



ROTHESAY 2019 ANNUAL REPORT

**This is the Annual Report of the corporation of the town of
Rothesay for the 2019 fiscal year (January 1 to December 31).**



ROTHESAY



April 9th, 2020

Mayor Nancy Grant & Council
The town of Rothesay

70 Hampton Road
Rothesay, NB
Canada E2E 5L5
T: 506-848-6600
F: 506-848-6677

Rothesay@rothesay.ca
www.rothesay.ca

Dear Mayor Grant:

Re: 2019 Annual Report

I am pleased to present the Annual Report of the business of the Town for 2019 prepared in accordance with New Brunswick Regulation 2018-54 under the Local Governance Act. Attached to this report are the audited financial statements that again show that the Town has operated with a small surplus in both the general and utilities funds.

This year saw success with the opening of the Rothesay Hive and resolution of a second fire station location. The installation of a large diameter storm sewer and renewed infrastructure on Church Avenue was a major success but with attendant inconvenience felt by residents due to its duration.

The amenity value of the Kennebecasis is unsurpassed, for owners of waterfront properties in particular, but once again, vulnerable properties were subject to significant flooding during the spring freshet. With the help of the military and community volunteers, a response was mounted including an emergency raising of the lower part of Cameron Road.

Less successful were protracted discussions on regional cooperation including an ice strategy, regional cost sharing and changes to the Greater Saint John Regional Facilities Act all remaining unresolved at year-end.

Grants from the other orders of government were not forthcoming again delaying the commencement of the wastewater treatment project.

Staff is appreciative of Council support throughout the year and we will meet the challenges coming forward in 2020. We rely on the leadership of Council and working together, I believe Rothesay is in a solid position to cope with changing circumstances in the year ahead.

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

2019 Annual Report

ANNUAL REPORT

1. INTRODUCTION

January 1, 2018, Regulation 2018 – 54 came into effect. The Province of New Brunswick established the *Annual Report Regulation – Local Governance Act* 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 legislation. A copy of the new regulation is 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.

The town motto, “*Quinque iuncta In Uno (Five United In One)*”, represents the strength and unity of our municipality and the joining together of the five founding communities. The Municipal Flag for Rothesay represents the first of its kind in Canada. By permission of the New Brunswick government, the provincial flag, adopted in 1965 on the authority of Queen Victoria’s Warrant of 1868, occupies the topmost part (the hoist) of the municipal flag. The Coat of Arms occupies the fly.

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 occupied single detached housing with an average size of 2.2 persons.

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. The survey revealed that citizens are highly satisfied with Town and offer extremely high ratings for the quality of life in the community. A copy of the survey results can be found on the Rothesay website.

3. GOVERNANCE

An eight person Council with Dr. Nancy Grant as Mayor provides for the governance of the Town. The attendance of Councillors and monies they received from the Town are set out in Appendices C & D.

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:

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

* Elected Mayor after serving as Deputy Mayor (2012 – 2016)

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 website prior to each meeting. Approved Council minutes are available for review in the Clerk's office and also online:

<https://www.rothesay.ca/council-minutes/>

Closed session meetings are held in accordance with the Local Governance Act, SNB 17, c. 18 (s. 68) when the subject matter generally relates 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

COMMITTEES OF COUNCIL (2019)

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

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

COUNCIL PRIORITIES

Following its election in 2016, Council adopted a set of priorities that were outlined in the Rothesay 2018 Annual Report. See 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.

Town records are filed in a computerized database with searching capacity in accordance with the guidelines of the Municipal Records Authority. In 2019, there were two requests for information under the Right to Information and Protection of Privacy Act. 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 260 service requests responded to in 2019 with the most frequent (34%) being related to water issues.

Rothesay has a diverse workforce with both unionized and non-unionized employees. Unionized employees in the Parks, Recreation and Works sections are represented by the Canadian Union of Public Employees (C.U.P.E). At the end of 2019, Rothesay had 45 employees including 17 members of the bargaining unit.

In 2019, the members of the bargaining unit worked under a collective agreement for the first time. Human Resources is responsible for ensuring the collective agreement is applied fairly and consistently and is committed to resolving workplace grievances in a timely manner. During the first year of the contract, there were two staff grievances, both resolved at Step 1 of the grievance procedure.



In 2019, Rothesay hired 23 students, 1 full time staff and 1 casual employee. The pace of recruitment activity remains steady, with two retirements in 2019. A typical Rothesay staff member has been employed with the Town for 12.06 years and is 49.7 years old. With an aging workforce, a top priority for Human Resources in 2020 will be on succession planning in an effort to identify and

develop new leaders for future roles within the organization. The Town maintains a social media presence with 3,590 Facebook 'likes' and 3,237 followers on Twitter. This is an increase in 830 likes and 338 new followers compared to 2018. Households are also encouraged to subscribe to the Sentinel system for notification in emergencies. Current registration is 1345 with 225 new registrants in 2019.

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. Located on Campbell Drive in Rothesay, the Department responds to many medical emergencies in cooperation with Ambulance New Brunswick. In 2019, there were 581 calls for service in Rothesay including 294 medical response calls and 19 involving fire or explosion resulting in financial losses to the property owner. The Department consists of forty firefighters, including 12 company officers, including senior firefighters, lieutenants and captains. The management team consists of one Fire Chief and one Deputy Chief, two Division Chiefs and an Executive Assistant to the Chief and a Finance Administrator. A Board with equal representation from each Council and volunteer appointments from each Town governs the KVFD. Rothesay paid \$2.1M or 40.76% of the Department's operating costs in 2019. 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 has an approved strength of 40 officers and employs four civilian staff. In 2019, Rothesay had 3,837 calls for service. Rothesay's share (40.2%) of the annual budget for policing was \$2.4M in 2019 with \$120,000 from an operating reserve allocated to extraneous costs in 2019. 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 \$148,525.



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/>

The Police Chief is Wayne Gallant.

C. EMERGENCY PREPAREDNESS

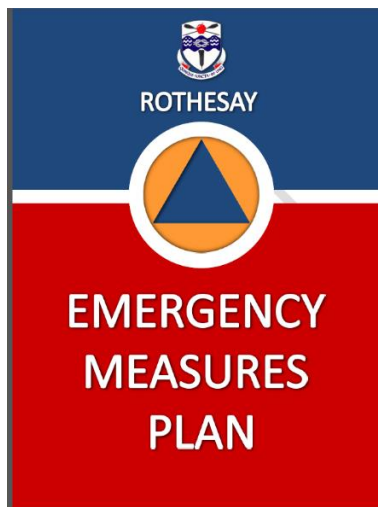
During 2019, Rothesay continued to work on its emergency preparedness. The spring freshet again brought substantial flooding and the Town responded with the help of many volunteers from local corporations, community groups and the military. Sandbags in the thousands were filled and property owners on the waterfront worked night and day to hold back the floodwaters. Once the water had receded, a major cleanup effort collected sandbags, flood-borne debris and damaged materials



from basements. The provincial and federal governments provided funding for disaster cleanup and a provincial Disaster Recovery Fund was established.

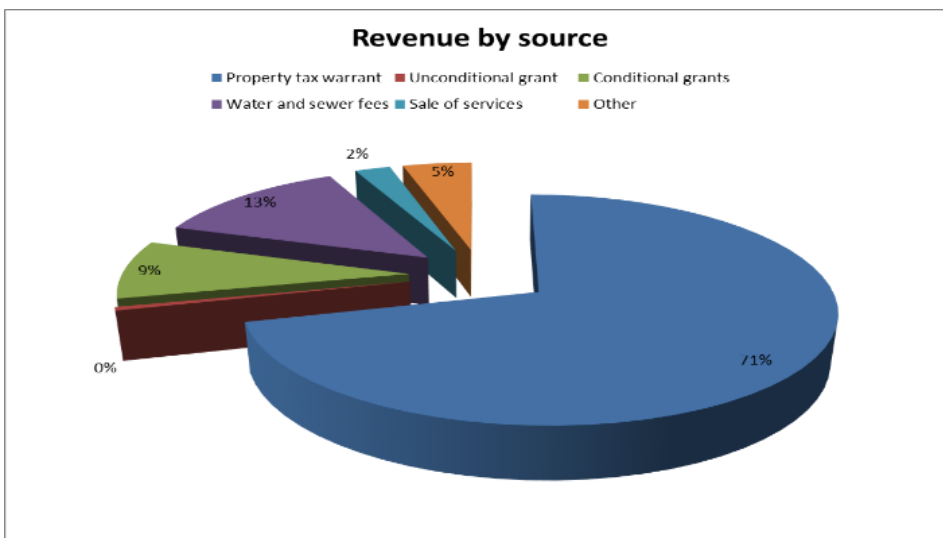


A key action during the flood was to raise the road base at the foot of Cameron Road to permit the residents to continue to access their homes during the event. Subsequently, as part of the capital works program a contracted project permanently raise the road to the higher elevation. Backflow prevention devices were installed on two storm sewer outlets on Cameron Road and a third on Elizabeth Parkway in Hastings Cove. Rothesay Park Road was also raised at the north end. This will help with access in that neighborhood in flood conditions.



6. FINANCE

The Town finished the 2019 fiscal year with a general fund surplus of \$32,148 and in the utility account \$34,573. These will be brought into budgets in 2021. During the year, the Town retired \$1.835M of debt. No new debt was incurred during 2019 however a debenture in the amount of \$1 million will be obtained in 2020 to fund 2019 capital expenditures. The Town's current debt is approximately \$1,228 per capita and debt service costs are 6.6% 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 with utility debt service costs of 21%. That debt is repaid through utility charges.



The Town donated \$57,786 to various groups and good causes in 2019; none of these were for economic development purposes. A list of donations are found in Appendix A.

The total tax base of the municipality for the purposes of setting the tax rate was \$1.294B.

The tax rate for 2019 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 \$100 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 were unchanged in 2019. Water cost was \$1.15/m³ plus a fixed cost of \$50 per quarter. The annual sewer charge remained at \$370 for single family houses. Business and multi-family buildings pay by size of the connection to the Town system.

The total operating expenditures and debt service costs of the Town were \$18.2M. Rothesay paid \$151,752 in Provincial property tax in 2019 as well as HST to the Province of approximately \$550,000. The Provincial Government transferred \$122,190, which 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. The audited financial statements of the Town are found in Appendix A.

Doug MacDonald is the Town Treasurer.

7. PARKS & RECREATION

A. RECREATION

The Rothesay Recreation Department provides several program opportunities for its citizens throughout the year. Facilities include the Rothesay Arena, Bill McGuire 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.

Highlights for Rothesay Recreation in 2019 included hosting four successful skating events at the Rothesay Common in January (Glow in the Dark Skate, Skate with the Sea Dogs, Jersey Night and Music with Mike and Mel.) Winterfest in Rothesay was again a success with a curling event on Friday and a Family Day on Saturday at the Rothesay Common. The grand opening of the Rothesay Hive in May 2019 was a great success. Access to this facility allowed the Town to partner with “Go Ahead Seniors” to expand the Winter Speaker Series and the Hive hosted sessions every Thursday in February and March. The Town also collaborated with the KV Walkers to offer water and healthy snacks for eight of their scheduled Rothesay walks in June. Summer was a busy season, especially since adding lunchtime supervision sessions to the summer Playground Program. This helped to increase registration numbers and revenue, and two-hundred seventy-two kids were registered for the summer program in 2019.

With increased summer pay, the Town was able to hire enough qualified lifeguards to supervise both Renforth and KPark beaches and offer swimming lessons again. It was a successful community garden season as all 48 plots were rented and for the second year in a row, the Sunset Yoga program was thriving, hosting sessions once a month in June, July and August. The year tapered off with the Halloween Spook Trail event with David Goss at the Bill McGuire Centre and over 200 attendees. The 21st annual KV Santa Claus Parade ended the year in conjunction with a successful Mayor’s Tree Lighting Event at the Rothesay Common.



B. PARKS

Rothesay maintains a network of parks and green spaces with major highlights such as the Rothesay Common, East Riverside-Kingshurst Park, Steele-Kennedy Nature Park, Wells Recreation Park, Renforth Wharf 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 replacement of Arthur Miller Lower Field synthetic surface after eight years of service was a major expenditure in 2019. Parks continued to establish additional trails for walking, running and cross-country skiing at the Wells Recreation Park. Eight university students were hired from May-August and their duties included mowing, ball field maintenance, greenhouse and gardening, and various other parks-related jobs. The Eastern Canadian U14 Girls Softball Championships were hosted at Wells Field and four area schools participated in the Marigolds Project in 2019.



Parks	Rothesay Parks & Trails	Trails
The Rothesay Common		Well's Trail
East Riverside-Kingshurst Park		Hillside Trail
Steele-Kennedy Nature Park		Bicentennial Trail
Wells Recreation Park		Bishop's KPark Trail
Renforth Wharf Park		
Jordan Miller Park		
Stuart Dobbin Park		
150 Anniversary Park		

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. The original library opened its doors in 1984 and was enlarged and renovated in 2013 at a total project cost of just under \$6M. Rothesay's share of the capital cost was \$2.6M. Rothesay's share of the 2019 operating cost of the building was \$84,500. (39% of total cost). More information on the **Kennebecasis Public Library** can be found on Facebook:

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



The Library Director is Laura Corscadden.

D. 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 citizens 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 repository for 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 2019, Rothesay issued 56 Development Permits and 220 Building Permits.

The total 2019 Value of Construction was \$12,880,561.99 being a 47% decrease over the previous year due to a large project in 2018. Rothesay generated \$96,026.50 in permit fees resulting from all issued development and building permits.

B. BY-LAW ENFORCEMENT

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

	Zoning Bylaw	Unightly Premises	Building By-Law	Town Owned Lands	Commercial Signage	Animal Control	Civic Complaint	Noise Complaint
2019	6	6	7	4	1	6	-	2

In 2019, it was necessary to enforce an Order to Comply through the Court of Queen's Bench in respect of an illegal commercial business. The Court agreed to inspections of the property to ensure compliance. In September 2019, the final inspection was completed and the property was brought into compliance with the by-law.

In May 2019, staff conducted an inspection of an active gravel pit off the French Village Road and found several by-law violations including the dumping of household garbage, construction debris, and other refuse on the site. NB Environment and the property owner were notified and cleanup was ordered. Staff monitored the cleanup of the property closely and the gravel pit was returned to compliance with Town By-laws.

C. PLANNING

The Rothesay Planning Advisory Committee met nine times in 2019. There were no major re-zoning applications. The most significant item was Council adoption in principle of the April 2019 Hillside Secondary Plan Final Report as amended, prepared by Crandall Engineering Ltd. and UPLAND Planning + Design. In fulfillment of the 2010 Municipal Plan, the secondary planning requirement directed that staff be guided by the principles described in the plan in preparation of a new Municipal Plan and Zoning By-law.

D. HERITAGE PRESERVATION BOARD

The Rothesay Heritage Preservation Review Board only met once in 2019. The only major application approved was to issue a Heritage Permit (Certificate of Appropriateness) for the replacement of asphalt shingles with embossed "slate" aluminum shingles at 31 Gondola Point Road (Our Lady of Perpetual Help Catholic Church).

Brian White is the Director of Planning & Development.

9. PUBLIC WORKS

In 2019, the Public Works Department recorded 87,081.3 litres of diesel fuel through the fueling station. The Department saw a busy year where 53 culverts repaired and a major culvert replacement for the Common drainage system on the Bellview Townhouse property completed. This helped to alleviate a long-term maintenance issue with the previous installation.

Works staff also completed a storm sewer diversion to alleviate a long-standing issue with the public drainage system running through private property at 42 Gondola Point Road.

Works staff also repaired three waterman breaks in conjunction with the Utility Department.

The Town amalgamated five plow routes into four in 2019, and with no discernable decrease in service.

Staff responded to 260 Service Requests in 2019 and broken down in the table below.

Catch basins	25
Culverts	89
Ditches	60
Drainage	10
General Drainage	11
General Transportation	18
Potholes	35
Signs	3
Plow Damage	6
Street Cleaning	1
Street Light	1

In 2019, the following infrastructure work was completed:

- 479 m of sanitary sewer was replaced
- 727 m of water main was replaced
- 635 m of storm sewer was replaced
- 3778 m of concrete curb was replaced
- 1606 m of concrete sidewalk was replaced
- 9,050 tonne of asphalt was placed
- 18,426 m² of micro-surfacing was placed
- 3 large diameter valves were installed on storm sewer outlets to prevent back flooding of storm system
- the McGuire Road Utility Compound fencing was completely replaced
- 1 new single axle plow truck was purchased
- 1 new SUV for Utility operations was purchased
- 2 aging one-ton service vehicles were replaced
- the flood-damaged Renforth Boardwalk was completely replaced



10. UTILITIES

A. WATER

In 2019, the Rothesay treatment plant at Carpenter Pond withdrew 633,118 m³ of raw water from the well network to produce 601,840 m³ of drinking water for distribution. With a 3.5% production increase from 2018, 1,550 kg of sludge was removed and there was no Ecoli in the water produced.

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	19	20
RENFORTH	115,595	7.75	12
FAIRVALE	2,538,257	13.6	18.2

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

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



II. APPENDICES

A. DONATIONS

RECIPIENT	TYPE	FORM	AMOUNT \$	PURPOSE
KV3C	grant	In kind	2,500	Use of space in McGuire Centre
NB Medical Education Trust	grant	cash	5,000	Support for medical education
Saint John Regional Hospital	grant	cash	2,500	Support for regional medical services
KV Food Bank via Quispamsis	grant	cash	6,587.95	To offset rental cost
St Joseph's Hospital Fdn	grant	cash	1,000	Support for regional medical services
YMCA (four of five)	grant	cash	10,000	Regional YMCA capital campaign
Rothsay High School	grant	cash	1,000	Student scholarship
KV Oasis Youth Centre	grant	cash	2,500	To offset operating cost
Saint John Theatre Co.	grant	cash	1,000	To offset operating cost
Riverside Country Club	grant	cash	1,000	Support for National sporting event
Imperial Theatre	grant	cash	500	Support for international conference
Touchstone Academy	grant	cash	600	Support for community event
Vocational Training Centre for Adults	grant	cash	6,000	To offset rental costs
Kennebecasis Crimestoppers	grant	cash	2,800	To offset operating cost
KV Committee for the Disabled	grant	cash	5,500	Transportation subsidy
Pro-kids Saint John	grant	cash	7,500	To offset administrative costs

TOTAL

\$57,785.62

2016 – 2020 Council Term

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. At the close of the year action plans were being developed, committees struck and resources allocated through the budget process to advance the priorities.

C. COUNCIL ATTENDANCE

	Open	Closed Mtg/ Working Session	Mayor Nancy Grant	DM Matt Alexander	Counc. Grant Brenan	Counc. Peter Lewis	Counc. Tiffany	Counc. Bill McGuire	Counc. Don Shea	Counc. Miriam Wells		
											Legend	
											Present	Absent
Jan 14	√											
Jan 28 (Special)	√											
Feb 11	√											
Mar 11	√											
Apr 8	√											
May 13	√											
Jun 10	√											
Jul 8	√											
Aug 12	√											
Sep 9	√											
Oct 15	√											
Nov 12	√											
Nov 26 Budget	√											
Dec 9	√											
COMMITTEE												
Jan 14		√										
Feb 11		√										
Mar 11		√										
Apr 8		√										
May 13		√										
Jun 10		√										
Jul 8		√										
Aug 12		√										
Sep 9		√										
Oct 15		√										
Nov 12		√										
Nov 18 Budget		√										
Dec 9		√										
Jan 21 Arena Project		√										
Jul 2 Water By-law		√										
Oct 31 EDGSJ/SJ		√										

D. COUNCIL REMUNERATION

CATEGORY	Mayor Grant	D/Mayor Alexander	Councillor Brenan	Councillor Shea	Councillor Lewis	Councillor McGuire	Councillor Mackay French	Councillor Wells
Salary	\$35,000	\$18,900	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200
Tax-Free Allowance	-	-	-	-	-	-	-	-
Sub-total	\$35,000	\$18,900	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200
Data Charges	\$271.16	\$250.29	\$250.29	\$328.53	\$250.29	\$265.93	\$250.29	\$307.94
Travel	\$283.81							
Development	\$785.34							
Miscellaneous	\$1,434.30							
TOTAL	\$37,774.61	\$20,159.64	\$16,450.29	\$17,729.22	\$16,450.29	\$16,465.93	\$16,985.46	\$16,507.94

CATEGORY	Mayor	Deputy Mayor	Councillor
Salary(2019)	35,000	18,900	16,200
Salary (Incoming Council 2020)	37,000	20,100	18,000

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

E. 2019 EVENTS ATTENDED BY THE MAYOR

The following are a list of some of the events and activities attended by Mayor Grant or Council Members on her behalf in 2019.

Dec 10, 2018 – Jan 14, 2019

- | | |
|-----------|---------------------------|
| 1. Dec 11 | Joshua's Bare Necessities |
| 2. Dec 12 | Port SJ Reception |
| 3. Dec 12 | Mayor's Tree lighting |
| 4. Dec 14 | Crimestoppers Dinner |
| 5. Dec 19 | RPMS Santa Fun Run |

Jan 14 – Feb 11

- | | |
|------------|----------------------------------|
| 1. Jan 9 | Glow in the Dark Skating |
| 2. Jan 16 | Mike & Mel at the Common |
| 3. Jan 19 | RPMS Pancake Breakfast |
| 4. Jan 23 | SJ Executives Luncheon |
| 5. Jan 25 | St. Andrews Society Burns Supper |
| 6. Jan 27 | Warm up to Winterfest |
| 7. Jan 27 | Chinese New Year Gala |
| 8. Jan 28 | RHS Hockey Orange in the Rink |
| 9. Jan 29 | EDGSJ Public Launch |
| 10. Feb 2 | KV Devils at the Common photo |
| 11. Feb 9 | Sea Cadets Breakfast at Legion |
| 12. Feb 9 | Winterfest at the Common |
| 13. Feb 9 | KV Devils Puck drop |
| 14. Feb 10 | Curwin Business opening |



Feb 11 – Mar 11

- | | |
|-----------|--|
| 1. Mar 8 | International Women's Day |
| 2. Feb 15 | Order of New Brunswick (ONB) Promotional Video |

Mar 11 – Apr 8

- | | |
|-----------|--|
| 1. Mar 13 | Fundy Regional Service Commission Video promoting composting |
| 2. Mar 14 | World Kidney Day Breakfast |
| 3. Mar 17 | Vets and Friends Branch 58 Legion |
| 4. Mar 19 | Junior Achievers Futures Unlimited |
| 5. Mar 30 | Sea Cadets Fundraiser |
| 6. Apr 3 | RHS Musical "The Little Mermaid" |
| 7. Apr 5 | Chamber of Commerce AGM/Luncheon |

Apr 9 – May 13

- | | |
|-----------|--|
| 1. Apr 10 | SJ Newcomers Volunteer Appreciation/Awards |
| 2. Apr 11 | Red Triangle Gala |

- | | | |
|----|--------|--|
| 3. | Apr 17 | ESIS at request of UMN (Provincial Economic Social Inclusion Strategy) |
| 4. | Apr 26 | Legion Dinner |
| 5. | May 2 | Meeting with CEO of Horizon Health |
| 6. | May 5 | Battle of the Atlantic Commemoration |
| 7. | May 5 | Steps for Life Week |
| 8. | May 7 | Fredericton Police Appreciation Event |
| 9. | May 8 | McHappy Day Shift |

May 13 – Jun 10

- | | | |
|-----|--------|--|
| 1. | May 15 | HMMS Cheerleaders Celebration |
| 2. | May 16 | Power of Determination Dinner (KV Oasis) |
| 3. | May 18 | Loyalist Day Ceremony |
| 4. | May 23 | Rothesay Hive Grand Opening |
| 5. | May 24 | Imperial Theatre 25 th Anniversary |
| 6. | May 25 | Sea Cadets Ceremonial Review and Banquet |
| 7. | May 26 | M.S. Walk (RHS/Common) |
| 8. | May 28 | Kennebecasis Girl Guides Year End Awards |
| 9. | May 31 | Hilton 100 th Anniversary Celebration |
| 10. | Jun 1 | Rothesay Participaction Challenge |
| 11. | Jun 5 | Touchstone Curiosity Fair |
| 12. | Jun 5 | Moltex Energy Update |
| 13. | Jun 8 | KRPB Bicycle Rodeo |

Jun 10 – Jul 8

- | | | |
|----|--------|------------------------------------|
| 1. | Jun 12 | East Coast Games Kickoff |
| 2. | Jun 13 | Marigold Planting at three schools |
| 3. | Jun 13 | Opportunities NB Export Awards |
| 4. | Jun 14 | RNS Graduation |
| 5. | Jun 14 | “Sam Chante” |
| 6. | Jun 20 | RHS Graduation |
| 7. | Jun 22 | Over the Edge (KV Oasis) |
| 8. | Jun 22 | Legion Lobster Supper |
| 9. | Jul 1 | Canada Day |



Jul 9 – Aug 11

- | | | |
|----|--------|--------------------------------------|
| 1. | Jul 9 | NEWSIES photo for KV Players |
| 2. | Jul 19 | Police BBQ |
| 3. | Jul 20 | Rotary Pig Roast |
| 4. | Jul 20 | Chapel Hill Block Party |
| 5. | Jul 22 | KV Walkers |
| 6. | Jul 24 | Sierra Avenue BBQs, Ice Cream Social |
| 7. | Jul 26 | NB Power Breakfast Briefing |
| 8. | Jul 26 | Heather Peterson Retirement |

- 9. Jul 28 Celebration for Fr. Mike LeBlanc (Our Lady)
- 10. Jul 30 Rothesay Hive Afternoon Tea
- 11. Jul 31 KVFD Retirement for Corrine Carpenter
- 12. Aug 1 St. Mary's Band on the Common
- 13. Aug 5 Picnic in the Park East Riverside-Kingshurst Park

Aug 12 – Sep 9

- 1. Aug 14 Harbour Station Naming Announcement
- 2. Aug 15 NB Medical Education Trust Celebration
- 3. Aug 20 NB Public Library Engagement Session
- 4. Aug 27 Rothesay Hive Blueberry Social
- 5. Aug 28 International Amateur Theatre Association (IATA) Opening Reception
- 6. Aug 31 IATA Closing Reception



Sep 9 – Oct 15

- 1. Sep 13 SJ Astronomy Club Stargazing
- 2. Sep 14 Opening for Rothesay Pharma Choice
- 3. Sep 15 Concert on the Common for the Rothesay Hive
- 4. Sep 15 Branch 58 Legion Brunch
- 5. Sep 23 Photo with Kennebecasis Drugs – Epipens Donation
- 6. Sep 27 Branch 58 Legion Potluck
- 7. Sep 29 Salvation Army Auxiliary Purse Auction
- 8. Oct 4-6 UMN Annual Meeting

Oct 15 – Nov 12

- 1. Oct 16 Harry Miller Middle School Classes
- 2. Oct 17 Recording messages for YSJ
- 3. Oct 18 UNBSJ Fall Convocation
- 4. Oct 19 Late Night with the Foundation
- 5. Oct 22 Saint John Regional Hospital “the Give” thank you dinner
- 6. Oct 25 Received 1st Poppy at Legion
- 7. Nov 1 YSJ Grand Reopening
- 8. Nov 2 Greater Saint John Sports Hall of Fame Induction
- 9. Nov 6 Sobey's Veterans Luncheon
- 10. Nov 7 HMMS Remembrance Day Ceremony
- 11. Nov 9 “Standing Ready” Army Memorial Dedication
- 12. Nov 10 RUSI pre-Remembrance Day Dinner
- 13. Nov 11 Remembrance Day Ceremony
- 14. Nov 12 NB Association of Police Chief's Leadership Conference

Nov 13 – Dec 9

- | | |
|------------|---|
| 1. Nov 13 | Operation Red Nose Kickoff |
| 2. Nov 14 | KRPF Commendation Ceremony |
| 3. Nov 15 | Fundraising Dinner for Syrian Family |
| 4. Nov 16 | Kennebecasis Lions 60 th Anniversary |
| 5. Nov 19 | Unveiling of KRPF/KVDVO Soft Interview Rooms |
| 6. Nov 23 | Empty Stocking Fund Broadcast |
| 7. Nov 23 | KV Santa Claus Parade |
| 8. Nov 24 | Kennebecasis Lions Breakfast |
| 9. Nov 29 | RNS Lego Robotics Tournament |
| 10. Nov 30 | St. Andrews Society of Saint John Dinner |
| 11. Dec 1 | Rothsay Yule |
| 12. Dec 8 | Ecumenical Carols/Lessons at Our Lady of Perpetual Help |

Dec 10, 2019 – Jan 13, 2020

- | | |
|-----------|---|
| 1. Dec 13 | Crimestoppers Christmas Dinner |
| 2. Dec 18 | Mayor's Tree Lighting |
| 3. Dec 20 | Vocational Training Centre Christmas Party |
| 4. Jan 1 | New Year's Skate at the Common |
| 5. Jan 1 | Branch 58 Legion Levee |
| 6. Jan 10 | Vigil for the victims of the Ukrainian Airlines crash |

Rothsay Hive Grand Opening

F. AUDITED FINANCIAL STATEMENTS

ROTHESAY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

ROTHESAY

DECEMBER 31, 2019

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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)

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
REVENUE			
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>
EXPENDITURE (Note 29)			
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>
ANNUAL SURPLUS FOR THE YEAR	<u>\$ 1,610,021</u>	2,042,700	2,860,949
ACCUMULATED SURPLUS - BEGINNING OF YEAR		77,036,706	74,241,051
CHANGE IN OWNERSHIP OF CONTROLLED ENTITIES (Note 2)		<u>(1,363)</u>	<u>(65,294)</u>
ACCUMULATED SURPLUS - END OF YEAR		<u>\$ 79,078,043</u>	<u>\$ 77,036,706</u>

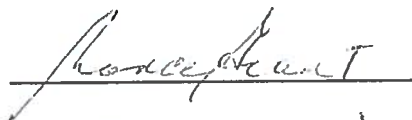
ROTHESAY


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
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>
	<u>\$ 10,478,169</u>	<u>\$ 11,497,178</u>
LIABILITIES		
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>
	<u>23,278,951</u>	<u>24,082,828</u>
NET DEBT	<u>(12,800,782)</u>	<u>(12,585,650)</u>
NON-FINANCIAL ASSETS		
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>
	<u>91,878,825</u>	<u>89,622,356</u>
ACCUMULATED SURPLUS	<u>\$ 79,078,043</u>	<u>\$ 77,036,706</u>
CONTINGENT LIABILITY (Note 17)		
COMMITMENT (Note 18)		

APPROVED BY:

 Mayor

 Town Treasurer

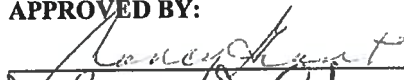
ROTHESAY

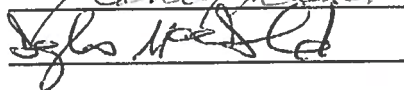
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
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>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
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>
CAPITAL TRANSACTIONS		
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>
FINANCING TRANSACTION		
Long term debt (net)	<u>(1,554,184)</u>	<u>(397,621)</u>
	<u>(1,554,184)</u>	<u>(397,621)</u>
INVESTING TRANSACTION		
Increase (decrease) in investments	<u>(32,657)</u>	<u>13,347</u>
CHANGE IN PERCENTAGE OWNERSHIP	<u>(1,363)</u>	<u>(65,294)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,138,110)	(79,597)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>9,150,146</u>	<u>9,229,743</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<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:

	2019	2018
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, 2019	Issued during year	Redeemed during year	Balance December 31, 2019
New Brunswick Municipal Financing Corporation				
Debtentures:				
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
New Brunswick Municipal Financing Corporation				
Debtures:				
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>
Canada Mortgage and Housing Corporation				
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

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 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 Rothesay 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
Rothesay	\$ -	\$ 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 (EARSL) 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:

	Estimated Jan 1, 2019 to Dec 31, 2019	Jan 1, 2018 to Dec 31, 2018
Accrued Benefit Liability		
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.

	Estimated Jan 1, 2019 to Dec 31, 2019	Jan 1, 2018 to Dec 31, 2018
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:

	Estimated Jan 1, 2019 to Dec 31, 2019	Jan 1, 2018 to Dec 31, 2018
Reconciliation of Funded Status at End of Period		
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:

	Estimated	Jan 1, 2018 to
	Jan 1, 2019 to	Dec 31, 2018
	<u>Dec 31, 2019</u>	<u>Dec 31, 2018</u>
Reconciliation of Accrued Benefit Obligation		
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:

	Estimated	Jan 1, 2018 to
	Jan 1, 2019 to	Dec 31, 2018
	<u>Dec 31, 2019</u>	<u>Dec 31, 2018</u>
Reconciliation of Plan Assets		
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:

	Estimated	Actual
	Jan 1, 2019 to	Jan 1, 2018 to
	<u>Dec 31, 2019</u>	<u>Dec 31, 2018</u>
Pension Expense		
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:

	<u>2019</u>	<u>2018</u>
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.

ROTHERSAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

22. SCHEDULE OF TANGIBLE CAPITAL ASSETS

COST	Land	Land Improvements	Buildings and Leasehold Improvements	Vehicles	Machinery and Equipment	Roads and Streets	Infrastructure		Sewer	Water	Subtotal	Assets Under Construction	2019 Total	2018 Total
							Storm Sewer							
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	\$ 4,869,751	\$ 8,536,649	\$ 11,307,912	\$ 5,662,553	\$ 4,551,459	\$ 42,238,179	\$ 20,247,321	\$ 27,712,961	\$ 24,052,521	\$ 149,179,306	\$ -	\$ 149,179,306	\$ 143,577,772	
ACCUMULATED AMORTIZATION														
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	-	3,875,308	4,468,757	2,916,782	2,013,148	20,722,219	7,115,515	7,671,922	8,556,858	57,340,509	-	57,340,509	54,042,881	
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS														
	\$ 4,869,751	\$ 4,661,341	\$ 6,839,155	\$ 2,745,771	\$ 2,538,311	\$ 21,515,960	\$ 13,131,806	\$ 20,041,039	\$ 15,495,663	\$ 91,838,797	\$ -	\$ 91,838,797	\$ 89,534,891	
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	234,159	61,177	2,447,349	793,661	259,852	-	-	-	-	3,796,198	-	3,796,198	3,737,753	
	\$ 4,869,751	\$ 4,661,341	\$ 6,839,155	\$ 2,745,771	\$ 2,538,311	\$ 21,515,960	\$ 13,131,806	\$ 20,041,039	\$ 15,495,663	\$ 91,838,797	\$ -	\$ 91,838,797	\$ 89,534,891	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

23. SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR JOINTLY CONTROLLED ENTITIES

		Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Assets Under Construction		2019 Total		2018 Total
COST											
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>
ACCUMULATED AMORTIZATION											
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>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS											
	\$	<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>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

24. SCHEDULE OF SEGMENT DISCLOSURE

	General	Protective	Transportation	Environmental Health	Environmental Development	Recreation and Culture	Water and Sewer	2019 Consolidated	2018 Consolidated
REVENUE									
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	216,984	156,521	-	-	-	11,060	110,570	495,135	477,223
	<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>
EXPENDITURE									
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	64,394	214,697	2,374,136	-	-	643,819	1,082,915	4,379,961	4,467,244
	<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>

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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

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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>
ASSETS							
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>
ACCUMULATED SURPLUS	<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>
REVENUE							
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>
EXPENDITURES							
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	-	-	-	-	-	-	413,000
	<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>
ANNUAL SURPLUS (DEFICIT)	<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

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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.

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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>
ASSETS	\$ <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>
LIABILITIES	\$ <u>719,241</u>	\$ <u>1,005,407</u>	\$ <u>11,375</u>	\$ <u>1,736,023</u>	\$ <u>1,899,304</u>
ACCUMULATED SURPLUS	\$ <u>817,125</u>	\$ <u>339,131</u>	\$ <u>1,696,692</u>	\$ <u>2,852,948</u>	\$ <u>2,707,532</u>
REVENUE	\$ 2,368,561	\$ 2,731,370	\$ 96,126	\$ 5,196,057	\$ 4,697,490
EXPENDITURES	<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)
CHANGE IN PERCENTAGE OWNERSHIP	<u>(1,177)</u>	<u>(186)</u>	<u>-</u>	<u>(1,363)</u>	<u>(65,294)</u>
ANNUAL SURPLUS (DEFICIT)	\$ <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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

28. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water and Sewer	Amortization ICA	Controlled Entities	Transfers	Total
REVENUE						
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	-	-	-	-	26,500
Services other governments	60,000	-	-	-	1,300,000	1,326,500
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	-	-	(12,712)	-
	<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>
EXPENDITURES						
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)	\$ -	\$ -	\$ (4,465,414)	\$ 120,396	\$ 5,955,039	\$ 1,610,021

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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
REVENUE			
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>
EXPENDITURE			
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>

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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>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

29. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	2019 Budget	2019 Actual	2018 Actual
Environmental health services			
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>
Environmental development services			
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>
Recreation and cultural services			
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>
Water and sewer services			
Water System			
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
Sewer System			
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>
Interest	312,820	312,820	300,346
Amortization	<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>

G. 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.