



Grant Thornton

Consolidated Financial Statements

Village of Perth-Andover

December 31, 2017

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**Village of Perth-Andover**  
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**Year Ended December 31, 2017**

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### Financial Statement Review and Approval

The consolidated financial statements of the Village of Perth-Andover have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined that these amounts are calculated based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of the Village of Perth-Andover's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Mayor and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council meets periodically with management and the auditors to review significant accounting, reporting and internal control matters.

The consolidated financial statements have been audited on behalf of the Council by Grant Thornton LLP, in accordance with Canadian generally accepted auditing standards.

The accompanying consolidated financial statements of the Village of Perth-Andover are the responsibility of management and have been reviewed and approved by:

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Mayor

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Councilor

Perth-Andover, NB  
June 11, 2018

## **Independent Auditors' Report**

### **To the Mayor and Councilors of the Village of Perth-Andover**

We have audited the accompanying consolidated financial statements of the Village of Perth-Andover as at December 31, 2017, which comprise of the consolidated statement of revenue and expenditures, the consolidated statement of financial position, the consolidated statement of changes in net assets, the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by

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management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, Village of Perth-Andover derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Village of Perth-Andover. Therefore, we were not able to determine whether any adjustments might be necessary to fire lottery revenue, annual surplus, and cash flows from operations for the year ended December 31, 2017, current assets and net assets as at January 1, 2017 and December 31, 2017

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial consolidated position of Village of Perth-Andover as at December 31, 2017 and the consolidated results of its operations, change in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### **Other Matter**

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 3, 5 and 6 on pages 17 and 19-23 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.

Perth-Andover, NB  
June 11, 2018



Chartered Professional Accountants

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**Village of Perth-Andover****Consolidated Statement of Revenue and Expenditures****Year Ended December 31, 2017**

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	Budget (Schedule 2) 2017	2017	2016
<b>Revenue (Schedule 1)</b>			
Warrant of assessment	\$ 1,476,038	\$ 1,476,038	\$ 1,420,237
Unconditional grants	291,395	298,153	299,340
Services to other governments	235,688	195,832	155,845
Sales of services			
Recreation and cultural services	168,962	297,766	283,487
Water and sewer	597,848	604,268	616,643
Light commission	3,079,948	3,179,862	3,050,819
Other revenue from own sources	46,710	193,068	150,488
Project grant	-	-	485,941
Conditional grants	-	31,580	-
Flood recovery	-	121,912	-
Investment income	-	58,301	44,510
Fire lottery	-	545,257	574,408
	<u>5,896,589</u>	<u>7,002,037</u>	<u>7,081,718</u>
<b>Expenses (Schedule 1)</b>			
General government services	349,714	307,903	392,646
Protective services	743,097	724,469	621,972
Transportation services	597,219	453,756	464,858
Environmental health services	99,843	89,174	91,408
Environmental development services	174,053	176,351	207,817
Light commission	3,071,992	3,038,780	2,962,409
Recreation and cultural services	747,986	734,074	736,598
Water and sewer	659,580	572,919	884,177
Fire lottery	-	356,595	349,241
	<u>6,443,484</u>	<u>6,454,021</u>	<u>6,711,126</u>
<b>Annual surplus (deficiency) (Schedule 3)</b>	(546,895)	548,016	370,592
<b>Accumulated surplus, beginning of year</b>	-	19,327,040	18,956,448
<b>Accumulated surplus, end of year</b>	\$ -	\$ 19,875,056	\$ 19,327,040

See notes to financial statements

**Village of Perth-Andover**  
**Consolidated Statement of Financial Position**  
**Year Ended December 31, 2017**

	2017	2016
<b>Financial assets</b>		
Cash (Note 3)	\$ 1,959,196	\$ 515,510
Marketable securities	4,037,246	3,669,375
Accounts receivable (Note 4)	893,091	1,241,130
	<u>6,889,533</u>	<u>5,426,015</u>
<b>Liabilities</b>		
Accounts payable (Note 5)	1,175,244	855,318
Deferred income	528,529	59,970
	<u>1,703,773</u>	<u>915,288</u>
<b>Net assets</b>	<u>5,185,760</u>	<u>4,510,727</u>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 4)	14,440,324	14,645,994
Inventory	172,158	170,129
Prepaid expenses	76,814	190
	<u>14,689,296</u>	<u>14,816,313</u>
<b>Accumulated Surplus</b>	<u>\$ 19,875,056</u>	<u>\$ 19,327,040</u>

See notes to financial statements

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**Village of Perth-Andover****Consolidated Statement of Changes in Net Assets****Year Ended December 31, 2017**

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	Budget	2017	2016
Annual surplus (deficiency)	\$ (546,895)	\$ 548,016	\$ 370,592
Purchase of tangible capital assets	(745,927)	(745,927)	(1,382,404)
Amortization of tangible capital assets	913,328	913,328	844,742
Net disposal of tangible capital assets	-	38,269	14,461
Change in prepaid expenses	-	(76,624)	13,543
Change in inventory	-	(2,029)	21,254
	(379,494)	675,033	(117,812)
<b>Net assets, beginning of year</b>	-	<b>4,510,727</b>	4,628,539
<b>Net assets, end of year</b>	<b>\$ (379,494)</b>	<b>\$ 5,185,760</b>	<b>\$ 4,510,727</b>

See notes to financial statements

**Village of Perth-Andover**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2017**

	2017	2016
<b>Operating activities</b>		
Annual surplus	\$ 548,016	\$ 370,592
Items not affecting cash:		
Amortization of tangible capital assets	913,328	844,742
Loss on disposal of tangible capital assets	(10,084)	(4,993)
	<u>1,451,260</u>	<u>1,210,341</u>
Changes in non-cash working capital:		
Accounts receivable	348,039	156,263
Accounts payable	319,926	(35,891)
Deferred income	468,559	(7,372)
Inventory	(2,029)	21,251
Prepaid expenses	(76,624)	13,543
	<u>1,057,871</u>	<u>147,794</u>
Cash flow from operating activities	<u>2,509,131</u>	<u>1,358,135</u>
<b>Investing activities</b>		
Marketable securities	(367,871)	76,938
Purchase of tangible capital assets	(745,927)	(1,382,404)
Proceeds on disposal of tangible capital assets	48,353	19,454
Cash flow used by investing activities	<u>(1,065,445)</u>	<u>(1,286,012)</u>
<b>Increase in cash flow</b>	<b>1,443,686</b>	<b>72,123</b>
<b>Cash - beginning of year</b>	<u>515,510</u>	<u>443,387</u>
<b>Cash - end of year (Note 3)</b>	<u>\$ 1,959,196</u>	<u>\$ 515,510</u>

See notes to financial statements

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**Village of Perth-Andover****Notes to Consolidated Financial Statements****Year Ended December 31, 2017**

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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.

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**2. Summary of 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 requirement, 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:

**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.

**Budget**

The budget figures contained in these financial statements were approved by Council on December 12, 2016 and were approved by the Minister of Local Government on January 30, 2017.

**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

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**Village of Perth-Andover****Notes to Consolidated Financial Statements****Year Ended December 31, 2017**

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**2. Summary of significant accounting policies (continued)****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 wastewater, 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.

**Expenditure recognition**

Expenditures are recorded on the accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

**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 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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**Village of Perth-Andover****Notes to Consolidated Financial Statements****Year Ended December 31, 2017**

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**2. Summary of significant accounting policies (continued)****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 and 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 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 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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**Village of Perth-Andover****Notes to Consolidated Financial Statements****Year Ended December 31, 2017**

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**2. Summary of significant accounting policies (continued)****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. Schedule 5 "Schedule of Reserve Fund Balances" to the consolidated financial statements is included to show the reserve fund balances as supplementary information.

**Employee future benefits**

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

**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.

**Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

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## Village of Perth-Andover

### Notes to Consolidated Financial Statements

Year Ended December 31, 2017

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#### 2. Summary of significant accounting policies *(continued)*

##### 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:

Land improvements	5 - 80 years
Buildings	15 - 80 years
Computer equipment	5 - 10 years
Distribution and lighting systems	10 - 40 years
Equipment	5 - 80 years
Infrastructure	10 - 80 years
Motor vehicles	5 - 10 years
Water and sewer systems	25 - 60 years

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.

##### 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.

##### Use of estimates

The preparation of the consolidated financial statements in accordance with Canadian public sector 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 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, accrued sick leave obligation and the estimated proceeds to be received from a flood insurance policy. Actual results may differ from those estimates.

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#### 3. Cash and marketable securities

	2017	2016
Gas tax	\$ 458,636	\$ -
Unrestricted	1,500,560	515,510
	<u>\$ 1,959,196</u>	<u>\$ 515,510</u>

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**Village of Perth-Andover****Notes to Consolidated Financial Statements****Year Ended December 31, 2017**

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**4. Accounts receivable**

	<u>2017</u>	<u>2016</u>
Light commission	\$ 597,620	\$ 485,562
Other accounts receivable	141,876	472,233
Water and sewer	58,004	75,194
Province of New Brunswick	60,706	159,589
Sales tax	34,885	48,552
	<u>\$ 893,091</u>	<u>\$ 1,241,130</u>

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**5. Accounts payable**

	<u>2017</u>	<u>2016</u>
Light commission	\$ 722,430	\$ 398,572
Other accounts payable and accruals	234,446	164,243
Water and sewer	21,624	14,736
Minister of Finance	-	82,154
Payroll deductions	24,943	20,515
Sick liability	171,801	175,098
	<u>\$ 1,175,244</u>	<u>\$ 855,318</u>

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**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 2017, the Municipality has complied with these restrictions.

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**7. 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.

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**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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**Village of Perth-Andover**

**Notes to Consolidated Financial Statements**

**Year Ended December 31, 2017**

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**9. Water and sewer fund surplus / deficit**

The Municipalities Act required 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:

	<u>2017</u>	<u>2016</u>
2017 Surplus	\$ 83,072	\$ -
2016 Surplus	64,672	64,672
2015 Surplus	-	81,578
	<u>\$ 147,744</u>	<u>\$ 146,250</u>

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**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.

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**Village of Perth-Andover  
Schedule of Segment Disclosure  
(Schedule 1)  
Year Ended December 31, 2017**

	General government	Protection	Transportation	Environmental health & development	Recreation and cultural	Water & sewer	Light Commission	Fire Lottery	2017 Consolidated	2016 Consolidated
<b>Revenues</b>										
Warrant of assessment	\$ 200,921	\$ 414,429	\$ 318,644	\$ 145,043	\$ 397,001	\$ -	\$ -	\$ -	\$ 1,476,038	\$ 1,420,237
Unconditional grant	40,585	83,713	64,365	29,298	80,192	-	-	-	298,153	299,340
Services provided to other governments	26,704	169,128	-	-	-	-	-	-	195,832	155,845
Sale of services	-	-	-	-	297,766	604,268	3,179,862	-	4,081,896	3,950,950
Other revenue from own sources	112,819	-	-	-	-	6,184	74,065	-	193,068	150,488
Project grant	-	-	-	-	-	-	-	-	-	485,941
Conditional grants	31,580	-	-	-	-	-	-	-	31,580	-
Flood recovery	121,912	-	-	-	-	-	-	-	121,912	-
Investment income (net)	24,495	-	-	-	-	6,102	27,704	-	58,301	44,510
Fire lottery	-	-	-	-	-	-	-	545,257	545,257	574,408
	<u>559,016</u>	<u>667,270</u>	<u>383,009</u>	<u>174,341</u>	<u>774,959</u>	<u>616,554</u>	<u>3,281,631</u>	<u>545,257</u>	<u>7,002,037</u>	<u>7,081,718</u>
<b>Expenses</b>										
Salaries and benefits	185,399	1,830	-	4,847	257,360	153,786	131,759	-	734,981	764,531
Goods and services	122,802	536,559	176,702	254,109	326,053	207,141	2,835,836	356,595	4,815,797	5,106,845
Amortization	7,086	186,080	277,054	6,569	150,661	214,693	71,185	-	913,328	844,743
Loss (gain) on disposal of TCA	(7,384)	-	-	-	-	(2,701)	-	-	(10,085)	(4,993)
	<u>307,903</u>	<u>724,469</u>	<u>453,756</u>	<u>265,525</u>	<u>734,074</u>	<u>572,919</u>	<u>3,038,780</u>	<u>356,595</u>	<u>6,454,021</u>	<u>6,711,126</u>
<b>Surplus (deficit) for the year</b>	<b>\$ 251,113</b>	<b>\$ (57,199)</b>	<b>\$ (70,747)</b>	<b>\$ (91,184)</b>	<b>\$ 40,885</b>	<b>\$ 43,635</b>	<b>\$ 242,851</b>	<b>\$ 188,662</b>	<b>\$ 548,016</b>	<b>\$ 370,592</b>

**Village of Perth-Andover**

**Reconciliation of Operating Budget to PSAB Budget**

*(Schedule 2)*

**Year Ended December 31, 2017**

	General Operating Budget	Water and Sewer Operating Budget	Light Commission Operating Budget	Amortization	Transfers	2017
<b>Revenue</b>						
Warrant of assessment	\$ 1,476,038	\$ -	\$ -	\$ -	\$ -	\$ 1,476,038
Unconditional grant	291,395	-	-	-	-	291,395
Services to other governments	235,688	-	-	-	-	235,688
Sales of services						-
Recreation and cultural services	199,362	-	-	-	(30,400)	168,962
Water and sewer	-	603,448	-	-	(5,600)	597,848
Light commission	-	-	3,079,948	-	-	3,079,948
Other revenue from own source	21,510	55,000	15,200	-	(45,000)	46,710
Conditional transfers	114,075	-	-	-	(114,075)	-
Surplus of second previous year	-	81,578	-	-	(81,578)	-
	<b>2,338,068</b>	<b>740,026</b>	<b>3,095,148</b>	<b>-</b>	<b>(276,653)</b>	<b>5,896,589</b>
<b>Expenses</b>						
General government services	372,328	-	-	7,086	(29,700)	349,714
Protective services	596,517	-	-	186,080	(39,500)	743,097
Transportation services	324,665	-	-	277,054	(4,500)	597,219
Environmental health services	99,843	-	-	-	-	99,843
Environmental development services	167,484	-	-	6,569	-	174,053
Recreation and cultural services	599,025	-	-	150,661	(1,700)	747,986
Light commission	-	-	3,093,470	71,185	(92,663)	3,071,992
Water and sewer	-	471,899	-	214,693	(27,012)	659,580
Deficit of second previous year	16,871	-	1,678	-	(18,549)	-
Fiscal services	161,335	268,127	-	-	(429,462)	-
	<b>2,338,068</b>	<b>740,026</b>	<b>3,095,148</b>	<b>913,328</b>	<b>(643,086)</b>	<b>6,443,484</b>
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (913,328)</b>	<b>\$ 366,433</b>	<b>\$ (546,895)</b>

See notes to financial statements

**Village of Perth-Andover**  
**Reconciliation of Annual Surplus**  
*(Schedule 3)*  
**Year Ended December 31, 2017**

	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	2017
<b>2017 annual surplus (deficit) per PSAB</b>	\$ 821,918	\$ 33,370	\$ (101,602)	\$ -	\$ (560,389)	\$ 10,265	\$ 344,454	\$ 548,016
<b>Adjustments to 2017 annual surplus (deficit) for funding requirements</b>								
Amortization of tangible capital assets	-	-	-	-	627,450	214,693	71,185	913,328
Tangible capital asset additions	-	-	-	-	(105,330)	(224,958)	(415,639)	(745,927)
Second previous year's surplus	(16,871)	81,578	(1,678)	-	-	-	-	63,029
Transfer from Operating Fund to the General Operating Reserve Fund	(658,306)	(46,102)	272,296	432,112	-	-	-	-
Interfund transfers	69,075	23,588	(92,663)	-	-	-	-	-
Net disposal of tangible capital assets	-	-	-	-	38,269	-	-	38,269
Net fire lottery annual surplus	(43,755)	-	-	-	-	-	-	(43,755)
Sick leave accrual	4,334	(9,362)	1,731	-	-	-	-	(3,297)
	(645,523)	49,702	179,686	432,112	560,389	(10,265)	(344,454)	221,647
	\$ 176,395	\$ 83,072	\$ 78,084	\$ 432,112	\$ -	\$ -	\$ -	\$ 769,663

See notes to financial statements

Village of Perth-Andover

Consolidated Schedule of Tangible Capital Assets

(Schedule 4)

Year Ended December 31, 2017

	Land	Land Improvements	Buildings	Computer Equipment	Infrastructure	Motor Vehicles	Equipment	2017	2016
<b>Cost</b>									
Balance, beginning of year	\$ 831,174	\$ 2,031,664	\$ 5,629,152	\$ 256,117	\$ 13,936,346	\$ 409,837	\$ 4,409,862	\$ 27,504,152	\$ 26,225,442
Additions			-	5,689	74,464	41,122	624,652	745,927	1,382,404
Disposals			(41,372)	-	-	(19,650)	-	(61,022)	(103,694)
	831,174	2,031,664	5,587,780	261,806	14,010,810	431,309	5,034,514	28,189,057	27,504,152
<b>Accumulated amortization</b>									
Balance, beginning of year		872,111	2,422,146	127,832	7,362,790	191,404	1,881,875	12,858,158	12,102,649
Amortization		77,229	149,543	20,740	436,418	40,891	188,507	913,328	844,742
Disposals			(3,103)	-	-	(19,650)	-	(22,753)	(89,233)
		949,340	2,568,586	148,572	7,799,208	212,645	2,070,382	13,748,733	12,858,158
<b>Net book value of tangible capital assets</b>	<b>\$ 831,174</b>	<b>\$ 1,082,324</b>	<b>\$ 3,019,194</b>	<b>\$ 113,234</b>	<b>\$ 6,211,602</b>	<b>\$ 218,664</b>	<b>\$ 2,964,132</b>	<b>\$ 14,440,324</b>	<b>\$ 14,645,994</b>
<b>Consists of:</b>									
General Capital Fund	\$ 746,584	\$ 303,991	\$ 2,732,302	\$ -	\$ 1,653,124	\$ 177,542	\$ 1,233,992	\$ 6,847,535	\$ 7,407,921
Water and Sewer Capital Fund	77,790	778,333	286,892	87,839	3,402,880	41,122	1,388,965	6,063,821	6,053,558
Light Commission Capital Fund	6,800	-	-	25,395	1,155,598	-	341,175	1,528,968	1,184,515
	<b>\$ 831,174</b>	<b>\$ 1,082,324</b>	<b>\$ 3,019,194</b>	<b>\$ 113,234</b>	<b>\$ 6,211,602</b>	<b>\$ 218,664</b>	<b>\$ 2,964,132</b>	<b>\$ 14,440,324</b>	<b>\$ 14,645,994</b>

See notes to financial statements

**Village of Perth-Andover**  
**Consolidated Statement of Reserve Funds Balances**  
*(Schedule 5)*  
**Year Ended December 31, 2017**

	General Reserve	Water and Sewer Reserve	Light Commission Reserve	2017	2016
<b>Accumulated surplus, beginning of year</b>	\$ 1,900,063	\$ 362,659	\$ 2,109,823	\$ 4,372,545	\$ 4,690,083
<b>Revenues / Expenditures</b>					
Investment income	43,057	7,385	37,932	88,374	82,951
Transfers from operating funds	633,811	40,000	-	673,811	182,000
Increase in unrealized gains on investments	(18,562)	(1,283)	(10,228)	(30,073)	(38,441)
Transfers to capital funds	-	-	(300,000)	(300,000)	(544,048)
<b>Annual surplus</b>	658,306	46,102	(272,296)	432,112	(317,538)
	\$ 2,558,369	\$ 408,761	\$ 1,837,527	\$ 4,804,657	\$ 4,372,545

Reserve funds are made up of marketable securities of \$4,037,246 and interfund loans receivable of \$767,411 totaling \$4,804,657.

The marketable securities consist of fixed income securities with maturity dates ranging from January 2018 to December 2045 and interest rates ranging from 0.62% to 2.66%.

**Village of Perth-Andover**

**Consolidated Statement of Detailed Revenue and Expenditures**

*(Schedule 6)*

**Year Ended December 31, 2017**

	Budget (Schedule 2) 2017	2017	2016
<b>Revenue</b>			
<b>Services to other governments</b>	\$	\$	\$
<b>Services to municipalities</b>			
Fire	6,958	<b>7,635</b>	6,958
Recreation	38,730	<b>42,565</b>	38,088
<b>Province of New Brunswick</b>			
Fire	190,000	<b>145,632</b>	110,799
	<u>235,688</u>	<u><b>195,832</b></u>	<u>155,845</u>
<b>Sales of service</b>			
<b>Recreation and cultural services</b>			
Civic centre	95,112	<b>149,033</b>	153,460
Recreation commission	73,850	<b>148,733</b>	130,027
	<u>168,962</u>	<u><b>297,766</b></u>	<u>283,487</u>
<b>Water and sewer</b>			
Water	393,904	<b>392,511</b>	384,020
Sewer	203,944	<b>200,483</b>	192,878
Connection and services	-	<b>11,274</b>	39,745
	<u>597,848</u>	<u><b>604,268</b></u>	<u>616,643</u>
<b>Light commission</b>			
Power sales	3,079,948	<b>3,179,862</b>	3,050,819
	<u>3,079,948</u>	<u><b>3,179,862</b></u>	<u>3,050,819</u>
<b>Other revenue from own source</b>			
<b>Licenses and permits</b>			
Animal	-	<b>100</b>	50
Construction	1,000	<b>26,602</b>	955
<b>Rentals</b>			
Trailer park	19,510	<b>18,278</b>	18,305
<b>Miscellaneous</b>			
Line extensions	-	<b>48,599</b>	-
Other	-	<b>71,617</b>	108,818
Services provided to other utilities	21,700	<b>10,719</b>	10,022
<b>Return on investments</b>			
Interest on investments	1,000	<b>6,647</b>	6,034
Interest and service charges	3,500	<b>10,506</b>	6,304
	<u>46,710</u>	<u><b>193,068</b></u>	<u>150,488</u>

*(continues)*

See notes to financial statements

**Village of Perth-Andover**

**Consolidated Statement of Detailed Revenue and Expenditures** *(continued)*

*(Schedule 6)*

**Year Ended December 31, 2017**

	Budget (Schedule 2) 2017	2017	2016
<b>Expenses</b>			
<b>General government services</b>			
<b>Legislative</b>			
Mayor	8,091	7,840	8,833
Councilors	28,840	27,944	39,902
Mayor and council travel expenses	7,000	5,231	-
<b>Administrative</b>			
Administration salaries and other	188,966	178,721	206,346
Office building	20,450	11,516	12,174
Solicitor	10,000	625	1,497
<b>Financial management</b>			
Audit	11,000	11,732	9,063
<b>Other general government services</b>			
Conventions	11,000	8,798	8,578
Public liability insurance	5,000	3,019	3,019
Grants to organizations	25,000	25,950	30,399
Training and development	4,000	2,944	4,403
Assessment costs	23,281	23,281	22,400
Flood costs	-	600	44,469
Amortization	7,086	7,086	7,086
<b>Loss (gain) on disposal of tangible capital assets</b>	-	<b>(7,384)</b>	<b>(5,523)</b>
	<b>349,714</b>	<b>307,903</b>	<b>392,646</b>
<b>Protective services</b>			
<b>Police</b>			
R.C.M.P.	341,337	341,337	326,042
<b>Fire</b>			
Administration	3,000	1,830	4,969
Firefighting force	82,130	69,164	66,911
Fire alarm system	10,000	6,224	5,968
Fire investigation and prevention	1,000	-	-
Station and building	33,050	31,936	34,373
Fighting equipment	78,000	79,319	68,943
<b>Emergency measures</b>			
EMO	2,000	3,248	881
<b>Other</b>			
Animal and pest control	6,500	5,331	5,778
Amortization	186,080	186,080	108,107
	<b>743,097</b>	<b>724,469</b>	<b>621,972</b>

*(continues)*

See notes to financial statements

**Village of Perth-Andover**

**Consolidated Statement of Detailed Revenue and Expenditures** *(continued)*

*(Schedule 6)*

**Year Ended December 31, 2017**

	Budget (Schedule 2) 2017	2017	2016
<b>Expenses</b> <i>(continued)</i>			
<b>Transportation services</b>			
<b>Roadway transport</b>			
Roadway surfaces	193,000	<b>60,648</b>	77,512
Storm sewers	13,000	-	1,162
Street cleaning	10,000	<b>10,633</b>	7,503
Snow and ice removal	100,665	<b>104,047</b>	105,553
<b>Traffic services</b>			
Street signs	3,500	<b>1,374</b>	1,242
<b>Other</b>			
Amortization	277,054	<b>277,054</b>	271,886
	<b>597,219</b>	<b>453,756</b>	464,858
<b>Environmental health services</b>			
Solid waste collection and disposal	94,593	<b>82,749</b>	86,213
Recycling	5,250	<b>6,425</b>	5,195
	<b>99,843</b>	<b>89,174</b>	91,408
<b>Environmental development services</b>			
Community development	58,027	<b>114,172</b>	129,004
Industrial park	-	-	11,263
Tourism promotion	49,457	<b>15,800</b>	20,978
Beautification and land rehabilitation	60,000	<b>39,810</b>	36,971
Amortization	6,569	<b>6,569</b>	9,601
	<b>174,053</b>	<b>176,351</b>	207,817
<b>Recreation and cultural services</b>			
Administration	117,683	<b>101,525</b>	106,548
Civic centre	394,281	<b>354,672</b>	343,464
Recreation commission	52,311	<b>97,360</b>	92,349
Library	31,050	<b>28,338</b>	31,229
Historic sites	2,000	<b>1,518</b>	1,505
Amortization	150,661	<b>150,661</b>	161,503
	<b>747,986</b>	<b>734,074</b>	736,598

*(continues)*

See notes to financial statements

**Village of Perth-Andover**

**Consolidated Statement of Detailed Revenue and Expenditures** *(continued)*

*(Schedule 6)*

**Year Ended December 31, 2017**

	Budget (Schedule 2) 2017	2017	2016
<b>Expenses</b> <i>(continued)</i>			
<b>Water and sewer</b>			
Administration	106,990	<b>115,640</b>	107,814
Transmission and distribution	180,472	<b>139,065</b>	432,240
Power and pumping	32,000	<b>33,542</b>	29,246
Discounts	5,400	<b>4,500</b>	5,250
Sewerage and collection and disposal	120,025	<b>68,180</b>	100,576
Amortization	214,693	<b>214,693</b>	209,051
Loss (gain) on disposal of tangible capital assets	-	<b>(2,701)</b>	-
	<u>659,580</u>	<u><b>572,919</b></u>	<u>884,177</u>
<b>Light commission</b>			
Administration	241,016	<b>271,786</b>	219,513
Postage and office	31,600	<b>43,776</b>	38,949
Power purchases	2,536,197	<b>2,514,562</b>	2,494,296
Transmission and distribution	191,994	<b>137,314</b>	131,454
Substation	-	<b>157</b>	157
Amortization	71,185	<b>71,185</b>	77,510
Loss on disposal of tangible capital assets	-	<b>-</b>	530
	<u>3,071,992</u>	<u><b>3,038,780</b></u>	<u>2,962,409</u>
<b>Fire Lottery</b>			
Lottery payouts	-	<b>271,890</b>	283,004
Interest	-	<b>275</b>	278
Repairs and maintenance	-	<b>28,027</b>	18,415
Supplies	-	<b>56,403</b>	47,544
	<u>\$ -</u>	<u><b>\$ 356,595</b></u>	<u>\$ 349,241</u>

See notes to financial statements