

Town of Port au Port East

Port au Port, NL

Consolidated Financial Statements

December 31, 2020

Town of Port au Port East
Consolidated Financial Statements
December 31, 2020
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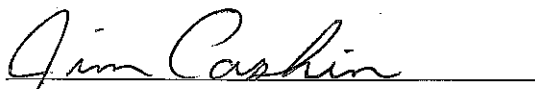
STATEMENT OF RESPONSIBILITY

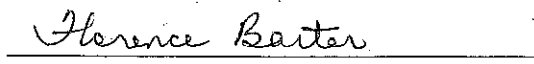
The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Port au Port East and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

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

The Council of Municipality met with management and its external auditors to review a draft of the Consolidated Financial Statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized consolidated financial statements.

Darren Roberts, Chartered Professional Accountant as the Municipality's appointed external auditor, has audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and Members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.


Jim Cashin
Mayor


Florence Barter
Town Clerk



Independent Auditor's Report

To the Council Members of *Town of Port Au Port East*

Opinion

I have audited the financial statements of *Town of Port Au Port East*, which comprise the Comprised Statement of Financial Position as at *December 31, 2020* and the Statements of Surplus, Statement of Change in Net Financial Assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of *Town of Port Au Port East* as at *December 31, 2020*, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Public Sector Accounting Bodies (PSAB).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Town in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters 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.

When individuals responsible for the oversight of the financial reporting process are the same as those responsible for the preparation of the financial statements, no reference to oversight responsibilities is required.



Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.



- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

D. Roberts CPA

Darren Roberts
Chartered Professional Accountant
March 3, 2021



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Stephenville, NL
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Tel: (709) 643-5677
Fax: (709) 643-2007

February 23, 2021

The Mayor and Councillors of
The Town of Port au Port East

In compliance with the requirements of Section 91 of The Municipalities Act, 2001, we report as follows on the audit of the accounts of the Council for the year ended December 31, 2020.

1. **Expenditure in relation to budget**

Expenditure at \$ 482,180 was within the limits of the approved budget.

2. **Arrears of revenue**

Taxes and rates receivable totalled \$ 4,903 at December 31, 2020. Of this amount \$ 4,785 has been outstanding for one year or longer, while the balance of \$ 118 represents arrears on account of taxes and rates levied in 2020.

The allowance for doubtful accounts amounted to \$ 50 at December 31, 2020. In our opinion the allowance is adequate.

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

The position in these respects was considered adequate.

4. **Sufficiency of bonds**

Fidelity bond coverage of \$50,000 is carried on the employees of the Council who are in a position of trust. In our opinion, the coverage is sufficient.

J. S. LACEY

Chartered Professional Accountant

Town of Port au Port East
Consolidated Statement of Financial Position
December 31, 2020

	<u>2020</u>	<u>2019</u>
<i>Assets</i>		
<i>Financial Assets</i>		
Cash and short-term investments	\$ 418,034	\$ 395,167
Accounts receivable (Note 3)	<u>15,981</u>	<u>39,858</u>
	<u>434,015</u>	<u>435,025</u>
 <i>Liabilities</i>		
Accounts payable and accrued liabilities (Note 4)	6,139	24,295
Long term debt (Note 5)	<u>58,426</u>	<u>86,922</u>
	<u>64,565</u>	<u>111,217</u>
 <i>Net Financial Assets (Net Debt)</i>	 <u>369,450</u>	 <u>323,808</u>
 <i>Non Financial Assets</i>		
Prepaid expenses	15,803	12,629
Tangible Capital Assets (Schedule 1)	<u>2,207,724</u>	<u>2,230,508</u>
	<u>2,223,527</u>	<u>2,243,137</u>
 <i>Accumulated Surplus</i>	 <u>\$ 2,592,977</u>	 <u>\$ 2,566,945</u>

Signed on behalf of Council

Signed by Mayor: Jim Cashin

Signed by Town Clerk: Florence Bester

Town of Port au Port East
Consolidated Statement of Operations
December 31, 2020

	<u>Budget</u> (Schedule 3)	<u>2020</u>	<u>2019</u>
Revenue			
Taxation (schedule 2)	\$ 320,641	\$ 306,059	\$ 301,899
Government grants and transfers (schedule 2)	127,627	173,355	324,651
Other revenue (schedule 2)	5,000	28,798	31,300
	<u>453,268</u>	<u>508,212</u>	<u>657,850</u>
Expenditure			
General government services (schedule 3)	107,946	102,066	146,381
Protection services	38,741	40,411	34,922
Transportation services	98,356	102,970	82,986
Environmental health services	233,097	233,385	206,624
Recreation services	11,048	3,348	2,848
Planning and development	5,300	-	-
	<u>494,488</u>	<u>482,180</u>	<u>473,761</u>
Annual Surplus (Deficit)	<u>\$ (41,220)</u>	26,031	184,089
Surplus, Beginning of Year		<u>2,566,945</u>	<u>2,382,856</u>
Surplus, End of Year		<u>\$ 2,592,976</u>	<u>\$ 2,566,945</u>

Town of Port au Port East
Consolidated Statement of Change In Net Financial Asset
December 31, 2020

	<u>Budget</u> (Schedule 8)	<u>2020</u>	<u>2019</u>
<i>Annual Surplus (Deficit)</i>	\$ -	\$ 26,031	\$ 184,089
Acquisition of tangible capital assets	-	(102,760)	(50,940)
Amortization of tangible capital assets	-	125,544	122,835
Prepaid expense	-	(3,174)	(12,629)
<i>Change In Net Financial Assets</i>	-	45,642	243,355
<i>Net Financial Assets (Net Debt), Beginning of Year</i>		<u>323,808</u>	<u>80,453</u>
<i>Net Financial Assets (Net Debt), End of Year</i>		<u>\$ 369,450</u>	<u>\$ 323,808</u>

Town of Port au Port East
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
<i>Operating Transactions</i>		
Annual surplus	\$ 26,031	\$ 184,089
Changes in non-cash items:		
Account receivable	23,877	20,510
Account payable and accrued liabilities	(18,156)	(29,791)
Amortization	125,544	122,835
Deferred revenue	-	(165,713)
Prepaid expense	<u>(3,174)</u>	<u>(12,629)</u>
Cash provided by operating transactions	<u>154,122</u>	<u>119,301</u>
<i>Investing Activities</i>		
Purchase of capital assets	<u>(102,760)</u>	<u>(50,940)</u>
<i>Financing Transactions</i>		
Repayment of long-term debt	(28,496)	(46,463)
<i>Increase in Cash</i>	22,867	21,898
<i>Cash, Beginning of Year</i>	<u>395,167</u>	<u>373,269</u>
<i>Cash, End of Year</i>	<u>\$ 418,034</u>	<u>\$ 395,167</u>

Town of Port au Port East
Notes To The Consolidated Financial Statements
For The Year Ended December 31, 2020

1. Nature of Business

The Town of Port au Port East is a municipal government incorporated pursuant of the Province of Newfoundland and Labrador's Municipalities Act. The Town provides and funds municipal services including fire, public works, recreation and other government services.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

a) Basis of Consolidation

The financial statements include all the assets, liabilities, revenue and expenses of the reporting entity including local boards and committees.

b) Cash

Cash includes cash balance and bank balance.

c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets under construction are not amortized until the asset is put into use. The cost of the tangible capital asset is amortized on a straight-straight-line basis over their estimated useful lives as follows:

Buildings	25-50 years
General equipment	5 years
Transportation infrastructure	20-30 years
Vehicle and equipment	20 years
Water and sewer infrastructure	30-50 years
Sanitation infrastructure	20 years

d) Revenue Recognition

Revenues are recognized as earned and when collection is reasonably assured. Tax rates are approved annually by Council.

e) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Town of Port au Port East
Notes To The Consolidated Financial Statements
For The Year Ended December 31, 2020

3. Accounts Receivable

	<u>2020</u>	<u>2019</u>
Taxes Receivable	\$ 4,903	\$ 12,717
HST Rebate	11,128	11,676
Capital works receivable	-	15,465
	<u>16,031</u>	<u>39,858</u>
Less allowance for doubtful accounts	50	-
	<u>\$ 15,981</u>	<u>\$ 39,858</u>

4. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
Accounts Payable	\$ 6,139	\$ 23,957
Accrued Expenses	-	338
	<u>\$ 6,139</u>	<u>\$ 24,295</u>

5. Long Term-Debt

	<u>2020</u>	<u>2019</u>
Newfoundland Municipal Financing Corporation		
- 6.75% interest, repayable in semi-annual blended payment of \$8,170, due 2018.	\$ -	\$ 4,255
- 6.375% interest repayable in semi-annual blended payment of \$4,391, due 2020.	-	-
- 6.375% interest, repayable monthly principal payment of \$11,338, due 2020.	-	10,987
- 6.375% interest, repayable monthly principal payment of \$5,935, due 2020.	-	5,752
Bank of Montreal		
- prime + 1.5% interest repayable monthly principal payment of \$848, due 2025.	58,426	65,928
	<u>\$ 58,426</u>	<u>\$ 86,922</u>

Long Term Debt is guaranteed by the Province of Newfoundland and Labrador.

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

2020	\$ 31,170
2021	10,176
2022	10,176
2023	10,176
2024	10,176

Town of Port au Port East
Notes To The Consolidated Financial Statements
For The Year Ended December 31, 2020

6. Restricted Funds

The Town of Port au Port East has \$20,335 of gas tax funding included in cash that is restricted to approved community investment projects by the gas tax secretariat.

7. Budget

In accordance with the Province of Newfoundland and Labrador's Municipalities Act, every council must adopt a financial plan for each fiscal period in a form approved by the minister. The financial plan is prepared on a revenue and expenditure basis that does not meet the recommendations of PSAB. For comparative purposes, the Town of Port au Port East has modified its financial plan to prepare a budget that is consistent with the scope of accounting principles used to report the actual results. The budget figure used in these financial statements have been approved by Council. The reconciliation between the Municipality's cash based financial plan and the PSAB accrual based budget figures used in these statements is disclosed in Schedule 8 - Reconciliation of the Financial Plan to the Budget.

Consolidated Schedule Of Tangible Capital Assets
Year Ended December 31, 2020

	Cost		Accumulated Amortization		Net Book Value
	Dec.31/2019	Dec.31/2020	Dec.31/2019	Dec.31/2020	
Land	\$ 15,529	\$ 15,529	\$ -	\$ -	\$ 15,529
Buildings	210,858	216,594	175,353	179,206	37,388
Vehicles & equipment	300,516	300,516	112,347	135,088	165,428
Transportation & infrastructure	834,034	834,034	753,575	764,804	69,230
General equipment	17,782	17,782	11,672	12,301	5,481
Water infrastructure	2,793,661	2,890,685	896,394	982,638	1,908,047
Recreation infrastructure	105,256	105,256	97,787	98,635	6,621
	<u>\$ 4,277,636</u>	<u>\$ 4,380,396</u>	<u>\$ 2,047,128</u>	<u>\$ 2,172,672</u>	<u>\$ 2,207,724</u>

	Cost		Accumulated Amortization		Net Book Value
	Dec.31/2018	Dec.31/2019	Dec.31/2018	Dec.31/2019	
Land	\$ 15,529	\$ 15,529	\$ -	\$ -	\$ 15,529
Buildings	210,858	210,858	171,615	175,353	35,505
Vehicles & equipment	300,516	300,516	88,269	112,347	188,169
Transportation & infrastructure	834,034	834,034	742,346	753,575	80,459
General equipment	17,782	17,782	11,043	11,672	6,110
Water infrastructure	2,742,721	2,793,661	814,081	896,394	1,897,267
Recreation infrastructure	105,256	105,256	96,939	97,787	7,469
	<u>\$ 4,226,696</u>	<u>\$ 4,277,636</u>	<u>\$ 1,924,293</u>	<u>\$ 2,047,128</u>	<u>\$ 2,230,508</u>

Town of Port au Port East
Consolidated Schedule of Revenue & Expenditure - Revenue
For The Year Ended December 31, 2020

Schedule 2

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
<i>Taxation</i>			
Property tax	\$ 209,140	\$ 196,505	\$ 195,109
Business tax	34,351	36,855	34,784
Poll tax	2,200	1,000	650
Water rates	74,950	71,698	71,356
	<u>320,641</u>	<u>306,059</u>	<u>301,899</u>
<i>Government Grants & Subsidies</i>			
Province of Newfoundland & Labrador Subsidies			
Municipal assistance grants	37,863	37,863	37,863
Grants regarding debt	21,664	20,995	43,328
Provincial gas tax	17,379	17,379	17,379
Capital works grant	-	71,124	208,510
Other grant	-	5,658	-
Federal gas tax	50,721	20,336	17,571
	<u>127,627</u>	<u>173,355</u>	<u>324,651</u>
<i>Other</i>			
License and permit	-	460	435
Miscellaneous	5,000	28,338	30,865
	<u>5,000</u>	<u>28,798</u>	<u>31,300</u>
	<u>\$ 453,268</u>	<u>\$ 508,212</u>	<u>\$ 657,850</u>

Town of Port au Port East

Schedule 3

Consolidated Schedule of Revenue & Expenditure - Expenditure
For The Year Ended December 31, 2020

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
General Government Services			
Salaries and benefits	\$ 44,543	\$ 38,411	\$ 41,142
General office	23,500	30,386	58,852
Council	8,000	418	1,281
Insurance	12,138	14,654	12,545
Assessment services	10,946	10,946	10,946
Professional development and training	1,000	-	10,067
Public relations	1,000	432	1,132
Interest on long-term debt	2,337	2,337	6,399
Amortization	4,482	4,482	4,367
Bad debt	-	-	(350)
	<u>107,946</u>	<u>102,066</u>	<u>146,381</u>
Protective Services			
Fire protection	12,500	14,767	9,128
Other Services	3,500	-	-
Emergency planning	-	2,903	1,717
Amortization	22,741	22,741	24,077
	<u>38,741</u>	<u>40,411</u>	<u>34,922</u>
Transportation Services			
Maintenance	17,327	19,661	7,349
Snow removal	48,000	51,981	43,080
Street lighting	21,800	20,100	21,328
Amortization	11,229.00	11,229	11,229
	<u>98,356</u>	<u>102,970</u>	<u>82,986</u>
Environmental Health Services			
Water supply	83,000	100,479	77,326
Sanitation	63,853	46,662	46,984
Amortization	86,244	86,244	82,314
Other environmental services	-	-	-
	<u>233,097</u>	<u>233,385</u>	<u>206,624</u>
Planning and Development			
	<u>5,300</u>	<u>-</u>	<u>-</u>
Recreation Services			
Recreation centres	10,200	2,500	2,000
Amortization	848	848	848
	<u>11,048</u>	<u>3,348</u>	<u>2,848</u>
	<u>\$ 494,488</u>	<u>\$ 482,180</u>	<u>\$ 473,761</u>

**Consolidated Statement Of Operations By Program
Year Ended December 31, 2020**

	General Government		Protective Services		Transportation Services		Environmental Services	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue								
Taxation	\$ 234,361	\$ 230,543	\$ -	\$ -	\$ -	\$ -	\$ 71,698	\$ 71,356
Grants and transfers	173,355	281,855	-	-	-	-	-	42,796
Other revenue	28,798	31,300	-	-	-	-	-	-
Total revenue	\$ 436,514	\$ 543,698	\$ -	\$ -	\$ -	\$ -	\$ 71,698	\$ 114,152
Expenses								
Personnel services	38,411	51,209	-	-	-	-	59,421	-
Contract services	25,600	23,491	-	-	-	-	-	-
Utilities	-	-	-	-	20,100	21,328	-	-
Maintenance materials & supplies	31,236	61,265	17,670	10,845	71,642	50,429	87,720	124,310
Amortization	4,482	4,367	22,741	24,077	11,229	11,229	86,244	82,314
Interest on long term debt	2,337	6,399	-	-	-	-	-	-
Other	-	(350)	-	-	-	-	-	-
Total expenses	102,066	146,381	40,411	34,922	102,971	82,986	233,385	206,624
Surplus (Deficit)	\$ 334,448	\$ 397,317	\$ (40,411)	\$ (34,922)	\$ (102,971)	\$ (82,986)	\$ (161,687)	\$ (92,472)

	Recreation and Cultural Services		Total	
	2020	2019		2020
Revenue				
Taxation	\$ -	\$ -	\$ 306,059	\$ 301,899
Grants and transfers	-	-	173,355	324,651
Other revenue	-	-	28,798	31,300
Total revenue	\$ -	\$ -	\$ 508,212	\$ 657,850
Expenses				
Personnel services	-	-	\$ 97,832	51,209
Contract services	-	-	25,600	23,491
Utilities	-	-	20,100	21,328
Maintenance materials & supplies	2,500	2,000	210,767	248,849
Amortization	848	848	125,544	122,835
Interest on long term debt	-	-	2,337	6,399
Other	-	-	-	(350)
Total expenses	3,348	2,848	482,180	473,761
Surplus (Deficit)	\$ (3,348)	\$ (2,848)	\$ 26,032	\$ 184,089

Reconciliation Of The Financial Plan To The Budget
Year Ended December 31, 2020

	Financial Plan	Amortization (TCA)	Interest Expense	Transfers	PSAB Budget
Revenue					
Taxation	\$ 320,641	\$ -	\$ -	\$ -	320,641
Grants and transfers	127,627	-	-	-	127,627
Other revenue	5,000	-	-	-	5,000
Total revenue	\$ 453,268	\$ -	\$ -	\$ -	\$ 453,268
Expenses					
Government services	101,127	4,482	2,337	-	107,946
Protective services	16,000	22,741	-	-	38,741
Transportation Services	87,127	11,229	-	-	98,356
Environmental health services	146,853	86,244	-	-	233,097
Regional planning & development	5,300	-	-	-	5,300
Recreation and cultural services	10,200	848	-	-	11,048
Fiscal services:					
Capital expenditures	50,720	-	-	(50,720)	-
Debt charges	31,841	-	-	(31,841)	-
Transfers	4,100	-	-	-	4,100
Total expenses	453,268	125,544	2,337	(82,561)	494,488
Surplus (Deficit)	\$ 0	\$ (125,544)	\$ (2,337)	\$ 82,561	\$ (41,220)

Schedule of Surplus (Deficit), Revenue and Expenses
Town of Port au Port East
Year Ended December 31, 2020

	Budget	Actual	
	2020	2020	2019
REVENUE			
Taxation			
Property Tax	\$ 209,140	\$ 196,505	\$ 195,109
Water Sewer Tax	74,950	71,698	71,356
Other:			
Poll Tax	2,200	1,000	650
Business Tax	34,351	36,855	34,784
Utility Tax	-	-	-
Other Taxes	-	-	-
Other Revenue - Own Sources			
Sales of Goods and Services	5,000	28,798	31,300
Other	-	-	-
Provincial Government Grants:			
Municipal Operating Grant	37,863	37,863	37,863
Provincial Portion - Debt Charges	21,664	20,995	43,328
Other Grants	-	71,124	208,510
Grant- Federal Gas Tax Revenue	50,721	20,336	17,571
Provincial Gas Tax Revenue	17,379	17,379	17,379
Other Grants	-	5,658	-
TOTAL REVENUE	453,268	508,212	657,850
EXPENDITURE			
General Government	101,127	95,247	135,615
Protective Services	16,000	17,670	10,845
Transportation Services	87,127	91,741	71,757
Environmental Services	146,853	147,141	124,310
Planning & Development	5,300	-	-
Recreation and Cultural	10,200	2,500	2,000
Fiscal Services:			
Debt Servicing - Principal and Interest	31,841	2,337	52,862
Allowance for Doubtful Accounts	-	-	-
Capital out of Revenue	50,720	125,544	50,940
Gas Tax Expenditure	-	-	-
Other	4,100	-	-
TOTAL EXPENDITURE	453,268	482,180	448,329
Current Year Surplus/Deficit	\$ 0	\$ 26,031	\$ 209,521
Accumulated Surplus - Opening Balance			
Accumulated Surplus - Closing Balance			

Town of Port au Port East

Port au Port East, NL

**Annual Expenditure Report
Gas Tax Funding Agreement**

December 31, 2020

Contents

- 1. Auditor's Report**
- 2. Annual Expenditure Report**

Auditor's Report

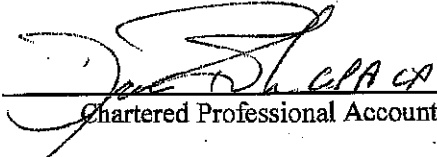
To the Mayors & Councillors of the Town of Port au Port East

We have audited the annual expenditure report for the Town of Port au Port East as at December 31, 2020 with the criteria established by local government gas tax funding agreement. Compliance with the criteria established by the provisions of the agreement is the responsibility of the town's management. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the Town of Port au Port East complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with these criteria, and where applicable, assessing the accounting principles used and significant estimates made by the town.

In our opinion, as at December 31, 2020, the Town of Port au Port East is in compliance, in all material respects with the criteria established by the gas tax agreement.

Stephenville, NL
March 29, 2021


Chartered Professional Accountant

Appendix A: Summary of Eligible Recipients Fund for Municipalities/Inuit Community Governments 2020 Annual Expenditure Report

Municipality/Inuit Community Government Town of Port au Port East

Year ended December 31, 2020

	Annual	Cumulative
	01/01/2020 12/31/2020	Date of signing 12/31/2020
1. Opening balance of unspent funding	\$ 17,571	\$ -
2. Received from Government of Newfoundland & Labrador	20,336	413,552
3. Interest earned on gas tax funds	-	-
4. Interest spent on eligible projects	-	-
5. Net interest earned on gas tax funds	-	-
6. Gas tax funds spent on eligible projects	<u>5,800</u>	<u>381,445</u>
7. Closing balance of unspent funding	<u>\$ 32,107</u>	<u>\$ 32,107</u>
8. Gas Tax bank account balance	\$ 14,604	
9. Gas Tax bank account surplus / deficit (Note 1)	\$ (17,503)	

Certification by Municipality/Inuit Community Government

I, Jim Cashin, Mayor of the Town/City/Inuit Community Government of Town of Port au Port East certify that the information reported is a true and accurate representation of the Municipality/Inuit Community Government's position with respect to its federal gas tax revenues. I acknowledge and understand that any contravention of the terms and conditions of the Local Government Gas Tax Funding Agreement/Inuit Community Government Gas Tax Funding Agreement may result in funding being withheld.

Signature: Jim Cashin Date: March 29/21

Does the recipient have a separate bank account for Gas Tax Funding? Yes No

Note 1: The monies are in the general account.

