

TOWN OF BAY ROBERTS
Consolidated Financial Statements
December 31, 2024

CONTENTS

	<u>Page</u>
Statement of Responsibility	
Independent Auditor's Report	1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Change in Net Financial Assets (Net Debt)	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 14
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	15
Schedule 2 - Consolidated Schedule of Revenues	16
Schedule 3 - Consolidated Schedule of Expenses	17 - 18
Schedule 4 - Reconciliation of the Financial Plan to the Budget (PSAB)	19
Auditor's Report on Statutory Requirements	20
Auditor's Report on Compliance with Canada Community Building Fund Agreement	21 - 22
Appendix A - Summary of Ultimate Recipients Funding & Certification	23

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the TOWN OF BAY ROBERTS (the "Municipality") 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 consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized consolidated financial statements.

Byron Smith, Chartered Professional Accountant as the Municipality's appointed external auditor, has audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. The Auditor's 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 Consolidated 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



CHARTERED
PROFESSIONAL
ACCOUNTANTS

BYRON D. SMITH
B. Comm., C.F.E., FCPA, FCA

Byron D. Smith
Professional Corporation
P.O. Box 610
100 Conception Bay Highway
Spaniard's Bay, NL
A0A 3X0

Telephone: (709) 786-1232
Toll Free: 1-877-786-1232
Facsimile: (709) 786-1230
E-mail: byron@byronsmithca.com
Website: byronsmithca.com



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of:
Town of Bay Roberts

Opinion

I have audited the consolidated financial statements of the Town of Bay Roberts (the "Municipality"), which comprise the Consolidated Statement of Financial Position as at December 31, 2024, Consolidated Statement of Operations, Consolidated Statement of Change in Net Financial Assets (Net Debt), Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2024, 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 Municipality's event, the Seafood Festival, 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 Municipality.

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 Consolidated Financial Statements section of my report. I am independent of the Municipality in accordance with the ethical requirements that are relevant to my audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 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 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 Consolidated Financial Statements

My 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 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 consolidated 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 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 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 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 consolidated 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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 9, 2025


CHARTERED PROFESSIONAL ACCOUNTANT

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

	2024	2023
FINANCIAL ASSETS		
Cash (Note 5)	\$ 629,853	\$ 1,421,634
Accounts receivable (Note 6)	2,934,589	1,863,275
Due from 2024 Summer Games Host Committee Inc.	66,661	
Real estate properties held for sale (Note 2)	<u>703,029</u>	<u>703,029</u>
	<u>4,334,132</u>	<u>3,987,938</u>
LIABILITIES		
Operating line of credit (Note 10)	600,000	1,300,000
Accounts payable and accrued liabilities (Note 7)	1,818,111	1,313,410
Severance payable	485,925	366,785
Deferred revenue - Canada Community Building Fund	81,615	131,691
Deferred revenue - Summer Games		12,467
Long term debt (Note 8)	<u>8,865,252</u>	<u>7,696,812</u>
	<u>11,850,903</u>	<u>10,821,165</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(7,516,771)</u>	<u>(6,833,227)</u>

NON-FINANCIAL ASSETS

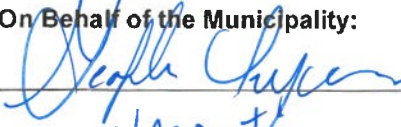
Tangible Capital Assets (Schedule 1)	43,241,223	42,361,620
Prepays and other assets	<u>52,932</u>	<u>55,435</u>
	<u>43,294,155</u>	<u>42,417,055</u>

ACCUMULATED SURPLUS

	<u>\$ 35,777,384</u>	<u>\$ 35,583,828</u>
--	----------------------	----------------------

Commitments (Note 11)

On Behalf of the Municipality:

 Mayor
 Deputy Mayor

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

TOWN OF BAY ROBERTS
Consolidated Statement of Operations

For the Year Ended December 31,	PSAB Budget (Schedule 4)	Actual	
		2024	2023
Revenue			
Taxation Revenue	\$ 7,389,913	\$ 7,535,743	\$ 6,810,963
Sale of Goods and Services	841,200	965,240	1,061,621
Grants and Transfers	<u>377,000</u>	<u>1,811,338</u>	<u>769,967</u>
Total Revenue (Schedule 2)	<u>8,608,113</u>	<u>10,312,321</u>	<u>8,642,551</u>
Expenditures			
General Government Services	1,109,031	1,200,498	1,136,824
Protective Services	349,188	290,307	322,897
Transportation Services	2,441,646	2,814,473	2,375,306
Environmental Health Services	2,359,718	2,230,821	2,510,778
Regional planning and development	850,168	938,207	798,675
Recreation and Cultural Services	1,927,905	2,185,018	1,633,849
Fiscal Services	<u>545,549</u>	<u>459,441</u>	<u>689,372</u>
Total Expenditures (Schedule 3)	<u>9,583,205</u>	<u>10,118,765</u>	<u>9,467,701</u>
Annual surplus (deficit)	\$ <u>(975,092)</u>	\$ <u>193,556</u>	\$ <u>(825,150)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
		\$ 35,583,828	\$ 36,408,978
Annual surplus (deficit)		<u>193,556</u>	<u>(825,150)</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 35,777,384</u>	<u>\$ 35,583,828</u>

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

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

For the Year Ended December 31,	PSAB Budget	Actual	
		2024	2023
ANNUAL SURPLUS (DEFICIT)	\$ (975,092)	\$ 193,556	\$ (825,150)
Acquisition of tangible capital assets	(3,125,677)	(3,125,677)	(1,066,229)
Amortization of tangible capital assets	2,246,076	2,246,076	2,134,860
Decrease (increase) in prepaids and other assets		2,501	(10,977)
CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	(1,854,693)	(683,544)	232,504
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	<u>(6,833,227)</u>	<u>(6,833,227)</u>	<u>(7,065,731)</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	\$ <u>(8,687,920)</u>	\$ <u>(7,516,771)</u>	\$ <u>(6,833,227)</u>

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

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

2024

2023

Cash provided From (Used For):

Cash Flows from Operating activities

Annual surplus	\$ 193,556	\$ (825,150)
Amortization - non cash item	2,246,076	2,134,860

Changes in:

Receivables	(1,150,442)	442,708
Prepaid expenses	2,503	(10,977)
Payables and accruals	504,698	318,914
Severance pay	119,140	7,092
Deferred revenue	(50,076)	85,606
	<u>1,865,455</u>	<u>2,153,053</u>

Cash Flows from Capital Activities

Capital asset purchases - net	<u>(3,125,677)</u>	<u>(1,066,229)</u>
-------------------------------	--------------------	--------------------

Cash Flows from Financing Activities

Repayment of long term debt	(1,965,985)	(743,788)
Loans obtained during the year	<u>3,134,426</u>	
	<u>1,168,441</u>	<u>(743,788)</u>

Net cash provided (used)	(91,781)	343,036
---------------------------------	-----------------	----------------

Cash net of (Bank indebtedness), beginning of year	<u>121,634</u>	<u>(221,402)</u>
---	----------------	------------------

Cash net of (Bank indebtedness), end of year	<u>\$ 29,853</u>	<u>\$ 121,634</u>
---	------------------	-------------------

Consists of:

Cash (Note 5)	\$ 629,853	\$ 1,421,634
Operating line of credit (Note 10)	<u>(600,000)</u>	<u>(1,300,000)</u>
	<u>\$ 29,853</u>	<u>\$ 121,634</u>

The accompanying notes are an integral part
of these consolidated 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 consolidated 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 consolidated 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 Municipality within one year of the consolidated 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 consolidated 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 consolidated statement of financial position date.

Interest on long term debt is accrued at year end.

Use of Estimates

The preparation of the Municipality's consolidated 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 consolidated 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 Municipality'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 100,000 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

	<u>2024</u>	<u>2023</u>
Cash and temporary investments are comprised of the following		
Cash and bank	\$ <u>629,853</u>	\$ <u>1,421,634</u>

TOWN OF BAY ROBERTS
Notes to the Consolidated Financial Statements
December 31, 2024

6. Accounts Receivable	2024	2023
Taxes:		
Business	\$ 252,273	\$ 209,770
Property	1,547,189	1,372,214
Water and sewer	607,413	525,551
	<u>2,406,875</u>	<u>2,107,535</u>
GST Rebate (payable)	134,197	(17,089)
Interest on taxation accounts	620,423	622,545
Due from governments - grants	590,896	
Other	157,828	182,039
	<u>1,503,344</u>	<u>787,495</u>
	3,910,219	2,895,030
Allowance for doubtful accounts	<u>(975,630)</u>	<u>(1,031,755)</u>
	<u>\$ 2,934,589</u>	<u>\$ 1,863,275</u>
7. Accounts Payable and Accrued Liabilities	2024	2023
Accounts payable	\$ 1,458,208	\$ 1,214,227
Capital accounts payable	245,026	
Prepaid taxes	114,877	99,183
	<u>\$ 1,818,111</u>	<u>\$ 1,313,410</u>
8. Long Term Debt	2024	2023
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 2025.	\$ 111	\$ 89,926
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$893. Matured May 2024.		42,122
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$3,330. Matured May 2024.		155,565
	<u>111</u>	<u>287,613</u>

TOWN OF BAY ROBERTS
Notes to the Consolidated Financial Statements
December 31, 2024

8. Long Term Debt (continued)	2024	2023
Balance forward	111	287,613
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$3,366. Matured May 2024.		159,977
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$2,244. Matured May 2024.		105,805
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$4,143. Matured May 2024.		187,361
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$3,960. Matured May 2024.		183,276
Fixed rate loan at a rate of 2.97%, repayable in blended monthly installments of \$5,169, maturing 2032.	392,770	441,827
Fixed rate loan at a rate of 4.26%, repayable in blended monthly installments of \$5,082, maturing October 31, 2038.	452,669	489,841
Fixed rate loan at a rate of 2.97%, repayable in blended monthly installments of \$4,722, maturing 2032.	358,846	403,661
Fixed rate loan at a rate of 3.31%, repayable in blended monthly installments of \$9,878, maturing 2032.	837,913	929,201
Loan bearing interest at a rate of prime per annum, repayable in blended monthly installments of \$4,227. Matured May 2024.		335,211
Fixed rate loan at a rate of 3.31%, repayable in blended monthly installments of \$7,491, maturing 2032.	700,063	759,190
Fixed rate loan at a rate of 4.03%, repayable in blended monthly installments of \$1,853, maturing 2032.	169,737	183,951
	<u>2,912,109</u>	<u>4,466,914</u>

TOWN OF BAY ROBERTS
Notes to the Consolidated Financial Statements
December 31, 2024

8. Long Term Debt (continued)	2024	2023
Balance forward	2,912,109	4,466,914
Fixed rate loan at 2.10%, repayable in blended monthly installments of \$2,386, maturing 2035.	273,065	295,708
Fixed rate loan at 2.10%, repayable in blended monthly installments of \$4,050, maturing 2035.	473,845	512,074
Fixed rate loan at 3.10%, repayable in blended monthly installments of \$1,296, maturing 2035.	148,350	160,651
Fixed rate loan at 3.26%, repayable in blended monthly installments of \$3,515, maturing February 2027.	420,850	448,832
Fixed rate loan at 3.94%, repayable in blended monthly installments of \$2,604, maturing March 2027.	311,178	331,196
Fixed rate loan at 3.26%, repayable in blended monthly installments of \$5,273, maturing February 2027.	631,268	673,240
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.	768,154	808,197
Fixed rate loan at 4.69%, repayable in blended monthly installments of \$10,072, amortized over 180 months, with a term of 60 months, maturing 2029.	1,290,018	
Fixed rate loan at 6.64%, repayable in blended monthly installments of \$6,481, amortized over 180 months, with a term of 60 months, maturing 2029.	711,560	
Fixed rate loan at 5.80%, repayable in blended monthly installments of \$4,851, amortized over 70 months, with a term of 60 months, maturing 2027.	290,955	
Fixed rate loan at 5.80%, repayable in blended monthly installments of \$3,566, maturing 2027.	117,617	
	<u>8,348,969</u>	<u>7,696,812</u>

TOWN OF BAY ROBERTS
Notes to the Consolidated Financial Statements
December 31, 2024

8.Long Term Debt (continued)	2024	2023
Balance forward	8,348,969	7,696,812
Fixed rate loan at 5.80%, repayable in blended monthly installments of \$4,396, maturing 2027.	144,984	
Fixed rate loan at 5.80%, repayable in blended monthly installments of \$966, maturing 2027.	31,841	
Fixed rate loan at 5.80%, repayable in blended monthly installments of \$2,425, maturing 2027.	79,981	
Fixed rate loan at 5.80%, repayable in blended monthly installments of \$3,667, maturing 2027.	120,935	
Fixed rate loan at 5.80%, repayable in blended monthly installments of \$4,201, maturing 2027.	138,542	
Total long term debt	<u>\$ 8,865,252</u>	<u>\$ 7,696,812</u>

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

2025	\$ 871,090
2026	\$ 908,867
2027	\$ 945,565
2028	\$ 753,485
2029	\$ 782,776

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 Municipality 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 consolidated 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 consolidated statements is disclosed in Schedule 4 - Reconciliation of the Financial Plan to the Budget.

10.Credit Facilities

The Municipality has a \$1,400,000 revolving demand credit arrangement with the Bank of Nova Scotia. This line of credit balance was \$600,000 (2023 - \$1,300,000) at year-end. This credit arrangement is secured by a general security agreement over the Municipality's assets.

11. Commitments

Council accepted cost-shared funding for upgrades to Water Street Phase 2 and the Lift Station at a total cost of \$2,514,966. The Municipality agrees to provide the share value of \$980,636 for the 2024-2025 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 consolidated 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, 2024 approximates their fair value.

TOWN OF BAY ROBERTS

Consolidated Schedule of Tangible Capital Assets December 31, 2024

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	2024	2023
Cost										
Opening Costs	\$ 615,104	\$ 5,620,392	\$ 5,710,133			\$ 16,233,056	\$ 48,340,923	\$ 4,234,235	\$ 80,753,843	\$ 79,687,614
Additions during the year		9,240	170,382			2,669,937	10,280	265,838	3,125,677	1,066,229
Disposals and adjustments										
Closing Costs	615,104	5,629,632	5,880,515			18,902,993	48,351,203	4,500,073	83,879,520	80,753,843
Accumulated Amortization										
Opening accum'd amortization		4,273,074	3,698,667			5,952,525	22,818,643	1,649,312	38,392,221	36,257,363
Amortization		52,361	373,175			621,303	966,586	232,650	2,246,076	2,134,860
(Disposals)										
Closing accum'd amortization		4,325,435	4,071,842			6,573,828	23,785,229	1,881,962	40,638,297	38,392,223
Net Book Value of Tangible Capital Assets	\$ 615,104	\$ 1,304,197	\$ 1,808,673	\$ NIL	\$ NIL	\$ 12,329,165	\$ 24,565,974	\$ 2,618,111	\$ 43,241,223	\$ 42,361,620

TOWN OF BAY ROBERTS
Consolidated Schedule of Revenues

Schedule 2

For the Year Ended December 31,	Financial Plan	Actual	
		2024	2023
Taxation revenue			
Property tax	\$ 4,945,433	\$ 5,016,260	\$ 4,600,889
Business tax	1,272,374	1,327,345	1,238,448
Water and sewer tax	1,225,000	1,245,880	1,027,654
Penalties and interest on taxes receivable	55,000	70,124	57,955
Discounts	<u>(107,894)</u>	<u>(123,866)</u>	<u>(113,983)</u>
	<u>7,389,913</u>	<u>7,535,743</u>	<u>6,810,963</u>
Sale of goods and services			
Permits and certificates	51,000	49,573	31,775
Recreation and cultural services	43,900	63,546	84,898
Seafood festival event	68,000	67,544	81,378
Arena	430,000	420,533	452,420
Fire protection service fees	54,000	57,800	62,600
Swimming pool	84,300	60,122	69,633
Light the Lamp event	90,000	118,213	102,980
Water supply	20,000	52,300	27,150
Gain on asset disposals and deposit interest, etc	<u></u>	<u>75,609</u>	<u>148,787</u>
	<u>841,200</u>	<u>965,240</u>	<u>1,061,621</u>
Grants and transfers			
Government of Canada			
Capital Grants, including ACOA		1,252,610	12,879
Other federal revenue		48,152	44,102
Gas tax revenue - Federal (CCBF)	850,000	131,691	396,147
Government transfers - Provincial			
Municipal operating grant	225,000	252,770	225,628
Municipal capital grant			
Gas tax revenue - Provincial	60,000	57,615	57,615
Interest on government loans	145,967		
Other provincial grants and/or subsidies	<u>92,000</u>	<u>68,500</u>	<u>33,596</u>
	<u>1,372,967</u>	<u>1,811,338</u>	<u>769,967</u>
Other revenue			
Total Revenue	\$ 9,604,080	\$ 10,312,321	\$ 8,642,551

TOWN OF BAY ROBERTS
Consolidated Schedule of Expenses

Schedule 3

For the Year Ended December 31,

Financial Plan

Actual

2024

2023

General Government Services

Salaries and benefits	\$ 522,224	\$ 561,060	\$ 533,922
Office	74,150	111,322	94,625
Other general expenses	223,829	240,339	224,295
Insurance - General	98,000	106,118	97,555
Council	138,467	129,298	134,066
Amortization		52,361	52,361
	<u>1,056,670</u>	<u>1,200,498</u>	<u>1,136,824</u>

Protective Services

Fire protection	200,610	175,127	182,572
Enforcement officer	90,542	57,144	83,518
Amortization		58,036	56,807
	<u>291,152</u>	<u>290,307</u>	<u>322,897</u>

Transportation Services

Road maintenance	813,399	1,289,828	825,542
Snow clearing	240,133	120,916	223,851
Street lighting	190,000	183,974	184,138
Equipment maintenance	261,673	283,314	305,979
Amortization		936,441	835,796
	<u>1,505,205</u>	<u>2,814,473</u>	<u>2,375,306</u>

Fiscal Services

Doubtful accounts	62,000	(24,108)	156,531
Capital expenditures from own revenue and grants	1,099,000		
Debt charges	1,595,968	420,967	469,219
Bank charges	55,530	62,582	63,622
	<u>2,812,498</u>	<u>459,441</u>	<u>689,372</u>

Environmental Health Services

Garbage and waste collection and disposal	806,114	730,215	818,159
Water and sewage utility, operation and maintenance	587,018	534,020	726,033
Amortization		966,586	966,586
	<u>1,393,132</u>	<u>2,230,821</u>	<u>2,510,778</u>

TOWN OF BAY ROBERTS
Consolidated Schedule of Expenses

Schedule 3

For the Year Ended December 31,	Financial Plan	Actual 2024	2023
Regional planning and development			
Community improvement and development	97,566	56,609	56,874
Tourism and marketing	567,392	764,922	642,364
Seafood festival event	<u>185,210</u>	<u>116,676</u>	<u>99,437</u>
	<u>850,168</u>	<u>938,207</u>	<u>798,675</u>
Recreation and Cultural Services			
Swimming Pool	151,188	169,768	166,372
2024 Summer Games	324,760	322,717	
Parks and playgrounds	491,820	504,512	315,588
Arena	502,370	615,691	569,471
Light the Lamp event		103,879	97,288
Other recreation and cultural services	225,117	235,801	261,821
Amortization		<u>232,650</u>	<u>223,309</u>
	<u>1,695,255</u>	<u>2,185,018</u>	<u>1,633,849</u>
Total Expenses	\$ <u>9,604,080</u>	\$ <u>10,118,765</u>	\$ <u>9,467,701</u>

TOWN OF BAY ROBERTS

Reconciliation of the Financial Plan to the Budget (PSAB)

For The Year Ended December 31, 2024

Schedule 4

	Financial Plan	Amortization - Town	Interest	Transfers	Long Term Accruals	Actual Amounts Consolidated Entities	PSAB Budget
REVENUE							
Taxation revenue	\$ 7,389,913						\$ 7,389,913
Sale of goods and services	841,200						841,200
Grants and transfers	<u>1,372,967</u>		\$ (145,967)	\$ (850,000)			<u>377,000</u>
Total revenue	<u>9,604,080</u>		<u>(145,967)</u>	<u>(850,000)</u>			<u>8,608,113</u>
EXPENSES							
General government services	1,056,670	\$ 52,361					1,109,031
Protective services	291,152	58,036					349,188
Transportation services	1,505,205	936,441					2,441,646
Environmental health services	1,393,132	966,586					2,359,718
Recreation and cultural services	1,695,255	232,650					1,927,905
Regional planning and development	850,168						850,168
Fiscal Services	<u>2,812,498</u>		7,052	(2,274,001)			<u>545,549</u>
Total expenses	<u>\$ 9,604,080</u>	<u>2,246,074</u>	<u>7,052</u>	<u>(2,274,001)</u>			<u>9,583,205</u>
Surplus(Deficit)		\$ (2,246,074)	\$ (153,019)	\$ 1,424,001	\$ NIL	\$ NIL	\$ (975,092)

AUDITOR'S REPORT ON STATUTORY REQUIREMENTS

September 9, 2025

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, 2024.

Expenditures in relation to budget:

Actual expenditures of \$10,118,765 were in excess of the limits of the adopted budget by \$514,685. These expenditures include amortization in the amount of \$2,246,074 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 \$3,027,298 at December 31, 2024. Of this amount, \$2,251,858 has been outstanding for one year or longer, while the balance of \$775,440 represents arrears on account of taxes and rates levied in 2024.

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

The Municipality'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 \$100,000 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 2024 Ultimate Recipient Annual Expenditure Report (the "Report") for the Town of Bay Roberts ("the Municipality") for the year ended December 31, 2024.

In my opinion, this report 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 2024 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 2024 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 2024 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
September 9, 2025


CHARTERED PROFESSIONAL ACCOUNTANT

TOWN OF BAY ROBERTS
Summary of Ultimate Recipients Funding & Certification
2024 Annual Expenditure Report
For the Year Ended December 31, 2024

Appendix A

	<u>2024</u>	<u>Cumulative</u>
Opening balance of unspent funding	\$ 131,691	
Spent on eligible projects	131,691	(3,259,339)
Received from Newfoundland and Labrador		<u>3,259,339</u>
Closing balance, deferred revenue	\$ <u>NIL</u>	\$ <u>NIL</u>
Closing CCBF bank account balance was NIL.		

Certification

Mayor Cdt
I, Geoff Seymour, ~~Acting Mayor~~ Deputy 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 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 Municipality does not maintain a separate bank account for Canada Community Building Fund

Geoff Seymour

Signature

Sept 15/25

Date

The Town of Bay Roberts

**Required if
project
completed**

Required if project completed

[illegible]