

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK  
FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

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## INDEPENDENT AUDITORS' REPORT

To Her Worship the Mayor and Members of Town Council of the Municipality of the Town of Riverview, New Brunswick:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Municipality of the Town of Riverview, New Brunswick, which comprise the statement of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011 and the statements of operations and accumulated surplus, changes in net debt and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Members of Council and management are responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as members of council and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Municipality of the Town of Riverview, New Brunswick as at December 31, 2012, December 31, 2011 and January 1, 2011, and the results of its operations and cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian generally accepted accounting principles.

Riverview, NB  
April 22, 2013

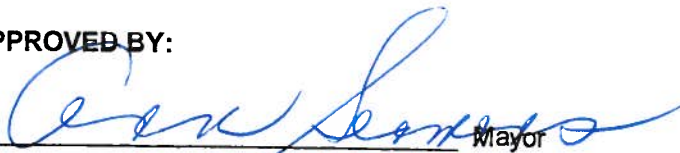
*Stevenson & Partners*


**Chartered Accountants**

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2012**

	2012 December 31	2011 December 31	2011 January 1
<b>FINANCIAL ASSETS</b>			
Cash in bank (Note 10)	\$ 2,091,687	\$ 2,624,923	\$ 1,102,489
Receivables (Note 3)	<u>2,073,724</u>	<u>1,989,814</u>	<u>2,076,487</u>
	<u>4,165,411</u>	<u>4,614,737</u>	<u>3,178,976</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities (Note 4)	\$ 1,880,174	\$ 2,255,018	\$ 2,727,484
Deferred government transfers (Note 5)	544,639	529,482	876,053
Long-term debt (Note 6)	28,550,000	32,207,000	34,292,000
Accrued pension liability (Note 7)	1,362,200	1,396,900	1,548,600
Accrued retirement allowances (Note 8)	<u>944,926</u>	<u>929,392</u>	<u>927,670</u>
	<u>33,281,939</u>	<u>37,317,792</u>	<u>40,371,807</u>
Net debt	<u>(29,116,528)</u>	<u>(32,703,055)</u>	<u>(37,192,831)</u>
Contingency (Note 11)			
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets (Note 9)	109,093,508	106,693,216	105,728,961
Inventories of materials and supplies	286,127	289,113	263,962
Prepaid expenses and deposits	<u>25,706</u>	<u>34,584</u>	<u>33,849</u>
	<u>109,405,341</u>	<u>107,016,913</u>	<u>106,026,772</u>
Accumulated surplus	<u>\$ 80,288,813</u>	<u>\$ 74,313,858</u>	<u>\$ 68,833,941</u>

APPROVED BY:

  
 \_\_\_\_\_ Mayor

  
 \_\_\_\_\_, CA Treasurer

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012 Budget (Unaudited)	2012 Actual	2011 Actual
<b>Revenue (Schedule 2)</b>			
Property tax warrant	\$ 19,864,822	\$ 19,864,822	\$ 19,037,535
Unconditional transfers from the Provincial Government	1,454,495	1,454,495	1,484,178
Other contributions and government transfers	2,932,334	2,960,098	3,055,367
Sales of services	1,271,012	1,233,251	1,236,291
Other revenue from own sources	582,802	743,691	686,457
Water and sewer revenue	<u>5,808,264</u>	<u>5,764,454</u>	<u>5,545,306</u>
<b>Total revenue</b>	<u><b>31,913,729</b></u>	<u><b>32,020,811</b></u>	<u><b>31,045,134</b></u>
<b>Expenses (Schedule 3)</b>			
General government services	5,360,043	5,222,163	5,106,910
Protective services	6,148,491	6,182,520	6,067,687
Transportation services	3,105,549	2,912,524	3,020,250
Environmental health and development services	1,791,301	1,800,486	1,702,651
Recreation and cultural services	3,855,550	3,947,523	3,643,486
Water supply	2,588,387	2,490,753	2,449,149
Sewerage collection and disposal	2,138,632	2,154,615	2,126,444
Interest expense and miscellaneous	<u>1,371,015</u>	<u>1,335,272</u>	<u>1,448,640</u>
<b>Total expenses</b>	<u><b>26,358,968</b></u>	<u><b>26,045,856</b></u>	<u><b>25,565,217</b></u>
<b>Annual surplus</b>	<u><b>\$ 5,554,761</b></u>	<b>5,974,955</b>	<b>5,479,917</b>
Accumulated surplus at beginning of year		<u>74,313,858</u>	<u>68,833,941</u>
<b>Accumulated surplus at end of year</b>		<u><b>\$ 80,288,813</b></u>	<u><b>\$ 74,313,858</b></u>

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**STATEMENT OF CHANGE IN NET DEBT**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012	2011
Annual surplus, before restatement	\$ 5,974,955	\$ 4,489,749
Prior period adjustments to annual surplus (Note 1)	<u>-</u>	<u>990,168</u>
Annual surplus, as restated	<u>5,974,955</u>	<u>5,479,917</u>
Acquisition of tangible capital assets	(6,140,009)	(4,490,727)
Amortization of tangible capital assets	3,562,834	3,515,399
Loss on sale of tangible capital assets	9,445	84,797
Proceeds on sale of tangible capital assets	37,000	84,625
Change in assets under construction	<u>130,438</u>	<u>(158,349)</u>
	<u>(2,400,292)</u>	<u>(964,255)</u>
Change in inventories of materials and supplies	2,986	(25,151)
Change in prepaid expenses and deposits	<u>8,878</u>	<u>(735)</u>
	<u>11,864</u>	<u>(25,886)</u>
Change in net debt	3,586,527	4,489,776
Net debt at beginning of year	<u>(32,703,055)</u>	<u>(37,192,831)</u>
<b>Net debt at end of year</b>	<b><u>\$ (29,116,528)</u></b>	<b><u>\$ (32,703,055)</u></b>

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012	2011
<b>Operating transactions</b>		
Annual surplus	\$ 5,974,955	\$ 5,479,917
Amortization of tangible capital assets	3,562,834	3,515,399
Loss on sale of tangible capital assets	9,445	84,797
Change in accrued pension liability	(34,700)	(151,700)
Change in accrued retirement allowances	15,534	1,722
Change in receivables	(83,910)	86,673
Change in accounts payable and accrued liabilities	(374,843)	(472,466)
Change in inventories of materials and supplies	2,986	(25,151)
Change in prepaid expenses and deposits	<u>8,878</u>	<u>(735)</u>
Cash provided by operating transactions	<u>9,081,179</u>	<u>8,518,456</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(6,140,009)	(4,490,727)
Change in assets under construction	130,437	(158,349)
Change in deferred government transfers	15,157	(346,571)
Proceeds on sale of tangible capital assets	<u>37,000</u>	<u>84,625</u>
Cash applied to capital transactions	<u>(5,957,415)</u>	<u>(4,911,022)</u>
<b>Financing transactions</b>		
Proceeds from long-term debt issue	-	1,500,000
Long-term debt repayment	<u>(3,657,000)</u>	<u>(3,585,000)</u>
Cash applied to financing transactions	<u>(3,657,000)</u>	<u>(2,085,000)</u>
Increase (decrease) in cash and cash equivalents	(533,236)	1,522,434
Cash and cash equivalents at beginning of year	<u>2,624,923</u>	<u>1,102,489</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 2,091,687</u></b>	<b><u>\$ 2,624,923</u></b>

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.



**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**  
**DECEMBER 31, 2012**

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**Purpose of organization**

The Municipality of the Town of Riverview, New Brunswick (the "Town") is incorporated and operates under the provisions of the Province of New Brunswick Municipalities Act. As a municipality the Town is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act as a Public Service Body.

The Town provides municipal services such as police, fire, public works, engineering, parks and recreation, community development and other general government operations.

**1. Change in accounting policy**

Effective January 1, 2011 the Municipality of the Town of Riverview has restated its financial statements to adopt Public Sector Accounting standards (PSA). The changes were made to comply with the provisions of the Public Sector Accounting Handbook. The significant changes to the Town were the adoption of Section 3150, Tangible Capital Assets and the adoption of full accrual accounting. Tangible capital assets are a significant economic resource managed by government and a key component in the delivery of many government programs. Section 3150 requires the Town to account for tangible capital assets using historical cost of the assets and the assets are required to be amortized over their estimated useful lives. The adjustments required by the Town to account for these tangible capital assets in accordance with the standard required the Town to retroactively restate the previously reported figures.

The Town determined historical cost based on historical accounting records, and discounted replacement costs. If historical cost could not be determined, the asset was recorded at a nominal value.

The Town calculated and recorded liabilities for its sick leave accrual, defined benefit pension plan and accrued retirement allowances.

The December 31, 2011 figures presented for comparative purposes have been restated from those previously reported. The following adjustments were made to the prior periods:

**Adjustments to annual surplus**

Annual surplus, as previously reported in operating funds	\$ 108,524
Annual surplus of other funds (capital and reserve)	4,381,225
Add: adjustment to tangible capital assets in anticipation of PSAB	3,284,173
Add: contributed assets not previously recognized	954,015
Add: change in deferred government transfers	346,571
Add: change in accrued sick leave	8,799
Less: second previous year surplus	(15,926)
Less: amortization of tangible capital assets	(3,515,399)
Less: disposal of tangible capital assets	(169,421)
Less: miscellaneous	(54,344)
Less: accrued pension benefits	151,700
Annual surplus, as restated	<u>\$ 5,479,917</u>

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**  
**DECEMBER 31, 2012**

**1. Change in accounting policy (continued)**

The following are the adjustments to the tangible capital assets for January 1, 2011 and December 31, 2011:

	December 31 2011	January 1 2011
<b>Adjustment for net book value of tangible capital assets</b>		
As previously reported	\$136,257,567	\$136,016,101
Contributed assets, assets disposed, and non-capital items	9,682,853	9,682,853
Historical amortization expense recorded	(39,969,993)	(39,969,993)
Amortization expense recorded in year	(3,515,399)	-
Assets contributed in the year	954,015	-
Adjustment to tangible capital assets in anticipation of PSAB	<u>3,284,173</u>	<u>-</u>
Adjusted net book value	<b><u>\$106,693,216</u></b>	<b><u>\$105,728,961</u></b>

See Note 12 for the reconciliation of accumulated surplus.

**2. Summary of significant accounting policies**

The financial statements of the Municipality of the Town of Riverview, New Brunswick are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The Town has adopted Public Sector Accounting as of January 1, 2011.

The focus of Public Sector Accounting financial statements is on the financial position of the Town and the changes thereto. The Statement of Financial Position includes all of the assets and liabilities of the Town.

The significant aspects of the accounting policies adopted by the Town are as follows:

**(a) Reporting entity**

These 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 controlled by the Town.

Interdepartmental and organizational transactions and balances are eliminated.

**(b) Government transfers**

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, provided the transfers are authorized, all eligibility criteria have been met and reasonable estimates of the amounts can be made. Transfers received for which expenses are not yet incurred are included in deferred government transfers.

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**  
**DECEMBER 31, 2012**

---

**2. Summary of significant accounting policies**

**(c) Deferred revenue**

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired. In addition, all funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenues until used for the purpose specified.

**(d) Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net debt for the year.

*Tangible capital assets*

Effective January 1, 2011, the Town adopted the provisions of Public Sector Accounting Section 3150 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 is amortized on a straight line basis over the estimated useful life as follows:

Land improvements	15 - 25 years
Buildings	25 - 50 years
Vehicles and equipment	5 - 15 years
Computer hardware and software	5 years
Roads, streets, sidewalks and culverts	20 - 50 years
Water and wastewater networks	30 to 100 years

*Assets under construction*

Assets under construction are not amortized until the asset is available for productive use.

*Contribution of tangible capital assets*

Tangible capital assets received as contributions are recorded at their fair value and as revenue at the date of receipt.

*Inventories of materials and supplies*

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and net realizable value.

**(e) Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on hand, demand deposits and short term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**  
**DECEMBER 31, 2012**

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**2. Summary of significant accounting policies**

**(f) Employee future benefits**

The Town and its employees contribute to the Town of Riverview Employees' Pension Plan, a jointly trustee defined benefit pension plan. The Plan provides for service pensions based on length of service and rate of pay.

In addition to the Employees' Pension Plan, a retirement allowance is provided for the Town's employees (Note 8).

Employees may carry forward unused sick leave throughout their employment. This sick leave does not vest to the employees, and as such the Town is not required to compensate employees for unused amounts upon leaving employment with the Town.

**(g) Budget**

The budget figures contained in these financial statements were approved by council on December 12, 2011 and the Minister of Local Government approved the Operating budgets on January 16, 2012.

**(h) Reserve funds**

Certain amounts, as approved by Town Council, are set aside in reserve funds for future operating and capital purposes. Transfers to and from reserve funds are recorded as an adjustment to accumulated surplus of that fund. Note 2 included in the Schedules of Regulatory Requirements is included to show the reserve fund balances as supplementary information.

*Reserve funds*

Under the Municipalities Act of New Brunswick, Council may establish discretionary reserves for each fund listed above. In addition, the Community Planning Act requires that a statutory Land Reserve be established and maintained for the purpose of acquiring and developing land held for public purposes.

**(i) Segmented information**

The Town of Riverview 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 Municipality. 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.

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**  
**DECEMBER 31, 2012**

---

**2. Summary of significant accounting policies**

**(i) Segmented information**

*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 and development services*

This department is responsible for the provision of waste collection and disposal, planning and zoning, community development, tourism and other municipal development and promotion services.

*Recreation and cultural services*

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

*Water and wastewater system*

This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks.

**(j) Use of estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts 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 annual surplus in the period in which they become known. Actual results may differ from those estimates.

**(k) Financial instruments**

The Town's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments.

The Town is subject to credit risk through accounts receivable. The Town maintains a provision for credit losses, and minimizes credit risk through on-going credit management.

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**  
**DECEMBER 31, 2012**

**3. Receivables**

	2012	2011
Trade receivables - General operating	\$ 142,203	\$ 166,112
Water and sewer receivables - Utility operating	1,592,302	1,387,591
Deferred local improvement receivables	176,262	199,899
Canada Revenue Agency (HST refundable)	<u>162,957</u>	<u>236,212</u>
	<b><u>\$ 2,073,724</u></b>	<b><u>\$ 1,989,814</u></b>

**4. Accounts payable and accrued liabilities**

	2012	2011
Accounts payable	\$ 1,317,405	\$ 1,733,994
Contractors' holdbacks	355,282	267,920
Interest on long-term debt	124,766	140,660
Local improvement deposits	-	9,748
Deferred revenue	<u>82,721</u>	<u>102,696</u>
	<b><u>\$ 1,880,174</u></b>	<b><u>\$ 2,255,018</u></b>

**5. Deferred government transfers**

Deferred government transfers represent amounts held at year end to be applied to approved projects. These deferred contributions consist of Gas Tax Funds of \$544,639 (2011 - \$529,482).

**6. Long-term debt**

New Brunswick Municipal Finance Corporation

Interest rate and due dates	Debenture #	2012	2011
<i>General capital</i>			
3.31% to 5.75% due 2012	AM-13, AN-17	\$ -	\$ 195,000
2.75% to 5.13% due 2013	AP-20	145,000	283,000
2.75% to 5.50% due 2014	AQ-08	279,000	408,000
2.75% to 4.80% due 2014	AR-23	2,077,000	2,365,000
3.75% to 4.75% due 2015	AT-27	1,030,000	1,346,000
4.30% to 4.45% due 2016	AV-29	3,279,000	3,743,000
4.55% to 6.30% due 2017	AW-08	3,435,000	3,810,000
1.00% to 4.50% due 2019	BB-25	5,548,000	5,967,000
1.50% to 3.85% due 2020	BB-22	1,520,000	1,618,000
1.35% to 3.45% due 2021	BF-21	1,414,000	1,500,000
2.10% to 5.55% due 2023	AY-16, AZ-27	<u>4,633,000</u>	<u>5,136,000</u>
		<b><u>23,360,000</u></b>	<b><u>26,371,000</u></b>

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**  
**DECEMBER 31, 2012**

**6. Long-term debt (continued)**

New Brunswick Municipal Finance Corporation

Interest rate and due dates	Debenture #	2012	2011
<i>Utility capital</i>			
2.75% to 5.13% due 2013	AP-21	72,000	141,000
2.75% to 5.50% due 2014	AQ-09	54,000	79,000
4.30% to 4.45% due 2016	AV-30	1,250,000	1,314,000
4.30% to 4.55% due 2017	AW-09	847,000	996,000
2.10% to 4.95% due 2018	AY-17, AZ-28	1,370,000	1,567,000
1.50% to 3.85% due 2020	BD-23	<u>1,597,000</u>	<u>1,699,000</u>
		<u>5,190,000</u>	<u>5,796,000</u>
		28,550,000	32,167,000

Other long-term debt

Mortgage payable executed to secure a parcel of land for future use. The mortgage is without interest and is payable in annual instalments each March 31 until 2012		<u>-</u>	<u>40,000</u>
		<b><u>\$ 28,550,000</u></b>	<b><u>\$ 32,207,000</u></b>

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

2013	3,556,000
2014	4,933,000
2015	3,107,000
2016	5,042,000
2017	3,620,000

Approval of the Municipal Capital Borrowing Board has been obtained for the debenture debt reported and all the long-term debt has been approved by Order-in-Council of the Provincial Legislature

**7. Accrued pension liability**

Pension benefits are provided to employees of the Municipality of the Town of Riverview, New Brunswick under the Pension Plan for Employees of the Town of Riverview established in 1974. The plan is registered and meets the requirements of Canada Revenue Agency and the Superintendent of Pensions for New Brunswick. The plan is a defined benefit plan with employees contributing 6% of earnings. The Town is currently contributing 13.4% of employees' earnings. The Town's contribution amount will change to 14.2% of employees' earnings in 2013.

The contribution by the Town in 2012 was \$706,000 (2011 - \$663,100) Total benefit payments to retirees during the year were \$663,600 (2011 - \$534,300). A separate pension fund is maintained. The Town is in a net unfunded position at December 31, 2012 as follows:

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**  
**DECEMBER 31, 2012**

**7. Accrued pension liability (continued)**

	2012	2011
Fair market value of plan assets	\$ 16,338,200	\$ 14,567,500
Accrued benefit obligation	<u>(17,981,700)</u>	<u>(17,110,400)</u>
Funded status	(1,643,500)	(2,542,900)
Unamortized actuarial losses	<u>281,300</u>	<u>1,146,000</u>
Accounting pension liability	<b><u>\$ (1,362,200)</u></b>	<b><u>\$ (1,396,900)</u></b>

Actuarial valuations for accounting purposes are performed annually using the traditional unit credit method. The most recent valuation of the Pension Plan by the Town's actuaries, Eckler Ltd. was carried out effective December 31, 2012. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the employee group (14 years).

The actuarial valuation was based on a number of assumptions about future events, such as interest rates, employee turnover and mortality. The assumptions used reflect the Town's best estimates:

Discount rate	5.75%
Mortality	UP94 with Generational Projection
Retirement age	Earlier of age 65 or Rule of 85

	2012	2011
Current period benefit cost	\$ 747,656	\$ 722,452
Amortization of actuarial gain/losses	<u>81,858</u>	<u>-</u>
Less: Employee contributions	829,514 <u>(297,082)</u>	722,452 <u>(296,898)</u>
Pension expense	532,432	425,554
Interest cost on the average accrued benefit obligation	<u>138,874</u>	<u>85,792</u>
Total expenses related to pension	<b><u>\$ 671,306</u></b>	<b><u>\$ 511,346</u></b>

The employer contribution expense of \$706,000 is included in the statement of operations as a component of department expenses. The change in pension liability of \$34,700 is recorded in general government services.

**8. Accrued retirement allowances**

The Town provides a retirement allowance to eligible employees reaching the minimum retirement age under the pension plan. This amount is payable to the employee upon retirement. For management, upon completion of a minimum of 10 or more years service, employees are entitled to 5 days pay for each year of service to a maximum of 125 days. For union employees, upon completion of a minimum of 10 or more years service, employees are entitled to 1 month regular salary for each 5 years service to a maximum of 6 months. The total unfunded liability included in these financial statements for this accrued retirement allowance is \$944,926 (2012 - \$929,392)



**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
DECEMBER 31, 2012**

**9. Schedule of Tangible Capital Assets**

	Land	Land Improvements	Building	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads Streets Sidewalks Culverts	Water and Sewer Buildings	Water and Sewer Pipes	Total
<b>Cost</b>										
Balance, beginning of year	\$ 658,026	\$ 3,941,363	\$ 20,231,845	\$ 9,711,907	\$ 175,009	\$ 158,349	\$ 72,189,039	\$ 7,029,806	\$ 35,617,255	\$ 149,712,599
Add:										
Net additions during the year	-	40,816	-	364,087	39,824	27,911	4,500,337	-	1,194,946	6,167,921
Less:										
Disposals during the year	-	-	-	(91,873)	-	(158,349)	(164,769)	-	(38,011)	(453,002)
Balance, end of year	<u>658,026</u>	<u>3,982,179</u>	<u>20,231,845</u>	<u>9,984,121</u>	<u>214,833</u>	<u>27,911</u>	<u>76,524,607</u>	<u>7,029,806</u>	<u>36,774,190</u>	<u>155,427,518</u>
<b>Accumulated amortization</b>										
Balance, beginning of year	-	1,633,329	4,073,886	5,677,340	130,011	-	20,855,788	1,006,044	9,642,985	43,019,383
Add:										
Amortization during the year	-	202,434	509,845	736,873	20,304	-	1,477,235	175,745	440,398	3,562,834
Less:										
Accumulated amortization on disposals	-	-	-	(77,392)	-	-	(136,988)	-	(33,827)	(248,207)
Balance, end of year	<u>-</u>	<u>1,835,763</u>	<u>4,583,731</u>	<u>6,336,821</u>	<u>150,315</u>	<u>-</u>	<u>22,196,035</u>	<u>1,181,789</u>	<u>10,049,556</u>	<u>46,334,010</u>
<b>Net Book Value of Tangible Capital Assets December 31, 2012</b>	<u>\$ 658,026</u>	<u>\$ 2,146,416</u>	<u>\$ 15,648,114</u>	<u>\$ 3,647,300</u>	<u>\$ 64,518</u>	<u>\$ 27,911</u>	<u>\$ 54,328,572</u>	<u>\$ 5,848,017</u>	<u>\$ 26,724,634</u>	<u>\$ 109,093,508</u>
<b>Net Book Value of Tangible Capital Assets December 31, 2011</b>	<u>\$ 658,026</u>	<u>\$ 2,308,034</u>	<u>\$ 16,157,959</u>	<u>\$ 4,034,567</u>	<u>\$ 44,998</u>	<u>\$ 158,349</u>	<u>\$ 51,333,251</u>	<u>\$ 6,023,762</u>	<u>\$ 25,974,270</u>	<u>\$ 106,693,216</u>

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**  
**DECEMBER 31, 2012**

**10. Short-term borrowings compliance**

**Interim borrowing for capital**

Bank overdrafts are amounts due to the bank with interest payable on a monthly basis at prime less .75% (currently 2.25%) These amounts are secured by resolutions signed by the Municipal Capital Borrowing Board, Province of New Brunswick. Under the resolutions, the Town has orders in council (OIC) amounts available of \$NIL and \$500,000 for the General Capital and Utility Capital Funds respectively.

The Town has Orders In Council outstanding for short-term borrowings as follows:

		General Capital	Utility Capital	Total
OIC# 10-16	April 12, 2010	\$ -	\$ 500,000	\$ 500,000
		<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

As of December 31, 2012 the Town's temporary advances net of amounts receivable in the utility capital fund was within its limits in accordance with the Municipalities Act of New Brunswick. As of December 31, 2012 the Town's temporary advances net of amounts receivable in the general capital fund were in excess of OIC's outstanding for that fund. As a result the Town was not within its limits in accordance with the Municipalities Act of New Brunswick.

**Operating borrowing**

As prescribed in the Municipalities Act, the borrowing to finance its General Fund operations is limited to 4% of the Town's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the Town's operating budget. The outstanding amounts of overdrafts in operating funds were as follows:

General Operating	Utility Operating
<u>\$ -</u>	<u>\$ 1,371,351</u>

In 2012, the Town has complied with these restrictions.

**Restricted cash balances**

Included in cash amounts in the financial statements are funds restricted by the Town for specific use. Restricted cash is as follows:

	2012	2011
Riverview P.R.O. Kids	\$ 49,294	\$ 57,647
Gas Tax Fund	544,639	529,482
General Operating Reserve	610,607	603,912
General Capital Reserve	816,559	707,453
General Parkland Reserve	151,847	144,840
Utility Operating Reserve	98,874	97,790
Utility Capital Reserve	<u>141,995</u>	<u>140,438</u>
	<u>\$ 2,413,815</u>	<u>\$ 2,281,562</u>

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**  
**DECEMBER 31, 2012**

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**10. Short-term borrowings compliance (continued)**

**Inter-fund borrowing**

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between funds are in compliance with the requirements.

**11. Contingency**

As at December 31, 2012 there was a legal action against the Town of Riverview. This legal action is in connection with externally contracted services. The claimant has calculated damages of approximately \$865,000. Management believes they have a defensible position on this matter, and therefore no amount has been accrued in these financial statements.

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
DECEMBER 31, 2012**

**12. Schedule of accumulated surplus reconciliation to Public Sector Accounting Board (PSAB) requirements for the year ended December 31, 2011**

	General Operating Fund	Capital General Fund	Water & Sewer Operating Fund	Water & Sewer Capital Fund	General Reserve Funds	Water & Sewer Reserve Funds	Total
2011 annual fund surplus as previously reported	\$ 101,741	\$ 5,129,908	\$ 6,783	\$ (451,248)	\$ (300,040)	\$ 2,605	\$ 4,489,749
Second previous years' surplus	(11,587)	-	(4,339)	-	-	-	(15,926)
Transfer elimination	2,503,535	(3,503,535)	315,439	(315,439)	1,000,000	-	-
Long-term debt principal payments	3,011,000	(3,011,000)	584,000	(584,000)	-	-	-
Amortization expense	-	(2,852,390)	-	(663,009)	-	-	(3,515,399)
Contributed tangible capital assets	-	726,415	-	227,600	-	-	954,015
Adjustment to tangible capital assets in anticipation of PSAB	-	2,070,683	-	1,213,490	-	-	3,284,173
Loss on disposal of tangible capital assets	-	(96,942)	-	(72,479)	-	-	(169,421)
Recovery of pension accrual	151,700	-	-	-	-	-	151,700
Sick leave accrual	9,694	(895)	-	-	-	-	8,799
Change in deferred government transfers	-	-	-	346,571	-	-	346,571
Miscellaneous	-	(41,586)	-	(12,758)	-	-	(54,344)
2011 annual surplus (deficit) per PSAB requirements	5,766,083	(1,579,342)	901,883	(311,272)	699,960	2,605	5,479,917
Accumulated surplus before prior period adjustment, January 1, 2011	269,790	74,388,209	11,431	24,845,711	1,756,245	235,622	101,507,008
Accumulated surplus before prior period adjustment, December 31, 2011	6,035,873	72,808,867	913,314	24,534,439	2,456,205	238,227	106,986,925
Prior period adjustments	(1,702,701)	(31,833,699)	(30,939)	894,272	-	-	(32,673,067)
Accumulated surplus per PSAB requirement, December 31, 2011	\$ 4,333,172	\$ 40,975,168	\$ 882,375	\$ 25,428,711	\$ 2,456,205	\$ 238,227	\$ 74,313,858

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SCHEDULE OF SEGMENT DISCLOSURES**  
**DECEMBER 31, 2012**

Schedule 1

	General Government	Protective	Transportation	Environmental Health & Development	Recreational and Cultural	Water & Sewer	Total 2012	Total 2011
<b>Revenue</b>								
Property tax warrant	\$ 7,363,103	\$ 6,036,687	\$ 3,176,115	\$ 1,585,826	\$ 3,157,586	\$ -	\$ 21,319,317	\$ 20,521,713
Other contributions and government transfers	847,470	224,764	-	-	-	1,887,864	2,960,098	3,055,367
Sales of services	60,684	172,038	-	-	1,000,529	-	1,233,251	1,236,291
Other revenue from own sources	469,361	107,629	-	-	-	230,820	807,810	686,457
Water and sewer revenue	-	-	-	-	-	5,700,335	5,700,335	5,545,306
<b>Total revenue</b>	<u>8,740,618</u>	<u>6,541,118</u>	<u>3,176,115</u>	<u>1,585,826</u>	<u>4,158,115</u>	<u>7,819,019</u>	<u>32,020,811</u>	<u>31,045,134</u>
<b>Expenses</b>								
Salaries and benefits	880,830	2,206,623	706,600	133,199	2,249,400	1,228,746	7,405,398	7,102,662
Goods and services	813,203	3,975,895	2,205,924	1,667,286	1,698,122	3,416,622	13,777,052	13,650,216
Amortization, disposals and transfers	3,562,834	-	-	-	-	-	3,562,834	3,515,399
Interest	1,100,920	-	-	-	-	234,352	1,335,272	1,448,640
Pension	(34,700)	-	-	-	-	-	(34,700)	(151,700)
	<u>6,323,087</u>	<u>6,182,518</u>	<u>2,912,524</u>	<u>1,800,485</u>	<u>3,947,522</u>	<u>4,879,720</u>	<u>26,045,856</u>	<u>25,565,217</u>
<b>Surplus (deficit)</b>	<u>\$ 2,417,531</u>	<u>\$ 358,600</u>	<u>\$ 263,591</u>	<u>\$ (214,659)</u>	<u>\$ 210,593</u>	<u>\$ 2,939,299</u>	<u>\$ 5,974,955</u>	<u>\$ 5,479,917</u>

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SCHEDULE OF REVENUES**  
**DECEMBER 31, 2012**

Schedule 2

	2012 Budget (Unaudited)	2012 Actual	2011 Actual
<b>Other contributions and government transfers</b>			
Gas tax program	\$ 1,370,636	\$ 1,370,636	\$ 1,732,364
Donated assets - developers	1,191,198	1,191,198	954,015
Fire-local service district	196,000	224,764	195,500
Roads and streets	160,000	159,559	159,539
Lane marking	<u>14,500</u>	<u>13,941</u>	<u>13,949</u>
	<b><u>\$ 2,932,334</u></b>	<b><u>\$ 2,960,098</u></b>	<b><u>\$ 3,055,367</u></b>
<b>Sales of services</b>			
Community centre	\$ 199,566	\$ 203,442	\$ 194,465
Swimming pools	163,608	153,719	149,877
Skating rinks and arenas	414,400	435,858	425,932
Other recreational programs	219,000	207,509	192,240
RCMP building lease	172,038	172,038	170,186
Fundy Station lease income	83,400	45,227	89,455
Other - culverts, curb cutting	<u>19,000</u>	<u>15,458</u>	<u>14,136</u>
	<b><u>\$ 1,271,012</u></b>	<b><u>\$ 1,233,251</u></b>	<b><u>\$ 1,236,291</u></b>
<b>Other revenue from own sources</b>			
Licences and permits			
Building	\$ 200,000	\$ 283,432	\$ 177,338
Animal	50,000	45,155	48,160
Planning commission	53,955	39,370	44,140
Fines			
Municipal By-Law	110,000	107,629	114,015
Return on investments			
Interest	113,500	209,659	166,711
Interest on loans and advances	12,400	14,696	68,649
Past due interest	1,000	972	6,831
Interest on reserve funds	18,867	18,867	22,065
Loss on sale of assets	-	(9,445)	(84,797)
Miscellaneous	17,700	27,976	42,845
Money in lieu of parkland	<u>5,380</u>	<u>5,380</u>	<u>80,500</u>
	<b><u>\$ 582,802</u></b>	<b><u>\$ 743,691</u></b>	<b><u>\$ 686,457</u></b>
<b>Water and sewerage revenue</b>			
Water user charges - residential	\$ 2,397,060	\$ 2,399,618	\$ 2,378,482
- other	691,000	659,870	639,002
Sewer user charges - residential	977,309	978,286	969,704
- other	232,750	222,589	218,470
Sewer treatment levy	1,450,745	1,439,972	1,275,177
Water and sewer other revenue	<u>59,400</u>	<u>64,119</u>	<u>64,471</u>
	<b><u>\$ 5,808,264</u></b>	<b><u>\$ 5,764,454</u></b>	<b><u>\$ 5,545,306</u></b>

° MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK  
 SCHEDULE OF EXPENSES  
 DECEMBER 31, 2012

Schedule 3

	2012 Budget (Unaudited)	2012 Actual	2011 Actual
<b>General government services</b>			
Legislative			
Mayor	\$ 29,850	\$ 28,962	\$ 27,654
Councillors	109,085	112,128	109,547
Other	<u>20,050</u>	<u>20,043</u>	<u>23,454</u>
	<u>158,985</u>	<u>161,133</u>	<u>160,655</u>
Administrative			
Manager	227,744	231,484	213,731
Office building	56,100	54,940	55,947
Solicitor	100,000	47,669	77,649
Other	<u>138,700</u>	<u>75,396</u>	<u>130,876</u>
	<u>522,544</u>	<u>409,489</u>	<u>478,203</u>
Financial Management			
Administrative	242,817	245,981	231,613
Accounting	<u>256,439</u>	<u>260,317</u>	<u>237,382</u>
	<u>499,256</u>	<u>506,298</u>	<u>468,995</u>
Other General Government Services			
Civic relations	31,200	38,477	35,972
Other general government services	20,425	7,623	23,295
Public liability insurance premiums	105,000	104,652	112,784
Grants to organizations	249,063	220,921	228,092
Assessment costs	245,436	245,436	235,215
Amortization of tangible assets	3,562,834	3,562,834	3,515,399
Pension	<u>(34,700)</u>	<u>(34,700)</u>	<u>(151,700)</u>
	<u>4,179,258</u>	<u>4,145,243</u>	<u>3,999,057</u>
	<u>\$ 5,360,043</u>	<u>\$ 5,222,163</u>	<u>\$ 5,106,910</u>
<b>Protective services</b>			
Police			
Traffic activities	\$ 9,000	\$ 4,560	\$ 7,800
Station and building	148,175	171,130	132,577
RCMP	2,983,028	2,983,028	3,029,017
Other	<u>83,250</u>	<u>81,126</u>	<u>79,949</u>
	<u>3,223,453</u>	<u>3,239,844</u>	<u>3,249,343</u>
Fire			
Administration	\$ 2,020,856	\$ 1,999,456	\$ 1,951,710
Volunteers	79,750	81,276	76,624
Fire alarm system	33,750	32,818	15,564
Fire investigation and prevention	11,200	9,996	19,746

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SCHEDULE OF EXPENSES (CONTINUED)**  
**DECEMBER 31, 2012**

Schedule 3

	2012 Budget (Unaudited)	2012 Actual	2011 Actual
<b>Protective services (continued)</b>			
Fire (continued)			
Water costs	300,000	300,000	300,000
Training and development	53,320	58,998	55,746
Station and building	89,700	90,633	81,618
Firefighting equipment	123,800	151,431	114,544
Other	<u>10,400</u>	<u>7,635</u>	<u>8,497</u>
	<u>2,722,776</u>	<u>2,732,243</u>	<u>2,624,049</u>
Other			
Building inspection	98,005	104,892	92,103
Animal and pest control	<u>104,257</u>	<u>105,541</u>	<u>102,192</u>
	<u>202,262</u>	<u>210,433</u>	<u>194,295</u>
	<b><u>\$ 6,148,491</u></b>	<b><u>\$ 6,182,520</u></b>	<b><u>\$ 6,067,687</u></b>
<b>Transportation services</b>			
Common Services			
Administration	\$ 711,306	\$ 706,600	\$ 666,112
General equipment	136,400	149,262	130,694
Workshops, yard and other buildings	<u>98,700</u>	<u>88,464</u>	<u>112,905</u>
	<u>946,406</u>	<u>944,326</u>	<u>909,711</u>
Road transport			
Engineering planning, supervision	<u>114,500</u>	<u>89,916</u>	<u>56,700</u>
Roads and streets			
Summer maintenance	204,000	242,096	195,171
Culverts and drainage ditches	48,700	38,057	51,400
Storm sewers	40,000	23,387	38,594
Street cleaning	3,000	2,256	2,755
Snow and ice removal	<u>640,443</u>	<u>599,777</u>	<u>715,011</u>
	<u>936,143</u>	<u>905,573</u>	<u>1,002,931</u>
Street lighting	<u>507,000</u>	<u>494,164</u>	<u>481,869</u>
Traffic services			
Street signs	16,000	19,580	12,479
Traffic lane marking	50,000	40,644	41,284
Traffic signals	5,000	18,315	2,064
Crosswalks	5,500	1,498	8,751
Public transit	<u>525,000</u>	<u>398,508</u>	<u>504,461</u>
	<u>601,500</u>	<u>478,545</u>	<u>569,039</u>
	<b><u>\$ 3,105,549</u></b>	<b><u>\$ 2,912,524</u></b>	<b><u>\$ 3,020,250</u></b>



**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SCHEDULE OF EXPENSES (CONTINUED)**  
**DECEMBER 31, 2012**

Schedule 3

	2012 Budget (Unaudited)	2012 Actual	2011 Actual
<b>Environmental health and development services</b>			
Environmental health services			
Garbage and waste collection	447,879	474,543	453,511
Landfill costs	<u>355,848</u>	<u>355,390</u>	<u>346,298</u>
	<u>803,727</u>	<u>829,933</u>	<u>799,809</u>
Environmental development services			
Community planning	344,158	344,158	331,848
Community development	90,000	90,000	80,000
Economic development and tourism	297,211	265,539	229,310
Beautification and land rehabilitation	<u>256,205</u>	<u>270,856</u>	<u>261,684</u>
	<u>987,574</u>	<u>970,553</u>	<u>902,842</u>
	<b><u>\$ 1,791,301</u></b>	<b><u>\$ 1,800,486</u></b>	<b><u>\$ 1,702,651</u></b>
<b>Recreation and cultural services</b>			
Administration	\$ 1,912,028	\$ 1,947,462	\$ 1,866,858
Community centres and halls	598,455	571,468	542,239
Swimming pools	338,488	339,086	293,029
Rinks and arenas	410,900	494,673	418,918
Parks and playgrounds	245,800	226,341	150,492
Other recreational facilities	184,200	172,716	185,982
Library	28,400	31,389	25,938
Fundy Chocolate River Station	114,629	142,904	123,370
Other	<u>22,650</u>	<u>21,484</u>	<u>36,660</u>
	<b><u>\$ 3,855,550</u></b>	<b><u>\$ 3,947,523</u></b>	<b><u>\$ 3,643,486</u></b>
<b>Water supply</b>			
Administration	\$ 109,505	\$ 111,277	\$ 104,547
Power and pumping	23,000	20,677	21,429
Billing and collection	82,324	80,940	77,641
Water purchased	1,063,600	1,028,478	990,045
Other	<u>1,309,958</u>	<u>1,249,381</u>	<u>1,255,487</u>
	<b><u>\$ 2,588,387</u></b>	<b><u>\$ 2,490,753</u></b>	<b><u>\$ 2,449,149</u></b>
<b>Sewerage collection and disposal</b>			
Administration	\$ 44,155	\$ 44,870	\$ 42,167
Sewerage treatment and disposal	1,319,730	1,471,930	1,292,340
Sewerage lift stations	3,000	164	1,171
Other	<u>771,747</u>	<u>637,651</u>	<u>790,766</u>
	<b><u>\$ 2,138,632</u></b>	<b><u>\$ 2,154,615</u></b>	<b><u>\$ 2,126,444</u></b>

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SCHEDULE OF EXPENSES (CONTINUED)**  
**DECEMBER 31, 2012**

Schedule 3

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	2012 Budget (Unaudited)	2012 Actual	2011 Actual
<b>Interest and miscellaneous</b>			
Interest on bank overdraft	\$ 33,432	\$ 13,583	\$ 26,539
Interest on long-term debt	<u>1,337,583</u>	<u>1,321,689</u>	<u>1,422,101</u>
	<u>\$ 1,371,015</u>	<u>\$ 1,335,272</u>	<u>\$ 1,448,640</u>

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK**  
**SCHEDULES OF REGULATORY REPORTING REQUIREMENTS**  
**DECEMBER 31, 2012**

The Department of Local Government of New Brunswick has requested some disclosures in addition to Canadian Public Sector Accounting Standards for monitoring purposes. The Town has provided these disclosure requirements in the following pages

**1. Reconciliation of Annual Surplus**

	General Operating Fund	General Capital Fund	Water & Sewer Operating Fund	Water & Sewer Capital Fund	General Reserve Fund	Water & Sewer Reserve Fund	Total
2012 annual surplus	\$ 54,485	\$ 7,049,373	\$ 889	\$ 1,360,613	\$ 122,808	\$ 2,641	\$ 8,590,809
<i>Adjustments to annual surplus for funding requirements</i>							
Second previous year surplus	(258,203)	-	(7,092)	-	-	-	(265,295)
Transfers between funds							
Transfer from operating to capital	5,514,535	(5,514,535)	1,046,180	(1,046,180)	-	-	-
Transfer from reserve to capital	(500,000)	-	-	-	500,000	-	-
Transfer from operating to reserve	601,202	-	-	-	(601,202)	-	-
Provision for accrued pension liability	34,700	-	-	-	-	-	34,700
Amortization expense	(2,891,029)	-	-	(671,805)	-	-	(3,562,834)
Contributed tangible capital assets	-	673,970	-	517,228	-	-	1,191,198
Change in deferred government transfers	-	-	-	(15,157)	-	-	(15,157)
Miscellaneous	1,534	-	-	-	-	-	1,534
Total adjustments to 2012 annual surplus	2,502,739	(4,840,565)	1,039,088	(1,215,914)	(101,202)	-	(2,615,854)
<b>2012 annual fund surplus</b>	<b>\$ 2,557,224</b>	<b>\$ 2,208,808</b>	<b>\$ 1,039,977</b>	<b>\$ 144,699</b>	<b>\$ 21,606</b>	<b>\$ 2,641</b>	<b>\$ 5,974,955</b>

MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK  
 SCHEDULES OF REGULATORY REPORTING REQUIREMENTS  
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2. Statement of reserves

	General		Water & Sewer		Total
	Operating	Capital	Operating	Capital	
<b>Assets</b>					
Cash	\$ 610,607	\$ 816,559	\$ 98,874	\$ 141,995	\$ 1,694,433
<b>Accumulated Surplus</b>	<b>\$ 610,607</b>	<b>\$ 816,559</b>	<b>\$ 98,874</b>	<b>\$ 141,995</b>	<b>\$ 1,694,433</b>
<b>Revenue</b>					
Interest	6,695	7,904	1,084	1,557	18,867
Money in lieu of parkland	-	-	-	-	5,380
Transfers from operating funds	-	601,202	-	-	601,202
	6,695	609,106	1,084	1,557	625,449
<b>Expenses</b>					
Transfer to capital funds	-	500,000	-	-	500,000
<b>Annual surplus</b>	<b>\$ 6,695</b>	<b>\$ 109,106</b>	<b>\$ 1,084</b>	<b>\$ 1,557</b>	<b>\$ 125,449</b>
					<b>602,565</b>

**MUNICIPALITY OF THE TOWN OF RIVERVIEW, NEW BRUNSWICK  
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**3. Reconciliation of Operating Budget to Public Sector Accounting for year ended December 31, 2012**

Revenue	Operating	Amortization	Other	Transfers	Total
Warrant of assessment	\$ 19,864,822	\$ -	\$ -	\$ -	\$ 19,864,822
Unconditional transfers from Provincial Government	1,454,495	-	-	-	1,454,495
Other contributions and government transfers	370,500	-	2,561,834	-	2,932,334
Sales of services	1,271,012	-	-	-	1,271,012
Other revenue from own sources	617,955	-	24,247	-	642,202
Water and sewer revenue	6,048,864	-	-	(300,000)	5,748,864
	<u>29,627,648</u>	<u>-</u>	<u>2,586,081</u>	<u>(300,000)</u>	<u>31,913,729</u>
<b>Expenses</b>					
General government services	1,831,909	3,562,834	(34,700)	-	5,360,043
Protective services	6,148,491	-	-	-	6,148,491
Transportation services	3,105,549	-	-	-	3,105,549
Environment health and development	1,791,301	-	-	-	1,791,301
Recreation and cultural services	3,855,550	-	-	-	3,855,550
Water supply	2,888,387	-	-	(300,000)	2,588,387
Sewerage collection and disposal	2,138,632	-	-	-	2,138,632
Interest expense and miscellaneous	1,371,015	-	-	-	1,371,015
	<u>23,130,834</u>	<u>3,562,834</u>	<u>(34,700)</u>	<u>(300,000)</u>	<u>26,358,968</u>
<b>Fiscal services</b>					
Transfer from operating fund to capital fund	6,008,707	-	-	(6,008,707)	-
Transfer from operating fund to reserve fund	753,402	-	-	(753,402)	-
Second previous years' surplus	(265,295)	-	-	265,295	-
	6,496,814	-	-	(6,496,814)	-
	<u>29,627,648</u>	<u>3,562,834</u>	<u>(34,700)</u>	<u>(6,796,814)</u>	<u>26,358,968</u>
<b>Annual surplus</b>	<u>\$ -</u>	<u>\$ (3,562,834)</u>	<u>\$ 2,620,781</u>	<u>\$ 6,496,814</u>	<u>\$ 5,554,761</u>