

Village of Harvey Annual Report

2018

58 Hanselpacker Road
Harvey, NB E6K 1A3

THE VILLAGE OF HARVEY

2018 Annual Report

Table of Contents

MESSAGE FROM THE MAYOR	3
FOREWORD	4
COMMUNITY PROFILE.....	5
VILLAGE COUNCIL	5
PROPERTY TAX RATE AND USER CHARGES	6
GRANTS FOR SOCIAL OR ENVIRONMENTAL PURPOSES	6
SERVICES	6
GENERAL SERVICES	6
General Government Services	6
Protective Services	6
Transportation Services	7
Environmental Health Services	7
Environmental Development Services.....	7
Public Health and Welfare Services	8
Fiscal Services.....	8
WASTEWATER UTILITY OPERATING BUDGET	9
Wastewater Disposal Service.....	9
Fiscal Services for Wastewater Disposal.....	9
APPENDIX I	10
2018 COUNCIL MEETING DATES and ATTENDENCE.....	10
APPENDIX II	11
2018 Audited Financial Statements	11

THE VILLAGE OF HARVEY

2018 Annual Report

MESSAGE FROM THE MAYOR

It is a great honour to be Mayor of the Village of Harvey. We have a very good Council with Deputy Mayor Corey and Councillors Dave MacMullin and Brad Howse and good staff with Clerks, Katherine Henry and Amber Binney and Village Manager, Tom MacDonald. We also have an excellent relationship with the Local Service District of Manners Sutton.

The Village is also blessed with a huge number of volunteers, made up of those who live in the Village and in the surrounding area, who keep our Village looking beautiful with creating and watering our gardens and hanging baskets and decorating our Village for Christmas and much, much more through the year. Thanks to all of them!

The Village is fortunate to have a wonderful lakeshore with a boat launch, picnic tables, dock and beach area. We have a number of plans for this area in the coming years to make it even better.

We continue to work for the benefit of the “area” such as sewage collection on Harvey Lake.

In December we signed an agreement with the Southwest New Brunswick Service Commission for them to provide the Village with local planning and building inspection services in 2019. This agreement gives us access to a department of qualified and experienced planners and building inspectors as well as shared best practices with other communities using this service.

I wish to congratulate everyone on helping to keep Harvey a great place to live!

Thank you,

Winston Gamblin
Mayor – Village of Harvey

THE VILLAGE OF HARVEY

2018 Annual Report

FOREWORD

This annual report is prepared pursuant to section 105 of the *Local Governance Act*, and Regulation 2018-54.

This Report contains general information about The Village of Harvey such as its population; tax base; tax rate and user charges, as well as more detailed information regarding village council, the provision of grants, and the types and cost of the services provided. The 2018 Audited Financial Statements are appended as Appendix II.

THE VILLAGE OF HARVEY

2018 Annual Report

COMMUNITY PROFILE

The Village of Harvey is a scenic, warm-hearted and vibrant community surrounded by seven lakes and situated on Route 3, just 47 kilometers southwest of Fredericton, the capital of New Brunswick. First settled in 1838 by a group of 16 Scottish families, Harvey is steeped in history with many of the early buildings still in existence and some say the spirits of these earlier residents are still present as well.

We have a public park with a ramp for small boats and playground equipment located beside Harvey Lake that is widely used in the summer for picnics, swimming, boating and family gatherings.

The village service areas are Administration, Protective Services, Transportation, Recreation and Wastewater Services.

The Village of Harvey's Village Office is your source for municipal information including details on your Council, staff contact, council meeting agendas and minutes, and much more. Please visit our website: www.village.harvey-station.nb.ca

VILLAGE COUNCIL

The Village Council is composed of a mayor and three councillors, elected every four years. The current council was elected in May 2016.

Council members and their responsibilities

Mayor: Winston Gamblin - Regional Service Commission, Planning & Development

Deputy Mayor: Richard Corey – Grants, Labor Relations, Infrastructure

Councillor: Brad Howse - Harvey Lake Association, Grounds/Trail, UMN

Councillor: David MacMullin - HMCC liaison, Harvey Community Library, By-Law revision

Remuneration of Council

The Mayor and Councillors each receive an honorarium and expenses for travelling on village business outside of The Village of Harvey, as authorized in By-Law 2012-01. In 2018, the payments totalled \$8,700 and are detailed in Table 1 below.

Table 1

Council Honorariums and Expenses:

	Honorarium	Travel Expenses
Mayor Gamblin	\$2,100	\$300
Deputy Mayor Corey	\$1,800	\$300
Councillor MacMullin	\$1,800	\$300
Councillor Howse	\$1,800	\$300

THE VILLAGE OF HARVEY

2018 Annual Report

Council Meetings

All council meetings are held in Council Chambers in the Village Office located at 58 Hanselacker Road. All regular, special and of committee of council meetings are open to the public. The regular meetings are held on the second Wednesday of each month. A special meeting is held when there are matters that Council determines cannot wait until a regular meeting or that will require very lengthy discussion.

Refer to Appendix I for the types and dates of meetings, member attendance and means of participation.

PROPERTY TAX RATE AND USER CHARGES

The tax base for The Village of Harvey in 2018 was \$19,401,400 and the residential property tax rate was \$1.3354 per \$100 of assessment. A homeowner with a property assessed at \$80,000 paid \$1068.32 in local property taxes.

Additionally, the village provides wastewater disposal services on a user charge basis. The residential user fee within the Village for 2018 was \$200. The village also provides wastewater disposal services on a user charge basis to Route 636 home and cottage owners for an annual fee of \$390.

GRANTS FOR SOCIAL OR ENVIRONMENTAL PURPOSES

One of the purposes of a local government as stated in the *Local Governance Act* is to foster the economic, social and environmental well-being of its community. In 2018, The Village of Harvey provided grants totalling \$500 or more to:

Harvey Community Days

Harvey Community Library

SERVICES

Local government budgets and services are established in accordance with a standardized classification system. In 2018, the council adopted a general operating budget of \$357,415. Actual expenditures for the year were \$343,191 and non-tax revenues were higher than expected, resulting in a surplus of \$784.

The village also has a utility operating budget for wastewater disposal services. The approved budget was \$70,074.

GENERAL SERVICES

Total expenditures: \$ 343,191.

General Government Services

Total Expenditures: \$71,186

This category includes expenditures relating to administering the village. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations

Protective Services

THE VILLAGE OF HARVEY

2018 Annual Report

Total Expenditures: \$106,759

Protective services include policing, fire protection, emergency measures and animal control.

Policing services are provided through a 20-year contract with the Province of New Brunswick for RCMP services. RCMP services are cost shared regionally based on population and tax base. Our share of the cost in 2018 was \$81,020.

The Village of Harvey contracts with the Volunteer Fire Department in the Local Service District of Manners Sutton to provide fire protection services to the village. The fire department currently consists of the fire chief and seventeen volunteer firefighters from within the service area. The cost of the service is shared across the service area tax base on a proportional basis. The Village paid \$25,235 for this service in 2018

The control of animals within the Village was done by the Village Manager at a cost for 2018 of \$284.

There were no expenditures made for emergency services in 2018.

Transportation Services

Total expenditures: \$55,625

In the Village of Harvey this category consists primarily of summer and winter road maintenance and street lighting. Roads in the village include provincial, regional and municipal roads totalling 10.06 km. The village is responsible to cover the capital and operating costs of the 4.75 kms of local roads and 50% of the maintenance costs on the 2.5 km of regional roads within its boundaries. The village has contracts with the provincial Department of Transportation and Infrastructure (DTI) for summer and winter maintenance for sand, snow and ice removal (\$12,958). The cost of street lighting was \$12,065 in 2018.

Environmental Health Services

Total expenditures: \$24,044

This category includes expenditures related to solid waste collection and disposal. The village has a contract with Riley's Lawns and Gardens to collect solid waste generated by village residents, and dispose of it at the Hemlock Knoll Facility located on 5749 Route 3, Lawrence Station, NB. The tipping fee (cost per tonne) for disposal of residential waste is \$92/metric tonne. An annual Village Clean-up day is held on the last Monday of May and is an extra cost beyond the weekly pickup contract. Garbage from the Village parks is also collected in the summer by another contractor. Personal recycling carts were delivered during the summer to all residents for curb recycling pickup and the large community bins were removed. Garbage is collected for three weeks and recycling is collected on the fourth week.

Collection and disposal costs for 2018 totalled \$24,044

Environmental Development Services

Total expenditures: \$17,415

This category includes expenditures related to planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and Cultural Services

THE VILLAGE OF HARVEY

2018 Annual Report

Total expenditures: \$16,923

This category includes expenses for the operation and maintenance of the recreational facilities including the Lakeshore, Davis Park, Catharine Pendrel Trail and Fiddle Park. A contribution of \$4,955 is also made to the Harvey Memorial Community Centre. In 2018, one summer student was hired through the Canada Summer Jobs Program for general maintenance. Support for the Community Library is given with an \$1,800 contribution.

Public Health and Welfare Services

Total expenditures: \$29,818

This category is for expenditures related to the provision of water testing services for the NB Government.

Fiscal Services

Total expenditures: \$36,041

This category includes interest on short and long-term loans, principal repayment of long-term debt, the funding of prior year deficits and transfers to reserve funds for future expenditures. Three Debentures are currently outstanding. Debt repayments for the two debentures related to Village operations totaled \$14,000 in 2018 with another \$980.25 in interest paid. The debt repayment amount for the Lagoon upgrade was \$4,000 and \$3,338 in interest.

In 2018 the village had a principal repayment of \$14,000 and an interest payment of \$980.25. See Table 2 for further information.

Table 2 General Fund Debt

Purpose	Year	Amount borrowed	Term
Brownfield Remediation	2010	\$45,000	10 years
Sidewalks	2010	\$80,000	10 years

THE VILLAGE OF HARVEY

2018 Annual Report

WASTEWATER UTILITY OPERATING BUDGET

Total expenditures \$74,067

The wastewater disposal system has 331 users, in the Village and along Route 636. The system includes 52km of piping, one lift station and a five-hectare lagoon. The outflow from the lagoon is tested to ensure it is operating in accordance with applicable provincial and federal standards.

Wastewater Disposal Service

Expenditures include costs of administration and personnel (\$21,826), collection, treatment and disposal (\$32,493) and amortization expenses (\$33,758).

Fiscal Services for Wastewater Disposal

Expenditures include interest on long-term loans (\$3,338), principal repayment of long-term debt (\$4,000), the funding of prior year deficits (\$6,829) and transfers to reserve funds for future expenditures (\$15,000). See Table 3 for additional information.

Table 3

Wastewater Fund Debt

Purpose	Year	Amount Borrowed	Term
Lagoon expansion	2012	\$125,000	<25 years

THE VILLAGE OF HARVEY

2018 Annual Report

APPENDIX I

2018 COUNCIL MEETING DATES and ATTENDANCE

Dates	Time of Day	Meeting Type	Winston Gamblin	Richard Corey	David MacMullin	Brad Howse
January 10	7:00pm	Regular				
February 21	7:00pm	Regular				
March 21	7:00pm	Regular				
April 4	4:15pm	Special				
April 12	4:15pm	Special				At day job
April 16	7:00pm	Regular				
May 14	7:00pm	Regular				
June 13	7:00pm	Regular				
July 18	7:00pm	Regular				
August 8	7:00pm	Regular				
September 12	7:00pm	Regular				Illness
October 10	7:00pm	Regular				
November 14	7:00pm	Regular				Attending event with day job
December 4	7:45pm	Special				
December 7	11:00am	Special				At day job
December 12	7:00pm	Regular				

LEGEND:

PRESENT



JOINED VIA ELECTRONIC MEANS



ABSENT



THE VILLAGE OF HARVEY

2018 Annual Report

APPENDIX II

2018 Audited Financial Statements

VILLAGE OF HARVEY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

VILLAGE OF HARVEY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

Page

Independent Auditor's Report

Financial Statements

Consolidated Statement of Financial Position	1
Consolidated Statement of Change in Net Debt	2
Consolidated Statement of Operations	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5 - 13

Mandatory reporting requirements

Schedule of Segment Disclosure	14
Schedule of Annual surplus reconciliation - previous standard vs. PSAB	15
Statement of Reserves	16
Council Resolutions of transfers to/from reserve	17
Schedule of Operating Budget to PSA budget	18
Schedule of revenues and expenditures	19
Proof of fund balances	22

LENEHAN MCCAIN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

389 Connell Street, Suite 200
Woodstock, New Brunswick
E7M 5G5

Telephone (506) 325-2101
Fax (506) 325-9675

Independent Auditor's Report

To His Worship the Mayor and Members of Council,
Village of Harvey

We have audited the accompanying consolidated financial statements of Village of Harvey, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net 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 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 Organization'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 Organization'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 Village of Harvey as at December 31, 2018, and the results of its operations and accumulated surplus, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Lenahan McCain + Associates

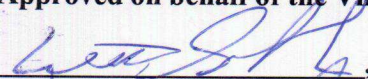
Chartered Professional Accountants

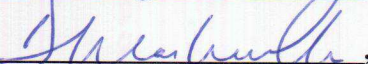
Woodstock, New Brunswick
March 13, 2019

VILLAGE OF HARVEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

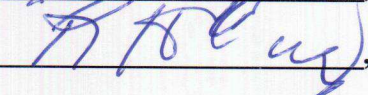
	2018	2017
Financial Assets		
Cash (Note 4)	\$ 86,289	\$ 14,640
Restricted cash (Note 5)	-	111,923
GIC	1,000	-
Accounts receivable (Note 6)	96,128	29,542
Reserve funds	119,009	87,982
	302,426	244,087
Liabilities		
Short-term financing (Note 3)	61,000	-
Accounts payable	21,832	8,752
Reserves payable to Province of NB	-	111,966
Deferred revenue (Note 8)	48,204	15,735
Long-term debt (Note 9)	129,000	147,000
	260,036	283,453
Net financial assets (debt)	42,390	(39,366)
Non-financial Assets		
Tangible capital assets	3,562,356	1,881,465
Accumulated Surplus	\$ 3,604,746	\$ 1,842,099

Approved on behalf of the Village of Harvey

 , Mayor

 , Councillor

 , Councillor

 , Councillor

The accompanying notes are an integral part of the financial statements

VILLAGE OF HARVEY

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget (Unaudited)	2018 Actual	2017 Actual
Surplus	\$ (5,242)	\$ 1,762,648	\$ 48,542
Acquisition of tangible capital assets	-	(1,724,406)	(47,707)
Amortization of tangible capital assets	-	43,514	41,013
	-	(1,680,892)	(6,694)
(Decrease) increase in net financial assets	(5,242)	81,756	41,848
Net debt at beginning of year	-	(39,366)	(81,214)
Net debt at end of year	\$ -	\$ 42,390	\$ (39,366)

The accompanying notes are an integral part of the financial statements

VILLAGE OF HARVEY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Warrant of assessment	\$ 259,094	\$ 259,094	\$ 264,712
Sales of sewer services	66,200	79,100	66,550
Unconditional grant	51,011	52,183	45,093
Revenue from own sources	14,950	4,190	4,234
Services provided to governments	30,600	46,881	67,460
Interest income	600	3,069	1,468
Conditional transfers	1,760	2,308,068	3,474
	424,215	2,752,585	452,991
Expenditures			
General government services	86,260	71,186	77,060
Protective services	107,395	106,759	103,637
Transportation services	68,165	633,457	68,698
Environmental health services	23,677	24,044	23,301
Public health and welfare services	17,703	29,818	23,093
Environmental development services	17,415	13,764	12,344
Recreation and cultural services	16,923	19,382	18,335
Water and sewer	91,919	91,527	77,981
	429,457	989,937	404,449
Surplus	(5,242)	1,762,648	48,542
Accumulated surplus at beginning of year	-	1,842,100	1,793,558
Accumulated surplus at end of year	\$ (5,242)	\$ 3,604,748	\$ 1,842,100

The accompanying notes are an integral part of the financial statements

VILLAGE OF HARVEY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
Cash flows from		
Operating activities		
Surplus	\$ 1,762,648	\$ 48,542
Items not affecting cash		
Amortization	43,514	41,013
	1,806,162	89,555
Change in non-cash operating working capital		
Accounts receivable	(66,586)	2,156
Reserve funds	(31,027)	(23,865)
Accounts payable	13,080	2,443
Deferred revenue	32,469	(5,404)
Reserves payable to Province of NB	(111,966)	-
	1,642,132	64,885
Capital activities		
Acquisition of tangible capital assets	(1,724,406)	(47,707)
Financing activities		
Repayment of long-term debt	(18,000)	(17,000)
Increase (decrease) in cash and cash equivalents	(100,274)	178
Cash and cash equivalents, beginning of year	126,563	126,385
Cash and cash equivalents, end of year	\$ 26,289	\$ 126,563
Represented by		
Cash	\$ 86,289	\$ 14,640
Restricted cash	-	111,923
GIC	1,000	-
Short-term financing	(61,000)	-
	\$ 26,289	\$ 126,563

The accompanying notes are an integral part of the financial statements

VILLAGE OF HARVEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. Purpose of the organization

The Village of Harvey is incorporated as a Municipality under the Municipalities Act. The purpose of the Village is to promote and provide services that its' citizens require in areas including environment, roads, education, recreation, tourism, lights and roads while maintaining an appropriate tax rate. As a Municipality, the Village is exempt from income tax under section 149(1)(c) of the Income Tax Act.

2. Basis of Presentation and Significant Accounting Policies

The consolidated financial statements of the Village of Harvey are the representations of management prepared in accordance with the Canadian generally accepted accounting principles for government as outlined in the Chartered Professional Accountant (CPA) Public Sector Accounting Board (PSAB) Handbook.

The Village has adopted public sector accounting standards (PSA) as of January 1, 2010.

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

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

(a) Net debt

The Village's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Village is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

(b) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flows 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 Village and which are owned or controlled by the Village.

Interdepartmental transactions and balances are eliminated.

(c) Budget

The operating and utility budget figures contained in these financial statements were approved by Council on January 10, 2018 and the Minister of Local Government on January 23, 2018. The budget figures are not audited.

VILLAGE OF HARVEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

2. Basis of Presentation and Significant Accounting Policies (continued)

(d) Revenue recognition

Revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Government transfers (both operating and capital) received under the terms of contribution agreements with the provincial government are recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

Revenue from the provision of sewer services is recognized as revenue based on the time period to which the service relates.

(e) Expenditure recognition

Expenses are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services and obligation to pay.

(f) Use of estimates

The preparation of the consolidated financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Specifically, estimates are required in determining the allowance for doubtful receivable accounts and the useful lives of tangible capital assets. Actual results could differ from those estimates.

(g) Financial instruments

Financial instruments are financial assets or liabilities of the organization where the organization has the right to receive cash or another financial asset from another party or has the obligation to pay cash or other financial assets to another party or equity instruments of another entity.

The Village's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is council's opinion that the Village is not exposed to significant interest or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

(h) Cash

Cash and cash equivalents are comprised of cash on hand and demand deposits.

VILLAGE OF HARVEY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. Basis of Presentation and Significant Accounting Policies (continued)

(i) Tangible capital assets

Tangible capital assets (TCAs) are items that can be physically touched, are used to provide Municipal services, are used for Municipal administration purposes or are used for the construction and/or maintenance of other TCAs owned by the Village, will be useful for a period greater than one year and will be used by the Village on a regular basis.

Effective January 1, 2011, the Village retroactively adopted the provisions of PSA section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost (net of any government funding received specifically for the asset) which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Capital assets in excess of the capitalization threshold of \$5,000 are recorded as tangible capital assets while expenditures below the threshold amount are expensed in the year acquired. Amortization begins in the year following acquisition.

Amortization is provided on the straight-line basis over the estimated useful life of the asset as follows:

Buildings	40 years Straight line
Automotive equipment	5 years Straight line
Equipment	20 years Straight line
Roads and streets	15 years Straight line
Water and sewer	100 years Straight line

(j) Deferred revenue

Funding is recorded as deferred revenue if it has been restricted by the government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

(k) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

VILLAGE OF HARVEY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. Basis of Presentation and Significant Accounting Policies (continued)

(l) Segmented information

The Village of Harvey is a village 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:

1. General government services

This department is responsible for the overall governance and financial administration of the Village. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.

2. Protective services

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

3. Transportation services

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

4. Environmental health services

This department is responsible for the provision of waste collection and disposal.

5. Environmental development services

This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

6. Recreation and cultural services

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

7. Sewage collection and disposal

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.

8. Public health and welfare services

This department is responsible for the provision of water testing services

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated.

VILLAGE OF HARVEY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

3. Short-term financing

A term loan has been authorized by the Royal Bank of Canada to a maximum of \$466,000 and bears interest at bank's prime lending rate plus 0.00% per annum. Repayable within one year. Secured by an agreement with the Municipal Capital Borrowing Board.

4. Cash

	2018	2017
Funds on deposit net of outstanding checks	\$ 86,289	\$ 24,594
Checks written in excess of funds on deposit or operating line of credit	-	(9,954)
	<u>\$ 86,289</u>	<u>\$ 14,640</u>

5. Restricted cash

Amount held at the Royal Bank of Canada earning interest, see Note 7 for further information.

	2018
Deposit from sewer line extension users	\$ 111,966
Interest accumulated	2,035
Transfer to reserve fund	(15,106)
Transfer to operating fund	(98,895)
	<u>\$ -</u>

6. Accounts Receivable

	2018	2017
Accounts receivable	\$ 191	\$ -
Customer accounts	10,232	10,263
Receiver General - HST rebate	66,726	10,665
Department of Transportation	10,979	8,614
Federal Government	8,000	-
	<u>\$ 96,128</u>	<u>\$ 29,542</u>

VILLAGE OF HARVEY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

7. Tangible Capital Assets

	Balance, beginning of year	Additions	Balance, end of year	Cost	Balance, beginning of year	Amortization end of year	Balance, end of year	2018 net book value
Land and land improvements	\$ 246,985	\$ -	\$ 246,985	\$ -	\$ -	\$ -	\$ 246,985	\$ 246,985
Buildings	81,699	-	81,699	12,782	2,043	14,825	66,874	66,874
Automotive equipment	30,004	-	30,004	30,004	-	30,004	-	-
Equipment	30,903	-	30,903	14,061	3,788	17,849	13,054	13,054
Roads and streets	293,019	-	293,019	248,983	5,582	254,565	38,454	38,454
Water and sewer infrastructure	2,120,185	1,724,406	3,844,591	615,500	32,102	647,602	3,196,989	3,196,989
	\$ 2,802,795	\$ 1,724,406	\$ 4,527,201	\$ 921,330	\$ 43,515	\$ 964,845	\$ 3,562,356	\$ 3,562,356

	Balance, beginning of year	Additions	Balance, end of year	Cost	Balance, beginning of year	Amortization end of year	Balance, end of year	2017 Net book value
Land and land improvements	\$ 213,335	\$ 33,650	\$ 246,985	\$ -	\$ -	\$ -	\$ 246,985	\$ 246,985
Buildings	81,699	-	81,699	10,740	2,042	12,782	68,917	68,917
Automotive equipment	30,004	-	30,004	30,004	-	30,004	-	-
Equipment	30,903	-	30,903	12,516	1,545	14,061	16,842	16,842
Roads and streets	293,019	-	293,019	243,401	5,582	248,983	44,036	44,036
Water and sewer infrastructure	2,106,130	14,055	2,120,185	583,657	31,843	615,500	1,504,685	1,504,685
	\$ 2,755,090	\$ 47,705	\$ 2,802,795	\$ 880,318	\$ 41,012	\$ 921,330	\$ 1,881,465	\$ 1,881,465

VILLAGE OF HARVEY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

8. Deferred revenue

	2018	2017
Deferred Gas Tax Funding	\$ 37,248	\$ 14,791
Unearned revenue - user fees	10,956	944
	<u>\$ 48,204</u>	<u>\$ 15,735</u>

Deferred gas tax - The Province of New Brunswick administers gas tax for the federal government. The Village has to submit a plan for the period frame work. Projects require approval by the government before the release of funding. Projects approved have to fall under one of the following categories: recreational infrastructure, capacity building, water and sewage upgrades, installation and infrastructure. Money released is based on population and is received once a year. Any remaining unspent funding is recorded as deferred revenue until the revenue recognition criteria are met.

9. Long-term debt

	2018	2017
NB Municipal Finance Corporation Debenture #BD 37-2010 (Brownfield remediation) - interest at 3.15% to 3.85% per annum, calculated semi-annually, due November 2020.	\$ 10,000	\$ 15,000
NB Municipal Finance Corporation Debenture #BC 30-2010 (sidewalk extension) - interest at 4.00% to 4.55% per annum, calculated semi-annually, due June 2020.	18,000	27,000
NB Municipal Finance Corporation Debenture #BG 37-2012 (Lagoon upgrade) - interest at 2.45% to 3.40% per annum, calculated semi-annually, due June 2022.	101,000	105,000
	<u>\$ 129,000</u>	<u>\$ 147,000</u>

Principal portion of long-term debt due within the next five years:

2019	\$ 18,000
2020	18,000
2021	4,000
2022	89,000
	<u>\$ 129,000</u>

VILLAGE OF HARVEY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

10. Financial instruments

The Village is exposed to the following risks in respect of certain of the financial instruments held:

a) Interest rate risk

The Village's exposure to interest rate fluctuations is with respect to the use of the operating line of credit. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates. The Village does not use derivative financial instruments to alter the effects of this risk. During 2018, the Village did use the operating line.

b) Credit risk

The financial instruments that potentially subject the Village to a significant concentration of credit risk consist primarily of cash and accounts receivable.

The Village maintains cash balances with Canadian chartered banks which is insured by the Canada Deposit Insurance Corporation up to CDN \$100,000. From time to time, these balances may exceed the federally insured limits and expose the Village to credit risk from concentration of cash. The Village limits this risk by transacting with reputable financial institutions.

The Village is subject to risk on non-payment of accounts receivable. The Village believes there is minimal risk associated with these amounts due to the diversity of its customers and there are no significant concentrations of accounts receivable with any group of customers that are related to each other. The Village minimizes exposure due to credit risk by establishing a process for credit reviews for each of its new customers, continuous monitoring of credit risk and collectibility of its existing customer base and considering the impact of current economic conditions on the liquidity of its customers and their ability to meet these financial obligations. The Village records a provision for any doubtful accounts.

11. Accrued sick leave

The Village provides sick leave equivalent to 48 hours (6 days) per year. Sick leave policy is such that hours are not to be transferred or carried over to the following year, therefore there is no outstanding liability at December 31, 2018.

12. Post employment benefits payable

The organization does not offer any post employment plan for its employees.

13. Short-term borrowings compliance

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.

VILLAGE OF HARVEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

14. Water cost transfer

There is no water cost transfer utilized in the Village of Harvey.

15. Utility Fund surplus/deficit

The Municipalities Act requires Water and Sewer Fund surplus/deficit amounts to be absorbed into one or more of four Operating Budgets commencing with the second next ensuing; the balance of the surplus/deficit at the end of the year consists of:

	2018
2018 surplus	\$ 5,510
2017 deficit	(6,829)
2016 surplus	12,634
	<hr/>
	\$ 11,315

VILLAGE OF HARVEY

SCHEDULE OF SEGMENT DISCLOSURE
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Protective	Transportation	Environmental health	Environmental development	Recreation and cultural	Sewage collection and disposal	2018 Consolidated	2017 Consolidated
Revenues									
Warrant	\$ 67,931	\$ 84,890	\$ 49,469	\$ 32,709	\$ 13,460	\$ 10,635	\$ -	\$ 259,094	\$ 264,712
Unconditional grant	13,682	17,097	9,963	6,588	2,711	2,142	-	52,183	45,093
Services to other governments	-	-	1,917	42,964	-	-	-	44,881	33,810
Sales and other fees	600	240	-	-	-	3,350	79,100	83,290	70,408
Other government transfers	-	-	584,086	-	-	1,576	1,724,406	2,310,068	37,124
Interest	406	-	-	-	-	-	2,663	3,069	1,390
Other	-	-	-	-	-	-	-	-	454
	\$ 82,619	\$ 102,227	\$ 645,435	\$ 82,261	\$ 16,171	\$ 17,703	\$ 1,806,169	\$ 2,752,585	\$ 452,991
Expenses									
Salaries and benefits	\$ 27,985	\$ 283	\$ 5,716	\$ 29,818	\$ 1,293	\$ 5,671	\$ 11,411	\$ 82,177	\$ 81,709
Goods and services	17,599	106,476	602,508	24,044	8,388	-	29,694	788,709	179,655
Amortization	320	-	5,582	-	387	3,468	33,758	43,515	41,013
Interest	7,010	-	992	-	-	-	3,450	11,452	5,599
Other	18,272	-	18,659	-	3,696	10,243	13,214	64,084	96,473
	\$ 71,186	\$ 106,759	\$ 633,457	\$ 53,862	\$ 13,764	\$ 19,382	\$ 91,527	\$ 989,937	\$ 404,449
Surplus (deficit) for the year	\$ 11,433	\$ (4,532)	\$ 11,978	\$ 28,399	\$ 2,407	\$ (1,679)	\$ 1,714,642	\$ 1,762,648	\$ 48,542

VILLAGE OF HARVEY

SCHEDULE OF ANNUAL SURPLUS RECONCILIATION - PREVIOUS STANDARDS VS. PSAB
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	General Operating Fund	General Capital Fund	Utility Operating Fund	Utility Capital Fund	General Capital Reserve Fund	Utility Capital Reserve Fund	Total
2018 annual surplus (deficit)	\$ 57,724	\$ (9,757)	\$ 23,847	\$ 1,690,648	\$ 39	\$ 147	\$ 1,762,648
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	(15,634)		3,904				(11,730)
Transfers between funds							
Transfer elimination	(5,000)	-	-	-	5,000	-	-
Transfer elimination	-	-	18,566	-	-	(18,566)	-
Transfer elimination	-	-	(36,807)	-	-	36,807	-
Long-term debt principal repayment	-	-	(4,000)	4,000	-	-	-
Long-term debt principal repayment	(9,000)	9,000	-	-	-	-	-
Long-term debt principal repayment	(5,000)	5,000	-	-	-	-	-
Proceeds from disposal of tangible capital assets	-	-	-	-	-	-	-
Amortization expense	-	9,757	-	33,758	-	-	43,515
Total adjustments to 2018 annual surplus (deficit)	(34,634)	23,757	(18,337)	37,758	5,000	18,241	31,785
2018 annual fund surplus (deficit)	\$ 23,090	\$ 14,000	\$ 5,510	\$ 1,728,406	\$ 5,039	\$ 18,388	\$ 1,794,433

VILLAGE OF HARVEY

STATEMENT OF RESERVES
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	General Capital Reserve	Utility Capital Reserve	2018 Total	2017 Total
<u>Assets</u>				
Cash	\$ 43,314	\$ 75,695	\$ 119,009	\$ 87,982
Due from Operating fund	-	-	-	7,600
	<u>\$ 43,314</u>	<u>\$ 75,695</u>	<u>\$ 119,009</u>	<u>\$ 95,582</u>
Accumulated surplus (deficit)	<u>\$ 43,314</u>	<u>\$ 75,695</u>	<u>\$ 119,009</u>	<u>\$ 95,582</u>
<u>Revenue</u>				
Transfers from general and utility operating funds	\$ 5,000	\$ 36,807	\$ 41,807	\$ 23,498
Interest	39	147	186	8
	<u>5,039</u>	<u>36,954</u>	<u>41,993</u>	<u>23,506</u>
<u>Expenditures</u>	<u>-</u>	<u>18,566</u>	<u>18,566</u>	<u>42</u>
<u>Annual surplus (deficit)</u>	<u>\$ 5,039</u>	<u>\$ 18,388</u>	<u>\$ 23,427</u>	<u>\$ 23,464</u>

VILLAGE OF HARVEY

RESOLUTIONS FOR TRANSFERS TO/FROM RESERVE
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Council Resolutions regarding transfers to and from reserves:

Moved by Deputy Mayor Corey, seconded by Councillor MacMullin \$10,966 be transferred from the Utility Capital Reserve Fund to Utility Operating Fund. Motion carried.

I hereby certify that the above is a true and exact copy of resolution adopted at a Regular meeting of Council on May 14, 2018.

Moved by Deputy Mayor Corey, seconded by Councillor Howse \$7,600 be transferred from the Utility Capital Reserve Fund to Utility Operating Fund. Motion carried.

Moved by Councillor Howse, seconded by Deputy Mayor Corey \$7,600 be transferred from the Utility Operating Fund to Utility Capital Reserve Fund. Motion carried.

I hereby certify that the above is a true and exact copy of resolution adopted at a Regular meeting of Council on June 13, 2018.

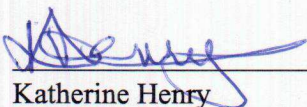
Moved by Councillor MacMullin, seconded by Deputy Mayor Corey \$14,207 be transferred from the Utility #2 Trust Fund to Utility #2 Capital Reserve Fund. Motion carried.

I hereby certify that the above is a true and exact copy of resolution adopted at a Regular meeting of Council on November 14, 2018.

Moved by Councillor Howse, seconded by Councillor MacMullin \$15,000 be transferred from Utility #2 Operating Fund to Utility #2 Capital Reserve Fund. Motion carried.

Moved by Deputy Mayor Corey, seconded by Councillor Howse \$5,000 be transferred from the General Operating Fund to the General Capital Reserve Fund. Motion carried.

I hereby certify that the above is a true and exact copy of resolution adopted at a Special meeting of Council on December 28, 2018.



Katherine Henry
Clerk,
Village of Harvey

March 20, 2019
Date

VILLAGE OF HARVEY

SCHEDULE OF OPERATING BUDGET TO PSA BUDGET
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Controlled Entities	Other (Please explain)	Transfers	Total
Revenue							
Property tax warrant	\$ 259,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,094
Unconditional grant	51,011	-	-	-	-	-	51,011
Services to other governments	30,600	-	-	-	-	-	30,600
Sales of services	1,650	-	-	-	-	-	1,650
Other conditional government transfers	1,760	-	-	-	-	-	1,760
Other revenue from own sources	13,300	-	-	-	-	-	13,300
Water and sewer user fees	-	66,200	-	-	-	-	66,200
Interest	-	600	-	-	-	-	600
Surplus of second previous year	-	3,904	-	-	-	(3,904)	-
	357,415	70,704	-	-	-	(3,904)	424,215
Expenditures							
General government services	84,095	-	320	-	-	1,845	86,260
Protective services	107,395	-	-	-	-	-	107,395
Transportation services	61,591	-	5,582	-	-	992	68,165
Environmental health services	23,677	-	-	-	-	-	23,677
Public health and welfare services	17,703	-	-	-	-	-	17,703
Environmental development services	17,028	-	387	-	-	-	17,415
Recreation and cultural services	13,455	-	3,468	-	-	-	16,923
Fiscal services:							
- Long-term debt repayments	14,000	4,000	-	-	-	(18,000)	-
- Interest and bank charges	2,837	3,450	-	-	-	(6,287)	-
- Transfer from the General Operating Fund to the General Capital Fund	-	-	-	-	-	-	-
- Transfer from Water & Sewer Operating Fund to the Water & Sewer Reserve Fund	-	8,543	-	-	-	(8,543)	-
- Adjustment for PLT	-	-	-	-	-	-	-
- Deficit of second previous year	15,634	-	-	-	-	(15,634)	-
Water and Sewer collection and disposal	-	54,711	33,758	-	-	3,450	91,919
	357,415	70,704	43,515	-	-	(42,177)	429,457
Surplus (deficit)	\$ -	\$ -	\$ (43,515)	\$ -	\$ -	\$ 38,273	\$ (5,242)

Other government transfer: N/A

VILLAGE OF HARVEY

SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget (Unaudited)	2018 Actual	2017 Actual
Revenue			
<i>Services other Governments</i>			
Transportation	\$ 2,000	\$ 1,917	\$ 2,050
Environmental Health Services	28,600	44,964	65,410
	<u>\$ 30,600</u>	<u>\$ 46,881</u>	<u>\$ 67,460</u>
<i>Other own source</i>			
Sales of services	\$ 1,650	\$ 1,576	\$ 3,474
Licenses and permits	700	240	1,180
Miscellaneous	12,600	4,317	3,057
	<u>\$ 14,950</u>	<u>\$ 6,133</u>	<u>\$ 7,711</u>
<i>Water and sewer user fees</i>			
Sewer user charges	\$ 66,200	\$ 79,100	\$ 66,550
Interest	600	2,516	1,457
	<u>\$ 66,800</u>	<u>\$ 81,616</u>	<u>\$ 68,007</u>
Expenditures			
<i>General government services</i>			
Legislative			
Mayor	\$ 1,837	\$ 1,744	\$ 1,744
Councillors	4,690	4,399	4,411
Other	1,869	968	1,321
	<u>\$ 8,396</u>	<u>\$ 7,111</u>	<u>\$ 7,476</u>
Administrative			
Clerk/manager	\$ 21,133	\$ 20,481	\$ 20,264
Office building	10,430	6,391	11,099
Legal services	1,500	-	-
Other	1,750	703	2,037
	<u>\$ 34,813</u>	<u>\$ 27,575</u>	<u>\$ 33,400</u>
Financial management			
Administration	\$ 1,000	\$ 47	\$ 262
External audit	5,000	4,489	2,420
	<u>\$ 6,000</u>	<u>\$ 4,536</u>	<u>\$ 2,682</u>
Other			
Civic relations	\$ 1,200	\$ -	\$ -
Cost of assessment	3,764	3,764	3,845
Other	18,901	14,779	21,326
Conventions & delegations	1,000	947	690
Liability insurance	10,021	5,144	6,619
Amortization	320	320	320
Interest	1,845	7,010	702
	<u>\$ 37,051</u>	<u>\$ 31,964</u>	<u>\$ 33,502</u>
	<u>\$ 86,260</u>	<u>\$ 71,186</u>	<u>\$ 77,060</u>

VILLAGE OF HARVEY

SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget (Unaudited)	2018 Actual	2017 Actual
<i>Protective services</i>			
Police			
R.C.M.P.	\$ 81,020	\$ 81,020	\$ 79,060
Fire services	\$ 24,674	\$ 25,235	\$ 23,888
Emergency measures	\$ 500	\$ 221	\$ 264
Other			
Building inspection	\$ 739	\$ -	\$ -
Animal & pest control	462	283	425
	\$ 1,201	\$ 283	\$ 425
	\$ 107,395	\$ 106,759	\$ 103,637
<i>Transportation services</i>			
Common			
General equipment	\$ 1,850	\$ 2,320	\$ 1,187
Workshops, yards and other buildings	2,300	3,980	6,646
Other	1,793	10,429	-
	\$ 5,943	\$ 16,729	\$ 7,833
Road transport			
Roads and streets	\$ 12,600	\$ 574,187	\$ -
Summer maintenance	3,530	4,187	4,635
Sidewalks	739	5,716	595
Culverts and drainage ditches	800	-	10,024
Street cleaning and flushing	3,400	2,112	3,177
Snow and ice removal	18,017	8,771	16,521
Street lighting	12,000	12,065	12,131
Street signs	1,962	294	4,160
Traffic lanemarking	2,600	2,822	2,696
Amortization	5,582	5,582	5,582
Interest	992	992	1,344
	\$ 62,222	\$ 616,728	\$ 60,865
	\$ 68,165	\$ 633,457	\$ 68,698
<i>Environmental health services</i>			
Collection	\$ 23,677	\$ 24,044	\$ 23,301
<i>Public health & welfare services</i>			
Water testing (D.T.I.)	\$ 17,703	\$ 29,818	\$ 23,093

VILLAGE OF HARVEY

SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget (Unaudited)	2018 Actual	2017 Actual
<i>Environmental development</i>			
Planning	\$ 1,110	\$ 1,293	\$ 937
Beautification & land rehabilitation	5,814	7,136	5,328
Other community development	2,400	1,252	521
Tourism	7,704	3,696	5,171
Amortization	387	387	387
	<u>\$ 17,415</u>	<u>\$ 13,764</u>	<u>\$ 12,344</u>
<i>Recreation and cultural service</i>			
Community centres and halls	\$ 4,955	\$ 4,955	\$ 4,955
Swimming pools, beaches and marinas	1,200	1,115	-
Lakeshore improvements and paving	-	1,773	-
Exhibitions and fairs	500	500	500
Parks and playgrounds	2,900	4,430	8,301
Other recreation facilities	2,000	1,241	1,529
Libraries	1,800	1,800	1,800
Music festival	100	100	25
Amortization	3,468	3,468	1,225
	<u>\$ 16,923</u>	<u>\$ 19,382</u>	<u>\$ 18,335</u>
<i>Water and sewer</i>			
Sewerage collection and disposal			
Administration	\$ 24,892	\$ 21,826	\$ 20,690
Sewerage collection system	29,819	32,493	20,239
Amortization	33,758	33,758	33,499
Interest	3,450	3,450	3,553
	<u>\$ 91,919</u>	<u>\$ 91,527</u>	<u>\$ 77,981</u>

VILLAGE OF HARVEY

PROOF OF FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2018

Part 1

Net financial assets (liabilities)	\$ 42,390
Add: adjustments	-
Long-term debt	129,000
Current net assets	<u>\$ 171,390</u>

Composition of current net assets

Prior year surplus (deficit) as of Dec.31/17 - general fund	17,974
Prior year surplus (deficit) as of Dec.31/17 - utility fund	(6,849)
Prior year surplus (deficit) as of Dec.31/17- utility 2 fund	20
2018 equity in reserve funds (see page 16)	119,009
Current assets in capital fund	-
Current liability in capital fund	-
Due to/from in capital fund	-
2018 operating funds surplus (deficit)	<u>\$ (41,236)</u>

Part 2

Current year surplus (deficit) (see page 15)

2018 general fund operating surplus (deficit)	23,090
2018 utility fund operating surplus (deficit)	5,490
2018 sewer line extension fund surplus (deficit)	20
Surplus (deficit) reported in reconciling schedule	<u>\$ 28,600</u>

Variance between Part 1 and Part 2 (should be zero)	\$ (12,636)
--	--------------------

*Balance from 2016 Utility Fund to be brought into future Utility Operating Budget	\$ 12,634
--	-----------