

ROTHESAY



2018

Annual Report

This is the Annual Report of the corporation of the town of
Rothesay for the 2018 fiscal year (January 1 to December 31).



ROTHESAY



June 9th, 2019

Mayor Nancy Grant & Council
The town of Rothesay

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Dear Mayor Grant:

Re: 2018 Annual Report

It is my pleasure to present the Annual Report of the business of the Town for 2018 prepared in accordance with New Brunswick Regulation 2018-54 under the Local Governance Act. Attached to this report are the audited financial statements which show that the Town has operated with a small surplus in both the general and utilities funds.

The year was a challenging one in respect to revenues as the Provincial Government froze the assessments thereby limiting revenues and leading to a two cent tax increase. This meant that the Town has been somewhat constricted on its capital from operating projects as some projects were deferred due to funding limitations. Grants from the other orders of government were not forthcoming delaying the commencement of the wastewater treatment project. Record flooding associated with the spring freshet also presented challenges partially offset by the support of community volunteers and a Disaster Recovery program funded by the Provincial and Federal Governments.

Staff is appreciative of Council support throughout the year and look forward to continued success in 2019. Town staff have worked diligently to follow the direction Council has provided and working together, I believe real progress can be achieved.

Yours respectfully,


John Jarvie, MCIP, RPP
Town Manager

Enc. : Annual Report
: Annual Audit

Explore our past / Explorez notre passé.
Discover your future / Découvrez votre avenir

Grand Bay-Westfield • Quispamsis • Rothesay • St. Martins • Saint John

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Rothesay

ANNUAL REPORT

1. INTRODUCTION

January 1 Regulation 2018 – 54 came into effect. The Province of New Brunswick established the *Annual Report Regulation – Local Governance Act* that is intended to provide information to property taxpayers regarding their local government. Rothesay has published an annual report in the past but this report differs in that it is designed to be in conformance with this new legislation. A copy of the new regulation can be found in the appendices to this Report.

2. THE COMMUNITY

Rothesay is a long established residential community in southern New Brunswick and celebrated its 150th anniversary in 2010. In 1997, the Provincial Government amalgamated a portion of the Local Service District of Wells with the Town of Rothesay and the villages of Fairvale, Renforth and East Riverside-Kingshurst to form the new town of Rothesay with a population of about 11,500.

Rothesay's current population, based on the 2016 Statistics Canada Census, is 11,659 a small reduction from the 2011 count. This population was distributed amongst 4,635 households 74% of which occupy single detached housing with an average size of 2.2 person.

Rothesay is part of the Fundy Regional Service district, which is composed of nearby municipalities and local service districts centered on the mouth of the St. John River.

In 2018 Council commissioned a survey of Rothesay residents regarding satisfaction with the services provided by the town and other related matters. A copy of the survey results can be found on the Rothesay website. Key findings included:

- Residents perceive the quality of life in Rothesay to be extremely high, and are happy with their neighbourhoods.
- There is a high level of satisfaction with the overall performance of the Town.
- One in six Rothesay residents have been impacted by storm water, in their opinion the municipality's response is negative.

3. GOVERNANCE

An eight person Council with Dr. Nancy Grant as Mayor leads the Town. The attendance of Councillors and monies they received from the Town are set out in appendices c & d.

A. COUNCIL MEMBERS

Nancy Tiffany Miriam Grant Peter Don Matt Bill



The Rothesay Council includes:

- Mayor, **Dr. Nancy Grant****
- Deputy Mayor, **Dr. Matthew Alexander, Ph.D.***

And Councillors:

- | | |
|--------------------------------|------------------------|
| • Grant Brenan | • Don Shea |
| • Tiffany Mackay French | • Bill McGuire* |
| • Peter Lewis* | • Miriam Wells* |

*Re-elected; ** elected Mayor after serving as Deputy Mayor

B. COUNCIL MEETINGS

Rothesay Council meetings are typically held the second Monday of the month at 7:00 p.m. in the Common Room, Rothesay Town Hall, 70 Hampton Road, Rothesay, NB. Regular and special Council meetings are open to the public. Council agendas and agenda packages are posted to the Rothesay website prior to each meeting. Approved Council minutes are available for review in the Clerk's office and also online: www.rothesay.ca. In 2018, Council held 13 Council meetings and 15 Committee sessions. Thirteen delegations were heard and three bylaws passed.

Closed session meetings are held in accordance with the Local Governance Act, SNB 17, c. 18 (s. 68). The topics are generally related to the following: confidential and/or personal information protected by law; contract negotiations; land disposition or acquisition; litigation or potential litigation and legal opinions or advice; matters of

security; information gathered by police; information that could violate confidentiality from the federal or provincial government; and labour and employment matters.

C. COMMITTEES OF COUNCIL (2018)

Council receives advice from ten committees several of which include volunteers from the community.

- Age Friendly Committee*
- Communications Committee
- EMO Committee
- Finance Committee
- Parks and Recreation Committee*
- Personnel Committee
- Planning Advisory Committee*
- Nominating Committee
- Rothesay Heritage Preservation Review Board*
- Works and Utilities Committee*

* Committees with resident volunteers.

D. COUNCIL PRIORITIES

Following its election in 2016 Council adopted a set of priorities to guide the activities of the municipality throughout the Council term. The priorities can be found in Appendix b.

4. ADMINISTRATION

The Rothesay Town office is open Monday through Friday from 8:00 am to 4:30 pm, except civic holidays. The main telephone line (848-6600) is answered 7/24 for service requests and urgent matters.

The Town is served by an able workforce of twenty unionized workers, 25 management, administrative and technical staff and 20 to 30 student employees during summer months. An integrated computer network supports the workforce and staff equipped with mobile computer devices provide service in the field. Rothesay has implemented a system to record customer service requests and to track the nature of requests and the time required to respond. There were 576 service requests recorded in the system in 2018 with the most frequent (24%) being related to water meters.

Town records are filed in a computerized database with searching capacity in accordance with the guidelines of the Municipal Records Authority. There were six requests for information under the Right to Information and Protection of Privacy Act.

The Town published two editions of the newsletter *RInsider* in 2018. This is a hard-copy publication listing seasonal activities, contact information and other items of interest mailed to every household in the Town.

The Town maintains a social media presence with 2,760 Facebook 'likes' and 3,237 followers on Twitter. Households are also encouraged to subscribe to the Sentinel system for notification in emergencies. Currently about 1 120 are registered. In January, The Town launched a new, upgraded website at www.Rothesay.ca where regular notices are

posted and up-to-date information on Town projects, policies and other business is maintained. A calendar on the website and an electronic bulletin board at the west end of Rothesay Road promote not-for-profit events.

Mary Jane Banks is the Director of Administrative Services and the Town Clerk.

5. PROTECTIVE SERVICES



A. FIRE

The Kennebecasis Valley Fire Department Inc. (KVFD) is a corporation jointly owned with Quispamsis to provide fire suppression and some fire prevention and education services throughout the two Towns. The Department also responds to a significant number of medical emergencies in cooperation with Ambulance New Brunswick. During 2018, there were 535 calls for service in Rothesay including 263 medical response calls and 13 involving fire or explosion resulting in financial losses to the property owner. The Department has a complement of forty firefighters, four management and two part-time administrative staff and operates two fire stations with the main station located on Campbell Drive in Rothesay. A Board with equal representation from each Council and volunteer appointments from each Town governs the KVFD. In 2018, Rothesay paid \$1.95M or 40.85% of the Department's operating costs. Details about the Fire Department are on its website:

<http://www.kvfire.ca>

The Fire Chief is Bill Ireland.

B. POLICE

The Kennebecasis Regional Police Force (KRPf), an organization jointly owned and funded with Quispamsis, carries out policing in Rothesay. The Force currently has an approved strength of 40 officers and employs four civilian staff. Rothesay's share (40.2%) of the annual budget for policing was \$2.3M in 2018. The City of Saint John Public Safety Answering Point (PSAP) answers emergency (911) calls in Rothesay under an agreement with the KRPf. The share of this service paid by Rothesay was \$141,831.



Oversight of the KRPf is charged to a Board of Commissioners appointed by the two Towns and one Commissioner appointed by the Provincial Minister of Public Safety. More information regarding the nature and operations of the Regional Police Force is on its website:

<http://www.kennebecasisregionalpolice.com/>

Wayne Gallant is the Police Chief.

E. EMERGENCY PREPAREDNESS

During 2018, Rothestay continued to work on its emergency preparedness. The spring freshet brought record flooding and the town responded with the help of many volunteers from local corporations and community groups. Sandbags in the tens of thousands were filled and property owners on the waterfront worked night and day to holdback the floodwaters. Once the water had receded, a major cleanup effort was launched to collect sandbags, flood-born debris and damaged materials from basements. The provincial and federal governments provided funding for disaster cleanup and a provincial Disaster Recovery Fund office was established in the Town Hall.

A key action during the flood was to raise the entrance road to Kennebecasis Park to permit the residents to continue to access their homes during the event. Subsequently an agreement was reached with the City of Saint John in which the road is located, to permanently raise the road to the higher elevation. As part of this 15-year agreement, the Town took responsibility for the ongoing maintenance of this section of Park Drive.

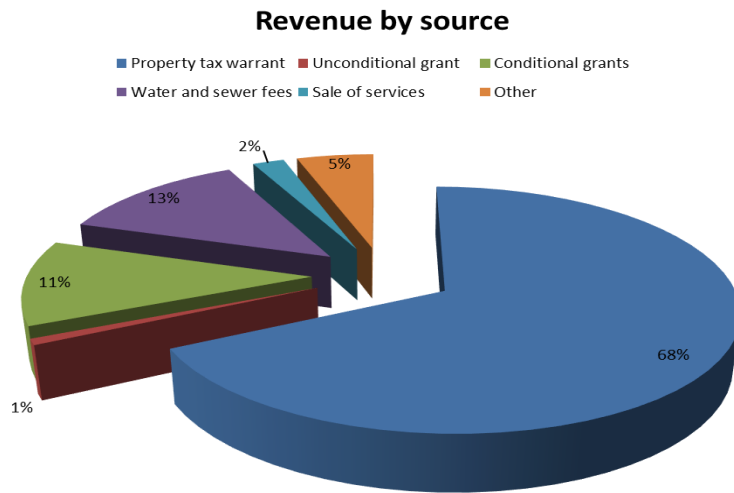
Following the flood Council commissioned an After Action Review by Emergency Solutions International to identify opportunities for improvement in future flood events.



6. FINANCE

The Town finished the 2018 fiscal year with a general fund surplus of \$99,250 and in the utility account \$80,211. These will be brought into budgets in 2020. During the year, the Town borrowed \$1.2M and retired \$1.54M of debt. The Town’s current debt is approximately \$1,421 per capita and debt service costs are 6.8% of the annual budget supported by property taxes. The legislated limit for debt service is 20% of a municipality’s annual expenditures in its general fund. The borrowing limits for utilities are larger and the Town is currently well within provincial guidelines at 16.9%. That debt is repaid through utility charges.

The Town donated \$55,508 to various groups and good causes in 2018; none of these were for economic development purposes. A list of the donations are found in Appendix



The total tax base of the municipality for the purposes of setting the tax rate was \$1.25B. The tax rate for 2018 was \$1.24 per hundred dollars of assessment. Assessments are carried out by Service New Brunswick on behalf of all municipalities in the province at a cost of slightly less than two cents per hundred to the property owner and an equal amount paid by the Town. Six percent of the tax

base is made up of non-residential properties that were taxed at a rate of \$1.815 + the \$2.27 Provincial rate.

Utility rates remained the same in 2018. Water cost was \$1.15/m³ plus a fixed cost of \$50 per quarter. The annual sewer charge remained at \$370 in 2018 for a single family house. Business and multi-family buildings pay by size of the service connection to the Town system.

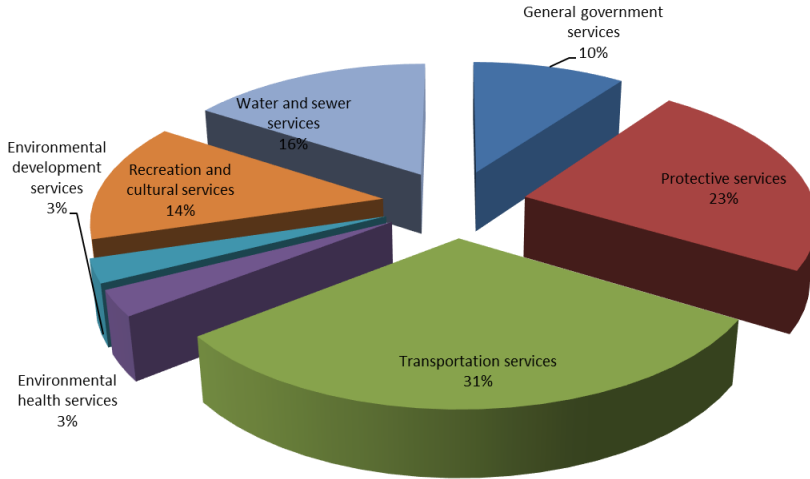


Rothesay

The total operating expenditures and debt service costs of the Town were \$19.8M. Rothesay paid \$143,120 in Provincial property tax in 2018 as well as HST to the Province of approximately \$550,000. The Provincial Government transferred \$188,558, including a special one-time payment of \$66,960 due to the assessment freeze imposed

by the Province, to bring the revenue of the Town to the 2017 amount (no increase). The remainder represents 16¢ of the \$2.27 provincial tax rate paid by non-residential property in the town (\$9.96/capita). On average, municipalities with populations of more than 10,000 received \$101 per person in equalization; Rothesay received none.

Expenses by function



The audited financial statements of the Town are found in Appendix a.

Doug MacDonald is the Town Treasurer.



7. PARKS & RECREATION

A. RECREATION

Rothesay Recreation department provides numerous program opportunities for its citizens throughout the year. Facilities include the Rothesay Arena, Bill McGuire Memorial Centre, Rothesay Common and the Wells Recreation Building. Through the summer months, the department collaborates with local schools to offer summer programs from various locations within the community. Flooding during the 2018 spring freshet took a toll on the McGuire Centre as the lower level was flooded resulting in major costs for restoration and permanent displacement of a long time tenant, the Vocational Training Centre for Adults.

The Town maintains many outdoor recreation facilities including ball fields, soccer pitches beaches and trails. The 'Hillside Trail' and parking lot is a popular walking opportunity while bike lanes add to the implementation of the Town's Active Transportation Plan.

In 2018, very little progress was made on replacement of the Rothesay Arena. The building, constructed in 1972, is in need of substantial repairs. An evaluation of the existing building estimated that renovation to current standards cost in the order of \$6 million. Council has decided to replace the existing facility with a modern and modest recreation building. Grants have been requested from the Province and the Federal Government.

There were a number of highlights for Rothesay recreation in 2018 including hosting the regional Winterfest event for the first time, a well-attended speaker series during the winter and the usual successful Canada Day celebrations. The busy summer playground program sought 236 kids registered in three locations. Regrettably, the damage at the McGuire Centre eliminated the annual day camp program provided by the YMCA. All 48 available plots in the community gardens rented including a new initiative in Kennebecasis Park. Also new was a monthly sunset yoga program at several riverfront locations. The year ended with the 20th annual KV Santa Claus parade in conjunction with Quispamsis and a very cold Mayor's Christmas tree lighting event in Rothesay Common.

B. PARKS

Rothesay maintains a network of parks and green spaces with major nodes such as the Rothesay Common, East Riverside- Kingshurst Park, Steele-Kennedy Nature Park, Wells Recreation Park, Renforth Park and smaller gems such as Dobbin Park and 150 Anniversary Park. The Town also maintains many outdoor recreation facilities including five ball fields, two synthetic turf surfaces at the Arthur Miller Fields, two irrigated soccer pitches and approximately 20 kilometres of walking, hiking and cross country ski trails.

The freshet played havoc with Rothesay's waterfront parks as there was major damage to the boardwalk at the lighthouse in Renforth Park and damage to walking trails and loss of the deck at the new pavilion in East Riverside – Kingshurst Park. The old wading

pool at KPark Beach was removed and the area landscaped following the flood. In addition, the Renforth tennis courts required complete resurfacing due to the water damage.

Besides restoration work following the flood, Parks staff had to contend with the major grub infestation affecting many of the turf areas. By the end of the season, it was possible to allocate resources to expand the Wells trail network in the watershed by about 6 kilometers. Regular Parks staff were supplemented by eight university students mowing, maintaining ballfields, working in the greenhouse and gardens and various other parks-related jobs. (Summer employment for students in 2018 was supported by wage supplements for four students by provincial grants for 20 students by Government of Canada subsidies.)

Charles Jensen is the Director of Recreation and Parks.

C. LIBRARY

Library services for Rothesay residents are provided in partnership with the town of Quispamsis and the Province of New Brunswick. The building at 1 Landing Court in Quispamsis is maintained by the two towns cost shared on a per capita basis. Permanent staff working in the library are employees of the Public Library Service of New Brunswick.

Completed late in 2013 a new library replaced the original building constructed in 1982. The library, is a split-level building of 1,800 m² built at a total project cost of just under \$6M. Rothesay's share of the capital cost was \$2.6M. The Rothesay share of the operating cost of the building was \$84,500 in 2018 (39% of total cost). More information on the **Kennebecasis Public Library** is found by liking Facebook at:

<https://www.facebook.com/kennebpl>

The Library Director is Laura Corscadden.

F. LIVING MUSEUM

The Rothesay Living Museum is a partnership with the Rothesay High School designed to protect and maintain memorabilia and artifacts from the five founding communities of the Town. It is operated by a volunteer committee that has collected stories of a number of prominent local people in written and audio forms. It has also sponsored the publication of a book and several special events. The past year was a relatively quiet one for the Living Museum but it remains a key channel for maintaining the Town history and an opportunity for youth in the community to gain an appreciation for how we came to be.

8. PLANNING AND DEVELOPMENT

A. BUILDING PERMITS

In 2018, Rothesay issued 218 building permits with a total Value of Construction of \$19 million dollars (\$19,044,238.00). The building permit fees resulting in \$135,502.00 of revenue.

B. BY-LAW ENFORCEMENT

The table below represents categorized resident complaints that were investigated by Staff.

	Zoning By-Law	Unightly Premises	Building By-Law	Town Owned Lands	Commercial Signage	Animal Control	Civic Complaint	Noise Complaint
2018	8	17	1	3	2	23	1	7

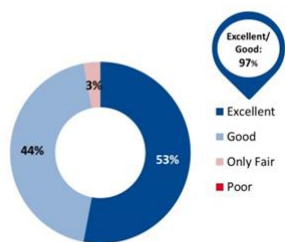
In 2018 an enforcement file escalated to the Courts when in August, property owners were brought before the Court of Queen’s Bench. Rothesay was seeking enforcement of the Zoning and Building By-Law regarding an illegal secondary suite. In September, Staff appeared in court, together with the homeowners, for consideration of the matter. Prior to the commencement of the hearing, the Town was able to discuss on a “Without Prejudice” basis a resolution of this matter. Since that appearance, the homeowners have substantially complied with the Court’s order albeit an outstanding issue regarding the septic system remains unresolved.

C. PLANNING

Quality of Life

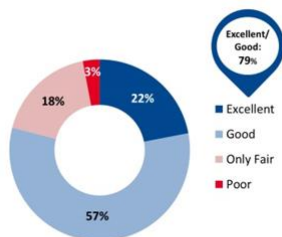
Residents perceive the quality of life in Rothesay to be extremely high, and are happy with their neighbourhoods.

Overall Quality of Life in Town of Rothesay



Q.1: All things considered, would you say the overall quality of life in the Town of Rothesay is excellent, good, only fair, or poor? (n=409)

Overall Quality of City, Town, Village or Community Where You Live



Q.CRA14: Thinking of your city, town, village or community where you live, would you say the overall quality of life is excellent, good, only fair, or poor? (n=404)
Source: CRA's Atlantic Quarterly, Quarter 3, 2018

The Rothesay Planning Advisory Committee met a total of eight times in 2018. There were no major applications rezoning applications in 2018. Of special interest Staff did begin in the spring of 2018 public consultation on the Municipal Plan and Zoning By-law review. On October 30, 2018 Rothesay held a well-attended (150 persons) meeting where the results of the Hillside Planning Study (secondary plan) were presented to the public and feedback was solicited. Copies of the DRAFT report were made available online on the Town’s website.

9. PUBLIC WORKS

The 2018 activities of the Public Works Department were made more complicated by the spring freshet. Several Town assets were damaged by flooding including the wooden deck at the newly constructed Pavilion at East Riverside/Kingshurst Park which was refurbished in concrete. However, typical seasonal work continued including the placement of 522 tonne of asphalt for repairs and 1263 tonne of winter salt. Over 68 km line of painting included almost 19 km of painting for bike lanes.

Waste collection included 1979 tonne of garbage, 911 tonne of compost material and 266 tonne of recyclables. These were collected through a contract with FERO Waste and Recycling Inc.

Capital work included 2,300 m of microseal and more than 4 km of asphalt. The latter included a major project of the Gondola Point Road to improve safety at the intersection of Isaac Street.

Six hundred, fifty-two metres of new sidewalk was added within the school catchment area on Iona Avenue and Eriskay Drive and a similar length of new storm sewer.

The Town Fleet was refreshed with replacement vehicles and equipment including a new backhoe and trackless sidewalk snowplow.

10. UTILITIES

A. WATER

In 2018 the town treatment plant at Carpenter Pond processed 610,326 m³ of raw water to produce 581,263 m³ of treated water for distribution. Two of the wells were subject to regular cleaning. Water testing of the raw water identified coliform counts on 37 occasions and in one case in the water after treatment. The untreated well water had an Ecoli count as high as five while there was no Ecoli in the treated water.

B. WASTEWATER

The following are the performance results for the three Town wastewater treatment lagoons for 2018.

Lagoon	Treated Volumes (m ³)	Mg/litre Oxygen Demand (CBOD)	Mg/litre Suspended Solids (TSS)
KPARK	126,618	14.1	17.8
RENFORTH	115,595	13.75	26
FAIRVALE	2,538,257	24.75	34

Operations staff reported 59 overflow event days new to flooding 2018. There were also 75 days of overflows at wastewater pumping stations due to rain and four days due to operational issues.

The Director of Operations including both Works and Utilities is Brett McLean.

As the year ended, Rothesay 20 outside workers in the Parks, Recreation and Works departments (CUPE Local 5369) agree to a three-year collective agreement. This is the first such agreement in the 21 year history of the amalgamated town and is noteworthy in that Rothesay is the last municipality in New Brunswick with a population in excess of 5,000 to have such an agreement. Management anticipates an effective working relationship will be continued as the town adjusts to this new arrangement.



II. APPENDICES

A. DONATIONS

RECIPIENT	TYPE	FORM	AMOUNT \$	PURPOSE
KV3C	grant	In kind	2500	Use of space in McGuire Centre
NB Medical Education Trust	grant	cash	5000	Support for medical education
Saint John Regional Hospital	grant	cash	2500	Support for regional medical services
KV Food Bank via Quispamsis	grant	cash	5,441.81	To offset rental cost
YMCA	grant	cash	2500	Camp Glenburn capital campaign
YMCA (four of five)	grant	cash	10,000	Regional YMCA capital campaign
Rothesay High School	grant	cash	1000	Student scholarship
KV Oasis Youth Centre	grant	cash	2500	To offset operating cost
Saint John Theatre Co.	grant	cash	1000	To offset operating cost
Symphony New Brunswick	grant	cash	500	To offset operating cost
KV Players	grant	cash	500	To offset operating cost
CVRC Inc.	grant	cash	500	Support- SJ priority neighbourhoods
Vocational Training Centre for Adults	grant	cash	2000	To offset rental costs
Kennebecasis Crimestoppers	grant	cash	2800	To offset operating cost
KV Committee for the Disabled	grant	cash	7000	Transportation subsidy
Pro-kids Saint John	grant	cash	7500	To offset administrative costs

TOTAL

\$53,241.81

B. COUNCIL PRIORITIES

Rothesay Council believes that its decisions and initiatives will be most effective and the resources of the municipality most productive if carried out within a framework of goals that clearly articulate the direction of the organization during its term in office. The Term Priorities adopted by Council are:

To adopt a long term, sustainable fiscal strategy based on sound principles

- To establish financial management principles specific to Rothesay's circumstances
- To develop a five year financial plan
- To consider the economic implications of all new development proposals
- To actively seek an improved position on Provincial transfers

To plan & execute capital projects on time and budget

- To establish a five year plan for road resurfacing /improvements & renewing other capital assets
- Completion of WWTP project on budget; with operational costs identified and costed
- To complete 'Wells link' on budget
- To develop a comprehensive policy on storm drainage

To revisit the Recreation Master Plan

- To review the Rothesay Recreation Master Plan
- To ensure Rothesay recreation and park facilities and programs meet the needs of a wide range of residents.
- To ensure Rothesay trails are well-maintained and expanded as resources and opportunities permit
- To explore opportunities for partnerships associated with Town-owned facilities
- To determine any parking improvements required at the Rothesay Common

To adopt a comprehensive Municipal Plan

- To ensure policies and actions on all long-term Town initiatives are considered for inclusion in the municipal plan
- To maintain clear channels of communication with the public regarding the design of the municipal plan and development proposals within Rothesay
- To ensure Rothesay's property condition bylaws are as effective as possible
- To identify at least 3 key policies that could contribute to greater affordability in the Rothesay housing market
- To encourage greater understanding regarding reasons and methods for barrier-free access

To develop an 'age-friendly community' strategy

- To establish the Town position on its role in addressing seniors' issues
- To review Town policy and procedures for "age friendliness"
- To advocate for Rothesay seniors with the provincial and federal governments

To develop more effective communication channels with its citizens, neighbours and other governments

To develop an effective communications plan based on recommendations from the Transparency Committee

- To develop quantitative and qualitative feedback metrics on effectiveness of Town communication channels
- To optimize benefits from participation in all inter-municipal and regional arrangements
- To maximize the benefits from revised municipal legislation

The Priorities were adopted at the November Council meeting so progress in 2016 was somewhat limited. At the close of the year action plans were being developed, committees struck and resources allocated through the budget process to advance the priorities.

Council Member	Committee	January	February	March	April	May	June	July	August	September	October	November	December
Counc. Miriam Wells	Personnel Committee	Present	Present	Present	Present		Present				Present	Present	
	Age-Friendly Committee	Present	Present			Present	Present			Present	Present		
	Nominating Committee										Present		
	Parks and Recreation Committee		Present		Absent	Present	Present			Present	NQ	Present	
	Public Works/Infrastructure Committee (until April)	Present	Present	Present	Present	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Works and Utilities Committee (created April)	N/A	N/A	N/A	N/A		Present	Present		Present	Present	Present	
	Board of Directors, KVFD	Present			Present	Absent		N/A	N/A	N/A	N/A	N/A	N/A
Counc. Tiffany Mackay French	Personnel Committee	Present	Present	Present	Present		Present				Present	Present	
	Heritage Preservation Review Board		Present	Absent								Present	
	Kennebecasis Joint Board of Police Commissioners	Present	Absent	Absent	Present	Present	Absent			Present	Present	Absent	
	UMNB Representative			Absent			Absent			Absent			
	Communications Committee (dissolved June)	Present				Present	Present	N/A	N/A	N/A	N/A	N/A	N/A

Legend	
Present	Present
Absent	Absent
No meeting held	
N/A	Not applicable (changes in Committee appointments/structure)
NQ	No Quorum

D. COUNCIL REMUNERATION

CATEGORY	Mayor Grant	D/Mayor Alexander	Councillor Brennan	Councillor Shea	Councillor Lewis	Councillor McGuire	Councillor Mackay French	Councillor Wells
Salary	19,733.40	10,666.80	9,133.44	9,133.44	9,133.44	9,133.44	9,133.44	9,133.44
Tax-Free Allowance	9,866.54	5,333.28	4,566.60	4,566.60	4,566.60	4,566.60	4,566.60	4,566.60
Sub-total	\$29,600.04	\$16,000.08	\$13,700.04	\$13,700.04	\$13,700.04	\$13,700.04	\$13,700.04	\$13,700.04
iPad	271.16	271.16	271.16	333.72	271.16	411.94	271.16	314.56
Travel	61.91							
Development	665.10	712.13						
Miscellaneous	189.76		2,462.81		2,081.43			1,129.04
TOTAL	\$30,787.97	\$16,983.36	\$16,434.00	\$14,033.76	\$16,052.62	\$14,111.98	\$13,971.19	\$15,143.64

G. SENIOR STAFF SALARY RANGES

POSITION	SALARY RANGE
Director Administrative Service/Clerk	95,000 - 110,000
Director Parks & Recreation	95,000 - 110,000
Director of Planning & Development	95,000 - 110,000
Director of Operations	95,000 - 110,000
Treasurer	95,000 - 110,000
Town Manager	140,000 - 160,000

H. MAYOR'S ACTIVITIES

The following are a list of some of the events and activities attended by Mayor Grant or Council Members on her behalf in 2018.

- Presentation of Sovereign Medals to volunteers during the Holiday Reception
- Kings Way Lifecare Alliance holiday breakfast
- New Year's Day skate on the Rothesay Common
- Saint John Executive Luncheon January 10, 2018 with other regional Mayors
- Saint John Women's March January 20, 2018
- KV Oasis Power of Determination Dinner January 26, 2018 with Deputy Mayor Alexander
- Warm-Up to Winterfest January 28, 2018 with other regional Mayors
- the Coastal Trail Open House January 30, 2018
- the Legion Breakfast February 10, 2018
- Winterfest February 10, 2018 with Councillor Wells
- the Winterberry High Tea at the Shadow Lawn Inn February 11, 2018
- Order of the Maple Leaf at Rothesay Park Elementary School February 20, 2018
- the opening ceremony of the New Brunswick Senior Curling Championships at Riverside Country Club February 22, 2018
- the local International Women's Day event held at the Bill McGuire Centre on March 8, 2018
- A photo taken at Town Hall with two members of the Masters Women's Curling Team on February 22, 2018
- Saint John Airport's reception for Norm McFarlane March 15, 2018
- St. Patrick's Day celebration at the Royal Canadian Legion Branch 58 on March 17, 2018
- Kennebecasis Lion's Club Breakfast March 18, 2018
- Futures Unlimited Banquet (Junior Achievers) March 20, 2018
- the opening ceremony of the Canada Games Selection at the Riverside Country Club March 22, 2018
- Harm Reduction Symposium opening March 23, 2018
- Regional Chamber Mixer March 26, 2018
- Visit to Touchstone Academy to purchase tickets for the Amazeatorium March 20, 2018; and a visit to three elementary schools in Rothesay to deliver the donation of tickets March 27, 2018
- Youth for Youth event at Rothesay Netherwood School April 7, 2018
- New Brunswick Association for Community Living April 9, 2018
- Renforth Seniors Wellness Fair April 11, 2018
- Funding announcement for the Saint John airport (YSJ) April 11, 2018
- Age-Friendly forums April 12 & 19, 2018

- Saint John Theatre co-production of Redfish at Rothesay High School April 17, 2018
- Navy League Cadets Review April 24, 2018
- Rothesay High School's production of Aladdin April 25, 2018
- Saint Andrews Society Burns Dinner April 27, 2018
- Rothesay Netherwood School clean-up of Rothesay April 27, 2018
- McHappy Day shift May 2, 2018
- Battle of the Atlantic Commemoration May 6, 2018
- Sweet Caroline Pilot Launch at Rothesay High School May 8, 2018
- Rothesay Netherwood School Art Show May 11, 2018
- Regional Chamber Speaker Series Luncheon May 11, 2018
- Saint John Rotary Gala May 16, 2018
- Rainbow Peace March May 17, 2018
- Loyalist Day Ceremony May 18, 2018
- P.R.O. Kids Fundraising Dinner May 23, 2018
- Service Dogs Fundraiser May 26, 2018
- Bras d'Or Sea Cadets Review May 26, 2018
- Hampton Educational Centre Turnaround Awards May 26, 2018
- Touchstone Academy Curiosity Fair June 6, 2018
- Grand opening of the Roslyn Isobel Stollery Fitness Centre at Rothesay Netherwood School May 31, 2018
- Municipal Open House at the Bradley Lake Community Centre June 7, 2018
- the Enterprise Saint John Economic Development Strategy at the Amsterdam Inn June 7, 2018
- Great Race June 29, 2018
- Canada Day on the Common July 1, 2018
- Ice-Cream Social for flood relief volunteers July 19, 2018
- Dragon Boat Festival August 25, 2018
- New Brunswick Museum Trolley Tour September 9, 2018
- Union of Municipalities of New Brunswick Annual Conference and AGM Fredericton September 28-30th, 2018 Mayor Grant, DM Alexander, TM Jarvie, & TC Banks
- UNBSJ Fall Convocation October 19, 2018
- "Oasis In The Spotlight" October 20, 2018
- Legion Poppy kickoff October 26, 2018
- Oasis Bell 'Let's talk' presentation November 1, 2018
- RNS fundraising dinner November 3, 2018

- Sobey's Veterans Luncheon November 7, 2018
- 100 year Commemoration of the end of World War I at Rothesay Cenotaph October 28, 2018
- CN Safety Sessions at Rothesay elementary schools
- Harry Miller Remembrance Day service November 8, 2018
- Remembrance Day Ceremony November 11, 2018
- RNS Concert Series November 20, 2018
- Kennebecasis Regional Police awards November 21, 2018
- Empty Stocking Fund November 24, 2018
- KV Santa Claus Parade November 24, 2018
- Hestia house fundraiser November 29, 2018
- Saint Andrews Society Dinner November 30, 2018
- Retirement for Guardian Drugs former owners December 2, 2018
- ProKids Reception December 5, 2018
- KVDVO December 6, 2018
- Cadets Mess Dinner December 7, 2018
- Nutcracker December 8, 2018
- Joshua's Bare Necessities (2 schools) December 11, 2018
- Port of Saint John reception December 12, 2018
- Crimestoppers Dinner December 14, 2018
- RPMS Santa Fun Run December 19, 2018



I. AUDITED FINANCIAL STATEMENTS

ROTHESAY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

ROTHESAY

DECEMBER 31, 2018

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

Opinion

We have audited the consolidated financial statements of Rothesay, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

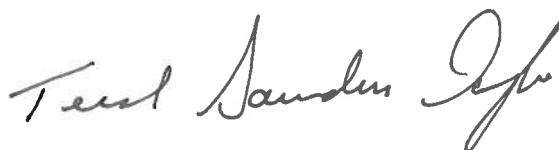
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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



CHARTERED PROFESSIONAL ACCOUNTANTS

Saint John, NB
May 13, 2019

ROTHESAY

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018 Budget (Note 27)	2018 Actual	2017 Actual
REVENUE			
Property tax warrant	\$ 15,513,249	\$ 15,513,249	\$ 15,331,620
Unconditional grant	188,554	188,558	119,970
Conditional government transfers (Note 28)	1,121,500	2,646,730	2,840,868
Services other governments	60,000	83,085	81,520
Sale of services (Note 28)	391,055	400,727	390,576
Other own source (Note 28)	104,425	703,015	821,599
Water and sewer user fees	2,730,875	2,926,116	2,778,345
Sundry income	<u>188,348</u>	<u>477,223</u>	<u>351,075</u>
	<u>20,298,006</u>	<u>22,938,703</u>	<u>22,715,573</u>
EXPENDITURE (Note 28)			
General government services	1,907,766	2,008,253	1,749,855
Protective services	4,715,848	4,741,811	4,517,766
Transportation services	5,280,591	6,201,748	5,153,494
Environmental health services	613,000	603,013	609,255
Environmental development services	638,122	557,799	471,203
Recreation and cultural services	2,780,877	2,793,212	2,768,742
Water and sewer services	<u>3,045,649</u>	<u>3,171,918</u>	<u>3,275,838</u>
	<u>18,981,853</u>	<u>20,077,754</u>	<u>18,546,153</u>
ANNUAL SURPLUS FOR THE YEAR	<u>\$ 1,316,153</u>	2,860,949	4,169,420
ACCUMULATED SURPLUS - BEGINNING OF YEAR		74,241,051	70,073,653
CHANGE IN OWNERSHIP OF CONTROLLED ENTITIES (Note 2)		<u>(65,294)</u>	<u>(2,022)</u>
ACCUMULATED SURPLUS - END OF YEAR		<u>\$ 77,036,706</u>	<u>\$ 74,241,051</u>

ROTHESAY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

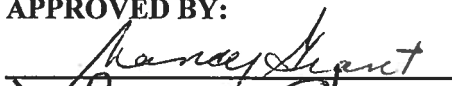
AS AT DECEMBER 31, 2018

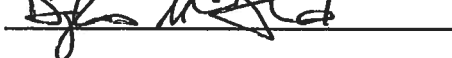
	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	\$ 9,150,146	\$ 9,229,743
Accounts receivable (Note 5)	2,022,882	1,660,861
Investments (Note 10)	<u>324,150</u>	<u>337,497</u>
	<u>\$ 11,497,178</u>	<u>\$ 11,228,101</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	1,853,762	2,432,854
Deferred revenue (Note 8)	4,010,399	4,210,998
Long term debt (Note 11)	16,565,346	16,962,967
Accrued pension obligation (Note 16)	455,934	574,570
Accrued sick leave (Note 15)	346,688	325,589
Accrued retirement allowance (Note 16)	<u>850,699</u>	<u>822,036</u>
	<u>24,082,828</u>	<u>25,329,014</u>
NET DEBT	<u>(12,585,650)</u>	<u>(14,100,913)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 21)	143,577,772	138,915,304
Accumulated amortization (Note 21)	<u>(54,042,881)</u>	<u>(50,621,119)</u>
	89,534,891	88,294,185
Inventory	29,642	27,524
Prepaid expenses	54,698	16,604
Unamortized debenture costs	<u>3,125</u>	<u>3,651</u>
	<u>89,622,356</u>	<u>88,341,964</u>
ACCUMULATED SURPLUS	<u>\$ 77,036,706</u>	<u>\$ 74,241,051</u>

CONTINGENT LIABILITY (Note 17)

COMMITMENT (Note 18)

APPROVED BY:


 _____ Mayor


 _____ Town Treasurer

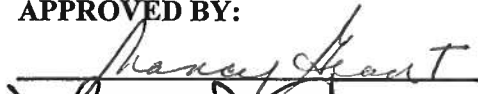
ROTHESAY


CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
Annual surplus	\$ 2,860,949	\$ 4,169,420
Acquisition of tangible capital assets	(5,975,930)	(7,746,787)
Proceeds on disposal of tangible capital assets	402	66,526
Amortization of tangible capital assets	4,467,247	4,127,948
Change in percentage ownership of tangible capital assets	79,840	5,526
Loss on disposal of tangible capital assets	<u>187,735</u>	<u>170,701</u>
	1,620,243	793,334
Acquisition of inventories	(29,642)	(27,524)
Acquisition of prepaid assets	(54,698)	(16,604)
Acquisition of unamortized debenture costs	(3,125)	(3,651)
Consumption of inventories	27,524	32,648
Use of prepaid assets	16,604	29,022
Consumption of unamortized debenture costs	<u>3,651</u>	<u>4,145</u>
	1,580,557	811,370
Change in percentage ownership	<u>(65,294)</u>	<u>(2,022)</u>
Decrease in net debt	1,515,263	809,348
Net debt - beginning of year	<u>(14,100,913)</u>	<u>(14,910,261)</u>
Net debt - end of year	<u>\$ (12,585,650)</u>	<u>\$ (14,100,913)</u>

APPROVED BY:


 _____ Mayor


 _____ Town Treasurer

ROTHESAY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
Annual surplus	\$ 2,860,949	\$ 4,169,420
Loss on disposal of tangible capital assets	187,735	170,701
Amortization of tangible capital assets	4,467,247	4,127,948
Accounts receivable	(362,021)	1,876,397
Accounts payable and accrued liabilities	(579,092)	327,356
Deferred revenue	(200,599)	41,452
Accrued sick leave	21,099	10,435
Change in accrued pension obligation	(118,636)	(198,897)
Change in accrued retirement allowance	28,663	15,278
Change in inventory/prepaid expenses/unamortized debenture costs	<u>(39,686)</u>	<u>18,036</u>
	<u>6,265,659</u>	<u>10,558,126</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(5,975,930)	(7,746,787)
Change in percentage ownership of capital assets	79,840	5,526
Proceeds on disposal of tangible capital assets	<u>402</u>	<u>66,526</u>
	<u>(5,895,688)</u>	<u>(7,674,735)</u>
FINANCING TRANSACTION		
Bank loan	-	(700,000)
Long term debt (net)	<u>(397,621)</u>	<u>(228,766)</u>
	<u>(397,621)</u>	<u>(928,766)</u>
INVESTING TRANSACTION		
Increase in investments	<u>13,347</u>	<u>11,333</u>
CHANGE IN PERCENTAGE OWNERSHIP	<u>(65,294)</u>	<u>(2,022)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(79,597)	1,963,936
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>9,229,743</u>	<u>7,265,807</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 9,150,146</u>	<u>\$ 9,229,743</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

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 Standards ('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>2018</u>	<u>2017</u>
Kennebecasis Regional Joint Board of Police Commissioners	40.21%	40.82%
Kennebecasis Valley Fire Department Inc.	40.85%	41.39%
Kennebecasis Public Library	38.99%	40.05%

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

Ownership percentages on any dissolution of the controlled entity may vary from the above depending upon the terms of the agreements.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

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

Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 11, 2017 and the Director of Community Finances on January 5, 2018.

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 annual surplus. 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, 2018

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 and leasehold improvements	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, 2018

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 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 15 and a pension plan and retirement allowance as documented in Note 16.

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, 2018:

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, 2018

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

	2018	2017
Unrestricted	\$ 1,842,633	\$ 1,846,813
Restricted - reserve funds (Note 25)	7,157,625	7,243,801
Restricted - controlled entities	<u>149,888</u>	<u>139,129</u>
	<u>\$ 9,150,146</u>	<u>\$ 9,229,743</u>

5. ACCOUNTS RECEIVABLE

	2018	2017
Due from the Federal Government and its agencies (Note 6)	\$ 524,614	\$ 483,650
Due from the Province of New Brunswick (Note 7)	218,715	-
Water and sewer	822,653	774,526
Arena	72,026	72,288
Other	<u>384,874</u>	<u>330,397</u>
	<u>\$ 2,022,882</u>	<u>\$ 1,660,861</u>

6. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	2018	2017
Canada Revenue Agency (HST refund)	\$ 305,899	\$ 337,971
Canada 150 grant	-	145,679
Small Communities Fund	<u>218,715</u>	<u>-</u>
	<u>\$ 524,614</u>	<u>\$ 483,650</u>

7. DUE FROM PROVINCE OF NEW BRUNSWICK

	2018	2017
Small Communities Fund	<u>\$ 218,715</u>	<u>\$ -</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

8. DEFERRED REVENUE

	<u>2018</u>	<u>2017</u>
Government transfers - Gas Tax	\$ 3,973,327	\$ 4,192,313
Deferred revenue - Quispamsis	18,387	-
Deferred revenue - K-Park Levy (Note 14)	<u>18,685</u>	<u>18,685</u>
	<u>\$ 4,010,399</u>	<u>\$ 4,210,998</u>

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2018</u>	<u>2017</u>
Accounts payable - trade	\$ 1,370,485	\$ 1,984,464
Bid deposits	110,000	72,772
Accrued interest	45,380	50,159
Accrued liabilities	255,855	242,973
Accounts payable - other	<u>72,042</u>	<u>82,486</u>
	<u>\$ 1,853,762</u>	<u>\$ 2,432,854</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, 2018 was \$20,649 (2017 - \$26,454). The investments are restricted for future payment of retirement benefits.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

11. LONG TERM DEBT

(a) General Capital Fund

	Balance January 1, 2018	Issued during year	Redeemed during year	Balance December 31, 2018
New Brunswick Municipal Financing Corporation				
Debentures:				
BA17 0.95% - 5.00%, due 2019, OIC # 08-03, 08-63	\$ 226,000	\$ -	\$ 112,000	\$ 114,000
BB26 1.00% - 4.50%, due 2019, OIC # 08-63, 08-82	303,000	-	148,000	155,000
BG18 1.65% - 3.80%, due 2027, OIC # 10-12, 11-71, 99-77	652,000	-	120,000	532,000
BL26 1.2% - 3.7%, due 2034, OIC # 03-88, 11-71, 13-08	2,933,000	-	179,000	2,754,000
BN17 1.05% - 3.15%, due 2025, OIC # 10-12, 13-08	1,689,000	-	235,000	1,454,000
B019 1.45% - 3.50%, due 2031, OIC # 13-08	<u>2,189,000</u>	<u>-</u>	<u>215,000</u>	<u>1,974,000</u>
	<u>\$ 7,992,000</u>	<u>\$ -</u>	<u>\$ 1,009,000</u>	<u>\$ 6,983,000</u>

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

2019 - \$1,033,000; 2020 - \$778,000; 2021 - \$735,000; 2022 - \$715,000; 2023 - \$597,000

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

11. LONG TERM DEBT (cont'd)

(b) Water and Sewer Capital Fund

	Balance January 1, 2018	Issued during year	Redeemed during year	Balance December 31, 2018
New Brunswick Municipal Financing Corporation				
Debentures:				
AY18 3.30% - 4.85%, due 2018, OIC # 96-60, 96-72	\$ 200,000	\$ -	\$ 200,000	\$ -
AZ29 2.10 - 4.95%, due 2018, OIC # 03-0092	135,000	-	135,000	-
BF23 1.35% - 3.45%, due 2021, OIC # 00-18	1,285,000	-	79,000	1,206,000
BG19 1.65 - 3.80%, due 2027, OIC # 11-0045	443,000	-	12,000	431,000
BH23 1.35 - 3.80%, due 2032, OIC # 00-0018	569,000	-	30,000	539,000
BL27 1.2% - 3.7%, due 2034, OIC # 11-0045	933,000	-	23,000	910,000
BN18 1.05% - 3.15%, due 2025, OIC # 15-38	285,000	-	33,000	252,000
BP21 1.20% - 3.80%, due 2036, OIC # 18-0020	831,000	-	19,000	812,000
BR22 1.65% - 3.30%, due 2037, OIC # 15-0069	1,298,000	-	29,000	1,269,000
BU21 2.55% - 3.7%, due 2038, OIC # 15-0069, 96-006, 96-0072	<u>-</u>	<u>1,387,000</u>	<u>-</u>	<u>1,387,000</u>
	<u>5,979,000</u>	<u>1,387,000</u>	<u>560,000</u>	<u>6,806,000</u>

Canada Mortgage and Housing Corporation

CMHC 3.70%, due 2030 OIC # 09-119, 09-139, 10-012	2,551,078	-	156,352	2,394,726
	<u>\$ 8,530,078</u>	<u>\$ 1,387,000</u>	<u>\$ 716,352</u>	<u>\$ 9,200,726</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 \$537,683 (2017 - \$565,254) 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:

2019 - \$467,137; 2020 - \$483,136; 2021 - \$1,454,357; 2022 - \$426,808; 2023 - \$438,498

In 2021, debenture BF23 will mature with a final amount due of \$1,042,000, however it is expected that \$956,000 of this payment will be refinanced during that year for an additional ten years.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

11. LONG TERM DEBT (cont'd)

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

	Balance January 1, 2018	Issued during year	Redeemed during year	Balance December 31, 2018
New Brunswick Municipal Financing Corporation				
Debentures:				
BL45 1.2% - 3.1%, due 2024, OIC # 02-66, 03-53	\$ 144,922	\$ -	\$ 19,482	\$ 125,440
BN35 1.05% - 3.15%, due 2025, OIC# 03-53	<u>295,967</u>	<u>-</u>	<u>39,787</u>	<u>256,180</u>
	<u>\$ 440,889</u>	<u>\$ -</u>	<u>\$ 59,269</u>	<u>\$ 381,620</u>

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

2019 - \$53,885; 2020 - \$54,690; 2021 - \$56,298; 2022 - \$57,505; 2023 - \$58,711

Total Long term debt:

	2018	2017
General Capital Fund	\$ 6,983,000	\$ 7,992,000
Water and Sewer Capital Fund	9,200,726	8,530,078
Jointly Controlled Entity - KRJPC	<u>381,620</u>	<u>440,889</u>
	<u>\$ 16,565,346</u>	<u>\$ 16,962,967</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, 2018, the balance in this reserve was \$237,702 (2017 - \$219,305).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

14. 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.

15. 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 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 3.07% for Rothesay and 3.17% for KVFD;
- 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 2018	2017
Rothesay	\$ 18,700	\$ 15,701
KRJPC	6,152	5,429
KVFD	<u>321,836</u>	<u>304,459</u>
	<u>\$ 346,688</u>	<u>\$ 325,589</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

16. 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, 2017, which used a discount rate of 3.07% 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 60.

The accrued liability is based on an actuarial valuation as at December 31, 2016, which used a discount rate of 3.3% and an annual salary increase rate of 3%.

KRJPC'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, 2016, which used a discount rate of 2.86% and an annual salary increase rate of 3%.

The consolidated unfunded liability consist of:

	2018	2017
Rothesay	\$ 395,220	\$ 355,325
KVFD	158,014	150,924
KRJPC	<u>297,464</u>	<u>315,787</u>
Balance at end of year	<u>\$ 850,698</u>	<u>\$ 822,036</u>

KVFD and KRJPC have internally restricted funds for their liabilities.

Pension Obligation

Employees of Rothesay, KVFD and KRJPC 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, 2016 and resulted in an overall NBMEPP accrued benefit obligation of \$115,347,700 based on the accounting basis.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

16. 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, 2017:

- the expected inflation rate is 2.25% (prior 2.25%);
- the discount rate used to determine the accrued benefit obligation is 5.50% (prior 5.60%);
- the expected rate of return on assets is 5.50% (prior 5.60%);
- retirement age varies by age and employment category; and
- estimated average remaining service life (EARSL) is 14.0 years (prior 14.0 years).

The actuarial valuation prepared as at December 31, 2016 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 \$254,800, a change of \$1,005,400 from the December 31, 2015 deficit of \$1,260,200. Based on the assumptions as at December 31, 2016, 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, 2016, the NBMEPP provides benefits for 233 retirees. Total benefits payments to retirees and terminating employees during 2018 are estimated to be approximately \$3,508,400 (actual 2017, \$4,638,400) 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 7.99%. 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 2018 are estimated to be approximately \$6,377,000 (actual 2017, \$6,196,600) in totality for the NBMEPP.

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

- The average age of the 46 active employees covered by the NBMEPP is 47 (as at Dec 31, 2016);
- benefit payments were \$220,500 in 2017 and were estimated to be \$90,300 in 2018; and
- combined contributions were \$417,000 in 2017 and were estimated to be \$429,600 in 2018.

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

- The average age of the 40 active employees covered by the NBMEPP is 42.6 (2017 - 43.1);
- benefit payments were \$445,900 in 2017 and were estimated to be \$460,700 in 2018; and
- combined contributions were \$534,600 in 2017 and were estimated to be \$550,600 in 2018.

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

- The average age of the 40 active employees covered by the NBMEPP is 43.2 (2017 - 42.5);
- benefit payments were \$525,000 in 2017 and were estimated to be \$218,000 in 2018; and
- combined contributions were \$651,200 in 2017 and were estimated to be \$670,800 in 2018.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

16. 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, 2016 and December 31, 2017, NBMEPP's actuary performed an extrapolation of the December 31, 2017 accounting valuation to determine the estimated position as at December 31, 2018. The extrapolation assumes assumptions used as at December 31, 2018 remain unchanged from December 31, 2017. The extrapolation also assumes assets return 5.50%, 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, 2018 to	Jan 1, 2017 to
	<u>Dec 31, 2018</u>	<u>Dec 31, 2017</u>
Accrued Benefit Liability		
Accrued benefit liability at beginning of period	\$ 574,570	\$ 766,367
Change in ownership percentage	(7,306)	(1,661)
Adjustment to actual	37,140	(26,890)
Pension expense for the year	313,661	296,494
Employer contributions	<u>(462,131)</u>	<u>(459,740)</u>
Accrued benefit liability at end of period	<u>\$ 455,934</u>	<u>\$ 574,570</u>

In summary, the consolidated accrued benefit liability is estimated to be \$455,934 as at December 31, 2018. The December 31, 2017 liability was estimated in the prior year. The actual liability was calculated to be \$611,709. The difference of \$37,139 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, 2018 to	Jan 1, 2017 to
	<u>Dec 31, 2018</u>	<u>Dec 31, 2017</u>
Rothesay	\$ 44,500	\$ 66,300
KVFD	228,626	281,825
KRJPC	<u>182,808</u>	<u>226,445</u>
	<u>\$ 455,934</u>	<u>\$ 574,570</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, 2018 to	Jan 1, 2017 to
	<u>Dec 31, 2018</u>	<u>Dec 31, 2017</u>
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 17,423,298	\$ 16,303,455
Plan assets	<u>(16,865,348)</u>	<u>(15,583,899)</u>
Plan deficit	557,950	719,556
Unamortized experience losses	<u>(102,016)</u>	<u>(107,847)</u>
Accrued benefit liability at end of period	<u>\$ 455,934</u>	<u>\$ 611,709</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

16. 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, 2018 to Dec 31, 2018	Jan 1, 2017 to Dec 31, 2017
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 16,303,455	\$ 15,088,041
Change in ownership percentage	(146,681)	(26,629)
Current service cost	733,995	710,477
Benefits payments	(366,151)	(619,379)
Interest for period	898,680	845,920
Experience loss during period	<u> -</u>	<u> 305,025</u>
Accrued benefit obligation at end of period	<u>\$ 17,423,298</u>	<u>\$ 16,303,455</u>

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

	Estimated Jan 1, 2018 to Dec 31, 2018	Jan 1, 2017 to Dec 31, 2017
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 15,583,899	\$ 14,256,352
Change in ownership percentage	(141,386)	(25,367)
Employer contributions	462,129	452,055
Employee contributions	462,129	452,055
Benefit payments	(366,151)	(619,379)
Return on plan assets during period	<u> 864,728</u>	<u> 1,068,183</u>
Plan assets at end of period	<u>\$ 16,865,348</u>	<u>\$ 15,583,899</u>

Total expense related to pensions include the following components:

	Estimated Jan 1, 2018 to Dec 31, 2018	Actual Jan 1, 2017 to Dec 31, 2017
Pension Expense		
Employer current service cost	\$ 271,866	\$ 258,422
Interest on accrued benefit obligation	898,681	845,920
Expected return on assets	(864,727)	(804,872)
Amortization of unrecognized balances		
Prior service savings	18,300	17,200
Experience loss	<u>(10,459)</u>	<u>(8,775)</u>
Pension expense	<u>\$ 313,661</u>	<u>\$ 307,895</u>

The pension expense is included in the statement of operations.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

17. 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, 2018 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.

18. COMMITMENT

Solid Waste Collection, Transportation and Recycling Services

In 2014, the Town entered into a contract for solid waste collection, transportation and recycling services from January 2015 to December 2018. The Town renewed the contract for two years, the minimum annual payments over the next two years are 2019 - \$385,000 and 2020 - \$385,000.

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 2018, the Town has complied with these restrictions.

Capital Funds

At December 31, 2018, there were short-term funds totaling \$660,000 (2017 - \$660,000) borrowed from other funds and no short-term funds (2017 - nil) borrowed from a financial institution to provide interim funding for capital projects in the General Capital Fund.

At December 31, 2018, there were short-term funds totaling \$700,000 (2017 - \$674,040) borrowed from other funds and no short-term funds (2017 - nil) borrowed from a financial institution to provide interim funding for capital projects in the Water and Sewer Capital Fund.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

19. SHORT TERM BORROWING (cont'd)

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.

20. UTILITY FUND SURPLUS

The Municipalities Act requires Utility 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>2018</u>	<u>2017</u>
2018 Surplus	\$ 80,211	\$ -
2017 Surplus	11,713	11,713
2016 Surplus	<u>-</u>	<u>21,125</u>
	<u>\$ 91,924</u>	<u>\$ 32,838</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

21. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings and Leasehold Improvements	Vehicles	Machinery and Equipment	Infrastructure			Subtotal	Assets Under Construction	2018 Total	2017 Total	
						Roads and Streets	Storm Sewer	Water					
COST													
Balance - beginning of year	\$ 4,764,486	\$ 7,972,613	\$ 10,980,130	\$ 4,445,003	\$ 4,078,777	\$ 38,304,974	\$ 18,927,549	\$ 26,760,974	\$ 16,780,303	\$ 133,014,809	\$ 5,900,495	\$ 138,915,304	\$ 132,032,840
Change in ownership	(5,088)	(2,997)	(80,006)	(19,023)	(11,486)	-	-	-	-	(118,600)	-	(9,397)	
Add: Net additions during the year	60,444	147,861	287,493	648,744	572,862	2,695,589	249,581	296,115	6,917,736	11,876,425	(5,900,495)	5,975,930	7,146,787
Less: Disposals during the year	-	-	-	(124,213)	(152,525)	(868,329)	(4,384)	-	(45,411)	(1,194,862)	-	(1,194,862)	(854,926)
Balance - end of year	<u>4,819,842</u>	<u>8,117,477</u>	<u>11,187,617</u>	<u>4,950,511</u>	<u>4,487,628</u>	<u>40,132,234</u>	<u>19,172,746</u>	<u>27,057,089</u>	<u>23,652,628</u>	<u>143,577,772</u>	<u>-</u>	<u>143,577,772</u>	<u>138,915,304</u>
ACCUMULATED AMORTIZATION													
Balance - beginning of year	-	3,008,381	3,816,040	2,152,688	1,495,804	19,217,549	6,497,501	6,621,614	7,811,542	50,621,119	-	50,621,119	47,114,741
Change in ownership	-	(1,017)	(20,090)	(10,011)	(7,642)	-	-	-	-	(38,760)	-	(38,760)	(3,871)
Add: Amortization during the year	-	428,792	336,748	451,871	349,890	1,643,509	338,141	523,905	394,391	4,467,247	-	4,467,247	4,127,948
Less: Accumulated amortization on disposals	-	-	-	(120,950)	(142,148)	(706,260)	(4,000)	-	(33,367)	(1,006,725)	-	(1,006,725)	(617,699)
Balance - end of year	<u>-</u>	<u>3,436,156</u>	<u>4,132,698</u>	<u>2,473,598</u>	<u>1,695,904</u>	<u>20,154,798</u>	<u>6,831,642</u>	<u>7,145,519</u>	<u>8,172,566</u>	<u>54,042,881</u>	<u>-</u>	<u>54,042,881</u>	<u>50,621,119</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 4,819,842</u>	<u>\$ 4,681,321</u>	<u>\$ 7,054,919</u>	<u>\$ 2,476,913</u>	<u>\$ 2,791,724</u>	<u>\$ 19,977,436</u>	<u>\$ 12,341,104</u>	<u>\$ 19,911,570</u>	<u>\$ 15,480,062</u>	<u>\$ 89,534,891</u>	<u>\$ -</u>	<u>\$ 89,534,891</u>	<u>\$ 88,294,185</u>
Consists of:													
General Fund Assets	\$ 4,465,621	\$ 4,612,571	\$ 3,079,358	\$ 1,801,437	\$ 2,060,565	\$ 19,770,628	\$ 12,341,104	\$ -	\$ -	\$ 48,131,284	\$ -	\$ 48,131,284	\$ 47,523,640
Utility Fund Assets	119,971	-	1,401,666	69,246	476,531	206,808	-	19,911,570	15,480,062	37,665,854	-	37,665,854	36,764,979
Controlled Entities	<u>234,250</u>	<u>68,750</u>	<u>2,573,895</u>	<u>606,230</u>	<u>254,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,737,753</u>	<u>-</u>	<u>3,737,753</u>	<u>4,005,566</u>
	<u>\$ 4,819,842</u>	<u>\$ 4,681,321</u>	<u>\$ 7,054,919</u>	<u>\$ 2,476,913</u>	<u>\$ 2,791,724</u>	<u>\$ 19,977,436</u>	<u>\$ 12,341,104</u>	<u>\$ 19,911,570</u>	<u>\$ 15,480,062</u>	<u>\$ 89,534,891</u>	<u>\$ -</u>	<u>\$ 89,534,891</u>	<u>\$ 88,294,185</u>

ROTHERSAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

22. SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR JOINTLY CONTROLLED ENTITIES

	Land						2018 Total	2017 Total
	Land	Improvements	Buildings	Vehicles	Machinery and Equipment	Assets Under Construction		
COST								
Balance - beginning of year	\$ 239,338	\$ 123,161	\$ 3,932,892	\$ 1,414,314	\$ 648,117	\$ -	\$ 6,357,822	\$ 6,310,997
Change in percentage ownership	(5,088)	(2,997)	(80,006)	(19,023)	(11,486)	-	(118,600)	(9,397)
Add: Net additions during the year	-	-	-	44,126	81,397	-	125,523	116,798
Less: Disposals during the year	-	-	-	(13,099)	-	-	(13,099)	(60,576)
Balance - end of year	<u>234,250</u>	<u>120,164</u>	<u>3,852,886</u>	<u>1,426,318</u>	<u>718,028</u>	<u>-</u>	<u>6,351,646</u>	<u>6,357,822</u>
ACCUMULATED AMORTIZATION								
Balance - beginning of year	-	44,860	1,162,598	744,331	400,467	-	2,352,256	2,072,868
Change in percentage ownership	-	(1,017)	(20,090)	(10,011)	(7,642)	-	(38,760)	(3,871)
Add: Amortization during the year	-	7,571	136,483	95,604	70,575	-	310,233	323,813
Less: Accumulated amortization on disposals	-	-	-	(9,836)	-	-	(9,836)	(40,554)
Balance - end of year	<u>-</u>	<u>51,414</u>	<u>1,278,991</u>	<u>820,088</u>	<u>463,400</u>	<u>-</u>	<u>2,613,893</u>	<u>2,352,256</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 234,250</u>	<u>\$ 68,750</u>	<u>\$ 2,573,895</u>	<u>\$ 606,230</u>	<u>\$ 254,628</u>	<u>\$ -</u>	<u>\$ 3,737,753</u>	<u>\$ 4,005,566</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

23. SCHEDULE OF SEGMENT DISCLOSURE

	General	Protective	Transportation	Environmental Health	Environmental Development	Recreation and Culture	Water and Sewer	2018 Consolidated	2017 Consolidated
REVENUE									
Property tax warrant	\$ 2,429,375	\$ 5,488,587	\$ 3,886,069	\$ 699,648	\$ 727,571	\$ 2,281,999	\$ -	\$ 15,513,249	\$ 15,331,620
Sale of service	92,844	-	-	-	-	307,883	-	400,727	390,576
Services provided to other governments	-	-	83,085	-	143,200	-	-	83,085	81,520
Other own source	28,161	-	531,654	-	8,843	-	-	703,015	821,599
Unconditional grant	29,528	66,712	47,234	8,504	8,843	27,737	-	188,558	119,970
Conditional government transfers	(50,000)	-	950,000	-	-	149,176	1,597,554	2,646,730	2,840,868
Water and sewer user fees	-	-	-	-	-	-	2,926,116	2,926,116	2,778,345
Sundry and interest	184,862	191,405	-	-	-	10,808	90,148	477,223	351,075
	<u>2,714,770</u>	<u>5,746,704</u>	<u>5,498,042</u>	<u>708,152</u>	<u>879,614</u>	<u>2,777,603</u>	<u>4,613,818</u>	<u>22,938,703</u>	<u>22,715,573</u>
EXPENDITURE									
Salaries and benefits	887,334	3,909,334	1,012,002	-	269,788	620,855	582,738	7,282,051	7,111,277
Goods and services	1,014,371	610,408	2,478,762	603,013	288,011	1,375,860	1,207,829	7,578,254	6,564,161
Interest	4,001	15,544	65,333	-	-	139,726	300,346	524,950	542,953
Other	37,520	2,861	172,830	-	-	-	12,044	225,255	199,814
Amortization	65,027	203,664	2,472,821	-	-	656,771	1,068,961	4,467,244	4,127,948
	<u>2,008,253</u>	<u>4,741,811</u>	<u>6,201,748</u>	<u>603,013</u>	<u>557,799</u>	<u>2,793,212</u>	<u>3,171,918</u>	<u>20,077,754</u>	<u>18,546,153</u>
Surplus for the year	\$ <u>706,517</u>	\$ <u>1,004,893</u>	\$ <u>(703,706)</u>	\$ <u>105,139</u>	\$ <u>321,815</u>	\$ <u>(15,609)</u>	\$ <u>1,441,900</u>	\$ <u>2,860,949</u>	\$ <u>4,169,420</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

24. RECONCILIATION OF ANNUAL SURPLUS

	General Operating Fund	General Capital Fund	Utility Operating Fund	Utility Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Utility Operating Reserve Fund	Utility Capital Reserve Fund	Jointly Controlled Entities	Total
2018 annual surplus (deficit)	\$ 3,425,531	\$ (2,005,303)	\$ 982,056	\$ 561,718	\$ 15,692	\$ 57,281	\$ 1,607	\$ 12,385	\$ (190,018)	\$ 2,860,949
Adjustments to annual surplus (deficit) for funding requirements										
Second previous year's surplus	43,217	-	21,125	-	-	-	-	-	81,620	145,962
Transfers between funds										
Transfer elimination	-	-	263,000	-	-	-	-	(263,000)	-	-
Transfer elimination	(881,014)	-	-	-	-	881,014	-	-	-	-
Transfer elimination	950,000	-	150,000	-	-	(1,100,000)	-	-	-	-
Transfer elimination	(17,379)	-	-	-	17,379	-	-	-	-	-
Transfer elimination	150,000	-	-	-	(150,000)	-	-	-	-	-
Transfer elimination	-	-	(177,025)	-	-	-	-	177,025	-	-
Transfer elimination	-	-	(4,000)	-	-	-	-	4,000	-	-
Transfer elimination	-	-	(10,762)	-	-	-	-	10,762	-	-
Transfer elimination	(2,796,319)	2,796,319	(342,831)	342,831	-	-	-	285,000	-	-
Transfer elimination	-	-	(285,000)	-	-	(475,000)	-	-	-	-
Transfer elimination	475,000	-	-	-	-	-	-	-	-	-
Long term debt principal repayment	(1,009,000)	1,009,000	(516,352)	516,352	-	-	-	-	-	-
Provision for retirement allowance	-	-	-	-	-	-	-	-	(2,493)	(2,493)
Provision for pension liability	(21,800)	-	-	-	-	-	-	-	(89,761)	(111,561)
Provision for sick leave accrual	-	-	-	-	-	-	-	-	22,168	22,168
Accumulated amortization on disposal of capital assets	-	(996,889)	-	-	-	-	-	-	(9,836)	(1,006,725)
Deferred Gas tax revenue	(218,986)	-	-	-	-	-	-	-	15,817	(218,986)
Unrealized loss on investments	-	-	-	-	-	-	-	-	15,817	15,817
Amortization expense	-	3,088,053	-	1,068,961	-	-	-	-	310,233	4,467,247
Total adjustments to 2018 annual surplus (deficit)	(3,326,281)	5,896,483	(901,845)	1,928,144	(132,621)	(693,986)	-	213,787	327,748	3,311,429
2018 annual surplus (deficit) for funding requirements	\$ 99,250	\$ 3,891,180	\$ 80,211	\$ 2,489,862	\$ (116,929)	\$ (636,705)	\$ 1,607	\$ 226,172	\$ 137,730	\$ 6,172,378

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

25. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Utility Operating Reserve	Utility Capital Reserve	Land for Public Purpose	2018 Total	2017 Total
ASSETS							
Cash and short term investments	\$ 661,801	\$ 6,293,628	\$ -	\$ 1,098,056	\$ -	\$ 8,053,485	\$ 7,243,801
Due from (to) other funds	<u>7,646</u>	<u>(1,029,771)</u>	<u>102,640</u>	<u>(102,547)</u>	<u>126,172</u>	<u>(895,860)</u>	<u>439,679</u>
	\$ <u>669,447</u>	\$ <u>5,263,857</u>	\$ <u>102,640</u>	\$ <u>995,509</u>	\$ <u>126,172</u>	\$ <u>7,157,625</u>	\$ <u>7,683,480</u>
ACCUMULATED SURPLUS	\$ <u>669,447</u>	\$ <u>5,263,857</u>	\$ <u>102,640</u>	\$ <u>995,509</u>	\$ <u>126,172</u>	\$ <u>7,157,625</u>	\$ <u>7,683,480</u>
REVENUE							
Other government transfers	\$ -	\$ 881,014	\$ -	\$ -	\$ -	\$ 881,014	\$ 861,936
Transfers from Operating Funds	<u>14,330</u>	<u>57,281</u>	<u>1,607</u>	<u>12,385</u>	<u>1,362</u>	<u>86,965</u>	<u>687,444</u>
Interest	<u>14,330</u>	<u>938,295</u>	<u>1,607</u>	<u>489,172</u>	<u>18,741</u>	<u>1,462,145</u>	<u>1,607,925</u>
EXPENDITURES							
Transfers to General Operating Fund	150,000	1,425,000	-	-	-	1,575,000	2,142
Transfer to General Capital Fund	-	-	-	-	-	-	744,106
Transfers to Water and Sewer Operating Fund	-	<u>150,000</u>	-	<u>263,000</u>	-	<u>413,000</u>	<u>300,000</u>
	<u>150,000</u>	<u>1,575,000</u>	-	<u>263,000</u>	-	<u>1,988,000</u>	<u>1,046,248</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(135,670)</u>	\$ <u>(636,705)</u>	\$ <u>1,607</u>	\$ <u>226,172</u>	\$ <u>18,741</u>	\$ <u>(525,855)</u>	\$ <u>561,677</u>

Included in the General Capital Reserve Fund is \$4,201,365 of gas tax funds to be used for capital projects that meet the criteria of the Agreement on the Gas Tax Fund with Local Governments.

Name of Investment	Principal Amount	Interest Rate	Date of Maturity
Cashable GIC	\$ 3,658,099	2.50%	June 27, 2020
Cashable GIC	340,700	2.50%	June 29, 2020
Cashable GIC	114,056	2.50%	June 27, 2020
Cashable GIC	100,034	2.50%	June 27, 2020

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

25. STATEMENT OF RESERVES (cont'd)

Council Resolutions regarding transfers to and from reserves:

Moved by Counc. Brenan and seconded by Deputy Mayor Alexander the sum of \$263,000.00 be transferred from the Utility Capital Reserve Fund to the Utility Operating Fund to cover the costs of Capital projects.

CARRIED.

Moved by Counc. Brenan and seconded by Deputy Mayor Alexander the sum of \$150,000.00 be transferred from the General Capital Reserve (Gas Tax) to the Utility Operating Fund to cover the costs of Capital projects.

CARRIED.

Moved by Counc. Brenan and seconded by Counc. McGuire \$4,000 be transferred from the Utility Operating Fund to the Utility Sewage Outfall Reserve Fund for Rothesay's contribution to the Sewage Outfall Reserve.

CARRIED.

Moved by Counc. Brenan and seconded by Deputy Mayor Alexander \$10,762.00 received from Quispamsis for Sewage Outfall be transferred from the Utility Operating Fund to the Utility Sewage Outfall Reserve Fund.

CARRIED.

Moved by Counc. Brenan and seconded by Deputy Mayor Alexander \$285,000.00 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for future capital projects.

CARRIED.

Moved by Counc. Brenan and seconded by Deputy Mayor Alexander the sum of \$150,000.00 be transferred from the General Operating Reserve Fund to the General Operating Fund to cover operating costs.

CARRIED.

Moved by Counc. Brenan and seconded by Deputy Mayor Alexander the sum of \$475,000.00 be transferred from the General Capital Reserve Fund to the General Operating Fund to cover the costs of Capital projects.

CARRIED.

Moved by Counc. Brenan and seconded by Counc. Mackay French Gas Tax Funding in the amount of \$881,014.00 for the year 2018, be transferred to the General Capital Reserve Fund (Gas Tax).

CARRIED.

Moved by Counc. Brenan and seconded by Deputy Mayor Alexander the sum of \$950,000.00 be transferred from the General Capital Reserve (Gas Tax) to the General Operating Fund to cover the costs of Capital projects.

CARRIED.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

25. STATEMENT OF RESERVES (cont'd)

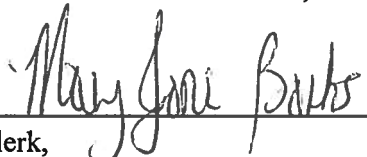
Moved by Counc. Brenan and seconded by Counc. McGuire the sum of \$17,379.36 be transferred from the General Operating Fund to the Land for Public Purposes Reserve Fund for external contributions.

CARRIED.


Moved by Counc. Brenan and seconded by Deputy Mayor Alexander \$177,025.00 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for water and sewer connection fees.

CARRIED.

I hereby certify that the above are true and exact copies of resolutions adopted at the regular meeting of Council on December 10, 2018.



Clerk,
Rothesay



Date

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

26. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KV Fire</u>	<u>Police</u>	<u>Library</u>	<u>2018 Total</u>	<u>2017 Total</u>
ASSETS	\$ <u>1,405,000</u>	\$ <u>1,404,406</u>	\$ <u>1,797,427</u>	\$ <u>4,606,833</u>	\$ <u>4,960,812</u>
LIABILITIES	\$ <u>854,940</u>	\$ <u>1,031,160</u>	\$ <u>13,204</u>	\$ <u>1,899,304</u>	\$ <u>1,997,969</u>
ACCUMULATED SURPLUS	\$ <u>550,061</u>	\$ <u>373,247</u>	\$ <u>1,784,224</u>	\$ <u>2,707,532</u>	\$ <u>2,962,843</u>
REVENUE	\$ 2,014,385	\$ 2,587,328	\$ 95,777	\$ 4,697,490	\$ 4,642,754
EXPENDITURES	<u>2,118,016</u>	<u>2,578,728</u>	<u>190,763</u>	<u>4,887,507</u>	<u>4,666,598</u>
	(103,631)	8,600	(94,986)	(190,017)	(23,844)
CHANGE IN PERCENTAGE OWNERSHIP	<u>(8,674)</u>	<u>(5,531)</u>	<u>(51,089)</u>	<u>(65,294)</u>	<u>(2,022)</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(112,305)</u>	\$ <u>3,069</u>	\$ <u>(146,075)</u>	\$ <u>(255,311)</u>	\$ <u>(25,866)</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, 2018

27. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water and Sewer	Amortization TCA	Controlled Entities	Transfers	Total
REVENUE						
Property tax warrant	\$ 15,513,249	\$ -	\$ -	\$ -	\$ -	\$ 15,513,249
Unconditional transfers from other governments	188,554	-	-	-	-	188,554
Conditional transfers from Federal or Provincial governments	21,500	-	-	-	1,100,000	1,121,500
Services other governments	60,000	-	-	-	-	60,000
Other own source	104,425	-	-	-	-	104,425
Sale of services	391,055	-	-	-	-	391,055
Other transfers	940,000	-	-	-	(940,000)	-
Water and sewer user fees	-	3,148,875	-	-	(418,000)	2,730,875
Sundry income	13,000	50,000	-	125,348	-	188,348
Surplus (deficit) of second previous year	43,217	21,125	-	-	(64,342)	-
	<u>17,275,000</u>	<u>3,220,000</u>	<u>-</u>	<u>125,348</u>	<u>(322,342)</u>	<u>20,298,006</u>
EXPENDITURES						
General government services	2,129,217	-	65,000	-	(286,451)	1,907,766
Protective services	4,810,037	-	203,665	66,415	(364,269)	4,715,848
Transportation services	3,405,473	-	2,475,000	-	(599,882)	5,280,591
Environmental health services	613,000	-	-	-	-	613,000
Environmental development services	638,122	-	-	-	-	638,122
Recreation and cultural services	1,999,348	-	656,568	5,056	119,905	2,780,877
Fiscal services						
Long term debt repayments	1,009,000	547,352	-	-	(1,556,352)	-
Interest	227,303	311,217	-	-	(538,520)	-
Transfer from General Operating Fund to General Capital Reserve Fund	10,000	-	-	-	(10,000)	-
Transfer from General Operating Fund to General Capital Fund	2,433,500	-	-	-	(2,433,500)	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Capital Reserve Fund	-	60,000	-	-	(60,000)	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Operating Capital Fund	-	637,000	-	-	(637,000)	-
Water and Sewer	-	1,664,431	1,070,000	-	311,218	3,045,649
	<u>17,275,000</u>	<u>3,220,000</u>	<u>4,470,233</u>	<u>71,471</u>	<u>(6,054,851)</u>	<u>18,981,853</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,470,233)</u>	<u>\$ 53,877</u>	<u>\$ 5,732,509</u>	<u>\$ 1,316,153</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

28. REVENUE AND EXPENDITURES SUPPORT

	2018 Budget	2018 Actual	2017 Actual
REVENUE			
Sale of services			
Community Centre	\$ 30,500	\$ 32,859	\$ 39,470
Rental revenue	59,855	61,605	28,130
Recreational programs	<u>300,700</u>	<u>306,263</u>	<u>322,976</u>
	<u>\$ 391,055</u>	<u>\$ 400,727</u>	<u>\$ 390,576</u>
Other own source			
Permits and fines	\$ 95,000	\$ 143,220	\$ 117,071
Developers contributions	-	28,141	612,802
Miscellaneous	<u>9,425</u>	<u>531,654</u>	<u>91,726</u>
	<u>\$ 104,425</u>	<u>\$ 703,015</u>	<u>\$ 821,599</u>
Conditional government transfers			
Government of Canada	\$ -	\$ 762,025	\$ 986,574
Province of New Brunswick	-	783,455	1,077,156
Gas Tax revenue	1,100,000	1,100,000	740,000
Canada Day grants	1,500	1,250	2,500
Other government grants	<u>20,000</u>	<u>-</u>	<u>34,638</u>
	<u>\$ 1,121,500</u>	<u>\$ 2,646,730</u>	<u>\$ 2,840,868</u>
EXPENDITURE			
General government services			
Legislative			
Mayor	\$ 37,100	\$ 32,350	\$ 34,554
Councilors	106,343	104,325	104,807
Fundy Regional Service Commission	6,138	5,995	4,291
NMNB-FCM Local Government for Sustainability	-	-	9,000
Other	<u>8,500</u>	<u>3,499</u>	<u>6,505</u>
	<u>158,081</u>	<u>146,169</u>	<u>159,157</u>
Administrative			
Administration	722,900	705,336	662,269
Office building	140,000	261,696	172,007
Solicitor	50,000	27,004	40,739
Supplies	38,000	30,178	30,477
Other	<u>187,157</u>	<u>183,939</u>	<u>152,411</u>
	<u>1,138,057</u>	<u>1,208,153</u>	<u>1,057,903</u>
Financial management			
Professional fees	<u>50,000</u>	<u>103,561</u>	<u>14,560</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2018</u> Budget	<u>2018</u> Actual	<u>2017</u> Actual
General government services (cont'd)			
Other			
Civic relations	4,000	388	2,182
Community communications	33,000	15,945	5,189
Insurance	166,872	176,440	162,011
Property tax - land for public purposes	8,000	7,654	7,799
Grants to organizations	38,000	38,208	41,120
Cost of assessment	242,707	242,707	243,798
Interest	4,049	4,001	1,995
Amortization	<u>65,000</u>	<u>65,027</u>	<u>54,141</u>
	<u>561,628</u>	<u>550,370</u>	<u>518,235</u>
	<u>\$ 1,907,766</u>	<u>\$ 2,008,253</u>	<u>\$ 1,749,855</u>
Protective services			
Fire			
Administration	\$ 277,969	\$ 273,510	\$ 268,038
Firefighting force	1,473,309	1,511,981	1,426,253
Telecommunications	4,412	2,907	3,613
Insurance	14,312	13,266	14,217
Prevention and training	19,607	12,256	12,435
Facilities	85,098	90,260	81,858
Fleet	36,171	56,036	40,715
Operations	21,445	21,584	20,622
Water costs	12,142	12,142	11,881
Retirement allowance	21,935	21,935	23,344
Other	1,225	742	981
Loss on disposal of tangible capital assets	-	-	5,045
Amortization	<u>109,462</u>	<u>109,462</u>	<u>108,924</u>
	<u>2,077,087</u>	<u>2,126,081</u>	<u>2,017,926</u>
Crimestoppers	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>
Police			
Crime Control	1,744,367	1,702,776	1,664,804
Vehicle Fleet	88,264	76,548	73,694
Property	80,000	85,989	77,329
Administration	380,318	421,067	375,486
Retirement allowance	32,390	26,584	26,762
Communications	5,679	4,650	1,301
Other	15,817	15,817	(7,817)
Loss on disposal of tangible capital assets	2,861	2,861	8,316
Amortization	<u>94,203</u>	<u>94,203</u>	<u>90,761</u>
	<u>2,443,899</u>	<u>2,430,495</u>	<u>2,310,636</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2018</u> Budget	<u>2018</u> Actual	<u>2017</u> Actual
Protective services (cont'd)			
Other			
Emergency measures	156,831	142,869	140,392
Animal control	9,500	9,047	8,563
Interest	15,731	15,544	19,552
Other	<u>10,000</u>	<u>14,975</u>	<u>17,897</u>
	<u>192,062</u>	<u>182,435</u>	<u>186,404</u>
	<u>\$ 4,715,848</u>	<u>\$ 4,741,811</u>	<u>\$ 4,517,766</u>
Transportation services			
Common			
Wages and benefits	\$ 1,194,563	\$ 1,012,002	\$ 1,043,494
Workshop, yard and equipment maintenance	537,500	775,783	596,658
Engineering	<u>7,500</u>	<u>24,416</u>	<u>46,102</u>
	<u>1,739,563</u>	<u>1,812,201</u>	<u>1,686,254</u>
Roads and Streets			
Roadway surfaces	68,000	98,637	61,138
Crosswalks and sidewalks	19,410	18,123	29,096
Culverts and drainage ditches	35,000	29,934	33,791
Storm sewers	40,000	42,288	27,357
Street cleaning	40,000	31,932	37,699
Snow and ice removal	500,000	543,367	475,201
Street lighting	146,000	138,805	141,256
Street signs	15,000	10,571	19,493
Traffic lane marking	25,000	22,872	25,657
Traffic signals and signs	20,000	16,357	20,844
Railway crossing signals	18,000	21,842	20,049
Public transit - Comex Service	66,500	68,401	66,128
KV committee for the disabled	7,000	7,000	3,000
Flood costs	-	628,434	-
Interest	66,118	65,333	70,066
Loss on disposal of tangible capital assets	-	172,830	90,236
Amortization	<u>2,475,000</u>	<u>2,472,821</u>	<u>2,346,229</u>
	<u>3,541,028</u>	<u>4,389,547</u>	<u>3,467,240</u>
	<u>\$ 5,280,591</u>	<u>\$ 6,201,748</u>	<u>\$ 5,153,494</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2018</u> Budget	<u>2018</u> Actual	<u>2017</u> Actual
Environmental health services			
Solid waste disposal	\$ 193,000	\$ 191,792	\$ 192,265
Solid waste compost	25,000	25,515	24,267
Solid waste collection	260,000	262,183	262,461
Curbside recycling	95,000	91,077	93,598
Clean up campaign	<u>40,000</u>	<u>32,446</u>	<u>36,664</u>
	<u>\$ 613,000</u>	<u>\$ 603,013</u>	<u>\$ 609,255</u>
Environmental development services			
Environmental planning and zoning	\$ 548,500	\$ 468,248	\$ 381,652
Greater Saint John Economic Development Agency, Inc.	86,422	86,422	86,422
Tourism	<u>3,200</u>	<u>3,129</u>	<u>3,129</u>
	<u>\$ 638,122</u>	<u>\$ 557,799</u>	<u>\$ 471,203</u>
Recreation and cultural services			
Administration	\$ 232,217	\$ 251,908	\$ 232,881
Beaches	53,419	28,864	41,044
Rothesay Arena	329,680	288,272	330,823
Memorial Centre	57,000	61,535	51,926
Summer programs	60,862	57,078	55,377
Rothesay Common	45,005	60,285	49,175
Parks and gardens	581,700	583,607	541,815
Regional Facilities Commission	378,465	418,973	397,780
Kennebecasis Public Library Inc	89,556	83,732	86,283
Special events	36,000	27,124	40,636
Playgrounds and fields	110,000	127,506	103,603
Living museum	1,500	331	1,571
PRO Kids	7,500	7,500	7,500
Interest	141,405	139,726	154,133
Amortization	<u>656,568</u>	<u>656,771</u>	<u>674,195</u>
	<u>\$ 2,780,877</u>	<u>\$ 2,793,212</u>	<u>\$ 2,768,742</u>
Water and sewer services			
Water System			
Administration	\$ 405,500	\$ 387,811	\$ 392,201
Purification maintenance and treatment	336,000	427,870	317,422
Source of supply - purchase of water	500	758	667
Transmission and distribution	96,000	95,253	76,884
Power and pumping	43,000	44,077	42,186
Billing and collecting	<u>5,000</u>	<u>1,335</u>	<u>4,881</u>
	<u>886,000</u>	<u>957,104</u>	<u>834,241</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Sewer System			
Administration	613,431	581,050	579,639
Sewer collection system	84,000	44,030	305,507
Sewer lift stations	25,000	36,649	20,882
Treatment and disposal	56,000	83,105	43,233
Infiltration study	-	88,629	274,327
Loss on disposal of tangible capital asset	<u>-</u>	<u>12,044</u>	<u>67,103</u>
	<u>778,431</u>	<u>845,507</u>	<u>1,290,691</u>
Interest	311,218	300,346	297,207
Amortization	<u>1,070,000</u>	<u>1,068,961</u>	<u>853,699</u>
	<u>1,381,218</u>	<u>1,369,307</u>	<u>1,150,906</u>
	<u>\$ 3,045,649</u>	<u>\$ 3,171,918</u>	<u>\$ 3,275,838</u>

J. EXCERPT - REGULATION 2018 – 54

Attorney General

Enabling Act: [Local Governance](#)

NEW BRUNSWICK
REGULATION 2018-54
under the
Local Governance Act
(O.C. 2018-189)

Filed June 25, 2018

Under subsection 191(1) of the *Local Governance Act*, the Lieutenant-Governor in Council makes the following Regulation:

Citation

1 This Regulation may be cited as the *Annual Report Regulation – Local Governance Act*.

Definitions

2 The following definitions apply in this Regulation.

“Act” means the *Local Governance Act*. (*Loi*)

“corporation” means a corporation referred to in subsection 8(1) of the Act or a corporation continued under the Act. (*personne morale*)

Time to prepare annual report

3(1) On or before June 30 in each year, a local government shall prepare an annual report referred to in subsection 105(1) of the Act for the preceding fiscal year.

3(2) On or before June 30 in each year, a corporation shall prepare an annual report referred to in subsection 105(2) of the Act for the preceding fiscal year.

Information included in an annual report under subsection 105(1) of the Act

4(1) An annual report under subsection 105(1) of the Act prepared by a local government shall contain:

- (a) the audited financial statements of the local government;
- (b) the following information with respect to grants totalling \$500 or more made by the local government for social or environmental purposes:
 - (i) the recipient of the grant,
 - (ii) the type of grant,
 - (iii) the amount of the grant and whether it is a grant of money or an in-kind grant,
 - (iv) the terms and conditions imposed on the grant; and
 - (v) the purpose of the grant and the benefit to the local government in making the grant;

- (c) the following information with respect to economic development assistance or grants totalling \$500 or more made by the local government:
- (i) the recipient of the economic development assistance or grant,
 - (ii) the amount of economic development assistance or grant and whether it is a grant or assistance of money or in-kind,
 - (iii) the terms and conditions imposed on the economic development assistance or grant, and
 - (iv) the purpose of the economic development assistance or grant and the benefit to the local government in providing the assistance or making the grant;
- (d) the following information with respect to activities and programs relating to economic development:
- (i) the types of activities and programs, and
 - (ii) the purpose of the activities or programs and the benefit to the local government in providing the activities and programs;
- (e) the following information with respect to a corporation established by the local government:
- (i) the name of the corporation,
 - (ii) the purpose of the corporation,
 - (iii) the manner of consolidating the corporation within the financial statements of the local government, and
 - (iv) how to access the financial statements and annual reports of the corporation;
- (f) the following information with respect to the council:
- (i) the members of council and their committee and other responsibilities,
 - (ii) the number of regular meetings held by the council and the names of the members of council in attendance at the meetings,
 - (iii) the number of special meetings held by the council, the types of matters discussed and the names of the members of council in attendance at the meetings,
 - (iv) the date of the council meetings or committee of council meetings closed to the public and the types of matters discussed at the meetings,
 - (v) if electronic means of communication is used at a meeting of council, the names of the members of council participating by electronic means,
 - (vi) the salary range and other remuneration or benefits of members of council, and
 - (vii) the amounts paid as allowances to the members of council for expenses resulting from the discharge of their duties; and
- (g) information with respect to the provision of services by or through the local government, including the nature of the service provided and the cost of the services and related infrastructure,

under the following headings:

- (i) general government services,
- (ii) protective services,
- (iii) transportation services,
- (iv) environmental health services – general fund,
- (v) environmental health services – utility fund,
- (vi) environmental development services,
- (vii) recreation and cultural services,
- (viii) fiscal services,
- (ix) public health services, and
- (x) other services.

4(2) An annual report under subsection 105(1) of the Act prepared by a local government may include the following information:

- (a) general information regarding the local government, including the population, tax rates, tax base and user charges;
- (b) information on capital projects undertaken within the year and information on multiyear capital planning;
- (c) performance measures established by the local government and the progress made with respect to those measures; and
- (d) information respecting employee classification, salary ranges, benefits and travel expenses.

Information included in an annual report under subsection 105(2) of the Act

5(1) An annual report under subsection 105(2) of the Act prepared by a corporation shall contain:

- (a) the audited financial statement of the corporation;
- (b) the following information with respect to grants totalling \$500 or more for social or environmental purposes made by the corporation:
 - (i) the recipient of the grant,
 - (ii) the type of grant,
 - (iii) the amount of the grant and whether it is a grant of money or an in-kind grant,
 - (iv) the terms and conditions imposed on the grant, and
 - (v) the purpose of the grant and the benefit to the local government in making the grant;
- (c) the following information with respect to economic development assistance or grants totalling \$500 or more provided by the corporation:

- (i) the recipient of the economic development assistance or grant,
 - (ii) the amount of the economic development assistance or grant and whether it is a grant or assistance of money or in-kind,
 - (iii) the terms and conditions imposed on any economic development assistance or grant provided, and
 - (iv) the purpose of the economic assistance or grant and the benefit to the local government in making the grant or providing the benefit;
- (d) the following information with respect to activities and programs of the corporation relating to economic development:
- (i) the types of activities and programs, and
 - (ii) the purposes of the activities and programs or the benefit to the local government in providing the activities and programs;
- (e) the following information respecting the board of directors of the corporation:
- (i) the names of the members of the board of directors and their responsibilities,
 - (ii) the number of meetings held by the board of directors and the names of the members of the board in attendance at the meetings, and
 - (iii) if electronic means of communication is used at a meeting, the names of the members of the board of the corporation participating by electronic means; and
- (f) information with respect to the provision of services provided by or through the corporation, including the nature of the services and the cost of the services and related infrastructure.

5(2) An annual report under subsection 105(2) of the Act prepared by a corporation may include the following information:

- (a) information on capital projects undertaken within the year and on multiyear capital planning; and
- (b) performance measures established by the corporation and the progress made with respect to those measures.

Local governments and corporations shall comply with requirements under subsection 105(3) of the Act

6 Local governments and corporations shall comply with the posting requirements of an annual report and make the annual report available for examination in accordance with subsection 105(3) of the Act.

Commencement

7 *This Regulation comes into force on January 1, 2019.*

N.B. This Regulation is consolidated to June 25, 2018.