

**ROTHESAY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**SIGN & RETURN**

# ROTHESAY

DECEMBER 31, 2013

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**TEED  
SAUNDERS  
DOYLE & CO.**  
**Chartered Accountants**

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Independent member of DFK International

## INDEPENDENT AUDITORS' REPORT

To His Worship The Mayor and Members of Council  
Rothesay, New Brunswick

We have audited the consolidated statement of financial position of Rothesay as at December 31, 2013, and the consolidated statements of operations, changes 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.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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

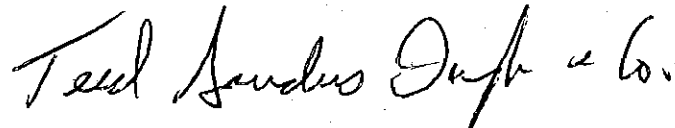


Fredericton Partners  
Brian J. Saunders     Jeffrey E. Saunders  
John H. Landry     Kenneth H. Kyle  
T.J. Smith

Independent Auditors' Report to His Worship The Mayor and Members of Council of Rothesay (cont'd)

*Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Rothesay as at December 31, 2013, and the results of its operations and changes in net debt for the year then ended in accordance with Canadian public sector accounting standards.



CHARTERED ACCOUNTANTS

Saint John, NB  
May 12, 2014

# ROTHESAY

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> Budget (Note 27)	<u>2013</u> Actual	<u>2012</u> Actual
<b>REVENUE (Note 2)</b>			
Property tax warrant	\$ 14,073,003	\$ 14,073,003	\$ 13,886,175
Unconditional grant	305,747	315,881	405,273
Conditional government transfers (Note 28)	496,500	642,597	763,188
Services other governments	68,867	79,174	79,007
Sale of services (Note 28)	595,770	509,651	659,343
Other own source (Note 28)	106,765	530,325	469,035
Water and sewer user fees	2,236,904	2,271,412	2,155,413
Sundry income	<u>125,491</u>	<u>315,502</u>	<u>219,385</u>
	<u>18,009,047</u>	<u>18,737,545</u>	<u>18,636,819</u>
<b>EXPENDITURE (Notes 2 and 28)</b>			
General government services	1,848,919	1,703,586	1,598,651
Protective services	4,150,744	4,178,935	4,106,934
Transportation services	4,985,500	4,819,857	5,440,766
Environmental health services	865,955	686,719	661,786
Environmental development services	549,722	414,983	374,187
Recreation and cultural services	2,189,395	2,331,416	2,063,464
Water and sewer services	<u>2,265,069</u>	<u>2,147,986</u>	<u>2,524,178</u>
	<u>16,855,304</u>	<u>16,283,482</u>	<u>16,769,966</u>
<b>ANNUAL SURPLUS FOR THE YEAR</b>	<u>\$ 1,153,743</u>	2,454,063	1,866,853
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>		60,027,495	58,161,124
<b>CHANGE IN PERCENTAGE OWNERSHIP OF CONTROLLED ENTITIES</b>		<u>(189,015)</u>	<u>(482)</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>		<u>\$ 62,292,543</u>	<u>\$ 60,027,495</u>

# ROTHESAY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

	2013	2012
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Notes 2, 3 and 4)	\$ 5,774,844	\$ 5,337,567
Guaranteed investment certificate (Notes 3 and 25)	-	1,006,245
Accounts receivable (Notes 2, 3 and 5)	2,076,757	1,232,655
Investments (Notes 3 and 10)	<u>248,790</u>	<u>198,297</u>
	<b><u>\$ 8,100,391</u></b>	<b><u>\$ 7,774,764</u></b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Notes 2, 3 and 9)	\$ 1,898,206	\$ 2,867,466
Deferred revenue (Note 8)	2,991,800	2,558,879
Long term debt (Notes 2, 3 and 11)	11,159,997	12,381,309
Accrued pension obligation (Notes 2 and 17)	1,489,939	1,532,412
Accrued sick leave (Notes 2 and 16)	283,197	280,665
Accrued retirement allowance (Notes 2 and 17)	<u>728,423</u>	<u>696,564</u>
	<u>18,551,562</u>	<u>20,317,295</u>
<b>NET DEBT</b>	<b>(10,451,171)</b>	<b>(12,542,531)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Notes 2 and 21)	111,282,962	108,284,835
Accumulated amortization (Notes 2 and 21)	<u>(38,587,967)</u>	<u>(35,775,761)</u>
	72,694,995	72,509,074
Inventory (Note 2)	22,476	27,027
Prepaid expenses	24,039	30,481
Unamortized debenture costs	<u>2,204</u>	<u>3,444</u>
	<u>72,743,714</u>	<u>72,570,026</u>
<b>ACCUMULATED SURPLUS</b>	<b><u>\$ 62,292,543</u></b>	<b><u>\$ 60,027,495</u></b>
<b>CONTINGENT LIABILITY (Note 18)</b>		

APPROVED BY:

W. J. Bishop Mayor

Debra McDonald Town Treasurer

# ROTHESAY

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

AS AT DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Annual surplus	\$ 2,454,063	\$ 1,866,853
Acquisition of tangible capital assets	(3,865,761)	(5,452,086)
Proceeds on disposal of tangible capital assets	20,387	104,821
Amortization of tangible capital assets	3,321,163	3,450,651
Change in percentage ownership of tangible capital assets	270,489	2,828
Loss on disposal of tangible capital assets	<u>67,801</u>	<u>529,399</u>
	2,268,142	502,466
Acquisition of inventories	(22,476)	(27,027)
Acquisition of prepaid assets	(24,039)	(30,481)
Acquisition of unamortized debenture costs	(2,204)	(3,444)
Consumption of inventories	27,027	34,000
Use of prepaid assets	30,481	71,150
Consumption of unamortized debenture costs	<u>3,444</u>	<u>4,569</u>
	2,280,375	551,233
Change in percentage ownership	<u>(189,015)</u>	<u>(482)</u>
Decrease in net debt	2,091,360	550,751
Net debt - beginning of year	(12,542,531)	(13,093,282)
Net debt - end of year	<u>\$10,451,171</u>	<u>\$12,542,531</u>

APPROVED BY:

W. J. Bushong Mayor

Dylan M. [Signature] Town Treasurer

# ROTHESAY

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 2,454,063	\$ 1,866,853
Loss on disposal of tangible capital assets	67,801	529,399
Amortization of tangible capital assets	3,321,163	3,450,651
Accounts receivable	(844,102)	1,050,671
Accounts payable and accrual liabilities	(969,260)	828,257
Deferred revenue	432,921	192,696
Accrued sick leave	2,532	29,584
Change in accrued pension obligation	(42,473)	1,616
Change in accrued retirement allowance	31,859	4,287
Change in inventory/prepaid expenses/unamortized debenture costs	<u>12,233</u>	<u>48,767</u>
	<u>4,466,737</u>	<u>8,002,781</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(3,865,761)	(5,452,086)
Change in percentage ownership of capital assets	270,489	2,828
Proceeds on disposal of tangible capital assets	<u>20,387</u>	<u>104,821</u>
	<u>(3,574,885)</u>	<u>(5,344,437)</u>
<b>FINANCING TRANSACTION</b>		
Long term debt	<u>(1,221,312)</u>	<u>(186,271)</u>
<b>INVESTING TRANSACTION</b>		
(Increase) decrease in investments	(50,493)	23,822
Purchase of guaranteed investment certificate	-	(1,006,245)
Sale of guaranteed investment certificate	<u>1,006,245</u>	<u>2,004,471</u>
	<u>955,752</u>	<u>1,022,048</u>
<b>CHANGE IN PERCENTAGE OWNERSHIP</b>	<u>(189,015)</u>	<u>(482)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	437,277	3,493,639
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>5,337,567</u>	<u>1,843,928</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 5,774,844</u>	<u>\$ 5,337,567</u>



# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 1. PURPOSE OF THE ORGANIZATION

Rothesay ("the Town") was incorporated as a town by the Province of New Brunswick Municipalities Act on January 1, 1998 and was approved for status as a Municipality effective January 1, 1998 by an amendment of New Brunswick Regulation 85-6 under the Municipalities Act. As a municipality, Rothesay is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Town adopted Public Sector Accounting Standards (PSAS) on January 1, 2011.

The focus of PSAS financial statements is on the financial position of the Town and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Town and its jointly controlled entities.

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

#### Reporting Entity

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

The entities included in the consolidated financial statements are as follows:

- Rothesay
- Rothesay Regional Joint Board of Police Commissions (RRJPC)
- Kennebecasis Valley Fire Department Inc. (KVFD)
- Kennebecasis Public Library

Interdepartmental and organizational transactions and balances are eliminated.

The jointly controlled entities have been proportionately consolidated at the following rates:

	<u>2013</u>	<u>2012</u>
Rothesay Regional Joint Board of Police Commissions	41.07%	42.77%
Kennebecasis Valley Fire Department Inc.	41.57%	43.41%
Kennebecasis Public Library	40.05%	43.30%

Changes in ownership percentages have been accounted for as an adjustment to accumulated surplus (deficit).

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Budget

The budget figures contained in these consolidated financial statements were approved by Council on January 16, 2013 and the Acting Director of Community Finances on January 23, 2013.

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equity instruments with actively traded markets are reported at fair value, with any unrealized gains losses reported in income. All other financial instruments are reported at amortized costs, and tested for impairment at each reporting date. Transactions costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

#### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks and short term deposits with original maturities of three months or less.

#### Revenue Recognition

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

Other revenue is recorded when it is earned.

#### Expenditure Recognition

Expenditures are recorded on an accrual basis.

#### Measurement Uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

Examples of significant estimates include:

- the allowance for doubtful accounts;
- providing for amortization of tangible capital assets;
- the estimated useful lives of tangible capital assets;
- the recoverability of tangible capital assets; and
- post employment benefits liability.

#### Inventories

Inventories are valued at the lower of cost and net realizable value with cost being determined on the first in, first out basis.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Capital Reserves

The use of the Capital Reserve Funds is restricted to capital acquisitions. The intention is to use these funds for future capital acquisitions and reduce future borrowing requirements.

#### Operating Reserves

The use of these funds is restricted to payment of operating expenses.

#### Tangible Capital Assets

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

<u>Asset Type</u>	<u>Estimated Useful Life</u>
Land improvements	10-75 years
Buildings	20-40 years
Vehicles	3-25 years
Machinery and equipment	3-20 years
Roads and streets	5-75 years
Storm sewer	25-60 years
Water and wastewater networks	30-60 years

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

#### Segmented Information

The Town is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

##### General Government Services

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

##### Protective Services

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

##### Transportation Services

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

##### Environmental Health Services

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

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Segmented Information (cont'd)

##### Environmental Development Services

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

##### Recreation and Cultural Services

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

##### Water and Sewer Services

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.

The Town has documented a schedule of segmented disclosure in Note 23.

##### Post Employment Benefits

The Town recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Town has a sick leave benefit as documented in Note 16 and a pension plan and retirement allowance as documented in Note 17.

### 3. FINANCIAL INSTRUMENTS

The Town is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Town's risk exposure and concentration as of December 31, 2013:

##### Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from its accounts receivable. The Town minimizes credit risk through ongoing credit management.

##### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, accounts payable and accrued liabilities and other obligations.

##### Currency Risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Town is not exposed to foreign currency risk as it does not hold foreign currencies.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 3. FINANCIAL INSTRUMENTS (cont'd)

#### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Town manages exposure through its normal operating and financing activities. The Town is not exposed to interest rate risk as its long term debt does not have a variable interest rate.

### 4. CASH

	<u>2013</u>	<u>2012</u>
Unrestricted	\$ 719,980	\$ 2,202,298
Restricted - reserve funds	4,875,731	2,652,101
Restricted - controlled entities	<u>179,133</u>	<u>483,168</u>
	<u>\$ 5,774,844</u>	<u>\$ 5,337,567</u>

### 5. ACCOUNTS RECEIVABLE

	<u>2013</u>	<u>2012</u>
Due from the Federal Government and its agencies (Note 6)	\$ 1,391,107	\$ 622,972
Due from the Province of New Brunswick (Note 7)	9,552	90,810
Water and sewer	547,864	393,355
Arena	43,405	35,483
Other	<u>84,829</u>	<u>90,035</u>
	<u>\$ 2,076,757</u>	<u>\$ 1,232,655</u>

### 6. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2013</u>	<u>2012</u>
Canada Revenue Agency (HST refund)	\$ 387,790	\$ 622,972
Canada-New Brunswick Gas Tax	904,356	-
Atlantic Canada Opportunities Agency	<u>98,961</u>	<u>-</u>
	<u>\$ 1,391,107</u>	<u>\$ 622,972</u>

### 7. DUE FROM PROVINCE OF NEW BRUNSWICK

	<u>2013</u>	<u>2012</u>
Department of Transportation	<u>\$ 9,552</u>	<u>\$ 90,810</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 8. DEFERRED REVENUE

	<u>2013</u>	<u>2012</u>
Government transfers - Gas Tax	\$ 2,968,378	\$ 2,534,022
Deferred revenue - K-Park Levy (Note 15)	<u>23,422</u>	<u>24,857</u>
	<u>\$ 2,991,800</u>	<u>\$ 2,558,879</u>

### 9. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	<u>2013</u>	<u>2012</u>
Accounts payable - trade	\$ 1,301,407	\$ 1,789,205
Bid deposits	59,497	124,176
Accrued interest	48,540	63,921
Accrued liabilities	241,866	770,056
Accounts payable - other	<u>246,896</u>	<u>120,108</u>
	<u>\$ 1,898,206</u>	<u>\$ 2,867,466</u>

### 10. INVESTMENTS

The investments represent the Town's proportionate share of the investments of the RRJPC. The investments consist of short term notes, Canadian equities and foreign equities and are recorded at fair market value. The unrealized gain (loss) on the investments at December 31, 2013 was \$3,741 (2012 - \$(1,182)). The investments are restricted for future payment of retirement benefits.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 11. LONG TERM DEBT

#### (a) General Capital Fund

	Balance January 1, <u>2013</u>	Issued during year	Redeemed during year	Balance December 31, <u>2013</u>
New Brunswick Municipal Financing Corporation				
Debentures:				
AO14 3.05% - 5%, due 2013, OIC # 02-25	\$ 54,000	\$ -	\$ 54,000	\$ -
AQ10 2.75% - 5.50%, due 2014, OIC # 03-52, 99-22	171,000	-	83,000	88,000
AR24 2.75% - 4.80%, due 2014, OIC # 3-88	659,000	-	42,000	617,000
AV31 4.15% - 4.30%, due 2014, OIC # 04-40	114,000	-	56,000	58,000
BD24 1.05% - 2.50%, due 2015, OIC # 99-22	249,000	-	81,000	168,000
BF22 1.35% - 2.2%, due 2016, OIC # 00-18	283,000	-	69,000	214,000
BA17 0.95% - 5.00%, due 2019, OIC # 08-03, 08-63	721,000	-	92,000	629,000
BB26 1.00% - 4.50%, due 2019, OIC # 08-63, 08-82	966,000	-	124,000	842,000
BG18 1.65% - 3.80%, due 2027, OIC # 10-0012, 11-0071 & 99-0077	<u>1,214,000</u>	<u>-</u>	<u>108,000</u>	<u>1,106,000</u>
	<u>\$ 4,431,000</u>	<u>\$ -</u>	<u>\$ 709,000</u>	<u>\$ 3,722,000</u>

Principal payments required during the next five years for the General Capital Fund are as follows:

2014 - \$1,249,000; 2015 - \$498,000; 2016 - \$428,000; 2017 - \$366,000; 2018 - \$380,000

In 2014, debenture AR24 will mature with a final amount due of \$617,000, however it is expected that \$573,000 of this payment will be refinanced during that year for an additional ten years.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

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

	Balance January 1, 2013	Issued during year	Redeemed during year	Balance December 31, 2013
<u>(b) Water and Sewer Capital Fund</u>				
New Brunswick Municipal Financing Corporation				
Debentures:				
AO15 3.05% - 5.0%, due 2013, OIC # 02-62	\$ 33,000	\$ -	\$ 33,000	\$ -
AQ11 2.75% - 5.5%, due 2014, OIC # 03-92	103,000	-	50,000	53,000
AY18 3.30% - 4.85%, due 2018, OIC # 96-60, 96-72	264,000	-	12,000	252,000
AZ29 2.10 - 4.95%, due 2018, OIC # 03-0092	726,000	-	109,000	617,000
BF23 1.35% - 3.45%, due 2021, OIC # 00-18	1,653,000	-	71,000	1,582,000
BG19 1.65 - 3.80%, due 2027, OIC # 11-0045	500,000	-	11,000	489,000
BH23 1.35 - 3.80%, due 2032, OIC # 00-0018	<u>713,000</u>	<u>-</u>	<u>28,000</u>	<u>685,000</u>
	<u>3,992,000</u>	<u>-</u>	<u>314,000</u>	<u>3,678,000</u>
Canada Mortgage and Housing Corporation				
CMHC 3.70%, due 2030 OIC # 09-119, 09-139, 10-012	<u>3,253,032</u>	<u>-</u>	<u>130,379</u>	<u>3,122,653</u>
	<u>\$ 7,245,032</u>	<u>\$ -</u>	<u>\$ 444,379</u>	<u>\$ 6,800,653</u>

Approval of the Municipal Capital Borrowing Board has been obtained for the long term debt.

The Water and Sewer Capital Fund contains long term debt of \$661,568 (2012 - \$682,517) issued to fund local improvement projects. The debt will be repaid over a period of time through the collection of local improvement levies.

Principal payments required during the next five years for the Water and Sewer Capital Fund are as follows:

2014 - \$424,203; 2015 - \$384,206; 2016 - \$397,393; 2017 - \$411,773; 2018 - \$612,352



# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

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

(c) Jointly Controlled Entity - RRJBPC (proportionate share)

	Balance January 1, 2013	Issued during year	Redeemed during year	Balance December 31, 2013
New Brunswick Municipal Financing Corporation				
Debentures:				
AR52 2.75% - 4.8%, due 2014, OIC # 02-66, 03-53	\$ 242,505	\$ -	\$ 24,445	\$ 218,060
AT63 3.75% - 4.375%, due 2015, OIC # 03-53	<u>462,772</u>	<u>-</u>	<u>43,488</u>	<u>419,284</u>
	<u>\$ 705,277</u>	<u>\$ -</u>	<u>\$ 67,933</u>	<u>\$ 637,344</u>

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

2014 - \$244,342; 2015 - \$393,002

In 2014, debenture AR52 will mature with a final amount due of \$218,060, however \$202,455 of this payment is expected to be refinanced during that year. In 2015, debenture AT63 will mature with a final amount due of \$393,002, however, \$365,487 of this payment is expected to be refinanced during that year.

Total Long term debt:

	2013	2012
General Capital Fund	\$ 3,722,000	\$ 4,431,000
Water and Sewer Capital Fund	6,800,653	7,245,032
Controlled Entity - RRJBPC	<u>637,344</u>	<u>705,277</u>
	<u>\$ 11,159,997</u>	<u>\$ 12,381,309</u>

### 12. LAND FOR PUBLIC PURPOSES

In accordance with the Community Planning Act, the Town has the authority to set aside up to 10% of any land subdivided, or up to 8% of the monetary value of such land, as a reserve. As well, any proceeds on the sale of public lands must be reserved. These funds can only be used for the purchase or development of public lands and are included in the Reserve Funds (Note 25).

### 13. SEWER OUTFALL RESERVE

In accordance with an agreement with the Municipality of Quispamsis, Rothesay and the Municipality of Quispamsis are required to fund, on an annual basis, an amount to cover the operating and maintenance costs associated with the shared sewer effluent line and outfall pipe. The contributions are made on a per unit basis, with Rothesay contributing \$1 per unit and the Municipality of Quispamsis contributing \$2 per unit. Any accumulated amounts are transferred to the Water and Sewer Capital Reserve Fund for future capital expenditures. At December 31, 2013, the balance in this reserve was \$212,611 (2012 - \$197,585).

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 14. TOWN HALL RESERVE

In accordance with a lease agreement between the Town and the Province of New Brunswick, the Town and the School District are required to fund, on an annual basis, a minimum reserve of \$7,500 in aggregate. The contributions by the Town and the School District are in proportion to their occupancy. The accumulated funds are intended to cover long-term maintenance and capital costs associated with the Town Hall building. These funds are included in the General Capital Reserve Fund. At December 31, 2013, the balance in this reserve was \$30,449 (2012 - \$20,279).

### 15. DEFERRED REVENUE

In 2002, the Town issued a special warrant of assessment to the residents of Kennebecasis Park for local improvements made to the area. The assessment will be invoiced annually over a period of 30 years. A number of residents paid the entire levy amount in the first year, and as a result, the prepayment has been recorded as deferred revenue to be amortized over 29 years.

### 16. ACCRUED SICK LEAVE

Rothesay provides sick leave that accumulates at a rate of 18 hours per month. All employees can accumulate to a maximum of 2,400 hours and can take leave with pay for an amount of time equal to the accumulated sick leave.

KVFD provides sick leave that accumulates at a rate of 18 hours per month while the employees sick bank is below 1,000 hours, and at 13.5 hours per month while the sick bank is above 1,000 hours. All employees can accumulate to a maximum of 2,184 sick leave hours and can take leave with pay for an amount of time equal to the accumulated sick leave.

An actuarial valuation in accordance with PSA 3255, was performed for each plan, the 43 employee plan for Rothesay and the 40 employee plan for KVFD. The actuarial method used was the Projected Unit Credit pro-rated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Town's and KVFD's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3%;
- the discount rate used to determine the accrued benefit obligations is 3.38%;
- retirement age is 60; and
- estimated net excess utilization of rate of sick leave varies with age.

The sick leave is an unfunded benefit and as such, there are no applicable assets. Benefits are paid out of general revenue as they come due.

The consolidated unfunded liability consist of:

	Estimated 2013	2012
Rothesay	\$ 23,200	\$ 23,200
RRJPC	5,277	-
KVFD	<u>254,720</u>	<u>257,465</u>
	<u>\$ 283,197</u>	<u>\$ 280,665</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 17. POST EMPLOYMENT BENEFITS PAYABLE

#### Retirement Allowance Program

Rothesay's retiring employees are entitled to four weeks' regular salary for every five years of employment to a maximum of 26 weeks. The employee must be 55 years of age to receive the benefit.

The accrued liability is based on an actuarial valuation as at December 31, 2011, which used a discount rate of 3.38% and an annual salary increase rate of 3%. The liability was determined using the projected unit credit method pro-rated on service to the date the maximum benefit is earned.

KVFD's retiring employees are entitled to four weeks' regular salary for every five years of employment to a maximum of 24 weeks based on a minimum of ten years service. The employee must be of retirement age of 55.

The accrued liability is based on an actuarial valuation as at December 31, 2013, which used a discount rate of 4.19% and an annual salary increase rate of 3%.

RRJBPC's retiring employees are entitled to accumulate the greater of fifty percent of unused sick leave credits or one month's standard salary for every five years, or any part thereof, of service to a maximum of 6 months.

The accrued liability is based on an actuarial valuation as at July 31, 2013, which used a discount rate of 6% and an annual salary increase rate of 3%.

The consolidated unfunded liability consist of:

	<u>2013</u>	<u>2012</u>
Rothesay	\$ 274,531	\$ 234,600
KVFD	171,352	183,103
RRJBPC	<u>282,540</u>	<u>278,861</u>
Balance at end of year	<u>\$ 728,423</u>	<u>\$ 696,564</u>

#### Pension Obligation

Employees of Rothesay, KVFD and RRJBPC participate in the New Brunswick Municipal Employees Pension Plan (NBMEPP). The NBMEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Municipalities Act of New Brunswick. The NBMEPP provides pensions based on length of service and best average earnings.

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

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 17. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

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

- the expected inflation rate is 2.35% (prior 2.35%);
- the discount rate used to determine the accrued benefit obligation is 5.5% (prior 5.5%);
- the expected rate of return on assets is 5.5% (prior 5.5%);
- retirement age varies by age and employment category; and
- estimated average remaining service life (EARSLS) is 15.1 years (prior 15.1 years).

The actuarial valuation prepared as at December 31, 2011 indicated that the present value of the accumulated plan benefits exceeded the market value of the net assets available for these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of \$12,629,600, an increase of \$2,926,300 from the December 31, 2010 deficit of \$9,703,300. In response to the deficit increase, effective January 1, 2013, plan benefits were amended and contribution rates were increased. Based on the assumptions as at December 31, 2011, the actuary expected the level of employer and employee contributions to be sufficient to fund the deficit in less than fifteen years, as allowed by the Pensions Benefits Act.

As at December 31, 2011, the NBMEPP provides benefits for 157 retirees. Total benefits payments to retirees and terminating employees during 2013 are estimated to be approximately \$2,317,600 (actual 2012, \$2,261,100) in totality for the NBMEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.6%. Each municipality contributes an amount that equals their employees contributions amounts. Pension fund assets are invested in short term securities, bonds, Canadian equities and foreign equities. Combined employees and municipalities contributions for 2013 are estimated to be approximately \$5,026,600 (actual 2012, \$4,831,600) in totality for the NBMEPP.

The following summarizes the NBMEPP data as it relates to Rothesay:

- The average age of the 43 active employees covered by the NBMEPP is 46.1;
- benefit payments were \$89,600 in 2012 and were estimated to be \$95,000 in 2013; and
- combined contributions were \$338,400 in 2012 and were estimated to be \$350,200 in 2013.

The following summarizes the NBMEPP data as it relates to KVFD:

- The average age of the 37 active employees covered by the NBMEPP is 45.1;
- benefit payments were \$268,500 in 2012 and were estimated to be \$219,800 in 2013; and
- combined contributions were \$401,800 in 2012 and were estimated to be \$409,000 in 2013.

The following summarizes the NBMEPP data as it relates to RRJBPC:

- The average age of the 42 active employees covered by the NBMEPP is 41.7;
- benefit payments were \$234,700 in 2012 and were estimated to be \$240,700 in 2013; and
- combined contributions were \$526,600 in 2012 and were estimated to be \$545,000 in 2013.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 17. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

In addition to determining the position of the NBMEPP as it relates to Rothesay and the other controlled entities as at December 31, 2011 and December 31, 2012, NBMEPP's actuary performed an extrapolation of the December 31, 2012 accounting valuation to determine the estimated position as at December 31, 2013. The extrapolation assumes assumptions used as at December 31, 2013 remain unchanged from December 31, 2012. The extrapolation also assumes assets return 5.5%, net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

	<u>Estimated</u> <u>Jan 1, 2013 to</u> <u>Dec 31, 2013</u>	<u>Estimated</u> <u>Jan 1, 2012 to</u> <u>Dec 31, 2012</u>
<b>Accrued Benefit Liability</b>		
Accrued benefit liability at beginning of period	\$ 1,532,412	\$ 1,530,796
Change in ownership percentage	(44,646)	45
Adjustment to 2012 actual	18,270	-
Pension expense for the year	355,919	377,895
Employer contributions	<u>(372,016)</u>	<u>(376,324)</u>
Accrued benefit liability at end of period	<u>\$ 1,489,939</u>	<u>\$ 1,532,412</u>

In summary, the consolidated accrued benefit liability is estimated to be \$1,489,939 as at December 31, 2013. The December 31, 2012 liability was estimated in the prior year. The actual liability was calculated to be \$1,550,682. The difference of \$18,270 has been recorded in the current year. This amount is included in the post employment benefits payable on the consolidated statement of financial position.

	<u>Estimated</u> <u>Jan 1, 2013 to</u> <u>Dec 31, 2013</u>	<u>Estimated</u> <u>Jan 1, 2012 to</u> <u>Dec 31, 2012</u>
Rothesay	\$ 431,800	\$ 446,200
KVFD	531,098	538,371
RRJBPC	<u>527,041</u>	<u>547,841</u>
	<u>\$ 1,489,939</u>	<u>\$ 1,532,412</u>

The financial position as it relates to the accrued benefit liability is shown as follows and illustrates the unamortized amounts being recognized in pension expense over time:

	<u>Estimated</u> <u>Jan 1, 2013 to</u> <u>Dec 31, 2013</u>	<u>Actual</u> <u>Jan 1, 2012 to</u> <u>Dec 31, 2012</u>
<b>Reconciliation of Funded Status at End of Period</b>		
Accrued benefit obligation	\$ 11,303,866	\$ 10,715,761
Plan assets	<u>(9,352,475)</u>	<u>(8,658,426)</u>
Plan deficit	1,951,391	2,057,335
Unamortized experience losses	<u>(461,452)</u>	<u>(506,653)</u>
Accrued benefit liability at end of period	<u>\$ 1,489,939</u>	<u>\$ 1,550,682</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 17. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

The following illustrates the reconciliation of accrued benefit obligation from the beginning of period to the end of period:

	<b>Estimated Jan 1, 2013 to Dec 31, 2013</b>	<b>Actual Jan 1, 2012 to Dec 31, 2012</b>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued benefit obligation at beginning of period	\$ 10,715,761	\$ 9,854,600
Change in ownership percentage	(297,525)	643
Current service cost	589,478	582,451
Benefits payments	(285,217)	(306,537)
Interest for period	581,369	578,271
Savings of plan amendments	-	-
Experience loss during period	<u>-</u>	<u>6,333</u>
Accrued benefit obligation at end of period	<u>\$ 11,303,866</u>	<u>\$ 10,715,761</u>

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

	<b>Estimated Jan 1, 2013 to Dec 31, 2013</b>	<b>Actual Jan 1, 2012 to Dec 31, 2012</b>
<b>Reconciliation of Plan Assets</b>		
Plan assets at beginning of period	\$ 8,658,426	\$ 7,557,523
Change in ownership percentage	(240,402)	494
Employer contributions	372,016	369,371
Employee contributions	372,016	369,371
Benefit payments	(285,217)	(306,537)
Return on plan assets during period	475,636	639,704
Experience gain during the year	<u>-</u>	<u>28,500</u>
Plan assets at end of period	<u>\$ 9,352,475</u>	<u>\$ 8,658,426</u>

Total expense related to pensions include the following components:

	<b>Estimated Jan 1, 2013 to Dec 31, 2013</b>	<b>Actual Jan 1, 2012 to Dec 31, 2012</b>
<b>Pension Expense</b>		
Employer current service cost	\$ 217,463	\$ 213,080
Interest on accrued benefit obligation	581,369	553,484
Expected return on assets	(475,636)	(427,532)
Amortization of unrecognized balances		
Prior service savings	13,900	16,800
Experience loss	<u>18,823</u>	<u>15,801</u>
Pension expense	<u>\$ 355,919</u>	<u>\$ 371,633</u>

The pension expense is included in the statement of operations.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 18. 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, 2013 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect.

### 19. SHORT TERM BORROWING

#### Operating Borrowing

As prescribed in the Municipalities Act, borrowing to finance General Operating Fund operations is limited to 4% of the Municipality's budget. Borrowing to finance Water and Sewer Fund operations is limited to 50% of the operating budget for the year. In 2013, the Town has complied with these restrictions.

#### Capital Funds

At December 31, 2013, there were short-term funds totaling \$1,044,007 (2012 - \$1,187,327) borrowed from other funds and no short-term funds (2012 - nil) borrowed from a financial institution to provide interim funding for capital projects in the General Capital Fund.

At December 31, 2013, there were short-term funds totaling \$10,136 (2012 - \$1,186,941) borrowed from other funds and no short-term funds (2012 - nil) borrowed from a financial institution to provide interim funding for capital projects in the Water and Sewer Capital Fund.

#### Interim Borrowing Capital Funds

The Town has remaining outstanding authority for short-term borrowings as follows:

General Capital Fund, OIC # 09-059	\$ 3,000,000
General Capital Fund, OIC # 10-012	2,980,000
General Capital Fund, OIC # 11-071	2,575,000
General Capital Fund, OIC # 13-008	<u>3,005,000</u>
	<u>\$ 11,560,000</u>
Water and Sewer Capital Fund, OIC # 11-045	<u>\$ 1,000,000</u>

#### Inter-fund Borrowing

The Municipal Financing 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.

Amounts outstanding at year end are inter fund regular payables or in some cases, a short term loan may exist from the reserve account. Where a loan is in place, interest is paid to the reserve account at a rate that equates what the account would have earned had it been in the bank. These loan amounts are paid off within the following year and council is given a summary at year end to be fully informed of these transactions.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 20. WATER AND SEWER FUND SURPLUS

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

	<u>2013</u>	<u>2012</u>
2013 Deficit	\$ (73,776)	\$ -
2012 Deficit	(138,840)	(138,840)
2011 Surplus	<u>-</u>	<u>2,738</u>
	<u>\$ (212,616)</u>	<u>\$ (136,102)</u>



# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 21. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land		Buildings and Leasehold Improvements	Vehicles	Machinery and Equipment	Infrastructure				Subtotal	Assets Under Construction	2013 Total	2012 Total
	Land	Improvements				Roads and Streets	Storm Sewer	Water	Sewer				
<b>COST</b>													
Balance - beginning of year	\$ 2,854,539	\$ 5,183,804	\$ 6,727,277	\$ 2,476,738	\$ 1,374,148	\$ 32,046,235	\$ 16,263,806	\$ 23,186,952	\$ 15,378,684	\$ 105,492,183	\$ 2,792,652	\$ 108,284,835	\$ 104,738,093
Change in percentage ownership	(15,227)	(1,775)	(97,448)	(52,199)	(14,103)	-	-	-	-	(180,752)	(154,262)	(335,014)	(4,651)
Add: Net additions during the year	172,116	100,354	2,050,886	494,272	716,470	-	-	124,227	106,477	3,764,802	2,417,567	6,182,369	11,121,826
Less: Disposals during the year	-	(23,021)	(187,810)	(148,666)	(58,093)	-	-	-	(115,030)	(532,620)	(2,316,608)	(2,849,228)	(7,570,433)
Balance - end of year	<u>3,011,428</u>	<u>5,259,362</u>	<u>8,492,905</u>	<u>2,770,145</u>	<u>2,018,422</u>	<u>32,046,235</u>	<u>16,263,806</u>	<u>23,311,179</u>	<u>15,370,131</u>	<u>108,543,613</u>	<u>2,739,349</u>	<u>111,282,962</u>	<u>108,284,835</u>
<b>ACCUMULATED AMORTIZATION</b>													
Balance - beginning of year	-	1,352,833	2,853,033	1,288,755	561,546	13,591,808	5,002,841	4,395,982	6,728,963	35,775,761	-	35,775,761	33,593,406
Change in percentage ownership	-	(1,200)	(34,024)	(20,618)	(8,683)	-	-	-	-	(64,525)	-	(64,525)	(1,823)
Add: Amortization during the year	-	238,782	181,167	198,233	134,420	1,601,844	295,688	427,611	243,418	3,321,163	-	3,321,163	3,450,651
Less: Accumulated amortization on disposals	-	(10,398)	(123,254)	(137,657)	(58,093)	-	-	-	(115,030)	(444,432)	-	(444,432)	(1,266,473)
Balance - end of year	<u>-</u>	<u>1,580,017</u>	<u>2,876,922</u>	<u>1,328,713</u>	<u>629,190</u>	<u>15,193,652</u>	<u>5,298,529</u>	<u>4,823,593</u>	<u>6,857,351</u>	<u>38,587,967</u>	<u>-</u>	<u>38,587,967</u>	<u>35,775,761</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>													
	<u>\$ 3,011,428</u>	<u>\$ 3,679,345</u>	<u>\$ 5,615,983</u>	<u>\$ 1,441,432</u>	<u>\$ 1,389,232</u>	<u>\$ 16,852,583</u>	<u>\$ 10,965,277</u>	<u>\$ 18,487,586</u>	<u>\$ 8,512,780</u>	<u>\$ 69,955,646</u>	<u>\$ 2,739,349</u>	<u>\$ 72,694,995</u>	<u>\$ 72,509,074</u>
Consists of:													
General Fund Assets	\$ 2,676,396	\$ 3,569,714	\$ 2,173,962	\$ 601,100	\$ 1,102,114	\$ 16,852,583	\$ 10,965,277	\$ -	\$ -	\$ 37,941,146	\$ 2,388,908	\$ 40,330,054	\$ 40,038,521
Water & Sewer Fund Assets	95,114	-	177,902	-	8,696	-	-	18,487,586	8,512,780	27,282,078	350,441	27,632,519	27,784,637
Controlled Entities	<u>239,918</u>	<u>109,631</u>	<u>3,264,119</u>	<u>840,332</u>	<u>278,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,732,422</u>	<u>-</u>	<u>4,732,422</u>	<u>4,685,916</u>
	<u>\$ 3,011,428</u>	<u>\$ 3,679,345</u>	<u>\$ 5,615,983</u>	<u>\$ 1,441,432</u>	<u>\$ 1,389,232</u>	<u>\$ 16,852,583</u>	<u>\$ 10,965,277</u>	<u>\$ 18,487,586</u>	<u>\$ 8,512,780</u>	<u>\$ 69,955,646</u>	<u>\$ 2,739,349</u>	<u>\$ 72,694,995</u>	<u>\$ 72,509,074</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 22. SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR JOINTLY CONTROLLED ENTITIES

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Machinery and Equipment</u>	<u>Assets Under Construction</u>	<u>2013 Total</u>	<u>2012 Total</u>
<b>COST</b>								
Balance - beginning of year	\$ 253,196	\$ 34,850	\$ 2,195,487	\$ 1,241,689	\$ 292,157	\$ 2,055,251	\$ 6,072,630	\$ 4,169,312
Change in percentage ownership	(15,227)	(1,774)	(97,448)	(52,199)	(14,103)	(154,262)	(335,013)	(4,651)
Add: Net additions during the year	1,949	100,354	1,993,607	208,650	188,903	-	2,493,463	1,922,580
Less: Disposals during the year	<u>-</u>	<u>(10,133)</u>	<u>(187,809)</u>	<u>(83,034)</u>	<u>(58,093)</u>	<u>(1,900,989)</u>	<u>(2,240,058)</u>	<u>(14,611)</u>
Balance - end of year	<u>239,918</u>	<u>123,297</u>	<u>3,903,837</u>	<u>1,315,106</u>	<u>408,864</u>	<u>-</u>	<u>5,991,022</u>	<u>6,072,630</u>
<b>ACCUMULATED AMORTIZATION</b>								
Balance - beginning of year	-	20,440	712,644	492,885	160,745	-	1,386,714	1,227,021
Change in percentage ownership	-	(1,200)	(34,024)	(20,618)	(8,682)	-	(64,524)	(1,823)
Add: Amortization during the year	-	4,559	84,352	81,638	36,472	-	207,021	174,416
Less: Accumulated amortization on disposals	<u>-</u>	<u>(10,133)</u>	<u>(123,254)</u>	<u>(79,131)</u>	<u>(58,093)</u>	<u>-</u>	<u>(270,611)</u>	<u>(12,900)</u>
Balance - end of year	<u>-</u>	<u>13,666</u>	<u>639,718</u>	<u>474,774</u>	<u>130,442</u>	<u>-</u>	<u>1,258,600</u>	<u>1,386,714</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 239,918</u>	<u>\$ 109,631</u>	<u>\$ 3,264,119</u>	<u>\$ 840,332</u>	<u>\$ 278,422</u>	<u>\$ -</u>	<u>\$ 4,732,422</u>	<u>\$ 4,685,916</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 23. SCHEDULE OF SEGMENT DISCLOSURE

	<u>General</u>	<u>Protective</u>	<u>Transportation</u>	<u>Environmental Health</u>	<u>Environmental Development</u>	<u>Recreation and Culture</u>	<u>Water and Sewer</u>	<u>2013 Consolidated</u>	<u>2012 Consolidated</u>
<b>REVENUE</b>									
Property tax warrant	\$ 1,704,242	\$ 4,165,609	\$ 4,797,486	\$ 689,577	\$ 408,117	\$ 2,307,972	\$ -	\$ 14,073,003	\$ 13,886,175
Sale of service	96,448	-	-	-	-	413,203	-	509,651	659,343
Services provided to other governments	-	-	79,174	-	-	-	-	79,174	79,007
Other own source	191,608	57,015	-	-	124,302	-	157,400	530,325	469,035
Unconditional grant	38,253	93,501	107,684	15,478	9,161	51,804	-	315,881	405,273
Other government transfers	56,161	-	200,000	-	-	116,436	270,000	642,597	763,188
Water and sewer user fees	-	-	-	-	-	-	2,271,412	2,271,412	2,155,413
Sundry and interest	<u>61,673</u>	<u>169,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,835</u>	<u>57,563</u>	<u>315,502</u>	<u>219,385</u>
	<u>2,148,385</u>	<u>4,485,556</u>	<u>5,184,344</u>	<u>705,055</u>	<u>541,580</u>	<u>2,916,250</u>	<u>2,756,375</u>	<u>18,737,545</u>	<u>18,636,819</u>
<b>EXPENDITURE</b>									
Salaries and benefits	889,923	3,400,468	1,113,840	-	266,175	637,178	582,738	6,890,322	6,273,520
Goods and services	715,922	592,708	1,519,101	686,719	148,808	1,315,550	635,829	5,614,637	6,022,021
Interest	9,608	21,568	74,841	-	-	48,176	258,390	412,583	463,161
Other	43,133	1,644	-	-	-	-	-	44,777	560,613
Amortization	<u>45,000</u>	<u>162,547</u>	<u>2,112,075</u>	<u>-</u>	<u>-</u>	<u>330,512</u>	<u>671,029</u>	<u>3,321,163</u>	<u>3,450,651</u>
	<u>1,703,586</u>	<u>4,178,935</u>	<u>4,819,857</u>	<u>686,719</u>	<u>414,983</u>	<u>2,331,416</u>	<u>2,147,986</u>	<u>16,283,482</u>	<u>16,769,966</u>
Surplus for the year	<u>\$ 444,799</u>	<u>\$ 306,621</u>	<u>\$ 364,487</u>	<u>\$ 18,336</u>	<u>\$ 126,597</u>	<u>\$ 584,834</u>	<u>\$ 608,389</u>	<u>\$ 2,454,063</u>	<u>\$ 1,866,853</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 24. RECONCILIATION OF ANNUAL SURPLUS

	General Operating Fund	General Capital Fund	Water and Sewer Operating Fund	Water and Sewer Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Water and Sewer Operating Reserve Fund	Water and Sewer Capital Reserve Fund	Jointly Controlled Entities	Total
2013 annual surplus (deficit)	\$ 7,957,304	\$ (2,540,643)	\$ 1,096,567	\$ (732,459)	\$ 7,550	\$ 574,840	\$ 156	\$ 124,792	\$ (4,034,044)	\$ 2,454,063
Adjustments to annual surplus (deficit) for funding requirements										
Second previous year's surplus	8,348	-	2,738	-	-	-	-	-	4,870	15,956
Transfers between funds										
Transfer elimination	-	701,368	-	270,000	-	(971,368)	-	-	-	-
Transfer elimination	(1,302,725)	-	-	-	-	1,302,725	-	-	-	-
Transfer elimination	-	-	(103,800)	103,800	-	-	-	-	-	-
Transfer elimination	(1,408,689)	1,408,689	(624,902)	624,902	-	-	-	-	-	-
Transfer elimination	-	-	-	-	-	-	-	-	(180,410)	(180,410)
Long term debt principal repayment	(709,000)	709,000	(444,379)	444,379	-	-	-	-	-	-
Provision for Pension liability	(14,400)	-	-	-	-	-	-	-	17,305	2,905
Provision for sick leave accrual	-	-	-	-	-	-	-	-	14,026	14,026
Provision for retirement allowance	-	-	-	-	-	-	-	-	21,355	21,355
Accumulated amortization on disposal of capital assets	-	(173,821)	-	-	-	-	-	-	(231,212)	(405,033)
Cost of tangible capital assets										
Cost of tangible capital assets										
Revenue adjustment	(4,446,813)	406,726	-	-	-	-	-	-	4,446,813	406,726
Deferred Gas tax revenue	-	-	-	-	-	434,356	-	-	-	434,356
Unrealized gains on investments	-	-	-	-	-	-	-	-	(4,924)	(4,924)
Amortization expense	-	2,432,494	-	671,029	-	-	-	-	217,640	3,321,163
Total adjustments to 2013 annual surplus (deficit)	(7,873,279)	5,484,456	(1,170,343)	2,114,110	-	765,713	-	-	4,305,463	3,626,120
2013 annual surplus (deficit) for funding requirements	\$ 84,025	\$ 2,943,813	\$ (73,776)	\$ 1,381,651	\$ 7,550	\$ 1,340,553	\$ 156	\$ 124,792	\$ 271,419	\$ 6,080,183

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 25. STATEMENT OF RESERVES

	<u>General</u> <u>Operating</u> <u>Reserve</u>	<u>General</u> <u>Capital</u> <u>Reserve</u>	<u>Water</u> <u>and Sewer</u> <u>Operating</u> <u>Reserve</u>	<u>Water</u> <u>and Sewer</u> <u>Capital</u> <u>Reserve</u>	<u>Land for</u> <u>Public</u> <u>Purpose</u>	<u>2013</u> <u>Total</u>	<u>2012</u> <u>Total</u>
<b>ASSETS</b>							
Cash and short term investments	\$ 759,368	\$ 2,629,997	\$ 97,441	\$ 1,388,925	\$ -	\$ 4,875,731	\$ 2,652,101
Guaranteed investment certificate	-	-	-	-	-	-	1,006,245
Accounts receivable from other funds	-	1,884,374	-	113,936	107,623	2,105,933	1,850,268
	<u>\$ 759,368</u>	<u>\$ 4,514,371</u>	<u>\$ 97,441</u>	<u>\$ 1,502,861</u>	<u>\$ 107,623</u>	<u>\$ 6,981,664</u>	<u>\$ 5,508,614</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 759,368</u>	<u>\$ 4,514,371</u>	<u>\$ 97,441</u>	<u>\$ 1,502,861</u>	<u>\$ 107,623</u>	<u>\$ 6,981,664</u>	<u>\$ 5,508,614</u>
<b>REVENUE</b>							
Other government transfers	\$ -	\$ 911,631	\$ -	\$ 10,136	\$ 61,681	\$ 983,448	\$ 1,825,803
Transfers from General Operating Fund	-	1,302,725	-	103,800	-	1,406,525	376,395
Interest	7,550	34,861	156	10,856	1,022	54,445	53,462
	<u>7,550</u>	<u>2,249,217</u>	<u>156</u>	<u>124,792</u>	<u>62,703</u>	<u>2,444,418</u>	<u>2,255,660</u>
<b>EXPENDITURES</b>							
Transfers to General Operating Fund	-	-	-	-	-	-	1,289,773
Transfer to General Capital Fund	-	701,368	-	-	-	701,368	-
Transfers to General and Water and Sewer Capital Funds	-	270,000	-	-	-	270,000	-
	<u>-</u>	<u>971,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>971,368</u>	<u>1,289,773</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 7,550</u>	<u>\$ 1,277,849</u>	<u>\$ 156</u>	<u>\$ 124,792</u>	<u>\$ 62,703</u>	<u>\$ 1,473,050</u>	<u>\$ 965,887</u>

<u>Name of Investment</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Date of</u> <u>Maturity</u>
Cashable GIC	\$ 2,035,223	1.35%	March 24, 2014

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 25. STATEMENT OF RESERVES (cont'd)

#### Council Resolutions regarding transfers to and from reserves:

Moved by Counc. MacDonald and seconded by Counc. Gallagher Jette resolved that \$100,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for water and sewer connection fees. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. Lewis resolved that \$270,000 be transferred from the General Capital Reserve Fund (Gas Tax) to the Utility Capital Fund to cover project costs. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. McGuire resolved that \$3,800 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for Rothesay's contribution to the Sewage Outfall Reserve. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. Alexander resolved that \$10,136 received from Quispamsis for Sewage Outfall be transferred to the Utility Capital Reserve Fund. CARRIED.

Moved by Counc. MacDonald and seconded by Deputy Mayor Grant resolved that the sum of \$501,367.51 be transferred from the General Capital Reserve Fund to the General Capital Fund to the General Capital Fund to cover the costs of Capital Equipment purchases. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. McGuire resolved that the sum of \$200,000 be transferred from the General Capital Reserve Fund (Gas Tax) to the General Capital Fund to cover costs of certain Capital Works projects. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. McGuire resolved that the sum of \$10,000 be transferred from the General Operating Fund to the General Capital Reserve Fund (Town Hall) for the year 2013 (\$7,275 from District 6). CARRIED.

Moved by Counc. MacDonald and seconded by Counc. McGuire resolved that Gas Tax Funding in the amount of \$904,356 for the year 2013, be transferred to the General Capital Reserve Fund. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. Lewis resolved that the full amount of the Developers' Capital Reserve be transferred to the General Capital Reserve in the amount of \$8,394.92. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. Alexander resolved that the sum of \$1,300,000 be transferred from the General Operating Fund to the General Capital Reserve Fund for the year 2013. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. McGuire be it resolved that the sum of \$61,681.12 be transferred from the General Operating Fund to the Land for Public Purposes Reserve Fund for external contributions. CARRIED.

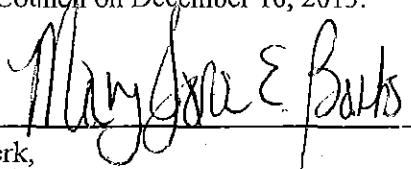
ROTHESAY


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

25. STATEMENT OF RESERVES (cont'd)

I hereby certify that the above are true and exact copies of resolutions adopted at a special meeting of Council on December 16, 2013.

  
\_\_\_\_\_  
Clerk,  
Rothesay

  
\_\_\_\_\_  
Date

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 26. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KV Fire</u>	<u>Police</u>	<u>Library</u>	<u>2013 Total</u>	<u>2012 Total</u>
ASSETS	\$ <u>1,651,657</u>	\$ <u>1,423,782</u>	\$ <u>2,441,434</u>	\$ <u>5,516,873</u>	\$ <u>6,080,431</u>
LIABILITIES	\$ <u>1,008,822</u>	\$ <u>1,580,564</u>	\$ <u>80,312</u>	\$ <u>2,669,698</u>	\$ <u>3,400,468</u>
ACCUMULATED SURPLUS (DEFICIT)	\$ <u>642,835</u>	\$ <u>(156,782)</u>	\$ <u>2,361,122</u>	\$ <u>2,847,175</u>	\$ <u>2,679,963</u>
REVENUE	\$ 1,896,922	\$ 2,339,565	\$ 416,193	\$ 4,652,680	\$ 5,890,452
EXPENDITURES	<u>1,878,645</u>	<u>2,246,298</u>	<u>171,510</u>	<u>4,296,453</u>	<u>4,137,050</u>
	18,277	93,267	244,683	356,227	1,753,402
CHANGE IN PERCENTAGE OWNERSHIP	<u>(27,645)</u>	<u>10,376</u>	<u>(171,746)</u>	<u>(189,015)</u>	<u>(482)</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(9,368)</u>	\$ <u>103,643</u>	\$ <u>72,937</u>	\$ <u>167,212</u>	\$ <u>1,752,920</u>

The above noted entities are included in the consolidated financial statements. The above figures do not include the eliminating adjustments and represent Rothesay's proportionate share.



# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

27. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water and Sewer	Amortization TCA	Controlled Entities	Transfers	Total
<b>REVENUE</b>						
Property tax warrant	\$ 14,073,003	\$ -	\$ -	\$ -	\$ -	\$ 14,073,003
Unconditional transfers from other governments	305,747	-	-	-	-	305,747
Conditional transfers from Federal or Provincial governments	26,500	-	-	-	470,000	496,500
Services other governments	68,867	-	-	-	-	68,867
Other own source	106,765	-	-	-	-	106,765
Sale of services	595,770	-	-	-	-	595,770
Other transfers	675,000	250,000	-	-	(925,000)	-
Water and sewer user fees	-	2,236,904	-	-	-	2,236,904
Sundry income	5,000	35,000	-	85,491	-	125,491
Surplus of second previous year	<u>8,348</u>	<u>2,738</u>	<u>-</u>	<u>-</u>	<u>(11,086)</u>	<u>-</u>
	<u>15,865,000</u>	<u>2,524,642</u>	<u>-</u>	<u>85,491</u>	<u>(466,086)</u>	<u>18,009,047</u>
<b>EXPENDITURES</b>						
General government services	1,943,083	-	45,000	-	(139,164)	1,848,919
Protective services	4,175,770	-	162,547	3,933,771	(4,121,344)	4,150,744
Transportation services	3,314,016	-	2,112,075	-	(440,591)	4,985,500
Environmental health services	865,955	-	-	-	-	865,955
Environmental development services	549,722	-	-	-	-	549,722
Recreation and cultural services	1,804,548	-	330,512	54,335	-	2,189,395
Fiscal services						
Long term debt repayments	709,000	444,379	-	-	(1,153,379)	-
Interest	173,906	284,700	-	-	(458,606)	-
Transfer from General Operating Fund to General Capital Reserve Fund	300,000	-	-	-	(300,000)	-
Transfer from General Operating Fund to General Capital Fund	2,029,000	-	-	-	(2,029,000)	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Capital Reserve Fund	-	136,223	-	-	(136,223)	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Capital Fund	-	350,000	-	-	(350,000)	-
Water and Sewer	<u>-</u>	<u>1,309,340</u>	<u>671,029</u>	<u>-</u>	<u>284,700</u>	<u>2,265,069</u>
	<u>15,865,000</u>	<u>2,524,642</u>	<u>3,321,163</u>	<u>3,988,106</u>	<u>(8,843,607)</u>	<u>16,855,304</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,321,163)</u>	<u>\$ (3,902,615)</u>	<u>\$ 8,377,521</u>	<u>\$ 1,153,743</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 28. REVENUE AND EXPENDITURES SUPPORT

	<u>2013</u> Budget	<u>2013</u> Actual	<u>2012</u> Actual
<b>REVENUE</b>			
Sale of services			
Community Centre	\$ 18,000	\$ 19,526	\$ 21,535
Rental revenue	207,000	179,908	302,231
Recreational programs	<u>370,770</u>	<u>310,217</u>	<u>335,577</u>
	<u>\$ 595,770</u>	<u>\$ 509,651</u>	<u>\$ 659,343</u>
Other own source			
Permits and fines	\$ 103,000	\$ 181,317	\$ 196,186
Contributions by developers	-	305,921	-
Miscellaneous	<u>3,765</u>	<u>43,087</u>	<u>272,849</u>
	<u>\$ 106,765</u>	<u>\$ 530,325</u>	<u>\$ 469,035</u>
Conditional government transfers			
Canada Day grants	\$ 1,500	\$ 3,050	\$ 3,050
ACOA Grant	-	116,436	-
Gas Tax revenue	470,000	470,000	724,000
Other government grants	<u>25,000</u>	<u>53,111</u>	<u>36,138</u>
	<u>\$ 496,500</u>	<u>\$ 642,597</u>	<u>\$ 763,188</u>
<b>EXPENDITURE</b>			
General government services			
Legislative			
Mayor	\$ 35,600	\$ 34,662	\$ 34,465
Councilors	104,022	95,736	95,732
Fundy Regional Service Commission	7,413	7,413	-
Other	<u>13,500</u>	<u>16,908</u>	<u>4,504</u>
	<u>160,535</u>	<u>154,719</u>	<u>134,701</u>
Administrative			
Administration	758,600	708,404	647,886
Office building	150,000	52,014	69,720
Solicitor	50,000	21,985	56,349
Supplies	107,000	39,969	23,054
Other	<u>91,823</u>	<u>129,463</u>	<u>135,550</u>
	<u>1,157,423</u>	<u>951,835</u>	<u>932,559</u>
Financial management			
External audit and PSAS conversion	<u>29,000</u>	<u>43,223</u>	<u>63,130</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	2013 Budget	2013 Actual	2012 Actual
General government services (cont'd)			
Other			
Civic relations	8,500	2,772	18,022
Rothesay elementary playground	-	100,000	-
Community communications	6,000	5,041	3,150
Insurance	137,800	109,287	105,504
Property tax - land for public purposes	19,400	11,326	11,302
Grants to organizations	35,000	28,876	19,109
Cultural support	10,000	6,000	20,000
Cost of assessment	229,425	229,423	226,380
Interest	10,836	9,608	11,058
Loss on disposal of tangible capital assets	-	6,476	9,245
Amortization	<u>45,000</u>	<u>45,000</u>	<u>44,491</u>
	<u>501,961</u>	<u>553,809</u>	<u>468,261</u>
	<u>\$ 1,848,919</u>	<u>\$ 1,703,586</u>	<u>\$ 1,598,651</u>
Protective services			
Fire			
Administration	\$ 206,986	\$ 225,779	\$ 203,179
Firefighting force	1,319,424	1,364,781	1,265,312
Telecommunications	7,117	4,372	6,974
Insurance	14,550	14,268	15,081
Prevention and training	14,342	13,010	8,683
Facilities	98,270	82,736	89,351
Fleet	46,517	50,071	53,735
Operations	13,635	22,822	33,772
Water costs	10,294	10,294	10,361
Retirement allowance	20,450	22,618	34,028
Other	624	521	472
Gain on disposal of tangible capital assets	-	(4,874)	(3,645)
Amortization	<u>95,379</u>	<u>95,379</u>	<u>95,408</u>
	<u>1,847,588</u>	<u>1,901,777</u>	<u>1,812,711</u>
Crimestoppers	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>
Police			
Crime Control	1,503,440	1,510,430	1,486,069
Vehicle Fleet	118,231	115,193	126,689
Property	102,157	100,073	101,479
Administration	304,258	299,478	303,792
Retirement allowance	30,834	30,831	32,506
Communications	122,635	120,618	128,807
Other	-	(4,728)	(98)
Loss on disposal of tangible capital assets	-	1,644	535
Amortization	<u>67,175</u>	<u>67,168</u>	<u>72,486</u>
	<u>2,248,730</u>	<u>2,240,707</u>	<u>2,252,265</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	2013 Budget	2013 Actual	2012 Actual
Protective services (cont'd)			
Other			
Animal control	12,000	7,200	10,831
Interest	24,326	21,568	24,824
Other	<u>15,300</u>	<u>4,883</u>	<u>3,503</u>
	<u>51,626</u>	<u>33,651</u>	<u>39,158</u>
	<u>\$ 4,150,744</u>	<u>\$ 4,178,935</u>	<u>\$ 4,106,934</u>
Transportation services			
Common			
Wages and benefits	\$ 1,156,954	\$ 1,113,840	\$ 1,123,732
Workshop, yard and equipment maintenance	553,700	555,520	560,506
Engineering	<u>6,000</u>	<u>5,920</u>	<u>7,601</u>
	<u>1,716,654</u>	<u>1,675,280</u>	<u>1,691,839</u>
Roads and Streets			
Roadway surfaces	114,885	72,113	71,322
Crosswalks and sidewalks	24,323	28,963	17,948
Culverts and drainage ditches	51,750	35,333	13,886
Storm sewers	62,100	49,091	61,216
Street cleaning	25,875	23,554	22,185
Snow and ice removal	493,695	479,317	389,353
Street lighting	147,074	137,863	136,342
Street signs	15,525	13,080	9,244
Traffic lane marking	25,875	14,782	13,657
Traffic signals and signs	12,420	12,814	16,578
Railway crossing signals	24,840	12,888	13,035
Public transit - Comex Service	74,000	77,863	73,949
Interest	84,409	74,841	86,138
Loss on disposal of tangible capital assets	-	-	523,264
Amortization	<u>2,112,075</u>	<u>2,112,075</u>	<u>2,300,810</u>
	<u>3,268,846</u>	<u>3,144,577</u>	<u>3,748,927</u>
	<u>\$ 4,985,500</u>	<u>\$ 4,819,857</u>	<u>\$ 5,440,766</u>
Environmental health services			
Solid waste disposal	\$ 232,050	\$ 212,214	\$ 212,887
Solid waste compost	31,605	26,299	25,604
Solid waste collection	552,300	414,417	482,020
Less: recovery of letter of credit	-	-	(86,650)
Clean up campaign	<u>50,000</u>	<u>33,789</u>	<u>27,925</u>
	<u>\$ 865,955</u>	<u>\$ 686,719</u>	<u>\$ 661,786</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2013</u> Budget	<u>2013</u> Actual	<u>2012</u> Actual
Environmental development services			
Environmental planning and zoning	\$ 460,100	\$ 326,068	\$ 289,133
Greater Saint John Economic Development Agency, Inc.	86,422	85,812	81,951
Tourism	<u>3,200</u>	<u>3,103</u>	<u>3,103</u>
	<u>\$ 549,722</u>	<u>\$ 414,983</u>	<u>\$ 374,187</u>
Recreation and cultural services			
Administration	\$ 256,678	\$ 341,562	\$ 182,219
Beaches	53,930	51,872	42,753
Rothesay Arena	271,793	259,560	278,936
Memorial Centre	56,000	53,080	60,337
Summer programs	208,252	197,242	204,968
Parks and gardens	475,018	501,886	454,026
Regional Facilities Commission	277,779	277,779	289,102
Kennebecasis Public Library Inc	55,098	62,480	52,640
Special events	39,500	31,528	41,608
Living museum	4,000	2,945	1,635
Apartment buildings	106,500	108,238	99,941
Loss on disposal of capital assets	-	64,555	-
Interest	54,335	48,177	55,448
Amortization	<u>330,512</u>	<u>330,512</u>	<u>299,851</u>
	<u>\$ 2,189,395</u>	<u>\$ 2,331,416</u>	<u>\$ 2,063,464</u>
Water and sewer services			
Water System			
Administration	\$ 234,380	\$ 228,855	\$ 226,780
Purification maintenance and treatment	200,800	137,333	164,903
Source of supply - purchase of water	-	1,629	200,000
Transmission and distribution	100,900	114,168	123,279
Power and pumping	51,000	40,613	37,356
Billing and collecting	<u>3,000</u>	<u>964</u>	<u>1,014</u>
	<u>590,080</u>	<u>523,562</u>	<u>753,332</u>
Sewer System			
Administration	516,860	544,285	601,924
Sewer collection system	82,800	54,403	141,302
Sewer lift stations	34,400	17,216	54,173
Treatment and disposal	<u>85,200</u>	<u>79,101</u>	<u>50,149</u>
	<u>719,260</u>	<u>695,005</u>	<u>847,548</u>
Interest	284,700	258,390	285,693
Amortization	<u>671,029</u>	<u>671,029</u>	<u>637,605</u>
	<u>955,729</u>	<u>929,419</u>	<u>923,298</u>
	<u>\$ 2,265,069</u>	<u>\$ 2,147,986</u>	<u>\$ 2,524,178</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 29. COMPARATIVE FIGURES

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