



Consolidated Financial Statements

Village of New Maryland

December 31, 2012

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Independent auditors' report

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His Worship the Mayor, and Members of Council
Village of New Maryland

We have audited the accompanying consolidated financial statements of the Village of New Maryland, which comprise the consolidated financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, and the consolidated results of operations and accumulated surplus, changes in net debt, and cash flows for the years then ended December 31, 2012 and December 31, 2011, 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.

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

Independent auditors' report (continued)

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Village of New Maryland as at December 31, 2012, December 31, 2011 and January 1, 2011, and the consolidated results of its operations and accumulated surplus, changes in net debt, and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian public sector accounting standards.

Comparative information

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which describes that the Village of New Maryland adopted Canadian public sector accounting standards on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these consolidated financial statements, including the consolidated statements of financial position as at December 31, 2011 and the consolidated statements of operations, changes in net debt and cash flows for the years ended December 31, 2011.

Grant Thornton LLP

Fredericton, Canada
July 17, 2013

Chartered Accountants

Village of New Maryland

Consolidated Statement of Financial Position

Year Ended December 31 2012 2011 January 1, 2011

Financial assets

Cash - restricted	\$ 1,010,328	\$ 1,133,985	\$ 656,298
Cash - unrestricted	1,023,901	673,363	864,220
Short term investments – restricted	2,251,238	1,720,005	1,820,000
Short term investments – unrestricted	29,817	29,365	27,328
Receivables			
General	334,030	339,461	326,941
Federal Government and its agencies (Note 4)	191,776	439,801	2,355,182
Province of New Brunswick (Note 5)	<u>9,405</u>	<u>17,772</u>	<u>-</u>
	<u>4,850,495</u>	<u>4,353,752</u>	<u>6,049,969</u>

Liabilities

Bank indebtedness (Note 6)	-	187,000	4,684,831
Payables and accruals (Note 7)	409,940	1,235,713	1,184,782
Deferred revenue	120,022	120,022	293,210
Long term debt (Note 8)	7,186,000	6,964,000	4,586,000
Pension obligation (Note 9)	46,900	60,600	81,900
Accrued sick leave obligation (Note 10)	<u>119,900</u>	<u>16,500</u>	<u>13,600</u>
	<u>7,882,762</u>	<u>8,583,835</u>	<u>10,844,323</u>

Net debt

<u>(3,032,267)</u>	<u>(4,230,083)</u>	<u>(4,794,354)</u>
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Non-financial assets

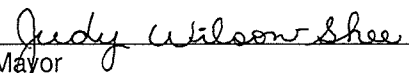
Tangible capital assets (Schedule 1)	37,837,133	38,695,470	38,188,701
Prepaid expenses	<u>53,766</u>	<u>52,539</u>	<u>46,479</u>
	<u>37,890,899</u>	<u>38,748,009</u>	<u>38,235,180</u>

Accumulated surplus (Schedule 6)


<u>\$ 34,858,632</u>	<u>\$ 34,517,926</u>	<u>33,440,826</u>
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Commitments and contingency (Note 11)

On behalf of the Council



 Mayor



 Councillor

See accompanying notes to the consolidated financial statements.

Village of New Maryland

Consolidated Statement of Operations and Accumulated Surplus

Year Ended December 31

2012

2011

	PSAB (Unaudited Budget)	<u>Actual</u>	<u>Actual</u>
Revenue			
Property tax warrant	\$ 3,802,962	\$ 3,802,962	\$ 3,685,782
Services to other governments (Schedule 2)	103,672	103,671	97,608
Other revenue from own source (Schedule 2)	141,488	172,195	175,566
Unconditional government grants	207,088	207,088	211,111
Conditional government grants	22,000	30,455	500,055
Water and sewer user fees (Schedule 2)	982,880	980,360	973,082
Interest	5,000	45,600	44,282
Other	20,979	28,912	23,505
	<u>5,286,069</u>	<u>5,371,243</u>	<u>5,710,991</u>
Expenditures (Schedule 3)			
General government services	792,067	791,235	614,306
Protective services	951,965	917,333	874,082
Transportation services	960,142	998,885	985,219
Environmental health services	255,000	231,114	234,686
Environmental development services	112,099	137,687	70,395
Recreation and cultural services	714,089	699,008	713,571
Water and sewer	801,115	781,442	735,307
Fiscal services	295,971	267,522	322,221
Well exploration and development	-	115,893	84,104
Loss on disposal of tangible capital assets	-	90,418	-
	<u>4,882,448</u>	<u>5,030,537</u>	<u>4,633,891</u>
Annual surplus (Schedules 7 & 8)	\$ 403,621	<u>340,706</u>	<u>1,077,100</u>
Accumulated surplus, beginning of year		<u>34,517,926</u>	<u>33,440,826</u>
Accumulated surplus, end of year		<u>\$ 34,858,632</u>	<u>\$ 34,517,926</u>

See accompanying notes to the consolidated financial statements.

Village of New Maryland

Consolidated Statement of Changes in Net Debt

Year Ended December 31

2012

2011

Annual surplus	\$ 340,706	\$ 1,077,100
Acquisition of tangible capital assets	(390,380)	(1,623,010)
Proceeds on disposal of tangible capital assets	70,796	-
Amortization of tangible capital assets	1,087,503	1,116,241
Loss on sale of tangible capital assets	<u>90,418</u>	<u>-</u>
	<u>1,199,043</u>	<u>570,331</u>
Acquisition of prepaid assets	(53,766)	(52,539)
Use of prepaid assets	<u>52,539</u>	<u>46,479</u>
	<u>(1,227)</u>	<u>(6,060)</u>
Decrease in net debt	1,197,816	564,271
Net debt, beginning of year	<u>(4,230,083)</u>	<u>(4,794,354)</u>
Net debt, end of year	<u>\$ (3,032,267)</u>	<u>\$ (4,230,083)</u>

See accompanying notes to the consolidated financial statements.

Village of New Maryland

Consolidated Statement of Cash Flows

Year Ended December 31

2012

2011

Increase (decrease) in cash and cash equivalents

Operating activities

Annual surplus	\$ 340,706	\$ 1,077,100
Amortization and transfer of tangible capital assets	1,087,503	1,116,241
Loss on sale of tangible capital assets	90,418	-
Change in receivables:		
General	5,431	(12,520)
Federal government and its agencies	248,025	1,915,381
Province of new brunswick	8,367	(17,772)
Change in payables and accruals	(825,773)	50,931
Change in deferred revenue	-	(173,188)
Change in pension obligation	(13,700)	(21,300)
Change in accrued sick leave	<u>103,400</u>	<u>2,900</u>
Net cash provided by operating activities	<u>1,044,377</u>	<u>3,937,773</u>

Capital activities

Acquisition of tangible capital assets	(390,380)	(1,623,010)
Proceeds on disposal of tangible capital assets	70,796	-
Change in prepaid expenses	<u>(1,227)</u>	<u>(6,060)</u>
Net cash used for capital activities	<u>(320,811)</u>	<u>(1,629,070)</u>

Financing activities

Bank loan repayment	(187,000)	(4,497,831)
Long-term debt, net proceeds	<u>222,000</u>	<u>2,378,000</u>
Net cash used for financing activities	<u>35,000</u>	<u>(2,119,831)</u>

Investing activities

Short term investments	<u>(531,685)</u>	<u>97,958</u>
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Increase in cash and cash equivalents	226,881	286,830
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Cash and cash equivalents at beginning of year	<u>1,807,348</u>	<u>1,520,518</u>
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Cash and cash equivalents at end of year	<u>\$ 2,034,229</u>	<u>\$ 1,807,348</u>
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Made up of:

Unrestricted cash	\$ 1,023,901	\$ 673,363
Restricted cash	<u>1,010,328</u>	<u>1,133,985</u>
	<u>\$ 2,034,229</u>	<u>\$ 1,807,348</u>

See accompanying notes to the consolidated financial statements.

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

1. Purpose of the organization

The municipality was incorporated as a Village by the Province of New Brunswick Municipalities Act on June 1, 1991. As a municipality, the Village of New Maryland is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

2. First-time adoption of Canadian Public Sector Accounting Standards

Effective January 1, 2011, the Village of New Maryland has restated its consolidated financial statements to adopt the Public Sector Accounting Standards (PSA). The changes made were to comply with the provisions of Section 3150, Tangible Capital Assets, and to adopt full accrual accounting. Section 3150 has established standards on how to account for and report tangible capital assets. Tangible capital assets are a significant economic resource managed by government and a key component in the delivery of many government programs. The standard requires these assets to be recorded at historical cost on the statement of financial position and their costs allocated to future accounting periods through annual amortization expenses based on the tangible capital assets estimated useful lives of the assets. The Village was required to record the historical cost of their tangible capital assets and accumulated amortization on a retroactive basis with restatement of prior years.

Exemptions relating to first-time adoption

Section PS 2125, First-time Adoption by Government Organization, contains exemptions to full retrospective application which the Village may use upon transition. The Village did not apply any optional exemptions.

The Village of New Maryland determined historical cost based on historical accounting records, and discounted replacement costs. If historical cost could not be determined, the asset was recorded at a nominal value. Certain amounts previously capitalized at December 31, 2011 have been expensed under PSA. Lastly, the Village calculated and recorded liabilities for its sick leave accrual and defined benefit pension plan.

The December 31, 2011 figures presented for comparative purposes have been restated from those previously reported. The following adjustments were made to the prior periods:

Adjustments to annual surplus

Annual surplus, as previously reported in the operating fund	\$ 1,266
Annual surplus of other funds	2,404,423
Add: second previous year deficit	2,807
Add: pension adjustment	21,300
Less: sick leave accrual	(2,900)
Less: capital expenditures expensed	(233,555)
Less: amortization on tangible capital assets	<u>(1,116,241)</u>
Annual surplus, as restated	<u>\$ 1,077,100</u>

Adjustments for net book value of tangible capital assets

As previously reported, December 31, 2011	\$ 43,175,063
Decrease capital expenditures expensed under PSAB	(233,555)
Adjustment to historical cost of tangible capital assets, net	(3,129,797)
Amortization expense recorded	<u>(1,116,241)</u>
Adjusted net book value as at December 31, 2011	<u>\$ 38,695,470</u>

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

3. Summary of significant accounting policies

The consolidated financial statements of the Village of New Maryland are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

The Municipality has adopted PSA as of January 1, 2011.

The focus of PSA financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Municipality.

Significant aspects of the accounting policies adopted by the Municipality are as follows:

a) **Reporting entity**

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures, changes in net debt and cash flows of the reporting entity. The Village of New Maryland is comprised of all organizations accountable for the administration of their financial affairs and resources to the Village of New Maryland, and which are owned or controlled by the Village of New Maryland.

Interdepartmental and organizational transactions and balances are eliminated.

b) **Budget**

The budget figures contained in these financial statements were approved by Council on December 21, 2011, and the Minister of Local Government on January 23, 2012. They are not audited.

c) **Revenue recognition**

- Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.
- Other revenue is recorded when it is earned, and collection is reasonably assured.

d) **Government transfers**

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for which expenses are not yet incurred are included in deferred revenue.

e) **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.

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

3. Summary of significant accounting policies (continued)

e) i) **Tangible capital assets**

Effective January 1, 2011, The Village adopted the provisions of the PSAB section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful lives as follows:

Asset type	Years
Buildings and structures	10-50 years
Vehicles and equipment	5-25 years
Roads, streets, sidewalks and culverts	15-80 years
Parks and playgrounds	10-20 years
Water and wastewater networks	40-80 years

Amortization is not recognized in the year assets are acquired.

ii) **Assets under construction**

Assets under construction are not amortized until the asset is available for productive use.

iii) **Contribution of tangible capital assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

f) **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.

g) **Post employment benefits**

The Municipality recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in Note 10 and pension plan obligation as documented in Note 9.

h) **Reserve funds**

Certain amounts, as approved by Village Council, are set aside in reserve funds for future operating and capital purposes. Transfers to and/from reserve funds are recorded as an adjustment within accumulated surplus. Schedule 5 to the consolidated financial statements is included to show the reserve fund balances as supplementary information.

i) **Segmented information**

The Village of New Maryland is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Village'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.

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

3. Summary of significant accounting policies (continued)

i) Segmented information (continued)

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, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

Environmental health services and development services

This department is responsible for the provision of waste collection and disposal, 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 arenas, parks and playgrounds, and other recreational and cultural facilities.

Water and sewer

This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

j) Use of estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures 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. Actual results may differ from those estimates.

4. Due from federal government and its agencies

	<u>2012</u>	<u>2011</u>
Canada Revenue Agency (HST rebate)	\$ 190,502	\$ 169,741
Infrastructure Canada - Building Canada Fund	<u>1,274</u>	<u>270,060</u>
	<u>\$ 191,776</u>	<u>\$ 439,801</u>

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

5. Due from Province of New Brunswick	<u>2012</u>	<u>2011</u>
New Brunswick Department of Transportation	\$ <u>9,405</u>	\$ <u>17,772</u>

6. Bank indebtedness

Bank indebtedness for operating purposes is within the limit prescribed by the Municipalities Act, and the Municipal Capital Borrowing Board has approved the short-term borrowing outstanding in the Capital Fund at the end of the year. The credit facility with the Municipality's bank has combined borrowing limit of \$180,000 for the Municipality's operations.

7. Payables and accruals	<u>2012</u>	<u>2011</u>
Trade payables and accruals	\$ 153,860	\$ 794,295
Payable to the Policing Authority	142,500	135,625
Contractors' holdbacks	-	179,293
Interest on long-term debt	64,402	73,792
Local improvement deposits	<u>49,178</u>	<u>52,708</u>
	<u>\$ 409,940</u>	<u>\$ 1,235,713</u>

8. Long-term debt	<u>2012</u>	<u>2011</u>
<u>New Brunswick Municipal Financing Corporation Debentures</u>		
AM35 3.38% - 5.75%, due 2012, OIC #01-0018	\$ -	\$ 88,000
AM36 3.38% - 5.75%, due 2012, OIC #98-0083	-	170,000
AS26 2.85% - 4.35%, due 2015, OIC #04-0005	2,249,000	2,382,000
AY34 3.30% - 4.85%, due 2014, OIC #08-0005	755,000	1,111,000
BA43 0.95% - 5.00%, due 2019, OIC #08-0067	159,000	170,000
BD41 1.50% - 3.85%, due 2015, OIC #97-0060	33,000	43,000
BE25 1.65% - 4.25%, due 2021, OIC #09-0024	1,892,000	2,000,000
BE26 1.65% - 4.25%, due 2021, OIC #09-0048	963,000	1,000,000
BG42 1.65% - 3.80%, due 2017, OIC #98-0083	145,000	-
BH38 1.35% - 3.80%, due 2027, OIC #09-0024	<u>990,000</u>	<u>-</u>
	<u>\$ 7,186,000</u>	<u>\$ 6,964,000</u>

In 2015, debenture AS26 will mature with a final amount due of \$1,968,000, however \$1,819,000 of this payment will be refinanced during that year. In 2019, debenture BA43 will mature with a final amount due of \$87,000, however \$74,000 of this payment is expected to be refinanced during that year. In 2021, debentures BE25 and BE26 will mature with final amounts due of \$914,000 and \$625,000 respectively. These debentures will be refinanced for \$773,000 and \$577,000 respectively during that year.

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

8. Long-term debt (continued)

Principal repayments required during the next five years are as follows:

2013	\$ 763,000
2014	785,000
2015	2,234,000
2016	261,000
2017	268,000

Approval of the Municipal Capital Borrowing Board has been obtained for the debenture debt reported and all the long-term debt has been approved by an Order-in-Council of the Provincial Legislature.

9. Pension obligation

The Village and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the municipalities Act of New Brunswick. The Plan provides for service pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NB MEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2011 and resulted in an overall NB MEPP accrued benefit obligation of \$78,574,700 based on the accounting basis.

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2011:

- The expected inflation rate is 2.35% (prior 2.35%)
- The discount rate used to determine the accrued benefit obligation is 5.5% (prior 5.85%)
- The expected rate of return on assets is 5.5% (prior 5.85%)
- Retirement age varies by age and employment category
- Estimated average remaining service life (EARSL) is 15.1 years (prior 15.3 years)

The actuarial valuation prepared as at December 31, 2011 indicated that the present value of the accumulated plan benefits exceeded the market value of the net assets available for these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of \$12,629,600, an increase of \$2,926,300 from the December 31, 2010 deficit of \$9,703,300. In response to the deficit increase, effective January 1, 2012, plan benefits were amended and contribution rates were increased. Based on the assumptions as at December 31, 2011, the actuary expected the level of employer and employee contributions to be sufficient to fund the deficit in less than fifteen years, as allowed by the Pension Benefits Act.

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

9. Pension obligation (continued)

As at December 31, 2011, the NB MEPP provides benefits for 157 retirees. Total benefit payments to retirees and terminating employees during 2012 are estimated to be approximately \$2,816,300 (actual 2011, \$2,747,600) in totality for the NB MEPP.

Employees make contributions using rates that may vary by earnings level and employment category, with an overall average contribution rate of approximately 7.6%. Each municipality contributes an amount that equals their employee's contribution amounts. Pension Fund Assets are invested in Short Term Securities, Bonds, Canadian Equities and Foreign Equities. Combined employees and municipalities contributions for 2012 are estimated to be approximately \$5,003,000 (actual 2011, \$4,739,300) in totality for the NB MEPP.

The following summarizes the NB MEPP data as it relates to the Village of New Maryland:

- The average age of the 15 active employees covered by NB MEPP is 47
- Benefit Payments were \$16,900 in 2011 and were estimated to be \$19,700 in 2012
- Combined Contributions were \$96,600 in 2011 and were estimated to be \$106,800 in 2012

In addition to determining the position of the NB MEPP as it relates to the Village of New Maryland as at December 31, 2010 and December 31, 2011, NB MEPP's actuary performed an extrapolation of the December 31, 2011 accounting valuation to determine the estimated position as at December 31, 2012. The extrapolation assumes assumptions used as at December 31, 2012 remain unchanged from December 31, 2011. The extrapolation also assumes assets return 5.5% net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of extrapolation are as follows:

Accrued Benefit Liability / (Asset)	(Estimated) 1-Jan-2012 to 31-Dec-2012	1-Jan-2011 to 31-Dec-2011
Accrued benefit liability / (asset) at beginning of period	\$ 60,600	\$ 81,900
Pension expense for the year	39,700	27,000
Less Employer contributions	<u>(53,400)</u>	<u>(48,300)</u>
Accrued benefit liability / (asset) at end of period	<u>\$ 46,900</u>	<u>\$ 60,600</u>

In summary, the Accrued Benefit Liability as it relates to the Village of New Maryland is estimated to be \$46,900 as at December 31, 2012. This compares to \$81,900 as at January 1, 2011 and \$60,600 as at December 31, 2011. This amount is included in the pension obligation on the Consolidated Statement of Financial Position.

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

9. Pension obligation (continued)

The financial position as it relates to the Accrued Benefit Liability is shown as follows and illustrates the unamortized amounts being recognized in Pension Expense over time:

	(Estimated) 1-Jan-2012 to 31-Dec-2012	1-Jan-2011 to 31-Dec-2011
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 642,900	\$ 548,400
Plan assets	<u>533,200</u>	<u>420,600</u>
Plan deficit / (surplus)	\$ 109,700	\$ 127,800
Unamortized experience losses / (gains)	<u>62,800</u>	<u>67,200</u>
Accrued benefit liability / (asset) at end of period	<u>\$ 46,900</u>	<u>\$ 60,600</u>

The following illustrates the reconciliation of Accrued Benefit Obligation from the beginning of the period to the end of the period:

	(Estimated) 1-Jan-2012 to 31-Dec-2012	1-Jan-2011 to 31-Dec-2011
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 548,400	\$ 427,300
Current Service Cost	82,300	74,400
Benefit Payments	(19,700)	(16,900)
Interest for Period	31,900	26,700
Cost / (savings) of Plan Amendments	-	(3,300)
Experience loss / (gain) during period	<u>-</u>	<u>40,200</u>
Accrued benefit obligation at end of period	<u>\$ 642,900</u>	<u>\$ 548,400</u>

The following illustrates the reconciliation of Plan assets from the beginning of the period to the end of the period:

	(Estimated) 1-Jan-2012 to 31-Dec-2012	1-Jan-2011 to 31-Dec-2011
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 420,600	\$ 345,400
Employer contributions	53,400	48,300
Employee contributions	53,400	48,300
Benefit payments	(19,700)	(16,900)
Return on Plan assets during the period	25,500	22,500
Experience gain (loss) during the period	<u>-</u>	<u>(27,000)</u>
Plan assets at end of period	<u>\$ 533,200</u>	<u>\$ 420,600</u>

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

9. Pension obligation (continued)

Total expenses related to pensions include the following components:

Pension Expense	(Estimated) 1-Jan-2012 to 31-Dec-2012	1-Jan-2011 to 31-Dec-2011
Employer current service cost	\$ 28,900	\$ 26,100
Interest on accrued benefit obligation	31,900	26,700
Expected return on assets	<u>(25,500)</u>	<u>(22,500)</u>
	35,300	30,300
Amortization of unrecognized balances		
Prior service costs / (savings)	-	(3,300)
Experience loss / (gain)	<u>4,400</u>	<u>-</u>
Pension expense	<u>\$ 39,700</u>	<u>\$ 27,000</u>

10. Accrued sick leave obligation

The Village of New Maryland provides employees the ability to accumulate sick leave benefits payable either upon retirement or resignation.

	<u>2012</u>	<u>2011</u>
<u>Accrued employee benefit obligation:</u>		
Opening balance	\$ 16,500	\$ 13,600
Current period benefit cost	2,700	2,500
Cost of plan amendments	102,900	-
Accrued interest	600	600
Experience (gain) loss	(300)	800
Benefit payments	<u>(2,500)</u>	<u>(1,000)</u>
Accrued employee benefit obligation	<u>\$ 119,900</u>	<u>\$ 16,500</u>

On November 21, 2012, Council approved and adopted a new retirement allowance policy which is effective January 1, 2013. Any employee having accrued sick leave to his/her credit shall, on retirement or severance, receive a retirement allowance in lieu thereof equal to 50% of remaining sick leave credit at the rate of pay effective immediately prior to severance or retirement. Previous to this new policy, accumulated sick bank was not required to be paid out to employees upon retirement or resignation. This amendment to the plan has been reflected in the actuary's calculation of the accrued benefit obligation.

The actuarial method used for the valuation as at December 31, 2012 was the projected benefit method prorated on service to calculate the accrued benefit obligation. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Village's best estimates.

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

10. Accrued sick leave obligation (continued)

The following summarizes the major assumptions in the valuation:

- Annual salary increase is 3.0%;
- the discount rate used to determine the accrued benefit obligation is 3.4%;
- retirement age is 60; and
- Estimated average remaining service life (EARSL) is 13.4 years.

The sick leave is an unfunded benefit. Benefits are paid out of general revenue as they come due.

The unfunded liability was \$13,600 on January 1, 2011 and was recorded as a prior period adjustment on the adoption of PSAB.

11. Commitments and contingency

- a) The Village has entered into an agreement for solid waste collection at an annual cost of \$157,476 (including HST). The agreement expires December 31, 2013.
 - b) The Village has entered into an agreement for animal control services at an annual cost of \$5,400 (including HST). The agreement expires November 30, 2013.
 - c) The Village has entered into an agreement for snow and ice control at an annual cost of \$197,483 (including HST). The agreement expires October 2014.
 - d) The Village has entered into an agreement for recreational services at a variable annual cost based on a percentage of the municipal tax base. The estimated annual cost is \$130,000 (including HST). The agreement expires 31 December 2027, but either Party may terminate the agreement, at the end of the calendar year following the year in which the written notice is give.
 - e) In the normal course of the Village's activities, the Village is from time to time named as a defendant in actions for damages and costs allegedly sustained by plaintiffs. The Village intends to defend and negotiate such claims and litigation. The eventual outcome of these claims and litigation is not determinable at year end.
-

12. Short-term borrowing compliance

Capital Funds

The Village has outstanding authority for short term borrowing as follows:

General Capital Fund		
Ministerial Approval	08-0005	\$ 400,000
Ministerial Approval	09-0024	<u>510,000</u>
		<u>\$ 910,000</u>
Water and Sewer Capital Fund		
Ministerial Approval	09-0048	<u>\$ 1,500,000</u>

Village of New Maryland

Notes to the Consolidated Financial Statements

December 31, 2012

12. Short-term borrowing compliance (continued)

Operating borrowing

As prescribed in the Municipalities Act, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2012, the Municipality has complied with these restrictions.

Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between Funds are in compliance with the requirements.

13. Water Cost Transfer

The Municipality's water cost transfer for fire protection is within the maximum allowable by Regulation 81-195 under the Municipalities Act based upon the applicable percentage of water system expenditures for the population.

Village of New Maryland

Schedule 1: Tangible Capital Assets

December 31, 2012

	General Capital Assets						Water and Sewer Assets				2012	2011
	Land	Buildings and Structures	Parks and Playgrounds	Assets under Construction	Vehicles and Equipment	Road, Streets, Sidewalks, Culverts	Land	W&S Buildings	Water and Sewer mains	Assets under Construction		
Cost												
Opening cost	\$ 1,804,538	\$ 2,497,470	\$ 1,230,420	\$ 854,957	\$ 1,375,092	\$ 16,259,207	\$ 549,603	\$ 5,377,728	\$ 13,887,437	\$ 4,864,046	\$ 48,700,498	\$ 47,077,488
Additions and transfers	68,810	822,797	17,744	398,186	89,963	446,163	43,525	74,159	4,439,225	75,179	6,475,751	1,623,010
Disposals and transfers	10,283	278,765	-	1,146,146	-	-	-	-	-	4,939,225	6,374,419	-
Closing cost	\$ 1,863,065	\$ 3,041,502	\$ 1,248,164	\$ 106,997	\$ 1,465,055	\$ 16,705,370	\$ 593,128	\$ 5,451,887	\$ 18,326,662	\$ -	\$ 48,801,830	\$ 48,700,498
Accumulated amortization												
Opening accumulated Amortization	-	863,463	669,604	-	681,618	3,476,673	-	1,262,648	3,051,022	-	10,005,028	8,888,787
Amortization	-	91,893	61,848	-	96,154	457,897	-	168,367	211,344	-	1,087,503	1,116,241
Disposals	-	127,834	-	-	-	-	-	-	-	-	127,834	-
Closing accum'd amortization	\$ -	\$ 827,522	\$ 731,452	\$ -	\$ 777,772	\$ 3,934,570	\$ -	\$ 1,431,015	\$ 3,262,366	\$ -	\$ 10,964,697	\$ 10,005,028
Asset net book value	\$ 1,863,065	\$ 2,213,980	\$ 516,712	\$ 106,997	\$ 687,283	\$ 12,770,800	\$ 593,128	\$ 4,020,872	\$ 15,064,296	\$ -	\$ 37,837,133	\$ 38,695,470

Village of New Maryland

Schedule 2: Consolidated Schedule of Revenues

Year ended December 31, 2012

2012

2012

2011

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Services to other governments			
Fire protection	\$ 103,672	\$ 103,671	\$ 97,608
Other revenue from own sources			
Building rentals	12,304	10,795	12,060
Permits and fines	36,184	44,004	41,962
Recreation	93,000	94,965	97,375
Hookup and surcharges	-	10,256	14,988
Other	-	12,175	9,181
	<u>\$ 141,488</u>	<u>\$ 172,195</u>	<u>\$ 175,566</u>
Water and sewer user fees			
Water user charges	\$ 262,860	\$ 270,240	\$ 268,027
Sewer user charges	720,020	710,120	705,055
	<u>\$ 982,880</u>	<u>\$ 980,360</u>	<u>\$ 973,082</u>

Village of New Maryland

Schedule 3: Consolidated Schedule of Expenditures

Year Ended December 31	2012	2012	2011
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor's remuneration and expenses	\$ 15,914	\$ 16,140	\$ 15,841
Councillors' remuneration and expenses	40,044	40,606	39,257
Development seminars	<u>8,732</u>	<u>9,075</u>	<u>3,946</u>
	<u>64,690</u>	<u>65,821</u>	<u>59,044</u>
Administrative			
Manager and clerks	150,276	147,164	133,350
Office building	51,570	38,671	29,415
Solicitor	10,000	5,546	14,018
Other	<u>104,638</u>	<u>113,617</u>	<u>97,680</u>
	<u>316,484</u>	<u>304,998</u>	<u>274,463</u>
Financial management			
Administration personnel	190,312	184,462	171,093
External audit	18,000	30,391	18,094
Accounting and consulting	3,000	7,874	6,190
Donations and grants	4,000	1,965	1,965
Assessments and grants	62,746	62,746	60,810
Change in accrued sick leave obligation	103,400	103,400	2,900
Change in pension obligation	<u>(13,700)</u>	<u>(13,700)</u>	<u>(21,300)</u>
	<u>367,758</u>	<u>377,138</u>	<u>239,752</u>
Other general government services			
Public liability insurance	20,177	20,320	20,521
Amortization	<u>22,958</u>	<u>22,958</u>	<u>20,526</u>
	<u>43,135</u>	<u>43,278</u>	<u>41,047</u>
	<u>\$ 792,067</u>	<u>\$ 791,235</u>	<u>\$ 614,306</u>

Village of New Maryland

Schedule 3: Consolidated Schedule of Expenditures

Year Ended December 31	2012	2012	2011
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protective services			
RCMP	\$ 575,000	\$ 575,000	\$ 547,500
Fire			
Administration	35,085	37,629	30,799
Fire department – personnel	116,732	114,336	104,224
Training	11,575	6,380	7,995
Building maintenance	23,826	21,783	22,395
Equipment	40,965	23,301	29,921
Vehicle maintenance	<u>22,468</u>	<u>25,044</u>	<u>24,021</u>
	<u>250,651</u>	<u>228,473</u>	<u>219,355</u>
Other			
Animal and pest control	11,535	6,532	6,657
Building inspections	45,949	38,321	28,633
Emergency measures	10,000	10,177	8,786
Amortization	<u>58,830</u>	<u>58,830</u>	<u>63,151</u>
	<u>126,314</u>	<u>113,860</u>	<u>107,227</u>
	<u>\$ 951,965</u>	<u>\$ 917,333</u>	<u>\$ 874,082</u>

Village of New Maryland

Schedule 3: Consolidated Schedule of Expenditures

Year Ended December 31,

2012

2012

2011

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Administration	\$ 119,126	\$ 106,223	\$ 140,629
Engineering services personnel fees	-	-	990
Vehicle expense	33,720	29,051	26,802
Other	<u>1,600</u>	<u>4,122</u>	<u>4,609</u>
	<u>154,446</u>	<u>139,396</u>	<u>173,030</u>
Road transport			
Culverts and drainage ditches	16,000	23,366	14,352
Sidewalks	1,000	-	238
Storm sewers	2,000	99	88
Street cleaning	10,500	13,324	8,804
Snow and ice removal	170,000	169,896	170,570
Summer maintenance	<u>55,180</u>	<u>98,365</u>	<u>67,032</u>
	<u>254,680</u>	<u>305,050</u>	<u>261,084</u>
Street lighting	<u>55,000</u>	<u>59,903</u>	<u>59,904</u>
Traffic services			
Street signs	2,800	158	439
Crosswalks	4,000	4,397	4,256
Other	<u>3,500</u>	<u>4,265</u>	<u>99</u>
	<u>10,300</u>	<u>8,820</u>	<u>4,794</u>
Amortization	<u>485,716</u>	<u>485,716</u>	<u>486,407</u>
	<u>\$ 960,142</u>	<u>\$ 998,885</u>	<u>\$ 985,219</u>
Environmental health services			
Garbage and waste collection	<u>\$ 255,000</u>	<u>\$ 231,114</u>	<u>\$ 234,686</u>
Environmental development services			
Beautification and land rehabilitation	\$ 20,000	\$ 18,917	\$ 20,016
Research and planning	<u>92,099</u>	<u>118,770</u>	<u>50,379</u>
	<u>\$ 112,099</u>	<u>\$ 137,687</u>	<u>\$ 70,395</u>

Village of New Maryland

Schedule 3: Consolidated Schedule of Expenditures

Year Ended December 31,	2012	2012	2011
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Administration	\$ 77,354	\$ 75,846	\$ 75,116
Gym, Day Camp & Vehicles	92,440	71,909	72,555
New Maryland Centre	113,330	115,830	110,316
Rinks and arenas	2,310	2,061	1,700
Parks and playgrounds	113,124	111,633	103,824
Special events	36,910	48,229	48,440
Other recreation facilities	138,333	133,212	135,174
Amortization	<u>140,288</u>	<u>140,288</u>	<u>166,446</u>
	<u>\$ 714,089</u>	<u>\$ 699,008</u>	<u>\$ 713,571</u>
Water and sewer			
Water supply			
Administration	\$ 103,501	\$ 96,887	\$ 95,896
Transmission and distribution	9,500	12,092	6,882
Purification	15,950	19,037	14,084
Power and pumping	40,850	24,735	27,131
Repairs and maintenance	<u>-</u>	<u>33,222</u>	<u>4,247</u>
	<u>169,801</u>	<u>185,973</u>	<u>148,240</u>
Sewer collection and disposal			
Administration	131,303	113,995	107,497
Sewer collection system	7,000	662	2,325
Sewer lift stations	49,700	44,689	38,132
Sewer treatment and disposal	<u>63,600</u>	<u>56,412</u>	<u>59,402</u>
	<u>251,603</u>	<u>215,758</u>	<u>207,356</u>
Amortization	<u>379,711</u>	<u>379,711</u>	<u>379,711</u>
	<u>\$ 801,115</u>	<u>\$ 781,442</u>	<u>\$ 735,307</u>
Fiscal services			
Debt charges			
Bank charges and short term interest	\$ 14,050	\$ 2,384	\$ 43,124
Interest on long term debt	<u>281,921</u>	<u>265,138</u>	<u>279,097</u>
	<u>\$ 295,971</u>	<u>\$ 267,522</u>	<u>\$ 322,221</u>

Village of New Maryland

Schedule 4: Schedule of Segment Disclosure

December 31, 2012

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural	Water & Sewer	Reserve Funds	2012 Consolidated	2011 Consolidated
Revenues									
Property tax warrant	\$ 857,298	\$ 1,038,821	\$ 832,182	\$ 373,395	\$ 701,266	\$ -	\$ -	\$ 3,802,962	\$ 3,685,782
Services provided to other governments	-	103,671	-	-	-	-	-	103,671	97,608
Other revenue from own sources	22,969	44,005	-	-	94,965	10,256	-	172,195	175,566
Unconditional grants	44,429	53,837	43,128	19,351	46,343	-	-	207,088	211,111
Conditional grants	21,050	-	9,405	-	-	-	-	30,455	500,055
Water and sewer user fees	-	-	-	-	-	980,360	-	980,360	973,082
Interest	7,484	-	-	-	-	1,960	36,156	45,600	44,282
Other	-	-	11,300	-	-	17,612	-	28,912	23,505
	<u>953,230</u>	<u>1,240,334</u>	<u>896,015</u>	<u>392,746</u>	<u>842,574</u>	<u>1,010,188</u>	<u>36,156</u>	<u>5,371,243</u>	<u>5,710,991</u>
Expenses									
Salaries and benefits	388,373	155,475	126,610	59,983	281,993	138,090	-	1,150,524	1,055,542
Goods and services	290,204	703,028	386,559	308,818	276,727	263,641	-	2,228,977	2,074,184
Amortization and loss on disposal	113,376	58,830	485,716	-	140,288	379,711	-	1,177,921	1,116,240
Interest	622	-	120,898	-	-	146,002	-	267,522	322,221
Pension obligation*	(13,700)	-	-	-	-	-	-	(13,700)	(21,300)
Accrued sick leave*	103,400	-	-	-	-	-	-	103,400	2,900
Well exploration and development	-	-	-	-	-	115,893	-	115,893	84,104
	<u>882,275</u>	<u>917,333</u>	<u>1,119,783</u>	<u>368,801</u>	<u>699,008</u>	<u>1,043,337</u>	<u>-</u>	<u>5,030,537</u>	<u>4,633,891</u>
Surplus (deficit) for the year	\$ 70,955	\$ 323,001	\$ (223,768)	\$ 23,945	\$ 143,566	\$ (33,149)	\$ 36,156	\$ 340,706	\$ 1,077,100

*The change in pension liability and the change in accrued sick leave have been reported under General Government for segment disclosure.

Village of New Maryland

Schedule 5: Schedule of Reserve Funds

December 31, 2012

	General Operating Reserve	General Capital Reserve	W&S Operating Reserve	W&S Capital Reserve	2012 Total	2011 Total
Accumulated surplus, beginning of year	\$ 214,575	\$ 1,036,716	\$ 23,301	\$ 1,484,482	\$ 2,759,074	\$ 2,416,301
Transfers (to) from General Operating Fund	(39,539)	28,350	-	-	(11,189)	187,611
Transfers (to) from General Capital Fund	-	(64,062)	-	-	(64,062)	54,000
Transfers from Water and Sewer Operating Fund			22,000	83,000	105,000	70,000
Interest	3,151	13,260	529	19,216	36,156	31,162
Annual surplus (deficit)	(36,388)	(22,452)	22,529	102,216	65,905	342,773
Accumulated surplus, end of year	\$ 178,187	\$ 1,014,264	\$ 45,830	\$ 1,586,698	\$ 2,824,979	\$ 2,759,074

Village of New Maryland

Schedule 6: Schedule of Accumulated Surplus Reconciliation to PSAB Requirements

December 31, 2012

	General Operating Fund	General Capital Fund	W&S Operating Fund	W&S Capital Fund	General Reserve Fund	Capital Reserve Fund	W&S Reserve Fund	W&S Capital Reserve Fund	Total All Funds
2011 annual fund surplus ¹	\$ 1,266	\$ 1,261,080	\$ 226	\$ 800,344	\$ 18,284	\$ 236,426	\$ 290	\$ 87,773	\$ 2,405,689
Adjustment to 2011 annual surplus for PSAB Requirements									
Second previous year's surplus	(581)	-	3,388	-	-	-	-	-	2,807
Long-term debt principal repayment	436,000	(436,000)	186,000	(186,000)	-	-	-	-	-
Capital expenses	(120,645)	-	(112,910)	-	-	-	-	-	(233,555)
Provision for sick liability	(2,900)	-	-	-	-	-	-	-	(2,900)
Amortization expense	-	(736,530)	-	(379,711)	-	-	-	-	(1,116,241)
Pension expense	21,300	-	-	-	-	-	-	-	21,300
Total adjustments to 2011 annual surplus (deficit)	333,174	(1,172,530)	76,478	(565,711)	-	-	-	-	(1,328,589)
2011 annual surplus (deficit) per PSAB for the year	\$ 334,440	\$ 88,550	\$ 76,704	\$ 234,633	\$ 18,284	\$ 236,426	\$ 290	\$ 87,773	\$ 1,077,100
Accumulated surplus before PPA, beginning of year	2,235	19,282,863	(29,593)	14,994,325	196,291	800,290	23,011	1,396,709	36,666,131
Accumulated surplus before PPA, end of year	336,675	19,371,413	47,111	15,228,958	214,575	1,036,716	23,301	1,484,482	37,743,231
Prior period adjustments (PPA)²	(95,500)	(4,485,567)	-	1,355,762	-	-	-	-	(3,225,305)
Accumulated surplus per PSAB requirements, end of year	\$ 241,175	\$ 14,885,846	\$ 47,111	\$ 16,584,720	\$ 214,575	\$ 1,036,716	\$ 23,301	\$ 1,484,482	\$ 34,517,926

¹ The annual surplus includes all of the interfund transfers.

² The PPA includes the pension and sick leave accrual in the general fund and tangible capital assets adjustments in the capital funds.

Village of New Maryland

Schedule 7: Schedule of Reconciliation of Annual Surplus

December 31, 2012

	General Operating Fund	General Capital Fund	W&S Operating Fund	W&S Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	W&S Operating Reserve Fund	W&S Capital Reserve Fund	Total All Funds
2012 annual fund surplus (deficit)*	\$ 121,428	\$ 1,159,569	\$ (46,830)	\$ 354,500	\$ (36,388)	\$ (22,452)	\$ 22,529	\$ 102,216	\$ 1,654,572
Adjustment to annual surplus (deficit) for funding requirements									
Second previous year's surplus	(1,654)	-	26,205	-	-	-	-	-	24,551
Long-term debt principal repayment	562,918	(562,918)	350,000	(350,000)	-	-	-	-	-
Disposal of tangible assets	-	(161,214)	-	-	-	-	-	-	(161,214)
Provision for sick liability	(103,400)	-	-	-	-	-	-	-	(103,400)
Amortization of tangible assets	-	(707,792)	-	(379,711)	-	-	-	-	(1,087,503)
Pension expense	13,700	-	-	-	-	-	-	-	13,700
Total adjustments to 2011 annual surplus (deficit)	471,564	(1,431,924)	376,205	(729,711)	-	-	-	-	(1,313,866)
2012 annual surplus (deficit) per PSAB for the year	\$ 592,992	\$ (272,355)	\$ 329,375	\$ (375,211)	\$ (36,388)	\$ (22,452)	\$ 22,529	\$ 102,216	\$ 340,706

*The annual fund surplus includes all of the interfund transfers.

Village of New Maryland

Schedule 8: Schedule of Operating Budget to PSAB budget

December 31, 2012

	Operating Budget General	Operating Budget Water & Sewer	Amortization & Pension & Post Employment Adjustments	Internal Transfer and Previous Year's Surplus Eliminations	Total
Revenue					
Province of New Brunswick:					
Warrant for property taxes	\$ 3,802,962	\$ -	\$ -	\$ -	\$ 3,802,962
Unconditional grant	197,088	-	-	-	197,088
Other government contributions and transfers	156,651	-	-	-	156,651
Other revenue from own sources	141,488	-	-	-	141,488
Water and sewerage rates	-	982,880	-	-	982,880
Water supply for fire protection	-	98,171	-	(98,171)	-
Interest	2,000	3,000	-	-	5,000
Second previous year's surplus	1,654	-	-	(1,654)	-
	<u>4,301,843</u>	<u>1,084,051</u>	<u>-</u>	<u>(99,825)</u>	<u>5,286,069</u>
Expenditure					
General government services	679,409	-	112,658	-	792,067
Protective services	991,306	-	58,830	(98,171)	951,965
Transportation services	474,426	-	485,716	-	960,142
Environmental health & development services	367,099	-	-	-	367,099
Recreation and cultural services	573,801	-	140,288	-	714,089
Water and sewer	-	421,404	379,711	-	801,115
Fiscal services					
Long-term debt repayments	563,000	205,000	-	(768,000)	-
Interest	134,525	161,446	-	-	295,971
Transfer from the General Operating fund to the General Capital fund	518,277	-	-	(518,277)	-
Transfer from the Water and Sewer Operating fund To the Water and Sewer Capital fund	-	269,996	-	(269,996)	-
Second previous year's deficit	-	26,205	-	(26,205)	-
	<u>4,301,843</u>	<u>1,084,051</u>	<u>1,177,203</u>	<u>(1,680,649)</u>	<u>4,882,448</u>
Surplus (deficit) for the year				\$	<u>403,621</u>