

VILLAGE OF PERTH-ANDOVER

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

VILLAGE OF PERTH-ANDOVER
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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Independent Auditor's Report

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Independent Auditor's Report

To Her Worship the Mayor and Members of Council, of
Village of Perth-Andover

Opinion

We have audited the consolidated financial statements of Village of Perth-Andover, which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows 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 consolidated financial position of the Municipality as at December 31, 2021, and the results of its consolidated operations, changes in its consolidated net financial assets, and its consolidated 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 Municipality 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. Notes 15-19 on pages 15-22 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.

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

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

Those charged with governance are responsible for overseeing the Municipality'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 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:

Independent Auditor's Report, continued

- ◆ 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 Municipality'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 Municipality'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.
- ◆ 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.

Larkin McCain + Associates

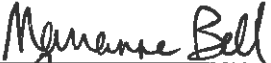

Chartered Professional Accountants

**Perth-Andover, New Brunswick
April 11, 2022**

VILLAGE OF PERTH-ANDOVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash (Note 3)	\$ 1,169,398	\$ 606,747
Accounts receivable (Note 4)	836,158	829,917
Marketable securities (Note 13)	7,118,844	7,006,646
	<u>9,124,400</u>	<u>8,443,310</u>
Liabilities		
Accounts payable (Note 5)	1,030,303	867,746
Deferred revenue (Note 12)	41,486	29,412
	<u>1,071,789</u>	<u>897,158</u>
Net financial assets	<u>8,052,611</u>	<u>7,546,152</u>
Non-financial Assets		
Tangible capital assets (Note 14)	13,727,515	14,187,582
Prepaid expenses	38,491	18,978
Inventory	200,794	182,936
	<u>13,966,800</u>	<u>14,389,496</u>
Accumulated Surplus	<u>\$ 22,019,411</u>	<u>\$ 21,935,648</u>

Approved on behalf of the Village of Perth-Andover

 , Mayor
 Clerk

The accompanying notes are an integral part of the financial statements

VILLAGE OF PERTH-ANDOVER

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget (unaudited)	2021 Actual	2020 Actual
Surplus	\$ (260,099)	\$ 83,763	\$ 652,410
Acquisition of tangible capital assets	(532,782)	(532,782)	(767,675)
Amortization of tangible capital assets	968,536	968,536	1,024,028
Net disposal of tangible capital assets	24,313	24,313	64,337
	460,067	460,067	320,691
<u>Change in prepaid asset</u>	<u>(19,513)</u>	<u>(19,513)</u>	503
<u>Change in inventory</u>	<u>(17,858)</u>	<u>(17,858)</u>	(2,180)
Increase in net financial assets	162,597	506,459	973,101
Net financial assets at beginning of year	-	7,546,152	6,574,735
Net financial assets at end of year	\$ -	\$ 8,052,611	\$ 7,546,152

The accompanying notes are an integral part of the financial statements

VILLAGE OF PERTH-ANDOVER

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget (unaudited) (Note 16)	2021 Actual	2020 Actual
Revenue			
Warrant of assessment	\$ 1,502,141	\$ 1,502,141	\$ 1,476,035
Unconditional grants	257,305	262,789	282,108
Conditional transfers	-	163,139	-
Services to other governments	214,670	218,599	222,058
Sales of services - Recreation and cultural	154,370	168,846	121,169
Sales of services - Water and sewer	641,329	642,409	632,234
Sales of services - Light commission	3,663,202	3,569,141	3,516,875
Other revenues from own source	44,120	104,288	186,670
Investment income (loss)	-	(217,677)	451,350
Fire lottery	-	380,536	386,151
	6,477,137	6,794,211	7,274,650
Expenditures			
General government services	342,505	342,258	290,741
Protective services	724,693	693,974	736,174
Transportation services	557,912	430,369	466,836
Environmental health services	109,843	114,046	121,696
Environmental development services	127,360	145,209	178,995
Recreation and cultural services	717,163	678,632	656,315
Water and sewer	708,462	674,369	589,024
Light commission	3,449,298	3,373,836	3,355,575
Fire lottery	-	257,755	226,884
	6,737,236	6,710,448	6,622,240
Surplus	(260,099)	83,763	652,410
Accumulated surplus at beginning of year	-	21,935,648	21,283,238
Accumulated surplus at end of year	\$ -	\$ 22,019,411	\$ 21,935,648

The accompanying notes are an integral part of the financial statements

VILLAGE OF PERTH-ANDOVER
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
Cash flows from		
Operating activities		
Surplus	\$ 83,763	\$ 652,410
Items not affecting cash		
Amortization of tangible capital assets	968,536	1,024,028
(Gain) loss on sale of tangible capital assets	(7,801)	(21,568)
	1,044,498	1,654,870
Change in non-cash operating working capital		
Accounts receivable	(6,241)	137,657
Accounts payable	162,557	(63,260)
Deferred revenue	12,074	(41,796)
Inventory	(17,858)	(2,180)
Prepaid expenses	(19,513)	503
	1,175,517	1,685,794
Capital activities		
Acquisition of tangible capital assets	(532,782)	(767,675)
Proceeds on disposal of tangible capital assets	32,114	85,905
	(500,668)	(681,770)
Investing activities		
Increase in Investments	(112,198)	(1,051,350)
Increase (decrease) in cash and cash equivalents	562,651	(47,326)
Cash and cash equivalents, beginning of year	606,747	654,073
Cash and cash equivalents, end of year (Note 3)	\$ 1,169,398	\$ 606,747

The accompanying notes are an integral part of the financial statements

VILLAGE OF PERTH-ANDOVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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. Basis of Presentation and 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 CPA Canada.

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 requirements, 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 charges 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:

(a) 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.

(b) Budget

The budget figures contained in these financial statements were approved by Council on November 26, 2020 and were approved by the Minister of Local Government on December 9, 2020. The budget figures are unaudited.

VILLAGE OF PERTH-ANDOVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. Basis of Presentation and Significant Accounting Policies, continued

(c) 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.

(d) 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 sewer, 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.

(e) Expenditure recognition

Expenses are recorded on the accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the statement of financial position date.

(f) 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 and 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.

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. Basis of Presentation and Significant Accounting Policies, continued

(g) 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 or 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.
- Environmental development services
This department is responsible 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 operation 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.

VILLAGE OF PERTH-ANDOVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. Basis of Presentation and Significant Accounting Policies, continued

(h) Reserves

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 of Reserve Fund Balances" to the consolidated financial statements is included to show the reserve fund balances as supplementary information.

(i) Employee future benefits

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

(j) Government transfers

Government transfers are transfer 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.

(k) Tangible capital assets

Tangible capital assets are recorded at cost which includes 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 their estimated useful life as follows:

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

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. Basis of Presentation and Significant Accounting Policies, continued

(l) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventory of supplies.

(m) 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.

(n) Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting 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 amount of revenues 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, allowance for doubtful accounts and accrued sick leave obligation. Actual results may differ from those estimates.

(o) Financial instruments

Financial instruments are financial assets or liabilities of the Village where the Village has the right to receive cash or another financial asset from another party or has the obligation to pay cash or other financial assets to another party or equity instruments of another entity.

The Village's financial instruments consist of cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is council's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

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

(p) Investments

Investments are comprised of guaranteed investment certificates and are recorded at fair market value.

VILLAGE OF PERTH-ANDOVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. Basis of Presentation and Significant Accounting Policies, continued

(q) Deferred revenue

Funding is recorded as deferred revenue if it has been restricted by the government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

(r) Net debt or net financial assets

The consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by the difference between liabilities and financial assets. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

3. Cash

	2021	2020
Unrestricted	\$ 1,169,326	\$ 606,675
Cash - restricted (Gas Tax Funds)	72	72
	\$ 1,169,398	\$ 606,747

4. Accounts receivable

	2021	2020
Light commission	\$ 656,652	\$ 649,411
Water and sewer	85,239	94,345
Province of New Brunswick	59,460	64,072
Sales tax	28,865	44,942
Other accounts receivable	75,100	55,306
Allowance for doubtful accounts	(69,158)	(78,159)
	\$ 836,158	\$ 829,917

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

5. Accounts payable

	2021	2020
Light commission	\$ 509,358	\$ 476,791
Water and sewer	16,354	14,012
Payroll deductions	38,597	33,857
Sick liability	187,286	173,296
Accrued payroll	42,623	32,207
Other accounts payable and accruals	149,402	137,583
Minister of Finance	86,683	-
	<hr/> \$ 1,030,303	<hr/> \$ 867,746

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 2021, the Municipality has complied with these restrictions.

7. Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short term inter-fund borrowing 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
DECEMBER 31, 2021

9. Water and Sewer Fund Surplus/Deficit

The Municipalities Act requires 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:

	2021	2020
2021 surplus	\$ 90,508	\$ -
2020 surplus	89,615	89,615
2019 surplus	-	54,025
	<hr/> \$ 180,123	<hr/> \$ 143,640

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.

11. Impacts of Covid-19

On March 11, 2020, the World Health Organization declared a global pandemic due to the outbreak of Covid-19. The declaration of the pandemic did not have a negative impact on the financial statements for the year ended December 31, 2021. The organization did not have to revise judgments, estimates and assumptions. The pandemic has not had any impact on the Company's liquidity, credit or business risks to date.

Future impacts on the Company's operations, if any, are indeterminable as at the date of the audit report.

VILLAGE OF PERTH-ANDOVER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

12. Deferred revenue

	December 31, 2020	Funding received, 2021	Revenue recognized, 2021	December 31, 2021
Senior park grant	\$ 4,912	\$ -	\$ -	\$ 4,912
PC children's charity grant for day camp	2,000	-	(2,000)	-
Jumpstart sport relief fund grant	7,500	-	(7,500)	-
Fire Lottery	15,000	21,574	-	36,574
	<u>\$ 29,412</u>	<u>\$ 21,574</u>	<u>\$ (9,500)</u>	<u>\$ 41,486</u>

13. Marketable securities

The marketable securities consist of fixed income securities with maturity dates ranging from January 2022 to December 2050 and interest rates ranging from 0.70% to 7.05%.

	2021	2020
Cash and short term investments	\$ 655,406	\$ 1,022,680
Fixed income	6,429,458	5,926,714
Accrued interest	33,980	57,252
	<u>\$ 7,118,844</u>	<u>\$ 7,006,646</u>

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

14. Schedule of Tangible Capital Assets

	Land	Land Improvements	Buildings	Computer Equipment	Infrastructure	Motor Vehicles	Equipment	2021 Total	2020 Total
COST									
Balance, beginning of year	\$ 783,974	\$ 2,141,483	\$ 5,694,227	\$ 371,196	\$ 15,918,405	\$ 360,579	\$ 5,291,360	\$ 30,561,224	\$ 30,061,842
Add:									
Net additions during the year	10,428	58,712	64,920	13,020	354,551	-	31,151	532,782	767,675
Less:									
Disposals during the year	-	-	-	(7,931)	(65,369)	-	(46,928)	(120,228)	(268,293)
Asset Management Plan Recommendations:									
Reallocations to more appropriate categories	-	-	-	-	-	-	-	-	-
Small equipment pool removal and adjustments	-	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	794,402	2,200,195	5,759,147	376,285	16,207,587	360,579	5,275,583	30,973,778	30,561,224
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	1,170,891	3,020,716	223,671	9,090,017	289,268	2,579,079	16,373,642	15,553,570
Add:									
Amortization during the year	-	61,916	138,264	35,564	480,110	29,921	222,761	968,536	1,024,028
Less:									
Accumulated amortization on disposals	-	-	-	(7,931)	(43,711)	-	(44,273)	(95,915)	(203,956)
Asset Management Plan Recommendations:									
Reallocations to more appropriate categories	-	-	-	-	-	-	-	-	-
Small equipment pool removal	-	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	-	1,232,807	3,158,980	251,304	9,526,416	319,189	2,757,567	17,246,263	16,373,642
NET BOOK VALUE OF TANGIBLE CAPITAL	\$ 794,402	\$ 967,388	\$ 2,600,167	\$ 124,981	\$ 6,681,171	\$ 41,390	\$ 2,518,016	\$ 13,727,515	\$ 14,187,582
Consists of:									
General Capital Fund	\$ 709,812	\$ 301,686	\$ 2,346,854	\$ -	\$ 1,590,567	\$ 33,166	\$ 1,293,574	\$ 6,275,659	\$ 6,527,515
Water and Sewer Capital Fund	77,790	665,702	253,313	115,034	2,998,878	8,224	1,224,442	5,343,383	5,631,323
Light Commission Capital Fund	6,800	-	-	9,947	2,091,726	-	-	2,108,473	2,028,744
BALANCE, END OF YEAR	\$ 794,402	\$ 967,388	\$ 2,600,167	\$ 124,981	\$ 6,681,171	\$ 41,390	\$ 2,518,016	\$ 13,727,515	\$ 14,187,582

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

15. Schedule of Segment Disclosure

	General Government services	Protective services	Transportation services	Environmental health services	Environmental development services	Recreation and cultural services	Water and Sewer	Light Commission	Fire Lottery	2021 Consolidated	2020 Consolidated
Revenues											
Warrant of assessment	\$ 248,283	\$ 448,586	\$ 217,072	\$ 69,852	\$ 84,748	\$ 433,600	\$ -	\$ -	\$ -	\$ 1,502,141	\$ 1,476,035
Unconditional grant	43,436	78,477	37,975	12,220	14,826	75,855	-	-	-	262,789	282,108
Conditional transfers	26,965	48,718	23,575	7,586	9,204	47,091	-	-	-	163,139	-
Services provided to other governments	-	146,892	-	-	-	71,707	-	-	-	218,599	222,058
Sale of services	-	-	-	-	-	168,846	642,409	3,569,141	-	4,380,396	4,270,278
Other revenue from own sources	63,521	-	-	-	-	-	15,999	24,768	-	104,288	186,670
Investment income (net)	(105,938)	-	-	-	-	-	(36,784)	(74,955)	-	(217,677)	451,350
Fire lottery	-	-	-	-	-	-	-	-	380,536	380,536	386,151
	\$ 276,267	\$ 722,673	\$ 278,622	\$ 89,658	\$ 108,778	\$ 797,099	\$ 621,624	\$ 3,518,954	\$ 380,536	\$ 6,794,211	\$ 7,274,650
Expenses											
Salaries and benefits	\$ 200,404	\$ 68,278	\$ 25,852	\$ 25,627	\$ 46,336	\$ 272,408	\$ 222,358	\$ 148,127	\$ -	\$ 1,009,391	\$ 878,543
Goods and services	146,225	473,975	141,773	73,558	86,751	273,256	210,157	3,076,873	257,755	4,740,322	4,741,237
Amortization	4,898	151,721	262,744	14,861	12,122	132,968	241,854	147,368	-	968,536	1,024,028
Loss (gain) on disposal of assets	(9,269)	-	-	-	-	-	-	1,468	-	(7,801)	(21,568)
	\$ 342,258	\$ 693,974	\$ 430,369	\$ 114,046	\$ 145,209	\$ 678,632	\$ 674,369	\$ 3,373,836	\$ 257,755	\$ 6,710,448	\$ 6,622,240
Surplus (deficit) for the year	\$ (65,991)	\$ 28,699	\$ (151,747)	\$ (24,388)	\$ (36,431)	\$ 118,467	\$ (52,745)	\$ 145,118	\$ 122,781	\$ 83,763	\$ 652,410

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

16. Reconciliation of Operating Budget to PSAB Budget

	General Operating Budget	Water and Sewer Operating Budget	Light Commission Operating Budget	Amortization	Transfers	Total
Revenue						
Warrant of assessment	\$ 1,502,141	\$ -	\$ -	\$ -	\$ -	\$ 1,502,141
Unconditional grant	257,305	-	-	-	-	257,305
Conditional transfers	-	-	-	-	-	-
Services provided to other governments	214,670	-	-	-	-	214,670
Sales of services						
Recreation and cultural services	159,770	-	-	-	(5,400)	154,370
Water and sewer	-	641,329	-	-	-	641,329
Light commission	-	-	3,663,202	-	-	3,663,202
Other revenue from own sources	19,020	53,400	14,700	-	(43,000)	44,120
Transfers from other funds	116,526	-	-	-	(116,526)	-
Surplus of second previous year	61,268	54,025	108,553	-	(223,846)	-
	2,330,700	748,754	3,786,455	-	(388,772)	6,477,137
Expenditures						
General government services	337,607	-	-	4,898	-	342,505
Protective services	609,972	-	-	151,721	(37,000)	724,693
Transportation services	295,168	-	-	262,744	-	557,912
Environmental health services	94,982	-	-	14,861	-	109,843
Environmental development services	115,238	-	-	12,122	-	127,360
Recreation and cultural services	589,595	-	-	132,968	(5,400)	717,163
Water and sewer	-	494,029	-	241,854	(27,421)	708,462
Light commission	-	-	3,397,035	147,368	(95,105)	3,449,298
Fiscal services	288,138	254,725	389,420	-	(932,283)	-
	2,330,700	748,754	3,786,455	968,536	(1,097,209)	6,737,236
Surplus (deficit)	\$ -	\$ -	\$ -	\$ (968,536)	\$ 708,437	\$ (260,099)

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

17. Reconciliation of Annual Surplus

	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	Total
2021 annual surplus (deficit) per PSAB	\$ 297,067	\$ 181,371	\$ 65,392	\$ -	\$ (305,678)	\$ (234,116)	\$ 79,727	\$ 83,763
Adjustments to annual surplus (deficit) for funding requirements								
Amortization of tangible capital assets	-	-	-	-	579,314	241,854	147,368	968,536
Tangible capital asset additions	-	-	-	-	(282,892)	(7,738)	(242,152)	(532,782)
Proceeds from disposal of tangible capital assets	-	-	-	-	9,256	-	15,057	24,313
Second previous year's surplus	61,268	54,025	108,553	-	-	-	-	223,846
Transfer from Operating Fund to the Operating Reserve Fund	(299,397)	(163,216)	24,954	437,658	-	-	-	-
Interfund transfers	79,526	15,579	(95,105)	-	-	-	-	-
Net fire lottery annual surplus	(114,667)	-	-	-	-	-	-	(114,667)
Sick leave accrual	7,713	2,749	3,528	-	-	-	-	13,990
Total adjustments to 2021 annual surplus (deficit)	(265,557)	(90,863)	41,930	437,658	305,678	234,116	(79,727)	583,236
2021 annual fund surplus (deficit)	\$ 31,510	\$ 90,508	\$ 107,322	\$ 437,658	\$ -	\$ -	\$ -	\$ 666,999

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

18. Statement of Reserve Funds Balances

	General Reserve	Water and Sewer Reserve	Light Commission Reserve	2021	2020
Accumulated surplus, beginning of year	\$4,217,976	\$1,151,353	\$1,963,545	\$7,332,874	\$6,476,649
Revenues/Expenditures					
Investment Income	42,427	19,719	39,828	101,974	185,652
Transfers from operating funds	405,335	200,000	50,000	655,335	404,875
Increase (decrease) in unrealized gains on investments	(148,366)	(56,503)	(114,782)	(319,651)	265,698
Transfers to capital funds	-	-	-	-	-
Annual surplus	299,397	163,216	(24,954)	437,658	856,225
Accumulated surplus, end of year	\$4,517,373	\$1,314,569	\$1,938,591	\$7,770,532	\$7,332,874

Reserve funds are made up of marketable securities of \$7,118,844 and interfund loans payable of \$651,688 totaling \$7,770,532.

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

19. Statement of Detailed Revenue and Expenditures

	2021 Budget (Unaudited)	2021	2020
Revenue			
Services to other governments	\$	\$	\$
Services to municipalities			
Fire	9,501	9,501	11,032
Recreation	71,707	71,707	67,263
Province of New Brunswick			
Fire	133,462	137,391	143,763
	214,670	218,599	222,058
Sales of service			
Recreation and cultural services			
Civic centre	104,670	77,287	83,282
Recreation commission	49,700	91,559	37,887
	154,370	168,846	121,169
Water and sewer			
Water	423,903	424,735	419,504
Sewer	217,426	217,674	212,730
	641,329	642,409	632,234
Light commission			
Power sales and rentals	3,663,202	3,569,141	3,516,875
Other revenue from own source			
Licenses and permits			
Animal	-	-	-
Construction	1,000	3,335	4,193
Rentals			
Trailer Park	14,520	16,227	15,860
Miscellaneous			
Line extensions, electrical waiver and connection fees	3,200	3,505	3,222
Other	2,500	43,267	116,027
Services provided to other utilities	4,000	16,262	26,219
Other revenues from water and sewer sources	2,400	4,867	2,927
Return on investments			
Interest on bank accounts	9,500	5,889	7,525
Interest and service charges	7,000	10,936	10,697
	44,120	104,288	186,670

(continues)

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

19. Statement of Detailed Revenue and Expenditures

	2021 Budget (Unaudited)	2021	2020
Expenses			
General government services			
Legislative			
Mayor	9,664	10,126	10,016
Councilors	34,444	36,004	35,236
Mayor and council travel expenses	12,160	370	435
Administrative			
Administration salaries and other	178,274	210,087	175,533
Office building	22,086	18,719	22,536
Solicitor	7,500	5,392	2,298
Financial management			
Audit	10,000	5,084	6,518
Other general government services			
Conventions	3,500	3,880	281
Public liability insurance	3,515	4,240	3,138
Grants to organizations	25,000	25,001	21,491
Training and development	7,500	3,388	5,092
Regional and collaborative services	272	646	989
Assessment costs	23,692	23,692	23,281
Amortization	4,898	4,898	4,898
Loss (gain) on disposal of tangible capital assets	-	(9,269)	(21,001)
	342,505	342,258	290,741
Protective services			
Police			
R.C.M.P.	346,732	346,732	342,033
Fire			
Administration	-	30	30
Firefighting force	83,615	68,278	84,029
Fire alarm system	22,000	21,030	20,697
Station and building	34,030	31,274	31,639
Fighting equipment	80,595	72,519	77,638
Emergency measures			
EMO	3,000	590	2,370
Other			
Animal and pest control	3,000	1,800	2,400
Amortization	151,721	151,721	175,338
	724,693	693,974	736,174

(continues)

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

19. Statement of Detailed Revenue and Expenditures

	2021 Budget (Unaudited)	2021	2020
Expenses (continued)			
Transportation services			
Roadway transport			
Roadway surfaces, culverts and drains	165,500	70,225	51,057
Storm sewers	2,500	-	788
Street cleaning	-	1,150	-
Snow and ice removal	125,668	91,993	118,221
Traffic services			
Street signs	1,500	4,257	148
Other			
Amortization	262,744	262,744	296,622
	<u>557,912</u>	<u>430,369</u>	<u>466,836</u>
Environmental health services			
Solid waste collection and disposal	84,515	88,461	101,044
Recycling	10,467	10,724	20,652
Amortization	14,861	14,861	-
	<u>109,843</u>	<u>114,046</u>	<u>121,696</u>
Environmental development services			
Community development	35,307	38,041	86,937
Tourism promotion	39,829	36,686	39,095
Beautification and land rehabilitation	40,102	58,360	40,072
Amortization	12,122	12,122	12,891
	<u>127,360</u>	<u>145,209</u>	<u>178,995</u>
Recreation and cultural services			
Administration	123,746	119,819	142,918
Civic centre	286,768	265,616	246,724
Recreation commission, pool and marina	138,441	130,443	78,421
Library	33,040	29,753	27,973
Historic sites	2,200	33	-
Amortization	132,968	132,968	160,279
	<u>717,163</u>	<u>678,632</u>	<u>656,315</u>

(continues)

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

19. Statement of Detailed Revenue and Expenditures

	2021 Budget (Unaudited)	2021	2020
Expenses (continued)			
Water and sewer			
Administration	90,953	64,671	64,896
Transmission and distribution	201,025	171,630	134,274
Power and pumping	36,000	38,531	35,663
Discounts	-	5,345	4,793
Sewerage and collection and disposal	138,630	152,338	112,929
Amortization	241,854	241,854	236,469
	708,462	674,369	589,024
Light commission			
Administration	262,020	231,466	205,967
Postage and office	30,737	44,982	45,108
Energy services	26,590	20,944	8,500
Power purchases	2,765,900	2,677,771	2,714,711
Transmission and distribution	216,683	249,837	244,325
Amortization	147,368	147,368	137,531
Loss on disposal of tangible capital assets	-	1,468	(567)
	3,449,298	3,373,836	3,355,575
Fire Lottery			
Lottery payouts	-	187,893	192,772
Donations	-	25,000	-
Interest	-	258	-
Repairs and maintenance	-	7,151	2,246
Supplies	-	37,453	31,866
	\$ -	\$ 257,755	\$ 226,884