

**VILLAGE OF PERTH-ANDOVER
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

VILLAGE OF PERTH-ANDOVER
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YEAR ENDED DECEMBER 31, 2012

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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 Thornton VanTassel Chartered Accountants, in accordance with Canadian generally accepted auditing standards.

The accompany 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 18, 2013

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, which comprise the consolidated statements of revenues and expenditures and 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 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 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 audit opinion.

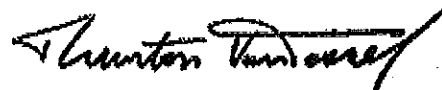
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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Perth-Andover as at December 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Comparative Information

Without modifying our opinion, we draw attention to the consolidated financial statements which describes that the Village of Perth-Andover adopted Canadian public sector accounting standards on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retroactively by management to the comparative information in these financial statements, including the January 1, 2011 consolidated statements of revenues and expenditures and cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.



Perth-Andover, NB
September 18, 2013

CHARTERED ACCOUNTANTS

VILLAGE OF PERTH-ANDOVER
CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2012

	Budget 2012	2012	Restated 2011
REVENUE			
Warrant of assessment	\$ 1,300,142	\$ 1,300,142	\$ 1,261,221
Services to other governments	135,500	162,990	143,468
Sales of services			
Recreation and cultural services	222,000	236,364	291,522
Water and sewer	514,644	491,135	498,563
Light commission	3,088,440	2,985,689	3,148,531
Other revenue from own sources	110,123	743,652	191,889
Unconditional grants	170,023	170,023	173,493
Conditional transfers	92,332	92,332	128,012
Flood recovery	-	662,864	-
Outside funding	-	576,859	-
Investment income	-	54,519	290,549
	<u>5,633,204</u>	<u>7,476,569</u>	<u>6,127,248</u>
OTHER INCOME			
Fire lottery, net	-	182,621	139,353
EXPENSES			
General government services	258,138	565,489	241,199
Protective services	429,431	448,870	383,852
Transportation services	279,667	159,955	219,879
Environmental health services	89,000	92,237	74,300
Environmental development services	146,000	132,057	180,417
Recreation and cultural services	597,500	744,490	570,465
Amortization	727,708	727,708	705,556
Power purchases	2,522,664	2,531,672	2,608,926
Transmission and distribution	291,220	174,801	389,844
Miscellaneous	291,232	312,098	306,363
Water supply	266,670	268,772	249,133
Sewerage and collection and disposal	172,350	302,561	131,063
Losses on disposal of tangible capital assets	-	23,548	-
	<u>6,071,580</u>	<u>6,484,258</u>	<u>6,060,997</u>
ANNUAL SURPLUS (DEFICIENCY)	\$ (438,376)	\$ 1,174,932	\$ 205,604

VILLAGE OF PERTH-ANDOVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2012

	2012	2011
FINANCIAL ASSETS		
Cash <i>(Note 6)</i>	\$ -	\$ 341,316
Marketable securities <i>(Note 6)</i>	3,671,683	3,609,338
Accounts receivable	1,946,651	687,101
Deferred expenses	12,375	-
	5,630,709	4,637,755
LIABILITIES		
Bank indebtedness	297,617	-
Accounts payable	1,204,958	658,464
Deferred income	-	223,173
	1,502,575	881,637
NET ASSETS	4,128,134	3,756,118
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 9)</i>	14,197,888	13,410,909
Inventory	173,580	157,828
Prepaid expenses	10,622	10,438
	14,382,090	13,579,175
	\$ 18,510,224	\$ 17,335,293

VILLAGE OF PERTH-ANDOVER
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
YEAR ENDED DECEMBER 31, 2012

	2012	2011
Annual surplus (deficiency)	\$ 1,174,932	\$ 205,604
Purchase of tangible capital assets	(1,560,772)	(569,737)
Amortization of tangible capital assets	727,708	705,556
Net disposal of tangible capital assets	46,086	-
Change in prepaid expenses	(184)	46,182
Change in inventory	(15,754)	2,332
	372,016	389,937
NET ASSETS, BEGINNING OF YEAR	3,756,118	3,366,181
	\$ 4,128,134	\$ 3,756,118

VILLAGE OF PERTH-ANDOVER
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012

	2012	2011
OPERATING ACTIVITIES		
Annual surplus (deficiency)	\$ 1,174,932	\$ 205,604
Items not affecting cash:		
Amortization of tangible capital assets	727,708	705,556
Gain on disposal of tangible capital assets	23,548	-
	<u>1,926,188</u>	<u>911,160</u>
Changes in non-cash working capital:		
Accounts receivable	(1,259,550)	(26,548)
Deferred expenses	(12,375)	-
Accounts payable	546,493	(89,365)
Deferred income	(223,173)	69,888
Inventory	(15,752)	2,332
Prepaid expenses	(184)	46,182
	<u>(964,541)</u>	<u>2,489</u>
Cash flow from operating activities	<u>961,647</u>	<u>913,649</u>
INVESTING ACTIVITIES		
Marketable securities	(62,345)	(101,016)
Purchase of tangible capital assets	(1,560,772)	(569,737)
Proceeds on disposal of tangible capital assets	22,537	-
Cash flow used by investing activities	<u>(1,600,580)</u>	<u>(670,753)</u>
FINANCING ACTIVITY		
Opening retained earnings of a controlled entity	-	(50,153)
INCREASE (DECREASE) IN CASH FLOW	(638,933)	192,743
CASH - BEGINNING OF YEAR	341,316	148,573
CASH (DEFICIENCY) - END OF YEAR (Note 6)	\$ (297,617)	\$ 341,316

VILLAGE OF PERTH-ANDOVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

1. FIRST TIME ADOPTION OF PUBLIC SECTOR ACCOUNTING STANDARDS BOARD HANDBOOK (PSAB)

Effective January 1, 2011 the Municipality has restated its financial statements to adopt the generally accepted accounting principles for government outlined in the Canadian Institute of Chartered Accountants' Public Sector Accounting Standards Board Handbook (PSAB).

The most significant changes relate to consolidation of funds, capitalization and amortization of tangible capital assets, and the adoption of full accrual accounting.

Section 3150 has established standards on how to account for and report tangible capital assets. Tangible capital assets are a significant economic resource managed by government and a key component in the delivery of many government programs. The standard requires these assets to be recorded at historical cost on the balance sheet and their costs allocated to future accounting periods through annual amortization expenses based on the tangible capital assets estimated useful lives of the assets. The Municipality was required to record the historical cost of their tangible capital assets and accumulated amortization on a retroactive basis with restatement of prior year.

The Municipality determined historical cost based on historical accounting records and discounted replacement costs. If historical cost could not be determined the asset was recorded at a nominal value.

These financial statements are the first prepared in accordance with these standards. Except as disclosed in Note 2 and 3, the changes have been applied retrospectively, resulting in changes to beginning equity and restatement of certain assets and liabilities as described below.

As part of the adoption of PSAB the Municipality has included the assets, liabilities, revenues and expenses of a controlled entity known as the Fire Lottery which had not previously been included in the pre PSAB financial statements. This inclusion has resulted in an increase in the consolidated 2012 net financial liabilities of \$77,103.

The December 31, 2011 figures presented for comparative purposes have been restated from those previously reported.

2. ADJUSTMENTS TO ANNUAL SURPLUS

	2011
Annual surplus, as previously reported in the operating funds	\$ 166,844
Annual surplus of other funds	233,672
Less: second previous year surplus	(198,443)
Less: amortization of tangible capital assets	(705,556)
Plus: annual surplus of a controlled entity	139,350
Plus: tangible capital assets expensed	569,737
	\$ 205,604

VILLAGE OF PERTH-ANDOVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

3. ADJUSTMENTS FOR NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS

As previously reported, December 31, 2010	\$ 16,609,700
Adjusted to historical cost of tangible assets, net	(3,062,972)
Additions	569,737
Amortization	(705,556)
Adjusted net book value as at December 31, 2011	\$ 13,410,909

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements of the Municipality are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

Reporting entity

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

The entities included in the financial statements consist of the General Operating Fund, General Capital Fund, General Reserve Fund, Water and Sewer Operating Fund, Water and Sewer Capital Fund, Water and Sewer Reserve Fund, Light Commission Operating Fund, Light Commission Capital Fund, Light Commission Reserve Fund and Fire Lottery Operating Fund.

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by Council on December 19, 2011 and were approved by the Minister of Local Government.

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VILLAGE OF PERTH-ANDOVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Effective January 1, 2011 the Municipality adopted the provisions of PSA section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development and betterment of the asset. The cost of 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

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

Deferred expenses

Deferred expenses consists of incurred costs that approved funding has not yet been received.

Deferred income

Deferred income consists of funding and other revenues received in advance of related expenses being incurred.

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.

Revenue recognition

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.

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.

Measurement uncertainty

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

VILLAGE OF PERTH-ANDOVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

5. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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

6. CASH AND MARKETABLE SECURITIES

	2012	2011
Cash - Unrestricted	\$ (297,617)	\$ 341,316

Marketable securities of \$3,671,683 and other reserve assets of \$234,679 totaling \$3,908,362 are all restricted in 2012. (2011 - \$3,594,322)

7. SICK LEAVE BENEFITS

Sick leave benefits do not vest to employees and accordingly no liability for sick leave exists at year end.

8. DUE FROM (TO) GOVERNMENT AND ITS AGENCIES

	2012
Canada Revenue Agency - Harmonized sales tax	100,591
Department of Public Safety	262
Department of Transportation	13,963
Minister of Finance	(57,200)
Minister of Finance - Payroll deductions	(8,901)
	\$ 48,715

VILLAGE OF PERTH-ANDOVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

9. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Land	\$ 700,196	\$ -	\$ 700,196	\$ 536,190
Land improvements	1,870,732	544,817	1,325,915	1,203,283
Buildings	5,200,323	1,945,469	3,254,853	3,213,204
Computer equipment	221,530	27,252	194,278	29,827
Distribution and light system	1,835,079	848,600	986,479	1,012,872
Equipment	3,624,322	1,427,803	2,196,519	2,168,825
Infrastructure	4,504,063	2,218,906	2,285,157	2,469,792
Motor vehicles	165,366	119,179	46,187	69,916
Water and sewer systems	6,000,077	2,791,773	3,208,304	2,707,000
	\$ 24,121,688	\$ 9,923,799	\$ 14,197,888	\$ 13,410,909

10. 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 2012, the Municipality has complied with these restrictions.

11. 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. The amounts payable between Funds are in compliance with the requirements.

12. 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
SCHEDULE OF SEGMENT DISCLOSURE
(Schedule 1)

YEAR ENDED DECEMBER 31, 2012

	General Operating Fund	Water and Sewer Operating Fund	Light Commission Operating Fund	2012	Restated 2011
REVENUE					
Warrant of assessment	\$ 1,300,142	\$ -	\$ -	\$ 1,300,142	\$ 1,261,221
Services to other governments	162,990	-	-	162,990	143,468
Sales of services	236,364	491,135	2,985,689	3,713,188	3,938,616
Other revenue from own sources	90,982	395,162	257,508	743,652	191,889
Unconditional grants	170,023	-	-	170,023	173,493
Conditional transfers	92,332	-	-	92,332	128,012
Flood recovery	662,864	-	-	662,864	-
Outside funding	-	576,859	-	576,859	-
Gain on disposal of tangible capital assets	4,390	11,425	38,704	54,519	290,549
	2,720,087	1,474,581	3,281,901	7,476,569	6,127,248
OTHER INCOME					
Fire lottery, net	182,621	-	-	182,621	139,353
EXPENSES					
General government services	565,489	-	-	565,489	241,199
Protective services	448,870	-	-	448,870	383,852
Transportation services	159,955	-	-	159,955	219,879
Environmental health services	92,237	-	-	92,237	74,300
Environmental development services	132,057	-	-	132,057	180,417
Recreation and cultural services	744,490	-	-	744,490	570,465
Amortization	492,814	172,523	-	727,708	705,556
Power purchases	-	-	62,371	62,371	2,608,926
Transmission and distribution	-	-	2,531,672	2,531,672	389,844
Miscellaneous	-	-	174,801	174,801	306,363
Water supply	-	-	312,098	312,098	249,133
Sewerage and collection and disposal	-	268,772	-	268,772	131,063
Losses on disposal of tangible capital assets	-	302,561	-	302,561	-
	(13,235)	1,736	35,047	23,548	-
	2,622,677	745,592	3,115,989	6,484,258	6,060,997
	\$ 280,031	\$ 728,989	\$ 165,912	\$ 1,174,932	\$ 205,604

VILLAGE OF PERTH-ANDOVER
OPERATING BUDGET TO PSA BUDGET
(Schedule 2)

YEAR ENDED DECEMBER 31, 2012

	General Operating Budget	Water and Sewer Operating Budget	Light Commission Operating Budget	Amortization	Transfers	2012
REVENUE						
Warrant of assessment	\$ 1,300,142	\$ -	\$ -	\$ -	\$ -	\$ 1,300,142
Services to other governments	135,500	-	-	-	-	135,500
Sales of services						
Recreation and cultural services	222,000	-	-	-	-	222,000
Water and sewer	-	514,644	-	-	-	514,644
Light commission	-	-	3,088,440	-	-	3,088,440
Other revenue from own source	48,993	53,300	7,830	-	-	110,123
Unconditional grant	170,023	-	-	-	-	170,023
Conditional transfers	92,332	-	-	-	-	92,332
Surplus of second previous year	-	10,729	121,696	-	(132,425)	-
	1,968,990	578,673	3,217,966	-	(132,425)	5,633,204
EXPENSES						
General government services	258,138	-	-	-	-	258,138
Protective services	429,431	-	-	-	-	429,431
Transportation services	279,667	-	-	-	-	279,667
Environmental health services	89,000	-	-	-	-	89,000
Environmental development services	146,000	-	-	-	-	146,000
Recreation and cultural services	597,500	-	-	-	-	597,500
Fiscal services	105,080	139,653	112,850	-	(357,583)	-
Amortization	-	-	-	727,708	-	727,708
Power purchases	-	-	2,522,664	-	-	2,522,664
Transmission and distribution	-	-	291,220	-	-	291,220
Miscellaneous	-	-	291,232	-	-	291,232
Water supply	-	266,670	-	-	-	266,670
Sewerage collection and disposal	-	172,350	-	-	-	172,350
Deficit of second previous year	64,174	-	-	-	(64,174)	-
	1,968,990	578,673	3,217,966	727,708	(421,757)	6,071,580
	\$ -	\$ -	\$ -	\$ (727,708)	\$ 289,332	\$ (438,376)

**VILLAGE OF PERTH-ANDOVER
RECONCILIATION OF ANNUAL SURPLUS**

(Schedule 3)

YEAR ENDED DECEMBER 31, 2012

	General Operating Fund	Water and Sewer Operating Fund	Light Commission Operating Fund	2012
2012 ANNUAL FUND SURPLUS (DEFICIT)	\$ 280,031	\$ 728,989	\$ 165,912	\$ 1,174,932
ADJUSTMENTS TO 2012 ANNUAL SURPLUS (DEFICIT) FOR FUNDING REQUIREMENTS				
Amortization of tangible capital assets	492,814	172,523	62,371	727,708
Tangible capital asset additions	(325,639)	(468,633)	(78,882)	(873,154)
Second previous year's surplus	(64,174)	10,729	121,696	68,251
Transfer from general operating fund to the General Operating Reserve Fund	(363,911)	238,575	(188,704)	(314,040)
Outside funding	-	(576,859)	-	(576,859)
Loss (Gain) on sale of tangible capital assets	(13,235)	1,736	35,047	23,548
Net income from a controlled entity	72,423	-	-	72,423
	(201,722)	(621,929)	(48,472)	(872,123)
	\$ 78,309	\$ 107,060	\$ 117,440	\$ 302,809

SCHEDULE OF TANGIBLE CAPITAL ASSETS

(Schedule 4)

YEAR ENDED DECEMBER 31, 2012

	Land	Land Improvements	Buildings	Computer Equipment	Infrastructure	Motor Vehicles	Equipment	2012	2011
COST									
Balance, beginning of year	\$ 536,190	\$ 1,686,274	\$ 5,027,850	\$ 68,400	\$ 11,675,653	\$ 189,206	\$ 3,678,476	\$ 22,862,049	\$ 22,292,311
Additions	164,006	207,438	172,473	174,330	686,446	-	156,079	1,560,772	569,737
Disposals	-	(22,980)	-	(21,200)	(22,880)	(23,840)	(208,840)	(299,740)	-
	700,196	1,870,732	5,200,323	221,530	12,339,219	165,366	3,625,715	24,123,081	22,862,048
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	482,991	1,814,647	38,573	5,485,989	119,650	1,509,290	9,451,140	8,745,583
Amortization	-	69,855	130,823	6,549	384,730	23,369	112,382	727,708	705,556
Disposals	-	(8,028)	-	(17,870)	(11,440)	(23,840)	(192,477)	(253,655)	-
	-	544,818	1,945,470	27,252	5,859,279	119,179	1,429,195	9,925,193	9,451,139
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 700,196	\$ 1,325,914	\$ 3,254,853	\$ 194,278	\$ 6,479,940	\$ 46,187	2,196,520	14,197,888	13,410,909
CONSISTS OF:									
General Capital Fund	\$ 613,606	\$ 402,242	\$ 2,778,675	\$ -	2,310,019	\$ 31,631	835,673	6,971,846	7,038,955
Water and Sewer Capital Fund	79,790	923,672	476,178	172,404	3,183,441	14,556	1,360,847	6,210,888	5,339,656
Light Commission Capital Fund	6,800	-	-	21,874	986,480	-	-	1,015,154	1,032,298
	\$ 700,196	\$ 1,325,914	\$ 3,254,853	\$ 194,278	\$ 6,479,940	\$ 46,187	\$ 2,196,520	\$ 14,197,888	\$ 13,410,909

SCHEDULE OF ACCUMULATED SURPLUS RECONCILIATION TO PUBLIC SECTOR ACCOUNTING BOARD (PSAB) REQUIREMENTS

(Schedule 5)

YEAR ENDED DECEMBER 31, 2012

	General Operating Fund	General Capital Fund	Water and Sewer Operating Fund	Water and Sewer Capital Fund	Light Commission Operating Fund	Light Commission Capital Fund	Reserve Fund	2012
2011 ANNUAL FUND SURPLUS (DEFICIT)	\$ 103,565	\$ -	\$ 7,343	\$ -	\$ 55,936	\$ -	\$ -	\$ 166,844
ADJUSTMENTS TO 2011 ANNUAL SURPLUS (DEFICIT) FOR PSAB REQUIREMENTS								
Second previous year's surplus	(35,281)	-	(48,674)	-	(114,488)	-	-	(198,443)
Capital asset expense	-	498,896	-	59,377	-	22,887	-	581,160
Amortization of tangible capital assets	-	(469,274)	-	(170,781)	-	(65,500)	-	(705,555)
Net income from a controlled entity	139,353	-	-	-	-	-	-	139,353
Reserve income	-	-	-	-	-	-	290,655	290,655
Transfer to (from) reserve fund	-	-	-	-	-	-	(68,406)	(68,406)
	104,072	29,622	(48,674)	(111,404)	(114,488)	(42,613)	222,249	38,764
	207,637	29,622	(41,331)	(111,404)	(58,552)	(42,613)	222,249	205,608
ACCUMULATED SURPLUS (DEFICIT) BEFORE PPA, BEGINNING OF YEAR	-	-	-	-	-	-	-	-
	28,893	(8,531,110)	(59,403)	(6,538,027)	(236,184)	(2,104,648)	(3,372,073)	(20,812,552)
ADJUSTMENT TO HISTORICAL COST OF TANGIBLE CAPITAL ASSETS, NET	-	1,517,404	-	1,086,967	-	1,028,343	-	3,632,714
OPENING RETAINED EARNINGS OF A CONTROLLED ENTITY	50,153	-	-	-	-	-	-	50,153
	79,046	(7,013,706)	(59,403)	(5,451,060)	(236,184)	(1,076,305)	(3,372,073)	(17,129,685)
	\$ 128,591	\$ 7,043,328	\$ 18,072	\$ 5,339,656	\$ 177,632	\$ 1,033,692	\$ 3,594,322	\$ 17,335,293

STATEMENT OF RESERVE FUNDS BALANCES

(Schedule 6)

YEAR ENDED DECEMBER 31, 2012

	Fire Department	Recreation Commission	Village	Water and Sewer	Light Commission	2012	2011
BALANCE, BEGINNING OF YEAR	\$ 25,229	\$ 381,510	\$ 882,614	\$ 523,606	\$ 1,781,363	\$ 3,594,322	\$ 3,372,073
ADD							
Investment income	547	11,041	35,003	13,989	62,225	122,805	209,287
Transfers from operating funds	308,000	12,000	165,000	-	150,000	635,000	162,000
Unrealized gains on investments	-	-	-	-	-	-	81,368
	308,547	23,041	200,003	13,989	212,225	757,805	452,655
LESS							
Transfers to capital funds	-	-	-	250,000	-	250,000	155,406
Transfers to operating funds	-	-	151,472	-	-	151,472	75,000
Unrealized loss on investments	-	2,688	13,520	2,564	23,521	42,293	-
	-	2,688	164,992	252,564	23,521	443,765	230,406
	\$ 333,776	\$ 401,863	\$ 917,625	\$ 285,031	\$ 1,970,067	\$ 3,908,362	\$ 3,594,322