



Grant Thornton

Consolidated Financial Statements

Village of Perth-Andover

December 31, 2014

Village of Perth-Andover
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Year Ended December 31, 2014

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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
August 17, 2015

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the Village of Perth-Andover as at December 31, 2014, which comprise of the consolidated statement of revenue and expenditures, the consolidated statement of financial position, the consolidated statement of changes in net assets, the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by

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management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Village of Perth-Andover derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Village of Perth-Andover. Therefore, we were not able to determine whether any adjustments might be necessary to fire lottery revenue, annual surplus, and cash flows from operations for the year ended December 31, 2014, current assets and net assets as at January 1, 2014 and December 31, 2014

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial consolidated position of Village of Perth-Andover as at December 31, 2014 and the consolidated results of its operations, change in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 3 and 5 on pages 15 and 17 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.

Grant Thornton LLP

Perth-Andover, NB
August 17, 2015

Chartered Accountants

Village of Perth-Andover

Consolidated Statement of Revenue and Expenditures

Year Ended December 31, 2014

| | Budget (Schedule 2) 2014 | 2014 | 2013 |
|---|--------------------------------|------------------|------------------|
| Revenue | | | |
| Warrant of assessment | \$ 1,314,687 | \$ 1,314,882 | \$ 1,318,818 |
| Unconditional grants | 283,060 | 283,060 | 250,823 |
| Services to other governments | 159,889 | 173,571 | 169,075 |
| Sales of services | | | |
| Recreation and cultural services | 173,150 | 313,964 | 278,228 |
| Water and sewer | 549,434 | 529,992 | 506,103 |
| Light commission | 3,026,692 | 3,060,512 | 3,104,013 |
| Other revenue from own sources | 54,295 | 219,079 | 503,495 |
| Conditional grants | - | 98,530 | 122,390 |
| Flood recovery | - | 87,412 | 1,103,878 |
| Investment income | - | 212,496 | - |
| Fire lottery | - | 650,465 | 599,185 |
| | <u>5,561,207</u> | <u>6,943,963</u> | <u>7,956,008</u> |
| Expenses (Schedule 1) | | | |
| General government services | 331,048 | 509,312 | 665,049 |
| Protective services | 608,915 | 598,509 | 614,134 |
| Transportation services | 554,756 | 508,868 | 503,455 |
| Environmental health services | 105,601 | 99,094 | 97,129 |
| Environmental development services | 124,000 | 150,689 | 177,839 |
| Recreation and cultural services | 705,076 | 789,515 | 867,164 |
| Water and sewer | 477,869 | 668,238 | 1,021,006 |
| Light commission | 3,186,238 | 3,037,794 | 3,145,361 |
| Investment expense | - | - | 75,106 |
| Fire lottery | - | 454,635 | 387,988 |
| | <u>6,093,503</u> | <u>6,816,654</u> | <u>7,554,231</u> |
| Annual surplus (deficiency) (Schedule 3) | (532,296) | 127,309 | 401,777 |
| Accumulated surplus, beginning of year | - | 18,912,000 | 18,510,223 |
| Accumulated surplus, end of year | \$ - | \$ 19,039,309 | \$ 18,912,000 |

See notes to financial statements

Village of Perth-Andover
Consolidated Statement of Financial Position
Year Ended December 31, 2014

| | 2014 | 2013 |
|--------------------------------|----------------------|----------------------|
| Financial assets | | |
| Cash (Note 3) | \$ 178,289 | \$ 61,469 |
| Marketable securities (Note 3) | 3,530,890 | 3,275,777 |
| Accounts receivable | 2,175,680 | 2,683,957 |
| | <u>5,884,859</u> | <u>6,021,203</u> |
| Liabilities | | |
| Accounts payable | 1,264,496 | 1,494,697 |
| Deferred government transfers | 88,708 | 30,394 |
| | <u>1,353,204</u> | <u>1,525,091</u> |
| Net assets | <u>4,531,655</u> | <u>4,496,112</u> |
| Non-financial assets | | |
| Tangible capital assets | 14,295,742 | 14,220,426 |
| Inventory | 207,844 | 191,658 |
| Prepaid expenses | 4,068 | 3,804 |
| | <u>14,507,654</u> | <u>14,415,888</u> |
| Accumulated Surplus | <u>\$ 19,039,309</u> | <u>\$ 18,912,000</u> |

See notes to financial statements

Village of Perth-Andover**Consolidated Statement of Changes in Net Assets****Year Ended December 31, 2014**

| | Budget | 2014 | 2013 |
|---|---------------------|---------------------|---------------------|
| Annual surplus (deficiency) | \$ (532,297) | \$ 127,310 | \$ 401,777 |
| Purchase of tangible capital assets | (562,240) | (870,278) | (1,094,156) |
| Amortization of tangible capital assets | 791,728 | 791,728 | 779,110 |
| Net disposal of tangible capital assets | - | 3,234 | 292,508 |
| Change in prepaid expenses | - | (265) | 6,817 |
| Change in inventory | - | (16,186) | (18,078) |
| | (302,809) | 35,543 | 367,978 |
| Net assets, beginning of year | <u>4,496,112</u> | <u>4,496,112</u> | <u>4,128,134</u> |
| Net assets, end of year | <u>\$ 4,193,303</u> | <u>\$ 4,531,655</u> | <u>\$ 4,496,112</u> |

See notes to financial statements

Village of Perth-Andover
Consolidated Statement of Cash Flows
Year Ended December 31, 2014

| | 2014 | 2013 |
|---|--------------------|---------------------|
| Operating activities | | |
| Annual surplus (deficiency) | \$ 127,309 | \$ 401,777 |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 791,728 | 779,110 |
| Loss on disposal of tangible capital assets | 3,235 | 279,008 |
| | <u>922,272</u> | <u>1,459,895</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | 508,277 | (737,305) |
| Deferred expenses | - | 12,375 |
| Accounts payable | (230,202) | 289,738 |
| Deferred government transfers | 58,314 | 30,394 |
| Inventory | (16,186) | (18,078) |
| Prepaid expenses | (265) | 6,818 |
| | <u>319,938</u> | <u>(416,058)</u> |
| Cash flow from operating activities | <u>1,242,210</u> | <u>1,043,837</u> |
| Investing activities | | |
| Marketable securities | (255,113) | 395,906 |
| Purchase of tangible capital assets | (870,278) | (1,560,772) |
| Proceeds on disposal of tangible capital assets | - | 22,537 |
| | <u>(1,125,391)</u> | <u>(1,142,329)</u> |
| Cash flow used by investing activities | <u>(1,125,391)</u> | <u>(1,142,329)</u> |
| Increase (decrease) in cash flow | 116,819 | (98,492) |
| Cash (deficiency) - beginning of year | 61,469 | (297,617) |
| Cash (deficiency) - end of year (Note 3) | \$ 178,288 | \$ (396,109) |

See notes to financial statements

Village of Perth-Andover

Notes to Consolidated Financial Statements

Year Ended December 31, 2014

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 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.

Inter-departmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by Council on January 27, 2014 and were approved by the Minister of Local Government on February 25, 2014.

Revenue recognition

Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

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

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Village of Perth-Andover

Notes to Consolidated Financial Statements

Year Ended December 31, 2014

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, 2014

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.

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.

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, 2014

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.

Measurement uncertainty

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 and the accrued sick leave obligation. Actual results may differ from those estimates.

3. Cash and marketable securities

| | 2014 | 2013 |
|--------------|-------------------|------------------|
| Gas tax | \$ - | \$ 30,394 |
| Unrestricted | 178,289 | 31,075 |
| | <u>\$ 178,289</u> | <u>\$ 61,469</u> |

In addition to the above the Village has marketable securities of \$3,530,890 and other reserve assets of \$1,133,278, totaling \$4,664,168, which are all internally restricted. (2013 - \$4,285,370)

Village of Perth-Andover**Notes to Consolidated Financial Statements****Year Ended December 31, 2014**

4. Due from (to) federal government and its agencies

| | <u>2014</u> | <u>2013</u> |
|--|------------------|-------------------|
| Canada Revenue Agency - Harmonized sales tax | \$ 84,682 | \$ 108,713 |
| Department of Environment & Local Government | 76,745 | 166,886 |
| Department of Transportation | 10,603 | 11,590 |
| Minister of Finance | (85,262) | (118,547) |
| Minister of Finance - Payroll deductions | (14,159) | (9,318) |
| | <u>\$ 72,609</u> | <u>\$ 159,324</u> |

5. 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 2014, the Municipality has complied with these restrictions.

6. 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. Certain amounts payable between Funds are not in compliance with the requirements, but the Municipality intends on eliminating these balances in the next year.

7. 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.

8. 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>2014</u> | <u>2013</u> |
|--------------|-------------------|-------------------|
| 2014 Surplus | \$ 19,305 | \$ - |
| 2013 Surplus | 101,370 | 101,370 |
| 2012 Surplus | - | 107,060 |
| | <u>\$ 120,675</u> | <u>\$ 208,430</u> |

**Village of Perth-Andover
Schedule of Segment Disclosure
(Schedule 1)
Year Ended December 31, 2014**

| | General government | Protection | Transportation | Environmental health & development | Recreation and cultural | Water & sewer | Light Commission | Fire Lottery | Reserves | 2014 Consolidated | 2013 Consolidated |
|---|-----------------------|--------------------|--------------------|--|----------------------------|---------------------|---------------------|-------------------|-------------------|----------------------|----------------------|
| Revenues | | | | | | | | | | | |
| Warrant of assessment | \$ 177,918 | \$ 344,401 | \$ 296,360 | \$ 121,670 | \$ 374,533 | \$ - | \$ - | \$ - | \$ - | \$ 1,314,882 | \$ 1,318,818 |
| Unconditional grant | 38,301 | 74,141 | 63,799 | 26,192 | 80,627 | - | - | - | - | 283,060 | 250,823 |
| Services provided to other governments | 27,100 | 146,471 | - | - | - | - | - | - | - | 173,571 | 169,075 |
| Sale of services | - | - | - | - | 313,964 | 529,992 | 3,060,512 | - | - | 3,904,468 | 3,888,344 |
| Other revenue from own sources | 111,009 | - | - | - | - | 1,237 | 106,833 | - | - | 869,544 | 1,102,680 |
| Conditional grants | - | - | 98,530 | - | - | - | - | - | - | 98,530 | 122,390 |
| Flood recovery | 87,412 | - | - | - | - | - | - | - | - | 87,412 | 1,103,878 |
| Investment income (net) | - | - | - | - | - | - | - | - | 212,498 | 212,498 | - |
| Fire lottery | - | - | - | - | - | - | - | 650,465 | - | 650,465 | 599,185 |
| | <u>441,740</u> | <u>565,013</u> | <u>458,689</u> | <u>147,862</u> | <u>769,124</u> | <u>531,229</u> | <u>3,167,345</u> | <u>650,465</u> | <u>212,498</u> | <u>6,943,965</u> | <u>7,956,008</u> |
| Expenses | | | | | | | | | | | |
| Salaries and benefits | 259,730 | 4,059 | - | 4,348 | 256,548 | 209,034 | 138,423 | - | - | 872,142 | 547,029 |
| Goods and services | 243,901 | 507,255 | 244,612 | 235,834 | 387,070 | 251,633 | 2,824,610 | 454,635 | - | 5,149,550 | 5,873,978 |
| Amortization | 5,680 | 87,195 | 264,256 | 9,601 | 145,897 | 207,572 | 71,527 | - | - | 791,728 | 779,110 |
| Loss on disposal of tangible capital assets | - | - | - | - | - | - | 3,235 | - | - | 3,235 | 279,008 |
| Investment expense (net) | - | - | - | - | - | - | - | - | - | - | 75,106 |
| Sick leave | - | - | - | - | - | - | - | - | - | - | - |
| | <u>509,311</u> | <u>598,509</u> | <u>508,868</u> | <u>249,783</u> | <u>789,515</u> | <u>668,239</u> | <u>3,037,795</u> | <u>454,635</u> | <u>-</u> | <u>6,816,655</u> | <u>7,554,231</u> |
| Surplus (deficit) for the year | \$ (67,571) | \$ (33,496) | \$ (50,179) | \$ (101,921) | \$ (20,391) | \$ (137,010) | \$ 129,550 | \$ 195,830 | \$ 212,498 | \$ 127,310 | \$ 401,777 |

Village of Perth-Andover

Reconciliation of Operating Budget to PSAB Budget

(Schedule 2)

Year Ended December 31, 2014

| | General Operating Budget | Water and Sewer Operating Budget | Light Commission Operating Budget | Amortization | Transfers | 2014 |
|---------------------------------------|--------------------------------|---|--|----------------|------------------|------------------|
| Revenue | | | | | | |
| Warrant of assessment | \$ 1,314,687 | \$ - | \$ - | \$ - | \$ - | \$ 1,314,687 |
| Services to other governments | 159,889 | - | - | - | - | 159,889 |
| Sales of services | | | | | | - |
| Recreation and cultural services | 178,550 | - | - | - | (5,400) | 173,150 |
| Water and sewer | - | 554,434 | - | - | (5,000) | 549,434 |
| Light commission | - | - | 3,026,692 | - | - | 3,026,692 |
| Other revenue from own source | 41,495 | 51,800 | 7,500 | - | (46,500) | 54,295 |
| Unconditional grant | 283,060 | - | - | - | - | 283,060 |
| Conditional transfers | 113,696 | - | - | - | (113,696) | - |
| Surplus of second previous year | 78,309 | 107,060 | 117,440 | - | (302,809) | - |
| | <u>2,169,686</u> | <u>713,294</u> | <u>3,151,632</u> | <u>-</u> | <u>(473,405)</u> | <u>5,561,207</u> |
| Expenses | | | | | | |
| General government services | 330,068 | - | - | 5,680 | (4,700) | 331,048 |
| Protective services | 562,720 | - | - | 87,195 | (41,000) | 608,915 |
| Transportation services | 295,000 | - | - | 264,256 | (4,500) | 554,756 |
| Environmental health services | 96,000 | - | - | 9,601 | - | 105,601 |
| Environmental development services | 124,000 | - | - | - | - | 124,000 |
| Recreation and cultural services | 560,879 | - | - | 145,897 | (1,700) | 705,076 |
| Fiscal services | 201,019 | 280,003 | 81,218 | - | (562,240) | - |
| Light commission | - | - | 3,070,414 | 207,571 | (91,747) | 3,186,238 |
| Water and sewer | - | 433,291 | - | 71,527 | (26,949) | 477,869 |
| | <u>2,169,686</u> | <u>713,294</u> | <u>3,151,632</u> | <u>791,727</u> | <u>(732,836)</u> | <u>6,093,503</u> |
| | \$ - | \$ - | \$ - | \$ (791,727) | \$ 259,431 | \$ (532,296) |

See notes to financial statements

Village of Perth-Andover
Reconciliation of Annual Surplus
(Schedule 3)
Year Ended December 31, 2014

| | General Operating Fund | Water and Sewer Operating Fund | Light Commission Operating Fund | 2014 |
|---|------------------------------|---|--|-------------------|
| 2014 annual surplus (deficit) per PSAB | \$ 26,210 | \$ (115,671) | \$ 216,771 | \$ 127,310 |
| Adjustments to 2014 annual surplus (deficit) for funding requirements | | | | |
| Amortization of tangible capital assets | 512,628 | 207,572 | 71,528 | 791,728 |
| Tangible capital asset additions | (586,407) | (70,960) | (114,381) | (771,748) |
| Second previous year's surplus | 78,309 | 107,060 | 117,440 | 302,809 |
| Transfer from General Operating Fund to the General Operating Reserve Fund | (120,239) | (171,339) | (87,220) | (378,798) |
| Interfund transfers | 67,196 | 24,551 | (91,747) | - |
| Outside funding | (98,530) | - | - | (98,530) |
| Net disposal of tangible capital assets | - | - | 3,235 | 3,235 |
| Net fire lottery annual deficit | 50,246 | - | - | 50,246 |
| Sick leave accrual | 102,962 | 38,092 | 27,722 | 168,776 |
| | <u>6,165</u> | <u>134,976</u> | <u>(73,423)</u> | <u>67,718</u> |
| | <u>\$ 32,375</u> | <u>\$ 19,305</u> | <u>\$ 143,348</u> | <u>\$ 195,028</u> |

See notes to financial statements

Village of Perth-Andover

Consolidated Schedule of Tangible Capital Assets

(Schedule 4)

Year Ended December 31, 2014

| | Land | Land Improvements | Buildings | Computer Equipment | Infrastructure | Motor Vehicles | Equipment | 2014 | 2013 |
|--|------------|-------------------|--------------|--------------------|----------------|----------------|--------------|---------------|---------------|
| Cost | | | | | | | | | |
| Balance, beginning of year | \$ 825,936 | \$ 1,954,729 | \$ 5,369,905 | \$ 227,484 | \$ 12,575,994 | \$ 165,366 | \$ 3,691,511 | \$ 24,810,925 | \$ 24,121,688 |
| Additions | | 16,135 | 259,247 | 5,950 | 412,094 | 110,555 | 66,297 | 870,278 | 1,094,156 |
| Disposals | | | - | - | (26,170) | - | - | (26,170) | (404,919) |
| | 825,936 | 1,970,864 | 5,629,152 | 233,434 | 12,961,918 | 275,921 | 3,757,808 | 25,655,033 | 24,810,925 |
| Accumulated amortization | | | | | | | | | |
| Balance, beginning of year | | 627,054 | 1,982,882 | 51,266 | 6,244,705 | 142,548 | 1,542,044 | 10,590,499 | 9,923,801 |
| Amortization | | 85,423 | 140,178 | 25,204 | 393,484 | 9,223 | 138,216 | 791,728 | 779,110 |
| Disposals | | | - | - | (22,936) | - | - | (22,936) | (112,412) |
| | | 712,477 | 2,123,060 | 76,470 | 6,615,253 | 151,771 | 1,680,260 | 11,359,291 | 10,590,499 |
| Net book value of tangible capital assets | | | | | | | | | |
| | \$ 825,936 | \$ 1,258,387 | \$ 3,506,092 | \$ 156,964 | \$ 6,346,665 | \$ 124,150 | \$ 2,077,548 | \$ 14,295,742 | \$ 14,220,426 |
| Consists of: | | | | | | | | | |
| General Capital Fund | \$ 739,346 | \$ 392,850 | \$ 3,203,451 | \$ - | \$ 2,134,144 | \$ 119,298 | \$ 757,445 | \$ 7,346,534 | \$ 7,174,227 |
| Water and Sewer Capital Fund | 79,790 | 865,537 | 302,641 | 135,401 | 3,111,332 | 4,852 | 1,320,103 | 5,819,656 | 5,956,266 |
| Light Commission Capital Fund | 6,800 | | - | 21,563 | 1,101,189 | - | - | 1,129,552 | 1,089,933 |
| | \$ 825,936 | \$ 1,258,387 | \$ 3,506,092 | \$ 156,964 | \$ 6,346,665 | \$ 124,150 | \$ 2,077,548 | \$ 14,295,742 | \$ 14,220,426 |

Village of Perth-Andover

Consolidated Statement of Reserve Funds Balances

(Schedule 5)

Year Ended December 31, 2014

| | Fire Department | Recreation Commission | Village | Water and Sewer | Light Commission | 2014 | 2013 |
|---|--------------------|--------------------------|------------|--------------------|---------------------|--------------|--------------|
| Balance, beginning of year | \$ 518,952 | \$ 438,669 | \$ 920,891 | \$ 366,371 | \$ 2,040,487 | \$ 4,285,370 | \$ 3,919,786 |
| Add | | | | | | | |
| Investment income | 2,820 | 20,703 | 16,846 | 6,441 | 32,311 | 79,121 | 111,873 |
| Transfers from operating funds | 163,000 | 12,000 | 21,167 | 150,000 | - | 346,167 | 579,284 |
| Increase in unrealized gains on investments | 11,612 | 11,278 | 40,680 | 14,898 | 54,909 | 133,377 | - |
| | 177,432 | 43,981 | 78,693 | 171,339 | 87,220 | 558,665 | 691,157 |
| Less | | | | | | | |
| Transfers to capital funds | - | 179,867 | - | - | - | 179,867 | 138,595 |
| Transfers to operating funds | - | - | - | - | - | - | - |
| Decrease in unrealized gains on investments | - | - | - | - | - | - | 186,978 |
| | \$ 696,384 | \$ 302,783 | \$ 999,584 | \$ 537,710 | \$ 2,127,707 | \$ 4,664,168 | \$ 4,285,370 |

Village of Perth-Andover

Consolidated Statement of Detailed Revenue and Expenditures

(Schedule 6)

Year Ended December 31, 2014

| | Budget 2014 | 2014 | 2013 |
|---|------------------|------------------|------------------|
| Revenue | | | |
| Services to other governments | \$ | \$ | \$ |
| Services to municipalities | | | |
| Fire | 6,452 | - | 6,820 |
| Recreation | 38,178 | 27,100 | 37,271 |
| Province of New Brunswick | | | |
| Fire | 115,259 | 146,471 | 124,984 |
| | <u>159,889</u> | <u>173,571</u> | <u>169,075</u> |
| Sales of service | | | |
| Recreation and cultural services | | | |
| Civic centre | 110,100 | 206,294 | 196,082 |
| Recreation commission | 68,450 | 107,668 | 82,147 |
| | <u>178,550</u> | <u>313,962</u> | <u>278,229</u> |
| Water and sewer | | | |
| Water | 364,427 | 343,249 | 332,645 |
| Sewer | 190,007 | 179,173 | 172,594 |
| Connection and services | - | 7,570 | 864 |
| | <u>554,434</u> | <u>529,992</u> | <u>506,103</u> |
| Light commission | | | |
| Power sales | 3,026,692 | 3,060,512 | 3,104,013 |
| | <u>3,026,692</u> | <u>3,060,512</u> | <u>3,104,013</u> |
| Other revenue from own source | | | |
| Licenses and permits | | | |
| Animal | 100 | - | 25 |
| Construction | 1,000 | 2,960 | 27,784 |
| Rentals | | | |
| Trailer park | 38,700 | 37,908 | 40,150 |
| Miscellaneous | | | |
| Other | 11,195 | 78,093 | 371,710 |
| Services provided to other utilities | - | 23,414 | 5,591 |
| Other revenues from water and sewer sources | 8,300 | (2,500) | 47,500 |
| Water supply for fire protection | 37,000 | - | - |
| Return on investments | | | |
| Interest on investments | 1,500 | 6,392 | 5,777 |
| Interest and service charges | 3,000 | 5,382 | 4,955 |
| | <u>100,795</u> | <u>151,649</u> | <u>503,492</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, 2014

| | Budget 2014 | 2014 | 2013 |
|--|----------------|----------------|----------------|
| Expenses | | | |
| General government services | | | |
| Legislative | | | |
| Mayor | 6,417 | 6,151 | 5,992 |
| Councilors | 29,815 | 25,846 | 22,767 |
| Administrative | | | |
| Administration salaries and other | 183,995 | 262,947 | 161,653 |
| Office building | 23,480 | 17,133 | 60,950 |
| Solicitor | 10,000 | 3,234 | 3,772 |
| Financial management | | | |
| Audit | 10,000 | 6,689 | 8,384 |
| Other general government services | | | |
| Conventions | 10,500 | 6,490 | 11,952 |
| Public liability insurance | 5,000 | 2,917 | 2,875 |
| Grants to organizations | 27,125 | 23,425 | 9,298 |
| Training and development | 3,000 | 434 | 1,320 |
| Assessment costs | 20,736 | 20,736 | 20,799 |
| Flood costs | - | 127,630 | 98,822 |
| Amortization | 5,680 | 5,680 | 12,845 |
| Loss on disposal of TCA | - | - | 243,620 |
| | <u>335,748</u> | <u>509,312</u> | <u>665,049</u> |
| Protective services | | | |
| Police | | | |
| R.C.M.P. | 332,800 | 332,800 | 321,871 |
| Fire | | | |
| Administration | 3,000 | 4,059 | 2,748 |
| Firefighting force | 71,300 | 59,142 | 84,281 |
| Fire alarm system | 10,000 | 6,949 | 6,599 |
| Fire investigation and prevention | 1,000 | - | - |
| Water costs | 37,000 | - | - |
| Station and building | 35,120 | 27,526 | 46,484 |
| Fighting equipment | 65,500 | 71,321 | 62,910 |
| Emergency measures | | | |
| EMO | 2,000 | 3,874 | 823 |
| Other | | | |
| Animal and pest control | 5,000 | 5,643 | 5,800 |
| Amortization | 87,195 | 87,195 | 82,618 |
| | <u>649,915</u> | <u>598,509</u> | <u>614,134</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, 2014

| | Budget 2014 | 2014 | 2013 |
|---|----------------|---------|---------|
| Expenses <i>(continued)</i> | | | |
| Transportation services | | | |
| Roadway transport | | | |
| Roadway surfaces | 158,500 | 123,782 | 137,626 |
| Storm sewers | 17,000 | 6,753 | 14,330 |
| Street cleaning | 14,000 | 9,634 | 10,415 |
| Snow and ice removal | 102,000 | 101,470 | 94,454 |
| Traffic services | | | |
| Street signs | 3,500 | 2,973 | 3,800 |
| Other | | | |
| Amortization | 264,256 | 264,256 | 242,830 |
| | 559,256 | 508,868 | 503,455 |
| Environmental health services | | | |
| Solid waste collection and disposal | 96,000 | 85,261 | 83,268 |
| Recycling | - | 4,233 | 4,259 |
| Amortization | 9,601 | 9,600 | 9,602 |
| | 105,601 | 99,094 | 97,129 |
| Environmental development services | | | |
| Community development | 33,500 | 67,642 | 94,904 |
| Industrial park | - | 1,171 | 5,370 |
| Tourism promotion | 47,500 | 26,724 | 35,330 |
| Beautification and land rehabilitation | 43,000 | 55,152 | 42,235 |
| | 124,000 | 150,689 | 177,839 |
| Recreation and cultural services | | | |
| Administration | 94,507 | 107,275 | 123,445 |
| Civic centre | 379,102 | 375,414 | 353,600 |
| Recreation commission | - | 113,224 | 137,294 |
| Swimming pool | 52,690 | 9,409 | 61,621 |
| Library | 32,580 | 36,754 | 28,380 |
| Historic sites | 2,000 | 1,542 | 3,065 |
| Amortization | 145,897 | 145,897 | 159,759 |
| | 706,776 | 789,515 | 867,164 |

(continues)

Village of Perth-Andover**Consolidated Statement of Detailed Revenue and Expenditures** *(continued)**(Schedule 6)***Year Ended December 31, 2014**

| | Budget 2014 | 2014 | 2013 |
|--------------------------------------|------------------|-------------------|-------------------|
| Expenses <i>(continued)</i> | | | |
| Water and sewer | | | |
| Administration | 54,846 | 49,492 | 34,883 |
| Transmission and distribution | 169,100 | 200,601 | 203,808 |
| Power and pumping | 33,000 | 31,560 | 29,152 |
| Discounts | - | 3,032 | 2,890 |
| Sewerage and collection and disposal | 176,345 | 175,981 | 509,194 |
| Amortization | 207,572 | 207,572 | 205,780 |
| Loss on disposal of TCA | - | - | 35,299 |
| | 640,863 | 668,238 | 1,021,006 |
| Light commission | | | |
| Administration | 232,649 | 231,696 | 223,489 |
| Postage and office | 108,247 | 33,126 | 37,332 |
| Power purchases | 2,473,518 | 2,509,593 | 2,664,116 |
| Transmission and distribution | 256,000 | 188,617 | 154,663 |
| Amortization | 71,527 | 71,527 | 65,672 |
| Loss on disposal of TCA | - | 3,235 | 88 |
| | 3,141,941 | 3,037,794 | 3,145,360 |
| Fire Lottery | | | |
| Lottery payouts | - | 347,227 | 362,366 |
| Interest | - | 240 | 248 |
| Repairs and maintenance | - | 51,937 | 9,509 |
| Supplies | - | 55,231 | 15,865 |
| | \$ - | \$ 454,635 | \$ 387,988 |

See notes to financial statements