

ROTHESAY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

ROTHESAY

DECEMBER 31, 2022

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

Opinion

We have audited the consolidated financial statements of Rothesay (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2022, 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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



CHARTERED PROFESSIONAL ACCOUNTANTS

Saint John, NB
April 11, 2023

ROTHESAY

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> Budget (Note 27)	<u>2022</u> Actual	<u>2021</u> Actual
REVENUE			
Property tax warrant	\$ 18,181,510	\$ 18,181,510	\$ 17,002,299
Unconditional grant	130,973	130,972	131,193
Conditional government transfers (Note 28)	1,190,000	2,375,988	2,286,228
Services other governments	60,000	81,806	80,180
Sale of services (Note 28)	419,900	475,710	459,024
Other own source (Note 28)	82,943	967,681	112,770
Water and sewer user fees	3,151,780	3,163,226	3,077,512
Sundry income	<u>264,099</u>	<u>634,317</u>	<u>394,176</u>
	<u>23,481,205</u>	<u>26,011,210</u>	<u>23,543,382</u>
EXPENDITURE (Note 28)			
General government services	2,351,067	2,329,502	2,051,047
Protective services	5,686,685	5,574,528	5,067,807
Transportation services	5,546,451	6,996,434	5,520,009
Environmental health services	862,000	962,281	854,521
Environmental development services	682,700	568,112	507,044
Recreation and cultural services	2,963,304	3,185,894	3,036,557
Water and sewer services	<u>3,460,190</u>	<u>3,605,789</u>	<u>3,522,568</u>
	<u>21,552,397</u>	<u>23,222,540</u>	<u>20,559,553</u>
ANNUAL SURPLUS FOR THE YEAR	<u>\$ 1,928,808</u>	2,788,670	2,983,829
ACCUMULATED SURPLUS - BEGINNING OF YEAR		85,146,828	82,162,618
CHANGE IN OWNERSHIP OF CONTROLLED ENTITIES (Note 2)		<u>5,427</u>	<u>381</u>
ACCUMULATED SURPLUS - END OF YEAR		<u>\$ 87,940,925</u>	<u>\$ 85,146,828</u>

ROTHESAY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	\$ 10,324,104	\$ 10,449,858
Accounts receivable (Note 5)	1,550,159	1,357,294
Investments (Note 10)	<u>345,227</u>	<u>290,428</u>
	<u>\$ 12,219,490</u>	<u>\$ 12,097,580</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	\$ 2,832,770	\$ 1,869,686
Deferred revenue (Note 8)	3,592,555	3,982,636
Long term debt (Note 11)	13,059,967	14,435,218
Accrued pension obligation (Note 16)	10,152	71,893
Accrued sick leave (Note 15)	142,374	204,289
Accrued retirement allowance (Note 16)	<u>1,059,520</u>	<u>1,011,803</u>
	<u>20,697,338</u>	<u>21,575,525</u>
NET DEBT	<u>(8,477,848)</u>	<u>(9,477,945)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 21)	164,706,278	158,983,625
Accumulated amortization (Note 21)	<u>(68,357,353)</u>	<u>(64,414,227)</u>
	96,348,925	94,569,398
Inventory	35,691	31,163
Prepaid expenses	32,923	22,507
Unamortized debenture costs	<u>1,234</u>	<u>1,705</u>
	<u>96,418,773</u>	<u>94,624,773</u>
ACCUMULATED SURPLUS	<u>\$ 87,940,925</u>	<u>\$ 85,146,828</u>
CONTINGENT LIABILITY (Note 17)		
COMMITMENT (Note 18)		

APPROVED BY:

 Mayor

 Town Treasurer

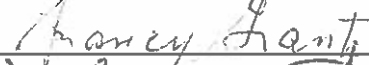
ROTHESAY

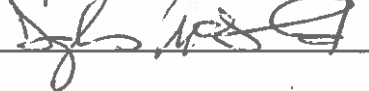
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
Annual surplus	\$ 2,788,670	\$ 2,983,829
Acquisition of tangible capital assets	(6,669,289)	(5,882,178)
Proceeds on disposal of tangible capital assets	-	12,423
Amortization of tangible capital assets	4,758,755	4,649,782
Change in ownership of tangible capital assets	(5,711)	76
Loss on disposal of tangible capital assets	<u>136,718</u>	<u>367,868</u>
	1,009,143	2,131,800
Acquisition of inventories	(35,691)	(31,163)
Acquisition of prepaid assets	(32,923)	(22,507)
Acquisition of unamortized debenture costs	(1,234)	(1,705)
Consumption of inventories	31,163	16,268
Use of prepaid assets	22,507	22,059
Consumption of unamortized debenture costs	<u>1,705</u>	<u>2,179</u>
	994,670	2,116,931
Change in ownership of controlled entities	<u>5,427</u>	<u>381</u>
Decrease in net debt	1,000,097	2,117,312
Net debt - beginning of year	<u>(9,477,945)</u>	<u>(11,595,257)</u>
Net debt - end of year	<u>\$ (8,477,848)</u>	<u>\$ (9,477,945)</u>

APPROVED BY:


 _____ Mayor


 _____ Town Treasurer

ROTHESAY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
Annual surplus	\$ 2,788,670	\$ 2,983,829
Loss on disposal of tangible capital assets	136,718	367,868
Amortization of tangible capital assets	4,758,755	4,649,782
Accounts receivable	(192,865)	856,669
Accounts payable and accrued liabilities	963,084	54,509
Deferred revenue	(390,081)	649,978
Accrued sick leave	(61,915)	(85,717)
Change in accrued pension obligation	(61,741)	(107,727)
Change in accrued retirement allowance	47,717	19,003
Change in inventory/prepaid expenses/unamortized debenture costs	<u>(14,473)</u>	<u>(14,869)</u>
	<u>7,973,869</u>	<u>9,373,325</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(6,669,289)	(5,882,178)
Change in ownership of capital assets	(5,711)	76
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>12,423</u>
	<u>(6,675,000)</u>	<u>(5,869,679)</u>
FINANCING TRANSACTION		
Long term debt (net)	<u>(1,375,251)</u>	<u>(1,378,894)</u>
	<u>(1,375,251)</u>	<u>(1,378,894)</u>
INVESTING TRANSACTION		
Increase (decrease) in investments	<u>(54,799)</u>	<u>86,277</u>
CHANGE IN OWNERSHIP OF CONTROLLED ENTITIES	<u>5,427</u>	<u>381</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(125,754)	2,211,410
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>10,449,858</u>	<u>8,238,448</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,324,104</u>	<u>\$ 10,449,858</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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:

	2022	2021
Kennebecasis Regional Joint Board of Police Commissioners	40.05%	40.08%
Kennebecasis Valley Fire Department Inc.	40.93%	40.77%
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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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

Budget

The budget figures contained in these consolidated financial statements were approved by Council on November 15, 2021 and the Director of Community Finances on November 25, 2021.

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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, 2022:

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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>2022</u>	<u>2021</u>
Unrestricted	\$ 2,313,833	\$ 2,687,892
Restricted - reserve funds (Note 25)	7,750,182	7,452,748
Restricted - controlled entities	<u>260,089</u>	<u>309,218</u>
	<u>\$ 10,324,104</u>	<u>\$ 10,449,858</u>

5. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Due from the Federal Government and its agencies (Note 6)	\$ 493,686	\$ 366,741
Due from the Province of New Brunswick (Note 7)	58,921	69,101
Water and sewer	892,549	860,610
Arena	53,574	41,542
Other	<u>51,429</u>	<u>19,300</u>
	<u>\$ 1,550,159</u>	<u>\$ 1,357,294</u>

6. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2022</u>	<u>2021</u>
Canada Revenue Agency (HST refund)	\$ 447,588	\$ 321,432
RCMP Secondments	<u>46,098</u>	<u>45,309</u>
	<u>\$ 493,686</u>	<u>\$ 366,741</u>

7. DUE FROM PROVINCE OF NEW BRUNSWICK

	<u>2022</u>	<u>2021</u>
Department of Transportation and Infrastructure	\$ 29,690	\$ 69,101
Department of Justice and Public Safety	<u>29,231</u>	<u>-</u>
	<u>\$ 58,921</u>	<u>\$ 69,101</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

8. DEFERRED REVENUE

	<u>2022</u>	<u>2021</u>
Government transfers - Gas Tax	\$ 3,580,543	\$ 3,890,604
Deferred revenue - Quispamsis	-	78,686
Deferred revenue - K-Park Levy (Note 14)	<u>12,012</u>	<u>13,346</u>
	<u>\$ 3,592,555</u>	<u>\$ 3,982,636</u>

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2022</u>	<u>2021</u>
Accounts payable - trade	\$ 1,962,917	\$ 1,303,439
Bid deposits	129,050	161,260
Accrued interest	17,332	18,322
Accrued liabilities	723,471	379,241
Accounts payable - other	<u>-</u>	<u>7,424</u>
	<u>\$ 2,832,770</u>	<u>\$ 1,869,686</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, 2022 was (\$41,766); (2021 - \$26,224). The investments are restricted for future payment of retirement benefits.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

11. LONG TERM DEBT

(a) General Capital Fund

	Balance January 1, <u>2022</u>	Issued during year	Redeemed during year	Balance December 31, <u>2022</u>
New Brunswick Municipal Financing Corporation				
Debtentures:				
BG18 1.65% - 3.80%, due 2027, OIC # 10-12, 11-71, 99-77	\$ 149,000	\$ -	\$ 134,000	\$ 15,000
BL26 1.2% - 3.7%, due 2034, OIC # 03-88, 11-71, 13-08	2,194,000	-	196,000	1,998,000
BN17 1.05% - 3.15%, due 2025, OIC # 10-12, 13-08	787,000	-	189,000	598,000
B019 1.45% - 3.50%, due 2031, OIC # 13-08	1,307,000	-	196,000	1,111,000
BX18 0.90% - 2.95%, due 2040, OIC # 19-0020	965,000	-	35,000	930,000
BY23 0.50% - 1.80%, due 2030, OIC # 19-0020	<u>316,000</u>	<u>-</u>	<u>34,000</u>	<u>282,000</u>
	<u>\$ 5,718,000</u>	<u>\$ -</u>	<u>\$ 784,000</u>	<u>\$ 4,934,000</u>

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

2023 - \$667,000; 2024 - \$682,000; 2025 - \$637,000; 2026 - \$440,000; 2027 - \$293,000

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

11. LONG TERM DEBT (cont'd)

(b) Water and Sewer Capital Fund

	Balance January 1, <u>2022</u>	Issued during year	Redeemed during year	Balance December 31, <u>2022</u>
New Brunswick Municipal Financing Corporation				
Debtures:				
CA20 0.855% - 2.378%, due 2031, OIC # 00-0018	\$ 956,000	\$ -	\$ 89,000	\$ 867,000
BG19 1.65 - 3.80%, due 2027, OIC # 11-0045	393,000	-	14,000	379,000
BH23 1.35 - 3.80%, due 2032, OIC # 00-0018	443,000	-	34,000	409,000
BL27 1.2% - 3.7%, due 2034, OIC # 11-0045	836,000	-	26,000	810,000
BN18 1.05% - 3.15%, due 2025, OIC # 15-38	150,000	-	36,000	114,000
BP21 1.20% - 3.80%, due 2036, OIC # 18-0020	752,000	-	21,000	731,000
BR22 1.65% - 3.30%, due 2037, OIC # 15-0069	1,179,000	-	32,000	1,147,000
BU21 2.55% - 3.7%, due 2038, OIC # 15-0069, 96-006, 96-0072	1,153,000	-	83,000	1,070,000
BY24 0.50% - 2.60% due 2040, OIC # 19-0020	<u>730,000</u>	<u>-</u>	<u>20,000</u>	<u>710,000</u>
	<u>6,592,000</u>	<u>-</u>	<u>355,000</u>	<u>6,237,000</u>
Canada Mortgage and Housing Corporation				
CMHC 3.70%, due 2030 OIC # 09-119, 09-139, 10-012	<u>1,909,191</u>	<u>-</u>	<u>178,822</u>	<u>1,730,369</u>
	<u>\$ 8,501,191</u>	<u>\$ -</u>	<u>\$ 533,822</u>	<u>\$ 7,967,369</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 \$410,926 (2021 - \$445,272) 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:

2023 - \$548,498; 2024 - \$565,435; 2025 - \$579,629; 2026 - \$560,090; 2027 - \$877,826

In 2027, debenture BG19 will mature with a final amount due of \$303,000, however it is expected that \$303,000 of this payment will be refinanced during that year for an additional ten years.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

11. LONG TERM DEBT (cont'd)

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

	Balance January 1, 2022	Issued during year	Redeemed during year	Balance December 31, 2022
New Brunswick Municipal Financing Corporation				
Debtures:				
BL45 1.2% - 3.1%, due 2024, OIC # 02-66, 03-53	\$ 64,123	\$ -	\$ 20,869	\$ 43,254
BN35 1.05% - 3.15%, due 2025, OIC# 03-53	<u>151,904</u>	<u>-</u>	<u>36,560</u>	<u>115,344</u>
	<u>\$ 216,027</u>	<u>\$ -</u>	<u>\$ 57,429</u>	<u>\$ 158,598</u>

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

2023 - \$58,473; 2024 - \$60,476; 2025 - \$39,649

Total Long term debt:

	2022	2021
General Capital Fund	\$ 4,934,000	\$ 5,718,000
Water and Sewer Capital Fund	7,967,369	8,501,191
Jointly Controlled Entity - KRJPC	<u>158,598</u>	<u>216,027</u>
	<u>\$ 13,059,967</u>	<u>\$ 14,435,218</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, 2022, the balance in this reserve was \$319,717 (2021 - \$296,690).

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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 non-unionized employees sick leave that accumulates at a rate of 18 hours per month and a rate of 1.5 days per month of service for unionized employees. Non-union 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. Unionized employees can accumulate up to 150 days of 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% for Rothesay and 2.25% for KVFD;
- the discount rate used to determine the accrued benefit obligations is 2.54% for Rothesay and 1.99% for KVFD;
- retirement age is 65 for Rothesay and 60 for KVFD; and
- estimated net excess utilization of rate of sick leave varies with age.

The sick leave is an unfunded benefit and as such, there are no applicable assets. Benefits are paid out of general revenue as they come due.

The consolidated unfunded liability consist of:

	Estimated 2022	2021
Rothesay	\$ -	\$ -
KRJBPC	6,928	6,131
KVFD	<u>135,446</u>	<u>198,158</u>
	<u>\$ 142,374</u>	<u>\$ 204,289</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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 26 weeks based on a minimum of ten years service. The employee must be of retirement age of 55.

The accrued liability is based on an actuarial valuation as at December 31, 2019, which used a discount rate of 2.69% and an annual salary increase rate of 2.5%.

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>2022</u>	<u>2021</u>
Rothesay	\$ 444,587	\$ 446,306
KVFD	268,748	233,552
KRJBPC	<u>346,185</u>	<u>331,945</u>
Balance at end of year	<u>\$ 1,059,520</u>	<u>\$ 1,011,803</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, 2020 and resulted in an overall NB MEPP accrued benefit obligation of \$135,126,100 based on the accounting basis.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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, 2021:

- the expected inflation rate is 2.10% (prior 2.10%);
- the discount rate used to determine the accrued benefit obligation is 5.7% (prior 5.55%);
- the expected rate of return on assets is 5.7% (prior 5.55%);
- retirement age varies by age and employment category; and
- estimated average remaining service life (EARSLS) is 14.0 years (prior 13.0 years).

The actuarial valuation prepared as at December 31, 2020 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 \$833,500, a change of \$191,700 from the December 31, 2019 deficit of \$641,800. Based on the assumptions as at December 31, 2020, 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, 2020, the NB MEPP provides benefits for 294 retirees. Total benefits payments to retirees and terminating employees during 2022 are estimated to be approximately \$4,957,200 (actual 2021, \$6,360,300) 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 2022 are estimated to be approximately \$7,421,400 (actual 2021, \$7,235,200) 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 47.6 (as at Dec 31, 2020);
- benefit payments were \$261,900 in 2021 and were estimated to be \$211,200 in 2022; and
- combined contributions were \$429,500 in 2021 and were estimated to be \$441,400 in 2022.

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 43.3 (2021- 42.7);
- benefit payments were \$527,600 in 2021 and were estimated to be \$527,600 in 2022; and
- combined contributions were \$569,400 in 2021 and were estimated to be \$575,600 in 2022.

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

- The average age of the 45 active employees covered by the NB MEPP is 44.5 (2021 - 44);
- benefit payments were \$797,300 in 2021 and were estimated to be \$513,700 in 2022; and
- combined contributions were \$793,800 in 2021 and were estimated to be \$817,600 in 2022.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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, 2020 and December 31, 2021, NB MEPP's actuary performed an extrapolation of the December 31, 2021 accounting valuation to determine the estimated position as at December 31, 2022. The extrapolation assumes assumptions used as at December 31, 2022 remain unchanged from December 31, 2021. The extrapolation also assumes assets return 5.7%, net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

	Estimated	
	Jan 1, 2022 to	Jan 1, 2021 to
	Dec 31, 2022	Dec 31, 2021
Accrued Benefit Liability		
Accrued benefit liability at beginning of period	\$ 71,893	\$ 256,767
Change in ownership percentage	310	(43,507)
Adjustment to actual	35,809	7,986
Pension expense for the year	404,360	352,713
Employer contributions	<u>(502,220)</u>	<u>(502,066)</u>
Accrued benefit liability at end of period	<u>\$ 10,152</u>	<u>\$ 71,893</u>

In summary, the consolidated accrued benefit liability (asset) is estimated to be \$10,152 as at December 31, 2022. The December 31, 2021 liability was estimated in the prior year. The actual liability was calculated to be \$101,804. The difference of \$29,911 has been recorded in the current year. This amount is included in the post employment benefits payable on the consolidated statement of financial position.

	Estimated	
	Jan 1, 2022 to	Jan 1, 2021 to
	Dec 31, 2022	Dec 31, 2021
Rothesay	\$ (26,700)	\$ (15,700)
KVFD	72,937	65,150
KRJBPC	<u>(36,085)</u>	<u>22,443</u>
	<u>\$ 10,152</u>	<u>\$ 71,893</u>

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

	Estimated	
	Jan 1, 2022 to	Jan 1, 2021 to
	Dec 31, 2022	Dec 31, 2021
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 22,224,683	\$ 20,810,363
Plan assets	<u>(21,716,631)</u>	<u>(20,166,583)</u>
Plan deficit	508,052	643,780
Adjustment to actual	-	(5,900)
Unamortized experience losses	<u>(497,900)</u>	<u>(536,076)</u>
Accrued benefit liability at end of period	<u>\$ 10,152</u>	<u>\$ 101,804</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

16. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

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

	Estimated Jan 1, 2022 to Dec 31, 2022	Jan 1, 2021 to Dec 31, 2021
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 20,810,363	\$ 19,995,520
Change in ownership	17,899	(6,954)
Current service cost	836,272	805,636
Benefits payments	(632,884)	(796,536)
Interest for period	1,193,033	1,109,658
Experience loss during period	<u>-</u>	<u>(296,961)</u>
Accrued benefit obligation at end of period	<u>\$ 22,224,683</u>	<u>\$ 20,810,363</u>

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

	Estimated Jan 1, 2022 to Dec 31, 2022	Jan 1, 2021 to Dec 31, 2021
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 20,166,583	\$ 19,398,804
Change in ownership	17,451	(6,701)
Employer contributions	502,221	487,277
Employee contributions	502,221	492,499
Benefit payments	(632,884)	(796,536)
Return on plan assets during period	<u>1,161,039</u>	<u>591,240</u>
Plan assets at end of period	<u>\$ 21,716,631</u>	<u>\$ 20,166,583</u>

Total expense related to pensions include the following components:

	Estimated Jan 1, 2022 to Dec 31, 2022	Actual Jan 1, 2021 to Dec 31, 2021
Pension Expense		
Employer current service cost	\$ 334,051	\$ 313,138
Interest on accrued benefit obligation	1,193,033	1,109,658
Expected return on assets	(1,161,039)	(1,081,325)
Amortization of unrecognized balances		
Experience loss	<u>38,315</u>	<u>26,363</u>
Pension expense	<u>\$ 404,360</u>	<u>\$ 367,834</u>

The pension expense is included in the statement of operations.

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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, 2022 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 year is \$545,039.

Snow Clearing Contract

In 2021, the Town entered into a contract for snow clearing services from November 2021 to April, 2023. The minimum annual commitment for the next year is \$305,984.

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 Utility Fund operations is limited to 50% of the operating budget for the year. In 2022, the Town has complied with these restrictions.

Capital Funds

At December 31, 2022, there were no short-term funds (2021 - \$500,000) borrowed from other funds and no short-term funds (2021 - nil) borrowed from a financial institution to provide interim funding for capital projects in the General Capital Fund.

At December 31, 2022, there was \$150,000 short-term funds (2021 - nil) borrowed from other funds and no short-term funds (2021 - nil) borrowed from a financial institution to provide interim funding for capital projects in the Utility Capital Fund.

Interim Borrowing Capital Funds

The Town has remaining outstanding authority for short-term borrowings as follows:

General Capital Fund, OIC # 22-0018	\$ 1,250,000
Utility Capital Fund, OIC # 21-0061	<u>800,000</u>
	<u>\$ 2,050,000</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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>2022</u>	<u>2021</u>
2022 Surplus	\$ 33,993	\$ -
2021 Surplus	41,757	41,757
2020 Surplus	<u>-</u>	<u>48,220</u>
	<u>\$ 75,750</u>	<u>\$ 89,977</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

21. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings and Leasehold Improvements	Vehicles	Machinery and Equipment	Infrastructure			Sewer	Water	Sewer	Subtotal	Assets Under Construction	2021	
						Roads and Streets	Storm Sewer	Water						Total	Total
COST															
Balance - beginning of year	\$ 4,885,839	\$ 8,712,079	\$ 12,791,288	\$ 6,017,529	\$ 5,392,741	\$ 44,169,098	\$ 21,022,269	\$ 29,170,713	\$ 25,942,199	\$ 158,103,755	\$ 879,870	\$ 158,983,625	\$ 154,359,952		
Change in ownership	108	89	4,467	5,418	946	-	-	-	-	11,028	-	11,028	(455)		
Add: Net additions during the year	43,800	856,533	716,747	363,337	574,624	2,259,963	229,511	196,575	517,022	5,758,112	911,177	6,669,289	5,882,178		
Less: Disposals during the year	-	-	-	-	(5,775)	(866,274)	(79,807)	-	(5,808)	(957,664)	-	(957,664)	(1,258,050)		
Balance - end of year	<u>4,929,747</u>	<u>9,568,701</u>	<u>13,512,502</u>	<u>6,386,284</u>	<u>5,962,536</u>	<u>45,562,787</u>	<u>21,171,973</u>	<u>29,367,288</u>	<u>26,453,413</u>	<u>162,915,231</u>	<u>1,791,047</u>	<u>164,706,278</u>	<u>158,983,625</u>		
ACCUMULATED AMORTIZATION															
Balance - beginning of year	-	4,732,115	5,228,902	3,457,199	2,834,830	22,196,193	7,830,854	8,767,458	9,366,676	64,414,227	-	64,414,227	60,642,583		
Change in ownership	-	89	2,223	2,551	454	-	-	-	-	5,317	-	5,317	(379)		
Add: Amortization during the year	-	472,357	408,574	513,268	511,000	1,432,869	350,370	621,085	449,232	4,758,755	-	4,758,755	4,649,782		
Less: Accumulated amortization on disposals	-	-	-	-	(5,775)	(762,818)	(46,545)	-	(5,808)	(820,946)	-	(820,946)	(877,759)		
Balance - end of year	<u>-</u>	<u>5,204,561</u>	<u>5,639,699</u>	<u>3,973,018</u>	<u>3,340,509</u>	<u>22,866,244</u>	<u>8,134,679</u>	<u>9,388,543</u>	<u>9,810,100</u>	<u>68,357,353</u>	<u>-</u>	<u>68,357,353</u>	<u>64,414,227</u>		
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 4,929,747</u>	<u>\$ 4,364,140</u>	<u>\$ 7,872,803</u>	<u>\$ 2,413,266</u>	<u>\$ 2,622,027</u>	<u>\$ 22,696,543</u>	<u>\$ 13,037,294</u>	<u>\$ 19,978,745</u>	<u>\$ 16,643,313</u>	<u>\$ 94,557,878</u>	<u>\$ 1,791,047</u>	<u>\$ 96,348,925</u>	<u>\$ 94,569,398</u>		
Consists of:															
General Fund Assets	\$ 4,559,421	\$ 4,282,521	\$ 3,714,994	\$ 1,471,039	\$ 1,937,461	\$ 22,501,461	\$ 13,037,294	\$ -	\$ -	\$ 51,504,191	\$ 267,212	\$ 51,771,403	\$ 49,925,531		
Utility Fund Assets	119,971	-	1,102,568	65,830	426,887	195,082	-	19,978,745	16,643,313	38,532,396	1,523,835	40,056,231	40,775,006		
Controlled Entities	250,355	81,619	3,055,241	876,397	257,679	-	-	-	-	4,521,291	-	4,521,291	3,868,861		
	<u>\$ 4,929,747</u>	<u>\$ 4,364,140</u>	<u>\$ 7,872,803</u>	<u>\$ 2,413,266</u>	<u>\$ 2,622,027</u>	<u>\$ 22,696,543</u>	<u>\$ 13,037,294</u>	<u>\$ 19,978,745</u>	<u>\$ 16,643,313</u>	<u>\$ 94,557,878</u>	<u>\$ 1,791,047</u>	<u>\$ 96,348,925</u>	<u>\$ 94,569,398</u>		

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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>2022 Total</u>	<u>2021 Total</u>
COST								
Balance - beginning of year	\$ 250,247	\$ 120,089	\$ 4,176,196	\$ 1,746,458	\$ 811,542	\$ -	\$ 7,104,439	\$ 6,960,149
Change in ownership	108	89	4,467	5,418	946	-	11,028	(455)
Add: Net additions during the year	-	44,268	716,747	112,232	95,707	-	968,945	214,723
Less: Disposals during the year	-	-	-	-	(5,775)	-	(5,775)	(69,978)
Balance - end of year	<u>250,355</u>	<u>164,446</u>	<u>4,897,410</u>	<u>1,864,108</u>	<u>902,420</u>	<u>-</u>	<u>8,078,637</u>	<u>7,104,439</u>
ACCUMULATED AMORTIZATION								
Balance - beginning of year	-	74,064	1,701,926	871,493	588,197	-	3,235,578	2,978,829
Change in ownership	-	89	2,223	2,551	454	-	5,317	(379)
Add: Amortization during the year	-	8,674	138,020	113,667	61,865	-	322,226	317,714
Less: Accumulated amortization on disposals	-	-	-	-	(5,775)	-	(5,775)	(60,586)
Balance - end of year	<u>-</u>	<u>82,827</u>	<u>1,842,169</u>	<u>987,711</u>	<u>644,741</u>	<u>-</u>	<u>3,557,346</u>	<u>3,235,578</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 250,355</u>	<u>\$ 81,619</u>	<u>\$ 3,055,241</u>	<u>\$ 876,397</u>	<u>\$ 257,679</u>	<u>\$ -</u>	<u>\$ 4,521,291</u>	<u>\$ 3,868,861</u>

ROTHERSAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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>2022 Consolidated</u>	<u>2021 Consolidated</u>
REVENUE									
Property tax warrant	\$ 2,913,905	\$ 6,617,083	\$ 4,286,296	\$ 986,710	\$ 781,470	\$ 2,596,046	\$ -	\$ 18,181,510	\$ 17,002,299
Sale of service	142,676	-	4,708	-	-	328,326	-	475,710	463,732
Services provided to other governments	-	-	81,806	-	-	-	-	81,806	80,180
Other own source	791,843	-	-	-	175,838	-	-	967,681	108,062
Unconditional grant	20,990	47,667	30,877	7,108	5,629	18,701	-	130,972	131,193
Conditional government transfers	2,001,988	-	-	-	-	-	374,000	2,375,988	2,286,228
Water and sewer user fees	-	-	-	-	-	-	3,163,226	3,163,226	3,077,512
Sundry and interest	<u>219,921</u>	<u>290,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,486</u>	<u>117,274</u>	<u>634,317</u>	<u>394,176</u>
	<u>6,091,323</u>	<u>6,955,386</u>	<u>4,403,687</u>	<u>993,818</u>	<u>962,937</u>	<u>2,949,559</u>	<u>3,654,500</u>	<u>26,011,210</u>	<u>23,543,382</u>
EXPENDITURE									
Salaries and benefits	964,409	4,636,619	1,048,733	-	294,265	441,606	535,352	7,920,984	7,331,793
Goods and services	1,189,536	707,398	3,388,906	962,281	273,847	1,854,305	1,550,759	9,927,032	7,697,665
Interest	2,294	1,562	65,777	-	-	92,121	269,993	431,747	465,265
Other	47,304	-	136,718	-	-	-	-	184,022	415,048
Amortization	<u>125,959</u>	<u>228,949</u>	<u>2,356,300</u>	<u>-</u>	<u>-</u>	<u>797,862</u>	<u>1,249,685</u>	<u>4,758,755</u>	<u>4,649,782</u>
	<u>2,329,502</u>	<u>5,574,528</u>	<u>6,996,434</u>	<u>962,281</u>	<u>568,112</u>	<u>3,185,894</u>	<u>3,605,789</u>	<u>23,222,540</u>	<u>20,559,553</u>
Surplus (deficit) for the year	<u>\$ 3,761,821</u>	<u>\$ 1,380,858</u>	<u>\$ (2,592,747)</u>	<u>\$ 31,537</u>	<u>\$ 394,825</u>	<u>\$ (236,335)</u>	<u>\$ 48,711</u>	<u>\$ 2,788,670</u>	<u>\$ 2,983,829</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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
2022 annual surplus (deficit)	\$ 5,722,791	\$ (4,224,640)	\$ 1,033,625	\$ (624,430)	\$ 12,588	\$ 117,717	\$ 2,180	\$ 25,516	\$ 723,323	\$ 2,788,670
Adjustments to annual surplus										
Surplus (deficit) for funding requirements	52,674									
Second previous year's surplus			48,220						93,129	194,023
Transfers between funds										
Transfer elimination	(175,000)					175,000				
Transfer elimination			300,000				(300,000)			
Transfer elimination			(57,550)				57,550			
Transfer elimination		900,000		250,000		(1,150,000)				
Transfer elimination	(839,941)					839,941				
Transfer elimination			(5,686)				5,686			
Transfer elimination			(11,256)				11,256			
Transfer elimination	(3,526,620)	3,526,620	(739,537)	739,537						
Long term debt principal repayment		(784,000)	(533,823)	533,823						
Provision for retirement allowance									(5,740)	(5,740)
Provision for pension liability									(50,982)	(61,982)
Provision for sick leave accrual									(64,162)	(64,162)
Accumulated amortization on disposal of capital assets		(809,363)		(5,808)					(5,775)	(820,946)
Deferred Gas tax revenue	(310,059)									(310,059)
Unrealized gain on investments									41,766	41,766
Amortization expense		3,186,844		1,249,685					322,226	4,758,755
Total adjustments to 2022 annual surplus (deficit)	(5,593,946)	7,588,101	(999,632)	2,767,237		(135,059)		(225,508)	330,462	3,731,655
2022 annual surplus (deficit) for funding requirements	\$ 128,845	\$ 3,363,461	\$ 33,993	\$ 2,142,807	\$ 12,588	\$ (17,342)	\$ 2,180	\$ (199,992)	\$ 1,053,785	\$ 6,520,325

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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>2022 Total</u>	<u>2021 Total</u>
ASSETS							
Cash and short term investments	\$ 917,637	\$ 5,680,028	\$ -	\$ 1,152,517	\$ -	\$ 7,750,182	\$ 7,452,748
Accounts receivable from other funds	-	(152,811)	108,485	(108,485)	152,811	-	-
Due from (to) other funds	-	-	-	-	-	-	500,000
	<u>\$ 917,637</u>	<u>\$ 5,527,217</u>	<u>\$ 108,485</u>	<u>\$ 1,044,032</u>	<u>\$ 152,811</u>	<u>\$ 7,750,182</u>	<u>\$ 7,952,748</u>
ACCUMULATED SURPLUS	<u>\$ 917,637</u>	<u>\$ 5,527,217</u>	<u>\$ 108,485</u>	<u>\$ 1,044,032</u>	<u>\$ 152,811</u>	<u>\$ 7,750,182</u>	<u>\$ 7,952,748</u>
REVENUE							
Other government transfers	\$ -	\$ 839,941	\$ -	\$ -	\$ -	\$ 839,941	\$ 1,654,360
Transfers from Operating Funds	-	175,000	-	74,492	-	249,492	1,037,536
Interest	12,588	115,157	2,180	25,516	2,560	158,001	39,378
	<u>12,588</u>	<u>1,130,098</u>	<u>2,180</u>	<u>100,008</u>	<u>2,560</u>	<u>1,247,434</u>	<u>2,731,274</u>
EXPENDITURES							
Transfer to General Capital Fund	-	900,000	-	-	-	900,000	650,000
Transfers to Water and Sewer Capital Fund	-	250,000	-	300,000	-	550,000	374,000
	-	1,150,000	-	300,000	-	1,450,000	1,024,000
ANNUAL SURPLUS (DEFICIT)	<u>\$ 12,588</u>	<u>\$ (19,902)</u>	<u>\$ 2,180</u>	<u>\$ (199,992)</u>	<u>\$ 2,560</u>	<u>\$ (202,566)</u>	<u>\$ 1,707,274</u>

Included in the General Capital Reserve Fund is \$4,102,261 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

25. STATEMENT OF RESERVES (cont'd)

Council Resolutions regarding transfers to and from reserves:

Date Enacted December 12, 2022

MOVED by Deputy Mayor Alexander and seconded by Council. Boyle that the Gas Tax Funding in the amount of \$839,941.00 for the year 2022, be transferred to the General Capital Reserve Fund (Gas Tax).

CARRIED.

MOVED by Deputy Mayor Alexander and seconded by Council. Boyle that the sum of \$900,000.00 be transferred from the General Capital Reserve Fund (Gas Tax) to the General Operating Fund to cover the costs of Capital projects.

CARRIED.

MOVED by Deputy Mayor Alexander and seconded by Council. Boyle that the sum of \$175,000.00 be transferred from the General Operating Fund to the General Capital Reserve to cover the costs of future Capital projects.

CARRIED.

MOVED by Deputy Mayor Alexander and seconded by Council. McGuire that \$57,550.00 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for water and sewer connection fees.

CARRIED.

MOVED by Deputy Mayor Alexander and seconded by Council. Boyle that the sum of \$250,000.00 be transferred from the General Capital Reserve Fund (Gas Tax) to the Utility Operating Fund to cover the costs of Capital projects.

CARRIED.

MOVED by Deputy Mayor Alexander and seconded by Council. Boyle that the sum of \$300,000.00 be transferred from the Utility Capital Reserve Fund to the Utility Operating Fund to cover the costs of Capital projects.

CARRIED.


MOVED by Deputy Mayor Alexander and seconded by Council. Boyle that \$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 Deputy Mayor Alexander and seconded by Council. Boyle that \$11,256.00 received from Quispamsis for Sewage Outfall be transferred from the Utility Operating Fund to the Utility Sewage Outfall Reserve Fund.

CARRIED.

I hereby certify that the above are true and exact copies of resolutions adopted at the regular meeting of Council on December 12, 2022.


Town Clerk


Date

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

26. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KV Fire</u>	<u>Police</u>	<u>Library</u>	<u>2022 Total</u>	<u>2021 Total</u>
ASSETS	\$ <u>2,929,258</u>	\$ <u>1,622,376</u>	\$ <u>1,466,389</u>	\$ <u>6,018,023</u>	\$ <u>4,960,647</u>
LIABILITIES	\$ <u>878,595</u>	\$ <u>745,277</u>	\$ <u>17,302</u>	\$ <u>1,641,174</u>	\$ <u>1,318,613</u>
ACCUMULATED SURPLUS	\$ <u>2,050,663</u>	\$ <u>877,099</u>	\$ <u>1,449,087</u>	\$ <u>4,376,849</u>	\$ <u>3,642,034</u>
REVENUE	\$ 3,016,342	\$ 3,316,601	\$ 89,758	\$ 6,422,701	\$ 5,433,335
EXPENDITURES	<u>2,453,709</u>	<u>3,093,225</u>	<u>181,046</u>	<u>5,727,980</u>	<u>5,218,321</u>
	562,633	223,376	(91,288)	694,721	215,014
CHANGE IN OWNERSHIP	<u>5,868</u>	<u>(441)</u>	<u>-</u>	<u>5,427</u>	<u>381</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>568,501</u>	\$ <u>222,935</u>	\$ <u>(91,288)</u>	\$ <u>700,148</u>	\$ <u>215,395</u>

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

27. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water and Sewer	Amortization TCA	Controlled Entities	Transfers	Total
REVENUE	\$ 18,181,510	\$ -	\$ -	\$ -	\$ -	\$ 18,181,510
Property tax warrant	130,973	-	-	-	-	130,973
Unconditional transfers from other governments	40,000	-	-	-	-	40,000
Conditional transfers from Federal or Provincial governments	60,000	-	-	-	1,150,000	1,190,000
Services other governments	82,943	-	-	-	-	82,943
Other own source	419,900	-	-	-	-	419,900
Sale of services	1,050,000	-	-	-	(1,050,000)	-
Other transfers	-	3,511,780	-	-	(360,000)	3,151,780
Water and sewer user fees	12,000	80,000	-	172,099	-	264,099
Sundry income	52,674	48,220	-	-	(100,894)	-
Surplus (deficit) of second previous year	20,030,000	3,640,000	-	172,099	(360,894)	23,481,205
EXPENDITURES						
General government services	2,545,617	-	125,000	-	(319,550)	2,351,067
Protective services	5,765,750	-	228,946	31,689	(339,700)	5,686,685
Transportation services	3,759,551	-	2,450,000	-	(663,100)	5,546,451
Environmental health services	862,000	-	-	-	-	862,000
Environmental development services	682,700	-	-	-	-	682,700
Recreation and cultural services	2,267,932	-	600,000	7,572	87,800	2,963,304
Fiscal services						
Long term debt repayments	784,000	529,810	-	-	(1,313,810)	-
Interest	187,450	293,190	-	-	(480,640)	-
Transfer from General Operating Fund to General Operating Reserve Fund	175,000	-	-	-	(175,000)	-
Transfer from General Operating Fund to General Capital Fund	3,000,000	-	-	-	(3,000,000)	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Capital Reserve Fund	-	780,000	-	-	(780,000)	-
Water and Sewer	-	2,037,000	1,130,000	-	293,190	3,460,190
	20,030,000	3,640,000	4,533,946	39,261	(6,690,810)	21,552,397
Surplus (deficit)	\$ -	\$ -	\$ (4,533,946)	\$ 132,838	\$ 6,329,916	\$ 1,928,808

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

28. REVENUE AND EXPENDITURES SUPPORT

	<u>2022</u> Budget	<u>2022</u> Actual	<u>2021</u> Actual
REVENUE			
Sale of services			
Community Centre	\$ 20,000	\$ 23,240	\$ 26,615
Rental revenue	106,000	96,414	94,696
Recreational programs	293,900	327,246	337,713
HIVE programs	<u>-</u>	<u>28,810</u>	<u>-</u>
	<u>\$ 419,900</u>	<u>\$ 475,710</u>	<u>\$ 459,024</u>
Other own source			
Permits and fines	\$ 55,000	\$ 175,838	\$ 94,132
Contributions by developers	-	645,068	-
Developers contributions - LPP	-	-	4,560
Local improvement levy	4,708	4,708	4,708
Miscellaneous	<u>23,235</u>	<u>142,067</u>	<u>9,370</u>
	<u>\$ 82,943</u>	<u>\$ 967,681</u>	<u>\$ 112,770</u>
Conditional government transfers			
Government of Canada	\$ 38,500	\$ 35,728	\$ 63,774
Province of New Brunswick	-	1,188,580	1,193,354
Gas Tax revenue	1,150,000	1,150,000	1,024,000
Canada Day grants	1,500	1,680	1,600
Other government grants	<u>-</u>	<u>-</u>	<u>3,500</u>
	<u>\$ 1,190,000</u>	<u>\$ 2,375,988</u>	<u>\$ 2,286,228</u>
EXPENDITURE			
General government services			
Legislative			
Mayor	\$ 47,000	\$ 41,421	\$ 36,986
Councilors	135,100	130,639	126,140
Fundy Regional Service Commission	6,000	5,239	5,226
Other	<u>12,499</u>	<u>6,768</u>	<u>3,397</u>
	<u>200,599</u>	<u>184,067</u>	<u>171,749</u>
Administrative			
Administration	837,000	818,911	698,436
Office building	181,250	183,120	176,730
Solicitor	50,000	19,030	20,564
Supplies	30,000	28,801	30,977
Other	<u>243,928</u>	<u>317,708</u>	<u>208,518</u>
	<u>1,342,178</u>	<u>1,367,570</u>	<u>1,135,225</u>
Financial management			
Professional fees	<u>35,000</u>	<u>31,155</u>	<u>26,510</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2022</u> Budget	<u>2022</u> Actual	<u>2021</u> Actual
General government services (cont'd)			
Other			
Civic relations	1,000	60	341
Covid-19	25,000	6,697	27,033
Community communications	10,000	6,393	2,738
Insurance	256,784	254,475	247,058
Property tax - land for public purposes	17,622	17,824	16,782
Grants to organizations	36,500	28,628	22,147
Fox Farm Road rental expenses	4,000	10,446	5,713
Cost of assessment	293,934	293,934	266,004
Interest	3,450	2,294	2,682
Amortization	<u>125,000</u>	<u>125,959</u>	<u>127,065</u>
	<u>773,290</u>	<u>746,710</u>	<u>717,563</u>
	<u>\$ 2,351,067</u>	<u>\$ 2,329,502</u>	<u>\$ 2,051,047</u>
Protective services			
Fire			
Administration	\$ 328,074	\$ 342,752	\$ 266,992
Firefighting force	1,688,532	1,709,809	1,519,478
Telecommunications	87,144	86,895	1,600
Insurance	22,718	23,626	21,348
Prevention and training	23,944	21,746	13,372
Facilities	77,207	75,242	71,623
Fleet	42,178	45,916	33,090
Operations	27,423	29,476	105,682
Water costs	13,692	13,692	13,243
Retirement allowance	21,683	21,683	25,772
Other	1,228	1,003	7,396
(Gain) on disposal of tangible capital assets	-	-	(6,990)
Amortization	<u>130,573</u>	<u>130,573</u>	<u>141,023</u>
	<u>2,464,396</u>	<u>2,502,413</u>	<u>2,213,629</u>
Crimestoppers	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>
Police			
Crime Control	2,252,446	2,074,445	2,030,630
Vehicle Fleet	79,499	79,221	72,059
Property	98,690	106,782	88,232
Administration	477,006	509,613	428,840
Retirement allowance	33,984	34,779	34,803
Communications	110,425	109,942	113,254
Unrealized loss (gain) on investments	41,766	41,766	(26,224)
Loss (gain) on disposal of tangible capital assets	-	-	3,959
Amortization	<u>98,373</u>	<u>98,373</u>	<u>84,659</u>
	<u>3,192,189</u>	<u>3,054,921</u>	<u>2,830,212</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2022</u> Budget	<u>2022</u> Actual	<u>2021</u> Actual
Protective services (cont'd)			
Other			
Emergency measures	-	116	975
Animal control	5,000	2,970	5,418
Interest	2,300	1,562	3,995
Other	<u>20,000</u>	<u>9,746</u>	<u>10,778</u>
	<u>27,300</u>	<u>14,394</u>	<u>21,166</u>
	<u>\$ 5,686,685</u>	<u>\$ 5,574,528</u>	<u>\$ 5,067,807</u>
Transportation services			
Common			
Wages and benefits	\$ 1,134,000	\$ 1,048,733	\$ 976,786
Workshop, yard and equipment maintenance	679,413	670,881	599,233
Engineering	<u>5,000</u>	<u>50,957</u>	<u>10,260</u>
	<u>1,818,413</u>	<u>1,770,571</u>	<u>1,586,279</u>
Roads and Streets			
Roadway surfaces	55,000	99,985	99,160
Designated highway surfacing	-	1,243,657	-
Storm water and traffic studies	-	130,885	157,260
Crosswalks and sidewalks	20,200	17,820	16,534
Culverts and drainage ditches	25,000	36,632	36,477
Storm sewers	35,000	99,749	34,249
Street cleaning	45,000	50,996	40,506
Snow and ice removal	667,000	684,756	520,677
Street lighting	145,000	148,728	161,646
Street signs	12,500	12,823	9,886
Traffic lane marking	40,000	33,279	25,677
Traffic signals and signs	40,000	9,679	52,191
Railway crossing signals	25,000	19,375	22,228
Public transit - Comex Service	77,438	78,088	81,110
Flood costs	15,000	616	-
Interest	75,900	65,777	73,172
Loss on disposal of tangible capital assets	-	136,718	283,208
Amortization	<u>2,450,000</u>	<u>2,356,300</u>	<u>2,319,749</u>
	<u>3,728,038</u>	<u>5,225,863</u>	<u>3,933,730</u>
	<u>\$ 5,546,451</u>	<u>\$ 6,996,434</u>	<u>\$ 5,520,009</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2022</u> Budget	<u>2022</u> Actual	<u>2021</u> Actual
Environmental health services			
Solid waste disposal	\$ 210,000	\$ 213,639	\$ 202,547
Solid waste compost	36,000	31,469	48,741
Solid waste collection	571,000	682,657	570,984
Curbside recycling	-	3,093	-
Clean up campaign	<u>45,000</u>	<u>31,423</u>	<u>32,249</u>
	<u>\$ 862,000</u>	<u>\$ 962,281</u>	<u>\$ 854,521</u>
Environmental development services			
Environmental planning and zoning	\$ 487,500	\$ 376,112	\$ 359,044
Envision SJ	192,000	192,000	148,000
Tourism	<u>3,200</u>	<u>-</u>	<u>-</u>
	<u>\$ 682,700</u>	<u>\$ 568,112</u>	<u>\$ 507,044</u>
Recreation and cultural services			
Administration	\$ 367,025	\$ 383,924	\$ 326,956
Beaches	51,000	48,766	45,695
Rothesay Arena	383,000	406,862	349,094
Memorial Centre	72,988	48,856	69,359
Summer programs	61,800	65,551	62,780
Rothesay Common	54,800	40,034	64,171
Parks and gardens	638,500	624,734	629,917
Regional Facilities Commission	356,102	430,117	410,103
Kennebecasis Public Library Inc	90,789	92,198	78,611
Special events	40,000	28,492	14,744
HIVE programs	-	9,794	-
Playgrounds and fields	134,000	116,583	136,176
Living museum	-	-	71
PRO Kids	7,500	-	7,500
Interest	105,800	92,121	100,968
Amortization	<u>600,000</u>	<u>797,862</u>	<u>740,412</u>
	<u>\$ 2,963,304</u>	<u>\$ 3,185,894</u>	<u>\$ 3,036,557</u>
Water and sewer services			
Water System			
Administration	\$ 454,000	\$ 470,644	\$ 480,900
Purification maintenance and treatment	487,500	518,785	408,751
Source of supply - purchase of water	1,000	1,605	1,181
Transmission and distribution	120,000	86,464	74,667
Power and pumping	44,000	49,779	39,654
Billing and collecting	<u>5,000</u>	<u>3,875</u>	<u>2,410</u>
	<u>1,111,500</u>	<u>1,131,152</u>	<u>1,007,563</u>

ROTHESAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

28. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2022</u> Budget	<u>2022</u> Actual	<u>2021</u> Actual
Sewer System			
Administration	677,000	661,335	648,900
Sewer collection system	99,000	98,420	83,047
Sewer lift stations	56,000	47,593	43,551
Treatment and disposal	93,500	147,611	130,494
Loss on disposal of tangible capital asset	<u>-</u>	<u>-</u>	<u>87,691</u>
	<u>925,500</u>	<u>954,959</u>	<u>993,683</u>
Interest	293,190	269,993	284,448
Amortization	<u>1,130,000</u>	<u>1,249,685</u>	<u>1,236,874</u>
	<u>1,423,190</u>	<u>1,519,678</u>	<u>1,521,322</u>
	<u>\$ 3,460,190</u>	<u>\$ 3,605,789</u>	<u>\$ 3,522,568</u>