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FOR DISCUSSION  
PURPOSES ONLY**

**VILLAGE OF PERTH-ANDOVER**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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CONSOLIDATED FINANCIAL STATEMENTS

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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, 2020, 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, 2020, 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.

### *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:

- ◆ 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.

## **Independent Auditor's Report, continued**

- ◆ 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**

**Chartered Professional Accountants**

VILLAGE OF PERTH-ANDOVER  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2020

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	<u>2020</u>	<u>2019</u>
<b>Financial Assets</b>		
Cash (Note 3)	\$ 606,747	\$ 654,073
Accounts receivable (Note 4)	829,917	967,574
Marketable securities	7,006,646	5,955,296
	<u>8,443,310</u>	<u>7,576,943</u>
<b>Liabilities</b>		
Accounts payable (Note 5)	867,746	931,006
Deferred revenue	29,412	71,208
	<u>897,158</u>	<u>1,002,214</u>
<b>Net financial assets</b>	<u>7,546,152</u>	<u>6,574,729</u>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 12)	14,187,582	14,508,272
Prepaid expenses	18,978	19,481
Inventory	182,936	180,756
	<u>14,389,496</u>	<u>14,708,509</u>
<b>Accumulated Surplus</b>	<u>\$ 21,935,648</u>	<u>\$ 21,283,238</u>

Approved on behalf of the Village of Perth-Andover

\_\_\_\_\_, Mayor

\_\_\_\_\_, Clerk

The accompanying notes are an integral part of the financial statements

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VILLAGE OF PERTH-ANDOVER

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 Budget (unaudited)	2020 Actual	2019 Actual
<b>Surplus</b>	\$ (325,312)	\$ 652,410	\$ 594,469
Acquisition of tangible capital assets	(767,675)	(767,675)	(884,789)
Amortization of tangible capital assets	1,024,028	1,024,028	972,394
Net disposal of tangible capital assets	64,337	64,337	16,428
	<u>320,690</u>	<u>320,690</u>	<u>104,033</u>
Change in prepaid asset	503	503	45,008
Change in inventory	(2,180)	(2,180)	(11,976)
(Decrease) increase in net financial assets	(6,299)	971,423	731,534
Net financial assets at beginning of year	-	6,574,729	5,843,195
<b>Net financial assets at end of year</b>	<b>\$ -</b>	<b>\$ 7,546,152</b>	<b>\$ 6,574,729</b>

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, 2020

	2020 Budget (unaudited) (Note 14)	2020 Actual	2019 Actual
<b>Revenue</b>			
Warrant of assessment	\$ 1,476,035	\$ 1,476,035	\$ 1,452,821
Unconditional grants	275,489	282,108	272,309
Services to other governments	231,344	222,058	221,632
Sales of services - Recreation and cultural	239,564	121,169	288,729
Sales of services - Water and sewer	632,174	632,234	619,997
Sales of services - Light commission	3,694,714	3,516,875	3,595,540
Other revenues from own source	44,780	186,670	194,250
Conditional grants	-	-	179,182
Investment income	-	451,350	314,928
Fire lottery	-	386,151	506,441
	<b>6,594,100</b>	<b>7,274,650</b>	<b>7,645,829</b>
<b>Expenditures</b>			
General government services	353,094	290,741	332,890
Protective services	741,387	736,174	722,254
Transportation services	608,766	466,836	507,814
Environmental health services	111,604	121,696	113,116
Environmental development services	118,559	178,995	233,156
Recreation and cultural services	861,939	656,315	863,705
Water and sewer	633,396	589,024	648,607
Light commission	3,490,667	3,355,575	3,293,062
Fire lottery	-	226,884	336,756
	<b>6,919,412</b>	<b>6,622,240</b>	<b>7,051,360</b>
<b>Surplus</b>	<b>(325,312)</b>	<b>652,410</b>	<b>594,469</b>
<b>Accumulated surplus at beginning of year</b>	<b>-</b>	<b>21,283,238</b>	<b>20,688,769</b>
<b>Accumulated surplus at end of year</b>	<b>\$ (325,312)</b>	<b>\$ 21,935,648</b>	<b>\$ 21,283,238</b>

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, 2020

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	<u>2020</u>	<u>2019</u>
<b>Cash flows from</b>		
<b>Operating activities</b>		
Surplus	\$ 652,410	\$ 594,469
Items not affecting cash		
Amortization of tangible capital assets	1,024,028	972,394
(Gain) loss on sale of tangible capital assets	(21,568)	(30)
Expense engineering study from 2014	-	12,928
	<u>1,654,870</u>	<u>1,579,761</u>
Change in non-cash operating working capital		
Accounts receivable	137,657	(112,911)
Accounts payable	(63,260)	31,212
Deferred revenue	(41,796)	(179,552)
Inventory	(2,180)	(11,976)
Prepaid expenses	503	45,008
	<u>1,685,794</u>	<u>1,351,542</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(767,675)	(884,789)
Proceeds on disposal of tangible capital assets	85,905	3,530
	<u>(681,770)</u>	<u>(881,259)</u>
<b>Investing activities</b>		
(Increase) decrease in Investments	(1,051,350)	(176,950)
<b>Increase (decrease) in cash and cash equivalents</b>	<u>(47,326)</u>	<u>293,333</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>654,073</u>	<u>360,740</u>
<b>Cash and cash equivalents, end of year (Note 3)</b>	<u>\$ 606,747</u>	<u>\$ 654,073</u>

The accompanying notes are an integral part of the financial statements

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**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 the Canadian Institute of Chartered Professional Accountants.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory 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 30, 2019 and were approved by the Minister of Local Government on January 20, 2020. The budget figures are unaudited.

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VILLAGE OF PERTH-ANDOVER  
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**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.

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**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.

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**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.

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**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 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.

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**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**

	2020	2019
Unrestricted	\$ 606,675	\$ 609,186
Cash - restricted (Gas Tax Funds)	72	44,887
	<u>\$ 606,747</u>	<u>\$ 654,073</u>

**4. Accounts receivable**

	2020	2019
Light commission	\$ 601,384	\$ 656,864
Water and sewer	74,308	65,200
Province of New Brunswick	64,072	111,497
Sales tax	44,942	51,811
Other accounts receivable	45,211	82,202
	<u>\$ 829,917</u>	<u>\$ 967,574</u>

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**5. Accounts payable**

	2020	2019
Light commission	\$ 476,791	\$ 465,389
Water and sewer	14,012	50,962
Payroll deductions	33,857	32,478
Sick liability	173,296	182,774
Accrued payroll	32,207	42,667
Other accounts payable and accruals	137,583	140,966
Minister of Finance	-	15,770
	<hr/>	<hr/>
	\$ 867,746	\$ 931,006

**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 2020, 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.

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**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:

	2020	2019
2020 surplus	\$ 89,615	\$ -
2019 surplus	54,025	54,025
2018 surplus	-	90,286
	<u>\$ 143,640</u>	<u>\$ 144,311</u>

**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, 2020. 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 review report.

VILLAGE OF PERTH-ANDOVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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12. Schedule of Tangible Capital Assets

	Land	Land Improvements	Buildings	Computer Equipment	Infrastructure	Motor Vehicles	Equipment	2020 Total	2019 Total
<b>COST</b>									
Balance, beginning of year	\$ 831,174	\$ 2,081,283	\$ 5,694,227	\$ 329,577	\$ 15,572,462	\$ 431,309	\$ 5,121,810	\$ 30,061,842	\$ 29,285,638
Add:									
Net additions during the year	-	60,200	-	41,619	490,594	-	175,262	767,675	884,789
Less:									
Disposals during the year	(47,200)	-	-	-	(144,651)	(70,730)	(5,712)	(268,293)	(38,000)
Asset Management Plan Recommendations:									
Reallocations to more appropriate categories	-	-	-	-	-	-	-	-	-
Small equipment pool removal and adjustments	-	-	-	-	-	-	-	-	(70,585)
<b>BALANCE, END OF YEAR</b>	<b>783,974</b>	<b>2,141,483</b>	<b>5,694,227</b>	<b>371,196</b>	<b>15,918,405</b>	<b>360,579</b>	<b>5,291,360</b>	<b>30,561,224</b>	<b>30,061,842</b>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	-	1,096,045	2,867,736	190,391	8,715,317	310,880	2,373,201	15,553,570	14,673,333
Add:									
Amortization during the year	-	74,846	152,980	33,280	502,214	49,118	211,590	1,024,028	972,394
Less:									
Accumulated amortization on disposals	-	-	-	-	(127,514)	(70,730)	(5,712)	(203,956)	(34,500)
Asset Management Plan Recommendations:									
Reallocations to more appropriate categories	-	-	-	-	-	-	-	-	-
Small equipment pool removal	-	-	-	-	-	-	-	-	(57,657)
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>1,170,891</b>	<b>3,020,716</b>	<b>223,671</b>	<b>9,090,017</b>	<b>289,268</b>	<b>2,579,079</b>	<b>16,373,642</b>	<b>15,553,570</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL</b>	<b>\$ 783,974</b>	<b>\$ 970,592</b>	<b>\$ 2,673,511</b>	<b>\$ 147,525</b>	<b>\$ 6,828,388</b>	<b>\$ 71,311</b>	<b>\$ 2,712,281</b>	<b>\$ 14,187,582</b>	<b>\$ 14,508,272</b>
Consists of:									
General Capital Fund	\$ 699,384	\$ 276,733	\$ 2,415,121	\$ -	\$ 1,698,938	\$ 54,862	\$ 1,382,477	\$ 6,527,515	\$ 6,823,819
Water and Sewer Capital Fund	77,790	693,859	258,390	138,429	3,116,601	16,449	1,329,805	5,631,323	5,727,210
Light Commission Capital Fund	6,800	-	-	9,095	2,012,849	-	-	2,028,744	1,957,243
<b>BALANCE, END OF YEAR</b>	<b>\$ 783,974</b>	<b>\$ 970,592</b>	<b>\$ 2,673,511</b>	<b>\$ 147,524</b>	<b>\$ 6,828,388</b>	<b>\$ 71,311</b>	<b>\$ 2,712,282</b>	<b>\$ 14,187,582</b>	<b>\$ 14,508,272</b>

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13. 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	2020 Consolidated	2019 Consolidated
<b>Revenues</b>											
Warrant of assessment	\$ 234,925	\$ 406,871	\$ 210,601	\$ 75,298	\$ 71,293	\$ 477,047	\$ -	\$ -	\$ -	\$ 1,476,035	\$ 1,452,821
Unconditional grant	44,900	77,764	40,251	14,391	13,626	91,176	-	-	-	282,108	272,309
Services provided to other governments	-	154,795	-	-	-	67,263	-	-	-	222,058	221,632
Conditional transfers	-	-	-	-	-	-	-	-	-	-	-
Sale of services	-	-	-	-	-	121,169	632,234	3,516,875	-	4,270,278	4,538,314
Other revenue from own sources	121,859	-	-	-	-	-	13,802	51,009	-	186,670	160,202
Conditional grants	-	-	-	-	-	-	-	-	-	-	179,182
Flood recovery	-	-	-	-	-	-	-	-	-	-	-
Investment income (net)	252,974	-	-	-	-	-	56,567	141,809	-	451,350	314,928
Fire lottery	-	-	-	-	-	-	-	-	386,151	386,151	506,441
	\$ 654,658	\$ 639,430	\$ 250,852	\$ 89,689	\$ 84,919	\$ 756,655	\$ 702,603	\$ 3,709,693	\$ 386,151	\$ 7,274,650	\$ 7,645,829
<b>Expenses</b>											
Salaries and benefits	\$ 172,721	\$ 84,029	\$ 27,899	\$ 1,456	\$ 56,341	\$ 245,785	\$ 157,633	\$ 132,679	\$ -	\$ 878,543	\$ 842,329
Goods and services	134,124	476,807	142,315	120,240	109,763	250,251	194,922	3,085,932	226,884	4,741,237	5,236,667
Amortization	4,898	175,338	296,622	-	12,891	160,279	236,469	137,531	-	1,024,028	972,394
Loss (gain) on disposal of assets	(21,001)	-	-	-	-	-	-	(567)	-	(21,568)	(30)
	\$ 290,741	\$ 736,174	\$ 466,836	\$ 121,696	\$ 178,995	\$ 656,315	\$ 589,024	\$ 3,355,575	\$ 226,884	\$ 6,622,240	\$ 7,051,360
<b>Surplus (deficit) for the year</b>	\$ 363,917	\$ (96,744)	\$ (215,984)	\$ (32,007)	\$ (94,076)	\$ 100,340	\$ 113,579	\$ 354,118	\$ 159,267	\$ 652,410	\$ 594,469

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14. Reconciliation of Operating Budget to PSAB Budget

	General Operating Budget	Water and Sewer Operating Budget	Light Commission Operating Budget	Amortization	Transfers	Total
<b>Revenue</b>						
Warrant of assessment	\$ 1,476,035	\$ -	\$ -	\$ -	\$ -	1,476,035
Unconditional grant	275,489	-	-	-	-	275,489
Services provided to other governments	231,344	-	-	-	-	231,344
Conditional transfers	-	-	-	-	-	-
Sales of services						
Recreation and cultural services	244,964	-	-	-	(5,400)	239,564
Water and sewer	-	632,174	-	-	-	632,174
Light commission	-	-	3,694,714	-	-	3,694,714
Other revenue from own sources	20,680	52,400	14,700	-	(43,000)	44,780
Transfers from other funds	110,451	-	-	-	(110,451)	-
Surplus of second previous year	114,476	90,286	59,898	-	(264,660)	-
	2,473,439	774,860	3,769,312	-	(423,511)	6,594,100
<b>Expenditures</b>						
General government services	348,196	-	-	4,898	-	353,094
Protective services	603,049	-	-	175,338	(37,000)	741,387
Transportation services	312,144	-	-	296,622	-	608,766
Environmental health services	111,604	-	-	-	-	111,604
Environmental development services	105,668	-	-	12,891	-	118,559
Recreation and cultural services	707,060	-	-	160,279	(5,400)	861,939
Light commission	-	-	3,443,178	137,531	(90,042)	3,490,667
Water and sewer	-	423,335	-	236,469	(26,408)	633,396
Fiscal services	285,718	351,525	326,134	-	(963,377)	-
	2,473,439	774,860	3,769,312	1,024,028	(1,122,227)	6,919,412
<b>Surplus (deficit)</b>	\$ -	\$ -	\$ -	\$ (1,024,028)	\$ 698,716	\$ (325,312)

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15. 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
2020 annual surplus (deficit) per PSAB	\$ 502,019	\$ 209,467	\$ 283,182	\$ -	\$ (317,305)	\$ (95,888)	\$ 70,935	\$ 652,410
Adjustments to annual surplus (deficit) for funding requirements								
Amortization of tangible capital assets	-	-	-	-	650,028	236,469	137,531	1,024,028
Tangible capital asset additions	-	-	-	-	(400,924)	(140,581)	(226,170)	(767,675)
Proceeds from disposal of tangible capital assets	-	-	-	-	68,201	-	17,704	85,905
Second previous year's surplus	114,476	90,286	59,898	-	-	-	-	264,660
Transfer from Operating Fund to the General Operating Reserve Fund	(487,849)	(226,567)	(141,809)	856,225	-	-	-	-
Interfund transfers	73,450	16,592	(90,042)	-	-	-	-	-
Net fire lottery annual surplus	(132,020)	-	-	-	-	-	-	(132,020)
Sick leave accrual	(10,107)	(163)	792	-	-	-	-	(9,478)
Total adjustments to 2020 annual surplus (deficit)	(442,050)	(119,852)	(171,161)	856,225	317,305	95,888	(70,935)	465,420
2020 annual fund surplus (deficit)	\$ 59,969	\$ 89,615	\$ 112,021	\$ 856,225	\$ -	\$ -	\$ -	\$ 1,117,830

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16. Statement of Reserve Funds Balances

	General Reserve	Water and Sewer Reserve	Light Commission Reserve	2020	2019
Accumulate surplus, beginning of year	\$3,730,127	\$924,786	\$1,821,736	\$6,476,649	\$5,536,699
Revenues/ Expenditures					
Investment Income	126,557	18,301	40,794	185,652	147,873
Transfers from operating funds	234,875	170,000	-	404,875	500,000
Increase in unrealized gains on investments	126,417	38,266	101,015	265,698	167,077
Transfers to capital funds	-	-	-	-	125,000
Annual surplus	487,849	226,567	141,809	856,225	939,950
	\$4,217,976	\$1,151,353	\$1,963,545	\$7,332,874	\$6,476,649

Reserve funds are made up of marketable securities of \$7,006,646 and interfund loans payable of \$326,228 totaling \$7,332,874.

The marketable securities consist of fixed income securities with maturity dates ranging from January 2021 to December 2050 and interest rates ranging from 1.03% to 7.05%.

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**17. Statement of Detailed Revenue and Expenditures**

	2020 Budget (Unaudited)	2020	2019
<b>Revenue</b>			
<b>Services to other governments</b>	\$	\$	\$
<b>Services to municipalities</b>			
Fire	11,032	11,032	9,508
Recreation	67,263	67,263	64,316
<b>Province of New Brunswick</b>			
Fire	153,049	143,763	147,808
	<u>231,344</u>	<u>222,058</u>	<u>221,632</u>
<b>Sales of service</b>			
<b>Recreation and cultural services</b>			
Civic centre	127,064	83,282	165,229
Recreation commission	112,500	37,887	123,500
	<u>239,564</u>	<u>121,169</u>	<u>288,729</u>
<b>Water and sewer</b>			
Water	419,276	419,504	412,515
Sewer	212,898	212,730	207,482
	<u>632,174</u>	<u>632,234</u>	<u>619,997</u>
<b>Light commission</b>			
Power sales and rentals	3,694,714	3,516,875	3,595,540
<b>Other revenue from own source</b>			
<b>Licenses and permits</b>			
Animal	-	-	-
Construction	1,000	4,193	500
<b>Rentals</b>			
Trailer Park	15,180	15,860	16,850
<b>Miscellaneous</b>			
Line extensions, electrical waiver and connection fees	3,200	3,222	3,159
Other	2,500	116,027	105,704
Services provided to other utilities	4,000	26,219	10,726
Other revenues from water and sewer sources	2,400	2,927	30,889
<b>Return on investments</b>			
Interest on bank accounts	9,500	7,525	16,243
Interest and service charges	7,000	10,697	10,178
	<u>44,780</u>	<u>186,670</u>	<u>194,250</u>

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**17. Statement of Detailed Revenue and Expenditures**

	2020 Budget (Unaudited)	2020	2019
<b>Expenses</b>			
<b>General government services</b>			
<b>Legislative</b>			
Mayor	9,474	10,016	9,702
Councilors	33,769	35,236	34,496
Mayor and council travel expenses	14,160	435	10,583
<b>Administrative</b>			
Administration salaries and other	184,770	175,533	183,149
Office building	22,656	22,536	23,497
Solicitor	7,500	2,298	379
<b>Financial management</b>			
Audit	12,000	6,518	7,736
<b>Other general government services</b>			
Conventions	4,000	281	2,868
Public liability insurance	3,097	3,138	3,097
Grants to organizations	25,000	21,491	21,592
Training and development	7,500	5,092	7,980
Regional and collaborative services	989	989	-
Assessment costs	23,281	23,281	22,914
Amortization	4,898	4,898	4,898
<b>Loss (gain) on disposal of tangible capital assets</b>	-	(21,001)	-
	<hr/> 353,094	<hr/> 290,741	<hr/> 332,890
<b>Protective services</b>			
<b>Police</b>			
R.C.M.P.	342,033	342,033	337,063
<b>Fire</b>			
Administration	-	30	30
Firefighting force	80,947	84,029	78,027
Fire alarm system	26,000	20,697	20,918
Station and building	33,639	31,639	32,586
Fighting equipment	76,430	77,638	72,758
<b>Emergency measures</b>			
EMO	3,000	2,370	5,564
<b>Other</b>			
Animal and pest control	4,000	2,400	3,130
Amortization	175,338	175,338	172,179
	<hr/> 741,387	<hr/> 736,174	<hr/> 722,254

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**17. Statement of Detailed Revenue and Expenditures**

	2020 Budget (Unaudited)	2020	2019
<b>Expenses (continued)</b>			
<b>Transportation services</b>			
<b>Roadway transport</b>			
Roadway surfaces, culverts and drains	167,341	51,057	91,650
Storm sewers	2,500	788	-
Street cleaning	12,000	-	12,124
Snow and ice removal	128,803	118,221	134,027
<b>Traffic services</b>			
Street signs	1,500	148	1,369
<b>Other</b>			
Amortization	296,622	296,622	268,644
	608,766	466,836	507,814
<b>Environmental health services</b>			
Solid waste collection and disposal	94,804	101,044	93,643
Recycling	16,800	20,652	19,473
	111,604	121,696	113,116
<b>Environmental development services</b>			
Community development	33,306	86,937	141,634
Tourism promotion	37,325	39,095	34,110
Beautification and land rehabilitation	35,037	40,072	46,171
Amortization	12,891	12,891	11,241
	118,559	178,995	233,156
<b>Recreation and cultural services</b>			
Administration	173,556	142,918	163,544
Civic centre	299,354	246,724	314,353
Recreation commission, pool and marina	194,312	78,421	186,355
Library	32,238	27,973	31,620
Historic sites	2,200	-	1,894
Amortization	160,279	160,279	165,938
	861,939	656,315	863,705

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**17. Statement of Detailed Revenue and Expenditures**

	2020 Budget (Unaudited)	2020	2019
<b>Expenses (continued)</b>			
<b>Water and sewer</b>			
Administration	92,248	64,896	74,452
Transmission and distribution	167,431	134,274	176,255
Power and pumping	36,000	35,663	33,504
Discounts	-	4,793	4,625
Sewerage and collection and disposal	101,248	112,929	131,132
Amortization	236,469	236,469	228,639
Loss (gain) on disposal of tangible capital assets	-	-	-
	<u>633,396</u>	<u>589,024</u>	<u>648,607</u>
<b>Light commission</b>			
Administration	245,048	205,967	223,233
Postage and office	55,800	45,108	54,995
Energy services	22,790	8,500	12,654
Power purchases	2,810,000	2,714,711	2,730,041
Transmission and distribution	219,498	244,325	151,314
Amortization	137,531	137,531	120,855
Loss on disposal of tangible capital assets	-	(567)	(30)
	<u>3,490,667</u>	<u>3,355,575</u>	<u>3,293,062</u>
<b>Fire Lottery</b>			
Lottery payouts	-	192,772	254,108
Interest	-	-	450
Repairs and maintenance	-	2,246	14,740
Supplies	-	31,866	67,458
	<u>\$ -</u>	<u>\$ 226,884</u>	<u>\$ 336,756</u>