the year		<u>(1,436,393)</u>	<u>566,446</u>
Accumulated surplus, end of the year		\$ <u>36,408,978</u>	\$ <u>37,845,371</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	
		2022	2021
ANNUAL SURPLUS	\$ (924,305)	\$ (1,436,393)	\$ 566,446
Acquisition of tangible capital assets	(1,544,116)	(1,544,116)	(3,374,887)
Amortization of tangible capital assets	2,136,292	2,136,292	2,180,851
Net book value of assets sold		15,000	
Decrease (increase) in prepaids and other assets		(19,816)	(925)
CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	(332,129)	(849,033)	(628,515)
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	(6,216,698)	(6,216,698)	(5,588,183)
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	\$ (6,548,827)	\$ (7,065,731)	\$ (6,216,698)

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,

2022

2021

Cash provided From (Used For):

Cash Flows from Operating activities

Surplus for the year	\$ (1,436,393)	\$ 566,446
Amortization - non cash item	2,136,292	2,180,851
Other income - Gain on disposal of capital asset	(53,324)	

Changes in:

Receivables	613,269	428,214
Prepaid expenses	(19,817)	(926)
Payables and accruals	(999,488)	873,496
Severance pay	40,925	26,371
Deferred revenue	(1,478)	(109,751)
	<u>279,986</u>	<u>3,964,701</u>

Cash Flows from Capital Activities

Capital asset purchases - net	(1,544,116)	(3,374,887)
Proceeds on disposal of capital assets	<u>68,325</u>	<u></u>
	<u>(1,475,791)</u>	<u>(3,374,887)</u>

Cash Flows from Financing Activities

Repayment of long term debt	(802,224)	(601,732)
Decrease (increase) in Due from the Province of Newfoundland	23,130	26,497
Loans obtained during the year	<u>2,464,548</u>	<u></u>
	<u>1,685,454</u>	<u>(575,235)</u>

Net cash provided (used)

489,649 14,579

Cash net of (Bank indebtedness), beginning of year

(711,051) (725,630)

Cash net of (Bank indebtedness), end of year

\$ (221,402) \$ (711,051)

Consists of:

Cash (Note 5)	\$ 1,078,598	\$ 588,949
Operating line of credit (Note 10)	<u>(1,300,000)</u>	<u>(1,300,000)</u>
	\$ <u>(221,402)</u>	\$ <u>(711,051)</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 Town 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 Town 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 Town'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 Town 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 Town 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>2022</u>	<u>2021</u>
Cash and bank	\$ <u>1,078,598</u>	\$ <u>588,949</u>

TOWN OF BAY ROBERTS
Notes to the Financial Statements
December 31, 2022

6. Accounts Receivable	2022	2021
Taxes:		
Business	\$ 205,302	\$ 373,858
Property	1,340,330	1,366,144
Water and sewer	499,906	493,345
	2,045,538	2,233,347
GST Rebate	277,150	520,561
Interest on taxation accounts	599,365	707,259
Due from governments - grants	105,918	99,243
Other	156,965	172,648
Provincial gas tax funding	28,808	28,808
	1,139,398	1,528,519
	3,184,936	3,761,866
Allowance for doubtful accounts	(878,953)	(842,614)
	\$ 2,305,983	\$ 2,919,252
7. Accounts Payable and Accrued Liabilities	2022	2021
Accounts payable	\$ 918,546	\$ 365,798
Source deductions payable		83,594
Capital accounts payable		1,483,823
Prepaid taxes	75,955	60,774
	\$ 994,501	\$ 1,993,989
8. Long Term Debt	2022	2021
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.	\$ 163,289	\$ 248,220
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$893, maturing on December 31, 2027.	50,590	59,159
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$3,330, maturing on December 31, 2027.	186,841	218,496
	400,720	525,875

TOWN OF BAY ROBERTS
Notes to the Financial Statements
December 31, 2022

8. Long Term Debt (continued)	<u>2022</u>	<u>2021</u>
Balance forward	400,720	525,875
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$3,366, maturing on December 31, 2027.	192,140	224,079
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$2,244, maturing on December 31, 2027.	127,072	148,594
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$4,143, maturing on December 31, 2027.	225,931	274,383
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$3,960, maturing on December 31, 2027.	220,123	262,206
Fixed rate loan at a rate of 2.97%, repayable in blended monthly installments of \$5,169, maturing in 2032.	489,284	540,438
Fixed rate loan at a rate of 4.26%, repayable in blended monthly installments of \$5,082, maturing on October 31, 2038.	528,343	571,030
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
Fixed rate loan at a rate of 2.97%, repayable in blended monthly installments of \$4,722, maturing in 2032.	447,019	493,754
Fixed rate loan at a rate of 3.31%, repayable in blended monthly installments of \$9,878, maturing in 2032.	994,848	1,087,453
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$4,227, maturing in 2032.	<u>370,589</u>	<u>411,518</u>
	<u>3,996,069</u>	<u>4,563,218</u>

TOWN OF BAY ROBERTS
Notes to the Financial Statements
December 31, 2022

8. Long Term Debt (continued)	<u>2022</u>	<u>2021</u>
Balance forward	3,996,069	4,563,218
Fixed rate loan at a rate of 3.31%, repayable in blended monthly installments of \$7,491, maturing in 2032.	819,561	885,209
Fixed rate loan at a rate of 4.03%, repayable in blended monthly installments of \$1,853, maturing in 2032.	198,460	214,248
Fixed rate loan at 2.10%, repayable in blended monthly installments of \$2,386, maturing 2035.	317,880	339,593
Fixed rate loan at 2.10%, repayable in blended monthly installments of \$4,050, maturing 2035.	549,509	590,215
Fixed rate loan at 3.10%, repayable in blended monthly installments of \$1,296, maturing 2035.	172,697	185,788
Fixed rate loan at 3.26%, repayable in blended monthly installments of \$3,515, maturing February 2027.	475,908	
Fixed rate loan at 3.94%, repayable in blended monthly installments of \$2,604, maturing March 2027.	350,528	
Fixed rate loan at 3.26%, repayable in blended monthly installments of \$5,273, maturing February 2027.	713,862	
Fixed rate loan at 5.45%, repayable in blended monthly installments of \$6,923, amortized over 180 months, with a term of 60 months maturing 2028.	<u>846,121</u>	
Total long term debt	<u>\$ 8,440,595</u>	<u>\$ 6,778,271</u>

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

2023	\$ 803,424
2024	\$ 865,088
2025	\$ 807,494
2026	\$ 833,433
2027	\$ 789,661

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.

9. Budget (continued)

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 Town'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 (2021- \$1,300,000) 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 Town 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 Town is exposed to credit risk on the accounts receivable from its customers. The Town 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 Town manages exposure through its normal operating and financing activities. The Town is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Fair Value

The carrying value of the Town's financial assets and financial liabilities as at December 31, 2022 approximates their fair value.

13. Deferred Revenue - Summer Games

\$58,552 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, 2022

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	2022	2021
Cost										
Opening Costs	\$ 609,887	\$ 5,219,284	\$ 5,304,768			\$ 15,031,482	\$ 48,236,948	\$ 4,025,761	\$ 78,428,130	\$ 75,053,243
Additions during the year		176,710	519,549			705,667	11,619	130,571	1,544,116	3,374,887
Disposals and adjustments			(284,633)						(284,633)	
Closing Costs	609,887	5,395,994	5,539,684			15,737,149	48,248,567	4,156,332	79,687,613	78,428,130
Accumulated Amortization										
Opening accum'd amortization		4,177,029	3,198,777			4,921,400	20,887,319	1,206,177	34,390,702	32,209,851
Amortization (Disposals)		43,683	404,866			503,178	964,738	219,826	2,136,292	2,180,851
			(269,632)						(269,632)	
Closing accum'd amortization		4,220,712	3,334,011			5,424,578	21,852,057	1,426,003	36,257,362	34,390,702
Net Book Value of Tangible Capital Assets	\$ 609,887	\$ 1,175,282	\$ 2,205,673	\$ NIL	\$ NIL	\$ 10,312,571	\$ 26,396,510	\$ 2,730,329	\$ 43,430,251	\$ 44,037,428



TOWN OF BAY ROBERTS
Schedule of Revenues

Schedule 2

For the Year Ended December 31,	Financial Plan	Actual	
		2022	2021
Taxation revenue			
Property tax	\$ 4,350,000	\$ 4,122,025	\$ 4,284,245
Business tax	1,217,000	1,218,628	1,276,982
Water and sewer tax	902,000	1,016,918	1,009,970
Penalties and interest on taxes receivable	91,800	51,219	77,905
Discounts	<u>(105,000)</u>	<u>(104,667)</u>	<u>(105,479)</u>
	<u>6,455,800</u>	<u>6,304,123</u>	<u>6,543,623</u>
Sale of goods and services			
Permits and certificates	25,500	43,212	35,418
Recreation and cultural services	85,000	88,521	87,800
Seafood festival	40,000	83,592	36,712
Arena	408,000	317,530	359,274
Fire protection service fees	54,000	60,387	52,150
Swimming pool	65,000	59,356	17,791
Light the Lamp	55,000	83,807	41,780
Water supply	15,000	40,300	43,050
Gain on asset disposals & deposit interest, etc	<u>10,000</u>	<u>112,260</u>	<u>26,444</u>
	<u>757,500</u>	<u>888,965</u>	<u>700,419</u>
Grants and transfers			
Government of Canada			
Capital Grants, including ACOA		111,727	
Other federal revenue		53,682	85,263
Government transfers - Provincial			
Municipal operating grant	198,600	198,486	198,486
Municipal capital grant			1,052,816
Gas tax revenue - Federal	931,400		
Gas tax revenue - Provincial	57,615	57,615	57,615
Interest on government loans	145,968		7,527
Other provincial grants and/or subsidies	<u>40,000</u>	<u>58,620</u>	<u>123,046</u>
	<u>1,373,583</u>	<u>480,130</u>	<u>1,524,753</u>
Total Revenue	\$ <u>8,586,883</u>	\$ <u>7,673,218</u>	\$ <u>8,768,795</u>

TOWN OF BAY ROBERTS
Schedule of Expenses

Schedule 3

For the Year Ended December 31,	Financial Plan	Actual	
		2022	2021
General Government Services			
Salaries and benefits	\$ 502,573	\$ 474,692	\$ 495,910
Office	98,452	95,097	75,613
Other general expenses	213,100	215,887	218,122
Insurance - General	77,250	91,376	87,337
Council	89,187	91,098	96,709
Amortization		43,683	60,959
	<u>\$ 980,562</u>	<u>\$ 1,011,833</u>	<u>\$ 1,034,650</u>
Protective Services			
Fire protection	\$ 187,600	\$ 191,647	\$ 162,473
Enforcement officer	94,356	76,199	81,106
Amortization		59,608	75,119
	<u>\$ 281,956</u>	<u>\$ 327,454</u>	<u>\$ 318,698</u>
Transportation Services			
Road maintenance	\$ 1,073,158	\$ 995,937	\$ 851,055
Snow clearing	254,198	198,819	184,512
Street lighting	195,000	185,865	187,823
Equipment maintenance	241,113	296,933	319,790
Amortization		848,437	871,767
	<u>\$ 1,763,469</u>	<u>\$ 2,525,991</u>	<u>\$ 2,414,947</u>
Fiscal Services			
Doubtful accounts	\$ 50,000	\$ 156,509	\$ (10,731)
Capital expenditures from own revenue and grants	1,451,750		
Debt charges	1,245,968	385,025	179,071
Bank charges	50,500	73,838	63,892
	<u>\$ 2,798,218</u>	<u>\$ 615,372</u>	<u>\$ 232,232</u>
Environmental Health Services			
Garbage and waste collection and disposal	\$ 647,326	\$ 693,223	\$ 650,878
Water and sewage utility, operation and maintenance	351,251	549,457	537,705
Amortization		964,738	964,738
	<u>\$ 998,577</u>	<u>\$ 2,207,418</u>	<u>\$ 2,153,321</u>

TOWN OF BAY ROBERTS
Schedule of Expenses

Schedule 3

For the Year Ended December 31,	Financial Plan	Actual	
		2022	2021
Regional planning and development			
Community improvement and development	\$ 285,000	\$ 79,116	\$ 55,924
Tourism and marketing	<u>454,481</u>	<u>650,593</u>	<u>549,650</u>
	<u>\$ 739,481</u>	<u>\$ 729,709</u>	<u>\$ 605,574</u>
Recreation and Cultural Services			
Swimming Pool	\$ 115,736	\$ 173,276	\$ 138,554
Parks and playgrounds	300,219	363,536	349,972
Arena	440,170	617,261	521,460
Other recreation and cultural services	168,495	317,935	224,674
Amortization	<u> </u>	<u>219,826</u>	<u>208,267</u>
	<u>\$ 1,024,620</u>	<u>\$ 1,691,834</u>	<u>\$ 1,442,927</u>
Total Expenses	<u>\$ 8,586,883</u>	<u>\$ 9,109,611</u>	<u>\$ 8,202,349</u>

TOWN OF BAY ROBERTS

Reconciliation of the Financial Plan to the Budget (PSAB)

For The Year Ended December 31, 2022

Schedule 4

	Financial Plan	Amortization - Town	Interest	Transfers	Long Term Accruals	Actual Amounts Consolidated Entities	PSAB Budget
REVENUE							
Taxation revenue	\$ 6,455,800					\$ 6,455,800	
Sale of goods and services	757,500					757,500	
Grants and transfers	<u>1,373,583</u>		\$ (145,968)	(931,400)		<u>296,215</u>	
Total revenue	\$ <u>8,586,883</u>		<u>(145,968)</u>	<u>(931,400)</u>		<u>7,509,515</u>	
EXPENSES							
General government services	\$ 980,562	\$ 43,683				1,024,245	
Protective services	281,956	59,608				341,564	
Transportation services	1,763,469	848,437				2,611,906	
Environmental health services	998,577	964,738				1,963,315	
Recreation and cultural services	1,024,620	219,826				1,244,446	
Regional planning and development	739,481					739,481	
Fiscal Services	<u>2,798,218</u>		23,338	(2,312,693)		<u>508,863</u>	
Total expenses	\$ <u>8,586,883</u>	<u>2,136,292</u>	<u>23,338</u>	<u>(2,312,693)</u>		<u>8,433,820</u>	
Surplus(Deficit)		\$ <u>(2,136,292)</u>	\$ <u>(169,306)</u>	\$ <u>1,381,293</u>	\$ <u>NIL</u>	\$ <u>NIL</u>	\$ <u>(924,305)</u>



AUDITOR'S REPORT ON STATUTORY REQUIREMENTS

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, 2022.

Expenditures in relation to budget:

Actual expenditures of \$9,109,611 were in excess of the limits of the adopted budget by \$522,728. These expenditures include amortization in the amount of \$2,136,292 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 \$2,644,903 at December 31, 2022. Of this amount, \$1,980,193 has been outstanding for one year or longer, while the balance of \$664,710 represents arrears on account of taxes and rates levied in 2022.

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 Canada Community Building Fund Agreement**

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

Opinion

I have audited the 2022 Ultimate Recipient Annual Expenditure Report (the "Report") for the Town of Bay Roberts ("the Town") for the year ended December 31, 2022.

In my opinion, this financial statement presents fairly, in all material respects, the results of operations in respect to the receipt and disbursement of Canada Community Building Fund 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 Canada Community Building Fund Agreement, as prescribed under the Canada - Newfoundland and Labrador Administrative Agreement on the Canada Community Building 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 2022 Ultimate Recipient Annual Expenditure Report section of my report. I am independent of the Town 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 2022 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 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.

Auditor's Responsibilities for the Audit of the 2022 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 Town'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 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 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 Town 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
September 27th, 2023


CHARTERED PROFESSIONAL ACCOUNTANT

TOWN OF BAY ROBERTS
Summary of Ultimate Recipients Funding & Certification
2022 Annual Expenditure Report
For the Year Ended December 31, 2022

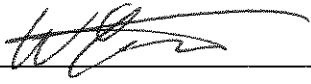
Appendix A

	<u>2022</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 Town's position with respect to its Canada Community Building Fund revenues. I acknowledge and understand that any contravention of the terms and conditions of the Ultimate Recipient Canada Community Building Fund Agreement may result in funding being withheld.

The Town does not maintain a separate bank account for Canada Community Building Fund.



 Signature

Oct 4/23

 Date