

VILLAGE OF PERTH-ANDOVER

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

VILLAGE OF PERTH-ANDOVER
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

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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, 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.

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, 2022, 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 16-20 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.

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

Chartered Professional Accountants

VILLAGE OF PERTH-ANDOVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
Financial Assets		
Cash (Note 3)	\$ 1,049,853	\$ 1,169,398
Accounts receivable (Note 4)	832,756	836,158
Marketable securities (Note 5)	7,386,064	7,118,844
	<u>9,268,673</u>	<u>9,124,400</u>
Liabilities		
Accounts payable (Note 6)	990,715	1,030,303
Deferred revenue (Note 7)	570,791	41,486
	<u>1,561,506</u>	<u>1,071,789</u>
Net financial assets	<u>7,707,167</u>	<u>8,052,611</u>
Non-financial Assets		
Tangible capital assets (Note 15)	13,638,199	13,727,515
Prepaid expenses	23,741	38,491
Inventory	211,259	200,794
	<u>13,873,199</u>	<u>13,966,800</u>
Accumulated Surplus	<u>\$ 21,580,366</u>	<u>\$ 22,019,411</u>

Approved on behalf of the Village of Perth-Andover

Cindy McLaughlin, Mayor
John Deane, 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, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Surplus (deficit)	\$ (294,114)	\$ (439,045)	\$ 83,763
Acquisition of tangible capital assets	(1,037,883)	(1,037,883)	(532,782)
Amortization of tangible capital assets	961,082	961,082	968,536
Net disposal of tangible capital assets	166,117	166,117	24,313
	89,316	89,316	460,067
Change in prepaid asset	14,750	14,750	(19,513)
Change in inventory	(10,465)	(10,465)	(17,858)
(Decrease) increase in net financial assets	(200,513)	(345,444)	506,459
Net financial assets at beginning of year	-	8,052,611	7,546,152
Net financial assets at end of year	\$ -	\$ 7,707,167	\$ 8,052,611

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, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Warrant of assessment	\$ 1,565,375	\$ 1,565,375	\$ 1,502,141
Unconditional grants	275,819	283,649	262,789
Conditional transfers	-	-	163,139
Services to other governments	233,288	240,390	218,599
Sales of services - Recreation and cultural	163,704	200,578	168,846
Sales of services - Water and sewer	659,306	655,499	642,409
Sales of services - Light commission	3,615,980	3,766,136	3,569,141
Other revenues from own source	47,504	157,487	104,288
Outside funding	-	196,410	-
Investment income (loss)	-	(801,115)	(217,677)
Fire lottery	-	369,152	380,536
	6,560,976	6,633,561	6,794,211
Expenditures			
General government services	370,114	229,557	342,258
Protective services	711,513	713,556	693,974
Transportation services	590,273	446,937	430,369
Environmental health services	114,422	141,141	114,046
Environmental development services	125,728	167,517	145,209
Recreation and cultural services	740,798	778,370	678,632
Water and sewer	713,858	777,361	674,369
Light commission	3,488,384	3,570,723	3,373,836
Fire lottery	-	247,444	257,755
	6,855,090	7,072,606	6,710,448
Surplus (deficit)	(294,114)	(439,045)	83,763
Accumulated surplus at beginning of year	-	22,019,411	21,935,648
Accumulated surplus at end of year	\$ -	\$ 21,580,366	\$ 22,019,411

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, 2022

	2022	2021
Cash flows from		
Operating activities		
Surplus (deficit)	\$ (439,045)	\$ 83,763
Items not affecting cash		
Amortization of tangible capital assets	961,082	968,536
(Gain) loss on sale of tangible capital assets	(162,186)	(7,801)
	359,851	1,044,498
Change in non-cash operating working capital		
Accounts receivable	3,402	(6,241)
Accounts payable	(39,588)	162,557
Deferred revenue	529,305	12,074
Inventory	(10,465)	(17,858)
Prepaid expenses	14,750	(19,513)
	857,255	1,175,517
Capital activities		
Acquisition of tangible capital assets	(1,037,883)	(532,782)
Proceeds on disposal of tangible capital assets	328,303	32,114
	(709,580)	(500,668)
Investing activities		
Increase in Investments	(267,220)	(112,198)
Increase (decrease) in cash and cash equivalents	(119,545)	562,651
Cash and cash equivalents, beginning of year	1,169,398	606,747
Cash and cash equivalents, end of year	\$ 1,049,853	\$ 1,169,398

The accompanying notes are an integral part of the financial statements

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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 December 14, 2021 and were approved by the Minister of Local Government on December 21, 2021. The budget figures are unaudited.

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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, 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, 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, 2022

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, 2022

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, 2022

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

	2022	2021
Unrestricted	\$ 554,504	\$ 1,169,326
Cash - restricted (Gas Tax Funds)	495,349	72
	<hr/>	
	\$ 1,049,853	\$ 1,169,398
	<hr/>	

4. Accounts receivable

	2022	2021
Light commission	\$ 643,844	\$ 656,652
Water and sewer	83,908	85,239
Province of New Brunswick	64,351	59,460
Sales tax	35,950	28,865
Other accounts receivable	82,613	75,100
Allowance for doubtful accounts	(77,910)	(69,158)
	<hr/>	
	\$ 832,756	\$ 836,158
	<hr/>	

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

5. Marketable securities

The marketable securities consist of fixed income securities with maturity dates ranging from January 2023 to December 2051 and interest rates ranging from 1.25% to 7.05%.

	2022	2021
Cash and short term investments	\$ 1,077,562	\$ 655,406
Fixed income	6,256,268	6,429,458
Accrued interest	52,234	33,980
	<u>\$ 7,386,064</u>	<u>\$ 7,118,844</u>

6. Accounts payable

	2022	2021
Light commission	\$ 530,492	\$ 509,358
Water and sewer	11,975	16,354
Payroll deductions	50,519	38,597
Sick liability	210,850	187,286
Accrued payroll	49,741	42,623
Other accounts payable and accruals	103,874	149,402
Minister of Finance	33,264	86,683
	<u>\$ 990,715</u>	<u>\$ 1,030,303</u>

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. Deferred revenue

	December 31, 2021	Funding received, 2022	Revenue recognized, 2022	December 31, 2022
Federal government				
Gas Tax Fund	\$ -	\$ 691,759	\$ (196,410)	\$ 495,349
Senior park grant	4,912	-	-	4,912
Sliding hill grant	-	2,250	(2,030)	220
Trail infrastructure grant	-	23,278	(7,925)	15,353
Fire Lottery	36,574	368,810	(369,152)	36,232
Miscellaneous deferred donations	-	1,850	-	1,850
Winter Freeze Festival grant	-	16,875	-	16,875
	41,486	413,063	(379,107)	75,442
	\$ 41,486	\$ 1,104,822	\$ (575,517)	\$ 570,791

8. 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 2022, the Municipality has complied with these restrictions.

9. 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.

10. 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, 2022

11. 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	\$ 131,104	\$ -
2021 surplus	90,508	90,508
2020 surplus	-	89,615
	<hr/> \$ 221,612	<hr/> \$ 180,123

12. 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.

13. Contingent Liabilities

In the normal course of operations, the Village becomes involved in various claims and legal proceedings. As the final outcome with respect to claims and legal proceedings pending at December 31, 2022 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters, if any will not have a material adverse effect as the Village maintains insurance coverage in amounts considered appropriate.

14. Subsequent event

As a result of Local Governance Reform (LGR), as of January 1, 2023, rural districts have been established to ensure that residents living outside local governments continue to receive important services. The financial impact of this reform has not yet been estimated.

VILLAGE OF PERIT-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

15. Schedule of Tangible Capital Assets

	Land	Land Improvements	Buildings	Computer Equipment	Infrastructure	Motor Vehicles	Equipment	2022 Total	2021 Total
COST									
Balance, beginning 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
Add:									
Net additions during the year	1,500	76,848	71,305	16,613	415,725	237,551	218,341	1,037,883	532,782
Less:									
Disposals during the year	-	(2,387)	-	-	(149,273)	-	(290,203)	(441,863)	(120,228)
BALANCE, END OF YEAR	795,902	2,274,656	5,830,452	392,898	16,474,039	598,130	5,203,721	31,569,798	30,973,778
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	1,232,807	3,158,980	251,304	9,526,416	319,189	2,757,567	17,246,263	16,373,642
Add:									
Amortization during the year	-	67,294	140,766	34,655	487,740	19,279	211,348	961,082	968,536
Less:									
Accumulated amortization on disposals	-	(1,671)	-	-	(119,026)	-	(155,049)	(275,746)	(95,915)
BALANCE, END OF YEAR	-	1,298,430	3,299,746	285,959	9,895,130	338,468	2,813,866	17,931,599	17,246,263
NET BOOK VALUE OF TANGIBLE CAPITAL	\$ 795,902	\$ 976,226	\$ 2,530,706	\$ 106,939	\$ 6,578,909	\$ 259,662	\$ 2,389,855	\$ 13,638,199	\$ 13,727,515
Consists of:									
General Capital Fund	\$ 711,312	\$ 338,682	\$ 2,282,469	\$ -	\$ 1,500,668	\$ 259,662	\$ 1,163,127	\$ 6,255,920	\$ 6,275,659
Water and Sewer Capital Fund	77,790	637,544	248,237	99,739	2,881,155	-	1,226,728	5,171,193	5,343,383
Light Commission Capital Fund	6,800	-	-	7,200	2,197,086	-	-	2,211,086	2,108,473
BALANCE, END OF YEAR	\$ 795,902	\$ 976,226	\$ 2,530,706	\$ 106,939	\$ 6,578,909	\$ 259,662	\$ 2,389,855	\$ 13,638,199	\$ 13,727,515

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

16. 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	2022 Consolidated	2021 Consolidated
Revenues											
Warrant of assessment	\$ 265,247	\$ 452,973	\$ 243,213	\$ 72,740	\$ 83,748	\$ 447,454	\$	\$	\$	\$ 1,565,375	\$ 1,502,141
Unconditional grant	48,063	82,080	44,071	13,181	15,175	81,079				283,649	262,789
Conditional transfers		166,397				73,993				240,390	163,139
Services provided to other governments					200,578	655,499	3,766,136			4,622,213	218,599
Sale of services	83,334				15,214		58,939			157,487	4,380,396
Other revenue from own sources			126,100							196,410	104,288
Outside funding											
Investment income (net)	(432,872)						(136,514)	(231,729)		(801,115)	(217,677)
Fire lottery									369,152	369,152	380,536
	\$ (36,228)	\$ 701,450	\$ 413,384	\$ 85,921	\$ 98,923	\$ 873,414	\$ 534,199	\$ 3,593,346	\$ 369,152	\$ 6,633,561	\$ 6,794,211
Expenses											
Salaries and benefits	\$ 233,639	\$ 69,271	\$ 19,992	\$ 22,976	\$ 41,312	\$ 317,597	\$ 263,021	\$ 162,292	\$	\$ 1,130,100	\$ 1,009,391
Goods and services	161,156	515,765	160,562	103,304	115,104	327,014	271,712	3,241,549	247,444	5,143,610	4,740,322
Amortization	7,065	128,520	266,383	14,861	11,101	133,759	242,628	156,765		961,082	968,536
Loss (gain) on disposal of assets	(172,303)							10,117		(162,186)	(7,801)
	\$ 229,557	\$ 713,556	\$ 446,937	\$ 141,141	\$ 167,517	\$ 778,370	\$ 777,361	\$ 3,570,723	\$ 247,444	\$ 7,072,606	\$ 6,710,448
Surplus (deficit) for the year	\$ (265,785)	\$ (12,106)	\$ (33,553)	\$ (55,220)	\$ (68,594)	\$ 95,044	\$ (243,162)	\$ 22,623	\$ 121,708	\$ (439,045)	\$ 83,763

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

17. 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	\$ 1,565,375	\$ -	\$ -	\$ -	\$ -	\$ 1,565,375
Unconditional grant	275,819	-	-	-	-	275,819
Conditional transfers	-	-	-	-	-	-
Services provided to other governments	233,288	-	-	-	-	233,288
Sales of services						
Recreation and cultural services	169,104	-	-	-	(5,400)	163,704
Water and sewer	-	659,306	-	-	-	659,306
Light commission	-	-	3,615,980	-	-	3,615,980
Other revenue from own sources	21,004	49,800	27,200	-	(50,500)	47,504
Transfers from other funds	108,732	-	-	-	(108,732)	-
Surplus of second previous year	38,968	89,615	111,454	-	(240,037)	-
	2,412,290	798,721	3,754,634	-	(404,669)	6,560,976
Expenditures						
General government services	363,049	-	-	7,065	-	370,114
Protective services	619,993	-	-	128,520	(37,000)	711,513
Transportation services	332,890	-	-	266,383	(9,000)	590,273
Environmental health services	99,561	-	-	14,861	-	114,422
Environmental development services	114,627	-	-	11,101	-	125,728
Recreation and cultural services	612,439	-	-	133,759	(5,400)	740,798
Water and sewer	-	501,852	-	242,628	(30,622)	713,858
Light commission	-	-	3,414,229	156,765	(82,610)	3,488,384
Fiscal services	269,731	296,869	340,405	-	(907,005)	-
	2,412,290	798,721	3,754,634	961,082	(1,071,637)	6,855,090
Surplus (deficit)	\$ -	\$ -	\$ -	\$ (961,082)	\$ 666,968	\$ (294,114)

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

18. Reconciliation of Annual Surplus

	General Operating Fund	Water and Sewer Operating Fund	Light Commission Operating Fund	Operating Reserve Funds	General Capital Fund	Sewer Capital Fund	Water and Capital Fund	Light Commission Capital Fund	Total
2022 annual surplus (deficit) per PSAB	\$ (252,593)	\$ (17,146)	\$ (79,990)	\$ -	\$ 34,086	\$ (226,015)	\$ 102,613	\$ (439,045)	
Adjustments to annual surplus (deficit) for funding requirements									
Amortization of tangible capital assets					561,689	242,628	156,765	961,082	
Tangible capital asset additions					(731,645)	(16,613)	(289,625)	(1,037,883)	
Net proceeds from disposal of tangible capital assets					135,870		30,247	166,117	
Second previous year's surplus	38,968	89,615	111,454					240,037	
Transfer between Operating Fund and Operating Reserve Fund	142,872	51,514	181,729	(376,115)					
Interfund transfers	62,732	6,378	(69,110)						
Net fire lottery annual surplus	(63,560)							(63,560)	
Sick leave accrual	15,160	743	7,661					23,564	
Total adjustments to 2022 annual surplus (deficit)	196,172	148,250	231,734	(376,115)	(34,086)	226,015	(102,613)	289,357	
2022 annual fund surplus (deficit)	\$ (56,421)	\$ 131,104	\$ 151,744	\$ (376,115)	\$ -	\$ -	\$ -	\$ (149,688)	

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

19. Statement of Reserve Funds Balances

	General Reserve	Water and Sewer Reserve	Light Commission Reserve	2022	2021
Accumulated surplus, beginning of year	\$4,517,373	\$1,314,569	\$1,938,591	\$7,770,533	\$7,332,874
Revenues: Expenditures					
Investment Income	86,793	23,377	38,464	148,635	101,974
Transfers from operating funds	365,000	85,000	50,000	500,000	655,335
Increase (decrease) in unrealized gains on investments	(519,665)	(159,891)	(270,194)	(949,749)	(319,651)
Transfers from capital funds	(75,000)	-	-	(75,000)	-
Annual surplus	(142,872)	(51,514)	(181,729)	(376,115)	437,658
Accumulated surplus, end of year	\$4,374,501	\$1,263,055	\$1,756,862	\$7,394,418	\$7,770,532

Reserve funds are made up of marketable securities of \$7,386,064 and interfund loans payable of \$8,354 totaling \$7,394,418.

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

20. Statement of Detailed Revenue and Expenditures

	2022 Budget (Unaudited)	2022	2021
Revenue			
Services to other governments	\$	\$	\$
Services to municipalities			
Fire	10,287	10,287	9,501
Recreation	73,991	73,993	71,707
Province of New Brunswick			
Fire	149,010	156,110	137,391
	233,288	240,390	218,599
Sales of service			
Recreation and cultural services			
Civic centre	102,254	112,639	77,287
Recreation commission	61,450	87,939	91,559
	163,704	200,578	168,846
Water and sewer			
Water	435,906	433,165	424,735
Sewer	223,400	222,334	217,674
	659,306	655,499	642,409
Light commission			
Power sales and rentals	3,615,980	3,766,136	3,569,141
Other revenue from own source			
Licenses and permits			
Animal	-	-	-
Construction	1,000	3,342	3,335
Rentals			
Trailer Park	16,500	17,545	16,227
Miscellaneous			
Line extensions, electrical waiver and connection fees	3,200	3,649	3,505
Other	2,500	58,140	43,267
Services provided to other utilities	4,000	34,659	16,262
Adjustment in lieu of tax	4	4	-
Other revenues from water and sewer sources	4,800	2,004	4,867
Return on investments			
Interest on bank accounts	7,500	29,617	5,889
Interest and service charges	8,000	8,527	10,936
	47,504	157,487	104,288

(continues)

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

20. Statement of Detailed Revenue and Expenditures

	2022 Budget (Unaudited)	2022	2021
Expenses			
General government services			
Legislative			
Mayor	9,856	10,351	10,126
Councilors	35,134	36,805	36,004
Mayor and council travel expenses	13,880	8,263	370
Administrative			
Administration salaries and other	202,982	235,520	210,087
Office building	21,921	22,670	18,719
Solicitor	7,500	1,268	5,392
Financial management			
Audit	6,500	5,214	5,084
Other general government services			
Conventions	3,500	6,662	3,880
Public liability insurance	4,877	5,048	4,240
Grants to organizations	25,000	25,890	25,001
Training and development	6,000	11,205	3,388
Regional and collaborative services	1,209	1,209	646
Assessment costs	24,690	24,690	23,692
Amortization	7,065	7,065	4,898
Loss (gain) on disposal of tangible capital assets	-	(172,303)	(9,269)
	370,114	229,557	342,258
Protective services			
Police			
R.C.M.P.	352,561	352,560	346,732
Fire			
Administration	-	30	30
Firefighting force	83,128	69,271	68,278
Fire alarm system	21,000	21,427	21,030
Station and building	34,819	32,635	31,274
Fighting equipment	85,985	103,822	72,519
Emergency measures			
EMO	3,000	2,891	590
Other			
Animal and pest control	2,500	2,400	1,800
Amortization	128,520	128,520	151,721
	711,513	713,556	693,974

(continues)

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

20. Statement of Detailed Revenue and Expenditures

	2022 Budget (Unaudited)	2022	2021
Expenses (continued)			
Transportation services			
Roadway transport			
Roadway surfaces, culverts and drains	202,424	39,106	70,225
Storm sewers	2,500	1,896	-
Street cleaning	-	5,234	1,150
Snow and ice removal	117,466	128,175	91,993
Traffic services			
Street signs	1,500	929	4,257
Crosswalks	-	5,214	-
Other			
Amortization	266,383	266,383	262,744
	590,273	446,937	430,369
Environmental health services			
Solid waste collection and disposal	88,850	110,740	88,461
Recycling	10,711	15,540	10,724
Amortization	14,861	14,861	14,861
	114,422	141,141	114,046
Environmental development services			
Community development	31,243	83,385	38,041
Tourism promotion	38,741	30,675	36,686
Beautification and land rehabilitation	44,643	42,356	58,360
Amortization	11,101	11,101	12,122
	125,728	167,517	145,209
Recreation and cultural services			
Administration	127,821	142,723	119,819
Civic centre	292,228	301,006	265,616
Recreation commission, pool and marina	150,467	166,392	130,443
Library	34,323	32,496	29,753
Historic sites	2,200	1,994	33
Amortization	133,759	133,759	132,968
	740,798	778,370	678,632

(continues)

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

20. Statement of Detailed Revenue and Expenditures

	2022 Budget (Unaudited)	2022	2021
Expenses (continued)			
Water and sewer			
Administration	80,844	78,916	64,671
Transmission and distribution	192,229	246,014	171,630
Power and pumping	36,500	41,900	38,531
Discounts	13,500	13,273	5,345
Sewerage and collection and disposal	148,157	154,630	152,338
Amortization	242,628	242,628	241,854
	<u>713,858</u>	<u>777,361</u>	<u>674,369</u>
Light commission			
Administration	231,102	242,997	231,466
Postage and office	56,645	35,987	44,982
Energy services	36,330	16,104	20,944
Power purchases	2,713,530	2,828,945	2,677,771
Transmission and distribution	294,012	279,808	249,837
Amortization	156,765	156,765	147,368
Loss on disposal of tangible capital assets	-	10,117	1,468
	<u>3,488,384</u>	<u>3,570,723</u>	<u>3,373,836</u>
Fire Lottery			
Lottery payouts	-	184,548	187,893
Donations	-	23,750	25,000
Interest	-	-	258
Repairs and maintenance	-	-	7,151
Supplies	-	39,146	37,453
	<u>\$ -</u>	<u>\$ 247,444</u>	<u>\$ 257,755</u>