



# Rothesay 2020 Annual Report

This is the Annual Report of the corporation of the town of Rothesay for the 2020 fiscal year (January 1 to December 31).

# CONTENTS

<b>1. INTRODUCTION</b>	<b>1</b>
<b>2. THE COMMUNITY</b>	<b>1</b>
<b>3. GOVERNANCE</b>	<b>2</b>
a. Council Members	2
b. Council Meetings	2
c. Committees of Council (2020)	3
Council Priorities	3
<b>4. ADMINISTRATION</b>	<b>4</b>
<b>5. PROTECTIVE SERVICES</b>	<b>5</b>
a. Fire	5
b. Police	5
c. Emergency Preparedness	6
<b>6. FINANCE</b>	<b>7</b>
<b>7. PARKS &amp; RECREATION</b>	<b>8</b>
a. Recreation	8
b. Parks	10
c. Library	11
d. Living Museum	11
<b>8. PLANNING AND DEVELOPMENT</b>	<b>12</b>
a. Building Permits	12
b. By-law Enforcement	12
c. Planning	12
d. Heritage Preservation Board	12
<b>9. PUBLIC WORKS</b>	<b>13</b>
<b>10. UTILITIES</b>	<b>14</b>
a. Water	14
<b>II. APPENDICES</b>	<b>I</b>
a. Donations	i
b. Council Priorities	
c. Council Attendance 2020	
d. Council Remuneration	
e. 2020 Events Attended by the Mayor	
f. Audited Financial Statements	0
g. Excerpt - Regulation 2018 - 54	0



70 Hampton Road  
Rothesay, NB  
Canada E2E 5L5

T: 506-848-6600  
F: 506-848-6677

Rothesay@rothesay.ca  
www.rothesay.ca

April 9<sup>th</sup>, 2020

Dear Mayor Grant & Council:

Re: 2020 Annual Report

I am pleased to present the Annual Report of the business of the Town for 2020 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.

The first year of the decade was a remarkable one. Even though the disruption caused by the pandemic may have been less in New Brunswick than other parts of the world, New Brunswickers had to cope. And in the town of Rothesay that meant finding new ways to accomplish regular tasks and digging a little deeper when required. Staff grew accustomed to wearing masks, social distancing and for a time in the spring the Town Hall was open only to appointments. Council became adept at videoconferencing and making decisions while sitting in their own kitchens or dens.

Although the spring brought Covid with all its emergency measures, there was no spring flooding as there had been in the past two years. For the most part the Town was able to provide the expected services – garbage was picked up, spring and fall cleanups were conducted, roads were swept and plowed, grass was cut, potholes were filled, water and sewer services were provided, summer recreation services were limited but trail maintenance was in high demand and capital programs advanced.

I want to thank Rothesay staff and those that provide its contracted services for adapting to the restrictions and challenges presented in 2020. I particularly want to thank the senior staff of the Town who provided calm leadership during these unusual times. The consistent good sense and dedication of staff have allowed the Town to provide the services our property owners rightfully expect with a minimum of disruption and with general good nature. I also want to thank Council for your tolerance under these unusual conditions and, like you, look forward to returning to something “near-normal” in 2021.

Yours truly,

  
John Farvin, MCIP, RPP  
Town Manager

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

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

# Rothesay

# 2020 Annual Report

## ANNUAL REPORT

### 1. INTRODUCTION

On 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 150<sup>th</sup> 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 11,600.

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.

### 3. GOVERNANCE

An eight person Council with Dr. Nancy Grant as Mayor provides for the governance of the Town. The attendance of Councilors 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**
- **Peter Lewis**
- **Tiffany Mackay French**
- **Grant Brenan**
- **Bill McGuire**
- **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.

During the Covid-19 pandemic, by resolution of Council, meetings are held at 4:00 p.m. via teleconference or videoconference. Council also passed resolutions related to the following: 1) delegations are limited to members of Town administration or other levels of government, other external organizations or external consultants/service providers retained on behalf of the Town, and 2) public hearings are temporarily suspended until such time as other technology is employed that will facilitate external participation or the Province of New Brunswick and/or the Federal Government of Canada determine physical distancing is no longer required to address the Covid-19 pandemic.

**COVID-19 Pandemic declared 13 March 2020 (World Health Organization)**

Meetings held in person:	January – March 2020
Meetings held by teleconference:	April – June 2020
Meetings held by videoconference:	July 2020 – December 2020

2020 Municipal Elections scheduled for May 11, 2020, postponed by the Legislature.

### **COMMITTEES OF COUNCIL (2020)**

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

- EMO Committee
- Finance Committee
- Nominating Committee
- Parks and Recreation Committee
- Rothesay Hive Advisory Committee
- Personnel Committee
- Planning Advisory 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. During the pandemic, the office is closed from noon to 1:00 pm. 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. 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 498 service requests responded to in 2020 with the most frequent (61%) being related to water issues.

Rothesay has a diverse workforce with both unionized and non-unionized employees. Unionized employees at Rothesay are represented by the Canadian Union for Public Employees (C.U.P.E). At the end of 2020, Rothesay had 44 permanent employees (including 21 members of the bargaining unit).

In 2020, the Covid-19 pandemic brought about several challenges for the Town. Human Resources pivoted quickly to assist employees by developing and implementing a wide range of COVID-related safety measures. In an effort to reduce the risk of exposure to Covid-19, some administrative staff worked remotely on a temporary basis. Rotational shifts were implemented for employees unable to work from home. With the eventual improvement in Covid-19 case numbers, and the adoption of an Operational Plan, Rothesay was able to safely bring all employees back to regular shifts in May 2020.



The pace of recruitment activity remained steady in 2020. With the easing of restrictions at the beginning of May, Rothesay was able to continue to offer summer programming and hire 22 summer students.

The average staff member at Rothesay has been employed with the Town for 12.32 years and is 47.6 years old. With an aging workforce, a top priority for Human Resources in the years ahead will be to focus on succession planning in an effort to identify and develop new leaders for future leadership roles within the organization.

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 2020, there were 436 calls for service, which was down from 2019 where there were 536. Included in the 436 calls were 65 rescue or resuscitation calls, and 21 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 \$2.2M or 40.74% of the Department's operating costs in 2020. 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 six civilian staff. In 2020, Rothesay had 3101 calls for service until mid-November. Technical difficulties with the Saint John Dispatch has been unable to report the remainder due to technical breakdowns.

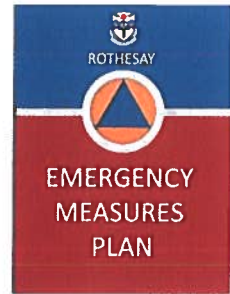
Rothesay's share (40.14%) of the annual budget for policing was \$2.6M in 2020 with an additional \$117,000 from an operating reserve allocated to extraneous costs in 2020. The City of Saint John Public Safety Answering Point (PSAP) answers emergency (911) calls in Rothesay under an agreement with the KRPf. The share of this service paid by Rothesay was \$156,755.

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.



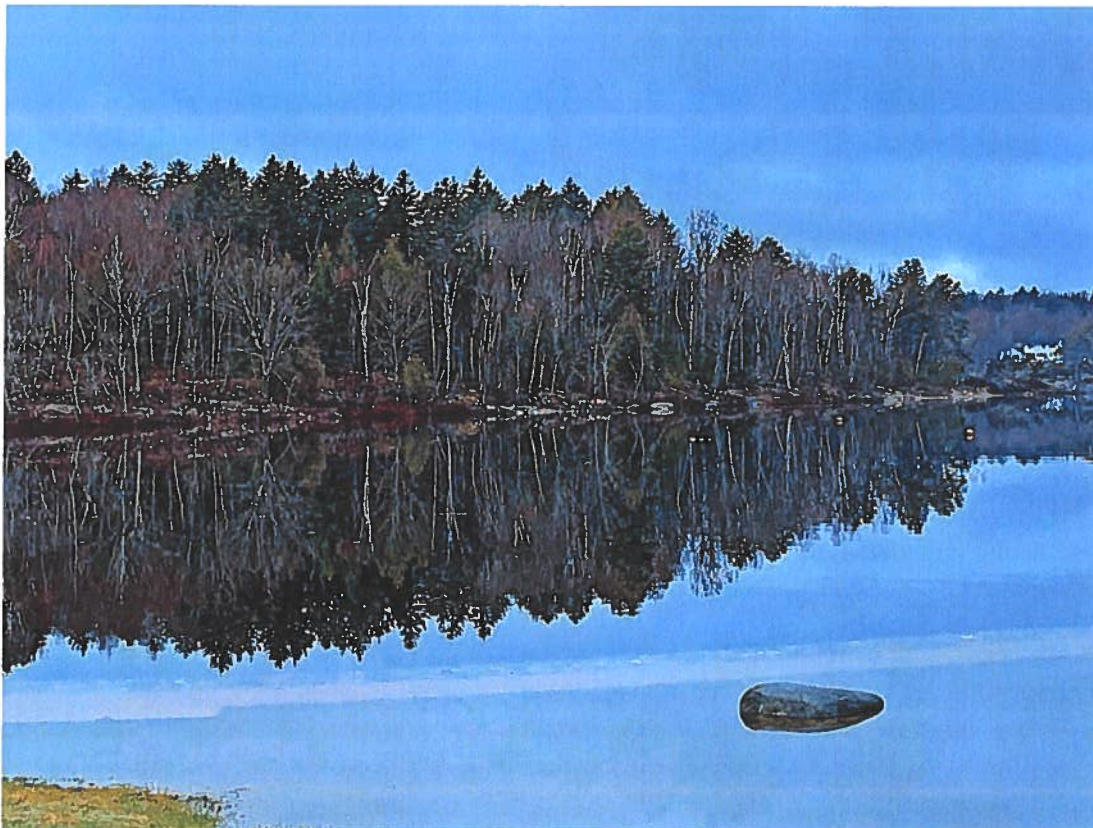


### **C. EMERGENCY PREPAREDNESS**

During 2020, Rothesay continued to work on its emergency preparedness including new requirements brought on by Covid-19. A Provincial State of Emergency imposed restrictions on use of Town facilities and meant modifications to normal operating procedures.

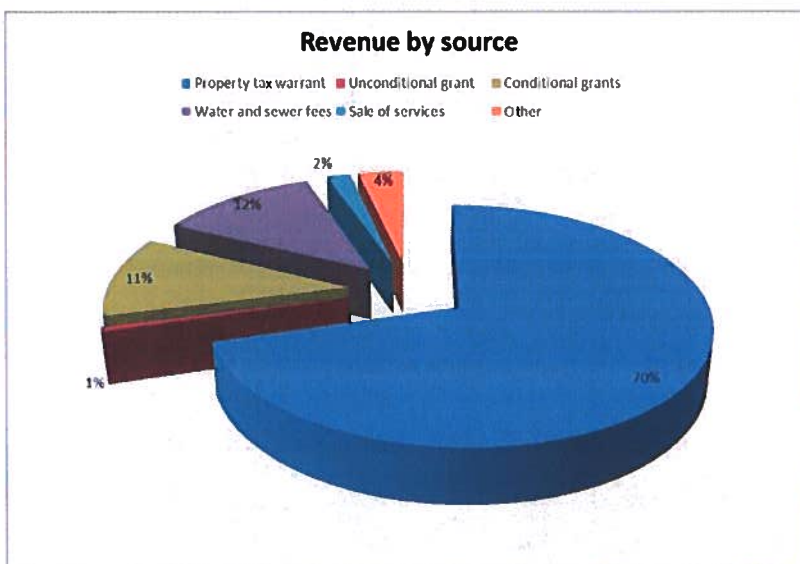
Flooding season came and went without the requirement for sand bagging and the cleanup associated with the spring freshet of the last two years. . The spring freshet again brought high water but fortunately no flooding. Town staff adjusted the distribution of sand bags while factoring in the Coronavirus. Messaging was made to prevent to ensure residents were not fatigued by the news cycle. Social-distancing and mask use were considered when deploying and retrieving 7500 sand bags from the flood risk properties.

Efforts were made to make the town more resilient to the risk of flooding by raising the elevation of Elizabeth Parkway at Post Road, and portions of Park Drive. Rothesay also commissioned an engineering survey predesign to raise the elevations of the both Maliseet Drive, Pickett Lane and Alexander Avenue.



## 6. FINANCE

The Town finished the 2020 fiscal year with a general fund surplus of \$52,674 and \$48,220 in the utility account. These will be brought into budgets in 2022. During the year, the Town retired \$1.242M of debt, however new debentures were obtained in the amount of \$2.1M. Of the total obtained, \$1 million was related to 2019 capital expenditures. The Town's current debt is approximately \$1,356 per capita and general fund debt service costs are 5.1% 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 20.8%. That debt is repaid through utility charges.



The Town donated approximately \$20,500 to various groups and good causes in 2020; none of these were for economic development purposes. The donations are listed in Appendix A.

The total tax base of the municipality for the purposes of setting the tax rate was \$1.330B. The tax rate for 2020 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 2020. Water cost was \$1.15/m<sup>3</sup> 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 \$20.3M. Rothesay paid \$155,277 in Provincial property tax in 2020 as well as HST to the Province of approximately \$0.5M. The Provincial Government transferred \$128,323 representing 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 F.

Doug MacDonald is the Town Treasurer.

## 7. PARKS & RECREATION

### A. RECREATION

The Town 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 kilometers of walking, hiking and cross country ski trails.

Rothesay Recreation Department provides numerous 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 Recreation Department offers summer programs from various locations within the community.

Highlights for Rothesay Recreation in 2020 included an initial New Year's Day skate the Rothesay Common followed by numerous successful skating events such as: Meet the Paw Patrol Pups, Glow in the Dark Skate, Skate with the SJ Vito's Hockey Team, Disney Night, and Intro to Sledge Hockey. Each of these special themed nights were very popular and were well attended. Sponsors for four out of five of the events were arranged with Common's Creperie Café, Shadow Lawn Inn, Roberts Realty, and Forfitness and Athletics. Despite Covid-19, it was a successful 2020 Winterfest in Rothesay. Over 600 people were in attendance at the event on February 8<sup>th</sup>. There was face painting, snowshoeing, colouring mural, balloon animals, horse & trolley rides, princesses from Magical Memories, food and drinks served by the Kennebecasis Lions Club and Kennebecasis Legion. The Curling & Cocktails event was popular with 26 people attending; 38 had signed up but due to bad weather some did not show. River & Trail Moonlight Snowshoeing was popular with 55 people attending. The Rothesay Hive hosted multiple successful events for Winterfest, including the Winterfest Tea (25 people attended), Valentines Day Intergenerational Afternoon (47 people attended), and Winterfest Trivia where 15 people attended. The 2020 Rothesay Winter Speaker Series was hosted in collaboration with the Rothesay Hive and Go Ahead Seniors. The last three speaker sessions were unfortunately cancelled due to the COVID-19 Pandemic.



The warmer months would generally allow events such as Concert in the Common, Sunset Yoga, and Canada Day events, which were cancelled due to COVID-19. The Summer Playground Program was restructured to the Day Camp Program to meet the requirements from Public Health during the pandemic.

As a result, the Day Camp Program had three groups of 15 campers each week. Two groups were located at the Bill McGuire Centre and the third group was at the Wells Recreation Site. Day Camps were organized on a weekly registration with the lunch hour being offered. All public health guidelines were followed, and there were no field trips or beach days. Although there were many new rules to follow, campers and camp counselors were able to have a fun-filled summer.

Amid COVID-19, both K-Park and Renforth Beaches were open and guarded. The Town was able to hire seven lifeguards and have two fill-in guards available. The beaches were busy, however people were respectful of the COVID-19 social distancing rules. There were no swimming lessons offered due to the pandemic.

It was a successful community garden season and the garden's practices were adapted to meet the COVID-19 requirements, including a plot schedule (even and odd numbered plots alternate gardening days), sanitization, prescreening posters, and shared tools were not provided. As the year ended and COVID-19 was still amongst us. The annual Halloween event and KV Santa Claus Parade were both cancelled. The 6<sup>th</sup> Annual Mayor's Tree Lighting at the Rothesay Common was held on December 9<sup>th</sup>, 2020 and the celebration was slightly different due to virus. Rather than an in-person event, Rothesay hosted a Facebook live stream of the tree at the Rothesay Common lighting up for the 2020 Holiday Season. On Christmas Eve at 6:00pm, the Town also invited all Rothesay residents to light a candle, step outside to sing Christmas Carols, ring sleigh bells, and bring holiday cheer in their own way for 2 minutes.



**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 new baseball field at Wells Recreation Park was a major expenditure in 2020 as the construction was underway to be completed in 2021. The recreation park also had some trail updates where the Town staff completed the loop at Wells Park as part of Taylor Brook Trail. Assigned trail names and trail name signs with distances were installed along with lights at the Wells Dog Park.

Six university students were hired from May-August 2020 and their duties included mowing, ball field maintenance, greenhouse work and gardening and various other parks-related jobs that could be completed following COVID-19 protocol. The ice surface at the Rothesay Common opened for the 2020-2021 season on December 13<sup>th</sup>, and rules and guidelines were adapted to meet all public health measures and restrictions for the various phases of recovery in Zone 2. To allow Rothesay residents to enjoy as much of the winter as possible during the pandemic, for the first time, Hillside Trail was groomed for hiking, snowshoeing, and cross country skiing for the 2020-2021 season.

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		The 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 and its share of the 2020 operating cost of the building was 39% of the 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 2020, Rothesay issued 50 Development Permits and 220 Building Permits.

The total 2020 Value of Construction was \$19,750,249.00 being an increase of \$6,869,687.01 over the previous year due to larger projects. Rothesay generated \$146,594.50 in permit fees resulting from all issued development and building permits.

### B. BY-LAW ENFORCEMENT

In 2020, by-law enforcement saw the closure of a three-year long file in the Wells neighbourhood. The table below represents categorized resident complaints that were investigated by Staff.

	Zoning Bylaw	Unightly Premises	Building By-Law	Animal Control	Civic Complaint	Noise Complaint
<b>2020</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>-</b>	<b>5</b>

### C. PLANNING

The Rothesay Planning Advisory Committee met eight times in 2020 with the highlight being a review and recommendation regarding the Municipal Plan By-law. There was one major re-zoning application, which was for a 55 lot subdivision in Sagamore Point

### D. HERITAGE PRESERVATION BOARD

The Rothesay Heritage Preservation Review Board did not meet in 2020. The Board is responsible for applying By-Law No. 1-07 Rothesay Heritage Preservation By-Law. This Bylaw guides development in the area around the Rothesay Common. The purpose of the By-law is the to preservation and protection of the distinctive characteristics of buildings and places of historical or architectural significance in preservation area.

Brian White is the Director of Planning & Development.



Lands at Corner of Campbell Drive and Millennium Drive Currently designated MILLENNIUM PARK – Business Park



Proposed change to medium residential nearest the Wedgewood neighbourhood and commercial along the Millennium Drive corridor.

## 9. PUBLIC WORKS

In 2020, the Public Works Department recorded 2,058 tons of salt/sand mixture that was placed by monitored equipment during road maintenance activities. In preparation for possible spring flooding 7500 sandbags were received and deployed to residents, then collected and placed in safe storage for future use. Intelligent speed radar signs were placed at Common (static), Eriskay school zone, College Hill and River Road.

The Department saw a busy year where 29 culverts were repaired or replaced and a major cross culvert was installed on McGill Road to solve a long standing drainage issue. There were 200m of storm sewer installed along French Village Road to capture underground spring water. The walking trail off Mark Drive was also repaired to promote better cross flow drainage and was resurfaced for walkers.

Works staff also installed 20 new sign posts to replace aging ones, 10 new stop signs and 25 street blades were added to provide better identification at intersections.

Staff responded to 140 Service Requests in 2020 and broken down in the table below.

Catch basins	13
Culverts	29
Ditches	15
Drainage	12
General Drainage	38
General Transportation	17
Potholes	7
Signs	3
Plow Damage	4
Street Cleaning	1
Street Light	1

In 2020, the following infrastructure work was completed:

- 1500 m of new barrier curb installed
- 2630 m<sup>2</sup> of new concrete sidewalk installed
- 7500 tons of new asphalt placed as follows:
  - Cove Crescent
  - Edie Drive
  - Fox Farm Road
  - Jordan Lane
  - Arena Parking Lot
  - French Village Road
  - Highland Avenue
  - Wharf Road
- 16,200 m<sup>2</sup> of microseal placed as follows:
  - Donald Road
  - Dykeman Crescent
  - McKinney Court
  - Ryan Drive
  - Terri Street



- Portions of road were raised on Elizabeth Parkway and Park Drive
- 1100 m of watermain installed between Hillside waterline and RNS
- New 3 way stops included on Highland Avenue and Park Drive
- Pipework associated with Turnbull Court Sewer system upgrade
- Deteriorated pipe bridge at Taylor brook replaced
- New roof installed on Hillside water storage reservoir
- Survey and design completed for 2021 resurfacing and microseal program



## 10. UTILITIES

### A. WATER

In 2020, the Rothesay treatment plant at Carpenter Pond withdrew 686,646 m<sup>3</sup> of raw water from the well network to produce 652,218 m<sup>3</sup> of drinking water for distribution. With 15 new water connections and 20 new sewer connections, production was high with the major construction connecting RNS to the Hillside high pressure zone.

The following are the performance results for the three Town wastewater treatment lagoons for 2020.

Lagoon	Treated Volumes (m <sup>3</sup> )	Mg/litre Oxygen Demand (CBOD)	Mg/litre Suspended Solids (TSS)
KPARK	89,044	27.5	29.2
RENFORTH	168,783	10.5	29.2
FAIRVALE	3,008,132	17.1	27

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
KV Food Basket	grant	cash	5,148.39	To offset operating cost
St Joseph's Hospital Foundation	grant	cash	1,000	Research Equipment
KV Oasis Youth Centre	grant	cash	2,500	To offset operating cost
Saint John Theatre Co.	grant	cash	1,000	To offset operating cost
Rothsay Netherwood School	grant	cash	100	Youth for Youth concert
Imperial Theatre	grant	cash	250	East Indian Gala
NB Competitive Festival	grant	cash	100	Ad
Kahlan Edwards	grant	cash	250	Forum for Young Canadians
We Believe SJ	grant	cash	200	To offset operating cost
Muscular Dystrophy	grant	cash	200	Walk
Arts Atlantic Symposium	grant	cash	1,500	To offset operating cost
KV Food Basket	grant	cash	1,000	Emergency Donation
Make a Wish foundation	grant	cash	500	To offset operating cost
Empty Stocking Fund	grant	cash	500	To offset operating cost
Hestia House	grant	cash	200	Purple Lights

TOTAL

\$22,948.39

## **2016 – 2020 Council Term**

### **B. COUNCIL PRIORITIES**

Rothsay 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 Rothsay'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 Rothsay Recreation Master Plan
- To ensure Rothsay recreation and park facilities and programs meet the needs of a wide range of residents.
- To ensure Rothsay 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 Rothsay 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 2020**

Legend		Open	Closed Mtg/ Working Session	Mayor Nancy Grant	DM Matt Alexander	Counc. Grant Brennan	Counc. Peter Lewis	Counc. Tiffany Mackay French	Counc. Bill McGuire	Counc. Don Shea	Counc. Miriam Wells
Present	Absent										
Jan 13	√										
Feb 10	√										
Mar 9	√										
Apr 14	√										
May 11	√										
Jun 8	√										
Jul 13	√										
Aug 10	√										
Sep 14	√										
Sep 28 Special	√										
Oct 13	√										
Nov 9	√										
Nov 16 Budget	√										
Nov 30 Budget	√										
Dec 14	√										
Jan 13			√								
Feb 10			√								
Feb 18 Working Session			√								
Mar 9			√								
Apr 14			√								
May 11			√								
May 25 Working Session			√								
Jun 8			√								
Jul 6 Working Session			√								
Jul 13			√								
Aug 10			√								
Sep 14			√								
Oct 13			√								
Nov 3 Special Closed			√								
Nov 3 Working Session			√								
Nov 9			√								
Nov 30 Special Closed			√								
Dec 14			√								

**D. COUNCIL REMUNERATION**

CATEGORY	Mayor Grant	D/Mayor Alexander	Councillor Brennan	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
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							
<b>TOTAL</b>	<b>\$37,774.61</b>	<b>\$20,159.64</b>	<b>\$16,450.29</b>	<b>\$17,729.22</b>	<b>\$16,450.29</b>	<b>\$16,465.93</b>	<b>\$16,985.46</b>	<b>\$16,507.94</b>

CATEGORY	Mayor	Deputy Mayor	Councillor
Salary(2020)	35,000	18,900	16,200
Salary (Incoming Council 2021)	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. 2020 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 2020.

#### **January 13 – February 10, 2020**

1. Jan 15 Saint John Executives Luncheon (Mayors Annual)
2. Jan 15 Interview with Global News on Smart Meters
3. Jan 15 Glow in the Dark Skate
4. Jan 18 Chinese New Year Gala (*Deputy Mayor Alexander*)
5. Jan 23 Scotties Curling Championship Opening (*Deputy Mayor Alexander*)
6. Jan 25 Burns Supper (*Deputy Mayor Alexander*)
7. Jan 26 Warm Up to Winterfest (*Deputy Mayor Alexander*)
8. Jan 28 Fundy Winterfest Tea (Hive)
9. Jan 29 Sledge Hockey at the Rothesay Common
10. Jan 29 Bell Let's Talk Video for Champions for Change
11. Feb 4 Rothesay Elementary School "Local Government"
12. Feb 4-5 Delivery of Amazeatorium Tickets to Fairvale Elementary, Rothesay Elementary schools
13. Feb 6 Atlantic Arts Symposium Press Conference
14. Feb 8 Winterfest Family Day at the Rothesay Common
15. Feb 8 Moonlight Snowshoe at Wells Recreation Park

#### **February 10, – March 9, 2020**

1. Feb 11 RNS Performing Arts
2. Feb 15 Legion Branch 58 Roast Beef Dinner
3. Feb 29 Imperial President's Backstage Party (*Deputy Mayor and Counc. McGuire*)

### **COVID-19 GAP**

#### **June 2020 – August 10, 2020**

1. Jun 14 Message to Black Lives Matter event in Saint John
2. Jun 21 National Aboriginal Day - gathering at KPark Garden
3. Jun 28 Elected Chair of Fundy Regional Service Commission Board
4. Jul 1 Canada Day Video
5. Jul 1 Branch 58 Legion BBQ
6. Jul 25 VCT Summer Bazaar
7. Aug 3 Branch 58 Legion Potluck
8. Aug 6, 20 Cultural Ambassador for KV Players 2020 Virtual Season (Aug 6 Video)
9. Aug 7 Funding Announcement: Province to Greater Saint John Economic Development

**August 10 – September 14, 2020**

1. Sep 10 Video for Sophia Recovery/Recovery Day
2. Sep 12 Branch 58 Legion Ham Dinner
3. Sep 12 Teddy Bear Picnic on the Common (Make-a-wish)

**September 14 – October 13, 2020**

1. Sep 22 Radio Promo for "September for St. Joe's"
2. Oct 3-10 Virtual Sweet Caroline Run

**October 13 – December 21, 2020**

1. Oct 29 Poppy Campaign Kick-off
2. Nov 11 Remembrance Day Ceremony Branch 58
3. Nov 18 KRPF Police Awards
4. Nov 21 Cochran's "Santa Letters"
5. Nov 21 Empty Stocking Fund
6. Dec 2 Christmas Message Oldies Radio
7. Dec 4 Year End Interview TJ
8. Dec 6 Memorial Ceremony KVDVO
9. Dec 9 Virtual Mayor's Tree Lighting
10. Dec 14 Elderdog Fundraiser
11. Dec 16 "The Wave" Year End Interview
12. Dec 16 Chamber Business Awards
13. Dec 20 St. David's Advent Candle Lighting
14. Dec 21 Town Year End Video

**January 4 – February 17, 2021**

1. Jan 4 CBC Information Morning (Year End)
2. Jan 13 Warm Up to Winterfest Video
3. Jan 15 CBC Information Morning (Sagamore Heights)
4. Jan 27 Video for Order of the Maple Leaf (RPS)
5. Feb 5 Photo (Mayors) for Black History Month
6. Feb 12 Interview with Business View Magazine



7. Feb 17

Saint John Executives Association Guest Speaker



**ROTHESAY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

# ROTHESAY

DECEMBER 31, 2020

## CONTENTS

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

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, 2020, 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, 2020, 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 12, 2021

# ROTHESAY

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u> <b>Budget</b> (Note 27)	<u>2020</u> <b>Actual</b>	<u>2019</u> <b>Actual</b>
<b>REVENUE</b>			
Property tax warrant	\$ 16,492,464	\$ 16,492,476	\$ 16,043,022
Unconditional grant	128,335	128,323	122,190
Conditional government transfers (Note 28)	1,936,500	2,624,401	1,940,058
Services other governments	60,000	83,288	83,288
Sale of services (Note 28)	410,300	343,963	451,280
Other own source (Note 28)	91,150	447,775	544,801
Water and sewer user fees	2,896,789	2,894,370	2,954,811
Sundry income	<u>212,272</u>	<u>381,202</u>	<u>495,135</u>
	<u>22,227,810</u>	<u>23,395,798</u>	<u>22,634,585</u>
<b>EXPENDITURE (Note 28)</b>			
General government services	2,077,733	1,940,236	2,061,090
Protective services	5,058,412	5,046,052	5,057,638
Transportation services	5,407,779	5,805,606	5,811,118
Environmental health services	658,000	674,617	633,909
Environmental development services	605,940	503,204	580,575
Recreation and cultural services	2,896,539	2,807,327	3,011,998
Water and sewer services	<u>3,276,864</u>	<u>3,533,292</u>	<u>3,435,557</u>
	<u>19,981,267</u>	<u>20,310,334</u>	<u>20,591,885</u>
<b>ANNUAL SURPLUS FOR THE YEAR</b>	<u>\$ 2,246,543</u>	3,085,464	2,042,700
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>		79,078,043	77,036,706
<b>CHANGE IN OWNERSHIP OF CONTROLLED ENTITIES (Note 2)</b>		<u>(889)</u>	<u>(1,363)</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>		<u>\$ 82,162,618</u>	<u>\$ 79,078,043</u>


# ROTHESAY

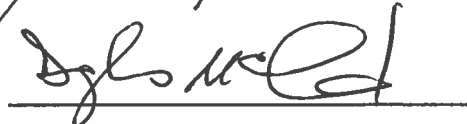
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 4)	\$ 8,238,448	\$ 8,012,036
Accounts receivable (Note 5)	2,213,963	2,109,326
Investments (Note 10)	<u>376,705</u>	<u>356,807</u>
	<u>\$ 10,829,116</u>	<u>\$ 10,478,169</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 9)	1,815,177	2,186,557
Deferred revenue (Note 8)	3,332,658	4,420,471
Long term debt (Note 11)	15,814,112	15,011,162
Accrued pension obligation (Note 16)	179,620	440,730
Accrued sick leave (Note 15)	290,006	305,268
Accrued retirement allowance (Note 16)	<u>992,800</u>	<u>914,763</u>
	<u>22,424,373</u>	<u>23,278,951</u>
<b>NET DEBT</b>	<u>(11,595,257)</u>	<u>(12,800,782)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 21)	154,359,864	149,179,306
Accumulated amortization (Note 21)	<u>(60,642,480)</u>	<u>(57,340,509)</u>
	93,717,384	91,838,797
Inventory	16,268	21,683
Prepaid expenses	22,044	15,693
Unamortized debenture costs	<u>2,179</u>	<u>2,652</u>
	<u>93,757,875</u>	<u>91,878,825</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 82,162,618</u>	<u>\$ 79,078,043</u>
<b>CONTINGENT LIABILITY</b> (Note 17)		
<b>COMMITMENT</b> (Note 18)		

**APPROVED BY:**

  
 \_\_\_\_\_ Mayor

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

# ROTHESAY

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
Annual surplus	\$ 3,085,464	\$ 2,042,700
Acquisition of tangible capital assets	(6,618,579)	(6,882,556)
Proceeds on disposal of tangible capital assets	77,308	3,111
Amortization of tangible capital assets	4,523,157	4,379,961
Change in ownership of tangible capital assets	1,699	2,787
Loss on disposal of tangible capital assets	<u>137,828</u>	<u>192,791</u>
	1,206,877	(261,206)
Acquisition of inventories	(16,268)	(21,683)
Acquisition of prepaid assets	(22,044)	(15,693)
Acquisition of unamortized debenture costs	(2,179)	(2,652)
Consumption of inventories	21,683	29,642
Use of prepaid assets	15,693	54,698
Consumption of unamortized debenture costs	<u>2,652</u>	<u>3,125</u>
	1,206,414	(213,769)
Change in ownership of controlled entities	<u>(889)</u>	<u>(1,363)</u>
Increase (decrease) in net debt	1,205,525	(215,132)
Net debt - beginning of year	<u>(12,800,782)</u>	<u>(12,585,650)</u>
Net debt - end of year	<u>\$ (11,595,257)</u>	<u>\$ (12,800,782)</u>

APPROVED BY:

 \_\_\_\_\_ Mayor

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



# ROTHESAY

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 3,085,464	\$ 2,042,700
Loss on disposal of tangible capital assets	137,828	192,791
Amortization of tangible capital assets	4,523,157	4,379,961
Accounts receivable	(104,637)	(86,444)
Accounts payable and accrued liabilities	(371,380)	332,795
Deferred revenue	(1,087,813)	410,072
Accrued sick leave	(15,262)	(41,420)
Change in accrued pension obligation	(261,110)	(15,204)
Change in accrued retirement allowance	78,037	64,064
Change in inventory/prepaid expenses/unamortized debenture costs	(463)	47,437
	<u>5,983,821</u>	<u>7,326,752</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(6,618,579)	(6,882,556)
Change in ownership of capital assets	1,699	2,787
Proceeds on disposal of tangible capital assets	77,308	3,111
	<u>(6,539,572)</u>	<u>(6,876,658)</u>
<b>FINANCING TRANSACTION</b>		
Long term debt (net)	802,950	(1,554,184)
	<u>802,950</u>	<u>(1,554,184)</u>
<b>INVESTING TRANSACTION</b>		
Increase (decrease) in investments	(19,898)	(32,657)
<b>CHANGE IN OWNERSHIP OF CONTROLLED ENTITIES</b>		
	(889)	(1,363)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
	226,412	(1,138,110)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>8,012,036</u>	<u>9,150,146</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 8,238,448</u>	<u>\$ 8,012,036</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 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 (KRJBPC)
- 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:

	<b>2020</b>	<b>2019</b>
Kennebecasis Regional Joint Board of Police Commissioners	40.14%	40.19%
Kennebecasis Valley Fire Department Inc.	40.74%	40.76%
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, 2020

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

#### Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 9, 2019 and the Director of Community Finances on December 20, 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, 2020

### 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, 2020

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

#### Segmented Information (cont'd)

##### Environmental Development Services

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

##### Recreation and Cultural Services

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

##### Water and Sewer Services

This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

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

##### Post Employment Benefits

The Town recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Town has a sick leave benefit as documented in Note 15 and a pension plan and retirement allowance as documented in Note 16.

### 3. FINANCIAL INSTRUMENTS

The Town is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Town's risk exposure and concentration as of December 31, 2020:

##### 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, 2020

### 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>2020</u>	<u>2019</u>
Unrestricted	\$ 1,787,299	\$ 511,561
Restricted - reserve funds (Note 25)	6,245,474	7,325,779
Restricted - controlled entities	<u>205,675</u>	<u>174,696</u>
	<u>\$ 8,238,448</u>	<u>\$ 8,012,036</u>

### 5. ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Due from the Federal Government and its agencies (Note 6)	\$ 432,404	\$ 458,006
Due from the Province of New Brunswick (Note 7)	618,250	520,188
Water and sewer	830,576	897,561
Arena	41,239	69,598
Due from developer	220,000	-
Other	<u>71,494</u>	<u>163,973</u>
	<u>\$ 2,213,963</u>	<u>\$ 2,109,326</u>

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

	<u>2020</u>	<u>2019</u>
Canada Revenue Agency (HST refund)	\$ 409,559	\$ 360,860
RCMP Secondments	22,845	22,146
Small Communities Fund	<u>-</u>	<u>75,000</u>
	<u>\$ 432,404</u>	<u>\$ 458,006</u>

### 7. DUE FROM PROVINCE OF NEW BRUNSWICK

	<u>2020</u>	<u>2019</u>
NB EMO - Disaster Financial Assistance	\$ -	\$ 167,188
Department of Transportation and Infrastructure	503,250	278,000
Regional Development Corporation	115,000	-
Small Communities Fund	<u>-</u>	<u>75,000</u>
	<u>\$ 618,250</u>	<u>\$ 520,188</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 8. DEFERRED REVENUE

	<u>2020</u>	<u>2019</u>
Government transfers - Gas Tax	\$ 3,260,246	\$ 4,366,824
Deferred revenue - Quispamsis	57,731	37,631
Deferred revenue - K-Park Levy (Note 14)	<u>14,681</u>	<u>16,016</u>
	<u>\$ 3,332,658</u>	<u>\$ 4,420,471</u>

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2020</u>	<u>2019</u>
Accounts payable - trade	\$ 1,033,095	\$ 1,695,319
Bid deposits	132,210	160,822
Accrued interest	51,344	45,247
Accrued liabilities	178,679	254,884
Accounts payable - other	<u>419,849</u>	<u>30,285</u>
	<u>\$ 1,815,177</u>	<u>\$ 2,186,557</u>

### 10. INVESTMENTS

The investments represent the Town's proportionate share of the investments of the KRJBPC. 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, 2020 was \$20,837 (2019 - (\$23,088)). The investments are restricted for future payment of retirement benefits.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 11. LONG TERM DEBT

#### (a) General Capital Fund

	Balance January 1, <u>2020</u>	Issued during <u>year</u>	Redeemed during <u>year</u>	Balance December 31, <u>2020</u>
New Brunswick Municipal Financing Corporation				
Debentures:				
BG18 1.65% - 3.80%, due 2027, OIC # 10-12, 11-71, 99-77	408,000	-	127,000	281,000
BL26 1.2% - 3.7%, due 2034, OIC # 03-88, 11-71, 13-08	2,571,000	-	186,000	2,385,000
BN17 1.05% - 3.15%, due 2025, OIC # 10-12, 13-08	1,215,000	-	243,000	972,000
B019 1.45% - 3.50%, due 2031, OIC # 13-08	1,756,000	-	222,000	1,534,000
BX18 0.90% - 2.95%, due 2040, OIC # 19-0020	-	1,000,000	-	1,000,000
BY23 0.50% - 1.80%, due 2030, OIC # 19-0020	-	<u>350,000</u>	-	<u>350,000</u>
	<u>\$ 5,950,000</u>	<u>\$ 1,350,000</u>	<u>\$ 778,000</u>	<u>\$ 6,522,000</u>

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

2021 - \$804,000; 2022 - \$784,000; 2023 - \$667,000; 2024 - \$682,000; 2025 - \$637,000



# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

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

	Balance January 1, <u>2020</u>	Issued during <u>year</u>	Redeemed during <u>year</u>	Balance December 31, <u>2020</u>
New Brunswick Municipal Financing Corporation				
Debentures:				
BF23 1.35% - 3.45%, due 2021, OIC # 00-18	\$ 1,125,000	\$ -	\$ 83,000	\$ 1,042,000
BG19 1.65 - 3.80%, due 2027, OIC # 11-0045	419,000	-	13,000	406,000
BH23 1.35 - 3.80%, due 2032, OIC # 00-0018	508,000	-	32,000	476,000
BL27 1.2% - 3.7%, due 2034, OIC # 11-0045	886,000	-	25,000	861,000
BN18 1.05% - 3.15%, due 2025, OIC # 15-38	219,000	-	34,000	185,000
BP21 1.20% - 3.80%, due 2036, OIC # 18-0020	793,000	-	20,000	773,000
BR22 1.65% - 3.30%, due 2037, OIC # 15-0069	1,240,000	-	30,000	1,210,000
BU21 2.55% - 3.7%, due 2038, OIC # 15-0069, 96-006, 96-0072	1,311,000	-	78,000	1,233,000
BY24 0.50% - 2.60% due 2040, OIC # 19-0020	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>750,000</u>
	<u>6,501,000</u>	<u>750,000</u>	<u>315,000</u>	<u>6,936,000</u>
Canada Mortgage and Housing Corporation				
CMHC 3.70%, due 2030 OIC # 09-119, 09-139, 10-012	<u>2,232,589</u>	<u>-</u>	<u>149,041</u>	<u>2,083,548</u>
	<u>\$ 8,733,589</u>	<u>\$ 750,000</u>	<u>\$ 464,041</u>	<u>\$ 9,019,548</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 \$477,782 (2019 - \$508,555) 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:

2021 - \$1,474,357; 2022 - \$446,808; 2023 - \$458,498; 2024 - \$474,435; 2025 - \$487,629

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, 2020

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

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

	Balance January 1, 2020	Issued during year	Redeemed during year	Balance December 31, 2020
New Brunswick Municipal Financing Corporation				
Debentures:				
BL45 1.2% - 3.1%, due 2024, OIC # 02-66, 03-53	\$ 106,147	\$ -	\$ 19,643	\$ 86,504
BN35 1.05% - 3.15%, due 2025, OIC# 03-53	<u>221,426</u>	<u>-</u>	<u>35,366</u>	<u>186,060</u>
	<u>\$ 327,573</u>	<u>\$ -</u>	<u>\$ 55,009</u>	<u>\$ 272,564</u>

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

2021 - \$54,662; 2022 - \$56,270; 2023 - \$57,476; 2024 - \$58,682; 2025 - \$60,691

Total Long term debt:

	2020	2019
General Capital Fund	\$ 6,522,000	\$ 5,950,000
Water and Sewer Capital Fund	9,019,548	8,733,589
Jointly Controlled Entity - KRJPC	<u>272,564</u>	<u>327,573</u>
	<u>\$ 15,814,112</u>	<u>\$ 15,011,162</u>

### 12. LAND FOR PUBLIC PURPOSES

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

### 13. SEWER OUTFALL RESERVE

In accordance with an agreement with the Municipality of Quispamsis, Rothesay and the Municipality of Quispamsis are required to fund, on an annual basis, an amount to cover the operating and maintenance costs associated with the shared sewer effluent line and outfall pipe. The contributions are made on a per unit basis, with Rothesay contributing \$1 per unit and the Municipality of Quispamsis contributing \$2 per unit. Any accumulated amounts are transferred to the Water and Sewer Capital Reserve Fund for future capital expenditures. At December 31, 2020, the balance in this reserve was \$278,283 (2019 - \$259,062).

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 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:

	<b>Estimated 2020</b>	<b>2019</b>
Rothesay	\$ 6,600	\$ -
KRJBPC	6,141	6,149
KVFD	<u>277,264</u>	<u>299,119</u>
	<u>\$ 290,005</u>	<u>\$ 305,268</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 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, 2019, which used a discount rate of 5.75% 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%.

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

The accrued liability is based on an actuarial valuation as at July 31, 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>2020</u>	<u>2019</u>
Rothesay	\$ 448,222	\$ 408,322
KVFD	206,085	178,879
KRJBPC	<u>338,493</u>	<u>327,562</u>
Balance at end of year	<u>\$ 992,800</u>	<u>\$ 914,763</u>

KVFD and KRJBPC have internally restricted funds for their liabilities.

#### Pension Obligation

Employees of Rothesay, KVFD and KRJBPC participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP 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 NB MEPP 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 NB MEPP (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, 2018 and resulted in an overall NB MEPP accrued benefit obligation of \$125,249,500 based on the accounting basis.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 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, 2019:

- the expected inflation rate is 2.10% (prior 2.25%);
- the discount rate used to determine the accrued benefit obligation is 5.75% (prior 5.50%);
- the expected rate of return on assets is 5.75% (prior 5.50%);
- retirement age varies by age and employment category; and
- estimated average remaining service life (EARSL) is 14.0 years (prior 13.0 years).

The actuarial valuation prepared as at December 31, 2018 indicated that the present value of the accumulated plan benefits exceeded the market value of the net assets available for these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of \$7,538,000, a change of \$7,581,100 from the December 31, 2017 surplus of \$43,100. Based on the assumptions as at December 31, 2018, 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, 2018, the NB MEPP provides benefits for 258 retirees. Total benefits payments to retirees and terminating employees during 2020 are estimated to be approximately \$4,313,800 (actual 2019, \$5,759,400) in totality for the NB MEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 8.00%. 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 2020 are estimated to be approximately \$6,940,000 (actual 2019, \$6,775,300) in totality for the NB MEPP.

The following summarizes the NB MEPP data as it relates to Rothesay:

- The average age of the 44 active employees covered by the NB MEPP is 47.5 (as at Dec 31, 2018);
- benefit payments were \$95,200 in 2018 and were estimated to be \$90,300 in 2019; and
- combined contributions were \$442,800 in 2019 and were estimated to be \$456,000 in 2020.

The following summarizes the NB MEPP data as it relates to KVFD:

- The average age of the 43 active employees covered by the NB MEPP is 42.9 (2019 - 42.1);
- benefit payments were \$531,700 in 2019 and were estimated to be \$529,600 in 2020; and
- combined contributions were \$690,800 in 2019 and were estimated to be \$711,000 in 2020.

The following summarizes the NB MEPP data as it relates to KRJBPC:

- The average age of the 42 active employees covered by the NB MEPP is 43.1 (2019 - 42.6);
- benefit payments were \$440,500 in 2019 and were estimated to be \$432,700 in 2020; and
- combined contributions were \$721,100 in 2019 and were estimated to be \$705,000 in 2020.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

In addition to determining the position of the NB MEPP as it relates to Rothesay and the other controlled entities as at December 31, 2018 and December 31, 2019, NB MEPP's actuary performed an extrapolation of the December 31, 2019 accounting valuation to determine the estimated position as at December 31, 2020. The extrapolation assumes assumptions used as at December 31, 2020 remain unchanged from December 31, 2019. The extrapolation also assumes assets return 5.75%, net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

	<b>Estimated</b>	
	<b>Jan 1, 2020 to</b>	<b>Jan 1, 2019 to</b>
	<b><u>Dec 31, 2020</u></b>	<b><u>Dec 31, 2019</u></b>
<b>Accrued Benefit Liability</b>		
Accrued benefit liability at beginning of period	\$ 440,730	\$ 455,934
Change in ownership percentage	(321)	(531)
Adjustment to actual	(14,436)	(33,729)
Pension expense for the year	267,978	511,651
Employer contributions	<u>(514,331)</u>	<u>(492,595)</u>
Accrued benefit liability at end of period	<u>\$ 179,620</u>	<u>\$ 440,730</u>

In summary, the consolidated accrued benefit liability is estimated to be \$179,620 as at December 31, 2020. The December 31, 2019 liability was estimated in the prior year. The actual liability was calculated to be \$426,294. The difference of \$14,436 has been recorded in the current year. This amount is included in the post employment benefits payable on the consolidated statement of financial position.

	<b>Estimated</b>	
	<b>Jan 1, 2020 to</b>	<b>Jan 1, 2019 to</b>
	<b><u>Dec 31, 2020</u></b>	<b><u>Dec 31, 2019</u></b>
Rothesay	\$ (4,900)	\$ 78,100
KVFD	59,317	193,980
KRJBPC	<u>125,203</u>	<u>168,650</u>
	<u>\$ 179,620</u>	<u>\$ 440,730</u>

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

	<b>Estimated</b>	
	<b>Jan 1, 2020 to</b>	<b>Jan 1, 2019 to</b>
	<b><u>Dec 31, 2020</u></b>	<b><u>Dec 31, 2019</u></b>
<b>Reconciliation of Funded Status at End of Period</b>		
Accrued benefit obligation	\$ 19,483,276	\$ 18,161,671
Plan assets	<u>(19,300,912)</u>	<u>(17,732,492)</u>
Plan deficit	182,364	429,179
Unamortized experience losses	<u>(2,744)</u>	<u>(2,885)</u>
Accrued benefit liability at end of period	<u>\$ 179,620</u>	<u>\$ 426,294</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

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

	<b>Estimated</b>	
	<b>Jan 1, 2020 to</b>	<b>Jan 1, 2019 to</b>
	<b><u>Dec 31, 2020</u></b>	<b><u>Dec 31, 2019</u></b>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued benefit obligation at beginning of period	\$ 18,161,671	\$ 17,270,912
Change in ownership	(10,472)	(13,571)
Current service cost	764,944	797,427
Benefits payments	(484,653)	(488,974)
Interest for period	1,051,787	957,660
Experience loss during period	<u>-</u>	<u>(361,783)</u>
Accrued benefit obligation at end of period	<u>\$ 19,483,277</u>	<u>\$ 18,161,671</u>

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

	<b>Estimated</b>	
	<b>Jan 1, 2020 to</b>	<b>Jan 1, 2019 to</b>
	<b><u>Dec 31, 2020</u></b>	<b><u>Dec 31, 2019</u></b>
<b>Reconciliation of Plan Assets</b>		
Plan assets at beginning of period	\$ 17,732,492	\$ 15,300,307
Change in ownership	(10,213)	(12,126)
Employer contributions	514,331	499,605
Employee contributions	514,331	514,601
Benefit payments	(484,653)	(488,974)
Return on plan assets during period	<u>1,034,624</u>	<u>1,919,079</u>
Plan assets at end of period	<u>\$ 19,300,912</u>	<u>\$ 17,732,492</u>

Total expense related to pensions include the following components:

	<b>Estimated</b>	<b>Actual</b>
	<b>Jan 1, 2020 to</b>	<b>Jan 1, 2019 to</b>
	<b><u>Dec 31, 2020</u></b>	<b><u>Dec 31, 2019</u></b>
<b>Pension Expense</b>		
Employer current service cost	\$ 250,613	\$ 282,826
Interest on accrued benefit obligation	1,051,787	957,660
Expected return on assets	(1,034,624)	(855,389)
Amortization of unrecognized balances		
Experience loss	<u>202</u>	<u>119,029</u>
Pension expense	<u>\$ 267,978</u>	<u>\$ 504,126</u>

The pension expense is included in the statement of operations.

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 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, 2020 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

The Town has a three year contract for solid waste services. The contract expires on December 31, 2023. The minimum annual commitment for the next three years are as follows:

2021	568,399
2022	568,399
2023	568,399

#### 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 Local Governance 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 2020, the Town has complied with these restrictions.

#### Capital Funds

At December 31, 2020, there were short-term funds totaling \$510,000 (2019 - \$210,000) borrowed from other funds and no short-term funds (2019 - nil) borrowed from a financial institution to provide interim funding for capital projects in the General Capital Fund.

At December 31, 2020, there were short-term funds totaling \$850,000 (2019 - \$400,000) borrowed from other funds and no short-term funds (2019 - 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, 2020

### 19. SHORT TERM BORROWING (cont'd)

#### Inter-fund Borrowing

The Local Governance Act 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 Local Governance 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>2020</u>	<u>2019</u>
2020 Surplus	\$ 48,220	\$ -
2019 Surplus	34,573	34,573
2018 Surplus	<u>-</u>	<u>80,211</u>
	<u>\$ 82,793</u>	<u>\$ 114,784</u>

**ROTHERSAY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**21. SCHEDULE OF TANGIBLE CAPITAL ASSETS**

COST	Land	Land Improvements	Buildings and Leasehold Improvements	Vehicles	Machinery and Equipment	Infrastructure			Subtotal	Assets Under Construction	2020 Total	2019 Total
						Roads and Streets	Storm Sewer	Water Sewer				
Balance - beginning 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
Change in ownership	(111)	(28)	(1,665)	(1,069)	(530)	-	-	-	-	(3,403)	(3,403)	(5,907)
Add: Net additions during the year	-	225,000	238,846	456,120	528,720	1,902,184	621,708	43,332	43,332	4,059,242	2,559,337	6,882,556
Less: Disposals during the year	-	(49,506)	-	(424,490)	(22,598)	(926,915)	(11,109)	-	-	(1,434,618)	-	(1,275,115)
Balance - end of year	4,869,640	8,712,115	11,545,093	5,693,114	5,057,051	43,213,448	20,857,920	27,756,293	24,095,853	151,800,527	154,359,864	149,179,306
<b>ACCUMULATED AMORTIZATION</b>												
Balance - beginning 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
Change in ownership	-	(21)	(772)	(575)	(336)	-	-	-	-	(1,704)	(1,704)	(3,120)
Add: Amortization during the year	-	449,970	343,995	505,271	405,810	1,502,680	365,104	551,987	398,340	4,523,157	4,523,157	4,379,961
Less: Accumulated amortization on disposals	-	(36,434)	-	(424,988)	(22,581)	(727,981)	(7,498)	-	-	(1,219,482)	-	(1,079,213)
Balance - end of year	-	4,288,823	4,811,980	2,996,490	2,396,041	21,496,918	7,473,121	8,223,909	8,955,198	60,642,480	60,642,480	57,340,509
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>												
	\$ 4,869,640	\$ 4,423,292	\$ 6,733,113	\$ 2,696,624	\$ 2,661,010	\$ 21,716,530	\$ 13,384,799	\$ 19,532,384	\$ 15,140,655	\$ 91,158,047	\$ 93,717,384	\$ 91,838,797
Consists of:												
General Fund Assets	\$ 4,515,621	\$ 4,369,691	\$ 2,962,484	\$ 1,712,146	\$ 1,830,538	\$ 21,515,586	\$ 13,384,799	\$ -	\$ -	\$ 50,290,865	\$ 51,326,367	\$ 50,351,739
Utility Fund Assets	119,971	-	1,228,072	82,661	581,175	200,944	-	19,532,384	15,140,655	36,885,862	1,523,835	37,690,860
Controlled Entities	234,048	53,601	2,542,557	901,817	249,297	-	-	-	-	3,981,320	3,981,320	3,796,198
	\$ 4,869,640	\$ 4,423,292	\$ 6,733,113	\$ 2,696,624	\$ 2,661,010	\$ 21,716,530	\$ 13,384,799	\$ 19,532,384	\$ 15,140,655	\$ 91,158,047	\$ 93,717,384	\$ 91,838,797

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Machinery and Equipment</u>	<u>Assets Under Construction</u>	<u>2020 Total</u>	<u>2019 Total</u>
<b>COST</b>								
Balance - beginning of year	\$ 234,159	\$ 120,153	\$ 3,861,646	\$ 1,675,979	\$ 765,987	\$ -	\$ 6,657,924	\$ 6,351,646
Change in ownership	(111)	(28)	(1,665)	(1,069)	(530)	-	(3,403)	(5,907)
Add: Net additions during the year	-	-	238,846	220,648	46,766	-	506,260	369,057
Less: Disposals during the year	-	-	-	(178,034)	(22,598)	-	(200,632)	(56,872)
Balance - end of year	<u>234,048</u>	<u>120,125</u>	<u>4,098,827</u>	<u>1,717,524</u>	<u>789,625</u>	<u>-</u>	<u>6,960,149</u>	<u>6,657,924</u>
<b>ACCUMULATED AMORTIZATION</b>								
Balance - beginning of year	-	58,976	1,414,297	882,318	506,135	-	2,861,726	2,613,893
Change in ownership	-	(21)	(772)	(575)	(336)	-	(1,704)	(3,120)
Add: Amortization during the year	-	7,569	142,745	112,496	57,110	-	319,920	305,414
Less: Accumulated amortization on disposals	-	-	-	(178,532)	(22,581)	-	(201,113)	(54,461)
Balance - end of year	<u>-</u>	<u>66,524</u>	<u>1,556,270</u>	<u>815,707</u>	<u>540,328</u>	<u>-</u>	<u>2,978,829</u>	<u>2,861,726</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 234,048</u>	<u>\$ 53,601</u>	<u>\$ 2,542,557</u>	<u>\$ 901,817</u>	<u>\$ 249,297</u>	<u>\$ -</u>	<u>\$ 3,981,320</u>	<u>\$ 3,796,198</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 23. SCHEDULE OF SEGMENT DISCLOSURE

	<u>General</u>	<u>Protective</u>	<u>Transportation</u>	<u>Environmental Health</u>	<u>Environmental Development</u>	<u>Recreation and Culture</u>	<u>Water and Sewer</u>	<u>2020 Consolidated</u>	<u>2019 Consolidated</u>
<b>REVENUE</b>									
Property tax warrant	\$ 1,907,326	\$ 4,960,463	\$ 5,707,134	\$ 663,174	\$ 494,669	\$ 2,759,710	\$ -	\$ 16,492,476	\$ 16,043,022
Sale of service	89,118	-	5,333	-	-	249,512	-	343,963	451,280
Services provided to other governments	-	-	83,288	-	-	-	-	83,288	83,288
Other own source	71,137	-	-	-	156,638	-	220,000	447,775	544,801
Unconditional grant	14,840	38,597	44,405	5,160	3,849	21,472	-	128,323	122,190
Conditional government transfers	68,072	-	1,333,250	-	-	500,000	723,079	2,624,401	1,940,058
Water and sewer user fees	-	-	-	-	-	-	2,894,370	2,894,370	2,954,811
Sundry and interest	<u>115,957</u>	<u>148,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,782</u>	<u>111,147</u>	<u>381,202</u>	<u>495,135</u>
	<u>2,266,450</u>	<u>5,147,376</u>	<u>7,173,410</u>	<u>668,334</u>	<u>655,156</u>	<u>3,536,476</u>	<u>3,948,596</u>	<u>23,395,798</u>	<u>22,634,585</u>
<b>EXPENDITURE</b>									
Salaries and benefits	996,968	4,243,169	956,539	-	276,489	320,674	513,658	7,307,497	7,419,630
Goods and services	836,536	565,523	2,213,956	674,618	226,715	1,689,127	1,564,966	7,771,441	8,039,639
Interest	3,164	8,555	75,635	-	-	109,379	324,836	521,569	514,309
Other	33,797	(768)	153,640	-	-	-	-	186,669	238,346
Amortization	<u>69,771</u>	<u>229,573</u>	<u>2,405,836</u>	<u>-</u>	<u>-</u>	<u>688,147</u>	<u>1,129,831</u>	<u>4,523,158</u>	<u>4,379,961</u>
	<u>1,940,236</u>	<u>5,046,052</u>	<u>5,805,606</u>	<u>674,618</u>	<u>503,204</u>	<u>2,807,327</u>	<u>3,533,291</u>	<u>20,310,334</u>	<u>20,591,885</u>
Surplus for the year	<u>\$ 326,214</u>	<u>\$ 101,324</u>	<u>\$ 1,367,804</u>	<u>\$ (6,284)</u>	<u>\$ 151,952</u>	<u>\$ 729,149</u>	<u>\$ 415,305</u>	<u>\$ 3,085,464</u>	<u>\$ 2,042,700</u>

**ROTHESAY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**24. RECONCILIATION OF ANNUAL SURPLUS**

	General Operating Fund	General Capital Fund	Utility Operating Fund	Utility Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Utility Operating Reserve Fund	Utility Capital Reserve Fund	Jointly Controlled Entities	Total
2020 annual surplus (deficit)	\$ 5,946,880	\$ (3,027,855)	\$ 1,025,817	\$ (1,540,645)	\$ (712)	\$ 82,102	\$ 1,055	\$ 12,296	\$ 586,526	\$ 3,085,464
Adjustments to annual surplus (deficit) for funding requirements										
Second previous year's surplus	99,250		80,211						(27,290)	152,171
Transfers between funds										
Transfer elimination	(803,422)					803,422				
Transfer elimination	-	1,350,000		560,000		(1,910,000)				
Transfer elimination	117,000				(117,000)					
Transfer elimination	-	189,708				(189,708)				
Transfer elimination	(6,218)				6,218					
Transfer elimination	-		(97,725)					97,725		
Transfer elimination	-		(5,686)					5,686		
Transfer elimination	-		(10,918)					10,918		
Transfer elimination	-		189,571					(189,571)		
Transfer elimination	(225,000)					225,000				
Transfer elimination	35,000					(35,000)				
Transfer elimination	(3,161,980)	3,161,980	(649,914)	649,914						
Long term debt principal repayment	(778,000)	778,000	(483,136)	483,136						
Provision for retirement allowance	-								(2,788)	(2,788)
Provision for pension liability	(83,000)								(177,675)	(260,675)
Provision for sick leave accrual	-								(21,704)	(21,704)
Accumulated amortization on disposal of capital assets	-	(1,018,369)							(201,022)	(1,219,391)
Deferred Gas tax revenue	(1,087,836)								-	(1,087,836)
Unrealized gain on investments	-								(20,837)	(20,837)
Amortization expense	-	3,073,406		1,129,831					319,920	4,523,157
Total adjustments to 2020 annual surplus (deficit)	(5,894,206)	7,534,725	(977,597)	2,822,881	(110,782)	(1,106,286)		(75,242)	(131,396)	2,062,097
2020 annual surplus (deficit) for funding requirements	\$ 52,674	\$ 4,506,870	\$ 48,220	\$ 1,282,236	\$ (111,494)	\$ (1,024,184)	\$ 1,055	\$ (62,946)	\$ 455,130	\$ 5,147,561

**ROTHESAY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**25. 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>2020 Total</u>	<u>2019 Total</u>
<b>ASSETS</b>							
Cash and short term investments	\$ 450,833	\$ 4,534,475	\$ -	\$ 1,260,166	\$ -	\$ 6,245,474	\$ 7,325,779
Accounts receivable from other funds	-	-	-	-	-	-	93
Due from (to) other funds	-	(144,839)	105,730	(105,730)	144,839	-	117,172
	<u>\$ 450,833</u>	<u>\$ 4,389,636</u>	<u>\$ 105,730</u>	<u>\$ 1,154,436</u>	<u>\$ 144,839</u>	<u>\$ 6,245,474</u>	<u>\$ 7,443,044</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 450,833</u>	<u>\$ 4,389,637</u>	<u>\$ 105,730</u>	<u>\$ 1,154,434</u>	<u>\$ 144,840</u>	<u>\$ 6,245,474</u>	<u>\$ 7,443,044</u>
<b>REVENUE</b>							
Other government transfers	\$ -	\$ 803,422	\$ -	\$ -	\$ -	\$ 803,422	\$ 1,693,497
Transfers from Operating Funds	-	225,000	-	114,329	6,218	345,547	210,433
Interest	5,506	74,859	1,055	12,294	1,026	94,740	169,489
	<u>5,506</u>	<u>1,103,281</u>	<u>1,055</u>	<u>126,623</u>	<u>7,244</u>	<u>1,243,709</u>	<u>2,073,419</u>
<b>EXPENDITURES</b>							
Transfers to General Operating Fund	117,000	224,708	-	-	-	341,708	488,000
Transfer to General Capital Fund	-	1,350,000	-	-	-	1,350,000	1,300,000
Transfers to Water and Sewer Operating Fund	-	560,000	-	189,571	-	749,571	-
	<u>117,000</u>	<u>2,134,708</u>	<u>-</u>	<u>189,571</u>	<u>-</u>	<u>2,441,279</u>	<u>1,788,000</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (111,494)</u>	<u>\$ (1,031,427)</u>	<u>\$ 1,055</u>	<u>\$ (62,948)</u>	<u>\$ 7,244</u>	<u>\$ (1,197,570)</u>	<u>\$ 285,419</u>

Included in the General Capital Reserve Fund is \$3,260,246 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	3,660,000	0.65%	June 18, 2021
Cashable GIC	1,250,000	0.65%	June 18, 2021
Cashable GIC	860,000	0.65%	June 18, 2021
Cashable GIC	450,000	0.65%	June 18, 2021

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 25. 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 \$117,000.00 be transferred from the General Operating Reserve Fund to the General Operating Fund to cover operating costs.

**CARRIED.**

**MOVED** by Council. Brenan and seconded by Council. Shea the sum of \$35,000.00 be transferred from the General Capital Reserve Fund (Town Hall) 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 \$189,708.18 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 \$803,422.00 for the year 2020, be transferred to the General Capital Reserve Fund (Gas Tax).

**CARRIED.**

**MOVED** by Council. Brenan and seconded by Council. Shea the sum of \$1,350,000.00 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 Deputy Mayor Alexander the sum of \$6,217.56 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 Deputy Mayor Alexander the sum of \$225,000.00 be transferred from the General Operating Fund to the General Capital Reserve Fund to cover the costs of future Capital projects

**CARRIED.**

**MOVED** by Council. Brenan and seconded by Council. Shea \$97,725.00 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 \$560,000.00 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 Deputy Mayor Alexander \$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 Deputy Mayor Alexander \$10,918.00 received from Quispamsis for Sewage Outfall be transferred from the Utility Operating Fund to the Utility Sewage Outfall Reserve Fund.

**ROTHESAY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

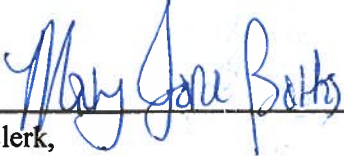
**CARRIED.**


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

**MOVED** by Counc. Brenan and seconded by Counc. Shea \$189,570.78 be transferred from the Utility Capital Reserve Fund to the Utility Operating Fund to cover the cost of 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 14, 2020.

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

  
\_\_\_\_\_  
Date



# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 26. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KV Fire</u>	<u>Police</u>	<u>Library</u>	<u>2020 Total</u>	<u>2019 Total</u>
<b>ASSETS</b>	\$ <u>2,022,330</u>	\$ <u>1,353,880</u>	\$ <u>1,628,844</u>	\$ <u>5,005,054</u>	\$ <u>4,576,970</u>
<b>LIABILITIES</b>	\$ <u>616,071</u>	\$ <u>909,073</u>	\$ <u>15,687</u>	\$ <u>1,540,831</u>	\$ <u>1,736,023</u>
<b>ACCUMULATED SURPLUS</b>	\$ <u>1,764,324</u>	\$ <u>663,278</u>	\$ <u>1,703,817</u>	\$ <u>4,131,419</u>	\$ <u>2,852,948</u>
<b>REVENUE</b>	\$ 2,662,565	\$ 3,019,124	\$ 91,930	\$ 5,773,619	\$ 5,196,057
<b>EXPENDITURES</b>	<u>2,049,026</u>	<u>2,953,733</u>	<u>172,337</u>	<u>5,175,096</u>	<u>5,049,277</u>
	613,539	65,391	(80,407)	598,523	146,780
<b>CHANGE IN OWNERSHIP</b>	_____ (407)	_____ (482)	_____ -	_____ (889)	_____ (1,363)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>613,132</u>	\$ <u>64,909</u>	\$ <u>(80,407)</u>	\$ <u>597,634</u>	\$ <u>145,417</u>

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

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

27. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water and Sewer	Amortization TCA	Controlled Entities	Transfers	Total
<b>REVENUE</b>						
Property tax warrant	\$ 16,492,464	\$ -	\$ -	\$ -	\$ -	\$ 16,492,464
Unconditional transfers from other governments	128,335	-	-	-	-	128,335
Conditional transfers from Federal or Provincial governments	26,500	-	-	-	1,910,000	1,936,500
Services other governments	60,000	-	-	-	-	60,000
Other own source	103,150	-	-	-	(12,000)	91,150
Sale of services	410,300	-	-	-	-	410,300
Other transfers	1,000,000	-	-	-	(1,000,000)	-
Water and sewer user fees	-	3,254,789	-	-	(358,000)	2,896,789
Sundry income	5,000	65,000	-	142,272	-	212,272
Surplus (deficit) of second previous year	99,251	80,211	-	-	(179,462)	-
	<u>18,325,000</u>	<u>3,400,000</u>	<u>-</u>	<u>142,272</u>	<u>360,538</u>	<u>22,227,810</u>
<b>EXPENDITURES</b>						
General government services	2,308,843	-	70,000	-	(301,110)	2,077,733
Protective services	5,331,346	-	229,574	(186,008)	(316,500)	5,058,412
Transportation services	3,606,766	-	2,450,000	-	(648,987)	5,407,779
Environmental health services	658,000	-	-	-	-	658,000
Environmental development services	605,940	-	-	-	-	605,940
Recreation and cultural services	2,112,991	-	690,346	11,602	81,600	2,896,539
Fiscal services						
Long term debt repayments	778,000	483,135	-	-	(1,261,135)	-
Interest	173,114	323,614	-	-	(496,728)	-
Transfer from General Operating Fund to General Capital Fund	2,750,000	-	-	-	(2,750,000)	-
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	-	700,000	-	-	(700,000)	-
Water and Sewer	-	1,823,251	1,130,000	-	323,613	3,276,864
	<u>18,325,000</u>	<u>3,400,000</u>	<u>4,569,920</u>	<u>(174,406)</u>	<u>(6,139,247)</u>	<u>19,981,267</u>
Surplus (deficit)	\$ -	\$ -	\$ (4,569,920)	\$ 316,678	\$ 6,499,785	\$ 2,246,543

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 28. REVENUE AND EXPENDITURES SUPPORT

	<u>2020</u> Budget	<u>2020</u> Actual	<u>2019</u> Actual
<b>REVENUE</b>			
Sale of services			
Community Centre	\$ 20,000	\$ 3,919	\$ 27,990
Rental revenue	95,200	86,019	67,851
Recreational programs	295,100	248,692	355,439
Transportation	<u>-</u>	<u>5,333</u>	<u>-</u>
	<u>\$ 410,300</u>	<u>\$ 343,963</u>	<u>\$ 451,280</u>
Other own source			
Permits and fines	\$ 75,000	\$ 156,638	\$ 107,215
Developers contributions	-	226,218	8,345
Miscellaneous	<u>16,150</u>	<u>64,919</u>	<u>429,241</u>
	<u>\$ 91,150</u>	<u>\$ 447,775</u>	<u>\$ 544,801</u>
Conditional government transfers			
Government of Canada	\$ 25,000	\$ 48,812	\$ 191,542
Province of New Brunswick	-	663,589	446,516
Gas Tax revenue	1,910,000	1,910,000	1,300,000
Canada Day grants	<u>1,500</u>	<u>2,000</u>	<u>2,000</u>
	<u>\$ 1,936,500</u>	<u>\$ 2,624,401</u>	<u>\$ 1,940,058</u>
<b>EXPENDITURE</b>			
General government services			
Legislative			
Mayor	\$ 47,000	\$ 36,468	\$ 41,959
Councilors	136,100	118,592	120,749
Fundy Regional Service Commission	7,000	3,597	6,683
Other	<u>13,500</u>	<u>1,825</u>	<u>4,473</u>
	<u>203,600</u>	<u>160,482</u>	<u>173,864</u>
Administrative			
Administration	778,156	735,722	718,394
Office building	155,000	182,982	242,800
Solicitor	50,000	4,213	16,005
Supplies	36,000	37,241	43,400
Other	<u>233,319</u>	<u>208,084</u>	<u>259,679</u>
	<u>1,252,475</u>	<u>1,168,242</u>	<u>1,280,278</u>
Financial management			
Professional fees	<u>30,000</u>	<u>28,814</u>	<u>11,698</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

	2020 Budget	2020 Actual	2019 Actual
General government services (cont'd)			
Other			
Civic relations	2,000	326	226
Community communications	10,000	835	8,817
Insurance	195,131	194,165	185,839
Property tax - land for public purposes	15,000	16,469	11,791
Grants to organizations	35,000	20,448	39,486
Fox Farm Road rental expenses	4,000	19,493	27,070
Cost of assessment	258,027	258,027	250,996
Interest	2,500	3,164	6,632
Amortization	<u>70,000</u>	<u>69,771</u>	<u>64,393</u>
	<u>591,658</u>	<u>582,698</u>	<u>595,250</u>
	<u>\$ 2,077,733</u>	<u>\$ 1,940,236</u>	<u>\$ 2,061,090</u>
Protective services			
Fire			
Administration	\$ 291,822	\$ 317,866	\$ 317,196
Firefighting force	1,467,770	1,420,659	1,491,881
Telecommunications	3,137	1,857	1,612
Insurance	13,852	15,062	13,498
Prevention and training	20,574	12,397	15,101
Facilities	90,272	91,458	90,545
Fleet	43,815	30,627	43,655
Operations	23,629	26,856	20,071
Water costs	12,846	12,847	12,478
Retirement allowance	22,457	25,390	20,978
Other	1,222	1,044	727
Gain on disposal of tangible capital assets	-	(15,044)	(958)
Amortization	<u>140,307</u>	<u>140,306</u>	<u>116,607</u>
	<u>2,131,703</u>	<u>2,081,325</u>	<u>2,143,391</u>
Crimestoppers	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>
Police			
Crime Control	1,970,403	1,945,639	1,958,396
Vehicle Fleet	80,559	67,934	72,311
Property	86,015	88,475	85,010
Administration	491,977	559,005	503,302
Retirement allowance	34,829	34,534	30,246
Communications	(2,291)	15,600	5,833
Unrealized gain on investments	(20,837)	(20,837)	(23,088)
Loss (gain) on disposal of tangible capital assets	(768)	(768)	259
Amortization	<u>89,267</u>	<u>89,267</u>	<u>98,090</u>
	<u>2,729,154</u>	<u>2,778,849</u>	<u>2,730,359</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
Protective services (cont'd)			
Other			
Emergency measures	156,755	157,634	149,486
Animal control	9,500	6,264	7,074
Interest	8,500	8,555	11,119
Other	<u>20,000</u>	<u>10,625</u>	<u>13,409</u>
	<u>194,755</u>	<u>183,078</u>	<u>181,088</u>
	<u>\$ 5,058,412</u>	<u>\$ 5,046,052</u>	<u>\$ 5,057,638</u>
Transportation services			
Common			
Wages and benefits	\$ 1,099,179	\$ 956,539	\$ 984,529
Workshop, yard and equipment maintenance	693,723	704,374	750,554
Engineering	<u>7,500</u>	<u>10,675</u>	<u>29,675</u>
	<u>1,800,402</u>	<u>1,671,588</u>	<u>1,764,758</u>
Roads and Streets			
Roadway surfaces	55,000	425,627	139,694
Storm water and traffic studies	-	105,448	-
Crosswalks and sidewalks	21,063	14,018	18,706
Culverts and drainage ditches	27,500	37,543	25,530
Storm sewers	40,000	42,624	35,080
Street cleaning	40,000	16,687	33,577
Snow and ice removal	602,000	507,392	642,843
Street lighting	130,000	152,537	146,895
Street signs	8,000	17,028	7,464
Traffic lane marking	30,000	27,513	25,654
Traffic signals and signs	40,000	23,952	38,340
Railway crossing signals	24,000	19,368	19,451
Public transit - Comex Service	73,701	72,953	71,901
KV committee for the disabled	4,000	4,000	5,500
Flood costs	-	32,217	214,714
Interest	62,113	75,635	59,880
Loss on disposal of tangible capital assets	-	153,640	186,995
Amortization	<u>2,450,000</u>	<u>2,405,836</u>	<u>2,374,136</u>
	<u>3,607,377</u>	<u>4,134,018</u>	<u>4,046,360</u>
	<u>\$ 5,407,779</u>	<u>\$ 5,805,606</u>	<u>\$ 5,811,118</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

	<u>2020</u> Budget	<u>2020</u> Actual	<u>2019</u> Actual
Environmental health services			
Solid waste disposal	\$ 195,000	\$ 212,853	\$ 196,445
Solid waste compost	36,000	76,611	26,612
Solid waste collection	290,000	278,656	278,233
Curbside recycling	97,000	59,028	96,328
Clean up campaign	<u>40,000</u>	<u>47,469</u>	<u>36,291</u>
	<u>\$ 658,000</u>	<u>\$ 674,617</u>	<u>\$ 633,909</u>
Environmental development services			
Environmental planning and zoning	\$ 503,960	\$ 401,087	\$ 478,666
Greater Saint John Economic Development Agency, Inc.	98,780	98,988	98,780
Tourism	<u>3,200</u>	<u>3,129</u>	<u>3,129</u>
	<u>\$ 605,940</u>	<u>\$ 503,204</u>	<u>\$ 580,575</u>
Recreation and cultural services			
Administration	\$ 245,560	\$ 288,585	\$ 292,962
Beaches	45,500	36,384	47,678
Rothesay Arena	335,434	244,979	302,302
Memorial Centre	61,000	56,225	218,570
Summer programs	62,000	63,086	63,947
Rothesay Common	57,672	49,957	50,618
Parks and gardens	586,554	618,654	605,930
Regional Facilities Commission	451,692	451,692	427,095
Kennebecasis Public Library Inc	97,746	80,589	92,019
Special events	39,500	7,432	30,730
Playgrounds and fields	115,000	112,218	104,613
Living museum	1,035	-	357
PRO Kids	7,500	-	7,500
Interest	100,000	109,379	123,858
Amortization	<u>690,346</u>	<u>688,147</u>	<u>643,819</u>
	<u>\$ 2,896,539</u>	<u>\$ 2,807,327</u>	<u>\$ 3,011,998</u>
Water and sewer services			
Water System			
Administration	\$ 429,500	\$ 413,425	\$ 418,376
Purification maintenance and treatment	360,000	550,846	512,156
Source of supply - purchase of water	750	1,176	780
Transmission and distribution	112,000	141,160	100,151
Power and pumping	50,000	48,567	47,798
Billing and collecting	<u>3,000</u>	<u>2,941</u>	<u>2,914</u>
	<u>955,250</u>	<u>1,158,115</u>	<u>1,082,175</u>

# ROTHESAY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
Sewer System			
Administration	679,000	616,744	624,504
Sewer collection system	84,000	165,948	186,007
Sewer lift stations	13,000	38,783	60,566
Treatment and disposal	92,000	93,163	76,574
Infiltration study	-	5,872	3,501
Loss on disposal of tangible capital asset	<u>-</u>	<u>-</u>	<u>6,495</u>
	<u>868,000</u>	<u>920,510</u>	<u>957,647</u>
Interest	323,614	324,836	312,820
Amortization	<u>1,130,000</u>	<u>1,129,831</u>	<u>1,082,915</u>
	<u>1,453,614</u>	<u>1,454,667</u>	<u>1,395,735</u>
	<u>\$ 3,276,864</u>	<u>\$ 3,533,292</u>	<u>\$ 3,435,557</u>