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**TOWN OF SAINT ANDREWS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

# TOWN OF SAINT ANDREWS

DECEMBER 31, 2011

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**TEED  
SAUNDERS  
DOYLE & CO.**

**Chartered Accountants**

Independent member of DFK International

## INDEPENDENT AUDITORS' REPORT

To His Worship The Mayor and Members of Council  
Town of Saint Andrews, New Brunswick

We have audited the balance sheets of the general, water and sewerage, reserve and trust funds of the Town of Saint Andrews as at December 31, 2011 and the statements of revenue and expenditure, investment in capital assets, capital financing and changes in net assets for the year then ended. These financial statements have been prepared to comply with the accounting principles prescribed for New Brunswick municipalities by the Department of Local Government.

### *Council and Management's Responsibility for the Financial Statements*

Council and management are responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles prescribed for New Brunswick municipalities by the Department of Local Government, and for such internal control as council and management determines is necessary to enable the preparation of 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 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 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 auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

Saint John Partners  
Andrew P. Logan Peter L. Logan  
Jean-Marc Poirier



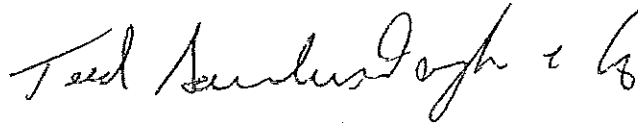
Fredericton Partners  
Brian J. Saunders David H. Bradley  
Jeffrey E. Saunders John H. Landry  
T.J. Smith Kenneth H. Kyle

*Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2011 and the results of its operations and changes in its sources and applications of capital financing for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements.

These financial statements have been prepared to comply with the accounting principles prescribed for New Brunswick municipalities by the Department of Local Government, and have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles. These financial statements are solely for the information and use of the Town of Saint Andrews, and the Minister of the Department of Local Government of the Province of New Brunswick, and are not intended to be and should not be used for any other purpose.

The prior year comparative figures were audited by another chartered accountant.



CHARTERED ACCOUNTANTS

Saint John, NB  
May 7, 2012

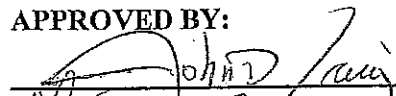
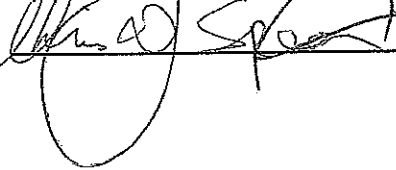
TOWN OF SAINT ANDREWS

GENERAL CAPITAL FUND  
BALANCE SHEET

AS AT DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Due from Kingsbrae Gardens (Notes 3 and 4)	\$ 189,000	\$ 216,000
<b>CAPITAL (Note 1), page 4</b>	<u>17,716,153</u>	<u>16,434,338</u>
	<u>\$ 17,905,153</u>	<u>\$ 16,650,338</u>
<b>LIABILITIES AND INVESTMENT IN CAPITAL ASSETS</b>		
<b>CURRENT</b>		
Due to own funds (Notes 3 and 5)		
General Operating Fund	10,000	10,000
<b>LONG TERM (Notes 3 and 4)</b>	1,479,000	1,378,000
<b>INVESTMENT IN CAPITAL ASSETS, page 5</b>	<u>16,416,153</u>	<u>15,262,338</u>
	<u>\$ 17,905,153</u>	<u>\$ 16,650,338</u>

APPROVED BY:

 \_\_\_\_\_ Mayor  
 \_\_\_\_\_ Treasurer

TOWN OF SAINT ANDREWS

GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL ASSETS

AS AT DECEMBER 31, 2011

	Land	Buildings	Engineering Structures	Machinery and Equipment	2011 Total	2010 Total
<b>GENERAL GOVERNMENT</b>						
Town Hall	\$ 1,000	\$ 139,746	\$ -	\$ 87,766	\$ 228,512	\$ 224,509
<b>PROTECTIVE SERVICES</b>						
Police Department	34,842	29,232	-	-	64,074	64,074
Fire Department	-	472,722	-	1,263,177	1,735,899	1,486,684
Emergency Measures	-	-	-	21,687	21,687	21,687
Medical Centre	-	10,727	-	4,610	15,337	15,337
<b>TRANSPORTATION</b>						
Streets and roads	66,369	403,688	6,644,828	995,968	8,110,853	7,325,148
Storm sewers	-	-	402,292	-	402,292	338,803
Breakwaters and abutments	-	-	250,897	-	250,897	248,601
<b>ENVIRONMENT</b>						
Garbage and waste removal	87,450	11,402	-	-	98,852	98,852
Housing	51,198	-	-	-	51,198	51,198
<b>RECREATION AND CULTURE</b>						
W.C. O'Neill Arena Complex	57,544	3,235,146	-	-	3,292,690	3,137,040
Library	-	462,471	-	2,730	465,201	462,471
Museum	-	262,027	-	-	262,027	262,027
Youth Centre	-	296,874	-	75,464	372,338	372,338
Parks, fields and trails	5,171	87,886	832,830	13,556	939,443	920,716
Tennis court	-	-	182,433	-	182,433	182,433
<b>WHARF</b>						
	-	-	1,222,420	-	1,222,420	1,222,420
	<u>\$ 303,574</u>	<u>\$ 5,411,921</u>	<u>\$ 9,535,700</u>	<u>\$ 2,464,958</u>	<u>\$ 17,716,153</u>	<u>\$ 16,434,338</u>

# TOWN OF SAINT ANDREWS

## GENERAL CAPITAL FUND STATEMENT OF INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<b>BALANCE AT BEGINNING OF YEAR</b>	\$ <u>15,262,338</u>	\$ <u>14,708,122</u>
Add:		
Contribution from General Operating Fund		
Debt repayment	147,000	117,000
Capital expenditures	424,524	247,983
Contribution from Reserve Funds	250,000	-
Contributions from other sources		
Friends of Christofor Foundation	110,000	113,900
Regional Development Corporation funding	279,966	-
F.Y.C.A.P. funding	11,154	33,719
A.C.O.A funding	31,071	31,669
Private donations	<u>-</u>	<u>9,945</u>
	<u>1,253,715</u>	<u>554,216</u>
Less:		
Cost of disposed capital assets	<u>(99,900)</u>	<u>-</u>
<b>BALANCE AT END OF YEAR</b>	\$ <u>16,416,153</u>	\$ <u>15,262,338</u>

# TOWN OF SAINT ANDREWS

## GENERAL CAPITAL FUND STATEMENT OF CAPITAL FINANCING

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<b>SOURCE</b>		
Unapplied at beginning of year		
Due from Kingsbrae Gardens	\$ <u>216,000</u>	\$ <u>242,000</u>
Transfers from		
Own funds		
General Operating Fund		
Debt repayment	147,000	117,000
Capital expenditures	424,524	247,983
Reserve funds		
General Capital	250,000	-
Contributions from other sources		
Friends of Christofor Foundation	110,000	113,900
Regional Development Corporation funding	279,966	-
F.Y.C.A.P. funding	11,154	33,719
A.C.O.A funding	31,071	31,669
Private donations	<u>-</u>	<u>9,945</u>
	<u>1,253,715</u>	<u>554,216</u>
Issue of debt debentures (Note 4)	<u>275,000</u>	<u>452,000</u>
Temporary financing at end of year		
Due to own funds	<u>10,000</u>	<u>10,000</u>
	<u>\$ 1,754,715</u>	<u>\$ 1,258,216</u>
<b>APPLICATION</b>		
Temporary financing at beginning of year		
Due to own funds	\$ <u>10,000</u>	\$ <u>10,000</u>
Capital expenditures	1,381,715	889,216
Kingsbrae Gardens - debt repayment	27,000	26,000
Debt repayments	<u>147,000</u>	<u>117,000</u>
	<u>1,555,715</u>	<u>1,032,216</u>
Unapplied at end of year		
Due from Kingsbrae Gardens	<u>189,000</u>	<u>216,000</u>
	<u>\$ 1,754,715</u>	<u>\$ 1,258,216</u>



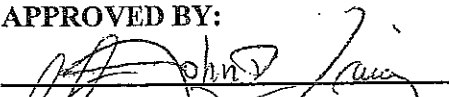
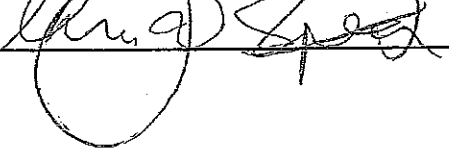
# TOWN OF SAINT ANDREWS

## GENERAL OPERATING FUND BALANCE SHEET

AS AT DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 4,899	\$ 205,440
Accounts receivable (Note 3)	450,414	212,698
Due from own funds (Notes 3 and 5)		
Water and Sewerage Operating Fund	177,646	541,171
General Capital Fund	10,000	10,000
Trust funds	80,100	2,010
Prepaid expenses	<u>61,881</u>	<u>704</u>
	<u>\$ 784,940</u>	<u>\$ 972,023</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank loan (Notes 2 and 3)	\$ 140,000	\$ -
Accounts payable and accrued liabilities (Note 3)	417,146	510,672
Due to own funds (Notes 3 and 5)		
General Operating Reserve Fund	15,000	130,000
Water and Sewerage Capital Fund	75,000	-
General Capital Reserve Fund	<u>60,000</u>	<u>180,000</u>
	<u>707,146</u>	<u>820,672</u>
<b>DEFERRED REVENUE (Note 1)</b>	<u>68,905</u>	<u>133,292</u>
<b>SURPLUS</b>		
<b>SURPLUS AT BEGINNING OF YEAR</b>	18,059	45,279
<b>TRANSFER OF SECOND PREVIOUS YEAR'S SURPLUS</b>	(4,900)	(40,379)
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<u>(4,270)</u>	<u>13,159</u>
<b>SURPLUS AT END OF YEAR (Note 7)</b>	<u>8,889</u>	<u>18,059</u>
	<u>\$ 784,940</u>	<u>\$ 972,023</u>

APPROVED BY:


Mayor  

Treasurer

# TOWN OF SAINT ANDREWS

## GENERAL OPERATING FUND STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2011

	Page	2011 Budget	2011 Actual	2010 Actual
<b>REVENUE (Note 1)</b>				
Warrant of assessment		\$ 2,724,132	\$ 2,724,132	\$ 2,630,229
Services provided to other governments				
Province of New Brunswick	9	109,144	108,695	86,081
Sale of services	9	263,677	308,806	310,584
Other revenue from own sources	9	115,011	122,993	320,351
Unconditional grant		131,256	131,256	121,537
Other transfers	10	<u>142,817</u>	<u>105,499</u>	<u>136,131</u>
		<u>3,486,037</u>	<u>3,501,381</u>	<u>3,604,913</u>
<b>EXPENDITURE (Note 1)</b>				
General government services	11	524,232	518,604	507,343
Protective services	12	638,252	592,637	711,949
Transportation services	13	697,659	674,851	580,116
Environmental health services	14	117,500	109,162	110,473
Environmental development services	14	236,083	209,264	307,581
Recreational and cultural services	14	716,782	701,084	652,431
Fiscal services	14	<u>555,529</u>	<u>700,049</u>	<u>721,861</u>
		<u>3,486,037</u>	<u>3,505,651</u>	<u>3,591,754</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		<u>\$ -</u>	<u>\$ (4,270)</u>	<u>\$ 13,159</u>

# TOWN OF SAINT ANDREWS

## GENERAL OPERATING FUND SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011</u> Budget	<u>2011</u> Actual	<u>2010</u> Actual
<b>SERVICES PROVIDED TO OTHER GOVERNMENTS</b>			
Province of New Brunswick			
Fire protection	\$ 86,840	\$ 86,840	\$ 64,636
Roads and streets	<u>22,304</u>	<u>21,855</u>	<u>21,445</u>
	<u>\$ 109,144</u>	<u>\$ 108,695</u>	<u>\$ 86,081</u>
<b>SALE OF SERVICES</b>			
Recreation	\$ 150,657	\$ 186,606	\$ 178,093
Katy's Cove	22,000	25,699	23,247
Wharf	38,500	44,333	52,743
Building rentals	21,020	20,558	25,707
Youth centre	<u>31,500</u>	<u>31,610</u>	<u>30,794</u>
	<u>\$ 263,677</u>	<u>\$ 308,806</u>	<u>\$ 310,584</u>
<b>OTHER REVENUE FROM OWN SOURCES</b>			
Licenses, permits and fines			
Animal	\$ 1,500	\$ 2,280	\$ 1,410
Construction	24,200	11,871	32,293
Department of Justice	7,511	8,914	9,558
Other	<u>-</u>	<u>457</u>	<u>50</u>
	<u>33,211</u>	<u>23,522</u>	<u>43,311</u>
Proceeds on sale of capital assets	<u>-</u>	<u>12,000</u>	<u>115,965</u>
Interest	<u>-</u>	<u>-</u>	<u>300</u>
Miscellaneous	<u>81,800</u>	<u>87,471</u>	<u>160,775</u>
	<u>\$ 115,011</u>	<u>\$ 122,993</u>	<u>\$ 320,351</u>

# TOWN OF SAINT ANDREWS

## GENERAL OPERATING FUND SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011</u> Budget	<u>2011</u> Actual	<u>2010</u> Actual
<b>OTHER TRANSFERS</b>			
Transfers from Water and Sewerage Operating Fund	\$ 20,000	\$ 20,082	\$ 20,017
Transfers from Operating Reserve	50,000	-	-
Transfers from Trust funds	67,500	80,100	75,000
Previous surplus	4,900	4,900	40,379
Payment in lieu of taxes	<u>417</u>	<u>417</u>	<u>735</u>
	<u>\$ 142,817</u>	<u>\$ 105,499</u>	<u>\$ 136,131</u>

# TOWN OF SAINT ANDREWS

## GENERAL OPERATING FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 Budget	2011 Actual	2010 Actual
<b>GENERAL GOVERNMENT SERVICES</b>			
Legislative			
Mayor	\$ 8,750	\$ 7,748	\$ 8,263
Councillors	<u>30,308</u>	<u>29,187</u>	<u>25,114</u>
	<u>39,058</u>	<u>36,935</u>	<u>33,377</u>
Administrative			
Manager's office	92,288	92,435	87,807
Office building	94,984	81,635	86,768
Solicitor	<u>15,000</u>	<u>18,119</u>	<u>14,329</u>
	<u>202,272</u>	<u>192,189</u>	<u>188,904</u>
Financial management			
Administrative personnel	153,292	171,904	173,022
External audit	<u>12,600</u>	<u>15,422</u>	<u>12,705</u>
	<u>165,892</u>	<u>187,326</u>	<u>185,727</u>
Other general government services			
Public liability insurance	19,000	20,219	18,252
Grants to organizations	5,502	6,327	5,592
Cost of assessment	47,447	47,710	46,290
Other general services	<u>45,061</u>	<u>27,898</u>	<u>29,201</u>
	<u>117,010</u>	<u>102,154</u>	<u>99,335</u>
	<u>\$ 524,232</u>	<u>\$ 518,604</u>	<u>\$ 507,343</u>

# TOWN OF SAINT ANDREWS

## GENERAL OPERATING FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 Budget	2011 Actual	2010 Actual
<b>PROTECTIVE SERVICES</b>			
Police			
R.C.M.P.	\$ 311,066	\$ 300,111	\$ 296,327
Station and building	<u>48,260</u>	<u>44,045</u>	<u>47,363</u>
	<u>359,326</u>	<u>344,156</u>	<u>343,690</u>
Fire			
Administration	14,636	13,104	11,886
Fire fighting force	77,990	78,984	76,840
Fire alarm system	18,500	20,355	17,670
Water cost transfer (Note 6)	75,000	25,000	157,117
Training	7,300	8,023	3,419
Station and building	22,500	29,524	30,972
Fire fighting equipment	<u>36,900</u>	<u>27,764</u>	<u>26,108</u>
	<u>252,826</u>	<u>202,754</u>	<u>324,012</u>
Other			
Building inspector	20,000	39,495	38,498
Animal and pest control	<u>6,100</u>	<u>6,232</u>	<u>5,749</u>
	<u>26,100</u>	<u>45,727</u>	<u>44,247</u>
	<u>\$ 638,252</u>	<u>\$ 592,637</u>	<u>\$ 711,949</u>

# TOWN OF SAINT ANDREWS

## GENERAL OPERATING FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 Budget	2011 Actual	2010 Actual
<b>TRANSPORTATION SERVICES</b>			
Common services			
Administration	\$ 331,441	\$ 288,844	\$ 269,046
General equipment	92,175	87,607	88,748
Workshop	<u>29,735</u>	<u>32,385</u>	<u>24,985</u>
	<u>453,351</u>	<u>408,836</u>	<u>382,779</u>
Road transport			
Roads and streets			
Roadway surfaces	67,000	72,224	41,624
Storm sewers	20,000	16,128	13,419
Snow and ice removal	<u>48,000</u>	<u>64,623</u>	<u>47,328</u>
	<u>135,000</u>	<u>152,975</u>	<u>102,371</u>
Traffic services			
Street signs	4,000	2,882	2,870
Traffic signals	<u>4,500</u>	<u>-</u>	<u>-</u>
	<u>8,500</u>	<u>2,882</u>	<u>2,870</u>
Wharf	<u>59,535</u>	<u>70,436</u>	<u>49,164</u>
Street lighting	<u>41,273</u>	<u>39,722</u>	<u>42,932</u>
	<u>\$ 697,659</u>	<u>\$ 674,851</u>	<u>\$ 580,116</u>

# TOWN OF SAINT ANDREWS

## GENERAL OPERATING FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 Budget	2011 Actual	2010 Actual
<b>ENVIRONMENTAL HEALTH SERVICES</b>			
Regional landfill and waste pickup	\$ <u>117,500</u>	\$ <u>109,162</u>	\$ <u>110,473</u>
<b>ENVIRONMENTAL DEVELOPMENT SERVICES</b>			
Organization grants and support	\$ 81,811	\$ 62,430	\$ 136,826
Tourist promotion	140,285	136,937	154,909
Other	<u>13,987</u>	<u>9,897</u>	<u>15,846</u>
	\$ <u>236,083</u>	\$ <u>209,264</u>	\$ <u>307,581</u>
<b>RECREATIONAL AND CULTURAL SERVICES</b>			
Youth centre	\$ 67,532	\$ 67,024	\$ 65,371
Medical centre	71,650	62,507	56,939
Rinks and arena	284,742	286,505	257,623
Parks and playgrounds	115,650	103,805	108,031
Library and museum	<u>177,208</u>	<u>181,243</u>	<u>164,467</u>
	\$ <u>716,782</u>	\$ <u>701,084</u>	\$ <u>652,431</u>
<b>FISCAL SERVICES</b>			
Debt charges			
Interest on temporary borrowing	\$ 7,638	\$ 7,065	\$ 4,307
Interest on long term debt	51,131	46,460	42,571
Principal repayments	<u>147,000</u>	<u>147,000</u>	<u>117,000</u>
	<u>205,769</u>	<u>200,525</u>	<u>163,878</u>
Transfers to			
General Capital Fund	285,575	424,524	247,983
General Capital Reserve fund	-	60,000	180,000
General Operating Reserve Fund	15,000	15,000	130,000
Water and Sewerage Operating Fund	<u>49,185</u>	<u>-</u>	<u>-</u>
	<u>349,760</u>	<u>499,524</u>	<u>557,983</u>
	\$ <u>555,529</u>	\$ <u>700,049</u>	\$ <u>721,861</u>

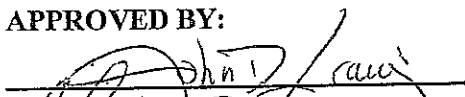




**TOWN OF SAINT ANDREWS**  
**WATER AND SEWERAGE CAPITAL FUND**  
**BALANCE SHEET**

AS AT DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Due from own funds (Notes 3 and 5)	\$ 75,000	\$ -
General Operating Fund		
	<u>16,765,411</u>	<u>14,128,178</u>
<b>CAPITAL</b> (Note 1), page 16	<u>\$ 16,840,411</u>	<u>\$ 14,128,178</u>
<b>LIABILITIES AND INVESTMENT IN CAPITAL ASSETS</b>		
<b>CURRENT</b>		
Bank loan (Notes 2 and 3)	\$ 1,325,000	\$ 700,000
Due to own funds (Notes 3 and 5)		
Water and Sewerage Operating Fund	<u>172,730</u>	<u>289,584</u>
	<u>1,497,730</u>	<u>989,584</u>
<b>LONG TERM</b> (Notes 3 and 4)	<u>2,210,000</u>	<u>2,539,000</u>
<b>INVESTMENT IN CAPITAL ASSETS</b> , page 17	<u>13,132,681</u>	<u>10,599,594</u>
	<u>\$ 16,840,411</u>	<u>\$ 14,128,178</u>

APPROVED BY:


\_\_\_\_\_  
Mayor  

\_\_\_\_\_  
Treasurer  


TOWN OF SAINT ANDREWS

WATER AND SEWERAGE CAPITAL FUND  
STATEMENT OF CAPITAL ASSETS

AS AT DECEMBER 31, 2011

	Engineering Structure	Machinery and Equipment	2011 Total	2010 Total
Vehicles	\$ <u>22,093</u>			
	\$ <u>16,572,193</u>	\$ <u>171,125</u>	\$ <u>16,765,411</u>	\$ <u>14,128,178</u>

WATER SUPPLY AND  
SEWERAGE COLLECTION  
AND DISPOSAL

# TOWN OF SAINT ANDREWS

## WATER AND SEWERAGE CAPITAL FUND STATEMENT OF INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<b>BALANCE AT BEGINNING OF YEAR</b>	\$ <u>10,599,594</u>	\$ <u>10,169,087</u>
Add:		
Contribution from Water and Sewerage Operating Fund		
Debt repayment	329,000	235,000
Capital expenditures	29,661	35,214
Transfer from Capital Reserve	125,000	-
Contribution from other sources		
FCM grant	96,140	-
Build Canada Fund	1,953,286	-
Canada/New Brunswick Gas Tax Transfer (Note 8)	<u>-</u>	<u>160,293</u>
	<u>2,533,087</u>	<u>430,507</u>
<b>BALANCE AT END OF YEAR</b>	\$ <u>13,132,681</u>	\$ <u>10,599,594</u>

**TOWN OF SAINT ANDREWS**

**WATER AND SEWERAGE CAPITAL FUND  
STATEMENT OF CAPITAL FINANCING**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>SOURCE</b>		
Transfers from		
Water and Sewerage Operating Fund		
Debt repayment	\$ 329,000	\$ 235,000
Capital expenditures	29,661	35,214
Water and Sewerage Capital Reserve	125,000	-
Capital Grants		
FCM grant	96,140	-
Build Canada Fund	1,953,286	-
Canada/New Brunswick Gas Tax Transfer (Note 8)	<u>-</u>	<u>160,293</u>
	<u>2,533,087</u>	<u>430,507</u>
Issue of debt debentures (Note 4)	<u>-</u>	<u>419,000</u>
Temporary financing at end of year		
Bank loan	1,325,000	700,000
Due to Water and Sewerage Operating Fund	<u>172,730</u>	<u>289,584</u>
	<u>1,497,730</u>	<u>989,584</u>
	<u>\$ 4,030,817</u>	<u>\$ 1,839,091</u>
<b>APPLICATION</b>		
Temporary financing at beginning of year		
Bank loan	\$ 700,000	\$ -
Due to Water and Sewerage Operating Fund	<u>289,584</u>	<u>143,433</u>
	<u>989,584</u>	<u>143,433</u>
Capital expenditures	2,637,233	1,460,658
Debt repayment	<u>329,000</u>	<u>235,000</u>
	<u>2,966,233</u>	<u>1,695,658</u>
Unapplied at end of year		
Due from own funds	<u>75,000</u>	<u>-</u>
	<u>\$ 4,030,817</u>	<u>\$ 1,839,091</u>

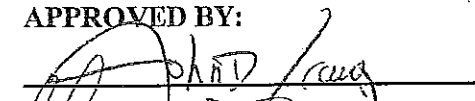
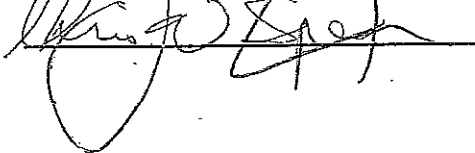
# TOWN OF SAINT ANDREWS

## WATER AND SEWERAGE OPERATING FUND BALANCE SHEET

AS AT DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 300	\$ 300
Accounts receivable (Note 3)	327,466	1,017,542
Due from own funds (Notes 3 and 5)		
Water and Sewerage Capital Fund	172,730	289,584
Prepaid expenses	<u>8,444</u>	<u>2,586</u>
	<u>\$ 508,940</u>	<u>\$ 1,310,012</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank loan (Notes 2 and 3)	\$ 250,000	\$ -
Accounts payable and accrued liabilities (Note 3)	8,266	735,814
Due to own funds (Notes 3 and 5)		
General Operating Fund	177,646	541,171
Water and Sewerage Capital Reserve Fund	20,000	20,000
Water and Sewerage Operating Reserve Fund	<u>40,000</u>	<u>10,000</u>
	<u>495,912</u>	<u>1,306,985</u>
<b>SURPLUS</b>		
<b>SURPLUS AT BEGINNING OF YEAR</b>	3,027	826
<b>TRANSFER OF SECOND PREVIOUS YEAR'S DEFICIT (SURPLUS)</b>	398	:(1,224)
<b>SURPLUS FOR THE YEAR</b>	<u>9,603</u>	<u>3,425</u>
<b>SURPLUS AT END OF YEAR (Note 7)</b>	<u>13,028</u>	<u>3,027</u>
	<u>\$ 508,940</u>	<u>\$ 1,310,012</u>

APPROVED BY:

 \_\_\_\_\_ Mayor  
 \_\_\_\_\_ Treasurer

# TOWN OF SAINT ANDREWS

## WATER AND SEWERAGE OPERATING FUND STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2011

	Page	<u>2011</u> Budget	<u>2011</u> Actual	<u>2010</u> Actual
<b>REVENUE (Note 1)</b>				
Sales of services	21	\$ 647,500	\$ 690,456	\$ 610,337
Other revenue from own sources	21	127,785	54,599	160,600
Canada/New Brunswick Gas Tax Transfer (Note 8)		139,729	139,730	-
Surplus from second previous year		<u>-</u>	<u>-</u>	<u>1,224</u>
		<u>915,014</u>	<u>884,785</u>	<u>772,161</u>
<b>EXPENDITURE (Note 1)</b>				
Water and sewerage	22	244,817	243,568	264,365
Sewerage collection and disposal	22	124,838	92,609	78,201
Fiscal services	22	<u>545,359</u>	<u>539,005</u>	<u>426,170</u>
		<u>915,014</u>	<u>875,182</u>	<u>768,736</u>
<b>SURPLUS FOR THE YEAR</b>		<u>\$ -</u>	<u>\$ 9,603</u>	<u>\$ 3,425</u>

# TOWN OF SAINT ANDREWS

## WATER AND SEWERAGE OPERATING FUND SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011</u> Budget	<u>2011</u> Actual	<u>2010</u> Actual
<b>SALE OF SERVICES</b>			
Billings	\$ 640,000	\$ 681,896	\$ 598,584
Connections & services	3,500	3,226	6,633
Interest	<u>4,000</u>	<u>5,334</u>	<u>5,120</u>
	<u>\$ 647,500</u>	<u>\$ 690,456</u>	<u>\$ 610,337</u>
<b>OTHER REVENUE FROM OWN SOURCES</b>			
Transfer from General Operating Fund	\$ 49,185	\$ -	\$ -
Pumphouse rent	\$ 3,600	\$ 3,600	\$ 3,600
Water cost transfer (Note 6)	75,000	25,000	157,000
Miscellaneous	<u>-</u>	<u>25,999</u>	<u>-</u>
	<u>\$ 127,785</u>	<u>\$ 54,599</u>	<u>\$ 160,600</u>

**TOWN OF SAINT ANDREWS**

**WATER AND SEWERAGE OPERATING FUND  
SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u> Budget	<u>2011</u> Actual	<u>2010</u> Actual
<b>WATER AND SEWERAGE</b>			
Administration	\$ 68,664	\$ 61,793	\$ 57,378
Water treatment	120,814	121,959	134,628
Power and pumping	13,300	12,806	15,780
Water meters	8,000	2,653	7,408
Transmission and distribution	<u>34,039</u>	<u>44,357</u>	<u>49,171</u>
	<u>\$ 244,817</u>	<u>\$ 243,568</u>	<u>\$ 264,365</u>
<b>SEWERAGE COLLECTION AND DISPOSAL</b>			
Sewer collection system	\$ 27,763	\$ 42,749	\$ 17,609
Sewer treatment and disposal	<u>97,075</u>	<u>49,860</u>	<u>60,592</u>
	<u>\$ 124,838</u>	<u>\$ 92,609</u>	<u>\$ 78,201</u>
<b>FISCAL SERVICES</b>			
Water system debt charges			
Interest on temporary borrowing	\$ 10,191	\$ 6,752	\$ 4,895
Interest on long term debt	70,290	53,221	58,307
Principal repayments	<u>164,500</u>	<u>164,500</u>	<u>117,500</u>
	<u>244,981</u>	<u>224,473</u>	<u>180,702</u>
Sewer system debt charges			
Interest on temporary borrowing	10,190	6,752	4,895
Interest on long term debt	70,290	53,221	57,859
Principal repayments	<u>164,500</u>	<u>164,500</u>	<u>117,500</u>
	<u>244,980</u>	<u>224,473</u>	<u>180,254</u>
Transfers			
Water and Sewerage Capital Reserve Fund	10,000	20,000	20,000
Water and Sewerage Operating Reserve Fund	10,000	40,000	10,000
Deficit of second previous year	<u>398</u>	<u>398</u>	<u>-</u>
	<u>20,398</u>	<u>60,398</u>	<u>30,000</u>
Transfer for capital expenditures	<u>35,000</u>	<u>29,661</u>	<u>35,214</u>
	<u>\$ 545,359</u>	<u>\$ 539,005</u>	<u>\$ 426,170</u>



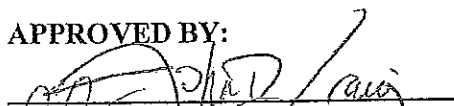

# TOWN OF SAINT ANDREWS

## RESERVE FUNDS BALANCE SHEET

AS AT DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>GENERAL OPERATING</b>		
Investments (Notes 1 and 3) (Market value - \$227,254; 2010 - \$102,033)	\$ 238,404	\$ 104,202
Due from own funds (Notes 3 and 5) General Operating Fund	<u>15,000</u>	<u>130,000</u>
	<u>253,404</u>	<u>234,202</u>
<b>GENERAL CAPITAL</b>		
Investments (Notes 1 and 3) (Market value - \$376,566; 2010 - \$437,626)	394,952	446,929
Due from own funds (Notes 3 and 5) General Operating Fund	<u>60,000</u>	<u>180,000</u>
	<u>454,952</u>	<u>626,929</u>
<b>WATER AND SEWERAGE OPERATING</b>		
Investments (Notes 1 and 3) (Market value - \$30,173; 2010 - \$20,403)	31,676	20,836
Due from own funds (Notes 3 and 5) Water and Sewerage Operating Fund	<u>40,000</u>	<u>10,000</u>
	<u>71,676</u>	<u>30,836</u>
<b>WATER AND SEWERAGE CAPITAL</b>		
Investments (Notes 1 and 3) (Market value - \$72,643; 2010 - \$170,498)	76,144	174,122
Due from own funds (Notes 3 and 5) Water and Sewerage Operating Fund	<u>20,000</u>	<u>20,000</u>
	<u>96,144</u>	<u>194,122</u>
	<u>\$ 876,176</u>	<u>\$ 1,086,089</u>
<b>NET ASSETS</b>		
<b>GENERAL OPERATING</b>	\$ 253,404	\$ 234,202
<b>GENERAL CAPITAL</b>	454,952	626,929
<b>WATER AND SEWERAGE OPERATING</b>	71,676	30,836
<b>WATER AND SEWERAGE CAPITAL</b>	<u>96,144</u>	<u>194,122</u>
	<u>\$ 876,176</u>	<u>\$ 1,086,089</u>

APPROVED BY:

  
 \_\_\_\_\_ Mayor  
  
 \_\_\_\_\_ Treasurer

# TOWN OF SAINT ANDREWS

## RESERVE FUNDS STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<b>GENERAL OPERATING</b>		
Balance at beginning of year	\$ 234,202	\$ 100,071
Add:		
Transfer from General Operating Fund	15,000	130,000
Interest earned	<u>4,202</u>	<u>4,131</u>
Balance at end of year	<u>\$ 253,404</u>	<u>\$ 234,202</u>
<b>GENERAL CAPITAL</b>		
Balance at beginning of year	\$ 626,929	\$ 429,208
Add:		
Transfer from General Operating Fund	60,000	180,000
Interest earned	<u>18,023</u>	<u>17,721</u>
	<u>78,023</u>	<u>197,721</u>
Less:		
Transfers to General Capital Fund	<u>250,000</u>	<u>-</u>
Balance at end of year	<u>\$ 454,952</u>	<u>\$ 626,929</u>
<b>WATER AND SEWERAGE OPERATING</b>		
Balance at beginning of year	\$ 30,836	\$ 20,010
Add:		
Transfer from Water and Sewerage Operating Fund	40,000	10,000
Interest earned	<u>840</u>	<u>826</u>
Balance at end of year	<u>\$ 71,676</u>	<u>\$ 30,836</u>
<b>WATER AND SEWERAGE CAPITAL</b>		
Balance at beginning of year	\$ 194,122	\$ 167,218
Add:		
Transfer from Water and Sewerage Operating Fund	20,000	20,000
Interest earned	<u>7,022</u>	<u>6,904</u>
	<u>27,022</u>	<u>26,904</u>
Less:		
Transfers to Water and Sewerage Capital Fund	<u>125,000</u>	<u>-</u>
Balance at end of year	<u>\$ 96,144</u>	<u>\$ 194,122</u>


# TOWN OF SAINT ANDREWS

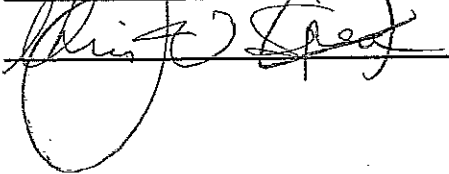
## TRUST FUNDS BALANCE SHEET

AS AT DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 4,441	\$ 1,283
Investments (Notes 1 and 3) (Market value - \$2,216,971; 2010- \$2,193,302)	<u>2,325,079</u>	<u>2,239,926</u>
	<u>\$ 2,329,520</u>	<u>\$ 2,241,209</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Due to own funds (Notes 3 and 5)		
Due to General Operating Fund	\$ 80,100	\$ 2,010
<b>NET ASSETS</b>		
<b>NET ASSETS</b>	<u>2,249,420</u>	<u>2,239,199</u>
	<u>\$ 2,329,520</u>	<u>\$ 2,241,209</u>

APPROVED BY:

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Treasurer

TOWN OF SAINT ANDREWS

TRUST FUNDS  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance at 12/31/10	Investment Income	Transfers to General Operating Fund				Balance at 12/31/11
			Library	Museum	WC O'Neil Arena	Other	
Wallace Broad Memorial	\$ 91,826	\$ 3,704	\$ (3,334)	\$ -	\$ -	\$ -	\$ 92,196
Centennial Park	54,486	2,198	-	-	-	(1,978)	54,706
Community Scholarship	13,206	533	-	-	-	(450)	13,289
D'Andrea Memorial	10,388	419	-	-	-	(375)	10,432
Harrington	2,215	89	-	-	-	(80)	2,224
Olive Hosmer	55,133	2,224	-	-	-	(2,000)	55,357
H.P. & Sarah J. Ross	1,731,307	69,835	(25,140)	(37,231)	-	-	1,738,771
Albert McQuoid	85,095	3,432	-	-	-	(2,500)	86,027
Smith	9,436	381	-	-	-	(343)	9,474
Waycott	42,349	1,708	-	-	-	(1,500)	42,557
Sir James Dunn (Note 1)	109,106	4,401	-	-	(3,961)	-	109,546
Edith P. Nelson	33,277	1,342	(1,208)	-	-	-	33,411
Kenneth Langmaid	1,375	55	-	-	-	-	1,430
<b>TOTAL</b>	<b>\$ 2,239,199</b>	<b>\$ 90,321</b>	<b>\$ (29,682)</b>	<b>\$ (37,231)</b>	<b>\$ (3,961)</b>	<b>\$ (9,226)</b>	<b>\$ 2,249,420</b>
<b>PRIOR YEAR TOTAL</b>		<b>\$ 88,256</b>	<b>\$ (27,614)</b>	<b>\$ (37,012)</b>	<b>\$ (3,497)</b>	<b>\$ (6,877)</b>	

# TOWN OF SAINT ANDREWS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed for New Brunswick Municipalities by the Department of Local Government.

#### Revenue Recognition

Unrestricted revenue is recorded on an accrual basis and is recognized when the service has been completed and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Investment income is recognized on an accrual basis.

#### Expenditure Recognition

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

Principal payments on long term debt are recorded as an expense of the Operating Funds and as an increase in equity in the Capital Funds when paid. Interest on long term debt is recorded on the accrual basis.

#### Investments

Investments are recorded at cost and are guided by the investment policy established by the Town.

#### Capital Assets

Capital assets and projects in progress are recorded at cost in the Capital Funds. Donations of capital assets are recorded at estimated fair market value. The Town does not record amortization on its capital assets. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness programs are treated as additions to investment in capital assets. Capital expenditures financed through the Operating Funds are recorded as capital expenditures out of revenue in the Operating Funds and as an addition to equity in the Capital Funds. Interest charges for interim financing of capital projects have been included in the cost of those projects.

The cost of disposed assets is recorded as a reduction of investment in capital assets. Proceeds from assets disposed of are recorded as miscellaneous revenue in the Operating Funds.

#### W.C. O'Neil Arena Complex

The assets, liabilities and operating results of the W.C. O'Neil Arena Complex have been combined with those of the General Operating Fund.

#### Sir James Dunn Arena Trust

The assets and liabilities of the Sir James Dunn Arena Trust have been reported as part of the trusts for the benefit of the Town and for the support of the W.C. O'Neil Arena Complex.

**TOWN OF SAINT ANDREWS**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Use of Estimates

The preparation of financial statements in accordance with accounting principles prescribed for New Brunswick municipalities by the Department of Local Government requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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. An example of a significant estimate includes the provision for bad debts.

**2. SHORT-TERM BORROWING**

Capital Funds

The municipality has an outstanding authority from the Municipal Capital Borrowing Board for the short-term borrowing as follows:

Water and Sewerage Capital

2010-0023	\$ 1,800,000
2011-0103	<u>300,000</u>
	<u>\$ 2,100,000</u>

Operating Funds

The Town has a line of credit with a Chartered Bank bearing interest at prime for the General Operating Fund to provide for temporary borrowing. As prescribed in the Municipalities Act, borrowing to finance General Fund operations is limited to the greater of 4% of the Municipality's budget or \$5,000. Borrowing to finance Water and Sewerage Fund operations is limited to 50% of the operating budget for the year. In 2011, the Town has complied with these restrictions.

**3. FINANCIAL INSTRUMENTS**

The Town's financial instruments consist of cash, accounts receivable, due from own funds, due from Kingsbrae Gardens, investments, bank loan, accounts payable and accrued liabilities, due to own funds 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 these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

The Town is subject to credit risk through accounts receivable. The Town maintains a provision for potential credit losses, and minimizes credit risk through ongoing credit management.

# TOWN OF SAINT ANDREWS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

### 4. LONG TERM DEBT

	<u>2011</u>	<u>2010</u>
<u>General Capital Fund</u>		
Debtentures, New Brunswick Municipal Finance Corporation		
AL-28 2.45%-5.5% series, due November 2011	\$ -	\$ 114,000
AN-19 3.1%-5.6% series, due December 2012	22,000	43,000
AP-22 2.75%-5.125% series, due December 2013	43,000	63,000
AS-13 2.85%-4.35% series, due July 2015	120,000	142,000
AX-29 4.45%-4.85% series, due November 2017	189,000	216,000
BA-25 0.95%-5.0% series, due June 2019	192,000	213,000
BB-30 1.00%-4.5% series, due November 2019	61,000	68,000
BD-25 1.5%-3.85% series, due November 2020	481,000	519,000
BF-24 1.35%-3.45% series, due December 2021	<u>371,000</u>	<u>-</u>
	<u>\$ 1,479,000</u>	<u>\$ 1,378,000</u>
<u>Water and Sewerage Capital Fund</u>		
Debtentures, New Brunswick Municipal Finance Corporation		
AL-28 2.45%-5.5% series, due November 2011	\$ -	\$ 158,000
AN-20 3.1%-5.6% series, due December 2012	238,000	271,000
AP-23 2.75%-5.125% series, due December 2013	287,000	321,000
BB-31 1.00%-3.35% series, due November 2014	96,000	126,000
AT-30 3.75%-4.735% series, due December 2015	445,000	494,000
BD-26 1.5%-2.5% series, due November 2015	434,000	538,000
AU-17 1.25%-4.7% series, due June 2016	429,000	462,000
BF-25 1.35%-2.2% series, due December 2016	133,000	-
AX-30 4.45%-4.85% series, due November 2017	<u>148,000</u>	<u>169,000</u>
	<u>\$ 2,210,000</u>	<u>\$ 2,539,000</u>

Debtenture AX-29 in the General Capital Fund represents part of the agreement for the creation and operation of Kingsbrae Horticultural Garden Inc. ("Gardens"). Per the agreement, the Town had agreed to borrow \$450,000 from the New Brunswick Municipal Capital Borrowing Board repayable over a twenty year term. Repayment of the debt is to be made from a combination of property taxes assessed against the Gardens' property and a grant to the Gardens from the Province of New Brunswick. Principal and interest repayments on this debt do not form part of the expenditure ratios.

# TOWN OF SAINT ANDREWS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

### 4. LONG TERM DEBT (cont'd)

Principal repayments in each of the next five years are as follows:

	General Capital	Water and Sewerage Capital Fund
2012	\$ 194,000	\$ 545,000
2013	176,000	586,600
2014	160,000	369,000
2015	186,000	572,000
2016	129,000	463,600

In 2012, debenture AN-20 will mature with a final amount due of \$238,000, however \$203,000 of these payments are expected to be refinanced during that year for a period not exceeding five years. In 2013, debenture AP-23 will mature with a final amount due of \$251,000, however \$212,000 of these payments are expected to be refinanced during that year for a period not exceeding five years. In 2015, debentures AS-13 and AT-30 will mature with a final amounts due of \$48,000 and \$286,000 respectively, however \$22,000 and \$228,000 of these payments are expected to be refinanced during that year for a period not exceeding five years. In 2016, debenture AU-17 will mature with a final amount due of \$282,000 however \$242,000 of these payments are expected to be refinanced during that year for a period not exceeding five years.

Approval of the Municipal Capital Borrowing Board has been obtained for the long term debt reported on the General Capital Fund, Water and Sewerage Capital Fund and Water and Sewerage Operating Fund Balance Sheets.

### 5. INTERFUND BORROWING

The Municipalities Act of New Brunswick requires that short-term interfund borrowings, other than those for approved capital projects, be repaid within the next year or be included in the next ensuing year's budget for the respective operating funds. The short-term interfund borrowings for other than approved capital projects at December 31, 2010 were repaid prior to December 31, 2011.

### 6. WATER COST TRANSFER

The Town's water cost transfer is within the maximum allowable by regulation based on applicable percentage of water system expenditures for the population.

### 7. GENERAL AND WATER AND SEWERAGE OPERATING FUNDS SURPLUS

The Municipalities Act requires the Water and Sewerage Operating Fund surplus or deficit to be absorbed into one or more of three operating budgets commencing with the second following year. In addition, the General Operating Fund is not permitted to accumulate in equity any surplus or deficit except for the current and immediately preceding year.



# TOWN OF SAINT ANDREWS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

### 8. CANADA/NEW BRUNSWICK GAS TAX TRANSFER PROGRAM

The Town has been granted \$558,913 over four years (2010-2013) under the second phase of this program. The Town will use these funds towards the cost of the William Street infrastructure renewal project completed in 2010. In the previous year, \$139,730 of these funds was used towards the cost of the project. In the current year, \$139,730 was received to cover the principal and interest payments on funds borrowed from the New Brunswick Capital Borrowing Board to cover the costs of this project.

### 9. CONTINGENT LIABILITY

In the normal course of operations, the Town becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2011 cannot be predicted with certainty, it is the opinion of management that resolution of these matters will not have a material adverse effect as the Town maintains insurance coverage in amounts considered appropriate.

### 10. CHANGE IN ACCOUNTING POLICY

The Town currently prepares its financial statements to comply with the accounting principles prescribed for New Brunswick municipalities by the Department of Local Government. The Department has indicated that municipalities will be required to adopt recommendations of the Canadian Institute of Chartered Accountants' Public Sector Accounting Board's new reporting model PS 1000, 1100, 1200 and 3150.

One of the more significant provisions of the new standards requires municipalities to capitalize tangible capital assets at historical costs and amortize these assets over their estimated useful lives. The Town is in the process of compiling a listing of all its roads, vehicles, sewer and water infrastructure, land, buildings, furniture and equipment.

Other key elements of the PSAB requirements include reporting entities, full accruals, employment benefits and financial reporting.

The Department has established an implementation date for these new standards for year ends commencing after January 1, 2012.

### 11. COMPARATIVE FIGURES

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation adopted in the current year.

