

ROTHESAY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

ROTHESAY

DECEMBER 31, 2014

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

Independent member of DFK International

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated statement of financial position of Rothesay as at December 31, 2014, 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 David H. Bradley
Jeffrey E. Saunders John H. Landry
T.J. Smith Kenneth H. Kyle

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, 2014, 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 PROFESSIONAL ACCOUNTANTS

Saint John, NB
XXX

ROTHESAY

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u> Budget (Note 27)	<u>2014</u> Actual	<u>2013</u> Actual
REVENUE (Note 2)			
Property tax warrant	\$ 14,246,284	\$ 14,246,281	\$ 14,073,003
Unconditional grant	209,567	209,568	315,881
Conditional government transfers (Note 28)	55,592	1,336,347	642,597
Services other governments	66,306	80,903	79,174
Sale of services (Note 28)	311,200	333,716	509,651
Other own source (Note 28)	123,040	208,655	530,325
Water and sewer user fees	2,363,044	2,412,895	2,271,412
Sundry income	<u>202,697</u>	<u>307,730</u>	<u>315,502</u>
	<u>17,577,730</u>	<u>19,136,095</u>	<u>18,737,545</u>
EXPENDITURE (Notes 2 and 28)			
General government services	2,047,959	1,598,344	1,703,586
Protective services	4,278,630	4,254,824	4,178,935
Transportation services	4,673,940	5,859,229	4,819,857
Environmental health services	715,000	710,520	686,719
Environmental development services	547,200	426,342	414,983
Recreation and cultural services	2,249,273	2,215,255	2,331,416
Water and sewer services	<u>2,421,564</u>	<u>2,432,314</u>	<u>2,147,986</u>
	<u>16,933,566</u>	<u>17,496,828</u>	<u>16,283,482</u>
ANNUAL SURPLUS FOR THE YEAR	<u>\$ 644,164</u>	1,639,267	2,454,063
ACCUMULATED SURPLUS - BEGINNING OF YEAR		62,292,543	60,027,495
CHANGE IN PERCENTAGE OWNERSHIP OF CONTROLLED ENTITIES		<u>1,413</u>	<u>(189,015)</u>
ACCUMULATED SURPLUS - END OF YEAR		<u>\$ 63,933,223</u>	<u>\$ 62,292,543</u>

ROTHESAY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Notes 2, 3 and 4)	\$ 7,650,318	\$ 5,774,844
Accounts receivable (Notes 2, 3 and 5)	1,437,352	2,076,757
Investments (Notes 2, 3 and 10)	<u>305,921</u>	<u>248,790</u>
	<u>\$ 9,393,591</u>	<u>\$ 8,100,391</u>
LIABILITIES		
Accounts payable and accrued liabilities (Notes 2, 3 and 9)	\$ 2,172,721	\$ 1,898,206
Deferred revenue (Note 8)	2,961,974	2,991,800
Long term debt (Notes 2, 3 and 11)	13,897,239	11,159,997
Accrued pension obligation (Notes 2 and 17)	1,300,753	1,489,939
Accrued sick leave (Notes 2 and 16)	287,523	283,197
Accrued retirement allowance (Notes 2 and 17)	<u>756,995</u>	<u>728,423</u>
	<u>21,377,205</u>	<u>18,551,562</u>
NET DEBT	<u>(11,983,614)</u>	<u>(10,451,171)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Notes 2 and 21)	116,624,404	111,282,962
Accumulated amortization (Notes 2 and 21)	<u>(40,771,966)</u>	<u>(38,587,967)</u>
	75,852,438	72,694,995
Inventory (Note 2)	23,881	22,476
Prepaid expenses	37,640	24,039
Unamortized debenture costs	<u>2,878</u>	<u>2,204</u>
	<u>75,916,837</u>	<u>72,743,714</u>
ACCUMULATED SURPLUS	<u>\$ 63,933,223</u>	<u>\$ 62,292,543</u>

CONTINGENT LIABILITY (Note 18)

APPROVED BY:

W. J. Bishop Mayor
[Signature] Town Treasurer

ROTHESAY

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2014

	2014	2013
Annual surplus	\$ 1,639,267	\$ 2,454,063
Acquisition of tangible capital assets	(8,259,823)	(3,865,761)
Proceeds on disposal of tangible capital assets	585,965	20,387
Amortization of tangible capital assets	3,488,481	3,321,163
Change in percentage ownership of tangible capital assets	(1,749)	270,489
Loss on disposal of tangible capital assets	<u>1,029,683</u>	<u>67,801</u>
	(1,518,176)	2,268,142
Acquisition of inventories	(23,881)	(22,476)
Acquisition of prepaid assets	(37,640)	(24,039)
Acquisition of unamortized debenture costs	(2,878)	(2,204)
Consumption of inventories	22,476	27,027
Use of prepaid assets	24,039	30,481
Consumption of unamortized debenture costs	<u>2,204</u>	<u>3,444</u>
	(1,533,856)	2,280,375
Change in percentage ownership	<u>1,413</u>	<u>(189,015)</u>
Decrease (increase) in net debt	(1,532,443)	2,091,360
Net debt - beginning of year	<u>(10,451,171)</u>	<u>(12,542,531)</u>
Net debt - end of year	<u>\$ (11,983,614)</u>	<u>\$ (10,451,171)</u>

APPROVED BY:

W. J. Bishop Mayor

[Signature] Town Treasurer

ROTHESAY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,639,267	\$ 2,454,063
Loss on disposal of tangible capital assets	1,029,683	67,801
Amortization of tangible capital assets	3,488,481	3,321,163
Accounts receivable	639,405	(844,102)
Accounts payable and accrual liabilities	274,515	(969,260)
Deferred revenue	(29,826)	432,921
Accrued sick leave	4,326	2,532
Change in accrued pension obligation	(189,186)	(42,473)
Change in accrued retirement allowance	28,572	31,859
Change in inventory/prepaid expenses/unamortized debenture costs	<u>(15,680)</u>	<u>12,233</u>
	<u>6,869,557</u>	<u>4,466,737</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(8,259,823)	(3,865,761)
Change in percentage ownership of capital assets	(1,749)	270,489
Proceeds on disposal of tangible capital assets	<u>585,965</u>	<u>20,387</u>
	<u>(7,675,607)</u>	<u>(3,574,885)</u>
FINANCING TRANSACTION		
Long term debt	<u>2,737,242</u>	<u>(1,221,312)</u>
INVESTING TRANSACTION		
Increase in investments	(57,131)	(50,493)
Sale of guaranteed investment certificate	<u>-</u>	<u>1,006,245</u>
	<u>(57,131)</u>	<u>955,752</u>
CHANGE IN PERCENTAGE OWNERSHIP	<u>1,413</u>	<u>(189,015)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,875,474	437,277
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>5,774,844</u>	<u>5,337,567</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,650,318</u>	<u>\$ 5,774,844</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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 Chartered Professional Accountants of Canada.

The focus of Public Sector Accounting Standard ('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
- Kennebecasis Regional Joint Board of Police Commissioners (KRJPC)
- 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>2014</u>	<u>2013</u>
Kennebecasis Regional Joint Board of Police Commissioners	41.02%	41.07%
Kennebecasis Valley Fire Department Inc.	41.65%	41.57%
Kennebecasis Public Library	40.05%	40.05%

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

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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

Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 19, 2013 and the Director of Community Finances on March 3, 2014.

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, 2014

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

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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, 2014:

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, 2014

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>2014</u>	<u>2013</u>
Unrestricted	\$ 2,514,768	\$ 719,980
Restricted - reserve funds	5,003,813	4,875,731
Restricted - controlled entities	<u>131,737</u>	<u>179,133</u>
	<u>\$ 7,650,318</u>	<u>\$ 5,774,844</u>

5. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Due from the Federal Government and its agencies (Note 6)	\$ 850,601	\$ 1,391,107
Due from the Province of New Brunswick (Note 7)	10,037	9,552
Water and sewer	484,063	547,864
Arena	37,564	43,405
Other	<u>55,087</u>	<u>84,829</u>
	<u>\$ 1,437,352</u>	<u>\$ 2,076,757</u>

6. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2014</u>	<u>2013</u>
Canada Revenue Agency (HST refund)	\$ 450,147	\$ 387,790
Canada-New Brunswick Gas Tax	400,454	904,356
Atlantic Canada Opportunities Agency	<u>-</u>	<u>98,961</u>
	<u>\$ 850,601</u>	<u>\$ 1,391,107</u>

7. DUE FROM PROVINCE OF NEW BRUNSWICK

	<u>2014</u>	<u>2013</u>
Department of Transportation	<u>\$ 10,037</u>	<u>\$ 9,552</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

8. DEFERRED REVENUE

	2014	2013
Government transfers - Gas Tax	\$ 2,939,285	\$ 2,968,378
Deferred revenue - K-Park Levy (Note 15)	<u>22,689</u>	<u>23,422</u>
	<u>\$ 2,961,974</u>	<u>\$ 2,991,800</u>

9. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	2014	2013
Accounts payable - trade	\$ 1,710,918	\$ 1,301,407
Bid deposits	21,721	59,497
Accrued interest	61,674	48,540
Accrued liabilities	215,614	241,866
Accounts payable - other	<u>162,794</u>	<u>246,896</u>
	<u>\$ 2,172,721</u>	<u>\$ 1,898,206</u>

10. INVESTMENTS

The investments represent the Town's proportionate share of the investments of the KRJPC. The investments consist of short term notes, Canadian equities and foreign equities and are recorded at fair market value. The unrealized gain on the investments at December 31, 2014 was \$13,507 (2013 - \$3,741). The investments are restricted for future payment of retirement benefits.

ROTHERSAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

11. LONG TERM DEBT

(a) General Capital Fund

	Balance January 1, 2014	Issued during year	Redeemed during year	Balance December 31, 2014
New Brunswick Municipal Financing Corporation				
Debentures:				
AQ10 2.75% - 5.50%, due 2014, OIC # 03-52, 99-22	\$ 88,000	\$ -	\$ 88,000	\$ -
AR24 2.75% - 4.80%, due 2014, OIC # 3-88	617,000	-	617,000	-
AV31 4.15% - 4.30%, due 2014, OIC # 04-40	58,000	-	58,000	-
BD24 1.05% - 2.50%, due 2015, OIC # 99-22	168,000	-	83,000	85,000
BF22 1.35% - 2.2%, due 2016, OIC # 00-18	214,000	-	70,000	144,000
BA17 0.95% - 5.00%, due 2019, OIC # 08-03, 08-63	629,000	-	95,000	534,000
BB26 1.00% - 4.50%, due 2019, OIC # 08-63, 08-82	842,000	-	128,000	714,000
BG18 1.65% - 3.80%, due 2027, OIC # 10-12, 11-71, 99-77	1,106,000	-	110,000	996,000
BL26 1.2% - 3.7%, due 2034, OIC # 03-88, 11-71, 13-08	-	3,453,000	-	3,453,000
	<u>\$ 3,722,000</u>	<u>\$ 3,453,000</u>	<u>\$ 1,249,000</u>	<u>\$ 5,926,000</u>

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

2015 - \$669,000; 2016 - \$601,000; 2017 - \$542,000; 2018 - \$559,000; 2019 - \$576,000

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

11. LONG TERM DEBT (cont'd)

	Balance January 1, <u>2014</u>	Issued during year	Redeemed during year	Balance December 31, <u>2014</u>
<u>(b) Water and Sewer Capital Fund</u>				
New Brunswick Municipal Financing Corporation				
Debentures:				
AQ11 2.75% - 5.5%, due 2014, OIC # 03-92	\$ 53,000	\$ -	\$ 53,000	\$ -
AY18 3.30% - 4.85%, due 2018, OIC # 96-60, 96-72	252,000	-	12,000	240,000
AZ29 2.10 - 4.95%, due 2018, OIC # 03-0092	617,000	-	113,000	504,000
BF23 1.35% - 3.45%, due 2021, OIC # 00-18	1,582,000	-	72,000	1,510,000
BG19 1.65 - 3.80%, due 2027, OIC # 11-0045	489,000	-	11,000	478,000
BH23 1.35 - 3.80%, due 2032, OIC # 00-0018	685,000	-	28,000	657,000
BL27 1.2% - 3.7%, due 2034, OIC # 11-0045	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
	<u>3,678,000</u>	<u>1,000,000</u>	<u>289,000</u>	<u>4,389,000</u>
Canada Mortgage and Housing Corporation				
CMHC 3.70%, due 2030 OIC # 09-119, 09-139, 10-012	<u>3,122,653</u>	<u>-</u>	<u>135,204</u>	<u>2,987,449</u>
	<u>\$ 6,800,653</u>	<u>\$ 1,000,000</u>	<u>\$ 424,204</u>	<u>\$ 7,376,449</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 (2013 - \$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:

2015 - \$406,205; 2016 - \$419,393; 2017 - \$434,773; 2018 - \$635,352; 2019 - \$310,137

In 2018, debenture AY18 will mature with a final amount due of \$200,000, however it is expected that \$185,000 of this payment will be refinanced during that year for an additional ten years.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

11. LONG TERM DEBT (cont'd)

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

	Balance January 1, 2014	Issued during year	Redeemed during year	Balance December 31, 2014
New Brunswick Municipal Financing Corporation				
Debentures:				
AR52 2.75% - 4.8%, due 2014, OIC # 02-66, 03-53	\$ 218,060	\$ -	\$ 218,060	\$ -
AT63 3.75% - 4.375%, due 2015, OIC # 03-53	419,284	-	26,723	392,561
BL 45-2014 1.2% - 3.1%, due 2014, OIC# 02-66, 03-53	-	202,229	-	202,229
	<u>\$ 637,344</u>	<u>\$ 202,229</u>	<u>\$ 244,783</u>	<u>\$ 594,790</u>

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

2015 - \$411,020; 2016 - \$18,869; 2017 - \$19,279; 2018 - \$19,690; 2019 - \$20,100

In 2015, debenture AT63 will mature with a final amount due of \$392,561, however, \$365,078 of this payment is expected to be refinanced during that year.

Total Long term debt:

	2014	2013
General Capital Fund	\$ 5,926,000	\$ 3,722,000
Water and Sewer Capital Fund	7,376,449	6,800,653
Controlled Entity - KRJPC	<u>594,790</u>	<u>637,344</u>
	<u>\$ 13,897,239</u>	<u>\$ 11,159,997</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, 2014, the balance in this reserve was \$228,026 (2013 - \$212,611).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

14. TOWN HALL RESERVE

Under a former lease agreement between the Town and the Province of New Brunswick, a Town Hall Reserve was established. 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, 2014, the balance in this reserve was \$40,897 (2013 - \$30,449).

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 44 employee plan for Rothesay and the 36 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 3.17%;
- 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 2014	2013
Rothesay	\$ 9,000	\$ 23,200
KRJPC	5,455	5,277
KVFD	<u>273,068</u>	<u>254,720</u>
	<u>\$ 287,523</u>	<u>\$ 283,197</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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, 2014, which used a discount rate of 3.17% 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 4.1% and an annual salary increase rate of 3%.

KRJBPC'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>2014</u>	<u>2013</u>
Rothesay	\$ 306,000	\$ 274,531
KVFD	146,150	171,352
KRJBPC	<u>304,845</u>	<u>282,540</u>
Balance at end of year	<u>\$ 756,995</u>	<u>\$ 728,423</u>

Pension Obligation

Employees of Rothesay, KVFD and KRJBPC 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, 2012 and resulted in an overall NBMEPP accrued benefit obligation of \$85,323,300 based on the accounting basis.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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, 2013:

- the expected inflation rate is 2.35% (prior 2.35%);
- the discount rate used to determine the accrued benefit obligation is 5.6% (prior 5.5%);
- the expected rate of return on assets is 5.6% (prior 5.5%);
- retirement age varies by age and employment category; and
- estimated average remaining service life (EARSL) is 14.0 years (prior 15.1 years).

The actuarial valuation prepared as at December 31, 2012 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 \$11,581,900, a decrease of \$1,047,700 from the December 31, 2011 deficit of \$12,629,600. Based on the assumptions as at December 31, 2012, 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, 2012, the NBMEPP provides benefits for 171 retirees. Total benefits payments to retirees and terminating employees during 2014 are estimated to be approximately \$2,745,900 (actual 2013, \$2,278,900) 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 2014 are estimated to be approximately \$5,456,800 (actual 2013, \$5,306,000) in totality for the NBMEPP.

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

- The average age of the 42 active employees covered by the NBMEPP is 46.4 (as at Dec 31, 2012);
- benefit payments were \$109,300 in 2013 and were estimated to be \$115,200 in 2014; and
- combined contributions were \$365,600 in 2013 and were estimated to be \$376,600 in 2014.

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

- The average age of the 40 active employees covered by the NBMEPP is 45.9 (2013 - 45.1);
- benefit payments were \$253,100 in 2013 and were estimated to be \$258,500 in 2014; and
- combined contributions were \$442,800 in 2013 and were estimated to be \$456,000 in 2014.

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

- The average age of the 42 active employees covered by the NBMEPP is 41.2;
- benefit payments were \$283,900 in 2013 and were estimated to be \$290,400 in 2014; and
- combined contributions were \$563,800 in 2013 and were estimated to be \$580,000 in 2014.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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, 2012 and December 31, 2013, NBMEPP's actuary performed an extrapolation of the December 31, 2013 accounting valuation to determine the estimated position as at December 31, 2014. The extrapolation assumes assumptions used as at December 31, 2014 remain unchanged from December 31, 2013. The extrapolation also assumes assets return 5.6%, 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:

	Estimated	
	Jan 1, 2014 to	Jan 1, 2013 to
	<u>Dec 31, 2014</u>	<u>Dec 31, 2013</u>
Accrued Benefit Liability		
Accrued benefit liability at beginning of period	\$ 1,489,939	\$ 1,532,412
Change in ownership percentage	432	(44,647)
Adjustment to actual	(38,170)	18,271
Pension expense for the year	250,936	355,929
Employer contributions	<u>(402,384)</u>	<u>(372,026)</u>
Accrued benefit liability at end of period	<u>\$ 1,300,753</u>	<u>\$ 1,489,939</u>

In summary, the consolidated accrued benefit liability is estimated to be \$1,300,753 as at December 31, 2014. The December 31, 2013 liability was estimated in the prior year. The actual liability was calculated to be \$1,459,725. The difference of \$38,170 has been recorded in the current year. This amount is included in the post employment benefits payable on the consolidated statement of financial position.

	Estimated	
	Jan 1, 2014 to	Jan 1, 2013 to
	<u>Dec 31, 2014</u>	<u>Dec 31, 2013</u>
Rothesay	\$ 345,200	\$ 431,800
KVFD	487,597	531,098
KRJBPC	<u>467,956</u>	<u>527,041</u>
	<u>\$ 1,300,753</u>	<u>\$ 1,489,939</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:

	Estimated	
	Jan 1, 2014 to	Jan 1, 2013 to
	<u>Dec 31, 2014</u>	<u>Dec 31, 2013</u>
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 12,300,259	\$ 11,387,729
Plan assets	<u>(11,154,816)</u>	<u>(10,110,901)</u>
Plan deficit	1,145,443	1,276,828
Adjustment to 2013 actual	-	38,170
Unamortized experience losses	<u>155,310</u>	<u>174,941</u>
Accrued benefit liability at end of period	<u>\$ 1,300,753</u>	<u>\$ 1,489,939</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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:

	Estimated	
	Jan 1, 2014 to	Jan 1, 2013 to
	<u>Dec 31, 2014</u>	<u>Dec 31, 2013</u>
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 11,387,729	\$ 10,715,761
Change in ownership percentage	2,052	(305,129)
Current service cost	598,995	589,495
Benefits payments	(341,987)	(331,111)
Interest for period	653,470	580,163
Experience loss during period	<u>-</u>	<u>138,550</u>
Accrued benefit obligation at end of period	<u>\$ 12,300,259</u>	<u>\$ 11,387,729</u>

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

	Estimated	
	Jan 1, 2014 to	Jan 1, 2013 to
	<u>Dec 31, 2014</u>	<u>Dec 31, 2013</u>
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 10,110,901	\$ 8,658,426
Change in ownership percentage	1,849	(240,118)
Employer contributions	402,384	390,612
Employee contributions	402,384	390,612
Benefit payments	(341,987)	(331,111)
Return on plan assets during period	579,285	1,126,080
Experience gain during the year	<u>-</u>	<u>116,400</u>
Plan assets at end of period	<u>\$ 11,154,816</u>	<u>\$ 10,110,901</u>

Total expense related to pensions include the following components:

	Estimated	Actual
	Jan 1, 2014 to	Jan 1, 2013 to
	<u>Dec 31, 2014</u>	<u>Dec 31, 2013</u>
Pension Expense		
Employer current service cost	\$ 196,611	\$ 198,882
Interest on accrued benefit obligation	645,515	580,563
Expected return on assets	(579,286)	(475,406)
Amortization of unrecognized balances		
Prior service savings	6,100	13,900
Experience loss	<u>(18,004)</u>	<u>(8,023)</u>
Pension expense	<u>\$ 250,936</u>	<u>\$ 309,916</u>

The pension expense is included in the statement of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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, 2014 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 2014, the Town has complied with these restrictions.

Capital Funds

At December 31, 2014, there were no short-term funds (2013 - \$1,044,007) borrowed from other funds and no short-term funds (2013 - nil) borrowed from a financial institution to provide interim funding for capital projects in the General Capital Fund.

At December 31, 2014, there were short-term funds totaling \$67,077 (2013 - \$10,136) borrowed from other funds and no short-term funds (2013 - 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 # 10-012	\$ 2,980,000
General Capital Fund, OIC # 13-008	<u>2,700,000</u>
	<u>\$ 5,680,000</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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

20. WATER AND SEWER FUND DEFICIT

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

	2014	2013
2014 Deficit	\$ (163,645)	\$ -
2013 Deficit	(73,776)	(73,776)
2012 Deficit	<u>-</u>	<u>(138,840)</u>
	<u>\$ (237,421)</u>	<u>\$ (212,616)</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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21. SCHEDULE OF TANGIBLE CAPITAL ASSETS

COST	Land	Improvements	Land	Buildings and Leasehold Improvements	Vehicles	Machinery and Equipment	Roads and Streets	Infrastructure			Sewer	Subtotal	Assets Under Construction	2014 Total	2013 Total
								Storm Sewer	Water	Sewer					
Balance - beginning of year	\$ 3,011,428	\$ 5,259,362	\$ 8,492,905	\$ 2,770,145	\$ 2,018,422	\$ 32,046,235	\$ 16,263,806	\$ 23,311,179	\$ 15,370,131	\$ 108,543,613	\$ 2,739,349	\$ 111,282,962	\$ 108,284,835		
Change in percentage ownership	(41)	(26)	863	1,945	43	-	-	-	-	2,784	-	2,784	(335,014)		
Add: Net additions during the year	627,523	644,842	171,729	417,360	152,114	4,946,517	692,068	1,128,583	533,618	9,314,354	(1,054,531)	8,259,823	6,182,369		
Less: Disposals during the year	-	(32,888)	(701,603)	(92,927)	-	(1,985,283)	(82,045)	(42,887)	16,468	(2,921,165)	-	(2,921,165)	(2,849,228)		
Balance - end of year	3,638,910	5,871,290	7,963,894	3,096,523	2,170,579	35,007,469	16,873,829	24,396,875	15,920,217	114,939,586	1,684,818	116,624,404	111,282,962		
ACCUMULATED AMORTIZATION															
Balance - beginning of year	-	1,580,017	2,876,922	1,328,713	629,190	15,193,652	5,298,529	4,823,593	6,857,351	38,587,967	-	38,587,967	35,775,761		
Change in percentage ownership	-	(12)	485	585	(23)	-	-	-	-	1,035	-	1,035	(64,524)		
Add: Amortization during the year	-	324,403	189,687	212,232	171,376	1,570,824	298,811	430,406	290,742	3,488,481	-	3,488,481	3,321,162		
Less: Accumulated amortization on disposals	-	(20,650)	(112,990)	(83,329)	-	(974,101)	(63,766)	(9,633)	(41,048)	(1,305,517)	-	(1,305,517)	(444,432)		
Balance - end of year	-	1,883,758	2,954,104	1,458,201	800,543	15,790,375	5,533,574	5,244,366	7,107,045	40,771,966	-	40,771,966	38,587,967		
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS															
	\$ 3,638,910	\$ 3,987,532	\$ 5,009,790	\$ 1,638,322	\$ 1,370,036	\$ 19,217,094	\$ 11,340,255	\$ 19,152,509	\$ 8,813,172	\$ 74,167,620	\$ 1,684,818	\$ 75,852,438	\$ 72,694,995		
Consists of:															
General Fund Assets	\$ 3,220,478	\$ 3,885,818	\$ 1,712,465	\$ 832,309	\$ 1,077,974	\$ 19,217,094	\$ 11,340,255	\$ -	\$ -	\$ 41,286,393	\$ 754,082	\$ 42,040,475	\$ 40,330,052		
Water & Sewer Fund Assets	178,555	-	131,640	-	4,665	-	-	19,152,509	8,813,172	28,280,541	930,736	29,211,277	27,632,521		
Controlled Entities	239,877	101,714	3,165,685	806,013	287,397	-	-	-	-	4,600,686	-	4,600,686	4,732,422		
	\$ 3,638,910	\$ 3,987,532	\$ 5,009,790	\$ 1,638,322	\$ 1,370,036	\$ 19,217,094	\$ 11,340,255	\$ 19,152,509	\$ 8,813,172	\$ 74,167,620	\$ 1,684,818	\$ 75,852,438	\$ 72,694,995		

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

22. SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR JOINTLY CONTROLLED ENTITIES

	Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Assets Under Construction	2014 Total	2013 Total
COST								
Balance - beginning of year	\$ 239,918	\$ 123,297	\$ 3,903,837	\$ 1,315,106	\$ 408,864	\$ -	\$ 5,991,022	\$ 6,072,630
Change in percentage ownership	(41)	(26)	863	1,945	43	-	2,784	(335,013)
Add: Net additions during the year	-	-	9,773	48,477	64,700	-	122,950	2,493,463
Less: Disposals during the year	-	-	-	(13,027)	-	-	(13,027)	(2,240,058)
Balance - end of year	<u>239,877</u>	<u>123,271</u>	<u>3,914,473</u>	<u>1,352,501</u>	<u>473,607</u>	<u>-</u>	<u>6,103,729</u>	<u>5,991,022</u>
ACCUMULATED AMORTIZATION								
Balance - beginning of year	-	13,666	639,718	474,774	130,442	-	1,258,600	1,386,714
Change in percentage ownership	-	(12)	485	585	(23)	-	1,035	(64,524)
Add: Amortization during the year	-	7,903	108,585	82,515	55,791	-	254,794	207,021
Less: Accumulated amortization on disposals	-	-	-	(11,386)	-	-	(11,386)	(270,611)
Balance - end of year	<u>-</u>	<u>21,557</u>	<u>748,788</u>	<u>546,488</u>	<u>186,210</u>	<u>-</u>	<u>1,503,043</u>	<u>1,258,600</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 239,877</u>	<u>\$ 101,714</u>	<u>\$ 3,165,685</u>	<u>\$ 806,013</u>	<u>\$ 287,397</u>	<u>\$ -</u>	<u>\$ 4,600,686</u>	<u>\$ 4,732,422</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

23. SCHEDULE OF SEGMENT DISCLOSURE

	General	Protective	Transportation	Environmental Health	Environmental Development	Recreation and Culture	Water and Sewer	2014 Consolidated	2013 Consolidated
REVENUE									
Property tax warrant	\$ 1,524,353	\$ 4,017,451	\$ 5,541,803	\$ 669,575	\$ 398,896	\$ 2,094,203	\$ -	\$ 14,246,281	\$ 14,073,003
Sale of service	41,789	-	-	-	-	291,927	-	333,716	509,651
Services provided to other governments	-	-	80,903	-	-	-	-	80,903	79,174
Other own source	50,447	54,128	-	-	104,080	-	-	208,655	530,325
Unconditional grant	22,424	59,098	81,522	9,850	5,868	30,806	-	209,568	315,881
Conditional government transfers	-	-	865,104	-	-	141,243	330,000	1,336,347	642,597
Water and sewer user fees	-	-	-	-	-	-	2,412,895	2,412,895	2,271,412
Sundry and interest	87,925	172,290	-	-	-	-	47,515	307,730	315,502
	<u>1,726,938</u>	<u>4,302,967</u>	<u>6,569,332</u>	<u>679,425</u>	<u>508,844</u>	<u>2,558,179</u>	<u>2,790,410</u>	<u>19,136,095</u>	<u>18,737,545</u>
EXPENDITURE									
Salaries and benefits	765,744	3,491,408	1,081,375	-	253,118	637,466	582,738	6,811,849	6,890,322
Goods and services	751,884	573,327	1,558,020	710,520	173,224	1,073,792	848,816	5,689,583	5,614,637
Interest	11,117	24,954	86,592	-	-	55,740	256,463	434,866	412,583
Other	35,239	738	1,027,318	-	-	-	8,754	1,072,049	44,777
Amortization	34,360	164,397	2,105,924	-	-	448,257	735,543	3,488,481	3,321,163
	<u>1,598,344</u>	<u>4,254,824</u>	<u>5,859,229</u>	<u>710,520</u>	<u>426,342</u>	<u>2,215,255</u>	<u>2,432,314</u>	<u>17,496,828</u>	<u>16,283,482</u>
Surplus (deficit) for the year	\$ <u>128,594</u>	\$ <u>48,143</u>	\$ <u>710,103</u>	\$ <u>(31,095)</u>	\$ <u>82,502</u>	\$ <u>342,924</u>	\$ <u>358,096</u>	\$ <u>1,639,267</u>	\$ <u>2,454,063</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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
2014 annual surplus (deficit)	\$ 7,655,160	\$ (3,663,110)	\$ 1,203,628	\$ (735,544)	\$ 8,540	\$ 1,281,193	\$ 145	\$ 24,496	\$ (4,135,241)	\$ 1,639,267
Adjustments to annual surplus (deficit) for funding requirements										
Second previous year's surplus (deficit)	152,103	-	(138,840)	-	-	-	-	-	10,810	24,073
Transfers between funds										
Transfer elimination	(2,752,524)	2,752,524	(701,379)	701,379	-	(2,000,000)	-	-	-	-
Transfer elimination	-	2,000,000	-	-	(150,000)	-	-	-	-	-
Transfer elimination	150,000	-	-	-	-	20,000	-	-	-	-
Transfer elimination	(20,000)	-	-	-	-	3,460	-	-	-	-
Transfer elimination	(3,460)	-	-	-	-	(24,246)	-	-	-	-
Transfer elimination	-	24,246	-	-	-	-	-	98,850	-	-
Transfer elimination	-	-	(98,850)	-	-	(230,000)	-	(180,000)	-	-
Transfer elimination	-	-	-	230,000	-	-	-	4,000	-	-
Transfer elimination	-	-	(4,000)	180,000	-	-	-	-	-	-
Transfer elimination	-	-	-	-	-	-	-	-	-	-
Long term debt principal repayment	(676,000)	676,000	(424,204)	424,204	-	-	-	-	-	-
Provision for Pension liability	(86,600)	-	-	-	-	-	-	-	(62,123)	(148,723)
Provision for sick leave accrual	-	-	-	-	-	-	-	-	18,042	18,042
Provision for retirement allowance	-	-	-	-	-	-	-	-	(44,524)	(44,524)
Accumulated amortization on disposal of capital assets	-	(1,294,131)	-	-	-	-	-	-	(11,386)	(1,305,517)
Revenue adjustment	(4,133,487)	-	-	-	-	-	-	-	4,133,487	-
Deferred Gas tax revenue	-	-	-	-	-	(434,356)	-	-	-	(434,356)
Unrealized gains on investments	-	-	-	-	-	-	-	-	(9,919)	(9,919)
Amortization expense	-	2,498,143	-	735,544	-	-	-	-	254,794	3,488,481
Total adjustments to 2014 annual surplus (deficit)	(7,369,968)	6,656,782	(1,367,273)	2,271,127	(150,000)	(2,665,142)	-	(77,150)	4,289,181	1,587,557
2014 annual surplus (deficit) for funding requirements	\$ 285,192	\$ 2,993,672	\$ (163,645)	\$ 1,535,583	\$ (141,460)	\$ (1,383,949)	\$ 145	\$ (52,654)	\$ 153,940	\$ 3,226,824

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

25. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Water and Sewer Operating Reserve	Water and Sewer Capital Reserve	Land for Public Purpose	2014 Total	2013 Total
ASSETS							
Cash and short term investments	\$ 616,177	\$ 2,839,843	\$ -	\$ 1,547,793	\$ -	\$ 5,003,813	\$ 4,875,731
Accounts receivable from other funds	<u>1,731</u>	<u>310,172</u>	<u>97,586</u>	<u>(97,586)</u>	<u>88,030</u>	<u>399,933</u>	<u>2,105,933</u>
	\$ 617,908	\$ 3,150,015	\$ 97,586	\$ 1,450,207	\$ 88,030	\$ 5,403,746	\$ 6,981,664
ACCUMULATED SURPLUS	<u>617,908</u>	<u>3,150,015</u>	<u>97,586</u>	<u>1,450,207</u>	<u>88,030</u>	<u>5,403,746</u>	<u>6,981,664</u>
REVENUE							
Other government transfers	\$ -	\$ 800,908	\$ -	\$ -	\$ -	\$ 800,908	\$ 983,448
Transfers from Operating Funds	-	20,000	-	112,878	3,460	136,338	1,406,525
Interest	<u>8,540</u>	<u>44,736</u>	<u>145</u>	<u>14,468</u>	<u>1,193</u>	<u>69,082</u>	<u>54,445</u>
	\$ 8,540	\$ 865,644	\$ 145	\$ 127,346	\$ 4,653	\$ 1,006,328	\$ 2,444,418
EXPENDITURES							
Transfers to General Operating Fund	150,000	-	-	-	-	150,000	-
Transfer to General Capital Fund	-	2,000,000	-	-	24,246	2,024,246	701,368
Transfers to General and Water and Sewer Capital Funds	-	<u>230,000</u>	-	<u>180,000</u>	-	<u>410,000</u>	<u>270,000</u>
	<u>150,000</u>	<u>2,230,000</u>	<u>-</u>	<u>180,000</u>	<u>24,246</u>	<u>2,584,246</u>	<u>971,368</u>
ANNUAL SURPLUS (DEFICIT)	<u>(141,460)</u>	<u>(1,364,356)</u>	<u>145</u>	<u>(52,654)</u>	<u>(19,593)</u>	<u>(1,577,918)</u>	<u>1,473,050</u>

<u>Name of Investment</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>
Cashable GIC	\$ 3,093,613	1.35%	March 23, 2015
Cashable GIC	400,454	1.15%	January 14, 2016

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

25. STATEMENT OF RESERVES (cont'd)

Council Resolutions regarding transfers to and from reserves:

Moved by Counc. MacDonald and seconded by Deputy Mayor Grant RESOLVED THAT the sum of \$1,400,000 be transferred from the General Capital Reserve Fund to the General Capital Fund to cover the costs of Capital Projects. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. Lewis RESOLVED THAT the sum of \$600,000 be transferred from the General Capital Reserve Fund (Gas Tax) to the General Capital Fund to cover costs of Capital Works projects. CARRIED.

Moved by Counc. MacDonald and seconded by Deputy Mayor Grant BE IT RESOLVED THAT the sum of \$150,000 be transferred from the General Operating Reserve to the General Operating Fund to cover costs for extra snow removal. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. Alexander RESOLVED THAT the sum of \$10,000 be transferred from the General Operating Fund to the Capital Reserve Fund (Town Hall) for the year 2014. CARRIED.

Moved by Counc. MacDonald and seconded by Deputy Mayor Grant RESOLVED THAT the sum of \$10,000 be transferred from the General Operating Fund to the Capital Reserve Fund representing outside contributions (KVCC). CARRIED.

Moved by Counc. MacDonald and seconded by Counc. McGuire RESOLVED THAT Gas Tax Funding in the amount of \$800,908 for the year 2014, be transferred to the General Capital Reserve Fund (Gas Tax). CARRIED.

Moved by Counc. MacDonald and seconded by Counc. Alexander BE IT RESOLVED THAT the sum of \$3,460.32 be transferred from the General Operating Fund to the Land for Public Purposes Reserve Fund for external contributions. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. McGuire BE IT RESOLVED THAT the sum of \$24,246.37 be transferred from the Land for Public Purposes Fund to the General Capital Fund to cover costs of land purchase. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. Gallagher Jette RESOLVED that \$98,850 be transferred from Utility Operating Fund to the Utility Capital Reserve Fund for water and sewer connection fees. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. Gallagher Jette RESOLVED that \$230,000 be transferred from the General Capital Reserve Fund (Gas Tax) to the Utility Capital Fund to cover projects costs. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. McGuire RESOLVED that \$180,000 be transferred from the Utility Capital Reserve Fund to the Utility Capital Fund to cover project costs. CARRIED.

Moved by Counc. MacDonald and seconded by Counc. Lewis RESOLVED that \$4,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for Rothesay's contribution to the sewage outfall reserve. CARRIED.

ROTHESAY

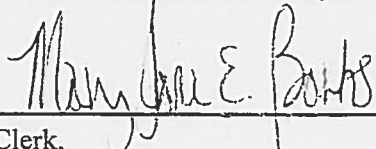
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

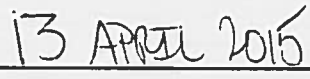
25. STATEMENT OF RESERVES (cont'd)

Moved by Counc. MacDonald and seconded by Counc. Alexander RESOLVED that \$10,028 received from Quispamsis for sewage outfall be transferred to the Utility Capital Reserve Fund. CARRIED.

I hereby certify that the above are true and exact copies of resolutions adopted at a special meeting of Council on December 15, 2014.



Clerk,
Rothesay



Date

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

26. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KV Fire</u>	<u>Police</u>	<u>Library</u>	<u>2014 Total</u>	<u>2013 Total</u>
ASSETS	\$ <u>1,668,238</u>	\$ <u>1,511,467</u>	\$ <u>2,316,582</u>	\$ <u>5,496,287</u>	\$ <u>5,516,873</u>
LIABILITIES	\$ <u>1,003,428</u>	\$ <u>1,528,499</u>	\$ <u>26,663</u>	\$ <u>2,558,590</u>	\$ <u>2,669,698</u>
ACCUMULATED SURPLUS (DEFICIT)	\$ <u>664,810</u>	\$ <u>(17,032)</u>	\$ <u>2,289,919</u>	\$ <u>2,937,697</u>	\$ <u>2,847,175</u>
REVENUE	\$ 1,852,451	\$ 2,414,238	\$ 98,364	\$ 4,365,053	\$ 4,652,680
EXPENDITURES	<u>1,831,713</u>	<u>2,274,664</u>	<u>169,567</u>	<u>4,275,944</u>	<u>4,296,453</u>
	20,738	139,574	(71,203)	89,109	356,227
CHANGE IN PERCENTAGE OWNERSHIP	<u>1,237</u>	<u>176</u>	<u>-</u>	<u>1,413</u>	<u>(189,015)</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>21,975</u>	\$ <u>139,750</u>	\$ <u>(71,203)</u>	\$ <u>90,522</u>	\$ <u>167,212</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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

27. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water and Sewer	Amortization ICA	Controlled Entities	Transfers	Total
REVENUE						
Property tax warrant	\$ 14,246,284	\$ -	\$ -	\$ -	\$ -	\$ 14,246,284
Unconditional transfers from other governments	209,567	-	-	-	-	209,567
Conditional transfers from Federal or Provincial governments	26,500	-	-	-	29,092	55,592
Services other governments	66,306	-	-	-	-	66,306
Other own source	123,040	-	-	-	-	123,040
Sale of services	311,200	-	-	-	-	311,200
Other transfers	775,000	-	-	-	(775,000)	-
Water and sewer user fees	-	2,750,044	-	-	(387,000)	2,363,044
Sundry income	5,000	34,000	-	163,697	-	202,697
Surplus (deficit) of second previous year	152,103	(138,840)	-	-	(13,263)	-
	<u>15,915,000</u>	<u>2,645,204</u>	<u>-</u>	<u>163,697</u>	<u>(1,146,171)</u>	<u>17,577,730</u>
EXPENDITURES						
General government services	2,020,500	-	34,000	-	(6,541)	2,047,959
Protective services	4,465,800	-	134,103	4,088,514	(4,409,787)	4,278,630
Transportation services	3,244,100	-	2,100,000	-	(670,160)	4,673,940
Environmental health services	715,000	-	-	-	-	715,000
Environmental development services	547,200	-	-	-	-	547,200
Recreation and cultural services	1,745,400	-	450,397	77,989	(24,513)	2,249,273
Fiscal services						
Long term debt repayments	676,000	424,204	-	-	(1,100,204)	-
Interest	216,000	256,824	-	-	(472,824)	-
Transfer from General Operating Fund to General Capital Reserve Fund	310,000	-	-	-	(310,000)	-
Transfer from General Operating Fund to General Capital Fund	1,975,000	-	-	-	(1,975,000)	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Capital Reserve Fund	-	380,000	-	-	(380,000)	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Operating Reserve Fund	-	154,436	-	-	(154,436)	-
Water and Sewer	-	1,429,740	-	-	256,824	2,421,564
	<u>15,915,000</u>	<u>2,645,204</u>	<u>3,453,500</u>	<u>4,166,503</u>	<u>(9,246,641)</u>	<u>16,933,566</u>
Surplus (deficit)	\$ -	\$ -	\$ (3,453,500)	\$ (4,002,806)	\$ 8,100,470	\$ 644,164

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

28. REVENUE AND EXPENDITURES SUPPORT

	<u>2014</u> Budget	<u>2014</u> Actual	<u>2013</u> Actual
REVENUE			
Sale of services			
Community Centre	\$ 18,000	\$ 28,598	\$ 19,526
Rental revenue	11,700	25,339	179,908
Recreational programs	<u>281,500</u>	<u>279,779</u>	<u>310,217</u>
	<u>\$ 311,200</u>	<u>\$ 333,716</u>	<u>\$ 509,651</u>
Other own source			
Permits and fines	\$ 113,000	\$ 158,248	\$ 181,317
Contributions by developers	-	-	305,921
Miscellaneous	<u>10,040</u>	<u>50,407</u>	<u>43,087</u>
	<u>\$ 123,040</u>	<u>\$ 208,655</u>	<u>\$ 530,325</u>
Conditional government transfers			
ACOA Grant	\$ -	\$ 83,213	\$ 116,436
Province of New Brunswick	-	365,103	-
Gas Tax revenue	29,092	830,000	470,000
Other government grants	<u>26,500</u>	<u>58,031</u>	<u>56,161</u>
	<u>\$ 55,592</u>	<u>\$ 1,336,347</u>	<u>\$ 642,597</u>
EXPENDITURE			
General government services			
Legislative			
Mayor	\$ 35,600	\$ 31,701	\$ 34,662
Councilors	104,000	96,902	95,736
Fundy Regional Service Commission	10,500	9,095	7,413
Other	<u>17,000</u>	<u>6,368</u>	<u>16,908</u>
	<u>167,100</u>	<u>144,066</u>	<u>154,719</u>
Administrative			
Administration	905,300	619,245	708,404
Office building	206,500	163,198	52,014
Solicitor	50,000	20,562	21,985
Supplies	-	30,363	39,969
Other	<u>177,017</u>	<u>108,398</u>	<u>129,463</u>
	<u>1,338,817</u>	<u>941,766</u>	<u>951,835</u>
Financial management			
External audit and PSAS conversion	<u>31,000</u>	<u>38,547</u>	<u>43,223</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2014</u> Budget	<u>2014</u> Actual	<u>2013</u> Actual
General government services (cont'd)			
Other			
Civic relations	4,750	3,125	2,772
Rothesay elementary playground	-	-	100,000
Community communications	9,000	5,085	5,041
Insurance	143,300	142,726	109,287
Property tax - land for public purposes	20,033	8,295	11,326
Grants to organizations	44,250	32,328	28,876
Cultural support	10,000	6,000	6,000
Cost of assessment	232,250	232,250	229,423
Interest	13,459	11,117	9,608
Loss on disposal of tangible capital assets	-	(1,321)	6,476
Amortization	<u>34,000</u>	<u>34,360</u>	<u>45,000</u>
	<u>511,042</u>	<u>473,965</u>	<u>553,809</u>
	<u>\$ 2,047,959</u>	<u>\$ 1,598,344</u>	<u>\$ 1,703,586</u>
Protective services			
Fire			
Administration	\$ 214,092	\$ 245,546	\$ 225,779
Firefighting force	1,380,430	1,381,223	1,364,781
Telecommunications	7,747	6,088	4,372
Insurance	14,161	13,535	14,268
Prevention and training	14,411	12,967	13,010
Facilities	98,678	94,044	82,736
Fleet	46,065	39,550	50,071
Operations	18,909	21,617	22,822
Water costs	10,883	10,883	10,294
Retirement allowance	16,035	17,197	22,618
Other	625	2,237	521
Gain on disposal of tangible capital assets	-	-	(4,874)
Amortization	<u>73,170</u>	<u>103,465</u>	<u>95,379</u>
	<u>1,895,206</u>	<u>1,948,352</u>	<u>1,901,777</u>
Crimestoppers	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>
Police			
Crime Control	1,615,688	1,567,984	1,510,430
Vehicle Fleet	100,721	91,246	115,193
Property	66,902	101,449	100,073
Administration	328,439	296,655	299,478
Retirement allowance	29,945	26,991	30,831
Communications	124,783	125,668	120,618
Other	-	(9,919)	(4,728)
Loss on disposal of tangible capital assets	-	738	1,644
Amortization	<u>60,933</u>	<u>60,932</u>	<u>67,168</u>
	<u>2,327,411</u>	<u>2,261,744</u>	<u>2,240,707</u>

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

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2014</u> Budget	<u>2014</u> Actual	<u>2013</u> Actual
Protective services (cont'd)			
Other			
Animal control	12,000	11,736	7,200
Interest	30,213	24,954	21,568
Other	<u>11,000</u>	<u>5,238</u>	<u>4,883</u>
	<u>53,213</u>	<u>41,928</u>	<u>33,651</u>
	<u>\$ 4,278,630</u>	<u>\$ 4,254,824</u>	<u>\$ 4,178,935</u>
Transportation services			
Common			
Wages and benefits	\$ 893,000	\$ 1,081,375	\$ 1,113,840
Workshop, yard and equipment maintenance	573,600	611,779	555,520
Engineering	<u>40,000</u>	<u>6,234</u>	<u>5,920</u>
	<u>1,506,600</u>	<u>1,699,388</u>	<u>1,675,280</u>
Roads and Streets			
Roadway surfaces	105,000	73,192	72,113
Crosswalks and sidewalks	24,000	13,186	28,963
Culverts and drainage ditches	40,000	15,388	35,333
Storm sewers	50,000	29,924	49,091
Street cleaning	26,000	6,954	23,554
Snow and ice removal	390,000	489,690	479,317
Street lighting	142,000	141,886	137,863
Street signs	15,000	5,777	13,080
Traffic lane marking	30,000	17,936	14,782
Traffic signals and signs	33,000	39,604	12,814
Railway crossing signals	26,000	20,970	12,888
Public transit - Comex Service	81,500	85,500	77,863
Interest	104,840	86,592	74,841
Loss on disposal of tangible capital assets	-	1,027,318	-
Amortization	<u>2,100,000</u>	<u>2,105,924</u>	<u>2,112,075</u>
	<u>3,167,340</u>	<u>4,159,841</u>	<u>3,144,577</u>
	<u>\$ 4,673,940</u>	<u>\$ 5,859,229</u>	<u>\$ 4,819,857</u>
Environmental health services			
Solid waste disposal	\$ 225,000	\$ 222,235	\$ 212,214
Solid waste compost	25,000	27,407	26,299
Solid waste collection	425,000	425,489	414,417
Clean up campaign	<u>40,000</u>	<u>35,389</u>	<u>33,789</u>
	<u>\$ 715,000</u>	<u>\$ 710,520</u>	<u>\$ 686,719</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2014</u> Budget	<u>2014</u> Actual	<u>2013</u> Actual
Environmental development services			
Environmental planning and zoning	\$ 457,500	\$ 338,891	\$ 326,068
Greater Saint John Economic Development Agency, Inc.	86,500	84,348	85,812
Tourism	<u>3,200</u>	<u>3,103</u>	<u>3,103</u>
	<u>\$ 547,200</u>	<u>\$ 426,342</u>	<u>\$ 414,983</u>
Recreation and cultural services			
Administration	\$ 237,500	\$ 260,842	\$ 341,562
Beaches	53,400	47,133	51,872
Rothesay Arena	262,500	199,552	259,560
Memorial Centre	57,500	53,115	53,080
Summer programs	167,300	202,124	197,242
Parks and gardens	494,700	471,746	501,886
Regional Facilities Commission	310,000	309,324	277,779
Kennebecasis Public Library Inc	77,989	96,224	62,480
Special events	32,500	28,515	31,528
Living museum	4,000	1,543	2,945
Apartment buildings	34,000	46,946	108,238
Loss on disposal of capital assets	-	(5,806)	64,555
Interest	67,487	55,740	48,177
Amortization	<u>450,397</u>	<u>448,257</u>	<u>330,512</u>
	<u>\$ 2,249,273</u>	<u>\$ 2,215,255</u>	<u>\$ 2,331,416</u>
Water and sewer services			
Water System			
Administration	\$ 264,380	\$ 247,194	\$ 228,855
Purification maintenance and treatment	233,800	232,276	137,333
Source of supply - purchase of water	-	1,365	1,629
Transmission and distribution	100,900	103,064	114,168
Power and pumping	48,400	37,506	40,613
Billing and collecting	<u>3,000</u>	<u>1,323</u>	<u>964</u>
	<u>650,480</u>	<u>622,728</u>	<u>523,562</u>
Sewer System			
Administration	586,860	603,983	544,285
Sewer collection system	82,800	100,825	54,403
Sewer lift stations	34,400	27,669	17,216
Treatment and disposal	75,200	76,348	79,101
Loss on disposal of tangible capital asset	<u>-</u>	<u>8,754</u>	<u>-</u>
	<u>779,260</u>	<u>817,579</u>	<u>695,005</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

Interest	256,824	256,463	258,390
Amortization	<u>735,000</u>	<u>735,544</u>	<u>671,029</u>
	<u>991,824</u>	<u>992,007</u>	<u>929,419</u>
	<u>\$ 2,421,564</u>	<u>\$ 2,432,314</u>	<u>\$ 2,147,986</u>