

TOWN OF GRAND BAY - WESTFIELD
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

INDEPENDENT AUDITOR'S REPORT

To The Her Worship The Mayor and Members of the Council,,
Town of Grand Bay - Westfield

We have audited the accompanying consolidated financial statements of Town of Grand Bay - Westfield, which comprise the statement of financial position as at December 31, 2012 and the statements of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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.

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 financial position of Town of Grand Bay - Westfield as at December 31, 2012, the results of its operations, change in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saint John, N.B.
April 18, 2013

Curry & Betts

Chartered Accountants

TOWN OF GRAND BAY - WESTFIELD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

	<u>2012</u>	Restated <u>2011</u>
Financial assets		
Cash - Note 3	\$ 1,159,199	\$ 626,949
Accounts receivable		
General	86,674	656,454
Loans receivable - Note 7	26,281	33,377
	<u>1,272,154</u>	<u>1,316,780</u>
Liabilities		
Accounts payable	\$ 603,181	\$ 1,297,127
Bank loans payable	1,187,093	1,274,186
Long-term debt - Note 5	3,670,017	3,300,000
Accrued pension liability Note 6	313,600	300,000
	<u>5,773,891</u>	<u>6,171,313</u>
Net assets (debt)	(4,501,737)	(4,854,533)
Non-Financial Assets		
Tangible capital assets - Schedule 3	39,494,147	38,396,409
Less accumulated amortization - Schedule 3	12,391,395	11,231,777
	<u>27,102,752</u>	<u>27,164,632</u>
Accumulated surplus	\$ <u>22,601,015</u>	\$ <u>22,310,099</u>

APPROVED BY:

Mayor

Town Manager

TOWN OF GRAND BAY - WESTFIELD

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u>	<u>2011</u>
Revenue		
Property tax warrant	\$ 4,594,087	\$ 4,416,163
Sales of service	111,355	117,651
Other revenue from own sources	103,960	113,018
Unconditional grant	373,409	381,029
Third party contributions	-	507,785
Sewerage rates	460,154	455,377
Government grants - Province of NB	58,399	946,243
Government grants - Government of Canada	437,492	1,333,336
	<u>6,138,856</u>	<u>8,270,602</u>
Expenses		
General government services	\$ 735,159	\$ 663,515
Protective services	1,285,461	1,213,147
Transportation services	1,394,697	1,083,163
Environmental health services	781	761
Environmental development services	205,104	184,610
Recreation and culture	299,502	400,140
Economic development	120,602	113,891
Fiscal services	186,792	153,644
Sewerage collection and disposal	327,997	406,649
Amortization	1,291,845	1,148,503
	<u>5,847,940</u>	<u>5,368,023</u>
Annual surplus	290,916	2,902,579
Accumulated surplus - beginning of year	<u>22,310,099</u>	<u>19,407,520</u>
Accumulated surplus - end of year	<u>\$ 22,601,015</u>	<u>\$ 22,310,099</u>

TOWN OF GRAND BAY - WESTFIELD

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u>	<u>2011</u>
Annual surplus	\$ 290,916	\$ 2,902,579
Acquisition of tangible capital assets	(1,229,965)	(8,389,639)
Disposals of tangible capital assets	-	2,416,091
Amortization of tangible capital assets	<u>1,291,845</u>	<u>1,148,503</u>
Increase (decrease) in net debt	352,796	(1,922,466)
Net debt, beginning of year	<u>(4,854,533)</u>	<u>(2,932,067)</u>
Net debt, end of year	<u>\$ (4,501,737)</u>	<u>\$ (4,854,533)</u>

TOWN OF GRAND BAY - WESTFIELD

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

Operating transactions:	<u>2012</u>	<u>2011</u>
Annual surplus	\$ 290,916	\$ 2,902,579
Non-cash items included on annual surplus	(204,163)	552,211
Amortization of tangible capital assets	1,291,845	1,148,503
Proceeds on disposal of capital assets	-	2,416,091
Change in accrued pension liability	13,600	(16,000)
	<u>1,392,198</u>	<u>7,003,384</u>
Cash provided by operations		
Capital transaction:		
Acquisition of capital assets	(1,229,965)	(8,389,639)
	<u>(1,229,965)</u>	<u>(8,389,639)</u>
Cash used in capital transactions		
Financing transactions:		
Long-term debt issues	580,000	1,598,000
Long-term debt retirement	(209,983)	(198,000)
	<u>370,017</u>	<u>1,400,000</u>
Cash provided by financing transactions		
Increase in cash and cash equivalents	532,250	13,745
Cash and cash equivalents, beginning of year	<u>626,949</u>	<u>613,204</u>
Cash and cash equivalents, end of year	<u>\$ 1,159,199</u>	<u>\$ 626,949</u>

TOWN OF GRAND BAY-WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

1. Change in Accounting Policy

Effective January 1, 2011, the Town has restated its financial statements to adopt the Public Sector Accounting standards. 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 assets are a significant economic resource managed by a government and a key component in the delivery of many government programs. The standards requires these assets to be recorded at historical cost on the balance sheet 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 Town was required to record the historical cost of their tangible capital assets and accumulated amortization on a retroactive basis with restatement of prior years.

The Town determined historical cost based on historical accounting records, and discounted replacement costs. If historical cost or replacement cost could not be determined, the asset was recorded at a nominal value.

The Town calculated and recorded a liability for its defined pension 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	\$	27,721
Annual surplus of other funds		3,401,073
Less: second previous year surplus		(36,276)
Less: amortization on tangible capital assets		(1,148,503)
Add: adjustment to pension liability		16,000
Add: capital items adjusted in accordance with new policy		134,779
Add: third party contributions by developers		<u>507,185</u>
Annual deficit, restated	\$	<u><u>2,901,979</u></u>

Adjustments for net book value of tangible capital assets:

As previously reported, December 31, 2010	\$	40,272,779
Adjustment to historical cost of tangible capital assets, net		(11,959,644)
Amortization expense recorded		<u>(1,148,503)</u>
Adjusted net book value as at December 31, 2011	\$	<u><u>27,164,632</u></u>

TOWN OF GRAND BAY-WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

2. Summary of significant accounting policies

The consolidated financial statements of the Town of Grand Bay-Westfield have been prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

The Town has adopted Public Sector Accounting standards as of January 1, 2011

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

Reporting Entity

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

Revenue Recognition

Revenues are recognized on the accrual basis and measurable as they are earned. Revenue received prior to being earned is recorded as deferred revenue until such time as the revenue is earned.

Expenditure Recognition

Expenditures are recorded on an accrual basis as they are incurred and are measurable based on receipt of goods and services and obligation to pay. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Use of Estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amount of assets and liabilities and 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. Actual results may differ from those estimates.

Financial Instruments

The Town's financial instruments consist of cash, accounts receivable, loans receivable, bank loans, accounts payable and long-term debt. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from those financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Town is subject to credit risk through its accounts receivable. The Town minimizes credit risk through ongoing credit management.

TOWN OF GRAND BAY-WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

2. Summary of significant accounting policies (cont'd)

Tangible Capital Assets

Effective January 1, 2011, the Town has adopted the provisions of PSA 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 of the tangible capital asset is amortized on a straight-line basis over the estimated useful life, as follows:

Land improvements	5-25 years
Buildings	25-40 years
Vehicles	3-5 years
Machinery and equipment	5-10 years
Heavy equipment	10-15 years
Computer hardware, software and communication equipment	3-5 years
Furniture and fixtures	3-5 years
Road surface	15-20 years
Road grade	30 years
Sidewalks and curbs	15 years
Water and wastewater networks	40-100 years

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

Segmented Information

The Town of Grand Bay Westfield is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town'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 the 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 Town. This includes council functions and general and financial management.

Protective services

This department is responsible for the provision of policing services, fire protection, emergency measures and animal control.

Transportation services

This department is responsible for common services, roads and streets maintenance, street lighting, traffic services and other transportation related functions

TOWN OF GRAND BAY-WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

2. Summary of significant accounting policies (cont'd)

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, beautification and other municipal development and promotion services.

Recreation and culture

This department is responsible for the maintenance and operation of recreation and cultural facilities, including the arena, parks and playgrounds and other recreational and cultural facilities.

Water and wastewater systems

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.

Post employment benefits

The Town recognizes its obligations under post employment benefit plans and the related cost, net of plan assets. The Town has a defined benefit pension plan as documented in Note 6.

3. Cash

	<u>2012</u>		<u>2011</u>
Cash - unrestricted	\$ <u>1,159,199</u>	\$	<u>626,949</u>

4. Due from Federal Government and Agencies

	<u>2012</u>		<u>2011</u>
Canada Revenue Agency (HST refund)	\$ <u>73,690</u>	\$	<u>248,117</u>

TOWN OF GRAND BAY-WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

5. Long-Term Debt

New Brunswick Municipal Financing Corporation

	<u>2012</u>		<u>2011</u>
Debentures:			
4.45%-4.6% series, due 2012	\$ -	\$	196,000
3.30%-4.85% series, due 2018	194,000		222,000
1.50%-4.55% series, due 2020	281,000		298,000
0.95%-3.40% series, due 2014	22,000		33,000
4.30%-4.55% series, due 2017	783,000		819,000
1.00%-4.50% series, due 2019	126,000		134,000
1.65%-4.25% series, due 2021	194,000		205,000
1.65%-3./80% series, due 2027	200,000		-
1.35%-3.55% series, due 2027	547,000		-

CMHC

3.92%, due 2026	<u>1,323,017</u>		<u>1,393,000</u>
	\$ <u>3,670,017</u>	\$	<u>3,300,000</u>

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

2013	\$ 252,726
2014	258,577
2015	256,539
2016	267,618
2017	853,817
Thereafter	<u>1,780,740</u>
	\$ <u>3,670,017</u>

TOWN OF GRAND BAY-WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

6. Post Employment Benefits Payable

Defined Benefit Pension Plan

The Town 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 NB MEPP provides 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. 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 in 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 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 December 31, 2010 deficit of \$9,703,300. In response to the deficit increase, effective January 1, 2013 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 Pensions Benefit Act.

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 in totality for NB MEPP.

Employees making contributions using rates that 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 employees 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 (2011 actual, \$4,739,300) in totality for the NB MEPP.

TOWN OF GRAND BAY-WESTFIELD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

6. Post Employment Benefits Payable cont'd

The following summarizes the data as it relates to the Town of Grand Bay Westfield:

The average age of the 18 active employees covered by the NB MEPP is 51.3
Benefit payments were \$65,200 in 2011 and were estimated to be \$67,400 in 2012
Combined Contributions were \$105,400 in 2011 and were estimated to be \$116,600 in 2012.

In addition to determining the position of the NB MEPP as it relates to the Town of Grand Bay Westfield 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 s 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 the extrapolation are as follows:

Accrued Benefit Liability	Jan 1- Dec 31, 2011	Jan 1- Dec 31, 2012
Accrued benefit liability, beginning	\$ 316,000	\$ 300,000
Pension expense for the year	36,700	71,900
Less employer contributions	<u>(52,700)</u>	<u>(58,300)</u>
Accrued benefit liability, ending	\$ <u>300,000</u>	\$ <u>313,600</u>

These amounts are included in the Post Employment Benefits Payable on the Consolidated balance

7. Loans Receivable

	<u>2012</u>	<u>2011</u>
Saint John Community Fund interest at 3%, due March 2013, secured by a promissory note.	\$ 10,865	\$ 10,549
New Brunswick, EMS Inc., interest at 9%, repayable in monthly installments of \$762, principal and interest, due October 2014.	<u>15,416</u>	<u>22,828</u>
	\$ <u>26,281</u>	\$ <u>33,377</u>

Town of Grand Bay-Westfield

Schedule 1 - Accumulated Surplus Reconciliation to Public Sector Accounting Board Requirements

Year Ended December 31, 2011

	General Revenue Fund	General Capital Fund	Sewerage Revenue Fund	Sewerage Capital Fund	General Capital Reserve Fund	Utility Capital Reserve Fund	Land for Public Purpose Reserve Fund	Total
2011 annual fund surplus	27,721	3,360,604	(163)	140,800	(53,529)	(47,169)	530	3,428,794
Adjustment to 2011 annual surplus(deficit) for PSAB requirements								
Second previous year's surplus	(28,520)		(7,756)					(36,276)
Transfers between funds								
Transfer elimination		(200,477)			200,477			-
Transfer elimination	143,000				(143,000)			-
Transfer elimination	763,465	(763,465)						-
Transfer elimination			87,800	(87,800)				-
Transfer elimination			33,000			(33,000)		-
Transfer elimination			(81,177)			81,177		-
Long-term debt principal repayment	145,000	(145,000)						-
Long-term debt principal repayment	507,785			(53,000)				-
Third party contributions of tangible capital assets								507,785
Disposal of tangible capital assets		27,917						27,917
Expense items previously capitalized		(31,034)	(88,649)					(119,683)
Capital items previously expensed		226,545						226,545
Reduction in pension plan Liability	16,000							16,000
Provision for sick leave accrual								-
Amortization expense		(906,896)		(241,607)				(1,148,503)
Total adjustments to 2011 annual surplus (deficit)	1,546,730	(1,792,410)	(3,782)	(382,407)	57,477	48,177	-	(526,215)
2011 annual surplus (deficit) per PSAB requirements	1,574,451	1,568,194	(3,945)	(241,607)	3,948	1,008	530	2,902,579
Accumulated surplus before PPA, January 1, 2011	52,696	20,368,036	27,313	11,280,976	435,060	156,358	5,290	32,325,729
Accumulated surplus before PPA, December 31, 2011	1,627,147	21,936,230	23,368	11,039,369	439,008	157,366	5,820	35,228,308
Prior period adjustments	(316,000)	(8,990,016)		(3,612,193)				(12,918,209)
Accumulated surplus per PSAB requirements, end of year	1,311,147	12,946,214	23,368	7,427,176	439,008	157,366	5,820	22,310,099

Town of Grand Bay-Westfield

Schedule 2 - Consolidated Schedule of Segment Disclosures

Year Ended December 31, 2012

	General	Protective	Transportation	Environmental Health	Environmental development	Recreation and culture	Economic development	Water and sewer	2012 Consolidated	2011 Consolidated
Revenues										
Property tax warrant	\$ 944,941	\$ 1,374,858	\$ 1,542,257	\$ 828	\$ 264,708	\$ 342,593	\$ 123,902	\$ -	\$ 4,594,087	\$ 4,416,163
Sales of services	-	96,974	-	-	-	14,381	-	-	111,355	107,802
Other revenue from own sources	72,033	24,198	-	-	-	-	-	1,340	97,571	113,018
Unconditional grant	76,805	111,749	125,355	67	21,516	27,846	10,071	-	373,409	381,029
Third party contributions	-	-	-	-	-	-	-	-	-	507,765
Water and sewerage user fees	-	-	-	-	-	-	-	460,153	460,153	455,376
Interest	6,389	-	-	-	-	-	-	-	6,389	9,848
Other	-	-	495,892	-	-	-	-	-	495,892	-
	<u>1,100,167</u>	<u>1,607,778</u>	<u>2,163,504</u>	<u>896</u>	<u>286,224</u>	<u>384,820</u>	<u>133,973</u>	<u>461,493</u>	<u>6,138,856</u>	<u>8,270,600</u>
Expenses										
Salaries and benefits	268,897	324,431	367,527	-	73,975	72,031	45,221	11,722	1,163,804	1,326,890
Goods and services	378,369	908,058	965,144	781	23,193	181,692	14,825	316,275	2,788,337	2,624,620
Amortization	36,797	97,115	823,334	-	-	46,537	31,366	256,696	1,291,845	1,148,503
Interest	129,575	-	-	-	-	-	-	57,219	186,794	153,644
Other	87,892	52,971	62,026	-	107,936	45,779	60,556	-	417,160	114,364
	<u>901,530</u>	<u>1,382,575</u>	<u>2,218,031</u>	<u>781</u>	<u>205,104</u>	<u>346,039</u>	<u>151,968</u>	<u>641,912</u>	<u>5,847,940</u>	<u>5,368,021</u>
Surplus (deficit) for the year	\$ <u>198,637</u>	\$ <u>225,203</u>	\$ <u>(54,527)</u>	\$ <u>115</u>	\$ <u>81,120</u>	\$ <u>38,781</u>	\$ <u>(17,995)</u>	\$ <u>(180,419)</u>	\$ <u>290,916</u>	\$ <u>2,902,579</u>

Town of Grand Bay-Westfield

Schedule 3 - Tangible Capital Assets

Year Ended December 31, 2012

COST	Land	Land improvements	Building and leasehold improvements	Vehicles	Machinery and equipment	Infrastructure		2012 Total	2011 Total
						Roads and streets	Water and sewer		
Balance, beginning of year	\$ 2,041,812	\$ 1,772,148	\$ 2,869,844	\$ 125,673	\$ 1,992,753	\$ 15,883,884	\$ 1,988,002	\$ 11,722,293	\$ 38,396,409
Add:	16,294	53,283	87,508		443,657	455,736	173,487		1,229,965
Less:	-	(35,568)	(11,659)		(85,000)				(132,227)
Balance, end of year	<u>2,058,106</u>	<u>1,789,863</u>	<u>2,945,693</u>	<u>125,673</u>	<u>2,351,410</u>	<u>16,339,620</u>	<u>2,161,489</u>	<u>11,722,293</u>	<u>39,494,147</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	688,625	1,093,856	85,471	1,521,197	4,695,553	562,781	2,584,294	10,984,929
Add:	-	104,130	79,531	16,081	123,690	722,373	42,458	203,582	1,148,503
Less:	-	(35,568)	(11,659)		(85,000)				(901,654)
Balance, end of year	<u>-</u>	<u>757,187</u>	<u>1,161,728</u>	<u>101,552</u>	<u>1,559,887</u>	<u>5,417,926</u>	<u>605,239</u>	<u>2,787,876</u>	<u>11,231,778</u>
NET BOOK VALUE	<u>\$ 2,058,106</u>	<u>\$ 1,032,676</u>	<u>\$ 1,783,965</u>	<u>\$ 24,121</u>	<u>\$ 791,523</u>	<u>\$ 10,921,694</u>	<u>\$ 1,556,250</u>	<u>\$ 8,934,417</u>	<u>\$ 27,102,752</u>
Consists of:									
General Fund Assets	\$ 1,976,289	\$ 1,032,030	\$ 1,777,242	\$ 24,121	\$ 768,583	\$ 10,921,694	\$ -	\$ -	\$ 16,499,959
Water & Sewerage Fund Assets	<u>81,817</u>	<u>646</u>	<u>6,723</u>	<u>-</u>	<u>22,940</u>	<u>-</u>	<u>1,556,250</u>	<u>8,934,417</u>	<u>10,602,793</u>
	<u>\$ 2,058,106</u>	<u>\$ 1,032,676</u>	<u>\$ 1,783,965</u>	<u>\$ 24,121</u>	<u>\$ 791,523</u>	<u>\$ 10,921,694</u>	<u>\$ 1,556,250</u>	<u>\$ 8,934,417</u>	<u>\$ 27,102,752</u>
									<u>\$ 27,164,631</u>

Town of Grand Bay-Westfield

Schedule 4 - Reconciliation of Annual Surplus

Year Ended December 31, 2012

	General Revenue Fund	General Capital Fund	Sewerage Revenue Fund	Sewerage Capital Fund	General Capital Reserve Fund	Utility Capital Reserve Fund	Land for Public Purpose Reserve Fund	Total
2012 annual surplus (deficit)	(970,872)	1,115,248	(68,392)	(112,787)	326,990	763	(34)	290,916
Adjustment to annual surplus(deficit) for funding requirements								
Second previous year's surplus	(24,176)		(9,557)					(33,733)
Transfers between funds								-
Transfer elimination								-
Transfer elimination		13,276						-
Transfer elimination	(668,690)	668,690			(13,276)			-
Transfer elimination	(175,000)				175,000			-
Long-term debt principal repayment			(66,000)	66,000				-
Long-term debt principal repayment	(143,980)	143,980						-
Increase in pension plan Liability	(13,600)							(13,600)
Additional item capitalized	30,000							30,000
General capital expenditure expensed in general revenue	(7,139)							(7,139)
Amortization expense		(1,035,149)		(256,696)				(1,291,845)
Total adjustments to 2012 annual surplus (deficit)	(1,002,585)	(209,203)	(75,557)	(190,696)	161,724	-	-	(1,316,317)
2012 annual surplus (deficit)	31,713	1,324,451	7,165	77,909	165,266	763	(34)	1,607,233

Town of Grand Bay-Westfield

Schedule 5 - Statement of Reserves

Year Ended December 31, 2012

	General Capital Reserve Fund	Utility Capital Reserve Fund	Land for Public Purpose Reserve Fund	2012 Total	2011 Total
Assets					
Cash	546,797	109,952	5,786	662,535	496,540
Accumulated Surplus	546,797	109,952	5,786	662,535	496,540
Revenue					
Interest	3,585	763	-	4,348	4,979
Transfers from General and Sewerage Operating Funds	175,000	-	-	175,000	176,000
Other funds received	-	-	-	-	5,556
	178,585	763	-	179,348	186,535
Expenditures					
Interest and bank charges	43	-	34	77	26
Transfers to General and Sewerage Capital Funds	13,276	-	-	13,276	281,677
	13,319	-	34	13,353	281,703
Annual Surplus	165,266	763	(34)	165,995	(95,168)