



Consolidated Financial Statements

Village of Perth-Andover

December 31, 2018

Village of Perth-Andover
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Year Ended December 31, 2018

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Financial Statement Review and Approval


The consolidated financial statements of the Village of Perth-Andover have been prepared in accordance with Canadian public sector accounting standards. 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 that these amounts are calculated 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 the Village of Perth-Andover'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.

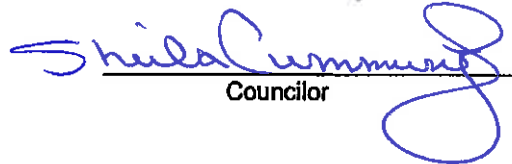
The Mayor and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council meets periodically with management and the auditors to review significant accounting, reporting and internal control matters.

The consolidated financial statements have been audited on behalf of the Council by Grant Thornton LLP, in accordance with Canadian generally accepted auditing standards.

The accompanying consolidated financial statements of the Village of Perth-Andover are the responsibility of management and have been reviewed and approved by:



Mayor



Councilor

Perth-Andover, NB
September 23, 2019

Independent Auditors' Report

To the Mayor and Councilors of the Village of Perth-Andover

Opinion

We have audited the consolidated financial statements of the Village of Perth-Andover ("the Village"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated results of operations, changes in net assets, and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of Perth-Andover as at December 31, 2018, and the results of its operations, changes in net assets, and 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 Village 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.

Other matter

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 4 - 6 on pages 21 - 26 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

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

Management is responsible for the preparation and fair presentation of these 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 Village's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village'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 consolidated 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.
- 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 Village'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 Village'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 Village 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.

Grant Thornton LLP

Perth-Andover, NB
September 27, 2019

Chartered Professional Accountants

Village of Perth-Andover

Consolidated Statement of Revenue and Expenditures

Year Ended December 31, 2018

	Budget (Schedule 2) 2018	2018	2017
Revenue (Schedule 1)			
Warrant of assessment	\$ 1,456,870	\$ 1,456,870	\$ 1,476,038
Unconditional grants	220,950	220,950	298,153
Services to other governments	233,828	210,028	195,832
Conditional transfers	17,227	17,227	-
Sales of services			
Recreation and cultural services	182,456	290,685	297,766
Water and sewer	611,365	608,521	604,268
Light commission	3,246,645	3,398,121	3,179,862
Other revenue from own sources	47,450	234,857	193,068
Conditional grants	-	410,570	31,580
Flood recovery	-	230,361	121,912
Investment income	-	53,382	58,301
Fire lottery	-	526,803	545,257
	<u>6,016,791</u>	<u>7,658,375</u>	<u>7,002,037</u>
Expenses (Schedule 1)			
General government services	330,594	349,350	307,903
Protective services	720,942	714,098	724,469
Transportation services	600,006	454,739	453,756
Environmental health services	119,462	132,302	89,174
Environmental development services	136,071	153,574	176,351
Light commission	3,171,905	3,320,221	3,038,780
Recreation and cultural services	685,601	776,459	734,074
Water and sewer	647,022	631,433	572,919
Fire lottery	-	312,486	356,595
	<u>6,411,603</u>	<u>6,844,662</u>	<u>6,454,021</u>
Annual surplus (deficiency) (Schedule 3)	(394,812)	813,713	548,016
Accumulated surplus, beginning of year	-	19,875,056	19,327,040
Accumulated surplus, end of year	<u>\$ -</u>	<u>\$ 20,688,769</u>	<u>\$ 19,875,056</u>

See notes to financial statements

Village of Perth-Andover
Consolidated Statement of Financial Position
Year Ended December 31, 2018

	2018	2017
Financial assets		
Cash (Note 3)	\$ 360,740	\$ 1,959,196
Marketable securities	5,778,346	4,037,246
Accounts receivable (Note 4)	854,663	893,091
	<u>6,993,749</u>	<u>6,889,533</u>
Liabilities		
Accounts payable (Note 5)	899,794	1,175,244
Deferred income	250,760	528,529
	<u>1,150,554</u>	<u>1,703,773</u>
Net assets	<u>5,843,195</u>	<u>5,185,760</u>
Non-financial assets		
Tangible capital assets (Schedule 4)	14,612,305	14,440,324
Inventory	168,780	172,158
Prepaid expenses	64,489	76,814
	<u>14,845,574</u>	<u>14,689,296</u>
Accumulated Surplus	<u>\$ 20,688,769</u>	<u>\$ 19,875,056</u>

Village of Perth-Andover**Consolidated Statement of Changes in Net Assets****Year Ended December 31, 2018**

	Budget	2018	2017
Annual surplus (deficiency)	\$ (394,812)	\$ 813,713	\$ 548,016
Purchase of tangible capital assets	(1,126,107)	(1,126,107)	(745,927)
Amortization of tangible capital assets	936,043	936,043	913,328
Net disposal of tangible capital assets	18,079	18,079	38,269
Change in prepaid expenses	12,325	12,325	(76,624)
Change in inventory	3,382	3,382	(2,029)
	(551,090)	657,435	675,033
Net assets, beginning of year	-	5,185,760	4,510,727
Net assets, end of year	\$ (551,090)	\$ 5,843,195	\$ 5,185,760

See notes to financial statements

Village of Perth-Andover**Consolidated Statement of Cash Flows****Year Ended December 31, 2018**

	2018	2017
Operating activities		
Annual surplus	\$ 813,713	\$ 548,016
Items not affecting cash:		
Amortization of tangible capital assets	936,043	913,328
Loss on disposal of tangible capital assets	18,082	(10,084)
	<u>1,767,838</u>	<u>1,451,260</u>
 Changes in non-cash working capital:		
Accounts receivable	38,428	348,039
Accounts payable	(275,451)	319,926
Deferred income	(277,769)	488,559
Inventory	3,380	(2,029)
Prepaid expenses	12,325	(76,624)
	<u>(499,087)</u>	<u>1,057,871</u>
 Cash flow from operating activities	<u>1,268,751</u>	<u>2,509,131</u>
 Investing activities		
Marketable securities	(1,741,100)	(367,871)
Purchase of tangible capital assets	(1,126,107)	(745,927)
Proceeds on disposal of tangible capital assets	-	48,353
	<u>(2,867,207)</u>	<u>(1,065,445)</u>
 Cash flow used by investing activities	<u>(2,867,207)</u>	<u>(1,065,445)</u>
 Increase (decrease) in cash flow	<u>(1,598,456)</u>	<u>1,443,686</u>
 Cash - beginning of year	<u>1,959,196</u>	<u>515,510</u>
 Cash - end of year (Note 3)	<u>\$ 360,740</u>	<u>\$ 1,959,196</u>

See notes to financial statements

Village of Perth-Andover**Notes to Consolidated Financial Statements****Year Ended December 31, 2018**

1. Description of entity

The Village of Perth-Andover is incorporated and operates under the provisions of the Province of New Brunswick Municipalities Act.

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

2. Summary of significant accounting policies

The consolidated financial statements of the Municipality are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Professional Accountants.

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 requirement, 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:

Reporting entity

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

There are no other organizations or entities included in these consolidated financial statements.

Inter-departmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by Council on January 11, 2018 and were approved by the Minister of Local Government on January 30, 2018.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value

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Village of Perth-Andover

Notes to Consolidated Financial Statements

Year Ended December 31, 2018

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

Revenue recognition

Taxation Revenue represents the 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 Village.

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

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

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

Expenditure recognition

- Expenditures are recorded on the accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

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Village of Perth-Andover

Notes to Consolidated Financial Statements

Year Ended December 31, 2018

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

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 and 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 and other transportation related functions.

Environmental health services

This department is responsible for the provision of waste collection and disposal 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 operations of recreational and cultural facilities, including the swimming pool, arena, parks and playgrounds and other recreational and cultural facilities.

Water supply

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

Light commission

This department is responsible for the provision of electric power services including the maintenance and operation of power lines and substations.

Fire lottery

The village operates a lottery to raise funds to assist in the purchasing of necessary equipment and supplies for the use of the fire department in providing protection services.

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Village of Perth-Andover**Notes to Consolidated Financial Statements****Year Ended December 31, 2018**

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

Certain amounts, as approved by council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and from reserves and reserve funds are recorded as an adjustment within accumulated surplus. Schedule 5 "Schedule of Reserve Fund Balances" to the consolidated financial statements is included to show the reserve fund balances as supplementary information.

Employee future benefits

The Village provides continuation of unused sick banks which do not vest to be used during the employees' period of employment.

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.

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 normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

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Village of Perth-Andover**Notes to Consolidated Financial Statements****Year Ended December 31, 2018**

2. Summary of significant accounting policies (continued)**Tangible capital assets**

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

Land improvements	5 - 80 years
Buildings	15 - 80 years
Computer equipment	5 - 10 years
Distribution and lighting systems	10 - 40 years
Equipment	5 - 80 years
Infrastructure	10 - 80 years
Motor vehicles	5 - 10 years
Water and sewer systems	25 - 60 years

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.

Amortization is not recognized in the year assets are acquired.

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.

Use of estimates

The preparation of the consolidated financial statements in accordance with Canadian public sector standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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, accrued sick leave obligation and the estimated proceeds to be received from a flood insurance policy. Actual results may differ from those estimates.

3. Cash and marketable securities

	2018	2017
Gas tax	\$ 179,266	\$ 458,636
Unrestricted	181,474	1,500,560
	<u>\$ 360,740</u>	<u>\$ 1,959,196</u>

Village of Perth-Andover**Notes to Consolidated Financial Statements****Year Ended December 31, 2018**

4. Accounts receivable

	2018	2017
Light commission	\$ 570,902	\$ 597,620
Other accounts receivable	114,274	141,876
Water and sewer	62,967	58,004
Province of New Brunswick	66,735	60,706
Sales tax	39,785	34,885
	<u>\$ 854,663</u>	<u>\$ 893,091</u>

5. Accounts payable

	2018	2017
Light commission	\$ 497,974	\$ 722,430
Other accounts payable and accruals	171,397	234,446
Water and sewer	18,558	21,624
Payroll deductions	23,999	24,943
Sick liability	172,647	171,801
Accrued payroll	15,219	-
	<u>\$ 899,794</u>	<u>\$ 1,175,244</u>

6. Operating borrowing

As prescribed in the Municipalities Act of New Brunswick, borrowing to finance General Fund operations is limited to 4% of the Municipality's budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2018, the Municipality has complied with these restrictions.

7. Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short term inter-fund borrowings be repaid in the year unless the borrowing is for a capital project.

8. Water cost transfer

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

Village of Perth-Andover**Notes to Consolidated Financial Statements****Year Ended December 31, 2018**

9. Water and sewer fund surplus / deficit

The Municipalities Act required Water and Sewer Fund surplus/deficit amounts to be absorbed into one or more of four Operating Budgets commencing with the second next ensuing year. The balance of the surplus/deficit at the end of the year consists of:

	<u>2018</u>	<u>2017</u>
2018 Surplus	\$ 90,286	\$ -
2017 Surplus	83,072	83,072
2016 Surplus	-	64,672
	<u>\$ 173,358</u>	<u>\$ 147,744</u>

10. Sick leave benefits

The Village provides every employee who works full time hours a sick leave entitlement that accumulates at a rate of 1.25 days for each calendar month. Management employees can accumulate a maximum of 180 days, while other employees can accumulate up to 90 days. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. The estimated obligation at the end of the year has been accrued. The sick leave is a non-vesting benefit and is unfunded.

**Village of Perth-Andover
Schedule of Segment Disclosure
(Schedule 1)
Year Ended December 31, 2018**

	General government	Protection	Transportation	Environmental health & development	Recreation and cultural	Water & sewer	Light Commission	Fire Lottery	2018 Consolidated	2017 Consolidated
Revenues										
Warrant of assessment	\$ 188,763	\$ 402,111	\$ 319,813	\$ 136,135	\$ 410,148	\$ -	\$ -	\$ -	\$ 1,456,870	\$ 1,476,038
Unconditional grant	26,629	60,984	48,503	20,646	62,188	-	-	-	220,950	298,153
Services provided to other governments	47,244	162,784	-	-	-	-	-	-	210,028	195,832
Conditional transfers	17,227	-	-	-	-	-	-	-	17,227	-
Sale of services	-	-	-	-	290,685	608,521	3,398,121	-	4,297,327	4,081,896
Other revenue from own sources	177,011	-	-	-	-	13,425	44,421	-	234,857	193,068
Conditional grants	292,886	-	-	-	71,217	46,467	-	-	410,570	31,580
Flood recovery	230,361	-	-	-	-	-	-	-	230,361	121,912
Investment income (net)	33,208	-	-	-	-	3,201	16,973	-	53,382	58,301
Fire lottery	-	-	-	-	-	-	-	526,803	526,803	545,257
	1,015,329	625,879	368,316	156,781	834,138	671,614	3,459,515	526,803	7,658,375	7,002,037
Expenses										
Salaries and benefits	200,139	173	-	8,069	284,672	158,572	130,019	-	781,644	734,981
Goods and services	144,312	545,374	177,698	270,725	343,713	234,321	3,087,670	312,491	5,116,304	4,815,797
Amortization	4,898	168,551	277,041	7,081	148,074	223,959	98,028	-	928,633	913,328
Loss (gain) on disposal of TCA	-	-	-	-	-	14,581	3,500	-	18,081	(10,085)
	349,349	714,098	454,739	285,875	776,459	631,433	3,320,218	312,491	8,844,662	8,454,021
Surplus (deficit) for the year	\$ 665,980	\$ (88,219)	\$ (86,423)	\$ (129,094)	\$ 57,679	\$ 40,181	\$ 139,297	\$ 214,312	\$ 813,713	\$ 548,016

Village of Perth-Andover
Reconciliation of Operating Budget to PSAB Budget
(Schedule 2)
Year Ended December 31, 2018

	General Operating Budget	Water and Sewer Operating Budget	Light Commission Operating Budget	Amortization	Transfers	2018
Revenue						
Warrant of assessment	\$ 1,456,870	\$ -	\$ -	\$ -	\$ -	\$ 1,456,870
Unconditional grant	220,950	-	-	-	-	220,950
Services to other governments	233,828	-	-	-	-	233,828
Conditional transfers	17,227	-	-	-	-	17,227
Sales of services						
Recreation and cultural services	212,856	-	-	-	(30,400)	182,456
Water and sewer	-	620,215	-	-	(8,850)	611,365
Light commission	-	-	3,246,645	-	-	3,246,645
Other revenue from own source	21,500	58,750	12,200	-	(45,000)	47,450
Conditional transfers	113,421	-	-	-	(113,421)	-
Surplus of second previous year	123,757	64,672	110,454	-	(298,883)	-
	2,400,409	743,637	3,369,299	-	(496,554)	6,016,791
Expenses						
General government services	352,196	-	-	4,898	(26,500)	330,594
Protective services	592,141	-	-	168,551	(39,750)	720,942
Transportation services	327,965	-	-	277,041	(5,000)	600,006
Environmental health services	119,462	-	-	-	-	119,462
Environmental development services	130,990	-	-	7,081	(2,000)	136,071
Recreation and cultural services	627,633	-	-	155,485	(97,517)	685,601
Light commission	-	-	3,099,779	99,029	(26,903)	3,171,905
Water and sewer	-	423,063	-	223,959	-	647,022
Fiscal services	250,022	320,574	269,520	-	(840,116)	-
	2,400,409	743,637	3,369,299	936,044	(1,037,786)	6,411,603
	\$ -	\$ -	\$ -	\$ (936,044)	\$ 541,232	\$ (394,812)

See notes to financial statements

Village of Perth-Andover
Reconciliation of Annual Surplus
(Schedule 3)
Year Ended December 31, 2018

	General Operating Fund	Water and Sewer Operating Fund	Light Commission Operating Fund	Operating Reserve Funds	General Capital Fund	Water and Sewer Capital Fund	Light Commission Capital Fund	2018
2018 annual surplus (deficit) per PSAB	\$ 804,620	\$ 230,623	\$ (193,511)	\$ -	\$ 24,145	\$ (190,442)	\$ 338,278	\$ 813,713
Adjustments to 2018 annual surplus (deficit) for funding requirements								
Amortization of tangible capital assets	-	-	-	-	613,055	223,959	99,030	935,044
Tangible capital asset additions	-	-	-	-	(637,200)	(48,098)	(440,808)	(1,125,106)
Second previous year's surplus	123,757	64,672	110,454	-	-	-	-	298,883
Transfer from Operating Fund to the General Operating Reserve Fund	(736,868)	(228,201)	233,027	732,042	-	-	-	-
Interfund transfers	65,170	26,947	(92,117)	-	-	14,581	3,500	18,081
Net disposal of tangible capital assets	67,231	-	-	-	-	-	-	67,231
Net fire lottery annual surplus	(9,434)	(3,755)	2,045	-	-	-	-	(11,144)
Sick leave accrual	(490,144)	(140,337)	253,409	732,042	(24,145)	190,442	(338,278)	182,989
	\$ 114,476	\$ 90,286	\$ 59,896	\$ 732,042	\$ -	\$ -	\$ -	\$ 996,702

See notes to financial statements

Village of Perth-Andover

Consolidated Schedule of Tangible Capital Assets

(Schedule 4)

Year Ended December 31, 2018

	Land	Land Improvements	Buildings	Computer Equipment	Infrastructure	Motor Vehicles	Equipment	2018	2017
Cost									
Balance, beginning of year	\$ 831,174	\$ 2,031,664	\$ 5,587,780	\$ 261,806	\$ 14,010,810	\$ 431,309	\$ 5,034,514	\$ 28,189,057	\$ 27,504,152
Additions		58,720	111,992	-	760,928	-	194,467	1,126,107	745,927
Disposals			-	-	(29,526)	-	-	(29,526)	(61,022)
	831,174	2,090,384	5,699,772	261,806	14,742,212	431,309	5,228,981	29,285,638	28,189,057
Accumulated amortization									
Balance, beginning of year		949,340	2,568,586	148,572	7,799,208	212,645	2,070,382	13,748,733	12,858,158
Amortization		76,818	148,509	23,784	457,906	49,117	178,909	936,043	913,328
Disposals			-	-	(11,443)	-	-	(11,443)	(22,753)
		1,026,158	2,717,095	172,356	8,245,671	261,762	2,250,291	14,673,333	13,748,733
Net book value of tangible capital assets	\$ 831,174	\$ 1,064,226	\$ 2,982,677	\$ 89,450	\$ 6,496,541	\$ 169,547	\$ 2,978,690	\$ 14,612,305	\$ 14,440,324
Consists of:									
General Capital Fund	\$ 746,584	\$ 314,051	\$ 2,701,034	\$ -	\$ 1,727,659	\$ 136,049	\$ 1,245,703	\$ 6,871,680	\$ 6,847,535
Water and Sewer Capital Fund	77,790	750,175	281,643	69,584	3,269,477	32,898	1,391,812	5,873,379	6,063,821
Light Commission Capital Fund	6,800	-	-	19,866	1,499,405	-	341,175	1,867,246	1,528,968
	\$ 831,174	\$ 1,064,226	\$ 2,982,677	\$ 89,450	\$ 6,496,541	\$ 169,547	\$ 2,978,690	\$ 14,612,305	\$ 14,440,324

See notes to financial statements

Village of Perth-Andover
Consolidated Statement of Reserve Funds Balances
(Schedule 5)
Year Ended December 31, 2018

	General Reserve	Water and Sewer Reserve	Light Commission Reserve	2018	2017
Accumulated surplus, beginning of year	\$ 2,558,369	\$ 408,761	\$ 1,837,527	\$ 4,804,657	\$ 4,372,545
Revenues / Expenditures					
Investment income	58,013	8,659	49,697	116,369	88,374
Transfers from operating funds	703,660	225,000	-	928,660	673,811
Increase in unrealized gains on investments	(24,805)	(5,458)	(32,724)	(62,987)	(30,073)
Transfers to capital funds	-	-	(250,000)	(250,000)	(300,000)
Annual surplus	736,868	228,201	(233,027)	732,042	432,112
	\$ 3,295,237	\$ 636,962	\$ 1,604,500	\$ 5,536,699	\$ 4,804,657

Reserve funds are made up of marketable securities of \$5,778,345 and interfund loans payable of \$241,846 totaling \$5,601,699

The marketable securities consist of fixed income securities with maturity dates ranging from January 2019 to December 2045 and interest rates ranging from 0.62% to 6.35%.

See notes to financial statements

Village of Perth-Andover

Consolidated Statement of Detailed Revenue and Expenditures

(Schedule 6)

Year Ended December 31, 2018

	Budget (Schedule 2) 2018	2018	2017
Revenue			
Services to other governments	\$	\$	\$
Services to municipalities			
Fire	9,429	9,430	7,635
Recreation	61,615	61,615	42,565
Province of New Brunswick			
Fire	162,784	138,983	145,632
	<u>233,828</u>	<u>210,028</u>	<u>195,832</u>
Sales of service			
Recreation and cultural services			
Civic centre	119,956	166,725	149,032
Recreation commission	62,500	118,487	148,733
Other rentals	-	5,473	-
	<u>182,456</u>	<u>290,685</u>	<u>297,765</u>
Water and sewer			
Water	403,439	402,956	392,511
Sewer	207,926	203,165	200,483
Connection and services	-	2,400	11,274
	<u>611,365</u>	<u>608,521</u>	<u>604,268</u>
Light commission			
Power sales	3,246,645	3,398,121	3,179,862
Other revenue from own source			
Licenses and permits			
Animal	-	25	100
Construction	1,000	10,910	26,603
Rentals			
Trailer park	19,000	17,303	18,278
Miscellaneous			
Line extensions	-	14,891	48,599
Other	-	152,772	71,617
Services provided to other utilities	10,200	13,065	10,719
Other revenues from water and sewer sources	11,250	450	-
Return on investments			
Interest on investments	1,500	6,806	6,647
Interest and service charges	4,500	18,635	10,506
	<u>47,450</u>	<u>234,857</u>	<u>193,068</u>

(continues)

See notes to financial statements

Village of Perth-Andover**Consolidated Statement of Detailed Revenue and Expenditures** *(continued)**(Schedule 6)***Year Ended December 31, 2018**

	Budget (Schedule 2) 2018	2018	2017
Expenses			
General government services			
Legislative			
Mayor	8,293	8,036	7,840
Councilors	29,561	28,642	27,944
Mayor and council travel expenses	12,440	6,597	5,231
Administrative			
Administration salaries and other	165,935	195,631	178,721
Office building	29,969	23,352	11,516
Solicitor	8,000	-	625
Financial management			
Audit	12,500	9,125	11,732
Other general government services			
Conventions	4,000	11,275	8,798
Public liability insurance	3,020	3,019	3,019
Grants to organizations	25,000	26,351	25,950
Training and development	4,000	9,446	2,944
Assessment costs	22,978	22,978	23,281
Flood costs	-	-	600
Amortization	4,898	4,898	7,086
Loss (gain) on disposal of tangible capital assets	-	-	(7,384)
	330,594	349,350	307,903
Protective services			
Police			
R.C.M.P.	336,976	336,976	341,336
Fire			
Administration	3,000	173	1,830
Firefighting force	78,700	73,023	69,166
Fire alarm system	9,000	9,503	6,224
Station and building	35,300	41,073	31,936
Fighting equipment	79,915	78,200	79,319
Emergency measures			
EMO	3,000	1,280	3,248
Other			
Animal and pest control	6,500	5,319	5,331
Amortization	168,551	168,551	186,080
	720,942	714,098	724,470

(continues)

See notes to financial statements

Village of Perth-Andover**Consolidated Statement of Detailed Revenue and Expenditures (continued)****(Schedule 6)****Year Ended December 31, 2018**

	Budget (Schedule 2) 2018	2018	2017
Expenses (continued)			
Transportation services			
Roadway transport			
Roadway surfaces	193,000	50,574	60,647
Storm sewers	14,000	-	-
Street cleaning	11,000	14,861	10,633
Snow and ice removal	101,465	109,570	104,048
Traffic services			
Street signs	3,500	2,693	1,375
Other			
Amortization	277,041	277,041	277,054
	600,006	454,739	453,757
Environmental health services			
Solid waste collection and disposal	107,462	99,770	82,748
Recycling	12,000	32,532	6,425
	119,462	132,302	89,173
Environmental development services			
Community development	35,343	71,118	114,171
Tourism promotion	38,647	39,120	15,800
Beautification and land rehabilitation	55,000	36,255	39,811
Amortization	7,081	7,081	6,569
	136,071	153,574	176,351
Recreation and cultural services			
Administration	132,562	124,704	101,525
Civic centre	307,676	372,402	354,673
Recreation commission	56,678	91,546	97,360
Library	31,200	30,734	28,338
Historic sites	2,000	1,588	1,518
Amortization	155,485	155,485	150,661
	685,601	776,459	734,075

(continues)

See notes to financial statements

Village of Perth-Andover**Consolidated Statement of Detailed Revenue and Expenditures (continued)**
(Schedule 6)**Year Ended December 31, 2018**

	Budget (Schedule 2) 2018	2018	2017
Expenses (continued)			
Water and sewer			
Administration	105,050	103,967	115,639
Transmission and distribution	168,712	152,727	139,065
Power and pumping	35,000	33,624	33,542
Discounts	-	4,548	4,500
Sewerage and collection and disposal	99,720	98,027	68,180
Amortization	223,959	223,959	214,693
Loss (gain) on disposal of tangible capital assets	14,581	14,581	-
	647,022	631,433	575,619
Light commission			
Administration	241,524	277,340	271,786
Postage and office	123,117	51,139	43,776
Power purchases	2,506,166	2,695,384	2,514,563
Transmission and distribution	198,568	193,828	137,315
Substation	-	-	157
Amortization	99,030	99,030	71,185
Loss on disposal of tangible capital assets	3,500	3,500	-
	3,171,905	3,320,221	3,038,782
Fire Lottery			
Lottery payouts	-	264,982	271,890
Interest	-	271	275
Repairs and maintenance	-	7,448	28,027
Supplies	-	39,785	56,403
	\$ -	\$ 312,486	\$ 356,595

