

**TOWN OF TORBAY**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2023**

**TOWN OF TORBAY**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

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	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Changes in Net Financial Debt	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 17
Consolidated Schedule of Revenues ( <i>Schedule 1</i> )	18
Consolidated Schedule of Expenses ( <i>Schedule 2</i> )	19 - 20
Consolidated Schedule of Tangible Capital Assets ( <i>Schedule 3</i> )	21
Consolidated Reconciliation of the Financial Plan to Budget ( <i>Schedule 4</i> )	22

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


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The consolidated financial statements of Town of Torbay have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Town of Torbay's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Town Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally through its Finance Committee. The Finance Committee is appointed by the Council and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Finance Committee reports to the Town Council prior to its approval of the financial statements. The Committee also considers, for review by the Council and approval by the members, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Richard K Power, CPA, Professional Corporation, in accordance with Canadian public sector accounting standards (PSAS).

  
\_\_\_\_\_  
Mr. Craig Scott, Mayor  
\_\_\_\_\_  
Ms. Kim Osmond, Town Clerk

Torbay, NL  
November 25, 2024



**RICHARD POWER**  
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## INDEPENDENT AUDITOR'S REPORT

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**To the Mayor and Councillors of Town of Torbay**

### **Opinion**

I have audited the consolidated financial statements of Town of Torbay (the Town), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2023, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### **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 Consolidated Financial Statements* section of my report. I am independent of the Town in accordance with 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 opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 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.

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Independent Auditor's Report to the Members of Town of Torbay (continued)

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 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 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 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 Town 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 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.

Clarenville, Newfoundland and Labrador  
November 29, 2024



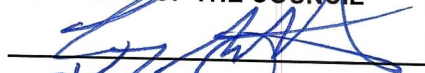
Chartered Professional Accountant  
Richard K Power, FCPA, Professional Corporation




**TOWN OF TORBAY**  
**Consolidated Statement of Financial Position**  
**December 31, 2023**

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 5)	\$ 4,302,964	\$ 3,860,003
Taxes receivable (Note 6)	1,137,359	734,382
Other receivables (Note 7)	760,117	1,150,922
Guaranteed investment certificates (Note 8)	2,255,259	2,255,259
	<b>8,455,699</b>	<b>8,000,566</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 10)	1,148,373	1,564,696
Employee benefits liability (Note 11)	448,663	466,343
Deposits received (Note 12)	934,066	642,860
Long term debt (Note 13)	8,310,435	7,837,185
Obligations under capital lease (Note 14)	79,676	182,519
	<b>10,921,213</b>	<b>10,693,603</b>
<b>NET FINANCIAL DEBT</b>	<b>(2,465,514)</b>	<b>(2,693,037)</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventories for use	188,612	153,240
Prepaid expenses	22,330	25,062
Tangible capital assets (Schedule 4)	40,289,131	39,650,231
	<b>40,500,073</b>	<b>39,828,533</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 38,034,559</b>	<b>\$ 37,135,496</b>

ON BEHALF OF THE COUNCIL

 Mayor

 Town Clerk

The accompanying notes are an integral part of these financial statements

# TOWN OF TORBAY

## Consolidated Statement of Operations and Accumulated Surplus Year Ended December 31, 2023

	Budget (Schedule 4)	2023	2022
<b>REVENUES (Schedule 1)</b>			
Taxation	\$ 9,301,573	\$ 9,288,660	\$ 8,284,283
Sales of good and services	270,822	364,690	260,653
Grants and transfers	1,134,731	1,570,705	1,699,890
Investment income	7,500	318,408	69,981
Other revenue	714,350	928,230	672,521
Transfer from reserves	789,752	-	-
	12,218,728	12,470,693	10,987,328
<b>EXPENSES (Schedule 2)</b>			
General government services	2,017,523	1,994,151	1,975,380
Protective services	714,467	663,147	599,710
Transportation	3,482,950	3,513,462	3,372,841
Environmental health	1,299,291	1,230,982	1,174,918
Regional planning and development	736,792	736,001	620,151
Recreation and cultural services	3,501,728	3,147,313	2,811,360
Fiscal services	465,977	286,574	607,282
	12,218,728	11,571,630	11,161,642
<b>ANNUAL SURPLUS (DEFICIT)</b>	-	899,063	(174,314)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	37,135,496	37,135,496	37,309,810
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 37,135,496	\$ 38,034,559	\$ 37,135,496

The accompanying notes are an integral part of these financial statements

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**TOWN OF TORBAY**  
**Consolidated Statement of Changes in Net Financial Debt**  
**Year Ended December 31, 2023**

	2023	2023	2022
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ -	\$ 899,063	\$ (174,314)
Amortization of tangible capital assets	2,618,172	2,618,172	2,640,004
Purchase of tangible capital assets	(3,257,071)	(3,257,071)	(3,300,422)
Decrease (increase) in prepaid expenses	2,732	2,732	(13,901)
Decrease in inventory	(35,372)	(35,372)	4,979
Rounding	-	(1)	(1)
	(671,539)	(671,540)	(669,341)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(671,539)	227,523	(843,655)
<b>NET FINANCIAL DEBT - BEGINNING OF YEAR</b>	(2,693,037)	(2,693,037)	(1,849,382)
<b>NET FINANCIAL DEBT - END OF YEAR</b>	\$ (3,364,576)	\$ (2,465,514)	\$ (2,693,037)

The accompanying notes are an integral part of these financial statements

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**TOWN OF TORBAY**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 899,063	\$ (174,314)
Item not affecting cash:		
Amortization of tangible capital assets	2,618,172	2,640,004
	3,517,235	2,465,690
Changes in non-cash working capital:		
Taxes receivable	(402,977)	251,874
Other receivables	390,805	664,252
Inventory	(35,372)	4,979
Accounts payable and accrued liabilities	(416,324)	508,237
Prepaid expenses	2,732	(13,901)
Employee benefits liability	(17,680)	36,804
Deposits received	291,206	151,772
	(187,610)	1,604,017
Cash flow from operating activities	3,329,625	4,069,707
<b>INVESTING ACTIVITY</b>		
Proceeds from the sale of portfolio investments	2,255,259	339,308
Purchase of portfolio investments	(2,255,261)	(2,255,259)
Cash flow used by investing activity	(2)	(1,915,951)
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	1,526,449	3,366,175
Repayment of long term debt	(1,053,197)	(1,596,175)
Repayment of obligations under capital lease	(102,843)	(191,581)
Cash flow from financing activities	370,409	1,578,419
<b>CAPITAL ACTIVITY</b>		
Purchase of tangible capital assets	(3,257,071)	(3,300,422)
<b>INCREASE IN CASH FLOW</b>	442,961	431,753
Cash - beginning of year	3,860,003	3,428,250
<b>CASH - END OF YEAR</b>	\$ 4,302,964	\$ 3,860,003
<b>CASH CONSISTS OF:</b>		
Cash and temporary investments	\$ 4,302,964	\$ 3,860,003

The accompanying notes are an integral part of these financial statements

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**TOWN OF TORBAY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

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**1. Nature of operations**

The incorporated Town of Torbay ("The Town") is a municipal government that was incorporated pursuant to the Province of Newfoundland and Labrador's Municipalities Act. The Municipality provides or funds municipal services such as public works, sanitation and waste removal, street lighting, fire protection, parks and recreation, and other general government operations.

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**2. Summary of significant accounting policies**

Basis of consolidation

The consolidated financial statements include the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations, agencies, local boards, and committees of the Council which are controlled by the Town, including the Torbay Volunteer Fire Department. Inter-entity balances and transactions have been eliminated.

The Town has an agreement in place requiring the Northeast Avalon Arena Regional Board Inc. ("NEAA"), a government not-for-profit organization, to be accounted for on a proportionate consolidation basis whereby the Town's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-organization balances and transactions have been eliminated. The Town consolidates the Arena at a rate of 56% based on the Town's original contribution to the Arena construction.

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.

Cash and temporary investments

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from the date of acquisition.

Investments

Guaranteed investment certificates are accounted for at cost.

Government transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

When the municipality is the transferor, the government transfers are recognized as an expense in the statement of operations when they are authorized and all eligibility criteria have been met by the recipient.

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 for the year.

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**TOWN OF TORBAY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

**2. Summary of 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 is amortized on a straight-line basis over their estimated useful lives as follows:

**General Tangible Capital Assets**

Land	Indefinite
Land improvements	25 to 40 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Term of lease
Vehicles and equipment	
Vehicles	5 years
Machinery, equipment and furniture	5 years
Maintenance and road construction equipment	10 years
Computer hardware and software	4 years
Torbay Volunteer Fire Department	5 to 15 years
North East Avalon Arena (Jack Byrne Arena)	20 to 40 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

Inventory

Inventory held for consumption consists of fuel, sand and salt, and is recorded at the lower of cost and net realizable value. Cost of fuel is determined on an average cost basis. Cost of sand and salt is based on invoiced prices.

Leases

Leases are classified as either 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.

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**TOWN OF TORBAY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

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**2. Summary of significant accounting policies (continued)**

Retirement benefits and other post-employment benefit plans

The Town provides pension, health and dental, and non-vesting sick leave. Select employees are eligible for severance pay. The Town has adopted the following policies with respect to accounting for these employee benefits:

- i) The Town participates in a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. Therefore, the organization accounts for the plan as if it were a defined contribution plan. As such, no pension liability is included in the organization's financial statements and contributions are recognized as an expense in the year to which they relate. All full-time employees are eligible to participate in the plan. Contributions are a defined amount based upon a set percentage of salary.
- ii) The cost of unused vacation and non-vesting sick leave entitlements are accrued in full when owed, and are determined using employees' current salaries and days of accumulated sick leave.
- iii) The Town accounts for severance pay for eligible staff on an accrual basis and the amount is calculated based upon years of service and the staff's current wage. The amount is payable when the employee ceases employment with the Town.

Revenue recognition policy

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

Other revenue mainly consists of Arena revenues which are recognized when significant risks and rewards of ownership have been transferred and there are no significant obligations remaining, sales price is fixed and determinable, persuasive evidence of an arrangement exists and collection is reasonably assured. This usually coincides with the provision of the goods and services.

Use of estimates

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Significant estimates include the collectability of taxes and fees receivable, useful lives of tangible capital assets, and the employee benefits liability obligation.

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

The Town's position in these respects was considered satisfactory for an entity of its size. Our auditors design and perform audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, as a result of their audit, no significant deficiencies in internal control were reported to the Town that would indicate that the entity's controls were not effective for the purposes of their audit.

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**TOWN OF TORBAY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

**4. Sufficiency of bonds**

As required by Section 71 of the Municipalities Act, 1999, I report that all employees collecting, receiving and depositing cash are bonded. The policy details specific types of coverage up to \$50,000. In my opinion, this coverage is adequate.

**5. Cash and cash equivalents**

Cash and cash equivalents are comprised of the following:

	2023	2022
Operating	\$ 2,956,785	\$ 2,412,461
Capital campaign	89,921	89,921
Planning and development deposits	231,373	275,323
Torbay Volunteer Fire Department	3,325	21,332
Federal gas tax	526,324	526,324
High interest savings account	353,281	353,281
NEAA cash consolidated	63,101	100,893
Cash to be deposited	623	4,388
3 month GIC 40, bearing interest at 3.30%	78,126	76,080
Other	105	-
	<b>\$ 4,302,964</b>	<b>\$ 3,860,003</b>

**6. Taxes receivable**

	2023	2022
Property tax	\$ 1,362,715	\$ 1,033,512
Business tax	124,764	99,832
Water and sewer tax	77,124	52,779
	<b>1,564,603</b>	<b>1,186,123</b>
Less: allowance for doubtful amounts	<b>(427,244)</b>	<b>(451,741)</b>
	<b>\$ 1,137,359</b>	<b>\$ 734,382</b>

**7. Other receivables**

	2023	2022
HST rebates receivable	\$ 144,966	\$ 305,153
Interest receivable	280,554	235,822
NEAA receivables consolidated	55,569	47,264
Grants receivable	193,152	500,616
Other receivables	85,876	62,067
	<b>\$ 760,117</b>	<b>\$ 1,150,922</b>

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**TOWN OF TORBAY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

**8. Guaranteed investment certificates**

	2023	2022
1 year GIC 41, bearing interest at 2.75% per annum	\$ -	\$ 1,000,000
1 year GIC 42, bearing interest at 2.75% per annum	-	1,000,000
1 year GIC 43, bearing interest at 2.75% per annum	-	255,259
1 year GIC 44, bearing interest at 4.95% per annum	1,000,000	-
1 year GIC 45, bearing interest at 4.95% per annum	1,000,000	-
1 year GIC 46, bearing interest at 4.95% per annum	255,259	-
	<b>\$ 2,255,259</b>	<b>\$ 2,255,259</b>

**9. Bank indebtedness**

The Town has an operating line of credit with Royal Bank of Canada with a \$1,000,000 limit (2022 - \$1,000,000), bearing interest at prime. The loan is secured by a General Security Agreement providing first charge over all assets of the Town. At year end, the balance was \$nil (2022-\$nil).

**10. Accounts payable and accrued liabilities**

	2023	2022
Accounts payable	\$ 573,362	\$ 842,096
Accrued liabilities	376,049	562,707
NEAA payables consolidated	198,962	159,893
	<b>\$ 1,148,373</b>	<b>\$ 1,564,696</b>

**TOWN OF TORBAY****Notes to Consolidated Financial Statements****Year Ended December 31, 2023****11. Employee benefits liability**

When the Town joined the TRIO Benefits pension plan in 2014, the Town committed to paying 20 weeks severance to recognize long-service employees.

Employees are permitted to accumulated unused sick leave and vacation entitlements.

	2023	2022
Accrued severance benefit	\$ 24,759	\$ 24,761
Accrued sick leave benefit	241,524	270,154
Accrued vacation benefit	82,911	66,841
Accrued pension liability	99,469	104,587
	<b>\$ 448,663</b>	<b>\$ 466,343</b>

**TRIO Pension Plan**

All qualified permanent employees are covered by TRIO Pension Plan, a multi-employer pension plan administered by Newfoundland & Labrador Municipal Employee Benefits Inc. Contributions to the plan are required by the employees and the Town at the rate of 7.25% of regular pay. The annual contributions are recognized in the consolidated financial statements on an accrual basis.

During the year, employees and the Town both contributed \$147,391 (2022 - \$103,086) for a total of \$294,782 (2022 - \$206,172).

The Town is responsible for making contributions to the plan sufficient to fund 50% of the Town's portion of any solvency deficiency as determined by an actuary. In 2023 the Town made solvency contributions totaling \$10,680 (2022 - \$10,680).

The most recent actuarial valuation filed with the pension regulators was completed for December 31, 2020 and indicated the plan had a going concern excess of \$8,047,000 and solvency deficit of \$97,870,000. The plan is accounted for as a defined contribution plan as insufficient information is available to account for the plan as a defined benefit plan.

**12. Deposits received**

Deposits received relates to monies received in advance with respect to taxation, planning and development.

**13. Long term debt**

	2023	2022
Royal Bank of Canada loan bearing interest at 4.03% per annum, repayable in monthly blended payments of \$9,944. The loan matures on June 30, 2033.	\$ 939,645	\$ 1,020,536
TD Equipment Finance Canada loan bearing interest at 1.76% per annum, repayable in monthly blended payments of \$4,808. The loan matures on February 28, 2026.	383,997	434,456
		(continues)



**TOWN OF TORBAY**

**Notes to Consolidated Financial Statements**

**Year Ended December 31, 2023**

**13. Long term debt (continued)**

	2023	2022
NLCU loan bearing interest at 2.15% per annum, repayable in monthly principal payments of \$2,818 plus interest. The loan matures on February 26, 2037.	387,460	412,633
NLCU loan bearing interest at 5.5% per annum, repayable in monthly principal payments of \$5,735 plus interest. The loan matures on November 21, 2032.	484,167	525,162
TD Equipment Finance Canada loan bearing interest at 5.74% per annum, repayable in monthly blended payments of \$6,451. The loan matures on October 13, 2038.	771,676	-
Royal Bank of Canada loan bearing interest at 5.97% per annum, repayable in monthly blended payments of \$549. The loan matures on January 3, 2029.	28,699	-
Royal Bank of Canada loan bearing interest at 3.95% per annum, repayable in monthly blended payments of \$21,135. The loan matures on July 31, 2033.	2,021,015	2,190,435
Royal Bank of Canada loan bearing interest at 2.05% per annum, repayable in monthly principal payments of \$8,386 plus interest. The loan matures on February 6, 2026.	217,826	318,343
Royal Bank of Canada loan bearing interest at 3.18% per annum, repayable in monthly blended payments of \$7,860. The loan matures on July 31, 2024.	54,508	145,435
Royal Bank of Canada loan repaid during the year.	-	37,250
NLCU loan bearing interest at 5% per annum, repayable in monthly principal payments of \$3,342 plus interest. The loan matures on .	229,367	-
NLCU loan bearing interest at 5% per annum, repayable in monthly blended payments of \$6,780. The loan matures on September 10, 2030.	465,292	-
Royal Bank of Canada loan bearing interest at 1.94% per annum, repayable in monthly blended payments of \$5,892. The loan matures on December 31, 2025.	138,304	205,612
Royal Bank of Canada loan bearing interest at 3.38% per annum, repayable in monthly blended payments of \$760. The loan matures on June 30, 2025.	13,681	21,834
Royal Bank of Canada loan bearing interest at 4.96% per annum, repayable in monthly blended payments of \$6,875. The loan matures on June 30, 2027.	525,573	608,079
		(continues)

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**TOWN OF TORBAY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

<b>13. Long term debt (continued)</b>		
	<b>2023</b>	<b>2022</b>
Royal Bank of Canada loan bearing interest at 5.67% per annum, repayable in monthly blended payments of \$3,836. The loan matures on October 3, 2027.	<b>151,797</b>	197,829
Royal Bank of Canada loan bearing interest at 1.94% per annum, repayable in monthly blended payments of \$5,892. The loan matures on December 31, 2025.	<b>144,687</b>	215,102
Royal Bank of Canada loan repaid during the year.	-	22,290
Royal Bank of Canada loan bearing interest at 5.63% per annum, repayable in monthly principal payments of \$4,912 plus interest. The loan matures on October 3, 2027.	<b>381,232</b>	440,176
NLCU loan bearing interest at 2.15% per annum, repayable in monthly blended payments of \$7,860. The loan matures on July 31, 2024.	<b>161,198</b>	179,056
NLCU loan bearing interest at 2.15% per annum, repayable in monthly blended payments of \$2,950. The loan matures on February 26, 2037.	<b>405,603</b>	431,955
NLCU loan bearing interest at 2.15% per annum, repayable in monthly blended payments of \$2,943. The loan matures on February 26, 2037.	<b>404,708</b>	431,002
	<b>\$ 8,310,435</b>	<b>\$ 7,837,185</b>
Principal repayment terms are approximately:		
2024	\$ 1,071,977	
2025	1,038,539	
2026	830,872	
2027	806,868	
2028	819,147	
Thereafter	3,743,032	
	<b>\$ 8,310,435</b>	
<b>14. Obligations under capital lease</b>		
	<b>2023</b>	<b>2022</b>
Caterpillar Financial Services Limited lease bearing interest at 8.77% per annum, repayable in monthly blended payments of \$7,404. The lease matures on December 31, 2024 and is secured by first charge over the specific leased asset and the general security agreement with the entity.	<b>\$ 79,676</b>	\$ 163,013
		(continues)

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**TOWN OF TORBAY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2023**

**14. Obligations under capital lease (continued)**

	2023	2022
Royal Bank of Canada lease matured on January 31, 2023 and was secured by first charge over the specific leased asset and the general security agreement with the bank.	-	15,167
Royal Bank of Canada lease matured on November 30, 2023 and was secured by first charge over the specific leased asset and the general security agreement with the bank.	-	4,339
	<b>\$ 79,676</b>	<b>\$ 182,519</b>

Future minimum capital lease payments are approximately:

Total minimum lease payments

**\$ 79,676**

**15. Segmented information**

The Town is a diversified municipal institution that provides a wide range of services to its citizens. The nature of the segments and the activities they encompass are as follows:

General government

This segment includes all revenues and expenses related to administrative departments and activities as well as the general operations of the Town itself.

Protective services

This segment includes all revenues and expenses related to the policing, fire and emergency services provided by the Town.

Transportation services

This segment includes all revenues and expenses for all road maintenance and administration which includes sidewalks, traffic signals and systems, and street lighting.

Environment health services

This segment includes all revenues and expenses relating to the maintenance and operation of the water and sewer facilities and waste management facilities while ensuring that these systems meet all provincial standards.

Regional planning and development

This segment includes all revenues and expenses relating to planning, community development and tourism.

Recreation and cultural services

This segment includes all revenues and expenses relating to recreation facilities, parks maintenance and related administration revenues and expenses.

Fiscal services

This segment includes all expenses relating to uncollectible amounts and long-term debt interest.



## TOWN OF TORBAY

### Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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#### 16. 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 PSAB. For comparative purposes, the Town has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by Council.

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.

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#### 17. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**TOWN OF TORBAY**  
**Consolidated Schedule of Revenues (Schedule 1)**  
**Year Ended December 31, 2023**

	2023	2022
<b>Taxation</b>		
Property tax	\$ 8,069,986	\$ 7,168,267
Utility tax	356,086	369,601
Business tax	365,519	352,684
Water and sewer tax	492,264	389,366
Other municipal taxes levied	4,805	4,365
	<b>9,288,660</b>	<b>8,284,283</b>
<b>Sales of Goods and Services</b>		
Recreation and cultural services	261,135	134,319
Fire protection services	78,318	92,982
Animal control services	-	1,616
Other sales and services	25,237	31,736
	<b>364,690</b>	<b>260,653</b>
<b>Grants and Transfers</b>		
<i>Government of Canada</i>		
Other federal revenue	166,604	132,905
<i>Government of Newfoundland and Labrador</i>		
Municipal operating grants	254,054	223,493
Municipal capital grant	712,053	719,068
Gas tax revenue	262,636	431,765
Provincial gas tax	69,787	69,787
Other provincial grants	105,571	122,872
	<b>1,570,705</b>	<b>1,699,890</b>
<b>Investment Income</b>		
Interest from investments	318,408	69,981
<b>Other Income</b>		
Loss on sale of tangible capital assets	167,376	3,002
Other revenue from own services	230,844	190,716
NEAA revenues consolidated	530,010	478,803
	<b>928,230</b>	<b>672,521</b>
<b>Total Revenues</b>	<b>\$ 12,470,693</b>	<b>\$ 10,987,328</b>

The accompanying notes are an integral part of these financial statements



**TOWN OF TORBAY**

**Consolidated Schedule of Expenses (Schedule 2)**

**Year Ended December 31, 2023**

	2023	2022
<b>General Government Services</b>		
Council	\$ 207,478	\$ 219,313
Public relations	76,491	117,856
General administration	343,714	313,718
Amortization administration	92,984	144,897
Property assessment services	102,466	102,555
Corporate services	961,714	850,410
Human resources	209,304	226,631
	<b>1,994,151</b>	<b>1,975,380</b>
<b>Protective Services</b>		
Fire protection	497,189	398,085
Amortization protective services	111,467	125,579
Animal control	110	(1,622)
Emergency preparedness and response	1,739	22,053
Municipal enforcement	52,642	55,615
	<b>663,147</b>	<b>599,710</b>
<b>Transportation</b>		
Public works administration	422,293	463,011
Vehicle and fleet maintenance	419,571	402,882
Snow clearing	467,066	356,342
Road transport	692,509	640,895
Amortization transportation	1,276,147	1,273,971
Street lighting	213,255	214,311
Other transportation services	22,621	21,429
	<b>3,513,462</b>	<b>3,372,841</b>
<b>Environmental Health</b>		
Water supply	334,643	327,140
Amortization environmental health	325,204	300,859
Sewage collection and disposal	39,211	33,576
Garbage/waste collection and disposal	531,924	513,343
	<b>1,230,982</b>	<b>1,174,918</b>

(continues)

The accompanying notes are an integral part of these financial statements

**TOWN OF TORBAY****Consolidated Schedule of Expenses** *(continued)***(Schedule 2)****Year Ended December 31, 2023**

<b>Regional Planning and Development</b>		
Planning and zoning	<b>546,881</b>	369,788
Amortization planning and zoning	<b>9,766</b>	8,286
Economic development and tourism	<b>98,509</b>	137,313
Tourism and marketing	<b>80,845</b>	104,764
	<b>736,001</b>	620,151
<b>Recreational and Cultural Services</b>		
Recreation administration	<b>363,401</b>	304,826
Amortization recreation	<b>778,355</b>	774,356
Recreation facilities	<b>321,231</b>	292,908
Community centre	<b>435,441</b>	411,342
Cultural facilities	<b>273,328</b>	247,120
Recreation and cultural programs	<b>418,918</b>	286,721
Library	<b>22,627</b>	20,500
Jack Byrne Arena	<b>509,765</b>	461,532
Jack Byrne Arena amortization	<b>24,248</b>	12,055
	<b>3,147,313</b>	2,811,360
<b>Fiscal Services</b>		
Debt charges from all sources	<b>284,377</b>	244,744
Bank charges and other fiscal services	<b>24,446</b>	20,124
Early payment discounts	<b>(22,249)</b>	342,414
	<b>286,574</b>	607,282
<b>Total Expenses</b>	<b>\$ 11,571,630</b>	<b>\$ 11,161,642</b>

The accompanying notes are an integral part of these financial statements



# TOWN OF TORBAY

## Consolidated Schedule of Tangible Capital Assets (Schedule 3) Year Ended December 31, 2023

Cost	General Capital Assets						Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Torbay Volunteer Fire Department	North East Avalon Arena (Jack Byrne Arena)	Assets Under Construction	Transportation	Water and Sewer	2023	2022
Opening costs	\$ 3,961,159	\$ 18,650,906	\$ 4,600,601	\$ 370,834	\$ 2,257,845	\$ 8,413,216	\$ 789,230	\$ 21,614,289	\$ 10,793,525	\$ 71,451,606	\$ 68,164,741
Additions during the year	354,077	38,111	1,228,008	11,838	-	122,127	1,337,011	53,114	112,784	3,257,071	6,215,404
Disposals and write downs	-	-	597,705	-	253,800	-	-	-	-	851,505	2,928,539
Closing Costs	\$ 4,315,236	\$ 18,689,017	\$ 5,230,905	\$ 382,672	\$ 2,004,045	\$ 8,535,343	\$ 2,126,241	\$ 21,667,403	\$ 10,906,309	\$ 73,857,172	\$ 71,451,606
Accumulated amortization											
Opening accumulated amortization	\$ 1,001,085	\$ 2,944,870	\$ 2,694,140	\$ 316,800	\$ 1,076,693	\$ 3,916,968	\$ -	\$ 13,290,736	\$ 6,560,084	\$ 31,801,376	\$ 29,174,929
Amortization	167,485	444,316	412,132	20,960	109,758	260,971	-	876,733	325,816	2,618,172	2,640,004
Disposals and write downs	-	-	597,707	-	253,800	-	-	-	-	851,507	13,557
Closing accumulated amortization	\$ 1,168,571	\$ 3,389,186	\$ 2,508,565	\$ 337,560	\$ 932,851	\$ 4,177,939	\$ -	\$ 14,167,469	\$ 6,885,900	\$ 33,558,041	\$ 31,801,376
Net book value of tangible capital assets	\$ 3,146,665	\$ 15,299,832	\$ 2,722,339	\$ 45,112	\$ 1,071,194	\$ 4,357,404	\$ 2,126,241	\$ 7,499,934	\$ 4,020,409	\$ 40,289,131	\$ 39,650,231

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The accompanying notes are an integral part of these financial statements

**TOWN OF TORBAY**

**Consolidated Reconciliation of the Financial Plan to Budget (Schedule 4)**

**Year Ended December 31, 2023**

	Financial Plan	Amortization (TCA)	Interest Expense	Consolidated Entities	Transfers	PSAB Budget
<b>Revenues</b>						
Taxation	9,301,573	-				9,301,573
Sale of goods and services	270,822					270,822
Grants and transfers	1,134,731					1,134,731
Investments	7,500					7,500
Other revenue	184,339			530,011		714,350
Transfers from (to) reserves	305,000				484,752	789,752
<b>Total Revenues</b>	<b>11,203,965</b>					<b>12,218,728</b>
<b>Expenses</b>						
General government services	1,924,539	92,984				2,017,523
Protective services	603,000	111,467				714,467
Transportation services	2,206,803	1,276,147				3,482,950
Environmental health services	974,087	325,204				1,299,291
Regional planning and development	727,026	9,766				736,792
Recreation and cultural Services	2,189,360	802,604	-	509,764	-	3,501,728
Fiscal services						
Capital expenditures	859,670					
Debt charges	1,537,880		(1,253,503)		(859,670)	-
Other	181,600					284,377
<b>Total Expenses</b>	<b>11,203,965</b>	<b>2,618,172</b>	<b>(1,253,503)</b>	<b>509,764</b>	<b>(859,670)</b>	<b>12,218,728</b>
<b>Surplus (deficit)</b>	<b>-</b>	<b>(2,618,172)</b>	<b>1,253,503</b>	<b>(509,764)</b>	<b>859,670</b>	<b>-</b>

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The accompanying notes are an integral part of these financial statements