



TOWN OF HARTLAND

2023 ANNUAL REPORT

DATE: AUGUST 2024





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INTRODUCTION

This annual report is prepared pursuant to Section 105 of the Local Governance Act, and Regulation 2018-54. It contains general information about Hartland such as its population, tax base, tax rate, and user charges, as well as detailed information regarding Town Council, the provision of grants, and the types and cost of services provided.

The 2023 Consolidated Financial Statements are appended as Appendix I.

MESSAGE FROM MAYOR DEMERCHANT

2023 was a historic year. For the first time in its history, Hartland's municipal boundaries were redrawn under the province's local government reform program, or amalgamation. As a result, our town grew from one with fewer than 1000 residents to one with 4000, as we welcomed residents from the former Local Services Districts (LSDs) of Brighton, Bright, Coldstream, Peel, Somerville, Simonds, and Wakefield.

To represent this new municipality, Hartland's electoral map and Council were restructured. According to our new electoral map, Hartland has three electoral wards: (1) Somerville, Simonds, Peel, and Wakefield, (2) Hartland and Coldstream, and (3) Brighton and Bright. In November 2022, an election was held to elect a new, seven-member Council for the new municipality of Hartland. One Councillor was elected to represent each ward, three Councillors were elected at large (to represent all wards), and the Mayor was also elected at large.



In 2022, under the direction of the province, new property tax rates were set for all Hartland residents. In "old" Hartland, the residential rate was set to \$1.5149 per \$100 of property assessment value. In the former Local Service Districts of Brighton, Bright, Wakefield, Simonds, and Somerville, taxpayers were moved to a harmonized rate of \$0.6816 per \$100, while taxpayers in Coldstream and Peel were moved closer to this harmonized rate. In addition, the multiplier on commercial property was set to 1.6 instead of the 1.7 permitted by the province.

With respect to the town's fiscal health, Council recognized the need to minimize annual deficits while growing capital reserve funds to support future investment in assets and infrastructure such as buildings, vehicles, roads, curbs, sidewalks, and water and sewer systems, and special projects such as the park and the community complex. As a result, Hartland had a surplus in both its General Operating Fund and its Utility Operating Fund. In addition, Hartland transferred \$182,840 to capital reserve funds for future investment.

With respect to housing, Hartland saw significant growth in 2023 with developments on Rockland Road and McLean Avenue, among others. In addition, administrators were engaged with several firms that were planning to build more housing in Hartland, including a large housing development the town's 8-acre property near the Hartland Community School. To further promote housing and economic development, Council passed policy P-009 for Residential Property Development and P-011 for Commercial Property Development. Policy P-009 provides a four-year tax rebate to companies that build new housing in Hartland,



while Policy P-011 provides a four-year rebate to companies that build or expand commercial properties in Hartland. Both policies are available to anyone in Hartland, including residents of former LSD areas.

Turning to major projects, after receiving approval from the province to build a new community complex in 2022, Hartland saw major progress on that project in 2023. Agreements were signed with vendors and contractors for the structure, siteworks, concrete, refrigeration systems, and other major elements, as work commenced to erect the new structure in spring. By year-end, the exterior structure was in place, extensive siteworks had been completed, and much of the building's internal structure (walls, floors, etc.) had been installed. The town expects to open the new complex to the public in the fall 2024.

Along the riverfront, Hartland completed construction of a new pavilion, the focal point of a new park that can host concerts, markets, and other outdoor events for years to come. Upgrades were also made to the Dr Walter Chestnut Public Library and Hartland's Visitor Information Center to preserve and enhance both buildings. In August, Hartland residents and visitors enjoyed four action-packed days of Big Bridge Fest, which added a night of comedy to its roster of events. It is estimated that more than 5000 people took part in the festivities, which featured a fantastic fireworks display on Saturday and a market day on Monday that welcomed more than 150 vendors.

Turning to infrastructure, Hartland paved Southampton Street as well as a one-kilometer stretch of McLean Avenue through the industrial park. In addition, extensive patching was completed in "old" Hartland in the spring and summer. In the former LSDs, the Department of Transportation and Infrastructure (DTI) resurfaced a large portion of Route 104 in Brighton, with plans to complete this work in 2024. DTI also continued to repair and maintain the Covered Bridge, Hartland's national landmark and most popular tourist attraction. Throughout 2023, Hartland officials met with DTI to plan and promote further work in former LSD areas, to share our concern that too many of our rural roads in former LSDs were in poor to very poor condition.

In May and June, members of the public joined members of Hartland's Council and administration in a set of strategic planning sessions hosted by consultant Ken Harding. Participants met at the Hartland Fire Hall to identify, assess, and agree on strategic priorities to guide future decisions on operating and capital investments. Our top priorities included waterfront and downtown development, new branding and signage, an increase to capital reserve funds, and new incentives for housing and business development. The final plan was published in September 2023 and can be downloaded from the municipal website (www.townofhartland.com).

In response to widespread public concern with local policing, Hartland partnered with the District of Carleton North (DCN) to assess the quality of our current police service and to propose implementation of an alternative policing model. This partnership resulted in the formation of a Regional Policing Committee that spent much of 2023 conducting research and engaging stakeholders, including members of the public and representatives of the province. In November, the Committee released a proposal to the province that outlined the structure and estimated cost of a new local police force to serve both communities.

Throughout 2023, Council raised serious concerns about our high relative cost for third-party services such as policing and waste collection and our low level of funding through the Canada Community Building Fund or CCBF (formerly known as "Gas Tax") and the province's Community and Equalization Fund. In Council's view, Hartland was unfairly disadvantaged on both sides of the ledger, which limits our capacity to develop and grow our community. That proposal can also be downloaded from the municipal website.



Regarding Hartland's by-laws and policies, in late 2022 Hartland updated several core by-laws (Corporate Seal, Council Code of Conduct, Procedures of Council, Remuneration of Council) in preparation for municipal reform. Hartland also reviewed its Water System and Sewer System by-law and its Fire Prevention and Protection by-law, which were later updated in 2024. Hartland continues to review and update its by-laws to address matters of public concern and to ensure their fairness and applicability to all residents.

Overall, 2023 was a year of historic change and significant progress for Hartland. We successfully navigated municipal reform, completed important steps on major projects, welcomed new housing developers and developments, and strengthened our fiscal health. As Mayor, I am confident that we are headed in the right direction. Moreover, I know that Council is committed to seeing this progress continue to the benefit of everyone who lives and works in our special municipality.

Speaking on behalf of Council, we are proud to represent every citizen and community in new Hartland and look forward to accomplishing more of our goals in 2024.

Sincerely,

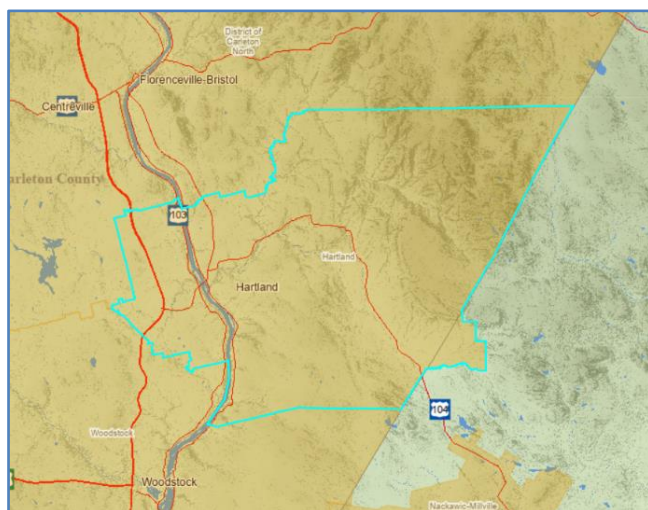
Mayor Tracey DeMerchant



COMMUNITY PROFILE

Hartland is located in western New Brunswick in the middle of Carleton County. As a result of municipal reform in 2023, the municipality of Hartland now consists of the former town of Hartland and the former Local Service Districts (LSDs) of Brighton, Coldstream, and Somerville, as well as a portion of the former LSDs of Wakefield, Simonds, Peel, and Bright.

Hartland covers approximately 600 square kilometers. It is 35 km wide from east to west and 25 km from north to south. It shares a 65 km border with the District of Carleton North to the north and a 20 km border with Woodstock to the south.



The four-lane Trans-Canada Highway (TCH) provides one exit (exit 172) to Hartland, which transitions to route 130 in Wakefield. Route 105 passes north to south through Hartland on the east side of the Saint John River while route 103 passes north to south through Hartland on the west side of the Saint John River. Route 104 passes west to east through southwestern Hartland (in Brighton) from Woodstock.

Hartland has two bridges that connect western Hartland to eastern Hartland across the Saint John River. The first is the historic 1282-foot-long Covered Bridge, a national tourist attraction. The second is the Hugh John Flemming bridge, built in 1967. It provides the only bridge across the river for trucks and other large vehicles.

According to the latest census data providing by Dillon Consulting, Hartland is home to more than 4000 residents. It contains Carleton County's only regional hospital (Upper River Valley Hospital) in Waterville, which serves a catchment population of 45,000. Hartland also has two industrial parks with some of New Brunswick's largest and most important companies, including Day & Ross, Craig Manufacturing, Valley Equipment, Brennan Farms, Old Dutch, and the Covered Bridge Chip company.

Hartland has one Fire Department, a Public Works Department, and a Recreation Department.

Hartland does not have a local police station or RCMP (Royal Canadian Mounted Police) detachment. It is served by the RCMP detachment in Woodstock. In November 2023, Hartland and the District of Carleton North (DCN) submitted a proposal to form a new local police service to the Department of Justice and Public Safety (JPS). In December 2023, Minister of JPS Kris Austin did not approve Hartland and the DCN to move forward with the proposal at this time.



BUILDINGS & FACILITIES

Hartland's main municipal buildings and facilities are shown below.

TOWN HALL

31 ORSER STREET



FIRE DEPARTMENT

MAIN STREET

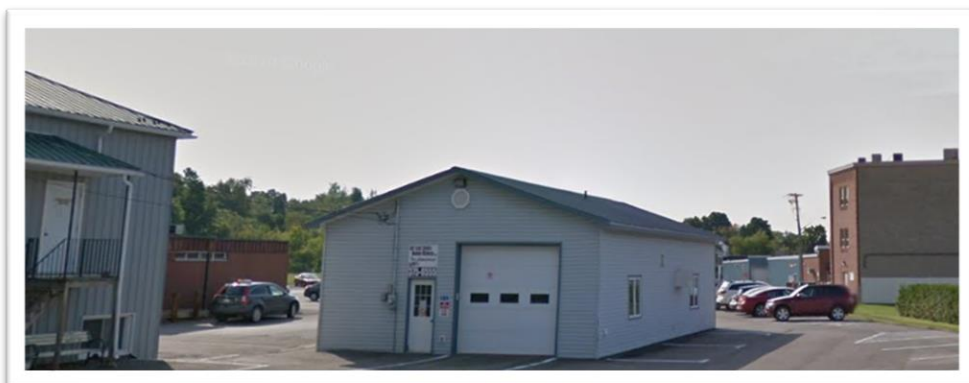


COMMUNITY COMPLEX (NEW)
& ARENA (OLD, DEMOLISHED)
MCLEAN AVENUE

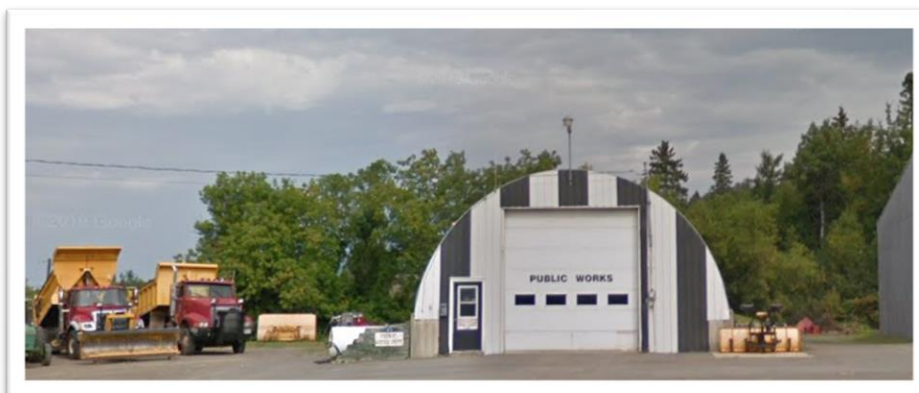




WORKS BUILDING 1
Maple Street



WORKS BUILDING 2
Aiton Crescent



Municipal Lagoon
Main Street





COUNCIL

This section provides details about Hartland's elected Council.

ELECTED MEMBERS

Hartland is governed by a Mayor and six (6) Councillors who meet monthly in regular meetings and through various Committees of Council. Municipal elections are held every four (4) years in May. In 2022, Local Governance Reform resulted in the election of a new Council in November 2022 that took office on January 1, 2023. The Oath of Office Ceremony for Council was conducted on Monday, Dec 19, 2022.



Tracey DeMerchant
Mayor
At Large



Stewart Fairgrieve
Deputy Mayor
At Large



Wayne Britton
Councillor
At Large



Lee Patterson
Councillor
At Large



Jason Smith
Councillor
Ward 1: Somerville



Mike Walton
Councillor
Ward 2: Hartland

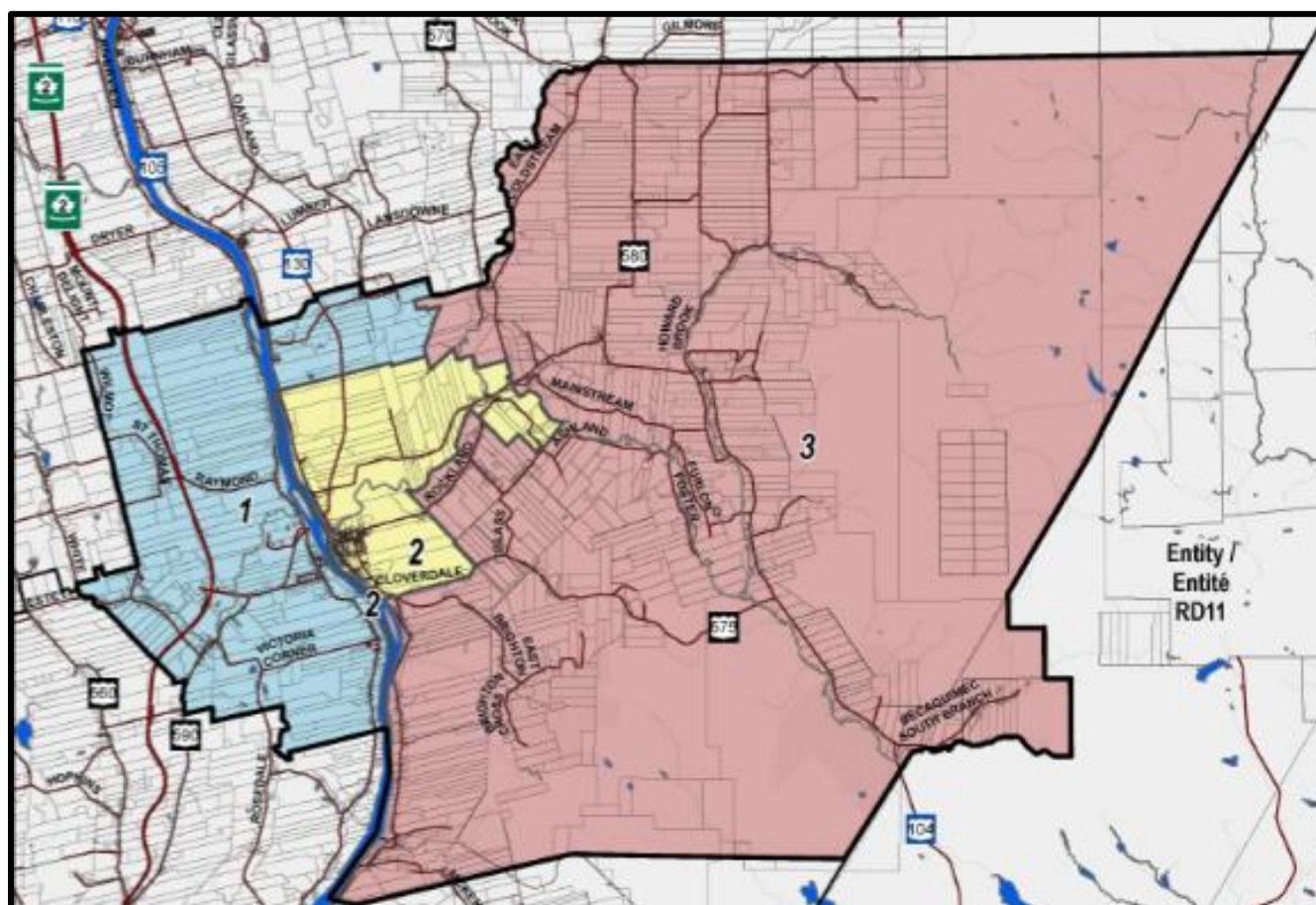


Sam Walton
Councillor
Ward 3: Brighton



VOTING WARDS

As of January 1, 2023, the municipality of Hartland is represented by one Mayor, three “at large” Councillors, and three “ward-specific” Councillors. Each ward has about the same number of residents (1100 to 1400). The picture below depicts the three wards, with ward 1 in blue, ward 2 in yellow, and ward 3 in light red.





MEETINGS

Meetings of Council are held in Council Chambers in the Town Hall located at 31 Orser Street in Hartland. All regular and special meetings of Council and all meetings of Committees of Council are open to the public. Under normal circumstances, regular Council meetings are held on the second and fourth Tuesdays of each month. Changes to this schedule are announced on the town's website (www.townofhartland.ca). Approved minutes of meetings are posted to the town's website and also available for examination by the public at the office of the Clerk during normal office hours. The chart below shows the attendance of Council members at public meetings of Council held in 2023.

MEETING ¹	Mayor DeMerchant	Deputy Mayor Fairgrieve	Councillor Britton	Councillor Patterson	Councillor Smith	Councillor M Walton	Councillor S Walton
JAN 10 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
JAN 24 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
FEB 2 (Special Meeting of Council Closed)	✓	✓	✓	✓	✓	✓	✓
FEB 14 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
FEB 28 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
MAR 14 (Regular Meeting of Council)	✓	✓	●	✓	✓	✓	✓
APR 3 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
APR 11 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
APR 25 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
MAY 9 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
MAY 23 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
MAY 30 (Strategic Planning Session 1)	✓	✓	✓	✓	✓	✓	✓

¹ Attended in Person ✓ | Attended Remotely (Virtual or On-Line) ● | Did not Attend ☒



MEETING ¹	Mayor DeMerchant	Deputy Mayor Fairgrieve	Councillor Britton	Councillor Patterson	Councillor Smith	Councillor M Walton	Councillor S Walton
JUN 1 (Strategic Planning Session 2)	✓	✓	✓	✓	✓	✓	✓
JUN 6 (Strategic Planning Session 3)	✓	✓	✓	✓	✓	✓	✓
JUN 13 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
JUN 26 (Regular Meeting of Council)	✓	✓	✗	✓	✓	✓	✓
JUL 11 (Regular Meeting of Council)	✓	✓	✓	✓	✗	✓	✓
JUL 25 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
AUG 2 (Special Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
AUG 8 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	●
AUG 22 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
JUN 1 (Strategic Planning Session 4)	✓	✓	✓	✓	✓	✓	✓
SEP 6 (Special Meeting of Council Recycling)	✓	✓	✓	✓	✓	✓	✓
SEPT 12 (Regular Meeting of Council)	✓	✓	✓	✓	✗	✓	✓
SEPT 26 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
OCT 10 (Regular Meeting of Council)	✓	✓	✓	●	✓	✓	✓
OCT 24 (Regular Meeting of Council)	✓	✗	✓	✓	✓	✗	✓
NOV 7 (Special Meeting of Council Budget)	✓	✓	✓	✓	✓	✓	✓
NOV 14 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
NOV 28 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓
DEC 12 (Regular Meeting of Council)	✓	✓	✓	✓	✓	✓	✓



COMMITTEE ASSIGNMENTS

To address the range of issues that Council is responsible for, Hartland uses a Committee Structure. Standing Committees oversee ongoing operations in areas such as finance and recreation. Ad Hoc Committees oversee special, one-time projects or areas of focus. Committee members discuss matters of importance and management and then make recommendations to Council. In 2023, Council created the following committees.

COMMITTEE	Mayor DeMerchant	Deputy Mayor Fairgrieve	Councillor Britton	Councillor Patterson	Councillor Smith	Councillor M Walton	Councillor S Walton
Finance & Infrastructure (Standing)		■			●		●
Protective Services (Standing)	●					■	
Growth & Development (Standing)		●		■			
Recreation, Heritage, & Culture (Standing)	●				■		
Cemetery (Ad Hoc)		●	■				
Police Review (Ad Hoc)	■					●	●
CCCC Steering (Ad Hoc)				●		■	

Chair ■ | Member ●



REMUNERATION

The chart below shows the compensation received by members of Council in 2023

COUNCIL MEMBER	COMPENSATION	TRAVEL EXPENSES ²
Mayor Tracey DeMerchant	\$12,000	\$1,957
Deputy Mayor Stewart Fairgrieve	\$9,000	\$800
Councillor Lee Patterson	\$7,500	\$0
Councillor Wayne Britton	\$6,000	\$0
Councillor Mike Walton	\$6,000	\$0
Councillor Sam Walton	\$6,000	\$252
Councillor Jason Smith	\$6,000	\$221

² Rounded to nearest dollar.



PROPERTY TAXES & USER FEES

This section presents property tax and user fee information for 2023.

PROPERTY TAX BASE

The chart below shows Hartland's property tax base (or tax assessment) in dollars by taxation area.

TAX BASE	HARTLAND	SOMERVILLE/ SIMONDS	WAKEFIELD/ BRIGHTON	COLDSTREAM	PEEL	TOTAL
Residential	\$64,713,700	\$38,601,500	\$192,852,400	\$4,546,700	\$7,469,000	\$308,183,300
Non-Residential	\$20,738,800	\$3,209,500	\$6,858,800	\$384,300	\$1,240,400	\$32,431,800
Non-Residential x 1.6	\$33,182,080	\$5,135,200	\$10,974,080	\$614,880	\$1,984,640	\$51,890,880
TOTAL	\$118,634,580	\$46,946,200	\$210,685,280	\$5,545,880	\$10,694,040	\$392,505,980

The chart below shows tax base by area as a percentage of Hartland's total property tax base.

TAX BASE	HARTLAND	SOMERVILLE/ SIMONDS	WAKEFIELD/ BRIGHTON	COLDSTREAM	PEEL	TOTAL
Residential	16.5%	9.8%	49.1%	1.2%	1.9%	78.5%
Non-Residential	5.3%	0.8%	1.7%	0.1%	0.3%	8.3%
Non-Residential x 1.6	8.5%	1.3%	2.8%	0.2%	0.5%	13.2%
TOTAL	30.2%	12.0%	53.7%	1.4%	2.7%	100.0%



PROPERTY TAX RATES

Municipal taxes for residential properties are calculated as follows: $(\text{Property Tax Assessment} / 100) \times \text{Residential Tax Rate}$. For example, if a residential property is valued at \$100,000 and the tax rate is \$1.50, the owner would pay \$1500, which results from $(\$100,000/100) \times 1.5$.

Municipal taxes for non-residential properties (commercial or residential properties) are calculated as follows: $(\text{Property Tax Assessment} / 100) \times \text{Residential Tax Rate} \times \text{Non-Residential Multiplier}$. For example, if a non-residential property is valued at \$500,000, the tax rate is \$1.50, and the multiplier is 1.6, the owner would pay \$12,000, which results from $(\$500,000/100) \times 1.5 \times 1.6$.

In 2023, Hartland set its multiplier to 1.6. The province permits municipalities to set the multiplier up to a maximum of 1.7.

The chart below shows the 2023 tax rates for residential and non-residential properties by area.

RATE TYPE	HARTLAND	SOMERVILLE/ SIMONDS	WAKEFIELD/ BRIGHTON	COLDSTREAM	PEEL
Residential	1.5149	0.6816	0.6816	0.7350	0.6110
Non-Residential ³	2.42384	1.09056	1.09056	1.176	0.9776

³ Calculated by multiplying the Residential Tax Rate by the Multiplier, which was set at 1.6 in Hartland in 2023.



WATER & SEWER FEES

In 2023, annual fees for water and sewer services in Hartland were as follows.

USER TYPE	WATER	SEWER	TOTAL
Residential (Apartment)	\$175	\$125	\$300
Small Commercial / Industrial / Institutional	\$225	\$175	\$400
Single Dwelling / Small Church	\$325	\$300	\$625
Nursing Home / Large Church	\$750	\$500	\$1250
Large Commercial / Industrial / Institutional	\$1250	\$750	\$2000

Consumption fees for water and sewer use (for users on water meters) were as follows.

CONSUMPTION LEVEL	WATER	SEWER	TOTAL
0 to 50,000 gallons per year	\$0.00375	\$0.00175	\$0.00550
50,001 to 250,000 gallons per year	\$0.00325	\$0.00150	\$0.00475
250,001 to 1,000,000 gallons per year	\$0.00275	\$0.00125	\$0.00400
1,000,001 gallons or more per year	\$0.00225	\$0.00075	\$0.00300



OPERATING BUDGETS

All municipalities in New Brunswick are required to establish, account for, and report against two annual operating budgets. The first is a General Operating budget for everything NOT related to utilities (water, wastewater, electrical power). The second is a Utility Operating budget for everything related to water, wastewater, and electrical power. These two budgets are independent of one another and do not share revenues, expenditures, or expenses.

GENERAL OPERATING REVENUE

The chart below shows the budgeted and actual revenues by provincial revenue category in the General Operating budget.

CATEGORY	DESCRIPTION	BUDGET	ACTUAL
Core Funding & Equalization	General funding provided by Province for municipal operations. ⁴	\$106,977	\$106,977
Local Taxes	From property taxes (residential, commercial, and industrial).	\$3,266,113	\$3,266,113
Services to Other Governments	From services provided to other governments (municipal and provincial) such as protective services, transportation services, and environmental health (waste).	\$56,709	\$73,497
Sales of Services	From services sold to other public or private organizations, such as protective, fire, recreation, and planning services.	\$58,300	\$119,546
Other Revenue (Own Sources)	From peddler's licenses, building permits, by-law enforcement fines, facility rentals, sales of investments, and so on.	\$42,000	\$159,263
Unconditional Transfers	From unconditional transfers of funds from the federal government, the provincial government, or others.	\$0	\$299,491
Conditional Transfers	From conditional transfers of funds from the federal government, the provincial government, or others.	\$0	\$0
Other Transfers	From other fund transfers such as carried operating surpluses from prior years and funds transferred from reserve funds.	\$31,568	\$31,568
TOTAL		\$3,561,667	\$4,056,455

⁴ Hartland received less core funding and equalization than many other municipalities in New Brunswick, primarily because it has a high commercial tax base relative to other towns with a similar population.



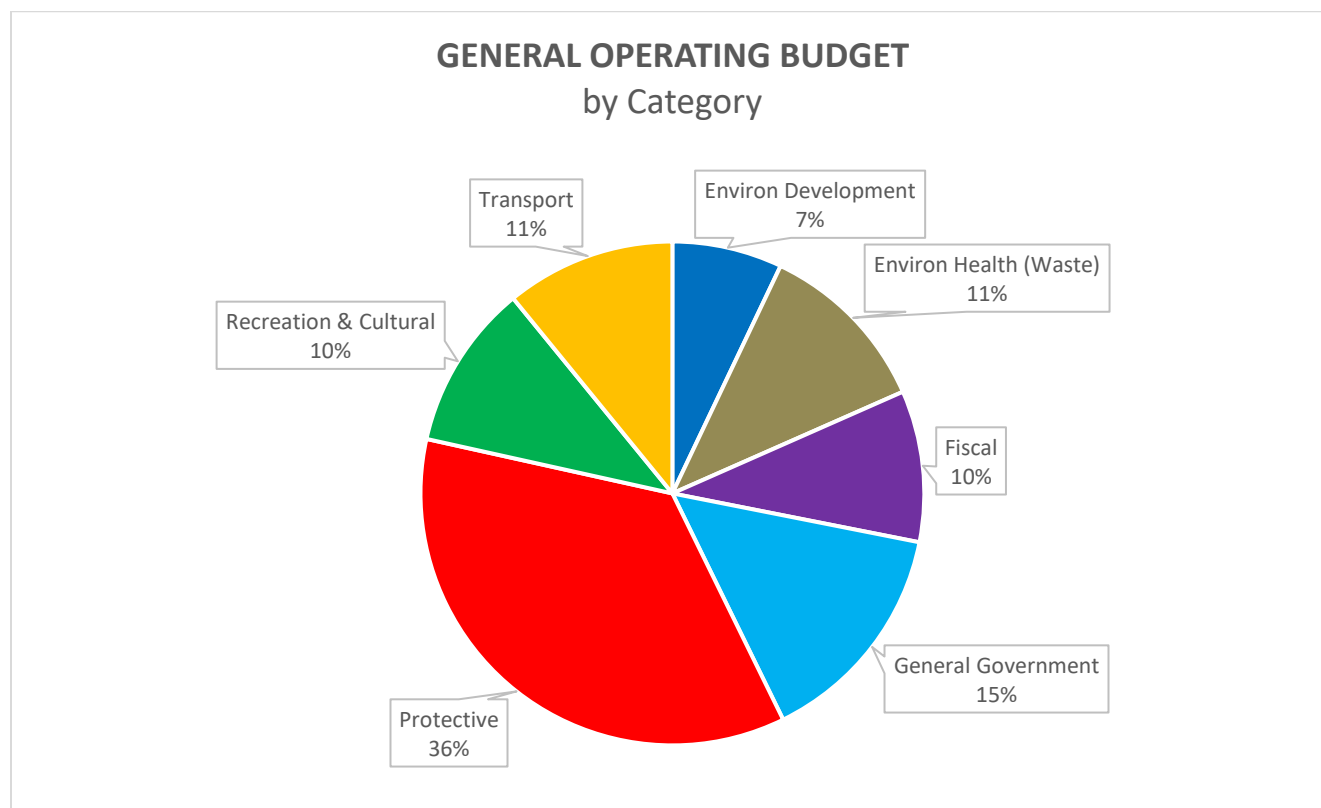
GENERAL OPERATING EXPENDITURES

The chart below shows the budgeted and actual expenditures by provincial expenditure category in the General Operating budget.

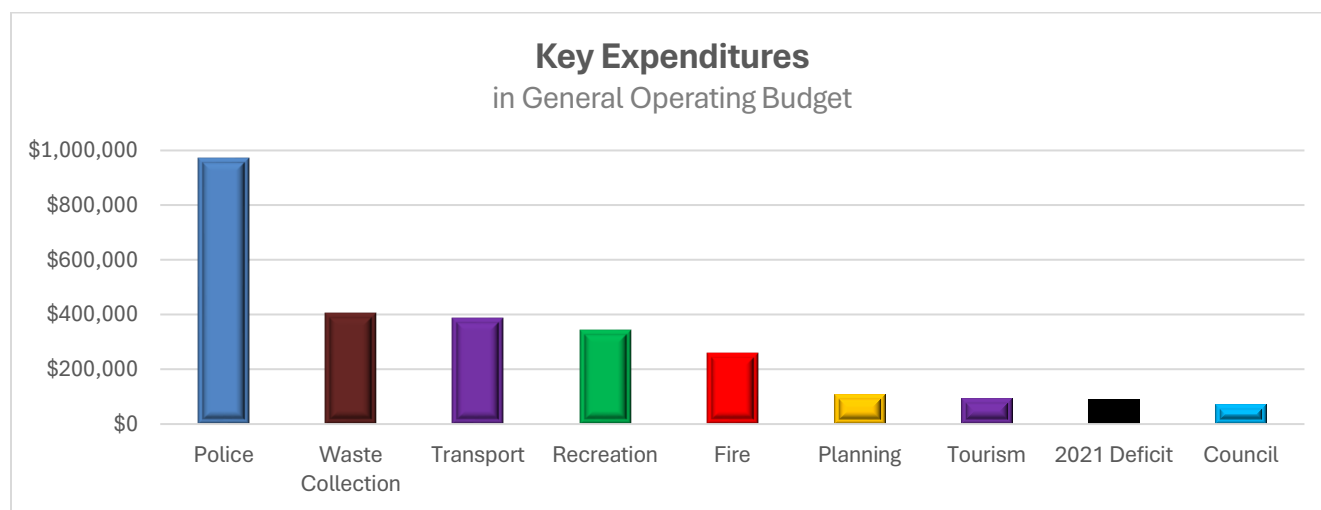
CATEGORY	DESCRIPTION	BUDGET	ACTUAL
General Services	For overall governance and financial administration such as Council remuneration, administration salaries, financial accounting & auditing, and legal.	\$521,587	\$426,030
Protective Services	For policing services, fire services, emergency measures, building inspection, and animal control.	\$1,272,187	\$1,268,805
Transport Services	For costs to repair & maintain roads and streets, buildings, and street lighting,	\$388,054	\$423,527
Environmental Health Services	For solid waste collection and disposal (garbage), a service provided by JS Bellis and the WVRSC.	\$403,137	\$434,683
Public Health Services	To repair & maintain municipal cemeteries.	\$0	\$0
Environmental Development Services	For planning and zoning, beautification, community and social development, economic development, housing, tree planting & removal, tourism and promotion.	\$251,721	\$226,343
Recreation & Cultural Services	To operate, repair, and maintain recreation facilities, parks, and playgrounds, including the library.	\$378,706	\$520,226
Fiscal Services	For loan/debt repayment (principal & interest), carried operating deficits from prior years & transfers to reserve funds.	\$346,275	\$347,121
TOTAL		\$3,561,667	\$3,646,735



The chart below shows the percentage that Hartland allocated to each expenditure category in the General Operating budget.



The chart below shows a subset of key expenditures and the percentage of the General Operating budget that they represent. Note that police costs (for RCMP service) and waste collection costs, which are non-discretionary, represented **27.3%** and **11.3%** of Hartland's total General Operating budget, respectively.





UTILITY OPERATING REVENUE

The chart below shows the budgeted and actual revenues by each provincial revenue category in the Utility budget.

CATEGORY	DESCRIPTION	BUDGET	ACTUAL
Sales of Services	From water and wastewater service fees, including connection and service charge fees.	\$391,000	\$379,247
Other Revenue (Own Sources)	From the sale of services such as water costs for the Fire Department.	\$25,000	\$25,000
Unconditional Transfers	From unconditional transfers of funds from the federal government, the provincial government, or others.	\$0	\$0
Conditional Transfers	From conditional transfers of funds from the federal government, the provincial government, or others.	\$0	\$0
Other Transfers	From other fund transfers such as carried operating surpluses from prior years and funds transferred from reserve funds.	\$33,323	\$93,323
TOTAL		\$449,323	\$497,570

UTILITY OPERATING EXPENSES

CATEGORY	DESCRIPTION	BUDGET	ACTUAL
Environmental Health Services (Water Supply)	For costs to provide water service, including personnel as well as water treatment, transmission, distribution, and billing.	\$151,253	\$152,317
Environmental Health Services (Sewage)	For costs to provide wastewater service, including personnel as well as sewage collection, treatment, lift stations, sewers, and billing.	\$235,207	\$213,488
Fiscal Services	For loan/debt repayment (principal & interest), carried operating deficits from prior years & transfers to reserve funds.	\$62,863	\$65,457
TOTAL		\$449,323	\$431,262



ANNUAL SURPLUS/DEFICIT

Each year, each municipality records a surplus or a deficit in each operating budget. That surplus or deficit then carries forward to the operating budget in two (2) years. For example, if a municipality recorded a deficit in its General Operating budget of \$10,000 in 2020, that deficit would carry forward to its 2022 General Operating budget as an expenditure. Surpluses carry forward as revenue. In 2023, Hartland recorded a surplus of **\$61,038** in its General Operating budget and a surplus of **\$66,308** in its Utility Operating budget.

TRANSFERS TO AND FROM RESERVES

Municipalities transfer operating funds to reserve funds to build savings to cover future operating or capital expenditures. Municipalities transfer reserve funds to operating funds to cover operating costs (such as unplanned infrastructure repairs) or capital investments (such as paving roads or new buildings). In 2023, Hartland Council approved the following transfers to and from **General** reserves.

TRANSFER FROM	TRANSFER TO	DATE	AMOUNT
General Operating Fund	General Capital Reserve Fund	September	\$30,183
General Operating Fund	General Capital Reserve Fund	September	\$25,000
General Operating Fund	General Capital Reserve Fund	December	\$25,000
General Operating Fund	General Capital Reserve Fund	December	\$50,000
TOTAL			\$130,183

In 2023, Hartland Council approved the following transfers to and from **Utility** reserves.

TRANSFER FROM	TRANSFER TO	DATE	AMOUNT
Utility Operating Fund	Utility Capital Reserve Fund	April	\$40,156.70
Utility Capital Reserve Fund	Utility Operating Fund	June	(\$17,500)
Utility Operating Fund	Utility Capital Reserve Fund	December	\$12,500
TOTAL			\$35,156.70



CAPITAL BUDGET

Capital funds represent the savings of a municipality. In most cases, capital funds are used to add or replace tangible assets with a useful life greater than two years and a value greater than \$2000. Examples of tangible assets include buildings (town hall, visitor information center, library, etc.), vehicles, heavy machinery, and equipment (used by Public Works or the Fire Department), road and street infrastructure (including curbs and sidewalks), and water and sewer infrastructure (lagoon, water tower, etc.).

To further clarify the difference between capital investments and operating expenditures, road paving is a capital investment because the useful life of the road is extended, whereas road patching is an operating expenditure because it does not meaningfully extend the useful life of the underlying asset.

SOURCES OF CAPITAL FUNDS

Municipalities obtain capital funding from five primary sources: (1) their own savings, (2) the Canada Community Building Fund, (3) approved debentures (that is, term loans approved by the province), (4) grants from the provincial government, the federal government, or other organizations, and (5) donations from private organizations or persons.

Municipalities build or accumulate **savings** the same way that individuals or companies do, that is, they take a portion of their revenue (or income) and save it. In a municipality, these savings can be spent to add, upgrade, or replace tangible assets. All municipal savings are kept in one or more “funds” such as a General Capital Fund or a Utility Capital Fund. Reserve funds are special funds that require formal Council approval for all deposits and withdrawals by the town administration.

The Canada Community Building Fund (CCBF) is a federal program that provides local governments with direct funding each year for qualified capital projects. Formerly, the CCBF was known as the Gas Tax Fund. To spend CCBF funds, a municipality must create a 5-year capital investment plan that lists and describes each capital project to be completed, the amount to be spent on the project, and the year when the project will be completed. The 5-Year Plan must be approved by the province before the federal government releases the funding to the municipality. On December 31, 2022, Hartland had **\$128,631** in its CCBF fund. In 2023, Hartland received **\$79,925** in new CCBF funding. Hartland spent **\$173,023** in CCBF funds in 2023, leaving a balance on December 31, 2023, of **\$31,533**.

Debentures are loans taken out by municipalities that have been approved by the Government of New Brunswick’s Municipal Capital Borrowing Board (MCBB), an agency within the Department of Environment and Local Government (ELG). Each loan is approved for a particular use such as transportation, water & sewer, or fire, and must be paid back over a particular time period (5, 10, 20, or 30 years). The interest rate on each debenture moves with the prime rate of Canada over the life of the debenture. By law, municipalities cannot borrow money from any private bank or other lending institution without MCBB approval. To be eligible to borrow, a municipality’s debt ratio (a measure of debt to income) must be less than 20%.



LEVEL OF CAPITAL FUNDS

The chart below shows the state of each Hartland capital fund at the beginning and ending of 2023.

FUND	OPENING VALUE	ENDING VALUE
CCBF (Gas Tax Fund)	\$128,631	\$31,533
General Capital Reserve Fund	\$19,563	\$81,146
General Capital Reserve Fund (Fire)	\$0	\$55,335
General Capital Reserve Fund (Transport)	\$0	\$25,126
Utility Capital Reserve Fund	\$10,183	\$10,937
TOTAL	\$61,876	\$100,098

SUMMARY OF CAPITAL EXPENDITURES

Each year, Hartland updates its capital budget by reviewing and prioritizing all potential investments. In 2023, Hartland allocated funds to pave two streets, build a pavilion, dredge its lagoon, purchase a new Public Works vehicle, and more. The chart below lists the major capital expenditures of Hartland in 2023.

PROJECT	SOURCE OF FUNDS	CAPITAL SPENT
Street Resurfacing & Paving	CCBF	\$179,319
Machinery & Equipment	Lease/Donation	\$117,550
Park Development	CCBF	\$90,968
Assets under Construction (Complex)	RDC/ACOA	\$5,441,211
TOTAL		\$5,829,048



DEBENTURES (LONG-TERM DEBT)

At present, Hartland has a total of \$676,000 in outstanding debentures for the purposes shown in the charts below.

DEBENTURES FOR FIRE

DEBENTURE	TERM (YRS)	TOTAL
BN 15	Dec 18, 2015 (10 years)	\$38,000
BZ 16	June 17, 2021 (10 years)	\$291,000
TOTAL		329,000\$

DEBENTURES FOR TRANSPORTATION

DEBENTURE	TERM (YRS)	TOTAL
BT 14	May 29, 2018 (10 years)	\$155,000
BW 24	Nov 21, 2019 (10 years)	\$83,000
TOTAL		\$238,000

DEBENTURES FOR WATER & SEWER

DEBENTURE	TERM (YRS)	TOTAL
BP 16	Dec 7, 2016 (10 years)	\$63,000
BW 25	Nov 21, 2019 (10 years)	\$46,000
TOTAL		\$109,000



FINANCIAL METRICS

GENERAL OPERATING BUDGET METRICS

METRIC	VALUE
% OF GENERAL OPERATING REVENUE FROM PROPERTY TAXES	80.5%
TOTAL BORROWING AS % OF GENERAL OPERATING BUDGET	1.67%
SURPLUS/DEFICIT TO GENERAL OPERATING REVENUE	\$61,038

UTILITY OPERATING BUDGET METRICS

METRIC	VALUE
% OF UTILITY OPERATING REVENUE FROM USER FEES	81.2%
TOTAL BORROWING AS % OF UTILITY OPERATING BUDGET	13.3%
SURPLUS/DEFICIT TO UTILITY OPERATING REVENUE	\$66,308

GENERAL METRICS

METRIC	VALUE
2023 DEBENTURE PAYMENTS	\$167,800
DEBT REPAYMENT AS PERCENTAGE OF OPERATING REVENUE	4.18%



GRANTS

This section summarizes the grants that Hartland provided to local organizations.

COMMUNITY GRANTS

One responsibility of local government is to foster the social, cultural, and environmental well-being of its community. In 2023, Hartland awarded grants of \$500 or more to the organizations listed below. If more detailed information is required, please contact Town Hall.

RECIPIENT	VALUE
Hartland Community School	\$2,000
Coldstream Women's Institute & War Memorial	\$2,300
Covered Bridge Committee (Big Bridge Fest)	\$2,500
Waterville Community Club	\$3,985
Triple-C Recreation Council Inc	\$4,000
TOTAL	\$14,785

DEVELOPMENT GRANTS

Another responsibility of local government is to foster economic development and housing development. In 2023, Hartland awarded development grants to the organizations listed below. For more detailed information, please contact Town Hall.

RECIPIENT	VALUE
If February, the town signed a Developer's Agreement with Becaguimec Developments Ltd. (BDL) that entitled BDL to receive \$24,000 per year for 4 consecutive years after construction of their housing development on McLean Avenue is complete. The Agreement included a clause that permitted BDL to choose to participate in any Development Incentive Policy that Hartland enacted in 2023 instead of receiving the \$24,000 per year under the Developer's Agreement.	\$96,000 (over 4 years)

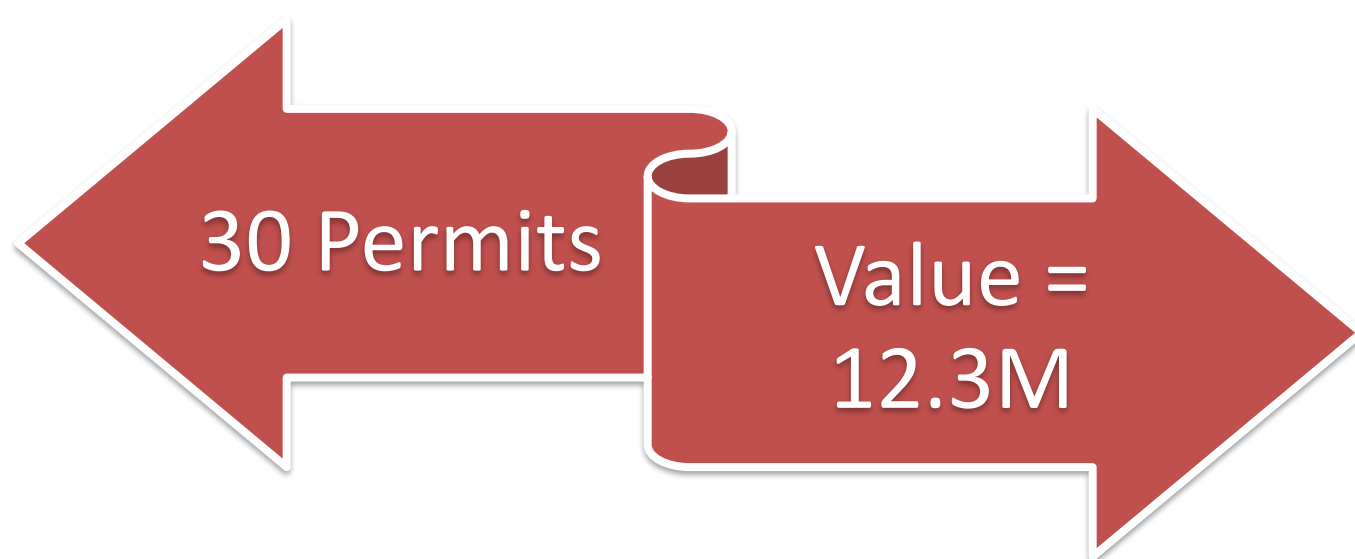


KEY ACTIVITIES & ACCOMPLISHMENTS

This section highlights key activity and accomplishments of the town in 2023.

BUILDING PERMITS & DEVELOPMENT

The chart below shows the total number of building permits issued and the total value of building permits issued in 2023.



CAPITAL PROJECTS

In 2023, the town was engaged with the following capital projects.

- **New Community Complex.** In spring 2023, work continued to design and build Hartland's new \$12M community complex, which included approximately \$3.6M in funding from the federal government and \$5.0M in funding from the provincial government. By December 2023, the exterior structure had been installed, as purchased from the Quebec-based firm Honco Buildings. In addition, the Construction Committee and town agreed to purchase the refrigeration system for the complex from Black & MacDonald, while local firms were contracted to provide sitework, concrete, electrical, and plumbing services. Pearson Engineering of Glassville is providing design and architecture services and Hatchard Engineering of Perth-Andover is providing construction and project management services.
- **New Park & Pavilion.** In 2022, Hartland poured a concrete foundation to support a new outdoor pavilion overlooking the



riverfront next to the Main Street Baptist Church. In 2023, Hartland constructed an open structure with a roof over the foundation, while also extending electrical service to the structure. The completed pavilion is the centerpiece of a park that will be completed in 2025 and 2026 as part of a larger riverfront project.

- **Patching & Paving.** After paving Hawthorne Street and Craig Court in 2022, Hartland paved Southampton Street as well as a one-kilometer stretch of McLean Avenue in 2023. In addition, extensive patching was completed in “old” Hartland in June, July, and August. In the former LSD of Brighton, the Department of Transportation and Infrastructure (DTI) completed a large section of Route 104, with plans to complete work on Route 104 in 2024. DTI also repaired and maintained Hartland’s famous Covered Bridge to preserve and protect its structural integrity.

STRATEGIC PLANNING

After amalgamation on January 1, 2023, Hartland administration and Council agreed to complete a strategic planning process. The goal of the process would be to establish a set of priorities and plans for the town to execute in upcoming years that could be reflected in operational and capital budgets.

Hartland’s strategic planning process was led by facilitator Ken Harding, the former CAO of Woodstock, a former instructor of municipal government for Dalhousie University, and a past facilitator of strategic planning exercises for municipalities across Atlantic Canada.

The process involved a series of four workshops over a three-week period in May and June. Participants at the four workshops included members of Hartland Council, members of the town staff, and other representatives from the community from both the private and public sectors.

Sessions 1 and 2 focused on SWOT (strengths, weaknesses, opportunities, threats) analysis, with a focus on six strategic areas: economic development & tourism, infrastructure, human resources, municipal reform, finance, and protective services. Sessions 3 and 4 focused on developing work plans for the top-ranked priorities that would be represented in future long-term plans, including 5-year capital plans and the municipal plan.

In determining priorities, participants acknowledged the fiscal constraints that Hartland was subject to (such as the levels of reserve funds and long-term debt) and the relative priorities that town had established in recent budgets, for example, the percentage of the general operating budget allocated to transportation, recreation, fire, policing, and so on.

The list below contains many of the top priorities that were agreed to during the strategic planning sessions. For a complete list of priorities, see the 2023 Strategic Plan, which can be found on the municipal website.

Top Priorities

- Waterfront, Park, and Greenspace Development
- Branding and Signage Development
- Incentive Policies



- Industrial Park Expansion
- Asset Management Plan
- Town Hall Plan
- Dangerous & Unsightly Premises By-Law Enforcement
- Staffing Plan.
- Western Valley Regional Service Commission Engagement
- Updated Operating and Capital Budgeting Processes
- Police Model Review

ASSET MANAGEMENT

Like many municipalities across Canada, Hartland has old public infrastructure and worn assets that present fiscal, functional, and operational challenges for the town. In other words, despite recent investments in many capital projects, Hartland still has many old buildings, vehicles, and machines, many rough roads, streets, curbs, and sidewalks, and deteriorating water and sewer infrastructure that will require substantial expenditures in the years and decades ahead.

In 2017, Dillon Consulting, a company that provides professional engineering services to Hartland, prepared an Asset Management Plan for Hartland. It included a detailed list of tangible assets above and below ground, and included asset metadata such as physical dimensions, useful life, and replacement cost. Since its development, town administrators and Council members have referenced the Dillon plan to develop annual operating budgets and 5-year capital plans.

In 2023, the town updated this information, as elements such as useful life and replacement cost had changed significantly since the plan was written. The town also expanded the tangible asset list to include vehicles, machines, and other items that either did not exist in 2017 or had been omitted in the original version.

Where asset management planning is one of the most important and challenging tasks for any municipality to address, the town continues to develop and advance its approach by conducting inventories and adding new toolsets that will enable the town to more intelligently forecast revenues and expenditures related to capital projects.



BY-LAW & POLICY DEVELOPMENT

In 2023, Hartland updated several by-laws and policies. The chart below summarizes these changes, including changes made in December 2022 to prepare for amalgamation in 2023.

BY-LAW / POLICY CHANGE	DATE
By-Law A-027 respecting the Corporate Seal was updated to support the amalgamation process and signed off by a representative of the province.	DEC 2022
By-Law A-028 , a Procedural By-Law for Council , was updated to support the amalgamation process and signed off by a representative of the province.	DEC 2022
By-Law A-029 , a Code of Conduct By-Law for Council , was updated to support the amalgamation process and signed off by a representative of the province.	DEC 2022
By-Law A-030 , respecting the Remuneration of Mayor and Council , was updated to support the amalgamation process and signed off by a representative of the province.	DEC 2022
<p>The following by-laws were repealed:</p> <ul style="list-style-type: none"> • By-Law A-06, Duties of Town Officers was rendered obsolete by the Local Governance Act (Bill 44), which governs the roles of Clerk and Treasurer. • By-Law A-06 was rendered obsolete by the Town's Organization Chart and Roles. • By-Law A-11, RESIDENCY POLICY FOR EMPLOYEES, was rendered obsolete by a supreme court decision that forbids any organization from requiring any citizen to live in a particular place, with a few special exceptions for emergency workers and others. • By-Law B-14, SOLID WASTE DISPOSAL SITE pertained to the former town dump site on Rockland Road that is not active. • By-Law B-41, SUNDAY SHOPPING, was rendered obsolete by the Municipalities Act. 	FEB 2023
By-Law A-030-01 , respecting the Remuneration of Mayor and Council , was updated to so the attendance requirement was based on a monthly pay cycle.	FEB 2023
Policy P-009 introduced a new grant program for residential housing development .	SEPT 2023
Policy P-011 introduced a new grant program for commercial property development .	SEPT 2023
By-Laws 45.6 and 46.8 , both zoning by-laws, were amended to rezone PID 10101640 from the Institutional "INST" Zone to the Mixed-Use "MU" Zone to permit the conversion of a vacant public school into 25 one-bedroom and two-bedroom apartments, a restaurant, professional offices, and a community room to serve the needs of local residents.	DEC 2023



POLICE REVIEW COMMITTEE

In 2023, the town of Hartland and District of Carleton North formed a joint Police Review Committee to explore their potential to form a new local police service to replace the incumbent RCMP service. Both communities sought a police service that could improve the safety, security, and quality of life of residents while remaining under local budgetary and operational control.

In May, representatives from Hartland and Carleton North met in Fredericton with Minister Kris Austin of the Department of Justice and Public Safety. At that meeting, Minister Austin expressed support for Carleton North and Hartland to continue to assess their policing requirements in compliance with the province's Police Service Delivery Model process guide.

In June, Hartland and Carleton North produced a Terms of Reference document and sent letters of notice to the RCMP and the province to confirm that they were assessing their current policing service. In August, Hartland and Carleton North formed a Police Review Committee. With the support of both Councils, the Committee appointed John De Winter, a former Commanding Officer in the RCMP and local Police Chief, to chair the committee.

From August to October, the Police Review Committee met on a regular basis, working to define an alternative policing model in terms of structure and operations. In October, the committee launched a website to inform the public and produced a public survey on policing.

In November, the Committee completed a detailed proposal for the alternative police service that was submitted to Minister Austin. The proposal outlined an alternative service based on 24-7 on-duty coverage, high responsiveness, and local police stations and included 5-year operating and capital budgets as well as an implementation plan. Also in November, Committee members hosted town halls in Carleton North and Hartland to present their proposal to the public.

OTHER

Other notable activities and accomplishments in 2023 are as follows:

- In September, the town applied for funding from the federal government's Housing Accelerator Fund (HAF).
- Under a provincial contract, Dillon Consulting was assigned to work with Hartland to update its Municipal Plan to reflect the town post-amalgamation. Dillon Consulting conducted open town halls for the public with members of Council in attendance on September 20 at the Triple C Recreation Hall and on September 21 at the Waterville Community Hall.
- In September, Hartland submitted to the Government of New Brunswick's Department of Transportation and Infrastructure (DTI) its Four-Year Plan for the Provincial-Municipal Highway Partnership (PMPH) program.
- In December, Hartland Council approved a 4-year Waste Collection Contract with JS Bellis regarding residential garbage and recycling collection.



APPENDIX 1 – AUDITED FINANCIAL STATEMENTS

The following section provides a copy of Hartland's official audited financial statements for 2023.

HARTLAND

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

HARTLAND
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

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Independent Auditor's Report

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Independent Auditor's Report

To Her Worship the Mayor and Council, of
Hartland

Opinion

We have audited the consolidated financial statements of Hartland, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our 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 results of its consolidated operations, its changes in its consolidated net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Canadian public sector accounting standards, 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

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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.

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 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

Leah M. Cain + Associates

Chartered Professional Accountants

**Hartland, New Brunswick
June 25, 2024**

HARTLAND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

2023

Financial Assets

Cash and cash equivalents (Note 3)	\$ 2,431,514
Accounts receivable (Note 4)	1,167,100
Federal Government and its agencies receivable (Note 5)	294,870

3,893,484

Liabilities

Bank loan	244,172
Accounts payable and accruals (Note 6)	1,624,923
Deferred revenue (Note 7)	1,503,299
Accrued sick leave and other benefits (Note 10)	107,435
Pension obligation (Note 11)	37,900
Long-term debt (Note 8)	676,000
Capital lease obligations (Note 9)	89,201

4,282,930

Net debt (389,446)



Non-financial Assets

Tangible capital assets (Note 17)	10,888,218
Prepaid expenses and inventory	11,697

10,899,915

Accumulated Surplus \$ 10,510,469

Approved on behalf of the Council

 Mayor
 , CAO

The accompanying notes are an integral part of the financial statements

HARTLAND
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>
Surplus	\$ 5,333,249
Acquisition of tangible capital assets	(5,441,211)
Amortization of tangible capital assets	440,098
	<u>(5,001,113)</u>
Change in prepaid asset and supplies inventory	31,658
Decrease in net financial assets	363,794
Net financial assets at beginning of year	(753,240)
Net financial assets at end of year	\$ (389,446)

The accompanying notes are an integral part of the financial statements

HARTLAND

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget	2023 Actual
Revenue		
Water and sewer user fees	\$ 391,000	\$ 338,733
Warrant of assessment	3,266,113	3,266,113
Other revenue from own sources	65,500	118,611
Unconditional grant	106,977	106,977
Other government transfers	31,568	331,059
Sales of service	58,300	119,546
Complex revenue	-	5,053,374
Interest income	1,500	40,652
Services provided to other governments	56,709	73,497
Other	-	40,514
	<u>3,977,667</u>	<u>9,489,076</u>
Expenditures		
General government services	610,990	453,073
Protective services	1,417,851	1,414,469
Transportation services	529,651	565,124
Environmental health services	403,137	434,683
Environmental development services	266,414	242,735
Recreational and cultural services	395,132	536,652
Water and sewer	500,008	509,091
	<u>4,123,183</u>	<u>4,155,827</u>
Surplus	(145,516)	5,333,249
Accumulated surplus at beginning of year	-	5,177,219
Accumulated surplus at end of year	<u>\$ (145,516)</u>	<u>\$ 10,510,468</u>

The accompanying notes are an integral part of the financial statements

HARTLAND
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023
Cash flows from	
Operating activities	
Surplus (deficit)	\$ 5,333,249
Items not affecting cash	
Amortization of tangible capital assets	440,098
	5,773,347
Change in non-cash operating working capital	
Accounts receivable	(479,470)
Federal Government and its agencies receivable	(36,146)
Accounts payable and accruals	845,524
Post employment benefits	10,238
Pension obligation	37,900
Prepaid expenses and inventory	31,658
Deferred revenue	387,427
	6,570,478
Capital activities	
Acquisition of tangible capital assets	(5,441,211)
Financing activities	
Long-term debt	(149,000)
Proceeds from short-term financing	244,172
Proceeds from lease obligation	89,201
	184,373
Increase in cash and cash equivalents	1,313,640
Cash and cash equivalents, beginning of year	1,117,874
Cash and cash equivalents, end of year	\$ 2,431,514

The accompanying notes are an integral part of the financial statements

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. Description of entity

The Town of Hartland (the "Town") was incorporated as a Town by the Province of New Brunswick Municipalities Act on October 2, 1918 and was approved for status as a Municipality effective October 2, 1918. As a municipality, the Town is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

The Town provides municipal services such as police, fire, public works, engineering, parks and recreation, community development and general government operations.

New Brunswick Regulation 2022-50 under the Local Governance Act filed on August 30, 2022, stated "For the purpose of the elections held under An Act Respecting Local Governance Reform, former "Town of Hartland", is renamed "Hartland" and will continue with certain unincorporated areas contiguous to Hartland and are annexed to Hartland". The effective date of the annexation is January 1, 2023.

2. Basis of Presentation and Significant Accounting Policies

The consolidated financial statements of Hartland 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 the Chartered Professional Accountants of Canada.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

The focus of Public Sector Accounting (PSA) financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality.

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

(a) Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 15, 2022 and were approved by the Minister of Local Government on December 20, 2022. The budget figures are unaudited.

(b) Cash

Cash and cash equivalents include cash on hand and balances with banks. Bank borrowings are considered to be financing activities.

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Basis of Presentation and Significant Accounting Policies, continued

(c) Reporting entity

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

Inter-departmental and organizational transactions and balances are eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Members of the Hartland Fire Department participate in various fund raising activities to help purchase equipment. The Town does not have any control of the fundraising activities or the funds raised, and does not have access to the financial information. These figures, therefore, are not included in the consolidated financial statements of the Town.

(d) Revenue recognition

Taxation revenue represents annual levy administered and collected by the Province of New Brunswick on behalf of all New Brunswick Municipalities for municipal services. They are recorded as warrant of assessment as the funds are received by the Town.

Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the Town, and a reasonable estimate of the amount to be received can be made.

Fee and charge revenue for building permits, water and sewer, and transportation are recorded on the accrual basis and recognized as earned which is usually when services are provided or facilities are utilized.

Donations are recognized as revenue in the year received.

Other revenue is recorded when it is earned, and collection is reasonably assured.

(e) Expenditure recognition

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

(f) Supplies inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Basis of Presentation and Significant Accounting Policies, continued

(g) Use of estimates

The preparation of the consolidated financial statements in conformity with public sector accounting standards 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 revenue 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. Significant estimates reported in these financial statements include amortization of tangible capital assets, and the accrued sick leave and other benefits obligation. Actual results may differ from those estimates.

(h) Financial instruments

Financial instruments are financial assets or liabilities of the Town where the Town has the right to receive cash or another financial asset from another party or has the obligation to pay cash or other financial assets to another party or equity instruments of another entity.

The Town's financial instruments consist of cash, accounts receivable, and accounts payable. Unless otherwise noted, it is council's opinion that the Town is not exposed to any significant interest or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Town is subject to credit risk through accounts receivable. The Town minimizes credit risk through ongoing credit management.

(i) Deferred revenue

Funding is recorded as deferred revenue if it has been restricted by the government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

(j) Reserve funds

Certain amounts, as approved by Council, are set aside in reserve funds for future operating and capital purposes. Transfers to and from reserve funds are recorded as an adjustment within accumulated surplus. "Statement of Reserve Funds Balances" to the consolidated financial statements is included to show the reserve fund balances as supplementary information.

(k) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, and prepaid expenses and supplies inventory.

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Basis of Presentation and Significant Accounting Policies, continued

(l) Government transfers

Government transfers are transfers of monetary or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

(m) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development and betterment of the asset. The cost of the tangible capital assets are amortized on a straight-line basis over the estimated useful life as follows:

Buildings	25 years
Vehicles	8 years
Small equipment	7-15 years
Machinery and equipment	10-30 years
Infrastructure	10-60 years

Amortization commences in the month of purchase.

Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(n) Net debt or net financial assets

The consolidated financial statements are presented so as to highlight net financial assets (debts) as the measurement of financial position. The net financial assets (debts) of the Town is determined by its financial assets less its liabilities. Net financial assets (debts) is comprised of two components, non-financial assets and accumulated surplus.

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. Basis of Presentation and Significant Accounting Policies, continued

(o) Segmented information

The Municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality's 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 the Municipality. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.
- 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, road and street maintenance, street lighting, traffic services, parking and other transportation related functions.
- Environmental health services
This department is responsible for the provision of waste collection and disposal.
- 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, including swimming pool, arena, parks and playgrounds and other recreational and cultural facilities.
- Water and sewer
This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis. Taxation, unconditional grant, fees and user charges are allocated to those segments that are funded by these amounts based on percent of budgeted expense.

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. Cash and cash equivalents

2023

Externally restricted	
Gas Tax	\$ 31,533
<hr/>	
Internally restricted	
Complex	1,268,563
Reserve General Fund (note 21)	172,544
Reserve Utility Fund (note 21)	100,098
<hr/>	
	1,541,205
<hr/>	
Unrestricted	
Cash	858,776
<hr/>	
	\$ 2,431,514
<hr/>	

4. Accounts receivable

2023

Trade receivables	\$ 90,553
Complex receivable	1,076,547
<hr/>	
	\$ 1,167,100
<hr/>	

5. Due from Federal Government and its agencies receivable

2023

Canada Revenue Agency - HST receivable	\$ 34,265
Canada Revenue Agency - HST receivable - Complex	260,605
<hr/>	
	\$ 294,870
<hr/>	

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

6. Accounts payable and accruals

	2023
Trade payables	\$ 150,586
Complex payables	889,183
Source deductions payable	7,329
Minister of Finance	577,825
	<hr/>
	\$ 1,624,923

7. Deferred revenue

	December 31, 2022	Funding received, 2023	Funding utilized, 2023	December 31, 2023
Federal government				
Canada Community-Building Fund	\$ 128,631	\$ 75,925	\$ (173,023)	\$ 31,533
				<hr/>
Other				
Complex	987,241	5,536,906	(5,053,374)	1,470,773
Social committee	-	993	-	993
				<hr/>
	987,241	5,537,899	(5,053,374)	1,471,766
				<hr/>
	\$ 1,115,872	\$ 5,613,824	\$ (5,226,397)	\$ 1,503,299

Deferred Canada Community-Building Fund - The Province of New Brunswick administers gas tax funding for the federal government. The Town has to submit a plan for use of the gas tax funds. The Capital Investment Plan submitted by the Town requires approval by the government before the release of funding. Projects approved have to fall under one of the following categories: public transit, wastewater infrastructure, drinking water, solid waste management, community energy systems, capacity building, local roads and bridges, highways and many more. Funding released is based on population and is received twice a year. Any remaining unspent funding is recorded as deferred revenue until the revenue recognition criteria are met.

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. Long-term debt

2023

NB Municipal Finance Corporation Debenture BN15, interest at 1.05% to 3.9% per annum, matures in 2025, authorized under OIC #13-0038.	\$ 38,000
NB Municipal Finance Corporation Debenture BT14, interest at 2.1% to 3.7% per annum, matures in 2028, authorized under OIC #17-0095.	155,000
NB Municipal Finance Corporation Debenture BZ16, interest at 0.3% to 2.95% per annum, matures in 2031, authorized under OIC #20-0028.	291,000
NB Municipal Finance Corporation Debenture BW24, interest at 1.95% to 2.95% per annum, matures in 2029, authorized under OIC #17-0011.	83,000
NB Municipal Finance Corporation Debenture BP16, interest at 1.2% to 3.8% per annum, matures in 2026, authorized under OIC #06-0018.	63,000
NB Municipal Finance Corporation Debenture BW25, interest at 1.95% to 2.95% per annum, matures in 2029, authorized under OIC #17-0011.	46,000
	<hr/> \$ 676,000 <hr/>

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

Principal portion of long-term debt due within the next five years:

2024	\$ 123,000
2025	125,000
2026	110,000
2027	90,000
2028 and thereafter	228,000
	<hr/> \$ 676,000 <hr/>

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

9. Capital lease obligations

2023

0.99% capital lease financing with Kubota Canada Ltd., repayable in monthly blended payments of \$1,019, due December 2028, secured by a 2023 Kubota Tractor.	\$	89,201
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Principal portion of capital lease obligations due within the next five years:

2024	\$	11,394
2025		11,507
2026		11,622
2027		11,737
2028	\$	42,941

10. Accrued sick leave obligation

The Municipality provides every full-time employee a sick leave entitlement that accumulates at a rate of 1.25 days for each calendar month. All employees can accumulate up to a maximum of 120 sick leave days. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave up to a maximum of 90 days. The estimated obligation at the end of the year has been accrued. The sick leave is a non-vesting benefit and is unfunded. Benefits are paid out of general revenue as they come due.

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

11. Pension Plan

The Town and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP is a multiple-employer defined benefit pension plan administered by a board elected by the employee and employer representatives under the provisions of the Local Governance Act of New Brunswick. The NB MEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NB MEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial accounting valuation was prepared as at December 31, 2021 and resulted in an overall NB MEPP accrued benefit obligation of \$140,299,800 on the accounting basis.

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2022:

- ♦ the expected inflation rate is 2.10% per annum
- ♦ the discount rate used to determine the accrued benefit obligation is 6.15% per annum
- ♦ the expected rate of return on assets is 6.15% per annum
- ♦ retirement age varies by age and employment category
- ♦ estimated average remaining service life (EARS�) is 14.0 years

The actuarial funding valuation prepared as at December 31, 2021 indicated that the market value of net assets available for the accumulated plan benefits were greater than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan surplus of \$1,294,100, a change of \$2,127,600 from the December 31, 2020 deficit of \$833,500. Based on the assumptions as at December 31, 2021, the actuary expects the level of employer and employee contributions to be sufficient to fund the current service cost and going concern special payments, as required by the Pension Benefits Act.

As at December 31, 2021, the NB MEPP provides benefits for 310 retirees. Total benefit payments to retirees and terminating employees during 2023 are estimated to be approximately \$5,210,400 (actual 2022, \$6,836,300) in totality for the NB MEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.95%. Each participating body contributes an amount that equals their employees contribution amounts. Pension Fund Assets are invested in Short Term Securities, Bonds, Canadian Equities and Foreign Equities. Combined employees and participating bodies' contributions for 2023 are estimated to be approximately \$7,978,000 (actual 2022 \$7,988,500 in totality for the NB MEPP).

The following summarizes the NB MEPP data as it relates to the Town of Hartland:

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

11. Pension Plan, continued

- ♦ The average age of the 9 active employees covered by the NB MEPP is 48.2 (as at Dec. 31, 2021)
- ♦ Benefit Payments were \$63,400 in 2022 and were estimated to be \$60,100 in 2023
- ♦ Combined Contributions were \$66,900 in 2022 and were estimated to be \$68,400 in 2023

In addition to determining the position of the NB MEPP as it relates to the Town of Hartland as at December 31, 2021 and December 31, 2022, NB MEPP's actuary performed an extrapolation of the December 31, 2022 accounting valuation to determine the estimated position as at December 31, 2023. The extrapolation assumes assumptions used as at December 31, 2023 remain unchanged from December 31, 2022. The extrapolation also assumes assets return 6.15% net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

	2023 Estimated	2022 Actual
Accrued Benefit Liability/ (Asset)		
Accrued benefit/liability/(asset) at beginning of period	\$ 36,900	\$ 71,200
Pension expense for the year	35,200	(600)
Less: employer contributions	(34,200)	(33,700)
Accrued benefit liability/(asset) at end of period	\$ 37,900	\$ 36,900

In summary, the Accrued Benefit Liability as it relates to the Town of Hartland is estimated to be \$37,900 as at December 31, 2023. This compares to \$71,200 as at January 1, 2022 and \$36,900 as at December 31, 2022. This amount is included in the Pension Obligation on the Consolidated Statement of Financial Position.

The financial position as it relates to the Accrued Benefit Liability is shown as follows and illustrates the unamortized amounts being recognized in Pension Expense over time:

	2023 Estimated	2022 Actual
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 1,152,500	\$ 1,088,900
Plan assets	(1,040,300)	(972,000)
Unamortized experience (losses)/gains	(74,300)	(80,000)
Accrued benefit liability/(asset) at end of period	\$ 37,900	\$ 36,900

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

11. Pension Plan, continued

The following illustrates the reconciliation of Accrued Benefit Obligation from the beginning of period to the end of period:

	2023 Estimated	2022 Actual
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 1,088,900	\$ 1,056,400
Current service cost	56,800	40,000
Benefit payments	(60,100)	(63,400)
Interest for period	66,900	59,500
Experience loss/(gain) during period	-	(3,600)
Accrued benefit obligation at end of period	\$ 1,152,500	\$ 1,088,900

The following illustrates the reconciliation of Plan assets from the beginning of period to the end of period:

	2023 Estimated	2022 Actual
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 972,000	\$ 1,068,300
Employer contributions	34,200	33,700
Employee contributions	34,200	33,200
Benefit payments	(60,100)	(63,400)
Return on Plan assets during period	60,000	(99,800)
Plan assets at end of period	\$ 1,040,300	\$ 972,000

Total Expenses related to pensions include the following components:

	2023 Estimated	2022 Actual
Pension Expense		
Employer current service cost	\$ 22,600	\$ 6,800
Interest on accrued benefit obligation	66,900	59,500
Expected Return on Assets	(60,000)	(61,000)
Experience loss/(gain)	5,700	(5,900)
Pension expense	\$ 35,200	\$ (600)

The Pension expense is included in the statement of operations.

HARTLAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

12. Short-term borrowings compliance

Interim borrowing for capital

The Town has arranged a revolving operating facility bearing interest at prime - .75 for the General Fund. The facility is used to provide interim financing for capital expenditures.

The Town has ministerial authority for short-term borrowings as follows:

General Capital Fund, #23-0069 \$95,000, #22-0015 \$7,597,700 and #22-0026 \$842,000.

Operating borrowing

As prescribed in the Local Governance Act, borrowing to finance General Fund operations is limited to 4% of the Town's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2023, the Town has complied 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.

13. Water and Sewer Fund Surplus/Deficit

The Local Government Act requires Water and Sewer Fund surplus/deficit amounts to be absorbed into one of the Operating Budgets commencing with the second next ensuing year. The balance of the surplus/deficit at the end of the year consists of:

	2023
2023 surplus	\$ 66,308
2022 surplus	22,813
	<hr/>
	\$ 89,121

14. Water cost transfer

The town's water cost transfer is within the maximum allowable by Regulation based on the applicable percentage of system expenditures for the population.

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

15. Contingent liabilities

In the normal course of operations, the Town may become involved in various claims and legal proceedings. While the final outcome with respect to claims, if any, and legal proceedings, if any, pending at December 31, 2023 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters, if any will not have a material adverse effect as the Town maintains insurance coverage in amounts considered appropriate.

16. Central Carleton Community Complex

On April 28, 2022, it was announced that the Government of Canada and the Government of New Brunswick would be investing funds towards the construction of the Central Carleton Community Complex, located in the Town. The new Complex will feature a year round accessible facility, and include an indoor walking track, multipurpose room, canteen, community room, storage, kitchen and dressing rooms. Site excavation began in the fall of 2022 and the Complex is estimated to be completed and open by September 2024.

The Complex will be funded as follows

Government of Canada investment	\$ 3,600,000
Government of New Brunswick investment	5,074,939
Town of Hartland, Debenture	998,000
Town of Hartland, Debenture	842,000
Private sector donations	1,645,061
	<hr/>
	\$ 12,160,000

The Town received ministerial approval for the debenture of \$998,000 for a term not to exceed twenty years and interim financing of \$6,599,700 for a term not to exceed four years (approval #22-0015 on March 8, 2021) and the debenture of \$842,000 for a term not to exceed twenty years (approval #22-0026 dated March 14, 2022). On January 12, 2023, it was announced that the Province of New Brunswick would contribute an additional \$2,075,239 for this project to cover increased construction costs (2022 \$5,074,939; 2021 \$2,999,700).

The Town has received private sector donations of \$1,716,423 as of December 31, 2023 (2022 - \$1,572,505).

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

17. Schedule of Tangible Capital Assets

	Infrastructure									
	Land	Buildings and leasehold improvements	Vehicles	Machinery and equipment	Roads and streets	Treatment facilities	Water and sewer	Small equipment	Assets under construction	2023 Total
COST										
Balance, beginning of year	\$ 455,200	\$ 1,238,305	\$ 50,394	\$ 3,133,839	\$ 3,075,624	\$ 1,571,486	\$ 3,280,006	\$ 78,870	\$ 1,478,779	\$ 14,362,503
Add:										
Net additions during the year	-	90,968	-	117,550	179,319	-	-	-	5,053,374	5,441,211
Less:										
Disposals during the year	-	-	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	455,200	1,329,273	50,394	3,251,389	3,254,943	1,571,486	3,280,006	78,870	6,532,153	19,803,714
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	665,346	44,099	1,915,643	2,803,323	1,030,091	1,941,192	75,705	-	\$ 8,475,399
Add:										
Amortization during the year	-	49,532	6,295	171,486	103,656	39,287	67,656	2,185	-	440,098
Less:										
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	-	714,878	50,394	2,087,129	2,906,979	1,069,378	2,008,848	77,890	-	8,915,496
NET BOOK VALUE OF TANGIBLE CAPITAL	\$ 455,200	\$ 614,395	\$ -	\$ 1,164,260	\$ 347,964	\$ 502,108	\$ 1,271,158	\$ 980	\$ 6,532,153	\$ 10,888,218
Consists of:										
General Fund Assets	\$ 411,500	\$ 614,395	\$ -	\$ 1,164,260	\$ 347,964	\$ -	\$ -	\$ 980	\$ 6,532,153	9,071,252
Water and Sewer Fund Assets	43,700	-	-	-	-	502,108	1,271,158	-	-	1,816,966
	\$ 455,200	\$ 614,395	\$ -	\$ 1,164,260	\$ 347,964	\$ 502,108	\$ 1,271,158	\$ 980	\$ 6,532,153	\$ 10,888,218

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

18. Schedule of Segment Disclosure

	General Government services	Protective services	Transportation services	Environmental health services	Environmental development services	Recreation and cultural services	Water and sewer	2023 Consolidated
Revenues								
Warrant of assessment	\$ 569,702	\$ 1,275,282	\$ 482,363	\$ 390,351	\$ 243,738	\$ 304,677	-	\$ 3,266,113
Unconditional grant	18,660	41,770	15,799	12,786	7,983	9,979	-	106,977
Services provided to other governments	-	48,095	25,402	-	-	-	-	73,497
Water and sewer user fees	-	-	-	-	-	-	338,733	338,733
Sale of services	-	-	-	-	-	119,546	-	119,546
Other government transfers	50,654	-	179,319	-	-	101,086	-	331,059
Other revenue from own source	30,611	-	-	-	3,000	-	85,000	118,611
Complex revenue	-	-	-	-	-	5,053,374	-	5,053,374
Interest	37,171	-	-	-	-	-	3,481	40,652
Other	-	-	-	-	-	-	40,514	40,514
	\$ 706,798	\$ 1,365,147	\$ 702,883	\$ 403,137	\$ 254,721	\$ 5,588,662	\$ 467,728	\$ 9,489,076
Expenses								
Salaries and benefits	\$ 230,715	\$ 76,355	\$ 230,176	\$ -	\$ 54,023	\$ 298,881	\$ 161,395	\$ 1,051,545
Goods and services	194,367	1,192,450	193,351	434,683	174,019	221,345	234,147	2,644,362
Amortization	11,628	145,664	141,597	-	14,693	16,426	110,090	440,098
Interest	16,363	-	-	-	-	-	3,459	19,822
	\$ 453,073	\$ 1,414,469	\$ 565,124	\$ 434,683	\$ 242,735	\$ 536,652	\$ 509,091	\$ 4,155,827
Annual surplus (deficiency)	\$ 253,725	\$ (49,322)	\$ 137,759	\$ (31,546)	\$ 11,986	\$ 5,052,010	\$ (41,363)	\$ 5,333,249

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

19. Reconciliation of Annual Surplus

	General Operating Fund	Water and Sewer Operating Fund	General Capital Fund	Water Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Water & Sewer Capital Reserve Fund	Total
2023 annual surplus (deficit) per PSAB	\$ 350,879	\$ 65,663	\$ 5,022,002	\$ (110,090)	\$ 54	\$ 1,677	\$ 3,065	\$ 5,333,249
Adjustments to annual surplus (deficit) for funding requirements								
Second previous year's surplus (deficit)	(91,317)	33,323	-	-	-	-	-	(57,994)
Transfers between funds:								
Transfer from general operating fund to general capital fund	(89,201)	-	89,201	-	-	-	-	-
Transfer to utility operating fund from Utility Capital Reserve Fund	-	52,500	-	-	-	-	(52,500)	-
Transfer to utility capital reserve fund from utility operating fund	(50,000)	(52,657)	-	-	-	-	52,657	-
Transfer from general operating fund to capital reserve fund	(80,183)	-	-	-	-	50,000	-	-
Transfer from general operating fund to general capital reserve fund	89,201	-	-	-	-	80,183	-	-
Proceeds of capital lease obligation	(122,000)	-	(89,201)	-	-	-	-	-
Long-term debt principal repayment	-	(27,000)	122,000	-	-	-	-	-
Long-term debt principal repayment	37,900	-	-	27,000	-	-	-	37,900
Provision for pension liability	15,759	(5,521)	-	-	-	-	-	10,238
Provision for sick leave accrual	-	-	330,008	110,090	-	-	-	440,098
Amortization of tangible capital assets	-	-	-	-	-	-	-	-
Net disposal of tangible capital assets	-	-	-	-	-	-	-	-
Total adjustments to 2023 annual surplus (deficit)	(289,841)	645	452,008	137,090	-	130,183	157	430,242
2023 annual fund surplus (deficit)	\$ 61,038	\$ 66,308	\$ 5,474,010	\$ 27,000	\$ 54	\$ 131,860	\$ 3,222	\$ 5,763,491

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

20. Reconciliation of Operating Budget to PSAB Budget

	General Operating Budget	Water and Sewer Operating Budget	Amortization	Transfers	2023
Revenue					
Warrant of assessment	\$ 3,266,113	\$ -	\$ -	\$ -	\$ 3,266,113
Unconditional grant	106,977	-	-	-	106,977
Services provided to other governments	56,709	-	-	-	56,709
Water and sewer user fees	-	391,000	-	-	391,000
Sales of services	58,300	-	-	-	58,300
Other government transfers	31,568	-	-	-	31,568
Other revenue from own sources	40,500	25,000	-	-	65,500
Interest	1,500	-	-	-	1,500
Other	-	-	-	-	-
Surplus of second previous year	-	33,323	-	(33,323)	-
	3,561,667	449,323	-	(33,323)	3,977,667
Expenditures					
General government services	521,587	-	11,628	77,775	\$ 610,990
Protective services	1,272,187	-	145,664	-	1,417,851
Transportation services	388,054	-	141,597	-	529,651
Environmental health services	403,137	-	-	-	403,137
Environmental development services	251,721	-	14,693	-	266,414
Recreation and cultural services	378,706	-	16,426	-	395,132
Water and sewer services	-	386,460	110,090	3,458	500,008
Fiscal services	254,958	62,863	-	(317,821)	-
Deficit of second previous year	91,317	-	-	(91,317)	-
	3,561,667	449,323	440,098	(327,905)	4,123,183
Surplus (deficit)	\$ -	\$ -	\$ (440,098)	\$ 294,582	\$ (145,516)

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

21. Statement of Reserves

	General Operating Reserve	General Capital Reserve	Water & Sewer Capital Reserve	2023
Assets				
Cash	\$ 10,937	\$ 161,607	\$ 100,098	\$ 272,642
Investments	-	-	-	-
Receivable from General and Water & Sewer Operating Fund	-	-	-	-
	\$ 10,937	\$ 161,607	\$ 100,098	\$ 272,642
Liabilities				
Payable to General Operating Fund	\$ -	\$ -	\$ -	\$ -
Accumulated surplus (deficit)	\$ 10,937	\$ 161,607	\$ 100,098	\$ 272,642
Revenue				
Transfers from general and water & sewer operating funds	\$ -	\$ 130,183	\$ 52,657	\$ 182,840
Interest income	54	1,677	3,065	4,796
Transfers from Federal Government	-	-	-	-
	54	131,860	55,722	187,635
Expenditures				
	-	-	52,500	52,500
Annual surplus (deficit)	\$ 54	\$ 131,860	\$ 3,222	\$ 135,135

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

21. Statement of Reserves Continued

Council resolutions regarding transfers to and from reserves:

Moved by Councillor Fairgrieve, seconded by Councillor S. Walton for \$40,156.70 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund. Motion carried.

I hereby certify that the above is a true and exact copy of resolution adopted at a regular meeting of Council on April 3, 2023.

Moved by Councillor Fairgrieve, seconded by Councillor M. Walton for \$17,500.00 be transferred from the Utility Capital Reserve Fund to the Utility Operating Fund. Motion carried.

I hereby certify that the above is a true and exact copy of resolution adopted at a regular meeting of Council on June 26, 2023.

Moved by Councillor Fairgrieve, seconded by Councillor Patterson for \$30,183.00 be transferred from the General Operating Fund to the General Capital Reserve Fund. Motion carried.

Moved by Councillor Fairgrieve, seconded by Councillor Patterson for \$25,000.00 be transferred from the General Operating Fund to the General Capital Reserve Fund. Motion carried.

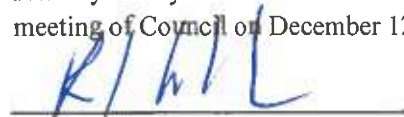
I hereby certify that the above is a true and exact copy of resolution adopted at a regular meeting of Council on September 26, 2023.


Moved by Councillor M. Walton, seconded by Councillor Fairgrieve for \$25,000.00 be transferred from the General Operating Fund to the General Capital Reserve Fund. Motion carried.

Moved by Councillor M. Walton, seconded by Councillor Patterson for \$50,000.00 be transferred from the General Operating Fund to the General Capital Reserve Fund. Motion carried.

Moved by Councillor M. Walton, seconded by Councillor S. Walton for \$12,500.00 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund. Motion carried.

I hereby certify that the above is a true and exact copy of resolution adopted at a regular meeting of Council on December 12, 2023.


Rob Webber
CAO
Town of Hartland


Date



HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

22. Statement of Detailed Revenue and Expenditures

	2023 Budget (Unaudited)	2023
Revenue		
Services to other governments		
Fire protection	\$ 32,568	\$ 48,095
Transportation	22,141	22,141
Lane marking	2,000	3,261
	<u>56,709</u>	<u>73,497</u>
Sales of service		
Recreational programs	58,300	119,546
Other government transfers		
Gas tax funding	-	280,405
Government grants	-	8,415
Conditional transfers - other	31,568	42,239
	<u>31,568</u>	<u>331,059</u>
Other revenue from own source		
Rentals	11,000	25,644
Licenses, permits and fines	13,750	21,195
Tourism	-	4,744
Gifts and miscellaneous	40,750	67,028
Gain on disposal of capital assets	-	-
	<u>65,500</u>	<u>118,611</u>
Complex revenue		
Donations	-	143,919
RDC funding	-	4,853,870
Interest	-	55,585
	<u>-</u>	<u>5,053,374</u>

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

22. Statement of Detailed Revenue and Expenditures

	2023 Budget (Unaudited)	2023
Expenses		
General government services		
Legislative		
Mayor's remuneration and expenses	15,960	13,254
Councilor's remuneration and expenses	50,120	46,517
Other legislative costs	6,500	2,251
Administrative		
Office salaries and benefits	126,900	153,533
Office building	25,000	45,291
Solicitor	11,500	9,948
Other	3,750	6,451
Financial management		
Administration and accounting	111,230	61,282
External audit	23,500	9,419
Other financial management	12,500	750
Other general government services		
Public liability insurance	50,902	1,757
Grants for social or environmental purposes	7,000	3,207
Training and development	7,500	3,011
Amortization	11,628	11,628
Interest	77,775	15,549
Assessment costs	69,225	69,225
	<u>610,990</u>	<u>453,073</u>
Protective services		
Police		
R.C.M.P.	970,697	970,697
Fire		
Administration	33,906	30,834
Firefighting force	82,500	62,138
Training and development	12,500	2,935
Equipment and supplies	85,033	101,034
Station and building	57,500	63,204
Fire alarm system	12,000	26,224
Emergency measures	2,000	-
Other		
Animal and pest control	8,800	9,488
By-Law enforcement	5,000	-
Regional collaboration	2,251	2,251
Amortization	145,664	145,664
	<u>1,417,851</u>	<u>1,414,469</u>

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

22. Statement of Detailed Revenue and Expenditures

	2023 Budget (Unaudited)	2023
Expenses (continued)		
Transportation services		
Common services		
Administration	28,063	194,419
General equipment	5,000	63,912
Workshops and other building	76,198	25,020
Roadway transport		
Administration	2,513	-
Engineering	10,000	-
Summer maintenance	71,156	45,169
Culverts and drainage ditches	2,400	-
Sidewalks	5,000	7,535
Snow and ice removal	123,899	37,652
Traffic lane marking	5,000	-
Street signs	3,000	1,018
Other	11,914	-
Street lighting	42,500	45,634
Other		
Amortization	141,597	141,597
Gas tax expenditures	-	1,757
Regional transport	1,411	1,411
	529,651	565,124
Environmental health services		
Solid waste collection and disposal	274,436	271,303
Solid waste disposal; tipping fees	128,701	163,380
Amortization	-	-
	403,137	434,683
Environmental development services		
Planning and zoning	109,189	109,189
Community and social development	6,059	5,132
Industrial parks and commissions	-	-
Tourism	53,031	57,624
Economic development	76,442	49,808
Beautification and land rehabilitation	7,000	6,289
Amortization	14,693	14,693
	266,414	242,735

HARTLAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

22. Statement of Detailed Revenue and Expenditures

	2023 Budget (Unaudited)	2023
Expenses (continued)		
Recreation and cultural services		
Administration	54,879	212,104
Community centres and halls	14,250	10,285
Swimming pool	52,600	56,325
Arena	180,117	170,215
Parks and playgrounds	41,822	29,964
Training and development	2,500	1,015
Library	31,500	39,280
Contribution to RSC	1,038	1,038
Amortization	16,426	16,426
	395,132	536,652
Water and sewer supply		
Administration	67,562	95,899
All other wages, excluding admin	191,498	86,015
Interest on long term debt	3,458	3,458
Amortization	110,090	110,090
All other water and sewer expenses	127,400	213,629
	\$ 500,008	\$ 509,091