

VILLAGE OF AROOSTOOK

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

VILLAGE OF AROOSTOOK
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

Page

Independent Auditor's Report

Financial Statements

Consolidated Statement of Financial Position	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Operations and Accumulated Surplus	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 23



**LENEHAN
McCAIN
& Associates**

CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To Her Worship the Mayor and Members of Council of
Village of Aroostook

Opinion

We have audited the consolidated financial statements of Village of Aroostook, which comprise the consolidated statement of financial position as at December 31, 2022, 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 and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Village as at December 31, 2022, and the results of its consolidated operations, its 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 Village in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Notes 14-18 on pages 17-23 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 Village'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 Village or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Village's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Letcha McCain + Associates

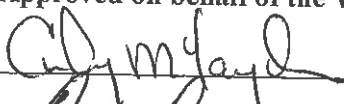

Chartered Professional Accountants

**Perth-Andover, New Brunswick
June 26, 2023**

VILLAGE OF AROOSTOOK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
Financial Assets		
Cash (Note 3)	\$ 420,278	\$ 398,196
Accounts receivable (Note 4)	14,066	4,082
Federal Government and its agencies receivable (Note 5)	7,881	8,917
	442,225	411,195
Liabilities		
Accounts payable (Note 6)	10,908	21,357
Deferred government transfers (Note 7)	274,819	255,231
	285,727	276,588
Net financial assets	156,498	134,607
Non-financial Assets		
Tangible capital assets (Note 13)	273,509	339,338
Prepaid expenses	-	800
	273,509	340,138
Accumulated Surplus	\$ 430,007	\$ 474,745

Approved on behalf of the Village of Aroostook

 , Mayor
 , Clerk



The accompanying notes are an integral part of the financial statements

VILLAGE OF AROOSTOOK

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
Deficit	\$ (44,738)	\$ (49,585)
Acquisition of tangible capital assets	(28,110)	-
Amortization of tangible capital assets	91,212	90,675
Capital disposal cost	2,727	-
	65,829	90,675
Use of prepaid asset	800	-
Acquisition of prepaid asset	-	(15)
	800	(15)
(Decrease) increase in net financial assets	21,891	41,075
Net financial assets at beginning of year	134,607	93,532
Net financial assets at end of year	\$ 156,498	\$ 134,607

The accompanying notes are an integral part of the financial statements

VILLAGE OF AROOSTOOK

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 Budget (Note 17)	2022 Actual	2021 Actual
Revenue			
Property tax warrant	\$ 105,324	\$ 105,324	\$ 125,858
Unconditional grant	129,522	133,572	101,383
Water user fees	22,155	23,369	23,092
Other revenue from own sources	300	2,006	2,406
Other government transfers	-	30,825	25,741
	<u>257,301</u>	<u>295,096</u>	<u>278,480</u>
Expenditures			
General government services	75,018	50,442	57,134
Protective services	59,056	59,055	57,693
Transportation services	109,155	105,089	99,183
Environmental health services	35,159	31,518	34,439
Environmental development services	4,000	8,657	4,870
Recreational and cultural services	11,638	11,581	13,259
Water supply	58,840	73,492	61,487
	<u>352,866</u>	<u>339,834</u>	<u>328,065</u>
Deficit	(95,565)	(44,738)	(49,585)
Accumulated surplus at beginning of year		474,745	524,330
Accumulated surplus at end of year	\$ -	\$ 430,007	\$ 474,745

The accompanying notes are an integral part of the financial statements

VILLAGE OF AROOSTOOK
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Cash flows from		
Operating activities		
Deficit	\$ (44,738)	\$ (49,585)
Items not affecting cash		
Amortization of tangible capital assets	91,212	90,675
(Gain) loss on proceeds of tangible capital assets	(6,873)	-
	39,601	41,090
Change in non-cash operating working capital		
Accounts receivable	(9,984)	4,278
Federal Government and its agencies receivable	1,036	(615)
Accounts payable	(10,449)	2,653
Prepaid expenses	800	(15)
Deferred government transfers	19,588	22,482
Capital activities		
Proceeds on disposal of tangible capital assets	9,600	-
Acquisition of tangible capital assets	(28,110)	-
	(18,510)	-
Increase in cash and cash equivalents	22,082	69,873
Cash and cash equivalents, beginning of year	398,196	328,323
Cash and cash equivalents, end of year	\$ 420,278	\$ 398,196

The accompanying notes are an integral part of the financial statements

VILLAGE OF AROOSTOOK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Description of entity

The Village of Aroostook was incorporated in 1966 and operates under the provisions of the Province of New Brunswick Local Governance Act.

The Village provides municipal services such as police, fire, water, 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 the Chartered Professional Accountants of 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 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:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in net assets 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 December 14, 2021 and were approved by the Minister of Local Government on December 17, 2021. The budget figures are unaudited.

VILLAGE OF AROOSTOOK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. Basis of Presentation and Significant Accounting Policies, continued

(c) Revenue recognition

Taxation revenue represents 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.

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

(d) Use of estimates

The preparation of the consolidated financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

(e) 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, accounts receivable, due from Federal Government and accounts payable. Unless otherwise noted, it is council's opinion that the Village is not exposed to any significant interest 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.

(f) Cash

Cash and cash equivalents include cash on hand and short term investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in their fair value.

VILLAGE OF AROOSTOOK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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, 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 operations of community centres.
- Water supply
This department is responsible for the provision of water services including the maintenance and operation of the underground networks.

(h) 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:

Buildings	10-70 years
Equipment	5-30 years
Infrastructure	13-60 years

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

VILLAGE OF AROOSTOOK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. Basis of Presentation and Significant Accounting Policies, continued

(i) 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. Note 16 "Statement of Reserves" to the consolidated financial statements is included to show the reserve fund balances as supplementary information.

(j) 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.

(k) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or 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 typically include tangible capital assets.

(l) Deferred government transfers

Funding is recorded as deferred government transfers 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 government transfers are recognized in revenue over time as the recognition criteria are met.

(m) Net debt or net financial assets

The consolidated financial statements are presented so as to highlight net financial assets (debts) as the measurement of financial position. The net financial assets (debts) of the Village is determined by its financial assets less its liabilities. Net financial assets (debts) is comprised of two components, non-financial assets and accumulated surplus.

(n) Expenditure recognition

Expenditures are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services and obligation to pay.

VILLAGE OF AROOSTOOK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

3. Cash

	2022	2021
Cash		
Unrestricted	\$ 100,536	\$ 113,398
Restricted - Reserve funds	44,234	28,878
Restricted - Gas tax funding	275,508	255,920
	<u>\$ 420,278</u>	<u>\$ 398,196</u>

4. Accounts receivable

	2022	2021
Trade receivables	\$ 15,415	\$ 5,092
Allowance for doubtful accounts	(1,349)	(1,010)
	<u>\$ 14,066</u>	<u>\$ 4,082</u>

5. Due from Federal Government and its agencies

	2022	2021
Canada Revenue Agency - HST receivable	\$ 7,881	\$ 8,917

6. Accounts payable

	2022	2021
Trade payables	\$ 6,730	\$ 19,008
Source deductions payable	4,178	2,349
	<u>\$ 10,908</u>	<u>\$ 21,357</u>

VILLAGE OF AROOSTOOK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. Deferred government transfers

	December 31, 2021	Funding received, 2022	Revenue recognized, 2022	December 31, 2022
Federal government				
Gas Tax Funding	\$ 255,231	\$ 46,840	\$ (27,252)	\$ 274,819

Deferred gas tax - The Province of New Brunswick administers gas tax funding for the federal government. The Village has to submit a plan for use of the gas tax funds. The Capital Investment Plan submitted by the Village requires approval by the government before the release of funding. Projects approved have to fall under one of the following categories: energy reduction, capacity building, local roads and bridges, water and sewage upgrades, installation and infrastructure. Money released is based on population and is received twice a year. Any remaining unspent funding is recorded as deferred revenue until the revenue recognition criteria are met.

8. Sick leave benefits

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

9. Short-term borrowings compliance

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 operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2022, the Municipality has complied with these restrictions.

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.

VILLAGE OF AROOSTOOK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

10. 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:

	2022		2021
2022 Surplus	\$ 24,080	\$	-
2021 Surplus	20,839		20,839
2020 Surplus	16,786		22,381
2019 Surplus	19,653		29,479
2018 Surplus	-		1,872
2017 deficit	-		(1,152)
	\$ 81,358	\$	73,419

11. 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.

12. Subsequent event

As a result of Local Governance Reform (LGR), effective January 1, 2023, rural districts have been established to ensure that residents living outside local governments continue to receive important services. The rural district will have elected councillors to advise the Minister of Local Government and Local Governance Reform. Further, various local governments are consolidating including the Village of Aroostook becoming part of Regional Community of Southern Victoria. The financial effect of this impact cannot not be estimated.

VILLAGE OF AROOSTOOK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

13. Schedule of Tangible Capital Assets

	Infrastructure					2022 Total	2021 Total
	Land	Buildings	Roads and streets	Water supply	Equipment		
COST							
Balance, beginning of year	\$ 72,412	\$ 106,392	\$ 971,441	\$ 636,503	\$ 52,609	\$ 1,839,357	\$ 1,839,357
Add:							
Net additions during the year	-	10,220	17,890	-	-	28,110	-
Less:							
Disposals during the year	(2,727)	-	-	-	-	(2,727)	-
BALANCE, END OF YEAR	69,685	116,612	989,331	636,503	52,609	1,864,740	1,839,357
ACCUMULATED AMORTIZATION							
Balance, beginning of year	-	40,046	900,036	536,218	23,719	1,500,019	1,409,344
Add:							
Amortization during the year	-	2,747	69,576	15,809	3,080	91,212	90,675
Less:							
Accumulated amortization on disposals	-	-	-	-	-	-	-
BALANCE, END OF YEAR	-	42,793	969,612	552,027	26,799	1,591,231	1,500,019
NET BOOK VALUE OF TANGIBLE CAPITAL	\$ 69,685	\$ 73,819	\$ 19,719	\$ 84,476	\$ 25,810	\$ 273,509	\$ 339,338
Consists of:							
General fund assets	\$ 67,285	\$ 73,819	\$ 19,719	\$ -	\$ 6,909	\$ 167,732	\$ 215,225
Water fund assets	2,400	-	-	84,476	18,901	105,777	124,113
	\$ 69,685	\$ 73,819	\$ 19,719	\$ 84,476	\$ 25,810	\$ 273,509	\$ 339,338

VILLAGE OF AROOSTOOK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

14. Schedule of Segment Disclosure

	General Government	Protective	Transportation	Environmental health	Environmental development	Recreation and cultural	Water service	2022 Consolidated	2021 Consolidated
Revenues									
Property tax warrant	\$ 31,564	\$ 34,228	\$ 17,366	\$ 15,426	\$ 1,755	\$ 4,985	\$ -	\$ 105,324	\$ 125,858
Unconditional grant	40,030	43,408	22,023	19,563	2,226	6,322	-	133,572	101,383
Sale of service	-	-	-	-	-	-	23,369	23,369	23,092
Other revenue from own sources	1,281	-	-	-	-	-	725	2,006	2,406
Other government transfers	12,007	-	17,032	-	1,787	-	-	30,825	25,741
	\$ 84,882	\$ 77,636	\$ 56,421	\$ 34,989	\$ 5,768	\$ 11,307	\$ 24,094	\$ 295,096	\$ 278,480
Expenses									
Salaries and benefits	\$ 22,813	\$ -	\$ -	\$ -	\$ 3,976	\$ -	\$ 20,604	\$ 47,393	\$ 43,555
Goods and services	31,311	58,511	35,513	31,518	4,681	11,304	33,344	206,182	191,639
Amortization	2,478	544	69,576	-	-	277	18,337	91,212	90,675
Loss (gain) on disposal of assets	(6,873)	-	-	-	-	-	-	(6,873)	-
Interest and bank charges	713	-	-	-	-	-	153	866	874
Other	-	-	-	-	-	-	1,054	1,054	1,322
	\$ 50,442	\$ 59,055	\$ 105,089	\$ 31,518	\$ 8,657	\$ 11,581	\$ 73,492	\$ 339,834	\$ 328,065
Surplus (deficit) for the year	\$ 34,440	\$ 18,581	\$ (48,668)	\$ 3,471	\$ (2,890)	\$ (274)	\$ (49,398)	\$ (44,738)	\$ (49,585)

VILLAGE OF AROOSTOOK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

15. Reconciliation of Annual Surplus

	General Operating Fund	Water Operating Fund	General Operating Reserve Fund	Utility Operating Reserve Fund	General Capital Fund	Water Capital Fund	Total
2022 annual surplus (deficit)	\$ 32,296	\$ (11,561)	\$ 356	\$ -	\$ (47,492)	\$ (18,337)	\$ (44,738)
Adjustments to annual surplus (deficit) for funding requirements							
Amortization of tangible capital assets	-	-	-	-	72,875	18,337	91,212
Tangible capital asset additions	-	-	-	-	(28,110)	-	(28,110)
Net proceeds from disposal of tangible capital assets	-	-	-	-	2,727	-	2,727
Transfer from Water Operating Fund to Water Capital Fund	-	-	-	-	-	-	-
Transfer from General Operating Fund to the General Capital Fund	-	-	-	-	-	-	-
Transfer from Operating Fund to the General Operating Reserve Fund	(15,000)	-	15,000	-	-	-	-
Second previous year's surplus	35,662	16,141	-	-	-	-	-
Elimination of water costs	(19,500)	19,500	-	-	-	-	-
Total adjustments to 2022 annual surplus (deficit)	1,162	35,641	15,000	-	47,492	18,337	117,632
2022 annual fund surplus	\$ 33,458	\$ 24,080	\$ 15,356	\$ -	\$ -	\$ -	\$ 72,894

VILLAGE OF AROOSTOOK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

16. Statement of Reserves

	General Operating Reserve	Water Operating Reserve	2022	2021
<u>Assets</u>				
Cash	42,734	1,500	\$ 44,234	\$ 28,878
Due to General Operating Reserve Fund	-	-	-	-
Due to General Operating Fund	8,332	-	8,332	8,332
Due from Water Operating Fund	-	-	-	-
Due from Water Operating Reserve Fund	-	-	-	-
Deferred government transfers	-	-	-	-
	\$ 51,066	\$ 1,500	\$ 52,566	\$ 37,210
<u>Accumulated Surplus (deficit)</u>	\$ 51,066	\$ 1,500	\$ 52,566	\$ 37,210
<u>Revenue</u>				
Government transfers	\$ -	\$ -	\$ -	\$ -
Transfer from Water and General Operating Funds	15,000	-	15,000	-
Interest income	356	-	356	38
	15,356	-	15,356	38
<u>Expenditures</u>				
Bank charges	-	-	-	-
Transfers to General Operating Funds	-	-	-	-
	-	-	-	-
<u>Annual Surplus (deficit)</u>	\$ 15,356	\$ -	\$ 15,356	\$ 38

Name of Investment	Principal Amount	Interest Rate	Date of Maturity
n/a	n/a	n/a	n/a

VILLAGE OF AROOSTOOK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

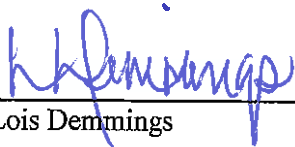
DECEMBER 31, 2022

16. Statement of Reserves, continued

Council Resolutions regarding transfers to and from reserves:

Moved by Councilor Plant, seconded by Councilor McLaughlin for \$15,000 be transferred from the General Operating Fund to the Reserve Fund. Motion carried.

I hereby certify that the above is a true and exact copy of resolution adopted at a regular meeting of Council on December 28, 2022.



Lois Demmings
Clerk/treasurer
Village of Aroostook

June 26, 2023
Date

VILLAGE OF AROOSTOOK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

17. Operating Budget to PSA Budget

	General Operating Budget	Water Operating Budget	Amortization	Transfers	2022
Revenue					
Property tax warrant	\$ 105,324	\$ -	\$ -	\$ -	105,324
Unconditional grant	129,522	-	-	-	129,522
Water user fees	-	22,155	-	-	22,155
Other revenue from own sources	300	19,500	-	(19,500)	300
Surplus of second previous year	35,662	17,293	-	(52,955)	-
Transfers from other funds	5,000	-	-	(5,000)	-
	275,808	58,948	-	(77,455)	257,301
Expenditures					
General government services	71,940	-	2,478	600	75,018
Protective services	78,012	-	544	(19,500)	59,056
Transportation services	39,579	-	69,576	-	109,155
Environmental health and development services	35,159	-	-	-	35,159
Recreation and cultural services	11,361	-	277	-	11,638
Planning and development services	4,000	-	-	-	4,000
Water supply	-	39,603	18,337	900	58,840
Fiscal services:					
- Interest on short term borrowings/bank charges	600	300	-	(900)	-
- Deficit of second previous year	-	1,152	-	(1,152)	-
- Discounts and bad debt provision	-	600	-	(600)	-
- Transfers to capital reserve	35,157	17,293	-	(52,450)	-
	275,808	58,948	91,212	(73,102)	352,866
Annual surplus (deficit)	\$ -	\$ -	\$ (91,212)	\$ (4,353)	\$ (95,565)

VILLAGE OF AROOSTOOK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

18. Statement of Detailed Revenue and Expenditures

	2022 Budget (Unaudited)	2022	2021
Revenue			
Other revenue from own source			
Rentals			
Hall rental	300	875	918
Miscellaneous			
Interest	-	1,081	1,429
Other	-	50	59
	300	2,006	2,406
Expenses			
General government services			
Legislative			
Mayor	1,350	1,350	1,125
Councilors	3,240	3,240	2,520
Other legislative costs	-	-	-
Administrative			
Clerk	16,000	14,247	16,250
Office building	15,000	9,421	9,777
Legal services	500	-	-
Other	16,000	11,855	10,470
Financial management			
Audit	8,500	4,193	4,191
Other general government services			
Amortization	2,478	2,478	2,074
Loss (gain) on disposal of capital assets	-	(6,873)	-
Contribution to RSC12	167	167	-
Bank charges	600	969	713
Cost of assessment	1,983	1,983	1,972
Prior year deferred gas tax funding adjustment	-	-	-
Grants to organizations	300	25	-
Liability insurance	8,900	7,387	8,042
	75,018	50,442	57,134
Protective services			
Police			
R.C.M.P.	48,225	48,224	47,648
Fire			
Fire protection contract	10,287	10,287	9,501
Other			
Amortization	544	544	544
	59,056	59,055	57,693

(continues)

VILLAGE OF AROOSTOOK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

18. Statement of Detailed Revenue and Expenditures

	2022 Budget (Unaudited)	2022	2021
Expenses (continued)			
Transportation services			
Road transport			
Roadway surfaces	12,375	12,786	12,788
Culverts and drainage	1,000	3,429	-
Street signs	-	459	-
Street lighting	10,680	9,885	9,546
Common services			
Engineering	3,000	-	-
Other			
Amortization	69,576	69,576	68,937
Snow and ice removal	12,524	8,954	7,912
	109,155	105,089	99,183
Environmental health services			
Solid waste collection	24,059	22,423	23,313
Solid waste disposal	9,800	8,864	9,362
Recycling	1,300	231	1,764
	35,159	31,518	34,439
Environmental development services			
Beautification and land rehabilitation	4,000	8,657	4,870
Recreation and cultural services			
Administration	11,361	11,304	12,982
Amortization	277	277	277
	11,638	11,581	13,259
Water supply			
Administration	5,400	8,148	6,040
Amortization	18,337	18,337	18,843
Bad debts	-	339	681
Bank charges	300	153	161
Discounts	600	715	641
Power and pumping	5,800	5,603	4,599
Purification and treatment	6,000	5,468	4,878
Transmission and distribution	22,403	34,729	25,644
	58,840	73,492	61,487