



2024 Annual Report

2024 AT A GLANCE

Population: 4549 

 Geographic Area: 726 sq.kms

Roads: 583 kms   

3 Fire Depts., 92 volunteers

1 Public Works Dept.

1 Wastewater System

27 pcs. Heavy Equipment & Vehicles

2 River Ferries

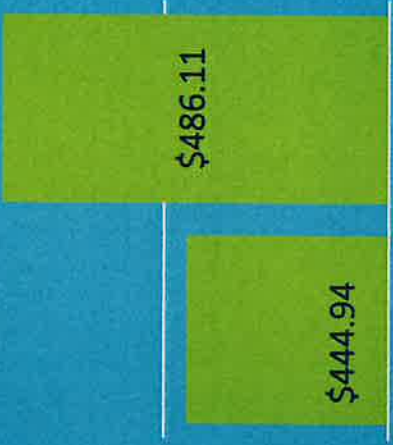
2 Covered Bridges



Properties: 4929

Residences: 2940

Total Assessment Value (\$Millions)



2024 Valley Waters Financial Performance

| | | |
|--------------------------------------|-------------|-------|
| Police Protection | \$1,219,078 | 31.2% |
| Roads / Transportation | \$570,740 | 14.6% |
| Fire Protection | \$569,543 | 14.6% |
| Solid Waste | \$469,131 | 12.0% |
| General Government | \$400,583 | 10.3% |
| Recreation & Culture | \$288,265 | 7.4% |
| Bldg. Inspection & Animal Control | \$127,094 | 3.3% |
| Planning, Develop't & Other Services | \$163,929 | 4.2% |
| NB Cost of Assessment | \$95,438 | 2.4% |
| TOTAL BUDGET | \$3,903,801 | 100% |

Total Assessment Change: \$41.17M (9.25%)
New Construction Portion: \$10.51M (2.36%)
Re-assessment Portion: \$30.66M (6.89%)

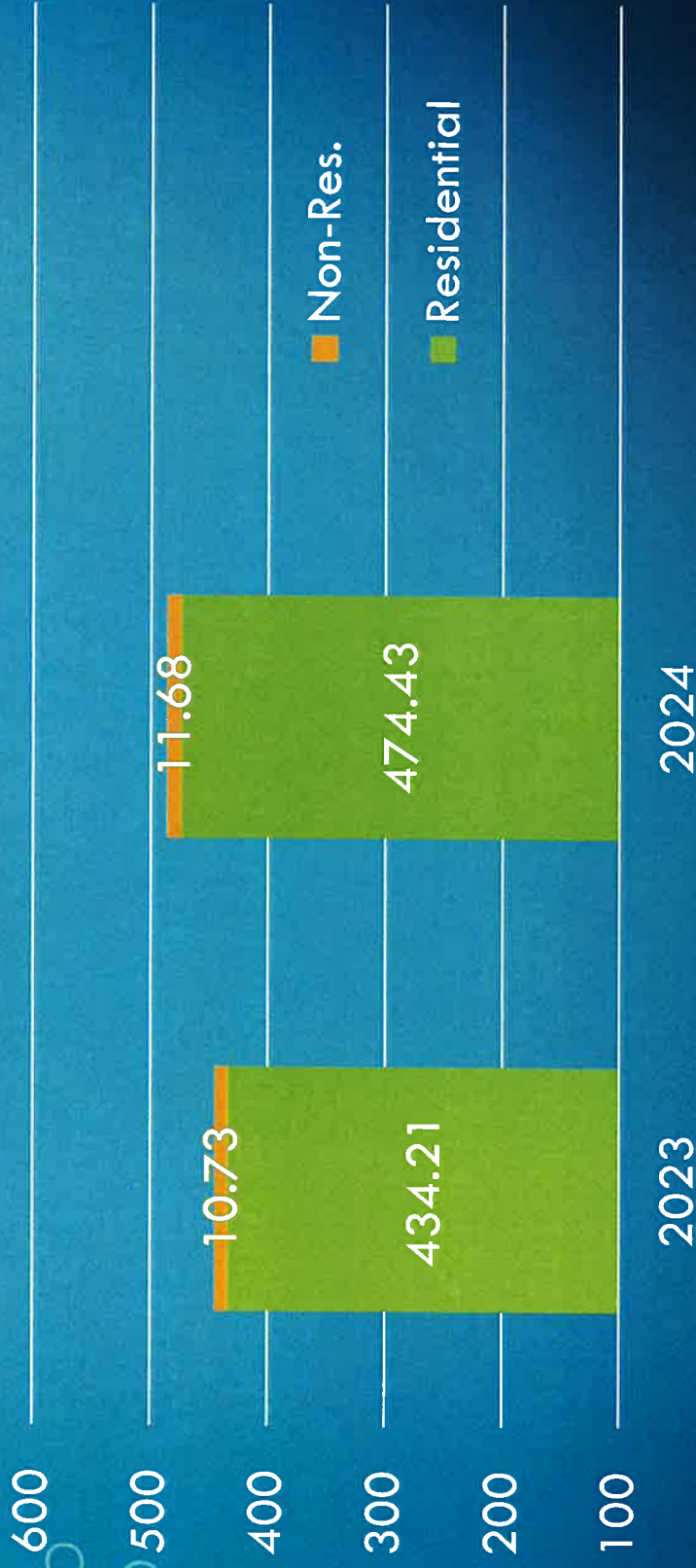
Property Tax-rate by Sub-Unit: per \$100 assessed value

| Norton | Springfield | Kars | Wickham | Norton LD | Upham LD |
|----------|-------------|----------|----------|-----------|----------|
| \$1.1623 | \$0.6398 | \$0.6031 | \$0.6809 | \$0.5828 | \$0.7766 |

PROPERTY TAX ASSESSMENT BASE

- # Properties: 4929
Assessment Base: \$486.1 Million
- Residential properties: \$474.43 M
Non-residential / Commercial: \$11.68 M
- #Building & Deve't Permits issued: 78
Permit Fees: \$41,400
- New Construction value: \$10.5 Million

ASSESSMENT BASE (\$ MILLIONS)



Growth for Valley Waters: 9.25%
(New construction 2.36%, re-assessment 6.89%)

Compare to Provincial assessment base growth: 10.6%

TAX BASE

$$\begin{aligned} \text{Tax Base} &= \text{Residential Assessments} && \$474.4 \text{ M} \\ &+ \text{Non-Residential Assessments} \times 1.7 && \underline{\$19.8 \text{ M}} \end{aligned}$$

Total Valley Waters Tax Base: \$ 494.2 M

| | Norton (V) | Springfield | Norton (LD) | Kars | Upham | Wickham |
|----------|---------------|-------------|----------------|------------|------------|------------|
| Tax Base | 103,494,960 | 192,576,390 | 46,042,680 | 76,380,440 | 15,903,250 | 59,887,600 |
| % Total | 20.94% | 38.96% | 9.32% | 15.45% | 3.22% | 12.12% |

VALLEY WATERS STRATEGIC PRIORITIES

- Strong & Vibrant Communities: health care, housing, seniors, childcare, public safety
- Recreation, Culture, Way of Life: Rec Opportunities, Cultural celebration, build a sense of community
- Economic Prosperity – tourism development, industrial area, support small business, retain youth
- Sustainable Infrastructure – asset management, recreation infrastructure, internet/cell service

STRATEGIC RESULTS- 5 KEY PILLARS

Asset Management Plan started

4 Community Advisory Committees est.

Visitor & Fossil Info. Ctr. est.

Public Survey - Social & Rec. needs

Housing Needs Assess't started

Rural Plan started

7 new By-laws Enacted

Unsightly Premises contract signed

New Solid Waste hauling contacts

Debenture Approved BVFD Tanker

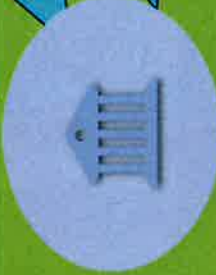
Community Celebrations – holidays &
Volunteer Awards



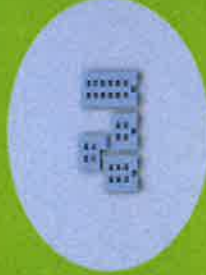
STRONG AND
VIBRANT
COMMUNITIES



ECONOMIC
PROSPERITY



RESPONSIBLE
GOVERNMENT



SUSTAINABLE
INFRASTRUCTURE



OUR WAY OF LIFE

PUBLIC ENGAGEMENT

Logo
Contest
&
New
Logo

Call for
Photos &
New
Website

Qtly E-
Newsletter

New
Facebook
Page
(227 Posts)

Electronic
Community
Events
Calendar

Posters &
Information
Bulletin
Boards

Voyant
Alert
System

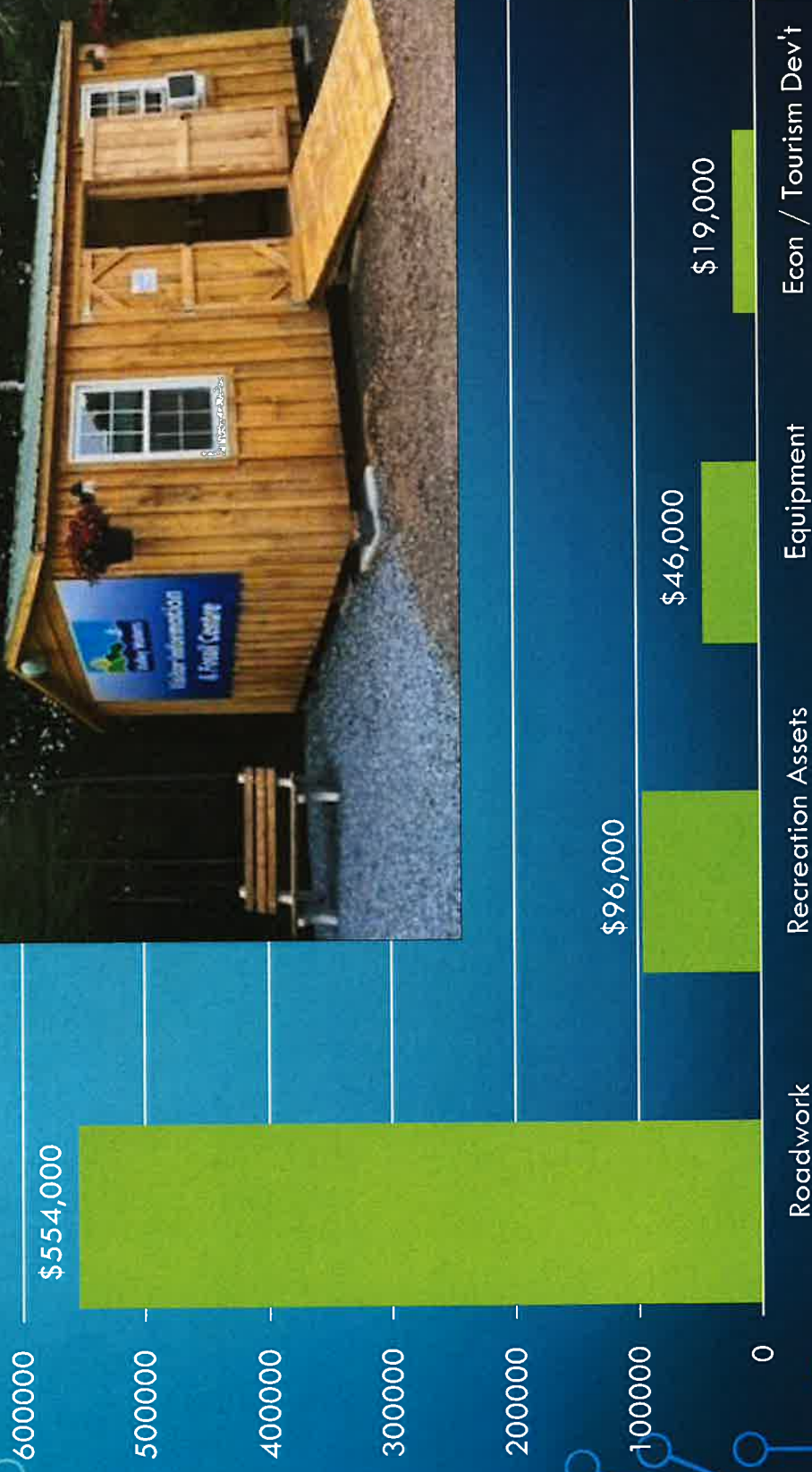
5 Media
Stories



Rothiemay Farms - Innovation Award - top left
Catherine Grant - Teamwork Award, bottom left
Linda Riley, Leadership Award, right



CAPITAL WORK – 2024



2024 UTILITY (WASTEWATER) NORTON SUB-UNIT



2024 Budget:

\$49,123

Plus: Recognize previous deficit (\$1,127)

Net Raised from User Charges: \$50,250

201 Users @ \$250 = \$50,250 (rate unchanged from 2023)

CAPITAL FINANCING - SUMMARY

- Springfield: BVFD Firehall - Debenture approx. \$31,000/yr. to 2041
- Wickham FD – Lease on 2016 International, \$31,001/yr. to 2024
- Norton: Municipal Bldg.: Debenture payment \$28,692 /yr. to 2025
- Norton: 2023 Firetruck, Debenture payment, approx. \$74,000/yr. to 2030

COUNCIL PERFORMANCE 2024

| COUNCILLOR | Committees | Reg. Mtgs | Special Mtgs | Closed Mtgs | Stipends & Benefits | Expenses |
|--|---|--|-------------------|-------------------|---------------------|----------|
| Mayor Randy McKnight | All Council Committees RSC Oversight Comm. RSC Regional Facilities Comm. Primary Health Care Focus Group | 11 / 12 Missed August | 1/1 | 7/7 | \$ 24,840 | \$ 190 |
| Deputy Mayor Ann Marie Snyder (Resigned Sept.30) | Council Responsible Government Comm. RSC Solid Waste Comm. Nutrien Civic Ctre (Regional Facility) Board | 9/12 (Resigned Sept. 30, attended all meetings prior to resignation) | 0/1 (Resigned) | 3/7 (Resigned) | \$ 9,703 | \$ - |
| Councillor/Deputy Mayor Carey Gillis (Deputy Mayor as of Oct.01) | Council Responsible Government Comm. RSC Board Alternate | 12/12 | 1/1 | 7/7 | \$ 10,997 | \$ 584 |
| Councillor Lindsey Ganong | Council Way of Life Comm. UMNB Zone 3 Rep | 11/12 Missed Sept | 1/1 | 7/7 | \$ 10,350 | \$ 167 |
| Councillor Charity McDonald | Council Econ.Dev't Comm. RSC Finance Comm. RSC Regional Facilities Comm. | 12 / 12 | 0/1 | 7/7 | \$ 10,350 | \$ - |
| Councillor Stephen Muir | Council Economic Development Comm. Nutrien Civic Ctre Board (Regional Facility) | 12 / 12 | 1/1 | 7/7 | \$ 10,350 | \$ 402 |
| Councillor Harold Keith | Council Responsible Govern't Comm. Council Infrastructure Comm. Regional PRAC | 12 / 12 | 1/1 | 7/7 | \$ 10,350 | \$ 75 |

CLOSED & SPECIAL COUNCIL MEETINGS

| CLOSED SESSIONS '24 | Date | Reason (LG Act Article) |
|-------------------------|--------|-------------------------|
| Committee of Whole | Mar-05 | 68(1)c and 68(1)g |
| Committee of Whole | Apr-09 | 68(1) and 68(1)d |
| Committee of Whole | Jul-09 | 68(1)c and 68(1)g |
| Committee of Whole | Oct-01 | 68(1)i |
| Committee of Whole | Nov-12 | 68(1)c |
| Committee of Whole | Dec-10 | 68(1)i |
| Regular Meeting | Dec-10 | 68(1)i |
| SPECIAL MEETINGS '24 | | |
| SPECIAL MEETING | Nov-25 | Budget Approval |
| ELECTRONIC MEETINGS '24 | | |
| None | | |

For more information, please contact:

Angela McLean
Chief Administrative Officer
Valley Waters
cao@valleywaters.ca
506-839-3013

- Note: 2024 Audited Financial Statements available separately

VALLEY WATERS
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

VALLEY WATERS
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

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Buckley Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANT

480 Main Street Unit 2
Sussex, N.B.
Canada E4E 2S4
Telephone (506)432-6020
Telecopier (506)432-6826

INDEPENDENT AUDITOR'S REPORT

To His Worship The Mayor and
Members of the Council of Valley Waters

Opinion

I have audited the financial statements of the Valley Waters, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, changes in net assets (debt) and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Valley Waters as at December 31, 2024, and its financial performance and its cash flow for the year then ended in accordance with Canadian accounting standards for public sector organizations (PSA).

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 Financial Statements section of my report. I am independent of Valley Waters 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 opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSA, 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 Valley Water's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Valley Waters or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Valley Water'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 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.

Buckley Professional Corporation

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Telecopier (506) 432-5028

INDEPENDENT AUDITOR'S REPORT (Continued)

- 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 Valley Water'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 Valley Water'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 Valley Waters 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 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.

Sussex, New Brunswick
June 10, 2025



CHARTERED PROFESSIONAL ACCOUNTANT

VALLEY WATERS
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2024

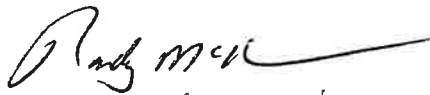
| | <u>2024</u> | | <u>2023</u> |
|--|------------------------------------|---------------------|---------------------|
| | (Unaudited) Budget (note 14) | <u>Actual</u> | <u>Actual</u> |
| Revenue | | | |
| Property tax warrant | \$ 3,695,500 | \$ 3,695,498 | \$ 3,332,192 |
| Services provided to other governments | 143,197 | 148,198 | 198,885 |
| Sale of services, fines and other fees | 76,000 | 75,344 | 59,330 |
| Unconditional transfers from other governments | 211,836 | 211,836 | 232,087 |
| Conditional transfers from other governments | 102,403 | 442,539 | 293,570 |
| Sewer user fees | 47,250 | 50,339 | 44,043 |
| Interest | | 271 | 198 |
| Gain (loss) on sale of capital assets | | (72,320) | 6,230 |
| Province of New Brunswick transfer | | | <u>3,167,799</u> |
| | <u>4,276,186</u> | <u>4,551,705</u> | <u>7,334,334</u> |
| Expenditures | | | |
| General government services | 489,857 | 496,021 | 457,312 |
| Protective services | 1,925,125 | 2,156,887 | 1,950,289 |
| Transportation services | 630,577 | 769,226 | 835,857 |
| Environmental health services | 505,547 | 469,131 | 525,490 |
| Environmental development services | 161,405 | 163,929 | 99,487 |
| Recreational and cultural services | 304,801 | 288,265 | 246,619 |
| Sewer | 46,123 | 51,914 | 53,607 |
| | <u>4,063,435</u> | <u>4,395,373</u> | <u>4,168,661</u> |
| Annual surplus (note 12) | <u>\$ 212,751</u> | 156,332 | 3,165,673 |
| Accumulated surplus, beginning of year | | <u>7,010,000</u> | <u>3,844,327</u> |
| Accumulated surplus, end of year | | <u>\$ 7,166,332</u> | <u>\$ 7,010,000</u> |

VALLEY WATERSCONSOLIDATED STATEMENT OF FINANCIAL POSITIONAS AT DECEMBER 31, 2024

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash (note 3) | \$ 908,643 | \$ 598,347 |
| Receivables | | |
| General | 17,855 | 20,167 |
| Federal government and its agencies (note 4) | <u>188,774</u> | <u>92,357</u> |
| | <u>\$ 1,115,272</u> | <u>\$ 710,871</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 488,191 | \$ 409,478 |
| Security deposit | 100 | 100 |
| Long term debt (note 5) | <u>871,000</u> | <u>1,003,001</u> |
| | <u>1,359,291</u> | <u>1,412,579</u> |
| NET ASSETS (DEBT) | <u>(244,019)</u> | <u>(701,708)</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (note 10) | 13,085,280 | 12,944,298 |
| Accumulated amortization | <u>5,674,929</u> | <u>5,232,590</u> |
| | <u>7,410,351</u> | <u>7,711,708</u> |
| ACCUMULATED SURPLUS | <u>\$ 7,166,332</u> | <u>\$ 7,010,000</u> |

Approved by

Mayor



Clerk



VALLEY WATERSCONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS (DEBT)YEAR ENDED DECEMBER 31, 2024

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|---------------------|
| Annual surplus | \$ 156,332 | \$ 3,165,673 |
| Acquisition of tangible capital assets | (220,982) | (4,517,927) |
| Proceeds on sale of tangible capital assets | 5,013 | 18,523 |
| Amortization of tangible capital assets | 445,006 | 342,832 |
| (Gain) loss on sale of tangible capital assets | <u>72,320</u> | <u>(6,230)</u> |
| | 301,357 | (4,162,802) |
| Acquisition (consumption) of prepaid assets | <u> </u> | <u>(4,948)</u> |
| Increase (decrease) in net assets | 457,689 | (992,181) |
| Net assets, beginning of the year | <u>(701,708)</u> | <u>290,473</u> |
| Net assets (debt), end of the year | \$ <u>(244,019)</u> | \$ <u>(701,708)</u> |

VALLEY WATERSCONSOLIDATED STATEMENT OF CASH FLOWYEAR ENDED DECEMBER 31, 2024

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|--------------------|
| Operating transactions | | |
| Annual surplus | \$ 156,332 | \$ 3,165,673 |
| Gain on sale of tangible capital assets | 72,320 | (6,230) |
| Amortization of tangible capital assets | 445,006 | 342,832 |
| Receivable - General | 2,312 | 3,773 |
| Receivable - Federal Government and its agencies | (96,417) | (25,125) |
| Payables and accruals | 78,713 | 406,385 |
| Change in prepaid expenses | | 4,948 |
| | <u>658,266</u> | <u>3,892,256</u> |
| Capital transactions | | |
| Acquisition of tangible capital assets | (220,982) | (4,517,927) |
| Proceeds on sale of tangible capital assets | <u>5,013</u> | <u>18,523</u> |
| | <u>(215,969)</u> | <u>(4,499,404)</u> |
| Financing transactions | | |
| Long-term debt | <u>(132,001)</u> | <u>922,001</u> |
| Cash and cash equivalents | | |
| Beginning of year | <u>598,347</u> | <u>283,494</u> |
| End of year | <u>\$ 908,643</u> | <u>\$ 598,347</u> |

VALLEY WATERS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

1. PURPOSE OF THE ORGANIZATION

Valley Waters (formerly known as the Village of Norton) was incorporated as a village by the province of New Brunswick Municipalities Act on November 9, 1966 and was approved for status as a Municipality effective November 9, 1991 by an amendment of New Brunswick Regulation 85-6 under the Municipalities Act. Under sections 31, 32, and 33 of the Local Governance Act, and Section 9 and subsection 14(2) of an Act Respecting Local Governance Reform, chapter 44 of the Acts of New Brunswick, 2021. The Local Governments Establishment Regulation - Local Governance Act came into effect January 1, 2023.

On January 1, 2023 Valley Waters was established by annexing the communities of Springfield, Kars, Wickham, Norton Local Service District, (LSD) and part of Upham Local Service District (LSD) as part of the Provincial Government's municipal reform. The village received buildings, fire trucks, fire equipment and other equipment along with the associated debt (note 6).

As a municipality, the Valley Waters is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Valley Waters has adopted PSA as of January 1, 2011.

The focus of PSA financial statements is on the financial position of the Valley Waters and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Valley Waters.

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

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net assets and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Valley Waters and which are owned or controlled by the Valley Waters.

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by Council on November 29, 2023 and the Minister of Local Government on January 2, 2024.

Revenue recognition

- (a) Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.
- (b) Other revenue is recorded when it is earned.

VALLEY WATERSNOTES TO CONSOLIDATED FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 2024**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****Use of estimates**

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

Financial Instruments

The Valley Water's financial instruments consist of cash, short-term investments, accounts receivable, due from the Federal Government, due from own funds, bank loan, payables and accruals, funds held in trust and long-term debt. Unless otherwise noted, it is management's opinion that the Valley Waters is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Village is subject to credit risk through accounts receivable. Valley Waters minimizes credit risk through ongoing credit management.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Tangible capital assets

Effective January 1, 2011, Valley Waters adopted the provisions of PSA section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

| <u>Asset type</u> | <u>Useful Years</u> |
|---|---------------------|
| Land improvements | 20 years |
| Buildings | 25 - 40 years |
| Vehicles | 5-15 years |
| Machinery and equipment | 15 - 30 years |
| Furniture and fixtures | 3 -5 years |
| Roads base, surface, sidewalks and curb | 15 - 30 years |
| Storm drains network | 40 years |
| Wastewater networks | 30 - 60 years |
| Sewer treatment facility | 50 years |

Assets under construction are not amortized until the asset is available for productive use.

Segmented information

Valley Waters is a diversified municipal unit that provides a range of services to its residents. For management reporting purposes, Valley Waters' operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

General government services

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

VALLEY WATERSNOTES TO CONSOLIDATED FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 2024**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Protective services

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

Transportation services

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

Environmental health services

This department is responsible for solid waste.

Environmental development services

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

Recreation and cultural services

This department is responsible for the maintenance and operation of recreational and cultural facilities.

Wastewater systems

This department is responsible for the provision of sewer services including the maintenance and operation of the underground networks, and lagoons.

3. CASH

| | <u>2024</u> | <u>2023</u> |
|---------------------|-------------------|-------------------|
| Cash - restricted | \$ 391,984 | \$ 328,579 |
| Cash - unrestricted | <u>516,659</u> | <u>269,768</u> |
| | <u>\$ 908,643</u> | <u>\$ 598,347</u> |

4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|-------------------|-------------------|
| Canada Revenue Agency (HST refund) | \$ 72,656 | \$ 92,357 |
| Canada Community Build Fund | <u>116,118</u> | <u> </u> |
| | <u>\$ 188,774</u> | <u>\$ 92,357</u> |

5. LONG TERM DEBT

New Brunswick Municipal Finance Corporation

Debenture

| | <u>2024</u> | <u>2023</u> |
|---|----------------|----------------|
| (a) CE 29 - 2023 4.512% - 5-245%, due 2031, OIC 21-0059 | \$ 447,000 | \$ 500,000 |
| (b) BN 31 - 2015 1.05% - 3.15%, due 2025, OIC 15-0039 | 28,000 | 55,000 |
| (c) SCL 2.11% - 2.95% due 2041 | <u>396,000</u> | <u>417,000</u> |
| | <u>871,000</u> | <u>972,000</u> |

Capital Lease

| | | |
|---|-------------------|---------------------|
| (a) RBC lease, payable, \$31,001 annually, including interest, matures September 2024, secured by equipment leased that has a net book value of \$248,400 | | <u>31,001</u> |
| | <u>\$ 871,000</u> | <u>\$ 1,003,001</u> |

VALLEY WATERSNOTES TO CONSOLIDATED FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 2024**5. LONG TERM DEBT (continued)**

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

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

| | |
|------|------------|
| 2025 | \$ 104,000 |
| 2026 | 79,000 |
| 2027 | 82,000 |
| 2028 | 85,000 |
| 2029 | 88,000 |

In 2025 the capital lease payment will be \$31,001.

6. ACCRUED SICK LEAVE

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid out of general revenue as they come due.

7. CONTINGENCIES

In the normal course of operations, Valley Waters becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2024 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as Valley Waters maintains insurance coverage in amounts considered appropriate.

8. SHORT-TERM BORROWINGS COMPLIANCE**Interim borrowing for capital**

The municipality has arranged a revolving operating facility in the amount of \$74,000, bearing interest at 5.2% for the General and Sewer funds. The facility is intended for interim financing for capital expenditures. As at December 31, 2024 this facility has not been used.

Operating borrowing

As prescribed in the Municipalities Act, borrowing to finance General Fund operations is limited to 4% of Valley Waters' operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. At December 31, 2024, Valley Waters is in compliance with these restrictions.

Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between Funds are in compliance with the requirements.

9. SEWERAGE OPERATING FUND SURPLUS

The Municipalities Act requires Sewerage Fund surplus or deficit amounts to be absorbed into one or more of four operating budgets, commencing with the second following year. The balance of the surplus at the end of the year consists of:

| | <u>2024</u> | <u>2023</u> |
|--------------|------------------|------------------|
| 2024 surplus | \$ 4,896 | |
| 2023 surplus | 17,783 | \$ 17,783 |
| 2022 deficit | | (1,127) |
| | <u>\$ 22,679</u> | <u>\$ 16,656</u> |

VALLEY WATERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

10. Schedule of Tangible Capital Assets

| | Land | Land Improvements | Buildings | Vehicles | Machinery and equipment | Infrastructure Roads and streets | Treatment facility | Sewer | 2024 Total | 2023 Total |
|--|-------------------|-------------------|---------------------|-------------------|-------------------------|----------------------------------|--------------------|------------------|---------------------|---------------------|
| Cost | | | | | | | | | | |
| Balance, beginning of year | \$ 227,458 | \$ 61,924 | \$ 3,731,702 | \$ 239,330 | \$ 3,636,461 | \$ 4,515,931 | \$ 88,632 | \$ 442,860 | \$ 12,944,298 | \$ 8,460,860 |
| Add: | | | | | | | | | | |
| Net additions during the year | | | | | 19,733 | 201,249 | | | 220,982 | 4,517,927 |
| Less: | | | | | | | | | | |
| Disposals during the year | | | | | 80,000 | | | | 80,000 | 34,489 |
| BALANCE, END OF YEAR | <u>227,458</u> | <u>61,924</u> | <u>3,731,702</u> | <u>239,330</u> | <u>3,576,194</u> | <u>4,717,180</u> | <u>88,632</u> | <u>442,860</u> | <u>13,085,280</u> | <u>12,944,298</u> |
| Accumulated Amortization | | | | | | | | | | |
| Balance, beginning of year | | 47,163 | 408,504 | 34,835 | 1,074,124 | 3,283,684 | 45,630 | 338,650 | 5,232,590 | 4,911,954 |
| Add: | | 2,914 | 100,068 | 15,955 | 197,426 | 117,045 | 4,136 | 7,462 | 445,006 | 342,832 |
| Amortization during the year | | | | | | | | | | |
| Less: | | | | | | | | | | |
| Accumulated amortization on disposals | | | | | 2,667 | | | | 2,667 | 22,196 |
| BALANCE, END OF YEAR | | <u>50,077</u> | <u>508,572</u> | <u>50,790</u> | <u>1,268,883</u> | <u>3,400,729</u> | <u>49,766</u> | <u>346,112</u> | <u>5,674,929</u> | <u>5,232,590</u> |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | <u>\$ 227,458</u> | <u>\$ 11,847</u> | <u>\$ 3,223,130</u> | <u>\$ 188,540</u> | <u>\$ 2,307,311</u> | <u>\$ 1,316,451</u> | <u>\$ 38,866</u> | <u>\$ 96,748</u> | <u>\$ 7,410,351</u> | <u>\$ 7,711,708</u> |
| Consists of: | | | | | | | | | | |
| General Capital Assets | \$ 197,826 | \$ 11,847 | \$ 3,223,130 | \$ 188,540 | \$ 2,307,311 | \$ 1,316,451 | \$ 38,866 | \$ 96,748 | \$ 7,245,105 | \$ 7,534,864 |
| Sewer Fund Assets | <u>29,632</u> | | | | | | | | <u>165,246</u> | <u>176,844</u> |
| | <u>\$ 227,458</u> | <u>\$ 11,847</u> | <u>\$ 3,223,130</u> | <u>\$ 188,540</u> | <u>\$ 2,307,311</u> | <u>\$ 1,316,451</u> | <u>\$ 38,866</u> | <u>\$ 96,748</u> | <u>\$ 7,410,351</u> | <u>\$ 7,711,708</u> |

Buckley Professional Corporation
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VALLEY WATERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

11. Schedule of Segment Disclosure

| | General | Protective | Transportation | Environmental health | Environmental development | Recreation and culture | Sewer | 2024 Consolidated | 2023 Consolidated |
|--|---------------------|-----------------------|---------------------|----------------------|---------------------------|------------------------|------------------|-------------------|---------------------|
| Revenues | | | | | | | | | |
| Property tax warrant | \$ 3,695,498 | \$ 7,630 | \$ 125,568 | | | | 15,000 | \$ 3,695,498 | \$ 3,332,192 |
| Services provided to other governments | | | | | | | | 148,198 | 198,885 |
| Sale of service, fines and other fees | 75,344 | | | | | | | 75,344 | 59,330 |
| Unconditional grant | 211,836 | | | | | | | 211,836 | 232,087 |
| Other government transfers | 351,846 | 52,193 | | | | \$ 38,500 | | 442,539 | 273,991 |
| Sewer user fees | | | | | | | \$ 50,339 | 50,339 | 44,043 |
| Interest | 271 | | | | | | | 271 | 198 |
| Gain on sale of capital asset | (72,320) | | | | | | | (72,320) | 6,230 |
| Province of New Brunswick transfer | | | | | | | | | 3,167,799 |
| | <u>4,262,475</u> | <u>59,823</u> | <u>125,568</u> | | | <u>38,500</u> | <u>65,339</u> | <u>4,551,705</u> | <u>7,314,755</u> |
| Expenses | | | | | | | | | |
| Salaries and benefits | 232,290 | 79,694 | 243,784 | | | | | 555,768 | 537,695 |
| Goods and services | 261,449 | 1,806,707 | 326,956 | \$ 469,131 | \$ 163,930 | 288,265 | 40,315 | 3,356,753 | 3,274,158 |
| Amortization | 2,281 | 232,642 | 198,486 | | | | 11,599 | 445,008 | 342,832 |
| Interest | | 37,844 | | | | | | 37,844 | 13,977 |
| | <u>496,020</u> | <u>2,156,887</u> | <u>769,226</u> | <u>469,131</u> | <u>163,930</u> | <u>288,265</u> | <u>51,914</u> | <u>4,395,373</u> | <u>4,168,662</u> |
| Surplus (deficit) for the year | <u>\$ 3,766,455</u> | <u>\$ (2,097,064)</u> | <u>\$ (643,658)</u> | <u>\$ (469,131)</u> | <u>\$ (163,930)</u> | <u>\$ (249,765)</u> | <u>\$ 13,425</u> | <u>\$ 156,332</u> | <u>\$ 3,146,093</u> |

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VALLEY WATERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. Reconciliation of Annual Surplus

| | General Operating Fund | General Capital Fund | Sewer Operating Fund | Sewer Capital Fund | General Operating Reserve Fund | General Capital Reserve Fund | Sewer Capital Reserve Fund | Total |
|--|------------------------------|----------------------------|----------------------------|--------------------------|---|---------------------------------------|-------------------------------------|------------|
| 2024 annual surplus (deficit) | \$ 436,207 | \$ (278,428) | \$ 10,023 | \$ (11,598) | \$ 56 | \$ (13) | \$ 85 | \$ 156,332 |
| Adjustments to annual surplus (deficit) for funding requirements | (57,437) | | (1,127) | | | | | (58,564) |
| Second previous year's surplus (deficit) | | | | | | | | |
| Transfer between funds | | 8,660 | | | | (8,660) | | |
| Transfer from the general capital reserve fund to the general capital fund | | | | | | | | |
| Transfer from the general operating fund to the general operating reserve fund | (13,885) | | | | 13,885 | | | |
| Transfer from the general operating fund to the general operating reserve fund | (161,483) | | | | 161,483 | | | |
| Transfer from sewer operating fund to the sewer capital reserve fund | | | (4,000) | | | | 4,000 | |
| Transfer from the general capital fund to the general operating fund | 32,805 | (32,805) | | | | | | |
| Capital assets purchased from the general and sewer operating funds | (21,501) | 21,501 | | | | | | |
| Long term debt principal repayment | (132,001) | 132,001 | | | | | | |
| Amortization expense | | 433,408 | | 11,598 | | | | 445,005 |
| | (353,502) | 562,765 | (5,127) | 11,598 | 175,368 | (8,660) | | 382,442 |
| Total adjustments to 2024 annual surplus (deficit) | \$ 82,705 | \$ 284,337 | \$ 4,896 | \$ NIL | \$ 175,424 | \$ (8,673) | \$ 4,085 | \$ 542,774 |

VALLEY WATERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

13. Statement of Reserves

| | General Operating Reserve | General Capital Reserve | Sewer Capital Reserve | 2024 Total | 2023 Total |
|--|---------------------------------|-------------------------------|-----------------------------|---------------|---------------|
| Assets | | | | | |
| Cash | \$ 305,597 | \$ 61,941 | \$ 10,217 | \$ 377,755 | \$ 198,406 |
| Accumulated Surplus | | | | | |
| Revenue | \$ 305,597 | \$ 61,941 | \$ 10,217 | \$ 377,755 | \$ 198,406 |
| Transfer from general operating fund | \$ 175,368 | | | \$ 175,368 | \$ |
| Transfer from sewer and general funds | | | 4,000 | 4,000 | |
| Interest | 56 | (13) | 85 | 128 | 206,680 |
| | 175,424 | (13) | 4,085 | 179,496 | 206,680 |
| Transfers to general operating fund | | | | | |
| Transfers to general capital fund | 8,660 | | | 8,660 | 62,000 |
| | 8,660 | | | 8,660 | 62,000 |
| Annual Surplus (deficit) | \$ 166,764 | \$ (13) | \$ 4,085 | \$ 170,836 | \$ 144,680 |

Council resolutions regarding transfers to and from reserves:

Moved by Councilor Gillis, seconded by Councilor Keith that \$8,660 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Deputy Mayor Gillis, seconded by Councilor McDonald that \$89,628 be transferred from the General Operating Fund to the General Operating Reserve Fund.

Moved by Deputy Mayor Gillis, seconded by Councilor Keith that \$161,483 be transferred from the General Operating Fund to the General Operating Reserve Fund.

Moved by Councilor Keith, seconded by Deputy Mayor Gillis that \$4,000 be transferred from the Sewer Operating Fund to the Sewer Capital Reserve Fund.

Moved by Deputy Mayor Gillis, seconded by Councilor Keith that the October 1, 2024 motion be amended from \$89,628 to \$13,885 and transferred from the General Operating Fund to the General Operating Reserve Fund.

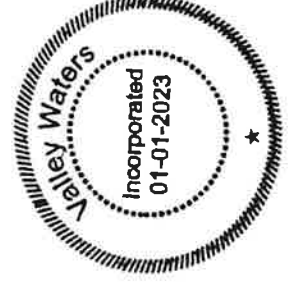
I hereby certify that the above are true and exact copies of resolutions adopted at meeting of Council on June 4, 2024, October 1, 2024, December 10, 2024 and April 8, 2025,

Jackie Dumont
Clerk

Valley Waters

June 19, 2025
Date

Buckley Professional Corporation
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VALLEY WATERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

14. Operating Budget to PSA Budget

| | Operating Budget General | Operating Budget Sewer | Amortization ICA | Other | Transfers | Total |
|--|--------------------------------|------------------------------|---------------------|-------|-------------------|-------------------|
| Revenues | | | | | | |
| Property tax warrant | \$ 3,695,500 | | | | | \$ 3,695,500 |
| Services provided to other governments | 143,197 | | | | | 143,197 |
| Sale of service, fines and other fees | 76,000 | | | | | 76,000 |
| Unconditional grant | 211,836 | | | | | 211,836 |
| Other government transfers | 102,403 | | | | | 102,403 |
| Sewer user fees | | \$ 47,250 | | | | 47,250 |
| Surplus (deficit) of second previous year | (57,437) | (1,127) | | | \$ 58,564 | |
| | <u>4,171,499</u> | <u>46,123</u> | | | <u>58,564</u> | <u>4,276,186</u> |
| Expenditures | | | | | | |
| General government services | 489,857 | | | | | 489,857 |
| Protective services | 1,910,085 | | | | | 1,910,085 |
| Transportation services | 630,577 | | | | | 630,577 |
| Environment health services | 505,547 | | | | | 505,547 |
| Environmental development services | 161,405 | | | | | 161,405 |
| Recreational and cultural services | 304,801 | | | | | 304,801 |
| Fiscal services | | | | | | |
| - Long term debt repayments | 162,188 | | | | (162,188) | 15,039 |
| - Interest | 15,039 | | | | | |
| - Transfer from the General Operating Fund to the General capital fund | | | | | | |
| - Transfer from the General Operating Reserve Fund to the General Operating Fund | (8,000) | | | | 8,000 | |
| - Sewer | | 46,123 | | | | 46,123 |
| | <u>4,171,499</u> | <u>46,123</u> | | | <u>(154,188)</u> | <u>4,063,434</u> |
| Surplus for the year | <u>NIL</u> | <u>NIL</u> | | | <u>\$ 212,752</u> | <u>\$ 212,752</u> |

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VALLEY WATERS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

15. REVENUE AND EXPENSE SUPPORT

| | <u>2024</u> (Unaudited) <u>Budget</u> | <u>2024</u> <u>Actual</u> | <u>2023</u> <u>Actual</u> |
|------------------------------------|---|------------------------------|------------------------------|
| Revenue | | | |
| <i>Services other Governments</i> | | | |
| Fire | \$ 7,630 | \$ 7,630 | \$ 72,301 |
| Transportation | 125,567 | 125,568 | 116,584 |
| Sewer | <u>10,000</u> | <u>15,000</u> | <u>10,000</u> |
| | <u>\$ 143,197</u> | <u>\$ 148,198</u> | <u>\$ 198,885</u> |
| <i>Other own source</i> | | | |
| Rentals | \$ 8,000 | \$ 10,990 | \$ 7,320 |
| Licenses, permits and fines | 68,000 | 64,272 | 51,670 |
| Recycling | <u> </u> | <u>81</u> | <u>340</u> |
| | <u>\$ 76,000</u> | <u>\$ 75,343</u> | <u>\$ 59,330</u> |
| Expenditures | | | |
| <i>General Government Services</i> | | | |
| Legislative | | | |
| Mayor | \$ 26,946 | \$ 26,813 | \$ 24,656 |
| Councilors | 70,173 | 66,264 | 60,658 |
| Development seminars | <u>3,500</u> | <u>3,542</u> | <u>5,535</u> |
| | <u>100,619</u> | <u>96,619</u> | <u>90,849</u> |
| Administrative | | | |
| Administrative personnel | 144,900 | 141,987 | 136,235 |
| Buildings | 41,600 | 49,430 | 39,641 |
| Solicitor | 20,000 | 3,174 | 3,252 |
| Other legislative costs | <u>10,400</u> | <u>10,653</u> | <u>20,450</u> |
| | <u>216,900</u> | <u>205,244</u> | <u>199,578</u> |
| <i>Financial Management</i> | | | |
| External audit | 10,000 | 28,209 | 7,300 |
| Interest | <u> </u> | <u> </u> | <u>2,405</u> |
| | <u>10,000</u> | <u>28,209</u> | <u>9,705</u> |
| <i>Other</i> | | | |
| Office expense | 10,000 | 11,054 | 13,601 |
| Training and development | 1,500 | 1,662 | 1,431 |
| Civic relations | 6,000 | 8,144 | 8,215 |
| Delegations and training | 3,500 | 1,142 | 418 |
| Public liability insurance premium | 36,400 | 36,289 | 33,351 |
| Amortization | | 2,281 | 2,463 |
| Bank charges | 2,500 | 1,728 | 2,931 |
| Cost of assessment | 95,438 | 95,438 | 87,358 |
| Other (U of M) | <u>7,000</u> | <u>8,211</u> | <u>7,412</u> |
| | <u>162,338</u> | <u>165,949</u> | <u>157,180</u> |
| | <u>\$ 489,857</u> | <u>\$ 496,021</u> | <u>\$ 457,312</u> |

VALLEY WATERS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

15. REVENUE AND EXPENSE SUPPORT (continued)

| | <u>2024</u> (Unaudited) <u>Budget</u> | <u>2024</u> <u>Actual</u> | <u>2023</u> <u>Actual</u> |
|--------------------------------|---|------------------------------|------------------------------|
| <i>Protective Services</i> | | | |
| Fire | | | |
| Administration | \$ 11,944 | \$ 12,399 | \$ 12,844 |
| Fire fighting force | 128,982 | 97,549 | 95,747 |
| Fire alarm systems | 59,892 | 33,641 | 49,096 |
| Fire services insurance | 59,577 | 59,577 | |
| Training and development | 11,500 | 12,482 | 20,458 |
| Station buildings | 24,992 | 29,608 | 58,358 |
| Fighting equipment | 205,235 | 230,317 | 193,885 |
| Fire protection | 21,274 | 21,274 | 58,679 |
| Debenture cost | | 258 | 3,251 |
| Amortization | | 232,642 | 143,022 |
| Interest | 15,039 | 37,844 | 11,572 |
| PNB Contractual agreement | <u>34,594</u> | <u>34,594</u> | <u> </u> |
| | <u>573,029</u> | <u>802,185</u> | <u>646,912</u> |
| Police | | | |
| R.C.M.P. | <u>1,219,078</u> | <u>1,219,078</u> | <u>1,183,562</u> |
| Emergency measures | <u>5,700</u> | <u>8,530</u> | <u>8,048</u> |
| Other | | | |
| Building inspection | 112,855 | 112,855 | 96,740 |
| Animal and pest control | 12,489 | 12,265 | 12,168 |
| Public safety | <u>1,974</u> | <u>1,974</u> | <u>2,859</u> |
| | <u>127,318</u> | <u>127,094</u> | <u>111,767</u> |
| | <u>\$ 1,925,125</u> | <u>\$ 2,156,887</u> | <u>\$ 1,950,289</u> |
| <i>Transportation services</i> | | | |
| Common | | | |
| Administration | \$ 107,000 | \$ 101,456 | \$ 98,939 |
| General equipment | 77,920 | 53,240 | 50,499 |
| Workshops and other buildings | <u>38,064</u> | <u>39,882</u> | <u>44,772</u> |
| | <u>222,984</u> | <u>194,578</u> | <u>194,210</u> |
| Summer maintenance | 174,752 | 138,974 | 219,511 |
| Culverts and drainage ditches | 18,810 | 6,964 | 8,052 |
| Snow and ice removal | 176,801 | 210,508 | 206,951 |
| RCS transportation | 2,630 | 2,630 | 3,038 |
| Street lighting | 16,600 | 14,651 | 14,558 |
| Street signs | 18,000 | 2,435 | 2,787 |
| Amortization | <u> </u> | <u>198,486</u> | <u>186,750</u> |
| | <u>407,593</u> | <u>574,648</u> | <u>641,647</u> |
| | <u>\$ 630,577</u> | <u>\$ 769,226</u> | <u>\$ 835,857</u> |