

**TOWN OF FOGO ISLAND**  
**Financial Statements**  
**Year Ended December 31, 2022**

**TOWN OF FOGO ISLAND**  
**Index to Financial Statements**  
**Year Ended December 31, 2022**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

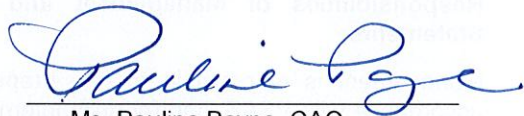
The integrity and reliability of Town of Fogo Island's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information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

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

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



Mr. Andrew Shea, Mayor



Ms. Pauline Payne, CAO

Fogo Island Central, NL  
August 29, 2023



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## INDEPENDENT AUDITOR'S REPORT

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### To the Mayor and Councillors of Town of Fogo Island

#### Opinion

I have audited the financial statements of Town of Fogo Island (the Town), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, changes in net financial assets (debt) and cash flows 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 the Town as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

#### Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Town in accordance with ethical requirements that are relevant to my audit of the 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 PSAS, 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.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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Independent Auditor's Report to the Councillors of Town of Fogo Island *(continued)*

- 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.

Clarenville, Newfoundland and Labrador  
August 29, 2023

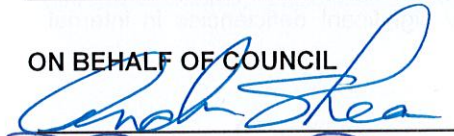
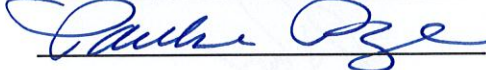


Chartered Professional Accountant  
Richard K Power, FCPA, Professional Corporation

**TOWN OF FOGO ISLAND**  
**Statement of Financial Position**  
**December 31, 2022**

	2022	(Restated - See Note 2) 2021
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 3)</i>	\$ 1,359,951	\$ 1,127,943
Cash - restricted <i>(Note 3)</i>	90,377	219,511
Accounts receivable <i>(Note 6)</i>	609,076	1,139,119
	<b>2,059,404</b>	<b>2,486,573</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 7)</i>	408,049	1,121,042
Deferred income <i>(Note 8)</i>	90,377	185,592
Long term debt <i>(Note 9)</i>	1,298,480	1,379,178
	<b>1,796,906</b>	<b>2,685,812</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>262,498</b>	<b>(199,239)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Schedule 4)</i>	25,812,574	26,454,472
<b>ACCUMULATED SURPLUS</b>	<b>\$ 26,075,072</b>	<b>\$ 26,255,233</b>

ON BEHALF OF COUNCIL

 Mayor  
 Town Clerk

**TOWN OF FOGO ISLAND**

**Statement of Operations and Accumulated Surplus**

**Year Ended December 31, 2022**

	Budget (Schedule 5)	2022	(Restated - See Note 2) 2021
<b>REVENUES</b> <i>(Schedule 2)</i>			
Taxation	\$ 1,988,686	\$ 1,919,803	\$ 1,949,654
Sales of good and services	76,313	103,461	87,318
Grants and transfers	652,478	1,130,138	1,910,143
Investment income	50,000	75,920	63,323
Other revenue	93,400	145,099	23,152
Transfer from reserves	803,250	-	-
	3,664,127	3,374,421	4,033,590
<b>EXPENSES</b> <i>(Schedule 3)</i>			
General Government services	1,865,169	2,001,318	1,988,282
Protective Services	163,885	115,769	151,867
Transportation	361,071	225,710	135,338
Environmental Health Services	763,911	658,904	793,124
Regional Planning and development	54,000	26,240	23,183
Recreation and cultural services	369,091	405,073	392,416
Fiscal Services	87,000	121,568	209,715
	3,664,127	3,554,582	3,693,925
<b>ANNUAL SURPLUS (DEFICIT)</b>	-	(180,161)	305,746
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	26,255,233	26,255,233	25,949,487
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 26,255,233	\$ 26,075,072	\$ 26,255,233

The accompanying notes are an integral part of these financial statements

**TOWN OF FOGO ISLAND**

**Statement of Changes in Net Financial Assets (Debt)**

**Year Ended December 31, 2022**

	Budget (Schedule 5)	2022	(Restated - See Note 2) 2021
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ -	\$ (180,161)	\$ 305,746
Amortization of tangible capital assets	1,321,222	<b>1,321,222</b>	1,277,576
Purchase of tangible capital assets	-	<b>(679,322)</b>	(1,872,957)
Rounding	-	<b>(3)</b>	2
	1,321,222	<b>641,897</b>	(595,379)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	1,321,222	<b>461,736</b>	(289,633)
<b>NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR</b>	(199,240)	<b>(199,239)</b>	90,394
<b>NET FINANCIAL ASSETS (DEBT) - END OF YEAR</b>	\$ 1,121,982	<b>\$ 262,498</b>	\$ (199,239)

The accompanying notes are an integral part of these financial statements



**TOWN OF FOGO ISLAND**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

	2022	(Restated - See Note 2) 2021
<b>OPERATING ACTIVITIES</b>		
Surplus (deficit)	\$ (180,161)	\$ 305,746
Item not affecting cash:		
Amortization of tangible capital assets	1,321,222	1,277,576
	<b>1,141,061</b>	<b>1,583,322</b>
Changes in non-cash working capital:		
Accounts receivable	530,043	(432,655)
Accounts payable and accrued liabilities	(712,994)	825,155
Deferred income	(95,215)	151,587
	<b>(278,166)</b>	<b>544,087</b>
Cash flow from operating activities	<b>862,895</b>	<b>2,127,409</b>
<b>CAPITAL ACTIVITY</b>		
Purchase of tangible capital assets	(679,322)	(1,872,957)
Cash flow used by capital activity	<b>(679,322)</b>	<b>(1,872,957)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	165,464	349,287
Repayment of long term debt	(246,163)	(210,289)
Cash flow from (used by) financing activities	<b>(80,699)</b>	<b>138,998</b>
<b>INCREASE IN CASH FLOW</b>	<b>102,874</b>	<b>393,450</b>
Cash - beginning of year	<b>1,347,454</b>	<b>954,004</b>
<b>CASH - END OF YEAR</b>	<b>1,450,328</b>	<b>1,347,454</b>
<b>CASH CONSISTS OF:</b>		
Cash and temporary investments	\$ 1,359,951	\$ 1,127,943
Cash - restricted	90,377	219,511
	<b>\$ 1,450,328</b>	<b>\$ 1,347,454</b>

The accompanying notes are an integral part of these financial statements

**TOWN OF FOGO ISLAND**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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**1. Nature of operations**

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

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**2. Prior Period Adjustment**

Deferred revenue for 2021 was adjusted to account for amendment to the fire hall upgrades project in which the expenses were capitalized, however the associated grant funding from federal gas tax was not recognized. The effect of the adjustment was a decrease in deferred revenue of \$33,919 and an increase in grant revenue of the same amount.

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**3. Summary of significant accounting policies**

Basis of presentation

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:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

Cash and temporary investments

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

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

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**TOWN OF FOGO ISLAND**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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

Tangible capital assets

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

General Tangible Capital Assets

Land	Indefinite	straight-line method
Land improvements	10 to 50 years	straight-line method
Buildings	25 to 40 years	straight-line method
Computer hardware and software	4 years	straight-line method
Machinery and equipment	5 to 25 years	straight-line method

Infrastructure

Land	Indefinite	
Road surface	5 to 20 years	straight-line method
Road grade	30 Years	straight-line method

Water and Sewer

Land	indefinite	straight-line method
Land improvements	50 Years	straight-line method
Buildings	25 to 40 years	straight-line method
Machinery and equipment	15 years	straight-line method

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition policy

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

Government transfers, which include legislative grants, are recognized in the financial statements in the period which events give rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

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.

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**TOWN OF FOGO ISLAND**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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

The Municipality's position in these respects was considered satisfactory.

**5. Sufficiency of bonds**

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

**6. Accounts receivable**

	2022	2021
Property tax	\$ 201,179	\$ 260,797
Poll tax	49,614	59,459
Business tax	142,736	148,513
Water and sewer tax	104,083	120,730
Interest	156,107	131,953
HST receivable	135,242	276,020
Miscellaneous	91,260	406,801
	880,221	1,404,273
Less allowances for doubtful amounts	(271,145)	(265,154)
	\$ 609,076	\$ 1,139,119

**7. Accounts payable and accrued liabilities**

	2022	2021
Trade	\$ 294,071	\$ 1,008,299
Prepaid taxes	66,708	49,498
Accrued wages	25,483	42,083
Government remittances	21,787	21,162
	\$ 408,049	\$ 1,121,042

**TOWN OF FOGO ISLAND**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**8. Deferred revenue**

Deferred revenue relates to Gas Tax funding received for capital projects in advance. There is a prior period adjustment as disclosed in Note 2 related to deferred revenue.

**9. Long term debt**

	2022	2021
Scotiabank loan bearing interest at prime plus .25% per annum, repayable in monthly principal payments of \$5,745 plus interest. The loan matures on February 21, 2031 and is related to an infrastructure project.	\$ 562,560	\$ 625,755
Scotiabank loan bearing interest at prime plus .25% per annum, repayable in monthly principal payments of \$2,195 plus interest. The loan matures on July 1, 2031 and is related to an infrastructure project.	226,092	250,237
Scotiabank loan bearing interest at prime plus .25% per annum, repayable in monthly principal payments of \$3,283 plus interest. The loan matures on February 28, 2023 and is related to a plow and sander truck.	9,814	49,210
Scotiabank loan bearing interest at 3.84% per annum, repayable in annual payments of \$3,982. The loan matures on January 21, 2025.	95,515	138,721
Scotiabank loan bearing interest at 2% per annum, repayable in monthly blended payments of \$2,179. The loan matures on February 8, 2026 and is secured by equipment.	80,159	104,436
Scotiabank loan bearing interest at 2.42% per annum, repayable in monthly blended payments of \$3,985. The loan matures on August 9, 2026 and is secured by equipment.	167,624	210,819
Scotiabank loan bearing interest at prime plus .25% per annum, repayable in monthly interest payments and one lump sum payment of \$83,449 on March 2, 2023 and is secured by an infrastructure project.	83,849	-
Scotiabank loan bearing interest at prime plus .25% per annum, repayable in monthly blended payments of \$972. The loan matures on March 3, 2027 and is secured by an infrastructure project.	72,867	-
	\$ 1,298,480	\$ 1,379,178

Principal repayment terms are approximately:

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**TOWN OF FOGO ISLAND**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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

2023	\$ 314,522
2024	221,013
2025	183,135
2026	142,883
2027	106,944
Thereafter	<u>329,983</u>
	<u>\$ 1,298,480</u>

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**10. Financial instruments**

The Municipality, as part of its operations, carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

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**11. Budget**

In accordance with the Province of Newfoundland and Labrador's Municipalities Act, every council must adopt a financial plan for each fiscal period in a form approved by the minister. The financial plan is prepared on a revenue and expenditure basis that does not meet the recommendations of PSAB. For comparative purposes, the Town has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by Council.

The reconciliation between the Municipality's cash based financial plan and the PSAB accrual based budget figures used in these statements is disclosed in Schedule 4 - Reconciliation of the Financial Plan to the Budget.

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**TOWN OF FOGO ISLAND**  
**Schedule of Revenues (Schedule 1)**  
**Year Ended December 31, 2022**

	2022	2021 (Restated )
<b>Taxation</b>		
Property tax	\$ 887,373	\$ 879,777
Poll tax	37,269	43,227
Business tax	419,898	486,462
Water and sewer tax	575,263	540,188
	<b>1,919,803</b>	<b>1,949,654</b>
<b>Sale of Goods and Service</b>		
Recreation and cultural services	73,579	70,068
Water supply	13,600	11,200
Other sales of goods and services	16,282	6,050
	<b>103,461</b>	<b>87,318</b>
<b>Grants</b>		
<i>Government of Newfoundland and Labrador</i>		
Municipal operating grants	395,519	395,519
Gas Tax revenue	303,787	156,505
Capital grants	430,832	1,358,119
	<b>1,130,138</b>	<b>1,910,143</b>
<b>Investment income</b>		
Interest from investments	75,920	63,323
<b>Other Income</b>		
Gain on sale of tangible capital assets	60,500	19,076
Miscellaneous	84,599	4,076
	<b>145,099</b>	<b>23,152</b>
<b>Total Revenues</b>	<b>\$ 3,374,421</b>	<b>\$ 4,033,590</b>

The accompanying notes are an integral part of these financial statements

**TOWN OF FOGO ISLAND**  
**Schedule of Expenses (Schedule 2)**  
**Year Ended December 31, 2022**

	2022	2021
<b>General Government</b>		
Legislation	\$ 3,033	\$ 5,006
Common Services	390,350	366,275
General Administrative	286,713	328,996
Other general government services	-	10,429
Amortization of capital assets	1,321,222	1,277,576
	<b>2,001,318</b>	<b>1,988,282</b>
<b>Protective services</b>		
Fire	109,360	151,867
Animal and pest control	6,409	-
	<b>115,769</b>	<b>151,867</b>
<b>Transportation services</b>		
Road, street sidewalk maintenance	225,710	135,338
<b>Environmental health services</b>		
Water supply	443,058	558,808
Sewage collection and disposal	35,453	58,997
Garbage and waste collection and disposal	180,393	175,319
	<b>658,904</b>	<b>793,124</b>
<b>Regional planning and development</b>		
Planning and zoning	161	-
Community improvement and development	4,687	3,573
Regional development	14,775	10,223
Tourism and marketing	6,617	9,387
	<b>26,240</b>	<b>23,183</b>
<b>Recreational and cultural services</b>		
Recreation administration	47,299	1,513
Skating and curling rinks	183,307	168,892
Parks and playgrounds	1,263	681
Other recreation and cultural services	173,204	221,330
	<b>405,073</b>	<b>392,416</b>
<b>Fiscal Services</b>		
Long term interest	53,644	38,371
Provision for uncollectible taxes, fees and charges	51,420	75,758
Early payment discounts	16,504	95,586
	<b>121,568</b>	<b>209,715</b>
<b>Total Expenses</b>	<b>\$ 3,554,582</b>	<b>\$ 3,693,925</b>

The accompanying notes are an integral part of these financial statements

**TOWN OF FOGO ISLAND****Statement of Operations by Revenue and Expense Type****(Schedule 3)****Year Ended December 31, 2022**

		(Restated - See Note 2)
	2022	2021
<b>Operating Revenues</b>		
Taxation	\$ 1,893,553	\$ 1,949,654
Sales of goods and services	113,855	78,744
Operating grants	544,817	589,378
Investment income	75,920	63,323
Other	160,955	35,025
	<b>2,789,100</b>	<b>2,716,124</b>
<b>Operating Expenses</b>		
Personnel services	890,401	1,033,344
Contract Services	217,902	207,085
Utilities	258,984	245,623
Maintenance materials and supplies	687,582	671,586
Interest on long term debt	53,644	38,371
Other	124,846	220,339
	<b>2,233,359</b>	<b>2,416,348</b>
Annual Operating Surplus	<b>555,741</b>	<b>299,776</b>
<b>Capital Revenues</b>		
Capital grants	585,321	1,283,546
<b>Capital Expense</b>		
Amortization of tangible capital assets	1,321,222	1,277,576
Annual capital deficit	(735,901)	5,970
<b>Annual Surplus (deficit)</b>	<b>\$ (180,161)</b>	<b>\$ 305,746</b>

The accompanying notes are an integral part of these financial statements

**TOWN OF FOGO ISLAND**  
**Schedule of Tangible Capital Assets (Schedule 4)**  
**Year Ended December 31, 2022**

	General Capital Assets				Infrastructure		Totals	
	Land and Land Improvements		Buildings and Leasehold Improvements		Roads and Street	Water and Sewer	2022	2021
<b>Cost</b>								
Opening cost	\$ 6,521	\$ 6,929,718	\$ 3,439,012	\$ 3,924,133	\$ 36,382,354	\$ 50,681,738	\$ 48,808,781	
Additions during the year	-	18,340	131,779	242,875	286,332	679,326	1,872,957	
Closing costs	6,521	6,948,058	3,570,791	4,167,008	36,668,686	51,361,064	50,681,738	
<b>Accumulated Amortization</b>								
Opening accum'd amortization	-	4,009,088	2,051,191	2,232,059	15,934,924	24,227,262	22,949,686	
Amortization	-	251,592	153,311	185,910	730,410	1,321,222	1,277,576	
Closing accum'd amortization	-	4,260,680	2,204,502	2,417,969	16,665,334	25,548,484	24,227,262	
<b>Net Book Value of TCA</b>	\$ 6,521	\$ 2,687,378	\$ 1,366,289	\$ 1,749,039	\$ 20,003,352	\$ 25,812,574	\$ 26,454,472	

The accompanying notes are an integral part of these financial statements

**TOWN OF FOGO ISLAND**  
**Reconciliation of the Financial Plan to Budget (Schedule 5)**  
**Year Ended December 31, 2022**

	Financial Plan	Amortization (TCA)	Interest Expense	Transfers	PSAB Budget
<b>Revenues</b>					
Taxation	\$ 1,988,686	\$ -	\$ -	\$ -	1,988,686
Sale of goods and services	76,313				76,313
Grants	652,478				652,478
Investments	50,000				50,000
Other revenue	93,400				93,400
Transfers from (to) reserves				803,250	803,250
<b>Total Revenues</b>	<b>2,860,877</b>				<b>3,664,127</b>
<b>Expenses</b>					
General government services	543,947	1,321,222			1,865,169
Protective services	163,885				163,885
Transportation services	361,071				361,071
Environmental health services	763,911				763,911
Regional planning and development	54,000				54,000
Recreation and cultural Services	369,091	-	-	-	369,091
Fiscal services					
Capital expenditures	186,729			(186,729)	-
Debt charges	331,243		(331,243)		-
Other	87,000				87,000
<b>Total Expenses</b>	<b>2,860,877</b>	<b>1,321,222</b>	<b>(331,243)</b>	<b>(186,729)</b>	<b>3,664,127</b>
<b>Surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (1,321,222)</b>	<b>\$ 331,243</b>	<b>\$ 186,729</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements

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# TOWN OF FOGO ISLAND

Site 5 Unit 2 Box 2  
Fogo Island Central, NL  
A0G 2X0

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August 29, 2023

Confidential

Richard K Power, CPA, Professional Corporation  
221E Memorial Drive  
Cormack Building  
Clarenville Newfoundland and Labrador A5A 1R3

Attention: Richard K Power, FCPA, FCA

Dear Sir:

Re: Management representations letter

This representation letter is provided in connection with your audit of the financial statements of Town of Fogo Island for the year ended December 31, 2022, for the purpose of you expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

## 1. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated January 6, 2023 for:

- Preparing and fairly presenting the financial statements in accordance with Canadian public sector accounting standards;
- Providing you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
    - A. Accounting records, supporting data and other relevant documentation,
    - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
    - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
  - ii. Additional information that you have requested from us for the purpose of the audit; and
  - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c) Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d) Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

## 2. Fraud and Non Compliance



## **2. Fraud and Non Compliance** *(continued)*

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
  - i. Management;
  - ii. Employees who have significant roles in internal control; or
  - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

## **3. Related Parties**

We confirm that there were no related-party relationships or transactions that occurred during the period.

## **4. Estimates**

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian public sector accounting standards. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

## **5. Commitments and Contingencies**

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

## **6. Adjustments**

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

## **7. Misstatements**

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole.

## **8. Accounting policies**

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

## **9. Contractual compliance**

We have complied with the terms and conditions of all contractual agreements that could have a material effect, in the event of non-compliance, on the financial statements.

## **10. Impairment of long-lived assets**

We have evaluated long-lived assets for recoverability whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Management acknowledges that when the long-lived asset is not recoverable, an impairment loss is recognized in earnings at the amount by which the carrying amount exceeds its fair value.

## **11. Journal entries**

We have approved all journal entries and other adjustments proposed by you, and they have been included in our financial statements.

## **12. Revenue recognition**

## 12. Revenue recognition *(continued)*

We have recorded all revenue that met the following criteria:

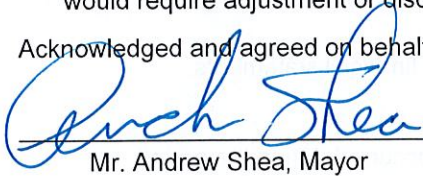
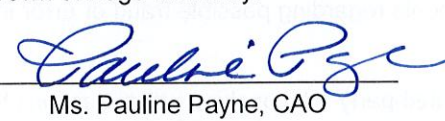
- a. Persuasive evidence of an arrangement exists;
- b. Delivery has occurred, or services have been rendered;
- c. Price is fixed or determinable; and
- d. Collectability is reasonably assured.

## 13. Subsequent events

There have been no events between the balance sheet date and the date of this letter that would require recognition or disclosure in the financial statements.

There have been no events subsequent to the balance sheet date of the comparative financial statements that would require adjustment or disclosure in the current financial statements.

Acknowledged and agreed on behalf of Town of Fogo Island by:

Mr. Andrew Shea, Mayor

Ms. Pauline Payne, CAO

August 29, 2023

August 29, 2023

Date signed

Date signed

# Town of Fogo Island

Year End: December 31, 2022

Adjusting Journal Entries

Date: 2022-01-01 To 2022-12-31

Prepared by	Plan Review by	WP Review by
MM 2023-08-18		RKP 2023-08-23

5D

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	2022-12-31	Unearned revenue - Gas tax	3656-0000	TT		219,511.00		
1	2022-12-31	SURPLUS/DEFICIT	4999-0000	TT	219,511.00			
		To balance opening accumulated surplus.						
2	2022-12-31	Term Deposit	1150-0000	A. 3	41.84			
2	2022-12-31	INC INTEREST	5050-7000	A. 3		41.84		
		To record investment interest.						
3	2022-12-31	REC A/R CONTROL POLL (REGIONAL)	2021-0000	C		31,064.26		
3	2022-12-31	BLDG - NEW FIRE HALL	2120-0000	C	31,064.26			
		To adjust for prior year adjustment made from A/R poll to Building - new fire hall in error.						
4	2022-12-31	Bank Loan - Water & Sewer	2690-0000	KK	165,464.00			
4	2022-12-31	Bank Loan - Barr'd Island Water	2695-0000	KK		83,849.00		
4	2022-12-31	Barr'd Islands HST Rebate Loan	2696-0000	KK		81,615.00		
		To redistribute loan proceeds for Barr'd Islands water.						
5	2022-12-31	Unearned revenue - Gas tax	3656-0000	20. 8	33,919.00			
5	2022-12-31	SURPLUS/DEFICIT	4999-0000	20. 8		33,919.00		
		To redistribute Federal gas tax funding spent on fire hall upgrades of windows, doors, heating and insulation noted in 2021 gas tax amendment.						
7	2022-12-31	Unearned revenue - Gas tax	3656-0000		95,215.00			
7	2022-12-31	INC GOV - GAS TAX	5191-0000			95,215.00		
		To recognize gas tax funding related to gas tax expenditures for current year.						
8	2022-12-31	A/P TRADE - OTHER	3600-0000	BB	48,639.23			
8	2022-12-31	EXP WAGES - CHIEF ADMINISTRATIVE OFFIC	6000-7000	BB		2,678.57		
8	2022-12-31	EXP WAGES - EXECUTIVE ASSISTANT	6007-7000	BB		1,594.82		
8	2022-12-31	EXP WAGES - ACCOUNTING CLERK	6008-7000	BB		1,312.54		
8	2022-12-31	EXP WAGES - MAINTENANCE WORKERS	6009-7300	BB		8,037.60		
8	2022-12-31	Exp Wages - Other	6010-7000	BB		417.19		
8	2022-12-31	EXP WAGES - RECEPTIONIST	6011-7000	BB		1,219.40		
8	2022-12-31	EXP WAGES - STADIUM WORKERS	6011-7204	BB		3,568.65		
8	2022-12-31	EXP WAGES - MUSEUM SUPERVISORS	6013-7209	BB		37.89		
8	2022-12-31	Exp Wages - Fire Chief	6015-7100	BB		2,154.29		
8	2022-12-31	EXP WAGES - SPECIAL ASSISTANCE	6052-7208	BB		1,477.54		
8	2022-12-31	EXP WAGES - COMM ENHANC PRJ	6079-7208	BB		3,902.23		
8	2022-12-31	Exp - EI Burden (Fire Chief)	6159-7100	BB		47.65		
8	2022-12-31	EXP - CPP BURDEN	6162-7000	BB		382.94		
8	2022-12-31	EXP - EI BURDEN	6163-7000	BB		162.45		
8	2022-12-31	EXP - CPP BURDEN (MAINTENANCE)	6164-7300	BB		428.05		
8	2022-12-31	EXP - EI BURDEN (MAINTENANCE)	6165-7300	BB		177.17		
8	2022-12-31	EXP - CPP BURDEN (STADIUM)	6166-7204	BB		182.04		
8	2022-12-31	EXP - EI BURDEN (STADIUM)	6167-7204	BB		78.94		
8	2022-12-31	EXP - EI BURDEN (SPECIAL ASSISTANCE)	6171-7208	BB		32.69		
8	2022-12-31	EXP - CPP BURDEN (SPECIAL ASSISTANCE)	6172-7208	BB		69.98		
8	2022-12-31	EXP - EI BURDEN (CULTURAL FACILITIES)	6173-7205	BB		0.84		
8	2022-12-31	EXP - CPP BURDEN (CULTURAL FACILITIES)	6174-7205	BB		1.89		
8	2022-12-31	EXP - EI (COMM ENHANC PROG.)	6177-7208	BB		86.30		
8	2022-12-31	EXP - CPP (COMM ENHANC PROG.)	6178-7208	BB		194.19		
8	2022-12-31	EXP HYDRO - TOWN OFFICE	6180-7000	BB		693.10		
8	2022-12-31	EXP HYDRO - FIREHALLS	6190-7100	BB		844.27		
8	2022-12-31	EXP HYDRO - COMMUNITY HALLS	6191-7202	BB		899.09		
8	2022-12-31	EXP HYDRO STADIUM	6192-7204	BB		6,637.54		
8	2022-12-31	EXP HYDRO - STREETLIGHTS	6200-7390	BB		4,986.73		
8	2022-12-31	EXP HYDRO - SAND & SALT SHED	6210-7350	BB		630.10		
8	2022-12-31	EXP HYDRO - WATER	6220-7401	BB		3,635.80		
8	2022-12-31	EXP HYDRO - SEWER	6221-7402	BB		809.01		



# Town of Fogo Island

Year End: December 31, 2022

Adjusting Journal Entries

Date: 2022-01-01 To 2022-12-31

Prepared by	Plan Review by	WP Review by
MM 2023-08-18		RKP 2023-08-23

5D-1

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
8	2022-12-31	EXP HYDRO - TOURISM	6240-7200	BB		180.29		
8	2022-12-31	EXP HYDRO - MUSEUMS	6241-7206	BB		770.62		
8	2022-12-31	EXP TELEPHONE - TOWN OFFICE	6270-7000	BB		434.75		
8	2022-12-31	EXP TELEPHONE - COMMUNITY HALLS	6271-7202	BB		112.49		
8	2022-12-31	EXP TELEPHONE - FIREHALLS	6280-7100	BB		198.45		
8	2022-12-31	EXP TELEPHONE - STADIUM	6281-7204	BB		111.12		
8	2022-12-31	EXP TELEPHONE - BEEPER	6290-7100	BB		232.32		
8	2022-12-31	EXP MISCELLANEOUS	7040-7814	BB	271.10			
8	2022-12-31	Exp - Covid (Stimulus Project)	7156-7208	BB		559.80		
8	2022-12-31	Exp - Covid (Stimulus Project)	7156-7208	BB	1,071.00			
To write off prior year accruals.								
9	2022-12-31	ACCRUED VACATION PAYABLE	2165-0000	BB. 3	16,600.13			
9	2022-12-31	Wages adjustment account	6087-0000	BB. 3		16,600.13		
To adjust leave payable.								
10	2022-12-31	PENSION 5% - EMPLOYEE	3004-0000	BB		1,287.87		
10	2022-12-31	GROUP INSURANCE - EMPLOYEE	3006-0000	BB	2,483.75			
10	2022-12-31	EMPLOYEE PAYROLL DEDUCTION	3010-0000	BB		0.17		
10	2022-12-31	Wages adjustment account	6087-0000	BB		1,195.71		
To adjust miscellaneous payable balances.								
12	2022-12-31	A/P TRADE - OTHER	3600-0000	BB. 6		103,547.69		
12	2022-12-31	EXP WAGES - CHIEF ADMINISTRATIVE OFFICER	6000-7000	BB. 6	3,076.92			
12	2022-12-31	EXP WAGES - EXECUTIVE ASSISTANT	6007-7000	BB. 6	1,693.00			
12	2022-12-31	EXP WAGES - ACCOUNTING CLERK	6008-7000	BB. 6	1,366.42			
12	2022-12-31	EXP WAGES - MAINTENANCE WORKERS	6009-7300	BB. 6	9,882.60			
12	2022-12-31	Exp Wages - Other	6010-7000	BB. 6	2,841.60			
12	2022-12-31	EXP WAGES - RECEPTIONIST	6011-7000	BB. 6	1,186.50			
12	2022-12-31	EXP WAGES - STADIUM WORKERS	6011-7204	BB. 6	3,034.72			
12	2022-12-31	EXP WAGES - DIR TOURISM/CULTURE/HERITAGE	6012-7209	BB. 6	1,671.60			
12	2022-12-31	Exp Wages - Janitorial	6016-7000	BB. 6	463.34			
12	2022-12-31	Exp Wages - Enforcement Officer	6017-7000	BB. 6	1,462.39			
12	2022-12-31	Exp Wages - Economic Development	6018-7601	BB. 6	773.08			
12	2022-12-31	EXP WAGES - SPECIAL ASSISTANCE	6052-7208	BB. 6	1,709.76			
12	2022-12-31	EXP WAGES - COMM ENHANC PRJ	6079-7208	BB. 6	2,279.68			
12	2022-12-31	EXP - CPP BURDEN	6162-7000	BB. 6	582.34			
12	2022-12-31	EXP - EI BURDEN	6163-7000	BB. 6	244.85			
12	2022-12-31	EXP - CPP BURDEN (MAINTENANCE)	6164-7300	BB. 6	707.25			
12	2022-12-31	EXP - EI BURDEN (MAINTENANCE)	6165-7300	BB. 6	289.69			
12	2022-12-31	EXP - CPP BURDEN (STADIUM)	6166-7204	BB. 6	164.55			
12	2022-12-31	EXP - EI BURDEN (STADIUM)	6167-7204	BB. 6	69.25			
12	2022-12-31	EXP CPP BURDEN (DIR TOURISM/HERITAGE)	6168-7209	BB. 6	91.45			
12	2022-12-31	EXP CPP BURDEN (DIR TOURISM/HERITAGE)	6168-7209	BB. 6	38.15			
12	2022-12-31	EXP - EI BURDEN (SPECIAL ASSISTANCE)	6171-7208	BB. 6	39.00			
12	2022-12-31	EXP - CPP BURDEN (SPECIAL ASSISTANCE)	6172-7208	BB. 6	85.72			
12	2022-12-31	EXP - EI (COMM ENHANC PROG.)	6177-7208	BB. 6	52.02			
12	2022-12-31	EXP - CPP (COMM ENHANC PROG.)	6178-7208	BB. 6	119.62			
12	2022-12-31	EXP HYDRO - TOWN OFFICE	6180-7000	BB. 6	1,066.34			
12	2022-12-31	EXP HYDRO - FIREHALLS	6190-7100	BB. 6	1,055.63			
12	2022-12-31	EXP HYDRO - COMMUNITY HALLS	6191-7202	BB. 6	526.45			
12	2022-12-31	EXP HYDRO STADIUM	6192-7204	BB. 6	7,016.80			
12	2022-12-31	EXP HYDRO - STREETLIGHTS	6200-7390	BB. 6	5,381.48			
12	2022-12-31	EXP HYDRO - SAND & SALT SHED	6210-7350	BB. 6	492.44			
12	2022-12-31	EXP HYDRO - WATER	6220-7401	BB. 6	3,116.71			
12	2022-12-31	EXP HYDRO - SEWER	6221-7402	BB. 6	670.69			
12	2022-12-31	EXP HYDRO - TOURISM	6240-7200	BB. 6	231.65			
12	2022-12-31	EXP HYDRO - MUSEUMS	6241-7206	BB. 6	466.67			
12	2022-12-31	EXP TELEPHONE - TOWN OFFICE	6270-7000	BB. 6	113.75			
12	2022-12-31	EXP TELEPHONE - TOWN OFFICE	6270-7000	BB. 6	368.05			
12	2022-12-31	EXP TELEPHONE - COMMUNITY HALLS	6271-7202	BB. 6	124.61			
12	2022-12-31	EXP TELEPHONE - FIREHALLS	6280-7100	BB. 6	202.10			
12	2022-12-31	EXP TELEPHONE - BEEPER	6290-7100	BB. 6	243.28			
12	2022-12-31	EXP FUEL - LOADERS/TRUCKS/BACKHOE	6320-7350	BB. 6	350.03			
12	2022-12-31	EXP FUEL - FIRE TRUCKS	6321-7100	BB. 6	81.62			

# Town of Fogo Island

Year End: December 31, 2022

Adjusting Journal Entries

Date: 2022-01-01 To 2022-12-31

Prepared by	Plan Review by	WP Review by
MM 2023-08-18		RKP 2023-08-23

5D-2

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
12	2022-12-31	EXP R/M - LOADERS	6590-7350	BB. 6	4,368.80			
12	2022-12-31	EXP R/M - PLOW TRUCK/DUMP TRUCKS/PLCI	6595-7350	BB. 6	4,271.31			
12	2022-12-31	EXP LEGAL FEES	6900-7000	BB. 6	225.26			
12	2022-12-31	EXP TRAVEL- PROFESSIONAL DEV. & TRAIN	6940-7810	BB. 6	50.49			
12	2022-12-31	EXP MISCELLANEOUS	7040-7814	BB. 6	14.36			
12	2022-12-31	EXP MISCELLANEOUS	7040-7814	BB. 6	1,380.00			
12	2022-12-31	EXP CAPITAL EXPENSE - NEW E	7143-7300	BB. 6	37,803.67			
To record 2022 accrued liabilities.								
13	2022-12-31	PROP - W/S PROJECT	2345-0000	U. 2. 2	199,384.64			
13	2022-12-31	PROP - W/S PROJECT	2345-0000	U. 2. 2	10,413.03			
13	2022-12-31	PROP - W/S PROJECT	2345-0000	U. 2. 2		834.29		
13	2022-12-31	NEW BLDG. - STAG HARBOUR	2386-0000	U. 2. 2	4,000.00			
13	2022-12-31	INC GOV GRANTS - OTHER	5185-0000	U. 2. 2		74,529.34		
13	2022-12-31	INC GOV GRANTS - OTHER	5185-0000	U. 2. 2		124,855.30		
13	2022-12-31	INC GOV GRANTS - OTHER	5185-0000	U. 2. 2		2,600.42		
13	2022-12-31	INC GOV GRANTS - OTHER	5185-0000	U. 2. 2		7,812.61		
13	2022-12-31	EXP R/M WATER SYSTEM	6511-7401	U. 2. 2	834.29			
13	2022-12-31	EXP R/M - COMMUNITY HALLS	6540-7202	U. 2. 2		4,000.00		
To reallocate government funding received for Barr'd Islands and Seldom WS project								
14	2022-12-31	Motor vehicle	1530-0000	40.17	56,777.35			
14	2022-12-31	Motor vehicle	1530-0000	40.17	37,803.67			
14	2022-12-31	BLDG - NEW FIRE HALL	2120-0000	40.17	18,340.12			
14	2022-12-31	EQUIPMENT - FIRE	2310-0000	40.17	13,859.61			
14	2022-12-31	EQUIPMENT - FIRE	2310-0000	40.17	4,303.48			
14	2022-12-31	EQUIPMENT - FIRE	2310-0000	40.17	2,200.58			
14	2022-12-31	EQUIPMENT - FIRE	2310-0000	40.17	10,428.08			
14	2022-12-31	EQUIPMENT - FIRE	2310-0000	40.17	1,435.69			
14	2022-12-31	EQUIPMENT	2312-0000	40.17	4,970.06			
14	2022-12-31	PROP - W/S PROJECT	2345-0000	40.17	81,261.61			
14	2022-12-31	PAVING	2491-0000	40.17	169,353.37			
14	2022-12-31	PAVING	2491-0000	40.17	73,521.63			
14	2022-12-31	Exp Supplies - Fire Dept	6356-7100	40.17		13,859.61		
14	2022-12-31	EXP SUPPLIES/R/M - PBLG. WORKS	6360-7370	40.17		4,970.06		
14	2022-12-31	EXP R/M - FIREHALL EUIP.	6605-7100	40.17		18,367.83		
14	2022-12-31	EXP CAPITAL EXPENSE (GAS TAX)	7140-7211	40.17		81,261.61		
14	2022-12-31	EXP CAPITAL EXPENSE (GAS TAX)	7140-7211	40.17		169,353.37		
14	2022-12-31	EXP CAPITAL EXPENSE - NEW E	7143-7300	40.17		94,581.02		
14	2022-12-31	EXP CAPITAL EXPENDITURE OUT OF REVEN	7144-7210	40.17		73,521.63		
14	2022-12-31	Exp - Covid (Stimulus Project)	7156-7208	40.17		18,340.12		
To reallocate capital additions as per repairs and maintenance analysis								
15	2022-12-31	Bank Loan - 2018 Freightliner	2688-0000	KK. 2	39,396.00			
15	2022-12-31	Bank Loan - 2019 Freightliner	2689-0000	KK. 2	43,206.76			
15	2022-12-31	Bank Loan - Water & Sewer	2690-0000	KK. 2	63,195.00			
15	2022-12-31	Bank Loan - Hydro Spade	2693-0000	KK. 2	24,277.41			
15	2022-12-31	Bank Laon - 2021 Case Backhoe	2694-0000	KK. 2	43,195.08			
15	2022-12-31	Barr'd Islands HST Rebate Loan	2696-0000	KK. 2	8,748.00			
15	2022-12-31	BNS LOAN PROCEEDS	4000-0000	KK. 2	24,145.00			
15	2022-12-31	EXP DEBT CHG - PRIN - W/S	7110-7811	KK. 2		8,748.00		
15	2022-12-31	EXP DEBT CHG - PRIN - W/S	7110-7811	KK. 2		24,145.00		
15	2022-12-31	Exp Debt Chg - Prin (2018 Freightliner)	7124-7811	KK. 2		39,396.00		
15	2022-12-31	EXP DEPT CHR - PRIN (PAVING)	7125-7811	KK. 2		63,195.00		
15	2022-12-31	EXP DEBT CHG - PRIN (2019)	7129-7811	KK. 2		43,206.76		
15	2022-12-31	Exp Debt Chg - Prin (Hydro Spade)	7131-7811	KK. 2		24,277.41		
15	2022-12-31	Exp Debt Chg - Prin (2021 Case Backhoe)	7134-7811	KK. 2		43,195.08		
To redistribute principal portion of loan payments for 2022.								
16	2022-12-31	Current Portion - NMFC & CIBC	2590-0000	KK. 2		69,166.67		
16	2022-12-31	Current Portion - NMFC, CIBC & RCAP	2692-0000	KK. 2	69,166.67			
To adjust current portion of long								



# Town of Fogo Island

Year End: December 31, 2022

Adjusting Journal Entries

Date: 2022-01-01 To 2022-12-31

Prepared by	Plan Review by	WP Review by
MM 2023-08-18		RKP 2023-08-23

5D-3

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
term debt.								
17	2022-12-31	ACCUM AMORT - ROADS, STREETS, & BRIDG	1969-0000	U. 2		185,910.39		
17	2022-12-31	ACCUM AMORT - BLDGS.	1970-0000	U. 2		79,799.68		
17	2022-12-31	ACCUM AMORT - VEHICLE & EQUIPMENT	1971-0000	U. 2		136,461.92		
17	2022-12-31	ACCUM AMORT - OFFICE & EQUIPMENT	1972-0000	U. 2		2,614.52		
17	2022-12-31	ACCUM AMORT - REC FACILITIES	1973-0000	U. 2		171,792.67		
17	2022-12-31	ACCUM AMORT - WATER & SEWER	1974-0000	U. 2		730,408.77		
17	2022-12-31	ACCUM AMORTIZATION - LEASEHOLD IMPROV	1975-0000	U. 2		14,234.40		
17	2022-12-31	Amortization	7200-0000	U. 2	1,321,222.35			
To record amortizatio for 2022								
20	2022-12-31	A/R - ALLOW FOR DOUBT A/C	2070-0000	C. 1. 3		5,991.71		
20	2022-12-31	EXP PROVISION- DBTFUL ACC	7000-7210	C. 1. 3	5,991.71			
To adjust allowance for doubtful accounts for 2022								
21	2022-12-31	INC GOV GRANTS - OTHER	5185-0000		31,230.67			
21	2022-12-31	Inc Gov - Provincial Gas Tax	5188-0000			31,230.67		
To reallocate provincial gas tax grants								
22	2022-12-31	EXP R/M WATER SYSTEM	6511-7401	40.15	462.09			
22	2022-12-31	EXP TRAVEL - WATER SYSTEM	6941-7401	40.15		462.09		
To reallocate water and sewer supplies from travel								
					3,080,951.95	3,080,951.95		
Net Income (Loss)			-180,161.16					

Approved by Paulie Pyle  
Date Sept 11/23