

**ROTHESAY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

# ROTHESAY

DECEMBER 31, 2019

## CONTENTS

	<b>Page</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statement of Operations	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Net Debt	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 36

## INDEPENDENT AUDITORS' REPORT

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, 2019, 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, 2019, 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.

*(continues)*

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

*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  
April 14, 2020

# ROTHESAY

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

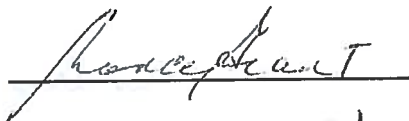
	<u>2019</u> Budget (Note 28)	<u>2019</u> Actual	<u>2018</u> Actual
<b>REVENUE</b>			
Property tax warrant	\$ 16,043,021	\$ 16,043,022	\$ 15,513,249
Unconditional grant	122,190	122,190	188,558
Conditional government transfers (Note 29)	1,326,500	1,940,058	2,646,730
Services other governments	60,000	83,288	83,085
Sale of services (Note 29)	403,043	451,280	400,727
Other own source (Note 29)	179,240	544,801	703,015
Water and sewer user fees	2,800,287	2,954,811	2,926,116
Sundry income	<u>189,050</u>	<u>495,135</u>	<u>477,223</u>
	<u>21,123,331</u>	<u>22,634,585</u>	<u>22,938,703</u>
<b>EXPENDITURE (Note 29)</b>			
General government services	2,027,813	2,061,090	2,008,253
Protective services	4,942,674	5,057,638	4,741,811
Transportation services	5,263,088	5,811,118	6,201,748
Environmental health services	645,000	633,909	603,013
Environmental development services	649,680	580,575	557,799
Recreation and cultural services	2,795,824	3,011,998	2,793,212
Water and sewer services	<u>3,189,231</u>	<u>3,435,557</u>	<u>3,171,918</u>
	<u>19,513,310</u>	<u>20,591,885</u>	<u>20,077,754</u>
<b>ANNUAL SURPLUS FOR THE YEAR</b>	<u>\$ 1,610,021</u>	2,042,700	2,860,949
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>		77,036,706	74,241,051
<b>CHANGE IN OWNERSHIP OF CONTROLLED ENTITIES (Note 2)</b>		<u>(1,363)</u>	<u>(65,294)</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>		<u>\$ 79,078,043</u>	<u>\$ 77,036,706</u>

# ROTHESAY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 4)	\$ 8,012,036	\$ 9,150,146
Accounts receivable (Note 5)	2,109,326	2,022,882
Investments (Note 10)	<u>356,807</u>	<u>324,150</u>
	<b><u>\$ 10,478,169</u></b>	<b><u>\$ 11,497,178</u></b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 9)	2,186,557	1,853,762
Deferred revenue (Note 8)	4,420,471	4,010,399
Long term debt (Note 11)	15,011,162	16,565,346
Accrued pension obligation (Note 16)	440,730	455,934
Accrued sick leave (Note 15)	305,268	346,688
Accrued retirement allowance (Note 16)	<u>914,763</u>	<u>850,699</u>
	<b><u>23,278,951</u></b>	<b><u>24,082,828</u></b>
<b>NET DEBT</b>	<b><u>(12,800,782)</u></b>	<b><u>(12,585,650)</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 22)	149,179,306	143,577,772
Accumulated amortization (Note 22)	<u>(57,340,509)</u>	<u>(54,042,881)</u>
	91,838,797	89,534,891
Inventory	21,683	29,642
Prepaid expenses	15,693	54,698
Unamortized debenture costs	<u>2,652</u>	<u>3,125</u>
	<b><u>91,878,825</u></b>	<b><u>89,622,356</u></b>
<b>ACCUMULATED SURPLUS</b>	<b><u>\$ 79,078,043</u></b>	<b><u>\$ 77,036,706</u></b>
<b>CONTINGENT LIABILITY (Note 17)</b>		
<b>COMMITMENT (Note 18)</b>		

**APPROVED BY:**

 \_\_\_\_\_ Mayor

 \_\_\_\_\_ Town Treasurer

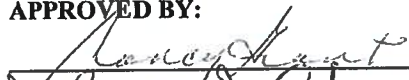
# ROTHESAY

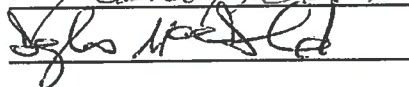
## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2019

	<b>2019</b>	<b>2018</b>
Annual surplus	\$ 2,042,700	\$ 2,860,949
Acquisition of tangible capital assets	(6,882,556)	(5,975,930)
Proceeds on disposal of tangible capital assets	3,111	402
Amortization of tangible capital assets	4,379,961	4,467,247
Change in percentage ownership of tangible capital assets	2,787	79,840
Loss on disposal of tangible capital assets	<u>192,791</u>	<u>187,735</u>
	(261,206)	1,620,243
Acquisition of inventories	(21,683)	(29,642)
Acquisition of prepaid assets	(15,693)	(54,698)
Acquisition of unamortized debenture costs	(2,652)	(3,125)
Consumption of inventories	29,642	27,524
Use of prepaid assets	54,698	16,604
Consumption of unamortized debenture costs	<u>3,125</u>	<u>3,651</u>
	(213,769)	1,580,557
Change in percentage ownership	<u>(1,363)</u>	<u>(65,294)</u>
Increase (decrease) in net debt	(215,132)	1,515,263
Net debt - beginning of year	<u>(12,585,650)</u>	<u>(14,100,913)</u>
Net debt - end of year	<u>\$ (12,800,782)</u>	<u>\$ (12,585,650)</u>

**APPROVED BY:**

  
 \_\_\_\_\_ Mayor

  
 \_\_\_\_\_ Town Treasurer

# ROTHESAY

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 2,042,700	\$ 2,860,949
Loss on disposal of tangible capital assets	192,791	187,735
Amortization of tangible capital assets	4,379,961	4,467,247
Accounts receivable	(86,444)	(362,021)
Accounts payable and accrued liabilities	332,795	(579,092)
Deferred revenue	410,072	(200,599)
Accrued sick leave	(41,420)	21,099
Change in accrued pension obligation	(15,204)	(118,636)
Change in accrued retirement allowance	64,064	28,663
Change in inventory/prepaid expenses/unamortized debenture costs	<u>47,437</u>	<u>(39,686)</u>
	<u>7,326,752</u>	<u>6,265,659</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(6,882,556)	(5,975,930)
Change in percentage ownership of capital assets	2,787	79,840
Proceeds on disposal of tangible capital assets	<u>3,111</u>	<u>402</u>
	<u>(6,876,658)</u>	<u>(5,895,688)</u>
<b>FINANCING TRANSACTION</b>		
Long term debt (net)	<u>(1,554,184)</u>	<u>(397,621)</u>
	<u>(1,554,184)</u>	<u>(397,621)</u>
<b>INVESTING TRANSACTION</b>		
Increase (decrease) in investments	<u>(32,657)</u>	<u>13,347</u>
<b>CHANGE IN PERCENTAGE OWNERSHIP</b>		
	<u>(1,363)</u>	<u>(65,294)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
	(1,138,110)	(79,597)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>		
	<u>9,150,146</u>	<u>9,229,743</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>		
	<u>\$ 8,012,036</u>	<u>\$ 9,150,146</u>



# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 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>2019</u>	<u>2018</u>
Kennebecasis Regional Joint Board of Police Commissioners	40.19%	40.21%
Kennebecasis Valley Fire Department Inc.	40.76%	40.85%
Kennebecasis Public Library	38.99%	38.99%

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, 2019

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

#### Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 10, 2018 and the Director of Community Finances on January 18, 2019.

#### 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, 2019

### 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, 2019

### 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 24.

##### 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, 2019:

##### 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, 2019

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

#### Interest Rate Risk

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

### 4. CASH

	<u>2019</u>	<u>2018</u>
Unrestricted	\$ 511,561	\$ 1,842,633
Restricted - reserve funds (Note 26)	7,325,779	7,157,625
Restricted - controlled entities	<u>174,696</u>	<u>149,888</u>
	<u>\$ 8,012,036</u>	<u>\$ 9,150,146</u>

### 5. ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Due from the Federal Government and its agencies (Note 6)	\$ 458,006	\$ 524,614
Due from the Province of New Brunswick (Note 7)	520,188	218,715
Water and sewer	897,561	822,653
Arena	69,598	72,026
Other	<u>163,973</u>	<u>384,874</u>
	<u>\$ 2,109,326</u>	<u>\$ 2,022,882</u>

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

	<u>2019</u>	<u>2018</u>
Canada Revenue Agency (HST refund)	\$ 360,860	\$ 305,899
RCMP Secondments	22,146	-
Small Communities Fund	<u>75,000</u>	<u>218,715</u>
	<u>\$ 458,006</u>	<u>\$ 524,614</u>

### 7. DUE FROM PROVINCE OF NEW BRUNSWICK

	<u>2019</u>	<u>2018</u>
NB EMO - Disaster Financial Assistance	\$ 167,188	\$ -
Department of Transportation	278,000	-
Small Communities Fund	<u>75,000</u>	<u>218,715</u>
	<u>\$ 520,188</u>	<u>\$ 218,715</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 8. DEFERRED REVENUE

	<u>2019</u>	<u>2018</u>
Government transfers - Gas Tax	\$ 4,366,824	\$ 3,973,327
Deferred revenue - Quispamsis	37,631	18,387
Deferred revenue - K-Park Levy (Note 14)	<u>16,016</u>	<u>18,685</u>
	<u>\$ 4,420,471</u>	<u>\$ 4,010,399</u>

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2019</u>	<u>2018</u>
Accounts payable - trade	\$ 1,695,319	\$ 1,370,485
Bid deposits	160,822	110,000
Accrued interest	45,247	45,380
Accrued liabilities	254,884	255,855
Accounts payable - other	<u>30,285</u>	<u>72,042</u>
	<u>\$ 2,186,557</u>	<u>\$ 1,853,762</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 (loss) on the investments at December 31, 2019 was \$23,088 (2018 - (\$15,817)). The investments are restricted for future payment of retirement benefits.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 11. LONG TERM DEBT

#### (a) General Capital Fund

	Balance January 1, <u>2019</u>	Issued during year	Redeemed during year	Balance December 31, <u>2019</u>
New Brunswick Municipal Financing Corporation				
Debentures:				
BA17 0.95% - 5.00%, due 2019, OIC # 08-03, 08-63	\$ 114,000	\$ -	\$ 114,000	\$ -
BB26 1.00% - 4.50%, due 2019, OIC # 08-63, 08-82	155,000	-	155,000	-
BG18 1.65% - 3.80%, due 2027, OIC # 10-12, 11-71, 99-77	532,000	-	124,000	408,000
BL26 1.2% - 3.7%, due 2034, OIC # 03-88, 11-71, 13-08	2,754,000	-	183,000	2,571,000
BN17 1.05% - 3.15%, due 2025, OIC # 10-12, 13-08	1,454,000	-	239,000	1,215,000
B019 1.45% - 3.50%, due 2031, OIC # 13-08	<u>1,974,000</u>	<u>-</u>	<u>218,000</u>	<u>1,756,000</u>
	<u>\$ 6,983,000</u>	<u>\$ -</u>	<u>\$ 1,033,000</u>	<u>\$ 5,950,000</u>

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

2020 - \$778,000; 2021 - \$735,000; 2022 - \$715,000; 2023 - \$597,000; 2024 - \$612,000

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

#### (b) Water and Sewer Capital Fund

	Balance January 1, 2019	Issued during year	Redeemed during year	Balance December 31, 2019
<b>New Brunswick Municipal Financing Corporation</b>				
<b>Debentures:</b>				
BF23 1.35% - 3.45%, due 2021, OIC # 00-18	\$ 1,206,000	\$ -	\$ 81,000	\$ 1,125,000
BG19 1.65 - 3.80%, due 2027, OIC # 11-0045	431,000	-	12,000	419,000
BH23 1.35 - 3.80%, due 2032, OIC # 00-0018	539,000	-	31,000	508,000
BL27 1.2% - 3.7%, due 2034, OIC # 11-0045	910,000	-	24,000	886,000
BN18 1.05% - 3.15%, due 2025, OIC # 15-38	252,000	-	33,000	219,000
BP21 1.20% - 3.80%, due 2036, OIC # 18-0020	812,000	-	19,000	793,000
BR22 1.65% - 3.30%, due 2037, OIC # 15-0069	1,269,000	-	29,000	1,240,000
BU21 2.55% - 3.7%, due 2038, OIC # 15-0069, 96-006, 96-0072	<u>1,387,000</u>	<u>-</u>	<u>76,000</u>	<u>1,311,000</u>
	<u>6,806,000</u>	<u>-</u>	<u>305,000</u>	<u>6,501,000</u>
<b>Canada Mortgage and Housing Corporation</b>				
CMHC 3.70%, due 2030 OIC # 09-119, 09-139, 10-012	<u>2,394,726</u>	<u>-</u>	<u>162,137</u>	<u>2,232,589</u>
	<u>\$ 9,200,726</u>	<u>\$ -</u>	<u>\$ 467,137</u>	<u>\$ 8,733,589</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 \$508,555 (2018 - \$537,683) 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:

2020 - \$483,136; 2021 - \$1,454,357; 2022 - \$426,808; 2023 - \$438,498; 2024 - \$454,435

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.



# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

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

	Balance January 1, 2019	Issued during year	Redeemed during year	Balance December 31, 2019
New Brunswick Municipal Financing Corporation				
Debentures:				
BL45 1.2% - 3.1%, due 2024, OIC # 02-66, 03-53	\$ 125,440	\$ -	\$ 19,293	\$ 106,147
BN35 1.05% - 3.15%, due 2025, OIC# 03-53	<u>256,180</u>	<u>-</u>	<u>34,754</u>	<u>221,426</u>
	<u>\$ 381,620</u>	<u>\$ -</u>	<u>\$ 54,047</u>	<u>\$ 327,573</u>

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

2020 - \$54,662; 2021 - \$56,270; 2022 - \$57,476; 2023 - \$58,682; 2024 - \$60,691

Total Long term debt:

	2019	2018
General Capital Fund	\$ 5,950,000	\$ 6,983,000
Water and Sewer Capital Fund	8,733,589	9,200,726
Jointly Controlled Entity - KRJPC	<u>327,573</u>	<u>381,620</u>
	<u>\$ 15,011,162</u>	<u>\$ 16,565,346</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 26).

### 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, 2019, the balance in this reserve was \$259,062 (2018 - \$237,702).

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 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

Rothestay 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 Rothestay and the 37 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 Rothestay and 3.07% 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	
	2019	2018
Rothestay	\$ -	\$ 18,700
KRJPC	6,149	6,152
KVFD	<u>299,119</u>	<u>321,836</u>
	<u>\$ 305,268</u>	<u>\$ 346,688</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 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, 2019, which used a discount rate of 2.69% and an annual salary increase rate of 3% for four years and 2% thereafter.

The consolidated unfunded liability consist of:

	<u>2019</u>	<u>2018</u>
Rothesay	\$ 408,322	\$ 395,220
KVFD	178,879	158,015
KRJPC	<u>327,562</u>	<u>297,464</u>
Balance at end of year	<u>\$ 914,763</u>	<u>\$ 850,699</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, 2017 and resulted in an overall NBMEPP accrued benefit obligation of \$122,959,100 based on the accounting basis.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 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, 2018:

- the expected inflation rate is 2.25% (prior 2.25%);
- the discount rate used to determine the accrued benefit obligation is 5.50% (prior 5.50%);
- the expected rate of return on assets is 5.50% (prior 5.50%);
- retirement age varies by age and employment category; and
- estimated average remaining service life (EARSLS) is 13.0 years (prior 14.0 years).

The actuarial valuation prepared as at December 31, 2017 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 surplus of \$43,100, a change of \$297,900 from the December 31, 2016 deficit of \$254,800. Based on the assumptions as at December 31, 2017, 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, 2017, the NBMEPP provides benefits for 236 retirees. Total benefits payments to retirees and terminating employees during 2019 are estimated to be approximately \$3,932,100 (actual 2018, \$5,502,500) 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 2019 are estimated to be approximately \$6,713,200 (actual 2018, \$6,532,500) 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 47.1 (as at Dec 31, 2017);
- benefit payments were \$266,600 in 2018 and were estimated to be \$90,300 in 2019; and
- combined contributions were \$431,600 in 2018 and were estimated to be \$441,600 in 2019.

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

- The average age of the 42 active employees covered by the NBMEPP is 42.1 (2018 - 42.6);
- benefit payments were \$520,400 in 2018 and were estimated to be \$511,600 in 2019; and
- combined contributions were \$594,600 in 2018 and were estimated to be \$612,400 in 2019.

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

- The average age of the 44 active employees covered by the NBMEPP is 42.6 (2018 - 43.2);
- benefit payments were \$632,300 in 2018 and were estimated to be \$353,500 in 2019; and
- combined contributions were \$710,800 in 2018 and were estimated to be \$731,400 in 2019.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 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, 2017 and December 31, 2018, NBMEPP's actuary performed an extrapolation of the December 31, 2018 accounting valuation to determine the estimated position as at December 31, 2019. The extrapolation assumes assumptions used as at December 31, 2019 remain unchanged from December 31, 2018. 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:

	<b>Estimated Jan 1, 2019 to Dec 31, 2019</b>	<b>Jan 1, 2018 to Dec 31, 2018</b>
<b>Accrued Benefit Liability</b>		
Accrued benefit liability at beginning of period	\$ 455,934	\$ 595,970
Change in ownership percentage	(531)	(7,075)
Adjustment to actual	(33,729)	33,071
Pension expense for the year	511,651	304,684
Employer contributions	<u>(492,595)</u>	<u>(470,716)</u>
Accrued benefit liability at end of period	<u>\$ 440,730</u>	<u>\$ 455,934</u>

In summary, the consolidated accrued benefit liability is estimated to be \$440,730 as at December 31, 2019. The December 31, 2018 liability was estimated in the prior year. The actual liability was calculated to be \$422,205. The difference of \$33,729 has been recorded in the current year. This amount is included in the post employment benefits payable on the consolidated statement of financial position.

	<b>Estimated Jan 1, 2019 to Dec 31, 2019</b>	<b>Jan 1, 2018 to Dec 31, 2018</b>
Rothesay	\$ 78,100	\$ 44,500
KVFD	193,980	228,626
KRJPC	<u>168,650</u>	<u>182,808</u>
	<u>\$ 440,730</u>	<u>\$ 455,934</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:

	<b>Estimated Jan 1, 2019 to Dec 31, 2019</b>	<b>Jan 1, 2018 to Dec 31, 2018</b>
<b>Reconciliation of Funded Status at End of Period</b>		
Accrued benefit obligation	\$ 18,557,467	\$ 17,270,912
Plan assets	<u>(16,688,280)</u>	<u>(15,300,307)</u>
Plan deficit	1,869,187	1,970,605
Unamortized experience losses	<u>(1,428,457)</u>	<u>(1,548,400)</u>
Accrued benefit liability at end of period	<u>\$ 440,730</u>	<u>\$ 422,205</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 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:

	<b>Estimated Jan 1, 2019 to Dec 31, 2019</b>	<b>Jan 1, 2018 to Dec 31, 2018</b>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued benefit obligation at beginning of period	\$ 17,270,912	\$ 16,303,455
Change in ownership percentage	(13,572)	(146,681)
Current service cost	782,472	737,117
Benefits payments	(440,913)	(733,440)
Interest for period	958,568	888,782
Experience loss during period	<u>-</u>	<u>221,679</u>
Accrued benefit obligation at end of period	<u>\$ 18,557,467</u>	<u>\$ 17,270,912</u>

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

	<b>Estimated Jan 1, 2019 to Dec 31, 2019</b>	<b>Jan 1, 2018 to Dec 31, 2018</b>
<b>Reconciliation of Plan Assets</b>		
Plan assets at beginning of period	\$ 15,300,307	\$ 15,583,899
Change in ownership percentage	(12,126)	(141,385)
Employer contributions	492,595	478,919
Employee contributions	492,595	481,397
Benefit payments	(440,913)	(733,440)
Return on plan assets during period	<u>855,822</u>	<u>(369,083)</u>
Plan assets at end of period	<u>\$ 16,688,280</u>	<u>\$ 15,300,307</u>

Total expense related to pensions include the following components:

	<b>Estimated Jan 1, 2019 to Dec 31, 2019</b>	<b>Actual Jan 1, 2018 to Dec 31, 2018</b>
<b>Pension Expense</b>		
Employer current service cost	\$ 289,877	\$ 255,720
Interest on accrued benefit obligation	958,568	888,782
Expected return on assets	(855,822)	(855,622)
Amortization of unrecognized balances		
Experience loss	<u>119,028</u>	<u>10,335</u>
Pension expense	<u>\$ 511,651</u>	<u>\$ 299,215</u>

The pension expense is included in the statement of operations.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 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, 2019 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. During the year, the Town renewed the contract for two years, of which the minimum annual payment over the next year is \$385,000.

#### Snow Clearing Contract

In 2017, the Town entered into a contract for snow clearing services from November 2017 to April, 2021. The minimum annual commitment for the next two years are as follows:

2020	\$410,000
2021	\$285,000

### 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 2019, the Town has complied with these restrictions.

#### Capital Funds

At December 31, 2019, there were short-term funds totaling \$210,000 (2018 - \$660,000) borrowed from other funds and no short-term funds (2018 - nil) borrowed from a financial institution to provide interim funding for capital projects in the General Capital Fund.

At December 31, 2019, there were short-term funds totaling \$400,000 (2018 - \$700,000) borrowed from other funds and no short-term funds (2018 - 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, 2019

### 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:

	<b>2019</b>	<b>2018</b>
2019 Surplus	\$ 34,573	\$ -
2018 Surplus	80,211	80,211
2017 Surplus	<u>-</u>	<u>11,713</u>
	<u>\$ 114,784</u>	<u>\$ 91,924</u>

### 21. SUBSEQUENT EVENT

On March 11, 2020 the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put into place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial assets and condition of the Town in future periods.



# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

22. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land		Buildings and Leasehold	Vehicles	Machinery and Equipment	Infrastructure				Subtotal	Assets Under Construction	2019 Total	2018 Total
	Land	Improvements	Improvements			Roads and Streets	Storm Sewer	Water	Sewer				
<b>COST</b>													
Balance - beginning of year	\$ 4,819,842	\$ 8,117,477	\$ 11,187,617	\$ 4,950,511	\$ 4,487,628	\$ 40,132,234	\$ 19,172,746	\$ 27,057,089	\$ 23,652,628	\$ 143,577,772	\$ -	\$ 143,577,772	\$ 138,915,304
Change in ownership	(91)	(11)	(2,581)	(2,560)	(664)	-	-	-	-	(5,907)	-	(5,907)	(118,600)
Add: Net additions during the year	50,000	419,183	122,876	755,787	80,182	3,195,804	1,171,935	668,000	418,789	6,882,556	-	6,882,556	5,975,930
Less: Disposals during the year	-	-	-	(41,185)	(15,687)	(1,089,859)	(97,360)	(12,128)	(18,896)	(1,275,115)	-	(1,275,115)	(1,194,862)
Balance - end of year	<u>4,869,751</u>	<u>8,536,649</u>	<u>11,307,912</u>	<u>5,662,553</u>	<u>4,551,459</u>	<u>42,238,179</u>	<u>20,247,321</u>	<u>27,712,961</u>	<u>24,052,521</u>	<u>149,179,306</u>	<u>-</u>	<u>149,179,306</u>	<u>143,577,772</u>
<b>ACCUMULATED AMORTIZATION</b>													
Balance - beginning of year	-	3,436,157	4,132,695	2,473,598	1,695,904	20,154,801	6,831,640	7,145,519	8,172,567	54,042,881	-	54,042,881	50,621,119
Change in ownership	-	(8)	(1,320)	(1,478)	(314)	-	-	-	-	(3,120)	-	(3,120)	(38,760)
Add: Amortization during the year	-	439,159	337,382	483,436	333,245	1,505,880	345,636	537,254	397,969	4,379,961	-	4,379,961	4,467,247
Less: Accumulated amortization on disposals	-	-	-	(38,774)	(15,687)	(938,462)	(61,761)	(10,851)	(13,678)	(1,079,213)	-	(1,079,213)	(1,006,725)
Balance - end of year	<u>-</u>	<u>3,875,308</u>	<u>4,468,757</u>	<u>2,916,782</u>	<u>2,013,148</u>	<u>20,722,219</u>	<u>7,115,515</u>	<u>7,671,922</u>	<u>8,556,858</u>	<u>57,340,509</u>	<u>-</u>	<u>57,340,509</u>	<u>54,042,881</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 4,869,751</u>	<u>\$ 4,661,341</u>	<u>\$ 6,839,155</u>	<u>\$ 2,745,771</u>	<u>\$ 2,538,311</u>	<u>\$ 21,515,960</u>	<u>\$ 13,131,806</u>	<u>\$ 20,041,039</u>	<u>\$ 15,495,663</u>	<u>\$ 91,838,797</u>	<u>\$ -</u>	<u>\$ 91,838,797</u>	<u>\$ 89,534,891</u>
Consists of:													
General Fund Assets	\$ 4,515,621	\$ 4,600,164	\$ 3,076,937	\$ 1,862,343	\$ 1,852,784	\$ 21,312,084	\$ 13,131,806	\$ -	\$ -	\$ 50,351,739	\$ -	\$ 50,351,739	\$ 48,131,284
Utility Fund Assets	119,971	-	1,314,869	89,767	425,675	203,876	-	20,041,039	15,495,663	37,690,860	-	37,690,860	37,665,854
Controlled Entities	<u>234,159</u>	<u>61,177</u>	<u>2,447,349</u>	<u>793,661</u>	<u>259,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,796,198</u>	<u>-</u>	<u>3,796,198</u>	<u>3,737,753</u>
	<u>\$ 4,869,751</u>	<u>\$ 4,661,341</u>	<u>\$ 6,839,155</u>	<u>\$ 2,745,771</u>	<u>\$ 2,538,311</u>	<u>\$ 21,515,960</u>	<u>\$ 13,131,806</u>	<u>\$ 20,041,039</u>	<u>\$ 15,495,663</u>	<u>\$ 91,838,797</u>	<u>\$ -</u>	<u>\$ 91,838,797</u>	<u>\$ 89,534,891</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Machinery and Equipment</u>	<u>Assets Under Construction</u>	<u>2019 Total</u>	<u>2018 Total</u>
<b>COST</b>								
Balance - beginning of year	\$ 234,250	\$ 120,164	\$ 3,852,886	\$ 1,426,318	\$ 718,028	\$ -	\$ 6,351,646	\$ 6,357,822
Change in percentage ownership	(91)	(11)	(2,581)	(2,560)	(664)	-	(5,907)	(118,600)
Add: Net additions during the year	-	-	11,341	293,406	64,310	-	369,057	125,523
Less: Disposals during the year	-	-	-	(41,185)	(15,687)	-	(56,872)	(13,099)
Balance - end of year	<u>234,159</u>	<u>120,153</u>	<u>3,861,646</u>	<u>1,675,979</u>	<u>765,987</u>	<u>-</u>	<u>6,657,924</u>	<u>6,351,646</u>
<b>ACCUMULATED AMORTIZATION</b>								
Balance - beginning of year	-	51,414	1,278,991	820,088	463,400	-	2,613,893	2,352,256
Change in percentage ownership	-	(8)	(1,320)	(1,478)	(314)	-	(3,120)	(38,760)
Add: Amortization during the year	-	7,570	136,626	102,482	58,736	-	305,414	310,233
Less: Accumulated amortization on disposals	-	-	-	(38,774)	(15,687)	-	(54,461)	(9,836)
Balance - end of year	<u>-</u>	<u>58,976</u>	<u>1,414,297</u>	<u>882,318</u>	<u>506,135</u>	<u>-</u>	<u>2,861,726</u>	<u>2,613,893</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 234,159</u>	<u>\$ 61,177</u>	<u>\$ 2,447,349</u>	<u>\$ 793,661</u>	<u>\$ 259,852</u>	<u>\$ -</u>	<u>\$ 3,796,198</u>	<u>\$ 3,737,753</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 24. SCHEDULE OF SEGMENT DISCLOSURE

	<u>General</u>	<u>Protective</u>	<u>Transportation</u>	<u>Environmental Health</u>	<u>Environmental Development</u>	<u>Recreation and Culture</u>	<u>Water and Sewer</u>	<u>2019 Consolidated</u>	<u>2018 Consolidated</u>
<b>REVENUE</b>									
Property tax warrant	\$ 2,573,301	\$ 5,738,589	\$ 3,922,519	\$ 734,770	\$ 739,583	\$ 2,334,260	\$ -	\$ 16,043,022	\$ 15,513,249
Sale of service	95,021	-	-	-	-	356,259	-	451,280	400,727
Services provided to other governments	-	-	83,288	-	-	-	-	83,288	83,085
Other own source	19,177	60	418,439	-	107,125	-	-	544,801	703,015
Unconditional grant	19,135	43,231	30,608	5,511	5,731	17,974	-	122,190	188,558
Conditional government transfers	-	-	1,200,000	-	-	321,374	418,684	1,940,058	2,646,730
Water and sewer user fees	-	-	-	-	-	-	2,954,811	2,954,811	2,926,116
Sundry and interest	<u>216,984</u>	<u>156,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,060</u>	<u>110,570</u>	<u>495,135</u>	<u>477,223</u>
	<u>2,923,618</u>	<u>5,938,401</u>	<u>5,654,854</u>	<u>740,281</u>	<u>852,439</u>	<u>3,040,927</u>	<u>3,484,065</u>	<u>22,634,585</u>	<u>22,938,703</u>
<b>EXPENDITURE</b>									
Salaries and benefits	995,433	4,270,775	984,529	-	288,379	366,856	513,658	7,419,630	7,282,051
Goods and services	950,034	560,788	2,205,578	633,909	292,196	1,877,465	1,519,669	8,039,639	7,578,254
Interest	6,632	11,119	59,880	-	-	123,858	312,820	514,309	524,950
Other	44,597	259	186,995	-	-	-	6,495	238,346	225,255
Amortization	<u>64,394</u>	<u>214,697</u>	<u>2,374,136</u>	<u>-</u>	<u>-</u>	<u>643,819</u>	<u>1,082,915</u>	<u>4,379,961</u>	<u>4,467,244</u>
	<u>2,061,090</u>	<u>5,057,638</u>	<u>5,811,118</u>	<u>633,909</u>	<u>580,575</u>	<u>3,011,998</u>	<u>3,435,557</u>	<u>20,591,885</u>	<u>20,077,754</u>
Surplus for the year	<u>\$ 862,528</u>	<u>\$ 880,763</u>	<u>\$ (156,264)</u>	<u>\$ 106,372</u>	<u>\$ 271,864</u>	<u>\$ 28,929</u>	<u>\$ 48,508</u>	<u>\$ 2,042,700</u>	<u>\$ 2,860,949</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 25. 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
2019 annual surplus (deficit)	\$ 3,393,223	\$ (1,910,651)	\$ 1,500,712	\$ (1,283,622)	\$ 15,958	\$ 131,711	\$ 2,035	\$ 19,785	\$ 173,549	\$ 2,042,700
Adjustments to annual surplus (deficit) for funding requirements										
Second previous year's surplus	1,006	-	11,713	-	-	-	-	-	95,809	108,528
Transfers between funds										
Transfer elimination	(1,693,497)	-	-	-	-	1,693,497	-	-	-	-
Transfer elimination	1,200,000	-	100,000	-	-	(1,300,000)	-	-	-	-
Transfer elimination	120,000	-	-	-	(120,000)	-	-	-	-	-
Transfer elimination	368,000	-	-	-	-	(368,000)	-	-	-	-
Transfer elimination	(8,345)	-	-	-	8,345	-	-	-	-	-
Transfer elimination	-	-	(115,600)	-	-	-	-	115,600	-	-
Transfer elimination	-	-	(5,686)	-	-	-	-	5,686	-	-
Transfer elimination	-	-	(10,802)	-	-	-	-	10,802	-	-
Transfer elimination	-	-	(70,000)	-	-	-	-	70,000	-	-
Transfer elimination	(2,742,336)	2,742,336	(908,627)	908,627	-	-	-	-	-	-
Long term debt principal repayment	(1,033,000)	1,033,000	(467,137)	467,137	-	-	-	-	-	-
Provision for retirement allowance	-	-	-	-	-	-	-	-	(3,401)	(3,401)
Provision for pension liability	33,600	-	-	-	-	-	-	-	(48,225)	(14,625)
Provision for sick leave accrual	-	-	-	-	-	-	-	-	(22,028)	(22,028)
Accumulated amortization on disposal of capital assets	-	(1,000,223)	-	(24,529)	-	-	-	-	(54,461)	(1,079,213)
Deferred Gas tax revenue	393,497	-	-	-	-	-	-	-	-	393,497
Unrealized gain on investments	-	-	-	-	-	-	-	-	(23,088)	(23,088)
Amortization expense	-	2,991,632	-	1,082,915	-	-	-	-	305,413	4,379,960
Total adjustments to 2019 annual surplus (deficit)	(3,361,075)	5,766,745	(1,466,139)	2,434,150	(111,655)	25,497	-	202,088	250,019	3,739,630
2019 annual surplus (deficit) for funding requirements	\$ 32,148	\$ 3,856,094	\$ 34,573	\$ 1,150,528	\$ (95,697)	\$ 157,208	\$ 2,035	\$ 221,873	\$ 423,568	\$ 5,782,330

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 26. STATEMENT OF RESERVES

	<u>General Operating Reserve</u>	<u>General Capital Reserve</u>	<u>Utility Operating Reserve</u>	<u>Utility Capital Reserve</u>	<u>Land for Public Purpose</u>	<u>2019 Total</u>	<u>2018 Total</u>
<b>ASSETS</b>							
Cash and short term investments	\$ 554,681	\$ 5,449,134	\$ -	\$ 1,321,964	\$ -	\$ 7,325,779	\$ 8,053,485
Accounts receivable from other funds	-	-	-	93	-	93	-
Due from (to) other funds	<u>7,646</u>	<u>(28,070)</u>	<u>104,675</u>	<u>(104,675)</u>	<u>137,596</u>	<u>117,172</u>	<u>(895,860)</u>
	<u>\$ 562,327</u>	<u>\$ 5,421,064</u>	<u>\$ 104,675</u>	<u>\$ 1,217,382</u>	<u>\$ 137,596</u>	<u>\$ 7,443,044</u>	<u>\$ 7,157,625</u>
<b>ACCUMULATED SURPLUS</b>							
	<u>\$ 562,327</u>	<u>\$ 5,421,064</u>	<u>\$ 104,675</u>	<u>\$ 1,217,382</u>	<u>\$ 137,596</u>	<u>\$ 7,443,044</u>	<u>\$ 7,157,625</u>
<b>REVENUE</b>							
Other government transfers	\$ -	\$ 1,693,497	\$ -	\$ -	\$ -	\$ 1,693,497	\$ 881,014
Transfers from Operating Funds	-	-	-	202,088	8,345	210,433	494,166
Interest	<u>12,880</u>	<u>131,711</u>	<u>2,035</u>	<u>19,785</u>	<u>3,078</u>	<u>169,489</u>	<u>86,965</u>
	<u>12,880</u>	<u>1,825,208</u>	<u>2,035</u>	<u>221,873</u>	<u>11,423</u>	<u>2,073,419</u>	<u>1,462,145</u>
<b>EXPENDITURES</b>							
Transfers to General Operating Fund	120,000	368,000	-	-	-	488,000	1,575,000
Transfer to General Capital Fund	-	1,300,000	-	-	-	1,300,000	-
Transfers to Water and Sewer Operating Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,000</u>
	<u>120,000</u>	<u>1,668,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,788,000</u>	<u>1,988,000</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (107,120)</u>	<u>\$ 157,208</u>	<u>\$ 2,035</u>	<u>\$ 221,873</u>	<u>\$ 11,423</u>	<u>\$ 285,419</u>	<u>\$ (525,855)</u>

Included in the General Capital Reserve Fund is \$4,701,486 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.

<u>Name of Investment</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>
Cashable GIC	3,658,099	2.50%	June 27, 2020
Cashable GIC	382,275	1.930%	December 17, 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, 2019

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

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

**MOVED** by Council. Brenan and seconded by Council. Shea the sum of \$120,000.00 be transferred from the General Operating Reserve Fund to the General Operating Fund to cover operating expenses.

**CARRIED.**

**MOVED** by Council. Brenan and seconded by Council. Shea the sum of \$368,000.00 be transferred from the General Capital Reserve Fund to the General Operating Fund to cover the costs of Capital projects.

**CARRIED.**

**MOVED** by Council. Brenan and seconded by Council. Shea Gas Tax Funding in the amount of \$1,693,497.00 for the year 2019, be transferred to the General Capital Reserve Fund (Gas Tax).

**CARRIED.**

**MOVED** by Council. Brenan and seconded by Council. Shea the sum of \$1,200,000.00 be transferred from the General Capital Reserve (Gas Tax) to the General Operating Fund to cover the costs of Capital projects.

**CARRIED.**

**MOVED** by Council. Brenan and seconded by Council. Shea the sum of \$8,345.16 be transferred from the General Operating Fund to the Land for Public Purposes Reserve Fund for external contributions.

**CARRIED.**

**MOVED** by Council. Brenan and seconded by Council. Shea \$115,600.00 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for water and sewer connection fees.

**CARRIED.**

**MOVED** by Council. Brenan and seconded by Council. Shea the sum of \$100,000.00 be transferred from the General Capital Reserve (Gas Tax) to the Utility Operating Fund to cover the costs of Capital projects.

**CARRIED.**

**MOVED** by Council. Brenan and seconded by Council. Shea \$5,686.00 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 Council. Brenan and seconded by Council. Shea \$10,802.00 received from Quispamsis for Sewage Outfall be transferred from the Utility Operating Fund to the Utility Sewage Outfall Reserve Fund.

**CARRIED.**

**ROTHESAY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

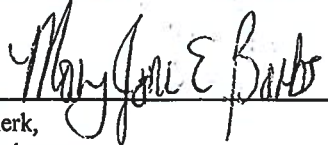
**DECEMBER 31, 2019**

**26. STATEMENT OF RESERVES (cont'd)**

**MOVED** by Counc. Brenan and seconded by Counc. Shea \$70,000.00 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for future capital projects.

**CARRIED.**

I hereby certify that the above are true and exact copies of resolutions adopted at the regular meeting of Council on December 9, 2019.

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

  
\_\_\_\_\_  
Date

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 27. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KV Fire</u>	<u>Police</u>	<u>Library</u>	<u>2019 Total</u>	<u>2018 Total</u>
<b>ASSETS</b>	\$ <u>1,524,366</u>	\$ <u>1,344,537</u>	\$ <u>1,708,067</u>	\$ <u>4,576,970</u>	\$ <u>4,606,833</u>
<b>LIABILITIES</b>	\$ <u>719,241</u>	\$ <u>1,005,407</u>	\$ <u>11,375</u>	\$ <u>1,736,023</u>	\$ <u>1,899,304</u>
<b>ACCUMULATED SURPLUS</b>	\$ <u>817,125</u>	\$ <u>339,131</u>	\$ <u>1,696,692</u>	\$ <u>2,852,948</u>	\$ <u>2,707,532</u>
<b>REVENUE</b>	\$ 2,368,561	\$ 2,731,370	\$ 96,126	\$ 5,196,057	\$ 4,697,490
<b>EXPENDITURES</b>	<u>2,100,319</u>	<u>2,765,300</u>	<u>183,658</u>	<u>5,049,277</u>	<u>4,887,507</u>
	268,242	(33,930)	(87,532)	146,780	(190,017)
<b>CHANGE IN PERCENTAGE OWNERSHIP</b>	<u>(1,177)</u>	<u>(186)</u>	<u>-</u>	<u>(1,363)</u>	<u>(65,294)</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>267,065</u>	\$ <u>(34,116)</u>	\$ <u>(87,532)</u>	\$ <u>145,417</u>	\$ <u>(255,311)</u>

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



# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

28. OPERATING BUDGET TO PSA BUDGET

	<u>Operating Budget General</u>	<u>Operating Budget Water and Sewer</u>	<u>Amortization TCA</u>	<u>Controlled Entities</u>	<u>Transfers</u>	<u>Total</u>
<b>REVENUE</b>						
Property tax warrant	\$ 16,043,021	\$ -	\$ -	\$ -	\$ -	\$ 16,043,021
Unconditional transfers from other governments	122,190	-	-	-	-	122,190
Conditional transfers from Federal or Provincial governments	26,500	-	-	-	1,300,000	1,326,500
Services other governments	60,000	-	-	-	-	60,000
Other own source	179,240	-	-	-	-	179,240
Sale of services	403,043	-	-	-	-	403,043
Other transfers	1,000,000	-	-	-	(1,000,000)	-
Water and sewer user fees	-	3,158,287	-	-	(358,000)	2,800,287
Sundry income	5,000	50,000	-	134,050	-	189,050
Surplus (deficit) of second previous year	1,006	11,713	-	-	(12,719)	-
	<u>17,840,000</u>	<u>3,220,000</u>	<u>-</u>	<u>134,050</u>	<u>(70,719)</u>	<u>21,123,331</u>
<b>EXPENDITURES</b>						
General government services	2,260,215	-	65,000	-	(297,402)	2,027,813
Protective services	5,038,809	-	214,697	3,944	(314,776)	4,942,674
Transportation services	3,444,029	-	2,475,000	-	(655,941)	5,263,088
Environmental health services	645,000	-	-	-	-	645,000
Environmental development services	649,680	-	-	-	-	649,680
Recreation and cultural services	2,049,910	-	640,717	9,710	95,487	2,795,824
Fiscal services						
Long term debt repayments	1,033,000	436,137	-	-	(1,469,137)	-
Interest	198,857	307,452	-	-	(506,309)	-
Transfer from General Operating Fund to						
General Capital Reserve Fund	10,000	-	-	-	(10,000)	-
General Operating Reserve Fund	120,000	-	-	-	(120,000)	-
Transfer from General Operating Fund to						
General Capital Fund	2,390,500	-	-	-	(2,390,500)	-
Transfer from Water and Sewer Operating Fund to Water						
and Sewer Capital Reserve Fund	-	70,000	-	-	(70,000)	-
Transfer from Water and Sewer Operating Fund to Water						
and Sewer Operating Capital Fund	-	600,000	-	-	(600,000)	-
Water and Sewer	-	1,806,411	1,070,000	-	312,820	3,189,231
	<u>17,840,000</u>	<u>3,220,000</u>	<u>4,465,414</u>	<u>13,654</u>	<u>(6,025,758)</u>	<u>19,513,310</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,465,414)</u>	<u>\$ 120,396</u>	<u>\$ 5,955,039</u>	<u>\$ 1,610,021</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 29. REVENUE AND EXPENDITURES SUPPORT

	<u>2019</u> Budget	<u>2019</u> Actual	<u>2018</u> Actual
<b>REVENUE</b>			
Sale of services			
Community Centre	\$ 30,000	\$ 27,990	\$ 32,859
Rental revenue	58,565	67,851	61,605
Recreational programs	<u>314,478</u>	<u>355,439</u>	<u>306,263</u>
	<u>\$ 403,043</u>	<u>\$ 451,280</u>	<u>\$ 400,727</u>
Other own source			
Permits and fines	\$ 95,000	\$ 107,215	\$ 143,220
Transfer from operating reserve	75,700	-	-
Developers contributions	-	8,345	28,141
Miscellaneous	<u>8,540</u>	<u>429,241</u>	<u>531,654</u>
	<u>\$ 179,240</u>	<u>\$ 544,801</u>	<u>\$ 703,015</u>
Conditional government transfers			
Government of Canada	\$ -	\$ 191,542	\$ 762,025
Province of New Brunswick	-	446,516	783,455
Gas Tax revenue	1,300,000	1,300,000	1,100,000
Canada Day grants	1,500	2,000	1,250
Other government grants	<u>25,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,326,500</u>	<u>\$ 1,940,058</u>	<u>\$ 2,646,730</u>
<b>EXPENDITURE</b>			
General government services			
Legislative			
Mayor	\$ 42,500	\$ 41,959	\$ 32,350
Councilors	121,100	120,749	104,325
Fundy Regional Service Commission	7,000	6,683	5,995
Other	<u>8,500</u>	<u>4,473</u>	<u>3,499</u>
	<u>179,100</u>	<u>173,864</u>	<u>146,169</u>
Administrative			
Administration	759,800	718,394	705,336
Office building	136,500	242,800	261,696
Solicitor	50,000	16,005	27,004
Supplies	36,000	43,400	30,178
Other	<u>237,319</u>	<u>259,679</u>	<u>183,939</u>
	<u>1,219,619</u>	<u>1,280,278</u>	<u>1,208,153</u>
Financial management			
Professional fees	<u>55,000</u>	<u>11,698</u>	<u>103,561</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

	<u>2019</u> Budget	<u>2019</u> Actual	<u>2018</u> Actual
General government services (cont'd)			
Other			
Civic relations	4,000	226	388
Community communications	10,000	8,817	15,945
Insurance	190,000	185,839	176,440
Property tax - land for public purposes	8,000	11,791	7,654
Grants to organizations	40,000	39,486	38,208
Fox Farm Road rental expenses	-	27,070	-
Cost of assessment	250,996	250,996	242,707
Interest	6,098	6,632	4,001
Amortization	<u>65,000</u>	<u>64,393</u>	<u>65,027</u>
	<u>574,094</u>	<u>595,250</u>	<u>550,370</u>
	<u>\$ 2,027,813</u>	<u>\$ 2,061,090</u>	<u>\$ 2,008,253</u>
Protective services			
Fire			
Administration	\$ 307,470	\$ 317,196	\$ 273,510
Firefighting force	1,518,517	1,491,881	1,511,981
Telecommunications	3,261	1,612	2,907
Insurance	13,502	13,498	13,266
Prevention and training	20,584	15,101	12,256
Facilities	88,355	90,545	90,260
Fleet	43,940	43,655	56,036
Operations	23,030	20,071	21,584
Water costs	12,478	12,478	12,142
Retirement allowance	20,974	20,978	21,935
Other	1,223	727	742
Gain on disposal of tangible capital assets	-	(958)	-
Amortization	<u>116,607</u>	<u>116,607</u>	<u>109,462</u>
	<u>2,169,941</u>	<u>2,143,391</u>	<u>2,126,081</u>
Crimestoppers	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>
Police			
Crime Control	1,872,535	1,958,396	1,702,776
Vehicle Fleet	89,782	72,311	76,548
Property	86,025	85,010	85,989
Administration	418,565	503,302	421,067
Retirement allowance	33,577	30,246	26,584
Communications	5,939	5,833	4,650
Other	(23,088)	(23,088)	15,817
Loss on disposal of tangible capital assets	259	259	2,861
Amortization	<u>98,090</u>	<u>98,090</u>	<u>94,203</u>
	<u>2,581,684</u>	<u>2,730,359</u>	<u>2,430,495</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>Protective services (cont'd)</b>			
Other			
Emergency measures	158,525	149,486	142,869
Animal control	9,500	7,074	9,047
Interest	10,224	11,119	15,544
Other	<u>10,000</u>	<u>13,409</u>	<u>14,975</u>
	<u>188,249</u>	<u>181,088</u>	<u>182,435</u>
	<u>\$ 4,942,674</u>	<u>\$ 5,057,638</u>	<u>\$ 4,741,811</u>
<b>Transportation services</b>			
Common			
Wages and benefits	\$ 1,065,862	\$ 984,529	\$ 1,012,002
Workshop, yard and equipment maintenance	594,104	750,554	775,783
Engineering	<u>7,500</u>	<u>29,675</u>	<u>24,416</u>
	<u>1,667,466</u>	<u>1,764,758</u>	<u>1,812,201</u>
<b>Roads and Streets</b>			
Roadway surfaces	65,000	139,694	98,637
Crosswalks and sidewalks	20,563	18,706	18,123
Culverts and drainage ditches	25,000	25,530	29,934
Storm sewers	40,000	35,080	42,288
Street cleaning	40,000	33,577	31,932
Snow and ice removal	554,000	642,843	543,367
Street lighting	145,000	146,895	138,805
Street signs	12,000	7,464	10,571
Traffic lane marking	30,000	25,654	22,872
Traffic signals and signs	40,000	38,340	16,357
Railway crossing signals	20,000	19,451	21,842
Public transit - Comex Service	68,500	71,901	68,401
KV committee for the disabled	5,500	5,500	7,000
Flood costs	-	214,714	628,434
Interest	55,059	59,880	65,333
Loss on disposal of tangible capital assets	-	186,995	172,830
Amortization	<u>2,475,000</u>	<u>2,374,136</u>	<u>2,472,821</u>
	<u>3,595,622</u>	<u>4,046,360</u>	<u>4,389,547</u>
	<u>\$ 5,263,088</u>	<u>\$ 5,811,118</u>	<u>\$ 6,201,748</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

	<u>2019</u> Budget	<u>2019</u> Actual	<u>2018</u> Actual
<b>Environmental health services</b>			
Solid waste disposal	\$ 195,000	\$ 196,445	\$ 191,792
Solid waste compost	25,000	26,612	25,515
Solid waste collection	290,000	278,233	262,183
Curbside recycling	95,000	96,328	91,077
Clean up campaign	<u>40,000</u>	<u>36,291</u>	<u>32,446</u>
	<u>\$ 645,000</u>	<u>\$ 633,909</u>	<u>\$ 603,013</u>
<b>Environmental development services</b>			
Environmental planning and zoning	\$ 547,700	\$ 478,666	\$ 468,248
Greater Saint John Economic Development Agency, Inc.	98,780	98,780	86,422
Tourism	<u>3,200</u>	<u>3,129</u>	<u>3,129</u>
	<u>\$ 649,680</u>	<u>\$ 580,575</u>	<u>\$ 557,799</u>
<b>Recreation and cultural services</b>			
Administration	\$ 241,100	\$ 292,962	\$ 251,908
Beaches	39,000	47,678	28,864
Rothesay Arena	332,680	302,302	288,272
Memorial Centre	57,000	218,570	61,535
Summer programs	61,000	63,947	57,078
Rothesay Common	48,335	50,618	60,285
Parks and gardens	585,700	605,930	583,607
Regional Facilities Commission	427,095	427,095	418,973
Kennebecasis Public Library Inc	94,310	92,019	83,732
Special events	36,000	30,730	27,124
Playgrounds and fields	110,000	104,613	127,506
Living museum	1,500	357	331
PRO Kids	7,500	7,500	7,500
Interest	113,887	123,858	139,726
Amortization	<u>640,717</u>	<u>643,819</u>	<u>656,771</u>
	<u>\$ 2,795,824</u>	<u>\$ 3,011,998</u>	<u>\$ 2,793,212</u>
<b>Water and sewer services</b>			
<b>Water System</b>			
Administration	\$ 446,309	\$ 418,376	\$ 387,811
Purification maintenance and treatment	357,000	512,156	427,870
Source of supply - purchase of water	600	780	758
Transmission and distribution	112,000	100,151	95,253
Power and pumping	42,000	47,798	44,077
Billing and collecting	<u>4,000</u>	<u>2,914</u>	<u>1,335</u>
	<u>961,909</u>	<u>1,082,175</u>	<u>957,104</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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

	<u>2019</u> Budget	<u>2019</u> Actual	<u>2018</u> Actual
<b>Sewer System</b>			
Administration	649,502	624,504	581,050
Sewer collection system	84,000	186,007	44,030
Sewer lift stations	19,000	60,566	36,649
Treatment and disposal	92,000	76,574	83,105
Infiltration study	-	3,501	88,629
Loss on disposal of tangible capital asset	<u>-</u>	<u>6,495</u>	<u>12,044</u>
	<u>844,502</u>	<u>957,647</u>	<u>845,507</u>
<b>Interest</b>	312,820	312,820	300,346
<b>Amortization</b>	<u>1,070,000</u>	<u>1,082,915</u>	<u>1,068,961</u>
	<u>1,382,820</u>	<u>1,395,735</u>	<u>1,369,307</u>
	<u>\$ 3,189,231</u>	<u>\$ 3,435,557</u>	<u>\$ 3,171,918</u>